2025-26 MEMORIAL UNIVERSITY FINANCIAL STATEMENT HIGHLIGHTS

FOR THE YEAR ENDED MARCH 31, 2026

OFFICE OF THE ASSOCIATE VICE-PRESIDENT (FINANCE) AND CHIEF FINANCIAL OFFICER

MEMORIAL UNIVERSITY

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INTRODUCTION

This report offers commentary on the University's financial statements and should be read in conjunction with the University's consolidated financial statements and accompanying notes (hereinafter referred to as the "financial statements") for the year ended March 31, 2026. The Financial Report and Financial Statements are reviewed and approved by the University's Board of Regents on the recommendation of the Audit and Finance Committee.

The financial statements report on the operations and financial position of the entire University, including the operating fund, ancillary fund, capital fund, research fund, and the special purpose and trust fund. It also includes the financial results of our 5 separately incorporated entities. The financial statements have been audited by the Office of the Auditor General of the Province of Newfoundland and Labrador, and their Auditor's Report is part of the audited financial statement package.

The major highlights of the 2025-26 financial statements include:

- The University's consolidated revenues exceeded consolidated expenses by $18.4 million. The surplus can be primarily attributed to a strong performance of portfolio investments in 2026, coupled with a small operating fund net surplus.

- After reflecting changes in net assets related to endowments and remeasurement gains and losses, the net unrestricted operating surplus is $2.7 million, which decreases the accumulated unrestricted operating deficit to $286.2M million from $288.9 million.

- The University's total assets increased by $44.3 million or 3.7% to $1.3 billion. This increase is due primarily to an increase in the portfolio investments of $23.3 million and cash of $62.4 million, offset by decreases in receivables of $21.1 million and net tangible capital assets and assets under development of $21.1 million.

- Total net deficiency decreased by $22.7 million, or 47.1%. This change is the result of a consolidated surplus of $18.4 million, endowed contributions of $2.8 million and the net effect of changes in remeasurement gains/losses of $1.5 million.

BASIS OF ACCOUNTING

The consolidated financial statements of the University have been prepared by management in accordance with Canadian public sector accounting standards for GNPO's, including the 4200 series of standards, as issued by the Public Sector Accounting Board ["PSAB"]. Canadian Universities generally apply Accounting Standards for Non-Profit organizations (ASNPO) depending on the level of control exercised by the government in the province where they reside.

Under public sector accounting standards, including section 4200, Memorial follows the deferral method of accounting for contributions, which include donations and government grants. Therefore:

- Contributions are recorded in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- Unrestricted contributions are recognized as revenue when initially recorded in the accounts.
- Contributions externally restricted for purposes other than endowment are initially deferred when recorded in the accounts and recognized as revenue in the year during which the related expenses are incurred.
- Restricted contributions for the purchase of capital assets are deferred and amortized to operations on the same basis as the related asset.
- Endowment contributions are recorded as direct increases in net assets in the year during which they are received.

Revenues from contracts, sales of goods and other ancillary services [parking, residence, sundry sales, etc.] are recognized when the goods or services are provided, and collection is reasonably assured.

Student fees are recognized as revenue when courses or seminars are held.

Investment income recorded in the statement of operations consists of interest, dividends, income distributions from pooled funds and realized gains and losses, net of related fees. Unrealized gains and losses are recorded in the consolidated statement of remeasurement gains and losses, except to the extent they relate to deferred contributions and to endowments, in which case they are added to the respective balance.

Restricted investment income [interest, dividends, realized gains and losses] is initially deferred and recognized in the year in which the related expenses are incurred.

Restricted investment income [interest, dividends, realized gains and losses] that must be maintained as an endowment is recorded directly into net assets.

Expenses are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services and obligation to pay.

The audited financial statements include:

- Statement of Management Responsibility where senior management acknowledge their responsibility for preparing the financial statements and maintaining adequate internal controls. In addition, it acknowledges the Board of Regents responsibility for the review of the audited financial statements primarily through its Audit and Finance Committee.

- Auditor's Report which outlines the responsibilities of management and the external auditor. The auditor's report for 2026 is unqualified.

- Consolidated Statement of Financial Position, which shows the financial position of the University as at the end of the fiscal year. This includes the assets owned by the University less the liabilities, resulting in the Net Assets of the University.

- Consolidated Statement of Operations which shows the gross revenues and expenses of all University funds, excluding deferred revenue amounts, resulting in the difference of revenues and expenses.

- Consolidated Statement of Remeasurement Gains and Losses which details any unrealized gains or losses attributable to the portfolio investments and derivative liabilities. It also shows the unrealized gains or losses reclassified to the Statement of Operations in the current year, resulting in the accumulated remeasurement gains and losses at the end of the year.

- Consolidated Statement of Changes in Net Deficiency, which shows the changes in each category of net assets.

- Consolidated Statement of Cash Flows, which shows the primary sources and uses of cash during the fiscal year.

- Notes to the Consolidated Financial Statements, which provide additional disclosure and information to assist the reader in understanding the financial results.

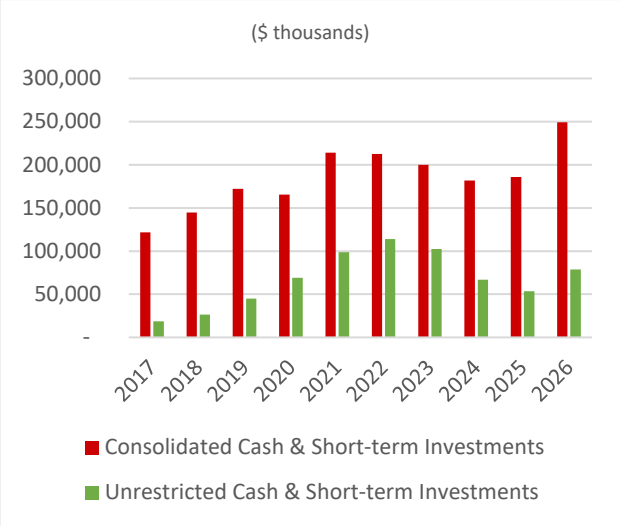
- Unaudited Supplementary Schedules.

ANALYSIS OF MAJOR ITEMS ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Consolidated Statement of Financial Position reports the assets owned and controlled by the University, the liabilities owed by the University and the Net Assets of the University as at the end of the fiscal year, March 31, 2026 (with comparative balances). Assets and liabilities are categorized according to their liquidity, or how quickly they are expected to be converted into cash or require the use of cash, with assets and liabilities closest to cash being classified as current and those with time horizons greater than one year shown as long-term.

The following charts illustrate a ten-year comparison of the values reported in various categories on the Consolidated Statement of Financial Position.

CASH AND SHORT-TERM INVESTMENTS

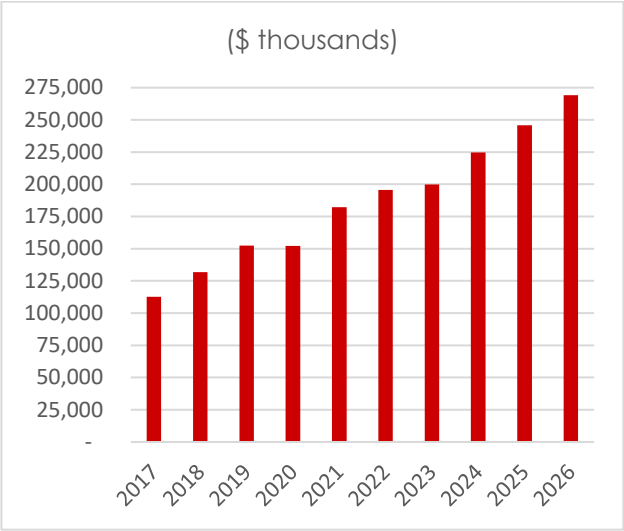


Description - Includes consolidated cash, unrestricted cash and short-term investments (STI) with maturity dates less than 12 months.

2026 Comments - Cash and STI increased by $63.4M ($249.2M in 2026 vs $185.8M in 2025) over the prior year. The largest increase stems from the actual timing in receipt of the MUN operating grant from the Government of NL (GNL) in April 2026, specific to the period of March 2025. The timing difference created an unrestricted cash increase of $25.2M within the current year over prior. Cash has also increased due to the delay in the Core Science Facility (CSF) loan payments of $6.6M to GNL, which will be used for future deferred maintenance. There was also an increase in restricted research cash of $20.4M and the deferred maintenance projects of $14.1M.

Trend - The year-end cash balance has fluctuated over the past ten years but remains steady.

PORTFOLIO INVESTMENTS

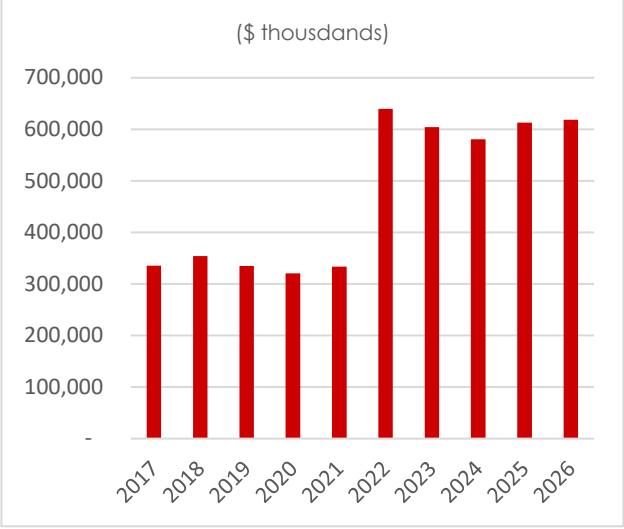


Description - Memorial University's endowed and non-endowed funds are invested, administered and managed in accordance with the University's Statement of Investment Policy and Objectives (SIPO). These funds are managed by professional Investment Managers, with the oversight of the University's Investment Committee (a sub-committee of the Audit and Finance Committee of the Board of Regents). The funds are invested in various investment vehicles to align with the required asset allocation as defined in the SIPO. The source of the invested funds varies from endowed funds for scholarships and research chairs, to non-endowed funds for term awards, administered trusts, and faculty research and education trusts.

2026 Comments – Portfolio investments increased by $23.3M ($269.1M in 2026 vs $245.8M in 2025). The return for the endowed portfolio was 10.51% (2025 – 10.03%) and the non-endowed was 6.48% (8.20%). Investment income earned was $23.6M, donations received amounted to $10.4M and other income was $1.9M. Expenses incurred were $12.6M, contributing to net increase of $23.3M for the year.

Trend - The portfolio investments have shown strong growth over the past ten years, but tariffs, inflation, and geopolitical uncertainty continue to create volatility in the market.

TANGIBLE CAPITAL ASSETS

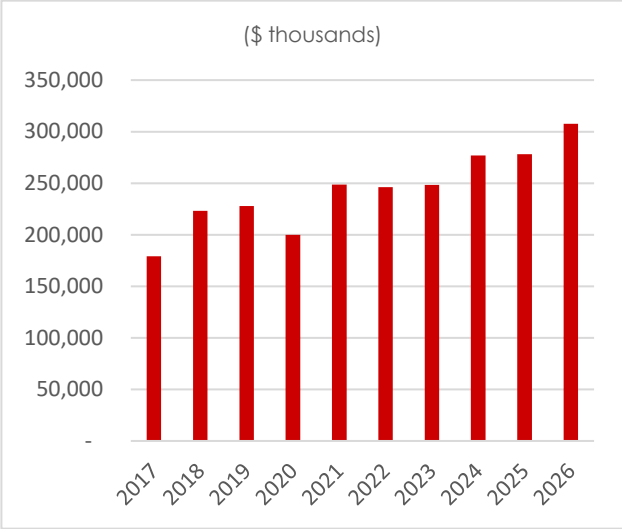


Description - Tangible capital assets (TCA) represent the depreciated cost (net book value) of university owned buildings, infrastructure, equipment and other tangible assets used in university operations.

2026 Comments – Tangible capital assets increased by 6.0M ($618.8M in 2026 vs $612.8M in 2025). Asset additions were $63.3M offset by $56.5M in amortization. The major current year additions included the Library Collection of $6.695M, multiple operating assets of $19.7M, Electric Boiler installation of $3.8M and finalizing the Canada Games upgrade at $2.9M. There was also a transfer from Assets Under Development (AUD) of $30.9M, which represents expenses incurred in prior years on assets that only went into productive use this fiscal year. They included the Canada Games Park Upgrade ($18.4M), Engineering High Bay Labs (HERF - $11.8M) and the Grenfell Campus IT Upgrade ($0.7M).

Trend - Capital assets tend to increase each fiscal year with new construction and purchases. However, large construction projects have been minimal in recent years. The large increase in 2022 was a result of the Core Science Facility being transferred from AUD to TCA.

CURRENT LIABILITIES

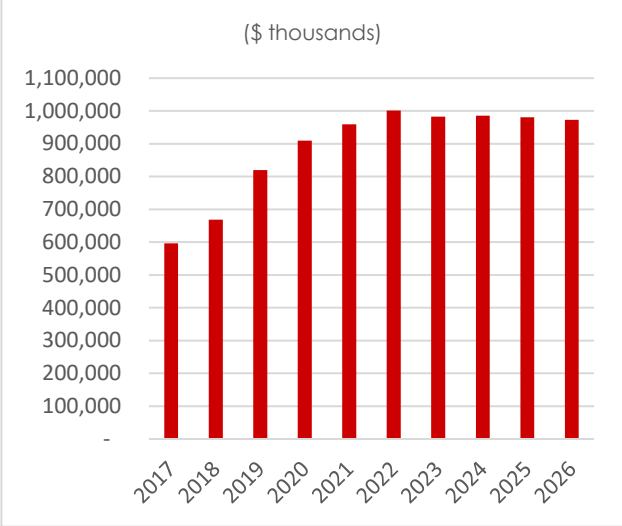


Description - Current liabilities consist of accounts payable and accrued liabilities, deferred revenue, deferred contributions, and the current portion of long term debt.

2026 Comments – Current liabilities increased by $29.3M ($307.5M in 2026 vs $278.2M in 2025). Deferred revenue and deferred contributions increased by a combined $39.5M over prior year. The majority of this increase is due to unspent restricted research funds which totaled $24.2M, coupled by a deferred maintenance increase of $11.1M, due to timing of project completions. These increases noted above were slightly offset by a decrease in accounts payable of $10.4M.

Trend - Over the past ten years, current liabilities have been trending upward as the university incurred increased debt due to major construction projects. Also, deferred contributions for unspent research grants have increased considerably in recent years.

LONG-TERM LIABILITIES



Description - Long-term liabilities consist of long-term debt, other post-employment benefits, asset retirement obligations, and deferred capital contributions.

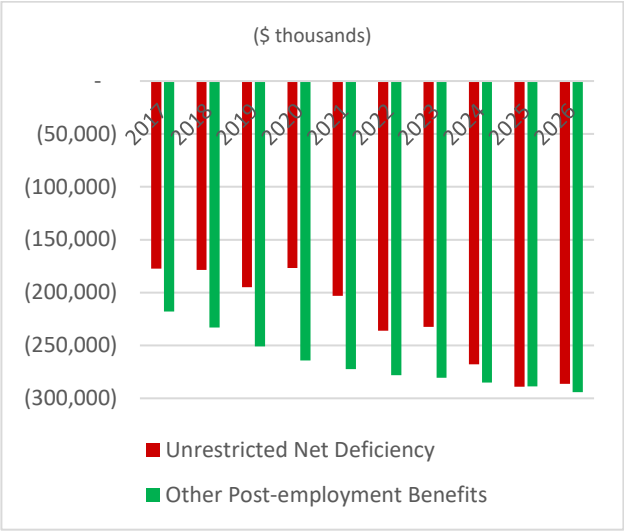
2026 Comments - Long-term liabilities decreased by $7.8M ($973.2M in 2026 vs $981.0M in 2025). The university began recording asset retirement obligations (ARO) in fiscal year 2021—2022. This primarily relates to the cost of future asbestos abatement in our facilities. GNL has also provided the university with debt relief related to the Core Science Facility where the university is not required to make any debt payments until July 1, 2033. The reduction is comprised of principal debt repayments of $4.5M, net decrease in revenue amortized for deferred capital of $9.1M, offset by an increase in post-employment benefits of $5.4M and a slight increase in the ARO liability of $0.5M.

Trend - Long-term liabilities peaked in the 2021-2022 fiscal year but have seen minor reductions over the past 3 years. This is due to the repayment of debt and the amortization of deferred capital contributions to match annual depreciation expenses on tangible capital assets.

Post-Employment Benefits Liability

	2026	2025	Change
Health and Dental	257,597	252,350	5,247
Severance	960	954	6
Life Insurance	1,090	1,171	(81)
Voluntary Early Retirement Program (1996)	2,684	3,039	(355)
Supplemental Retirement Program	31,870	31,242	628
Total Post-Employment Benefits Liability	**294,201**	**288,756**	**5,445**

ACCUMULATED UNRESTRICTED DEFICIT

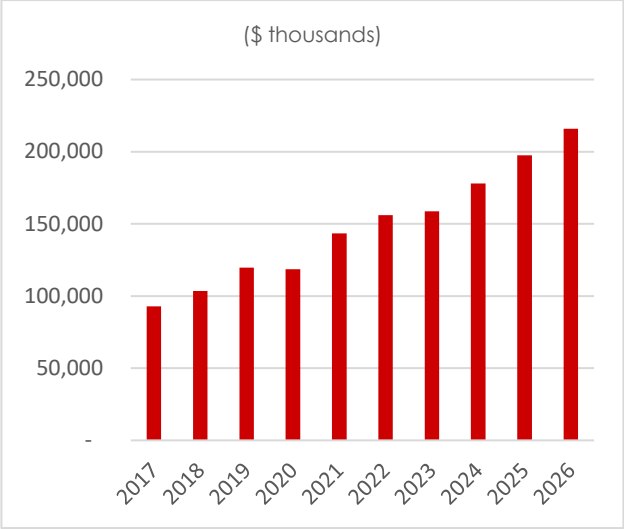


Description - The balance represents the accumulation of unrestricted operating surpluses and deficits since the inception of the university. It changes each year by the amount of the annual net unrestricted operating surplus or deficit.

2026 Comments - Accumulated Unrestricted Deficit decreased by $2.7M ($286.2M 2026 vs. $288.9M 2025). The operating fund had a surplus in 2026 of $2.7M which decreased the unrestricted net deficit by the same amount. In 1996 and 2001, the University received approval from the Lieutenant-Governor in Council to exclude the Post-Employment Benefit liabilities from the definition of a deficit pursuant to the *Memorial University Act*.

Trend - On an accumulated net asset basis, the University is compliant with *the Memorial University Act* for the 9 of past 10 years. For fiscal year 2026, the accumulated net deficiency was $286.2M. Adding back the post-employment benefits liability of $294.2M, gives us an accumulated unrestricted surplus of $8M.

RESTRICTED NET ASSETS



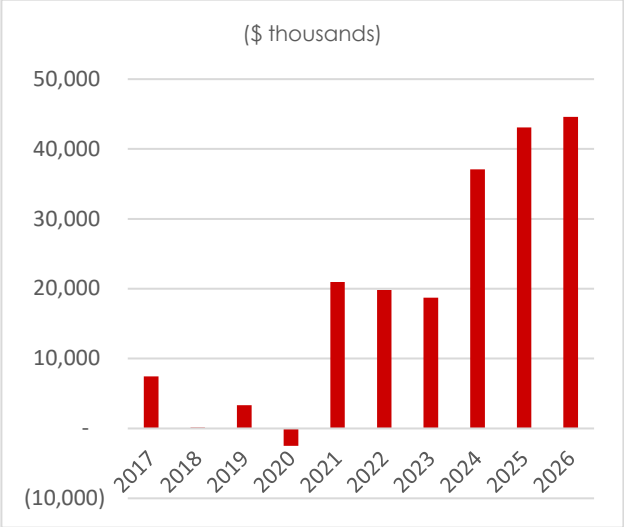
Description - This balance represents net assets that have been restricted, both externally and internally by the Board of Regents. The majority of the balance represents endowed contributions for scholarships, loan funds, research chairs, lecture funds, and other externally restricted funds. These balances will remain in perpetuity. The 2026 and 2025 balances are detailed below:

	2026	2025
Schoparship Funds	158,709	145,049
Other Externally Restricted	24,639	22,110
Research Chairs	12,861	11,945
Board Restricted	12,587	11,791
Loan Funds	2,957	2,685
Lecture Funds	2,945	2,698
Faculty Endowments	1,309	1,190
	216,007	**197,468**

2026 Comments - Endowed contributions of $2.8M and a surplus of $15.7M have added to the value of restricted net assets. The surplus is the net of investment income of $21.2M, other income, including unrestricted donations, of $0.5M, less expenses and transfers of $6.0M.

Trend - Our restricted net assets continue to grow from endowed contributions and a strong investment portfolio.

NET ASSETS RELATED TO REMEASUREMENT GAINS/LOSSES



Description - The balance represents changes in the fair value of specific financial instruments. For the university, this balance represents changes in the market value of our portfolio investments and the change in fair value of derivatives. Once the instruments are sold or devalued, the amount is reclassified to the Statement of Operations.

2026 Comments - In the current fiscal year we reclassified $6.1M in unrealized gains to the Statement of Operations and recognized an additional $4.6M in unrealized losses.

	2026	2025
Opening Balance	43,091	37,102
Sale of Investments reclassified to the Statement of Operations	6,100	2,196
Change in unrealized gains/losses in current year	(4,600)	3,793
Ending Balance	**44,591**	**43,091**

Trend - The balance of Remeasurement Gains and Losses has fluctuated significantly over the past ten years based on fluctuations in the market.

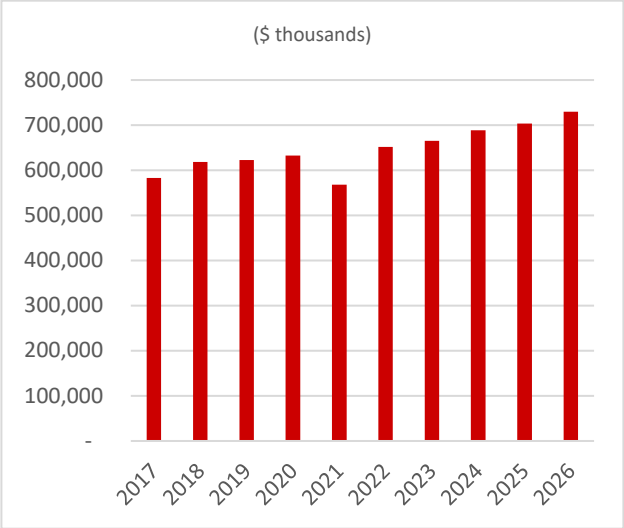
ANALYSIS OF MAJOR ITEMS ON THE CONSOLIDATED STATEMENT OF OPERATIONS

The Consolidated Statement of Operations shows the gross revenues and expenses of the University on a consolidated basis. This includes results from the Operating Fund, the Ancillary Fund, the Plant Fund, the Research Fund and the Special Purpose and Trust fund, as well as the university's 5 SIEs, prepared by management in accordance with Canadian public sector accounting standards for GNPO's, including the 4200 series of standards. As previously discussed, these results are not merely a summation of the funds because accounting policies require that some items, such as unspent restricted funds, be deferred and brought into income when the funds are spent. In addition, endowment contributions which are required to be held in perpetuity are reported as direct increases in Endowed Net Assets in accordance with the accounting standards and are never recognized as revenue.

Revenues are categorized on the Consolidated Statement of Operations according to the source of the revenue, such as Government grants, Tuition and related fees, Investment income, Amortization of Deferred Capital Contributions and Other Income. Expenses are categorized according to object. This presentation is consistent with prior years.

The following charts offer additional information with respect to revenues and expenses for the past ten years.

TOTAL REVENUE



Description - Reported revenue includes funding from all sources. Accounting standards require that restricted revenues be reported in the year spent regardless of when the funds were received. Endowed contributions are recorded as direct additions to Restricted Net Assets and therefore not recorded as revenue.

2026 Comments - Total revenues increased by $26.5M (3.8%) ($729.8M in 2026 vs $703.3M in 2025). This increase is largely related to an increase in government grants of $22.0M, off which $14.0M was related to research grants and $7.2M was related to amounts recorded as operating grants.

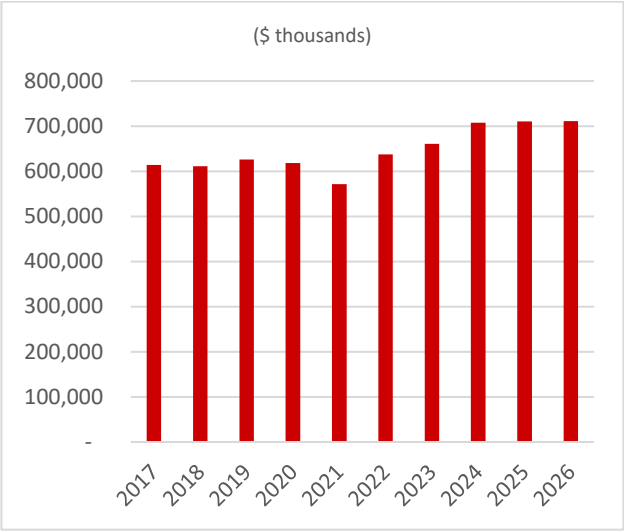
Student fees have seen significant increases from 2017 – 2024. However, due to decreasing enrolments and the introduction of the Federal Government cap on international students, significant decreases were recorded in fiscal year 2025 and 2026.

Other sources of revenue increased $8.7M over prior year. This includes increases in other income and investment income of $5.7M and $4.0M, respectively, offset by a decrease in sales and services of $1.0M.

Trend - Except for 2021, revenues have been progressively increasing since 2017. The intake cap on new international study permits, imposed by the federal government in 2024-25, will have a multi-year impact on the University's revenues, the full extent of which is not yet known.

The changes in the major revenue stream components are discussed in subsequent sections.

TOTAL EXPENSE



Description - Expenses are outflows of resources to pay for goods and services. Capital assets are amortized (expensed) over their estimated useful lives.

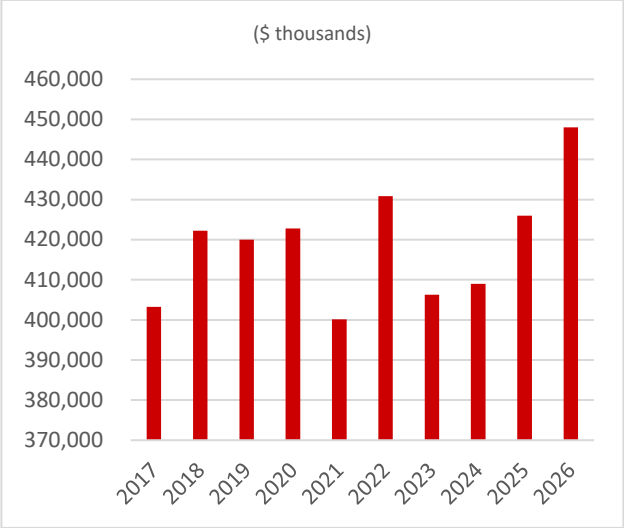
2026 Comments - Total consolidated expenses saw a slight increase of $1.3M (0.18%) ($711.4M 2026 vs. $710.1M 2025). The largest decreases were experienced in interest expense of $3.5M related to the delay in debt payments on the Core Science Facility as approved by GNL (as referenced in the LT Liabilities section of this report), a reduction in Repairs and Maintenance of $2.7M, Materials and Supplies of $3.0M and Utilities of $1.9M. These decreases were offset by an increase in Salaries and benefits of approximately $9M.

As a direct result of the efforts during the fiscal year to curtail operating costs, the operating fund expenditure profile was reduced by a net of approximately $14M.

Trend - Except for 2021, the University's expenses have been steadily increasing. This is consistent and aligned with growth in targeted revenues (programming and collective agreements) and inflation.

This trend is expected to continue; however, expense growth is expected to occur at a slower rate as the University manages the uncertainty in enrolment and government grant funding.

GOVERNMENT GRANTS

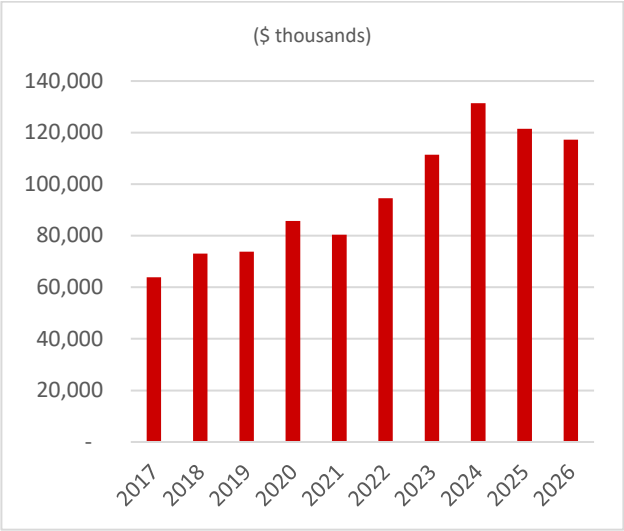


Description - Government grants include the annual operating grant from GNL, along with other grants received for specific purposes such as research, infrastructure and special projects.

2026 Comments - Overall, Government Grants increased by $22.0M ($448.0M 2026 vs. $426.0M 2025). The unrestricted GNL operating grant increased by $7.2M, and research specific grants increased by $14.0M.

Trend - While government relations are strong, there is uncertainty with respect to the province's long-term operating grant funding commitment to the University.

STUDENT FEES

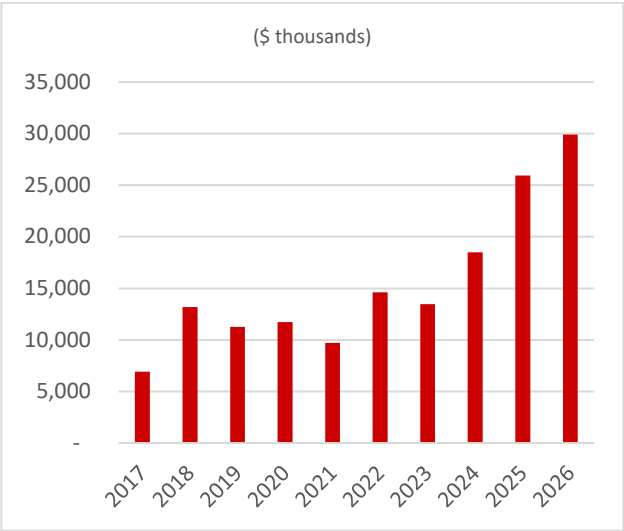


Description - Student fees include tuition and related fee revenue and other fees paid by students for specific purposes.

2026 Comments - In 2025-26, student fee revenue decreased by $4.2M (3.5%) ($117.3M 2026 vs. $121.5M 2025). This decrease reflects a decrease in student demand with FFTE enrolment decreasing.

Trend - With decreased enrolment currently being experienced and a cap on international students, as well as the GNL tuition freeze directive, the University will likely continue to experience decreases in this revenue stream.

INVESTMENT INCOME



Description - Investment income represents interest earned on bank balances and through short term investments. Investment income is also earned on portfolio investments which is restricted on how it can be spent by the terms and conditions of the individual trust funds.

2026 Comments - Investment income increased by $4.0M ($29.9M 2026 vs. $25.9M 2025). Markets experienced positive returns over the fiscal year, despite the geopolitical and trade-related headwinds faced in the latter part of the year. As a result, the University's Long-term Investment Fund earned 10.51% for the year, compared to 10.03% for 2024-25.

The University's bank balance receives prime less 1.83%.

Trend - With the exception of 2021, investment income has steadily increased. Due to the volatility of the financial markets, the University limits dependance on these unpredictable revenues to ensure a sustainable budget approach.

KEY FINANCIAL INDICATORS

The Canadian Association of University Business Officers (CAUBO) and the Ministry of Colleges, Universities, Research Excellence and Security in partnership with the Council of Ontario Universities have both been working on developing a methodology and framework to provide insight into a university's financial health. The intent is to assist University administrators and their Boards in identifying strengths and vulnerabilities through key indicators of financial condition. CAUBO established a series of metrics, however, the Ontario Ministry has further developed the Framework to include an interpretation of these metrics to include identifying areas where action plans need to be developed.

The framework was developed to provide data for ongoing monitoring of the financial positions of universities to help identify action that needs to be taken and to provide accountability, transparency, and promote financial sustainability. It also provides data that articulates and affirms the role of University Boards in the financial oversight of universities.

The framework consists of financial metrics, associated thresholds, and guidance on areas regarding action plans. This process should be undertaken annually. The inputs for the calculation of financial metrics are university audited financial statements.

The category score is equal to the average of the metric scores within the category. The category score determines the action assigned to the category. The category scores and required actions are noted in the following table:

No Action	Low Action	Medium Action	High Action
• 0 • 0.25 • 0.5 • 0.75	• 1 • 1.25	• 1.5 • 1.75	• 2

Memorial University's results are provided for the period of 2017 to 2026.

- The metrics indicate that with respect to *liquidity* the results are considered low risk and therefore fall within the category requiring low action. (2026 Average score = 1). You will note in the liquidity position that in previous years there was on ongoing steep decline that has been arrested by the actions taken over the last year.

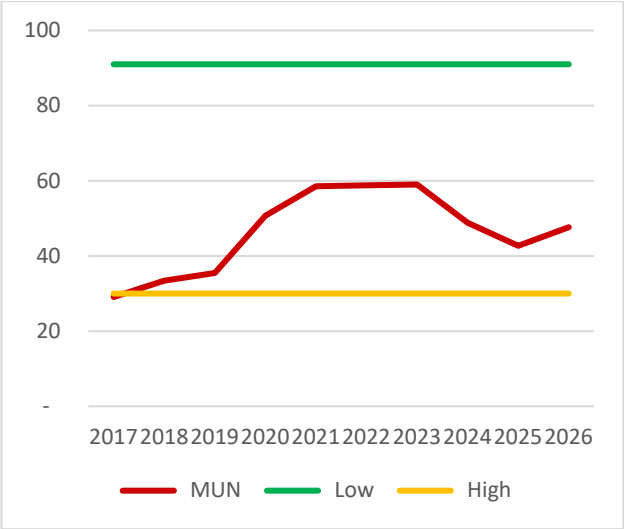
- The metric results for *sustainability* are considered low risk and therefore do not require any action. This result is because the university has a low level of debt. (2026 Average score = 0.75)

- The metrics for the *performance* category are considered low risk and therefore fall within the category requiring no action. (2026 Average score = 0.5)

- Notwithstanding the improved financial position of the University in the current fiscal year, continued action will be required to adjust for the projected trend of decreased enrolment due to both demographics and ongoing immigration regulations, coupled with inflationary pressures and future capital expenditure requirements.

LIQUIDITY RATIOS

PRIMARY RESERVE RATIO



Primary Reserve Days is a metric of available days of liquid assets the University has to cover its expenses.

Definition: $\frac{\text{Expendable Net Assets liquidity}}{\text{Total Expenses}} \times 365$

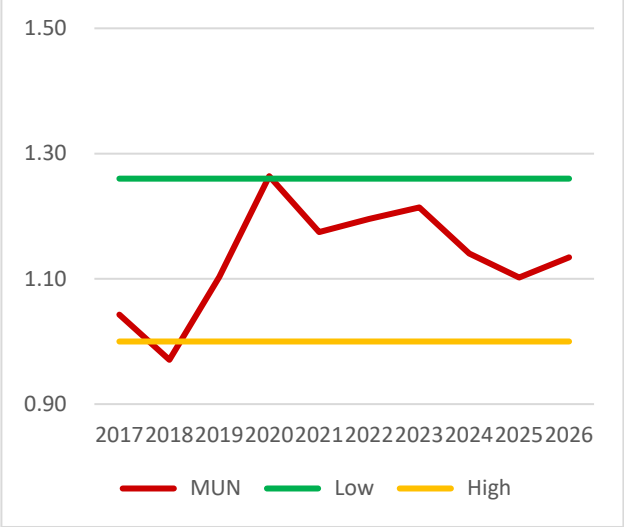
Risk Threshold

Low	91 days or more
Medium	90 to 31 days
High	30 days or less

Memorial: Score 48 days
Medium Risk
Action score of 1

Trend – Reserves have fluctuated but remained relatively stable over the past decade, above the high-risk threshold of 30 days, providing consistent short-term liquidity. At approximately 48 days, Memorial has enough expendable resources to fund approximately 1 month and a half of operations, providing a reasonable short-term financial cushion but less flexibility than universities with reserves exceeding three months of expenses.

WORKING CAPITAL RATIO



The Working Capital Ratio measures the ability for the University to cover its short-term liabilities with its short-term assets.

Definition: $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

Risk Threshold

Low	1.26 or more
Medium	1.25 to 1.01
High	1.00 or less

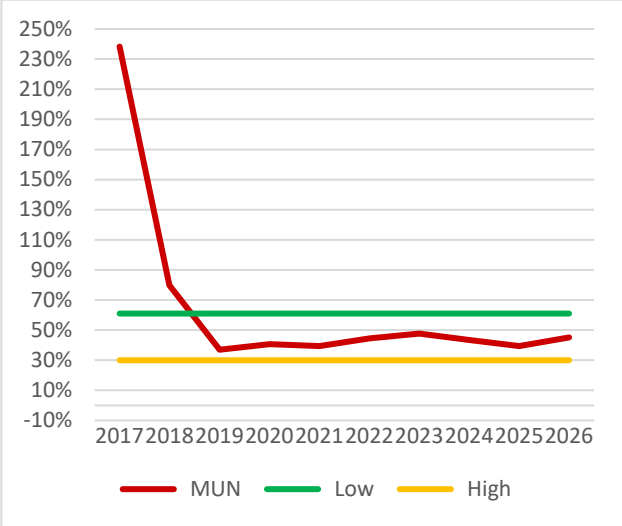
Memorial: Score 1.13
Medium Risk
Action score of 1

Trend – Outside of 2018, working capital has remained positive, indicating the University has consistently maintained sufficient current assets to meet short-term obligations. Based on the current ratio, for every $1.00 of short-term obligations, the University has approximately $1.13 of short-term assets available to meet them. This indicates that Memorial can meet its near-term financial commitments, although the margin is relatively modest and leaves limited room for unexpected cash demands.

Conclusion - Average action score of 1 produces a low action result.

SUSTAINABILITY RATIOS

VIABILITY RATIO



The Viability Ratio measures an institution's ability to cover its term debt obligations with its expendable net assets.

Definition: $\frac{\text{Expendable Net Assets-Viability}}{\text{Long Term Debt}}$

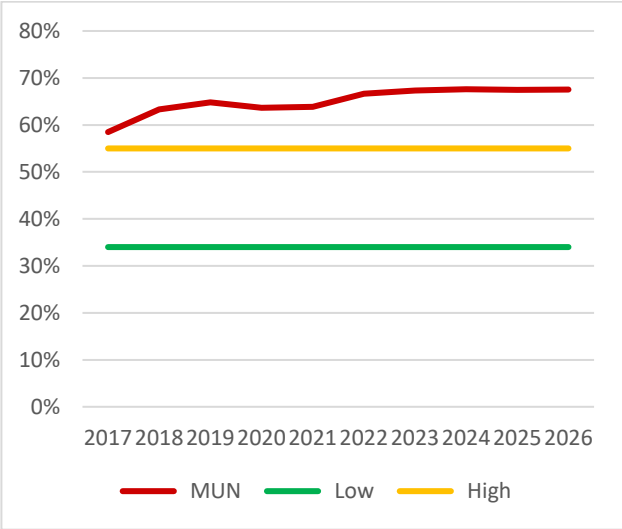
Risk Threshold

Low	61% or more
Medium	60% to 31%
High	30% or less

Memorial: Score 45%
Medium Risk
Action Score of 1

Trend - The ratio sharply declined following major capital borrowing but has stabilized in recent years as debt levels gradually decreased. A score of 45% means Memorial could cover less than half of its outstanding debt from its expendable net assets, indicating that while debt levels remain manageable, the institution continues to rely on future revenues and government support to meet long-term obligations

DEBT RATIO



Debt Ratio refers to a financial ratio that measures the extent of a company's leverage.

Definition: $\frac{\text{Total Liabilities Less Deferred Capital Contribution}}{\text{Total Assets}}$

Risk Threshold

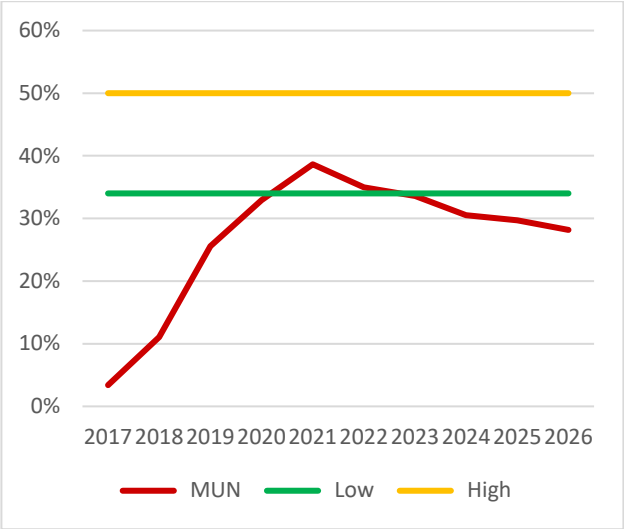
Low	34% or less
Medium	35% to 54%
High	55% or more

Memorial: Score 68%
High Risk
Action score of 2

Trend - The ratio increased during periods of significant capital investment and has remained relatively unchanged over the past five years. While a significant portion of these liabilities relate to deferred revenues, deferred capital contributions, and other non-traditional debt obligations, the ratio highlights the University's continued dependence on external funding sources to support its asset base.

SUSTAINABILITY RATIOS (CONT'D)

DEBT TO REVENUE RATIO



The Debt to Revenue Ratio measures the University's total debt relative to its revenue, indicating how leveraged the University is and its financial health.

Definition: $\frac{\text{Long Term Debt}}{\text{Total Revenue}}$

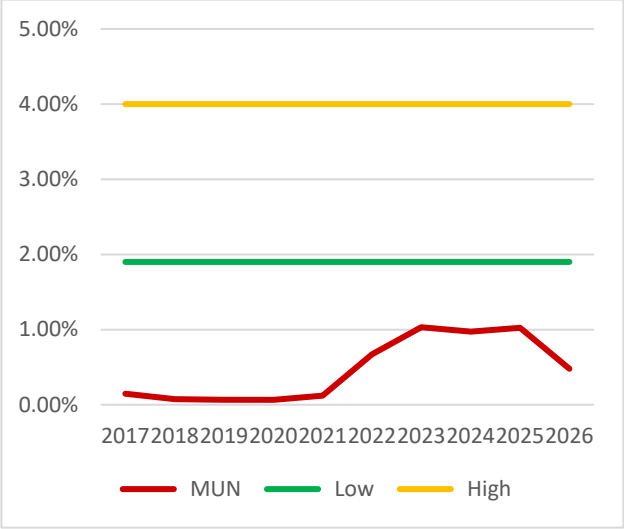
Risk Threshold

Low	34% or less
Medium	35% to 49%
High	50% or more

Memorial: Score 28%
Low Risk
Action score of 0

Trend – Debt levels continue to improve relative to revenue. The University's long-term debt is equal to approximately 28% of one year's revenue, suggesting debt levels are manageable relative to the size of operations. This indicates that debt obligations are not currently placing significant pressure on annual revenues and provide flexibility to absorb future financial challenges.

INTEREST BURDEN RATIO



Interest Burden Ratio measures the impact of interest expenses relative to the University's total expenses.

Definition: $\frac{\text{Interest Expense}}{\text{Total Expenses Less Amortization}}$

Risk Threshold

Low	1.9%
Medium	2.0% to 3.9%
High	4.0% or more

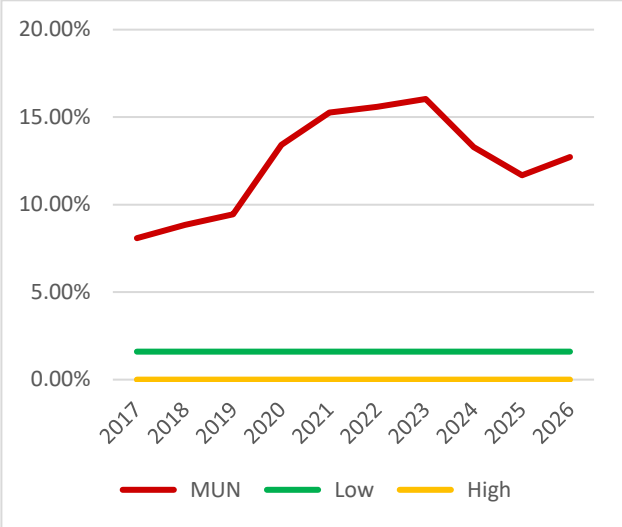
Memorial: Score 0.48%
Low Risk
Action score of 0

Trend - Interest costs remain minimal with little impact on operations. Less than one-half of one percent of annual expenses is being consumed by interest costs. As result, very little of the University's operating budget is being diverted to debt servicing, allowing the majority of resources to remain available for teaching, research, student support, and other strategic priorities.

Conclusion: Average action score of 0.75 produces a low action result.

PERFORMANCE RATIOS

SURPLUS/DEFICIT RATIO



The Surplus/Deficit Ratio is a measure of the University's financial health, indicating the balance between its revenues and expenses.

Definition: $\frac{\text{Surplus (Deficit)}}{\text{Total Revenue}}$

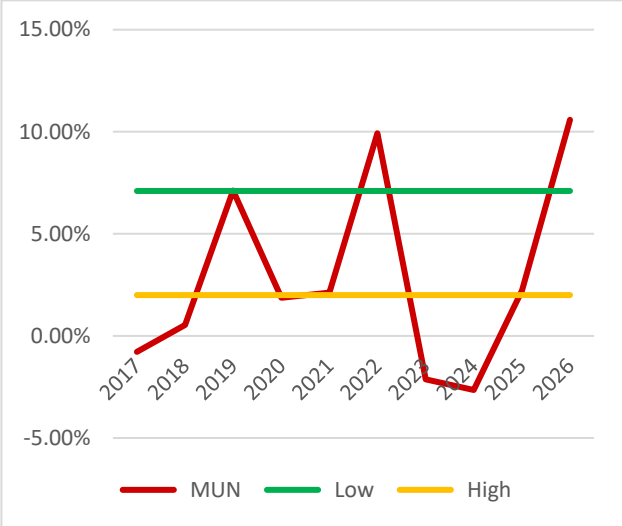
Risk Threshold

Low	1.6% or more
Medium	1.5% to 0.1%
High	0% or less

Memorial: Low Risk
Score 12.71%
Action Score of 0

Trend - The University has generally maintained positive operating results, with a dip in surplus from 2023-2025 and increase in 2026. Positive results support long-term sustainability and improve financial resilience.

NET OPERATING REVENUES RATIO



The Net Operating Revenue Ratio measures the efficiency of an organization to generate cash flow from its operations.

Definition: $\frac{\text{Cash Flow from Operations}}{\text{Total Revenue}}$

Risk Threshold

Low	7.1% or more
Medium	7% to 2.1%
High	2% or less

Memorial: Score 10.59%
Low Risk
Action score of 0

Trend - Despite significant fluctuations over the last decade, operating cash generation has improved over the long term, demonstrating stronger cash flow from core operations.

Conclusion: No action result.

SUPPLEMENTARY SCHEDULES

The following unaudited supplementary schedules are provided for additional information. The schedules are segregated by fund and tie to our Consolidated Financial Statements for March 31, 2026. The schedules are segregated by fund which enhances the University's accountability and budgetary control, ensuring grants, donations and other contributions are spent for the intended purpose.

- Unaudited Statement of Financial Position by Fund
- Unaudited Statement of Operations by Fund

MEMORIAL UNIVERSITY OF NEWFOUNDLAND **SCHEDULE 1**
UNAUDITED CONSOLIDATED SCHEDULE OF FINANCIAL POSITION **[unaudited]**
AS AT MARCH 31, 2026

	OPERATING		ANCILLARY		PLANT		SPONSORED RESEARCH		SPECIAL PURPOSE AND TRUST		TOTAL	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
ASSETS												
Current												
Cash and cash equivalents	**54,744**	30,540	**6,248**	6,192	**17,332**	3,254	**110,492**	90,131	**36,369**	32,654	**225,185**	162,771
Short-term investments	**24,038**	23,045	**-**	-	**-**	-	**-**	-	**-**	-	**24,038**	23,045
Accounts receivable	**40,850**	61,548	**260**	337	**75**	5,567	**45,813**	39,786	**2,554**	3,379	**89,552**	110,617
Other current assets	**8,400**	8,814	**1,150**	1,187	**30**		**355**	239	**12**	-	**9,947**	10,240
Interfund accounts	**4,030**	4,320	**(4,030)**	(4,320)	**-**	-	**-**	-	**-**	-	**-**	-
Total current assets	**132,062**	128,267	**3,628**	3,396	**17,437**	8,821	**156,660**	130,156	**38,935**	36,033	**348,722**	306,673
Portfolio investments	**-**	-	**-**	-	**-**	-	**-**	-	**269,148**	245,829	**269,148**	245,829
Assets under development	**-**	-	**-**	-	**18,474**	45,533	**-**	-	**-**	-	**18,474**	45,533
Tangible capital assets	**-**	-	**1,322**	1,435	**615,993**	609,782	**1,490**	1,622	**-**	-	**618,805**	612,839
Total assets	**132,062**	128,267	**4,950**	4,831	**651,904**	664,136	**158,150**	131,778	**308,083**	281,862	**1,255,149**	1,210,874
LIABILITIES												
Current												
Accounts payable and accrued liabilities	**42,316**	49,210	**1,441**	1,131	**3,446**	4,927	**4,641**	4,059	**916**	3,840	**52,760**	63,167
Deferred revenue	**25,571**	23,091	**627**	324	**17,326**	12,512	**10,799**	6,728	**751**	735	**55,074**	43,390
Deferred contributions - grants and donations	**-**	-	**-**	-	**-**	-	**138,126**	117,948	**58,082**	50,428	**196,208**	168,376
Current portion of long term-debt	**-**	-	**-**	-	**3,449**	3,292	**-**	-	**-**	-	**3,449**	3,292
Total current liabilities	**67,887**	72,301	**2,068**	1,455	**24,221**	20,731	**153,566**	128,735	**59,749**	55,003	**307,491**	278,225
Long-term debt	**-**	-	**-**	-	**205,599**	210,133	**-**	-	**-**	-	**205,599**	210,133
Post-employment benefits	**290,682**	285,131	**1,613**	1,622	**-**	-	**1,906**	2,003	**-**	-	**294,201**	288,756
Asset retirement obligation	**-**	-	**-**	-	**40,175**	39,659	**-**	-	**-**	-	**40,175**	39,659
Deferred capital contributions	**-**	-	**168**	199	**431,612**	440,610	**1,490**	1,622	**-**	-	**433,270**	442,431
Total liabilities	**358,569**	357,432	**3,849**	3,276	**701,607**	711,133	**156,962**	132,360	**59,749**	55,003	**1,280,736**	1,259,204
NET DEFICIENCY												
Net assets restricted for endowment purposes	**-**	-	**-**	-	**-**	-	**-**	-	**216,007**	197,468	**216,007**	197,468
Net assets related to remeasurement gains/losses	**-**	-	**-**	-	**-**	-	**743**	670	**43,848**	42,421	**44,591**	43,091
Unrestricted net deficiency	**(226,507)**	(229,165)	**1,101**	1,555	**(49,703)**	(46,997)	**445**	(1,252)	**(11,521)**	(13,030)	**(286,185)**	(288,889)
Total net deficiency	**(226,507)**	(229,165)	**1,101**	1,555	**(49,703)**	(46,997)	**1,188**	(582)	**248,334**	226,859	**(25,587)**	(48,330)
Total liabilities and net deficiency	**132,062**	128,267	**4,950**	4,831	**651,904**	664,136	**158,150**	131,778	**308,083**	281,862	**1,255,149**	1,210,874

MEMORIAL UNIVERSITY OF NEWFOUNDLAND
UNAUDITED CONSOLIDATED SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

SCHEDULE 2
[unaudited]

	OPERATING		ANCILLARY		PLANT		SPONSORED RESEARCH		SPECIAL PURPOSE AND TRUST		TOTAL	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$	$	**$**	$	**$**	$	**$**	$	**$**	$	**$**	$
REVENUE												
Government grants	**396,938**	376,995	**3,397**	2,820	**(21,044)**	(8,320)	**66,806**	52,786	**1,916**	1,738	**448,013**	426,019
Student fees	**117,289**	121,452	**-**	-	**-**	-	**-**	-	**(18)**	43	**117,271**	121,495
Amortization of deferred capital contributions	**-**	-	**31**	34	**54,661**	54,791	**290**	76	**-**	-	**54,982**	54,901
Other income	**13,434**	11,408	**4,877**	4,020	**-**	-	**27,641**	26,252	**21,109**	19,655	**67,061**	61,335
Investment income	**8,214**	11,426	**-**	-	**-**	-	**575**	420	**21,125**	14,098	**29,914**	25,944
Sales and services	**-**	-	**12,582**	13,628	**-**	-	**-**	-	**-**	-	**12,582**	13,628
Total revenue	**535,875**	521,281	**20,887**	20,502	**33,617**	46,471	**95,312**	79,534	**44,132**	35,534	**729,823**	703,322
EXPENSES												
Salaries and employee benefits	**399,252**	401,460	**12,334**	11,591	**28**	28	**44,880**	35,624	**10,465**	8,810	**466,959**	457,513
Post-employment benefits	**5,551**	3,993	**(9)**	(228)	**-**	-	**(97)**	27	**-**	-	**5,445**	3,792
Materials and supplies	**13,352**	15,923	**3,635**	4,150	**940**	586	**12,378**	11,678	**815**	1,785	**31,120**	34,122
Scholarships, bursaries and awards	**17,642**	18,261	**3**	-	**-**	-	**21,688**	19,818	**10,317**	9,566	**49,650**	47,645
Amortization of tangible capital assets	**-**	-	**154**	141	**56,051**	54,349	**340**	406	**-**	-	**56,545**	54,896
Repairs and maintenance	**6,836**	10,312	**3,404**	2,913	**4,609**	4,429	**525**	387	**62**	104	**15,436**	18,145
Utilities	**33,080**	35,625	**3,557**	2,944	**-**	5	**201**	179	**44**	57	**36,882**	38,810
Externally contracted service	**11,371**	10,895	**1,576**	1,402	**449**	159	**4,013**	3,294	**4,906**	4,914	**22,315**	20,664
Travel and hosting	**5,627**	7,135	**46**	64	**-**	-	**7,589**	6,865	**2,175**	1,921	**15,437**	15,985
Other operating expenses	**13,380**	13,906	**423**	205	**-**	-	**854**	1,263	**152**	102	**14,809**	15,476
Professional fees	**5,732**	5,695	**(134)**	56	**116**	167	**3,444**	2,893	**1,631**	1,929	**10,789**	10,740
Equipment rentals	**7,199**	7,039	**7**	11	**-**	-	**1,631**	2,037	**171**	52	**9,008**	9,139
Interest expense	**534**	621	**-**	-	**2,598**	6,053	**-**	-	**-**	-	**3,132**	6,674
External cost recoveries	**(24,908)**	(22,254)	**(11)**	(11)	**(402)**	(714)	**(813)**	(504)	**2**	-	**(26,132)**	(23,483)
Total expenses	**494,648**	508,611	**24,985**	23,238	**64,389**	65,062	**96,633**	83,967	**30,740**	29,240	**711,395**	710,118
Increase (decrease) for the year before the following	**41,227**	12,670	**(4,098)**	(2,736)	**(30,772)**	(18,591)	**(1,321)**	(4,433)	**13,392**	6,294	**18,428**	(6,796)
Interfund transfers	**38,569**	29,096	**(3,644)**	(3,055)	**(28,066)**	(18,625)	**(3,019)**	(3,973)	**(3,840)**	(3,443)	**-**	-
Excess of revenues over expenses (expenses over revenues)	**2,658**	(16,426)	**(454)**	319	**(2,706)**	34	**1,698**	(460)	**17,232**	9,737	**18,428**	(6,796)