June 24, 2026

Auditor General
OF ALBERTA

8th Floor
9925 - 109 St. NW
Edmonton, AB
T5K 2J8
Canada

780.427.4222

CONFIDENTIAL

Via email

Dr. Annette Trimbee
President and Vice Chancellor
MacEwan University City Centre Campus
10700 – 104 Avenue
Edmonton, AB T6J 4S2

Dear Dr. Annette Trimbee:

MacEwan University

We have completed our audit of the consolidated financial statements of the MacEwan University for the year ended March 31, 2026 and attach a copy of the audited consolidated financial statements.

The purpose of the audit was to express an opinion on the consolidated financial statements. Our audit included consideration of internal control in order for us to design audit procedures, but was not for the purpose of expressing an opinion on the effectiveness of internal control. It was not designed to identify all matters that may be of interest to management and the audit and risk committee.

We discussed the consolidated financial statements with management on May 19, 2026, and with the audit and risk committee on May 28, 2026. We did not identify any matters relating to internal control that merit a recommendation from the auditor general.

The information in this letter is not to be disclosed and, except for disclosing to the appropriate officers or employees of the University as necessary for its intended purpose, is not to be copied, modified, reproduced, uploaded or distributed in any form whatsoever, in whole or in part, without our prior written consent.

Please thank the MacEwan University's staff for their courtesy and co-operation during the audit.

Yours truly,

Lisa LaRocque

Lisa LaRocque CPA, CA
Principal

Enc.

c/Enc. John Stelter, Chair of the Audit and Risk Committee
Maureen Powers, Vice-President, Finance and Administration, and CFO
The Hon. Myles McDougall, Minister of Advanced Education
Shannon Marchand, Deputy Minister, Advanced Education
Craig K. Johnson, Financial Services, Assistant Deputy Minister/Senior Financial Officer, Advanced Education
Dan Stadlwieser, Controller, Treasury Board and Finance
Armando Pinedo, Partner, PricewaterhouseCoopers LLP

File Ref: AE A 0090 26 [AS4.f]

MacEwan UNIVERSITY

Consolidated Financial Statements

For the year ended March 31, 2026

CONTENTS

MacEwan University
Statement of Management Responsibility
For the year ended March 31, 2026

The consolidated financial statements of MacEwan University (the “university”) have been prepared by management in accordance with Canadian public sector accounting standards as described in Note 2 to the consolidated financial statements. The consolidated financial statements present fairly the financial position of the university as at March 31, 2026, and the results of its operations, remeasurement gains and losses, changes in (net debt) 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 external 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.

Dr. Annette Trimbee
President and Vice-Chancellor

Maureen Powers, CMA, CPA
Vice-President, Finance and Administration & Chief Financial Officer

Independent Auditor's Report

Auditor General OF ALBERTA

To the Board of Governors of Grant MacEwan University

Report on the Consolidated Financial Statements

Opinion

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

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and the results of its operations, its remeasurement gains and losses, its change from net financial assets to net debt, 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 information included in the *Annual Report*, but does not include the consolidated financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

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.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

Phillip D. Peters FCPA, FCA, KC
Auditor General of Alberta

May 28, 2026
Edmonton, Alberta

MacEwan University
Consolidated Statement of Financial Position
As at March 31, 2026
(thousands of dollars)

	Note	2026	2025
FINANCIAL ASSETS, excluding portfolio investments restricted for endowments			
Cash	3	**$ 12,643**	$ 58,880
Portfolio investments - non-endowment	4	**83,680**	109,740
Finance lease receivable	6	**18,437**	19,254
Accounts receivable		**10,265**	7,189
Inventories held for sale		**1,513**	1,341
		126,538	196,404
LIABILITIES			
Accounts payable and accrued liabilities		**46,798**	48,052
Employee future benefit liabilities	7	**7,545**	6,580
Debt	8	**41,630**	45,925
Deferred revenue	9	**87,353**	72,384
Liability for contaminated sites	12	**7,287**	7,379
Asset retirement obligations	13	**1,330**	835
		191,943	181,155
(Net debt) net financial assets, excluding portfolio investments restricted for endowments		**(65,405)**	15,249
Portfolio investments - restricted for endowments	4	**59,710**	58,342
(Net debt) net financial assets		**(5,695)**	73,591
NON-FINANCIAL ASSETS			
Tangible capital assets and purchased intangibles	10	**557,842**	451,267
Prepaid expenses		**9,825**	7,219
		567,667	458,486
Net assets before spent deferred capital contributions		**561,972**	532,077
Spent deferred capital contributions	11	**152,172**	132,795
Net assets	14	**$ 409,800**	$ 399,282
Net assets are comprised of:			
Accumulated surplus		**$ 409,982**	$ 380,504
Accumulated remeasurement (losses) gains		**(182)**	18,778
		$ 409,800	$ 399,282

Contractual rights and agreements (Note 16)
Contingent liabilities and contractual obligations (Notes 15 and 17)

Approved by the Board of Governors (Note 24)

MacEwan University
Consolidated Statement of Operations
Year ended March 31, 2026
(thousands of dollars)

	Note	Budget (Note 23)	**2026**	2025
REVENUES				
Government of Alberta grants	20	$ 120,209	**$ 121,119**	$ 118,868
Federal and other government grants	20	2,281	**2,618**	2,659
Student tuition and fees		129,832	**132,262**	128,963
Sales of services and products		21,660	**22,461**	21,805
Contract programs		3,218	**2,508**	2,770
Donations and other grants		1,981	**3,521**	2,758
Investment income		5,360	**36,295**	16,802
		284,541	**320,784**	294,625
EXPENSES	18			
Instruction		98,974	**107,202**	99,566
Academic support		27,613	**29,998**	26,113
Student support		35,963	**40,393**	37,005
Administration		25,561	**25,824**	25,295
Computing and communications		22,599	**20,250**	21,335
Facility operations and maintenance		39,777	**37,587**	37,594
Ancillary Services		22,860	**20,959**	20,891
Other		11,187	**10,461**	10,365
		284,534	**292,674**	278,164
Annual operating surplus		7	**28,110**	16,461
Endowment contributions		1,000	**1,368**	975
Annual surplus		1,007	**29,478**	17,436
Accumulated surplus, beginning of year		380,504	**380,504**	363,068
Accumulated surplus, end of year	14	$ 381,511	**$ 409,982**	$ 380,504

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

MacEwan University
Consolidated Statement of Change in (Net Debt) Net Financial Assets
Year ended March 31, 2026
(thousands of dollars)

	Note	Budget (Note 23)	**2026**	2025
Annual surplus		$ 1,007	**$ 29,478**	$ 17,436
Acquisition of tangible capital assets and purchased intangibles	10	(127,275)	**(125,080)**	(60,395)
Amortization of tangible capital assets and purchased intangibles	10	16,795	**18,337**	17,322
Proceeds from sale of tangible capital assets and purchased intangibles		-	**123**	99
Loss (gain) on disposal of tangible capital assets and purchased intangibles		-	**45**	(52)
(Increase) in prepaid expenses		-	**(2,606)**	(927)
Increase in spent deferred capital contributions		-	**19,377**	5,250
(Decrease) increase in accumulated remeasurement (losses)		-	**(18,960)**	(2,117)
(Decrease) in net financial assets		**(109,473)**	**(79,286)**	(23,384)
Net financial assets, beginning of year		**73,591**	**73,591**	96,975
(Net debt) net financial assets, end of year		**$ (35,882)**	**$ (5,695)**	$ 73,591

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

MacEwan University
Consolidated Statement of Remeasurement Gains and Losses
Year ended March 31, 2026
(thousands of dollars)

		2026		2025
Accumulated remeasurement gains, beginning of year	**$**	**18,778**	$	20,895
Unrealized gains attributable to:				
Designated fair value of non-endowed portfolio investments		**10,898**		4,889
Amounts reclassified to the consolidated statement of operations:				
Designated fair value of non-endowed portfolio investments		**(29,858)**		(7,006)
Accumulated remeasurement (losses) gains, end of year	**$**	**(182)**	$	18,778

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

MacEwan University
Consolidated Statement of Cash Flows
Year ended March 31, 2026
(thousands of dollars)

		2026		2025
OPERATING TRANSACTIONS				
Annual surplus	**$**	**29,478**	$	17,436
Add (deduct) non-cash items:				
Amortization of tangible capital assets and purchased intangibles		**18,337**		17,322
Gain on disposal of portfolio investments		**(73,268)**		(14,760)
Loss (gain) on disposal of tangible capital assets and purchased intangibles		**45**		(52)
Capitalized asset retirement obligation		**(495)**		(31)
Expended capital contributions recognized as revenue		**(6,340)**		(6,223)
Change in employee future benefit liabilities		**965**		370
Change in non-cash items				
(Increase) in accounts receivable		**(3,076)**		(404)
(Increase) in inventories held for sale		**(172)**		(164)
(Decrease) increase in accounts payable and accrued liabilities		**(1,254)**		6,851
Increase in deferred revenue, excluding change in restricted unrealized gain		**42,390**		11,071
(Decrease) in liability for contaminated sites		**(92)**		(4,314)
(Increase) in prepaid expenses		**(2,606)**		(927)
Cash provided by operating transactions		**3,911**		26,175
CAPITAL TRANSACTIONS				
Acquisition of tangible capital assets and purchased intangibles, less in-kind donations and asset retirement additions		**(124,480)**		(59,952)
Proceeds on disposal of tangible capital assets and purchased intangibles		**123**		99
Cash applied to capital transactions		**(124,357)**		(59,853)
INVESTING TRANSACTIONS				
Purchase of portfolio investments		**(240,042)**		(5,055)
Proceeds on sale of portfolio investments		**291,621**		3,105
Decrease in finance lease receivable		**817**		794
Cash provided by (applied to) investing transactions		**52,396**		(1,156)
FINANCING TRANSACTIONS				
Debt repayment		**(4,295)**		(4,433)
Increase in spent deferred capital contributions, less expended capital contributions recognized as revenue, less in-kind donations		**26,108**		11,114
Cash provided by financing transactions		**21,813**		6,681
(Decrease) in cash		**(46,237)**		(28,153)
Cash, beginning of the year		**58,880**		87,033
Cash, end of the year	**$**	**12,643**	$	58,880

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

1) Authority and purpose

The Board of Governors of Grant MacEwan University is a corporation that manages and operates MacEwan University ("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 the President and Vice-Chancellor, who are *ex officio* members. Under the *Post-secondary Learning Act,* the university is an undergraduate university offering undergraduate degree programs, approved foundational learning, diploma or certificate programs, undertaking research and scholarly activities that enrich undergraduate education, and collaborating with other post-secondary institutions to support regional access to undergraduate degree programs. 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, MacEwan Downtown Corporation.

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. The 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. Significant aspects of the accounting policies adopted by the university are as follows:

a) Basis of consolidation

These consolidated financial statements include the university and the following entities controlled by the university:

- The Grant MacEwan University Foundation, a registered charitable organization that operates under Part 9 of the *Companies Act* (Alberta) for the support and advancement of the university; and
- MacEwan Downtown Corporation, a wholly owned subsidiary that is an inactive corporation.

The accounts for consolidated entities are consolidated using the line-by-line method.

b) Use of estimates

The measurement of certain assets, liabilities, revenues, and expenses is contingent upon future events; therefore, the preparation of these consolidated financial statements requires the use of estimates, which may vary from actual results. The university's management uses judgment to determine such estimates. Employee future benefit liabilities, amortization of tangible capital assets, amortization of purchased intangibles, asset retirement obligations, liabilities for contaminated sites, and the revenue recognition for expended capital 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.

c) Valuation of financial assets and liabilities

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

Financial Statement Component	Measurement
Portfolio investments	Fair value
Finance lease receivable	Lower of amortized cost or net recoverable value
Accounts receivable	Lower of cost or net recoverable value
Inventories held for sale	Lower of cost or net realizable value
Accounts payable and accrued liabilities	Cost
Liability for contaminated sites	Cost or present value
Asset retirement obligations	Cost or present value
Debt	Amortized cost

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. When the restricted nature of a financial instrument and any related changes in fair value creates a liability, unrealized gains and losses are recognized as deferred revenue.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recognized in the consolidated statement of operations. Other than portfolio investments that are recorded at fair value, a write-down of a financial asset to reflect a loss in value that is other than temporary is not reversed for a subsequent increase in value.

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

The university does not use foreign currency contracts or any other type of derivative financial instruments for trading or speculative purposes.

Management evaluates contractual obligations for the existence of embedded derivatives and elects to either designate the entire contract for fair value measurement 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 purchase, sale or usage requirements are not recognized as financial assets or liabilities. The university does not have any embedded derivatives.

d) Revenue recognition

All revenues are reported on an accrual basis. Amounts received for goods or services not provided by year-end are 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 the 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 as the terms are met. If the grants and donations are used to acquire or construct tangible capital assets or to purchase intangible assets, revenue will be recognized over the useful life of the tangible capital assets or the intangible assets.

Government grants without terms for the use of the grant are recognized as revenue when the university is eligible to receive the funds. Unrestricted non-government grants and donations 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, and tangible capital assets are recognized at fair value when such value can reasonably be determined. Transfers of tangible capital assets 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.

The university recognizes in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the university cannot determine the fair value, it recognizes such in-kind contributions at nominal value. Land transferred from related parties is recognized as revenue at the carrying value or nominal amount.

Sales of services and products

Sales of services and products include revenues from non-tuition related services and/or products arising from exchange transactions, such as parking fees, conference fees, amenities fees, recreation program registration fees, membership fees, food services and related commissions, vending commissions, gift certificates, book and stationary sales, rental income, theatre ticket sales, sponsorship revenue, contract programs, daycare fees, and other administrative charges. They are recognized when or as the university fulfils its performance obligation(s) and transfers control of the promised goods or services to the payor. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Other revenues including parking fines and surcharges, non-refundable application fees, cancellation fees, daycare subsidies, and certain administrative fees, are considered non-exchange transactions without performance obligations.

They are recognized when the university has the authority to claim or retain an inflow of economic resources and identifies a transaction or event that gives rise to an asset.

Student tuition and fees

Student tuition and fees are charged for the programs offered by the university such as program registration and application fees, course delivery fees, student ID fees and laboratory and studio fees.

These fees are considered revenue arising from exchange transactions with performance obligations. The university recognizes revenue from program registration and application fees when received as the performance obligations of registering the student are met when paid. Revenue from course delivery and laboratory and studio fees are recognized over the course of each academic period/semester as the university fulfils its performance obligations by delivering the courses. If the performance obligation is outstanding at year end, the remaining revenue is deferred. Revenue from student ID fees is recognized when the performance obligation to provide the student ID card to the student has been met.

Endowment contributions

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

Investment income

Investment income includes dividends, interest income, and realized gains or losses on the sale of unrestricted (non-endowed) 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 investment income when the terms of the grant or donation are met.

Unrealized gains and losses on unrestricted (non-endowed) portfolio investments are recognized in the consolidated statement of accumulated remeasurement gains and losses until the related investments are sold. Once realized, these gains or losses are recognized as investment income in the consolidated statement of operations.

e) Endowments

Endowments consist of externally restricted donations received by the university that are required by the donors to be maintained intact into perpetuity.

Investment income earned from endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Benefactors and university policy stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and 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 and generally to regulate the distribution of income earned by the endowments; and / or
- encroachment on the endowment capital 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 endowment.

In any year, if the investment income earned on endowments is insufficient to fund the spending allocation, the university has the option to defer the spending allocation, fund the spending allocation from the university's operating funds, or fund the spending allocation through encroachment of endowment capital.

f) Finance lease receivable

The finance lease receivable is recognized at the present value of future expected lease payments. The discount rate used to determine the present value of the future expected lease payments receivable is the lower of the university's rate for incremental borrowing or the interest rate implicit in the lease.

g) Inventories held for sale

Inventories held for sale are measured at the lower of cost or expected net realizable value that is determined using the moving average basis.

h) Tangible capital assets and purchased intangibles

Tangible capital assets and purchased intangibles are recognized at cost, which includes amounts directly related to the acquisition, design, construction, development, improvement, or betterment of the assets and costs associated with asset retirement obligations. Cost also includes overhead directly attributable to construction and development, and interest costs that are directly attributable to the acquisition or construction of the asset.

Work-in-progress, including facilities' improvement projects, furniture and equipment construction, and development of information systems, is not amortized until the project is complete and the asset is in service. Assets or disposal groups that are classified as held-for-sale are measured at the lower of the carrying amount and fair value less costs to sell.

All leases are recorded in the consolidated financial statements as either a capital or operating lease. Any lease which transfers substantially all the benefits and risks of ownership associated with the leased asset are accounted for as leased tangible capital assets. Capital lease assets and liabilities are recognized at the lesser of the present value of the future minimum lease payments or the asset's fair market value at the inception of the lease, excluding executor costs (e.g., insurance, maintenance costs, etc). The discount rate used to determine the present value of the lease payments is the lower of the university's rate for incremental borrowing or the interest rate implicit in the lease.

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	Up to 40 years
Land & leasehold improvements	10 - 25 years
Furniture, equipment & systems	3 - 25 years
Learning resources	10 years

Write-downs of tangible capital asset and purchased intangibles are recognized when conditions indicate they no longer contribute to the university's ability to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Net write-downs are recognized as expenses.

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

i) Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at the prevailing exchange rate on the transaction date. The 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.

j) Employee future benefits

Pension

The university participates with other employers in the Local Authorities Pension Plan ("LAPP"). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the university's participating employees based on years of service and earnings.

The university does not have sufficient plan information on the LAPP to follow the standards for defined benefit accounting and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the

LAPP comprises employer contributions to the plan required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

Supplemental retirement plan

The university maintains a supplemental pension plan for its executives based on the plan rules. The pension expense for this defined benefit supplemental retirement plan is actuarially determined using the projected benefit method prorated on service. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life.

Accumulating non-vesting sick leave liability

Sick leave benefits accumulate with employee service and are provided by the university to all employee groups as defined by employment agreements to cover illness related to absences outside of short-term and long-term disability coverage. The maximum accumulated sick leave is 210 to 315 hours, depending on the employee group. The liability for the accumulating non-vesting sick pay benefit is actuarially determined using two models: Excess Utilization Model and Disability Model. The cost of the accumulating non-vesting sick leave benefits is expensed as the benefits are earned. Any net actuarial gain (loss) is deferred and amortized on a straight-line basis over the related employee group's expected average remaining service life.

Long-term disability

The university is responsible for paying the employee and employer LAPP contributions and other benefit premiums while an employee is on long-term disability. The liability is actuarially calculated at the present value of the forecasted combined premiums for each claimant. The cost of this benefit is expensed in the year the employee becomes disabled. Actuarial gains or losses on the accrued benefit obligation are amortized over the average expected period the benefits will be paid.

Administrative leave

The university supports employees transitioning from academic administrator positions to faculty positions by offering administrative leave between appointments. The administrative leave is up to 12 months for five years of continuous service. The employee must return to regular faculty responsibility for a minimum period equal to the administrative leave period. This administrative leave does not vest or accumulate to the employee. On approval to receive administrative leave, a liability is recognized for the salary and benefits equal to the employee's base salary at the end of their term as an academic administrator. The cost of the administrative leave is expensed in the year the employee is approved to receive the administrative leave.

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 and is being introduced into the soil, water, or sediment. It does not include airborne contaminants. The university recognizes a liability for remediation of contaminated sites when the following criteria have been 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.

A liability for a contaminated site may arise from operations that are considered either in productive use or no longer in productive use, when environmental standards are exceeded. It will also arise when an unexpected event occurs resulting in contamination that exceeds an environmental standard.

Where an environmental standard does not exist or contamination does not exceed an environmental standard, a liability for remediation 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 transaction or events obligating the university have already occurred.

These liabilities reflect the university's best estimate, as at March 31, of the amount required to remediate the sites where the contamination has exceeded an environmental standard. Where possible, provisions for remediation are based on third-party 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.

l) Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. The tangible capital assets include but are not limited to assets in productive use, assets no longer in productive use, and leased 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 of 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, as at the financial reporting date, all 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.

When a liability for an asset retirement obligation is recognized, asset retirement costs related to a recognized tangible capital asset in productive use are capitalized by increasing the carrying amount of the related tangible capital asset. The asset retirement costs are amortized over the remaining estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

The asset retirement obligation is measured at the current estimated cost to settle or otherwise extinguish the liability.

m) Expense by function

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

Instruction includes expenses related to all programming and training within the university, whether for credit or non-credit courses.

Academic support includes expenses related to activities directly supporting the university's academic functions, including but not limited to expenses of the library and academic Dean's departments.

Student support includes functions that support individual students or groups of students such as student service administration, student recruitment, records and admissions, registrarial services, counselling or career services, social development and recreation, financial aid administration, intercollegiate athletics, scholarship awards, and any other student support groups.

Administration includes expenses for executive management, marketing and communications, insurance premiums, finance, human resources, and any other university-wide administrative services.

Computing and communications include expenses related to university-wide Information Technology services. These costs can be related to in-house staff or to services provided by a third party. It also includes amortization directly attributable to technology and technological systems.

Facility operations and maintenance include management and expenses to maintain and renovate grounds, facilities, operations, and physical plant for all university activities. It also includes utilities, and amortization attributable to buildings, leasehold improvements, furniture, and equipment.

Ancillary services include expenses for operations outside of the functions of instruction and research. Examples include bookstores, food services, residences and housing, parking services, and print services. It also includes amortization directly attributable to ancillary services.

Other includes the following costs:

- Research includes expenses for strategic innovation, and research and education projects that are outside, but complementary to, the university's core program areas.

- Restricted and endowment activities include expenses associated with restricted grants, including fundraising costs, salaries and benefits of staff who are designated for special purpose areas, specialized equipment for special purpose areas or self-generated business, foreign exchange losses, public relations and alumni relations, business development and advancement departments, and strategic initiatives outside of core operational funding that contribute to the achievement of the strategic plan and goals of the university.

n) Internally Restricted Surplus

Certain amounts, as approved by the Board of Governors, are appropriated from accumulated surplus from operations for future operating and capital purposes. Disbursements from internally restricted surplus are recorded as an adjustments to the respective amounts when approved.

o) Future changes in accounting standards

Effective April 1, 2026 the university will adopt the following new conceptual framework and accounting standards approved by the Public Sector Accounting Board:

- *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 requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

The university is currently assessing the impact of the new conceptual framework and standard, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

Effective April 1, 2029 the university will adopt PS 3251, Employee Benefits. This Standard, which replaces Retirement Benefits (PS 3250) and Post-Employment Benefits, Compensated Absences and Termination Benefits (PS 3255), applies to fiscal years beginning on or after April 1, 2029. PS 3251 establishes requirements for the recognition, measurement, presentation, and disclosure of employee benefits.

The university is currently assessing the impact of PS 3251 on the consolidated financial statements.

In May 2025, the Public Sector Accounting Board (PSAB) issued amendments to Section PS 3150, Tangible Capital Assets. The amendments are effective for fiscal years beginning on or after April 1, 2030. Key changes include revised definitions, new guidance on collections, contributed materials and labor costs, and enhanced disclosures. The university is currently assessing the impact of the amended PS3150 on the financial statements.

3) Cash

Cash includes $6,247 (2025 - $3,743) held by investment managers for the purpose of meeting short term commitments or manager's expenditures. Cash held in operating bank accounts earned interest at an average of 2.8% (2025 – 4.6%).

(thousands of dollars)

4) Portfolio investments

	2026	2025
Portfolio investments – non-endowment	$ **83,680**	$ 109,740
Portfolio investments – restricted for endowments	**59,710**	58,342
	$ **143,390**	$ 168,082

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

	Level 1	Level 2	Level 3	Total
		2026		
Portfolio investments holdings at fair value				
Pooled funds				
Canadian GICs	$ -	$ 1,620	$ -	$ 1,620
Canadian fixed income	-	38,312	-	38,312
Foreign fixed income	-	22,967	-	22,967
Canadian equities	-	12,092	-	12,092
Foreign equities	-	67,467	-	67,467
Cash surrender value of planned gifts (life insurance policies)	-	-	932	932
	$ -	$ 142,458	$ 932	$ 143,390
	0.00%	99.35%	0.65%	100.00%
		2025		
Portfolio investments holdings at fair value				
Pooled funds				
Canadian GICs	$ -	$ 2,160	$ -	$ 2,160
Canadian fixed income	-	2,305	-	2,305
Foreign fixed income	-	18,580	-	18,580
Canadian equities	715	29,889	-	30,604
Foreign equities	8,155	65,276	-	73,431
Pending trades receivable	-	40,000	-	40,000
Cash surrender value of planned gifts (life insurance policies)	-	-	1,002	1,002
	$ 8,870	$ 158,210	$ 1,002	$ 168,082
	5.28%	94.13%	0.60%	100.00%

2025 pending trades receivable: the university sold investments of $40,000 ($20,000 non-endowed and $20,000 restricted for endowments) in order to transfer between investment managers. The trade date of March 31, 2025 was settled on April 1, 2025.

(thousands of dollars)

The fair value measurements are derived from:

- Level 1 – quoted prices in active markets for identical assets;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the assets, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

The following table reconciles the changes in fair value of level 3 investments:

	2026	2025
Balance, beginning of year	**$ 1,002**	$ 969
Purchases	**33**	33
Proceeds	**(103)**	-
Balance, end of year	**$ 932**	$ 1,002

The university has policies and procedures governing asset mix, diversification, exposure limits, credit quality, and performance measurement. The university's Finance and Investment Committee (2025 – Finance Property and Investment Committee) has been delegated authority to oversee the university's investments on behalf of the Board of Governors.

5) Financial risk management

The university is exposed to the following risks:

a) Market price risk

The university is exposed to market price risk, the risk that the value of a financial instrument will fluctuate due to 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 established an investment policy with a target asset mix diversified by asset class with individual issuer limits. The objective of the university's unrestricted long-term operating fund is to achieve long-term capital growth equal to the indices' growth rates for the various components of the portfolio. For portfolio investments restricted for endowments, the investment policy is designed to achieve a long-term rate of return that in real terms equals or exceeds total endowment expenditures with an acceptable level of risk.

At March 31, 2026, the impact of a change in the rate of return on the investment portfolio is as follows:

- 1% change in fixed income securities would have a $108 increase or decrease (2025 - $231);
- 1% change equity securities would have an $867 increase or decrease (2025 - $1,040).

b) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The university does not use foreign currency forward contracts or any other type of derivative financial instruments for trading or speculative purposes. The university's exposure to foreign exchange risk is very low due to minimal business activities conducted in a foreign currency.

c) Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations to the university. The university is exposed to credit risk on fixed income investments and has established an investment policy with required minimum credit quality standards and issuer limits to manage this risk. The credit risk from accounts receivable is low as most balances are due from government agencies and corporate sponsors.

(thousands of dollars)

d) Liquidity risk

Liquidity risk is the risk that the university will encounter difficulty meeting obligations associated with its financial liabilities. The university maintains a short-term line of credit that is designed to ensure funds are available to meet current and forecasted financial requirements in the most cost-effective manner. The university did not use this line of credit during the year. As at March 31, 2026, the university has committed borrowing facilities of $10,000 (2025 - $10,000); note 22 provides relevant subsequent event details.

e) Interest rate risk

Interest rate risk is the risk to the university's investment income that arise from the fluctuations in interest rates and the degree of volatility of these rates. This risk is managed by investment policies that limit the term to maturity of certain fixed-income securities that the university holds. Interest risk on the university's debt is managed through fixed-rate agreements with the Department of Treasury Board and Finance (Note 8).

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

Asset Class	Less than 1 year	1 to 5 years	Greater than 5 years	Average effective market yield
Portfolio investments, fixed income and GICs	0.86%	33.81%	65.33%	4.14%

6) Finance lease receivable

The university leases a building to the Students' Association of MacEwan University ("SAMU"). The initial lease term expires December 2042, with an additional renewal term option of 74 years. The debt financing from Alberta Treasury Board and Finance for the SAMU building is disclosed in Note 8.

Lease payment receivable, interest repayments, and gross lease payments in each of the next five years and thereafter are as follows:

	Finance lease receivable	Interest	Annual payment
2027	$ 843	$ 554	$ 1,397
2028	868	528	1,396
2029	895	502	1,397
2030	923	474	1,397
2031	951	446	1,397
Thereafter	13,957	2,805	16,762
Total at March 31, 2026	**$ 18,437**	**$ 5,309**	**$ 23,746**
Total at March 31, 2025	$ 19,254	$ 5,888	$ 25,142

(thousands of dollars)

7) Employee future benefit liabilities

Employee future benefit liabilities are comprised of the following:

		2026		2025
Long-term disability	**$**	**5,169**	$	4,312
Supplemental retirement plan		**1,346**		1,268
Accumulating non-vesting sick leave liability		**427**		463
Administrative leave		**603**		537
Balance, end of year	**$**	**7,545**	$	6,580

a) Defined benefit accounted for on a defined benefit basis

Long-term disability
Following university policy and collective agreements, employees eligible for participation in the LAPP who receive benefits under the long-term disability plan, must continue to participate in LAPP. The university is responsible for remitting both employee and employer contributions in accordance with LAPP regulations. An actuarial valuation was carried out as at January 31, 2026 and extrapolated to March 31, 2026.

Supplemental retirement plan
The university provides non-contributory defined benefit supplemental retirement benefits to executives. An actuarial valuation was carried out as at March 31, 2026.

Accumulating non-vesting sick leave liability
The university provides accumulating non-vesting sick leave to employees. An actuarial valuation of these benefits was carried out as at January 31, 2026, and results were extrapolated to March 31, 2026.

Administrative leave
Values are based on salary and benefits equal to the approved employee’s base annual salary at the end of their term as an academic administrator.

(thousands of dollars)

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

	Long term disability	Supplemental retirement plan	Accumulated non-vesting sick leave benefit	Administrative leave
	2026			
Expense				
Current service cost	**$ 1,485**	**$ 82**	**$ 49**	**$ 1,018**
Interest cost	**188**	**57**	**24**	**-**
Amortization of actuarial (gain) loss	**(237)**	**7**	**(43)**	**-**
Benefit payments	**-**	**-**	**-**	**(52)**
Total expense	**$ 1,436**	**$ 146**	**$ 30**	**$ 966**
Financial position				
Accrued benefit obligation:				
Balance, beginning of year	**$ 3,117**	**$ 1,326**	**$ 537**	**$ 537**
Current service cost	**1,485**	**82**	**49**	**1,018**
Benefit payment	**(580)**	**(68)**	**(67)**	**(952)**
Interest cost	**188**	**57**	**24**	**-**
Actuarial (gain) loss	**(836)**	**132**	**23**	**-**
Balance, end of year	**3,374**	**1,529**	**566**	**603**
Unamortized net actuarial gain (loss)	**1,795**	**(183)**	**(139)**	**-**
Accrued benefit liability	**$ 5,169**	**$ 1,346**	**$ 427**	**$ 603**
	2025			
Expense				
Current service cost	$ 942	$ 70	$ 29	$ 810
Interest cost	159	58	17	-
Amortization of actuarial gain	(281)	103	(75)	-
Benefit payments	-	(67)	-	(811)
Total expense (recovery)	$ 820	$ 164	$ (29)	$ (1)
Financial position				
Accrued benefit obligation:				
Balance, beginning of year	$ 2,452	$ 1,162	$ 324	$ 538
Current service cost	942	70	29	810
Benefit payment	(436)	(67)	(39)	(811)
Interest cost	160	58	16	-
Actuarial (gain) loss	(1)	103	207	-
Balance, end of year	3,117	1,326	537	537
Unamortized net actuarial gain (loss)	1,195	(58)	(74)	-
Accrued benefit liability	$ 4,312	$ 1,268	$ 463	$ 537

The university plans to use its working capital to finance these future obligations.

(thousands of dollars)

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

	2026		
	Long-term disability	**Supplemental retirement plan**	**Accumulated non-vesting sick leave benefit**
Accrued benefit obligation			
Discount rate	3.76%	3.58%	3.76%
Long-term average compensation increase	3.00%	2.00%	3.00%
Benefit cost			
Discount rate	4.36%	4.15%	4.36%
Year's maximum pensionable earnings and maximum pension increase	2.75%	2.75%	2.75%
Inflation rate	2.00%	2.00%	2.00%
Estimated average remaining service life	6.0	8.8	11.9

	2025		
	Long-term disability	Supplemental retirement plan	Accumulated non-vesting sick leave benefit
Accrued benefit obligation			
Discount rate	4.36%	4.15%	4.36%
Long-term average compensation increase	3.00%	2.00%	3.00%
Benefit cost			
Discount rate	5.00%	4.86%	5.00%
Year's maximum pensionable earnings and maximum pension increase	3.00%	3.00%	3.00%
Inflation rate	2.00%	2.00%	2.00%
Estimated average remaining service life	6.0	8.1	11.9

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

The LAPP is a multi-employer contributory defined benefit pension plan for all university employees and is accounted for on a defined contribution basis. At December 31, 2025, the LAPP reported an actuarial surplus of $22.6 billion (2024 - $19.5 billion); an actuarial valuation of the LAPP was last carried out as at December 31, 2024 and results were extrapolated to December 31, 2025. The pension expense recognized in the consolidated financial statements as at March 31, 2026 is $13,239 (2025 - $12,125).

(thousands of dollars)

8) Debt

Debt is measured at amortized cost and is comprised of the following:

	Collateral	Maturity date	Interest rate	2026	2025
Debentures payable to Alberta Treasury Board and Finance:					
Parkade	1	Apr 2025	6.250%	**$ -**	$ 482
Student residence	2	Jun 2030	5.849%	**12,273**	14,594
West parkade	1	Sep 2030	4.392%	**1,608**	1,925
Robbins Health Learning Centre parkade	1	Sep 2032	4.890%	**691**	780
SAMU building	3	Dec 2042	3.040%	**18,437**	19,254
Allard Hall parkade	3	Dec 2047	3.164%	**6,005**	6,192
Allard Hall ancillary	3	Dec 2047	3.164%	**2,616**	2,698
				$ 41,630	$ 45,925

Collateral consists of:
1) cash flows from parking
2) cash flows from residence
3) general security agreements

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

	Principal	Interest	Total
2027	$ 4,002	$ 1,606	$ 5,608
2028	4,201	1,407	5,608
2029	4,412	1,196	5,608
2030	4,633	975	5,608
2031	3,097	741	3,838
Thereafter	21,285	4,963	26,248
	$ 41,630	$ 10,888	$ 52,518

Interest on debt is $1,747 (2025 - $1,960) and is included in the consolidated statement of operations. The finance lease receivable outlined in Note 6 is equal to the SAMU building debt.

(thousands of dollars)

9) Deferred revenue

Deferred revenue is set aside for specific purposes as required either by legislation, regulation, or agreement:

	2026				2025
	Unspent externally restricted				
	Deferred revenue	**Deferred capital contributions**	**Tuition, fees and other revenue (1)**	**Total**	Total
Balance, beginning of year	$ 53,752	$ 1,922	$ 16,710	$ 72,384	$ 62,327
Grants, tuition, fees, donations and other funds received	17,754	21,598	141,867	181,219	165,932
Restricted investment income - realized	47,737	-	-	47,737	11,470
Change in accumulated restricted investment income - unrealized	(28,168)	-	-	(28,168)	(1,014)
Transfers to spent deferred capital contributions	(2,257)	(23,460)	-	(25,717)	(11,473)
Recognized as revenue	(18,016)	-	(141,969)	(159,985)	(154,778)
Transfer from (to) endowment	(38)	-	-	(38)	3
Returned to grantor	(79)	-	-	(79)	(83)
Balance, end of year	$ 70,685	$ 60	$ 16,608	$ 87,353	$ 72,384

(1) Tuition, fees and other revenue recognized as revenue of $141,969 (2025 - $138,929) are presented in the consolidated statement of operations as student tuition and fees as well as certain revenues within sales of services and products.

(thousands of dollars)

10) Tangible capital assets and purchased intangibles

	2026						2025
	Land	Buildings	Land & leasehold improvements	Furniture, equipment & systems (2)	Learning resources (3)	**Total**	Total
Cost (1)							
Beginning of year	$ 76,422	$ 544,093	$ 8,332	$ 76,103	$ 21,486	**$ 726,436**	$ 668,866
Acquisitions (4)	3,065	102,704	1,748	16,725	838	**125,080**	60,395
Disposals, including write-downs	-	-	-	(2,701)	(46)	**(2,747)**	(2,825)
	79,487	646,797	10,080	90,127	22,278	**848,769**	726,436
Accumulated amortization							
Beginning of year	-	(194,365)	(4,960)	(58,665)	(17,179)	**(275,169)**	(260,625)
Amortization expense	-	(12,836)	(376)	(4,291)	(834)	**(18,337)**	(17,322)
Effects on disposals, including write-downs	-	-	-	2,534	45	**2,579**	2,778
	-	(207,201)	(5,336)	(60,422)	(17,968)	**(290,927)**	(275,169)
Net book value at March 31, 2026	**$ 79,487**	**$ 439,596**	**$ 4,744**	**$ 29,705**	**$ 4,310**	**$ 557,842**	
Net book value at March 31, 2025	$ 76,422	$ 349,728	$ 3,372	$ 17,438	$ 4,307	$ 451,267	

(1) Cost includes work-in-progress at March 31, 2026 totaling $147,598 (2025 - $51,130) comprised of land and leasehold improvements $292 (2025 - $71), buildings $142,588 (2025 - $50,083) and furniture, equipment and systems $4,718 (2025 - $1,030).
(2) Furniture, equipment, and systems include vehicles, heavy equipment, office equipment, furniture, computers and technology, and other equipment.
(3) Learning resources include library materials used to support the educational purposes of certain academic programs and purchased intangible assets with a net book value of $3,347 (2025 - $3,170). For the year ended March 31, 2026 there were additions of $747 (2025 - $856).
(4) No interest related to acquisitions was capitalized by the university in 2026 (2025 – $nil).

(thousands of dollars)

11) Spent deferred capital contributions

Spent deferred capital contributions are comprised of externally restricted grants and donations spent on tangible capital assets that are not yet recognized as revenue.

	2026	2025
Balance, beginning of year	**$ 132,795**	$ 127,545
Transfers from unspent deferred capital contributions	**23,460**	10,164
Transfers from unspent deferred revenue	**2,257**	1,309
Spent deferred capital contributions recognized as revenue	**(6,340)**	(6,223)
Balance, end of year	**$ 152,172**	$ 132,795

12) Liability for contaminated sites

	2026	2025
Balance, beginning of year	**$ 7,379**	$ 11,693
Addition to liabilities during the year	**105**	-
Change in estimate related to existing sites	**147**	(4,111)
Remediation work performed	**(344)**	(203)
Balance, end of year	**$ 7,287**	$ 7,379

As at March 31, 2026, the liability for contaminated sites includes sites such as parking lots, vacant lots, alleys, and boulevards that do not meet Alberta Environmental and Parks tier 2 guidelines for hydrocarbons and metals. The nature of the contamination results from the historical use of the land as a railyard, with petroleum hydrocarbons and heavy metal contamination left behind upon its closure. The university reassesses its liability for contaminated sites on an annual basis, and liability estimates are based on a third-party subject matter expert's assessment.

Third-party information related to parcels acquired in 2024 concluded that a portion of those parcels were not exposed to contamination from their historical use. This resulted in an estimate reduction of $ nil (2025 – $3,014).

During the construction of the School of Business building, the university remediated soil contamination related to the historical land use. The remediation work was performed concurrently with site preparations in 2024; this resulted in a reduction in estimate of $nil (2025 - $1,367).

An increase in estimate of $147 (2025 - $270) due to inflation on unremediated sites has been recorded, and remediation of $344 (2025 - $203) was performed during construction.

(thousands of dollars)

13) Asset retirement obligations

		2026		2025
Balance, beginning of year	**$**	**835**	$	804
Liability incurred		**477**		-
Revision in estimates		**18**		31
Increase in asset retirement obligations	**$**	**495**	$	31
Balance, end of year	**$**	**1,330**	$	835

Tangible capital assets with associated retirement obligations include buildings. The university has retirement obligations to remove lead paint and hazardous asbestos fiber-containing materials (“hazardous materials”) from various buildings under its control. Regulations require the university to handle and dispose of the hazardous materials in a prescribed manner when they are disturbed, such as when a building undergoes renovations or is demolished. Although the timing of the hazardous materials’ removal is conditional on the building undergoing renovations or being demolished, regulations require the creation of an obligation.

Asset retirement obligations are initially measured as at the date the legal obligation was incurred, based on management’s best estimate of the amount required to retire tangible capital assets, and may be subsequently remeasured at each financial reporting date taking into account any new information and the appropriateness of assumptions used. The estimate of the liability is based on a third-party subject matter expert’s assessment.

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

The asset retirement obligations estimate represents the current estimated cost to settle or otherwise extinguish the liability. The university has measured asset retirement obligations related to the hazardous materials at its current value due to the uncertainty regarding the timing of the removal.

(thousands of dollars)

14) Net Assets

	Accumulated (deficiency) surplus from operations	Investment in tangible capital assets	Internally restricted surplus	Endowments	Total
Net assets, as at March 31, 2024	$ 21,578	$ 238,923	$ 66,095	$ 57,367	$ 383,963
Annual operating surplus	16,461	-	-	-	16,461
Endowment contributions	-	-	-	975	975
Tangible capital assets:					-
Amortization of internally funded tangible capital assets and purchased intangibles	11,103	(11,103)	-	-	-
Net book value of assets disposals	46	(46)	-	-	-
Debt repayment	(3,640)	3,640	-	-	-
Internally funded acquisition of tangible capital assets and purchased intangibles	(11,097)	53,427	(42,330)	-	-
Increase in asset retirement obligations	31	(31)	-	-	-
Other grants and donations	205	(205)	-	-	-
Operating expenses funded from internally restricted surplus	2,712	-	(2,712)	-	-
Net Board appropriation to internally restricted surplus	(18,513)	-	18,513	-	-
Change in accumulated remeasurement gains	(2,117)	-	-	-	(2,117)
Net assets, beginning of year as at April 1, 2025	**$ 16,769**	**$ 284,605**	**$ 39,566**	**$ 58,342**	**$ 399,282**
Annual operating surplus	28,110	-	-	-	28,110
Endowment contributions	-	-	-	1,368	1,368
Tangible capital assets:					-
Amortization of internally funded tangible capital assets and purchased intangibles	11,965	(11,965)	-	-	-
Net book value of assets disposals	164	(164)	-	-	-
Debt repayment	(3,476)	3,476	-	-	-
Internally funded acquisition of tangible capital assets and purchased intangibles	(68,570)	99,363	(30,793)	-	-
Increase in asset retirement obligations	495	(495)	-	-	-
Other grants and donations	3,543	(3,543)	-	-	-
Operating expenses funded from internally restricted surplus	73	-	(73)	-	-
Change in accumulated remeasurement gains	(18,960)	-	-	-	(18,960)
Net (deficiency) assets, end of year as at March 31, 2026	**$ (29,887)**	**$ 371,277**	**$ 8,700**	**$ 59,710**	**$ 409,800**
Net assets is comprised of:					
Accumulated surplus	$ (29,705)	$ 371,277	$ 8,700	$ 59,710	$ 409,982
Accumulated remeasurement (losses)	(182)	-	-	-	(182)
	$ (29,887)	**$ 371,277**	**$ 8,700**	**$ 59,710**	**$ 409,800**

The university’s opening accumulated surplus in investment in tangible capital assets has been reduced by the university’s asset retirement obligations of $1,330 (2025 - $835), and liability for contaminated sites of $6,122 (2025 - $6,361). A funding source for these obligations has not yet been determined.

Realized gains earned from non-endowed investments form a portion of the annual operating surplus. These gains were used to internally fund the School of Business building construction.

(thousands of dollars)

Internally restricted surplus represents amounts set aside by the university's Board of Governors for specific purposes. These amounts are not available for other purposes without approval from the Board of Governors. Internally restricted accumulated surplus includes:

	March 31, 2025	Disbursements: Operating expense	Disbursements: Capitalized	Appropriation from accumulated surplus	March 31, 2026
Campus development	$ 4,996	$ (73)	$ (4,923)	$ -	$ -
School of Business building	25,870	-	(25,870)	-	-
Lifecycle replacement	6,000	-	-	-	6,000
Student technology	2,700	-	-	-	2,700
Total	**$ 39,566**	**$ (73)**	**$ (30,793)**	**$ -**	**$ 8,700**

15) Contingent liabilities

As of March 31, 2026, the university was named as a defendant in two (2025 - one) legal proceedings. While the ultimate outcome and liability of these proceedings cannot be reasonably predicted at this time, the university believes that any settlement will not have a material effect on the financial position or the results of operations.

The university continues to review environmental objectives and liabilities for its activities and properties as well as any potential remediation obligations. There may be contaminated sites that the university has identified that have the potential to result in remediation obligations. A liability has not been recorded for these sites because the likelihood of the university becoming responsible for the site is not determinable, the amount of the liability cannot be estimated, or both. The university's ongoing efforts to assess environmental liabilities may result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the environmental liabilities will be accrued in the year in which they are assessed as likely and measurable.

(thousands of dollars)

16) Contractual rights and agreements

Contractual rights and agreements are the 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 and agreements (1)	Total
2027	$ 664	$ 48,680	$ 49,344
2028	614	1,970	2,584
2029	431	1,920	2,351
2030	61	1,788	1,849
2031	15	1,219	1,234
Thereafter	-	13,555	13,555
Total at March 31 2026	**$ 1,785**	**$ 69,132**	**$ 70,917**
Total at March 31, 2025	$ 1,318	$ 46,630	$ 47,948

(1) The university executed a $125,000 Agreement with the Ministry of Advanced Education during fiscal year 2024, the purpose of which is to support the construction of a new School of Business building. Of the total Agreement value, $35,000 has been received to date. A further $45,000 has been included in the Government of Alberta's 2027 budget and therefore is included in the table above. Future payments included in the Agreement for 2028 ($45,000) are subject to termination at the Minister's discretion and hence have not been included as a contractual right until such time that they are approved in the Government of Alberta budget.

17) Contractual obligations

The university has contractual obligations, which are commitments that will become liabilities in the future when the terms of the contracts or agreements are met. The estimated aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Service Contracts	Information systems and technology	Capital projects	Long term operating leases	Total
2027	$ 5,110	$ 2,028	$ 56,978	$ 67	$ 64,183
2028	718	2,030	223	83	3,054
2029	77	1,235	-	35	1,347
2030	77	485	-	-	562
2031	58	171	-	-	229
Thereafter	-	-	-	-	-
Total at March 31, 2026	**$ 6,040**	**$ 5,949**	**$ 57,201**	**$ 185**	**$ 69,375**
Total at March 31, 2025	$ 10,662	$ 5,971	$ 132,165	$ 380	$ 149,178

The university is one of 78 members of the Canadian Universities Reciprocal Insurance Exchange ("CURIE"), a self-insurance reciprocal exchange established to share the insurable property, liability, and errors and omissions risks of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through members' premiums. As at December 31, 2025, CURIE had an accumulated surplus of $133,885 (2024: $130,336), of which the university's pro-rata share is approximately 0.60% (2024: 0.60%). This surplus is not recognized in the consolidated financial statements.

(thousands of dollars)

18) Expenses by object

The following table summarizes expenses by object:

	Budget (Note 23)	**2026**	2025
Salaries	$ 163,326	**$ 175,033**	$ 157,818
Employee benefits	32,917	**36,109**	31,916
Materials, supplies and services	19,939	**15,548**	20,261
Services and professional fees	20,401	**19,440**	21,534
Facility, maintenance and utilities	17,208	**12,942**	14,385
Amortization of tangible capital assets	16,795	**18,337**	17,322
Cost of goods sold	3,109	**3,025**	2,781
Scholarships and bursaries	9,092	**10,448**	10,187
Interest on debt	1,747	**1,747**	1,960
Loss on disposal of tangible capital assets and purchased intangibles	-	**45**	-
	$ 284,534	**$ 292,674**	$ 278,164

19) Related party transactions

The university is a related party with organizations within the Government of Alberta reporting entity. Key management personnel of the university and their close family members are also considered related parties. The university may enter into arm's length transactions with these entities and individuals.

The university has debt with Alberta Treasury Board and Finance as outlined in Note 8.

(thousands of dollars)

20) Government transfers

		2026		2025
Government of Alberta grants				
Advanced Education:				
Operating	**$**	**119,021**	$	113,582
Capital		**20,000**		10,000
Total Advanced Education		**139,021**		123,582
Other Government of Alberta ministries and agencies:				
Alberta Children and Family Services		**398**		882
Alberta Immigration & Multiculturalism		**7**		-
Education		**-**		93
Other		**4**		55
Total other Government of Alberta ministries and agencies		**409**		1,030
Total contributions received		**139,430**		124,612
Spent deferred capital contributions recognized as revenue		**5,873**		5,778
Change in deferred revenue		**(24,184)**		(11,522)
Total Government of Alberta grants	**$**	**121,119**	$	118,868
Federal and other government grants				
Contributions received from federal government				
Research	**$**	**2,698**	$	2,081
Other		**-**		305
Contributions received from municipal governments		**80**		168
Spent deferred capital contributions recognized as revenue		**79**		65
Change in deferred revenue		**(239)**		40
Total Federal and other government grants	**$**	**2,618**	$	2,659

(thousands of dollars)

21) Salaries and employee benefits

	2026				2025
	Base salary (2)	Other cash benefits (3)	Other non-cash benefits (4) (5) (6) (7)	Total	Total
Governance (1)					
Chair of the Board of Governors	**$ -**	**$ -**	**$ -**	**$ -**	$ -
Members of the Board of Governors	**-**	**-**	**9**	**9**	9
Executive					
President and Vice-Chancellor	**332**	**6**	**130**	**468**	477
Provost and Vice-President, Academic	**321**	**6**	**67**	**394**	383
Vice-President, Finance and Administration & (	**306**	**6**	**53**	**365**	334
Vice-President, University Relations	**286**	**6**	**54**	**346**	322

(1) The Chair and other members of the Board of Governors receive no remuneration for their services as members of the Board of Governors.

(2) Base salary includes pensionable base pay.

(3) Other cash benefits include earnings such as vacation payouts, honoraria, car allowances and other lump-sum payments, including severance. No bonuses were paid in 2026 (2025: $nil).

(4) For Governance, other non-cash benefits include parking privileges that members of the Board of Governors may receive.

(5) For Executive, other non-cash benefits include the university's share of all employee benefits and contributions or payments made on behalf of employees, including pension, supplemental retirement plans, health care, dental coverage, group life insurance, short and long-term disability plans, professional memberships, tuition fees, approved administrative leaves and the fair market value of parking.

(6) For Executive, under the terms of the Supplemental Retirement Plan, executive officers may receive supplemental retirement payments. Retirement arrangement costs, as detailed below, are not cash payments in the period but are the period expense for rights to future compensation. The costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post-employment period. The supplemental retirement plan provides future pension benefits to participants based on years of service and earnings. The cost of these benefits is actuarially determined using the projected benefit method prorated on services, a market interest rate, and management's best estimate of expected costs and the period of benefits coverage. Net actuarial gains and losses of the benefit obligations are amortized over the average remaining service life of the employee group. The current service cost is the actuarial present value of the benefits earned in the current year. Interest and other costs include interest and amortization of actuarial gains and losses.

(7) For President and Vice-Chancellor, other non-cash benefits include a non-cash accrual for contractual administrative leave of $46 (2025: $65); the administrative leave may or may not be taken.

(thousands of dollars)

The SRP current service costs and accrued benefit liabilities for each of the executives in the above table are outlined in the following table:

	Accrued benefit liability March 31, 2025	Current Service cost	Interest cost	Actuarial (gain) loss	Accrued benefit liability March 31, 2026
President and Vice-Chancellor	$ 173	$ 37	$ 9	$ (1)	$ 218
Provost and Vice-President, Academic	166	26	8	32	232
Vice-President, University Relations	16	8	1	12	37
Vice-President, Finance and Administration & CFO	31	10	1	15	57

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 7.

22) Subsequent events

The university has secured Ministerial approval for borrowing facilities of $70,000 to meet short term cash obligations for the construction of the School of Business building.

23) Budget figures

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

24) Approval of financial statements

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