CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2026

INDEX

Page

STATEMENT OF ADMINISTRATIVE RESPONSIBILITY

The administration of York University (the "University") is responsible for the preparation of the consolidated financial statements, the notes thereto and all other financial information contained in this annual report.

The consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. The administration believes the consolidated financial statements present fairly, in all material respects, the University's consolidated financial position as at April 30, 2026, and the consolidated results of its operations and its consolidated cash flows for the year then ended. In order to achieve the objective of fair presentation in all material respects, the use of reasonable estimates and judgments was employed. Additionally, the administration has ensured that all financial information presented in this report has been prepared in a manner consistent with the consolidated financial statements.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of consolidated financial statements.

The University has retained Aon Hewitt in order to provide an estimate of the University's liability for pension and other post-employment benefits. The administration has provided the valuation actuary with the information necessary for the completion of the University's report and retains ultimate responsibility for the determination and estimation of the reported pension and other benefit liabilities.

The Board of Governors carries out its responsibility for review of the consolidated financial statements and this annual report principally through its Finance and Audit Committee (the "Committee"). The majority of the members of the Committee are not officers or employees of the University. The Committee meets regularly with the administration, as well as the internal auditors and the external auditors, to discuss the results of audit examinations and financial reporting matters and to satisfy itself that each party is properly discharging its responsibilities. The auditors have full access to the Committee with and without the presence of the administration.

Ernst & Young LLP, Chartered Professional Accountants, the auditors appointed by the Board of Governors, have reported on the consolidated financial statements for the year ended April 30, 2026. The independent auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the consolidated financial statements.

Narin Kishinchandani
Vice-President, Finance and Administration

Lisa Philipps
Interim President and Vice-Chancellor

COMMENTARY ON YORK UNIVERSITY CONSOLIDATED FINANCIAL STATEMENTS – 2025/26 AND FINANCIAL OUTLOOK

The 2025/26 fiscal year continued to present significant financial challenges for York University and the broader postsecondary education sector in Ontario. While the Province recently announced a new funding model providing additional funding and signaling an easing of the domestic tuition freeze, universities continued to face financial pressures from rising compensation and benefit costs, inflationary growth in operating expenditures, and persistent uncertainty related to international student enrolment following the federal cap on study permits. The Markham Centre Campus achieved substantial completion during the year, expanding the University's academic capacity and advancing its strategic growth objectives.

Financial Commentary

Student fee revenue totaled $677.7 million in 2025/26, representing a decline of $72.6 million from $750.3 million in 2024/25. This decrease was primarily attributable to the one-time reversal of a $34.3 million deferred tuition revenue recognized in 2024/25 due to the labour disruption in February to April 2024.

On a normalized basis, excluding this one-time adjustment, student fee revenue declined by $38.3 million year-over-year, reflecting ongoing international enrolment pressures, most notably due to the impact of the federal international student visa cap. International undergraduate and graduate enrolments declined materially to 6,641 Fiscal Full-Time Equivalents (FFTEs) in 2025/26, down from 8,410 FFTEs in the prior year.

This decline was partially offset by modest growth in domestic undergraduate and graduate enrolments, which increased to 50,689 FFTEs from 48,705 FFTEs in 2024/25. Domestic tuition fee revenue also experienced modest rate-driven increases following limited adjustments permitted under provincial policy. However, overall tuition revenue remained constrained by regulated tuition visa caps and broader provincial tuition framework limitations.

Government and other grants for restricted purposes, which consist largely of provincial grants and other research related funding, increased to $464.0 million in 2025/26 from $439.0 million in 2024/25. The growth was mainly due to new provincial government grants including Post Secondary Education Sustainability Top Up Fund as well as higher research grant activity, reflecting continued strength in externally funded research programs.

Sales and services in the year increased to $76.5 million in 2025/26 from $71.4 million in 2024/25. The growth was primarily due to higher housing rental and lease rates, increased parking rates, growth in building and land rental, bookstore and food services revenues.

Investment income decreased to $48.1 million in 2025/26 from $66.5 million in 2024/25, primarily driven by lower investable operating cash balances due to the in-year operating deficit and capital spending. In addition, lower interest rates in the current year further reduced returns on Short Medium-Term Fund ("SMTF") investments relative to the prior year. The University follows the deferral method for accounting for investment income on external endowments and recognizes investment income in the consolidated statement of operations as related expenses are incurred.

The market value of the University's endowments increased to $719.2 million at April 30, 2026, from $679.5 million at April 30, 2025, reflecting favourable investment performance over the fiscal year. The University's Long-Term Investment Fund generated a return of 8.2% in 2025/26, compared to 10.6% in 2024/25.

The University's operating cash and cash equivalents increased to $155.8 million at April 30, 2026, from $101.5 million in 2024/25, while the operating resources invested in the SMTF declined to $575.0 million at April 30, 2026 from $708.7 million in 2024/25. Of the combined $730.8 million in cash and cash equivalents and SMTF at April 30, 2026 (2024/25:

$810.2 million), $248.6 million is held for externally restricted contributions (2024/25: $243.5 million), and $62.7 million is held for the sinking fund portion invested within SMTF (2024/25: $78.2 million). Total Sinking Fund assets amounted to $123.0 million as at April 30, 2025 (2024/25: $111.5 million). The University maintains the remaining balances to finance the University's operating activities, capital investment plans and strategic priorities.

Salaries and benefits decreased to $974.8 million in 2025/26 from $997.0 million in 2024/25. The decrease reflects the continued impact of cost-reduction measures implemented in the current and prior year, including controlled hiring and targeted workforce reductions through voluntary exit programs across select employee groups. These savings were partially offset by higher benefits costs and annual salary progression.

The University continues to support students with financial assistance. Scholarships and bursaries increased to $130.4 million in 2025/26 from $124.9 million in 2024/25. The increase is primarily attributable to the expansion of the International Student Entrance Scholarship Program.

The University has long term debt of $600.0 million (2024/25: $600.0 million). Interest on the long-term debt was $29.4 million in 2025/26 (2024/25: $25.6 million) primarily reflecting a reduction in the amount of interest capitalized to capital projects, resulting in higher interest expense recognized in the year.

Operating costs in 2025/26 increased to $194.1 million in 2025/26 compared to $185.4 million in 2024/25, reflecting increased equipment and building maintenance costs, investment impairment provision, bad debts expense, partially offset by lower renovation and travel and other discretionary costs.

As summarized on the consolidated statement of financial position, the University's unrestricted accumulated deficit decreased to $48.4 million in 2025/26 from $48.9 million in 2024/25. The $0.5 million decrease in the accumulated deficit is attributable to a surplus in ancillary operations. Surpluses and deficits related to academic operations are internally restricted and therefore do not impact the University's unrestricted deficit.

Major Capital Projects

The University made notable progress on a number of significant capital projects during the year.

Construction of the Health and Neuroscience Facility progressed during the fiscal year and achieved occupancy in May 2026, in readiness for final completion, which is imminent. This project has a budget of $51.5 million and a targeted completion in the 2026/27 fiscal year. The building will host the VISTA research neuroscience facility and provide additional office and clinical space for the Faculty of Health. The project's costs are being funded by the University's capital reserves, external debentures and an internal loan.

Capital planning for the new School of Medicine continued, with project development supporting a targeted 2028 launch for the inaugural class, subject to accreditation, approvals, and funding.

Several other approved projects are in progress including the Student System Renewal Program ($120 million budget). The University has also continued to invest in renewal of spaces on campus as part of its classroom and washroom renewal programs.

Overall, while beneficial outcomes were realized from the implementation of various initiatives to mitigate the deficit and position for longer term sustainability, these were more than offset by the combined effect of lower tuition revenues, lower investment income and inflationary pressures.

Narin Kishinchandani

Narin Kishinchandani
Vice-President, Finance and Administration

SUMMARY OF REVENUE AND EXPENSES

Total Revenue and Expenses

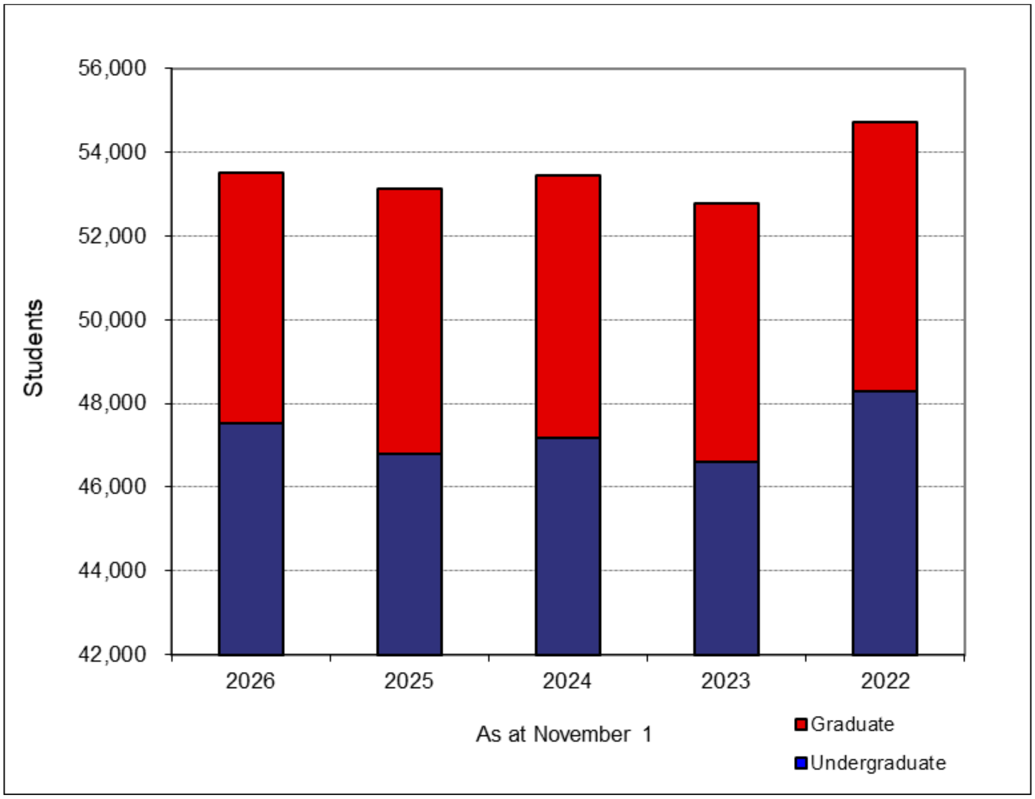
(Millions of dollars)

Year ended April 30	2026	2025	2024	2023	2022
	$	$	$	$	$
REVENUE					
Student fees	**677.7**	750.3	696.7	726.5	731.4
Government and other grants for restricted purposes	**464.0**	439.0	412.8	398.8	390.6
Investment income	**48.1**	66.5	68.5	56.1	26.9
Fees, recoveries and other income	**40.0**	39.3	46.2	36.7	28.8
Sales and services	**76.5**	71.4	72.9	67.2	43.2
Amortization of deferred capital contributions	**20.7**	20.7	19.6	19.5	18.5
Donations	**18.2**	17.3	15.9	12.2	15.3
	1,345.2	**1404.5**	**1,332.6**	**1,317.0**	**1,254.7**
EXPENSES					
Salaries and benefits	**974.8**	997.0	996.8	894.1	846.3
Operating costs	**194.1**	185.4	178.7	170.4	151.9
Scholarships and bursaries	**130.4**	124.9	117.2	116.5	116.1
Amortization of capital assets	**66.7**	56.4	55.8	51.9	49.1
Interest on long-term debt	**29.4**	25.6	26.2	28.2	29.5
Taxes and utilities	**28.8**	29.7	28.1	27.7	25.3
Cost of sales and services	**6.7**	6.9	7.2	7.4	7.2
	1,430.9	**1,425.9**	**1,410.0**	**1,296.2**	**1,225.4**

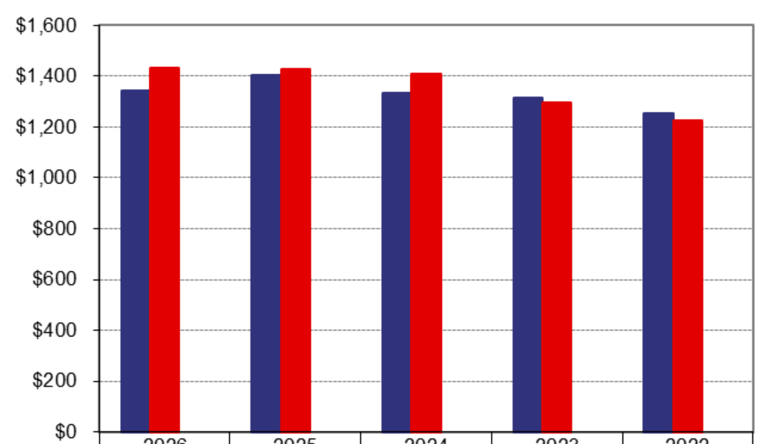
% of Total Revenue and Expenses

Year ended April 30	2026	2025	2024	2023	2022
	%	%	%	%	%
REVENUE					
Student fees	**50.3**	53.4	52.3	55.2	58.4
Government and other grants for restricted purposes	**34.5**	31.3	31.0	30.3	31.1
Investment income	**3.6**	4.7	5.1	4.3	2.1
Fees, recoveries and other income	**3.0**	2.8	3.5	2.8	2.3
Sales and services	**5.7**	5.1	5.5	5.1	3.4
Amortization of deferred capital contributions	**1.5**	1.5	1.4	1.4	1.5
Donations	**1.4**	1.2	1.2	0.9	1.2
	100.0	**100.0**	**100.0**	**100.0**	**100.0**
EXPENSES					
Salaries and benefits	**68.0**	69.9	70.7	69.0	69.1
Operating costs	**13.6**	13.0	12.6	13.1	12.4
Scholarships and bursaries	**9.1**	8.8	8.3	9.0	9.4
Amortization of capital assets	**4.7**	3.9	4.0	4.0	4.0
Interest on long-term debt	**2.1**	1.8	1.9	2.2	2.4
Taxes and utilities	**2.0**	2.1	2.0	2.1	2.1
Cost of sales and services	**0.5**	0.5	0.5	0.6	0.6
	100.0	**100.0**	**100.0**	**100.0**	**100.0**

STUDENT HEADCOUNT
2022 – 2026



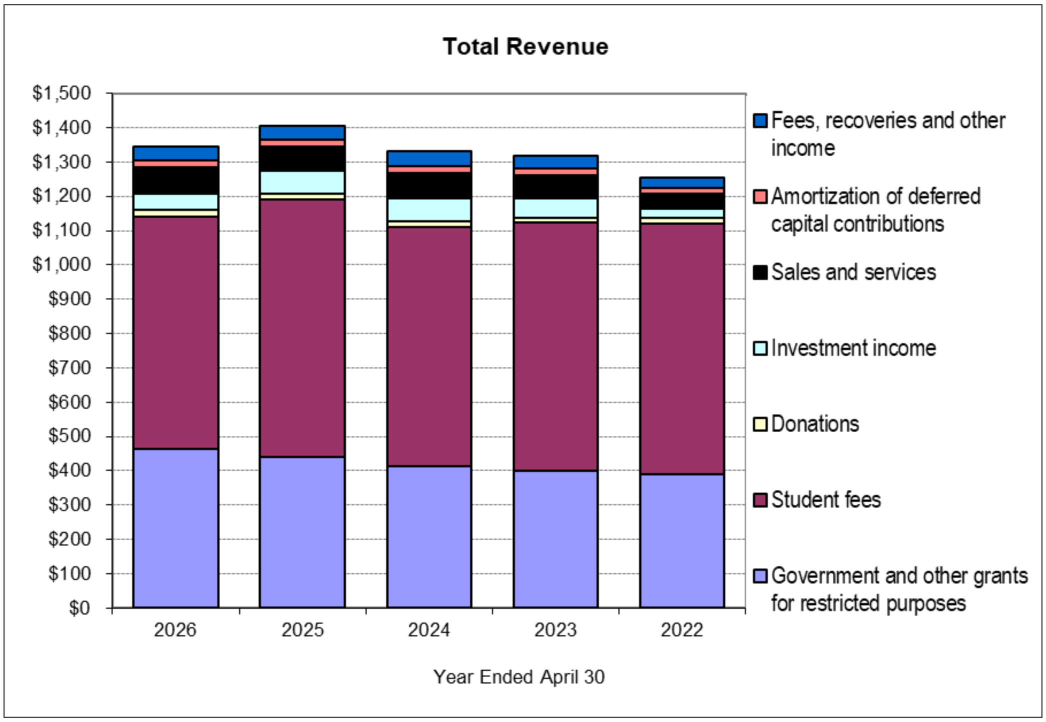
REVENUE AND EXPENSES
Year Ended April 30
2022 – 2026
(Millions of dollars)

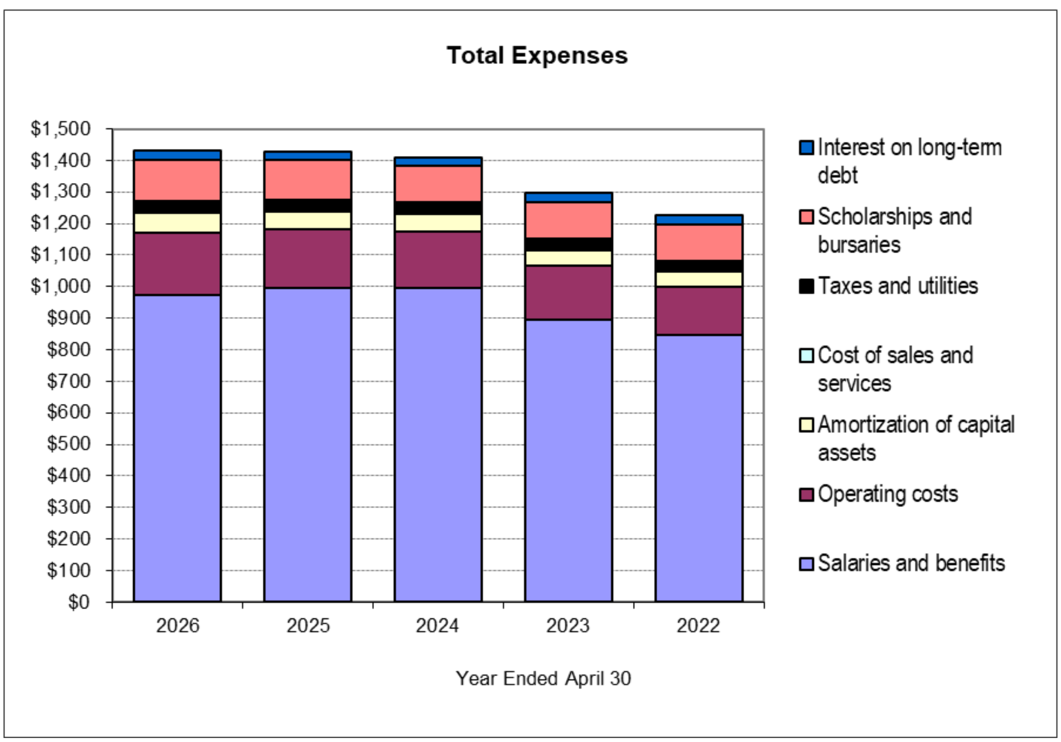


	2026	2025	2024	2023	2022
Revenue	$1,345.2	$1,404.5	$1,332.6	$1,317.0	$1,254.7
Expenses	$1,430.9	$1,425.9	$1,410.0	$1,296.2	$1,225.4
Revenue over Expenses	$(85.7)	$(21.4)	$(77.4)	$20.8	$29.3

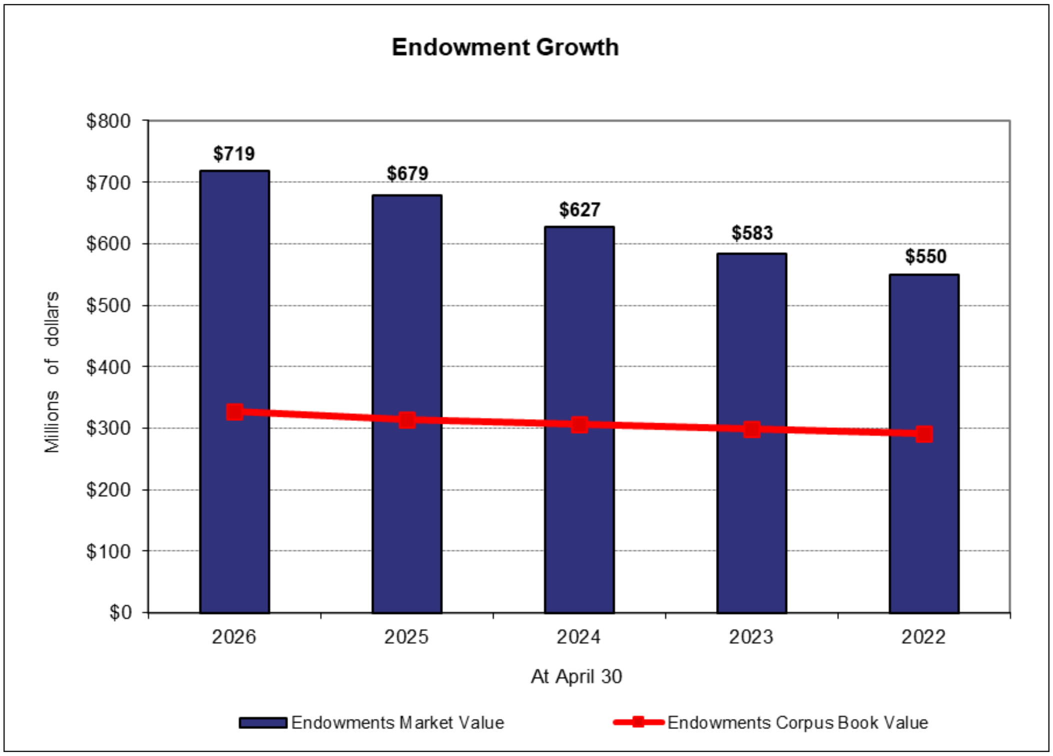
Year Ended April 30

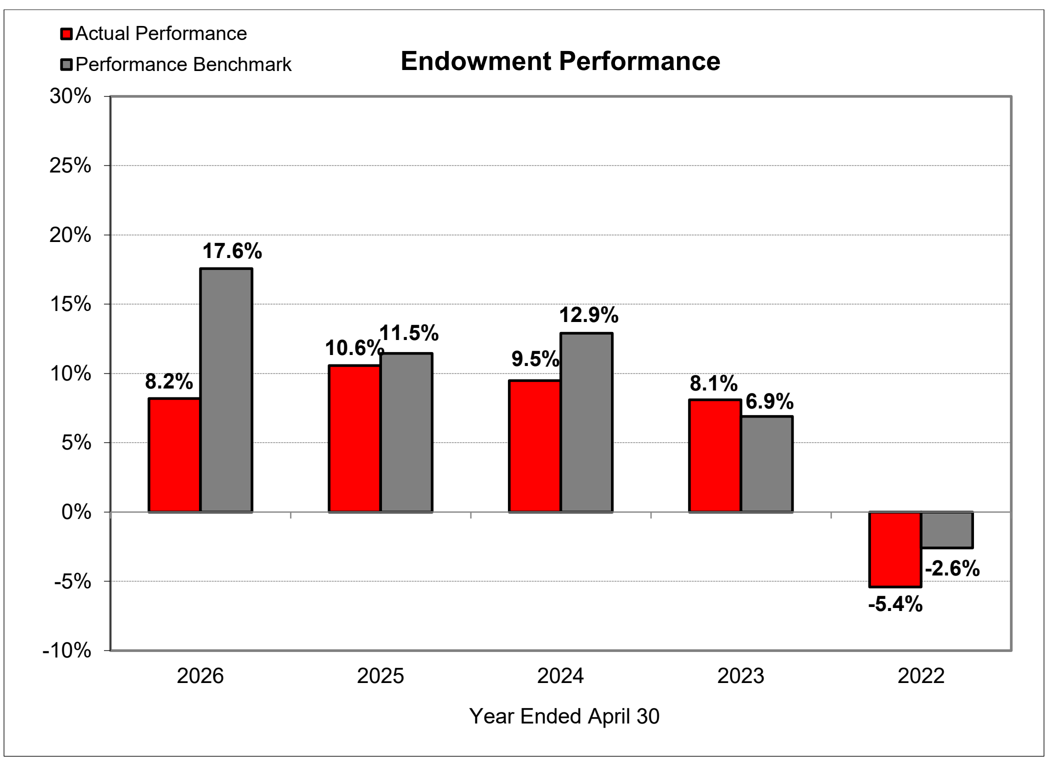
SUMMARY OF REVENUE AND EXPENSES
Year Ended April 30
2022 – 2026
(Millions of dollars)





ENDOWMENT GROWTH AND PERFORMANCE
2022 – 2026





Independent auditor's report

To the Board of Governors of
York University

Opinion

We have audited the consolidated financial statements of **York University** [the "University"] and its subsidiaries, which comprise the consolidated statement of financial position as at April 30, 2026, and the consolidated statement of operations and changes in deficit, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as at April 30, 2026, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the financial report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of 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 University'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 management either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

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

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

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 University'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 University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University 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 University as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 29, 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Thousands of dollars)

As at April 30

	2026 $	2025 $
ASSETS		
Current		
Cash and cash equivalents	**155,779**	101,546
Short-term investments *(notes 3 and 18)*	**437,544**	519,750
Accounts receivable *(notes 4 and 18)*	**92,289**	121,967
Inventories	**3,733**	3,460
Prepaid expenses	**38,541**	37,396
Total current assets	**727,886**	784,119
Pension plan asset *(note 14)*	**253,561**	198,020
Investments *(notes 3 and 18)*	**916,964**	901,633
Investment in lease *(note 4)*	**37,035**	37,963
Implementation costs – software services *(note 5)*	**62,985**	55,147
Capital assets, net *(note 6)*	**1,777,911**	1,799,317
Total assets	**3,776,342**	3,776,199
LIABILITIES		
Current		
Accounts payable and accrued liabilities *(notes 4, 9 and 15)*	**201,988**	197,338
Deferred revenue	**49,560**	61,474
Deferred contributions *(note 7)*	**248,417**	243,395
Total current liabilities	**499,965**	502,207
Long-term liabilities *(notes 4, 9 and 14)*	**325,814**	293,473
Long-term debt *(note 10)*	**596,958**	596,881
Deferred capital contributions *(note 11)*	**445,393**	453,587
Total liabilities	**1,868,130**	1,846,148
Commitments and contingent liabilities *(notes 3(c), 8 and 17)*		
NET ASSETS		
Deficit	**(48,435)**	(48,851)
Internally restricted *(note 12)*	**1,256,984**	1,317,290
Endowments *(note 13)*	**699,663**	661,612
Total net assets	**1,908,212**	1,930,051
	3,776,342	3,776,199

See accompanying notes

On behalf of the Board of Governors:

Antonio Di Domenico
Chair, Board of Governors

Lisa Philipps
Interim President and Vice-Chancellor

CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN DEFICIT

(Thousands of dollars)

Year ended April 30	2026 $	2025 $
REVENUE		
Student fees	**677,663**	750,293
Government and other grants for restricted purposes *(note 7)*	**463,967**	439,004
Investment income *(note 3)*	**48,125**	66,533
Fees, recoveries and other income	**40,074**	39,304
Sales and services	**76,458**	71,350
Amortization of deferred capital contributions *(note 11)*	**20,737**	20,725
Donations	**18,151**	17,329
Total revenue	**1,345,175**	1,404,538
EXPENSES		
Salaries and benefits *(note 14)*	**974,831**	996,983
Operating costs *(note 5)*	**194,100**	185,353
Scholarships and bursaries	**130,360**	124,902
Amortization of capital assets	**66,694**	56,391
Interest on long-term debt *(note 10)*	**29,382**	25,603
Taxes and utilities	**28,848**	29,732
Cost of sales and services	**6,703**	6,883
Total expenses	**1,430,918**	1,425,847
Deficiency of revenue over expenses for the year	**(85,743)**	(21,309)
Employee benefit plans – remeasurements *(note 14)*	**22,059**	4,027
Net transfers from internally restricted net assets *(note 12)*	**57,806**	26,196
Net transfers from (to) internally restricted endowments *(note 13)*	**6,294**	(1,027)
Change in deficit in the year	**416**	7,887
Deficit, beginning of year	**(48,851)**	(56,738)
Deficit, end of year	**(48,435)**	(48,851)

See accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(Thousands of dollars)

Year ended April 30	**Deficit** $	**Internally restricted** $ *(note 12)*	**Endowments** $ *(note 13)*	**2026 Total** $	**2025 Total** $
Net assets (deficit), beginning of year	**(48,851)**	**1,317,290**	**661,612**	**1,930,051**	1,894,540
Deficiency of revenue over expenses for the year	**(85,743)**	**-**	**-**	**(85,743)**	(21,309)
Employee benefit plans – remeasurements (*note 14)*	**22,059**	**-**	**-**	**22,059**	4,027
Net transfers from internally restricted net assets *(note 12)*	**57,806**	**(57,806)**	**-**	**-**	-
Investment income on externally restricted endowments less amounts made available for spending *(note 13)*	**-**	**-**	**32,420**	**32,420**	45,908
Contributions to externally restricted endowments (*note 13)*		**-**	**9,425**	**9,425**	6,885
Net transfers from internal endowments to unrestricted deficit *(note 13*)	**6,294**	**-**	**(6,294)**	**-**	-
Net transfers from internally restricted to internal endowments *(note 13)*		**(2,500)**	**2,500**	**-**	-
Net assets (deficit), end of year	**(48,435)**	**1,256,984**	**699,663**	**1,908,212**	1,930,051

See accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

(Thousands of dollars)

Year ended April 30	2026 $	2025 $
OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	**(85,743)**	(21,309)
Add (deduct) non-cash items:		
Amortization of capital assets	**66,694**	56,391
Amortization of deferred capital contributions	**(20,737)**	(20,725)
Amortization of implementation costs – software services	**3,417**	1,870
Amortization of transaction costs	**77**	73
Employee benefit plan expense	**65,100**	68,351
Net change in non-cash balances related to operations *(note 15)*	**29,255**	(108,448)
Implementation costs – software services	**(11,255)**	(11,410)
Contributions to employee benefit plans	**(65,313)**	(68,080)
Cash used in operating activities	**(18,505)**	(103,287)
INVESTING ACTIVITIES		
Sale of investments, net *(note 15)*	**99,295**	184,468
Purchase of capital assets, net *(note 15)*	**(48,525)**	(91,204)
Cash provided by investing activities	**50,770**	93,264
FINANCING ACTIVITIES		
Contributions restricted for capital purposes *(notes 11 and 15)*	**12,543**	14,504
Contributions to externally restricted endowments *(note 13)*	**9,425**	6,885
Cash provided by financing activities	**21,968**	21,389
Net increase in cash and cash equivalents during the year	**54,233**	11,366
Cash and cash equivalents, beginning of year	**101,546**	90,180
Cash and cash equivalents, end of year	**155,779**	101,546

See accompanying notes

1. DESCRIPTION OF THE ORGANIZATION

York University ("York" or the "University") was incorporated under the *York University Act, 1959* and continued under the *York University Act, 1965* by the Legislative Assembly of Ontario. The University is dedicated to academic research and to providing post-secondary and post-graduate education. The University is a registered charity and under the provisions of Section 149 of the *Income Tax Act* (Canada) is exempt from income taxes.

York's consolidated financial statements reflect the assets, liabilities, net assets, revenue, expenses and other transactions of all the operations of the University and organizations in which the University has a controlling shareholding. Accordingly, these consolidated financial statements include the operations, research activities and ancillary operations of the University and the York University Development Corporation (an Ontario corporation of which the University is the sole shareholder) that oversees the development of designated undeveloped York lands and owns York Lanes shopping mall.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below.

a) Revenue recognition

The University follows the deferral method of accounting for contributions, which include donations and grants. Grants are recorded in the accounts when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recorded in the accounts when received since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions, other than endowments, are initially deferred when recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Externally restricted contributions received towards the purchase of capital assets are deferred when initially recorded in the accounts and amortized to revenue on the same basis as the related depreciable capital assets are amortized. Externally restricted endowment contributions are recognized as direct increases in net assets when initially recorded in the accounts.

Student fees are recognized as revenue when the associated courses and seminars are held. Sales and services revenue is recognized at the point of sale or when the service has been provided.

Investment income (loss), which consists of interest, dividends, income distributions from pooled funds, realized gains and losses on all investments and unrealized gains and losses on investments recorded at fair value, is recorded as investment income (loss) in the consolidated statement of operations and changes in deficit, except for investment income designated for externally restricted endowments. The amount made available for spending related to externally restricted endowments is recognized as investment income, and any restricted amounts available for spending that remain unspent as at year-end are deferred and categorized as deferred contributions. Investment income on externally restricted endowments in excess of the amount made available for spending, losses on externally restricted endowments and deficiency of investment income compared to the amount available for spending are recognized as direct increases (decreases) to endowments.

Investment income (loss) designated for internally restricted endowments is recognized in the consolidated statement of operations and changes in deficit. The investment income (loss) net of actual spending against internal endowments is transferred between the unrestricted deficit and internally restricted endowments through the consolidated statement of changes in net assets.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the administration to make estimates and assumptions that affect the reported amounts of assets and liabilities, the related amounts of revenue and expenses, and the disclosure of contingent assets and liabilities. Significant areas requiring the use of estimates relate to the assumptions used in the determination of the valuation of pension and other retirement benefit assets/obligations, assumptions used in the determination of the valuation of the impact of labour negotiations, the labour disruption, and the recording of contingencies. Actual results could differ from those estimates.

c) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and investments with a maturity of approximately three months or less at the date of purchase, unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

d) Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is assigned by using the first-in, first-out method or weighted average cost method, depending on the nature and use of the inventory items. The same costing method is used for all inventories having a similar nature and use.

e) Financial instruments

Investments reported at fair value consist of equity instruments that are quoted in an active market, as well as pooled fund investments, derivative contracts and any investments in fixed income securities that the University designates upon purchase to be measured at fair value. Transactions are recorded on a trade date basis, and transaction costs are recognized in the consolidated statement of operations and changes in deficit in the period during which they are incurred.

Investments in fixed income securities not designated to be measured at fair value are initially recorded at fair value plus transaction costs, which represents cost, and are subsequently measured at amortized cost using the effective interest rate method, less any provision for impairment. Investments in fixed income securities that have a maturity or liquidity profile of less than one year are reported as short-term investments, unless held for investment purposes rather than liquidity purposes.

Real asset interests and private credit invested in private funds are managed by third-party investment managers. The investment managers of these interests perform and provide valuations of the underlying investments on a periodic basis. Annual financial statements of the private investment interests are audited and are also provided by the investment managers. The value of the investments in these interests is based on the latest valuations provided (typically December 31), adjusted for subsequent cash receipts and distributions from the fund, and cash disbursements to the fund through April 30. The University believes that the carrying amount of these financial instruments is a reasonable estimate of fair value. Because private investments are not readily traded, their estimated values are subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed.

Long-term debt is initially recorded at fair value, which represents cost, and is subsequently measured at amortized cost using the effective interest rate method. Long-term debt is reported net of related premiums, discounts and transaction issue costs.

Other financial instruments, including cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities, are initially recorded at fair value, which represents cost, and are subsequently measured at cost, net of any provisions for impairment.

f) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value as at the date of contribution. Amortization of capital assets is provided on a straight-line basis over their estimated useful lives as follows:

	Annual rate	Years
Buildings, facilities and infrastructure	2.5% to 10%	10 to 40
Equipment, furnishings and software	5% to 33.3%	3 to 20
Library books	100%	1

Construction in progress expenditures are capitalized as incurred and are amortized as described above once the asset is placed into service. Capitalized expenditures include interest on related debt funding of such expenditures.

Major software projects (including salaries and benefits directly related to their acquisition, development and installation) are included within equipment, furnishings and software.

Donations of items included in the art collection are recorded as direct increases in capital assets and net assets at an appraised value established by independent appraisal in the period receipted by the University. The art collection is considered to have a permanent value and is not amortized.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not contribute to the University's ability to provide goods and services. Any impairment results in a write-down of the asset and an expense in the consolidated statement of operations and changes in deficit. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

g) Cloud computing arrangements

The University analyses its cloud computing arrangements to determine if a software element in the arrangement is a software intangible asset. Any such asset is accounted for as a software intangible asset. If the software element is not an asset, it is accounted for as a software service and expensed as incurred. Expenditures on implementation activities that are directly attributable to preparing the software service for its intended use that do not give rise to a separate intangible asset are capitalized as an asset for implementation of software services. The asset for implementation of software services is expensed using the straight-line method over the expected period of access to the software services, which is estimated to be from 10 to 20 years.

h) Foreign currency translation

The University accounts for revenue and expense transactions denominated in a foreign currency as at the exchange rate in effect as at the date of the transactions. Monetary assets and liabilities denominated in a foreign currency are translated as at year-end exchange rates, and any translation gain or loss is included in the consolidated statement of operations and changes in deficit. Foreign exchange gains and losses on investments are accounted for consistent with investment income.

i) Employee benefit plans

The University has a defined contribution pension plan, which has a defined benefit component that provides a minimum level of pension benefits. The University also has other retirement and post-employment benefit plans that primarily provide medical and dental benefits. The University accounts for the cost of benefits related to the defined contribution plan as contributions are due.

The University accounts for its defined benefit employee plans using the immediate recognition approach. The University recognizes the amount of the accrued benefit obligations, net of the fair value of plan assets measured as at year-end, adjusted for any valuation allowances. Current service and finance costs are expensed during the year. Remeasurements and other items related to actuarial gains and losses and differences between actual and expected returns on plan assets and past service costs are recognized as a direct increase or decrease in net assets. The accrued benefit obligations for the pension plan are determined based on actuarial valuation reports prepared for funding purposes. The accrued benefit obligations for the other retirement and post-employment benefit plans are determined based on actuarial valuation reports prepared for accounting purposes. These reports are required to be prepared at least on a triennial basis. In years where actuarial valuations are not prepared, the University uses a roll-forward technique to estimate the accrued liability using assumptions from the most recent actuarial valuation reports.

j) Contributed services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty of determining their fair value, contributed services are not recognized in the consolidated financial statements.

3. INVESTMENTS

a) Investments consist of the following:

	2026 $	2025 $
Cash	**83,905**	49,648
Short-term income fund	**50**	142
Guaranteed investment certificates	**-**	228,223
Canadian government bonds	**10,345**	24,565
Canadian corporate bonds	**51,104**	85,847
Foreign bonds	**164,085**	123,839
Fixed income funds	**358,928**	319,158
Private credit	**115,862**	43,687
Mortgages	**29,998**	31,372
Canadian and global equities	**383,783**	392,975
Real assets	**148,928**	119,460
Private equity	**5,171**	-
Other	**2,349**	2,467
Total	**1,354,508**	1,421,383

Investments in pooled funds have been allocated across asset classes based on the underlying holdings within those funds.

Certain investments, cash and cash equivalents are restricted for deferred contributions, unexpended deferred capital contributions, and externally restricted endowments as follows:

	2026 $	2025 $
Deferred contributions *(note 7)*	**248,417**	243,395
Deferred capital contributions – unexpended *(note 11)*	**162**	62
Endowments – externally restricted *(note 13)*	**689,150**	644,380
Total	**937,729**	887,837

The University's investments are managed using two investment pools – operating funds and a long-term investment fund. The long-term investment fund includes endowment funds and the voluntary sinking fund *(note 10)* established to accumulate funds to repay the principal of the University's debentures at maturity. The operating fund consists of the University's working capital to support operations and capital projects. Each pool is managed according to established investment policies.

All investments are recorded at fair value, except certain bonds, mortgages, fixed income funds and other investments, which are carried at amortized cost. As at year-end, investments are recorded in the accounts as follows:

	2026				2025
	Operating	**Sinking Fund**	**Endowment**	**Total**	Total
	$	$	$	$	$
Fair value	**384,174**	**55,586**	**662,962**	**1,102,722**	1,005,215
Amortized cost	**128,049**	**67,462**	**56,275**	**251,786**	416,168
Total investments	**512,223**	**123,048**	**719,237**	**1,354,508**	1,421,383
Less investments classified as short-term	**(437,544)**	**-**	**-**	**(437,544)**	(519,750)
Total long-term investments	**74,679**	**123,048**	**719,237**	**916,964**	901,633

Investments in the sinking fund *(notes 10 and 12)* total $123,048 (2025: $111,486), which is comprised of $67,462 (2025: $79,467) in investments held at amortized cost and $55,586 (2025: $32,019) in investments held at fair value.

During the year, an impairment provision of $3,900 (2025 – nil) was recorded related to certain private credit investments for which the decline in carrying value was determined to be other than temporary. The impairment provision has been included in operating costs.

Investments are exposed to foreign currency, interest rate, other price and credit risks *(note 18)*. The University manages these risks through policies and procedures governing asset mix, equity and fixed income allocations, and diversification among and within asset categories.

To manage foreign currency risk, a hedging policy has been implemented for the University's foreign currency denominated investments to minimize exchange rate fluctuations and the resulting uncertainty on future financial results. All outstanding contracts have a remaining term to maturity of less than one year. The University has contracts outstanding held in foreign currencies, as detailed below.

The notional and fair values of the foreign currency forward contracts are as follows:

	2026		**2025**	
Currency sold	**Notional value (CAD$)**	**Fair value of contract (CAD$)**	**Notional value (CAD$)**	**Fair value of contract (CAD$)**
USD	**60,012**	**930**	41,871	1,096
EUR	**3,439**	**47**	2,494	(34)

The fair value of the foreign currency forward contracts is included in other investments. The change in the fair value of the foreign currency forward contracts is accounted for consistent with investment income in the consolidated statement of operations and changes in deficit.

b) Investment income consists of the following:

	2026 $	**2025 $**
Investment income on endowments, net of management fees *(note 13)*	**53,027**	64,766
Remove investment income credited to external endowments *(note 13)*	**(51,881)**	(63,019)
Add allocations for spending on external endowments, net of deferrals	**17,618**	14,960
Investment income attributable to endowments	**18,764**	16,707
Other investment income	**29,361**	49,826
Total	**48,125**	66,533

c) Real asset and private credit uncalled commitments:

The University's real asset and private credit investments (real estate, infrastructure and private loans) invested in private funds managed by third-party managers typically take the form of limited partnerships managed by a General Partner where the University participates as a Limited Partner. The legal terms and conditions of these private investment funds, which cover various areas of real asset investments and private loans, require that investors initially make an unfunded commitment and then remit funds over time (cumulatively up to a maximum of the total committed amount), in response to a series of capital calls issued to the investors by the manager. As at April 30, 2026, the University had uncalled commitments of approximately $198,698 (2025: $154,680). The capital committed is called by the manager over a pre-defined investment period, which varies by fund. The total amount committed to a private fund may not be fully called due to a number of reasons, including lack of investment opportunities, inadequate timing, risk management mitigation, investor preferences, fund size constraints, and regulatory or legal considerations.

4. INVESTMENT IN LEASE

The University has entered into a direct finance lease with the Ontario Infrastructure and Lands Corporation (“OILC”), formerly the Ontario Realty Corporation. The leased facilities are located on the Keele campus and are occupied by the Archives of Ontario. The lease commenced on February 25, 2009 for an initial period of 25 years plus three options to extend the term, each for 10 years. Prior to the commencement of the lease, the OILC exercised the first 10-year renewal option.

To construct the facilities used by the Archives of Ontario, in May 2007, the University entered into contractual agreements with a consortium that undertook the design, construction and financing of the facility during the construction phase of the project.

As payment for the cost of the facility, York assigned the revenue stream under the OILC lease to the consortium for a period of 35 years. However, York remains liable for the lease payments to the consortium should OILC default.

The present value of the lease payments due from OILC at lease commencement was determined to be $45 million based on a discount rate of 10.5% and with no residual value assigned to the Archives of Ontario facility.

The carrying value of the investment in lease comprises aggregate minimum lease payments due from OILC over 35 years less unearned finance income at a rate of 10.5%. The balance is calculated as follows:

	2026 **$**	**2025** **$**
Aggregate future minimum lease payments	**81,507**	86,325
Less unearned finance income	**(43,544)**	(47,527)
Investment in lease *(note 9)*	**37,963**	38,798
Less current portion recorded in accounts receivable	**(928)**	(835)
Total	**37,035**	37,963

Minimum future lease payments are expected to be as follows:

	$
2027	4,818
2028	4,818
2029	4,818
2030	4,818
2031	4,818
Thereafter	57,417
Total	81,507

The University has recorded the amounts owed to the consortium under the lease assignment within the liabilities section of the consolidated statement of financial position. The current portion of $928 (2025: $835) is reported within accounts payable and accrued liabilities, while the long-term portion is reported in long-term liabilities as $37,035 (2025: $37,963) *(note 9)*. This liability has been discounted at a rate of 10.5% and will reduce over the 35-year lease assignment term, concurrent with the reduction to investment in lease.

5. IMPLEMENTATION COSTS – SOFTWARE SERVICES

For the year ended April 30, 2026, the University expensed $3,417 (2025: $1,870) for software services included in operating costs and capitalized $11,255 (2025: $11,410) in directly attributable expenditures on implementation activities related to software services.

The University has commitments to make expenditures on cloud computing arrangements. These commitments are disclosed in note 17.

6. CAPITAL ASSETS

Capital assets consist of the following:

	2026			2025		
	Cost $	**Accumulated amortization $**	**Net book value $**	**Cost $**	**Accumulated amortization $**	**Net book value $**
Land	**584,170**	**-**	**584,170**	584,170	-	584,170
Buildings, facilities and infrastructure	**1,884,050**	**844,543**	**1,039,507**	1,856,464	794,186	1,062,278
Equipment, furnishings and software	**171,594**	**106,141**	**65,453**	172,087	104,914	67,173
Library books	**28,871**	**28,871**	**-**	32,304	32,304	-
Art collection	**6,667**	**-**	**6,667**	6,485	-	6,485
Construction in progress	**82,114**	**-**	**82,114**	79,211	-	79,211
Total	**2,757,466**	**979,555**	**1,777,911**	2,730,721	931,404	1,799,317

a) During the year, the total cost of items added to library books was $1,091 (2025: $1,635) and the total cost of items removed was $4,524 (2025: $4,470).

b) During the year, the University reduced the cost and accumulated amortization by $18,543 (2025: $12,143) for capital assets, including library books, that were fully amortized and no longer in use.

c) The Glendon campus land and a majority of the Keele campus land were acquired by grants. These grants had restrictive covenants, which have been registered on the title of the property, and which purport to limit use of the properties for educational or research purposes at the University level.

d) Construction in progress includes the Health and Neuroscience Facility and various other construction and renovation projects.

e) Capitalized interest added to capital assets was $848 (2025: $4,629).

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants and donations and unexpended available income on externally restricted endowments. The changes in the deferred contributions balance are as follows:

	2026			2025		
	Research and other grants for restricted purposes $	**Donations and expendable balances from endowments $**	**Total $**	**Research and other grants for restricted purposes $**	**Donations and expendable balances from endowments $**	**Total $**
Balance, beginning of year	**173,254**	**70,141**	**243,395**	177,124	64,938	242,062
Contributions, grants and investment income	**122,413**	**45,873**	**168,286**	107,241	47,078	154,319
Transfers to revenue	**(118,170)**	**(45,094)**	**(163,264)**	(111,111)	(41,875)	(152,986)
Balance, end of year *(note 3)*	**177,497**	**70,920**	**248,417**	173,254	70,141	243,395

8. CREDIT FACILITIES

The University has an unsecured demand operating facility in the amount of $70.0 million. This facility bears interest at a rate that varies with the balances on deposit, ranging from the bank's prime rate (4.45% as at April 30, 2026) minus 0.5% and Term Canadian Overnight Repo Rate Average (CORRA) (2.30% as at April 30, 2026) plus 1.50%. Letters of credit of $24.2 million (2025: $13.7 million) and loan guarantees of $0.9 million (2025: $1.1 million) have been utilized against this facility.

9. LONG-TERM LIABILITIES

Long-term liabilities consist of the following:

	2026 $	2025 $
Obligation under lease assignment *(note 4)*	**37,963**	38,798
Less current portion recorded in accounts payable and accrued liabilities	**(928)**	(835)
Long-term portion of obligation under lease assignment	**37,035**	37,963
Employee other benefit plans *(note 14)*	**288,779**	255,510
Total	**325,814**	293,473

10. LONG-TERM DEBT

Long-term debt consists of the following:

	2026 $	2025 $
Debentures		
Senior unsecured debenture bearing interest at 6.48%, maturing on March 7, 2042	**200,000**	200,000
Senior unsecured debenture bearing interest at 5.84%, maturing on May 4, 2044	**100,000**	100,000
Senior unsecured debenture bearing interest at 4.46%, maturing on February 26, 2054	**100,000**	100,000
Senior unsecured debenture bearing interest at 3.58%, maturing on May 26, 2056	**100,000**	100,000
Senior unsecured debenture bearing interest at 3.39%, maturing on April 1, 2060	**100,000**	100,000
	600,000	600,000
Unamortized transaction costs	**(3,042)**	(3,119)
	596,958	596,881
Less current portion	**–**	–
Total	**596,958**	596,881

Scheduled future minimum annual repayments of long-term debt are as follows:

	$
After 2031	600,000
Total	600,000

The amount of interest expense net of capitalized interest *(note 6e)* during the year on long-term debt was $29,382 (2025: $25,603).

A voluntary sinking fund *(notes 3 and 12)* was established for the purpose of accumulating funds to repay the principal of the University's debentures at maturity. The value of the fund included in investments as at April 30, 2026 amounted to $123,048 (2025: $111,486).

11. DEFERRED CAPITAL CONTRIBUTIONS

The changes in the deferred capital contributions balance are as follows:

	2026	**2025**
	$	**$**
Balance, beginning of year	**453,587**	439,808
Contributions in the year	**12,543**	34,504
Amortization of deferred capital contributions	**(20,737)**	(20,725)
Balance, end of year	**445,393**	453,587
Comprising:		
Capital contributions – expended	**445,231**	453,525
Capital contributions – unexpended	**162**	62
Total	**445,393**	453,587

12. INTERNALLY RESTRICTED NET ASSETS

Details of internally restricted net assets are as follows:

	2026	**2025**
	$	**$**
Departmental carryforwards	**(355,196)**	(192,644)
University fund	**118,602**	126,547
Computing systems development	**15,623**	21,878
Contractual commitments to employee groups	**8,209**	11,274
Research programs	**51,778**	53,283
Employee pension benefits *(note 14)*	**253,561**	198,020
Sinking fund *(notes 3 and 10)*	**123,048**	111,486
Investment in capital assets	**231,072**	236,336
Land appraisal reserve	**580,102**	580,102
Capital reserve	**315,787**	275,602
Future funded capital projects	**(85,602)**	(104,594)
Total	**1,256,984**	1,317,290

Internally restricted net assets include funds committed for specific purposes that reflect the application of the Board of Governors' policy as follows:

i. Departmental carryforwards – These represent the cumulative surplus (deficit) positions of all Faculties and Divisions as at year-end. Under Board policy, which is approved annually, Faculties and Divisions are to carry forward the net unspent (overspent) funds from previous years' allocations.

ii. University fund – This represents funds set aside to address future academic and strategic initiatives of the University.

iii. Computing systems development – The University is planning to implement or upgrade several administrative computing and information systems. These appropriated funds support forward commitments for these systems planned or in progress, as well as planned future stages of system implementation not yet contracted as at year-end.

iv. Contractual commitments to employee groups – This is the net carryforward of funds to meet future commitments defined under collective agreements with various employee groups.

v. Research programs – This represents appropriations for internally funded research.

vi. Employee pension benefits – This represents the net pension surplus associated with the pension plan.

vii. Sinking fund – This represents funds set aside to retire debentures (*note 10)*.

viii. Investment in capital assets – This represents the net amount of capital assets funded using internal capital.

ix. Land appraisal reserve – This represents the increase to the appraised value of University land as at May 1, 2011.

x. Capital reserve – This represents funds restricted for deferred maintenance, capital emergencies and capital projects planned or in progress.

xi. Future funded capital projects – This represents projects that will be funded in the future through a combination of budget allocations, donations and debt.

13. ENDOWMENTS

Endowments include restricted donations received by the University and funds that have been internally designated by the Board of Governors. Investment returns generated from endowments are used in accordance with the various purposes established by the donors or by the Board of Governors. On an annual basis, the University determines the distribution for spending after a review of each individual endowment's original contribution, market value, and consideration of the long-term objective to preserve the purchasing power of each endowment.

The changes in net assets restricted for endowments are as follows:

	2026			**2025**		
	Internally restricted	**Externally restricted**	**Total**	**Internally restricted**	**Externally restricted**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Balance, beginning of year	**17,232**	**644,380**	**661,612**	16,205	591,587	607,792
Contributions	**-**	**9,425**	**9,425**	-	6,885	6,885
Investment income *(note 3)*	**1,146**	**51,881**	**53,027**	1,747	63,019	64,766
Available for spending	**(9,465)**	**(19,461)**	**(28,926)**	(720)	(17,111)	(17,831)
Transfers	**1,600**	**2,926**	**4,526**	-	-	-
Balance, end of year	**10,513**	**689,150**	**699,663**	17,232	644,380	661,612

Ontario Student Opportunity Trust Fund and Ontario Trust for Student Support

Externally restricted endowments include grants from the Government of Ontario under the Ontario Student Opportunity Trust Fund ("OSOTF") and the Ontario Trust for Student Support ("OTSS") matching programs. These programs provided matching funds for eligible endowment donations in support of student aid. Investment income earned on these funds is used to finance awards to qualified students.

The position of these fund balances, at book and market value, is calculated as follows:

For the year ended April 30	OSOTF I $	OSOTF II $	2026 $	2025 $
Endowment Funds:				
Endowment at book value, beginning and end of year	**67,583**	**10,714**	**78,297**	78,297
Endowment at market value, end of year	**151,009**	**22,564**	**173,573**	165,674
Expendable Funds:				
Expendable funds available for awards, beginning of year	**60,242**	**6,821**	**67,063**	51,457
Realized investment gains, net of capital protection	**10,316**	**1,542**	**11,858**	20,000
Bursaries awarded	**(4,103)**	**(570)**	**(4,673)**	(4,394)
Expendable funds available for awards, end of year	**66,455**	**7,793**	**74,248**	67,063
Number of bursaries awarded	**1,671**	**254**	**1,925**	1,739

OTSS For the year ended March 31*	2026 $	2025 $
Endowment Funds:		
Endowment at book value, beginning and end of year	**45,764**	45,764
Endowment at market value, end of year	**92,656**	93,504
Expendable Funds:		
Expendable funds available for awards, beginning of year	**38,261**	29,539
Realized investment gains, net of capital protection	**5,782**	11,038
Bursaries awarded	**(2,636)**	(2,316)
Expendable funds available for awards, end of year	**41,407**	38,261
Number of bursaries awarded	**1,042**	913

*As per reporting guidelines as determined by the Ministry of Colleges, Universities, Research Excellence and Security.

The expendable funds available for awards are included in deferred contributions *(note 7)* on the consolidated statement of financial position.

14. EMPLOYEE BENEFIT PLANS

The University has a number of funded and unfunded benefit plans that provide pension, other retirement and post-employment benefits to most of its employees. The pension plan is a defined contribution plan, which has a defined benefit component that provides a minimum level of pension benefits. The most recent actuarial valuation for funding purposes for the pension plan was performed as at December 31, 2025.

Other retirement benefit plans are contributory health care plans with retiree contributions adjusted annually. There is also a plan that provides for long-term disability income benefits after employment, but before retirement. The most recent actuarial valuation for other post-retirement benefits was performed as at November 1, 2025. The most recent actuarial valuation for post-employment benefits was performed as at April 30, 2026.

Information about the University's benefit plans is as follows:

	2026		2025	
	Pension benefit plan	Other benefit plans	Pension benefit plan	Other benefit plans
	$	$	$	$
Plan surplus (deficit), beginning of year	**198,020**	**(255,510)**	182,382	(243,628)
Employee benefit plan expense	**(42,576)**	**(22,524)**	(45,893)	(22,458)
Remeasurements	**45,232**	**(23,173)**	4,788	(761)
Employer contributions	**52,885**	**12,428**	56,743	11,337
Plan surplus (deficit), end of year	**253,561**	**(288,779)**	198,020	(255,510)
Additional information:				
Plan assets	**3,922,406**	**-**	3,752,234	-
Plan obligations	**(3,668,845)**	**(288,779)**	(3,554,214)	(255,510)
Plan surplus (deficit)	**253,561**	**(288,779)**	198,020	(255,510)
Employee contributions	**42,670**	**-**	46,443	-
Benefits paid and administrative expenses	**185,382**	**13,632**	179,836	12,350

Remeasurements consist of actuarial gains (losses) and the difference between expected and actual investment returns on plan assets.

The pension plan surplus is recorded in assets on the consolidated statement of financial position. The other benefit plan deficiency is included in long-term liabilities *(note 9)* on the consolidated statement of financial position.

The significant actuarial assumptions adopted in measuring the University's accrued benefit surplus (deficit) and benefit costs are as follows:

	2026		2025	
	Pension benefit plan	Other benefit plans	Pension benefit plan	Other benefit plans
	%	%	%	%
Accrued benefit surplus (deficit)				
Discount rate	**5.75**	**5.10/4.55**	5.75	4.85/4.30
Rate of inflation	**2.00**	**2.00**	2.00	2.00
Rate of compensation increase	**4.00**	**4.00**	4.00	4.00
Benefit expense				
Discount rate	**5.75**	**4.85/4.30**	5.75	5.25/5.10
Rate of inflation	**2.00**	**2.00**	2.00	2.00
Expected long-term rate of return on plan assets	**5.75**	**-**	5.75	-
Rate of compensation increase	**4.00**	**4.00**	4.00	4.00

The discount rate used to measure the University's unfunded defined benefit obligation ("DBO") was determined based on the yield of high-quality corporate bonds. The discount rate for the accrued benefit was 5.10% (2025: 4.85%) for post-retirement benefits ("PRB") and 4.55% (2025: 4.30%) for post-employment benefits ("PEB"), and the discount rate for the benefit expense was 4.85% (2025: 5.25%) for PRB and 4.30% (2025: 5.10%) for PEB.

For measurement purposes, 5.21% (2025: 5.23%) and 5.30% (2025: 5.19%) annual increases in the cost of covered health care benefits were assumed for PRB and PEB, respectively. The rate of increase was assumed to decrease gradually starting in 2031 to 4.05% by 2040 for both PRB and PEB plans; the rate of increase is to remain at that level thereafter.

The assets of the pension benefit plan are invested as follows:

	2026	2025
	%	%
Equities	**38**	39
Fixed income	**33**	33
Other	**29**	28
Total	**100**	100

15. ADDITIONAL INFORMATION

The net change in non-cash balances related to operations consists of the following:

	2026	2025
	$	$
Accounts receivable	**29,678**	23,306
Inventories	**(273)**	85
Prepaid expenses	**(1,145)**	(6,011)
Accounts payable and accrued liabilities	**7,887**	(60,218)
Deferred revenue	**(11,914)**	(66,943)
Deferred contributions	**5,022**	1,333
Net change in non-cash balances related to operations	**29,255**	(108,448)

The sale of investments is calculated as follows:

	2026	2025
	$	$
Change in investments	**66,875**	138,560
Investment income on externally restricted endowments less amounts made available for spending *(note 13)*	**32,420**	45,908
Sale of investments, net	**99,295**	184,468

The purchase of capital assets is calculated as follows:

	2026	2025
	$	$
Additions to capital assets	**(45,288)**	(92,201)
Change in current year, from the previous year, in accounts payable and accrued liabilities related to capital asset additions	**(3,237)**	997
Purchase of capital assets	**(48,525)**	(91,204)

The contributions restricted for capital purposes is calculated as follows:

	2026	2025
	$	$
Contributions restricted for capital purposes *(note 11)*	**12,543**	34,504
Change in current year, from the previous year, in accounts receivable related to contributions restricted for capital purposes	**-**	(20,000)
Contributions restricted for capital purposes	**12,543**	14,504

As at April 30, 2026, accounts payable and accrued liabilities include government remittances payable of $21,934 (2025: $23,965).

16. RELATED ENTITY

The University is a member, with 20 other universities, of TRIUMF Inc., Canada's national laboratory for particle and nuclear physics located on the University of British Columbia ("UBC") campus. TRIUMF Inc. is a registered charity and not-for-profit corporation incorporated under the laws of Canada and each university has an undivided 1/21 interest in its assets, liabilities and obligations. The land and buildings TRIUMF Inc. occupies are owned by UBC. The facilities and its operations are funded by federal government grants, and the University has made no direct financial contribution to date. TRIUMF Inc.'s net assets are not contemplated to be and are not readily realizable by the University. The University's interest in the assets, liabilities and results of operations are not included in these consolidated financial statements (*note 17(c)*).

The following financial information as at March 31 for TRIUMF Inc. was prepared in accordance with Canadian Public Sector Accounting Standards, including accounting standards that apply to government not-for-profit organizations, except that all capital assets and related provisions for decommissioning costs, if any, are expensed in the year in which the costs are incurred. Any differences in the reporting framework are not material to the University's consolidated financial statements.

	2026 **$**	**2025** **$**
	(Unaudited)	(Audited)
Statement of financial position		
Total assets	**59,253**	72,374
Total liabilities	**(19,094)**	(25,569)
Total fund balances	**40,159**	46,805
Statement of combined funding/revenue and expenses		
Revenue	**120,872**	114,847
Expenses	**(127,518)**	(114,972)
Deficit of revenue over expenses	**(6,646)**	(125)

17. COMMITMENTS AND CONTINGENT LIABILITIES

a) Litigation and other regulatory proceedings

The nature of the University's activities is such that there is usually litigation and/or other regulatory proceedings pending or in prospect at any one time. With respect to known claims as at April 30, 2026, the University believes it has valid defences and appropriate insurance coverage in place. Therefore, such claims are not expected to have a material effect on the University's financial position. There exist other claims or potential claims where the outcome cannot be determined at this time. Should any additional losses occur, they would be charged to income in the year they can be estimated.

b) Canadian University Reciprocal Insurance Exchange ("CURIE")

The University participates in a reciprocal exchange of insurance risks in association with other Canadian universities. This self-insurance reciprocal, CURIE, involves a subscriber agreement to share the insurable property and liability risks of member universities for a term of not less than five years. Plan members are required to pay annual deposit premiums, which are actuarially determined and expensed in the year. Plan members are subject to further assessment in proportion to their participation in the event premiums are insufficient to cover losses and expenses. As at December 31, 2025, CURIE was fully funded.

c) TRIUMF Inc.

While there is no intention of decommissioning the TRIUMF Inc. facilities, the TRIUMF Inc. members have complied with federal legislation by putting in place a decommissioning plan, including a funding plan, in the event TRIUMF Inc. is decommissioned. The decommissioning plan is updated regularly in compliance with TRIUMF Inc.'s licensing requirements. As at March 31, 2025, the balance in the fund, $14.0 million, is held in an escrow account to fund decommissioning costs. Each member university has entered into an agreement confirming they will share the cost of any funding shortfall in the event decommissioning costs exceed funding available for decommissioning.

d) Capital and other commitments

The estimated committed cost for capital and other projects as at April 30, 2026 is approximately $26.9 million. These capital projects will be financed by government grants, internal funds, debenture proceeds and fundraising. Commitments related to cloud computing arrangements for software as at April 30, 2026 is approximately $16.5 million.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The University is exposed to various financial risks through transactions in financial instruments. There are no significant changes in risks in 2026 from 2025.

Foreign currency risk

The University is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of its pooled funds denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to the changes in the relative value of foreign currencies against the Canadian dollar. The University uses foreign currency forward contracts to manage the foreign currency risk associated with its investments denominated in foreign currencies (*note 3*).

Interest rate risk

The University is exposed to interest rate risk with respect to its investments in fixed income investments, including pooled funds that hold fixed income securities, its investment in lease and offsetting liability, and with respect to its fixed rate debt, because the fair value will fluctuate. The University manages interest rate risk through diversification and guidelines as set out in its statement of investment policies and procedures.

Credit risk

The University is exposed to credit risk in connection with its accounts receivable and its short-term and fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. The credit quality of fixed income investments is managed by the University's investment managers in accordance with policies of the University. The external managers are responsible for the regular monitoring of credit exposures. The majority of the University's investments in fixed income securities are of investment grade.

Other price risk

The University is exposed to other price risk through changes in market prices (other than changes arising from interest rate or currency risks) in connection with its investments in equity securities and pooled funds. The University manages other price risk through diversification as set out in its statement of investment policies and procedures.

Liquidity risk

The University is exposed to liquidity risk to the extent that it will encounter difficulty in meeting obligations associated with its financial liabilities. To manage liquidity risk, the University keeps sufficient resources readily available to meet its obligations. The majority of the University's investments are in publicly traded liquid assets that are easily sold and converted to cash.

19. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from consolidated financial statements previously presented to conform to the presentation of the 2026 consolidated financial statements.