

Dalhousie University

# Annual Financial Report

March 31, 2016

Published June 2016



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

Looking ahead to 2016-17, Dalhousie can reflect on our successes in the past year focused on the three pillars of our strategic mission: teaching and learning; research, scholarly and artistic work; and public engagement and service to our community.

Supporting diversity in our community, we commenced the Elders in Residence program and continue to seek new opportunities to honor the shared heritage of our students, faculty and staff. Importantly, the President appointed a special advisor on Diversity and Inclusiveness and hired an Executive Director, Diversity and Inclusiveness.

Dalhousie's most important assets are our faculty and staff. We continue to seek new opportunities to further engage our employees and expand our reputation as one of Atlantic Canada's top employers. Many of our accomplished research colleagues have been recognized nationally and internationally this year for their contribution to scholarship. This spring the Joint Pension Committee has

nationally and internationally this year for their contribution to scholarship. This spring the Joint Pension Committee has created positive outcomes for the entire University through their initiatives to provide a sustainable pension plan.

Addressing the space needs of our teaching and learning community continues to be an important priority. All capital improvements and new buildings are designed with a deliberate intention to decrease our environmental footprint while creating spaces that engage and ignite. Capital projects are initiated once funding plans are approved through recommendation from the Capital Projects and Facilities Committee. In 2015-16 the beautifully designed, open concept Margaret and Wallace McCain Learning Commons opened providing much needed space which allows our students to use state of the art technology to interact, collaborate and create. Through a shared capital investment the Collaborative Health Education Building was completed creating a collaborative learning environment for our students and faculty. During the year we broke ground on the new Fitness Centre, and plans for the exciting Innovation in Design, Engineering and Architecture (IDEA) project are well underway. Planning for expanded facilities to support the Fountain School of Performing Arts and revitalize the Rebecca Cohn, which serves the greater community as performing space are also underway.

This past fall and winter we continued work toward the goal of an integrated multi-year planning by meeting with all Faculties to improve alignment of strategic priorities and academic plans with the budget process. The University is continuing to work towards greater fiscal transparency and enhanced reporting to keep the University community engaged.

We continue to face challenges: limited operating revenue growth, changing student demographics, pressures related to attracting and retaining faculty and staff, and renewal of our aging infrastructure. Even with these challenges, Dalhousie continues to advance the University's mission and shared strategic priorities. Our Strategic Direction 2014-18 guides our path forward as we prepare for our 200<sup>th</sup> Anniversary in 2018.

Without the hard work and investment by every member of the Dalhousie community none of this would be possible. I want to acknowledge and appreciate the significant contributions of the entire University body that make Dalhousie a leader in our community.

A handwritten signature in black ink, appearing to read "Ian Nasor".

Ian Nasor,  
Vice-President, Finance & Administration

# Financial Overview



## FINANCIAL OVERVIEW

The University's financial affairs are organized into Funds which encompass 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 Operating Fund encompasses the day-to-day revenue and expenditures required to operate the University, to carry out the Academic mission. Government grant, tuition revenue and other general revenues support operating expenditures. Budget allocations to Faculties and Major Service and Support Units are based on Budget Advisory Committee recommendations.



### **Ancillary Fund**

Ancillary units provide important services to the University community and are segregated from the core functions of teaching and research. The ancillary operations include Student Community Services (residence and housing), the Bookstore, Food Services, the Dalhousie Arts Centre and Dalplex.



### **Endowment Fund**

University operations are supplemented by the University's 1,400 endowment funds. Endowments support student bursaries and scholarships, research, library materials and services, academic chairs and salaries. The funds must be spent according to the terms of the individual endowments as established by donors.

## **Assets**



### **Capital Fund**

The Capital Fund accounts for funds received and expended on property, plant and equipment, which have a use into the future. Capital reserves are funds set aside by the University to support future costs of large scale capital upgrades or replacements and are included in the Capital Fund.



### **Research Funds**

Research Fund expenditures are supported by revenues which are restricted for the purposes designated by the funders and sponsors. These funds cannot be used to support operations. Researchers managed 3,035 segregated research grant and contract accounts in 2015-16.

### **Special Purpose Funds**

Special Purpose Fund expenditures are supported by revenues which are restricted for the purposes established by contributors. In 2015-16 there were 1,020 special purpose accounts utilized for a variety of purposes including annual giving, conferences, service and lab accounts, and joint projects with contributions from external parties.

# DALHOUSIE UNIVERSITY

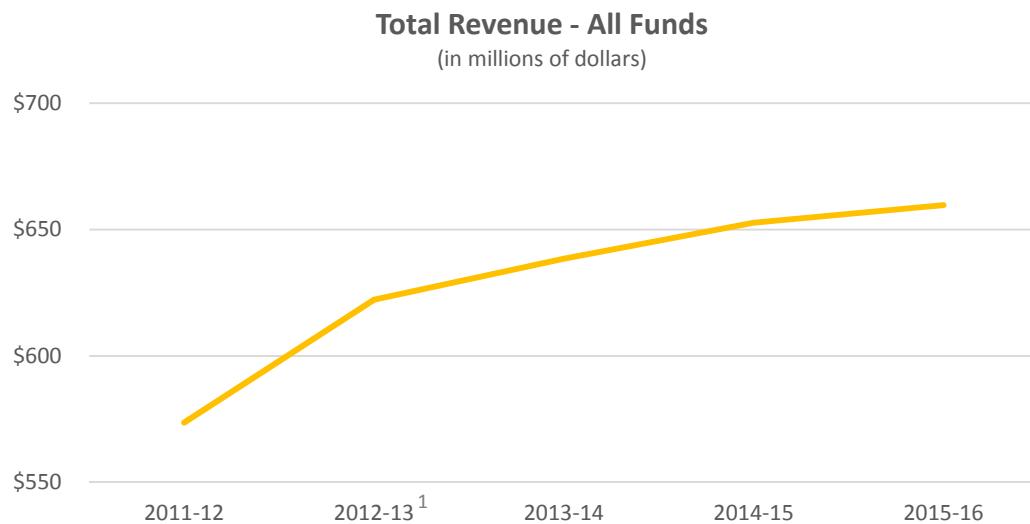
## Financial Overview

As of March 31, 2016

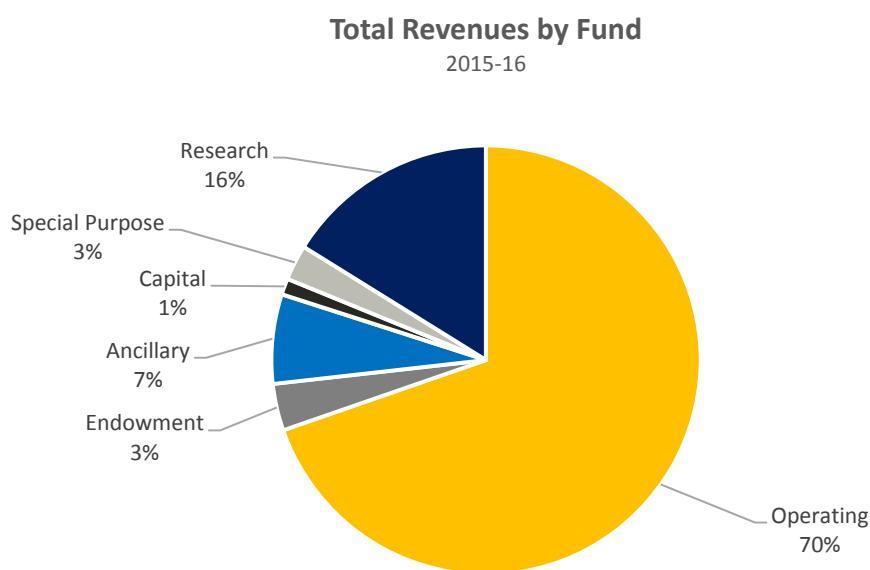
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## REVENUE

In 2015-16 Dalhousie University reported total revenue from all funds of \$659.7 million; an increase of 1.1% over 2014-15. The following graph shows the growth in total revenue across all funds since 2011-12:



The following graph provides a breakdown of revenue by fund:



# DALHOUSIE UNIVERSITY

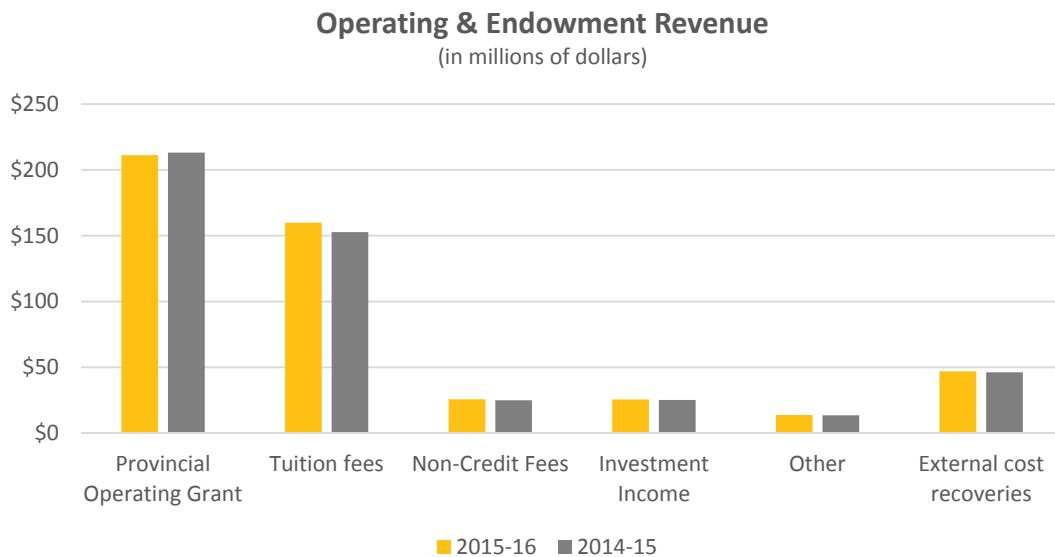
## Financial Overview

As of March 31, 2016

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### Operating & Endowment Revenue

The University's total operating and endowment revenue in fiscal 2015-16 was \$483.0 million; a net increase of \$7.1 million (1.5%) from the previous year.



The provincial operating grants are the largest source of revenue for the University (43.7%). The Provincial Government Operating Grant revenue decreased by \$2.0 million in 2015-16. Components of this change are:

#### Increases:

- The Provincial Operating Grant increased by \$1.7 million (1%).
- \$0.8 million in additional revenue from the Nova Scotia Graduate Scholarship Program due to a staggered introduction.

#### Decreases:

- A decrease of \$2.8 million of transition funding from the Department of Agriculture.
- Provincial funding for the Nova Scotia Bursary Program decreased by \$1.7 million as the province eliminated bursaries to non-Nova Scotia students in 2015-16.

Tuition revenue of \$159.9 million contributes 33.1% of Dalhousie's operating and endowment revenue. Total tuition fee revenue increased by \$7.2 million, a result of a 3% tuition increase across all programs and enrolment related growth.

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 2015-16 the endowment income totaled \$23.3 million.

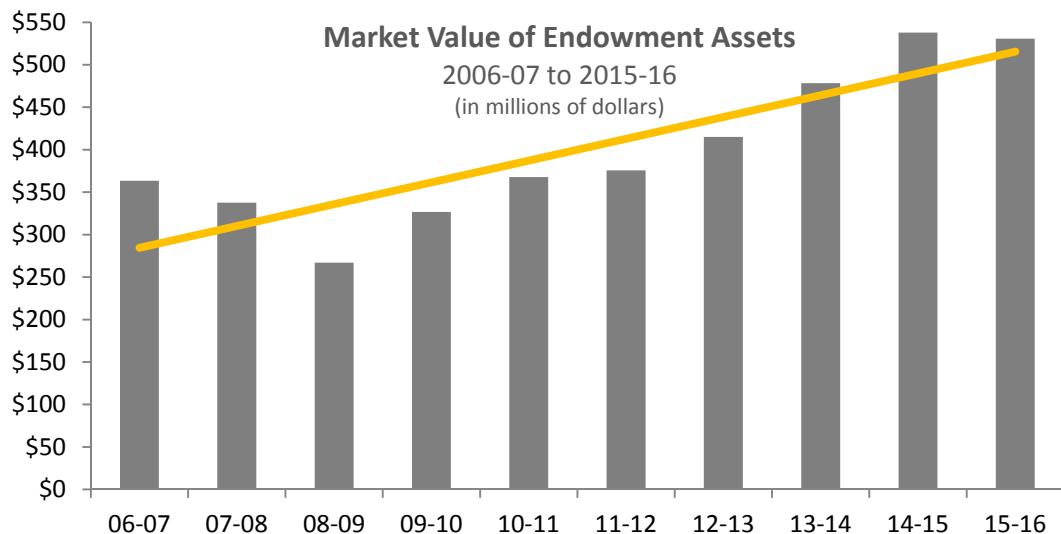
# DALHOUSIE UNIVERSITY

## Financial Overview

As of March 31, 2016

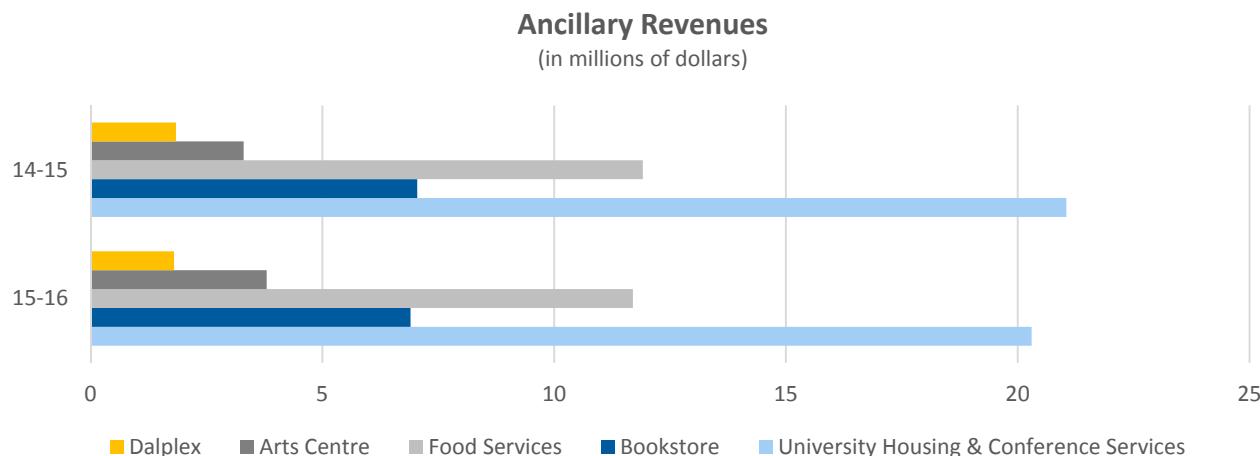
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Endowment funds are externally restricted donations received by the University. The gift principal is invested under the direction of the Investment Committee, and over time the earnings provide support for donor specified activities at the University. The market value of the University's endowment assets reached \$530.7 million as of March 31, 2016.



## Ancillary Revenues

The University's ancillary operations provide essential support and business services to the Dalhousie community with a view to 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 2015-16 changes in Ancillary Revenue over 2014-15.



The net decrease in ancillary revenue in 2015-16 was \$765,000 and relates to a decrease in student residence occupancy and related meal plan revenue. These were partially offset by an improvement in revenues at the Dalhousie Arts Centre compared with 2014-15.

# DALHOUSIE UNIVERSITY

## Financial Overview

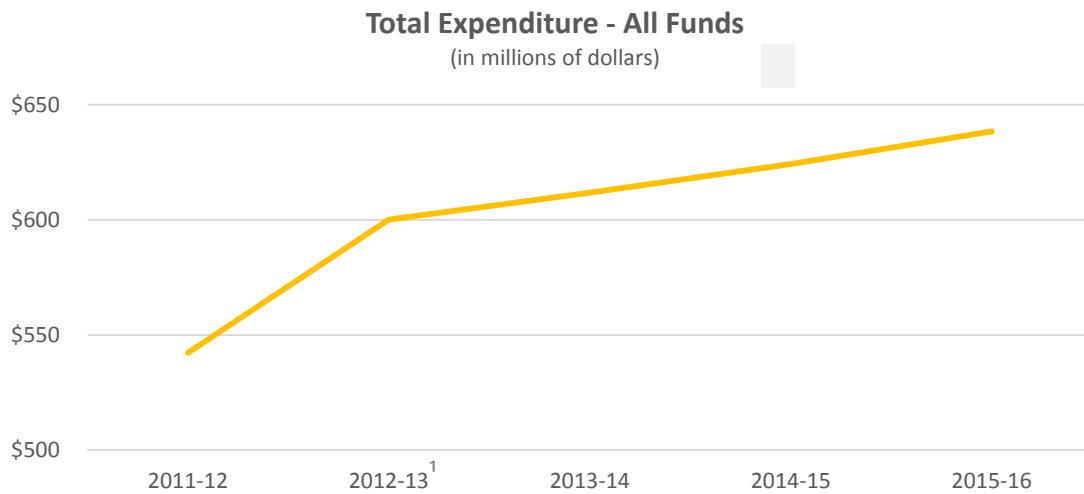
As of March 31, 2016

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## EXPENDITURES

The University's total expenditures from all funds in 2015-16 was \$639.1 million; an increase of 2.4% over the previous year. The budget plan for 2015-16 anticipated the use of reserve funds of \$1.8 million to balance the budget. The final use of reserve funds for the year was \$1.7 million. In addition, Faculty and Major Service and Support Units used carryforwards to support projects and initiatives across campus.

The following graph shows the growth in total expenditures across all funds since 2011-12:



## Operating & Endowment Expenditures

Operating and endowment expenditures increased to \$488.0 million from \$484.6 million in the previous fiscal year, an increase of \$3.5 million (0.7%).

### Compensation

The largest expenditure of the Operating & Endowment Fund is salary and benefits (including pension) costs. Compensation costs have increased \$8.4 million year over year (2.6%). The majority of this increase relates to annual compensation adjustments.

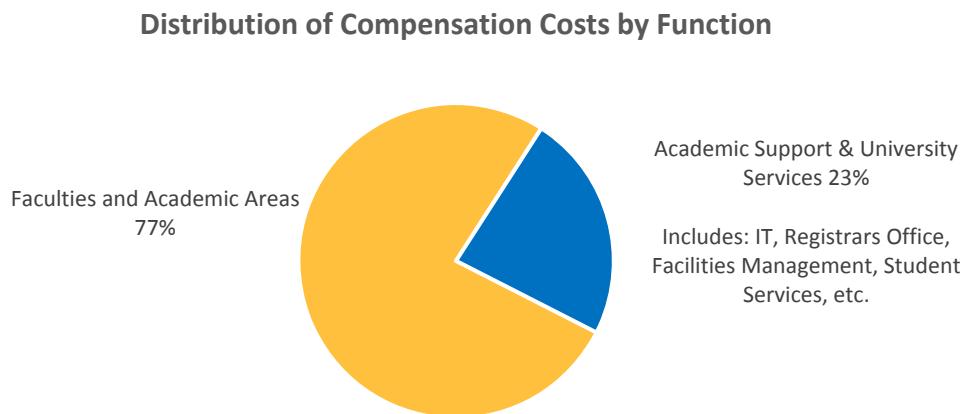
# DALHOUSIE UNIVERSITY

## Financial Overview

As of March 31, 2016

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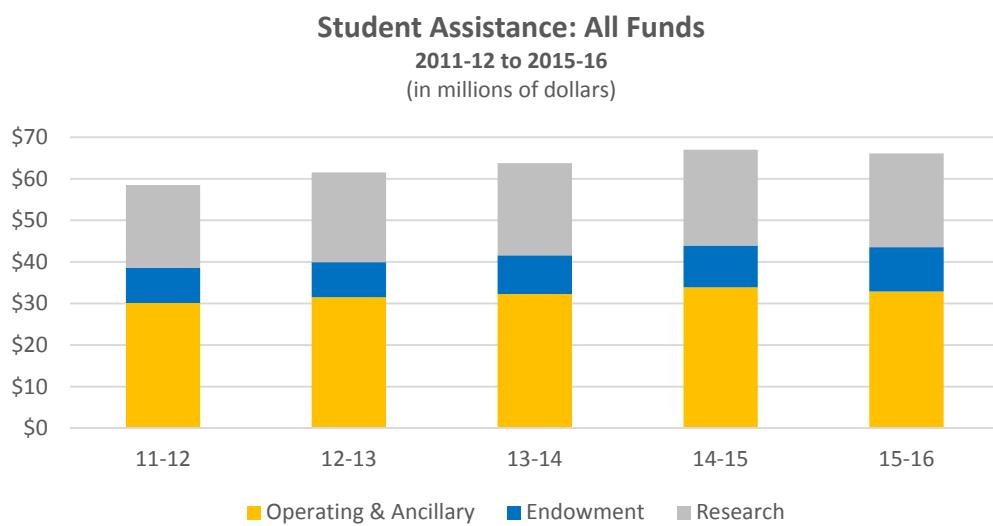
The following graph shows the distribution of compensation costs between Academic and Major Service and Support Units:



## Student Assistance

Student assistance includes student employment, undergraduate and graduate scholarships and bursaries, and fellowships. In 2015-16 support for students from Operating and Endowment Funds totaled \$43.6 million. Research grants also provide significant financial support, particularly for graduate students. Total student support from all funds was \$66.1 million (2014-15 \$67.0 million). In 2015-16, the Province of Nova Scotia amended the Nova Scotia Bursary program, which no longer provides bursaries to students from other provinces.

The following graph outlines Student Assistance across all funds for the last five years.



# DALHOUSIE UNIVERSITY

## Financial Overview

As of March 31, 2016

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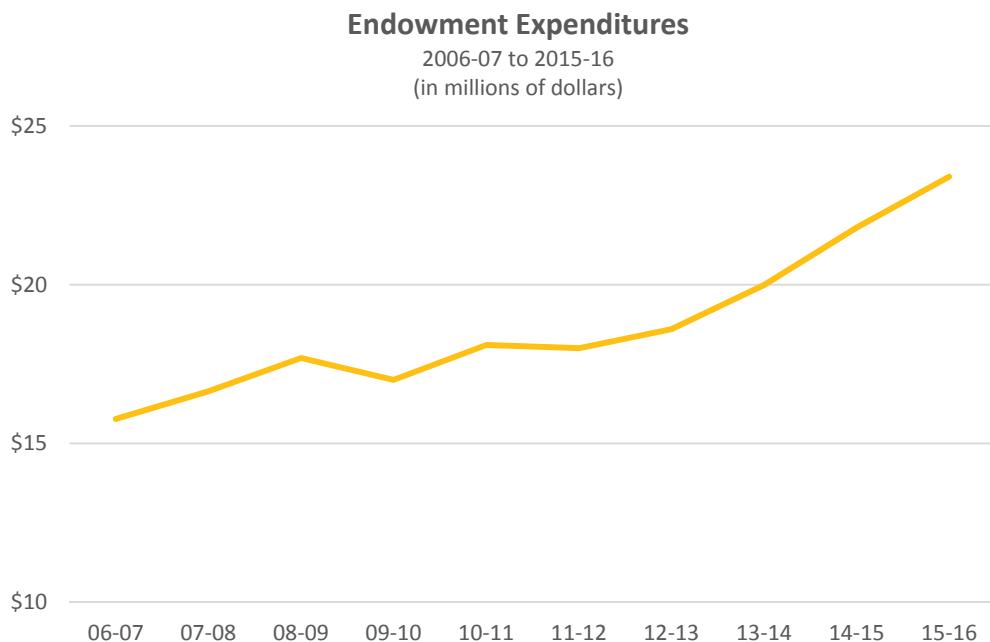
### Endowment Supported Expenditures

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.

The following graph provides a history of total expenditures supported by the University's 1,400 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.



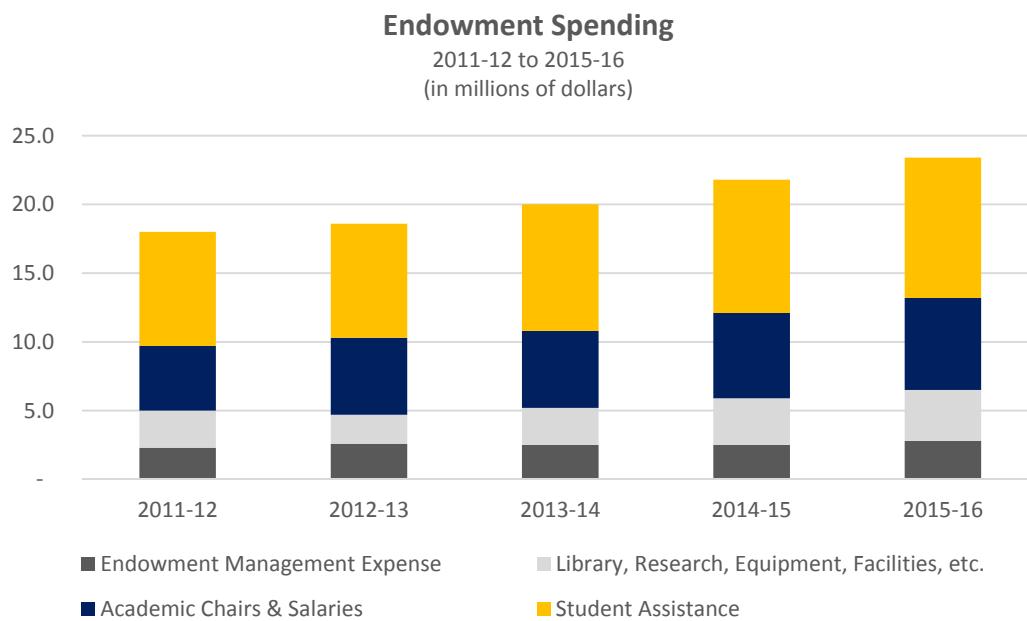
# DALHOUSIE UNIVERSITY

## Financial Overview

As of March 31, 2016

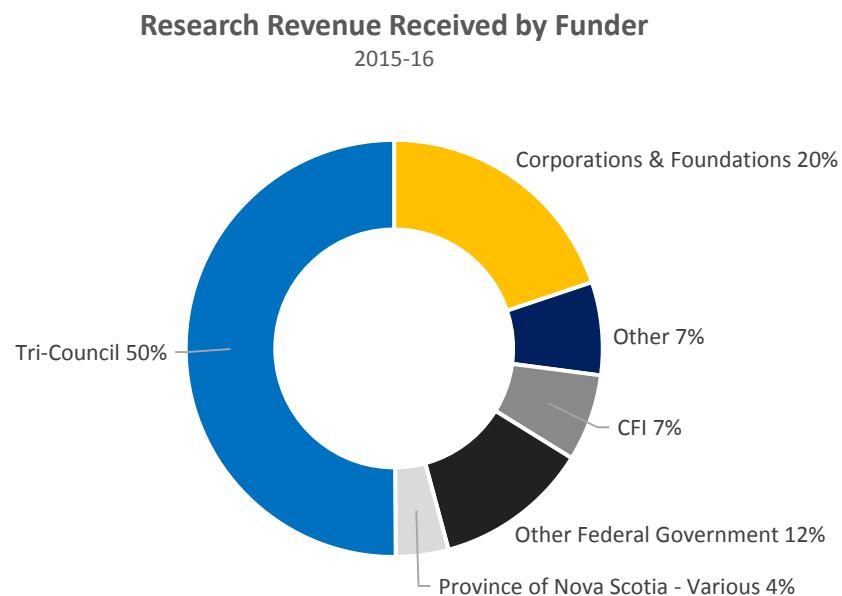
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The following graph shows the breakdown of endowment spending for the last five years.



## RESEARCH

Revenues received in the Research Fund must be used for the purposes specified by over 300 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).



## DALHOUSIE UNIVERSITY

### Financial Overview

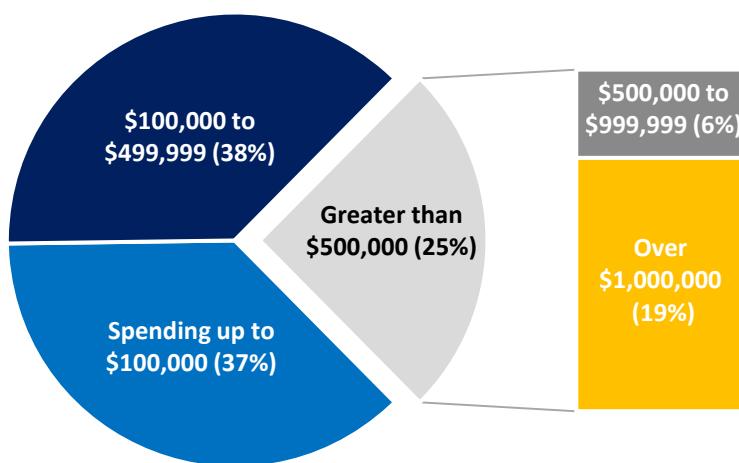
As of March 31, 2016

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As research revenue is restricted for purpose by the funder, it is only recorded when the related relevant expenditures occur. Therefore, timing of spending on large projects creates variability in realized research revenues. Research revenues and expenditures increased in 2015-16 by \$973,000.

As demonstrated in the following chart, 25% of grants and contracts have expenditures greater than \$500,000 in 2015-16.

**Research Expenditures 2015-16**  
Proportion of Research Accounts by Annual Spending



## SPECIAL PURPOSE

Revenues received in the Special Purpose Fund must be used for the purposes specified by contributors and donors. The University manages 1,020 Special Purpose accounts for a variety of purposes such as annual givings, conferences, and service and lab accounts which provide services to other areas of the University. Special Purpose accounts also host joint initiatives with the Province of Nova Scotia and other entities such as sandbox funding to support Cultiv8, Shiftkey and IDEA. Another significant Special Purpose account is the University Health Centre located in the LeMarchant building which is jointly operated with the physicians in this practice to support student health.

## CAPITAL

The University accounts for all fixed assets in the Capital Fund. Examples include items such as construction of new buildings, building improvements (Facilities Renewal), and smaller items such as library books, computers, and research and lab equipment. During the year, the University invested in \$82.1 million in capital assets.

# DALHOUSIE UNIVERSITY

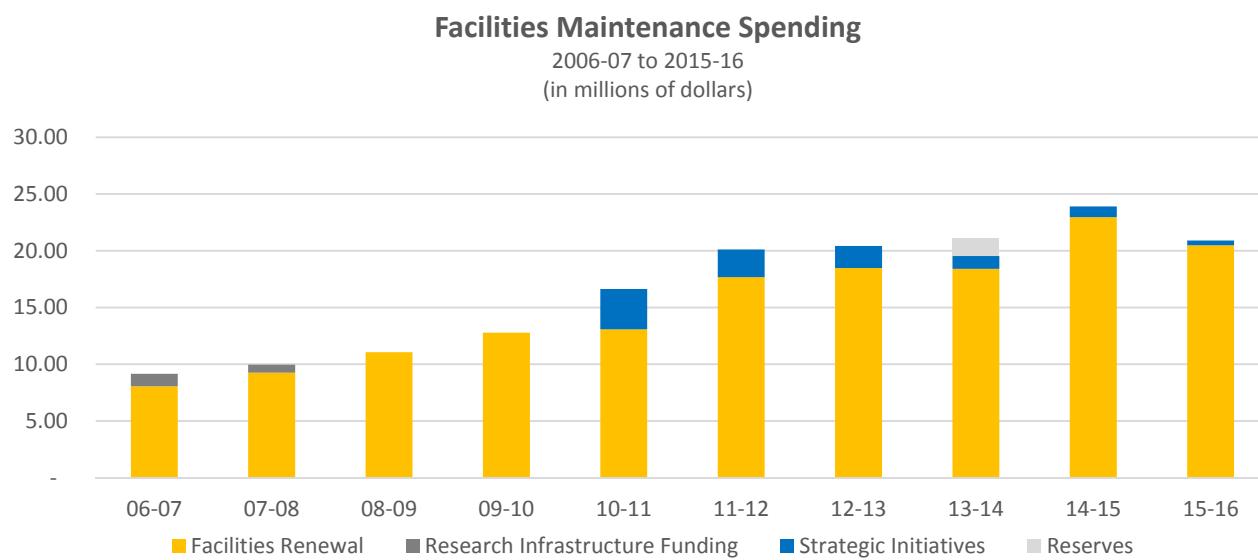
## Financial Overview

**As of March 31, 2016**

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Large capital projects are undertaken on the basis of funding plans as recommended by the Board Capital Projects and Facilities Committee. \$32.1 million was spent on large capital projects in 2015-16 which include, the Collaborative Health Education Building, Margaret and Wallace McCain Learning Centre, Dental Building and the Tupper Medical Building. The University also completed excavation of the site for the new Fitness Centre, and IDEA building planning is underway. During the year, gifts designated for capital were recognized in the amount of \$6.3 million. Another \$8.5 million in gifts previously recognized in the Special Purpose Fund were transferred to the Capital Fund to fund capital additions. During the year, the renovation of the Student Union Building was undertaken by the Dalhousie Student Union and supported by the University.

The 157 buildings (exceeding 5 million gross square feet of space), 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. The following graph showing the annual investment in facilities maintenance over 10 years. The decreased spending in 2015-16 relates to the completion of a number of transition projects on the Agricultural Campus in 2014-15.



The annual Facilities Renewal budget of \$19.2 million supports projects on both the Halifax and Truro campuses. The larger projects undertaken in 2015-16 include exterior conservation projects on the Cox Institute, Henry Hicks Administration Building, Sexton Building F and the Weldon Law Building.

# **2015-16 Operating Budget Results**



# DALHOUSIE UNIVERSITY

Operating Budget Results

**As of March 31, 2016**

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## **INTRODUCTION**

In June of 2015 the Board of Governors approved the University operating budget for 2015-16 including revenues and expenditures of \$398.6 million. This report provides detailed financial information on the actual results for 2015-16 compared with the approved University operating budget. The report provides a comparison of the budget results to actual in summary and in detail for each Faculty and Service unit and includes commentary on the significant variances from budget.

### **The Final Budget:**

The summary on page 12 shows the Approved Budget and the Final Budget for the University in 2015-16. The final budget reflects the distribution of 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. A further breakdown of the results between Truro and Halifax campuses is included in Appendix A.

### **Actual Results:**

The University achieved a balance of revenues and expenditures for the year. The following are the significant variances:

- Operating interest revenue was lower than budget by \$450,000.
- Tuition revenue was lower than budget by \$187,000.
- These variances are partially offset by:
  - Utility expenses lower than budget by \$550,000.
  - Contingency expenses lower than budget by \$164,000.
  - Net expense variances in other budgets lower than budget totaling \$66,000.
- As a result of these changes, the use of budgeted reserve funds required to balance the budget was reduced by \$143,000.

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

**Dalhousie University**  
**Operating Budget Results - Summary**  
**As at March 31, 2016**

(thousands of dollars)

	<b>Approved Budget</b>	<b>Final Budget (1)</b>	<b>Actual</b>	<b>Variance Fav (Unfav)</b>
<b>REVENUE</b>				
Provincial Government Grants				
Operating - Labour and Advanced Education	170,179	170,179	170,179	-
- Department of Agriculture	19,759	19,759	19,759	-
Scholarship and Bursary Program Grants	10,820	10,820	10,163	(657)
Program Specific Grants	9,175	9,175	9,175	-
Facilities/Space Grant	1,000	1,000	1,000	-
Department of Agriculture Transition Grant	861	861	861	-
	211,794	211,794	211,137	(657)
Federal Research Support Fund Grant	6,979	6,979	6,985	6
Investment				
Endowment	23,921	23,921	23,370	(551) <sup>(2)</sup>
Operating (net of bank & finance charges)	3,250	3,250	2,800	(450)
Tuition Fees	147,734	147,734	147,547	(187)
Facilities Renewal Fee	3,048	3,048	3,120	72
Use of Reserve Funds	1,846	1,846	1,703	(143)
<b>TOTAL REVENUE</b>	<b>398,572</b>	<b>398,572</b>	<b>396,662</b>	<b>(1,910)</b>
<b>GENERAL OPERATING EXPENDITURES</b>				
Equipment and Furniture Allocation	2,372	2,372	2,372	-
Scholarships, Bursaries and Student Assistance				
Operating	10,341	10,341	10,434	(93)
NS Government Scholarship & Bursary Programs	10,820	10,820	10,163	657
Endowment	6,151	6,151	6,721	(570) <sup>(2)</sup>
Campus Renewal- Annual Facilities Maintenance	19,172	19,172	19,250	(78)
- Long term	6,787	6,787	6,787	-
Strategic Initiatives - Projects	2,704	2,105	2,105	-
Energy, Water, Taxes and Insurance (net of recoveries)	22,357	22,357	21,807	550
Truro Campus Transition Expenditures	861	861	988	(127)
Endowment Management Expenses	2,752	2,752	2,783	(31) <sup>(2)</sup>
Contingency	1,900	1,900	1,736	164
<b>TOTAL GENERAL OPERATING EXPENDITURES</b>	<b>86,217</b>	<b>85,618</b>	<b>85,146</b>	<b>472</b>
<b>RESPONSIBILITY CENTRE EXPENDITURES</b>				
Academic	228,580	237,263	236,157	1,106 <sup>(2)</sup>
Academic Support	13,158	13,708	13,664	44
Administration	30,334	31,583	31,405	178
General	1,870	1,746	1,700	46
Facilities Management	20,711	21,152	21,195	(43)
Student Services	7,384	7,562	7,580	(18) <sup>(2)</sup>
Provision for Compensation (including pension)	10,574	140	-	140
<b>TOTAL RESPONSIBILITY CENTRE EXPENDITURES</b>	<b>312,611</b>	<b>313,154</b>	<b>311,701</b>	<b>1,453</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>398,828</b>	<b>398,772</b>	<b>396,847</b>	<b>1,925</b>
<b>NET ANCILLARY CONTRIBUTION</b>	<b>(256)</b>	<b>(200)</b>	<b>(185)</b>	<b>(15)</b> <sup>(2)</sup>
<b>TOTAL EXPENDITURES</b>	<b>398,572</b>	<b>398,572</b>	<b>396,662</b>	<b>1,910</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 related investment income will vary from the amount available for spending in any given year due to various factors. See note 2 on page 15.

**Dalhousie University**  
**Operating Budget Results - Detail**  
**As at March 31, 2016**

(thousands of dollars)

	<b>Approved Budget</b>	<b>Final Budget</b> (1)	<b>Actual</b> (2)	<b>Variance Fav (Unfav)</b>	<b>Transfer to (from) Appropriation</b>
<b>ACADEMIC</b>					
Agriculture (including Farm & Support Units)	15,907	16,761	16,684	77	(221)
Architecture and Planning	4,428	4,608	4,608	-	(111)
Arts and Social Sciences	19,648	20,501	20,501	-	(387)
Computer Science	6,725	6,944	6,944	-	150
Dentistry	9,556	9,894	9,894	-	(209)
Engineering	18,795	19,383	19,383	-	48
Graduate Studies	1,994	2,106	2,106	-	181
Health Professions	28,422	29,466	29,466	-	(459)
Law	11,119	11,511	11,511	-	724
Management	12,545	13,109	13,109	-	(178)
Medicine	44,878	46,343	46,343	-	(1,293)
Science	34,224	35,438	35,438	-	131
University Library	15,155	15,526	15,526	-	(643)
College of Continuing Education	1,133	1,200	1,200	-	568
College of Sustainability	1,180	1,223	1,223	-	94
Centres, Institutes & Special Projects	2,455	2,556	2,556	-	84
Cooperative Education Office	668	730	633	97	135
Faculty Related Costs (eg. Travel, Leave Grants, PDA.)	2,447	2,586	2,586	-	(282)
Kings' Transfer	(3,327)	(3,327)	(3,090)	(237)	-
Academic Initiatives	628	705	705	-	(664)
Endowment Expenditures less than Budget (net)	-	-	(1,169)	1,169	(1,169)
<b>TOTAL ACADEMIC</b>	<b>228,580</b>	<b>237,263</b>	<b>236,157</b>	<b>1,106</b>	<b>(3,501)</b>
<b>ACADEMIC SUPPORT</b>					
Art Gallery	211	220	234	(14)	2
Centre for Learning and Teaching	1,348	1,487	1,487	-	(143)
Information Technology Services	11,586	11,987	11,987	-	(192)
Printing Centre	13	14	(42)	56	-
Endowment Expenditures less than Budget (net)	-	-	(2)	2	(2)
<b>TOTAL ACADEMIC SUPPORT</b>	<b>13,158</b>	<b>13,708</b>	<b>13,664</b>	<b>44</b>	<b>(335)</b>
<b>ADMINISTRATION</b>					
Application Fees and Services Recovery	(1,465)	(1,465)	(1,443)	(22)	-
Advancement	6,305	6,062	6,057	5	(445)
Communications & Marketing	2,653	3,120	3,115	5	(149)
Environmental Health and Safety Office	1,059	1,166	1,164	2	57
Financial Services	4,957	5,094	5,116	(22)	(102)
Human Resources	3,454	3,565	3,510	55	-
Dalhousie Analytics	769	891	889	2	3
Inter-University Services	96	97	97	-	-
President's Office	3,878	4,200	4,190	10	-
Registrar & Admissions	5,859	5,976	5,899	77	150
Research Services	1,829	1,848	1,782	66	-
University Secretariat/ Internal Audit	941	1,029	1,029	-	(21)
<b>TOTAL ADMINISTRATION</b>	<b>30,335</b>	<b>31,583</b>	<b>31,405</b>	<b>178</b>	<b>(507)</b>

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

(2) The actual column includes transfers of variances in accordance with University policy. (See detailed analysis in Appendix B)

(3) Communication & Marketing costs at the Agricultural Campus were reallocated from the Advancement budget during the year.

**Dalhousie University**  
**Operating Budget Results - Detail**  
**As at March 31, 2016**

(thousands of dollars)

	Approved Budget	Final Budget	Actual (1)	Variance Fav (Unfav)	Transfer to (from) Appropriation
<b>GENERAL</b>	1,870	1,746	1,700	46	-
<b>FACILITIES MANAGEMENT</b>	20,711	21,152	21,195	(43)	-
<b>STUDENT SERVICES</b>					
Awards Office & Student Services Centre -Sexton	449	467	467	-	
Counselling	1,273	1,375	1,375	-	32
Student Support Services and Vice President's Office	4,516	4,574	4,574	-	123
Student Health	96	118	118	-	249
Recreation and Athletics	1,050	1,028	1,028	-	51
Endowment Expenditures in excess of Budget (net)		-	18	(18)	18
<b>TOTAL STUDENT SERVICES</b>	7,384	7,562	7,580	(18)	473
<b>ANCILLARIES</b>					
Dalhousie Arts Centre	324	368	382	(14)	-
Dalplex	181	181	181	-	(50)
Food Services, incl. DalCard	140	140	140	-	(844)
Residence Life	1,415	1,460	1,460	-	-
University Bookstore	(306)	(307)	(307)	-	(65)
University Housing	(2,010)	(2,042)	(2,042)	-	(297)
Endowment Expenditures excess of Budget (net)		-	1	(1)	1
<b>TOTAL ANCILLARIES</b>	(256)	(200)	(185)	(15)	(1,255)

(1) The actual column includes transfers of variances in accordance with University policy. (See detailed analysis in Appendix B)

# DALHOUSIE UNIVERSITY

Operating Budget Results

**As of March 31, 2016**

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## **Commentary on Major Revenue & Expenditure Variances**

### **1. Provincial Government Grants**

Provincial Government grants were received according to budget for the year with the exception of grants relating to the Bursary and Scholarship programs. Funding from the province for these programs directly offsets spending for the programs (reviewed in section 5 below) resulting in no net impact on operating budget.

### **2. Investment Income**

#### **Endowment Income (and Related Expenditure Lines)**

The operating budget is supported by 1394 endowments; each must be spent according to their individual terms. Annual investment income is recognized in an amount to support actual expenditures from the endowments for the year and therefore has no impact overall impact on the bottom line of the operating budget. The following table summarizes expenditures by Responsibility Centre and the offsetting variance in Endowment income:

<b>2015-16 Summary of Endowment Revenue and Expenditures</b> ( '000's of dollars)				
	<b>2015-16</b>			<b>2014-15</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Endowment Revenue</b>	23,921	23,370	(551)	21,761
<b>Endowment Expenditures:</b>				
<b>Student Assistance</b>	6,151	6,721	(570)	6,032
<b>Endowment Management Expense</b>	2,752	2,783	(31)	2,632
<b>Included in Responsibility Centres:</b>				
<b>Academic</b>	14,574	13,405	1,169	12,638
<b>Academic Support</b>	71	69	2	74
<b>Student Services</b>	136	154	(18)	157
<b>University Housing</b>	237	238	(1)	228
	<b>23,921</b>	<b>23,370</b>	<b>551</b>	<b>21,761</b>

# DALHOUSIE UNIVERSITY

## Operating Budget Results

As of March 31, 2016

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Student Assistance spending is higher than budgeted by \$570,000 due to planned use of prior years unspent balance to support graduate scholarships. Spending in the academic area that is lower than budget relates primarily to the timing of program spending and in the appointment of academic chairs. A further breakdown on endowment results by Responsibility Centre is included in Appendix B.

### Investment Income - Operating

The University's short-term investment revenue is less than budget by \$450,000 due to lower cash balances and a decline in interest rates that occurred throughout the year.

### 3. Tuition Fees

The budget included a projected 1% increase in tuition revenue resulting from an anticipated increase in enrolment (an approximate increase of 180 students). On the Halifax campus enrolment increased by 62 students falling short of the planned increase. The potential revenue shortfall was mitigated by an increase in the international differential fee revenue from a larger number of international students. The negative variance on the tuition revenue line is due to a decline in enrolment at the Agricultural Campus of 47 students.

### 4. Use of Reserve Funds

Use of reserve funding was estimated to be \$1,846,000 in the 2015-16 budget. The actual use of reserve was lower than budget by \$143,000 due to the lower than estimated costs in other areas of the budget such as energy.

### 5. Scholarships, Bursaries and Student Assistance

Planned use of Endowment unspent balances from previous years for graduate scholarships resulted in a negative variance on the endowment line and is supported by endowment revenue as described above. The negative variance on the operating line is a result of additional financial support provided to students on the Agricultural Campus.

The Nova Scotia government provides direct support for two student assistance programs. Provincial funding for these programs directly offsets the variances in this section. The two programs were in transition during the year; 2015-16 was the second year of the phase in of the Graduate Scholarship Program while the Province eliminated the bursary to non-Nova Scotia students in September 2015. The following table provides a breakdown of expenditures (and revenues) for both programs.

# DALHOUSIE UNIVERSITY

## Operating Budget Results

As of March 31, 2016

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	2015-16 Budget	2015-16 Actual	Variance	2014-15 Actual
Nova Scotia Bursary Program	8,607	8,447	160	10,113
Nova Scotia Graduate Scholarship Program	2,213	1,716	497	892
<b>Total</b>	<b>10,820</b>	<b>10,163</b>	<b>657</b>	<b>11,005</b>

### 6. Energy, Water, Taxes and Insurance

The following items contribute to the favourable variance of \$550,000 on this line:

- Natural gas pricing lower than budgeted combined with lower consumption during this past winter that was milder than normal.
- Electricity charges for the Collaborative Health Education Building were less than estimated in the period before the building opened.
- The timing of Municipal water hook-up on the Truro campus.

### 7. Transition Expenditures

The Province provided funding to support transition costs related to Dalhousie's merger with the Nova Scotia Agricultural College, and final costs were incurred in the 2015-16 year. The agreement provided support for the campus Day Care until 2014-15. As a result, there is an unfavourable variance of \$127,000 on this line as Day Care revenues are insufficient to cover the cost of operations.

### 8. Responsibility Centre and Ancillary Expenditures

The budgets for various units within the Responsibility Centre Expenditure section include endowment expenditures that vary from the amount available for spending in any given year as described in note 2 above. A detailed breakdown of endowment spending by budget unit is included in Appendix B

- a) **Academic** – According to University policy, Faculties and major academic units are able to carry forward budget savings/overruns; therefore, there are only three variances reported in the Academic area. The favourable variance of \$97,000 on the Cooperative Education Office line relates to savings from staff vacancies. The Academic section also includes a \$237,000 unfavourable variance in budgeted transfers under the agreement providing teaching services to King's as a result of lower enrolments. The \$77,000 favourable variance in the Faculty of Agriculture relates to improved revenues in Faculty support units. These latter savings helped offset the overall shortfall in the Agricultural Campus budget.
- b) **Academic Support and Administration and General** – Several units in these areas relied on carry forward balances for information technology and other strategic projects during the year. The

# DALHOUSIE UNIVERSITY

## Operating Budget Results

**As of March 31, 2016**

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print centre generated higher revenue than normal and there were other savings positions including positions that remained vacant for a portion of fiscal 2016-17. This resulted in net overall savings of \$222,000, which offset other unfavourable variances elsewhere in the budget.

- c) **Facilities Management** – The unfavourable variance of \$43,000 in Facilities Management is largely the result of unanticipated maintenance issues on the Truro Campus during the year.
- d) **Student Services** - The favourable variance in Student Services has been carried forward and relates to timing on replacement of positions and replacement of gymnasium seating for the Truro campus. In addition, an increase in Student Health Services revenue and related initiatives were not completed at fiscal year-end.
- e) **Ancillaries** – University Housing and Food Services drew on carry forward this year to complete infrastructure projects including washroom renovations in Shirreff and Howe Hall and renovations to food service facilities in the Life Science Centre and Tupper. Overall, the Arts Centre posted a small unfavourable variance of \$14,000 as a result of higher costs of sales.

**Dalhousie University****Operating Budget Results - Breakdown Halifax and Truro****As at March 31, 2016**

(thousands of dollars)

	Halifax			Truro		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
			Fav (Unfav)			Fav (Unfav)
<b>REVENUE</b>						
Provincial Government Grants						
Operating- Labour and Advanced Education	163,658	163,658	-	6,521	6,521	-
- Department of Agriculture				19,759	19,759	-
Scholarship and Bursary Program Grants	10,249	9,680	(569)	571	483	(88)
Program Specific Grants	9,175	9,175	-	-	-	-
Facilities/Space Grant	1,000	1,000	-	-	-	-
Department of Agriculture Transition Grant				861	861	-
	184,082	183,513	(569)	27,712	27,624	(88)
Federal Research Support Fund Grant						
Investment	6,861	6,866	5	118	119	1
Endowment			-	192	184	(8)
Operating (net of bank & finance charges)	23,729	23,186	(543)			-
Tuition Fees	3,250	2,800	(450)	5,211	4,989	(222)
Facilities Renewal Fee	142,523	142,558	35	141	135	(6)
Use of Reserve Funds	2,907	2,985	78			
	1,846	1,703	(143)			
<b>TOTAL REVENUE</b>	<b>365,198</b>	<b>363,611</b>	<b>(1,587)</b>	<b>33,374</b>	<b>33,051</b>	<b>(323)</b>
<b>GENERAL OPERATING EXPENDITURES</b>						
Equipment and Furniture Allocation	2,213	2,213	-	159	159	-
Scholarships, Bursaries and Student Assistance						
Operating	10,054	10,063	(9)	287	371	(84)
NS Government Scholarship and Bursary Program	10,249	9,680	569	571	483	88
Endowment	5,986	6,562	(576)	165	159	6
Campus Renewal- Annual Facilities Maintenance	17,242	17,320	(78)	1,930	1,930	-
- Long term	6,787	6,787	-	-	-	-
Strategic Initiatives - Projects	2,105	2,105	-	-	-	-
Energy, Water, Taxes and Insurance (net of recoveries)	19,835	19,334	501	2,522	2,473	49
Truro Campus Transition Expenditures	-	-	-	861	988	(127)
Endowment Management Expenses	2,725	2,758	(33)	27	25	2
Contingency	1,600	1,600	-	300	136	164
<b>TOTAL GENERAL OPERATING EXPENDITURES</b>	<b>78,796</b>	<b>78,422</b>	<b>374</b>	<b>6,822</b>	<b>6,724</b>	<b>98</b>
<b>RESPONSIBILITY CENTRE EXPENDITURES</b>						
Academic	219,408	218,379	1,029	17,855	17,778	77
Academic Support	12,043	12,010	33	1,665	1,654	11
Administration	28,425	28,388	37	3,158	3,017	141
General	1,188	1,178	10	558	522	36
Facilities Management	18,718	18,709	9	2,434	2,486	(52)
Student Services	6,306	6,324	(18)	1,256	1,256	-
Provision for Compensation (including pension)	128	-	128	12	-	12
<b>TOTAL RESPONSIBILITY CENTRE EXPENDITURES</b>	<b>286,216</b>	<b>284,988</b>	<b>1,228</b>	<b>26,938</b>	<b>26,713</b>	<b>225</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>365,012</b>	<b>363,410</b>	<b>1,602</b>	<b>33,760</b>	<b>33,437</b>	<b>323</b>
<b>NET ANCILLARY EXPENDITURES</b>	<b>186</b>	<b>201</b>	<b>(15)</b>	<b>(386)</b>	<b>(386)</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>365,198</b>	<b>363,611</b>	<b>1,587</b>	<b>33,374</b>	<b>33,051</b>	<b>323</b>
<b>TOTAL SURPLUS FOR THE YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Dalhousie University**

**Operating Budget Results - Detailed Analysis of Budget, Actual and Variance**

**As at March 31, 2016**

(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	
	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)	
<b>ACADEMIC</b>											
Agriculture (including Farm and Support Units)	16,761	16,947	(263)	16,684	77	-	-	-	-	-	77
Architecture and Planning	4,537	4,660	(123)	4,537	-	71	59	12	71	-	-
Arts and Social Sciences	19,128	19,450	(322)	19,128	-	1,373	1,438	(65)	1,373	-	-
Computer Science	6,753	6,739	14	6,753	-	191	55	136	191	-	-
Dentistry	9,720	9,993	(273)	9,720	-	174	110	64	174	-	-
Engineering	18,632	18,671	(39)	18,632	-	751	664	87	751	-	-
Graduate Studies	1,727	1,899	(172)	1,727	-	379	26	353	379	-	-
Health Professions	28,840	29,453	(613)	28,840	-	626	472	154	626	-	-
Law	9,050	8,772	278	9,050	-	2,461	2,015	446	2,461	-	-
Management	12,524	12,620	(96)	12,524	-	585	667	(82)	585	-	-
Medicine	41,041	42,355	(1,314)	41,041	-	5,302	5,281	21	5,302	-	-
Science	33,074	33,109	(35)	33,074	-	2,364	2,198	166	2,364	-	-
University Library	15,327	15,749	(422)	15,327	-	199	378	(179)	199	-	-
College of Continuing Education	1,138	604	534	1,138	-	62	28	34	62	-	-
College of Sustainability	1,218	1,124	94	1,218	-	5	5	-	5	-	-
Centres, Institutes & Special Projects	2,525	2,463	62	2,525	-	31	9	22	31	-	-
Cooperative Education Office	730	498	135	633	97	-	-	-	-	-	97
Faculty Related Costs (eg. Travel, Leave Grants, PDA)	2,586	2,868	(282)	2,586	-	-	-	-	-	-	-
Kings' Transfer	(3,327)	(3,090)	-	(3,090)	(237)	-	-	-	-	-	(237)
Academic Initiatives	705	1,369	(664)	705	-	-	-	-	-	-	-
Endowment Expenditures less than Budget (net)						-	-	(1,169)	(1,169)	1,169	1,169
<b>TOTAL ACADEMIC</b>	<b>222,689</b>	<b>226,253</b>	<b>(3,501)</b>	<b>222,752</b>	<b>(63)</b>	<b>14,574</b>	<b>13,405</b>	<b>-</b>	<b>13,405</b>	<b>1,169</b>	<b>1,106</b>
<b>ACADEMIC SUPPORT</b>											
Art Gallery	150	164	-	164	(14)	70	68	2	70	-	(14)
Centre for Learning and Teaching	1,486	1,629	(143)	1,486	-	1	1	-	1	-	-
Information Technology Services	11,987	12,179	(192)	11,987	-	-	-	-	-	-	-
Printing Centre	14	(42)	-	(42)	56	-	-	-	-	-	56
Endowment Expenditures less than Budget (net)						-	-	(2)	(2)	2	2
<b>TOTAL ACADEMIC SUPPORT</b>	<b>13,637</b>	<b>13,930</b>	<b>(335)</b>	<b>13,595</b>	<b>42</b>	<b>71</b>	<b>69</b>	<b>-</b>	<b>69</b>	<b>2</b>	<b>44</b>
<b>ADMINISTRATION</b>											
Application Fees and Services Recovery	(1,465)	(1,443)	-	(1,443)	(22)	-	-	-	-	-	(22)
Advancement	6,062	6,502	(445)	6,057	5	-	-	-	-	-	5
Communications and Marketing	3,120	3,264	(149)	3,115	5	-	-	-	-	-	5
Environmental Health and Safety Office	1,166	1,107	57	1,164	2	-	-	-	-	-	2
Financial Services	5,094	5,218	(102)	5,116	(22)	-	-	-	-	-	(22)
Human Resources	3,565	3,510	-	3,510	55	-	-	-	-	-	55
Dalhousie Analytics	891	886	3	889	2	-	-	-	-	-	2
Inter-University Services	97	97	-	97	-	-	-	-	-	-	-
President's Office	4,200	4,190	-	4,190	10	-	-	-	-	-	10
Registrar & Admissions	5,976	5,749	150	5,899	77	-	-	-	-	-	77
Research Services	1,848	1,782	-	1,782	66	-	-	-	-	-	66
University Secretariat/ Internal Audit	1,029	1,050	(21)	1,029	-	-	-	-	-	-	-
<b>TOTAL ADMINISTRATION</b>	<b>31,583</b>	<b>31,912</b>	<b>(507)</b>	<b>31,405</b>	<b>178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178</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**

**As at March 31, 2016**

(thousands of dollars)

	Operating					Endowment					Consolidated * Column 11  Operating and Endowment Variance Fav/(Unfav)
	* Column 1	* Column 2	* Column 3	* Column 4	* Column 5	* Column 6	* Column 7	* Column 8	* Column 9	* Column 10	
	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)	
<b>GENERAL</b>	1,746	1,700	-	1,700	46	-	-	-	-	-	46
<b>FACILITIES MANAGEMENT</b>	21,152	21,195	-	21,195	(43)	-	-	-	-	-	(43)
<b>STUDENT SERVICES</b>											
Awards Office & Student Services Centre - Sexton Counselling	467	467	-	467	-	-	-	-	-	-	-
Student Support Services and Vice President's Office	1,375	1,343	32	1,375	-	-	-	-	-	-	-
Student Health	4,574	4,452	122	4,574	-	-	-	-	-	-	-
Recreation and Athletics	118	(131)	249	118	-	-	-	-	-	-	-
Endowment Expenditures in excess of Budget (net)	892	789	103	892	-	136	154	(18)	136	-	-
<b>TOTAL STUDENT SERVICES</b>	7,426	6,920	506	7,426	-	136	154	-	154	(18)	(18)
<b>ANCILLARIES</b>											
Dalhousie Arts Centre	368	382	-	382	(14)	-	-	-	-	-	(14)
Dalplex and Arena	181	231	(50)	181	-	-	-	-	-	-	-
Food Services	140	984	(844)	140	-	-	-	-	-	-	-
Residence Life	1,460	1,460	-	1,460	-	-	-	-	-	-	-
University Bookstore	(307)	(243)	(65)	(307)	-	237	238	(1)	237	-	-
University Housing	(2,279)	(1,982)	(297)	(2,279)	-	-	-	-	1	1	(1)
Endowment Expenditures in excess of Budget (net)	(437)	832	(1,256)	(423)	(14)	237	238	-	238	(1)	(15)
<b>TOTAL ANCILLARIES</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.

# **2015-16 Audited Consolidated Financial Statements**





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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, 2016, and 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, 2016, 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.

Chartered Accountants

June 28, 2016

Halifax, Canada

# DALHOUSIE UNIVERSITY

## Consolidated Statement of Financial Position

March 31, 2016

(in thousands of dollars)

	2016	2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 100,906	\$ 193,093
Accounts receivable	34,326	27,258
Due from related parties (note 5)	-	380
Inventories	2,544	2,475
Prepaid expenses	5,462	5,185
	<hr/> 143,238	228,391
Investments (note 3)	644,436	618,550
Capital assets (note 4)	<hr/> 897,282	845,639
	<hr/> \$ 1,684,956	\$ 1,692,580
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 70,285	\$ 75,228
Deferred revenue (note 7)	226,662	283,037
Current portion of long-term debt (note 8)	8,142	16,839
	<hr/> 305,089	375,104
Employee future benefits (note 9)	87,157	12,827
Deferred capital contributions (note 10)	213,202	211,299
Long-term debt (note 8)	<hr/> 129,167	118,195
	734,615	717,425
Net assets: (note 11)		
Endowment	435,878	399,170
Excess of pension liabilities over pension assets	(83,483)	(9,135)
Restricted funds	66,224	81,473
Capital fund	<hr/> 531,722	503,647
	950,341	975,155
Commitments and contingent liabilities (note 12)	<hr/> \$ 1,684,956	\$ 1,692,580

See accompanying notes to consolidated financial statements.

# DALHOUSIE UNIVERSITY

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

Year ended March 31, 2016

(in thousands of dollars)

	2016	2015
<b>Revenue:</b>		
Provincial government operating grants	\$ 211,137	\$ 213,136
Other government grants and contracts	82,992	79,768
Corporations and foundations	26,403	28,809
Tuition fees	159,875	152,705
Non-credit and other fees	25,762	25,093
General	9,229	9,174
Gifts	8,670	9,369
Investment income	26,003	26,631
Ancillary sales and service	43,873	44,645
External cost recoveries	51,456	48,761
Amortization of deferred capital contributions (note 10)	<u>14,292</u>	<u>14,609</u>
	659,692	652,700
<b>Expenses:</b>		
Salaries and employee benefits	381,647	374,129
Pension expense adjustment (note 9)	(6,764)	(3,739)
Library acquisitions	7,438	5,847
Laboratory and teaching supplies	13,883	13,778
Equipment and service	17,949	14,401
Finance costs	6,414	6,667
Utilities and taxes	21,089	21,816
Externally contracted services	56,349	56,270
Scholarships, bursaries and prizes	50,039	51,284
Ancillary cost of sales and service	8,056	7,718
Travel	14,512	14,409
Amortization of capital assets	38,316	33,737
General operating	<u>30,179</u>	<u>27,933</u>
	639,107	624,250
<b>Excess of revenue over expenses</b>	<b>20,585</b>	<b>28,450</b>
<b>Use of excess of revenue over expenses:</b>		
Committed to equity in capital assets	(19,624)	(30,683)
Committed to future pension benefits	(6,764)	(3,739)
Committed from restricted funds	<u>5,803</u>	<u>5,972</u>
	<b>(20,585)</b>	<b>(28,450)</b>
<b>Net change in operating surplus</b>	<b>—</b>	<b>—</b>
<b>Accumulated operating surplus, beginning of year</b>	<b>—</b>	<b>—</b>
<b>Accumulated operating surplus, end of year</b>	<b>\$ —</b>	<b>\$ —</b>

See accompanying notes to consolidated financial statements.

# DALHOUSIE UNIVERSITY

## Consolidated Statement of Changes in Net Assets

Year ended March 31, 2016

(in thousands of dollars)

					2016	2015
	Endowment	Excess of pension liabilities over assets	Restricted funds	Capital fund	Total	Total
Net assets, beginning of year	\$ 399,170	\$ (9,135)	\$ 81,473	\$ 503,647	\$ 975,155	\$ 869,093
Excess of revenue over expenses (expenses over revenue)	-	6,764	(5,803)	19,624	20,585	28,450
Gifts of endowed principal	12,009	-	-	-	12,009	9,474
Employee future benefits remeasurements and other items	-	(81,112)	-	-	(81,112)	55,405
Gift designated for capital	-	-	(8,451)	8,451	-	32,933
Realized investment returns	45,161	-	-	-	45,161	
Transfers to (from) endowment	(20,462)	-	(995)	-	(21,457)	(20,200)
Net change for the year	36,708	(74,348)	(15,249)	28,075	(24,814)	106,062
Net assets, end of year	\$ 435,878	\$ (83,483)	\$ 66,224	\$ 531,722	\$ 950,341	\$ 975,155

See accompanying notes to consolidated financial statements.

# DALHOUSIE UNIVERSITY

## Consolidated Statement of Cash Flows

Year ended March 31, 2016

(in thousands of dollars)

	2016	2015
<b>Cash flows from operating activities:</b>		
Excess of revenue over expenses	\$ 20,585	\$ 28,450
Items not involving cash:		
Amortization of capital assets	38,316	33,737
Amortization of deferred capital contributions	(14,292)	(14,609)
Change in employee future benefits	(6,782)	(3,631)
Decrease in due from related parties	380	44
Change in current assets	(7,414)	(482)
Change in current liabilities	<u>(61,318)</u>	<u>32,765</u>
Cash provided by operating activities	<u>(30,525)</u>	<u>76,274</u>
<b>Cash flows from investing activities:</b>		
Purchase of capital assets	(89,959)	(57,752)
Net increase in investments	<u>(25,886)</u>	<u>(9,716)</u>
Cash used in investing activities	<u>(115,845)</u>	<u>(67,468)</u>
<b>Cash flows from financing activities:</b>		
Endowment gifts	12,009	9,474
Endowment realized gains	45,161	32,933
Endowment transfers	(21,457)	(20,200)
Deferred capital contributions received	16,195	6,920
Retirement of long-term debt	(10,206)	-
Proceeds from long-term debt	17,800	-
Principal payments on long-term debt	<u>(5,319)</u>	<u>(6,167)</u>
Cash provided by financing activities	54,183	22,960
Net increase (decrease) in cash and cash equivalents	<u>(92,187)</u>	<u>31,766</u>
Cash and cash equivalents, beginning of year	193,093	161,327
Cash and cash equivalents, end of year	<u>\$ 100,906</u>	<u>\$ 193,093</u>

See accompanying notes to consolidated financial statements.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements  
Year ended March 31, 2016

(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 in 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.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements  
Year ended March 31, 2016

(in thousands of dollars)

## 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, 2016

(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 adopted 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 the Statement of Changes 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, 2016.

### (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, 2016

(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. Investments:

	2016	2015
Cash	\$ 5,196	\$ 1,657
Treasury bills, notes and GICs	94,910	66,215
Bonds	117,347	114,387
Canadian equities	86,486	88,331
US equities	98,096	100,123
Other international equities	89,329	96,938
Alternatives	153,072	150,899
	<hr/> \$ 644,436	<hr/> \$ 618,550

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements  
Year ended March 31, 2016

(in thousands of dollars)

## 4. Capital assets:

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Land	\$ 125,769	\$ --	\$ 125,769	\$ 115,060
Building	788,241	87,625	700,616	637,760
Leasehold improvements	3,256	2,361	895	104
Equipment	191,720	140,246	51,475	55,367
Vehicles	2,983	1,927	1,056	965
Library books	31,276	25,093	6,183	6,806
Computing	12,212	11,702	510	440
Land improvements	7,810	1,640	6,170	6,162
Construction in progress	4,608	--	4,608	22,975
	<b>\$ 1,167,875</b>	<b>\$ 270,593</b>	<b>\$ 897,282</b>	<b>\$ 845,639</b>

The total amount of assets under capital lease is \$4,259 (2015 - \$3,517), with related accumulated amortization of \$2,019 (2015 - \$2,248).

## 5. 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. General operating expense of the University includes \$396 (2015 - \$269) related to catering costs charged by the University Club. Included in accounts receivable of the University is \$301 (2015 - \$310) due from the University Club, with no set terms of repayment.

During the year, interest free housing loans that were advanced to senior employees of the University were repaid in full (2015 - \$380). The transactions are measured at fair value.

## 6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances for payroll taxes payable of \$10,561 (2015 - \$12,325).

## 7. 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.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements  
Year ended March 31, 2016

(in thousands of dollars)

## 7. Deferred revenue (continued):

	2016	2015
Operating	\$ 25,298	\$ 25,250
Endowment	100,807	144,302
Research	65,862	71,480
Special purpose	34,695	42,005
	 \$ 226,662	 \$ 283,037

## 8. Long-term debt:

	Payment amount	Repayment frequency	Maturity date	Interest rate	2016	2015
Life Sciences Centre renewal	\$ -	At Maturity	Sept 2015	1.50 %	\$ -	\$ 10,206
Student residences	6	Quarterly	Dec 2016	4.74	185	423
Kenneth C. Rowe						
Management Building	236	Quarterly	Mar 2017	5.06	960	1,872
Peter Green Hall	7	Monthly	Dec 2017	5.89	138	211
Residence renewal	58	Quarterly	Nov 2019	5.21	817	1,009
Central Services Parkade	22	Quarterly	Dec 2023	5.66	337	381
Residence renewal	47	Quarterly	Oct 2025	4.69	1,504	1,623
Howe Hall	136	Quarterly	Jan 2028	5.89	4,671	4,933
Collaborative Health Education						
Building I	171	Quarterly	Sept 2028	2.22	7,443	-
Risley Hall	385	Quarterly	Sept 2029	5.96	14,250	14,920
Life Sciences Research Institute	150	Monthly	May 2031	4.65	20,172	21,103
Collaborative Health Education						
Building II	163	Quarterly	Sept 2035	2.65	9,907	-
Mona Campbell Building	75	Monthly	Nov 2035	4.66	12,113	12,500
Steele Ocean Sciences Building	473	Quarterly	Mar 2037	3.23	28,385	29,336
LeMarchant Street	562	Quarterly	Sept 2037	3.30	34,272	35,378
Capital leases					2,155	1,139
					137,309	135,034
Less: current portion					(8,142)	(16,839)
					\$129,167	\$118,195

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

**Year ended March 31, 2016**

(in thousands of dollars)

## **8. Long-term debt (continued):**

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

2017	8,142
2018	7,226
2019	6,972
2020	6,530
2021	6,502

The University uses interest rate swaps to manage interest rate risk (see note 13). The interest rates stated above are the effective rates on the swap agreements related to the underlying property debt. Interest of \$5,310 (2015 – \$5,321) relating to long-term debt has been included in interest expense. Interest of \$114 (2015 – \$93) relating to capital lease obligations has been included in interest expense.

Capital lease obligations are secured by leased assets as outlined in note 4.

## **9. 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 that are matched by the University. Effective July 1, 2012, employees contribute a further 2% of pensionable earnings.

The University also makes 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. The next actuarial valuation will be prepared no later than March 31, 2017.

An extrapolation of the March 31, 2014 actuarial valuation to March 31, 2016 indicated a going concern plan deficit of \$83,483. Remeasurements of \$81,112 have been recognized directly in the Statement of Changes in Net Assets.

The total cost of the defined benefit plan for the year of \$22,106 less the amount of employer contributions in the year of \$28,870, represents the pension expense adjustment of \$6,764 (2015 - \$3,739), which is recorded in the consolidated statement of revenue, expense and changes in operating surplus.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements

Year ended March 31, 2016

(in thousands of dollars)

## 9. Employee future benefits (continued):

### 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.

The costs of the retirement service awards recognized during the year are \$382 (2015 - \$212).

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

	2016	2015
<b>Pension benefit obligation</b>		
Fair value of plan assets	\$ 1,122,728	\$ 1,131,655
Accrued benefit obligation	(1,206,211)	(1,140,790)
Pension benefit obligation	(83,483)	(9,135)
 <b>Retirement service award obligation</b>	 (3,674)	 (3,692)
 Employee future benefit obligation	 \$ (87,157)	 \$ (12,827)

The significant actuarial assumptions adopted in measuring the Employee future benefits are as follows:

Actuarial Assumptions	2016	2015
 <b>Pension Plan</b>		
Rate of compensation increase	3.59%	3.59%
Discount rate	5.45%	5.49%
 <b>Retirement Service Award</b>		
Rate of compensation increase	3.10%	3.10%
Discount rate	6.00%	6.00%

## 10. Deferred capital contributions:

Grants and gifts 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 gifts received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the year.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements  
Year ended March 31, 2016

(in thousands of dollars)

## 10. Deferred capital contributions (continued):

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

	2016	2015
Balance, beginning of year	\$ 211,299	\$ 218,988
Contributions received during the year:		
Government grants and contracts	5,199	4,808
General	3,126	--
Gifts	7,870	2,112
Total contributions received during the year	16,195	6,920
Recognized as revenue:		
Government grants and contracts	(11,857)	(12,719)
General	(915)	(847)
Gifts	(1,520)	(1,043)
Total recognized as revenue	\$ (14,292)	\$ (14,609)
Balance, end of year	\$ 213,202	\$ 211,299
Balance by fund:		
Capital	\$ 176,216	\$ 170,828
Research	36,137	39,538
Special Purpose	849	933
Balance, end of year	\$ 213,202	\$ 211,299

## 11. 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. University policy stipulates 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.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements  
Year ended March 31, 2016

(in thousands of dollars)

## 11. Net assets (continued):

### (a) Endowment (continued):

	Endowment March 31, 2015	New Contributions	Realized Investment Returns	Transfer to (from) Endowment	Endowment March 31, 2016
External restrictions	\$ 388,079	\$ 12,008	\$ 44,109	\$ (20,448)	\$ 423,748
Internal restrictions	11,091	1	1,052	(14)	12,130
	\$ 399,170	\$ 12,009	\$ 45,161	\$ (20,462)	\$ 435,878

### (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, as disclosed in note 9.

### (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 fundraising activities.

### (d) Capital Fund:

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

	2016	2015
Capital assets	\$ 897,282	\$ 845,639
Less amounts financed by:		
Deferred capital contributions	(213,203)	(211,299)
Long-term debt	(137,309)	(135,034)
Cash flows, pending project completion	(25,855)	(4,989)
Equity in capital assets	\$ 520,915	\$ 494,317
Capital reserve	10,807	9,330
<b>Total Capital Fund</b>	<b>\$ 531,722</b>	<b>\$ 503,647</b>

Capital reserve funds of \$9,330 that were presented in the 2015 financial statements within restricted net assets have been reclassified and are now included as a capital reserve account within the Capital Fund balance in the statement of financial position, to conform to the 2016 consolidated financial statement presentation. The capital reserves are funds set aside by the University for the costs of large scale capital upgrades or replacements planned in the future.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements  
Year ended March 31, 2016

(in thousands of dollars)

## 12. 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, 2015 the surplus was \$69,679.

As of March 31, 2016 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.

The University has outstanding capital commitments as of March 31, 2016, estimated at \$19,381.

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

2017	\$ 2,127
2018	1,250
2019	785
2020	638
2021	638

Certain of the alternative investments contain contractual commitments. At March 31, 2016, there were outstanding future commitments of \$191 CAD in Canadian real estate; \$4,076 CAD in private debt; \$13,374 USD and €4,209 EUR in private equity investments; and \$487 USD in infrastructure investments.

The University has provided a loan guarantee of up to \$7,000 related to the external financing obtained by the Dalhousie Student Union ("DSU") for expansion and renovation of the Student Union Building.

## 13. Financial instruments:

### 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.

# DALHOUSIE UNIVERSITY

Notes to Consolidated Financial Statements  
Year ended March 31, 2016

(in thousands of dollars)

## **13. Financial instruments (continued):**

At March 31, 2016 interest rate swaps outstanding have a notional value of \$135,016 (2015 - \$123,479) 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 2.22% - 5.96% (2015 - 3.23% - 5.96%).

Although the University has no intention of settling these instruments at March 31, 2016, the interest rate swap contracts described in Note 8 have a fair value of (\$21,339) (2015 - (\$18,188)).

### **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.

## **14. Pledges**

Pledges to the University at March 31, 2016 were \$53,727 (2015 - \$59,018). 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.

## **15. Fine artwork collections**

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

## **16. Comparative figures**

Certain comparative information has been reclassified to conform to the current year's presentation.

Dalhousie University

Consolidated Schedule of Revenue and Expense

Year Ended March 31, 2016 (With Comparatives Figures for 2015)

(unaudited)

(in Thousands of Dollars)

	Operating 2016 (Schedule 2)	Endowment 2016 (Schedule 3)	Ancillary 2016 (Schedule 4)	Capital 2016	Special Purpose 2016 (Schedule 5)	Research 2016 (Schedule 5)	Total 2016	Total 2015
Revenue	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	211,137	-	-	-	-	-	211,137	213,136
Other government grants and contracts	7,683	-	517	-	1,831	72,961	82,992	79,768
Corporations and foundations	150	-	-	-	1,324	24,929	26,403	28,809
Tuition fees	159,875	-	-	-	-	-	159,875	152,705
Non-credit and other fees	25,704	-	58	-	-	-	25,762	25,093
General	3,669	-	-	1,062	4,256	242	9,229	9,174
Gifts	2	2,235	-	15	5,874	544	8,670	9,369
Investment	4,557	21,040	-	174	232	-	26,003	26,631
Ancillary sales and service	-	-	43,873	-	-	-	43,873	44,645
External cost recoveries	46,981	-	-	488	3,806	181	51,456	48,761
Amortization of deferred capital contributions	-	-	-	6,319	264	7,709	14,292	14,609
Total revenue	459,758	23,275	44,448	8,058	17,587	106,566	659,692	652,700
Expense								
Salaries								
Academic	158,805	5,078	52	-	899	12,482	177,316	170,307
Library	3,635	-	-	-	67	-	3,702	3,308
Plant maintenance	12,743	-	211	-	-	-	12,954	13,538
Administrative and support	97,438	818	6,011	-	4,334	23,876	132,477	131,919
Benefits costs	49,312	785	951	-	646	3,504	55,198	55,057
Total salaries and benefits	321,933	6,681	7,225	-	5,946	39,862	381,647	374,129
Library acquisitions	7,102	298	-	-	21	17	7,438	5,847
Laboratory and teaching supplies	5,389	156	-	-	769	7,569	13,883	13,778
Equipment and service	10,075	47	1,605	-	959	5,263	17,949	14,401
Finance costs	884	-	2,227	3,289	13	1	6,414	6,667
Utilities and taxes	19,620	-	1,466	-	-	3	21,089	21,816
Externally contracted services	23,284	2,724	10,289	-	4,434	15,618	56,349	56,270
Scholarships, bursaries and prizes	21,308	10,262	-	-	2,195	16,274	50,039	51,284
Ancillary cost of sales and service	-	-	8,056	-	-	-	8,056	7,718
Travel	6,286	428	59	-	1,339	6,400	14,512	14,409
Amortization of capital assets	-	-	-	38,316	-	-	38,316	33,737
General operating	19,183	772	1,892	23	2,847	5,462	30,179	27,933
Internal / interfund transfers	29,597	2,002	12,884	(53,194)	174	8,537	-	-
Total expense	464,661	23,370	45,703	(11,566)	18,697	105,006	645,871	627,989
Change in year before appropriations	(4,903)	(95)	(1,255)	19,624	(1,110)	1,560	13,821	24,714
Change in net assets	4,903	95	1,255	(19,624)	1,110	(1,560)	(13,821)	(24,714)
Surplus before pension expense adjustment	-	-	-	-	-	-	-	-
Pension expense adjustment	6,764	-	-	-	-	-	6,764	3,739
Net assets after pension adjustment	6,764	-	-	-	-	-	6,764	3,739

Schedule 1

Dalhousie University  
 Consolidated Schedule of Revenue and Expense - Operating  
 Year Ended March 31, 2016 (With Comparatives Figures for 2015)  
 (unaudited)

(in Thousands of Dollars)

	Academic		Academic Support		Administration and General		Facilities and Construction Management		Student Services		Institution		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	211,137	213,136	211,137	213,136
Other government grants and contracts	364	300	-	-	-	-	59	3	275	277	6,985	6,754	7,683	7,334
Corporations and foundations	131	205	-	-	-	-	19	29	-	-	-	-	150	234
Tuition fees	12,328	11,210	-	-	-	-	-	-	-	-	147,547	141,495	159,875	152,705
Non-credit and other fees	12,012	11,694	-	-	3,079	3,009	-	-	7,493	7,295	3,120	3,032	25,704	25,030
General	-	-	8	8	1,086	1,100	1,415	1,343	1,160	1,056	-	-	3,669	3,507
Gifts	2	6	-	-	-	-	-	-	-	-	-	-	2	6
Investment	-	-	-	-	-	-	-	-	-	-	4,557	4,555	4,557	4,555
Ancillary sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External cost recoveries	40,921	41,831	3,072	1,511	1,157	1,275	1,757	1,521	74	138	-	-	46,981	46,276
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	65,758	65,246	3,080	1,519	5,322	5,384	3,250	2,896	9,002	8,766	373,346	368,972	459,758	452,783
Expense														
Salaries														
Academic	157,040	150,711	-	-	218	190	-	-	1,547	1,822	-	-	158,805	152,723
Library	3,635	3,298	-	-	-	-	-	-	-	-	-	-	3,635	3,298
Plant maintenance	66	65	-	-	-	-	12,677	13,263	-	-	-	-	12,743	13,328
Administrative and support	48,885	48,395	10,734	10,077	26,236	25,687	5,091	4,656	6,492	6,832	-	-	97,438	95,647
Benefits costs	35,326	34,991	2,204	2,061	5,548	5,527	4,868	4,878	1,366	1,489	-	-	49,312	48,946
Total salaries and benefits	244,952	237,460	12,938	12,138	32,002	31,404	22,636	22,797	9,405	10,143	-	-	321,933	313,942
Library acquisitions	7,043	5,448	2	3	53	118	-	-	4	7	-	-	7,102	5,576
Laboratory and teaching supplies	5,385	5,048	-	-	-	-	4	4	-	-	-	-	5,389	5,052
Equipment and service	2,912	3,411	4,387	3,333	823	341	1,535	1,460	418	375	-	-	10,075	8,920
Finance costs	110	109	2	2	76	89	65	67	-	-	631	909	884	1,176
Utilities and taxes	-	-	7	7	-	-	19,613	20,133	-	-	-	-	19,620	20,140
Externally contracted services	10,845	9,852	1,090	647	2,791	2,684	7,849	10,830	709	343	-	-	23,284	24,356
Scholarships, bursaries and prizes	2,452	2,611	2	2	-	-	-	-	8,691	8,884	10,163	11,005	21,308	22,502
Ancillary cost of sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	4,043	3,797	130	129	1,193	1,226	50	74	870	882	-	-	6,286	6,108
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General operating	6,069	6,483	1,299	265	4,657	4,732	2,895	3,329	3,856	3,889	407	421	19,183	19,119
Internal / interfund transfers	10,996	12,191	(1,688)	(416)	(465)	(506)	20,370	24,031	810	1,037	(426)	(423)	29,597	35,914
Total expense	294,807	286,410	18,169	16,110	41,130	40,088	75,017	82,725	24,763	25,560	10,775	11,912	464,661	462,805
Surplus for the year (shortfall)														
Change in year before appropriations	(229,049)	(221,169)	(15,089)	(14,591)	(35,808)	(34,704)	(71,767)	(79,829)	(15,761)	(16,794)	362,571	357,060	(4,903)	(10,022)
(Increase) decrease in appropriations	3,197	181	479	544	599	252	557	6,958	(507)	637	578	1,450	4,903	10,022
Surplus before pension expense adjustment	(225,852)	(220,988)	(14,610)	(14,047)	(35,209)	(34,452)	(71,210)	(72,871)	(16,268)	(16,157)	363,149	358,510	-	-
Pension expense adjustment	-	-	-	-	-	-	-	-	-	-	(6,764)	(3,739)	(6,764)	(3,739)
Change in net assets after pension adjustment	(225,852)	(220,988)	(14,610)	(14,047)	(35,209)	(34,452)	(71,210)	(72,871)	(16,268)	(16,157)	369,913	362,249	6,764	3,739

Schedule 2

**DALHOUSIE UNIVERSITY**  
**Consolidated Schedule of Revenue and Expense for Operating and Endowment**  
**Year Ended March 31, 2016 (With Comparatives Figures for 2015)**  
(unaudited)

(in Thousands of Dollars)

	2016		2015			
	Operating	Endowment	Total	Operating	Endowment	Total
Revenue	\$	\$	\$			\$
Provincial government operating grants	211,137	-	211,137	213,136	-	213,136
Other government grants and contracts	7,683	-	7,683	7,334	-	7,334
Corporations and foundations	150	-	150	234	-	234
Tuition fees	159,875	-	159,875	152,705	-	152,705
Non-credit and other fees	25,704	-	25,704	25,030	-	25,030
General	3,669	-	3,669	3,507	-	3,507
Gifts	2	2,235	2,237	6	2,444	2,450
Investment	4,557	21,040	25,597	4,555	20,693	25,248
Ancillary sales and service	-	-	-	-	-	-
External cost recoveries	46,981	-	46,981	46,276	-	46,276
Amortization of deferred capital contributions	-	-	-	-	-	-
Total revenue	459,758	23,275	483,033	452,783	23,137	475,920
Expense						
Salaries						
Academic	158,805	5,078	163,883	152,723	4,565	157,288
Library	3,635	-	3,635	3,298	10	3,308
Plant maintenance	12,743	-	12,743	13,328	-	13,328
Administrative and support	97,438	818	98,256	95,647	939	96,586
Benefits costs	49,312	785	50,097	48,946	721	49,667
Total salaries and benefits	321,933	6,681	328,614	313,942	6,235	320,177
Library acquisitions	7,102	298	7,400	5,576	230	5,806
Laboratory and teaching supplies	5,389	156	5,545	5,052	249	5,301
Equipment and service	10,075	47	10,122	8,920	-	8,920
Finance costs	884	-	884	1,176	-	1,176
Utilities and taxes	19,620	-	19,620	20,140	-	20,140
Externally contracted services	23,284	2,724	26,008	24,356	2,425	26,781
Scholarships, bursaries and prizes	21,308	10,262	31,570	22,502	9,710	32,212
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	6,286	428	6,714	6,108	371	6,479
Amortization of capital assets	-	-	-	-	-	-
General operating	19,183	772	19,955	19,119	298	19,417
Internal / interfund transfers	29,597	2,002	31,599	35,914	2,244	38,158
Total expense	464,661	23,370	488,031	462,805	21,762	484,567
Surplus for the year (shortfall)						
Change in year before appropriations	(4,903)	(95)	(4,998)	(10,022)	1,375	(8,647)
Change in net assets	4,903	95	4,998	10,022	(1,375)	8,647
Surplus for the year	-	-	-	-	-	-

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 Expense - Ancillary

Year Ended March 31, 2016 (With Comparatives Figures for 2015)

(unaudited)

(in Thousands of Dollars)

	Student *												Transfer to Operating		Total	
	Arts Centre		Community Services		Bookstore		Dalplex		Personal Computing		Food Service		2016	2015	2016	2015
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other government grants and contracts	58	58	459	447	-	-	-	-	-	-	-	-	-	-	517	505
Corporations and foundations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tuition fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-credit and other fees	-	-	58	63	-	-	-	-	-	-	-	-	-	-	58	63
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary sales and service	3,744	3,231	19,774	20,540	6,896	7,048	1,772	1,834	-	78	11,687	11,914	-	-	43,873	44,645
External cost recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	3,802	3,289	20,291	21,050	6,896	7,048	1,772	1,834	-	78	11,687	11,914	-	-	44,448	45,213
Expense																
Salaries																
Academic	-	-	52	58	-	-	-	-	-	-	-	-	-	-	52	58
Library	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant maintenance	-	-	211	210	-	-	-	-	-	-	-	-	-	-	211	210
Administrative and support	670	665	3,500	3,579	745	746	1,033	1,100	-	51	63	68	-	-	6,011	6,209
Benefits costs	94	98	540	538	156	149	148	150	-	4	13	15	-	-	951	954
Total salaries and benefits	764	763	4,303	4,385	901	895	1,181	1,250	-	55	76	83	-	-	7,225	7,431
Library acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory and teaching supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment and service	9	5	507	458	67	68	175	150	-	-	847	247	-	-	1,605	928
Finance costs	135	117	1,845	2,316	133	134	34	34	-	1	80	82	-	-	2,227	2,684
Utilities and taxes	75	77	1,150	1,404	11	13	121	122	-	-	109	57	-	-	1,466	1,673
Externally contracted services	19	18	1,088	1,030	98	86	8	3	-	14	9,076	9,231	-	-	10,289	10,382
Scholarships, bursaries and prizes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary cost of sales and service	2,783	2,328	-	-	5,157	5,264	116	126	-	-	-	-	-	-	8,056	7,718
Travel	3	4	42	49	8	4	2	13	-	-	4	-	-	-	59	70
General operating	11	35	1,524	1,740	150	160	192	173	-	8	15	8	-	-	1,892	2,124
Internal / interfund transfers	17	86	10,129	9,045	436	419	(7)	95	-	-	2,323	1,669	(14)	(70)	12,884	11,028
Total expense	3,816	3,433	20,588	20,427	6,961	7,043	1,822	1,966	-	78	12,530	11,377	(14)	(70)	45,703	44,038
Change in year before appropriations	(14)	(144)	(297)	623	(65)	5	(50)	(132)	-	-	(843)	537	14	70	(1,255)	959
Net (increase) decrease in appropriations	-	-	297	(623)	65	(33)	50	132	-	-	843	(435)	-	-	1,255	(959)
Surplus for the year (shortfall)	(14)	(144)	-	-	(28)	-	-	-	-	-	-	102	14	70	-	-

\* Student Community Services include Residence Life operations with expenditures of \$1.5 million (\$1.4 million in 2015)

Schedule 4

**Dalhousie University**  
**Consolidated Schedule of Revenue and Expense for Restricted Funds**  
**Year Ended March 31, 2016 (With Comparatives Figures for 2015)**  
**(unaudited)**

(in Thousands of Dollars)

	Special Purpose		Research	
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenue				
Provincial government operating grants	-	-	-	-
Other government grants and contracts	1,831	1,210	72,961	70,719
Corporations and foundations	1,324	3,765	24,929	24,810
Tuition fees	-	-	-	-
Non-credit and other fees	-	-	-	-
General	4,256	3,919	242	344
Gifts	5,874	6,645	544	274
Investment	232	1,383	-	-
Ancillary sales and service	-	-	-	-
External cost recoveries	3,806	1,239	181	1,133
Amortization of deferred capital contributions	264	317	7,709	8,043
Total revenue	17,587	18,478	106,566	105,323
Expense				
Salaries				
Academic	899	672	12,482	12,347
Library	67	-	-	-
Plant maintenance	-	-	-	-
Administrative and support	4,334	4,116	23,876	24,950
Benefits costs	646	939	3,504	3,497
Total salaries and benefits	5,946	5,727	39,862	40,794
Library acquisitions	21	6	17	35
Laboratory and teaching supplies	769	725	7,569	7,752
Equipment and service	959	451	5,263	4,102
Finance costs	13	15	1	1
Utilities and taxes	-	-	3	3
Externally contracted services	4,434	4,753	15,618	14,354
Scholarships, bursaries and prizes	2,195	2,072	16,274	17,000
Ancillary cost of sales and service	-	-	-	-
Travel	1,339	1,310	6,400	6,550
Amortization of capital assets	-	-	-	-
General operating	2,847	1,071	5,462	5,318
Internal / interfund transfers	174	1,919	8,537	8,124
Total expense	18,697	18,049	105,006	104,033
Surplus for the year (shortfall)	(1,110)	429	1,560	1,290
Change in net assets	1,110	(429)	(1,560)	(1,290)
Surplus for the year	-	-	-	-

**Schedule 5**