



UNIVERSITY OF CALGARY

Consolidated Financial Statements

For the Year Ended
March 31, 2025

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STATEMENT OF MANAGEMENT RESPONSIBILITY



The consolidated financial statements of the University of Calgary ("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, 2025 and the results of its operations, remeasurement gains and losses, changes 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's 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 Committee. With the exception of the President, all members of the Audit Committee are not employees of the University. The Audit 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 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 Ed McCauley]

President & Vice-Chancellor

[Original signed by Tanis Barr]

Associate Vice-President (Finance)

[Original signed by Meghan King]

Director, Financial Reporting

Independent Auditor's Report



To the Board of Governors of the University of Calgary

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of the University of Calgary (the Group), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, remeasurement gains and losses, change in net financial assets, and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other information

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

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

misstatement of this other information, I am required to communicate the matter to those charged with governance.

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

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

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

May 30, 2025
Edmonton, Alberta

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025
(in thousands)



	2025	2024
Financial assets excluding portfolio investments restricted for endowments		
Cash and cash equivalents (Note 3)	\$ 670,249	\$ 459,451
Portfolio investments - non-endowment (Note 4)	869,535	924,015
Accounts receivable	207,482	165,774
Inventories held for sale	6,871	14,304
	\$ 1,754,137	\$ 1,563,544
Liabilities		
Accounts payable and accrued liabilities	\$ 214,290	\$ 192,421
Investment in government business enterprise (Note 6)	22,774	12,375
Employee future benefit liabilities (Note 8)	57,559	78,845
Debt (Note 9)	137,415	145,013
Deferred revenue (Note 10)	985,258	918,752
Asset retirement obligations (Note 12)	76,994	76,499
	\$ 1,494,290	\$ 1,423,905
Net financial assets excluding portfolio investments restricted for endowments	\$ 259,847	\$ 139,639
Portfolio investments - restricted for endowments (Note 4)	\$ 1,540,467	\$ 1,316,024
Net financial assets	\$ 1,800,314	\$ 1,455,663
Non-financial assets		
Prepaid expenses	\$ 18,879	\$ 17,550
Tangible capital assets and purchased intangibles (Note 7)	2,129,892	2,131,891
	\$ 2,148,771	\$ 2,149,441
Net assets before spent deferred capital contributions	\$ 3,949,085	\$ 3,605,104
Spent deferred capital contributions (Note 11)	\$ 1,428,072	\$ 1,403,683
Net assets (Note 13)	\$ 2,521,013	\$ 2,201,421
Net assets are comprised of:		
Accumulated surplus	\$ 2,028,408	\$ 1,855,362
Accumulated rereasurement gains	492,605	346,059
	\$ 2,521,013	\$ 2,201,421

Contingent assets and contractual rights (Note 14 and 16)

Contingent liabilities and contractual obligations (Note 15 and 17)

Approved by the Board of Governors:

[Original signed by Mark Herman]

Chair, Board of Governors

[Original signed by Daniel Adams]

Chair, Audit Committee

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

CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2025
(in thousands)



	2025 Budget (Note 18)	2025	2024
Revenue			
Government of Alberta grants (Note 23)	\$ 641,297	\$ 625,366	\$ 618,683
Federal and other government grants (Note 23)	242,759	237,290	229,471
Sales of services and products	130,577	152,178	116,609
Student tuition and fees	410,803	408,683	398,507
Donations and other grants	195,859	222,027	193,769
Investment income (Note 19)	104,132	131,849	118,329
Investment loss from government business enterprise (Note 6)	-	(10,399)	(1,093)
	\$ 1,725,427	\$ 1,766,994	\$ 1,674,275
Expense (Note 20)			
Academic costs and institutional support	\$ 947,227	\$ 905,666	\$ 876,551
Research	550,541	560,039	538,418
Special purpose and trust	99,273	101,601	83,893
Facilities operations and maintenance	86,464	96,105	83,890
Ancillary services	41,922	39,867	38,971
	\$ 1,725,427	\$ 1,703,278	\$ 1,621,723
Annual operating surplus	\$ -	\$ 63,716	\$ 52,552
Endowment contributions and capitalized investment income			
Endowment contributions (Note 13)		91,807	19,260
Endowment capitalized investment income (Note 13), (Note 19)		17,523	2,571
		\$ 109,330	\$ 21,831
Annual surplus		\$ 173,046	\$ 74,383
Accumulated surplus, beginning of year		1,855,362	1,780,979
Accumulated surplus, end of year (Note 13)		\$ 2,028,408	\$ 1,855,362

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

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2025
(in thousands)



	2025 Budget (Note 18)	2025	2024
Annual surplus	\$ -	\$ 173,046	\$ 74,383
Acquisition of tangible capital assets and purchased intangibles	(191,225)	(164,703)	(143,172)
Proceeds from sale of tangible capital assets and purchased intangibles	-	3,775	173
Amortization of tangible capital assets and purchased intangibles	164,898	166,480	162,399
Gain on disposal of tangible capital assets and purchased intangibles	-	(3,553)	(106)
(Increase) decrease in prepaid expenses		(1,329)	245
Increase (decrease) in spent deferred capital contributions		24,389	(10,333)
Increase in accumulated remeasurement gains		146,546	144,861
Increase in net financial assets	\$	344,651	\$ 228,450
Net financial assets, beginning of year	\$	1,455,663	\$ 1,227,213
Net financial assets, end of year	\$	1,800,314	\$ 1,455,663

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

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
YEAR ENDED MARCH 31, 2025
(in thousands)



	2025	2024
Accumulated remeasurement gains, beginning of year	\$ 346,059	\$ 201,198
Unrealized gains (losses) attributable to:		
Foreign exchange	997	386
Quoted in active market financial instruments		
Portfolio investments - non-endowments	(377)	(23)
Portfolio investments - restricted for endowments	316	589
Designated fair value financial instruments		
Portfolio investments - non-endowments	31,925	18,816
Portfolio investments - restricted for endowments	120,104	123,678
Utility price hedges	657	(1,874)
Amounts reclassified to consolidated statement of operations:		
Foreign exchange	(386)	(409)
Quoted in active market financial instruments		
Portfolio investments - non-endowments	-	-
Portfolio investments - restricted for endowments	(62)	(144)
Designated fair value financial instruments		
Portfolio investments - non-endowments	(3,997)	14,178
Portfolio investments - restricted for endowments	(3,404)	(7,159)
Utility price hedges	773	(3,177)
Change in accumulated remeasurement gains	\$ 146,546	\$ 144,861
Accumulated remeasurement gains, end of year (Note 13)	\$ 492,605	\$ 346,059
Accumulated remeasurement gains (losses) is comprised of:		
Foreign exchange	\$ 997	\$ 386
Portfolio investments - non-endowments	55,544	27,993
Portfolio investments - restricted for endowments	435,492	318,538
Utility price hedges	572	(858)
	\$ 492,605	\$ 346,059

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

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2025
(in thousands)



	2025	2024
Operating transactions		
Annual surplus	\$ 173,046	\$ 74,383
Add (deduct) non-cash items:		
Amortization of tangible capital assets and purchased intangibles	166,480	162,399
(Gain) loss on sale of portfolio investments	(7,463)	6,875
Gain on sale of tangible capital assets and purchased intangibles	(3,553)	(106)
Capital gifts in-kind received	(253)	(402)
Expended capital contributions recognized as revenue	(106,979)	(103,242)
Decrease in investment in government business enterprises	10,399	1,092
Change in employee future benefit liabilities	(21,286)	(18,080)
Change in non-cash items	\$ 37,345	\$ 48,536
Increase in accounts receivable, less change in utility price hedges	(40,278)	(32,339)
(Increase) decrease in prepaid expenses	(1,329)	245
Decrease in inventories held for sale, less in-kind donations	7,433	909
Increase in accounts payable and accrued liabilities	21,869	14,613
Increase in deferred revenue, less in-kind donations	66,506	103,784
Cash provided by operating transactions	\$ 264,592	\$ 210,131
Capital transactions		
Acquisition of tangible capital assets and purchased intangibles less gift in-kind and asset retirement additions	\$ (154,821)	\$ (137,468)
Proceeds on sale of tangible capital assets and purchased intangibles	3,775	173
Cash applied to capital transactions	\$ (151,046)	\$ (137,295)
Investing transactions		
Purchases of portfolio investments	\$ (814,351)	\$ (1,403,321)
Proceeds on sale of portfolio investments	796,967	1,625,223
Cash (applied to) provided by investing transactions	\$ (17,384)	\$ 221,902
Financing transactions		
Debt - repayment	\$ (7,598)	\$ (7,451)
Debt - new financing	-	64
Increase in spent deferred capital, less expended capital contributions recognized as revenue, less in-kind donations	122,234	89,324
Cash provided by financing transactions	\$ 114,636	\$ 81,937
Increase in cash and cash equivalents	\$ 210,798	\$ 376,675
Cash and cash equivalents, beginning of year	\$ 459,451	\$ 82,776
Cash and cash equivalents, end of year	\$ 670,249	\$ 459,451

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

1. Authority and purpose

The Governors of the University of Calgary is a corporation that manages and operates the University of Calgary ("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 university offering undergraduate and graduate degree programs as well as a full range of continuing education programs and activities. The University is a registered charity, and under section 149 of the *Income Tax Act* (Canada), is exempt from the payment of income tax. This tax exemption does not extend to its wholly-owned subsidiaries, University Technologies Group, University of Calgary Properties Group Ltd., University District Trust, and University Innovation Quarter Trust.

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 (CPA Canada). Significant aspects of the accounting policies adopted by the University are as follows:

(a) Use of estimates

The measurement of certain assets and 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. Amortization of tangible capital assets and purchased intangibles, asset retirement obligations, recognition of deferred revenue related to restricted grants and donations, determining the fair value of in-kind donations, and employee future benefit liabilities 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 measured as follows:

Financial statement component	Measurement
Cash and cash equivalents	Cost
Portfolio investments	Fair value
Inventories held for sale	Lower of cost or net realizable value
Accounts receivable	Lower of cost or net recoverable value
Utility price hedge	Fair value
Accounts payable and accrued liabilities	Cost
Asset retirement obligations	Cost
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 create 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 recorded in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value that is other than temporary is not reversed for a subsequent increase in value.

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

(b) Valuation of financial assets and liabilities (Continued)

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. The University uses utility price hedges to reduce exposure to fluctuations in utility prices. Utility price hedges are recorded at fair value. Unrealized gains and losses from changes in the fair value of utility price hedges 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. Fair value is calculated by comparing the contracted hedge prices to the wholesale forward market for comparative time periods.

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.

(c) Revenue recognition

All revenue is reported on the accrual basis of accounting. Cash received for which goods or services 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 as the terms are met. If the grants and donations are used to construct or acquire tangible capital assets and purchased intangibles, revenue will be recognized over the useful life of the tangible capital asset or intangible asset.

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 and purchased intangibles are recognized at fair value when such value can reasonably be determined. Transfers of tangible capital assets and purchased intangibles from related parties are recorded 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 or endowment contribution at the fair value of the land when a fair value can be reasonably determined. When the fair value cannot reasonably be determined, the in-kind grant or donation is recorded at nominal value.

Sales of services and products

Sales of services and products represent revenues from non-tuition related services and/or products such as parking fees, conferences, amenities fees, recreation program registration fees, food services and related commissions, book sales, rental income, lease income, copyright licensing, fine and surcharges, sponsorship revenue, and other administrative fees.

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

(c) Revenue recognition (Continued)

These revenues, with the exception of parking fines are considered revenues arising from exchange transactions. Revenue from these transactions is recognized when or as the University fulfils its performance obligations and transfers control of the promised goods and services to the payor. If the performance obligation is outstanding at year end, the remaining revenue is deferred.

Revenue without performance obligations is a non-exchange transaction with a payor and is recognized when the University has the authority to claim or retain an inflow of economic resources and identifies a past 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 and include program registration and application fees, course delivery fees, student service fees and laboratory 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, student service fees, and laboratory fees are recognized over the course of each academic 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.

Investment income

Investment income includes dividends, interest income, distributions from pooled funds, and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on investments from unrestricted grants, unrestricted donations, and endowments are recognized in the accumulated remeasurement gains and losses until settlement. Once realized, these gains and losses are recognized as revenue or expense in the consolidated statement of operations. 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 in the consolidated statement of operations when the terms of the grants or donations are met.

Realized investment income allocated to endowment balances for the preservation of endowment capital purchasing power is recognized in the consolidated statement of operations as a component of endowment contributions and capitalized investment income.

Endowment contributions

Endowment contributions consist of externally restricted donations received by the University, the principal of which is required to be maintained intact in perpetuity.

Investment income earned on endowments must be used in accordance with the various purposes established by the donors or the Board of Governors. Benefactors as well as University's 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:

- income earned by the endowment to be withheld from distribution to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment.
- encroachment on the capital of the endowment to avoid fluctuations in the amounts distributed and generally to regulate the distribution of income earned by the endowment 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 cumulative capitalized investment income. However, for individual endowment funds without sufficient cumulative capitalized income, endowment principal is used in that year. This amount is expected to be recovered by future investment income. Endowment contributions are recognized in the consolidated statement of operations in the period in which they are received.

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

(d) Inventories held for sale

Inventories held for sale are valued at the lower of cost and expected net realizable value and is determined using the weighted average method. In-kind assets held for sale is valued at fair market value, at the time of the donation, when the fair value can be reasonably determined.

(e) Tangible capital assets and purchased intangibles

Tangible capital assets are recorded at cost, which include amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset, and costs associated with asset retirement obligations. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Work-in-progress, which includes facilities and improvement projects and development of information systems, is not amortized until after 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 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 and the asset's fair market value at the inception of the lease, excluding executor costs. 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.

Purchased intangibles are non-monetary economic resources without physical substance and recorded at cost less accumulated amortization. The cost, less any residual value, of purchased intangibles with a finite life is amortized on a straight-line basis over its useful life in a manner appropriate to its nature and use, which is normally the shortest of the technological, commercial, and legal life. Purchased intangibles with an indefinite life are not amortized.

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

Buildings	20-40 years
Furnishings, equipment and systems	3-10 years
Learning resources (includes purchased intangibles)	10 years

Tangible capital asset and purchased intangible write-downs are recorded 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 capital assets are less than their net book value. Net write-downs are recognized as expenses in the consolidated statement of operations. Internally developed intangible assets, 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.

(f) 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.

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

(g) Employee future benefits

Pension

The University participates with other employers in the Universities Academic Pension Plan (UAPP) and the Public Service Pension Plan (PSPP). 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 and is allocated to each participant based on their respective percentage of pensionable earnings. Actuarial gains or losses on the accrued benefit obligation are amortized over the expected average remaining service life.

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 recorded 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 predetermined amounts that are expected to provide the plan's future benefits.

Long-term disability (LTD)

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

Supplementary retirement plan (SRP)

The expense for the defined benefit SRP 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 service lifetime for each plan participant.

(h) Investment in government nonprofit organization, other government organization, and partnerships

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of organizations which are controlled by the University. The following organizations are consolidated in these financial statements. Inter-organizational transactions, balances and activities have been eliminated upon consolidation.

- Arctic Institute of North America, a nonprofit organization controlled by the University, operates under the authority of the *Act of the Federal Parliament* (910 George VI, Chapter 45) to initiate, encourage and support northern research and to advance the study of arctic conditions.
- University Technologies Group, a group of entities operating to facilitate the transfer of intellectual property from the University to private business, thereby commercializing the scientific innovations of University researchers.
- University of Calgary Properties Group Ltd. ("UCPG"), is the sole trustee of University District Trust ("UDT") and University Innovation Quarter Trust ("UIQT").
- University Innovation Quarter Trust ("UIQT"), a trust created to operate, manage, and develop University Innovation Quarter lands (previously named University Research Park) to support an innovation ecosystem on behalf of the University.

Proportionate consolidation is used to record the University's share of Western Canadian Universities Marine Sciences Society ("WCUMSS") (20% interest), a partnership with five universities to provide research infrastructure in the marine sciences for its member universities and the worldwide scientific community. All partnership inter-entity accounts and transactions between WCUMSS and the University are eliminated upon consolidation. This partnership is not material to the University's consolidated financial statements; therefore, separate condensed financial information is not presented.

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

(i) Investment in government business enterprise

Government business enterprises ("GBE"), owned or controlled by the University but not dependent on the University for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the accounting policies of the GBE 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. The University's wholly-owned entity accounted for by the modified equity basis is University District Trust ("UDT") .

(j) 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.

(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. 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 either considered 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.

When 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.

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 a 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 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:

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

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets 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 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 function categories on its consolidated statement of operations:

Academic costs and institutional support

Academic costs and institutional support includes expenses relating to activities directly and indirectly supporting innovative learning, programming, and teaching as well as administration and governance functions of the University.

Research

Research expenses relate primarily to activity funded by externally sponsored research funds intended for specific research purposes as well as internal funds designated for research related spending.

Special purpose and trust

Special purpose and trust is comprised of expenses relating to externally restricted funding for non-research related activities including scholarships and community service.

Facilities operations and maintenance

Facilities operations and maintenance function includes centralized management and maintenance of grounds and facilities, and buildings. Examples include utilities, facilities administration, building maintenance, custodial services, landscaping and grounds keeping, and major repairs and renovations.

Ancillary services

Ancillary expenses relate to secondary services available to students, faculty, and staff. Services include on campus residence, food services, university bookstores, parking, and conference services.

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

(n) Future changes in accounting standards

The University will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- Effective 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 PS 1000, *Financial Statement Concepts*, and PS 1100, *Financial Statement Objectives*. The Conceptual Framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.
- Effective April 1, 2026, PS 1202 *Financial Statement Presentation*. PS 1202 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(in thousands)



3. Cash and cash equivalents

	2025	2024
Cash	\$ 479,735	\$ 409,231
Guaranteed investment certificate	190,514	50,220
	\$ 670,249	\$ 459,451

Cash and cash equivalents include short-term investments with a maturity less than three months from the date of acquisition.

4. Portfolio investments

	2025	2024
Portfolio investments - non-endowment	\$ 869,535	\$ 924,015
Portfolio investments - restricted for endowments	1,540,467	1,316,024
	\$ 2,410,002	\$ 2,240,039

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

	2025			
	Level 1	Level 2	Level 3	Total
Fixed income				
Canadian government and corporate	\$ -	\$ 241,105	\$ -	\$ 241,105
Foreign government and corporate	-	14,806	-	14,806
Pooled investments funds	-	372,329	-	372,329
Pooled Canadian mortgages	-	258,487	-	258,487
Equities				
Canadian equities	11,127	-	-	11,127
Foreign equities	2,240	-	-	2,240
Pooled investments funds	-	1,163,486	-	1,163,486
Other				
Cash and money market funds	14,814	-	-	14,814
Guaranteed investment certificates	-	-	-	-
Pooled hedge funds	-	166,635	-	166,635
Private equity	-	-	95,598	95,598
Infrastructure	-	-	69,375	69,375
	\$ 28,181	\$ 2,216,848	\$ 164,973	\$ 2,410,002
Other at amortized cost				\$ -
Total portfolio investments	\$ 28,181	\$ 2,216,848	\$ 164,973	\$ 2,410,002

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. Portfolio investments (Continued)

2024				
	Level 1	Level 2	Level 3	Total
Fixed income				
Canadian government and corporate	\$ -	\$ 224,748	\$ -	\$ 224,748
Foreign government and corporate	-	14,672	-	14,672
Pooled investments funds	-	345,744	-	345,744
Pooled Canadian mortgages	-	239,457	-	239,457
Equities				
Canadian equities	10,111	-	-	10,111
Foreign equities	2,192	-	-	2,192
Pooled investments funds	-	1,037,532	-	1,037,532
Other				
Cash and money market funds	14,835	-	-	14,835
Guaranteed investment certificates	30,685	-	-	30,685
Pooled hedge funds	-	148,243	-	148,243
Private equity	-	-	61,702	61,702
Infrastructure	-	-	54,616	54,616
Private credit	-	-	55,502	55,502
	\$ 57,823	\$ 2,010,396	\$ 171,820	\$ 2,240,039
Other at amortized cost				\$ -
Total portfolio investments	\$ 57,823	\$ 2,010,396	\$ 171,820	\$ 2,240,039

The tables above provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets.

Level 2 fair value measurements are those derived from 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).

Level 3 Third party financial statements from private asset managers. For investments where statements do not exist then fair value measurements are derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

The following table provides reconciliation of the changes in fair value of Level 3 investments:

	2025	2024
Balance, beginning of year	\$ 171,820	\$ 131,406
Unrealized gains	22,550	10,507
Purchases	26,777	29,907
Disposals	(56,174)	-
Balance, end of year	\$ 164,973	\$ 171,820

During the years ended March 31, 2025 and 2024, there were no transfers between level 1, level 2 and level 3 investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(in thousands)



5. Financial risk management

Market price risk

The University is exposed to market price risk, 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 established an investment policy with a target asset mix that is diversified by asset class with individual issuer limits and is designed to achieve a long-term rate of return with an acceptable level of risk.

The following details the University's portfolio sensitivity to a 8.0% increase or decrease in the market prices. The sensitivity rate is determined using the historical annualized standard deviation for the portfolio investments over a four year period. At March 31, 2025, if market prices had a 8.0% (2024 - 8.9%) increase or decrease with all other variables held constant, the increase or decrease in accumulated remeasurement gains and losses, unrestricted net assets, and endowment net assets for the year would have totalled \$190,896 (2024 - \$194,215).

The University's management of market price risk has not changed from the prior year.

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 exchanges rates. The University is exposed to foreign currency risk on investments that are denominated in foreign currencies.

The impact of a change in value of foreign currency portfolio investments is as follows:

		Fair Value		2.5% decrease		1.0% decrease		1.0% increase		2.5% increase
United States	\$	1,150,728	\$	1,121,960	\$	1,139,221	\$	1,162,235	\$	1,179,496

The University has a contract with the Qatari government to operate a campus in Qatar. Expenses incurred are recovered from the government of Qatar and claims are adjusted to reflect currency fluctuations, thus reducing exchange risk exposure to the University.

Credit risk

The University is exposed to credit risk on investments arising from the potential failure of a counterparty, debtor or issuer to honour its contractual obligations. To manage this risk, the University invests predominantly in investment grade issuers as guided by the University's Investment policy. The credit risk from accounts receivable is relatively low as the majority of balances are due from government agencies and corporate sponsors. Credit risk from tuition is managed through restricted enrolment activities for students with delinquent balances and maintaining standard collection procedures. Given the nature of the University's accounts receivable balances, and current economic outlook, management has assessed the impact to credit risk as low.

The credit rating for Canadian government and corporate bonds held is as follows:

Credit Rating	2025	2024
AAA	43.76 %	46.52 %
AA	12.69 %	12.49 %
A	16.77 %	12.85 %
BBB	16.85 %	17.55 %
Below BBB and not rated	9.93 %	10.59 %
	100.00 %	100.00 %

5. Financial risk management (Continued)

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 line of credit designed to ensure availability of funds to meet current and forecasted financial requirements as cost effectively as possible. The University believes, based on its assessment of future cash flows, it will have access to sufficient capital through internally generated cash flows, external sources and the undrawn short-term line of credit to meet current spending forecasts. At March 31, 2025, the University has committed borrowing facilities of \$18,750 (2024 - \$18,750), none of which has been drawn.

Interest rate risk

Interest rate risk is the risk that future cash flows or fair values will fluctuate due to the volatility of market interest rates. The University is exposed to this risk on its interest bearing assets and bonds. Bonds are affected indirectly as they are subject to fluctuations in market values. Bonds are currently invested at the shorter end of the yield curve to reduce market value volatility. Interest risk on the University's debt is managed through fixed-rate agreements with the Department of Treasury Board and Finance as described in Note 9. If interest rates increased by 1% and all other variables are held constant, the potential loss in fair value on bonds and mortgage funds to the University would be \$30,422 (2024 - \$26,306).

The terms to maturity of interest-bearing securities held by the University are as follows:

Asset class	< 1 year	1 - 5 years	> 5 years	Average effective market yield
Money market funds	100.00 %	-	-	4.88 %
Government and corporate bonds	5.11 %	61.61 %	33.28 %	3.91 %
Canadian mortgage fund	25.70 %	60.49 %	13.81 %	4.81 %

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6. Investment in government business enterprise

The University District Trust ("UDT") subleases land to developers for the commercialization of residential and commercial development. The University is the beneficiary of UDT 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 investment in government business enterprise owned by the University as at December 31, 2024. As the fiscal periods of UDT and the University differ, any significant financial transaction that occur during the intervening period are recorded in the financial statements based on the fiscal year of the University. No significant transactions occurred during the intervening period.

Statement of Financial Position:

	December 31, 2024	December 31, 2023
Assets		
Cash	\$ 412	\$ 905
Accounts receivable	3,679	2,654
Deposit	939	6,872
Prepaid expenses	212	146
Investment properties	140,409	125,337
Capital assets	876	1,191
Development costs	47,525	45,261
	\$ 194,052	\$ 182,366
Liabilities		
Accounts payable and accrued liabilities	\$ 14,334	\$ 8,840
Land lease payable	35,757	30,183
Deferred revenue	367	565
Promissory note	3,750	3,750
Bank indebtedness and current portion of bank loan	111,317	101,480
Bank loan	36,409	37,117
Security deposits	1,319	567
Cost to complete	13,573	12,239
	\$ 216,826	\$ 194,741
Equity		
Deficit	\$ (22,774)	\$ (12,375)
	\$ 194,052	\$ 182,366

Statement of Operations:

	December 31, 2024	December 31, 2023
Rental revenue	\$ 12,435	\$ 10,156
Rental operating expenses	5,721	4,585
	\$ 6,714	\$ 5,571
Land lease revenue	\$ 20,466	\$ 37,180
Cost of land lease	13,726	23,996
	\$ 6,740	\$ 13,184
Expenses	\$ 23,853	\$ 19,848
Net loss	\$ (10,399)	\$ (1,093)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. Tangible capital assets and purchased intangibles

	2025					2024
	Buildings	Furnishings, equipment and systems	Learning resources	Land	Total	Total
Cost						
Beginning of year	\$ 3,435,483	\$ 727,592	\$ 286,195	\$ 57,313	\$ 4,506,583	\$4,373,973
Acquisitions	80,551	74,699	9,453	-	164,703	143,172
Disposals	(708)	(5,926)	(49)	-	(6,683)	(10,562)
	\$ 3,515,326	\$ 796,365	\$ 295,599	\$ 57,313	\$ 4,664,603	\$4,506,583
Accumulated amortization						
Beginning of year	\$ 1,555,870	\$ 576,640	\$ 242,182	\$ -	\$ 2,374,692	\$2,222,788
Amortization expense	107,501	50,010	8,969	-	166,480	162,399
Disposals	(673)	(5,739)	(49)	-	(6,461)	(10,495)
	\$ 1,662,698	\$ 620,911	\$ 251,102	\$ -	\$ 2,534,711	\$2,374,692
Net book value at March 31, 2025	\$ 1,852,628	\$ 175,454	\$ 44,497	\$ 57,313	\$ 2,129,892	\$2,131,891
Net book value as at March 31, 2024	\$ 1,879,613	\$ 150,952	\$ 44,013	\$ 57,313	\$ 2,131,891	

Tangible capital assets include work-in-progress at March 31, 2025 totaling \$100,622 (2024 - \$81,144) comprised of buildings \$93,250 (2024 - \$65,462) and furnishings, equipment and systems \$7,372 (2024 - \$15,682). Work-in-progress is not amortized as the assets are not available for use.

Acquisitions during the year included in-kind contributions (such as land, building, learning resources, equipment and software) in the amount of \$9,387 (2024 - \$3,987).

Learning resources acquisitions include \$7,874 (2024 - \$8,314) of eBooks, a purchased intangible. The net book value of purchased intangibles, included in learning resources, is \$35,009 (2024 - \$33,836).

8. Employee future benefit liabilities

Employee future benefit liabilities are comprised of the following:

	2025	2024
Universities Academic Pension Plan	\$ 39,422	\$ 61,322
Long-term disability	4,992	3,817
Administrative leave (Note 24)	470	361
Supplementary retirement plan	12,675	13,345
	\$ 57,559	\$ 78,845

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

UAPP

The UAPP is a multi-employer contributory joint defined benefit pension plan for academic and professional staff members. An actuarial valuation of the UAPP was carried out as at December 31, 2022 and was then extrapolated to March 31, 2025, resulting in a UAPP surplus of \$426,781 (2024 deficit - \$10,888) consisting of a pre-1992 deficit of \$832,113 (2024 - \$854,385) and a post-1991 surplus of \$1,258,894 (2024 - \$843,497). The University's portion of the UAPP pre-1992 deficit and post-1991 surplus has been allocated based on its percentage of the plan's total employer contributions for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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8. Employee future benefit liabilities (Continued)

The unfunded deficiency for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2024 - 1.25%) of salaries by the Government of Alberta. Employees and employers equally share the balance of the contributions of 3.57% (2024 - 3.57%) of salaries until June 30, 2024 and 4.03% (2024 - 4.03%) of salaries thereafter until December 31, 2043 to eliminate the unfunded deficiency. The Government of Alberta's obligation for the future additional contributions was \$202,844 (2024 - \$195,453) at March 31, 2025. Any unfunded deficiency for service after December 31, 1991 is financed by special payments as a percentage of capped salary determined in the funding valuation for the Plan, all shared equally between employees and employer.

SRP

The University provides non-contributory defined benefit supplementary retirement benefits to executives. An actuarial valuation of these benefits was carried out as at March 31, 2025.

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

	March 31, 2025			March 31, 2024		
	UAPP	Long-term disability ⁽¹⁾	SRP ⁽¹⁾	UAPP	Long-term disability ⁽¹⁾	SRP ⁽¹⁾
Expenses						
Current service cost	\$ 37,646	\$ 940	\$ 231	\$ 35,531	\$ 562	\$ 208
Interest cost	(1,326)	221	577	1,321	163	525
Amortization of net actuarial (gain) loss	(8,294)	519	(789)	(6,005)	(441)	(855)
Total expenses	\$ 28,026	\$ 1,680	\$ 19	\$ 30,847	\$ 284	\$ (122)
Financial Position						
Accrued benefit obligation:						
Balance, beginning of year	\$ 1,177,727	\$ 3,817	\$ 11,897	\$ 1,098,607	\$ 4,044	\$ 12,037
Current service cost	37,646	940	231	35,531	562	208
Interest cost	73,491	221	577	69,716	163	525
Benefits paid	(60,073)	(505)	(688)	(55,063)	(511)	(606)
Actuarial loss (gain)	1,533	519	787	28,936	(441)	(267)
Balance, end of year	\$ 1,230,324	\$ 4,992	\$ 12,804	\$ 1,177,727	\$ 3,817	\$ 11,897
Plan assets	1,345,362	-	-	1,211,791	-	-
Plan surplus (deficit)	\$ 115,038	\$ (4,992)	\$ (12,804)	\$ 34,064	\$ (3,817)	\$ (11,897)
Unamortized net actuarial (gain) loss	\$ (154,460)	\$ -	\$ 129	\$ (95,386)	\$ -	\$ (1,448)
Accrued benefit liability	\$ (39,422)	\$ (4,992)	\$ (12,675)	\$ (61,322)	\$ (3,817)	\$ (13,345)

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

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8. Employee future benefit liabilities (Continued)

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

	March 31, 2025			March 31, 2024		
	UAPP	Long-term disability	SRP	UAPP	Long-term disability	SRP
Accrued benefit obligation:						
Discount rate	6.10 %	4.00 %	4.40 %	6.20 %	4.90 %	4.90 %
Long-term average compensation increase	3.00 %	n/a	3.00 %	3.00 %	n/a	2.00 %
Benefit cost:						
Discount rate	6.20 %	4.90 %	4.90 %	6.30 %	4.90 %	4.40 %
Long-term average compensation increase	3.00 %	n/a	2.00 %	3.00 %	n/a	2.00 %
Alberta inflation	(Note 1)	n/a	2.00 %	(Note 2)	n/a	(Note 3)
Estimated average remaining service life	11.5 yrs	7.09 yrs	3 yrs	11.5 yrs	7.03 yrs	3 yrs

Note 1: 2.5% for 2025 and 2.0% per annum thereafter

Note 2: 2.5% for 2024 and 2025 and 2.0% per annum thereafter

Note 3: 2.5% for 2025 and 2.0% per annum thereafter

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

PSPP

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, PSPP is accounted for on a defined contribution basis. The pension expense recorded in these consolidated financial statements is \$20,364 (2024 - \$18,930).

An actuarial valuation of the PSPP was carried out as at December 31, 2021 and was then extrapolated to December 31, 2024. At December 31, 2024, the PSPP reported an actuarial surplus of \$6,473,956 (2023 - \$4,542,500). For the year ended December 31, 2024, PSPP reported employer contributions of \$279,451 (2023 - \$260,539) and employee contributions of \$281,884 (2023 - \$261,278). For the 2024 calendar year, the University's employer contributions were \$20,236 (2023 - \$18,473).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9. Debt

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

	Collateral	Maturity date	Interest rate %	2025	2024
Debentures payable to the Department of Treasury Board and Finance:					
Debenture for Cascade Hall	(1)	May 2025	6.25%	\$ 1,243	\$ 2,414
Debenture for Residences	(1)	December 2038	3.90%	59,007	62,125
Debenture for International Residence House	(1)	June 2039	5.10%	19,692	20,592
Debenture for Phase VI Residence	(1)	March 2040	4.73%	40,751	42,582
Mortgage payable:					
Mortgage for University Innovation Quarter Trust	(2)	September 2026	3.28%	16,446	16,957
Alastair Ross Technology Centre					
Bank loans payable:					
Demand loan for Western Canadian Universities	(3)	April 2026	3.49%	159	170
Marine Sciences Society					
Demand loan for Western Canadian Universities	(3)	June 2027	5.15%	58	62
Marine Sciences Society					
				\$ 137,356	\$ 144,902
Obligations under capital leases				\$ 59	\$ 111
				\$ 137,415	\$ 145,013

(1) General security agreement

(2) Secured by a demand collateral leasehold mortgage over UIQT's interest in all lands, in addition to a general security agreement

(3) None

Interest expense on debt recorded in these consolidated statements is \$6,001 (2024 - \$6,456) of which \$ nil (2024 - \$ nil) was capitalized. Principal and interest repayments are as follows:

	Principal	Interest	Total
2026	\$ 8,147	\$ 5,780	\$ 13,927
2027	6,918	5,411	12,329
2028	7,212	5,113	12,325
2029	7,523	4,802	12,325
2030	7,848	4,477	12,325
Thereafter	99,767	24,287	124,054
	\$ 137,415	\$ 49,870	\$ 187,285

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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10. Deferred revenue

	2025		
	Unspent externally restricted grants and donations	Student tuition, fees and other revenue	Total
Balance, beginning of year	\$ 854,674	\$ 64,078	\$ 918,752
Grants, tuition and other donations received	734,062	434,832	1,168,894
Investment income	57,358	-	57,358
Transfer to spent deferred capital contributions (Note 11)	(131,368)	-	(131,368)
Recognized as revenue	(601,453)	(426,925)	(1,028,378)
	\$ 913,273	\$ 71,985	\$ 985,258

	2024		
	Unspent externally restricted grants and donations	Student tuition, fees and other revenue	Total
Balance, beginning of year	\$ 783,126	\$ 31,842	\$ 814,968
Grants, tuition and other donations received	664,207	447,389	1,111,596
Investment income	56,916	-	56,916
Transfer to spent deferred capital contributions (Note 11)	(92,909)	-	(92,909)
Recognized as revenue	(556,666)	(415,153)	(971,819)
	\$ 854,674	\$ 64,078	\$ 918,752

11. Spent deferred capital contributions

Spent deferred capital contributions are comprised of externally restricted grants and donations spent on tangible capital assets and purchased intangible acquisitions (not yet recognized as revenue).

	2025	2024
Balance, beginning of year	\$ 1,403,683	\$ 1,414,016
Transfer from unspent externally restricted grants and donations (Note 10)	131,368	92,909
Expended capital contributions recognized as revenue	(106,979)	(103,242)
	\$ 1,428,072	\$ 1,403,683

12. Asset retirement obligations

	2025	2024
Balance, beginning of year	\$ 76,499	\$ 74,782
Liability incurred	-	587
Revision in estimates	495	1,130
	\$ 76,994	\$ 76,499

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025
(in thousands)



12. Asset retirement obligations (Continued)

Tangible capital assets with associated retirement obligations include buildings, equipment, and leasehold improvements. The University has asset retirement obligations to remove hazardous asbestos fibre containing materials from various buildings under its control totalling \$74,052 (2024 - \$73,575). Regulations require the University to handle and dispose of the asbestos in a prescribed manner when it is disturbed, such as when the building undergoes renovations or is demolished. Although timing of the asbestos removal is conditional on the building undergoing renovations or being demolished, regulations create an existing obligation for the University to remove the asbestos when asset retirement activities occur.

Asset retirement obligations are initially measured as of the later of acquisition or the date of legislation, based on management's best estimate of the amount required to retire tangible capital assets and subsequently re-measured taking into account any new information and the appropriateness of assumptions used. The estimate of the liability is based on existing agreements, contracts, previous experience, third party quotes, legislation and professional judgement. The University estimated the nature and extent of hazardous asbestos fibre containing materials in its buildings based on the building square footage affected, material quantities and various units rates of asbestos containing materials to remove and dispose of the hazardous materials. The University has measured asset retirement obligations related to asbestos at its current value due to the uncertainty about when the hazardous materials would be removed.

13. Net assets

	2025					2024
	Unrestricted	Investment in capital assets^{(1) (2)}	Internally restricted	Endowments	Total	Total
Net assets, beginning of year	\$153,603	\$ 506,920	\$ 212,475	\$ 1,328,423	\$ 2,201,421	\$ 1,982,177
Annual operating surplus	63,716	-	-	-	63,716	52,552
Transfer to internally restricted net of expenditures	(55,956)	-	55,956	-	-	-
Endowment						
New contributions	-	-	-	91,807	91,807	19,260
Capitalized investment income	-	-	-	17,523	17,523	2,571
Tangible capital assets and purchased intangibles						
Acquisitions	(21,835)	33,335	(11,500)	-	-	-
Amortization	59,501	(59,501)	-	-	-	-
Debt repayment	(7,598)	7,598	-	-	-	-
Net book value of disposal	222	(222)	-	-	-	-
Increase in asset retirement obligations	495	(495)	-	-	-	-
Change in accumulated remeasurement gains	29,592	-	-	116,954	146,546	144,861
Net assets at March 31, 2025	\$221,740	\$ 487,635	\$ 256,931	\$ 1,554,707	\$ 2,521,013	\$ 2,201,421
Net assets is comprised of:						
Accumulated surplus	\$ 164,627	\$ 487,635	\$ 256,931	\$ 1,119,215	\$ 2,028,408	\$ 1,855,362
Accumulated remeasurement gains	57,113	-	-	435,492	492,605	346,059
Net assets at March 31, 2025	\$221,740	\$ 487,635	\$ 256,931	\$ 1,554,707	\$ 2,521,013	\$ 2,201,421

⁽¹⁾ Includes Investment in tangible capital assets and purchased intangibles.

⁽²⁾ The University's closing net assets invested in capital assets is reduced by the University's asset retirement obligations of \$76,770 (2024 - \$76,275), asset retirement obligations related to tangible capital assets no longer in productive use has reduced unrestricted net assets by \$224 (2024 - \$224). A funding source for this obligation has not been determined.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**
(in thousands)



13. Net assets (Continued)

Endowments

During fiscal 2023, the University received a legacy gift comprising land, art, and coins valued at \$17,267. Of this legacy gift, \$13,250 was recognized as endowment contributions. During fiscal 2024, a portion of the art was sold, and in fiscal 2025, the coins and majority of the art were sold. As of fiscal year-end, \$6,740 (2024 - \$12,399) remains within endowments related to the legacy gift. The land will be used for several years per a crop sharing agreement with the eventual expectation the land will be sold, while the art is currently held for sale. All proceeds related to sale of the donated land, art, and coins will be allocated to the legacy gift. Included in Accounts receivable is \$7,500 (2024 - nil) endowment contribution relating to a Government of Alberta matching grant.

Internally Restricted Net Assets

Internally restricted net assets represent amounts set aside by the University's Board of Governors for strategic initiatives to fund capital construction projects on campus. Those amounts are not available for other major capital purposes without the approval of the Board.

14. Contingent assets

As of March 31, 2025, the University is a defendant in a number of legal proceedings arising in the normal course of business and has insurance to recover any possible legal settlement. The future receipt of these assets is dependent on the outcome of the contingent liability occurring. These contingent assets are not recorded in the consolidated financial statements.

15. Contingent liabilities

As of March 31, 2025, 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, the University believes that any settlement will not have a material adverse effect on the financial position or the results of operations of the University. For proceedings for which the outcome of these actions is not determinable as of March 31, 2025, no provision has been made in these financial statements for any liability that may result.

The University is one of 21 members of Tri-University Meson Facility (TRIUMF), Canada's particle accelerator centre. The Membership Agreement includes a Decommissioning Plan to render the lands to a greenfield site. Each member is equally responsible for any unfunded decommissioning costs in the event that TRIUMF terminates its operations. The University's estimated portion of the unfunded decommissioning costs cannot be reasonably estimated at this time. The liability is not recorded in the financial statements.

16. Contractual rights

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

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

	Operating leases		Other contracts		Total
2026	\$	6,293	\$	12,231	\$ 18,524
2027		5,626		2,098	7,724
2028		4,245		1,102	5,347
2029		2,866		800	3,666
2030		1,725		147	1,872
Thereafter		25,638		241	25,879
March 31, 2025	\$	46,393	\$	16,619	\$ 63,012
March 31, 2024	\$	42,863	\$	9,566	\$ 52,429

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025
(in thousands)



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 amount payable for the unexpired terms of these contractual obligations are as follows:

	Service contracts	Capital projects	Long-term leases	Other	Total
2026	\$ 81,482	\$ 46,574	\$ 6,401	\$ 168,920	\$ 303,377
2027	1,676	49	8,549	-	10,274
2028	915	-	8,513	-	9,428
2029	-	-	8,598	-	8,598
2030	-	-	8,472	-	8,472
Thereafter	-	-	64,894	-	64,894
March 31, 2025	\$ 84,073	\$ 46,623	\$ 105,427	\$ 168,920	\$ 405,043
March 31, 2024	\$ 72,184	\$ 61,857	\$ 35,389	\$ 186,987	\$ 356,417

The University is one of 78 members of CURIE, the Canadian Universities Reciprocal Insurance Exchange, a self-insurance reciprocal established to share the insurable property, liability, and errors and omissions risks of member universities. The projected cost of claims against the exchange is based on actuarial projections and is funded through members' premiums. As at December 31, 2024 CURIE had an total comprehensive income of \$28,397 (2023 - \$10,899). The University participates in eight of the underwriting periods, which have an accumulated surplus of \$130,366 (2023 - \$107,548) of which the University's pro rata share is approximately 5.81% (2023 - 5.80%). This surplus is not recorded in the consolidated financial statements.

The \$168,920 (2024 - \$186,987) balance in other contractual obligations includes alternative investments capital call commitments.

18. Budget comparison

The University's 2024-2025 budget was approved by the Board of Governors and submitted to the Minister of Advanced Education.

19. Investment income

	2025	2024
Portfolio investments - restricted for endowments	\$ 65,027	\$ 50,309
Portfolio investments - non-endowment	84,345	70,591
	\$ 149,372	\$ 120,900
Endowment capitalized investment income	(17,523)	(2,571)
	\$ 131,849	\$ 118,329

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025
(in thousands)



20. Expense by object

	2025 Budget (Note 18)	2025	2024
Salaries	\$ 792,538	\$ 790,861	\$ 746,436
Employee benefits	142,564	129,902	124,761
Materials, supplies and services	412,741	402,617	387,084
Utilities	36,194	29,438	34,228
Maintenance and repairs	20,433	26,525	18,997
Scholarships and bursaries	138,748	140,721	131,327
Cost of goods sold	17,311	16,734	16,491
Amortization of tangible capital assets and purchased intangibles (Note 7)	164,898	166,480	162,399
	\$ 1,725,427	\$ 1,703,278	\$ 1,621,723

21. Funds held on behalf of others

The University holds the following funds on behalf of others over which the University's Board of Governors has no power of appropriation. Accordingly, these funds are not included in the University's consolidated financial statements.

	2025	2024
University of Calgary Medical Group	\$ 13,262	\$ 9,109
Alberta Gambling Research Institute	713	1,171
Alberta Sulphur Research	369	226
Health Knowledge Network	234	87
Others	28	33
	\$ 14,606	\$ 10,626

22. Related parties

The University is a related party to organizations within the Government of Alberta reporting entity. Key management personnel and Board of Governors and close family members are also considered related parties. The University may enter into transactions with these entities and individuals in the normal course of operations and on normal terms.

The University has debt with the Department of Treasury Board and Finance as described in Note 9.

During the year, the University provided and received the following at nominal or reduced amounts:

- The University operates its Spy Hill Campus on land leased from the Alberta Ministry of Infrastructure. The University of Calgary has occupied the 131 acre Spy Hill Campus since 1972 and is charged a nominal annual amount.
- The University's Biogeoscience Institute is a leading field research station that operates in the Kananaskis Provincial Park in Alberta. By maintaining the site and being responsible for all costs, the University occupies the research station at nominal charge from the Alberta Ministry of Environment and Parks.
- The University has integrated programs and research activities with Alberta Health Services ("AHS"). As part of the collaborative environment with AHS and the close proximity of the University to Foothills Hospital and the Alberta Children's Hospital, the University leases 72,900 square feet of space to AHS at amounts covering operating costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025
(in thousands)



23. Government transfers

The University operates under the authority and statutes of the Province of Alberta. Transactions and balances between the University and the Government of Alberta ("GOA") are measured at the exchange amount and summarized below.

	2025	2024
Grants from GOA		
Advanced Education:		
Operating	\$ 374,266	\$ 384,841
Capital	60,466	51,211
Research	7,885	9,253
Other	69,014	39,130
Total Advanced Education	\$ 511,631	\$ 484,435
Other post-secondary institutions	\$ 3,728	\$ 3,383
Other GOA departments and agencies:		
Alberta Health	\$ 83,707	\$ 80,196
Other	46,539	60,212
Total other GOA departments and agencies	\$ 130,246	\$ 140,408
Total contributions received	\$ 645,605	\$ 628,226
Restricted expended capital contributions recognized as revenue	75,923	73,704
Less: amounts received for endowment	(10,000)	(5,000)
Less: deferred revenue	(86,162)	(78,247)
Government of Alberta grants	\$ 625,366	\$ 618,683
 Federal and other government grants		
Contributions received	\$ 272,401	\$ 260,981
Restricted expended capital contributions recognized as revenue	15,063	14,392
Less: deferred revenue	(50,174)	(45,902)
Federal and other government grants	\$ 237,290	\$ 229,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025
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24. Salary and employee benefits

	2025			
	Base salary ⁽¹⁾	Other cash benefits ⁽²⁾	Other non-cash benefits ^{(3) (4)}	Total
Governance ⁽⁵⁾				
Chair of the Board of Governors	\$ -	\$ -	\$ -	\$ -
Members of the Board of Governors	-	-	-	-
Chancellor honorarium	-	-	-	-
Executive				
President ⁽⁶⁾⁽⁷⁾	473	107	93	673
Vice-Presidents:				
Provost and Vice President Academic				
Incumbent ⁽⁸⁾	287	-	72	359
Past Interim Incumbent ⁽⁹⁾	88	-	1	89
Vice President Advancement				
Past Incumbent ¹⁰	128	106	29	263
Vice President Development and Alumni ⁽¹¹⁾	327	-	83	410
Vice President Communications and Community Engagement ⁽¹²⁾	322	-	70	392
Vice President Finance and Chief Financial Officer	339	-	84	423
Vice President Services and Operations	325	-	78	403
General Counsel, Vice President People and Culture ⁽¹³⁾	150	-	49	199
Vice President Research	235	57	54	346

	2024			
	Base salary ⁽¹⁾	Other cash benefits ⁽²⁾	Other non-cash benefits ^{(3) (4)}	Total
Governance ⁽⁵⁾				
Chair of the Board of Governors	\$ -	\$ -	\$ -	\$ -
Members of the Board of Governors	-	-	-	-
Chancellor honorarium	-	-	-	-
Executive				
President ⁽⁶⁾⁽⁷⁾	450	55	110	615
Vice-Presidents:				
Provost and Vice President Academic				
Interim Incumbent ⁽⁹⁾	350	-	6	356
Vice President Advancement	325	-	77	402
Vice President Finance and Chief Financial Officer	330	-	82	412
Vice President Services	316	-	73	389
Vice President Research	235	50	53	338

1. Base salary includes pensionable base pay.
2. Other cash benefits include vacation payouts, administrative honorariums, stipends, executive allowances, lump sum payments, retirement allowance, and car allowances. No bonuses were paid in fiscal year 2025 and 2024.
3. Other 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 family assistance program, critical illness, supplementary health care, short and long-term disability plan, supplementary retirement plan (per footnote (4)), administrative leave, professional memberships, accidental disability and dismemberment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025
(in thousands)



24. Salary and employee benefits (Continued)

4. Under the terms of the supplementary retirement plan ("SRP"), the executive may receive supplemental retirement payments. Retirement arrangement costs as detailed are not cash payments in the period but are period expenses for rights to future compensation. Costs shown reflect the total estimated cost to provide annual pension income over an actuarially determined post employment period. The SRP 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 other assumptions. Net actuarial gains and losses of the benefit obligations are amortized over the expected remaining service life of each plan participant. Current service cost is the actuarial present value of the benefits earned in the current year. The components of the cost of the SRP include current service cost, amortization of actuarial gains and losses, past service costs on plan initiation, and interest accruing on the actuarial liability.
5. The Chair and Members of the Board of Governors receive no remuneration for participation on the Board.
6. The individual in this role received a vehicle allowance, pension allowance and supplemental pension allowance included in other cash benefits.
7. The individual in this role earned future administrative leave benefits during the year that have been included in other non-cash benefits.
8. The new Provost and Vice President Academic incumbent occupied the position as of July 1, 2024.
9. During the prior fiscal year, the past interim Provost and Vice President Academic incumbent occupied the position as of August 11, 2022. During the current fiscal year, the past interim Provost and Vice President Academic incumbent position was occupied until June 30, 2024.
10. During the fiscal year, the Vice President Advancement Past Incumbent position was occupied until August 22, 2024. The Vice President Advancement Past Incumbent position received salary in lieu and vacation payout \$106 which is included in other cash benefits. The position was split into two new positions the Vice President of Development and Alumni and the Vice President of Communication and Community Engagement.
11. The new Vice President Development and Alumni incumbent occupied the position as of April 15, 2024.
12. The new Vice President Communications and Community Engagement incumbent occupied the position as of April 15, 2024.
13. During the year, a new position for the Vice President People and Culture was created. The Vice President People and Culture incumbent occupied the position as of October 17, 2024.

The current service cost and accrued obligation for each executive under the SRP is outlined in the following table:

	Accrued benefit obligation March 31, 2024	Service costs	Interest costs	Actuarial (gain) loss	Benefits paid	Accrued benefit obligation March 31, 2025
President	\$ 1,232	\$ -	\$ 59	\$ 89	\$ (67)	\$ 1,313
Vice-Presidents:						
Provost and Vice President Academic	-	35	2	2	-	39
Vice President Advancement Interim Incumbent	85	16	5	36	-	142
Vice President Development and Alumni	-	38	2	3	-	43
Vice President Communications and Community Engagement	-	28	1	4	-	33
Vice President Finance and Chief Financial Officer	81	41	6	10	-	138
Vice President Services and Operations	66	34	5	9	-	114
General Counsel, Vice President People and Culture ⁽¹⁾	62	26	4	12	-	104
Vice President Research	52	13	3	(4)	-	64

1. During the year, a new position was created General Counsel and Vice President People and Culture. Historically, the position of General Counsel participated in the SRP but was not part of the team of Vice Presidents, and thus not subject to disclosure on the financial statements. The creation of the new position in the current year resulted in an opening accrued benefit obligation which is not reflected in the closing balances in the prior fiscal year within this note disclosure.

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24. Salary and employee benefits (Continued)

The significant actuarial assumptions used to measure the accrued benefit obligation are disclosed in Note 8.

The current service cost and accrued obligation for the President's Administrative Leave is outlined in the following table:

	Accrued benefit obligation March 31, 2024	Service costs	Interest costs	Actuarial gain	Benefits paid	Accrued benefit obligation March 31, 2025
Administrative Leave	\$ 361	\$ 69	\$ 21	\$ 19	\$ -	\$ 470

The significant actuarial assumptions used to measure the accrued benefit obligation for the Administrative Leave are based on a discount rate of 4.0% (2024 – 4.9%) and a yearly salary increase rate of 0% (2024 - 0%). An administrative leave benefit loading rate of 20% is applied to the President.

25. Comparative figures

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



UNIVERSITY OF CALGARY

University of Calgary

2500 University Drive NW

Calgary, Alberta, Canada T2N 1N4

Website: <http://www.ucalgary.ca/finance/>