

# ANNUAL FINANCIAL REPORT

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March 31, 2015



Published June 2015

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Message from the  
Vice-President,  
Finance &  
Administration,  
Dalhousie University

The completion of *Inspiration and Impact: Dalhousie Strategic Direction 2014-18* last June was a key step in charting Dalhousie's future. Informed by the *100 Days of Listening* and subsequent feedback from our community, the plan outlines Dalhousie's vision, mission and strategic priorities, offering a joint statement of our shared institutional priorities and creating a strong foundation for further planning and action.

The cornerstone of a successful institutional strategy is the integration of our strategic priorities in a fiscally sustainable manner. The University has continued to improve the budget process, including the implementation of an expanded consultation phase with the aim of developing an integrated multi-year budget. Linking the University's teaching, research, and capital plans to the operating budget propels the University towards achieving its strategic objectives and fulfilling our tri-fold mission: teaching and learning; research, scholarly and artistic work; and public engagement and service to our communities.

Dalhousie's success on many fronts depends on continuing to be competitive in attracting and supporting students from Nova Scotia and beyond, and that holds true in finances: enrolment for the year exceeded the budget projection, resulting in reduced reliance on reserve funds to the balance the budget.

Dalhousie's success also depends on the collective efforts of our most important assets: our faculty and staff. This year the Board finalized a new collective agreement with the Dalhousie Faculty Association for the period 2014-17 following a positive and productive round of collective bargaining. As well, a Joint Pension Committee was established with representatives from employee groups, retirees and University management. The committee has identified a number of features of the pension plan to explore and possibly revise.

Just as we invest in our people, we continue the work to improve the spaces in which they work, study and discover. During the year, the University invested \$56.9 million in capital assets. The LeMarchant Place building opened its doors, progress continues on the Collaborative Health Education Building and the Wallace McCain Learning Commons, and additional funds were invested in facilities renewal projects on all campuses. Planning, approval and implementation of additional projects and initiatives have also progressed and include the expanded footprint and renovation of the Dalhousie Student Union Building, a fitness centre on South Street, an upgrade to the Dentistry clinic and related laboratory and teaching spaces, and the IDEA building on the Sexton Campus

Significant financial challenges remain ahead: uncertainties surrounding government funding, securing enrolment in a climate of shifting demographics, deferred maintenance requirements, and pension funding. However, through persistent and careful management of resources, we can continue to advance Dalhousie's mission and our shared strategic priorities.

I want to convey thanks and appreciation to students, faculty, staff and the many volunteers and loyal supporters who make Dalhousie a truly great university.

A handwritten signature in black ink, appearing to read 'Ian Nason', written in a cursive style.

Ian Nason,  
Vice-President, Finance & Administration

CAPITAL PROJECTS tuition financial services  
studley FACULTY **stewardship** EDUCATION

**DALHOUSIE** net assets 1918  
**UNIVERSITY** RELIABILITY  
enrolment revenue

HALIFAX actual FACILITIES RENEWAL

**Financial Overview**

scholarships **graduates** community

EXPENDITURES RELIABILITY **sexton**

**amortization** TRURO undergraduates

RESEARCH GRANTS AND CONTRACTS

**budget** HALIFAX 1918 ancillaries

enrolment ENDOWMENT PRINCIPAL

EDUCATION revenue employees

net assets FACULTY **graduates**  
tuition scholarships

financial services actual 1300 ENDOWMENTS

TOTAL ENROLMENT 18440 financial performance

TEACHING+RESEARCH+SERVICE

CAPITAL PROJECTS **stewardship**  
RELIABILITY community amortization

studley FACILITIES RENEWAL TRURO

## FINANCIAL OVERVIEW

The University's financial affairs are organized into Funds which encompasses our major activities. Fund accounting enhances budgetary controls, accountability and reporting throughout the University. The University maintains six fund categories: Operating, Ancillary, Endowment, Capital, Research and Special Purpose.



### Operating Fund

The day-to-day revenue and expenditures required to operate the University, so that it can carry out the Academic mission. Government grant, tuition revenue and other general revenue come in to the budget to cover operating expenditures.



### Ancillary Fund

Ancillary units provide services to the University community but are not directly related to the core functions of teaching and research. The ancillary operations include Housing, the Bookstore, Food Services, the Rebecca Cohn Arts Centre and Dalplex.



### Endowment Fund

University operations are supplemented by the University's 1357 endowment funds. Endowments support student bursaries and scholarships, research, library materials and services and academic chairs and salaries. The funds must be spent according to the terms of the individual endowments as established by the donors.

## Assets

### Capital Fund

Accounts for funds received and expended on property, plant and equipment. The Capital Fund consists of restricted contributions resulting from capital asset funding arrangements with external parties, contributed capital assets and government grants, restricted for the purpose of acquiring capital assets and retiring capital advances.



### Research and Special Purpose Funds

Research & Special Purpose expenditures are supported by revenues which are restricted for the purposes designated by the funders and sponsors and cannot be used to support operations.

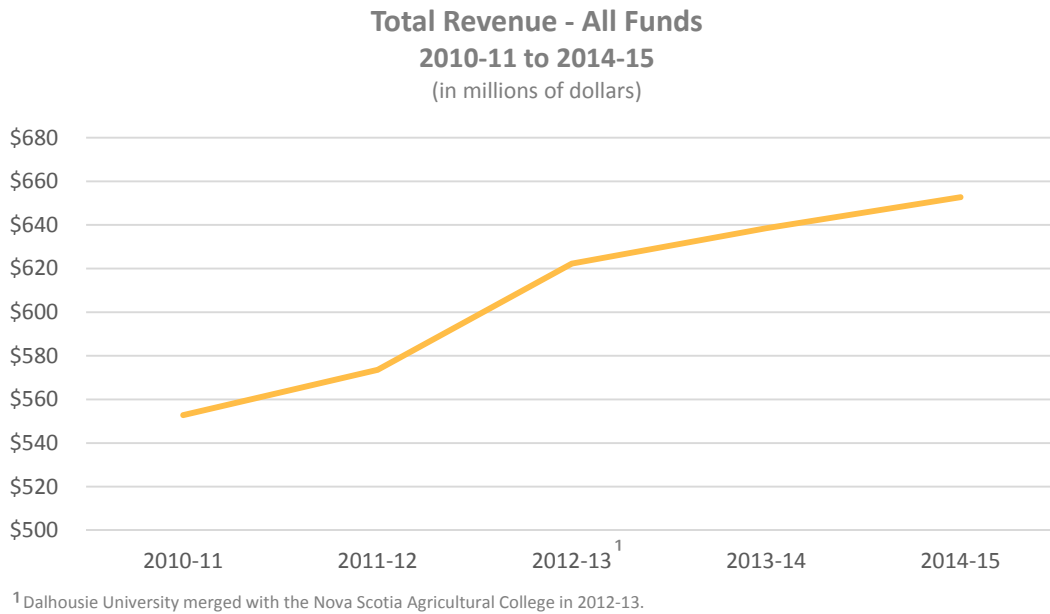
# DALHOUSIE UNIVERSITY

Financial Overview

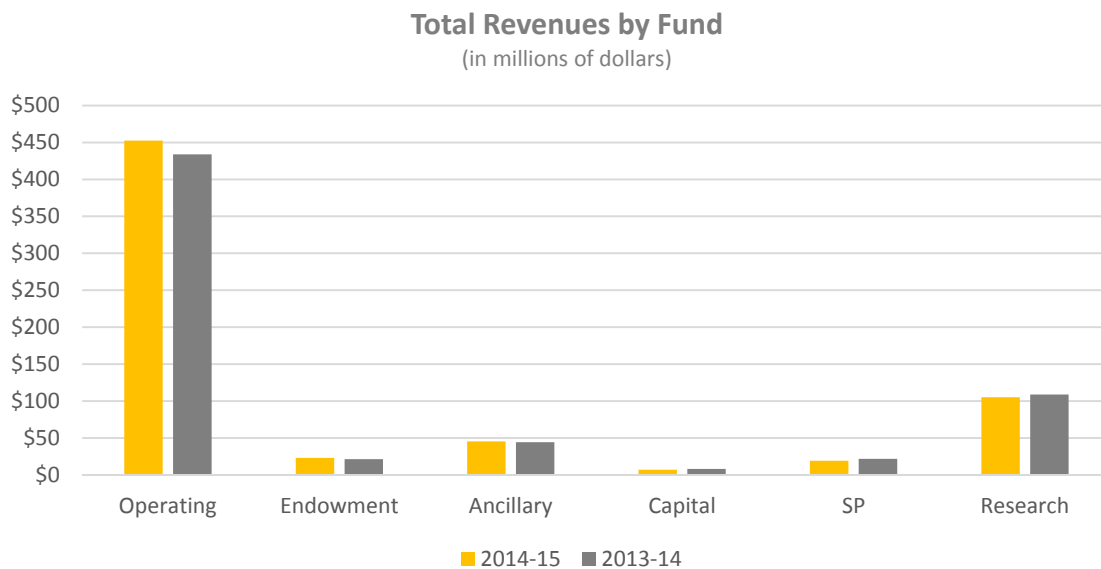
As of March 31, 2015

## REVENUE

In 2014-15 Dalhousie University reported total revenue from all funds of \$652.7 million; an increase of 2.2% over 2013-14. The following graph shows the growth in total revenue across all funds since 2010-11:



The following graph provides a breakdown of revenue by fund:



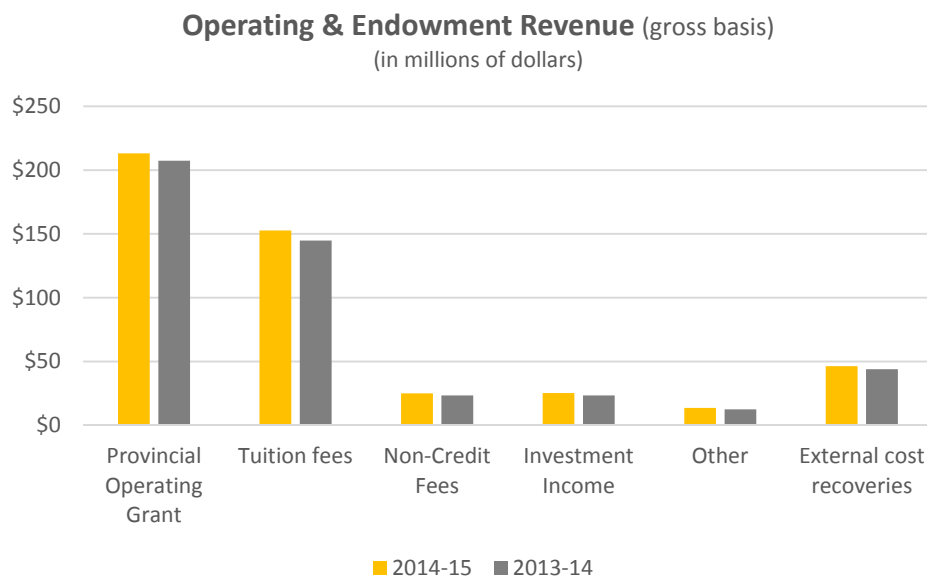
# DALHOUSIE UNIVERSITY

Financial Overview

As of March 31, 2015

## Operating & Endowment Revenue

The University's total operating and endowment revenue in fiscal 2014-15 was \$475.9 million; an increase of \$20.7 million (4.5%) from the previous year. Significant influences on the year over year variance include a \$5.7 million increase in Provincial Government Operating Grant revenue, a \$7.9 million increase in tuition fee revenue and a \$1.8 million increase in endowment revenue.



The provincial operating grants are the largest source of revenue for the University (44.8%). The increase in operating grant revenue is a result of a 1% increase from the Department of Labour and Advanced Education and a 3.1% increase from the Department of Agriculture. The Department of Agriculture also provided additional transition funding for facilities and other projects related to the merger with the Nova Scotia Agricultural College.

Tuition revenue of \$152.7 million contributes 32.1% of Dalhousie's operating and endowment revenue. Total tuition fee revenue increased by \$7.9 million, a result of a 3% tuition increase across all programs in 2014-15, and enrolment growth which generated \$3.1 million in additional tuition revenue. The budget plan for 2014-15 anticipated the use of reserve funds of \$3.8 million to achieve a balanced budget. Just \$1.57 million of reserve funds were utilized, primarily due to the favorable tuition revenue variance to budget.

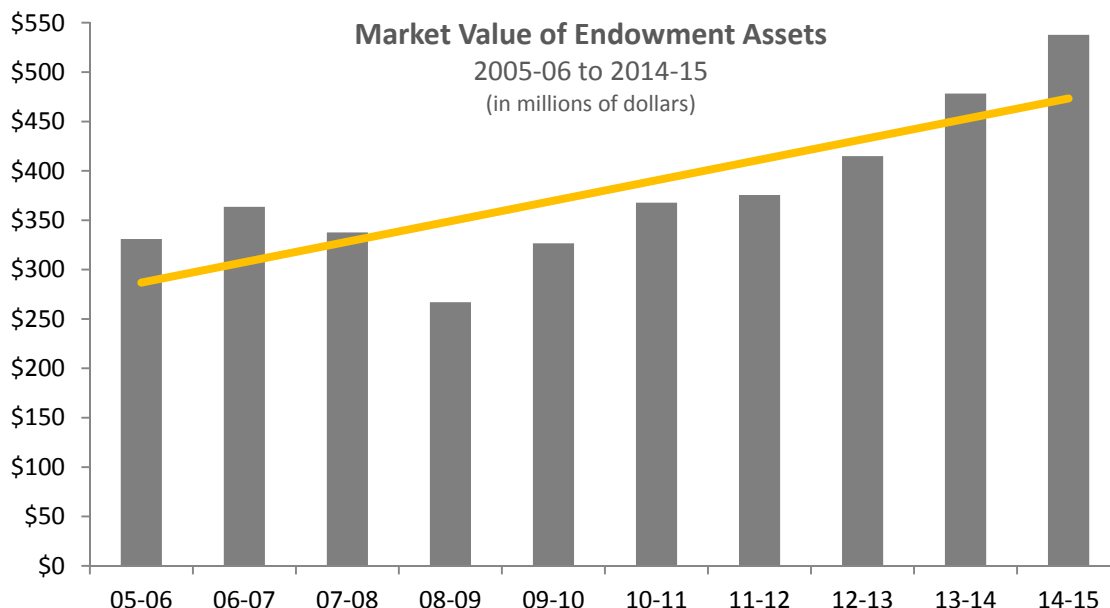
Endowment funds are an important supplement to the operations of the University. Investment income from endowment funds support scholarships for students, academic chairs and other Faculty program costs. In 2014-15 the investment income from endowments increased by \$1.8 million to support program expenditures.

# DALHOUSIE UNIVERSITY

## Financial Overview

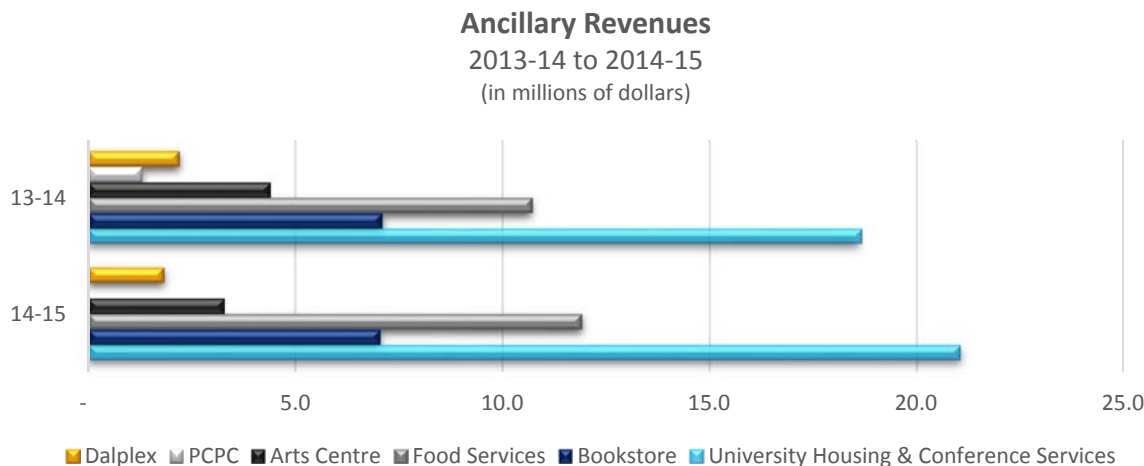
As of March 31, 2015

Endowment funds are externally restricted donations received by the University. The gift principal is maintained to support donor specified activities at the University each year. The market value of the University’s endowment assets reached \$537.8 million as of March 31, 2015.



### Ancillary Revenues

The University’s ancillary operations provide essential support and business services to the Dalhousie community with a view of enhancing the student experience. Ancillary operations provide high quality and competitively priced services while covering the associated operating and capital cost. The following graph shows the 2014-15 changes in Ancillary Revenue over 2013-14.



The net increase in ancillary revenue in 2014-15 was \$962,000. The increase in revenue relates to improved occupancy from the new Le Marchant Place and related meal plan revenue in Food Services. This increase is



# DALHOUSIE UNIVERSITY

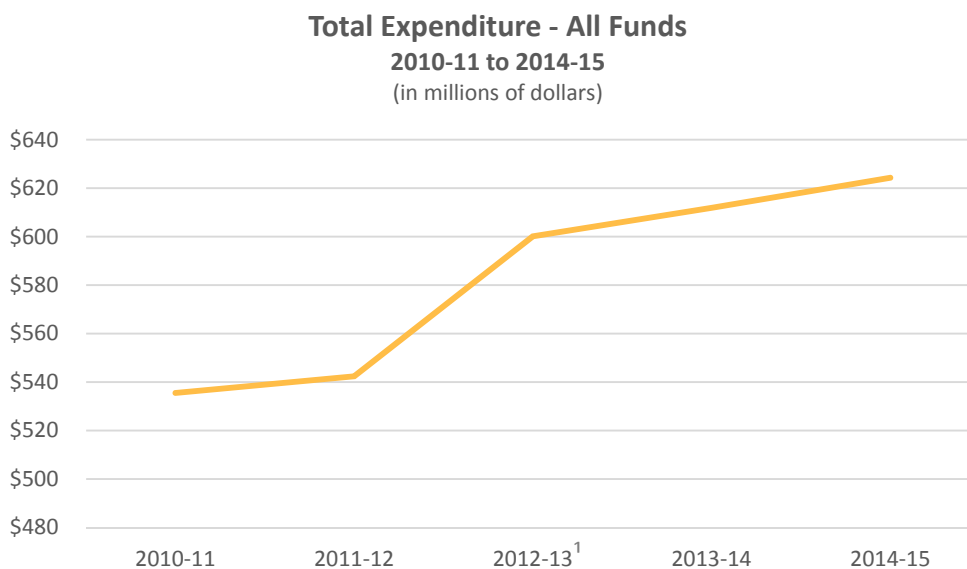
## Financial Overview

As of March 31, 2015

partially offset by cancelled performances at the Arts Centre due to winter weather, and the wind-up of PCPC in May 2014.

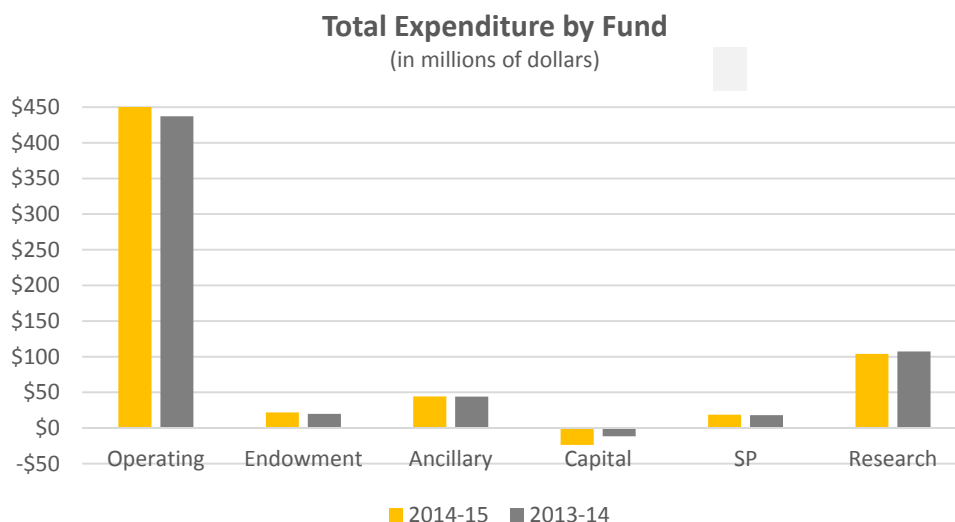
## EXPENDITURE

The University's total expenditures from all funds in 2014-15 was \$624.3 million; an increase of 2% over the previous year. The following graph shows the growth in total expenditures since 2010-11:



<sup>1</sup> Dalhousie University merged with the Nova Scotia Agricultural College in 2012-13.

The following chart shows the relative expenditure levels by fund:



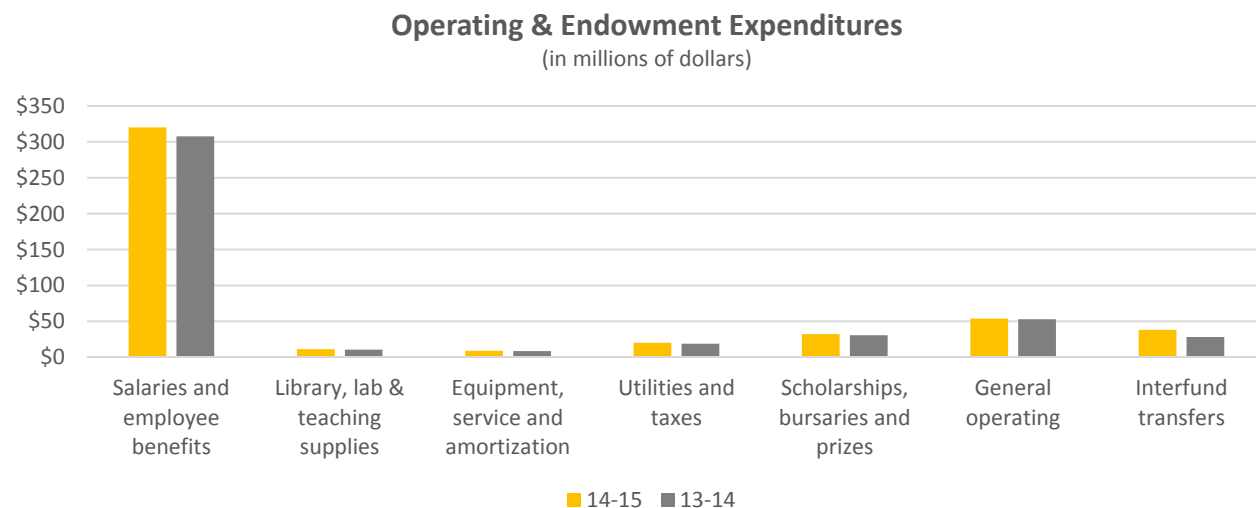
# DALHOUSIE UNIVERSITY

Financial Overview

As of March 31, 2015

## Operating & Endowment Expenditure

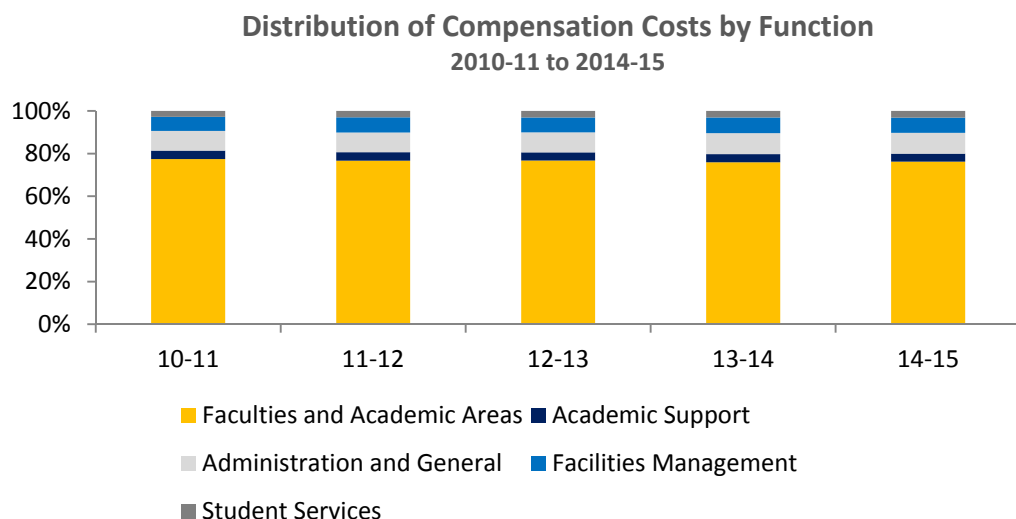
Operating and endowment expenditures increased to \$484.6 million from \$456.9 million in the previous fiscal year, an increase of \$27.7 million (6.1%).



## Compensation

The largest expenditure of the Operating & Endowment Fund is salary and benefits (including pension) costs. Compensation costs have increased \$12.4 million year over year (4.0%). The majority of this increase relates to contract settlements and compensation adjustments; pension costs account for approximately \$2.4 million of this increase.

Approximately 80% of compensation costs relate to faculty and staff in Faculties and Academic units. The following graph shows the distribution of compensation costs between Academic and Service units over a five year period:



# DALHOUSIE UNIVERSITY

Financial Overview

As of March 31, 2015

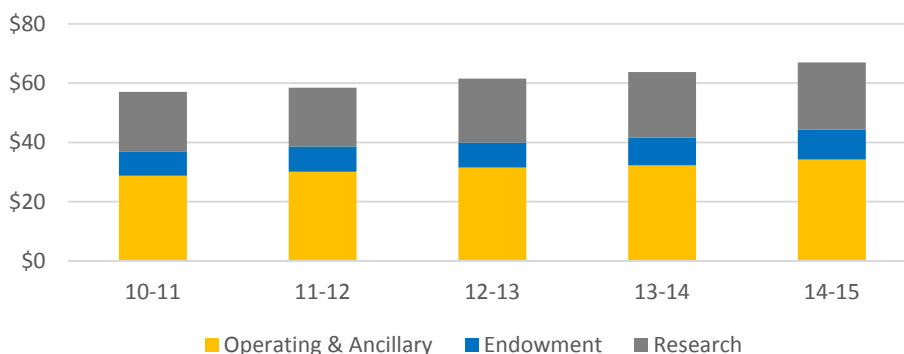
## Student Assistance

Student assistance includes student employment, undergraduate and graduate scholarships and bursaries, and fellowships. In 2014-15 support for students from Operating and Endowment Funds increased by \$2.7 million to \$44.3 million. Research grants also provide significant financial support particularly for graduate students. In 2014-15 total student support from all funds was \$67.0 million (2013-14 \$63.8 million)

### Student Assistance: All Funds

2010-11 to 2014-15

(in millions of dollars)



## Endowment Supported Expenditures

The University's Endowment Management Policy includes three key objectives:

1. To balance present spending needs with expected future requirements;
2. To protect the purchasing power of the capital base while achieving stability in year-to-year spending; and
3. To attain real increases in spending through capital appreciation from new gifts, capital investment gains, and the capitalization of income.

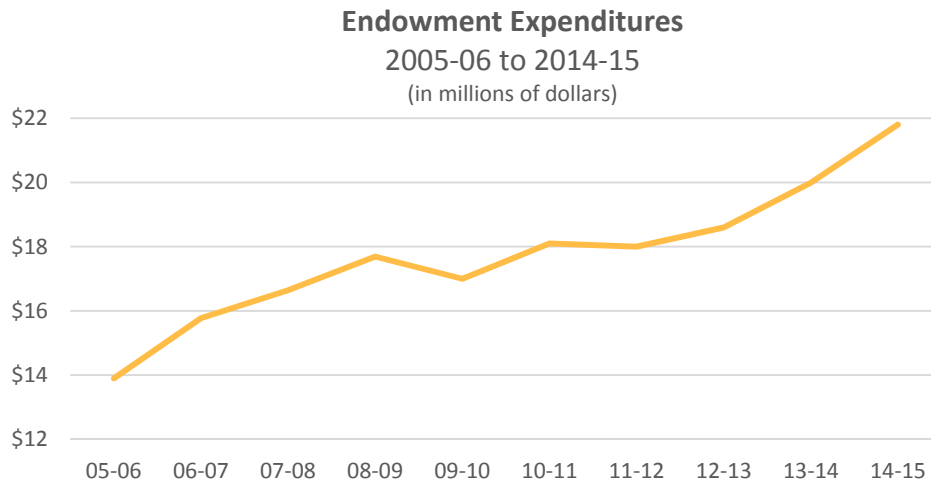
The University's Endowment Spending Policy allows for annual spending increases at the rate of CPI as long as the resulting spending rate remains within a band of 3.75% to 5.0% of the endowment's market value. The objectives of this approach are to provide stable year-to-year spending allocations that maintain purchasing power over time.

# DALHOUSIE UNIVERSITY

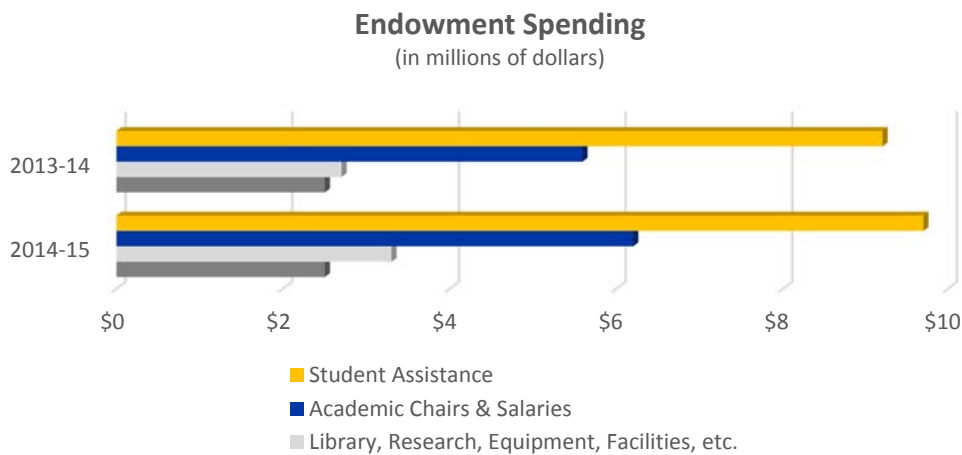
## Financial Overview

As of March 31, 2015

The following graph provides a history of total expenditures supported by the University's 1357 endowments. Annual endowment expenditures have continued to trend higher year on year, providing an important source of funding for student bursaries and scholarships, academic chairs and salaries, research, library materials and services.

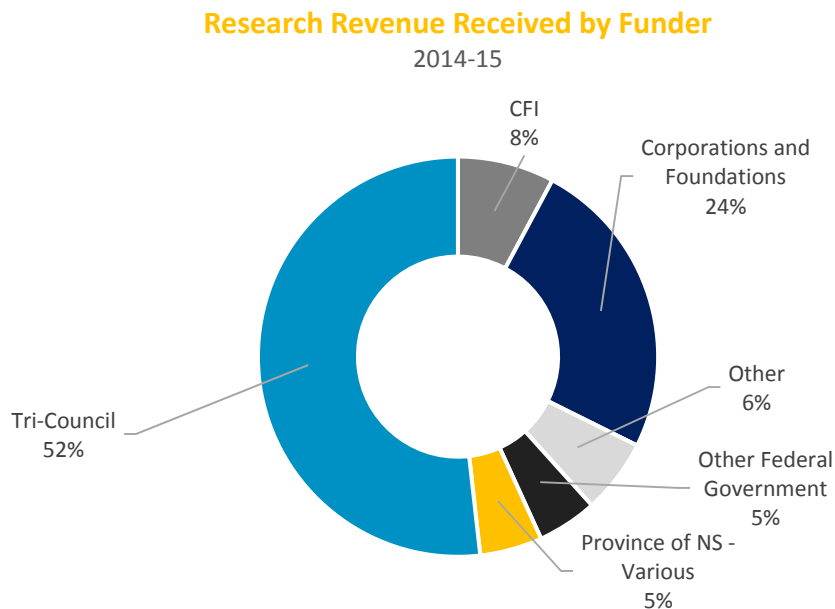


The following graph shows the breakdown of endowment spending for 2013-14 and 2014-15.

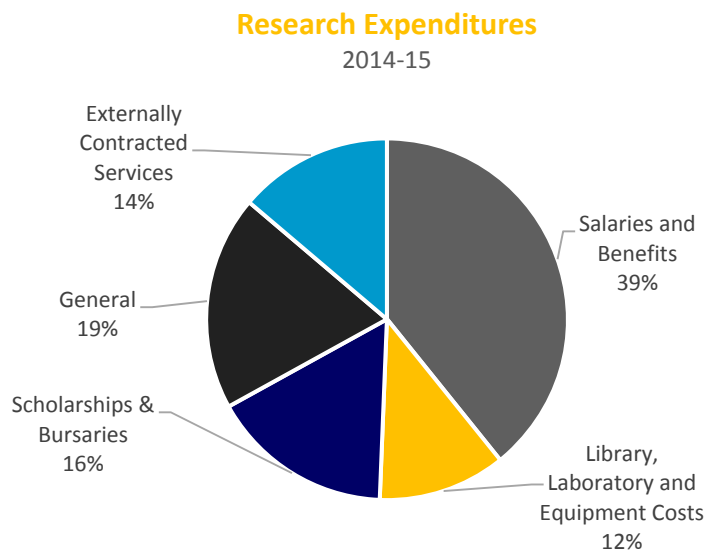


## RESEARCH & SPECIAL PURPOSE

Revenues received in the Research Fund and Special Purpose Funds must be used for the purposes specified by contributors and sponsors. Research funding is received from a variety of sources with the largest contributions coming from the federal government through the Tri-Council granting agencies and the Canadian Foundation for Innovation (CFI), as indicated by the chart below.



The following chart shows the composition of research expenditures for 2014-15.



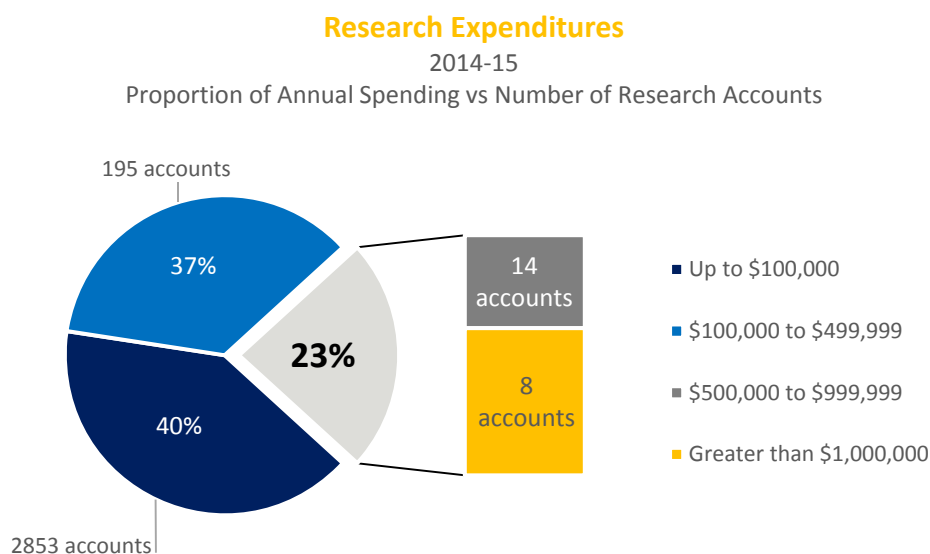
# DALHOUSIE UNIVERSITY

## Financial Overview

As of March 31, 2015

Timing on large projects can create variability in research revenue and expenditure figures as research projects do not coincide with the University's fiscal year. As research revenue is restricted for purpose by the funder, it is only recorded when the related relevant expenditure occurs. Research revenues and expenditures decreased in 2014-15 by \$3.6 million due to the completion of a number of large scale accounts in 2013-14 and timing on new large grants and contracts ramping up spending in 2014-15.

As demonstrated in the following chart, 22 of the total 3070 contracts and grants are responsible for 23% of the total research expenditures in 2014-15:



## CAPITAL

The University accounts for all fixed assets in the Capital Fund. Fixed assets include items such as construction of new buildings, building improvements (Facilities Renewal), and smaller items such as library books, computers, research and lab equipment.

The University's physical infrastructure, which supports its mission, requires the management of 157 buildings across four campuses. The buildings, grounds and infrastructure of the University require a substantial annual investment to ensure these facilities are safe, and efficiently utilized to meet the current and future needs of students, faculty and staff.

During the year, the University invested in \$56.9 million in capital assets. This included \$23.5 million on the Collaborative Health Education Building, Le Marchant Place and the Wallace McCain Learning Commons. On both the Halifax and Truro campuses, \$23.1 million was spent on Facilities Renewal and other funded projects. 2014-15 Facilities Renewal projects included Howe Hall renovations, Weldon Law including student space, and several projects on the Sexton (F and B building) and Agricultural campuses (Haley roof and Cox Institute). Spending on other assets such as equipment, vehicles and library books totaled \$10.3 million.

# DALHOUSIE UNIVERSITY

## Financial Overview

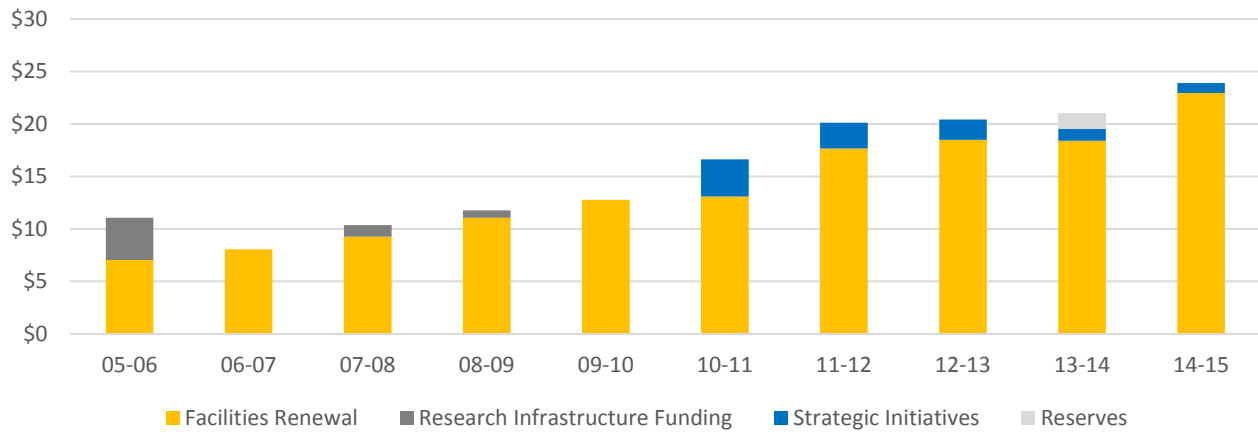
As of March 31, 2015

The Facilities Condition Index (FCI) is a measure used to determine the condition of the University buildings. The index measures the estimated deferred maintenance backlog as a percentage of total replacement value. Dalhousie's current FCI is 20%, which is considered to be poor. Dalhousie's deferred maintenance backlog is approximately \$362 million. The University continues to increase the commitment to remedy this backlog.

### Facilities Maintenance Spending

2005-06 to 2014-15

(in millions of dollars)



CAPITAL PROJECTS tuition financial services  
studley FACULTY **stewardship** EDUCATION  
**DALHOUSIE** net assets 1918  
**UNIVERSITY** RELIABILITY  
enrolment revenue

**2014-15 Operating Budget Results**

HALIFAX actual FACILITIES RENEWAL  
scholarships graduates community  
EXPENDITURES RELIABILITY **sexton**  
amortization TRURO undergraduates  
RESEARCH GRANTS AND CONTRACTS  
**budget** HALIFAX 1918 ancillaries  
enrolment ENDOWMENT PRINCIPAL  
EDUCATION revenue employees  
net assets FACULTY graduates  
tuition scholarships  
financial services actual 1300 ENDOWMENTS  
TOTAL ENROLMENT 18440 financial performance  
TEACHING+RESEARCH+SERVICE  
CAPITAL PROJECTS **stewardship**  
RELIABILITY community amortization  
studley FACILITIES RENEWAL TRURO



## **INTRODUCTION**

The 2014-15 Operating Budget for the University, approved by the Board of Governors in June of 2014, included operating revenues and expenditures of \$391 million. This report provides detailed financial information on the actual results for 2014-15 compared with the approved University operating budget. The report provides a comparison of the budget results to actual in summary and for each Faculty and Service unit and includes commentary on the significant variances from budget.

The schedule on page 13 of this report provides a consolidated summary of the overall University results for 2014-15. Actual results for the year are balanced. Tuition revenue was better than projected by \$2.5 million which allowed the University to reduce the use of one time reserve funding.

2014-15 is the final year of the first three year funding agreement with the Department of Agriculture following the merger with the former Nova Scotia Agricultural College in 2012-13. During this three year period the University has accounted for the operations, programs and activities of the campus separately from the Halifax Campuses. Following the consolidated summary the report contains two sections providing separate detail and analysis on the actual results for the year compared to budget for the Halifax Campuses (Section 1 on pages 14 to 20) and the Truro Campus (Section 2 on pages 21 to 25).

**Dalhousie University**  
**Operating Budget Results - Consolidated Halifax and Truro**  
**As at March 31, 2015**

(thousands of dollars)

	Final Budget	Actual	Variance Fav (Unfav)
<b>REVENUE</b>			
Provincial Government Grants			
Operating - Department of Education	168,515	168,515	-
- Agriculture	19,656	19,759	103
Department of Agriculture Transition Grant	4,209	3,682	(527)
Nova Scotia Bursary Program Grant	10,095	10,113	18
Nova Scotia Graduate Scholarships Program Grant	-	892	892
Department of Agriculture Bursaries	184	-	(184)
Program Specific Grants	9,175	9,175	-
Facilities/Space/Targeted	1,000	1,000	-
	<u>212,834</u>	<u>213,136</u>	<u>302</u>
Federal Research Support Fund Grant	6,576	6,754	178
Investment			
Endowment	22,932	21,761	(1,171) (1)
Operating (net of bank & finance charges)	3,050	3,526	476
Tuition Fees	138,925	141,495	2,570
Facilities Renewal Fee	2,965	3,032	67
Use of Reserve Funds - Halifax	3,800	1,376	(2,424) (2)
- Truro	-	194	194
	<u>391,082</u>	<u>391,274</u>	<u>192</u>
<b>GENERAL OPERATING EXPENDITURES</b>			
Non-Space Equipment	2,372	2,372	-
Scholarships, Bursaries and Student Assistance			
Operating	10,341	10,421	(80)
Nova Scotia Graduate Scholarship Program Grant	-	892	(892)
Nova Scotia Bursary Program	10,095	10,113	(18)
Endowment	5,994	6,032	(38) (1)
Department of Agriculture	184	-	184
Campus Renewal- Annual Facilities Maintenance	18,329	18,396	(67)
- Long term	7,573	7,573	-
Strategic Initiatives - Projects	1,404	1,404	-
Energy, Water, Taxes and Insurance (net of recoveries)	20,550	21,445	(895)
Truro Campus Transition Expenditures	4,209	3,710	499
Endowment Management Expenses	2,800	2,632	168 (1)
Contingency	1,900	1,689	211
	<u>85,751</u>	<u>86,679</u>	<u>(928)</u>
<b>RESPONSIBILITY CENTRE EXPENDITURES</b>			
Academic	231,049	230,170	879 (1)
Academic Support	13,391	13,395	(4) (1)
Administration	30,962	30,889	73
General	1,828	1,788	40
Facilities Management	20,847	21,021	(174)
Student Services	7,511	7,527	(16) (1)
	<u>305,588</u>	<u>304,790</u>	<u>798</u>
<b>TOTAL RESPONSIBILITY CENTRE EXPENDITURES</b>	<u>305,588</u>	<u>304,790</u>	<u>798</u>
<b>TOTAL OPERATING EXPENDITURES</b>	<u>391,339</u>	<u>391,469</u>	<u>(130)</u>
<b>NET ANCILLARY EXPENDITURES</b>	<u>(257)</u>	<u>(195)</u>	<u>(62) (1)</u>
<b>TOTAL EXPENDITURES</b>	<u>391,082</u>	<u>391,274</u>	<u>(192)</u>
<b>TOTAL SURPLUS FOR THE YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>

(1) Actual endowment expenditures and revenue will vary from the amount available for spending in any given year due to various factors. See note 2 on page 18.  
(2) Planned use of one time reserve funds was reduced primarily due to improved enrolment generating additional tuition revenue.

**SECTION I – ACTUAL RESULTS COMPARED TO BUDGET: HALIFAX CAMPUSES**

This section of the report provides detail on the budget results for the Halifax Campuses.

**The Final Budget:**

The summary on page 15 shows the Approved Budget and the Final Budget for the Halifax Campuses in 2014-15. The final budget reflects compensation adjustments and base allocations for strategic initiatives made to Faculties/Units in the Responsibility Centre Expenditure Category. The schedules that follow the summary provide further detail on results for the individual Faculties and units.

**Actual Results:**

The Halifax Campuses achieved a balance of revenues and expenditures for the year through the use of reserve funds of \$1.4 million, \$2.4 million less than budget. The following are the major contributing factors to this result:

- Tuition revenue increased by \$2.9 million
- Improved investment income \$476,000
- Offsetting these improved revenues were:
  - Utility costs which exceeded budget by \$755,000
  - Various Responsibility Centre budgets had small negative or positive variances netting \$200,000

Commentary on the significant variances for the year follows the summary and detailed schedules.

**Dalhousie University**  
**Operating Budget Results - Halifax Campuses**  
**As at March 31, 2015**

(thousands of dollars)

	Approved Budget	Final Budget (1)	Actual	Variance Fav (Unfav)
<b>REVENUE</b>				
Provincial Government Grants				
Operating	162,059	162,059	162,059	-
Nova Scotia Bursary Program Grant	9,450	9,450	9,495	45
Nova Scotia Graduate Scholarships Program Grant	-	-	892	892
Program Specific Grants	9,125	9,175	9,175	-
Facilities/Space/Targeted	1,050	1,000	1,000	-
	<b>181,684</b>	<b>181,684</b>	<b>182,621</b>	<b>937</b>
Federal Research Support Fund Grant	6,467	6,467	6,641	174
Investment				
Endowment	22,750	22,750	21,576	(1,174) (2)
Operating (net of bank & finance charges)	3,050	3,050	3,526	476
Tuition Fees	133,475	133,475	136,384	2,909
Facilities Renewal Fee	2,822	2,822	2,895	73
Use of Reserve Funds	3,800	3,800	1,376	(2,424)
	<b>354,049</b>	<b>354,048</b>	<b>355,019</b>	<b>971</b>
<b>GENERAL OPERATING EXPENDITURES</b>				
Non-Space Equipment	2,213	2,213	2,213	-
Scholarships, Bursaries and Student Assistance				
Operating	10,054	10,054	10,054	-
Nova Scotia Graduate Scholarship Program	-	-	892	(892)
Nova Scotia Bursary Program	9,450	9,450	9,495	(45)
Endowment	5,838	5,838	5,869	(31) (2)
Campus Renewal- Annual Facilities Maintenance	16,418	16,418	16,491	(73)
- Long term	7,573	7,573	7,573	-
Strategic Initiatives - Projects	2,000	1,404	1,404	-
Energy, Water, Taxes and Insurance (net of recoveries)	18,003	18,003	18,758	(755)
Endowment Management Expenses	2,774	2,774	2,610	164 (2)
Contingency	1,600	1,600	1,600	-
	<b>75,923</b>	<b>75,327</b>	<b>76,959</b>	<b>(1,632)</b>
<b>RESPONSIBILITY CENTRE EXPENDITURES</b>				
Academic	205,098	213,654	212,775	879 (2)
Academic Support	11,301	11,599	11,634	(35) (2)
Administration	26,076	27,662	27,651	11
General	1,126	1,177	1,210	(33)
Facilities Management	18,118	18,301	18,395	(94)
Student Services	5,966	6,196	6,229	(33) (2)
Provision for Compensation (including pension)	10,312	-	-	-
	<b>277,997</b>	<b>278,589</b>	<b>277,894</b>	<b>695</b>
<b>TOTAL GENERAL OPERATING EXPENDITURES</b>	<b>75,923</b>	<b>75,327</b>	<b>76,959</b>	<b>(1,632)</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>353,920</b>	<b>353,916</b>	<b>354,853</b>	<b>(937)</b>
<b>NET ANCILLARY EXPENDITURES</b>	<b>128</b>	<b>132</b>	<b>166</b>	<b>(34) (2)</b>
<b>TOTAL EXPENDITURES</b>	<b>354,049</b>	<b>354,048</b>	<b>355,019</b>	<b>(971)</b>
<b>TOTAL SURPLUS FOR THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) The final budget includes the distribution of the Provision for Compensation Adjustments and Base allocations from Strategic Initiatives

(2) Actual endowment expenditures and revenue will vary from the amount available for spending in any given year due to various factors. See note 2 on page 18.

**Dalhousie University**  
**Operating Budget Results - Detail (Halifax)**  
**As at March 31, 2015**

(thousands of dollars)

	Approved Budget	Final Budget	Actual (1)	Variance Fav (Unfav)	Transfer to (from) Appropriation
<b>ACADEMIC</b>					
Architecture and Planning	4,380	4,538	4,538	-	38
Arts and Social Sciences	19,295	20,384	20,384	-	(248)
Computer Science	6,397	6,648	6,648	-	85
Dentistry	9,290	9,726	9,726	-	173
Engineering	17,735	18,612	18,612	-	(327)
Graduate Studies	1,931	2,014	2,014	-	45
Health Professions	27,948	29,121	29,121	-	397
Law	10,750	11,080	11,080	-	291
Management	12,161	12,718	12,718	-	185
Medicine	43,873	45,597	45,597	-	100
Science	32,544	33,808	33,808	-	(89)
University Library	13,660	14,291	14,291	-	338
College of Continuing Education	1,080	1,152	1,152	-	254
College of Sustainability	1,202	1,260	1,260	-	3
Centres, Institutes & Special Projects	2,280	2,382	2,556	(174)	54
Cooperative Education Office	640	680	680	-	(7)
Faculty Related Costs (eg.Travel, Leave Grants, PDA.)	2,496	2,348	2,348	-	(291)
Kings' Transfer	(3,327)	(3,327)	(3,256)	(71)	-
Academic Initiatives	762	622	622	-	173
Endowment Expenditures less than Budget	-	-	(1,124)	1,124	(1,124)
<b>TOTAL ACADEMIC</b>	<b>205,098</b>	<b>213,654</b>	<b>212,775</b>	<b>879</b>	<b>50</b>
<b>ACADEMIC SUPPORT</b>					
Art Gallery	151	161	161	-	(60)
Centre for Learning and Teaching	1,221	1,373	1,373	-	(139)
Information Technology Services	10,084	10,220	10,220	-	(412)
Printing Centre	(155)	(155)	(176)	21	64
Endowment Expenditures in excess of Budget	-	-	56	(56)	56
<b>TOTAL ACADEMIC SUPPORT</b>	<b>11,301</b>	<b>11,599</b>	<b>11,634</b>	<b>(35)</b>	<b>(491)</b>
<b>ADMINISTRATION</b>					
Application Fees and Services Recovery	(1,425)	(1,425)	(1,376)	(49)	-
Communications & Marketing	2,713	2,699	2,690	9	(108)
Environmental Health and Safety Office	791	905	896	9	25
External Relations	5,191	5,640	5,640	-	(97)
Financial Services	4,314	4,511	4,480	31	15
Human Resources	2,935	3,050	3,050	-	23
Dalhousie Analytics	661	784	776	8	(36)
Inter-University Services	91	95	95	-	-
President's Office	3,729	3,954	3,955	(1)	-
Registrar & Admissions	4,780	4,972	4,972	-	(127)
Research Services	1,508	1,519	1,519	-	(49)
University Secretariat/ Internal Audit	788	958	954	4	17
<b>TOTAL ADMINISTRATION</b>	<b>26,076</b>	<b>27,662</b>	<b>27,651</b>	<b>11</b>	<b>(337)</b>

(1) The actual column includes transfers of variances in accordance with University policy. (see Appendix A for a detailed analysis)

**Dalhousie University**  
**Operating Budget Results - Detail (Halifax)**

As at March 31, 2015

(thousands of dollars)

	Approved Budget	Final Budget	Actual <sup>(1)</sup>	Variance Fav (Unfav)	Transfer to (from) Appropriation
<b>GENERAL</b>	1,126	1,177	1,210	(33)	-
<b>FACILITIES MANAGEMENT</b>	18,118	18,301	18,395	(94)	14
<b>STUDENT SERVICES</b>					
Awards Office & Student Services Centre -Sexton	420	450	450	-	-
Counselling	1,234	1,273	1,273	-	19
Student Support Services and Vice President's Office	3,760	3,884	3,884	-	(220)
Student Health	95	116	116	-	(153)
Varsity, Intramurals & Clubs	458	473	473	-	(1)
Endowment Expenditures in excess of Budget		-	33	(33)	33
<b>TOTAL STUDENT SERVICES</b>	5,966	6,196	6,229	(33)	(322)
<b>ANCILLARIES</b>					
Dalhousie Arts Centre	324	324	468	(144)	-
Dalplex and Arena	181	181	181	-	(132)
Food Services, incl. DalCard	(35)	(35)	(137)	102	412
Personal Computer Purchase Centre	-	-	-	-	-
Residence Life	1,367	1,415	1,415	-	(32)
University Bookstore	(283)	(283)	(283)	-	33
University Housing	(1,426)	(1,470)	(1,470)	-	520
Endowment Expenditures less than Budget		-	(8)	8	(8)
<b>TOTAL ANCILLARIES</b>	128	132	166	(34)	793

(1) The actual column includes transfers of variances in accordance with University policy. (see Appendix A for detailed analysis)

**Commentary on Major Revenue & Expenditure Variances (Halifax Campuses)**

1. Provincial Government Grants

The favourable variance on this line relates to provincial programs supporting scholarships and bursaries for students. Early in the fiscal year the province established a new Graduate Scholarship Program. The revenue received to support scholarships awarded to students in the 2014-15 year results in \$892,000 favourable variance for the year. The new program is fully funded by the province and as a result the positive variance in revenue is directly offset by an expenditure variance in the student assistance section of the budget. There are also small offsetting variances of \$45,000 in the Nova Scotia Bursary Program Grant and related bursary support to Nova Scotia students.

2. Investment Income – Endowment and Related Expenditure Lines

Endowment income is recognized each year in an amount sufficient to meet expenditures from individual endowments and hence there is no impact on the bottom line. The annual revenue and expenditures reflect the activity for each of the more than 1,300 individual endowments. The following table summarizes expenditures by Responsibility Centre and the offsetting variance in Endowment income:

<b>2014-15 Summary of Endowment Revenue and Expenditures ( Halifax Campuses)</b>				
<b>( '000's of dollars)</b>				
	<b>2014-15</b>			<b>2013-14</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual <sup>(1)</sup></b>
<b>Endowment Revenue</b>	22,750	21,576	1,174	19,907
<b>Endowment Expenditures:</b>				
<b>Student Assistance</b>	5,838	5,869	(31)	5,835
<b>Endowment Management Expense</b>	2,774	2,610	164	2,502
<b>Included in Responsibility Centres:</b>				
<b>Academic</b>	13,760	12,638	1,122	11,218
<b>Academic Support</b>	18	74	(56)	27
<b>Student Services</b>	124	157	(33)	75
<b>University Housing</b>	236	228	8	250
	<b>22,750</b>	<b>21,576</b>	<b>1,174</b>	<b>19,907</b>

(1) note that Endowment Revenue in 2013-14 includes an operating supplement of \$ 285.

The underspending in the academic area is related primarily to the timing of new program spending. Endowment Management Expense varies from year to year and is driven by investment performance and other factors. Further detail on endowment results by Responsibility Centre is shown in Appendix A.

3. Investment Income - Operating

The University's short term investment program has benefitted from higher than projected cash balances throughout the year relating to timing of capital project expenditures.

4. Tuition Fees

The \$2.8 million favourable variance in tuition revenue is a result of higher than budgeted enrolments for the year. Enrolments on the Halifax Campuses increased by 370 students (or 2%) over the fall of 2013.

5. Scholarships, Bursaries and Student Assistance

The operating variances in Scholarships and bursaries are directly offset by supporting provincial grant funding as described above.

6. Energy, Water, Taxes and Insurance

Higher heating costs primarily related to an escalation in natural gas prices contributed to the shortfall of \$755,000 on this budget line.

7. Responsibility Centre and Ancillary Expenditures

The budgets for various units within the Responsibility Centre Expenditure section include endowment expenditures which vary from the amount available for spending in any given year as described in note 2 above.

- a) **Academic** – According to University policy Faculties and major academic units are able to carryforward budget savings/overruns and therefore there are only two variances reported in the Academic area. There is a \$71,000 unfavourable variance from Kings due to lower than budgeted transfers under the agreement providing teaching services to Kings. The unfavourable variance of \$174,000 on the Centres, Institutes and Special projects line relates to funds which have been carried forward for research infrastructure projects. This variance is directly offset by the favourable variance in the Federal Research Support Fund Grant (formerly the Indirect Costs of Research Program Grant) in the revenue section.
- b) **Academic Support** – The favourable variance of \$21,000 is due to higher revenues generated by print centre operations.
- c) **Administration** – There are minor favourable and unfavourable variances reported in administrative areas resulting in a net favourable variance of \$11,000 in these support units.



- d) **Facilities Management** –The unfavourable variance of \$94,000 on this line results from higher than normal snow removal costs.
  
- e) **Ancillaries** – The Arts Centre has an unfavourable variance of \$144,000 related to cancellation of shows due to poor weather conditions throughout the winter months. This variance is partially offset by a favourable variance in Food Services due to improved meal plan revenue as a result of better than anticipated occupancy rates with the opening of the new LeMarchant Residence.

**SECTION II – ACTUAL RESULTS COMPARED TO BUDGET: TRURO CAMPUS**

This section of the report provides detail on the budget results for the Truro Campus.

**The Final Budget:**

The summary on page 22 shows the Approved Budget and the Final Budget for the Truro Campus in 2014-15. The final budget reflects compensation adjustments made to the Faculty of Agriculture and other units in the Responsibility Centre Expenditure Category. The schedules that follow the summary provide further detail on results for the Faculty and other units.

**Actual Results:**

The Truro Campus operations achieved a balance of revenues and expenditures through the use of one time reserve funds. The following are the major contributing factors:

- Tuition revenue lower than budget by \$339,000
- Higher than budgeted utility costs of \$140,000.
- Contingency funds and reserve funds were used to reach a balance.

Commentary on the significant variances for the year follows the summary and detailed schedules.

**Dalhousie University**  
**Operating Budget Results - Truro Campus**

As at March 31, 2015

(thousands of dollars)

	2014-15	2014-15		Variance
	Approved	Final	Actual	
	Budget	Budget <sup>(1)</sup>		Fav (Unfav)
<b>REVENUE</b>				
Government Grants				
Operating- Labour & Advanced Education	6,456	6,456	6,456	-
Department of Agriculture	19,656	19,656	19,759	103
Department of Agriculture Transition Grant	4,209	4,209	3,682	(527)
Nova Scotia Student Bursary Program	645	645	618	(27)
Department of Agriculture Bursaries	184	184	-	(184)
	31,150	31,150	30,515	(635)
Federal Research Support Fund Grant	109	109	113	4
Investment				
Endowment	182	182	185	3
Tuition Fees	5,450	5,450	5,111	(339)
Facilities Renewal Fee	143	143	137	(6)
Use of Reserve Funds			194	194
	37,034	37,034	36,255	(779)
<b>GENERAL OPERATING EXPENDITURES</b>				
Non-Space Equipment	159	159	159	-
Scholarships, Bursaries and Student Assistance				
Operating	287	287	367	(80)
Nova Scotia Bursary Program	645	645	618	27
Department of Agriculture Scholarships	184	184	-	184
Endowment	156	156	163	(7)
Campus Renewal - Annual Facilities Maintenance	1,911	1,911	1,905	6
Energy, Water, Taxes and Insurance (net of recoveries)	2,547	2,547	2,687	(140)
Transition Expenditures	4,209	4,209	3,710	499
Endowment Management Expenses	26	26	22	4
Contingency	300	300	89	211
	10,424	10,424	9,720	704
<b>RESPONSIBILITY CENTRE EXPENDITURES</b>				
Academic	17,168	17,395	17,395	-
Academic Support	1,764	1,792	1,761	31
Administration	3,460	3,300	3,238	62
General/Undistributed	1,425	651	578	73
Facilities Management	2,038	2,546	2,626	(80)
Student Services	1,159	1,315	1,298	17
	27,014	26,999	26,896	103
<b>TOTAL RESPONSIBILITY CENTRE EXPENDITURES</b>				
<b>TOTAL OPERATING EXPENDITURES</b>	37,438	37,423	36,616	807
<b>NET ANCILLARY EXPENDITURES</b>	(404)	(389)	(361)	(28)
<b>TOTAL EXPENDITURES</b>	37,034	37,034	36,255	779
<b>TOTAL SURPLUS FOR THE YEAR</b>	-	-	-	-

(1) The final budget includes the distribution of compensation adjustments from General to Faculty and Unit Budgets.

Dalhousie University  
Operating Budget Results - Detail (Truro)

As at March 31, 2015

(thousands of dollars)

	2014-15 Approved Budget	2014-15 Final Budget	Actual	Variance Fav (Unfav)	Transfer to (from) Appropriation
<b>ACADEMIC</b>					
Faculty of Agriculture	13,696	13,297	13,297	-	(154)
Other Academic Units Reporting to the Principal	2,565	3,103	3,103	-	108
Faculty Related Costs		92	92	-	72
Library	907	903	903	-	(15)
<b>TOTAL ACADEMIC</b>	<b>17,168</b>	<b>17,395</b>	<b>17,395</b>	<b>-</b>	<b>11</b>
<b>ACADEMIC SUPPORT</b>					
Information Technology Services	1,562	1,591	1,610	(19)	-
Print Centre	202	201	151	50	-
<b>TOTAL ACADEMIC SUPPORT</b>	<b>1,764</b>	<b>1,792</b>	<b>1,761</b>	<b>31</b>	<b>-</b>
<b>ADMINISTRATION</b>					
Application Fees	(40)	(40)	(32)	(8)	-
External Relations	738	781	769	12	(32)
Financial Services	538	552	532	20	20
Human Resources	444	475	472	3	-
Registrar's Office (including Recruitment)	963	1,011	1,009	2	-
Research Services	345	350	317	33	70
Environmental Health & Safety	472	171	(1) 171	-	80
<b>TOTAL ADMINISTRATION</b>	<b>3,460</b>	<b>3,300</b>	<b>3,238</b>	<b>62</b>	<b>138</b>
<b>GENERAL/UNDISTRIBUTED</b>	<b>1,425</b>	<b>651</b>	<b>578</b>	<b>73</b>	<b>(25)</b>
<b>FACILITIES MANAGEMENT</b>					
Facilities Management	2,038	2,546	(1) 2,626	(80)	-
<b>STUDENT SERVICES</b>					
Athletics	572	585	582	3	-
Student Services	587	730	716	14	-
<b>TOTAL STUDENT SERVICES</b>	<b>1,159</b>	<b>1,315</b>	<b>1,298</b>	<b>17</b>	<b>-</b>
<b>ANCILLARIES</b>					
Bookstore	(24)	(23)	5	(28)	-
Food Services	176	175	175	-	23
Residence Operations	(556)	(541)	(541)	-	143
<b>TOTAL ANCILLARIES</b>	<b>(404)</b>	<b>(389)</b>	<b>(361)</b>	<b>(28)</b>	<b>166</b>

(1) The final budget includes the reorganization of the Safety and Security Operations to establish the Environmental Health and Safety unit and include Security Services with Facilities Management.

### Commentary of Major Revenue & Expenditure Variances (Truro Campus)

#### 1. Government Grants

There are three significant variances in the government grants to the Campus in 2014-15. The positive variance of \$103,000 for the Department of Agriculture grant relates to increased funding for cost of certain benefits as provided for in the Agreement with the Province. Early in the 2014-15 year the Department of Agriculture discontinued a grant which supported student bursaries resulting in an unfavourable variance of \$184,000 on this budget line. Lastly, one time funding for transition expenses was lower than budget based on actual expenditures in 2014-15 (see note 5c below).

#### 2. Tuition Revenue

Enrolment at the Faculty of Agriculture declined by 94 students in 2014-15 resulting in an unfavourable variance of \$339,000 in tuition revenue.

#### 3. Scholarships, Bursaries and Student Assistance

As a result of the elimination of funding (see 1. above) there was no expenditure of Department of Agriculture scholarships for 2014-15 resulting in a favourable variance of \$184,000. As a result, the University had to provide supplementary scholarships from operations to cover commitments that had already been made to students. This resulted in an unfavourable variance of \$80,000.

#### 4. Energy, Water, Taxes & Insurance

The variance in this line results from higher heating costs at the Truro Campus.

#### 5. Responsibility Centres

- a) **Academic** – The Academic budget includes the Faculty of Agriculture and other related units (Farm, Aquaculture, Grounds, Distance and Extended Learning and the International Office) that report to the Dean. Carryforward budget savings/overruns for Academic units are carried forward in accordance with University policy and therefore there are no variance reported in this section.
- b) **Academic Support, Administration, General, Facilities Management and Student Services** – Units in these responsibility centre categories recorded an overall favourable variance of \$103,000 mainly due to positions that remained vacant for a portion of fiscal 2014-15 as the University continues to realign services for the Truro Campus. Budget savings in these areas contribute to offsetting other unfavourable variances in the Campus budget.

- c) **Transition Expenses** – The merger agreement provided for one-time funding to address transitional costs and high priority facilities projects which continued throughout the year. In particular, most facilities projects were completed in 2014-15. For the last three years the Daycare operation has been supported through annual transition funding of \$70,000. The revenue continues to be insufficient to support Daycare operating costs resulting in an unfavourable variance of \$28,000 to the overall Campus budget in 2014-15.
- d) **Ancillaries** – The Campus ancillary units include the Bookstore, Food Services and Student Residence Operations. The negative variance in the Ancillary group relates to the operating of the Bookstore.

**Dalhousie University**  
**Operating Budget Results - Detailed Analysis of Budget, Actual and Variance (Halifax)**

As at March 31, 2015

(thousands of dollars)

	Operating					Endowment					Consolidated
	* Column 1	* Column 2	* Column 3	* Column 4	* Column 5	* Column 6	* Column 7	* Column 8	* Column 9	* Column 10	* Column 11
	Final Budget	Actual before Transfer of Variance	Transfer of Variance <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Final Budget	Actual before Transfer of Variance	Transfer of Variance <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Operating and Endowment Variance Fav/(Unfav)
<b>ACADEMIC</b>											
Architecture and Planning	4,471	4,450	21	4,471	-	67	50	17	67	-	-
Arts and Social Sciences	19,157	19,299	(142)	19,157	-	1,227	1,333	(106)	1,227	-	-
Computer Science	6,466	6,495	(29)	6,466	-	182	68	114	182	-	-
Dentistry	9,570	9,446	124	9,570	-	156	107	49	156	-	-
Engineering	17,904	18,250	(346)	17,904	-	708	689	19	708	-	-
Graduate Studies	1,635	1,675	(40)	1,635	-	379	294	85	379	-	-
Health Professions	28,537	28,109	428	28,537	-	584	615	(31)	584	-	-
Law	8,833	9,017	(184)	8,833	-	2,247	1,772	475	2,247	-	-
Management	12,162	11,948	214	12,162	-	556	585	(29)	556	-	-
Medicine	40,570	40,881	(311)	40,570	-	5,027	4,616	411	5,027	-	-
Science	31,473	31,743	(270)	31,473	-	2,335	2,154	181	2,335	-	-
University Library	14,095	13,685	410	14,095	-	196	268	(72)	196	-	-
College of Continuing Education	1,091	838	253	1,091	-	61	60	1	61	-	-
College of Sustainability	1,255	1,252	3	1,255	-	5	5	-	5	-	-
Centres, Institutes & Special Projects	2,352	2,482	44	2,526	(174)	30	20	10	30	-	(174)
Cooperative Education Office	680	687	(7)	680	-	-	-	-	-	-	-
Faculty Related Costs (eg. Travel, Leave Grants, PDA)	2,348	2,639	(291)	2,348	-	-	-	-	-	-	-
Kings' Transfer	(3,327)	(3,256)	-	(3,256)	(71)	-	-	-	-	-	(71)
Academic Initiatives	622	449	173	622	-	-	-	-	-	-	-
Endowment Expenditures less than Budget	-	-	-	-	-	-	-	(1,124)	(1,124)	1,124	1,124
<b>TOTAL ACADEMIC</b>	<b>199,894</b>	<b>200,089</b>	<b>50</b>	<b>200,139</b>	<b>(245)</b>	<b>13,760</b>	<b>12,636</b>	<b>-</b>	<b>12,636</b>	<b>1,124</b>	<b>879</b>
<b>ACADEMIC SUPPORT</b>											
Art Gallery	144	147	(3)	144	-	17	74	(57)	17	-	-
Centre for Learning and Teaching	1,372	1,512	(140)	1,372	-	1	-	1	1	-	-
Information Technology Services	10,220	10,632	(412)	10,220	-	-	-	-	-	-	-
Printing Centre	(155)	(240)	64	(176)	21	-	-	-	-	-	21
Endowment Expenditures in excess of Budget	-	-	-	-	-	-	-	56	56	(56)	(56)
<b>TOTAL ACADEMIC SUPPORT</b>	<b>11,581</b>	<b>12,051</b>	<b>(491)</b>	<b>11,560</b>	<b>21</b>	<b>18</b>	<b>74</b>	<b>-</b>	<b>74</b>	<b>(56)</b>	<b>(35)</b>
<b>ADMINISTRATION</b>											
Application Fees and Services Recovery	(1,425)	(1,376)	-	(1,376)	(49)	-	-	-	-	-	(49)
Communications and Marketing	2,699	2,798	(108)	2,699	9	-	-	-	-	-	9
Environmental Health and Safety Office	905	871	25	896	9	-	-	-	-	-	9
External Relations	5,640	5,737	(97)	5,640	-	-	-	-	-	-	-
Financial Services	4,511	4,465	15	4,480	31	-	-	-	-	-	31
Human Resources	3,050	3,027	23	3,050	-	-	-	-	-	-	-
Dalhousie Analytics	784	812	(36)	776	8	-	-	-	-	-	8
Inter-University Services	95	95	-	95	-	-	-	-	-	-	-
President's Office	3,954	3,955	-	3,955	(1)	-	-	-	-	-	(1)
Registrar & Admissions	4,972	5,099	(127)	4,972	-	-	-	-	-	-	-
Research Services	1,519	1,568	(49)	1,519	-	-	-	-	-	-	-
University Secretariat/ Internal Audit	958	937	17	954	4	-	-	-	-	-	4
<b>TOTAL ADMINISTRATION</b>	<b>27,662</b>	<b>27,988</b>	<b>(337)</b>	<b>27,651</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>

(1) This column reflects the transfer of variances to (or from) appropriation or carry forward in accordance with university policy and accounting requirements.

\* The information in this report is a consolidation of the Endowment and Operating Expenditure budgets. Columns 1 and 6 above report the Final Budget, Columns 4 and 9 show the Total Actual expenditure and Columns 5 and 10 total column 11 which is the consolidated Variance on this schedule.

**Dalhousie University**  
**Operating Budget Results - Detailed Analysis of Budget, Actual and Variance (Halifax)**  
**As at March 31, 2015**

(thousands of dollars)

	Operating					Endowment					Consolidated
	* Column 1	* Column 2	* Column 3	* Column 4	* Column 5	* Column 6	* Column 7	* Column 8	* Column 9	* Column 10	* Column 11
	Final Budget	Actual before Transfer of Variance	Transfer of Variance <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Final Budget	Actual before Transfer of Variance	Transfer of Variance <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Operating and Endowment Variance Fav/(Unfav)
<b>GENERAL</b>	1,177	1,210	-	1,210	(33)	-	-	-	-	-	(33)
<b>FACILITIES MANAGEMENT</b>	18,301	18,381	14	18,395	(94)	-	-	-	-	-	(94)
<b>STUDENT SERVICES</b>											
Awards Office & Student Services Centre - Sexton	450	450	-	450	-	-	-	-	-	-	-
Counselling	1,273	1,254	19	1,273	-	-	-	-	-	-	-
Student Support Services and Vice President's Office	3,884	4,104	(220)	3,884	-	-	-	-	-	-	-
Student Health	116	269	(153)	116	-	-	-	-	-	-	-
Varsity, Intramurals & Clubs	349	317	32	349	-	124	157	(33)	124	-	-
Endowment Expenditures in excess of Budget	-	-	-	-	-	-	-	33	33	(33)	(33)
<b>TOTAL STUDENT SERVICES</b>	6,072	6,394	(322)	6,072	-	124	157	-	157	(33)	(33)
<b>ANCILLARIES</b>											
Dalhousie Arts Centre	324	468	-	468	(144)	-	-	-	-	-	(144)
Dalplex and Arena	181	313	(132)	181	-	-	-	-	-	-	-
Food Services	(35)	(549)	412	(137)	102	-	-	-	-	-	102
Personal Computer Purchase Centre	-	-	-	-	-	-	-	-	-	-	-
Residence Life	1,415	1,447	(32)	1,415	-	-	-	-	-	-	-
University Bookstore	(283)	(316)	33	(283)	-	-	-	-	-	-	-
University Housing	(1,706)	(2,218)	512	(1,706)	-	236	228	8	236	-	-
Endowment Expenditures less than Budget	-	-	-	-	-	-	-	(8)	(8)	8	8
<b>TOTAL ANCILLARIES</b>	(104)	(855)	793	(62)	(42)	236	228	-	228	8	(34)

(1) This column reflects the transfer of variances to (or from) appropriation or carry forward in accordance with university policy and accounting requirements.

\* The information in this report is a consolidation of the Endowment and Operating Expenditure budgets. Columns 1 and 6 above report the Final Budget, Columns 4 and 9 show the Total Actual expenditure and Columns 5 and 10 total column 11 which is the consolidated Variance on this schedule.



CAPITAL PROJECTS tuition financial services  
studley FACULTY stewardship EDUCATION

DALHOUSIE net assets 1918  
UNIVERSITY RELIABILITY  
enrolment revenue

**2014-15 Audited Consolidated  
Financial Statements**

HALIFAX actual FACILITIES RENEWAL  
scholarships graduates community

EXPENDITURES RELIABILITY sexton  
amortization TRURO undergraduates

RESEARCH GRANTS AND CONTRACTS  
budget HALIFAX 1918 ancillaries  
enrolment ENDOWMENT PRINCIPAL

EDUCATION revenue employees  
net assets FACULTY graduates  
tuition scholarships

financial services actual 1300 ENDOWMENTS  
TOTAL ENROLMENT 18440 financial performance

TEACHING+RESEARCH+SERVICE

CAPITAL PROJECTS stewardship  
RELIABILITY community amortization

studley FACILITIES RENEWAL TRURO



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## INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Dalhousie University

We have audited the accompanying consolidated financial statements of Dalhousie University, which comprise the consolidated statement of financial position as at March 31, 2015, the consolidated statements of revenue, expenses and changes in operating surplus, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Dalhousie University as at March 31, 2015, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Comparative Information*

The consolidated financial statements of Dalhousie University as at and for the year ended March 31, 2014 were audited by another auditor who expressed an unmodified opinion on these financial statements on June 24, 2014.

Chartered Accountants  
June 23, 2015  
Halifax, Canada

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# DALHOUSIE UNIVERSITY

Consolidated Statement of Financial Position

March 31, 2015

(in thousands of dollars)

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 193,093	\$ 161,327
Accounts receivable	27,258	27,165
Due from related parties (note 6)	380	44
Inventories	2,475	2,105
Prepaid expenses	5,185	5,166
	<u>228,391</u>	<u>195,807</u>
Due from related parties (note 6)	-	380
Investments (note 4)	618,550	608,834
Capital assets (note 5)	845,639	821,624
	<u>\$ 1,692,580</u>	<u>\$ 1,626,645</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 75,228	\$ 74,204
Deferred revenue (note 8)	283,037	251,296
Current portion of long-term debt (note 9)	16,839	6,534
	<u>375,104</u>	<u>332,034</u>
Employee future benefits (note 10)	12,827	71,863
Deferred capital contributions (note 11)	211,299	218,988
Long-term debt (note 9)	118,195	134,667
	<u>717,425</u>	<u>757,552</u>
Net assets: (note 12)		
Endowment	399,170	376,424
Excess of pension liabilities over pension assets	(9,135)	(68,279)
Restricted funds	90,803	97,314
Equity in capital assets	494,317	463,634
	<u>975,155</u>	<u>869,093</u>
Commitments and contingent liabilities (note 13)		
	<u>\$ 1,692,580</u>	<u>\$ 1,626,645</u>

See accompanying notes to consolidated financial statements.

# DALHOUSIE UNIVERSITY

## Consolidated Statement of Revenue, Expense and Changes in Operating Surplus

Year ended March 31, 2015

(in thousands of dollars)

	2015	2014
Revenue:		
Provincial government operating grants	\$ 213,136	\$ 207,413
Other government grants and contracts	79,321	75,979
Corporations and foundations	28,809	33,806
Tuition fees	152,705	144,808
Non-credit and other fees	25,030	23,299
General	9,174	13,266
Gifts	9,369	6,359
Investment income	26,631	26,147
Ancillary sales and service	45,155	44,193
External cost recoveries	48,761	48,342
Amortization of deferred capital contributions (note 11)	14,609	14,858
	<u>652,700</u>	<u>638,470</u>
Expenses:		
Salaries and employee benefits	374,129	362,157
Pension expense adjustment (note 10)	(3,739)	(2,794)
Library acquisition	5,847	5,713
Laboratory and teaching supplies	13,778	12,552
Equipment and service	14,401	13,394
Finance costs	6,667	7,003
Utilities and taxes	21,816	20,244
Externally contracted services	56,270	58,354
Scholarships, bursaries and prizes	51,284	49,367
Ancillary cost of sales and service	7,718	9,561
Travel	14,409	13,935
Amortization of capital assets	33,737	33,613
General operating	27,933	28,738
	<u>624,250</u>	<u>611,837</u>
Excess of revenue over expenses	28,450	26,633
Use of excess of revenue over expenses:		
Committed to equity in capital assets	(30,683)	(19,948)
Committed to future pension benefits	(3,739)	(2,794)
Committed from (to) restricted funds	5,972	(3,891)
	<u>(28,450)</u>	<u>(26,633)</u>
Net change in operating surplus	—	—
Accumulated operating surplus, beginning of year	—	—
Accumulated operating surplus, end of year	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to consolidated financial statements.

# DALHOUSIE UNIVERSITY

## Consolidated Statement of Changes in Net Assets

Year ended March 31, 2015

(in thousands of dollars)

	2015				2014	
	Endowment	Excess of pension liabilities over assets	Restricted funds	Equity in capital assets	Total	Total
Net assets, beginning of year	\$ 376,424	\$ (68,279)	\$ 97,314	\$ 463,634	\$ 869,093	\$ 817,151
Excess of revenue over expenses (expenses over revenue)	-	3,739	(5,972)	30,683	28,450	26,633
Gifts of endowed principal	9,474	-	-	-	9,474	12,336
Employee future benefits remeasurements and other items	-	55,405	-	-	55,405	12,996
Realized investment returns	32,933	-	-	-	32,933	22,450
Transfers to (from) endowment	(19,661)	-	(539)	-	(20,200)	(22,473)
Net change for the year	22,746	59,144	(6,511)	30,683	106,062	51,942
Net assets, end of year	\$ 399,170	\$ (9,135)	\$ 90,803	\$ 494,317	\$ 975,155	\$ 869,093

See accompanying notes to consolidated financial statements.

# DALHOUSIE UNIVERSITY

## Consolidated Statement of Cash Flows

Year ended March 31, 2015

(in thousands of dollars)

	2015	2014
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 28,450	\$ 26,633
Items not involving cash:		
Amortization of capital assets	33,737	33,613
Amortization of deferred capital contributions	(14,609)	(14,858)
Change in employee future benefits	(3,631)	790
Decrease in due from related parties	44	218
Change in current assets	(482)	15,435
Change in current liabilities	32,765	57,736
Cash provided by operating activities	<u>76,274</u>	<u>119,567</u>
Cash flows from investing activities:		
Purchase of capital assets	(57,752)	(71,366)
Net increase in investments	<u>(9,716)</u>	<u>(73,767)</u>
Cash used in investing activities	<u>(67,468)</u>	<u>(145,133)</u>
Cash flows from financing activities:		
Endowment gifts	9,474	12,336
Endowment realized gains	32,933	22,450
Endowment transfers	(20,200)	(22,473)
Deferred capital contributions received	6,920	9,574
Principal payments on long-term debt	<u>(6,167)</u>	<u>(5,370)</u>
Cash provided by financing activities	22,960	16,517
Net increase (decrease) in cash and cash equivalents	<u>31,766</u>	<u>(9,049)</u>
Cash and cash equivalents, beginning of year	161,327	170,376
Cash and cash equivalents, end of year	<u>\$ 193,093</u>	<u>\$ 161,327</u>

See accompanying notes to consolidated financial statements.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

## 1. Authority and purpose:

Dalhousie University (the “University”) operates under the authority of the Statutes of Nova Scotia 1863, Chapter 24 as amended. The University is a Board-governed comprehensive research university offering a full range of undergraduate, graduate, professional, and continuing studies programs. The University is a registered charitable organization and as such, is exempt from income taxes under Section 149 of the Income Tax Act of Canada.

## 2. Significant accounting policies:

These consolidated financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants Canada (“CPA Canada”) Handbook – Accounting which sets out generally accepted accounting principles for not-for-profit organizations in Canada (“GAAP”) and includes the significant accounting policies summarized below:

### (a) Use of estimates:

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the related amounts of revenue and expenses during the year. Actual results could differ from those estimates. Estimates are reviewed annually and, as adjustments become necessary, they are recorded in the consolidated financial statements in the period which they become known.

### (b) Basis of consolidation:

The consolidated financial statements include the accounts of the Concepts in Chemistry Inc. (CIC) a wholly owned subsidiary of the University incorporated on June 22, 2010 for the commercialization of chemistry textbooks developed by the Chemistry departments. This subsidiary has a nominal effect on the consolidated financial statements.

### (c) Revenue recognition:

Revenue that is restricted in its use by an external contributor is deferred and recognized in the period in which the related expenses are incurred.

Grants and donations for the purchase of capital assets are recorded as deferred capital contributions and amortized to revenue over the useful lives of the related assets.

Endowment contributions stipulating that the principal should be retained in perpetuity are recorded as a direct increase in endowment principal. Restricted investment returns from these endowment investments are deferred and recognized when the related expense occurs.

Revenue received without restriction includes the operating grant from the Province of Nova Scotia, tuition fees and sales of services and goods. These amounts are reported as revenue at the time the services are provided or the goods are sold provided collection of the related receivable is probable, persuasive evidence of an arrangement exists and the price is fixed or determinable.

## 2. Significant accounting policies (continued):

### (d) Appropriations:

The University has approved a policy of permitting certain responsibility centres to carry forward unspent appropriations in one year for expenditure in the following years. For such responsibility centres, the policy provides that expenditures in excess of budget be met from the budget allocation of subsequent years.

### (e) Cash and cash equivalents:

Cash and cash equivalents include amounts on deposit with financial institutions and investments with maturities of less than three months that are considered highly liquid. Cash and cash equivalents are recorded at amortized cost.

### (f) Inventories:

Inventories are valued at the lower of cost on a weighted average basis and net realizable value.

### (g) Investments:

Investments reported at fair value consist of equity instruments that are quoted in an active market, as well as any investments in debt or equity securities that the University designated to be measured at fair value. Such designation must be made when the investment is initially recognized. This designation is irrevocable. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

The University holds investments in pooled funds, equities, long-term bonds and alternatives and records these at fair value. The change in fair value year-over-year is reflected in revenue and expense or deferred revenue.

Investments in interest-bearing securities with a term exceeding three months and relating to the investment of temporary cash surpluses are measured at amortized cost.

The values of private investments ("alternatives"), which comprise private externally managed co-mingled funds with underlying investments in equities, debt, real estate assets and infrastructure assets, are determined based on the latest valuations provided by the external investment managers of the fund (typically December 31), adjusted for subsequent cash receipts and distributions from the fund, and cash disbursements to the fund through March 31. The University believes that the carrying amount of these financial instruments is a reasonable estimate of fair value. Because private investments are not readily traded, their estimated values are subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed.

Investments denominated in foreign currencies are translated using rates of exchange in effect at the consolidated statement of financial position date.

### (h) Capital assets:

All capital assets are recorded at cost when acquired, except donated assets that are recorded at fair value at the date of contribution. Betterments that extend the estimated useful life of an asset are capitalized. Amortization is recorded on a straight-line basis over the estimated useful lives of those assets.



# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

## 2. Significant accounting policies (continued):

The following assets are amortized on a straight-line basis over their estimated useful lives:

Asset	Rate
Buildings	40 years
Leasehold improvements	Term of lease
Equipment	3 to 10 years
Vehicles	5 years
Library books	10 years
Computing	3 years
Land improvements	20 years

Construction in progress is amortized once the asset is available for use.

### (i) Employee future benefits:

The University maintains a defined benefit pension plan (the "Pension Plan") providing pension benefits for certain employees. Effective April 1, 2014 the University was required to adopt CPA Canada Handbook Accounting Part III, Section 3463: Reporting Employee Future Benefits by Not-For-Profit organizations. The University recognizes the accrued benefit obligation, net of the fair value of plan assets on the consolidated statement of financial position. Current service and finance costs are expensed during the year. Remeasurements such as actuarial gains and losses and past service costs are recognized as a direct change in net assets.

The University uses an actuarial valuation prepared for funding purposes to measure the defined benefit obligation related to the pension plan. The accrued benefit obligation related to employee future benefits is determined from the most recently prepared actuarial valuation as at March 31, 2014, extrapolated to March 31, 2015.

### (j) Contributed services:

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

### (k) Long-term debt:

Long-term debt is initially measured at fair value. Subsequently, long-term debt is measured at amortized cost.

### (l) Derivative financial instruments:

Derivative financial instruments are utilized by the University to manage interest rate and foreign currency exposure.

#### Interest rate swaps

The University enters into interest rate swaps to reduce the impact of fluctuating interest rates on its long-term debt. The swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. The University designates its interest rate swap agreements as hedges of underlying debt.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

## 2. Significant accounting policies (continued):

When the University has reasonable assurance that the critical terms of the hedging item and the hedged item are the same, both at the inception of a hedging relationship and through the term, the University may choose to designate that hedge accounting will be applied. The University then formally documents the hedging relationship. Interest rate swaps in qualifying hedging relationships are not formally recognized until maturity. Interest expense on the debt is adjusted to include the payments made or received under the interest rate swaps.

In the event that interest rate swaps are terminated or cease to be effective prior to maturity, any associated realized or unrealized gains or losses would be recognized in the period in which the underlying hedged transaction is recognized. In the event a designated hedged item is sold, extinguished, or matures prior to the termination of the related derivative instrument, any gain or loss on such derivative instrument is recognized in revenue or expenses.

### Foreign exchange contracts

The University enters into forward foreign exchange contracts to manage foreign exchange exposures. These contracts are carried at fair value and any resulting gain or loss on the derivative is recorded as revenue, expense or deferred revenue.

## 3. Adoption of Accounting Standards for Employee Future Benefits (Section 3463):

Effective April 1, 2014, the University adopted Section 3463, Reporting Employee Future Benefits by Not-For-Profit Organizations, of the CPA Canada Handbook – Accounting on a retrospective basis.

In accordance with Section 3463, remeasurements, which include actuarial gains and losses, past service costs and the difference between the actual and projected return on pension plan assets, are directly recognized in the statement of changes in net assets. The pension obligation is now determined using funding assumptions rather than accounting assumptions.

The following table provides a reconciliation of the net assets as of April 1, 2013 and the excess revenue over expenses for the year ended March 31, 2014.

	Excess revenue over Expenses for the year ended March 31, 2014	Net Assets as at April 1, 2013
Balance as previously reported	\$ 17,937	\$ 919,666
Employee future benefits:		
Funding valuation and remeasurements (1)	8,696	(102,515)
Balance, as restated	\$ 26,633	\$ 817,151

(1) The change in accounting standard requires that unamortized losses and past service costs can no longer be deferred and amortized. This change, as well as the use of funding assumptions rather than accounting assumptions to value the pension, resulted in a decrease in net assets of \$102,515 as of April 1, 2013. These changes also impacted the excess of revenue over expenses for the year ended March 31, 2014 by \$8,696.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

### 3. Adoption of Accounting Standards for Employee Future Benefits (Section 3463) (continued):

The employee future benefits liability as of March 31, 2014 increased to \$68,279 as a result of changes in actuarial assumptions, including a change in mortality tables.

### 4. Investments:

	2015	2014
Cash	\$ 1,657	\$ 1,812
Treasury bills, notes and GICs	66,215	128,194
Bonds	114,387	103,901
Canadian equities	88,331	84,445
US equities	100,123	86,575
Other international equities	96,938	89,014
Alternatives	150,899	114,893
	\$ 618,550	\$ 608,834

### 5. Capital assets:

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Land	\$ 115,060	\$ --	\$ 115,060	\$ 115,060
Building	706,332	68,572	637,760	582,907
Leasehold improvements	2,154	2,050	104	174
Equipment	186,778	131,411	55,367	59,417
Vehicles	2,475	1,510	965	1,092
Library books	30,382	23,576	6,806	7,029
Computing	12,195	11,755	440	451
Land improvements	7,394	1,232	6,162	6,242
Construction in progress	22,975	--	22,975	49,252
	\$ 1,085,745	\$ 240,106	\$ 845,639	\$ 821,624

The total amount of assets under capital lease is \$4,033 (2014 - \$3,910), with related accumulated amortization of \$2,763 (2014 - \$2,068).

### 6. Related party transactions:

The Dalhousie University Club (the "University Club") is incorporated under the Societies Act of Nova Scotia and operates as a not-for-profit organization under the Income Tax Act and is exempt from income tax. The University provides the University Club with financing and a rent free lease. Included in general operating expense of the University is approximately \$269 (2014 - \$327) related to catering costs charged

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

## 6. Related party transactions (continued):

by the University Club. Included in accounts receivable of the University is \$310 (2014 - \$286) due from the University Club, with no set terms of repayment.

Interest free housing loans have been advanced to senior employees of the University. The loans are secured and repayable in 2016. The transactions are measured at fair value. The difference between exchange and fair value is nominal and therefore no adjustment has been recorded for the years ended March 31, 2015 and 2014.

## 7. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances for payroll taxes payable of \$12,325 (2014 - \$9,233).

## 8. Deferred revenue:

Deferred revenue includes grants, contributions and income received which are unspent at the end of the year and for which the contributor has specified a particular use. Investments for externally restricted endowments includes net unrealized gains which are reflected in deferred revenue. Deferred operating revenues include student fees, residence fees and grant income received in advance of year end relating to the period after March 31.

	2015	2014
Operating	\$ 25,250	\$ 29,287
Endowment	144,302	111,414
Research	71,480	71,380
Special purpose	42,005	39,215
	\$ 283,037	\$ 251,296

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

## 9. Long-term debt

	Payment amount	Repayment frequency	Maturity date	Interest rate	2015	2014
Life Sciences Centre renewal	\$ -	At Maturity	Sept 2015	1.50 %	\$ 10,206	\$ 10,206
Student residences Kenneth C. Rowe Management Building	6	Quarterly	Dec 2016	4.74	423	649
Peter Green Hall	236	Quarterly	Mar 2017	5.06	1,872	2,738
Residence renewal	7	Monthly	Dec 2017	5.88	211	279
Central Services Parkade	58	Quarterly	Nov 2019	5.21	1,009	1,192
Residence renewal	22	Quarterly	Dec 2023	5.66	381	424
Howe Hall	47	Quarterly	Oct 2025	4.69	1,623	1,737
Risley Hall	136	Quarterly	Jan 2028	5.89	4,933	5,179
Life Sciences Research Institute	385	Quarterly	Sep 2029	5.96	14,920	15,550
Mona Campbell Building	150	Monthly	May 2031	4.65	21,103	21,995
Steele Ocean Sciences Building	75	Monthly	Nov 2035	4.66	12,500	12,871
LeMarchant Street	473	Quarterly	Mar 2037	3.23	29,336	30,260
Capital leases	562	Quarterly	Sep 2037	3.30	35,378	36,452
					1,139	1,669
					135,034	141,201
Less: current portion					(16,839)	(6,534)
					\$118,195	\$134,667

Principal payments due in each of the next five years on long-term debt are:

2016	\$ 16,839
2017	6,433
2018	5,141
2019	5,258
2020	5,236

The University uses interest rate swaps to manage interest rate risk (see note 14). The interest rates stated above are the effective rates on the swap agreements related to the underlying property debt. Interest of \$5,321 (2014 – \$5,643) relating to long-term debt has been included in interest expense. Interest of \$93 (2014 – \$128) relating to capital lease obligations has been included in interest expense.

Capital lease obligations are secured by leased assets as outlined in note 5.

## 10. Employee future benefits:

### Pension

For certain employees, the University maintains a contributory defined benefit pension plan. Benefits are provided based on the best three years average pensionable earnings. Participating employees normally contribute 4.65% on the first five thousand dollars of earnings and 6.15% on the balance. Effective July 1, 2012, employees contribute a further 2% of pensionable earnings.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

## 10. Employee future benefits (continued):

The University makes matching contributions, additional overmatching contributions, and going concern deficit reduction payments to fund the plan.

The most recent actuarial valuation of the plan for funding purposes was as of March 31, 2014 and reflected a going concern plan deficit of \$68,279. An extrapolation of the March 31, 2014 actuarial valuation to March 31, 2015 indicated a going concern plan deficit of \$9,135. The next actuarial valuation will be prepared no later than March 31, 2017.

### Retirement Service Award

The University provides a Retirement Service Award to eligible employees of the former Nova Scotia Agricultural College and the Technical University of Nova Scotia. The estimated present value of the retirement service award obligation is expensed on an annual basis.

Information about the University's employee future benefits is as follows:

	2015	2014
<b>Pension benefit obligation</b>		
Fair value of plan assets	\$ 1,131,655	\$ 1,003,819
Accrued benefit obligation	(1,140,790)	(1,072,098)
Pension benefit obligation	(9,135)	(68,279)
<b>Retirement service award obligation</b>	(3,692)	(3,584)
Employee future benefit obligation	\$ (12,827)	\$ (71,863)

The consolidated statement of revenue, expense and changes in operating surplus reflects an annual pension expense adjustment which is the difference between the actuarially calculated pension costs versus the University's required contribution to the pension plan. This difference has resulted in a pension expense adjustment of \$3,739 (2014 - \$2,794).

The costs of the retirement service awards recognized during the year are \$212 (2014 - \$293).

The significant actuarial assumptions adopted in measuring the Employee Future Benefits are as follows:

Actuarial Assumptions	2015	2014
<b>Pension Plan</b>		
Rate of compensation increase	3.59%	3.59%
Discount rate	5.49%	5.49%
<b>Retirement Service Award</b>		
Rate of compensation increase	3.10%	3.10%
Discount rate	6.00%	2.70%

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

## 11. Deferred capital contributions:

Grants and donations for the purchase of capital assets are recorded as deferred capital contributions and amortized to revenue over the useful life of the related assets. Deferred capital contributions represent the unamortized amount of grants and donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the year.

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

	2015	2014
Balance, beginning of year	\$ 218,988	\$ 224,272
Contributions received during the year	6,920	9,574
Recognized as revenue:		
Research grants and contracts	(8,015)	(8,554)
Capital grants	(5,566)	(5,413)
Donations	(1,028)	(891)
Total recognized as revenue	(14,609)	(14,858)
Balance, end of year	\$ 211,299	\$ 218,988

## 12. Net assets:

### (a) Endowment

Endowment principal consists of externally restricted donations received by the University and funds that have been internally designated. The investment returns generated from endowments must be used in accordance with the purposes established by the donor or by the University in the exercise of its discretion. However, benefactors, as well as University policy, stipulate that over time the economic value of endowment principal should be protected by limiting the amount of returns that may be expended.

The University has established an Endowment Management policy with the following goals:

- To balance present spending needs with expected future requirements;
- To protect the purchasing power of the capital base of endowments while achieving stability in year-to-year spending;
- To attain real increases in spending through capital appreciation from new gifts, capital investment gains and the capitalization of income.

	Endowment March 31, 2014	New Contributions	Realized Investment Returns	Transfer to (from) Endowment	Endowment March 31, 2015
External restrictions	\$ 365,904	\$ 9,474	\$ 32,190	\$ (19,489)	\$ 388,079
Internal restrictions	10,520	--	743	(172)	11,091
	\$ 376,424	\$ 9,474	\$ 32,933	\$ (19,661)	\$ 399,170

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

## 12. Net assets (continued):

### (b) Excess of pension liabilities over pension assets:

The excess of pension liabilities over pension assets is determined by an actuarial valuation for funding purposes.

### (c) Restricted funds:

Restricted funds represent amounts set aside by the University for specific uses including unspent budget appropriations accumulated by academic and other budget units, operating surpluses from prior years, departmental research overhead and development funds and certain fund raising activities.

### (d) Equity in capital assets:

The net assets invested in capital assets consists of the following:

	2015	2014
Capital assets	\$ 845,639	\$ 821,624
Less amounts financed by:		
Deferred capital contributions	(211,299)	(218,988)
Long-term debt	(135,034)	(141,201)
Cash flows, pending project completion	(4,989)	2,199
Total equity in capital assets	\$ 494,317	\$ 463,634

## 13. Commitments and contingent liabilities:

Effective April 1, 1988, the University became a member of the "Canadian Universities Reciprocal Insurance Exchange" (CURIE) self-insurance program. Membership was renewed effective January 1, 2013. Each CURIE member is required to participate for a minimum of five years. This long-term period creates an environment for CURIE where financial risk can be spread over time as well as among other subscribers. The University is subject to risk for insurance losses experienced by CURIE members and the University has met all of its obligations under the subscriber's agreement. CURIE retains a surplus for adverse insurance claims experience. At December 31, 2014 the surplus was \$74,231.

As of March 31, 2015 there are a number of claims against the University the amount of which is undeterminable at this time. The University has filed a defense as appropriate to these claims. Management is of the opinion that it is not likely that the claims against the University will be successful and no provision has been made for them in the consolidated financial statements.



# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2015

(in thousands of dollars)

## 13. Commitments and contingent liabilities (continued):

The University has outstanding capital commitments as of March 31, 2015, estimated at \$46,340.

The University has operating lease agreements. Future minimum lease payments required to meet non-cancelable terms are as follows:

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2016	\$ 2,491
2017	1,482
2018	679
2019	605
2020	552

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Certain of the alternative investments contain contractual commitments. At March 31, 2015, there were outstanding future commitments of \$191 CAD in Canadian real estate; \$4,076 CAD in private debt; \$13,166 USD and €5,732 EUR in private equity investments; and \$1,260 USD in infrastructure investments.

The University has provided a loan guarantee of up to \$7 million related to the external financing obtained by the Dalhousie Student Union ("DSU") for expansion and renovation of the Student Union Building.

## 14. Financial instruments:

### Fair value of financial assets and financial liabilities:

The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair value due to their relatively short terms to maturity.

The carrying value of debt obligations approximate their fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

The fair value of investments is determined by using published price quotations in an active market or third party valuation at year end and is disclosed in Note 4.

The University is exposed to various financial risks through transactions. There has been no significant change to the risk exposures during the year.

### Foreign currency risk:

The University is subject to gains and losses due to the fluctuations in foreign currency exchange rates. The University manages this exposure using forward foreign exchange contracts. At March 31, the forward foreign exchange contracts covered periods up to 1 month.

### Interest rate risk:

The University uses derivatives to hedge interest rate exposures. Interest rate swaps allow the University to raise long-term borrowing at floating rates and effectively swap them into fixed rates. Under the interest rate swaps, the University agrees with the counterparty to exchange, at specific intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to the notional amount.

## 14. Financial instruments: (continued)

At March 31, 2015 interest rate swaps outstanding have a notional value of \$123,479 (2014 - \$129,047) and are designated as hedges for accounting purposes, which results in interest expense related to certain long-term debt to be recorded in the consolidated financial statements at the hedged rates rather than at the contractual interest rates. The interest rate swap contracts result in the University securing long-term interest rates in the range of 3.23% - 5.89% (2014 - 3.23% - 5.89%).

Although the University has no intention of settling these instruments at March 31, 2015, the interest rate swap contracts described in Note 9 have a fair value of (\$18,188) (2014 - (\$6,587)).

### **Credit risk:**

The University is exposed to credit-related losses in the event of non-performance by counterparties to the financial instruments. The University does not have a significant exposure to any individual customer or counterparty.

### **Liquidity risk:**

Liquidity risk is the risk that the University will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The University manages its liquidity risk by monitoring its operating requirements. The University prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

## 15. Pledges

Pledges to the University at March 31, 2015 were \$59,018 (2014 - \$45,165). While these pledges are expected to be honored over the next several years, they have not been recorded as receivable on the consolidated statement of financial position.

## 16. Fine artwork collections

Fine artworks are recorded in the consolidated financial statements at nominal value.

## 17. Comparative figures

Certain 2014 figures have been reclassified to conform to the 2015 consolidated financial statement presentation.

Dalhousie University  
**Consolidated Schedule of Revenue and Expense**  
**Year Ended March 31, 2015 (With Comparatives Figures for 2014)**  
**(unaudited)**

(in Thousands of Dollars)

	Operating 2015 (Schedule 2)	Endowment 2015 (Schedule 3)	Ancillary 2015 (Schedule 4)	Capital 2015	Special Purpose 2015 (Schedule 5)	Research 2015 (Schedule 5)	Total 2015	Total 2014
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Provincial government operating grants	213,136	-	-	-	-	-	213,136	207,413
Other government grants and contracts	7,334	-	58	-	1,210	70,719	79,321	75,979
Corporations and foundations	234	-	-	-	3,765	24,810	28,809	33,806
Tuition fees	152,705	-	-	-	-	-	152,705	144,808
Non-credit and other fees	25,030	-	-	-	-	-	25,030	23,299
General	3,507	-	-	1,404	3,919	344	9,174	13,266
Gifts	6	2,444	-	-	6,645	274	9,369	6,359
Investment	4,555	20,693	-	-	1,383	-	26,631	26,147
Ancillary sales and service	-	-	45,155	-	-	-	45,155	44,193
External cost recoveries	46,276	-	-	113	1,239	1,133	48,761	48,342
Amortization of deferred capital contributions	-	-	-	5,548	1,018	8,043	14,609	14,858
<b>Total revenue</b>	<b>452,783</b>	<b>23,137</b>	<b>45,213</b>	<b>7,065</b>	<b>19,179</b>	<b>105,323</b>	<b>652,700</b>	<b>638,470</b>
<b>Expense</b>								
<b>Salaries</b>								
Academic	152,723	4,565	-	-	672	12,347	170,307	163,575
Library	3,298	10	-	-	-	-	3,308	3,415
Plant maintenance	13,328	-	210	-	-	-	13,538	13,674
Administrative and support	95,647	939	6,267	-	4,116	24,950	131,919	129,667
Benefits costs	48,946	721	954	-	939	3,497	55,057	51,826
<b>Total salaries and benefits</b>	<b>313,942</b>	<b>6,235</b>	<b>7,431</b>	<b>-</b>	<b>5,727</b>	<b>40,794</b>	<b>374,129</b>	<b>362,157</b>
Library acquisitions	5,576	230	-	-	6	35	5,847	5,713
Laboratory and teaching supplies	5,052	249	-	-	725	7,752	13,778	12,552
Equipment and service	8,920	-	928	-	451	4,102	14,401	13,394
Finance costs	1,176	-	2,684	2,791	15	1	6,667	7,003
Utilities and taxes	20,140	-	1,673	-	-	3	21,816	20,244
Externally contracted services	24,356	2,425	10,382	-	4,753	14,354	56,270	58,354
Scholarships, bursaries and prizes	22,502	9,710	-	-	2,072	17,000	51,284	49,367
Ancillary cost of sales and service	-	-	7,718	-	-	-	7,718	9,561
Travel	6,108	371	70	-	1,310	6,550	14,409	13,935
Amortization of capital assets	-	-	-	33,737	-	-	33,737	33,613
General operating	19,119	298	2,124	-	1,071	5,318	27,933	28,738
Internal / interfund transfers	35,914	2,244	11,244	(60,146)	2,620	8,124	-	-
<b>Total expense</b>	<b>462,805</b>	<b>21,762</b>	<b>44,254</b>	<b>(23,618)</b>	<b>18,750</b>	<b>104,033</b>	<b>627,989</b>	<b>614,631</b>
<b>Surplus for the year (shortfall)</b>								
Change in year before appropriations	(10,022)	1,375	959	30,683	429	1,290	24,714	23,838
Change in net assets	10,022	(1,375)	(959)	(30,683)	(429)	(1,290)	(24,714)	(23,838)
Surplus before pension expense adjustment	-	-	-	-	-	-	-	-
Pension expense adjustment	3,739	-	-	-	-	-	3,739	2,794
<b>Net assets after pension adjustment</b>	<b>3,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,739</b>	<b>2,794</b>

Schedule 1

Dalhousie University  
Consolidated Schedule of Revenue and Expense - Operating  
Year Ended March 31, 2015 (With Comparatives Figures for 2014)  
(unaudited)

(in Thousands of Dollars)

	Academic		Academic Support		Administration and General		Facilities and Construction Management		Student Services		Institution		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>														
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	213,136	207,413	213,136	207,413
Other government grants and contracts	300	467	-	-	-	-	3	12	277	275	6,754	6,433	7,334	7,187
Corporations and foundations	205	191	-	-	-	-	29	118	-	-	-	-	234	309
Tuition fees	11,210	10,810	-	-	-	-	-	-	-	-	141,495	133,998	152,705	144,808
Non-credit and other fees	11,694	11,188	-	-	3,009	2,964	-	-	7,295	6,235	3,032	2,912	25,030	23,299
General	-	-	8	10	1,100	870	1,343	1,378	1,056	1,054	-	-	3,507	3,312
Gifts	6	1	-	51	-	-	-	-	-	-	-	-	6	52
Investment	-	-	-	-	-	-	-	-	-	-	4,555	3,655	4,555	3,655
Ancillary sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External cost recoveries	41,831	39,237	1,511	1,502	1,275	1,404	1,521	1,590	138	138	-	-	46,276	43,871
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>65,246</b>	<b>61,894</b>	<b>1,519</b>	<b>1,563</b>	<b>5,384</b>	<b>5,238</b>	<b>2,896</b>	<b>3,098</b>	<b>8,766</b>	<b>7,702</b>	<b>368,972</b>	<b>354,411</b>	<b>452,783</b>	<b>433,906</b>
<b>Expense</b>														
<b>Salaries</b>														
Academic	150,711	144,403	-	-	190	19	-	-	1,822	1,541	-	-	152,723	145,963
Library	3,298	3,413	-	-	-	-	-	-	-	-	-	-	3,298	3,413
Plant maintenance	65	63	-	-	-	-	13,263	13,387	-	-	-	-	13,328	13,450
Administrative and support	48,395	47,484	10,077	9,792	25,687	25,213	4,656	4,563	6,832	6,559	-	-	95,647	93,611
Benefits costs	34,991	32,675	2,061	1,927	5,527	5,189	4,878	4,549	1,489	1,350	-	-	48,946	45,690
<b>Total salaries and benefits</b>	<b>237,460</b>	<b>228,038</b>	<b>12,138</b>	<b>11,719</b>	<b>31,404</b>	<b>30,421</b>	<b>22,797</b>	<b>22,499</b>	<b>10,143</b>	<b>9,450</b>	<b>-</b>	<b>-</b>	<b>313,942</b>	<b>302,127</b>
Library acquisitions	5,448	5,435	3	1	118	29	-	-	7	4	-	-	5,576	5,469
Laboratory and teaching supplies	5,048	4,809	-	-	-	-	4	2	-	-	-	-	5,052	4,811
Equipment and service	3,411	2,564	3,333	3,425	341	480	1,460	1,580	375	383	-	-	8,920	8,432
Finance costs	109	109	2	3	89	86	67	70	-	-	909	746	1,176	1,014
Utilities and taxes	-	-	7	7	-	-	20,133	18,725	-	-	-	-	20,140	18,732
Externally contracted services	9,852	8,618	647	784	2,684	2,478	10,830	11,428	343	416	-	-	24,356	23,724
Scholarships, bursaries and prizes	2,611	2,444	2	2	-	-	-	-	8,884	8,768	11,005	10,083	22,502	21,297
Ancillary cost of sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	3,797	3,615	129	150	1,226	1,277	74	54	882	823	-	-	6,108	5,919
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General operating	6,483	6,045	265	442	4,732	4,940	3,329	3,879	3,889	3,543	421	257	19,119	19,106
Internal / interfund transfers	12,191	11,378	(416)	(1,113)	(506)	(544)	24,031	16,142	1,037	709	(423)	5	35,914	26,577
<b>Total expense</b>	<b>286,410</b>	<b>273,055</b>	<b>16,110</b>	<b>15,420</b>	<b>40,088</b>	<b>39,167</b>	<b>82,725</b>	<b>74,379</b>	<b>25,560</b>	<b>24,096</b>	<b>11,912</b>	<b>11,091</b>	<b>462,805</b>	<b>437,208</b>
<b>Surplus for the year (shortfall)</b>														
Change in year before appropriations	(221,169)	(211,161)	(14,591)	(13,857)	(34,704)	(33,929)	(79,829)	(71,281)	(16,794)	(16,394)	357,060	343,320	(10,022)	(3,302)
(Increase) decrease in appropriations	181	(3,650)	544	50	252	384	6,958	3,329	637	391	1,450	2,798	10,022	3,302
Surplus before pension expense adjustment	(220,988)	(214,811)	(14,047)	(13,807)	(34,452)	(33,545)	(72,871)	(67,952)	(16,157)	(16,003)	358,510	346,118	-	-
Pension expense adjustment	-	-	-	-	-	-	-	-	-	-	(3,739)	(2,794)	(3,739)	(2,794)
<b>Change in net assets after pension adjustment</b>	<b>(220,988)</b>	<b>(214,811)</b>	<b>(14,047)</b>	<b>(13,807)</b>	<b>(34,452)</b>	<b>(33,545)</b>	<b>(72,871)</b>	<b>(67,952)</b>	<b>(16,157)</b>	<b>(16,003)</b>	<b>362,249</b>	<b>348,912</b>	<b>3,739</b>	<b>2,794</b>

Schedule 2

**DALHOUSIE UNIVERSITY**  
**Consolidated Schedule of Revenue and Expense for Operating and Endowment**  
**Year Ended March 31, 2015 (With Comparative Figures for 2014)**  
**(unaudited)**

(in Thousands of Dollars)

	2015			2014		
	Operating	Endowment	Total	Operating	Endowment	Total
	\$	\$	\$			\$
<b>Revenue</b>						
Provincial government operating grants	213,136	-	213,136	207,413	-	207,413
Other government grants and contracts	7,334	-	7,334	7,187	-	7,187
Corporations and foundations	234	-	234	309	-	309
Tuition fees	152,705	-	152,705	144,808	-	144,808
Non-credit and other fees	25,030	-	25,030	23,299	-	23,299
General	3,507	-	3,507	3,312	-	3,312
Gifts	6	2,444	2,450	52	1,585	1,637
Investment	4,555	20,693	25,248	3,655	19,763	23,418
Ancillary sales and service	-	-	-	-	-	-
External cost recoveries	46,276	-	46,276	43,871	-	43,871
Amortization of deferred capital contributions	-	-	-	-	-	-
<b>Total revenue</b>	<b>452,783</b>	<b>23,137</b>	<b>475,920</b>	<b>433,906</b>	<b>21,348</b>	<b>455,254</b>
<b>Expense</b>						
<b>Salaries</b>						
Academic	152,723	4,565	157,288	145,963	4,304	150,267
Library	3,298	10	3,308	3,413	2	3,415
Plant maintenance	13,328	-	13,328	13,450	-	13,450
Administrative and support	95,647	939	96,586	93,611	644	94,255
Benefits costs	48,946	721	49,667	45,690	641	46,331
<b>Total salaries and benefits</b>	<b>313,942</b>	<b>6,235</b>	<b>320,177</b>	<b>302,127</b>	<b>5,591</b>	<b>307,718</b>
Library acquisitions	5,576	230	5,806	5,469	189	5,658
Laboratory and teaching supplies	5,052	249	5,301	4,811	85	4,896
Equipment and service	8,920	-	8,920	8,432	35	8,467
Finance costs	1,176	-	1,176	1,014	-	1,014
Utilities and taxes	20,140	-	20,140	18,732	-	18,732
Externally contracted services	24,356	2,425	26,781	23,724	2,213	25,937
Scholarships, bursaries and prizes	22,502	9,710	32,212	21,297	9,201	30,498
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	6,108	371	6,479	5,919	316	6,235
Amortization of capital assets	-	-	-	-	-	-
General operating	19,119	298	19,417	19,106	525	19,631
Internal / interfund transfers	35,914	2,244	38,158	26,577	1,573	28,150
<b>Total expense</b>	<b>462,805</b>	<b>21,762</b>	<b>484,567</b>	<b>437,208</b>	<b>19,728</b>	<b>456,936</b>
Surplus for the year (shortfall)						
Change in year before appropriations	(10,022)	1,375	(8,647)	(3,302)	1,620	(1,682)
Change in net assets	10,022	(1,375)	8,647	3,302	(1,620)	1,682
<b>Surplus for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The combined results of operating and endowment funds are intended to provide a more complete reporting of the sources and uses of resources required for the operation of the University.

Schedule 3

**Dalhousie University**  
**Consolidated Schedule of Revenue and**  
**Year Ended March 31, 2015 (With Comparatives Figures for 2014)**  
**(unaudited)**

(in Thousands of Dollars)

	Arts Centre		Student * Community Services		Bookstore		Dalplex		Personal Computing Purchase Centre		Food Service		Transfer to Operating		Total		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Revenue</b>																	
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other government grants and contracts	58	58	-	-	-	-	-	-	-	-	-	-	-	-	-	58	58
Corporations and foundations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tuition fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-credit and other fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary sales and service	3,231	4,299	21,050	18,556	7,048	7,147	1,834	2,235	78	1,248	11,914	10,708	-	-	45,155	44,193	
External cost recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>3,289</b>	<b>4,357</b>	<b>21,050</b>	<b>18,556</b>	<b>7,048</b>	<b>7,147</b>	<b>1,834</b>	<b>2,235</b>	<b>78</b>	<b>1,248</b>	<b>11,914</b>	<b>10,708</b>	<b>-</b>	<b>-</b>	<b>45,213</b>	<b>44,251</b>	
<b>Expense</b>																	
<b>Salaries</b>																	
Academic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant maintenance	-	-	210	224	-	-	-	-	-	-	-	-	-	-	210	224	
Administrative and support	665	638	3,637	3,345	746	734	1,100	1,229	51	288	68	58	-	-	6,267	6,292	
Benefits costs	98	93	538	533	149	146	150	137	4	58	15	14	-	-	954	981	
<b>Total salaries and benefits</b>	<b>763</b>	<b>731</b>	<b>4,385</b>	<b>4,102</b>	<b>895</b>	<b>880</b>	<b>1,250</b>	<b>1,366</b>	<b>55</b>	<b>346</b>	<b>83</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>7,431</b>	<b>7,497</b>	
Library acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory and teaching supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment and service	5	17	458	477	68	52	150	80	-	-	247	251	-	-	928	877	
Finance costs	117	136	2,316	1,385	134	136	34	39	1	10	82	80	-	-	2,684	1,786	
Utilities and taxes	77	80	1,404	1,216	13	13	122	129	-	-	57	67	-	-	1,673	1,505	
Externally contracted services	18	22	1,030	1,043	86	113	3	7	14	-	9,231	8,540	-	-	10,382	9,725	
Scholarships, bursaries and prizes	-	-	-	180	-	-	-	-	-	-	-	-	-	-	-	180	
Ancillary cost of sales and service	2,328	3,222	-	-	5,264	5,267	126	132	-	940	-	-	-	-	7,718	9,561	
Travel	4	2	49	51	4	6	13	23	-	-	-	-	-	-	70	82	
General operating	35	45	1,740	1,356	160	186	173	199	8	34	8	46	-	-	2,124	1,866	
Internal / interfund transfers	86	88	9,045	8,315	419	476	95	109	-	72	1,669	2,139	(70)	(171)	11,244	11,028	
<b>Total expense</b>	<b>3,433</b>	<b>4,343</b>	<b>20,427</b>	<b>18,125</b>	<b>7,043</b>	<b>7,129</b>	<b>1,966</b>	<b>2,084</b>	<b>78</b>	<b>1,402</b>	<b>11,377</b>	<b>11,195</b>	<b>(70)</b>	<b>(171)</b>	<b>44,254</b>	<b>44,107</b>	
Change in year before appropriations	(144)	14	623	431	5	18	(132)	151	-	(154)	537	(487)	70	171	959	144	
Net (increase) decrease in appropriations	-	-	(623)	(476)	(33)	(75)	132	(151)	-	-	(435)	558	-	-	(959)	(144)	
<b>Surplus for the year (shortfall)</b>	<b>(144)</b>	<b>14</b>	<b>-</b>	<b>(45)</b>	<b>(28)</b>	<b>(57)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(154)</b>	<b>102</b>	<b>71</b>	<b>70</b>	<b>171</b>	<b>-</b>	<b>-</b>	

\* Student Community Services include Residence Life operations with expenditures of \$1.4 million (\$1.4 million in 2014).

**Schedule 4**

**Consolidated Schedule of Revenue and Expense for Restricted Funds**  
**Year Ended March 31, 2015 (With Comparatives Figures for 2014)**  
**(unaudited)**

(in Thousands of Dollars)

	Special Purpose		Research	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Revenue</b>				
Provincial government operating grants	-	-	-	-
Other government grants and contracts	1,210	457	70,719	68,277
Corporations and foundations	3,765	3,035	24,810	30,462
Tuition fees	-	-	-	-
Non-credit and other fees	-	-	-	-
General	3,919	8,225	344	421
Gifts	6,645	4,392	274	330
Investment	1,383	1,458	-	-
Ancillary sales and service	-	-	-	-
External cost recoveries	1,239	3,342	1,133	808
Amortization of deferred capital contributions	1,018	906	8,043	8,581
<b>Total revenue</b>	<b>19,179</b>	<b>21,815</b>	<b>105,323</b>	<b>108,879</b>
<b>Expense</b>				
<b>Salaries</b>				
Academic	672	793	12,347	12,515
Library	-	-	-	-
Plant maintenance	-	-	-	-
Administrative and support	4,116	3,504	24,950	25,616
Benefits costs	939	945	3,497	3,569
<b>Total salaries and benefits</b>	<b>5,727</b>	<b>5,242</b>	<b>40,794</b>	<b>41,700</b>
Library acquisitions	6	32	35	23
Laboratory and teaching supplies	725	529	7,752	7,127
Equipment and service	451	476	4,102	3,574
Finance costs	15	21	1	1
Utilities and taxes	-	-	3	7
Externally contracted services	4,753	4,144	14,354	18,548
Scholarships, bursaries and prizes	2,072	2,110	17,000	16,579
Ancillary cost of sales and service	-	-	-	-
Travel	1,310	1,174	6,550	6,444
Amortization of capital assets	-	-	-	-
General operating	1,071	2,870	5,318	4,371
Internal / interfund transfers	2,620	1,348	8,124	8,945
<b>Total expense</b>	<b>18,750</b>	<b>17,946</b>	<b>104,033</b>	<b>107,319</b>
Surplus for the year (shortfall)	429	3,869	1,290	1,560
Change in net assets	(429)	(3,869)	(1,290)	(1,560)
<b>Surplus for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 5