



MEMORIAL UNIVERSITY OF NEWFOUNDLAND

# ANNUAL REPORT

2006 – 2007

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Board of Regents

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June 30, 2008

Honourable Joan Burke, M.H.A.  
Minister of Education  
Department of Education  
Confederation Building  
St. John's, NF  
A1B 4J6

Dear Minister Burke:

In accordance with the Board of Regents' responsibilities under the *Transparency and Accountability Act*, I present the 2006-07 annual report for Memorial University of Newfoundland.

The activities in this report coincide with initiatives outlined in the document *Memorial University of Newfoundland Strategic Plan, April 1, 2006 - March 31, 2008* that was tabled in the House of Assembly.

The main strategic issues include Learning Opportunities, Research, Strengthening Memorial's Connections in the Province and Facilities.

My signature below is indicative of the Board's accountability for the achievement of the specific goals and objectives that have been set for the university and the actual results reported.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Gil Dalton", with a long horizontal line extending to the right.

Gil Dalton  
Chair of the Board of Regents

## INSTITUTIONAL OVERVIEW

Memorial University College was founded in 1925 as a living memorial to those who fought in World War I. It began with an initial enrollment of 55 students and a full-time teaching staff of six. In 1949 one of the first legislative acts of the newly formed provincial government was to give the college full university status.

Memorial University of Newfoundland moved to a new campus on Elizabeth Avenue in St. John's in 1961 and a period of rapid expansion followed. Sir Wilfred Grenfell College in Corner Brook was established in 1975 to meet the demand for university education on the west coast of the province. In 1995 the Marine Institute in St. John's merged with Memorial University, bringing the total number of campuses in the province to three. Together these three campuses, along with the campus in Harlow, England, have educated and served the people of this province.

The standard to which Memorial has always aspired was set out by the province's first premier, Joseph R. Smallwood, who declared that Memorial should be the most distinguished institution for its size in the world. Memorial has pursued this goal vigorously and with a good measure of success. The university is now the largest in the Atlantic Provinces and this growth has been achieved in large measure by educating the people of Newfoundland and Labrador.

The table below provides detailed enrollment information for Fall 2006 by campus, level, gender and status. [NB: The Marine Institute also provided short-course industry training for an additional 7,919 clients during the year.]

### Fall 2006

Campus	Undergraduate/Diploma			Graduate			Grand Total
	Female	Male	Total	Female	Male	Total	
St. John's	7,149	4,815	11,964	1,350	1,126	2,476	14,440
Full-time	6,445	4,471	10,916	828	749	1,577	12,493
Part-time	704	344	1,048	522	377	899	1,947
SWGC	752	386	1,138	0	0	0	1,138
Full-time	717	355	1,072	0	0	0	1,072
Part-time	35	31	66	0	0	0	66
Marine Inst.	352	820	1,172	1	5	6	1,178
Full-time	236	591	827	1	5	6	833
Part-time	116	229	345	0	0	0	345
Distance	760	489	1,249	0	0	0	1,249
Full-time	108	57	165	0	0	0	165
Part-time	652	432	1,084	0	0	0	1,084
Nursing Schools	623	59	682	0	0	0	682
Full-time	599	57	656	0	0	0	656
Part-time	24	2	26	0	0	0	26
<b>Grand Total</b>	<b>9636</b>	<b>6569</b>	<b>16205</b>	<b>1351</b>	<b>1131</b>	<b>2482</b>	<b>18687</b>

Program offerings have grown and Memorial has earned a place among the best comprehensive universities in the country. Externally funded research now exceeds \$90 million annually. Memorial has also been a major contributor to the social, cultural and economic development of the province having educated the vast majority of its teachers, business people, civil servants, engineers, scientists, health professionals and visual and performing artists, among others.

In 2006-07 Memorial employed more than 6,000 faculty and staff across its three campuses as shown in the table below:

#### 01-Apr-06

Campus	Faculty			Staff			Grand Total
	Female	Male	Total	Female	Male	Total	
St. John's	313	621	934	2,409	2,082	4,491	5,425
Full-time	299	607	906	1,339	1,401	2,740	3,646
Part-time	14	14	28	1,070	681	1,751	1,779
SWGC	34	76	110	127	88	215	325
Full-time	34	76	110	60	48	108	218
Part-time	0	0	0	67	40	107	107
Marine Inst.	34	148	182	58	64	122	304
Full-time	29	133	162	48	39	87	249
Part-time	5	15	20	10	25	35	55
<b>Totals</b>	<b>381</b>	<b>845</b>	<b>1,226</b>	<b>2,594</b>	<b>2,234</b>	<b>4,828</b>	<b>6,054</b>

## MANDATE

Memorial University was formally established by the *Memorial University Act*. Its mandate is described in Section 8 as follows:

The university shall, where and to the full extent which its resources permit provide:

- (a) instruction in all branches of liberal education that enables students to become proficient in and qualify for degrees, diplomas and certificates in science, commerce, arts, literature, law, medicine and all other branches of knowledge;
- (b) instruction, whether theoretical, technical, artistic or otherwise that is of special service to persons engaged or about to be engaged in the fisheries, manufacturing or the mining, engineering, agricultural and industrial pursuits of the province;
- (c) facilities for the prosecution of original research in science, literature, arts, medicine, law, and especially the application of science to the study of fisheries and forestry;
- (d) fellowships, scholarships, exhibitions, prizes and monetary and other aids that facilitate or encourage proficiency in the subjects taught in the university as well as original research in every branch, and;
- (e) extra-collegiate and extra-university instruction and teaching and public lecturing, whether by radio or otherwise, that may be recommended by the Senate.

The legislation also defines the governance structure of the institution and powers and responsibilities vested in it. The governance system is bicameral in nature and is comprised of a Board of Regents and Senate. The Board of Regents is generally charged with the "management, administration and control of the property, revenue, business and affairs of the university". Among others, the Board has the specific power to:

- make rules and regulations concerning the meetings of the Board and its transactions;
- exercise, in the name and for the benefit of the university and as the act and deed of the university, any or all powers, authorities and privileges conferred upon the university as a corporation by this Act;
- acquire, maintain and keep in proper order real property;
- lay out and spend sums that may be considered necessary for the support and maintenance of the university;
- appoint the leadership, faculty and staff of the university;
- establish faculty councils and other bodies with the university;
- fix, determine and collect all fees and charges to be paid to the university.

The Senate has "general charge of all matters of an academic character." Some of its key powers include:

- determining the degrees, including honorary degrees, diplomas and certificates of proficiency to be granted by the university and the persons to whom they shall be granted;
- determining the conditions of matriculation and entrance, the standing to be allowed students entering the university and all related matters;
- considering and determining all courses of study and all matters relating to courses of study ;  
regulating instruction and determining the methods and limits of instructions;
- preparing the calendar of the university for publication;
- exercising disciplinary jurisdiction with respect to students in attendance at the university by way of appeal of the faculty council.

In addition the Act also addresses a number of other issues such as exemption from taxation, protection from liability, audit, annual reporting, parking and the appointment of the president.

Two other items are of note. Article 36 of the Act mandates that the university cannot incur liability or make an expenditure that exceeds one-quarter of one percent of its total annual operating revenue. Article 38 of the Act is intended to preserve the autonomy of the institution, stating that the university is not an agency of the Crown for the purpose of the *Auditor General Act* or any other purpose.

The university is also subject to the *Transparency and Accountability Act*, though there are clauses in that Act intended to protect the autonomy of the institution.

## LINES OF BUSINESS

Memorial is a very diverse institution that offers instruction and conducts research in a wide variety of disciplines. It also engages in a vast array of community service activities beyond its core mandate of teaching and research, including operation of The Works (the Memorial University Recreational Complex Inc., consisting of the Aquarena, the Field House and other facilities), the Botanical Garden, the *Newfoundland Quarterly*, among others. To describe them all would require a great deal more space than is intended for this document. However, generally speaking, the university's four major lines of business are teaching, research and scholarly activity, community service and administration.

- A. Teaching – The university offers a multitude of certificate, diploma, undergraduate and graduate programs at its three major campuses in St. John's and Corner Brook and via distance education. It is solely responsible for the development and delivery of the curriculum required for these programs, for the evaluation of the students enrolled in them, for the academic policies that govern them and for the academic standards applied to them.
- B. Research and Scholarly Activity – All faculty members are expected to conduct research and engage in scholarly activity that keeps them at the forefront of their respective disciplines. Memorial has become increasingly active in this area and in 2006-07 attracted approximately \$90 million in external funding to support this research. It has a number of research centres and institutes that are focused on such issues as cold ocean engineering, marine science and the social and economic issues that face the province.
- C. Community Service – Faculty members are also expected to serve both the institution and the community in a variety of ways. Internally, faculty members serve the institution primarily by serving on governing bodies such as Senate, or as a member of committees which are the backbone of the collegial and consultative culture that exists in a university environment. Externally, Memorial is very focused on addressing the needs of the province. Entities such as the Harris Centre for Regional Development Studies and the Genesis Group have strong community linkages. Faculty members lend their expertise to external committees and advisory boards and conduct applied research that is directly applicable to local problems that have been identified. Entities such as The Works and the Botanical Garden provide another form of service to the general public.
- D. Administration – An institution the size of Memorial requires a significant central administration to ensure it runs efficiently and effectively. Some of the major functions include registrarial services, human resource management, finance, academic and administrative computing, facilities management, marketing and communications, student affairs, risk management/audit, alumni relations and development, and analysis and planning.

## CORE VALUES AND PRINCIPLES

A set of strongly held core values and principles guide the university as it makes the decisions that will shape its future.

- Quality and Excellence – Memorial seeks to achieve the highest possible quality in the delivery of programs and services and the research it conducts, striving for excellence in all that it does.
- Creativity, Ingenuity, and Innovation – Memorial will foster a climate that encourages people to be creative and innovative.
- Equity, Equality, and Diversity – Memorial values the diversity within the institution and treats people in an equitable manner.
- Accessibility – Memorial strives to be accessible to students.
- Collegiality and Co-operation – Memorial must continue to be a place where people conduct themselves in a respectful, collegial and co-operative manner, both among campuses and among the academic and administrative entities that comprise them.
- Responsiveness and Flexibility – Memorial has an obligation to be responsive to identified needs and will seek to be more flexible.
- Competitiveness – Memorial strives to be nationally and internationally competitive in all that it does.
- High Ethical Standards – Memorial holds itself to the highest ethical standards in its teaching, research and service.
- Sustainability – Memorial acts in a manner that is environmentally, economically and socially sustainable, both in its administration and in its program development.
- Accountability and Transparency – Memorial recognizes that accountability and transparency are essential characteristics of its culture.

## PRIMARY CLIENTS

Memorial University has four groups of primary clients. They are:

- Students
  - o certificate
  - o diploma
  - o undergraduate
  - o graduate
- Alumni
- Funders
  - o Provincial Government
  - o Federal Government (research)
  - o Other
- Communities



## VISION

Memorial will remain a highly accessible and comprehensive institution that is true to its core values. It will be an exciting place to work and study and will boast of a highly supportive environment where students, faculty and staff can thrive. It will be inclusive but at the same time sufficiently focused so that the university builds on its natural advantages/strengths and on the needs of the province.

Memorial will continue to grow in many ways. There will be significant growth in the graduate student population along with relatively modest growth in undergraduate enrollment. The number of students from the rest of Canada will grow as will the international student population. There will be greater emphasis on experiential learning opportunities for students. The environment of all campuses will be enhanced by new and renewed infrastructure, positioning the university among the best in the world.

Research activity will grow and there will be much greater levels of co-operation and collaboration across disciplines, across campuses, and with other institutions. New areas of research specialization will emerge along with exciting new educational programs.

Sir Wilfred Grenfell College will experience significant growth in enrollment, driven by new high-demand programs, and will develop a stronger research mandate consistent with its strengths and the needs of the communities it serves. The Marine Institute will be well on its way to implementing its own strategic vision and be emerging as one of the world's foremost ocean institutes. The university will invigorate its relationships with traditional partners and develop new ones to help achieve strategic objectives.

## MISSION

Memorial's mission statement was first set out in its first strategic planning document, *Launch Forth*:

*Memorial University is committed to excellence in teaching, research and scholarship and service to the general public.*

*Memorial University recognizes a special obligation to educate the citizens of Newfoundland and Labrador, to undertake research on the challenges this province faces and to share its expertise with the community.*

During the most recent strategic planning exercise it was decided that the university should consider revising its mission statement. In recent years, there have been concerted efforts to look beyond the borders of this province, actively recruiting students nationally and internationally, and seeking to become more involved in international ventures but this was not recognized as part of Memorial's mission. To address this, the mission statement has been revised as follows:

*Memorial University is an inclusive community dedicated to creativity, innovation and excellence in teaching and learning, research and scholarship and to public engagement and service. We recognize our special obligation to the people of Newfoundland and Labrador.*

*Memorial welcomes students and scholars from all over the world and contributes knowledge and shares expertise locally, nationally and internationally.*

**Measure:** Demonstrated excellence in higher education

**Indicators:**

- Enhanced programming
- Enhanced research profile
- Enhanced student supports to foster student success
- Enhanced facilities to accommodate anticipated growth

# OUTCOMES OF OBJECTIVES

## ISSUE 1: LEARNING OPPORTUNITIES

Memorial has an obligation to provide a high quality education for its students, one that fully develops their potential to become active, engaged and productive members of their community, the province and the world. Students will continue to be a central focus of this institution and their success while attending the university and afterwards is a key measure of its success.

The university is committed to providing the best learning opportunities for its students.

### **GOAL 1: By March 31, 2008, Memorial University will have increased and enhanced its students' learning opportunities.**

**Measure:** Increased and enhanced learning opportunities

**Indicators:**

- Increased course offerings
- Expanded and new academic programs

### **OBJECTIVE 1: By March 31, 2007, Memorial University will have increased and enhanced its students' learning opportunities.**

**Measure:** Enhanced learning opportunities for students

#### **The following details the university's successful achievement of each of the indicators as presented in the strategic plan:**

On the undergraduate side, Memorial has seen significant increases in out-of province and international enrollment and as a result is achieving its goal of becoming a more culturally diverse student body. Domestic enrollment did decline, as was anticipated.

Overall, Memorial's undergraduate enrollment declined by 1.9 per cent which according to the Association of Atlantic Universities was among the smallest declines in the Atlantic Provinces in 2007. Graduate enrollment has increased by about one per cent in the past year.

**Indicators:**

- Increased course offerings
- Expanded academic programs

In 2006-07 the university increased its course offerings and expanded its academic programs through the creation or revision of the following courses:

- Bachelor of Resource Management (SWGCI)
- PhD Program in Theoretical Physics
- Interdisciplinary PhD Program
- Bachelor of Nursing (Post-RN) Nurse Practitioner Primary Health Care Option
- Master of Business Administration (Executive Option in Petroleum)
- Faculty of Arts – Police Studies Major Program
- Major Program in Process Engineering
- Master of Public Health
- School of Social Work – major redesign of program

Further course/program increase/expansion included:

- Distance Education annual course registrants have surpassed 15,000 representing 12.8 per cent of the university's overall enrollment, an increase of 30 per cent since 2001.
- Between 1999-2000 and 2006-2007, graduate level course enrollment has increased approximately 343 per cent.
- New on-line courses are being developed for the following programs of study: Arts; Education - Bachelor of Post-Secondary Education; Engineering – Master of Engineering Management; and Human Kinetics and Recreation - Master of Physical Education. As well, the development of graduate programs in Arts and Business are planned.
- Expansion of course offerings in Happy-Valley Goose Bay and Central Newfoundland in co-operation with the College of the North Atlantic.

**Indicator:**

- Increased resources and support for student recruitment and retention

In 2006-07 the university increased resources and support for student recruitment and retention through the following activities:

- The Enrollment Planning Working Group (EPWG) has been responsible for the oversight of student success, retention and recruitment for the past number of years. In an effort to direct more attention to this issue, there was a significant reorganization of the group and subcommittees for recruitment, retention and marketing were established. These subgroups will report back to the EPWG and recommend and monitor specific projects intended to improve student success at Memorial.
- Retention will be a major focus of attention at Memorial in the coming years. The university is seeking outside assistance for recruitment and retention of graduate and undergraduate students and hopes to have made a decision on a consultant in the near future.
- The Classroom Teaching Infrastructure and Development Fund and the Teaching Innovation Fund are providing a total of \$1 million annually to enhance the teaching and learning environment.
- Memorial University's Division of Distance Education and Learning Technology (DELT), the College of the North Atlantic and the Centre for Distance Learning and Innovation (CDLI) collaborated on adoption of a province-wide learning management system (LMS) for the delivery of credit-based courses.

**Indicator:**

- Increased academic support, advising and counseling

In 2006-07, the university increased academic support, advising and counseling through the following initiatives:

- The increased numbers of students from around the world and across Canada is making Memorial more diverse and these students are enriching the campus with their knowledge, traditions and experiences. Additional staff resources have been added to assist these students in their transition. There is also more diversity in the academic preparation and psychological health of our students, and services to ensure students are successful academically have been in high demand. Student service providers are developing new programs to respond to the various needs of our students and creatively developing services that can be delivered via technology. Some key facts and figures include:
  - In 2006-07 there were 1,800 participants, a 64 per cent increase over the past three years.

- In 2006-07 there were nine new international student clubs on campus which reflect the cultural diversity of our students.
- Memorial's career fair 2006-07 which is the largest career fair in Atlantic Canada provided over 1,500 students with access to 150 employer and graduate school exhibitors.
- The Glenn Roy Blundon Centre which co-ordinates services for students with disabilities serviced an increasing number of needs. In 2006-07 it processed and administered 1,979 accommodations, a 21 per cent increase from the previous year.
- In 2006-07, over 2,000 students were involved in experiential learning opportunities through the part-time employment programs on campus.
- In 2006-07, the university established an international development fund to ensure that any new revenue from international tuition is directed towards enhancing the support provided to international students and for building Memorial's international activities. These enhanced services include counseling, academic advising and English as a Second Language training.

## **OBJECTIVE 2: By March 31, 2008, Memorial University will have further increased and enhanced its students' learning opportunities.**

**Measure:** Enhanced learning opportunities for students

### **Indicators:**

- Continued emphasis on enrolment management
- Increased course and program offerings
- Enhanced student learning experiences through extracurricular and experiential learning opportunities
- Continued demonstrated excellence in teaching
- Increased resources and support for student recruitment and retention

## **ISSUE TWO: RESEARCH**

The economic, social and cultural development of Newfoundland and Labrador remains central to research activity at the university, but equally important is how this activity is situated in global terms. To face the complexity of 21st-century life, Memorial will identify research themes that enable fruitful, cross-disciplinary approaches and the sharing of resources. These activities must be actively supported at all levels of the university community, with a view not only to advancing knowledge for its own sake but also to having the greatest national and international impact.

The university is committed to improvement in its research capability.

## **GOAL 2: By March 31, 2008, Memorial University will have improved research capability.**

**Measure:** Improved research capability

### **Indicators:**

- Enhanced research in line with provincial needs
- Increased external research funding
- Increased research findings/results of local, national and international significance
- Enhanced research capacity at Marine Institute in oceans sciences

## **OBJECTIVE 1: By March 31, 2007, Memorial University will have improved research capability through select initiatives.**

**Measure:** improved research capability

**The following details the university's successful achievement of each of the indicators as presented in the strategic plan:**

### **Indicator:**

- Enhanced research in line with provincial priorities

In 2006-07, the university enhanced research in line with provincial policies through the following initiatives:

- This year Memorial led a national network with focus on healthy oceans including the North Atlantic Canadian Healthy Ocean Network.
- Exploring new collaborative Centre for Energy Research and Development (CERD) proposal with energy companies in Newfoundland and Labrador.
- Three-year renewal of Springboard Inc., regional network of technology transfer offices (\$8 million from ACOA), led by Memorial's Genesis Group.
- An overarching Intellectual Property Policy was endorsed by Senate capturing interests of all researchers contributing to Intellectual Property including faculty not covered by the MUN-MUNFA Collective Agreement or the Intellectual Property Policy of the School of Graduate Studies.
- In 2006-07, the expansion of the Core Research Equipment and Instrument Training (CREAIT) Network. CREAIT was responsible for maintaining and operating thematic clusters of multi-user research equipment.
- Development of 2006-07 Research Annual Report. The report was recognized internationally with a silver medal for annual reports from the Council for the Advancement of and Support of Education (CASE).

In 2006-07, the university created a task force on internationalization at Memorial to report on and provide guidance to the university on how to structure its many international activities.

### **Indicator:**

- Improved ocean research through replacement of the Marine Institute's training ship

In 2006-07, efforts were made to enhance research capacity at Marine Institute in ocean sciences:

- MI received budgetary approval for replacement vessel. The *MV Louis Lauzier* was returned in September 2005. MI purchased the *MV Anne S. Pierce* in late October 2006. Ownership of the vessel provided operation advantages (the other vessel was leased) for training and research projects.

### **Indicator:**

- Increased external support from federal agencies (e.g. AIF)

In 2006-07, the university increased the amount of external funding support it received for research initiatives.

- Memorial University researchers received \$2.3 million from the Canada Foundation for Innovation

through its Leaders Opportunity Fund for new equipment, aiding in new discoveries in areas such as DNA sequencing, aging and memory, seabed imaging and landscape ecology.

- \$5 million received from NSERC Strategic Network to establish Canadian Healthy Ocean Network (CHONE).
- In 2006-07, Memorial University continues to lead the region in success under the Atlantic Innovation Fund (AIF). Some examples of that activity this year included:
  - Dr. Stephen Butt, Faculty of Engineering and Applied Science, (\$1.8 million) will develop new drilling processes for the oil industry.
  - Dr. Patrick Parfrey, Faculty of Medicine, (\$3 million) will head an interdisciplinary team in human genetics to develop a system of research into inherited and complex genetic diseases in Newfoundland and Labrador.
  - Dr. Siu O'Young, Faculty of Engineering and Applied Science, (\$3 million) will head up the Remote Aerial Vehicle for Environmental Monitoring (RAVEN II) project developing collision avoidance systems for small unmanned aerial vehicles.
- Advancement this year of the Canadian Foundation for Innovation (CFI) Research Hospital Fund proposal - \$29 million total project cost including \$18 million from Government of Newfoundland and Labrador – focus on human population genetics as exemplified by the discovery, sequencing and development of a molecular diagnostic test for the ARVC gene.
- The establishment of senior administrative position to manage and grow Memorial's research and development activities: Associate Vice-President (Research), will serve the goal to enhance funding support.

#### Indicator:

- Increased number of federally funded research chairs (e.g. CFI)

This year new Canada Research Chairs (CRCs) were established in strategic sectors:

- Faculty of Medicine – Cell signaling in human disease (focus on cancer)
- Faculty of Engineering and Marine Institute – Ocean Technology
- Faculty of Medicine & School of Nursing – Healthy Aging
- Faculty of Medicine – Health Promotions and Community Development

#### Indicator:

- Increased leveraged funding for research with assistance from provincial IRIF

In 2006-07, the university Increased leveraged funding for research with assistance from provincial Industrial Research and Innovation Fund (IRIF).

- Approval of new start-up fund to provide improved recruitment and early-career support for new faculty through IRIF.
- Researchers at Memorial University received more than \$5 million from the Provincial Government's Industrial Research and Innovation Fund recently for projects that include insect behaviour, ocean habitats, pollution in the far North, physician retention, bone implants, birth defects, and hypertension. The provincial investment leveraged \$26 million in federal and private sector awards (a leverage of \$5.14:\$1)

## **OBJECTIVE 2: By March 31, 2008, Memorial University will have further improved research capability.**

**Measure:** Improved research capability

### **Indicators:**

- Enhanced research of global significance
- Enhanced research in line with provincial priorities
- Continued external funding support from federal agencies

## **ISSUE 3: STRENGTHENING OUR CONNECTIONS IN THE PROVINCE**

Memorial University has played a major role in the development of this province. The university reaches out to the communities of Newfoundland and Labrador and actively engages in dialogue to learn more about the opportunities they represent and the problems they face. It also welcomes communities into the university to share in our expertise.

## **GOAL 3: By March 31, 2008, Memorial University will have strengthened its connections with rural areas and collaboration within the educational system.**

**Measure:** Enhanced rural activities/connections, enhanced educational collaborations

### **Indicators:**

- Increased activity of the Leslie Harris Centre in developing fora for community interactions
- Increased visits/presentations by president and senior officials to rural communities province-wide
- Increased collaborations on training (i.e. CNA and apprentice training) and specialized training (i.e. offshore and other safety training at MI in Foxtrap and Stephenville)

## **OBJECTIVE 1: By March 31, 2007, Memorial University will have improved connections with rural areas and collaborations within the educational system.**

**Measure:** Improved connections and collaborations

**The following details the university's successful achievement of each of the indicators as presented in the strategic plan:**

### **Indicator:**

- Increased activity of the Leslie Harris Centre in developing fora for community interactions

In 2006-07, the Leslie Harris Centre of Regional Policy and Development and other university units such as the Labrador Institute enhanced Memorial's interactions with rural communities. Activities and initiatives included:

- Presentation of regional workshops throughout the province to outline activities of the university in the regions and to identify other initiatives where the university could improve the region's economy and quality of life.
- Financial resources have been acquired from various government agencies which have been used to generate new research projects by university faculty and students in regional policy and development, in provincial competitiveness, and in the fishery.

- Harris Centre commencement of project to develop a new on-line searchable database listing the resources of the university available to communities and select issues which could be addressed using university resources.
- The Labrador Institute (LI) plays a major role in defining and facilitating Memorial's presence in Labrador. Some of its major activities include:
  - Promoting, planning and aiding in the delivery of two Memorial intersession courses in 2007 in Happy Valley-Goose Bay
  - Promoting Memorial's membership in the University of the Arctic as a means of meeting educational needs identified in the Labrador Postsecondary Needs Assessment;
  - Collaborating with the Harris Centre and regional zone boards on the development of Memorial Presents and Regional Workshops for Labrador West and Central Labrador in 2007.
  - LI worked closely with the Search Committee for the Canada Research Chair in Aboriginal Studies. Short-listed candidates visited Labrador, delivered public presentations and met with aboriginal groups.
- The Labrador Institute is working in collaboration with Nunatsiavut officials on the development of an MOU between Memorial and the Nunatsiavut Government on educational and training needs.

#### Indicator:

- Increased visits/presentations by president and senior officials to rural communities province-wide

In 2006-07, the university's president and senior officials undertook visits to explore opportunities and made formal presentations on the services and activities of Memorial to rural community leaders throughout the province.

- Areas and communities visited and where the president gave major presentations on Memorial to community leaders include: Corner Brook, Port aux Basques, Stephenville, Grand Falls-Windsor, Gander, Happy Valley-Goose Bay, Marystown, Conception Bay North, Harbour Breton

#### Indicator:

- Increased collaborations on training (i.e. CNA and apprentice training) and specialized training (i.e. offshore and other safety training at MI in Foxtrap and Stephenville)

In 2006-07, the university undertook a number of specific research, educational and training initiatives through its rural outreach.

- Expansion of safety and training initiatives at Marine Institute's facilities in Foxtrap (OSSC) and Stephenville (SERT).

### Offshore Safety and Survival Centre (Foxtrap) Facilities and Equipment

- Faculty office added as a result of provincial government funding
- Set up capability to offer Offshore Installation Manager Response to Emergencies training
- Beta testing of lifeboat simulator
- Additional fast rescue craft acquired
- Emergency repairs only to fire field simulators
- Smoke house reconfigured to offer additional courses



## Applied Research

- Completed three year international research project on passenger ship evacuation
- Progressed and completed a number of applied research projects in collaboration with others including:
  - Lifeboat testing in ice
  - Life raft thermal performance
  - Forces and accelerations on marine evacuation

## Safety and Emergency Response Training Centre, Stephenville Training/Courses

- Additional Fire Program
- Aircraft Rescue and Firefighting NFPA 1003.
- Aircraft Rescue and Firefighting NFPA 1003 (recert)
- Aircraft Rescue and Firefighting (Live Burn Training)
- Aircraft Rescue and Firefighting ( C.A.R.S recert )
- Hazardous Materials NFPA 472 (Awareness Level )
- Hazardous Materials NFPA 472 (Operation Level )
- Fire Apparatus Pumper Driver Operator NFPA 1002
- Shipboard Firefighting for Land Based Firefighters NFPA 1405
- Confined Space Rescue NPFA 1006
- High-Angle Rope Rescue NFPA 1006

## Facilities and Equipment

- Renovation and upgrade of SERT office building (administration and classrooms)
- Construction of NFPA compliant fire fighting training structure
- Construction of a 16 x 20 storage building for the fire-field
- Upgrade of electrical system to field Classroom
- Construction of a rope-rescue tower
- Completion of a Mobile Confined Space Trailer
- Water supply system upgrade
- Fire hall upgrades.
- Upgrades to the mock-up aircraft that include: simulated aircraft wing, doors, windows and seats and modification of fuel system and links
- Renovation to the existing storage building (washroom and shower facility)
- Acquisition of all related firefighting equipment (Fire Suits, Extinguishers, SCBA)

## Community Support

- SERT provided emergency support to the community of Stephenville during flooding this year
- Introduction of apprenticeship training initiative. Memorial accepted skilled-trades apprentices under the new program of the provincial government (as did College of the North Atlantic).
- The Marine Institute, in partnership with the FFAW and the Professional Fish Harvesters Certification Board, undertook a massive effort to provide marine emergency training to over 3,000 fish harvesters in over 100 communities across the province. The MED A1 course is designed for fish harvesters and mariners operating more than 20 miles from shore and included classroom demonstrations and practical, in-water exercises.

## **OBJECTIVE 2: By March 31, 2008, Memorial University will have further improved rural connections and educational collaborations.**

**Measure:** Enhanced rural activities/connections, enhanced educational collaborations

### **Indicators:**

- Expanded interactions between senior university officials and rural community leaders
- Enhanced resources for study related to provincial issues
- Enhanced outreach

## **ISSUE FOUR: FACILITIES**

Many of the buildings on Memorial's campuses are more than 30 years old and in need of revitalization. In recent years, government has made very significant commitments that have allowed the university to address issues of deferred maintenance. However, there is still much to be done. New infrastructure is also needed to ensure that the university is able to meet its objectives.

## **GOAL 4: By March 31, 2008, Memorial University will have enhanced and improved its facilities.**

**Measure:** Enhanced and improved facilities

### **Indicators:**

- Enhanced efforts to address deferred maintenance
- Improved plan to address priority issues

## **OBJECTIVE 1: By March 31, 2007, Memorial University will have enhanced and improved select facilities.**

**Measure:** Enhanced and Improved facilities

**The following details the university's successful achievement of each of the indicators as presented in the strategic plan:**

### **Indicator:**

- Enhanced efforts to address deferred maintenance in select facilities

Provincial budget provides funding to address aspects of deferred maintenance;

- Plans underway to renovate eight buildings to improve energy performance at a cost of \$14 million. The project is self-financing and will result in greenhouse gas reductions equivalent to removing 1,050 automobiles from our highways. When completed, this project is projected to result in annual savings to the university exceeding \$1.3 million. This level of savings has already escalated to \$2.2 million and will continue to escalate with future increases in the cost of energy.

### **Indicator:**

- Improved plan to address priority issues through development of an infrastructure strategy

In 2006-07, the university developed an infrastructure plan for presentation to government sometime in next fiscal year.

Approval obtained from the province for funding to construct:

- New residences at St. John's;
- Major renovation of existing St. John's residences;
- New residences at SWGC, Corner Brook;
- New academic building at SWGC.

**OBJECTIVE 2: By March 31, 2008, Memorial University will have enhanced and improved its facilities.**

**Measure:** Enhanced and Improved facilities

**Indicators:**

- Enhanced facilities
- Enhanced initiatives in sustainability and environmental stewardship

## CONCLUSION

While the regulatory requirement for annual reporting and strategic planning is relatively new in Newfoundland and Labrador, Memorial University has been working with comprehensive plans for almost two decades and submitting annual reports for much longer.

The President's Report 2006-07 goes into much greater detail on the general initiatives reported in this document and on many other activities of the university.

Readers can find that report and many other relevant documents, including the annual Memorial University Fact Book, the annual Research Report, annual audited financial statements, planning documents, including the Strategic Framework 2000-07 and Five Pillars 2007-2012 and much more information on the Memorial University website ([www.mun.ca](http://www.mun.ca)).

Memorial will continue to honour its obligations to be open and transparent with its constituents, accountable to its funders, and responsible for its actions. In the spirit of transparency and accountability, the university will continue to operate in a manner that allows open communication about its activities, progress towards stated goals and objectives and use of resources. The financial statements of the university for 2006-07 are appended to this report.



# **Consolidated Financial Statements with Supplementary Schedules**

**Year Ended March 31, 2007**

*Consolidated Financial Statements of*

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND**

*March 31, 2007*

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
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FOR THE YEAR ENDED MARCH 31, 2007**

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## Auditors' Report

To the Board of Regents of  
Memorial University of Newfoundland

We have audited the consolidated statement of financial position of Memorial University of Newfoundland (the "University") as at March 31, 2007 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants  
June 12, 2007



**MEMORIAL UNIVERSITY OF NEWFOUNDLAND**  
**Consolidated Statement of Financial Position**  
**March 31, 2007, with comparative figures for 2006**

**STATEMENT 1**

**(thousands of dollars)**

	<b>2007</b>	<b>2006</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 49,360	\$ 36,348
Short-term investments	-	9,905
Accounts receivable	47,586	35,892
Accrued interest receivable	1,397	959
Inventory and prepaid expense	9,164	6,148
	<b>107,507</b>	<b>89,252</b>
Long-term receivable	3,074	3,523
Investments (note 7)	57,452	48,699
Capital assets (note 3)	160,280	157,085
	<b>\$ 328,313</b>	<b>\$ 298,559</b>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
<b>Current liabilities:</b>		
Bank indebtedness (note 6)	\$ 5,541	\$ 6,003
Accounts payable and accrued liabilities	16,519	11,912
Deferred revenue	10,385	10,616
Current portion of employee future benefits (note 11)	9,901	9,390
Current portion of long term-debt (note 5)	1,003	1,311
	<b>43,349</b>	<b>39,232</b>
<b>Long-term liabilities:</b>		
Long-term debt (note 5)	451	840
Employee future benefits (note 11)	89,837	79,367
	<b>90,288</b>	<b>80,207</b>
Deferred contributions (note 4)	204,533	191,361
<b>Net Assets:</b>		
Net assets restricted for endowment purposes (note 10)	56,186	53,114
Net assets invested in capital assets	-1,413	-1,638
Unrestricted net assets	-64,630	-63,717
	<b>-9,857</b>	<b>-12,241</b>
	<b>\$ 328,313</b>	<b>\$ 298,559</b>

See accompanying notes to consolidated financial statements.

Commitment (note 12)

Contingencies (note 9)

On behalf of the Board:

**SIGNED**

Chair of the Board of Regents

**SIGNED**

Chair of the Finance Committee

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND**  
**Consolidated Statement of Operations**  
**Year ended March 31, 2007, with comparative figures for 2006**

**STATEMENT 2**

**(thousands of dollars)**

	<b>2007</b>	<b>2006</b>
<b>Revenue:</b>		
Government grants	\$ 263,624	\$ 243,191
Student fees	54,157	54,924
Other revenue	24,063	29,721
Amortization of deferred capital contributions	21,521	20,702
Sales and services	15,972	14,800
Investment income	5,946	6,162
Donations	2,026	2,757
	<b>387,309</b>	<b>372,257</b>
<b>Expenditures:</b>		
Salaries	201,824	193,158
Employee benefits	34,972	33,400
Materials and supplies	29,743	38,298
Amortization	21,333	20,455
Utilities	19,371	17,176
Scholarships, bursaries and awards	17,707	16,297
Repairs and maintenance	14,954	10,673
Travel and hosting	13,580	12,293
Externally contracted services	13,402	12,895
Professional fees	11,975	8,629
Employee future benefits	11,256	5,000
Other operating expenses	9,613	13,495
Reference materials	2,344	625
Equipment rentals	2,318	2,056
External cost recoveries	-15,546	-15,596
	<b>388,846</b>	<b>368,854</b>
<b>Excess of revenue over expenditures</b>		
<b>(expenditures over revenue)</b>	<b>\$ -1,537</b>	<b>\$ 3,403</b>

See accompanying notes to consolidated financial statements.

## MEMORIAL UNIVERSITY OF NEWFOUNDLAND

## STATEMENT 3

## Consolidated Statement of Changes in Net Assets

Year ended March 31, 2007, with comparative figures for 2006

(thousands of dollars)

	Invested in Capital Assets	Restricted for Endowment Purposes		2007 Total	2006 Total
		Unrestricted			
Balance, beginning of year	\$ -1,638 \$	53,114 \$	-63,717 \$	-12,241 \$	-18,534
Excess of revenue over expenditures (expenditures over revenue)	188	-849	-876	-1,537	3,403
Endowment contributions	-	3,921	-	3,921	2,890
Increase (decrease) to invested in capital assets	37	-	-37	-	-
<b>Balance, end of year</b>	<b>\$ -1,413 \$</b>	<b>56,186 \$</b>	<b>-64,630 \$</b>	<b>-9,857 \$</b>	<b>-12,241</b>

See accompanying notes to consolidated financial statements.

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND**  
**Consolidated Statement of Cash Flows**  
**Year ended March 31, 2007, with comparative figures for 2006**

**STATEMENT 4**

**(thousands of dollars)**

	<b>2007</b>	<b>2006</b>
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures (expenditures over revenue)	\$ -1,537	\$ 3,403
Items not involving cash:		
Amortization of capital assets	21,333	20,455
Net increase in deferred contributions related to expenses of future periods	8,965	5,050
Increase in long-term portion of employee future benefits	10,470	5,348
Increase in current portion of employee future benefits	511	-282
Amortization of deferred capital contributions	-21,521	-20,702
Loss on disposal of capital assets	129	144
Change in non-cash working capital	-10,772	-9,131
	<u>7,578</u>	<u>4,285</u>
Financing activities:		
Repayment of long-term debt	-697	-1,527
Decrease in bank indebtedness	-462	-1,139
Endowment contributions	3,921	2,890
Addition to deferred capital contributions	25,728	28,014
	<u>28,490</u>	<u>28,238</u>
Investing activities:		
Capital assets acquired	-24,657	-25,310
Increase in pooled investments	-8,753	-1,563
Reduction in long-term receivable	449	140
Decrease in short-term investments	9,905	4,009
	<u>-23,056</u>	<u>-22,724</u>
<b>Increase in cash and cash equivalents</b>	<b>13,012</b>	<b>9,799</b>
Cash and cash equivalents, beginning of year	36,348	26,549
<b>Cash and cash equivalents, end of year</b>	<b>\$ 49,360</b>	<b>\$ 36,348</b>

See accompanying notes to consolidated financial statements.

# Memorial University of Newfoundland

## Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

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### 1. AUTHORITY AND PURPOSE

Memorial University of Newfoundland (the “University”) is a corporation operating under the authority of the *Memorial University Act*. It is a comprehensive research university offering a full range of undergraduate, graduate and continuing studies programs. The academic governance of the University is vested in the Senate. The University is a not-for-profit entity, governed by a Board of Regents, the majority of whom are appointed by the Province of Newfoundland and Labrador. The University is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

### 2. Significant Accounting Policies

#### General

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting principles are summarized as follows:

#### (a) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### (b) Consolidated statements

These financial statements have been prepared on a consolidated basis, reporting the operations and financial position of the University and the following related not-for-profit organizations:

- ⇒ C-CORE
- ⇒ The Canadian Centre for Marine Communications (CCMC)
- ⇒ The Canadian Centre for Fisheries Innovation (CCFI)
- ⇒ Genesis Group Inc.
- ⇒ The Memorial University of Newfoundland Botanical Garden Incorporated
- ⇒ Memorial University Recreation Complex (MURC)
- ⇒ Western Sports and Entertainment Inc.
- ⇒ Campus Childcare Inc.
- ⇒ Newfoundland Quarterly Foundation

**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

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**2. Significant Accounting Policies (cont'd)**

**(c) Cash equivalents and short-term investments**

Cash equivalents and short-term investments consist primarily of cash, treasury bills and bankers' acceptances. Investments with original maturities less than three months past year end are classified as cash equivalents. Investments with maturities beyond three months to one year past year end are classified as short-term investments. Short-term investments are carried at cost, which approximates market value.

**(d) Revenue recognition**

The University follows the deferral method of accounting for contributions, which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the year in which related expenses are recognized. Contributions of capital assets are recorded at fair market value at the date of the contribution and deferred and amortized to operations on the same basis as the related asset. Endowment contributions are recognized as direct increases in the net assets in the year in which they are received. Revenues from contracts, sales and student fees are recognized when the goods or services are provided and collection is reasonably assured.

**(e) Contributed services**

Volunteers, including volunteer efforts from the staff of the University, contribute an indeterminable number of hours per year to assist the University in carrying out its service delivery activities. The costs that would otherwise be associated with these contributed services is not recognized in these financial statements.

**(f) Investments**

Investments are carried at cost. Fair values have been determined on the basis described in note 7 and are considered to approximate market values.

**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

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**2. Significant Accounting Policies (cont'd)**

**(g) Capital assets**

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of acquisition. Repairs and maintenance expenditures are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

The University's permanent art collection is expensed as incurred and the value of donated art is not recognized in these financial statements.

Capital assets are amortized using the following rates. One-half year's amortization is taken in the year of acquisition and no amortization in the year of disposal.

⇒ Buildings	8% declining balance
⇒ Furniture and equipment	20% declining balance
⇒ Computers	30% declining balance
⇒ Banner Finance	20% declining balance
⇒ Vehicles	30% declining balance
⇒ Campus network	5 years straight line
⇒ Library collection	10 years straight line

**(h) Employee future benefits**

**(i) Pension costs and obligations**

The employees of the University participate in a defined benefit pension plan administered under the Memorial University Pensions Act with any deficiencies being funded by the Province of Newfoundland and Labrador. Payments to the pension plan consist of contributions from employees and contributions from the University as prescribed in the Pension Benefits Act (1997). In addition, where the plan experiences a solvency deficiency, the employer is required to contribute an amount sufficient to liquidate the deficiency within 5 years of the solvency valuation date. The University's contributions to the Pension Plan are recorded as an expenditure in the Statement of Operations.

The most recent actuarial valuation prepared by Eckler Partners Ltd. disclosed a solvency deficiency of \$133,141 and a going concern deficiency of \$57,893 at March 31, 2007. Under the Pension Benefits Act (PBA), a going concern deficiency must be funded over a period of not more than 15 years while a solvency deficiency is to be funded over a maximum 5 year period.

**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

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**2. Significant Accounting Policies (cont'd)**

**(i) Pension costs and obligations (cont'd)**

The going concern deficiency of \$57,893 includes \$53,747 in respect of past service costs related to the introduction of indexing in 2004. This indexing liability is being financed under a special PBA provision through both employee and employer contributions over a remaining period of 37.25 years. In accordance with the PBA, the balance of the going concern, namely \$4,146, must be liquidated during the 2007/08 fiscal year.

At present, the University has an exemption under the PBA from making payments relating to the solvency deficiency. This exemption expires December 31, 2010.

**(ii) Other post employment benefits**

The University accrues its obligations for employee benefit plans. The employee future benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and administration's best estimate of salary escalation, retirement ages of employees and escalation in covered benefit expense outlays.

The University recognizes the cost of the Supplemental Retirement Income Plan (SRIP), the Voluntary Early Retirement Income Plan (VERIP) and the cost of future employee benefits which include severance, accrued vacation, group life insurance and health care benefits.

**(i) Agency obligations**

The University acts as an agent which holds resources and makes disbursements on behalf of various unrelated groups. The University has no discretion over such agency transactions. Resources received in connection with such agency transactions are reported as liabilities and subsequent distributions are recorded as decreases to these liabilities.



**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

**3. Capital Assets**

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>2007 Net Book Value</b>	<b>2006 Net Book Value</b>
Buildings	\$192,377	\$107,298	<b>\$85,079</b>	\$87,998
Furniture & equipment	66,908	31,249	<b>35,659</b>	29,803
Computers	27,361	20,569	<b>6,792</b>	7,307
Banner Finance	1,722	1,087	<b>635</b>	794
Vehicles	2,334	1,495	<b>839</b>	884
Campus network	3,282	3,282	-	330
Library collection	113,694	82,418	<b>31,276</b>	29,969
	<b>\$407,678</b>	<b>\$247,398</b>	<b>\$160,280</b>	<b>\$157,085</b>

Capital assets include certain assets under capital lease with a net book value of \$2.415 million (2006 – \$3.354 million).

**4. Deferred Contributions**

**(a) Expenses of future periods**

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations for research and programs.

	<b>2007</b>	<b>2006</b>
Balance, beginning of year	<b>\$40,869</b>	\$35,829
Revenue received during the year	<b>57,731</b>	54,129
Expenses incurred during the year	<b>-48,766</b>	-49,089
	<b>\$49,834</b>	<b>\$40,869</b>

**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

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**4. Deferred Contributions (cont'd)**

**(b) Capital assets**

Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the Statement of Operations.

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	<b>2007</b>	2006
Balance, beginning of year	<b>\$150,492</b>	\$143,180
Additional contributions received	<b>25,728</b>	28,014
Less amounts amortized to revenue	<b>-21,521</b>	-20,702
	<b>\$154,699</b>	\$150,492

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**(c) Total deferred contributions**

	<b>2007</b>	2006
Expenses of future periods	<b>\$49,834</b>	\$40,869
Capital assets	<b>154,699</b>	150,492
	<b>\$204,533</b>	\$191,361

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**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

**5. Long-term Debt**

	<b>2007</b>	2006
RBC Royal Bank, fixed term demand loan, 5.19% interest, repayable in 9 equal annual, blended payments of \$121,580, maturing in April 2012, unsecured	<b>\$613</b>	\$699
CMHC mortgage on Queen's College, 5.875% interest, repayable in 50 equal, blended payments of \$29,095 semi-annually, maturing in June 2019, secured	<b>482</b>	510
Capital leases negotiated through the Royal Bank, interest rates vary, payable in equal annual installments, secured by assets under lease	<b>359</b>	942
	<b>\$1,454</b>	\$2,151
Less current portion	<b>1,003</b>	1,311
	<b>\$451</b>	\$840

Annual repayments of long-term debt over the next five years are as follows:

⇒ 2008	\$1,003
⇒ 2009	\$ 32
⇒ 2010	\$ 34
⇒ 2011	\$ 36
⇒ 2012	\$ 38

**6. Bank Indebtedness**

Pursuant to Section 41 of the Memorial University Act, the University has received approval from the Lieutenant-Governor in Council to borrow to finance a capital project. The project involved the construction of a new residence complex for Sir Wilfred Grenfell College. Currently the Sir Wilfred Grenfell College Residence debt has been negotiated using bankers' acceptances which mature during 2007. Management expects to refinance this loan through bankers' acceptance for the balance of the term of the loan.

**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

**7. Financial Instruments**

The carrying values of financial instruments included in current assets and current liabilities approximate their market value due to the relatively short periods to maturity of the instruments.

The carrying values of long-term receivables are non-interest bearing and thus do not reflect fair value.

The carrying values of long-term debts approximate their fair value based on current borrowing rates available to the University.

Long-term investments are recorded at cost. The carrying amounts and fair values of investments are summarized as follows:

	2007		2006	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Fixed Income	\$30,125	\$31,468	\$23,405	\$24,278
Equities	27,327	32,934	25,294	29,695
	<b>\$57,452</b>	<b>\$64,402</b>	<b>\$48,699</b>	<b>\$53,973</b>

Details of significant terms and considerations, exposures to interest rate and credit risks on investments are as follows:

- (i) The quality of fixed income securities is supported by federal, provincial and municipal government guarantees or high quality corporate bonds. No significant weightings exist within the corporate bond category that would pose any material credit rate risk to the University.
- (ii) Interest rates on fixed income securities range from 4.1% to 7.4% with maturities ranging from 2007 to 2049.
- (iii) The income earned on the securities is used to pay scholarships and fund endowed chairs. Expenditure levels on these activities are determined based on the performance of the investments.

**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

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**8. Memorial University Act**

In accordance with the Memorial University Act, the University is normally prohibited from recording a deficit on their financial statements. During 1996, pursuant to Section 36 of the *Memorial University Act*, the University received approval from the Lieutenant-Governor in Council to record a deficit of up to \$5 million in 1996 and an additional \$10 million in 1997 as a result of the recognition of the liabilities related to Voluntary Early Retirement Plans for faculty and staff. During 2001, the University received approval from the Lieutenant-Governor in Council to exclude from the definition of a deficit, pursuant to Section 36 of the *Memorial University Act*, any amounts resulting from the recognition of the liabilities related to recording vacation pay entitlements, severance and any other post employment benefits.

**9. Contingencies**

**Reciprocal exchange of insurance risks**

The University, in association with fifty-six Canadian universities, participates in a reciprocal exchange (CURIE) of insurance risks. The self-insurance cooperative involves a contractual agreement to share the insurance property and liability risks of member universities for a term of not less than five years.

The projected cost of claims will be funded through members' premiums based on actuarial projections. As of December 31, 2006, CURIE has a surplus of \$16.507 million, of which the University's prorata share is approximately 3% on an ongoing basis. In addition, the reciprocal has obtained \$645 re-insurance with commercial insurers to cover major property claims in excess of \$5 million per occurrence.

In respect of general liability, the limit is \$5 million per occurrence. Re-insurance for liability coverage in the amount of \$15 million in excess of a \$5 million per occurrence retention is in place.

In respect of errors and omissions liability policy, the limit is \$5 million per occurrence. Re-insurance for errors and omissions was purchased through a combined excess program with general liability in the amount of \$15 million.

As the originating insurers, CURIE has a contingent liability in the event that a re-insurer is unable to meet its obligations. In this respect, all re-insurance is placed with insurers registered in Canada and subject to supervision by the Office of the Superintendent of Financial Institutions Canada.

In the event that premiums are not sufficient to cover claims settlements, the member universities would be subject to an assessment in proportion to their participation.

**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

**10. Net Assets**

The University has total restricted net assets for endowment purposes as follows:

	<b>2007</b>	2006
Restricted assets subject to externally imposed restrictions requiring the principal to be maintained	<b>\$47,132</b>	\$43,898
Restricted assets subject to externally imposed restrictions requiring the principal be loaned to students	<b>1,238</b>	1,268
General University Endowment Fund is an internally restricted endowment	<b>7,816</b>	7,948
	<b>\$56,186</b>	\$53,114

Investment income on the various funds is restricted as stipulated in the terms and conditions of the individual funds. Investment income on the internally restricted fund and any other unrestricted funds is recorded in the Statement of Operations.

The University has unrestricted operating net assets calculated as follows:

	<b>2007</b>	2006
Total net assets	<b>\$-9,857</b>	\$-12,241
Less:		
Net assets restricted for endowment purposes	<b>56,186</b>	53,114
Net assets invested in capital assets	<b>-1,413</b>	-1,638
Net assets internally restricted for specific purposes	<b>7,474</b>	3,443
Net assets invested in separately incorporated entities	<b>8,512</b>	7,266
Net assets invested in employee future benefits	<b>-90,504</b>	-80,089
Net assets invested in accrued vacation benefits	<b>-9,234</b>	-8,668
Unrestricted operating net assets	<b>\$19,122</b>	\$14,331

**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

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**11. Employee Future Benefits**

The University has a number of defined benefit and defined contribution plans providing group life insurance and health care benefits on a cost shared basis to retired employees, and in certain cases, their surviving spouses. In addition, the University pays a severance payment, to certain employee groups, upon termination, retirement or death, provided they meet certain eligibility criteria.

In May 1996, the Board of Regents approved a Supplemental Retirement Income Plan to provide benefits to employees of the University whose salaries exceed the Canada Revenue Agency maximum pensionable salary and whose defined benefit pension, therefore, exceeds the maximum benefit payable from the Plan.

In February and May 1996, the University offered faculty and staff, who reached the age 55 and attained a minimum of 10 years pensionable service, an opportunity to take an early retirement under the provisions of the Voluntary Early Retirement Incentive Plan.

Subject to eligibility criteria, the Plan provided an incentive of enhanced pension benefits of up to five years pensionable service and waiver of actuarial reduction, if applicable, or a lump sum early retirement payment. The early retirement incentive is being funded from operations.

The significant actuarial assumptions used in measuring the University's accrued benefit obligation under each plan are as follows:

*Employee future benefits*

Include a discount rate of 5% and an average rate of compensation increase of 4.5%.

*Supplemental retirement income plan (SRIP)*

Include a discount rate of 7% and an average compensation increase of 4.5%.

*Voluntary early retirement income plan (VERIP)*

Include a discount rate of 8%.

**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

**11. Employee Future Benefits (cont'd)**

	SRIP		VERIP		Other benefits	
	2007	2006	2007	2006	2007	2006
<b>Accrued Benefit Obligation</b>						
Balance, beginning of year	\$3,691	\$4,051	\$5,726	\$5,893	\$70,672	\$64,841
Current service cost	129	172	-	-	3,112	2,678
Interest cost	258	284	435	448	4,061	3,930
Benefits paid	-204	-163	-587	-598	-2,498	-2,498
Actuarial (gain) loss	-176	-653	-119	-17	6,004	1,721
	<b>\$3,698</b>	<b>\$3,691</b>	<b>\$5,455</b>	<b>\$5,726</b>	<b>\$81,351</b>	<b>\$70,672</b>
<b>Current Plan Expense</b>						
Current service expense	\$129	\$172	\$ -	\$ -	\$3,112	\$2,678
Interest cost	258	284	435	448	4,061	3,930
Actuarial (gain) loss	-176	-653	-119	-17	6,004	1,721
	<b>\$211</b>	<b>\$-197</b>	<b>\$316</b>	<b>\$431</b>	<b>\$13,177</b>	<b>\$8,329</b>

A summary of these accrued benefit obligations are as follows:

	2007	2006
Employee future benefits	\$81,351	\$70,672
Supplemental retirement income plan	3,698	3,691
Voluntary early retirement income plan	5,455	5,726
Accrued vacation	9,234	8,668
	<b>\$99,738</b>	<b>\$88,757</b>
Less current portion	9,901	9,390
	<b>\$89,837</b>	<b>\$79,367</b>



**Memorial University of Newfoundland**  
Notes to Consolidated Financial Statements

Year ended March 31, 2007  
(thousands of dollars)

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**12. Commitment**

Memorial University has embarked on an Energy Saving Retrofit Program with Honeywell aimed at finding ways to save energy and reduce utility costs at various facilities. The project, expected to cost \$14.6 million, will focus on eight buildings on the St. John's campus. Memorial has received approval from the Provincial Government to finance this project.

Subsequent to year end the University has entered into a debt arrangement with the Royal Bank, which will be repaid through the energy savings from the retrofit program. Honeywell has guaranteed these energy savings which are expected to be \$1.5 million per year over the next 14 years. This ensures that the project will be self funded.

**13. Comparative Figures**

Certain of the 2006 comparative figures have been reclassified to conform to the financial statement presentation adopted in 2007.

## **Auditors' Report to the Board of Regents Memorial University of Newfoundland on Supplementary Information**

To the Board of Regents of  
Memorial University of Newfoundland

We have audited and reported separately herein on the consolidated financial statements of Memorial University of Newfoundland (the "University") as at and for the year ended March 31, 2007.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of the University taken as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subject to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

*Deloitte & Touche LLP*

Chartered Accountants  
June 12, 2007

SCHEDULE 1

MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
 CONSOLIDATED SCHEDULE OF FINANCIAL POSITION BY FUND  
 AS AT MARCH 31, 2007 (with comparative figures for 2006)  
 (thousands of dollars)

	OPERATING		ANCILLARY ENTERPRISES		PLANT		SPONSORED RESEARCH		SPECIAL PURPOSE AND TRUST		TOTAL																																																																																																																																																																																																																																																																																																																																																																																										
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006																																																																																																																																																																																																																																																																																																																																																																																									
Current assets:													Cash and cash equivalents	6,679	-7,720	2,829	2,558	-2,229	-499	16,891	17,615	25,190	24,394	49,360	36,348	Short-term investments	-	9,905	-	-	-	-	-	-	-	-	-	9,905	Accounts receivable	17,079	13,378	735	236	445	592	24,513	16,925	4,814	4,761	47,586	35,892	Accrued interest receivable	3	73	-	-	-	-	-	-	1,394	886	1,397	959	Inventory and prepaid expense	4,453	4,446	1,778	1,650	2,828	-	42	28	63	24	9,164	6,148	Interfund accounts	924	1,000	-924	-1,000	-	-	-	-	-	-	-	-		29,138	21,082	4,418	3,444	1,044	93	41,446	34,568	31,461	30,065	107,507	89,252	Long-term receivable	-	-	-	-	3,074	3,523	-	-	-	-	3,074	3,523	Investments (note 7)	-	-	-	-	-	-	600	600	56,852	48,099	57,452	48,699	Capital assets (note 3)	-	-	541	634	157,004	153,698	2,610	2,615	125	138	160,280	157,085	<b>Total assets</b>	<b>29,138</b>	<b>21,082</b>	<b>4,959</b>	<b>4,078</b>	<b>161,122</b>	<b>157,314</b>	<b>44,656</b>	<b>37,783</b>	<b>88,438</b>	<b>78,302</b>	<b>328,313</b>	<b>298,559</b>	Current liabilities:													Bank indebtedness (note 6)	-	-	-	-	5,541	6,003	-	-	-	-	5,541	6,003	Accounts payable and accrued liabilities	9,657	6,767	274	163	1,631	793	4,457	3,749	500	440	16,519	11,912	Deferred revenue	2,708	1,911	230	102	2,522	2,859	4,860	5,744	65	-	10,385	10,616	Current portion of employee future benefits (note 11)	9,901	9,390	-	-	-	-	-	-	-	-	9,901	9,390	Current portion of long term-debt (note 5)	-	-	-	-	1,003	1,311	-	-	-	-	1,003	1,311		22,266	18,068	504	265	10,697	10,966	9,317	9,493	565	440	43,349	39,232	Long-term liabilities:													Long-term debt (note 5)	-	-	-	-	451	840	-	-	-	-	451	840	Employee future benefits (note 11)	88,656	78,350	347	279	-	-	714	643	120	95	89,837	79,367		88,656	78,350	347	279	451	840	714	643	120	95	90,288	80,207	Deferred contributions (note 4)	-	-	-	-	151,976	147,753	33,921	26,686	18,636	16,922	204,533	191,361	Net assets:													Net assets restricted for endowment purposes (note 10)	-	-	-	-	-	-	-	-	56,186	53,114	56,186	53,114	Net assets invested in capital assets	-	-	541	634	-1,966	-2,283	3	3	9	8	-1,413	-1,638	Unrestricted net assets	-81,784	-75,336	3,567	2,900	-36	38	701	958	12,922	7,723	-64,630	-63,717		-81,784	-75,336	4,108	3,534	-2,002	-2,245	704	961	69,117	60,845	-9,857	-12,241	<b>Total liabilities, deferred contributions and net assets</b>	<b>29,138</b>	<b>21,082</b>	<b>4,959</b>	<b>4,078</b>	<b>161,122</b>	<b>157,314</b>	<b>44,656</b>	<b>37,783</b>	<b>88,438</b>	<b>78,302</b>	<b>328,313</b>	<b>298,559</b>
Cash and cash equivalents	6,679	-7,720	2,829	2,558	-2,229	-499	16,891	17,615	25,190	24,394	49,360	36,348																																																																																																																																																																																																																																																																																																																																																																																									
Short-term investments	-	9,905	-	-	-	-	-	-	-	-	-	9,905																																																																																																																																																																																																																																																																																																																																																																																									
Accounts receivable	17,079	13,378	735	236	445	592	24,513	16,925	4,814	4,761	47,586	35,892																																																																																																																																																																																																																																																																																																																																																																																									
Accrued interest receivable	3	73	-	-	-	-	-	-	1,394	886	1,397	959																																																																																																																																																																																																																																																																																																																																																																																									
Inventory and prepaid expense	4,453	4,446	1,778	1,650	2,828	-	42	28	63	24	9,164	6,148																																																																																																																																																																																																																																																																																																																																																																																									
Interfund accounts	924	1,000	-924	-1,000	-	-	-	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																									
	29,138	21,082	4,418	3,444	1,044	93	41,446	34,568	31,461	30,065	107,507	89,252																																																																																																																																																																																																																																																																																																																																																																																									
Long-term receivable	-	-	-	-	3,074	3,523	-	-	-	-	3,074	3,523																																																																																																																																																																																																																																																																																																																																																																																									
Investments (note 7)	-	-	-	-	-	-	600	600	56,852	48,099	57,452	48,699																																																																																																																																																																																																																																																																																																																																																																																									
Capital assets (note 3)	-	-	541	634	157,004	153,698	2,610	2,615	125	138	160,280	157,085																																																																																																																																																																																																																																																																																																																																																																																									
<b>Total assets</b>	<b>29,138</b>	<b>21,082</b>	<b>4,959</b>	<b>4,078</b>	<b>161,122</b>	<b>157,314</b>	<b>44,656</b>	<b>37,783</b>	<b>88,438</b>	<b>78,302</b>	<b>328,313</b>	<b>298,559</b>																																																																																																																																																																																																																																																																																																																																																																																									
Current liabilities:																																																																																																																																																																																																																																																																																																																																																																																																					
Bank indebtedness (note 6)	-	-	-	-	5,541	6,003	-	-	-	-	5,541	6,003																																																																																																																																																																																																																																																																																																																																																																																									
Accounts payable and accrued liabilities	9,657	6,767	274	163	1,631	793	4,457	3,749	500	440	16,519	11,912																																																																																																																																																																																																																																																																																																																																																																																									
Deferred revenue	2,708	1,911	230	102	2,522	2,859	4,860	5,744	65	-	10,385	10,616																																																																																																																																																																																																																																																																																																																																																																																									
Current portion of employee future benefits (note 11)	9,901	9,390	-	-	-	-	-	-	-	-	9,901	9,390																																																																																																																																																																																																																																																																																																																																																																																									
Current portion of long term-debt (note 5)	-	-	-	-	1,003	1,311	-	-	-	-	1,003	1,311																																																																																																																																																																																																																																																																																																																																																																																									
	22,266	18,068	504	265	10,697	10,966	9,317	9,493	565	440	43,349	39,232																																																																																																																																																																																																																																																																																																																																																																																									
Long-term liabilities:																																																																																																																																																																																																																																																																																																																																																																																																					
Long-term debt (note 5)	-	-	-	-	451	840	-	-	-	-	451	840																																																																																																																																																																																																																																																																																																																																																																																									
Employee future benefits (note 11)	88,656	78,350	347	279	-	-	714	643	120	95	89,837	79,367																																																																																																																																																																																																																																																																																																																																																																																									
	88,656	78,350	347	279	451	840	714	643	120	95	90,288	80,207																																																																																																																																																																																																																																																																																																																																																																																									
Deferred contributions (note 4)	-	-	-	-	151,976	147,753	33,921	26,686	18,636	16,922	204,533	191,361																																																																																																																																																																																																																																																																																																																																																																																									
Net assets:																																																																																																																																																																																																																																																																																																																																																																																																					
Net assets restricted for endowment purposes (note 10)	-	-	-	-	-	-	-	-	56,186	53,114	56,186	53,114																																																																																																																																																																																																																																																																																																																																																																																									
Net assets invested in capital assets	-	-	541	634	-1,966	-2,283	3	3	9	8	-1,413	-1,638																																																																																																																																																																																																																																																																																																																																																																																									
Unrestricted net assets	-81,784	-75,336	3,567	2,900	-36	38	701	958	12,922	7,723	-64,630	-63,717																																																																																																																																																																																																																																																																																																																																																																																									
	-81,784	-75,336	4,108	3,534	-2,002	-2,245	704	961	69,117	60,845	-9,857	-12,241																																																																																																																																																																																																																																																																																																																																																																																									
<b>Total liabilities, deferred contributions and net assets</b>	<b>29,138</b>	<b>21,082</b>	<b>4,959</b>	<b>4,078</b>	<b>161,122</b>	<b>157,314</b>	<b>44,656</b>	<b>37,783</b>	<b>88,438</b>	<b>78,302</b>	<b>328,313</b>	<b>298,559</b>																																																																																																																																																																																																																																																																																																																																																																																									

SCHEDULE 2

MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
 CONSOLIDATED SCHEDULE OF OPERATIONS BY FUND  
 FOR THE YEAR ENDED MARCH 31, 2007 (with comparative figures for 2006)  
 (thousands of dollars)

	OPERATING		ANCILLARY ENTERPRISES		PLANT		SPONSORED RESEARCH		SPECIAL PURPOSE AND TRUST		TOTAL	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Revenue:												
Government grants	208,560	191,713	717	150	-	-	51,201	48,569	3,146	2,759	263,624	243,191
Student fees	53,980	54,765	-	-	-	-	-	-	177	159	54,157	54,924
Other revenue	12,306	14,756	1,389	729	-1,956	-1,328	4,133	10,253	8,191	5,311	24,063	29,721
Amortization of deferred capital contributions	-	-	-	-	21,132	20,431	378	258	11	13	21,521	20,702
Sales and services	-	-	15,972	14,800	-	-	-	-	-	-	15,972	14,800
Investment income	2,988	1,998	-	-	-	-	220	304	2,738	3,860	5,946	6,162
Donations	28	25	-	-	-	-	172	94	1,826	2,638	2,026	2,757
<b>Total revenue</b>	<b>277,862</b>	<b>263,257</b>	<b>18,078</b>	<b>15,679</b>	<b>19,176</b>	<b>19,103</b>	<b>56,104</b>	<b>59,478</b>	<b>16,089</b>	<b>14,740</b>	<b>387,309</b>	<b>372,257</b>
Expenditures:												
Salaries	172,408	166,915	6,461	5,397	1	-	19,169	16,886	3,785	3,960	201,824	193,158
Employee benefits	31,212	30,078	929	710	-	-	2,268	2,062	563	550	34,972	33,400
Materials and supplies	14,839	14,006	7,316	6,864	330	404	7,298	15,519	-40	1,505	29,743	38,298
Amortization	-	-	152	184	20,789	19,997	379	259	13	15	21,333	20,455
Utilities	15,693	15,160	2,372	1,640	4	4	270	188	1,032	184	19,371	17,176
Scholarships, bursaries and awards	6,291	5,630	3	-	-	-	7,818	6,988	3,595	3,679	17,707	16,297
Repairs and maintenance	5,225	4,404	997	909	5,658	4,721	686	231	2,388	408	14,954	10,673
Travel and hosting	7,034	6,184	50	34	4	-	4,368	3,902	2,124	2,173	13,580	12,293
Externally contracted services	9,077	8,195	700	579	56	24	2,717	2,905	852	1,192	13,402	12,895
Professional fees	4,258	4,256	122	11	102	14	5,569	3,058	1,924	1,290	11,975	8,629
Employee future benefits	11,118	4,941	68	44	-	-	46	-	24	15	11,256	5,000
Other operating expenses	3,829	4,560	347	309	30	31	5,280	8,373	127	222	9,613	13,495
Reference materials	2,012	506	68	-60	-	-	177	153	87	26	2,344	625
Equipment rentals	1,897	1,671	59	53	5	11	281	252	76	69	2,318	2,056
External cost recoveries	-13,996	-14,228	-45	-31	-380	-480	-99	-33	-1,026	-824	-15,546	-15,596
<b>Total expenditures</b>	<b>270,897</b>	<b>252,278</b>	<b>19,599</b>	<b>16,643</b>	<b>26,599</b>	<b>24,726</b>	<b>56,227</b>	<b>60,743</b>	<b>15,524</b>	<b>14,464</b>	<b>388,846</b>	<b>368,854</b>
Increase (decrease) for the year before the following	6,965	10,979	-1,521	-964	-7,423	-5,623	-123	-1,265	565	276	-1,537	3,403
Interfund transfers	-13,413	-10,771	2,095	1,837	7,666	5,938	-134	1,175	3,786	1,821	-	-
<b>Net (decrease) increase in net assets for the year</b>	<b>-6,448</b>	<b>208</b>	<b>574</b>	<b>873</b>	<b>243</b>	<b>315</b>	<b>-257</b>	<b>-90</b>	<b>4,351</b>	<b>2,097</b>	<b>-1,537</b>	<b>3,403</b>

*Unaudited Supplementary Information*

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND**

*March 31, 2007*

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
SCHEDULE OF OPERATING FUND REVENUE  
FOR THE YEAR ENDED MARCH 31, 2007  
(thousands of dollars)  
(unaudited)**

**SCHEDULE A**

	<u>2007</u>	<u>2006</u>
	\$	\$
<b>Government grants:</b>		
Province of Newfoundland and Labrador:		
Department of Education	176,474	162,012
Department of Health	26,839	24,811
Other	1,022	850
Government of Canada		
Indirect Cost of Research	4,225	4,040
	<u>208,560</u>	<u>191,713</u>
<b>Student fees:</b>		
Semester tuition:		
Undergraduates	36,534	37,221
Graduates	3,985	4,041
Non-credit courses:		
Continuing Studies	685	622
Sir Wilfred Grenfell College	295	283
Marine Institute	9,432	9,553
Other fees	3,049	3,045
	<u>53,980</u>	<u>54,765</u>
<b>Investment income</b>	2,988	1,998
<b>Donations</b>	28	25
<b>Other revenue:</b>		
Rental income	539	497
Miscellaneous income	10,876	13,351
Medical Practice Associates	891	908
	<u>12,306</u>	<u>14,756</u>
	<u>277,862</u>	<u>263,257</u>

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND**  
**SCHEDULE OF GROSS OPERATING FUND**  
**EXPENDITURES BY FUNCTION**  
**FOR THE YEAR ENDED MARCH 31, 2007**  
**(thousands of dollars)**  
**(unaudited)**

**SCHEDULE B**

	<u>2007</u>	<u>2006</u>
	\$	\$
<b>Academic:</b>		
Faculty of Arts	<b>25,340</b>	24,903
Faculty of Business Administration	<b>8,502</b>	8,485
Faculty of Education	<b>8,257</b>	8,030
Faculty of Engineering and Applied Science	<b>8,668</b>	9,070
Faculty of Medicine	<b>28,757</b>	27,815
Faculty of Science	<b>33,317</b>	33,645
School of Life Long Learning	<b>978</b>	922
School of Graduate Studies	<b>5,027</b>	4,221
School of Music	<b>2,306</b>	2,293
School of Nursing	<b>4,380</b>	4,040
School of Pharmacy	<b>2,142</b>	1,677
School of Human Kinetics	<b>3,227</b>	2,901
School of Social Work	<b>2,306</b>	2,155
Sir Wilfred Grenfell College	<b>16,873</b>	16,072
Labrador Institute	<b>352</b>	391
Distance Education and Learning Technologies	<b>4,037</b>	3,831
Animal Care Unit	<b>1,203</b>	1,207
Fisheries and Marine Institute	<b>31,118</b>	29,223
Technical Services	<b>3,132</b>	2,668
Oil and Gas Development Partnership	<b>288</b>	251
Harris Centre	<b>242</b>	275
CREAIT	<b>693</b>	453
	<b>191,145</b>	184,528
<b>Support services:</b>		
Administrative departments	<b>23,246</b>	19,233
Computing and Communications	<b>11,838</b>	11,349
Library	<b>15,063</b>	13,210
Student Services	<b>8,106</b>	7,165
Facilities Management	<b>21,457</b>	20,179
	<b>79,710</b>	71,136
<b>Total</b>	<b>270,855</b>	255,664

MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
SCHEDULE OF GROSS OPERATING FUND EXPENDITURES BY ACCOUNT  
FOR THE YEAR ENDED MARCH 31, 2007  
(thousands of dollars)  
(unaudited)

MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
SCHEDULE OF GROSS OPERATING FUND EXPENDITURES BY ACCOUNT  
FOR THE YEAR ENDED MARCH 31, 2007  
(thousands of dollars)  
(unaudited)

	Academic		Library		Student Services		Facilities Management		Computing & Communications		Administration		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Academic salaries	89,438	88,086	2,195	2,218	814	718	-	-	-	-	662	457	93,109	91,479
Other instruction and research salaries	1,935	1,666	155	136	906	828	6	2	130	108	108	93	3,240	2,833
Other salaries and wages	41,900	41,063	3,633	3,482	2,904	2,684	9,956	9,432	4,339	4,286	13,327	11,656	76,059	72,603
Employee benefits	23,158	22,662	1,160	1,117	645	588	2,504	2,370	840	811	2,905	2,530	31,212	30,078
	<u>156,431</u>	<u>153,477</u>	<u>7,143</u>	<u>6,953</u>	<u>5,269</u>	<u>4,818</u>	<u>12,466</u>	<u>11,804</u>	<u>5,309</u>	<u>5,205</u>	<u>17,002</u>	<u>14,736</u>	<u>203,620</u>	<u>196,993</u>
Travel and hosting	5,173	4,598	101	65	467	386	153	150	58	39	1,082	946	7,034	6,184
Materials and supplies	12,393	11,704	273	517	1,329	1,039	1,029	1,287	3,516	3,188	1,016	718	19,556	18,453
Repairs and maintenance	2,371	1,728	274	38	134	127	1,681	1,709	736	124	280	144	5,476	3,870
Reference materials	1,919	1,665	7,052	5,299	5	5	5	10	1	2	22	20	9,004	7,001
Scholarships, bursaries and awards	5,368	4,573	1	-	633	547	-	-	-	-	289	510	6,291	5,630
Utilities	3,329	3,126	42	36	60	60	12,115	11,482	-32	302	179	154	15,693	15,160
Equipment rentals	1,116	953	99	119	14	13	22	42	574	486	72	58	1,897	1,671
Externally contracted service	3,023	3,008	159	137	97	83	2,631	1,925	2,500	2,490	667	552	9,077	8,195
Professional fees	2,375	2,396	9	12	29	16	211	226	-217	110	1,851	1,496	4,258	4,256
Other operating expenses:														
Institutional memberships	204	187	52	39	25	40	5	4	7	7	303	271	596	548
Property tax	131	105	-	-	-	-	249	236	-	-	-2	-	378	341
Insurance	219	200	-	138	-	-	36	610	2	3	891	8	1,148	959
Debt servicing	285	87	-	-	45	41	1	202	28	13	12	13	371	356
Space rental	419	247	-	-	7	8	-	-	-	-	26	20	452	275
External cost recoveries	-3,611	-3,526	-142	-143	-8	-18	-9,147	-9,508	-644	-620	-444	-413	-13,996	-14,228
	<u>34,714</u>	<u>31,051</u>	<u>7,920</u>	<u>6,257</u>	<u>2,837</u>	<u>2,347</u>	<u>8,991</u>	<u>8,375</u>	<u>6,529</u>	<u>6,144</u>	<u>6,244</u>	<u>4,497</u>	<u>67,235</u>	<u>58,671</u>
	<u>191,145</u>	<u>184,528</u>	<u>15,063</u>	<u>13,210</u>	<u>8,106</u>	<u>7,165</u>	<u>21,457</u>	<u>20,179</u>	<u>11,838</u>	<u>11,349</u>	<u>23,246</u>	<u>19,233</u>	<u>270,855</u>	<u>255,664</u>



**COMPENSATION PRACTICES AT  
MEMORIAL UNIVERSITY OF NEWFOUNDLAND**

Compensation at Memorial University is determined by the duties and responsibilities of respective positions.

At the executive level, the Board of Regents, on the recommendation of its Executive Compensation Committee, determines the salary levels for the university's president and vice-presidents.

Compensation for deans, academic directors and academic department heads includes a salary on a faculty member's scale, based on experience, rank and highest degree, in accordance with a collective agreement negotiated with the Memorial University of Newfoundland Faculty Association (MUNFA). In addition, there is an administrative stipend, set by the Board of Regents, the level of which is dependent on the size and complexity of the faculty, school or department.

For faculty and staff, compensation is determined through collective bargaining between the university and the various unions representing each employee group; MUNFA, the Canadian Union of Public Employees (CUPE), and the Newfoundland Association of Public Employees (NAPE). Periodic reviews of staff positions, including compensation levels, have been conducted with the assistance of external consultants since 1994.

Compensation for administrative directors and managers is set by the Board of Regents. A review of compensation in these positions was conducted by an external consultant in 1994-95.

The attached tabular information and explanatory notes provide an overview of salary ranges for academic, administrative and executive positions at Memorial University.

**SCHEDULE D**

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
EXECUTIVE SALARY RANGES  
MARCH 31, 2007**

	<b>Salary Range (\$)</b>
President and Vice-Chancellor	219,200 - 274,000
Vice-Presidents:	
▶ Academic and Pro Vice-Chancellor	166,960 - 208,700
▶ Admin & Finance	148,400 - 185,500
▶ Research	148,400 - 185,500
Executive Director (Marine Institute)	127,200 - 159,000
Dean-Student Affairs & Services	143,400 - 179,300
Principal – SWGC	127,200 - 159,000

**SCHEDULE D**

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
ACADEMIC SALARY RANGES (note 1)  
MARCH 31, 2007**

	<b>Salary Range (\$)</b>	<b>Actual Minimum &amp; Maximum Salaries</b>	<b>Number of Employees</b>
Academic Executive:	note (2)		15
▶ Deans of Faculties/Schools			7
▶ Directors of Schools			5
▶ University Librarian			1
▶ Associate Vice-President			2
Academic Management:	note (3)		63
▶ Vice Dean (Medicine)			1
▶ Vice-Principal (SWGC)			1
▶ Associate Vice Principal Research (SWGC)			1
▶ Associate Deans			16
▶ Assistant Deans			1
▶ Department Heads			29
▶ Directors			6
▶ Associate Directors			4
▶ Associate University Librarians			4
Academic Staff:	25,101 - 121,296	28,696 - 173,535	1118
▶ Professors	75,389 - 121,296	78,555 - 173,535	259
▶ Associate Professors	62,725 - 97,551	64,308 - 135,543	296
▶ Assistant Professors	53,227 - 67,474	50,061 - 99,134	258
▶ Lecturers (note 4)	46,895 - 54,810	46,895 - 64,308	80
▶ Co-op Education Coordinators	45,312 - 80,138	64,308 - 76,972	14
▶ Librarians	40,563 - 110,215	42,146 - 95,968	37
▶ Instructors - Marine Institute	25,101 - 92,897	28,696 - 88,176	174

Note 1: Some individuals are in receipt of market differentials which may result in salaries that exceed the maximum levels in their approved salary ranges.

Note 2: Academic Deans and Directors receive a salary depending upon professorial rank plus an administrative stipend in the range of \$6,000 to \$25,000 per year depending on the size and complexity of their academic units, and whether they are serving a first or a second term.

Note 3: Academic Departments Heads receive a salary based upon their professorial rank plus an administrative stipend in the range of \$3,000 to \$10,000 depending on the size of their academic unit.

Note 4: Lecturers include 27 Visiting Professors paid on the lecturer scale.

**SCHEDULE D**

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
ADMINISTRATIVE SALARY RANGES (note 1)  
MARCH 31, 2007**

	<b>Salary Range (\$)</b>	<b>Actual Minimum &amp; Maximum Salaries</b>	<b>Number of Employees</b>
Administrative Directors Level 1 to 4:	65,833 - 111,914	72,416 - 143,260	24
Marine Institute Academic and Industrial Response Unit Managers	62,107 - 105,991	65,910 - 105,991	14
Management and Professional Staff (note 2)	23,233 - 89,625	32,394 - 95,899	263
Administrative Staff (note 3)	23,001 - 99,424	23,001 - 81,600	1919

**Note 1:** Some individuals are in receipt of market differentials which may result in salaries that exceed the maximum levels in their approved salary ranges.

**Note 2:** Management and professional staff ranges reflect 15 salary levels developed under the university's Job Evaluation System.

**Note 3:** Administrative and academic support staff salary ranges reflect salary levels defined by union collective agreements or non-bargaining terms and conditions of employment.

