



# ANNUAL REPORT 2023-24



UNIVERSITY  
OF ALBERTA



# TABLE OF

# CONTENTS

<b>INSTITUTIONAL INFORMATION</b>	<b>2</b>
Institutional Overview	3
List of Figures and Tables	3
Treaty Acknowledgement	4
Message from the President	5
Operational Overview	6
Shape	14
<b>ACCOUNTABILITY ACKNOWLEDGEMENTS</b>	<b>16</b>
<b>PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT</b>	<b>18</b>
<b>GOALS AND PERFORMANCE MEASURES</b>	<b>19</b>
Student supports and services	20
Strategic research priorities	26
Collaborations	32
<b>FINANCIAL INFORMATION</b>	<b>37</b>
Appendix 1: Audited Financial Statements	37
<b>SELF-GENERATED REVENUE</b>	<b>38</b>
<b>CAPITAL REPORT</b>	<b>39</b>
<b>FREE SPEECH REPORTING</b>	<b>46</b>
Free Speech Policy Information	47
Cancelled Events	48
Free-Speech Related Complaints	49
<b>BOARD OF GOVERNORS' TRAINING ON FOR-PROFIT VENTURE</b>	<b>50</b>
<b>APPENDIX 1: AUDITED FINANCIAL STATEMENTS</b>	<b>51</b>
<b>APPENDIX 2: CONSOLIDATED FINANCIAL STATEMENTS: DISCUSSION AND ANALYSIS</b>	<b>85</b>



# Institutional Information

# INSTITUTIONAL **Overview**

Institution name: **University of Alberta**

President name: **Bill Flanagan**

Board chair: **Kate Chisholm**

# LIST OF **Figures and Tables**

## LIST OF FIGURES AND TABLES

Table 01: Student Enrolment Growth	22
Table 02: Student Completion Rates	23
Table 03: Proportion of International Students	23
Table 04: Sponsored Research Revenue, FY 2023-24	28
Table 05: Sponsored Research Income, 2018-2024	29
Table 06: Top Capital Priorities Identified to the Government of Alberta	41
Table 07: Current and Exploratory Initiatives	43
Table 08: Free Speech-Related Complaints Submitted in Accordance with the University's Free Speech Policy	49

TREATY

# Acknowledgement

**The University of Alberta respectfully acknowledges that we are located on Treaty 6 territory, a traditional gathering place for diverse Indigenous peoples, including the Cree, Blackfoot, Métis, Nakota Sioux, Iroquois, Dene, Ojibway/Saulteaux/Anishinaabe, Inuit, and many others whose histories, languages, and cultures continue to influence our vibrant community.**







## MESSAGE FROM THE **President**

**For more than a century, the University of Alberta has been the preeminent post-secondary institution in the province. We have built a strong tradition of educating leaders and inspiring entrepreneurs and global citizens. We have a well-deserved reputation for using innovation and creativity to enact economic, social and cultural change.**

We are a world-class post-secondary institution known for excellence in research, education, and teaching. We have a proven track record of leading real, transformative change in the world. This excellence is reaffirmed in our global rankings: the U of A had its best ranking in the 20-year history of the Academic Ranking of World Universities and we climbed nine places in Times Higher Education World University Rankings over the previous year.

To build on our exemplary record and ensure the U of A ascends to new heights, in 2023, we launched the university's bold 10-year strategic plan, *Shape*, which will guide us as we grow the university's reputation and impact.

Developing, launching, and operationalizing *Shape* has been a primary focus of the last year, and for good reason – it will drive all aspects of our institution as we move forward.

Our strategic plan is rooted in the University of Alberta's deep commitment to equity, diversity, inclusion, and accessibility. It builds on our work to advance Truth and Reconciliation and incorporates and honours Indigenous identities, languages, cultures, and worldviews across the university.

*Shape* reaffirms our commitment to deliver innovative, flexible learning and work-integrated experiences that prepare our students as global citizens. To ensure more Albertans have access to a world-class education, the strategic plan includes an ambitious enrolment goal, aiming for 60,000 students by 2033. The strategic plan also includes increasing our research revenue and impact and increasing our connections to community members, industry partners and government.

I'm excited to see how our strategic plan will transform the university and, in turn, the province over the next decade.

As this 2023-24 Annual Report demonstrates, we will continue driving discovery and innovation, forging strong collaborative partnerships in the community and with industry, educating tomorrow's workforce, and meeting the challenge of building a better future for all.

**Bill Flanagan**  
President and Vice-Chancellor

INSTITUTIONAL

# Overview

**The Alberta economy has continued to grow over the last 12 months. The province led the country with a 2.6 per cent gross domestic product (GDP) increase in 2023, primarily due to a resurgent energy sector and pronounced population growth.**





Alberta's economy is set for continued expansion this year, underpinned by strong population growth, robust business investment and an anticipated reduction from high interest rates and inflation. Real GDP growth is forecast to grow again in 2024, diverging from the slow growth trend in Canada and globally.

In February, the Government of Alberta presented its 2024-25 fiscal budget, which included plans to strengthen health care and K-12 education, build safe and supportive communities, manage the province's resources wisely, and promote job creation to continue building Alberta's competitive advantage. The 2024-25 budget projects an overall surplus of \$367 million.

As it looks toward the future, the government continues to focus on building a job-ready workforce with the knowledge and training needed to succeed in today's economy and the evolving economy of the future. As the province's flagship research-intensive post-secondary institution, the University of Alberta will be an integral partner in achieving these lofty provincial goals.

This annual report demonstrates that the U of A is positioned for continued growth and success. We attract and educate some of the brightest minds in Canada and worldwide, fueling the province's skilled workforce. Our excellence in multidisciplinary research drives innovation and commercialization activities and expands national and international partnerships and investments. In addition to educating the next generation of leaders and global citizens, the U of A continues to be a gateway through which Albertans—and the province itself—can access the world.

With every innovation, every discovery, every global partnership formed, and every alum working in the international market, the U of A advances the province's global brand in a marked and meaningful way.

## CONTINUING INFLATIONARY PRESSURES AND HIGHER PRICES

Beginning in 2021, higher gasoline, shelter, food and consumer goods prices put upward pressure on consumer inflation. Although down from a peak of 8.1 per cent in June 2022, rising prices and inflationary pressures continue to be seen at the University of Alberta. By December 2023, year-over-year changes in the Consumer Price Index had slowed to 3.0 per cent in Alberta (versus a national rate of 3.4 per cent). However, Alberta's food and shelter costs continued rising above the national average.

This increased cost of goods is felt throughout the U of A community. Many Albertans – including students, faculty and staff – continue to be affected by the marked increase in food, shelter and other goods. Similarly, institutional costs have increased, adding additional budgetary pressures for the university.

Beginning in 2021, higher gasoline, shelter, food and consumer goods prices put upward pressure on consumer inflation.

## ENROLMENT GROWTH

Alberta's economic outlook is positive, with ATB Financial predicting 2.3 per cent real GDP growth in 2024 and 2.7 per cent in 2025, outpacing the national average.

The U of A is a vital driver of this growth and prosperity. To sustain it, we must maintain an Alberta that attracts and retains talented people and investments. With a strong post-secondary learning system, Albertans can get the high-quality training and skills they need here at home to meet the labour market needs of tomorrow's economy.

The province continues to face a tight labour market. The Government of Canada's October 2022 Labour Market Bulletin for Alberta warned, "While the province has been experiencing an economic windfall recently, labour shortages in key sectors, especially the health-care sector, continue to threaten growth." By 2030, experts predict an acute need for more engineering, health care, science and business professionals. The Government of Alberta also anticipates a need for more teachers, registered nurses and registered psychiatric nurses, information systems analysts and consultants, computer programmers and interactive media developers, and graphic designers.

Another challenge is that we are now losing more Alberta students than we are gaining from other parts of Canada. In 2018-19, 14,000 students left Alberta to study elsewhere, a more significant number than any other province in Canada. Many of them will put down roots elsewhere and never return.

Fortunately, our province is home to a young and growing population. The number of Alberta high school graduates is projected to grow by 20 per cent in the next five years. To accommodate this demographic boon, we urgently need to grow Alberta's post-secondary sector so these high school graduates will have the opportunities they need to thrive in Alberta's growing economy.

We are tackling this challenge head-on at the U of A, where we are home to 25 per cent of Alberta's post-secondary students. In partnership with the province through the Targeted Enrolment Expansion program, we have been actively investing in enrolment growth to support areas of greatest demand by both students and industry. Our enrolment now exceeds 44,700 students, including more than 2,000 Indigenous students.

This growth is encouraging, but we have an even more ambitious goal: As part of our *Shape* strategic plan for impact, we aim to increase our enrolment to 60,000 students over the next decade.

We know that such growth needs to be supported by thoughtful planning and engagement. We are developing an Integrated Enrolment Growth Plan – a co-ordinated effort to ensure our growth ensures continued access for students, enhances our impact in Alberta and around the world, and enables investments to secure a sustainable future for the U of A. The first phase of this plan is now underway; the second phase of community engagement and feedback will begin in the first half of the 2024-25 fiscal year.

U of A graduates are essential to Alberta's economic growth and prosperity. Over the last decade, 84 per cent of our graduates have stayed in the province, helping to grow and diversify its economy. Ninety-four per cent of our graduates are employed two years after graduation, and 97 per cent of graduates work in a job related to their field of study.

The more we offer students the opportunity to study here at home at one of the world's top 100 universities, the more we will see their talents contribute to a diversified and thriving Alberta economy.

## ALBERTA 2023-24 POST-SECONDARY FINANCIAL AND GOVERNANCE CONTEXT

The Alberta economy continued to strengthen throughout 2023-24, leading the country in several economic indicators. Nationally, inflation and a housing crisis negatively impacted several markets, however, Alberta's economy remained resilient and the province attracted record inter-provincial migration. It was a year of significant political developments, with a general election, federal-provincial tension, and the ripple effects of both new and ongoing international conflicts.

On February 28, 2023, the first budget under United Conservative Party (UCP) leader Danielle Smith was tabled. Entitled *Securing Alberta's Future*, the budget announced a \$2.4 billion surplus despite overall expenditure increases of three per cent over the 2022-23 forecast. However, the budget address also noted that legislation would be introduced to cap future budget increases to inflation and population

growth, and that balanced budgets would also be legislated, with debt repayment and Heritage Trust Fund Savings prioritized.

Budget 2023 represented the first time in three years that the university's operating grant stabilized, at \$436.6 million, after decreasing by \$222 million since the 2020 budget. The university operates in an inflationary environment, however, and despite no direct cut, the university continues to deal with challenges related to increased costs. However, the University of Alberta received an increase of just over 5 per cent to its Capital Maintenance and Renewal funding, with nearly \$37 million going towards infrastructure on campus, including deferred maintenance. Total deferred maintenance costs continue to grow, and remain a priority point for discussions with the province.





Additional enrolment in targeted areas was supported through the Targeted Enrolment Expansion (TEE) program, with \$111 million over three years to support extra seats in high-demand sectors such as non-trade construction, energy, technology and business. \$87 million of this funded year four of degree programs and year two of diploma programs announced under previous TEE funding, leaving \$24 million in new money for the sector as a whole. With the university's applications alone up 22 per cent over the past five years, the funding was inadequate to address significant demographic pressures across the sector, and the university continued to work with the government throughout the year to convey the importance of ensuring post-secondary spots for Alberta students.

Importantly, the government recognized the need to sustain TEE enrolment growth funding on an ongoing basis, and once TEE enrolment targets are reached, \$31.5 million in new annual funding will be available to support much-needed faculty renewal and growth, for example. We expect to be able to hire 100 new faculty over the next four years.

Budget 2023 also predicted that own-source revenue for post-secondary institutions would grow, largely due to enrolment growth and tuition increases across the sector. However, the government indicated that it would introduce legislation to cap future domestic student tuition increases to two per cent starting in 2024-25. This reinforced the

importance of the University of Alberta, together with sector partners, continuing to work with the government on pathways to deconsolidation, which would enable us to pursue other, non-tuition means to raise revenues. Recognizing that issues independent of the sector's advocacy delayed deconsolidation, Budget 2023 permitted the university to spend up to 15 per cent of our carry forward funds. This meant that the university could access up to \$39.4 million for one-time expenditures, but this remained a temporary solution to longer-standing funding issues. Further advocacy on this issue was delayed due to the general election, held in May 2023, which resulted in significant changes in representation throughout the province.

On February 29, 2024, the Government of Alberta released Budget 2024 entitled *A Responsible Plan for Growing the Province*. The budget was framed as responding to the needs and pressures of a growing population while keeping fiscal responsibility central to funding decisions. While forecasting a small surplus, the province highlighted that its fiscal framework requires half of any surplus to pay down debt. Overall budget spending increased by nearly \$3 billion over 2023-24 forecasts, with forthcoming changes announced to taxation (a decrease in lower-end rates), the Heritage Savings Trust Fund (a \$2 billion investment this year, with plans to grow the fund to \$250-\$400 billion by 2050), and a focus on health care funding and innovation.

Budget 2024 maintained the university's operating grant at \$436.6 million, with the university continuing to face significant ongoing fiscal pressure related to rising costs and rapid inflation. The university received \$34.9 million in Capital Maintenance and Renewal funding, representing a nearly 2 per cent decrease over the previous year, which will be used to address deferred maintenance of our facilities. However, an additional project-specific \$27 million funding envelope was provided to renew the exterior of the Universiade Pavilion, also known as the Butterdome, as well as an additional \$1.3 million to support Campus Saint-Jean upgrades.

No new funding for domestic growth enrolment for degree programs was included in this budget beyond what had previously been announced in the Targeted Enrolment Expansion program. Announced in 2022, TEE focused on increasing seats around Alberta in high-demand areas. The university's share of previously announced TEE will increase from approximately \$16 million in 2023-24 to approximately \$25 million in 2024-25. To address the needs of a rapidly growing young population in Alberta and an application increase to the University of Alberta of 8 per cent over last year, the university will continue to advocate strongly with the government to secure funding for future domestic enrolment expansion.

Of note, Budget 2024 committed \$10 million to increase mental health-related post-secondary seats throughout the province, though details are still forthcoming. The province also committed \$62.4 million over three years to create two Rural Health Professional Training Centres, and this spring, the University of Alberta was pleased to sign a Memorandum of Understanding with Northwestern Polytechnic in Grande Prairie to begin training physicians at the hospital there. This exciting development will eventually result in 120 new physician training spots supporting northern Alberta.

Budget 2024 also forecasts continued growth in post-secondary institutions' own-source revenue, from 53 per cent of operating expenses in 2022-23 to 58 per cent in 2026-27. The university continues to work with the government to ensure that pathways to own-source revenue remain open, as with international student recruitment, or open up, as with ongoing discussions regarding deconsolidation.

The winter 2024 legislative session has been impactful, with the government introducing several pieces of legislation asserting provincial jurisdiction. Several also affect the post-secondary sector, including Bill 13, the *Real Property Governance Act 2024* and Bill 18, the *Provincial Priorities Act*. University administration continues to work with the government to ensure officials understand the impact of the legislation as stakeholder consultations to develop related regulations begin.

## NATIONAL ENVIRONMENT

Throughout 2023-24, the federal government grappled with addressing the increased cost of living as high interest rates, a tight housing market, and increased gas and food prices constrained household expenses and hampered economic growth. On March 28, 2023, the federal government released *Budget 2023, A Made-In-Canada Plan: Strong Middle Class, Affordable Economy, Healthy Future*. The budget presented limited new spending, with very little targeting the post-secondary sector. Among the initiatives to make life more affordable for Canadians, the federal government announced increases in student loan limits, decreased thresholds, and longer interest-free periods. Special loan forgiveness programs targeting doctors and nurses aimed to encourage more rural practitioners.

Perhaps most important for the post-secondary sector was the commitment in the budget to engage with stakeholders on the recommendations in the Report of the Advisory Panel on the Federal Research Support System, also known as the Bouchard Report. The report called for sweeping changes in both the funding and structure of the Canadian research ecosystem in order to boost Canadian competitiveness. Successive years with no increases in the face of rapidly rising inflation have resulted in net cuts to research funding at a time when we need discovery and innovative solutions more than ever. The university continued to advocate with the federal government for increased financial support to the granting councils and the Canadian Foundation for Innovation, as well as for an increase in support for graduate and post-graduate students to stop the brain drain Canada is facing.

In late fall 2023, the federal government announced a series of changes to international student visa processes and stated its intention to align international student recruitment with overall francophone immigration goals, to make changes

to post-study work permits, and to implement a Recognized Institutions Framework (RIF). Post-secondary institutions recognized as having a high standard of services, support and outcomes for international students would benefit, for example, from priority processing of study permits for applicants. The federal government framed the changes as important to ensuring the integrity of the International Student Program.

In part to help address severe housing shortages in certain markets across the country, and to slow down international student growth until the RIF can be implemented, the federal government announced a cap on undergraduate international students in January 2024. However, given that international student numbers are not contributors to Alberta's tight housing market, Alberta's post-secondary institutions worked closely with the Government of Alberta to ensure that the federal cap as applied in Alberta continues to allow for international student growth. As a result, Alberta was one of few provinces not to receive a cut in allocated international student visa applications, and the University of Alberta's strong record in recruiting, retaining and graduating top international students enabled the university to receive a high percentage of the province's total allocation of permits.

In addition to being an important source of revenue for the university, international students enrich learning environments, diversify discourse, and help drive globally engaged research, innovation, and growth for impact. Alberta has significant student demand, labour force needs and ample affordable housing to support further growth in a sustainable manner. Going forward, the university's commitment to grow its international student numbers remains strong, and to that end the university will continue to advocate for higher allocations to Alberta's cap and for the timely implementation of the RIF.



Looking forward to 2024-25, the federal landscape is likely to be dominated by continued inflation and sluggish economic growth. This, combined with multiple commitments made by the minority Liberals to ensure NDP support, will likely result in fiscal restraint. The university will continue to advocate for substantial commitments to student and research support as well as to an enabling policy and regulatory environment that recognizes the unique role that universities play in Canada's competitiveness.

## FUNDRAISING

In 2023-24, the U of A raised \$150.3 million from individuals, corporations, foundations and organizations – surpassing last year's total of \$137.2 million. These funds support the core mission and mandate of the university in the following areas:

- **\$85.8 million** to advance research and discovery
- **\$36.3 million** to enhance teaching, experiential learning and student research opportunities
- **\$24.9 million** to reduce financial barriers for students and help them achieve their potential
- **\$3.3 million** to build and enhance buildings, labs, libraries and learning spaces



# Shape

## THE UNIVERSITY STRATEGIC PLAN 2023-33

**In September, the U of A launched its new strategic plan, *Shape*. This plan builds on the university's successes over its 115-year history and charts a bold course for action across its three mission pillars: education, research, and community engagement.**



With this plan as its guide, over the next decade the U of A will shape futures by educating with purpose. We will shape ideas by being purposeful in our research, and we will shape trust by engaging meaningfully with the communities, partners and people who make up the University of Alberta.

*Shape* includes ambitious enrolment growth of more than 35 per cent—from 44,000 students to 50,000 by 2026 and 60,000 by 2033. The shift is needed to meet the challenges of a growing young population and rising demand for a world-class education. This growth represents an additional 16,000 students, 6,000 of whom will be international students. As enrolment grows, the university will invest strategically in teaching and research, including hiring the faculty and staff needed to ensure an outstanding learning experience for all our students.

Over the next decade, the U of A will increase multidisciplinary research, develop innovations that address some of the world's most pressing challenges, and increase representation and success among researchers from historically under-represented and equity-deserving groups in efforts to grow our research impact.

Three priority research areas have been identified for the first time in the U of A's history. These are areas in which the university has proved to be a global leader: energy and the environment, artificial intelligence, and health and well-being. The strategic plan also notes three areas in which the university is making major contributions with the potential for global impact within the next decade: Indigenous research, agriculture and food, and social transformations — all of which will also be guided by other institutional strategies, including *Braiding Past, Present and Future: Indigenous Strategic Plan*, the *Institutional Strategic Plan for Research and Innovation* and the *Strategic Plan for Equity, Diversity and Inclusivity*.

In *Shape*, the U of A recognizes that one of the hallmarks of its success will be the quality of our relationships and their productivity in realizing goals that benefit society. We want to expand our economic impact on the province and help bring higher employment, wealth generation and technological advancement to all Albertans. That's why we're enhancing relationships and partnerships with First Nations and Métis communities within Alberta, increasing Indigenous community-engaged research and strengthening the integration between our university and the business community, resulting in further growth and diversity for Alberta.



# Accountability Acknowledgements

## ACCOUNTABILITY STATEMENT

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 requirements 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.

**Kate Chisholm, QC**  
Chair, Board of Governors

## MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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.

**Bill Flanagan**  
President and Vice-Chancellor

**Todd Gilchrist**  
Vice-President (University Services and Finance)

# Public Interest Disclosure (Whistleblower Protection) Act

There were no disclosures reported this  
past fiscal year.



GOALS AND

# Performance Measures



STUDENT

# Supports and Services

**The University of Alberta is a beacon of higher education and research, attracting the best and brightest students from throughout Alberta, across Canada and around the world. We believe that our students are our most valuable resource, and a key goal of the institution's University of Alberta for Tomorrow (UAT) transformation is to ensure our students receive a high-quality education that prepares them to lead with purpose as part of the future-ready workforce.**

## STUDENT EXPERIENCE ACTION PLAN

On January 31, 2024, the U of A launched *Igniting Purpose: The Student Experience Action Plan*. Developed through a unique co-creative process involving more than 8,500 students, more than 100 engagement sessions, a student survey and instructor feedback, the three-year plan defines the university's vision for and commitment to an exceptional student experience.

Built on principles of connection, exploration and challenge, the action plan identifies seven thematic areas of importance:

- Creating Safe, Accessible and Connected Campuses
- Demonstrating Transparency and Affordability
- Enabling Academic Agency and Flexibility
- Fostering a Student-Centred Learning Environment
- Prioritizing Student Success
- Relationships, Connection and Belonging Matter
- Supporting Transitions Into and Out of Study

The plan also establishes accountability measures with set completion dates for actions and key indicators to track progress on each thematic area of importance.

## STUDENT SUPPORT HIGHLIGHTS

- **Shaping a modern teaching and learning experience:** In Fall 2023, the U of A embarked on a two-year project to replace its learning management system (LMS) to support innovative, inclusive and flexible approaches to teaching and learning. The vendor for the LMS was selected in February 2024 following a broad evaluation and consultation process. The next steps will include onboarding and migration for faculty and staff, with complete implementation expected by Fall 2025.
- **PhD program at Campus Saint-Jean:** In February 2024, the U of A's French-language campus began accepting registrations for a new doctoral program in preparation for a first intake in September 2024. The new program will allow students to complete an entire education in French in Alberta, from kindergarten to doctorate.
- **Maintaining a healthy and safe campus community:** To ensure that students, faculty and staff feel safe on U of A campuses, the Office of the Provost provided an additional 27 per cent investment in U of A Protective Services resources and doubled the capacity of the Community Assistance Team. These investments will enhance U of A Protective Services' ability to respond to incidents and concerns, conduct outreach and offer assistance to people facing systemic barriers.
- **Partnership for dual-credit courses:** In September 2023, the U of A and Treaty 8 First Nations of Alberta signed a memorandum of relational understanding that will allow Indigenous students to take courses that provide high school credits and credits applicable toward a post-secondary degree. The partnership's aims include improving high school graduation rates, promoting post-secondary education among young adults and facilitating a strong connection between students and the job market.
- **Leading the U of A's response to sexual violence:** In February 2024, the U of A appointed **Deborah Erkes** to lead the university's ongoing efforts to prevent and respond to sexual violence within the campus community. She will continue to engage experts and service units in policy development and implementation, communications, education and training. Under her leadership over the last two years, the university has developed its Sexual and Gender-Based Violence Policy, launched an online training course and created an Options Navigation Network to support survivors.
- **Review of Sexual Assault Centre services:** Following the replacement of the Sexual Assault Centre's director in November 2023, the U of A is conducting a review of the centre's services. The ongoing review will inform a renewed structure for the centre, with a focus on prevention, education, support for survivors, and community wellness.





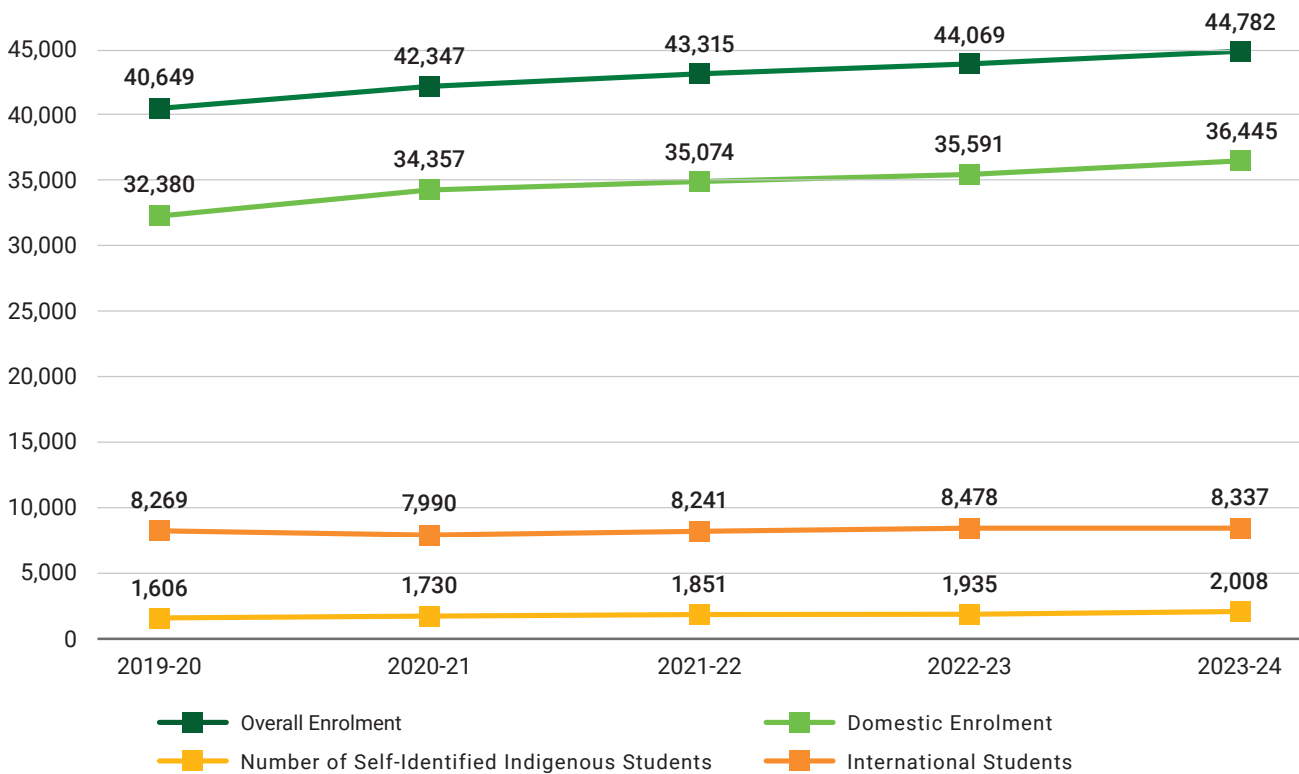
## ENROLMENT, COMPLETION AND EMPLOYABILITY

At the U of A, students learn the skills, knowledge and competencies needed by businesses and industry within an inclusive, vibrant and supportive environment. The U of A is known for its high-quality learning experience, which is driving an increasing number of undergraduate and graduate students to seek admission to the university, and more students are completing their degrees and finding employment relevant to their education.

### ENROLMENT GROWTH

Total enrolment rose to 44,782 students, including 36,445 (or 81.4 per cent) domestic students and 8,337 (or 18.6 per cent) international students. Self-identified Indigenous enrolment reached a historical high of 2,008 for 2023-24.

**TABLE 01: STUDENT ENROLMENT GROWTH 2019-2024**



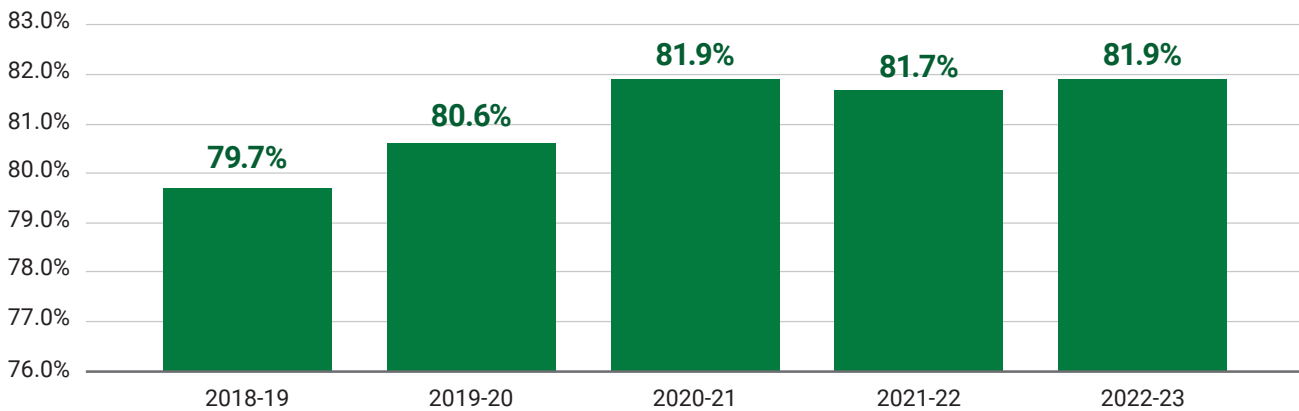
**Source:** Acorn Institutional Data Warehouse, Student Headcount and FLE, prepared on Sept. 24, 2024.

**Notes:** All counts are as of Dec. 1 of the reported year. Overall Enrollment, Overall Domestic Enrollment, Indigenous and International data are reported in fall headcount and include Medical/ Dental Residents and all academic careers. Numbers of Indigenous students include those who have ever self-identified as Indigenous. Domestic is defined as Canadian Citizenship, Permanent Residency and students with a National Status of Not Reported.

## COMPLETION

Completion rates increased slightly to 81.9 per cent in 2022-23, following a slight one-time decrease in the previous year.

**TABLE 02: STUDENT COMPLETION RATES 2018-2023**



**Source:** Acorn Data Warehouse, Student Completion Rates, as of May 7, 2024

**Notes:** On-time is six years for direct entry high school admits, five years for post-secondary transfers, secondary programs, Master’s and nine years for PhDs. Includes only Full-time Students.

## INTERNATIONAL STUDENTS

Overall, the university’s proportion of international students fell slightly when compared to the previous year. As of 2023-24, 18.9 per cent of the U of A’s total student population is comprised of international students; this percentage is slightly below the U15 average.

**TABLE 03: PROPORTION OF INTERNATIONAL STUDENTS**

Institution	Academic Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
University of Alberta	20.2%	18.8%	18.9%	19.1%	18.9%
U15 Average (excluding U of A)	18.7%	18.3%	19.2%	19.8%	19.7%

**Source:** Acorn Institutional Data Warehouse, U15 Data Exchange.

**Note:** Includes PGME students. Data is as of November 1 for each Reporting Year. Including all academic careers.

## EMPLOYABILITY

The vast majority of U of A graduates – nearly 85 per cent – stay in the province and find employment in every sector. One in five Albertans work for businesses and organizations founded by U of A alums.

### HIGHLIGHTS



**96% OF U OF A STUDENTS**  
ARE **EMPLOYED TWO YEARS**  
POST-GRADUATION



**95.2% OF U OF A GRADUATES**  
ARE **WORKING IN A FIELD RELATED** TO GENERAL SKILLS  
AND ABILITIES ACQUIRED THROUGH THEIR EDUCATION



**80% OF PHD STUDENTS**  
**FIND EMPLOYMENT** BEFORE GRADUATION



**5th AMONG CANADIAN UNIVERSITIES**  
FOR **EMPLOYABILITY**  
\*2022 QS Graduate Employability Rankings



## WORK-INTEGRATED LEARNING AND OTHER FORMS OF EXPERIENTIAL LEARNING

Students and graduates must have the skills and experiences to succeed in a rapidly changing labour market. To ensure students build these skills and have experiences that increase their employability, the U of A offers a range of experiential learning opportunities, including work-integrated learning (WIL), community service learning, co-ops and internships. These innovative learning opportunities are available in every U of A faculty.

## WORLD RANKINGS

The U of A is rising in several prominent global rankings, and students benefit from studying at one of the very few universities in the world with the excellence and breadth to play a lead role in solving the full range of global challenges and helping to create a more sustainable, just and equitable world.

For example, the university's ranking of 91st in the world and fourth in Canada in the 2023 Academic Ranking of World Universities was its best showing in the influential rankings' 20-year history. It also climbed in the 2024 Times Higher Education World University Rankings, ranking 109th in the world—an increase of nine places from its 2023 performance and 27 places since 2020.

The U of A had solid showings in two sustainability-related rankings, rising four places to rank seventh worldwide in the 2023 Times Higher Education Impact Rankings and moving up 90 places to finish at 28th in the world in the 2024 QS Sustainability Rankings.

At the national level, the U of A's nursing and education programs were ranked first and third in Canada, respectively, in Maclean's 2024 Canadian University Rankings. Computer science, engineering, and business also ranked among the top six in the country.

**#1** IN CANADA  
TOP 9 GLOBALLY  
FOR NURSING  
QS World University Rankings by Subject

**#7** IN THE WORLD  
FROM THE TIMES HIGHER  
EDUCATION IMPACT  
RANKINGS



STRATEGIC

# Research Priorities

**The U of A is one of Canada's top five research-intensive universities, ranking among the very best in the world in broad and diverse areas ranging from energy, engineering, and nursing to Indigenous studies and education. The university has a renowned reputation for bringing innovative and world-changing ideas to life and creating new economic, environmental, and social benefits for the good of Albertans and people around the world.**

In 2023-24, the university strengthened its leadership in areas of global excellence, such as energy solutions, health and well-being, and artificial intelligence—where we have been ranked third in the world over the last twenty years. Our excellence also includes Indigenous research, agriculture and food, and social transformations.

Across all faculties and areas of research, the U of A attracted more than \$575 million in external research funding.

## LAUNCH OF *FORWARD WITH PURPOSE: A STRATEGIC PLAN FOR RESEARCH AND INNOVATION 2023-2028*

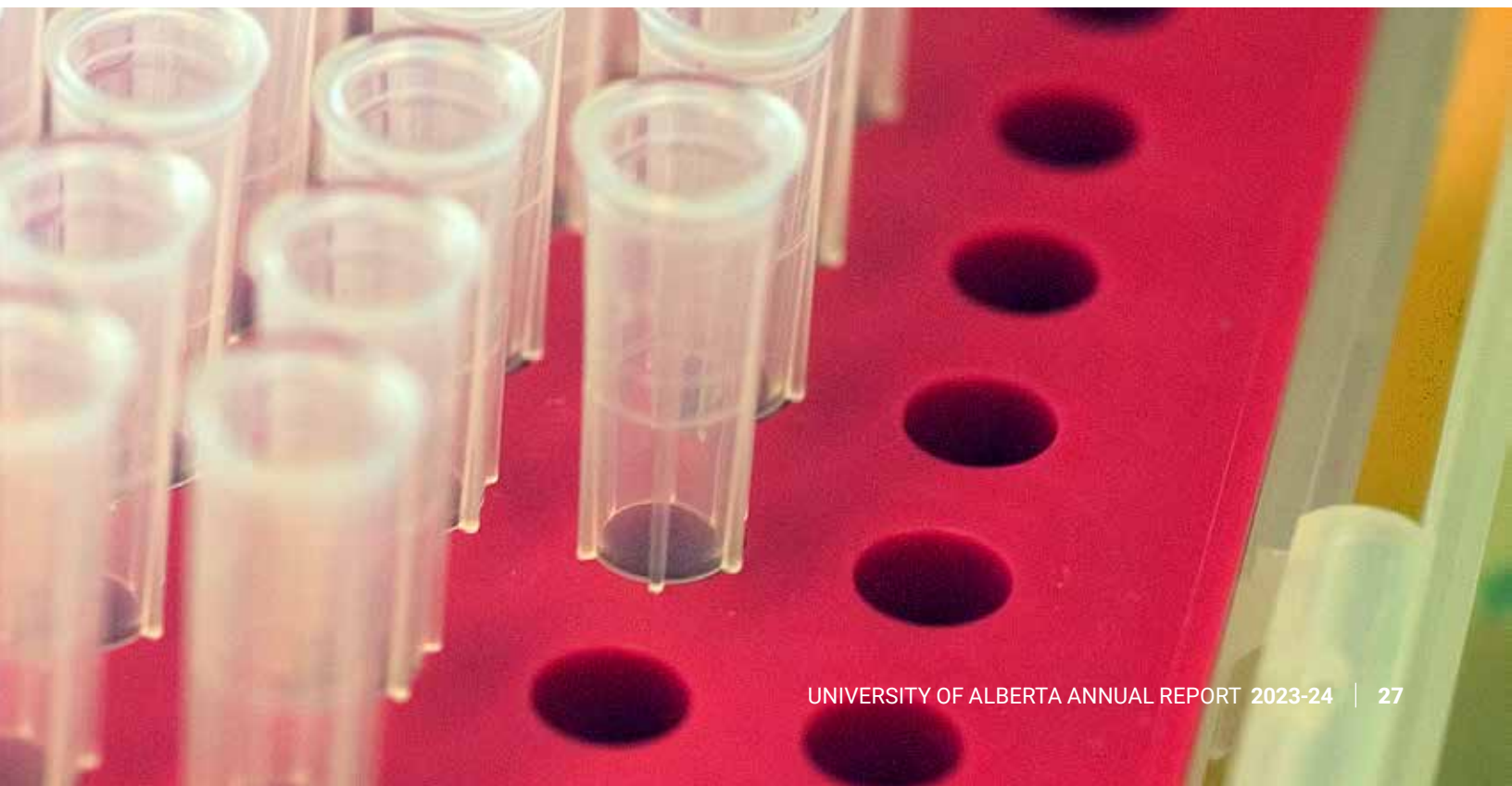
In October, we officially launched *Forward with Purpose*, our first pan-institutional strategic plan for research and innovation. This plan is the next step in a journey to enhance our university's position as a leader in knowledge generation and translation, inspiring solutions to grand challenges of local, provincial, national and global importance through creativity, research, and innovation.

*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.

Through *Forward with Purpose*, the U of A will:

- Focus on people and nurturing talented researchers.
- Support researchers with tools and infrastructure.
- Strengthen our research culture and broaden our impacts.
- Enhance the University of Alberta's global research and innovation leadership.





# RESEARCH FUNDING

The U of A receives federal funding through the Canadian Institutes of Health Research, the Natural Sciences and Engineering Research Council, and the Social Sciences and Humanities Research Council (collectively termed Tri-Council funding) to support basic and applied research and research infrastructure.

The university attracts substantial research funding support from other international, regional, and private sector partners. 2023-24 research funding results show that U of A’s capacity to attract major grants in partnership with various funding sources remains substantial. However, sponsored research revenue decreased by \$45.1 million (or 7.3 per cent) compared to 2022-23.

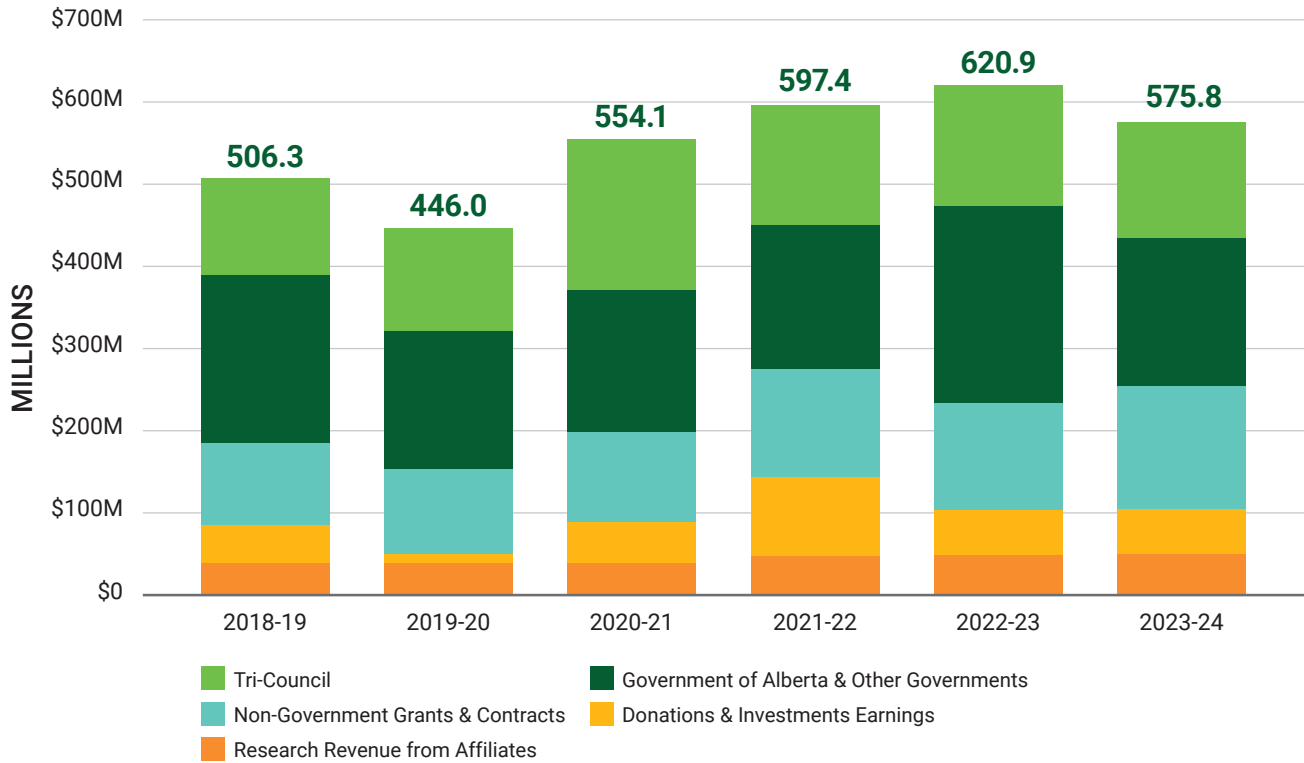
**TABLE 04: SPONSORED RESEARCH REVENUE (FY 2023-24)**

RESEARCH REVENUE	2023-24
*Tri-Council	\$140,807,602
Government of Alberta and Other Governments	\$182,222,098
Donations and Non-Government Grants and Contracts	\$149,314,475
Investments Earnings	\$56,518,209
**Research Revenue from Affiliates	\$46,964,470
<b>TOTAL</b>	<b>\$575,826,854</b>

\*Tri-Council grants include Research Support Funds from the federal government.

\*\*Revenue from affiliates for 2024 is estimated using the 2023 income as it is not available at the time when the report is prepared.

**TABLE 05: SPONSORED RESEARCH INCOME 2018-2024**



## FROM LAB BENCH TO MARKETPLACE: THE COMMERCIALIZATION OF KNOWLEDGE

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. With global leadership in areas such as artificial intelligence and machine learning, alternative energies, biotechnology, and precision medicine, the university is responding to the needs of government, industry and communities in generating new products, treatments, companies and jobs that will diversify and expand Alberta's future economy.

In 2023-24, U of A researchers and students reported:

**6 NEW SPINOFFS**

**83 NEW INVENTIONS**

**79 PATENT APPLICATIONS FILED**  
(ALL COUNTRIES)

**36 PATENTS GRANTED** (14 U.S.)

**56 REVENUE AGREEMENTS EXECUTED**  
(E.G. LICENCES, ROYALTIES, OPTIONS)

## INNOVATION FUND

We launched the University of Alberta Innovation Fund in October to help grow the entrepreneurial ecosystem in Alberta and ensure that great ideas get the critical funding they need. This venture capital fund invests in startup ventures working to solve some of society's most pressing challenges. Thanks to the generous support of our visionary donors – including the Government of Alberta – the University of Alberta Innovation Fund will be a game-changer for our community and our university, offering entrepreneurs the critical funding they need to move ideas from the lab bench to the marketplace.

The fund launched with almost \$5 million in donations. We aim to grow the fund to more than \$50 million over the next five years to empower innovative startups to unlock their potential. In addition to financial help, the fund offers mentorship and advice to entrepreneurs and also helps connect them to the larger innovation ecosystem in Alberta. The fund will support innovative ventures in artificial intelligence, health, energy, and agriculture, all areas highlighted in our new strategic plan, *Shape*.

The fund made its first investment in RLCore Technologies, an ambitious Edmonton-based AI startup.



# Collaborations

**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.**



## HIGHLIGHTS OF COMMUNITY-ENGAGED TEACHING AND RESEARCH

### THEME: PEOPLE AND CULTURE

- **Virtual visits create connections for people with dementia:** Nursing professor Hannah O'Rourke is tapping into technology to combat loneliness for people living with dementia in care homes. Connecting Today, the program she developed, is built around regular video calls between residents and loved ones. Care workers, who manage the technology and are trained in engagement techniques to guide conversation or other non-verbal activity, facilitate the calls. A study found the calls improved residents' quality of life, with more than 90 per cent being alert and happy during the visits, and family members appreciated the effective approach to augment in-person visits. O'Rourke's next step is a multi-province clinical trial, with the ultimate goal of having facilitated video calls become a standard offering in long-term care. "Social connectedness is just a human need," she says, "and people living with dementia are no different."
- **Dental program gives kids and their families a reason to smile:** Nagging dental pain makes it hard for kids to smile, much less learn. But a School of Dentistry program provides dental care and education – at no cost – for hundreds of children from low-income, Indigenous and new-immigrant families. Through the School Visit Program, children learn about dental hygiene, get a dental exam and have tooth issues fixed by U of A pediatric dentistry students.

### THEME: RESEARCH AND INNOVATION

- **AI-powered ultrasound could shorten emergency department visits:** One in five people in an emergency department is waiting – sometimes for hours – to find out whether they've fractured a bone in their wrist, elbow or shoulder. But an AI-powered portable ultrasound system could reduce waits and save money by quickly ruling out arm injuries that aren't fractures. The Ultrasound Arm Injury Detection tool, developed by assistant professor Abhilash Hareendranathan, uses artificial intelligence to ensure "lightly trained" front-line health care workers can capture an accurate scan. This means a patient doesn't need to wait for a sonographer or radiologist to become available. "The novice user often gets a good scan, but they don't know at what point to freeze the image, whereas in our system we automate that process," he says. Thanks to a \$748,500 grant from Alberta Innovates, the tool will be tested in the Stollery Children's Hospital emergency room and at an Edmonton medical imaging clinic.
- **U of A alumni honoured for scientific breakthroughs:** Two U of A graduates are among the winners of the 2024 Breakthrough Prize in Life Sciences, the world's richest award for scientific achievement. Michel Sadelain (1989 PhD, immunology) was recognized for his discovery of cancer-fighting immunotherapy based on genetic engineering of a patient's own T cells, and Fredrick Van Goor (1996 PhD, biological sciences) won for developing the first effective medications to treat the underlying cause of cystic fibrosis.

## THEME: SUSTAINABILITY

- **Helping communities prepare for wildfire:** Communities in Western Canada will test a new U of A-developed tool that maps vegetation and landscape patterns to show potential wildfire pathways into communities. Once vulnerabilities are known, community leaders can take action, like clearing out fire fuel and planning evacuation routes. “It’s giving the decision-makers one more piece of information they can use to plan for fire,” says wildland fire professor Jen Beverly.
- **Producing hydrogen while purifying water:** A new catalyst could revolutionize water and energy by making dirty water drinkable while producing hydrogen fuel. The chemical reaction caused by the catalyst — a combination of non-toxic, readily available powders — is a major advance in hydrogen production, says U of A researcher Robin Hamilton. “We take something dirty ... and generate hydrogen and electricity in a fuel cell. And it spits out water you can drink.”

## THEME: STUDENT COMMUNITY AND OUTREACH

- **New master’s programs will tackle rural health care needs:** Three Rehabilitation Medicine programs will be offered at Augustana to let rural students stay close to home while pursuing a career in rehabilitation medicine. Alberta government funding created satellite master’s programs at the Camrose campus in speech-language pathology, occupational therapy and physical therapy. Rehabilitation Medicine dean Tammy Hopper says the option will appeal to students who want to work in rural Alberta, where there’s a shortage of physical, occupational and speech therapists.
- **Business students step up for Edmonton’s economy:** Business students are being challenged to make a real-world impact with a program that

challenges them to solve current problems. The Axford Impact Series, devised two years ago by alumni Eric Axford and associate dean Leo Wong, is a community-based program that teaches students about the complexities of the business environment. This year, some 1,200 students were asked to develop ideas for restoring vibrancy to Edmonton’s downtown core. “Understanding the complexities of the community you’re a part of is central to being a strong leader,” says Axford, who attributes his success to realizing the power of collaboration in the U of A’s business school more than 30 years ago.

## THEME: COMMUNITY ENGAGEMENT

- **Revolutionizing research with cloud computing:** A new U of A centre will enable innovators to explore opportunities in artificial intelligence, thanks to a new partnership with Amazon Web Services. The powerful cloud computing technology means researchers, faculty and students at the Artificial Intelligence Discovery Place in downtown Edmonton “can innovate and do interesting things at the pace of the idea,” says associate dean of research Lawrence Richer.
- **Leading a national effort to include Indigenous people in clinical trials:** U of A Indigenous researchers are leading a national initiative to bring First Nations, Métis and Inuit people into clinical trials, which evaluate the safety and effectiveness of new treatments. Historically, these trials have either excluded Indigenous people or selected them for unethical experiments. Over three years, the Accelerating Clinical Trials (ACT) Canada Consortium will meet with Indigenous leaders to develop best practices while dispelling a legacy of distrust.

## INDIGENOUS INITIATIVES AND EQUITY, DIVERSITY AND INCLUSIVITY

The University of Alberta is focused on building an accessible, equitable, and inclusive community of students, faculty, and staff that supports a learning environment shaped by curiosity, rigorous inquiry, evidence-based decision-making, respect for diversity and expression of ideas, and human rights. This deep commitment is reflected in the *Shape* strategic plan, which envisions a university where everyone feels included and valued and where Indigenous identities, languages, cultures and worldviews are honoured and incorporated. The following are highlights from the 2023-24 academic year:

- In September 2023, the U of A released a [report outlining](#) its progress on the Calls to Action issued by the Truth and Reconciliation Commission of Canada (TRC). The **TRC Report to Community Dashboard** tracks the university's response to calls issued specifically to post-secondary institutions along with aligned work. The dashboard followed two years of broad dialogues with representatives from across the university as well as First Nations, Métis and Inuit faculty and staff, nations and organizations. Progress includes support for Indigenous student recruitment and retention, and increased numbers of Indigenous faculty and staff. In addition, all courses now require Indigenous content, remediating existing curricular gaps related to Indigenous histories and cultures.
- In September 2023, the U of A [launched an online micro-course](#) called **Indigenous Peoples and Canada**. Created and offered through the Faculty of Native Studies, the six-module course allows learners worldwide to explore Indigenous peoples' historical and contemporary experiences as they are guided in understanding the legacy of settler colonialism and learning about Indigenous self-determination.
- In July 2023, the U of A appointed **Dr. Danielle Peers** as [Academic Lead on Equity Praxis and Systemic Ableism](#). Drawing on their extensive experience in anti-ableism and disability justice work at the U of A and across Canada, Dr. Peers collaborates with the Vice-President (Equity, Diversity and Inclusion), members of the EDI team, and EDI and Indigenous leaders, knowledge holders, and partners across the university to support the development of relational and sustainable EDI infrastructures. Dr. Peers also co-leads a new advisory and decision-making council to address systemic ableism and systemic access.
- In January 2024, the U of A [launched an EDI in Research video series](#) to inspire and support researchers as they integrate EDI principles and practices into the university's research ecosystem. Created by the Office of the Vice-President (Research and Innovation) and the Office of the Vice-Provost (Equity, Diversity and Inclusion), the series aims to foster a culture in which diverse perspectives are valued and integrated into the fabric of academic inquiry.
- In March 2024, the U of A [launched an online, on-demand micro-course](#) celebrating Black history and accomplishments spanning from Canada's founding to its future. **Black Canadians: History, Presence and Anti-Racist Futures** also explores the legacy of systemic racism and unconscious racial bias in Canadian institutions.
- In March 2024, the Supporting Indigenous Language Revitalization (SILR) initiative released ***Towards Indigenous Language Revitalization: An Informative Resource*** to support the work of Indigenous people, communities and organizations in tailoring strategies for language learning and revitalization. The [resource](#), which offers a foundation for creating or improving educational programs at every level, from preschool to post-secondary, was shared with more than 400 attendees from across Canada and the United States at the 2024 SILR Gathering in March, highlighting the diversity of Indigenous languages in Canada.



## ALUMNI ENGAGEMENT

A wide range of in-person and online programs and various large-scale community events such as U of A Days, Science FUNDay, and the Canadian Business Leader Award engaged nearly 48,000 alums and friends. Programming featured 228 U of A experts and leaders as well as 257 alumni guest speakers, showcasing U of A research and offering graduates personal and professional development opportunities. Topics aligned with the *Shape* strategic plan by featuring purpose-driven research and the global excellence of speakers while elevating the university's reputation through the impact and knowledge of alumni.

Engagement highlights for the year include the following:

- More than 63,200 people experienced events and programs.
- Online engagement and communications outreach created more than 110,700 touchpoints with alumni, resulting in greater giving, volunteerism and advocacy.
- Over 12,000 total volunteer hours were provided by 2,055 volunteers.
- The ThresholdImpact Venture Mentoring Service actively recruited entrepreneurs, ending the year

with 51 ventures and 105 mentors in the program. This successful program celebrated its 10th anniversary in the fall of 2023 and continues to amplify the economic impact of alumni-owned businesses and entrepreneurs.

- Career and professional development programming saw a 24 per cent increase over last year.

To understand the influence of the more than 300,000 U of A alumni worldwide, the university engaged Ernst & Young LLP (EY) to develop a web-based alumni survey and to report on the economic, social, and cultural impact of our graduates. The survey questions focused on three key themes:

- Employment and investment: labour market dynamics and business investment outcomes
- Entrepreneurship and innovation: impact of alumni-founded companies
- Social and cultural impact: broader impacts of alumni's activities and social contributions

The survey was distributed to all living alumni with a known email address, and the results will be released during the 2024-25 fiscal year.

### Highlights

**MORE THAN 63,200 ALUMNI**  
EXPERIENCED EVENTS AND PROGRAMS

**MORE THAN 110,700 TOUCHPOINTS**  
CREATED BY ALUMNI

**OVER 12,000 TOTAL VOLUNTEER HOURS**  
PROVIDED BY 2,055 ALUMNI

# Financial Information

**A full disclosure of the University of Alberta's audited financial statements can be found in Appendix 1, at the end of this report.**

**A fulsome discussion and analysis of the university's financial statements can be found in Appendix 2.**

SELF-GENERATED

# Revenue

**A full disclosure of the University of Alberta's self-generated revenue for the 2023-24 fiscal year has been fulfilled in other reporting to government.**

CAPITAL

# Report

**The University of Alberta competes in a global market for the best and brightest students, researchers, and faculty. Providing and maintaining buildings and spaces that meet 21st-century needs and expectations is integral to our competitive advantage.**



To meet today's needs, as well as the future needs of the university, we must think differently about space – optimizing our existing infrastructure while continuing efforts to reduce operating costs, deferred maintenance, and minimizing our environmental impact. We must focus on renewing existing spaces to accommodate growth, ensure a better student and teaching experience, and facilitate more impactful research.

Currently, the U of A maintains nearly 1.7 million square metres of complex facilities across five campuses, one of the largest inventories among Canadian post-secondary institutions. This immense size is accompanied by operational and maintenance costs that continue to rise due to inflation, carbon tax increases, and growing utility costs. While these factors make right-sizing as well as maintaining and upgrading infrastructure a priority, the university must ensure its efforts do not hamper its enrollment and research opportunities, which is a challenging balance.

To help meet this institutional balance, in 2023, we updated the Integrated Asset Management Strategy (IAMS) to create more vibrant, sustainable, collaborative and cost-effective spaces. It contains space optimization initiatives essential to realizing the massive potential of our 10-year strategic plan and delivering on our institutional priorities. The

IAMS is a guiding document that has helped us craft a Capital Plan that uses our resources effectively and in a way that is forward focused.

As we move forward, the U of A will prioritize capital investments that:

- Create spaces that lead to an outstanding student experience within an inclusive environment and lend themselves to greater partnerships with the community.
- Focus on shared and/or flexible spaces that allow for multi-disciplinary research, greater experiential learning, and community spaces.
- Change how we think about student study spaces to ensure adequate space for students to experience both online course delivery and in-person classes.
- Increase accessibility to state-of-the-art spaces where students, faculty, staff and researchers can do their best learning, teaching, and discoveries.
- Continue to optimize existing spaces (better spaces) while reducing operating costs and the deferred maintenance liability (better spaces for less).

The following tables outline the University of Alberta's 2024-27 Capital Plan priorities for provincial funding for the Government of Alberta.

**TABLE 06: TOP CAPITAL PRIORITIES IDENTIFIED TO THE GOVERNMENT OF ALBERTA**

<p><b>BIOLOGICAL SCIENCES: REDEVELOPMENT INTO A COLLABORATIVE, HIGH-SERVICE RESEARCH, TEACHING AND INNOVATION CENTRE - PHASE 1</b></p>
<p><b>Total request: \$100 million (Phase 1) over five years, beginning in 2025-26</b></p>
<p>Immediate need: In addition to the \$18.7 million already approved by the University of Alberta for planning and design of Phase 1, the university plans to commit up to \$100 million of additional funds in support for the redevelopment of Biological Sciences into a collaborative, high-service research, teaching and innovation centre in the event that the Government of Alberta matches the additional funds from the University.</p>
<p><b>The complete redevelopment of the aging Biological Sciences Building will create Canada’s preeminent home for world-leading, life sciences education, research, discovery, and experiential learning.</b></p> <p>We have the opportunity to create meaningful impact. For Alberta. For Canada. For the world. To help solve challenges once considered unsolvable. Imagine ground-breaking life sciences solutions coming out of Alberta that might include using stem cell treatments to regenerate damaged spinal cords. Or the development of water purification technology for rural, remote and Indigenous communities. Even bringing together microbiologists, geneticists, biochemists and clinicians in this innovative facility to solve resistance in pathogenic bacteria so existing and affordable antibiotics can once again be effective. Issues that are affecting the quality of life for millions around the globe and whose quality of life would improve significantly while offsetting billions in health-related spending.</p> <p>That’s precisely what’s on the table with the University of Alberta’s plans to transform the old Biological Science Building into an unprecedented, world-leading centre enabling discovery and inspiring innovation, helping tackle some of society’s most critical health and science-based challenges.</p> <p>At the core of it all is the creation of a high-service, experiment-focused laboratory hub accessible to the whole university, designed in a way that breaks down walls (literally and figuratively) and barriers to innovation and discovery. Bringing together life sciences researchers, professors and students from across the institution into a shared space that inspires innovation, leads to discoveries and creates global impact.</p> <p>The facility will be designed with collaboration and collisions in mind. The opportunity for groups from across disciplines, at the interface of life sciences, to interact in a way they historically would never have the chance to – shared meeting and gathering spaces, intentional lab assignments that mix disciplines creating proximity and increasing the likelihood of sharing and sparking new ideas and approaches, outside groups and partners walking the halls and sharing perspective and experiences.</p> <p>The space itself will be fully agile, creating versatile, flexible lab and learning spaces that can be rearranged to fit specific requirements. This is what sets this new facility apart. The ability of the space to transform itself to the needs of the research and teaching. Adaptable spaces that can flex up or down in size, adjustable bench arrangements, ventilation and other critical lab requirements to accommodate a vast range of use-cases and needs. The space will adjust to the teaching and research needs, not the other way around.</p> <p>This transformation is not about creating something that already exists in Alberta. Its goal is to set a new standard. To raise the bar on how teaching and research is approached, how teams engage and how collaboration and transparency can inspire discovery and innovation. Create the innovative spaces that allow our very brightest students and researchers to remain in Alberta to complete their work. Rather than shipping our talent out to the world, we will keep it thriving locally.</p> <p>Creating a leading-edge, state of the art facility will not only allow us to retain talent but attract it to Alberta from afar. We will attract the best and the brightest to Alberta. This is a bold, new approach that, when supported by an innovative facility, can attract global talent searching for ways to inspire innovation and reimagine how they work. Teaching excellence follows research excellence. Researchers bring students. These students become our workforce. And it’s a cycle that’s in our control with a made-in-Alberta solution. A solution that would also bring academic leaders from around the world to see how much can be accomplished when governments and universities work together.</p> <p>Phasing of the project would see the redevelopment of Biological Sciences into a high service lab and teaching space over five phases (total project cost = \$500 million). Planning and Phase 1 design is fully funded by the University of Alberta. Phase 1 construction, which is envisioned as being cost-shared between the University and the Government of Alberta, could begin as early as 2025/26 and continue over the following four years. The university will be working on a formal business case for submission to the Government of Alberta for this project as our top capital priority.</p>

## INTEGRATED HEALTH SCIENCES INNOVATION COMPLEX (ECHA 2.0): NEW DEVELOPMENT

**Total request: \$463 million over multiple years, beginning as early as 2024-25**

Immediate need: \$30 million in provincial support for demolition of the existing Research Transition Facility and for functional programming of Edmonton Clinical Health Academy (ECHA) 2.0 as early as 2024/25, with funding for the subsequent design and construction stages required over multiple years beginning in 2025/26.

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' need for growth. This is compelling 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 into the Medical Sciences Building.

This 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).

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 spin off incubation space fosters the commercialization of the university's leading research thereby further advancing research and bolstering investment in both the university and the province.

Overall, this new infrastructure would create 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 towards vacating aging assets.

## EDUCATION COMPLEX: REDEVELOPMENT

**Total request: \$359 million over multiple years, beginning as early as 2024-25**

Immediate need: \$2 million in provincial support for early planning activities as early as 2024/25, with funding for the subsequent design and construction stages required over multiple years beginning in 2025/26.

The redeveloped Education Complex will allow the university to gain efficiencies in space, while improving the student, faculty and staff experience.

Using space optimization, the Faculty of Education itself could potentially be consolidated into one of the towers, which would free up the other building tower for the needs of the College of Social Sciences and Humanities. The Education Complex would enable consideration for the potential decant or repurposing of the Humanities Centre.

The redevelopment scope is expected to include complete building infrastructure renewal of architectural, electrical and mechanical infrastructure systems and the aging building envelope. As part of the project scope, solar would be considered on the Education Car Park and Education Centre North to improve energy efficiency.

**TABLE 07: CURRENT AND EXPLORATORY INITIATIVES**

<b>ATHABASCA HALL: RENEWAL</b>
<b>Total request: \$15.1 million over three years, beginning in 2024/25</b>
<p>Athabasca Hall is one of the key hallmark buildings that flank the open green space called the Quad. The hall served as a student residence in the early 1900s and was built using wood frame construction with a lighter structural capacity, which best serves an academic office environment. This renewal would modernize the building’s infrastructure systems and allow for a more optimized footprint with improved functionality in the heart of North Campus.</p> <p>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 as a high service STEM Centre. Current residents of Athabasca Hall are moving into the new University Commons space in 2024/25, which means that renewal of Athabasca Hall would ideally occur at that time.</p>
<b>CAMERON LIBRARY: BUILDING ENVELOPE RENEWAL</b>
<b>Total request: \$30.2 million over four years, beginning in 2024/25</b>
<p>Cameron Library provides collections and services for all University of Alberta students and supports research and teaching in the Faculty of Engineering, the Faculty of Science, and the Faculty of Agricultural, Life and Environmental Sciences. It is also home to the 3D printing program.</p> <p>At present, sections of the Cameron Library perimeter are fenced to guard pedestrians against dislodging exteriors. Not only will replacement of the aging and failing building envelope provide a safer campus environment, it will reduce utility costs by making the building envelope more energy efficient. Building envelopes for aging assets must be replaced to extend the life and functionality of the asset.</p>
<b>ANIMAL RESEARCH LABS: RENEWAL (CCAC COMPLIANCE)</b>
<b>Total request: \$11.5 million over three years, beginning in 2024/25</b>
<p>This renewal project will ensure that key animal research lab spaces are modernized, which is critical for Canadian Council on Animal Care (CCAC) compliance, to improve infrastructure, and prevent any detrimental impacts to research integrity at the university.</p> <p>The research undertaken in these labs is highly sensitive in nature and requires special conditions. Consolidating and renewing lab spaces where possible creates operational and infrastructure efficiencies, while improving the reliability of world class cutting edge research activities.</p>
<b>CENTRAL ACADEMIC BUILDING: RENEWAL</b>
<b>Total request: \$14 million over three years, beginning in 2024/25</b>
<p>The Central Academic Building (CAB) serves as a primary hub and connection point for students along various internal pedestrian pathways. Given its proximity to the main Quad, South Academic Building, Cameron Library, and Chemistry Complex, it is a natural location for students to congregate, rest, study, and socialize. Renewal of CAB supports improved student experience and positions the university for growth.</p> <p>This renewal project will revitalize levels four to six of CAB and, strategically, will support future phases of the redevelopment of Biological Sciences into a STEM Centre. Primarily, the project will facilitate the relocation of an entire academic department from Biological Sciences to CAB. The space in CAB will become available in 2025 after existing occupants relocate to University Commons, which makes timing ideal for this renewal to proceed.</p>



## CHEMISTRY EAST INSTRUCTION LABS: RENEWAL

**Total request: \$28.2 million over four years, beginning in 2024/25**

This project will renew the original to the building (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, we aim to use space 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.

## SOUTH ACADEMIC BUILDING: RENEWAL

**Total request: \$19.5 million over three years, beginning in 2024/25**

The South Academic Building (SAB) is connected to the Central Academic Building (CAB), and similarly serves as a primary hub and connection point along various internal pedestrian pathways. With the opening of University Commons, it will be a main connection for students from University Commons, CAB, Cameron Library, and the main Quad.

When University Commons opens in 2024 some offices within the SAB will be relocated creating opportunities for space optimization and for improving the overall student experience. This project would focus on renovations to levels one, two and three of SAB, consolidating the remaining offices and renewing the vacated space for student success functions such as the Exam Centre, Learning Assessment Centre and other student service priorities that could benefit from a direct adjacency to University Commons. This creates a better student experience, and improves accessibility and operational efficiencies, while optimizing vacated space.

During the 2023-24 fiscal year, the University of Alberta invested in the effective and responsible development of our campus infrastructure—building campuses that reflect our excellence in academics, research and teaching.

From small renovations or sustainability projects, to constructing an entire facility from the ground up, our work to modernize our facilities reflects the institution’s overall vision, mission and mandate and are guided by the university’s Long Range Development Plan and Integrated Asset Management Strategy.

A number of important infrastructure projects were completed during the 2023-24 fiscal year, including (but not limited to):

- **Campus St. Jean renewal.** This project included two separate but critical items to support the facilities existing as well as expanded program requirements at the University of Alberta, Campus St. Jean. The first is the replacement of critical base infrastructure including the replacement of the existing electrical service vault to the entire campus as well as replacement of the existing chiller system. The second portion of this project involved the renewal and conversion of existing library space including the creation of two new classrooms in support of the updated digital learning programming for the facility.
- **South Campus Tennis Centre.** The new South Campus Tennis Centre is a series of outdoor tennis facilities which replaced the recently decommissioned tennis courts formerly located in Michener Park. The new facilities provide year-round recreation and sport opportunities for our university community, neighbours, as well as significantly support the university’s tennis program. The centre include:
  - › Six outdoor hard courts
  - › An inflated dome to cover the hard courts over the winter
  - › A clubhouse for site facilities and recreation
  - › A plaza space to support tennis tournament events and other activities
- **Geoffrey and Robyn Sperber Health Sciences Library.** The University of Alberta Health Sciences Library facility relocated to a new location in the Edmonton Clinic Health Academy (ECHA) building. The Geoffrey and Robyn Sperber Health Sciences library project involved selective demolition along with substantial reconfiguration and internal renovation within the north end of the ECHA building at both the main and lower levels. On top of enclosing several offices, classrooms, lecture halls, seminar spaces, support desks, quiet or group study spaces and more, the new library includes an Indigenous gathering space, a multicultural traditional medicine collection and a historical dental collection including dental instruments, documents and other artifacts.
- **Completed Capital Maintenance & Renewal Projects.** A number of infrastructure projects to improve safety, reduce deferred maintenance, and reduce operational risk to facilities were completed, including:
  - › Replacement of the Education Complex - Electrical Service Vault
  - › Renewal of central HVAC equipment for Chemistry Complex
  - › Renewal of the HVAC system for Tory 2nd Floor
  - › Replacement of the fire alarm system in Agriculture Forestry
  - › Critical elevator replacements in Biological Sciences, Cameron Library, and Chemical Materials Engineering Building

FREE SPEECH

# Reporting



FREE SPEECH

# Policy Information

**The mission and mandate of the University of Alberta is to discover, disseminate, and apply knowledge for the benefit of society through teaching and learning, research, innovation and creative activity, community involvement, and partnerships. To achieve our mission and mandate, we must cultivate an equitable and inclusive environment that fosters respect for human dignity and supports the ability and skills of all members of our diverse community to learn and to discover.**

The university's [full statement on freedom of expression](#) has been in place since it was approved by the Board of Governors on December 13, 2019. **The policy was not changed during the 2023-24 fiscal year.**

The Statement on Freedom of Expression at the University of Alberta articulates our commitment to freedom of expression. Inquiries from the public and the media regarding certain events are often resolved when those inquiring are directed to the statement. In addition, the statement works in concert with the university's full suite of policies, procedures, statements, agreements and codes of conduct.

General sources of university-wide regulations and standards include the University of Alberta Policies and Procedures Online ([UAPPOL](#)), the [University Calendar](#), staff agreements, university governance policies, standards and codes of conduct.

Below are direct links to the policies, procedures and agreements more closely related to freedom of expression:

- [Canvassing and Solicitation Policy](#)
- [Code of Student Behaviour](#)
- [Collective Agreements & Handbooks](#)
- [Discrimination, Harassment and Duty to Accommodate Policy](#)
- [Ethical Conduct and Safe Disclosure Policy](#)
- [Signage Policy](#)
- [Space Management Policy](#)
- [Student Groups Procedure](#)





# Cancelled Events

**The University of Alberta actively fosters an inclusive culture committed to the expression of, exposure to, and debate of diverse points of view. Our campuses are forums for rigorous debate. Our work and study excel through exchange and collaboration. Our discourses and discoveries are enriched by the diversity of individuals, groups, disciplines, perspectives, approaches, and questions that characterize our community. However, any activity taking place within university space – whether hosted by a group affiliated with the university or not – must comply with applicable laws and university policies.**

Likewise, ideas and opinions presented on our campuses are neither a reflection of, nor an endorsement from, the university, unless otherwise stated.

We have a time-honoured tradition of providing the space – literally and metaphorically – for open dialogue and diverse ideas. We do this even when the topics discussed are uncomfortable and/or divisive. On January 18, 2024, Frances Widdowson spoke on the university's North Campus. Her talk, "Truth Before Reconciliation: How to Identify and Confront Residential School Denialism," was met with complaints from various campus groups. However, the talk proceeded as planned, because it did not violate any of the university's policies or procedures related to freedom of expression.

During the 2023-24 fiscal year, no events at the University of Alberta were cancelled due to reasons related to free speech.



## FREE SPEECH

# Related Complaints

**During the 2023-24 fiscal year, the University of Alberta did not receive any formal complaints related to issues of free speech.**

**TABLE 08: FREE SPEECH-RELATED COMPLAINTS SUBMITTED IN ACCORDANCE WITH THE UNIVERSITY'S FREE SPEECH POLICY**

Total number of complaints	0
Total number of complaints that did not progress through the institution's resolution process as determined by institutional policy	0
Total number of complaints where it was determined that the free-speech policy was not followed.	0

BOARD OF GOVERNORS'

# Training on For-Profit Ventures

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. ("UAPT") and University of Alberta Innovation Fund Ltd. ("UAIF"). Both UAPT and UAIF, as separate legal entities from the board, have their own boards of directors.

**Have all current board members completed for-profit ventures training?**

The University of Alberta has not arranged for or facilitated any such training.

**When did current board members last complete for-profit ventures training?**

Please see above.

APPENDIX 1

# Audited Financial Statements

For the year ended March 31, 2024



# Table of Contents

Statement of Management Responsibility	53
Independent Auditor's Report	54
Consolidated Statement of Financial Position	57
Consolidated Statement of Operations	58
Consolidated Statement of Change in Net Financial Assets	59
Consolidated Statement of Remeasurement Gains and Losses	60
Consolidated Statement of Cash Flows	61
Notes to the Consolidated Financial Statements	62

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## FINANCIAL REPORTING

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E-mail: [fsglje@ualberta.ca](mailto:fsglje@ualberta.ca)

## STATEMENT OF MANAGEMENT RESPONSIBILITY YEAR ENDED MARCH 31, 2024

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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, 2024 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*. 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 and Finance)

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, 2024, 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, 2024, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance 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, 2024  
Edmonton, Alberta

**UNIVERSITY OF ALBERTA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2024**  
*(thousands of dollars)*

	Note	2024	2023
<b>Financial assets excluding portfolio investments restricted for endowments</b>			
Cash and cash equivalents	4	\$ 40,127	\$ 17,582
Portfolio investments - non-endowment	5	1,530,931	1,518,875
Accounts receivable		172,805	188,736
Inventories held for sale		1,876	1,964
Investment in government business enterprise	8	(1,921)	(1,298)
		<b>1,743,818</b>	<b>1,725,859</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	9	201,722	172,807
Employee future benefit liabilities	10	194,046	210,043
Debt	11	354,697	363,877
Deferred revenue	12	844,055	883,337
Asset retirement obligations and environmental liabilities	13	183,660	177,371
		<b>1,778,180</b>	<b>1,807,435</b>
<b>Net debt excluding portfolio investments restricted for endowments</b>		<b>(34,362)</b>	<b>(81,576)</b>
Portfolio investments - restricted for endowments	5	1,815,075	1,728,072
<b>Net financial assets</b>		<b>1,780,713</b>	<b>1,646,496</b>
<b>Non-financial assets</b>			
Tangible capital assets and purchased intangibles	14	2,781,561	2,746,079
Prepaid expenses		15,076	11,620
		<b>2,796,637</b>	<b>2,757,699</b>
<b>Net assets before spent deferred capital contributions</b>		<b>4,577,350</b>	<b>4,404,195</b>
Spent deferred capital contributions	15	1,853,630	1,809,981
<b>Net assets</b>	16	<b>\$ 2,723,720</b>	<b>\$ 2,594,214</b>
<b>Net assets are comprised of:</b>			
Accumulated surplus		\$ 2,144,757	\$ 2,110,308
Accumulated rereasurement gains		578,963	483,906
		<b>\$ 2,723,720</b>	<b>\$ 2,594,214</b>

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, 2024**  
*(thousands of dollars)*

	Note	Budget (Note 22)	2024	2023
<b>Revenue</b>				
Government of Alberta grants	23	\$ 711,848	\$ <b>721,064</b>	\$ 756,203
Federal and other government grants	23	224,579	<b>231,195</b>	206,457
Student tuition and fees		489,800	<b>468,024</b>	458,523
Sales of services and products		219,295	<b>224,025</b>	214,973
Donations and other grants		147,101	<b>158,803</b>	136,423
Investment income	24	111,375	<b>158,142</b>	141,021
Investment loss from government business enterprise	8	(3,870)	<b>(623)</b>	(530)
		1,900,128	<b>1,960,630</b>	1,913,070
<b>Expense</b>				
Academic costs and institutional support	25	1,047,640	<b>1,060,259</b>	994,254
Research		520,820	<b>540,297</b>	507,604
Facility operations and maintenance		159,811	<b>153,969</b>	180,487
Special purpose		109,700	<b>105,369</b>	102,914
Ancillary services		100,999	<b>94,227</b>	92,897
		1,938,970	<b>1,954,121</b>	1,878,156
<b>Annual operating (deficit) surplus</b>		(38,842)	<b>6,509</b>	34,914
<b>Endowment contributions and capitalized investment income</b>				
Endowment contributions	16		<b>21,792</b>	17,771
Endowment capitalized investment income	16		<b>6,148</b>	19,589
			<b>27,940</b>	37,360
<b>Annual (deficit) surplus</b>		\$ (38,842)	<b>34,449</b>	72,274
<b>Accumulated surplus, beginning of year</b>			<b>2,110,308</b>	2,038,034
<b>Accumulated surplus, end of year</b>	16		<b>\$ 2,144,757</b>	\$ 2,110,308

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, 2024**

*(thousands of dollars)*

	Budget (Note 22)	2024	2023
Annual (deficit) surplus	\$ (38,842)	\$ 34,449	\$ 72,274
Acquisition of tangible capital assets and purchased intangibles	(162,763)	(200,518)	(148,639)
Proceeds on sale of tangible capital assets and purchased intangibles	-	1,077	6,563
Amortization of tangible capital assets and purchased intangibles	163,766	163,662	156,621
Loss on sale and disposal of tangible capital assets and purchased intangibles	-	297	18,040
(Increase) decrease in prepaid expenses	(289)	(3,456)	521
Increase (decrease) in spent deferred capital contributions	19,099	43,649	(15,536)
Increase in accumulated remeasurement gains	96,545	95,057	38,729
<b>Increase in net financial assets</b>	77,516	134,217	128,573
<b>Net financial assets, beginning of year</b>	1,646,496	1,646,496	1,517,923
<b>Net financial assets, end of year</b>	\$ 1,724,012	\$ 1,780,713	\$ 1,646,496

*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, 2024**  
*(thousands of dollars)*

	Note	2024	2023
<b>Accumulated remeasurement gains, beginning of year</b>		<b>\$ 483,906</b>	\$ 445,177
Unrealized gains attributable to:			
Portfolio investments - non-endowment:			
Quoted in an active market		<b>36,874</b>	13,198
Designated at fair value		<b>34,196</b>	12,711
Portfolio investments - restricted for endowments:			
Quoted in an active market		<b>78,735</b>	65,628
Designated at fair value		<b>43,769</b>	50,531
Amounts reclassified to consolidated statement of operations:			
Portfolio investments - non-endowment:			
Quoted in an active market		<b>(14,767)</b>	(14,106)
Designated at fair value		<b>(19,379)</b>	(15,179)
Portfolio investments - restricted for endowments:			
Quoted in an active market		<b>(41,372)</b>	(41,839)
Designated at fair value		<b>(22,999)</b>	(32,215)
Net change for the year		<b>95,057</b>	38,729
<b>Accumulated remeasurement gains, end of year</b>	16	<b>\$ 578,963</b>	\$ 483,906
<b>Accumulated remeasurement gains is comprised of:</b>			
Portfolio investments - non-endowment		<b>\$ 133,511</b>	\$ 96,587
Portfolio investments - restricted for endowments		<b>445,452</b>	387,319
		<b>\$ 578,963</b>	\$ 483,906

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



**UNIVERSITY OF ALBERTA**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2024**

*(thousands of dollars)*

	2024	2023
<b>Operating transactions</b>		
Annual surplus	\$ 34,449	\$ 72,274
Add (deduct) non-cash items:		
Amortization of tangible capital assets and purchased intangibles	163,662	156,621
Expended capital contributions recognized as revenue	(90,637)	(87,985)
Investment loss from government business enterprise	623	530
Gain on sale of portfolio investments	(98,517)	(103,339)
Loss on sale and disposal of tangible capital assets and purchased intangibles	297	18,040
Decrease in employee future benefit liabilities	(15,997)	(23,150)
(Increase) decrease in asset retirement obligations and environmental liabilities	(870)	21
Change in non-cash items	(41,439)	(39,262)
Decrease (increase) in accounts receivable	14,686	(44,873)
Decrease in inventories held for sale	88	967
Increase (decrease) in accounts payable and accrued liabilities	29,224	(21,884)
(Decrease) increase in deferred revenue	(39,282)	113,262
(Increase) decrease in prepaid expenses	(3,456)	521
Asset retirement obligations abatement	(268)	(537)
<b>Cash (applied to) provided by operating transactions</b>	<b>(5,998)</b>	<b>80,468</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets and purchased intangibles, less in-kind donations and asset retirement additions	(187,168)	(138,664)
Proceeds on sale of tangible capital assets and purchased intangibles	1,077	564
<b>Cash applied to capital transactions</b>	<b>(186,091)</b>	<b>(138,100)</b>
<b>Investing transactions</b>		
Purchases of portfolio investments	(218,777)	(256,372)
Proceeds on sale of portfolio investments	314,228	259,934
<b>Cash provided by investing transactions</b>	<b>95,451</b>	<b>3,562</b>
<b>Financing transactions</b>		
Debt repayment	(17,180)	(16,556)
Debt - new financing	8,000	-
Increase in spent deferred capital contributions, less in-kind donations	128,363	69,025
<b>Cash provided by financing transactions</b>	<b>119,183</b>	<b>52,469</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>22,545</b>	<b>(1,601)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>17,582</b>	<b>19,183</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 40,127</b>	<b>\$ 17,582</b>

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

**UNIVERSITY OF ALBERTA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**  
*(thousands of dollars)*

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**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*, 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 subsidiary, University of Alberta Properties Trust Inc.

**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) 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.

**(b) 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 - 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.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

(thousands of dollars)

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

#### (c) 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 life of the tangible capital assets and purchased intangibles.

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 fulfils 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, 2024, 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, 2024, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

(thousands of dollars)

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

#### (d) 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.

Under the *Post-secondary Learning Act*, 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.

#### (e) Inventories held for sale

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

#### (f) 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

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

(thousands of dollars)

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

#### (g) 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.

#### (h) 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.

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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

(thousands of dollars)

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

#### (h) Employee future benefits (continued)

##### 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.

#### (i) Investment in other government organizations and partnerships

The University established the University of Alberta Innovation Fund Ltd. (UAIF) on March 31, 2023 for the purpose of managing an investment fund to support research and innovation in Alberta. UAIF 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 are not material to the University's consolidated financial statements; therefore, separate condensed financial information is not presented.

#### (j) Investment in government business enterprises

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 is 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.

#### (k) 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 contaminants. 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.

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, 2024, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

(thousands of dollars)

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

#### (l) 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, 2024, 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.

#### (m) 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.

##### **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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

(thousands of dollars)

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

#### (n) 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.

#### (o) Future changes in accounting standards

The Public Sector Accounting Board has approved the following accounting standards 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. Adoption of new accounting standard and guideline

Effective April 1, 2023, the University adopted the following accounting standard and guideline:

- **PS 3400: Revenue**

This standard provides guidance on how to account for and report on revenue, specifically, the recognition, measurement and reporting of revenues that arise from transactions that include performance obligations and transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer. This standard applies to the University's student tuition and fees and sales of services and products. The result of adopting the standard for April 1, 2023 is a decrease in student tuition and fees and an increase to deferred revenue of \$2,808. There is a nominal impact on sales of services and products.

- **PS 3160: Public Private Partnerships**

This standard provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner. The adoption did not have an effect on the University's consolidated financial statements.

- **PSG-8: Purchased intangibles**

This guideline provides direction on accounting for and reporting on purchased intangibles. It provides clarity on the recognition criteria, along with instances of assets that would not meet this definition. The reference to tangible capital assets has been updated to include purchased intangibles throughout these consolidated financial statements and new information has been added to note 14.

The University adopted these standards and this guideline on a prospective basis, and as a result the 2023 comparatives are not restated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

(thousands of dollars)

**4. Cash and cash equivalents**

	2024	2023
Cash	\$ 13,518	\$ 7,590
Money market holdings	26,609	9,992
	<b>\$ 40,127</b>	<b>\$ 17,582</b>

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

**5. Portfolio investments**

	2024	2023
Portfolio investments - non-endowment	\$ 1,530,931	\$ 1,518,875
Portfolio investments - restricted for endowments	1,815,075	1,728,072
	<b>\$ 3,346,006</b>	<b>\$ 3,246,947</b>

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

	2024				2023			
	Level 1 <sup>(1)</sup>	Level 2 <sup>(2)</sup>	Level 3 <sup>(3)</sup>	Total	Level 1 <sup>(1)</sup>	Level 2 <sup>(2)</sup>	Level 3 <sup>(3)</sup>	Total
Cash and money market holdings	\$ 57,727	\$ 258,765	\$ -	\$ 316,492	\$ 63,834	\$ 325,143	\$ -	\$ 388,977
Canadian bonds	-	55,157	-	55,157	-	45,819	-	45,819
Foreign bonds	-	227,441	-	227,441	-	256,388	-	256,388
Canadian equity	263,341	-	-	263,341	320,481	-	-	320,481
Foreign equity	1,273,177	-	-	1,273,177	1,137,852	-	-	1,137,852
Hedge funds	-	457,753	-	457,753	-	426,589	-	426,589
Private equity	-	-	432,298	432,298	-	-	409,506	409,506
Private credit and mortgages	-	-	183,885	183,885	-	-	121,184	121,184
Private real estate and infrastructure	-	-	136,333	136,333	-	-	140,117	140,117
	<b>1,594,245</b>	<b>999,116</b>	<b>752,516</b>	<b>3,345,877</b>	<b>1,522,167</b>	<b>1,053,939</b>	<b>670,807</b>	<b>3,246,913</b>
Other at amortized cost				129				34
	<b>\$ 1,594,245</b>	<b>\$ 999,116</b>	<b>\$ 752,516</b>	<b>\$ 3,346,006</b>	<b>\$ 1,522,167</b>	<b>\$ 1,053,939</b>	<b>\$ 670,807</b>	<b>\$ 3,246,947</b>

The fair value measurements are those derived from:

- <sup>(1)</sup> Quoted prices in active markets for identical assets.
- <sup>(2)</sup> 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).
- <sup>(3)</sup> Third-party financial statements from private asset managers. For investments where statements do not exist then valuation techniques 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:

	2024	2023
<b>Balance, beginning of year</b>	<b>\$ 670,807</b>	<b>\$ 512,967</b>
Unrealized (losses) gains	(31,104)	34,695
Purchases	232,874	178,837
Proceeds on sale	(120,061)	(55,692)
	<b>\$ 752,516</b>	<b>\$ 670,807</b>

There were no transfers between level 1, level 2 and level 3 investments during the current year (2023 - no transfers).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2024

(thousands of dollars)

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### 6. Derivatives

Derivative financial instruments are used by the University to manage its exposure to commodities. All outstanding contracts have a remaining term to maturity of less than one year. As at March 31, 2024, the University held commodity futures contracts for settlement between May and December 2024, with a notional amount of \$46,227 (2023 - \$45,627). The fair value of outstanding commodity futures contracts included in accounts receivable is \$891 (2023 - \$2,136) and of commodity futures contracts included in accounts payable is \$273 (2023 - \$582).

### 7. 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, 2024, 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 \$334,601 (2023 - \$324,695).

#### 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 \$1,930,999 (2023 - \$1,759,040), with approximately 82.0% in USD (2023 - 84.0%). If the value of foreign currency decreased by 1.0% and all other variables are held constant, the potential decrease in accumulated remeasurement gains would be \$19,310 (2023 - \$17,590) or approximately 0.6% of total investments (2023 - 0.5%).

#### 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) 65.2% (2023 - 42.1%); R-1(mid) 34.8% (2023 - 57.9%).
- Bonds: AAA 43.3% (2023 - 41.6%); AA 15.3% (2023 - 8.6%); A 9.5% (2023 - 11.8%); BBB 20.7% (2023 - 21.8%); below BBB and not rated 11.2% (2023 - 16.2%).

#### 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 (2023 - \$20,000) to ensure that funds are available to meet current and forecasted financial requirements. In 2024, the line of credit was not drawn upon (2023 - 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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

(thousands of dollars)

**7. 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 \$16,108 (2023 - \$17,523).

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	-	-	5.3
Canadian government, corporate and foreign bonds	6.0	36.4	57.6	3.7

**8. Investment in government business enterprise**

UAPT is a wholly-owned subsidiary of the University. UAPT operates as a trustee of the University of Alberta Properties Trust ("the trust"), which will lease 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:

**Statement of Financial Position:**

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 564	\$ 1,759
Land lease receivable	208	-
Land held for development	6,000	-
Property and equipment	9	7
Property under development	10,745	3,201
Other assets	66	23
	<b>17,592</b>	<b>4,990</b>
<b>Liabilities</b>		
Operating line of credit	6,251	-
Accounts payable and accrued liabilities	1,071	288
Construction loan	6,192	6,000
Note payable	5,999	-
	<b>19,513</b>	<b>6,288</b>
<b>Equity</b>		
Deficit	(1,921)	(1,298)
	<b>\$ 17,592</b>	<b>\$ 4,990</b>

**Statement of Operations:**

	2023	2022
Revenue	\$ 2	\$ 1
Expense	625	531
<b>Net loss</b>	<b>\$ (623)</b>	<b>\$ (530)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

(thousands of dollars)

**9. Accounts payable and accrued liabilities**

	2024	2023
Trade payables	\$ 102,361	\$ 84,557
Accrued liabilities	68,153	57,770
Vacation liability	31,208	30,480
	<b>\$ 201,722</b>	<b>\$ 172,807</b>

**10. Employee future benefit liabilities**

	2024			2023		
	Academic staff	Support staff	Total	Academic staff	Support staff	Total
Universities Academic Pension Plan	\$ 86,443	\$ -	\$ 86,443	\$ 109,225	\$ -	\$ 109,225
Long-term disability	12,593	28,408	41,001	9,647	25,889	35,536
SRP (defined contribution)	36,047	-	36,047	34,028	-	34,028
Early retirement	-	23,995	23,995	-	24,946	24,946
SRP (defined benefit)	3,615	-	3,615	4,365	-	4,365
General illness	1,146	785	1,931	641	384	1,025
Administrative/professional leave	1,014	-	1,014	918	-	918
	<b>\$ 140,858</b>	<b>\$ 53,188</b>	<b>\$ 194,046</b>	<b>\$ 158,824</b>	<b>\$ 51,219</b>	<b>\$ 210,043</b>

**(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, 2024, resulting in a UAPP deficit of \$10,888 (2023 - \$249,943) consisting of a pre-1992 deficit of \$854,385 (2023 - \$802,039) and a post-1991 surplus of \$843,497 (2023 - \$552,096). The University's portion of the UAPP deficit has been allocated based on its percentage of the plan's total employer contributions for the year.

The unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.3% (2023 - 1.3%) of salaries by the Government of Alberta. Employees and employers equally share the balance of the contributions of 4.0% (2023 - 3.6%) of salaries required to eliminate the unfunded deficiency by December 31, 2043. The Government of Alberta's obligation for the future additional contributions is \$195,453 (2023 - \$197,975) at March 31, 2024.

**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, 2024. 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 \$16,924 (2023 - \$17,555) and a retirement allowance of \$7,071 (2023 - \$7,391). An actuarial valuation of these benefits was carried out as at March 31, 2024. 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

*(thousands of dollars)*

**10. Employee future benefit liabilities (continued)**

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

**Supplementary retirement plan (SRP)**

The University provides a non-contributory defined benefit supplementary retirement benefit to executive. 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, 2024. 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 executive 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, 2024.

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

	2024				2023			
	UAPP	LTD, GI <sup>(1)</sup>	Early retirement <sup>(1)</sup>	SRP, leave <sup>(1)</sup>	UAPP	LTD, GI <sup>(1)</sup>	Early retirement <sup>(1)</sup>	SRP, leave <sup>(1)</sup>
<b>Expense</b>								
Current service cost	\$ 47,864	\$ 20,430	\$ 745	\$ 196	\$ 55,248	\$ 11,966	\$ 738	\$ 189
Interest cost, net of earnings	1,802	1,856	539	172	1,494	1,552	574	189
Amortization of actuarial (gains) losses	(8,388)	910	(1,212)	(93)	(10,451)	303	(1,266)	29
	\$ 41,278	\$ 23,196	\$ 72	\$ 275	\$ 46,291	\$ 13,821	\$ 46	\$ 407
<b>Liability</b>								
<b>Accrued benefit obligation</b>								
Balance, beginning of year	\$ 1,479,935	\$ 41,258	\$ 15,248	\$ 5,040	\$ 1,609,057	\$ 39,376	\$ 15,891	\$ 5,390
Current service cost	47,864	20,430	745	196	55,248	11,966	738	189
Interest cost	93,914	1,856	539	172	82,950	1,552	574	189
Benefits paid	(74,175)	(16,825)	(1,023)	(929)	(75,653)	(15,830)	(1,119)	(921)
Actuarial losses (gains)	22,638	198	(3,105)	101	(191,667)	4,194	(836)	193
Balance, end of year	1,570,176	46,917	12,404	4,580	1,479,935	41,258	15,248	5,040
Plan assets	(1,615,590)	-	-	-	(1,467,177)	-	-	-
Plan (surplus) deficit	(45,414)	46,917	12,404	4,580	12,758	41,258	15,248	5,040
Unamortized actuarial gains (losses)	131,857	(3,985)	11,591	49	96,467	(4,697)	9,698	243
Accrued benefit liability	\$ 86,443	\$ 42,932	\$ 23,995	\$ 4,629	\$ 109,225	\$ 36,561	\$ 24,946	\$ 5,283

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2024**

(thousands of dollars)

**10. Employee future benefit liabilities (continued)**

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

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

	2024			2023		
	UAPP	SRP, leave	LTD, GI, early retirement	UAPP	SRP, leave	LTD, GI, early retirement
	%	%	%	%	%	%
<b>Accrued benefit obligation</b>						
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
<b>Benefit cost</b>						
Discount rate	6.3	3.5	3.5	5.1	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 <sup>(1)</sup>	Note <sup>(1)</sup>	Note <sup>(1)</sup>	Note <sup>(1)</sup>	Note <sup>(1)</sup>	Note <sup>(1)</sup>
Estimated average remaining service life	11.5 yrs	Note <sup>(2)</sup>	1 - 6 yrs	11.5 yrs	Note <sup>(2)</sup>	1 - 6 yrs

(1) The inflation assumption for all plans is 2.5% for 2024 and 2025 and 2.0% thereafter (2023: 3.5% for 2023, 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.

**(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 \$21,474 (2023 - \$21,855).

An actuarial valuation of the PSPP was carried out as at December 31, 2021 and was then extrapolated to December 31, 2023. At December 31, 2023, the PSPP reported an actuarial surplus of \$4,542,500 (2022 - \$4,258,721). For the year ended December 31, 2023 PSPP reported employer contributions of \$260,539 (2022 - \$287,703). For the 2023 calendar year, the University's employer contributions were \$21,076 (2022 calendar year - \$22,368).

**(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 \$4,313 (2023 - \$571 recovery).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

(thousands of dollars)

**11. Debt**

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

	Maturity Date	Weighted average interest rate %	2024	2023
<b>Collateral</b>				
Title to land, building	November 2027 - March 2048	3.599	\$ 153,644	\$ 160,571
General Security Agreement	December 2028 - June 2049	2.992	157,446	156,711
Cash flows from facility	September 2028 - December 2047	4.975	34,616	36,221
None	December 2025 - September 2036	4.843	8,991	10,374
<b>Balance, end of year</b>			<b>\$ 354,697</b>	<b>\$ 363,877</b>

Interest expense on debt recognized in these consolidated financial statements is \$11,085 (2023 - \$12,020).

Land and buildings pledged as collateral have a net book value of \$320,844 (2023 - \$332,449).

Principal and interest payments are as follows:

	Principal	Interest	Total
2025	\$ 18,195	\$ 12,243	\$ 30,438
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
Thereafter	259,543	73,994	333,537
	<b>\$ 354,697</b>	<b>\$ 128,057</b>	<b>\$ 482,754</b>

**12. Deferred revenue**

	2024			2023
	Unspent externally restricted grants and donations	Student tuition, fees and other revenue	Total	Total
<b>Balance, beginning of year</b>	<b>\$ 801,036</b>	<b>\$ 82,301</b>	<b>\$ 883,337</b>	<b>\$ 770,075</b>
<b>Net change for the year</b>				
Grants, donations, endowment spending allocation and tuition	667,614	511,398	1,179,012	1,250,054
Transfers to spent deferred capital contributions	(134,286)	-	(134,286)	(72,449)
Recognized as revenue	(596,157)	(487,851)	(1,084,008)	(1,064,343)
<b>Net change for the year</b>	<b>(62,829)</b>	<b>23,547</b>	<b>(39,282)</b>	<b>113,262</b>
<b>Balance, end of year</b>	<b>\$ 738,207</b>	<b>\$ 105,848</b>	<b>\$ 844,055</b>	<b>\$ 883,337</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

*(thousands of dollars)*

**13. Asset retirement obligations and environmental liabilities**

	<b>2024</b>	2023
Asset retirement obligations	<b>\$ 170,170</b>	\$ 164,399
Environmental liabilities	<b>12,406</b>	11,929
Contaminated sites	<b>1,084</b>	1,043
	<b>\$ 183,660</b>	\$ 177,371

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:

	<b>2024</b>	2023
<b>Balance, beginning of year</b>	<b>\$ 164,399</b>	\$ 158,364
<b>Net change for the year</b>		
Revision in estimates	<b>6,017</b>	6,551
Liabilities settled	<b>(268)</b>	(537)
Accretion expense	<b>22</b>	21
Net change for the year	<b>5,771</b>	6,035
<b>Balance, end of year</b>	<b>\$ 170,170</b>	\$ 164,399

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.

Asset retirement obligations of \$170,170 (2023 - \$164,399) include \$642 (2023 - \$620) measured using the present value technique. The undiscounted estimated cash flows to settle these obligations is \$911 (2023 - \$911), using a discount rate of 3.5% (2023 - 3.5%), and are expected to be settled between 2030 and 2047. The remaining obligations of \$169,528 (2023 - \$163,779) are measured at the current estimated cost due to the uncertainty about when the hazardous materials would be removed.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

(thousands of dollars)

**14. Tangible capital assets and purchased intangibles**

	2024					2023	
	Buildings and utilities	Equipment, furnishings and systems	Learning resources	Land	Asset retirement obligations	Total	Total
<b>Cost</b>							
Beginning of year	\$ 3,918,390	\$ 1,486,127	\$ 537,343	\$ 64,000	\$ 164,654	\$ 6,170,514	\$ 6,079,340
Acquisitions	80,849	91,712	20,530	-	7,427	200,518	148,639
Disposals	(6,987)	(13,940)	(5,758)	(1,000)	(1,410)	(29,095)	(57,465)
	<b>3,992,252</b>	<b>1,563,899</b>	<b>552,115</b>	<b>63,000</b>	<b>170,671</b>	<b>6,341,937</b>	<b>6,170,514</b>
<b>Accumulated amortization</b>							
Beginning of year	1,699,630	1,212,784	424,745	-	87,276	3,424,435	3,300,676
Amortization expense	82,572	54,688	21,676	-	4,726	163,662	156,621
Disposals	(6,987)	(13,566)	(5,758)	-	(1,410)	(27,721)	(32,862)
	<b>1,775,215</b>	<b>1,253,906</b>	<b>440,663</b>	<b>-</b>	<b>90,592</b>	<b>3,560,376</b>	<b>3,424,435</b>
<b>Net book value, March 31, 2024</b>	<b>\$ 2,217,037</b>	<b>\$ 309,993</b>	<b>\$ 111,452</b>	<b>\$ 63,000</b>	<b>\$ 80,079</b>	<b>\$ 2,781,561</b>	<b>\$ 2,746,079</b>

Net book value, March 31, 2023 \$ 2,218,760 \$ 273,343 \$ 112,598 \$ 64,000 \$ 77,378 \$ 2,746,079

Included in buildings and utilities is \$228,359 (2023 - \$177,668) 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 \$5,923 (2023 - \$3,424).

Learning resources includes purchased intangibles. Acquisitions of purchased intangibles in the current year are \$20,030 (2023 - \$19,477). The net book value of purchased intangibles included in learning resources is \$105,822 (2023 - \$105,550).

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 \$80,016 (2023 - \$77,309) in buildings and utilities and \$63 (2023 - \$69) 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.

	2024	2023
<b>Balance, beginning of year</b>	<b>\$ 1,809,981</b>	<b>\$ 1,825,517</b>
<b>Net change for the year</b>		
Transfers from unspent externally restricted grants and donations	134,286	72,449
Expended capital contributions recognized as revenue	(90,637)	(87,985)
<b>Net change for the year</b>	<b>43,649</b>	<b>(15,536)</b>
<b>Balance, end of year</b>	<b>\$ 1,853,630</b>	<b>\$ 1,809,981</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

(thousands of dollars)

**16. Net assets**

	Note	Unrestricted	Investment in tangible capital assets and purchased intangibles	Internally restricted	Endowments	Total
<b>Net assets, March 31, 2022</b>		\$ 259,380	\$ 481,071	\$ 103,000	\$ 1,639,760	\$ 2,483,211
<b>Annual operating surplus</b>		34,914	-	-	-	34,914
<b>Transfer to internally restricted</b>	24	(37,064)	-	37,064	-	-
<b>Transfer from internally restricted</b>		22,000	-	(22,000)	-	-
<b>Endowments</b>						
New contributions		-	-	-	17,771	17,771
Capitalized investment income		-	-	-	19,589	19,589
Transfer to endowments		(8,847)	-	-	8,847	-
<b>Tangible capital assets and purchased intangibles</b>						
Acquisitions		(51,655)	51,655	-	-	-
Debt repayment		(14,868)	14,868	-	-	-
Debt - financing allocation		12,679	(12,679)	-	-	-
Amortization		68,636	(68,636)	-	-	-
Change in asset retirement obligations	13	6,035	(6,035)	-	-	-
<b>Change in accumulated remeasurement gains</b>		(3,376)	-	-	42,105	38,729
<b>Net assets, March 31, 2023</b>		\$ 287,834	\$ 460,244	\$ 118,064	\$ 1,728,072	\$ 2,594,214
<b>Annual operating surplus</b>		<b>6,509</b>	-	-	-	<b>6,509</b>
<b>Transfer to internally restricted</b>	24	<b>(39,000)</b>	-	<b>39,000</b>	-	-
<b>Transfer from internally restricted</b>		<b>24,864</b>	-	<b>(24,864)</b>	-	-
<b>Endowments</b>						
New contributions		-	-	-	21,792	21,792
Capitalized investment income		-	-	-	6,148	6,148
Transfer to endowments		(930)	-	-	930	-
<b>Tangible capital assets and purchased intangibles</b>						
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)	-	-	-
<b>Change in accumulated remeasurement gains</b>		<b>36,924</b>	-	-	<b>58,133</b>	<b>95,057</b>
<b>Net assets, March 31, 2024</b>		\$ 323,455	\$ 452,990	\$ 132,200	\$ 1,815,075	\$ 2,723,720

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

*(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	\$ 189,944	\$ 452,990	\$ 132,200	\$ 1,369,623	\$ 2,144,757
Accumulated remeasurement gains <sup>(1)</sup>	133,511	-	-	445,452	578,963
	<b>\$ 323,455</b>	<b>\$ 452,990</b>	<b>\$ 132,200</b>	<b>\$ 1,815,075</b>	<b>\$ 2,723,720</b>

<sup>(1)</sup> 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 \$90,091 (2023 - \$87,021). 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, \$55,200 (2023 - \$40,064) 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.

	2024	2023
Investment income reserve	\$ 77,000	\$ 78,000
Strategic initiatives	55,200	40,064
	<b>\$ 132,200</b>	<b>\$ 118,064</b>

**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

(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
2025	\$ 2,501	\$ 2,601	\$ 5,102
2026	1,898	892	2,790
2027	1,574	615	2,189
2028	1,004	546	1,550
2029	213	452	665
Thereafter	229	3,236	3,465
<b>Total at March 31, 2024</b>	<b>\$ 7,419</b>	<b>\$ 8,342</b>	<b>\$ 15,761</b>
Total at March 31, 2023	\$ 5,596	\$ 10,852	\$ 16,448

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
2025	\$ 76,482	\$ 153,205	\$ 1,477	\$ 231,164
2026	13,725	39,436	981	54,142
2027	42	20,812	817	21,671
2028	-	7,912	390	8,302
2029	-	6,301	59	6,360
Thereafter	-	5,780	330	6,110
<b>Total at March 31, 2024</b>	<b>\$ 90,249</b>	<b>\$ 233,446</b>	<b>\$ 4,054</b>	<b>\$ 327,749</b>
Total at March 31, 2023	\$ 96,751	\$ 238,830	\$ 5,645	\$ 341,226

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 (2023 - six contracts) with expenditures totaling \$44,923 (2023 - \$45,517) 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 two years remaining with a total estimated cost of \$13,867 (2023 - \$24,267).
- The University entered into two agreements with an external party for information technology support effective June 1, 2021. Infrastructure management services has two years remaining with a cost of \$3,870 (2023 - \$3,458), and application management services has two years remaining with a cost of \$3,597 (2023 - \$5,810).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

*(thousands of dollars)*

**20. Contractual obligations (continued)**

- Effective August 1, 2021, the University entered into an agreement with an external party for custodial services. The agreement has four months remaining with a cost of \$3,562 (2023 - \$13,862).
- (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, 2023, CURIE had an accumulated surplus of \$107,548 (2022 - \$97,444), of which the University's pro rata share is approximately 7.4% (2023 - 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 \$5,396 (2023 - \$5,951).

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

**22. Budget**

The University's 2023-24 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

**23. Government transfers**

	2024	2023
<b>Government of Alberta grants</b>		
Advanced Education - Base operating grant	\$ 448,695	\$ 448,695
Advanced Education - other grants	95,700	142,955
Jobs, Economy and Trade	30,184	-
Alberta Health Services	67,773	63,186
Health	27,196	25,148
Technology and Innovation	19,534	73,604
Jobs, Economy and Northern Development	-	33,081
Other departments and agencies	3,216	6,208
	<b>692,298</b>	792,877
Expended capital contributions recognized as revenue	62,904	60,568
Deferred revenue	(34,138)	(97,242)
	<b>\$ 721,064</b>	<b>\$ 756,203</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

(thousands of dollars)

**23. Government transfers (continued)**

	2024	2023
<b>Federal and other government grants</b>		
Natural Sciences and Engineering Research Council	\$ 54,786	\$ 60,032
Canadian Institutes of Health Research	40,453	46,364
Social Sciences and Humanities Research Council	36,311	35,550
Canada Research Chairs	20,007	16,347
Canadian Foundation for Innovation	19,093	12,077
Canadian First Research Excellence Fund	-	13,294
Other	64,536	55,755
	<b>235,186</b>	239,419
Expended capital contributions recognized as revenue	16,405	14,193
Deferred revenue	(20,396)	(47,155)
	<b>\$ 231,195</b>	<b>\$ 206,457</b>

The University currently holds \$358 (2023 - \$4,889) on behalf of federal and other government agencies. The University's Board of Governors has no power of appropriation over the funds; accordingly, these amounts are not included in the University's consolidated financial statements.

**24. Investment income**

	Note	2024	2023
<b>Portfolio investments - non-endowment</b>			
In support of operations		\$ 38,196	\$ 27,655
Transfer to internally restricted net assets	16	39,000	37,064
<b>Portfolio investments - restricted for endowments</b>			
Spending allocation recognized as revenue		80,946	76,302
		<b>\$ 158,142</b>	<b>\$ 141,021</b>

**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**

	2024 Budget (Note 22)	2024	2023
Salaries	\$ 924,637	\$ 940,960	\$ 889,317
Employee benefits	186,730	187,385	176,611
Materials, supplies and services	334,613	338,442	309,162
Scholarships and bursaries	175,871	179,375	165,992
Maintenance and repairs	84,857	84,545	91,042
Utilities	68,496	59,454	71,371
Loss on disposal of tangible capital assets and purchased intangibles	-	298	18,040
Amortization of tangible capital assets and purchased intangibles	163,766	163,662	156,621
	<b>\$ 1,938,970</b>	<b>\$ 1,954,121</b>	<b>\$ 1,878,156</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

(thousands of dollars)

**26. Salaries and employee benefits**

	2024					
	Base salary <sup>(4)</sup>	Other cash benefits <sup>(5)</sup>	Non-cash benefits <sup>(6)</sup>	Non-cash benefits (DC SRP) <sup>(7)</sup>	Non-cash benefits (leave) <sup>(8)</sup>	Total
<b>Governance <sup>(1)</sup></b>						
Board of Governors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Executive</b>						
President	455	7	49	41	53	605
Provost and Vice-President (Academic) <sup>(2) (9)</sup>	378	8	48	29	-	463
Vice-President (Research and Innovation) <sup>(9)</sup>	347	5	46	29	-	427
Vice-President (Facilities and Operations) <sup>(10)</sup>	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
<b>2023</b>						
	Base salary <sup>(4)</sup>	Other cash benefits <sup>(5)</sup>	Non-cash benefits <sup>(6)</sup>	Non-cash benefits (DC SRP) <sup>(7)</sup>	Non-cash benefits (leave) <sup>(8)</sup>	Total
<b>Governance <sup>(1)</sup></b>						
Board of Governors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Executive</b>						
President	447	6	50	28	41	572
Provost and Vice-President (Academic) <sup>(3) (9)</sup>	362	17	50	24	-	453
Vice-President (Research and Innovation) <sup>(9)</sup>	331	3	46	24	-	404
Vice-President (Facilities and Operations)	377	18	48	13	(54)	402
Vice-President (University Services and Finance)	398	9	47	26	43	523
Vice-President (External Relations)	339	9	47	3	20	418

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

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

(3) In 2023, two individuals held this position (former Provost for 3 months and interim for 9 months). The interim Provost did not participate in any executive benefit programs except the DC SRP.

(4) Base salary includes pensionable base pay for all executive.

(5) Other cash benefits include academic executive allowances, vacation payouts, retroactive base pay, and car allowances.

(6) Non-cash benefits include the University's share of all employee benefits and contributions or payments made on behalf of 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 executive also include supplemental life insurance.

(7) 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:

	2023			2024		
	DC SRP obligation	Service costs	Interest and investment loss <sup>(7a)</sup>	DC SRP obligation	Service costs	Interest and investment loss <sup>(7a)</sup>
President	\$ 86	\$ 31	\$ 10	\$ 127	\$ 31	\$ 10
Provost and Vice-President (Academic)	19	27	2	48	27	2
Vice-President (Research and Innovation)	37	25	4	66	25	4
Vice-President (Facilities and Operations) <sup>(10)</sup>	163	24	19	206	24	19
Vice-President (University Services and Finance)	50	27	7	84	27	7
Vice-President (External Relations)	25	15	2	42	15	2

(7a) 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 losses are distributed to each plan participant based on the overall return of the plan's investments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2024**

*(thousands of dollars)*

**26. Salaries and employee benefits (continued)**

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

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

	2023		2024				
	Accrued benefit obligation	Service costs	Interest and other costs	Net change in actuarial losses	Accrued benefit obligation <sup>(8a)</sup>	Years of eligible University of Alberta service <sup>(8b)</sup>	
President	\$ 241	\$ 88	\$ (35)	\$ 56	\$ 350	3.8	
Vice-President (Facilities and Operations) <sup>(10)</sup>	177	-	(28)	51	200	5.0	
Vice-President (University Services and Finance)	184	76	(27)	63	296	3.4	
Vice-President (External Relations)	73	32	(10)	24	119	3.3	

- (8a) The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in note 10.

- (8b) The employment contract for the Vice-President (Facilities and Operations) stipulates a leave entitlement of five years maximum.

- (9) 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.

- (10) On April 8, 2024, the position of Vice-President (Facilities and Operations) was terminated. Severance is estimated to be \$267. As this decision was made subsequent to March 31, this severance is not recognized in these consolidated financial statements.

**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.

APPENDIX 2

# Consolidated Financial Statement Discussion and Analysis

For the year ended March 31, 2024



# Table of Contents

Summary of Financial Results	87
Revenue	89
Expense	91
Capital Acquisitions	94
Net Assets and Net Financial Assets / Net Debt	94
Areas of Significant Financial Risk	97

The consolidated financial statement discussion and analysis should be read in conjunction with the University of Alberta audited financial statements. The University's financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

For more in-depth discussion and analysis of the University's goals and objectives please refer to the following documents: *Shape*, Investment Reports, and Annual Report:

<https://www.ualberta.ca/reporting>

<https://www.ualberta.ca/strategic-plan>



# Summary of Financial Results

The consolidated financial statement discussion and analysis provides an overview of the University's:

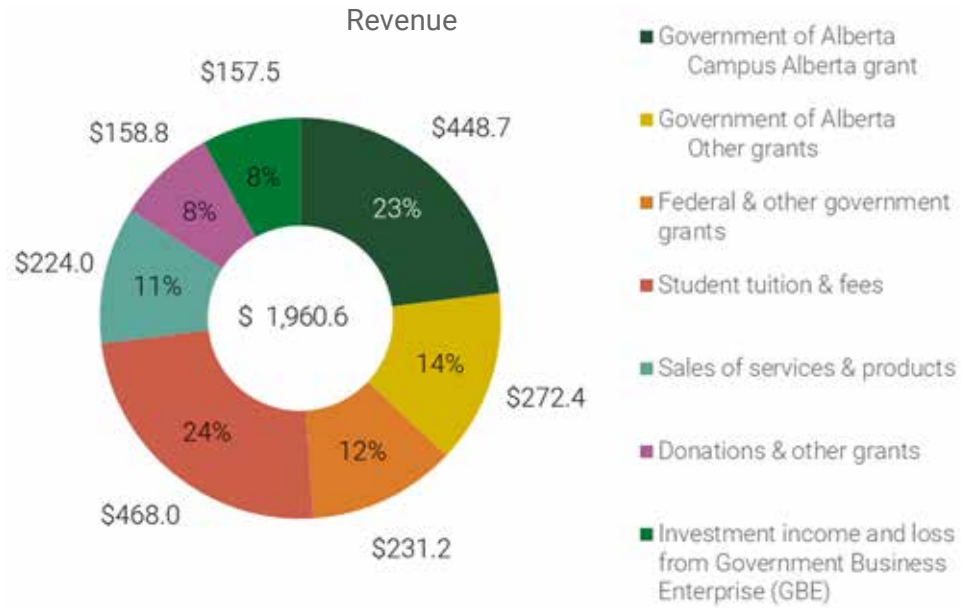
- Summary of Financial Results
- Revenue and Expense
- Capital Acquisitions
- Net Assets and Net Financial Assets/Net Debt
- Areas of Significant Financial Risk

The University of Alberta ended the year with an annual consolidated surplus of \$34.4 million. Of this amount, \$27.9 million are donations directed to endowments and endowment capitalized investment income and therefore are not available for spending. The annual operating surplus was \$6.5 million, which is 0.3% of total revenue (budgeted annual operating deficit: \$38.8 million; 2.0% of total expenses). The increase of \$45.3 million from the annual operating surplus compared to the budgeted operating deficit is mainly due to higher than budgeted investment income (\$42.4 million).

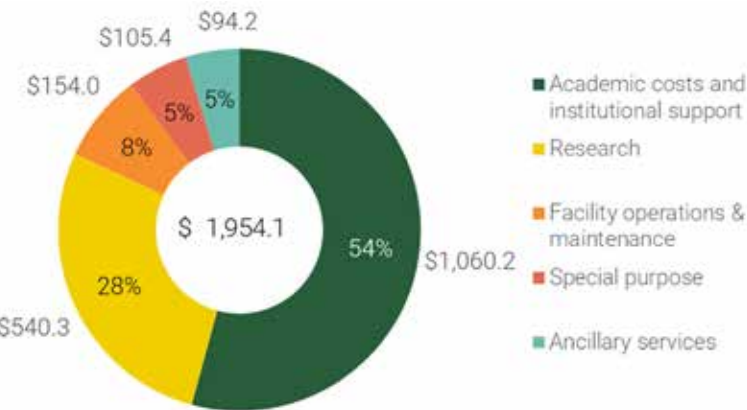
The decrease of \$28.4 million from the prior year annual operating surplus of \$34.9 million was primarily due to an increase in operating salaries (\$42.0 million), mainly due to academic and support staff across-the-board increases from agreements ratified in 2022, increased research activity, and the continued establishment of partner networks as part of the ongoing transition to the University of Alberta for Tomorrow (UAT) operating module. Additionally, there was an increase in materials, supplies and services (\$20.5 million) due to spending on approved carryforward initiatives. These increased expenses were offset by an increase in Government of Alberta Targeted Enrolment Expansion grants (\$11.2 million), an increase in investment income earned (\$10.5 million), and a prior year loss on the sale of the Soaring Estates land (\$9.5 million).

Net assets of \$2,723.7 million increased from the prior year (2023: \$2,594.2 million). The increase of \$129.5 million is due to an increase in the fair value of portfolio investments of \$95.1 million along with the annual surplus of \$34.4 million.

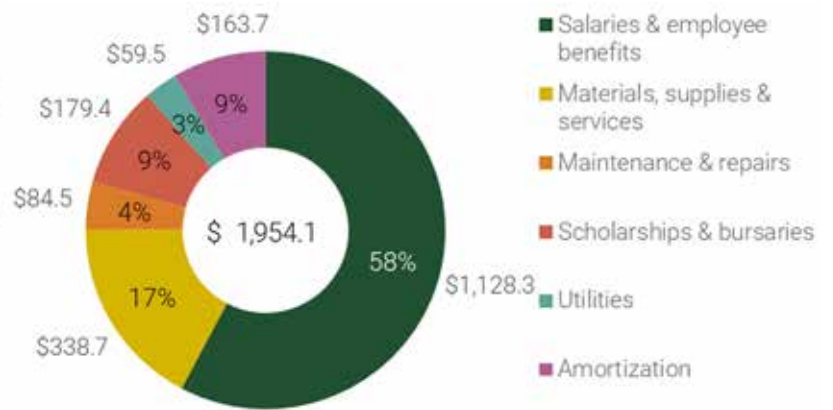
The following figures provide an overview of the University revenue, expense by function, and expense by object.



### Expense by Function



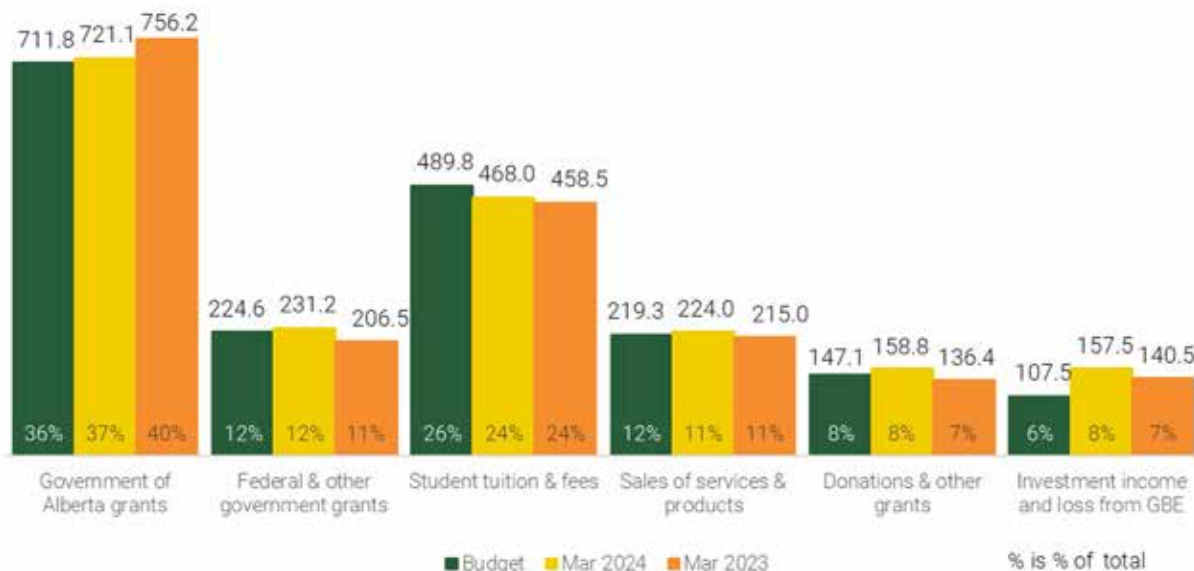
### Expense by Object



## Revenue

Total revenue for the year was \$1,960.6 million, an increase of \$47.5 million (2.5%) over the prior year and \$60.5 million (3.2%) more than budget. Figure 1 provides a breakdown of the University's revenue.

Figure 1. University of Alberta Revenue



### Government of Alberta Grants

Government of Alberta (GoA) grants represent the single largest source of funding for University activities at 37% of total revenue. GoA grant revenue of \$721.1 million was \$35.1 million lower than prior year mainly due to prior year COVID-19 countermeasures research grant (\$50.1) offset by an increase in targeted enrolment expansion grant (\$11.9 million). GoA grant revenue was \$9.3 million higher than budget mainly due to additional targeted enrolment expansion grants.

### Federal and Other Government Grants

Federal and other government grants primarily support the University's research activities. Federal and other government grants revenue of \$231.2 million was \$24.7 million higher than prior year and \$6.6 million higher than budget. The increase over prior year and budget is not attributable to one individual item. The increase is mainly in restricted research due to overall increase in research expenses (grants received recognized to match spending).

### Student Tuition and Fees

Student tuition and fees includes instructional fees, market modifiers, program differential fees, international student fees, and mandatory non-instructional fees. Student tuition and other fees revenue of \$468.0 million was \$9.5 million higher than prior year but \$21.8 million lower than budget. The increase over prior year was mainly due to increases in domestic and international tuition (5.5% domestic and international (admitted prior to fall 2020); 6.0% international guaranteed), offset by an increase in April teaching days deferral due to the

timing of the Easter holiday. The decrease compared to budget is mainly due to lower than planned international student enrolment due to visa processing delays and geopolitical relations.

### Sales of Services and Products

Sales of services and products to individuals and external organizations are generated by ancillary services, faculties, and administrative units to support University activities. Sales of services and products revenue of \$224.0 million was \$9.0 million more than prior year mainly due to higher ancillary revenues for residences and retail services, and various on-campus activities. Sales of services and products revenue was comparable to budget.

### Donations and Other Grants

Donations and other grants support many University activities. Donations and other grants revenue of \$158.8 million was \$22.4 million higher than prior year and \$11.7 million higher than budget. The increase over prior year and when compared to budget is mainly due to higher donations received for restricted research projects.

### Investment Income, loss from Government Business Enterprises (GBE)

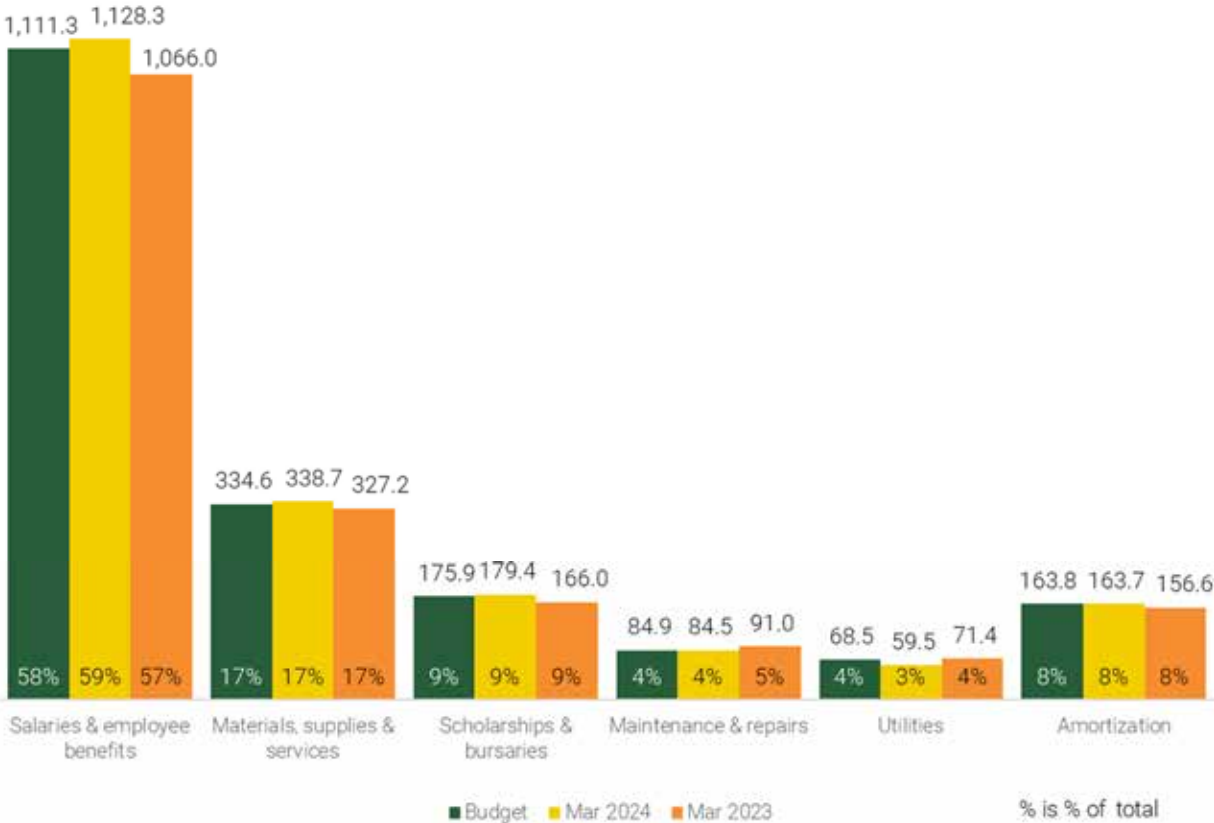
Investment income supports many University activities, both operating activities and a reserve for strategic and other initiatives. Investment income revenue, including the loss from GBE (University of Alberta Properties Trust Inc.), of \$157.5 million was \$17.0 million higher than prior year and \$50.0 million higher than budget. The increase over prior year was mainly due to higher realized income in the liquidity and yield strategies. The increase over budget was mainly due to higher return-seeking and yield strategies. Investments fall into two categories, the University Endowment Pool (UEP) and the Non-Endowed Investment Pool (NEIP). The UEP had a return of 8.6% (2023: 6.5%) and represents the majority of the University's long-term investment strategy. The NEIP investments, which are allocated to short-term, mid-term and long-term investment strategies, had a return of 6.3% (2023: 2.8%). The return rates reflect both realized and unrealized gains in the investment portfolios. The University's wholly owned GBE, University of Alberta Properties Trust Inc., recorded a loss of \$0.6 million.

# Expense

Total expense for the year was \$1,954.1 million, an increase of \$75.9 million (4.0%) more than prior year and \$15.1 million (0.8%) more than budget. Salaries and employee benefits are the single largest expense representing 59% of total expense. Overall, the increase in expenses can be attributed to an increase in salaries due to a combination of new hires and across-the-board increases, and an increase in materials and supplies as the University had approval to spend carryforward surplus on approved initiatives. Figure 2 provides a breakdown of the University's expense by object.

## Expense by Object

Figure 2. University of Alberta Expense



### Salaries and Employee Benefits

Salaries and employee benefits of \$1,128.3 million was \$62.3 million more than prior year mainly due to increased administrative professional officer hires, and academic and support staff across-the-board increases from agreements ratified in 2022. The increase is also attributable to higher employee future benefit expenses, mainly long-term disability and defined contribution supplementary retirement plans. Salaries and employee benefits expense was \$17.0 million higher than budget mainly due to increased research activity, and the continued establishment of partner networks as part of the ongoing transition to the UAT operating module.





## Materials, Supplies and Services

Materials, supplies and services include loss on disposal of tangible capital assets. Materials, supplies and services expenses of \$338.7 million was \$11.5 million more than prior mainly due to approved spending on carryforward initiatives, offset by prior year losses from the sale of the Soaring Estate land. Materials, supplies and services expense was comparable to budget.

## Scholarships and Bursaries

Scholarships and bursaries of \$179.4 million was \$13.4 million more than prior year due to an increase in undergraduate and graduate awards funded from operations, endowments and restricted grants. Scholarships to students continue to see increases due to the commitment made to students as part of overall tuition increases. This aligns with the University's goal to attract and support undergraduate and graduate students. Scholarships and bursaries expense was comparable to budget.

## Maintenance and Repairs

Maintenance and repairs of \$84.5 million was \$6.5 million less than prior year mainly due to prior year renovations on several buildings (Health Sciences Library, Central Academic Building, Enterprise Square). This decrease was offset by new projects, including First Peoples' House (former Coutts Library location in the Education Building) and accessibility initiatives. Maintenance and repairs expense was comparable to budget.

## Utilities

Utilities of \$59.5 million was \$11.9 million lower than prior year and \$9.0 million lower than budget. The decrease over prior year and budget was due to lower natural gas and electricity rates.

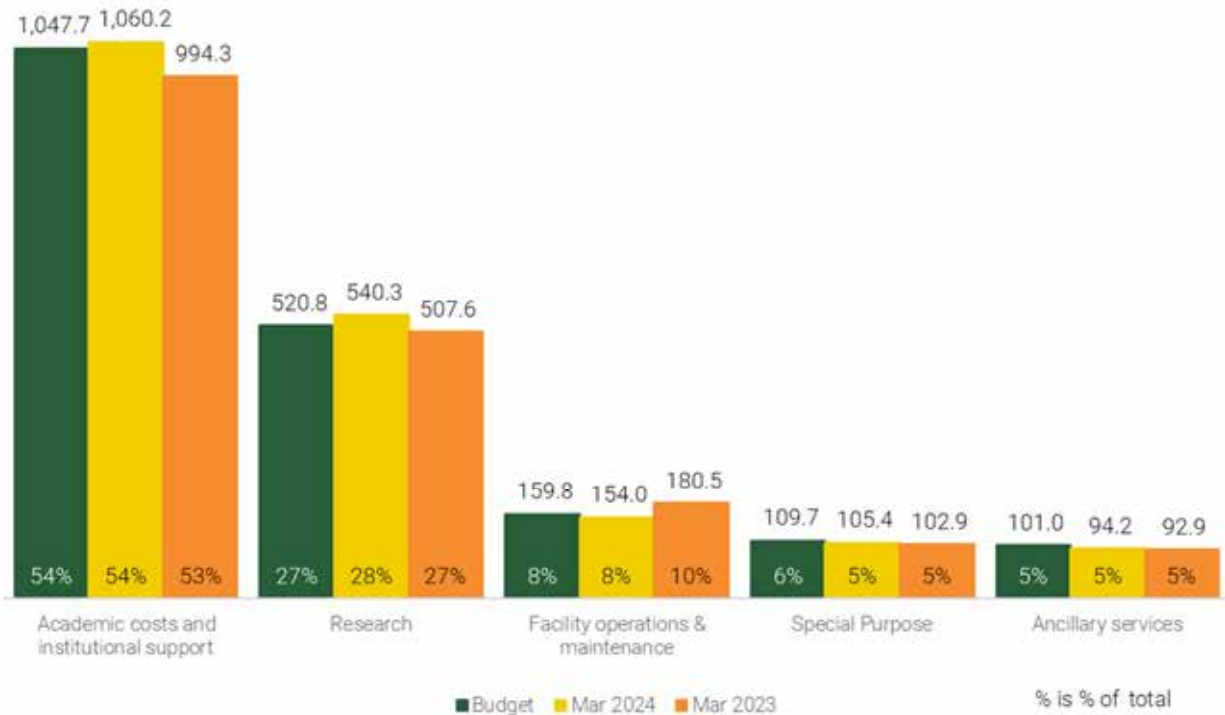
## Amortization

Amortization of \$163.7 million was \$7.1 million more than prior year mainly due to the amortization of the Lister Centre Renewal and the amortization of various equipment and furnishings. Amortization expense was comparable to budget.

## Expense by Function

Figure 3 provides a breakdown of the University's expense by function.

Figure 3. University of Alberta Expense by Function



### Academic Costs and Institutional Support

Academic costs and institutional support expenses effectively represent the operating activities of the University. A significant component of this category is salary and employee benefit costs. Expenses for this category of \$1,060.2 million were \$65.9 million more than prior year mainly due the increase in salaries and benefits, as well as materials, supplies and services relating to faculty specific carryforward initiatives. Academic costs and institutional support expense was comparable to budget.

### Research

Research expenses are funded by restricted grants and donations along with internal funds designated for research related activities. Research expenses of \$540.3 million were \$32.7 million more than prior year and \$19.5 million more than budget. The increase from prior year and over budget is mainly due to increased restricted research activity; there is no one individually significant project of note.

### Facility Operations and Maintenance

Facility operations and maintenance represent the cost of maintaining University facilities and grounds. Facility operations and maintenance expense of \$154.0 million was \$26.5 million less than prior year due to lower utility costs and less maintenance work on buildings. Facility operations and maintenance expense was \$5.8 million lower than budget due to lower utility costs.

## Special Purpose

Special purpose expenses are for student awards and bursaries and other programs involving teaching and learning, and community service specifically funded by restricted grants and donations. Special purpose expense of \$105.4 million was \$2.5 million more than prior year and \$4.3 million less than budget.

## Ancillary Services

Ancillary services include the University bookstore, parking services, utilities and student residences. Ancillary services expense of \$94.2 million was \$1.3 million more than prior year. Ancillary services expense was \$6.8 million less than budget mainly under the utilities ancillary as a result of lower cost of goods sold for electricity and natural gas.

## Capital Acquisitions

The University expended \$200.5 million (2023: \$148.6) on construction and other tangible capital assets and intangible acquisitions.

The most significant construction and capital asset acquisitions in 2024 continue to be:

- University Commons Renewal and Repurpose (formerly Dentistry and Pharmacy) - a multi-year project to renovate the building.
- District Energy System - a multi-year project to upgrade the capacity of the distinct energy system to service the needs of the greater campus area.

The University also sold the following asset during the course of the year:

- Sturgeon land – a donation of land to the University which the University proceeded to sell and the net sale proceeds are to fund Alzheimer's disease research initiatives.

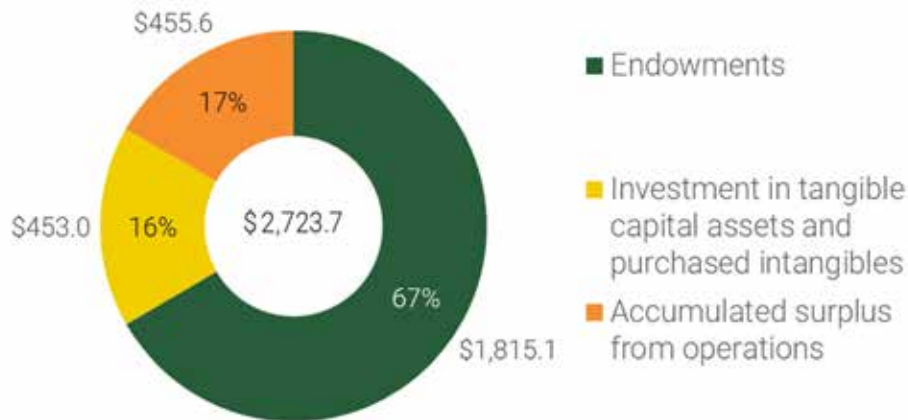
## Net Assets and Net Financial Assets / Net Debt

### Net Assets

The net asset balance is an important indicator of financial health for the University. The net assets measure provides the economic position of the University from all years of operations. The University's net assets include endowments of \$1,815.1 million. Endowments represent contributions from donors that are required to be maintained in perpetuity, as well as capitalized investment income that is also required to be maintained in perpetuity to protect the future economic value of the endowment. Endowments are not available for spending. Of the remaining \$908.6 million in net assets, \$453.0 million represents funds invested in tangible capital assets and purchased intangibles.

Figure 4 and Table 1 provide a breakdown of the University's net assets.

Figure 4. University of Alberta Net Assets



	Unrestricted	Internally Restricted	Investment in Tangible Capital Assets and Purchased Intangibles	Endowments	Total
<b>Net Assets, Beginning of Year</b>	<b>\$287.8</b>	<b>\$118.1</b>	<b>\$460.2</b>	<b>\$1,728.1</b>	<b>\$2,594.2</b>
Annual Operating Surplus	6.5	-	-	-	6.5
Transfer to Internally Restricted	(39.0)	39.0	-	-	-
Transfer from Internally Restricted	24.9	(24.9)	-	-	-
Endowments Contributions and Capitalized Income	-	-	-	27.9	27.9
Transfer to Endowment	(0.9)	-	-	0.9	-
Tangible Capital Assets and purchased intangibles	7.2	-	(7.2)	-	-
Change in Accumulated Remeasurement Gains	36.9	-	-	58.2	95.1
<b>Increase (Decrease)</b>	<b>35.6</b>	<b>14.1</b>	<b>(7.2)</b>	<b>87.0</b>	<b>129.5</b>
<b>Net Assets, End of Year</b>	<b>\$323.4</b>	<b>\$132.2</b>	<b>\$453.0</b>	<b>\$1,815.1</b>	<b>\$2,723.7</b>

The increase in unrestricted net assets is mainly due to the annual operating surplus (\$6.5 million), current year remeasurement gain on investments (\$36.9 million), and funding for tangible capital assets (\$7.2 million), partially offset by net transfers to the internally restricted reserve (\$14.1 million) and a transfer capitalized to endowment principal (\$0.9 million).

The University has an internally restricted reserve of \$132.2 million; the current year transfer is \$39.0 million. Of this amount, \$77.0 million is an investment income reserve while an additional \$40.0 million has been appropriated to a Strategic Initiatives Fund, on top of the \$15.2 million balance from last year for a total of \$55.2 million, in support of various strategic initiatives in accordance with University Funds Investment Policy. During the fiscal year, the University transferred \$24.9 million from the Strategic Initiatives Fund for various board-approved one-time projects.

As per the University Funds Investment Policy, all realized Non-Endowed Investment Pool earnings not required for current budget purposes will be reinvested to build an investment income reserve. In the current year, this amounts to \$39.0 million.

As at March 31, 2024, the market value of the Non-Endowed Investment Pool's yield and return-seeking investments exceed their underlying obligations (cost) by \$328 million or 35.2%. Of this amount, \$132.2 million in realized gains have been set aside in internally restricted reserves. The purpose of the investment income reserve is to create a buffer for risk management purposes; that is, to ensure that all future financial obligations can be fulfilled in the event of unplanned liquidity requirements and significant investment losses occurring concurrently. The policy target is for the market value of these investment strategies to exceed the underlying obligations (investment cost) by 17%, currently \$158 million, which allows for fluctuations in capital and equity markets to the degree experienced during the financial crisis in 2008-09. Since the policy target is currently being met, appropriations to a Strategic Initiatives Fund to support long-term institutional goals can be made. Details of the allocations can be seen in Table 2.

	<b>2024</b>	<b>2023</b>
Investment Income Reserve	\$77.0	\$78.0
Strategic Initiatives	55.2	40.1
<b>Total Reserves, End of Year</b>	<b>\$132.2</b>	<b>\$118.1</b>

The decrease in investment in tangible capital assets and purchased intangibles of \$7.2 million consists of amortization (\$73.0 million), financing allocation (\$8.7 million), and the change in asset retirement obligations (\$5.8 million), offset by additions (\$65.0 million) and debt repayments (\$15.3 million). The additions include construction projects, equipment, furnishings, computer hardware/software, and library resources.

The University's endowment spending policy provides for an annual spending allocation of \$61.8 million (2023: \$59.6 million) to support a variety of key initiatives in the areas of academic programs, chairs and professorships, scholarships, bursaries and research. The increase in endowments of \$87.0 million is due to an increase in fair value (\$58.2), new contributions and capitalized investment income (\$27.9 million), and a board-approved transfer of miscellaneous revenue from unrestricted net assets (\$0.9 million).

During the year the University's investment income earned from endowment investments was \$89.0 million (2023: \$98.7 million). This was sufficient to fund the annual spending allocation of \$61.8 million (2023: \$59.6 million) along with the investment management and administration fees of \$21.1 million (2023: \$19.5 million). This left \$6.1 million (2023: \$19.6) that was capitalized to endowment net assets as it was not required to meet the University's spending allocation obligations.

## Net Debt

The University's liquidity needs are met primarily through operating cash flows, working capital balances and capital expansion funding received through grants or long-term debt. Net financial assets (net debt) is a measure of an organization's ability to use its financial assets to cover liabilities and fund future operations.

The net debt position (excluding portfolio investments restricted for endowments) indicates that the University has a \$34.4 million deficiency (2023: \$81.6 million deficiency). The deficiency can be attributed to tangible capital assets acquired by debt financing of \$304.8 million (2023: \$311.5 million), asset retirement obligations of \$170.2 million (2023: \$164.4 million), and the incurrence of prepaid expenses of \$15.1 million (2023: \$11.6 million), offset by the accumulated operating surplus of \$455.7 million (2023: \$405.9 million). Net debt has decreased mainly due to increased unrealized gains on investments not restricted for endowments and the current year annual operating surplus.

## Areas of Significant Financial Risk

### Fiscal Uncertainty

The provincial Operating and Program Support Grant is the primary source of funding for the University's day-to-day operating activities. The final planned cut to the Operating and Program Support Grant occurred in the prior year and was approximately \$52 million. Government support was held flat this fiscal year. Grants, tuition and other revenue-generating initiatives are largely under government control, which puts significant pressure on University finances. The impact to University revenue of a 1% change to the Operating and Program Support base operating grant is \$4.5 million and a 1% change to domestic tuition is \$2.4 million.

### Unfunded Pension Liability

The University, along with other Alberta post-secondary institutions, participates in the Universities Academic Pension Plan (UAPP) to provide pensions for the University's participating employees. The unfunded deficiency in the UAPP is currently being funded by a combination of employee and employer contributions and the Government of Alberta. The deficiency is required to be eliminated by 2043. As at March 31, 2024, based on actuarial assumptions, the University has recorded a UAPP employee future benefit liability of approximately \$86.4 million.

The impact to the University's share of the unfunded liability of a 1% increase in the inflation rate assumption would be an increase of approximately \$54 million, a 1% increase in the salary escalation assumption would be an increase of approximately \$16 million, while a decrease of 1% in the discount rate assumption would lead to an increase of approximately \$125 million.

### Deferred Maintenance

As the largest and oldest post-secondary institution in the province, the University's deferred maintenance obligations continue to increase. As of March 2024, the estimated liability stood at \$360.8 million and is estimated to increase to approximately \$1.095 billion by 2029. Of the \$360.8 million estimated liability, \$170.2 million is recorded in the University's financial statements as a result of the Asset Retirement Obligation standard. In fiscal 2024, the government provided a Capital Maintenance and Renewal (CMR) grant (\$37 million), which is a main source of funding in addressing the deferred maintenance liability. For fiscal 2025, the government signed a 3-year CMR grant totaling \$70 million.



The University continues to identify and address priority deferred maintenance issues through joint renewal and repurposing projects to maintain the functionality of our building inventory. This is also being done in the context of achieving our Facility and Space Optimization objectives, which are underpinned by the Integrated Asset Management Strategy.