

**Dalhousie University**

# **Annual Financial Report**

**March 31, 2022**



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## Message from the Vice-President Finance and Administration

Dalhousie has much to be proud of this past year, particularly the way our university community successfully navigated mixed and changing modes of study, work and research. The COVID-19 pandemic continued to challenge us to be thoughtful, flexible and collaborative in how we approached nearly everything we do at Dalhousie. Through it all, we have seen growth in enrolment and our research impact while continuing to deliver a strong academic experience and further the commitments of our strategic plan, *Third Century Promise*. This progress speaks volumes of our students, faculty and staff — we are so grateful for their support, dedication and resilience.

Our financial performance reflects our shared results in working through the pandemic's many challenges. We concluded the 2021-22 fiscal year with an operating budget surplus of \$6.4 million, (equivalent to 1.3% of our operating budget) — an outcome made possible by the increased level of activity on campus. The budget was developed assuming the University would continue to sustain significant revenue losses due to ongoing pandemic-related restrictions. Although revenue losses did occur, they were \$3.1 million less than expected. The other most significant contributor to the surplus was \$2.3 million in savings from unspent contingency funds and utility cost savings.

This surplus allows the University to take a small step in addressing pressures related to the renewal and modernization of our core facilities across our campuses — physical infrastructure that is essential to our support for teaching, learning and research. Despite this importance, securing funding for physical infrastructure remains a challenge. With this in mind, funding for capital projects will be one of the areas for consideration as we explore a new budget model in 2022-23.

Another key priority has been investing in supports for students, as we know the last two years through the pandemic have been particularly challenging for some of our students and their families. The University-approved budget included a \$2.5 million planned use of reserve funds to increase student assistance in the form of bursaries, scholarships, and expansion of student employment opportunities. With enrolment growing by 3.7%, increased tuition revenue allowed us to provide a further \$2.5 million in student support.

Thanks to everyone who contributed in some way to a challenging but successful year. Together, we have continued to keep our university community safe while continuing to push forward on our shared priorities. We should all be very proud of what we have accomplished together.

Gitta Kulczycki

Vice-President, Finance & Administration

# Financial Overview



## INTRODUCTION

Dalhousie's management is responsible for the preparation, accuracy, and integrity of the information contained in the Annual Financial Report for the year ended March 31, 2022. Dalhousie's external auditor KPMG, appointed by the Finance, Audit, Investment, and Risk Committee of the Board of Governors, has completed the annual independent audit of the financial statements which are prepared in accordance with **Canadian accounting standards for not-for-profit organizations**.

Systems of internal control are designed and maintained to produce reliable information to meet reporting requirements and safeguard University assets. Such controls provide reasonable assurance that transactions are properly authorized and executed according to applicable legislation and Dalhousie's policies and procedures.

This section reviews the highlights of revenue and expenditure by fund for the 2021-22 year. The University's financial structure is organized using separate fund categories which group activities that have similar characteristics to enhance budgetary controls and allow for appropriate accountability and reporting for internal and external stakeholders. Additional information on the University's fund structure is included in the section - **Management notes on the Audited Financial Statements** - preceding the audited financial statements.

## ANNUAL SURPLUS:

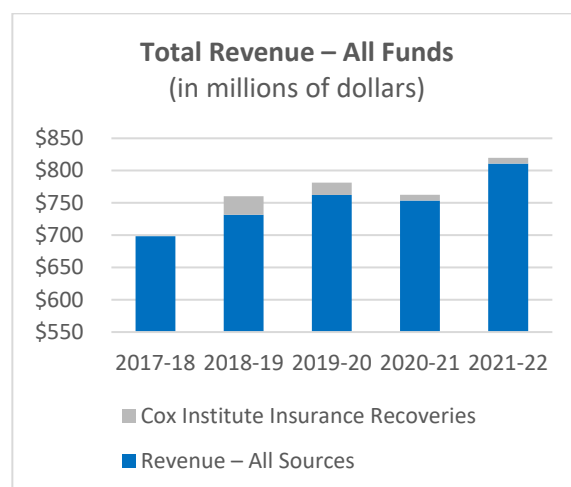
For fiscal year 2021-22, and consistent with prior years, Dalhousie's Statement of Revenue, Expenses and Changes in Operating Surplus indicates a surplus of \$67 million. This surplus is the consolidation of all University operations; not all funds are available to management to support general operations. The surplus flows through to net assets on the Statement of Financial Position, and, as required by generally accepted accounting principles, is classified based on any restrictions that exist on future spending:

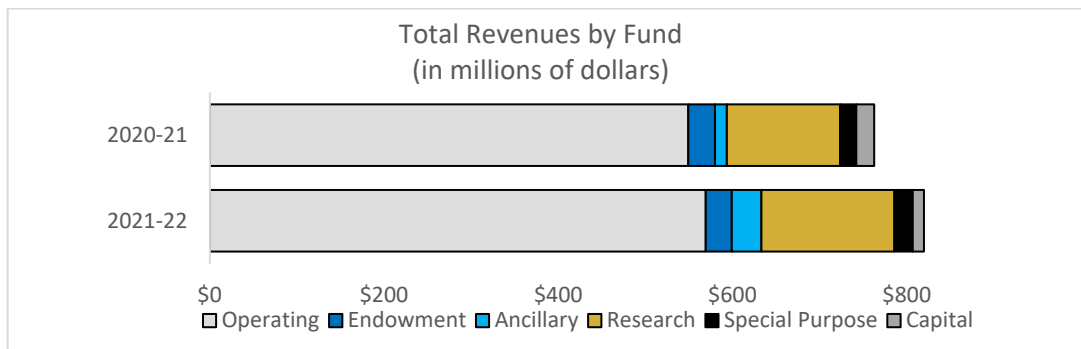
- The Invested in Capital Assets represents the accumulated amounts contributed to the University to acquire long-term capital assets and fund large-scale capital upgrades or replacements.
- Restricted Funds represent externally and internally restricted balances that have stipulations as to what the funds can be spent on; and
- The balance in Unrestricted Surplus represents the in-year surplus or deficit.

## OVERVIEW OF REVENUES AND EXPENDITURES:

### REVENUES

Total revenue from all funds for 2021-22 is \$819.6 million; an increase of \$59.2 million or 7.8% from the prior year. The increase is attributable to a general inflationary increase in tuition fees, the reinstatement of athletics and recreation fees, and increases in Ancillary revenues resulting from a return to more normalized operations, as well as increased Research revenues attributed to an increase in revenue from large-scale projects in addition to Covid-19 research related projects.



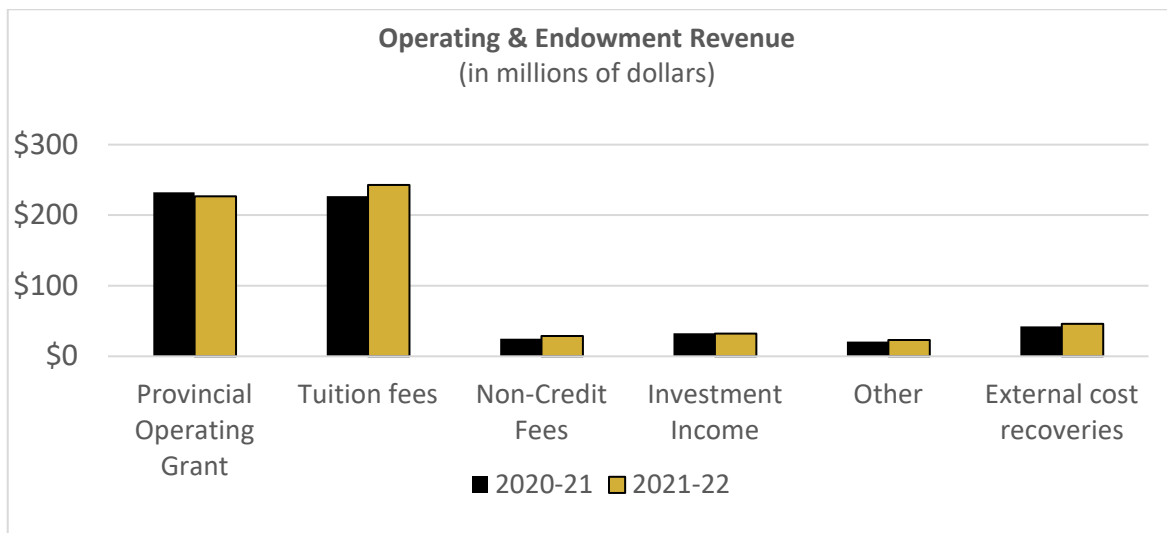


### Operating & Endowment Revenue

Operating and Endowment revenues are used to carry out the day-to-day operations of the University in support of the academic mission. The approved budget is allocated to Faculties and major service and support units to carry out their work and is based on Budget Advisory Committee recommendations. The results for the 2021-22 year compared to budget are presented in the Operating Budget Report found on page 9 in this report.

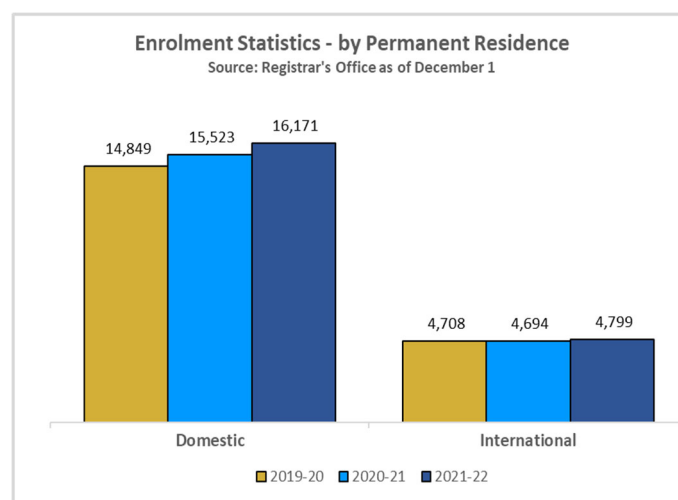
The 2021-22 Operating Budget is supported by Government grants, tuition revenue, endowment investment income, and other general revenues totaling \$493.8 million for the year. In addition to these centrally managed revenue streams, there are other revenues such as tuition from specialty programs/cohorts and continuing education programs, cost recoveries, auxiliary fees, and farm revenues that are managed directly through Faculty and service unit budgets providing a further \$105.3 million in support of their operations. The University's total operating and endowment revenue for 2021-22 was \$599.1 million; an increase of 3.3% from the previous year.

The graph below provides a breakdown of Operating & Endowment Revenues for 2021-22 compared to 2020-21.



Tuition is the largest source of revenue supporting the operations at \$242.6 million and represents 40.5% of gross operating and endowment revenue. This includes the central tuition of \$224.0 million and revenue from specialty programs/cohorts received directly by Faculties. Tuition fee revenue increased by \$15.8 million over 2020-21, a result of enrolment growth and approved tuition fee increases. Total enrolment increased to 20,970 in 2021-22, a 3.7% increase in year-over-year enrolment, driven largely by an increase in domestic students.

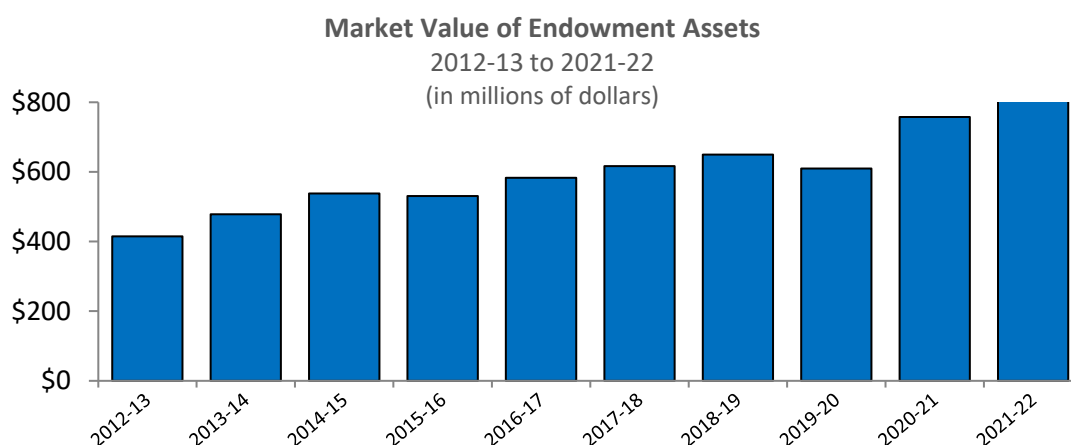
2021-22 increases in non-credit fees were a result of athletics and recreation fees that had been waived in the prior year, and Faculty of Open Learning and Career Development program revenues that had been impacted by the pandemic.



The provincial operating grants are the second largest source of operating revenue for the University (37.8%) and decreased by \$5.7 million in 2021-22. In 2020-21, the University had received a one-time grant to mitigate the impacts of the pandemic, offset by a 1% increase in the block operating grant and \$1.2 million in funding to increase seats in the Faculty of Medicine MD program.

Investment income from over 1,500 endowment funds supplements operations of Faculties and units through support for scholarships and bursaries for students, academic chairs and salaries, library materials, and Faculty program costs. The funds must be spent according to the terms of the individual endowments as established by donors. In 2021-22, endowment revenue supported costs of \$28.7 million to supplement the operations of the Faculties and Units as is further described in the Operating Budget Report.

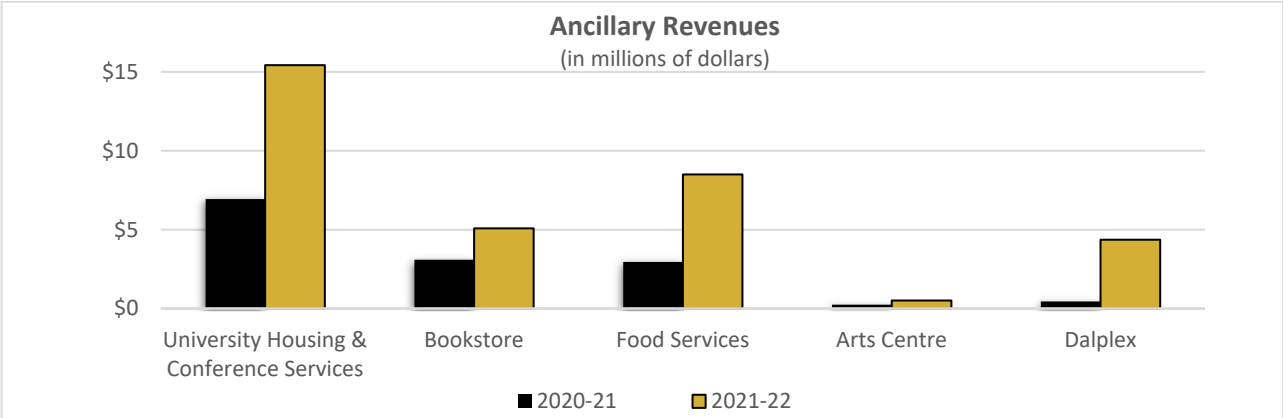
As shown in the graph below, the earnings on endowment principal growth provide support for the donor-specified activities at the University. The market value of the University's endowment assets was \$812.0 million as of March 31, 2022. The increase over 2020-21 is comprised of market appreciation, \$31 million, new gifts of \$6 million, and \$18 million in realized and unrealized gains, respectively.



## Ancillary Revenues

Ancillary operations provide important high quality, competitively priced goods and business services to the Dalhousie community with a focus on enhancing the student experience. These activities are segregated from the core functions of teaching and research and include Housing and Conference Services, Bookstore, Food Services, Dalhousie Arts Centre, and Dalplex. Normally ancillary unit revenues are expected to cover associated operating and capital costs for the operations.

Ancillary revenues increased by \$20.2 million or 47.8% over 2020-21 to \$33.9 million in 2021-22. The increase is due to the resumption of operations as the public health restrictions of the pandemic were lifted throughout the year. However, revenues are still below pre-pandemic levels. All areas increased, with the majority of the increase being in Housing and Conference Services and Food Services due to increased residence occupancy and third-party conference bookings.

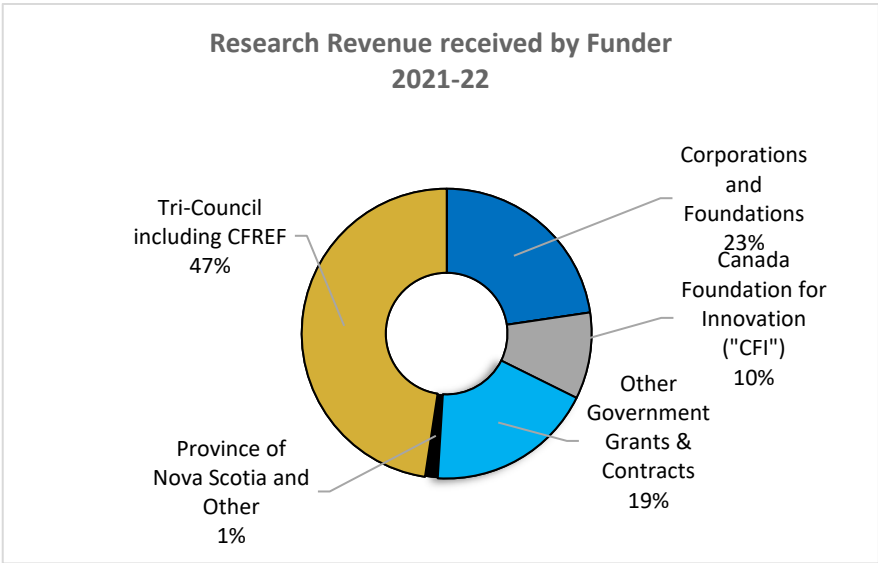


**Research and Special Purpose Revenues**

Research and special purpose revenues grew by 17% to \$173.8 million in 2021-22. Research and Special Purpose revenue must be used for the purposes specified by contributors and sponsors and are not used to support the general operations of the University.

Dalhousie’s researchers are accountable to manage approximately 3,300 segregated research grant and contract accounts, reporting to over 400 funders and sponsors. There are also approximately 1,000 Special Purpose accounts which are established for a variety of purposes including Annual Giving donations, conferences, service and lab activities, and joint initiatives between Dalhousie and funding partners.

Research funding is received from a variety of sources with the largest contributions coming from the federal government through the Tri-Council granting agencies (the Canadian Institutes of Health Research (CIHR), Natural Sciences and Engineering Research Council (NSERC), and the Social Sciences and Humanities Research Council (SSHRC)).





## Capital Revenues

Capital revenues primarily relate to the amortization of deferred capital contributions, external cost recoveries related to insurance proceeds, and other general revenues. Revenue decreased by \$7.7 million to \$12.7 million in 2021-22 mainly due to a decrease in recoveries from the Cox Institute fire insurance proceeds.

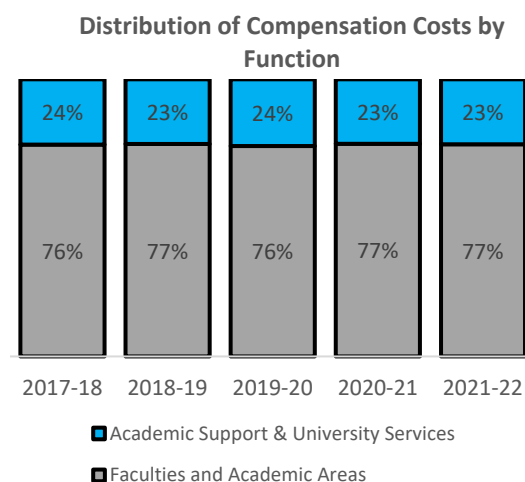
## EXPENDITURES

### Operating & Endowment Expenditures

Operating and endowment expenditures increased to \$568.1 million from \$539.8 million in the previous fiscal year, an increase of \$28.3 million (5.2%).

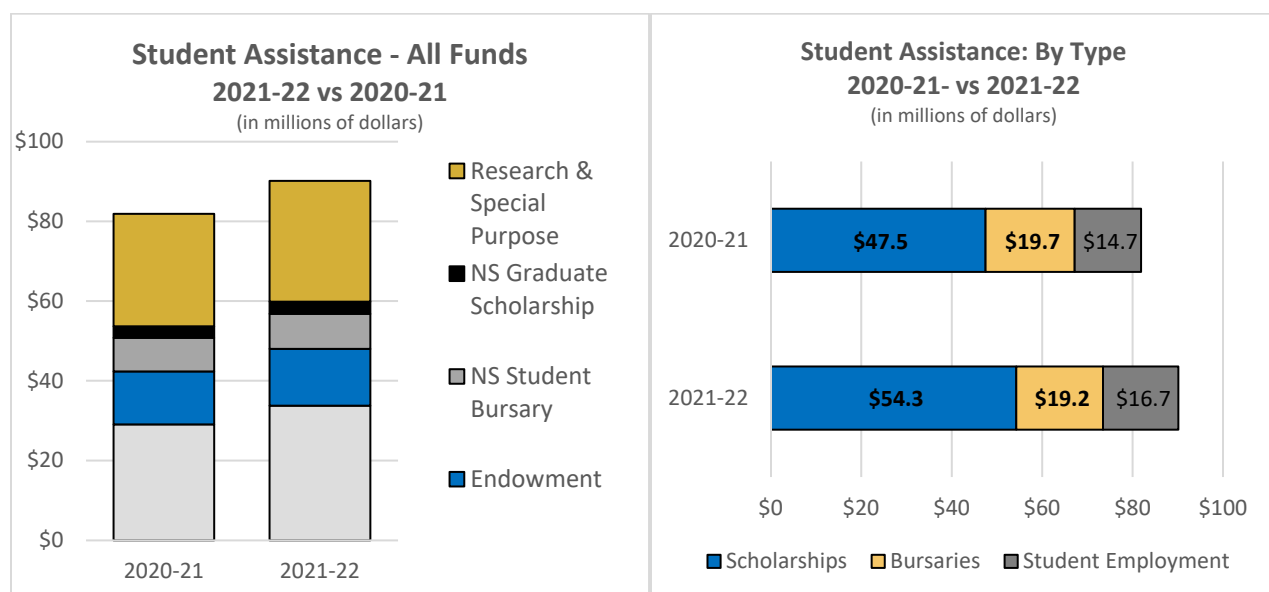
### Compensation

The nature of our work as an institution is providing service to our communities through teaching and research which means the majority of the University's costs relate to the compensation of faculty and staff. For 2021-22, compensation (net of unit revenues and recoveries) represented 71% of the operating budget or 67% of gross expenditures in the Operating and Endowment Funds. Salary and benefits costs (including pension) increased by 5.3% over 2020-21 to \$379.9 million. The graph to the right shows the distribution of compensation costs between Academic and Major Service and Support Units.

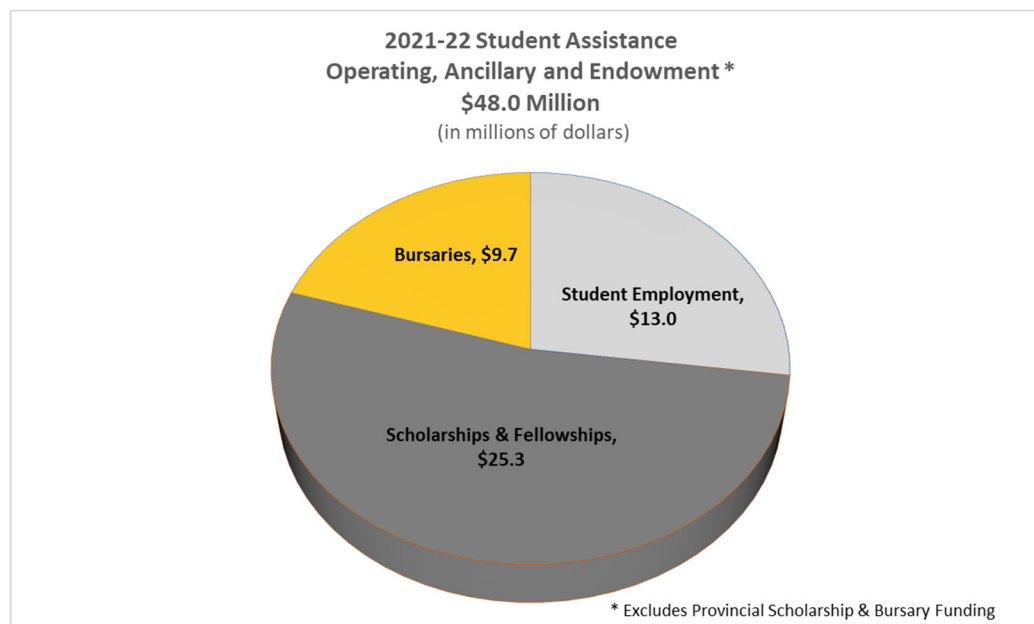


### Student Assistance

Student assistance includes undergraduate and graduate scholarships and bursaries, fellowships, and employment. In 2021-22 support for students increased by 10% to \$90.1 million, compared to \$81.9 million in the prior year. The following graphs show total student support by fund and student assistance by type.

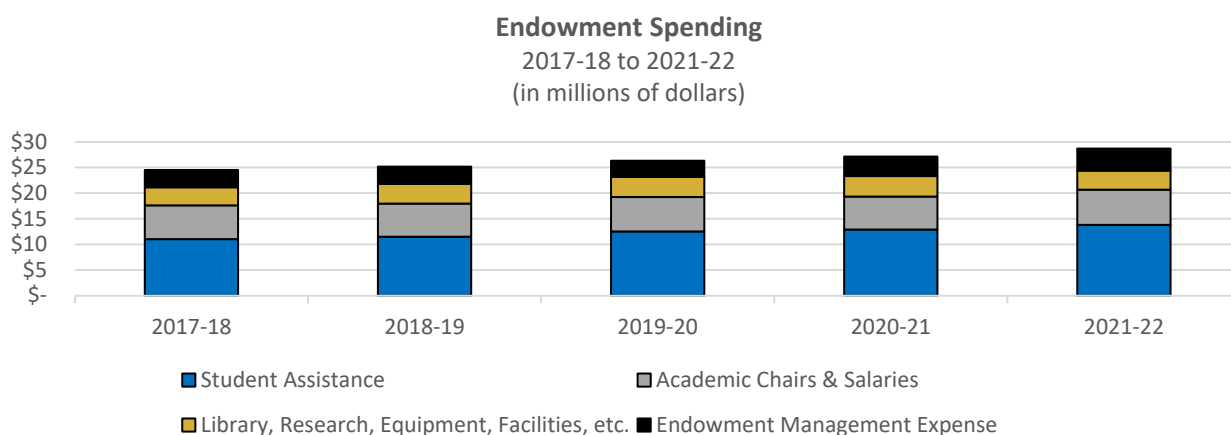


In 2021-22, the portion of spending on student assistance in the Operating, Ancillary and Endowments funds was \$48.0 million, a \$5.6 million (13.3%) increase over the prior year. This increased spending was a result of a one-time operating budget increase of \$2.5 million, in year overspending of \$2.5 million related to increased scholarships to students, continued impact of the PASS / ILL grading and increased assistance for international students to help support the costs of isolation on arrival. The remaining \$0.6 million relates to increased endowment scholarship and bursary spending.



### Endowment Supported Expenditures

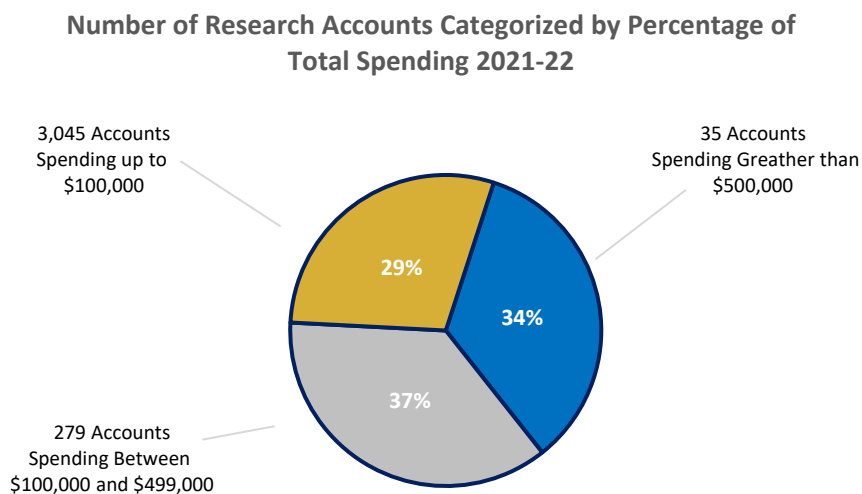
Dalhousie's over 1,500 endowments provide an important source of funding for student bursaries and scholarships, academic chairs and salaries, research, and library materials and services. The graph below shows Endowment program spending by spending category. Student Assistance is the largest category of spending from the endowment funds.



The objectives of the University's Endowment Management Policy are to balance present spending needs with expected future requirements; to protect the purchasing power of the capital base while achieving stability in year-to-year spending; and to attain real increases in spending through capital appreciation from new gifts, capital investment gains, and the capitalization of income. The Policy allows for annual spending increases at the rate of CPI, as long as the resulting spending rate remains within 3.75% to 5.0% of the endowment's market value.

## Research and Special Purpose Expenditures

As the purpose of research and special purpose revenues are restricted by the various funders, the financial statements include revenue only to support related expenditures that have occurred. In 2021-22, research expenditures and special purpose expenditures totaled \$144.7 million and \$12.2 million, respectively. Expenditures on these accounts vary annually based on the type and level of activity. As reflected in the following chart, 34% of research expenditures are generated by only 35 accounts (0.1 % of 3,359 accounts)



Resuming research activity earlier in 2021 resulted in higher spending, in addition, to increases in externally contracted services due to collaboration with other institutes on COVID-19 research projects.

## Capital

The University's Capital fund tracks funds that are received and expended on property, facilities, and equipment. This includes the construction of new facilities, building improvements (Facilities Renewal), as well as library collections, research and lab equipment. The University also transfers funding to the Capital fund to support debt payments on facilities and to set aside capital reserves in support of future large-scale capital upgrades, or replacements.

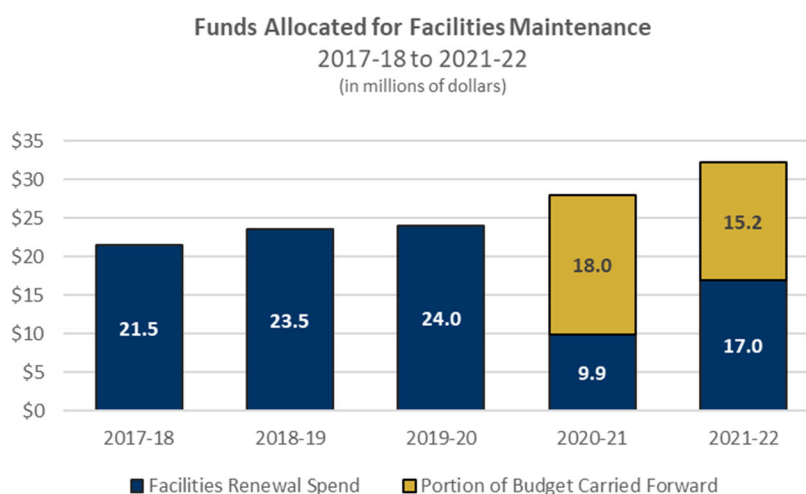
The University maintains 162 buildings and utility distribution facilities across four campuses with a replacement cost estimated at \$2.5 billion, with an estimated \$500+ million in deferred maintenance. A substantial annual investment is required to maintain these facilities to meet the ongoing needs of students, faculty, and staff.

During the 2021-22 year, \$67.2 million was invested in capital assets from all funds. Large project expenditures in 2021-22 included the Arts Centre addition, continued work on the Halifax thermal plant, and student residences. All large capital projects are undertaken based on funding plans as recommended by the Capital Projects and Facilities Committee of the Board. Projects are funded through a combination of donor and government contributions, new revenue streams, cost savings, and support from the Facilities Renewal budget where they are related to deferred maintenance items.

The annual Facilities Renewal allocation, as part of the University's Operating budget, is an important element of the University's capital program; the annual base budget is allocated to complete work on all building system components across all campuses. For 2021-22, this allocation was \$32.2 million. The projects are prioritized based on life, health and safety, academic priority, and consideration of all campuses. In addition, there are specific annual allocations for classroom upgrades. Planned projects for the year are reviewed by the Capital Projects and Facilities Committee. 2021-22 work included horizontal infrastructure tunnel renewal, fire alarm panel and devices renewal

and upgrades, heat pumps in the Dental building, exterior envelope renewal in the Central Services Building, Fraser House and O'Brien Hall, and classroom upgrades in the Life Sciences Centre.

The following graph shows the funds allocated for facilities maintenance over the last five years.



In 2021-22, project timelines were impacted due to the impacts of the pandemic on the supply chain and resourcing. Total spending was \$15.1 million less than budget. Projects deferred will be completed and the unspent budget will be carried forward to 2022-23.

The University continues to seek alternative sources of funding to support capital infrastructure. In 2019-20, the University received a special one-time grant from the Province of Nova Scotia of \$10.7 million to be used for deferred maintenance. These funds were used to support projects related to exterior envelope renewal at O'Brien Hall, and the Central Services Building, as well as the Killam Library infrastructure tunnel renewal. Spending continued according to plan in 2021-22 with final spending to occur in 2022-23.

The capital fund includes expenditures (supported by recoveries from insurance) for the Cox Institute remediation and rebuild following the fire in June 2018. Total expenditures in 2018-19, 2019-20, and 2020-21 were \$28.9 million, \$19.3 million, and \$9.0 million respectively. Expenditures in 2021-22 were \$0.4 million as reconstruction is substantially complete.

# 2021-22 Operating Budget Results



## INTRODUCTION

The Board of Governors approved the University's 2021-22 budget with revenues and expenditures of \$491.6 million and \$494.1 million respectively. The planned use of one-time reserves of \$2.5 million to support pandemic-related student assistance costs allows for a balanced budget.

This report includes detailed financial information comparing the actual results for the year to the approved budget.

## THE FINAL BUDGET

The summary on page 17 shows the Approved Budget and the Final Budget for the University in 2021-22. The approved budget included a provision for compensation adjustments. This budget line is distributed to Faculties and Service and Support units during the year as compensation increases become known for faculty and staff (Note 8 d). These adjustments, as well as base allocations from strategic initiatives and essential priorities made to Faculties/Units in the Responsibility Centre Expenditure category, are reflected in the final budget column. The final budget also includes increases in the government grant for funding provided to the Faculty of Medicine for additional costs for expanded MD enrolments.

## OPERATING BUDGET RESULTS

Overall, the University results for 2021-22 produced a net surplus of \$6.4 million, representing 1.3% of operating revenues. The net surplus is primarily due to improved results that can be contributed to the increased level of activity on campus as public health restrictions were lifted throughout the year. The budget was prepared assuming the University would continue to sustain significant revenue losses due the ongoing Covid-19 pandemic. Although, revenue losses did occur they were \$3.1 million less than expected. There was also \$2.3 million in saving from unspent contingency funds and utility cost savings. There were also higher than expected investment earnings.

The surplus provides the University the opportunity to address some pressures related to the renewal and modernization of our core facilities across our three campuses to further support an enhanced academic advancing teaching, learning and research. These one-time funds will address the following:

- i. \$3.2 million to support funding gaps on completed capital projects including the Sexton Campus Renewal, the Dentistry Clinic, and the Student Centre on the Agricultural Campus. When project plans were created, estimates for construction and donations were developed. Once projects were completed and pledges realized, residual gaps remained that needed to be funded. These important projects enhance student life experience across multiple campuses.
- ii. \$1.75 million to support the University Event Centre costs. The Dalhousie Event Centre will provide an on-campus home for student ice-related programming (intramurals and clubs), varsity athletics, as well as staff, faculty, and community recreational activity. The Centre will be a dynamic and inclusive space for Dalhousie and the greater Halifax community.
- iii. The unfinished 4th and 5th floors of the Collaborative Health Education Building (CHEB) have been designated as Health research and education spaces to transform interdisciplinary health teaching, learning and research at Dalhousie. This is an incredible opportunity to allow students to experience collaborative education including high frequency simulations. Project planning is underway, and the Faculties of Health, Medicine, and Computer Science have committed initial sums totalling \$1.3 million in support. An allocation of \$1.5 million from the 2021-22 surplus will help towards funding the total project.

Our faculty, staff, and students require quality facilities in which to teach, conduct research, learn, and work. It is an essential component to achieving our vision of "...innovative and impactful teaching and research, world-class scholarship, a passion for learning, and a deep sense of social responsibility."

Commentary on significant variances to budget follows the Operating Budget Results. The schedules that follow the summary provide further detail on results for the individual Faculties and Service and Support units.

## COMMENTARY ON MAJOR REVENUE & EXPENDITURE VARIANCES

### 1. Government Grants

#### a) Provincial Operating Grants:

The University budget is supported by Provincial Government grants from the Department of Labour and Advanced Education. Funding includes the main block operating grant which increased by 1% in 2021-22, grants for student assistance as well as grants for specific academic programs and space costs. All grants were received according to budget except the provincial grants supporting bursary and scholarship programs which provide direct assistance to Nova Scotian students and equal the costs for the year resulting in no net impact on the University's operating budget.

The following table summarizes the budget and actual for the various grants for the year:

**Budget and Actual - Grant Amounts**  
 (in thousands of dollars)

	<b>2021-22 Budget</b>	<b>2021-22 Actual</b>	<b>Variance</b>
<b>University Operating Grant</b>	199,599	199,599	-
<b>Provincially Supported Student Assistance Programs</b>			
Nova Scotia Bursary	8,190	8,789	599
Nova Scotia Graduate Scholarship	3,000	3,071	71
<b>Program Specific Grants</b>			
Health (Nursing, Occupational Therapy & Physiotherapy)	6,218	6,218	-
Medicine	7,700	7,700	-
Other	80	80	-
<b>Facilities/Space Grant</b>	1,000	1,000	-
	<u>225,787</u>	<u>226,457</u>	<u>670</u>

#### b) Federal Research Support Fund Grant:

Canadian universities receive an annual grant from the Federal Research Support Fund (RSF) program based on the level of federally funded research (i.e. NSERC, SSHRC, and CIHR). This grant is provided to defray a portion of the indirect costs incurred that are included in the operating budget (e.g. research space costs such as utilities, cleaning and maintenance, library and IT costs, research management costs such as the central Research Services office, and those in Faculties). The grant was received according to the budget for the year.

## 2. Investment Income

### a) Endowment Income (and Related Expenditure Lines):

The University has more than 1,500 endowments that provide student assistance and supplement Faculty and Unit budgets (through support for named chairs, salaries, and research costs) through annual spending allocations. Donors have established terms for each endowment. Investment income earned must be spent according to the purposes specified. As a result, annual investment income must equal the actual expenditures from the endowments for the year, and therefore there is no impact on the operating budget.

The following table summarizes endowment expenditures for the year by Responsibility Centre and the offsetting variance in Endowment income:

**Summary of Endowment Income and Expenditures compared with Budget**  
 (in thousands of dollars)

	2021-22 Budget	2021-22 Actual	Variance
Endowment Investment Income	31,317	28,689	2,628
Endowment Expenditures			
Student Assistance	7,422	7,472	(50)
Endowment Management expense	4,200	4,071	129
Included in Faculties and Units:			
Faculties and other academic units	19,182	16,623	2,559
Academic support units	72	82	(10)
Student Affairs	182	187	(5)
University Housing	259	254	5
Total Endowment Expenditures	31,317	28,689	2,628

Most faculties experienced underspending in the year. The major variances for the year related to vacancies in Academic chairs in the Faculties of Medicine and Management and general underspending primarily in the Faculty of Medicine. A detailed breakdown of endowment expenditures for the year compared to Faculty and Support Unit budgets is included in Appendix A.

### b) Investment Income – Operating:

The University invests cashflows according to the Expendable Funds Investment Policy which supports the operating budget. The University's short-term investment revenue is higher than budget by \$783,000 for the year primarily from higher than projected cash balances due to decreased and delayed spending, the timing of cashflows, and higher than expected GIC rates.

## 3. Tuition Fees

The 2021-22 tuition revenue budget of \$220.9 million was built on the conservative assumption that there would be no change in year-over-year tuition revenue related to enrolment. The forecasted enrolment increase was expected to be offset by the flow through of pandemic impacts from 2020-21 (students unable to complete co-ops or international exchange opportunities during the height of the pandemic were taking coursework instead, combined with a significant increase in summer 2020 enrolments creating a one-time



increase in enrolments). Actual fall and winter term enrolments were better than budget resulting in an additional \$3.1 million in tuition revenue for the year. The majority of this increase was reinvested in additional student assistance which is discussed in the next section.

Fall 2021 enrolments increased by 3.7% (753 students) compared with the previous year. The mix of domestic and international students continues to shift, with an increase of 651 domestic students and 102 international students. The new class of students entering from high school has increased by 424 students: an increase of 529 domestic students and a decrease of 105 international students.

The mix of international graduate and undergraduate students also impacts tuition revenue, as undergraduate international students pay more tuition than thesis-based graduate students. Fall 2021 enrolment increased by 18.1% in international graduate students while international undergraduate enrolment decreased by 2.8%.

As a result of the overall enrolment increase, a small increase in the student facilities renewal fee revenue is forecast (\$231,000) with a corresponding increase in expenditures to support facilities renewal.

#### **4. Scholarships, Bursaries, and Student Assistance**

In 2021-22, the budget allowed for a one-time increase of \$2.5 million in student assistance for students impacted by the pandemic through a one-time increase of \$2.0 million to increase both the size and number of bursaries to students with financial need and an additional \$500,000 to further support student employment.

During the year, an additional \$2.5 million was provided, for a total increase in student assistance in 2021-22 of \$5.0 million. The additional spending was as follows:

- Increased scholarships to students as a result of an increased number of direct from high school students combined with a stronger applicant pool, and the continued impact of the PASS / ILL grading in place in 2020-21.
- The increased scholarship spending was slightly offset by decreased bursary spending.
- Increased assistance for international students to help support the costs of isolation on arrival.

The Nova Scotia government provides direct assistance to students through the Nova Scotia Bursary Program and the Nova Scotia Graduate Scholarship Program as shown in item 1 above. These amounts varied from the budget as there was an increase in the number of Nova Scotian students who received support through the bursary program and a slightly higher number of graduate scholarships based on actual graduate scholarships provided.

University endowment funds are also an important source of financial support for students. In 2021-22, \$7.5 million was provided to students through the central endowment student assistance budget. Endowments managed by individual Faculties and Units provided a further \$5.1 million in assistance for students.

#### **5. Campus Renewal**

The Campus Renewal budget is comprised of the annual budget for facilities renewal projects and long-term campus renewal costs including debt service and rental requirements for University space.

In 2021-22, project timelines were delayed significantly due to the impacts of the pandemic on the supply chain and resourcing; many projects were not completed as of March 31<sup>st</sup>. As a result, \$15.1 million has been carried forward to complete these projects in 2022-23.

During the year, \$231,000 in additional facilities renewal student fee revenue was generated from increased enrolment and this allowed for additional Facilities Renewal expenditures of an equivalent amount.

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

Overall, in 2021-22 there were savings of \$269,000 in energy costs due to decreased occupancy due to the pandemic partially offset by an increase in natural gas pricing.

Sustainable energy projects over the last decade have saved \$4.5 million per year on utilities. These savings are used first to retire the costs of these projects but ultimately will benefit the operating budget in future years.

## 7. Strategic Initiatives and Essential Priorities

The University budget included \$6.25 million for Strategic Initiatives and Essential Priorities. Overall, \$2.1 million of base funds and \$3.2 million of one-time funds were allocated for a variety of purposes. A balance of \$1.0 million will be carried forward for spending in 2022-23.

### 2021-22 Strategic Initiatives and Essential Priorities Spending (in thousands of dollars)

	2021-22 One- Time Funding	2021-22 Base Funding
Pillar 1: Exceptional Student Experience	1,480	199
Pillar 2: Inclusive Excellence	147	243
Pillar 3: High Impact Research	180	132
Pillar 4: Civic University with Global Impact	62	-
Pillar 5: A Foundation for Inclusion and Distinction	1,285	1,548
Total Spending in 2021-22	3,154	2,122

Initiatives supported during the year include:

- Academic Program support for the development of an Indigenous Studies Major and a Micro-credentialing project
- Various forms of academic support including: educational development support, academic software costs to support online academic delivery, TA support, prior learning assessment recognition framework development, course builders, and teaching and learning grants
- Student support related to academic advising, accessibility, grad student support, and residence support
- Research-related initiatives include an indigenous research facilitator and support for research communication, rankings, and commercialization, as well as funding for additional staffing in human resources to support grant-paid employees and technical research.
- Support for Dalhousie's Digital Strategy, including costs related to MyDal 2.0, the Dal.ca revitalization project, and Microsoft 365 license costs

- Consulting support for international tuition review costs
- Positions in Equity, Diversity Inclusion, and Government and Global Relations as newly created administrative units

## 8. Responsibility Centre and Ancillary Expenditures

About 80% of the University's budget is allocated to Faculties, and Service and Support Units. For 2021-22, the budget incorporated estimated one-time revenue losses/ additional expenditures in Faculties, Units, and Ancillaries of \$10.1 million stemming from the pandemic. The following table provides a summary of the actual losses for the year totalling \$7.0 million compared with the budget estimates:

### 2021-22 Revenue Losses

(in thousands of dollars)

	2021-22 Final Budget	2021-22 Actual	Variance
<b>Academic</b>	(500)	(240)	260
<b>Print Centre</b>	(300)	(15)	285
<b>General</b>	(100)	-	100
<b>Facilities Management</b>	(3,500)	(3,281)	219
<b>Athletics</b>	(500)	(500)	-
<b>Ancillaries</b>	-	-	-
Dalhousie Arts Centre	(300)	(10)	290
Dalplex	(1,000)	(68)	932
Food Services	(1,300)	(1,004)	296
University Bookstore	(600)	(166)	434
University Housing	(2,000)	(1,724)	276
	(10,100)	(7,008)	3,092

Significant responsibility centre and ancillary expenditures variances are described as follows:

#### a) Endowment Program –

The endowment program is integrated with the operating budget and provides further allocations to all Faculties and several support units. Endowment spending varies from the amount available in any given year as described in note 2 (a detailed breakdown by Faculty is included in Appendix A).

#### b) Academic –

The University Carry-Forward Policy allows Faculties and major academic units to carry forward any budget savings and likewise requires them to address overruns. As a result, there are few reported variances for these units as follows:

- Revenue Losses (Covid-19): Overall revenue losses in Academic areas were \$260,000 less than the budget estimate of \$500,000. The Faculty of Open Learning and Career Development incurred losses of \$240,000 as enrolments decreased significantly in the English for Academic Purposes program.
- There was increased revenue relating to enrolment under the agreement with the University of King's College to provide teaching services for King's students.

Overall, Faculties added \$8.9 million to carry-forward for the year (see Appendix A for breakdown by Faculty). Savings were a result of hiring delays, reduced travel and meeting expenses due to public health restrictions, delays in spending related to supply chain issues, as well as enrolment growth in specialized programs. Faculty carry-forwards can be used to fund one-time projects and initiatives and Faculty overspending must be repaid according to an established plan. The Provost and Vice President Academic and Vice President Finance and Administration continue to work with Faculties on their carry-forward plans.

**c) Service and Support Units –**

**i) Academic Support Units:**

IT Infrastructure drew on carry-forward as planned for the year with the major item relating to the multi-year plan for continued improvements to the University's IT Infrastructure. The Centre for Teaching and Learning experienced savings which will be retained to support further advancement in the teaching and learning experience. The Print Centre operates on a cost recovery basis and improved external revenues allowed for a \$285,000 reduction in budgeted revenue losses related to the pandemic.

**ii) Administrative, General, Facilities Management, and Student Services:**

There are various small variances in these areas netting to an overall expenditure over budget of \$208,000. Favourable variances in increased application fee revenue, staff turnover savings, and travel savings were offset by increased costs related to the purchase of Personal Protective Equipment, implementation of the Thrive program (for tracking vaccination requirements across campus), and increased agent costs required to support the student recruitment process.

- a. An increase in the number of student applications this winter generated \$553,000 in additional revenue.
- b. Environmental Health & Safety incurred additional expenses related to the purchase of Personal Protective Equipment.
- c. Human Resources incurred additional expenses related to the implementation of the Thrive program across campus.
- d. The President's Office / Provost Office experienced savings related to reduced travel as a result of pandemic restrictions.
- e. Registrar's Office incurred significantly more agent fee costs than budgeted due to travel restrictions; the increased costs were offset by travel and salary savings resulting in a net over expenditure of \$399,000.
- f. Overall, Facilities Management experienced savings of \$263,000 which will be retained to support further facilities modifications necessitated by public health requirements across campus and other priority projects. The details are as follows:
  - i) In 2021-22 there were parking losses of \$281,000
  - ii) Facilities Management experienced salary and non-salary savings of \$473,000 related to hiring and project delays.
  - iii) Recommissioning costs of \$500,000 were budgeted for 2021-22 and \$429,000 were incurred. The residual will be carried forward for future work.

g. Student Services

- i) There was a planned draw on the Student Health Fee carry-forward to support International Student Quarantine work throughout the year.
- ii) While Athletics & Recreation received higher than budgeted student fee revenue and higher than budgeted memberships revenue, increased costs for custodial, and health and safety requirements generated overall losses of \$504,000.

Service and Support Units may carry forward savings when approved for specific projects. (Appendix A provides a breakdown of these units drawing on or carrying forward savings). Financial Services, Planning & Analytics, Research Services, and Facilities Management carried funds forward to address anticipated costs to retrofit space to accommodate a hybrid work environment, and other priority projects. Communications & Marketing and the University Services planned to draw carry-forward funds to support operational priorities.

**d) Provision for Compensation –**

The approved budget included an estimate of scale and progression increases (and related pension and benefit increases). These have been distributed to Faculty and Unit budgets once the amounts have been paid. The agreement with CUPE has not been finalized, so no increases have been paid to this group of employees.

The University's contribution to the pension plan is determined based on a valuation of the financial position of the plan by an actuarial consultant as required by the Nova Scotia Pension Benefits Act. The valuation as of January 31, 2020, required an increase in employer payments to fund the Pension Plan. Pension regulations allow for the increase to be phased in over four years. For 2021-22, the University transferred \$5.6 million to the Pension Stabilization Fund to transition to the increased contribution requirements.

**e) Ancillaries –**

The ancillary budget includes the Bookstore, University Housing and Conference Services, Residence Life, Food Services, Dalplex (Fitness Centre), and Arts Centre facilities. These units are normally expected to cover their costs, including maintenance, from revenues generated. However, this year, the overall budget allowed for \$5.2 million in revenue losses from these areas because of COVID-19. The following is a summary of the actual results compared with the budget for the year:

- i) The Arts Centre received a one-time federal government grant of \$125,000 which combined with salary and non-salary savings, resulted in a final loss of \$10,000. The Arts Centre was able to undertake planned spending to support washroom renovations and camera upgrades totalling \$90,000.
- ii) The Dalplex budgeted additional costs/revenue losses of \$1.0 million. Overall, better than budgeted revenues combined with salary savings allowed for a small deficit at year-end of \$68,000.
- iii) For 2021-22 Housing planned for revenue losses of \$2.0 million. Higher uptake on residences combined with salary and non-salary savings resulted in an overall net deficit of \$1.7 million.
- iv) Food Services anticipated a loss of \$1.3 million, but increased numbers of students in residence reduced the year-end loss to \$1.0 million.
- v) The University Bookstore anticipated a loss of \$600,000 but ended the year with a net loss of \$166,000 due to increased sales and improved margins.

**Dalhousie University**  
**Operating Budget Results - Summary**

As at March 31, 2022

(thousands of dollars)

	Approved Budget	Final Budget (1)	Actual	Variance Fav (Unfav)
<b>REVENUE</b>				
Provincial Government Grants				
Operating	199,599	199,599	199,599	-
Scholarship and Bursary Program Grants	11,190	11,190	11,860	670
Program Specific Grants	13,998	13,998	13,998	-
Facilities/Space	1,000	1,000	1,000	-
	225,787	225,787	226,457	670
Federal Research Support Fund Grant	6,716	6,716	6,716	-
Investment				
Endowment	31,317	31,317	28,689	(2,628)
Operating	3,000	3,000	3,783	783
Tuition Fees	220,894	220,894	224,019	3,125
Facilities Renewal Fee	3,900	3,900	4,131	231
<b>TOTAL REVENUE</b>	491,614	491,614	493,795	2,181
<b>GENERAL OPERATING EXPENDITURES</b>				
Scholarships, Bursaries and Student Assistance				
Operating	16,185	16,185	18,698	(2,513)
Scholarship and Bursary Program	11,190	11,190	11,860	(670)
Endowment	7,422	7,422	7,472	(50)
Campus Renewal				
Annual Facilities Maintenance	32,158	32,158	32,389	(231)
Long Term	6,495	6,495	6,495	-
Energy, Water, Taxes, Insurance (net of recoveries)	23,232	23,232	22,963	269
Endowment Management Expenses	4,200	4,200	4,071	129
Strategic Initiatives and Essential Priorities	6,251	4,111	4,111	-
Equipment and Furniture Allocation	2,466	2,466	2,466	-
Contingency	2,926	2,926	903	2,023
<b>TOTAL GENERAL OPERATING EXPENDITURES</b>	112,525	110,385	111,428	(1,043)
<b>RESPONSIBILITY CENTRE EXPENDITURES</b>				
Academic	272,327	279,494	276,469	3,025
Academic Support	17,590	18,518	18,271	247
Administration	35,570	38,033	38,180	(147)
General	1,619	1,624	1,610	14
Facilities Management	25,369	26,356	26,356	-
Student Services	8,329	8,808	8,883	(75)
Provision for Compensation <sup>(2)</sup>	15,580	5,600	5,600	-
<b>TOTAL RESPONSIBILITY CENTRE EXPENDITURES</b>	376,384	378,433	375,369	3,064
<b>TOTAL OPERATING EXPENDITURES</b>	488,909	488,818	486,797	2,021
<b>NET ANCILLARY EXPENDITURES</b>	5,205	5,296	3,063	2,233
<b>TOTAL EXPENDITURES</b>	494,114	494,114	489,860	4,254
<b>SURPLUS (SHORTFALL) FOR THE YEAR BEFORE DESIGNATED RESERVES</b>	(2,500)	(2,500)	3,935	6,435
<b>USE OF DESIGNATED RESERVES</b>	2,500	2,500	2,500	-
<b>SURPLUS (SHORTFALL)</b>	-	-	6,435	6,435

(1) The final budget includes the distribution of the Provision for Compensation and base allocations from Strategic Initiatives and Essential Priorities. The Program Specific Grants budget and the Faculty of Medicine budget have both been increased by \$1.2 million to reflect funding from the province to support enrolment expansion in the MD program.

(2) Undistributed balance has been transferred to the Pension Stabilization Reserve. See note 8 d).

	Approved Budget	Final Budget <sup>(1)</sup>	Actual <sup>(2)</sup>	Variance Fav (Unfav)
<b>ACADEMIC</b>				
Agriculture	18,503	18,967	18,967	-
Architecture	4,874	5,024	5,024	-
Arts and Social Sciences	20,209	20,439	20,439	-
Computer Science	11,965	12,329	12,329	-
Dentistry	10,516	10,840	10,840	-
Engineering	22,250	22,950	22,950	-
Graduate Studies	2,360	2,420	2,420	-
Health	32,551	33,030	33,030	-
Law	12,664	13,002	13,002	-
Management	14,694	15,161	15,161	-
Medicine	52,838	54,147	54,147	-
Science	39,922	41,328	41,328	-
University Library	19,806	20,672	20,672	-
Open Learning & Career Development	1,247	1,270	1,510	(240)
College of Sustainability	1,522	1,561	1,561	-
Centres, Institutes & Special Projects	2,748	2,784	2,784	-
International Support to Faculties and Units	700	554	554	-
Cooperative Education Office	867	915	915	-
Faculty Related Costs (e.g. Travel, Leave Grants, PDA)	2,774	2,779	2,779	-
Kings' Transfer	(2,177)	(2,177)	(2,383)	206
Academic Initiatives	994	999	999	-
Adjustment for one time net revenue losses (COVID)	500	500	-	500
Transfer to Endowment Carryforward <sup>(3)</sup>	-	-	(2,559)	2,559
<b>TOTAL ACADEMIC</b>	<b>272,327</b>	<b>279,494</b>	<b>276,469</b>	<b>3,025</b>
<b>ACADEMIC SUPPORT</b>				
Art Gallery	225	229	228	1
Centre for Learning and Teaching	1,352	1,428	1,428	-
IT Infrastructure	3,885	3,750	3,750	-
Information Technology Services	12,128	12,836	12,865	(29)
Printing Centre	-	275	(10)	285
Transfer from Endowment Carryforward <sup>(3)</sup>	-	-	10	(10)
<b>TOTAL ACADEMIC SUPPORT</b>	<b>17,590</b>	<b>18,518</b>	<b>18,271</b>	<b>247</b>

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

(2) The actual column includes transfers of operating and endowment variances in accordance with University policy (see detail in Appendix A).

(3) This line reflects the transfer from (to) Endowment Carryforward for the variances in spending on endowment allocations included in Faculty and Units actual results for the year. (See Appendix A for breakdown by Faculty / Unit). The total variance in endowment expenditures is directly offset by a variance in the amount of investment income recognized for the year compared to budget (see note 2 on page 11).

**Dalhousie University**  
**Operating Budget Results - Detail**

As at March 31, 2022

(thousands of dollars)

	Approved Budget	Final Budget <sup>(1)</sup>	Actual <sup>(2)</sup>	Variance Fav (Unfav)
<b>ADMINISTRATION</b>				
Application Fees and Services Recovery	-1,757	(1,757)	(2,310)	553
Advancement	7,062	7,303	7,303	-
Communications and Marketing	2,963	3,756	3,756	-
Environmental Health and Safety	1,508	1,623	1,780	(157)
Financial Services	5,052	5,349	5,349	-
Human Resources	3,799	3,821	4,041	(220)
Planning & Analytics	1,374	1,483	1,483	-
President's Office / Provost Office	1,266	2,390	2,317	73
Registrar & Admissions	6,374	6,629	7,028	(399)
Research Services	2,707	2,763	2,763	-
University Services <sup>(3)</sup>	5,222	4,673	4,670	3
<b>TOTAL ADMINISTRATION</b>	<b>35,570</b>	<b>38,033</b>	<b>38,180</b>	<b>(147)</b>
<b>GENERAL</b>	<b>1,619</b>	<b>1,624</b>	<b>1,610</b>	<b>14</b>
<b>FACILITIES MANAGEMENT</b>	<b>25,369</b>	<b>26,356</b>	<b>26,356</b>	<b>-</b>
<b>STUDENT SERVICES</b>				
Awards Office & Student Services Centre -Sexton	330	358	358	-
Student Support Services (including Vice Provost Student Affairs Office)	4,916	5,259	5,333	(74)
Student Wellness (including Counselling)	1,505	1,605	1,605	-
Recreation and Athletics	1,078	1,086	1,582	(496)
Adjustment for one time net revenue losses (COVID)	500	500	-	500
Transfer to Endowment Carryforward <sup>(4)</sup>	-	-	5	(5)
<b>TOTAL STUDENT SERVICES</b>	<b>8,329</b>	<b>8,808</b>	<b>8,883</b>	<b>(75)</b>
<b>ANCILLARIES</b>				
Dalhousie Arts Centre	380	380	390	(10)
Dalplex	181	181	249	(68)
Food Services	(43)	(43)	961	(1,004)
Residence Life	1,636	1,784	1,784	-
University Bookstore	(107)	(104)	62	(166)
University Housing	(2,042)	(2,102)	(378)	(1,724)
Adjustment for one time net revenue losses (COVID)	5,200	5,200	-	5,200
Transfer to Endowment Carryforward <sup>(4)</sup>	-	-	(5)	5
<b>TOTAL ANCILLARIES</b>	<b>5,205</b>	<b>5,296</b>	<b>3,063</b>	<b>2,233</b>

(1) The final budget includes the distribution of the Provision For Compensation and base allocations from Strategic Initiatives. The Program Specific Grants budget and the Faculty of Medicine budget have both been increased by \$1.2 million to reflect funding from the province to support enrolment expansion in the MD

(2) The actual column includes transfers of operating and endowment variances in accordance with University policy, (see detail in Appendix A).

(3) The University Services budget line includes Human Rights and Equity Services, Legal Services, Government & Global Relations Office, University Secretariat, Interuniversity Services and the Internal Audit Office.

(4) This line reflects the transfer from (to) Endowment Carryforward for the variances in spending on endowment allocations included in Faculty and Units actual results for the year. (See Appendix A for breakdown by Faculty / Unit). The total variance in endowment expenditures is directly offset by a variance in the amount of investment income recognized for the year compared to budget (see note 2 on page 11).



(thousands of dollars)

	Operating					Endowment					Consolidated
	* Column 1	* Column 2	* Column 3	* Column 4	* Column 5	* Column 6	* Column 7	* Column 8	* Column 9	* Column 10	* Column 11
	Final Budget	Actual before Transfer of Variance	Transfer of Variance to Appropriation <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Final Budget	Actual before Transfer of Variance	Transfer of Variance to Carry Forward <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Operating and Endowment Variance Fav/(Unfav)
<b>ACADEMIC</b>											
Agriculture	18,637	17,590	1,047	18,637	-	330	122	208	330	-	-
Architecture and Planning	4,925	4,819	106	4,925	-	99	38	61	99	-	-
Arts and Social Sciences	18,638	18,870	(232)	18,638	-	1,801	1,745	56	1,801	-	-
Computer Science	12,065	9,479	2,586	12,065	-	264	236	28	264	-	-
Dentistry	10,576	9,057	1,519	10,576	-	264	307	(43)	264	-	-
Engineering	21,909	21,484	425	21,909	-	1,041	912	129	1,041	-	-
Graduate Studies	1,865	1,802	63	1,865	-	555	491	64	555	-	-
Health	32,317	32,430	(113)	32,317	-	713	610	103	713	-	-
Law	9,978	9,807	171	9,978	-	3,024	2,925	99	3,024	-	-
Management	14,298	13,153	1,145	14,298	-	863	955	(92)	863	-	-
Medicine	47,472	48,318	(846)	47,472	-	6,675	5,220	1,455	6,675	-	-
Science	38,133	36,797	1,336	38,133	-	3,195	2,853	342	3,195	-	-
University Library	20,425	20,868	(443)	20,425	-	247	177	70	247	-	-
Open Learning and Career Development	1,200	850	590	1,440	(240)	70	23	47	70	-	(240)
College of Sustainability	1,554	1,497	57	1,554	-	7	7	-	7	-	-
Centres, Institutes & Special Projects	2,750	2,357	393	2,750	-	34	2	32	34	-	-
International Supports to Faculties and Units	554	443	111	554	-	-	-	-	-	-	-
Cooperative Education Office	915	730	185	915	-	-	-	-	-	-	-
Faculty Related Costs (eg. Travel, Leave Grants, PDA)	2,779	2,407	372	2,779	-	-	-	-	-	-	-
Kings' Transfer	(2,177)	(2,383)	-	(2,383)	206	-	-	-	-	-	206
Academic Initiatives	999	539	460	999	-	-	-	-	-	-	-
Adjustment for one time net revenue losses (COVID)	500	-	-	-	500	-	-	-	-	-	500
Transfer to Endowment Carryforward						-	-	(2,559)	(2,559)	2,559	2,559
<b>TOTAL ACADEMIC</b>	<b>260,312</b>	<b>250,914</b>	<b>8,932</b>	<b>259,846</b>	<b>466</b>	<b>19,182</b>	<b>16,623</b>	<b>-</b>	<b>16,623</b>	<b>2,559</b>	<b>3,025</b>
<b>ACADEMIC SUPPORT</b>											
Art Gallery	158	157	-	157	1	71	81	(10)	71	-	1
Centre for Learning and Teaching	1,427	1,345	82	1,427	-	1	1	-	1	-	-
IT Infrastructure	3,750	2,816	934	3,750	-	-	-	-	-	-	-
Information Technology Services	12,836	12,865	-	12,865	(29)	-	-	-	-	-	(29)
Printing Centre	275	(10)	-	(10)	285	-	-	-	-	-	285
Transfer from Endowment Carryforward						-	-	10	10	(10)	(10)
<b>TOTAL ACADEMIC SUPPORT</b>	<b>18,446</b>	<b>17,173</b>	<b>1,016</b>	<b>18,189</b>	<b>257</b>	<b>72</b>	<b>82</b>	<b>-</b>	<b>82</b>	<b>(10)</b>	<b>247</b>
<b>ADMINISTRATION</b>											
Application Fees and Services Recovery	(1,757)	(2,310)	-	(2,310)	553	-	-	-	-	-	553
Advancement	7,303	7,303	-	7,303	-	-	-	-	-	-	-
Communications and Marketing	3,756	3,781	(25)	3,756	-	-	-	-	-	-	-
Environmental Health and Safety	1,623	1,780	-	1,780	(157)	-	-	-	-	-	(157)
Financial Services	5,349	5,283	66	5,349	-	-	-	-	-	-	-
Human Resources	3,821	4,041	-	4,041	(220)	-	-	-	-	-	(220)
Planning & Analytics	1,483	1,346	137	1,483	-	-	-	-	-	-	-
President's Office / Provost's Office	2,390	2,317	-	2,317	73	-	-	-	-	-	73
Registrar & Admissions	6,629	7,028	-	7,028	(399)	-	-	-	-	-	(399)
Research Services	2,763	2,684	79	2,763	-	-	-	-	-	-	-
University Services	4,673	4,676	(6)	4,670	3	-	-	-	-	-	3
<b>TOTAL ADMINISTRATION</b>	<b>38,033</b>	<b>37,929</b>	<b>251</b>	<b>38,180</b>	<b>(147)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(147)</b>

(1) This column reflects the transfer of variances to (from) appropriation or Endowment 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 the consolidated Variance in column 11.

	Operating					Endowment					Consolidated
	* Column 1	* Column 2	* Column 3	* Column 4	* Column 5	* Column 6	* Column 7	* Column 8	* Column 9	* Column 10	* Column 11
	Final Budget	Actual before Transfer of Variance	Transfer of Variance for Appropriation <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Final Budget	Actual before Transfer of Variance	Transfer of Variance to Carryforward <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Operating and Endowment Variance Fav/(Unfav)
<b>GENERAL</b>	1,624	1,610	-	1,610	14	-	-	-	-	-	14
<b>FACILITIES MANAGEMENT</b>	26,356	26,093	263	26,356	-	-	-	-	-	-	-
<b>STUDENT SERVICES</b>											
Awards Office & Student Services Centre - Sexton	358	358	-	358	-						-
Student Support Services (including Vice-Provost's Office)	5,259	5,317	16	5,333	(74)						(74)
Student Wellness (including Counselling)	1,605	2,037	(432)	1,605	-						-
Recreation and Athletics	904	1,363	37	1,400	(496)	182	187	(5)	182	-	(496)
Adjustment for one time net revenue losses (COVID)	500	-	-	-	500	-	0	-	-	-	500
Transfer to Endowment Carryforward					-	-	-	5	5	(5)	(5)
<b>TOTAL STUDENT SERVICES</b>	8,626	9,075	(379)	8,696	(70)	182	187	-	187	(5)	(75)
<b>ANCILLARIES</b>											
Dalhousie Arts Centre	380	479	(89)	390	(10)	-	-				(10)
Dalplex	181	197	52	249	(68)	-	-				(68)
Food Services	(43)	973	(12)	961	(1,004)	-	-				(1,004)
Residence Life	1,784	1,784	-	1,784	-	-	-				-
University Bookstore	(104)	62	-	62	(166)	-	-				(166)
University Housing	(2,361)	(637)	-	(637)	(1,724)	259	254	5	259	-	(1,724)
Adjustment for one time net revenue losses (COVID)	5,200	-	-	-	5,200	-	-	-	-	-	5,200
Transfer to Endowment Carryforward					-			(5)	(5)	5	5
<b>TOTAL ANCILLARIES</b>	5,037	2,858	(49)	2,809	2,228	259	254	-	254	5	2,233

(1) This column reflects the transfer of variances to (or from) appropriation or Endowment 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 the consolidated Variance in column 11.

# **2021-22 Audited Financial Statements**



The Dalhousie University Financial Statements for the year ended March 31, 2022 have been audited by KPMG and are presented in this section of the Annual Financial Report. The financial statements should be read together with the Management Notes and the Operating Budget Report which contains the results for each Faculty and Service Unit for the year compared with budget.

The Management Notes for 2021-22 provide background on:

- I. the Fund Accounting approach used to measure and manage financial activity;
- II. the impact of funding and accounting requirements with respect to the employer contributions to the Pension Plan;
- III. the financial statement impact of the Province of Nova Scotia COVID-19 relief programs administered by Dalhousie.

#### **I. FUND ACCOUNTING**

The University uses a fund accounting approach and reports on like activities in separate funds. Each fund is comprised of its own revenues and expenses. Fund accounting enhances budgetary controls, accountability and reporting throughout the University. The University maintains the following six fund categories:

##### **Operating Fund:**

Encompasses the day-to-day revenue and expenditures required to operate the University, and to carry out the Academic mission. Government grants, 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. The Operating Budget Report compares results to budget for Operating, Ancillary and Endowment fund activities.

##### **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 Housing and Conference Services, Food Services, the Bookstore, the Dalhousie Arts Centre and Dalplex. These operations are normally expected to cover their full costs.

##### **Endowment Fund:**

University operations are supplemented by the University's over 1,500 endowment funds. Endowments support student bursaries and scholarships, research, library materials and services and academic chairs and salaries. The funds must be spent according to the terms of the individual endowments as established by the donors.

##### **Capital Fund:**

Accounts for funds received and expended on property, plant and equipment. Capital reserves are funds set aside by the University to support future costs of large-scale capital upgrades or replacements and are also included in the fund.

##### **Research Funds:**

Researchers managed approximately 3,300 segregated research grant and contract accounts in 2021-22. 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.

##### **Special Purpose Funds:**

In 2021-22 there were approximately 1,000 special purpose accounts used for a variety of purposes including annual giving, conferences, service and lab accounts, and joint projects with contributions from external partners. Expenditures are supported by revenues which are restricted for the purposes established by contributors.

### Transfers between the Funds

The maintenance of separate funds requires that there are transfers between the funds and these transfers are shown on Supplementary Schedules to the financial statements.

There are three main categories of interfund transfers as follows:

	2022	2021
	(millions of \$)	
<b>Transfers for Provision of Service</b>		
The following are charged to other funds from the operating budget:		
i) Cleaning, repairs and maintenance, small facilities projects, and security are charged primarily to the Ancillary fund (mainly the student residence operations).	\$14.9	\$ 5.3
ii) Ancillaries are charged for steam heat costs.	1.0	0.9
iii) Printing, audio visual and IT support costs charged across all funds.	2.0	1.6
<b>Transfers of Capital Related to Assets</b>		
<b>Operating Fund</b>		
i) Facilities renewal and Faculty / Unit sponsored projects	31.4	15.0
ii) Purchase of assets (e.g. equipment, library acquisitions).	2.6	9.0
iii) Debt principal payments.	5.0	3.9
iv) Capital replacement (e.g. heating plant, farm equipment).	0.2	0.7
v) Utility savings funding for sustainability projects.	3.5	5.3
<b>Ancillary Fund</b>		
i) Facilities Projects (e.g. Student Residence improvements).	0.2	0.1
ii) Debt principal payments.	3.1	3.1
<b>Research and Special Purpose Funds</b>		
i) Purchase of assets (e.g. lab equipment)	9.0	5.4
ii) Renovation Projects (e.g. research labs)	1.1	4.4
iii) Capital contributions received (net amortized contributions)	-	3.5
<b>Transfers to Research and Special Purpose</b>		
The following are transferred to Research and Special Purpose from the operating budget:		
i) Transfers for faculty start-ups and research support funded from Faculty accounts	4.9	3.9
ii) Pension Savings to the Special Purpose reserve account	5.6	7.4
<b>Transfers to Ancillaries from Operating</b>		
Transfers required from the Operating Budget to Ancillaries to address pandemic related revenue losses	2.9	11.5

## **II. FUNDING AND ACCOUNTING REQUIREMENTS FOR THE PENSION PLAN**

**Pension Plan Funding:** The University must fund the pension plan based on the requirements of the Nova Scotia Pension Benefits Act which allows for repayment of deficit over a multiyear period. 2021-22 funding for the plan is determined from the most recently prepared actuarial valuation as at January 31, 2020, extrapolated to March 31, 2022.

**Pension Plan Accounting:** The annual audited financial statements for the University must comply with Canadian Accounting Standards for Not-For-Profit Organizations. The standards require the University to expense the full benefit obligation based on the most recent actuarial valuation (January 31, 2020) extrapolated to year end (March 31, 2022) as explained in note 2h to the financial statements.

This results in an annual difference for financial statement purposes from the actual funding to the pension plan. The difference, the Pension Expense Adjustment, is identified as a separate line on the Statement of Revenue, Expenses and Changes in Operating Surplus. For 2021-22, the University contributed \$1.1 million less than the amount that was expensed per the accounting requirement.

Improvements in investment market results and a slight increase in the discount rate as at March 31, 2022 have had a significant impact on the overall obligation, and have resulted in a \$34.7 million decrease in the pension liability.

## **III. FINANCIAL STATEMENT IMPACTS:**

### **Province Of Nova Scotia Covid-19 Relief Programs**

The University continued to administer various Covid-19 relief programs on behalf of the Province of Nova Scotia. Included in Cash and Accounts Payable and Accruals on the Statement of Financial Position is \$12.1 million in unspent funds provided by the Province and included in Restricted Cash and Long term deferred deposits is \$35.8 million, representing the value of letters of credit issued under the Tourism Sector Financing Assistance Program. The programs have no impact on the University's Statement of Revenue and Expenses. Additional disclosure is included in Financial Statement notes 4 and 6.



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## INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Dalhousie University

### ***Opinion***

We have audited the financial statements of Dalhousie University (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of revenue, expense and changes in operating surplus for the year then ended,
- the statement of changes in net assets for the year then ended,
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in "Annual Financial Report".

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in "Annual Financial Report" as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line.

Chartered Professional Accountants

Halifax, Canada

June 28, 2022

Dalhousie University  
**Statement of Financial Position**  
As at March 31

(in thousands of dollars)

	2022	2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 354,991	\$ 320,519
Accounts receivable	49,118	32,978
Inventories	2,266	2,285
Prepaid expenses	7,742	6,785
	<u>414,117</u>	<u>362,567</u>
Investments (note 3)	948,696	881,885
Long term restricted cash (note 4)	35,770	35,770
Employee future benefit asset (note 9)	16,199	-
Capital assets (note 5)	<u>1,099,753</u>	<u>1,074,353</u>
	<u>\$ 2,514,535</u>	<u>\$ 2,354,575</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 125,061	\$ 135,284
Deferred revenue (note 7)	451,757	392,280
Current portion of long-term debt (note 8)	<u>10,762</u>	<u>10,896</u>
	587,580	538,460
Employee future benefit obligation (note 9)	3,677	22,196
Deferred capital contributions (note 10)	265,593	261,171
Long term deferred deposit (note 4)	35,770	35,770
Long-term debt (note 8)	<u>139,901</u>	<u>150,342</u>
	1,032,521	1,007,939
Net assets: (note 11)		
Endowment	597,953	563,137
Excess of pension assets over pension liabilities	16,199	(19,112)
Restricted funds	215,233	168,393
Capital fund	<u>652,629</u>	<u>634,218</u>
	1,482,014	1,346,636
	<u>\$ 2,514,535</u>	<u>\$ 2,354,575</u>

Commitments and contingent liabilities (note 12)

See accompanying notes to financial statements.

**Statement of Revenue, Expenses and Changes in Operating Surplus**

Year ended March 31, 2022

(in thousands of dollars)

	2022	2021
Revenue:		
Provincial government operating grants	\$ 226,457	\$ 232,243
Other government grants and contracts	128,825	117,098
Corporations and foundations	34,285	23,866
Tuition fees	242,593	226,754
Non-credit and other fees	32,036	23,079
General	11,208	8,315
Gifts	13,210	9,518
Investment income	36,195	36,295
Ancillary sales and service	30,697	13,461
External cost recoveries	47,875	53,565
Amortization of deferred capital contributions (note 10)	16,208	16,179
	819,589	760,373
Expenses:		
Salaries and employee benefits	452,870	423,978
Pension expense (recovery) adjustment (note 9)	(1,131)	7,678
Library acquisitions	9,327	9,370
Laboratory and teaching supplies	16,453	12,357
Equipment and service	25,046	19,733
Finance costs	6,343	6,097
Utilities and taxes	19,502	16,232
Externally contracted services	74,704	67,830
Scholarships, bursaries, and prizes	73,462	67,206
Ancillary cost of sales and service	3,706	2,340
Travel	3,733	1,113
Amortization of capital assets	41,791	43,399
General operating	26,405	21,230
	752,211	698,563
Excess of revenue over expenses (consolidated all funds)	67,378	61,810
Less amounts:		
Committed to equity in capital fund	(18,411)	(17,706)
Committed to future pension benefits	(1,131)	7,678
Committed to restricted funds	(47,836)	(51,782)
Net change in operating surplus	—	—
Accumulated operating surplus, beginning of year	—	—
Accumulated operating surplus, end of year	\$ —	\$ —

See accompanying notes to financial statements.

Dalhousie University  
**Statement of Changes in Net Assets**  
Year ended March 31, 2022

(in thousands of dollars)

	<b>2022</b>					<b>2021</b>	
	<b>Endowment</b>	<b>Excess of pension assets over liabilities</b>	<b>Unrestricted operating Funds</b>	<b>Restricted funds</b>	<b>Capital fund</b>	<b>Total</b>	<b>Total</b>
Net assets, beginning of year	\$ 563,137	\$ (19,112)	-	\$ 168,393	\$ 634,218	\$1,346,636	\$ 1,140,571
Excess of revenue over expenses	-	1,131	(6,427)	54,263	18,411	67,378	61,810
Endowed principal contribution	6,303	-	-	-	-	6,303	9,941
Employee future benefits, remeasurements, and other items	-	34,180	-	-	-	34,180	121,792
Realized Investment returns	57,565	-	-	-	-	57,565	38,674
Transfer to Restricted Fund	-	-	6,427	(6,427)	-	-	-
Transfers from endowment	(29,052)	-	-	(996)	-	(30,048)	(26,152)
Net change for the year	34,816	35,311	-	46,840	18,411	135,378	206,065
Net assets, end of year	\$ 597,953	\$ 16,199	-	\$ 215,233	\$ 652,629	\$1,482,014	\$ 1,346,636

See accompanying notes to financial statements.

Dalhousie University  
**Statement of Cash Flows**  
Year ended March 31, 2022

(in thousands of dollars)

	2022	2021
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 67,378	\$ 61,810
Items not involving cash:		
Amortization of capital assets	41,791	43,399
Amortization of deferred capital contributions	(16,208)	(16,179)
Net change in employee future benefits	(538)	7,331
Change in current assets	(17,078)	17,442
Change in current liabilities	49,254	143,049
Cash provided by operating activities	124,599	256,852
Cash flows from investing activities:		
Purchase of capital assets	(67,191)	(57,445)
Net increase in investments	(66,811)	(127,625)
Cash used in investing activities	(134,002)	(185,070)
Cash flows from financing activities:		
Endowed principal contributions	6,303	9,941
Endowment realized investment returns	57,565	38,674
Endowment transfers	(30,048)	(26,152)
Deferred capital contributions received	20,630	12,477
Principal payments on long-term debt	(10,575)	(9,055)
Cash provided by financing activities	43,875	25,885
Net increase in cash and cash equivalents	34,472	97,667
Cash and cash equivalents, beginning of year	320,519	222,852
Cash and cash equivalents, end of year	\$ 354,991	\$ 320,519

See accompanying notes to financial statements.

**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, open learning, and career development 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 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.

The significant accounting policies are summarized below:

**(a) Use of estimates:**

The preparation of 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 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 financial statements in the period in which they become known.

**(b) 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 ancillary 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.

Pledged donations are not recorded until received due to the uncertainty involved in collection.

**2. Significant accounting policies (continued):**

(c) 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.

(d) 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 stated at cost, which together with accrued interest income approximates fair value given the short-term nature.

(e) Inventories:

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

(f) 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, 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 valuations provided by the external investment managers of the fund. 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 Statement of Financial Position date.

(g) 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.



## 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 equipment	3 years
Software upgrades	10 years
Land improvements	20 years

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

### (h) Employee future benefits:

The University maintains a defined benefit pension plan (the "Pension Plan") providing pension benefits for certain employees and has 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 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 January 31, 2020, extrapolated to March 31, 2022.

### (i) 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 financial statements.

### (j) Long-term debt:

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

### (k) 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.

**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 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 unrecognized gains or losses would be recognized in the period in which the underlying hedged transaction is recognized or, if a future hedged transaction is no longer likely to occur, immediately. 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 previously entered into forward foreign exchange contracts to manage some of the foreign exchange exposures. These contracts were carried at fair value and any resulting gain or loss on the derivative was recorded as revenue, expense, or deferred revenue. During the current year, the University's use of forward foreign exchange contracts was terminated.

**3. Investments:**

	2022	2021
Cash	\$ 2,606	\$ 4,720
Treasury bills, notes and GICs	70,426	74,368
Bonds	165,487	169,305
Canadian equities	134,258	112,968
US equities	152,033	156,386
Other international equities	125,336	128,605
Alternatives and other	298,550	235,533
	<b>\$ 948,696</b>	<b>\$ 881,885</b>

**4. Long-term restricted cash and long-term deferred deposits:**

During the year ended March 31, 2021, the University agreed to administer the Tourism Sector Financing Assistance Program ("TSFAP") on behalf of the Province of Nova Scotia. Under the terms of the agreement the University issued standby letters of credit, expiring in 2026, to qualified tourism operators to support debt at lower financing rates. The University received funding from the Province of Nova Scotia that is being held as a cash deposit to secure the standby letters of credit. The University is acting as a financial intermediary for the program and will not benefit financially from the transactions. As at March 31, 2022, long term restricted cash and long term deferred deposits include \$35,770 (2021 - \$35,770) representing the value of the letters of credit issued under the TSFAP and an estimate of future third party costs of administering the program.

**5. Capital assets:**

			<b>2022</b>	2021
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 126,312	\$ -	\$ 126,312	\$ 125,296
Building	1,082,604	(232,681)	849,923	849,783
Leasehold improvements	1,620	(1,219)	401	295
Equipment	245,452	(199,638)	45,814	48,242
Vehicles	3,346	(2,889)	457	563
Library books	34,632	(31,648)	2,984	3,259
Software and computing	20,533	(14,672)	5,861	4,894
Land improvements	11,996	(4,444)	7,552	6,305
Construction in progress	60,449	-	60,449	35,716
	<b>\$ 1,586,944</b>	<b>\$ (487,191)</b>	<b>\$ 1,099,753</b>	<b>\$ 1,074,353</b>

The cost of assets under capital lease is \$7,119 (2021 - \$6,331), with related accumulated amortization of \$4,652 (2021 - \$3,902). Management has assessed for full or partial impairment and determined that there is none at March 31, 2022.

**6. Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities are government remittances for payroll taxes payable of \$13,833 (2021 - \$12,945).

As at March 31, 2022, accounts payable and accrued liabilities and cash and cash equivalents included \$12,056 (2021 - \$30,131) from funds received from the Province of Nova Scotia to be administered by the University to support various provincial Covid-19 support programs.

**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 research funds are the unexpended portion of research grants and contracts received. Deferred operating revenues include student fees, residence fees and grant income received in advance of year end relating to the period after March 31.

	2022	2021
Operating	\$ 51,687	\$ 32,967
Endowment	215,345	197,250
Research	134,704	118,156
Special purpose	50,021	43,907
	<b>\$ 451,757</b>	<b>\$ 392,280</b>

**8. Long-term debt:**

	Payment amount	Repayment frequency	Maturity date	Interest rate	2022	2021
Central Services Parkade	22	Quarterly	Dec 2023	5.66%	\$ 76	\$ 120
Residence renewal	47	Quarterly	Oct 2025	4.69%	660	817
Howe Hall	136	Quarterly	Jan 2028	5.94%	2,738	3,109
Collaborative Health Education Building I	171	Quarterly	Sept 2028	2.22%	4,124	4,708
Risley Hall	385	Quarterly	Sept 2029	5.96%	9,280	10,240
Life Sciences Research Institute	150	Monthly	May 2031	4.65%	13,685	14,883
Collaborative Health Education Building II	163	Quarterly	Sept 2035	2.65%	7,377	7,826
Mona Campbell Building	75	Monthly	Nov 2035	4.82%	9,414	9,913
IDEA building and Dentistry Clinic renewal	350	Quarterly	Sept 2036	3.40%	16,072	16,914
Steele Ocean Sciences Building	473	Quarterly	Mar 2037	3.23%	22,027	23,168
LeMarchant Place	562	Quarterly	Sept 2037	3.30%	26,867	28,199
Fitness Centre and Truro Thermal Plant	715	Quarterly	Apr 2038	2.73%	36,465	38,290
Capital leases					1,878	3,051
					<b>150,663</b>	<b>161,238</b>
Less: current portion					<b>(10,762)</b>	<b>(10,896)</b>
					<b>\$139,901</b>	<b>\$150,342</b>

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

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

2023	\$ 10,762
2024	10,749
2025	10,593
2026	10,744
2027	10,985
Thereafter	96,830

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 \$5,320 (2021 – \$5,096) relating to long-term debt has been included in interest expense. Interest of \$165 (2021 – \$283) relating to capital lease obligations has been included in interest expense.

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

**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. 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 January 31, 2020 and reflected a going concern plan deficit of \$49,090.

An extrapolation of the January 31, 2020 actuarial valuation to March 31, 2022 indicated a going concern plan surplus of \$16,199. Remeasurement gains of \$34,180 have been recognized directly in the Statement of Changes in Net Assets.

The total cost of the defined benefit plan for the year of \$25,917 (2021 - \$31,862) less the amount of employer contributions in the year of \$27,048 (2021 - \$24,184) represents the pension recovery adjustment of \$1,131 (2021 - pension expense adjustment of \$7,678), which is recorded in the Statement of Revenue, Expense, and Changes in Operating Surplus.

**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 \$151 (2021 - \$592).

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

	2022	2021
<b>Pension benefit asset (obligation)</b>		
Fair value of plan assets	\$ 1,727,329	\$ 1,603,572
Accrued benefit obligation	(1,711,130)	(1,622,684)
Pension benefit asset (obligation)	16,199	(19,112)
<b>Retirement service award obligation</b>	(3,677)	(3,084)
Net Employee future benefit asset (obligation)	\$ 12,522	\$ (22,196)

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

Actuarial Assumptions	2022	2021
<b>Pension Plan</b>		
Rate of compensation increase	3.59%	3.57%
Discount rate	5.70%	5.71%
<b>Retirement Service Award</b>		
Rate of compensation increase	3.10%	3.10%
Discount rate	6.30%	6.30%

**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 or capital construction. The amortization of deferred capital contributions is recorded as revenue in the year.

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

	2022	2021
Balance, beginning of year	\$ 261,171	\$ 264,873
Contributions received during the year:		
Government grants and contracts	10,690	4,984
General	4	105
Gifts	9,936	7,388
Total contributions received during the year	20,630	12,477
Recognized as revenue:		
Government grants and contracts	(13,892)	(13,873)
Corporations and foundations	(110)	(115)
General	(634)	(624)
Gifts	(1,572)	(1,567)
Total recognized as revenue	(16,208)	(16,179)
Balance, end of year	\$ 265,593	\$ 261,171
Balance by fund:		
Capital	\$ 223,856	\$ 221,842
Research	40,380	38,133
Special Purpose	1,357	1,196
Balance, end of year	\$ 265,593	\$ 261,171

## 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 level of returns that may be expended.

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

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

	Endowment March 31, 2021	Contributions	Realized Investment Returns	Transfer from Endowment	Endowment March 31, 2022
External restrictions	\$ 547,368	\$ 6,303	\$ 56,095	\$ (28,741)	\$ 581,025
Internal restrictions	15,769	-	1,470	(311)	16,928
	<u>\$ 563,137</u>	<u>\$ 6,303</u>	<u>\$ 57,565</u>	<u>\$ (29,052)</u>	<u>\$597,953</u>

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

The excess of pension assets over pension liabilities is determined by an actuarial valuation for funding purposes, as disclosed in note 9.

### (c) Unrestricted Operating Funds

The operating fund shortfall of expenses over revenues is transferred from Restricted Funds.

### (d) 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.



**11. Net assets (continued):**

**(e) Capital Fund:**

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

	2022	2021
Capital assets	\$ 1,099,753	\$ 1,074,353
Less amounts financed by:		
Deferred capital contributions	(265,593)	(261,171)
Long-term debt	(150,663)	(161,238)
Working capital, pending project completion	(36,815)	(27,094)
Equity in capital assets	\$ 646,682	\$ 624,850
Capital reserves	5,947	9,368
<b>Total Capital Fund</b>	<b>\$ 652,629</b>	<b>\$ 634,218</b>

Capital reserves are funds set aside by the University for the costs of large-scale capital upgrades or replacements planned for the future.

**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, 2018. 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, 2021, the surplus was \$105,790.

As of March 31, 2022, 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. No provision has been made for such claims in the financial statements.

The University has outstanding capital commitments as of March 31, 2022, estimated at \$13,517.

In June 2018 there was a fire on the University's Agricultural Campus in Truro. Costs of \$435 related to the fire and related remediation and re-construction are recognized in the March 31, 2022 financial statements. Revenues of \$435, representing insurance proceeds, are included in external cost recoveries. Betterments of \$843 have been capitalized and are included in Capital Assets. No asset impairment charges are expected to be incurred as a result of the fire.

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

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

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2023	\$ 926
2024	788
2025	760
2026	52
2027	52

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Certain of the alternative investments contain contractual commitments. At March 31, 2022, there were outstanding future commitments of \$765 USD and \$14,439 CAD in real estate; €8,597 EUR and \$9,200 USD in infrastructure; \$12,504 USD in private debt; \$43,808 USD and €3,583 EUR in private equity investments.

The University has provided a loan guarantee of \$5,943 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 on certain investments due to the fluctuations in foreign currency exchange rates. The University previously managed this exposure using forward foreign exchange contracts. During the year, the use of forward foreign exchange contracts was terminated.

### Interest rate risk:

The University uses derivatives to hedge interest rate exposures on certain long-term debt. 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.

At March 31, 2022 interest rate swaps outstanding have a notional value of \$149,246 (2021 - \$158,637) and are designated as hedges for accounting purposes. The interest rate swap contracts result in the University securing long-term fixed interest rates in the range of 2.22% - 5.96% (2021 - 2.22% - 5.96%).

Although the University has no intention of settling these instruments at March 31, 2022, the interest rate swap contracts described in Note 8 have a fair value of (\$1,458) (2021 - (\$10,957)).

### 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.

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

**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.

There have been no significant changes to the risk exposures during the year.

**14. Pledges**

Pledges to the University at March 31, 2022 were \$65,735 (2021 - \$81,200). While these pledges are expected to be honoured over the next several years, they have not been recorded as receivable on the Statement of Financial Position and are not recorded until actually received.

**15. Fine artwork collections**

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

**16. Comparative figures**

Certain comparative information has been reclassified to conform with the current period presentation.

Dalhousie University  
Schedule of Revenue and Expense  
Year Ended March 31, 2022 (With Comparatives Figures for 2021)  
(unaudited)

(in Thousands of Dollars)

	Operating 2022 (Schedule 2) \$	Endowment 2022 (Schedule 3) \$	Ancillary 2022 (Schedule 4) \$	Capital 2022 (Schedule 5) \$	Special Purpose 2022 (Schedule 5) \$	Research 2022 (Schedule 5) \$	Total 2022 \$	2021 \$
Revenue								
Provincial government operating grants	226,457	-	-	-	-	-	226,457	232,243
Other government grants and contracts	16,702	-	222	7	4,085	107,809	128,825	117,098
Corporations and foundations	176	-	-	126	2,256	31,727	34,285	23,866
Tuition fees	242,593	-	-	-	-	-	242,593	226,754
Non-credit and other fees	28,780	-	3,139	93	21	3	32,036	23,079
General	3,493	-	-	2,860	2,738	2,117	11,208	8,315
Gifts	750	2,092	-	-	7,708	2,660	13,210	9,518
Investment	4,218	27,928	-	735	3,181	133	36,195	36,295
Ancillary sales and service	-	-	30,493	-	194	10	30,697	13,461
External cost recoveries	45,944	-	6	337	725	863	47,875	53,565
Amortization of deferred capital contributions	-	-	-	8,627	186	7,395	16,208	16,179
Total revenue	569,113	30,020	33,860	12,785	21,094	152,717	819,589	760,373
Expense								
Salaries								
Academic	183,895	5,262	-	-	1,146	16,327	206,630	197,213
Library	4,013	4	-	-	10	1	4,028	3,635
Plant maintenance	13,874	-	187	-	-	-	14,061	13,863
Administrative and support	119,922	866	6,495	92	5,396	35,828	168,599	155,024
Benefits costs	51,427	725	896	18	1,179	5,307	59,552	54,243
Total salaries and benefits	373,131	6,857	7,578	110	7,731	57,463	452,870	423,978
Library acquisitions	9,172	134	-	-	9	13	9,328	9,371
Laboratory and teaching supplies	6,004	98	-	25	1,234	9,092	16,453	12,357
Equipment and service	15,133	160	1,123	66	605	7,959	25,046	19,733
Finance costs	3,539	-	2,105	686	13	-	6,343	6,097
Utilities and taxes	18,187	-	1,307	5	1	2	19,502	16,232
Externally contracted services	26,060	4,293	9,190	71	3,693	31,397	74,704	67,830
Scholarships, bursaries and prizes	32,976	13,810	61	-	2,910	23,705	73,462	67,206
Ancillary cost of sales and service	-	-	3,706	-	-	-	3,706	2,340
Travel	1,798	113	5	3	163	1,651	3,733	1,113
Amortization of capital assets	-	-	-	41,791	-	-	41,791	43,399
General operating	15,755	577	676	16	1,552	7,829	26,405	21,230
Internal / interfund transfers	37,687	2,647	8,158	(48,399)	(5,712)	5,619	-	-
Total expense	539,442	28,689	33,909	(5,626)	12,199	144,730	753,343	690,886
Change in year before appropriations	29,671	1,331	(49)	18,411	8,895	7,987	66,246	69,487
Change in net assets	(29,671)	(1,331)	49	(18,411)	(8,895)	(7,987)	(66,246)	(69,487)
Surplus before pension expense adjustment	-	-	-	-	-	-	-	-
Pension expense adjustment	1,131	-	-	-	-	-	1,131	(7,678)
Net assets after pension adjustment	1,131	-	-	-	-	-	1,131	(7,678)

Schedule 1

Dalhousie University  
Schedule of Revenue and Expense - Operating  
Year Ended March 31, 2022 (With Comparatives Figures for 2021)  
(unaudited)

(in Thousands of Dollars)

	Academic		Academic Support		Administration and General		Facilities and Construction Management		Student Services		Institution		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue														
Provincial government operating grants	-	-									226,457	232,243	226,457	232,243
Other government grants and contracts	9,615	8,565	-	-	108	7	15	22	248	395	6,716	6,733	16,702	15,722
Corporations and foundations	117	280	-	-	-	-	59	126	-	-	-	-	176	406
Tuition fees	18,574	16,659	-	-	-	-	-	-	-	-	224,019	210,095	242,593	226,754
Non-credit and other fees	14,063	13,016	-	-	4,264	3,546	-	-	5,792	1,925	4,661	4,358	28,780	22,845
General	-	-	43	29	1,377	1,061	1,390	621	683	186	-	-	3,493	1,897
Gifts	437	12	-	-	25	-	-	-	288	627	-	-	750	639
Investment	-	-	-	-	-	-	-	-	-	-	4,218	4,136	4,218	4,136
Ancillary sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External cost recoveries	40,170	37,348	1,890	1,900	1,341	1,199	1,698	1,194	845	695	-	-	45,944	42,336
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	82,976	75,880	1,933	1,929	7,115	5,813	3,162	1,963	7,856	3,828	466,071	457,565	569,113	546,978
Expense														
Salaries													-	-
Academic	182,138	175,073	-	-	529	452	-	-	1,228	1,203	-	-	183,895	176,728
Library	4,013	3,628	-	-	-	-	-	-	-	-	-	-	4,013	3,628
Plant maintenance	73	69	-	-	-	-	13,801	13,529	-	-	-	-	13,874	13,598
Administrative and support	60,833	57,334	10,488	10,391	33,847	30,871	5,584	6,190	9,170	8,164	-	-	119,922	112,950
Benefits costs	37,028	34,362	1,880	1,758	6,467	5,574	4,377	4,366	1,675	1,517	-	-	51,427	47,577
Total salaries and benefits	284,085	270,466	12,368	12,149	40,843	36,897	23,762	24,085	12,073	10,884	-	-	373,131	354,481
Library acquisitions	9,132	9,103	-	-	37	39	-	-	3	2	-	-	9,172	9,144
Laboratory and teaching supplies	5,779	4,592	-	-	-	-	2	-	223	128	-	-	6,004	4,720
Equipment and service	6,171	5,146	4,934	5,501	960	766	2,199	2,111	869	383	-	-	15,133	13,907
Finance costs	172	225	103	179	97	92	47	38	30	16	3,090	3,022	3,539	3,572
Utilities and taxes	8	6	6	6	-	-	18,141	15,031	32	28	-	-	18,187	15,071
Externally contracted services	11,590	10,876	1,156	1,131	4,588	3,135	7,667	5,516	1,059	924	-	-	26,060	21,582
Scholarships, bursaries and prizes	4,012	3,226	2	1	-	-	-	-	17,103	15,402	11,859	11,312	32,976	29,941
Ancillary cost of sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	1,082	380	12	10	92	18	2	1	610	38	-	-	1,798	447
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General operating	5,465	4,367	617	395	3,895	3,960	4,317	2,102	671	162	790	627	15,755	11,613
Internal / interfund transfers	11,524	9,311	720	6,620	(2,194)	(1,180)	14,044	8,869	1,498	966	12,095	21,484	37,687	46,070
Total expense	339,020	317,698	19,918	25,992	48,318	43,727	70,181	57,753	34,171	28,933	27,834	36,445	539,442	510,548
Surplus for the year (shortfall)														
Change in year before appropriations	(256,044)	(241,818)	(17,985)	(24,063)	(41,203)	(37,914)	(67,019)	(55,790)	(26,315)	(25,105)	438,237	421,120	29,671	36,430
(Increase) decrease in appropriations	(8,562)	(13,207)	(1,006)	856	(433)	(693)	(16,334)	(18,431)	603	(918)	(3,939)	(4,348)	(29,671)	(36,741)
Operating (Surplus)/Deficit	-	-	-	-	-	-	-	-	-	-	-	311	-	311
Surplus before pension expense adjustment	(264,606)	(255,025)	(18,991)	(23,207)	(41,636)	(38,607)	(83,353)	(74,221)	(25,712)	(26,023)	434,298	417,083	-	-
Pension expense adjustment											1,131	(7,678)	1,131	(7,678)
Change in net assets after pension adjustment	(264,606)	(255,025)	(18,991)	(23,207)	(41,636)	(38,607)	(83,353)	(74,221)	(25,712)	(26,023)	435,429	409,405	1,131	(7,678)

Schedule 2

**Dalhousie University**  
**Schedule of Revenue and Expense for Operating and Endowment**  
**Year Ended March 31, 2022 (With Comparatives Figures for 2021)**  
**(unaudited)**

(in Thousands of Dollars)

	2022			2021		
	Operating	Endowment	Total	Operating	Endowment	Total
Revenue	\$	\$	\$	\$	\$	\$
Provincial government operating grants	226,457	-	226,457	232,243	-	232,243
Other government grants and contracts	16,702	-	16,702	15,722	-	15,722
Corporations and foundations	176	-	176	406	-	406
Tuition fees	242,593	-	242,593	226,754	-	226,754
Non-credit and other fees	28,780	-	28,780	24,914	-	24,914
General	3,493	-	3,493	1,897	-	1,897
Gifts	750	2,092	2,842	639	2,104	2,743
Investment	4,218	27,928	32,146	4,136	28,582	32,718
Ancillary sales and service	-	-	-	-	-	-
External cost recoveries	45,944	-	45,944	42,336	-	42,336
Amortization of deferred capital contributions	-	-	-	-	-	-
<b>Total revenue</b>	<b>569,113</b>	<b>30,020</b>	<b>599,133</b>	<b>549,047</b>	<b>30,686</b>	<b>579,733</b>
<b>Expense</b>						
<b>Salaries</b>						
Academic	183,895	5,262	189,157	176,728	4,968	181,696
Library	4,013	4	4,017	3,628	-	3,628
Plant maintenance	13,874	-	13,874	13,598	-	13,598
Administrative and support	119,922	866	120,788	112,950	819	113,769
Benefits costs	51,427	725	52,152	47,577	651	48,228
<b>Total salaries and benefits</b>	<b>373,131</b>	<b>6,857</b>	<b>379,988</b>	<b>354,481</b>	<b>6,438</b>	<b>360,919</b>
Library acquisitions	9,172	134	9,306	9,144	195	9,339
Laboratory and teaching supplies	6,004	98	6,102	4,720	53	4,773
Equipment and service	15,133	160	15,293	13,907	107	14,014
Finance costs	3,539	-	3,539	3,572	-	3,572
Utilities and taxes	18,187	-	18,187	15,071	-	15,071
Externally contracted services	26,060	4,293	30,353	21,582	3,804	25,386
Scholarships, bursaries and prizes	32,976	13,810	46,786	29,941	12,904	42,845
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	1,798	113	1,911	447	60	507
Amortization of capital assets	-	-	-	-	-	-
General operating	15,755	577	16,332	13,682	1,018	14,700
Internal / interfund transfers	37,687	2,647	40,334	46,070	2,561	48,631
<b>Total expense</b>	<b>539,442</b>	<b>28,689</b>	<b>568,131</b>	<b>512,617</b>	<b>27,140</b>	<b>539,757</b>
Surplus for the year (shortfall)						
Change in year before appropriations	29,671	1,331	31,002	36,430	3,546	39,976
(Increase) decrease in appropriations	(29,671)	(1,331)	(31,002)	(36,741)	(3,546)	(40,287)
<b>Operating Surplus/Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311</b>	<b>-</b>	<b>311</b>
<b>Surplus for the year</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Schedule 3**

Dalhousie University  
Schedule of Revenue and Expense - Ancillary  
Year Ended March 31, 2022 (With Comparatives Figures for 2021)  
(unaudited)

(in Thousands of Dollars)

	Arts Centre		Housing and Conference Services		Bookstore		Dalplex		Food Service		Transfer to/from Operating		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other government grants and contracts	222	58	-	134	-	-	-	-	-	-	-	-	222	192
Corporations and foundations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tuition fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-credit and other fees	-	-	-	-	-	-	3,139	-	-	-	-	-	3,139	-
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary sales and service	280	176	15,416	6,805	5,083	3,087	1,215	444	8,499	2,949	-	-	30,493	13,461
External cost recoveries	-	6	-	-	-	-	6	5	-	-	-	-	6	11
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	502	240	15,416	6,939	5,083	3,087	4,360	449	8,499	2,949	-	-	33,860	13,664
Expense														
Salaries														
Academic	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant maintenance	-	-	187	221	-	-	-	-	-	-	-	-	187	221
Administrative and support	469	372	3,543	2,778	881	743	1,456	1,187	146	130	-	-	6,495	5,210
Benefits costs	73	57	474	391	175	148	149	139	25	22	-	-	896	757
Total salaries and benefits	542	429	4,204	3,390	1,056	891	1,605	1,326	171	152	-	-	7,578	6,188
Library acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory and teaching supplies	-	-	-	4	-	-	-	-	-	-	-	-	-	4
Equipment and service	64	3	528	337	70	50	238	191	223	228	-	-	1,123	809
Finance costs	8	15	1,370	1,260	96	84	558	540	73	47	-	-	2,105	1,946
Utilities and taxes	50	57	971	845	8	7	180	159	98	83	-	-	1,307	1,151
Externally contracted services	71	66	1,065	898	64	41	2	1	7,988	2,926	-	-	9,190	3,932
Scholarships, bursaries and prizes	-	-	61	22	-	-	-	-	-	-	-	-	61	22
Ancillary cost of sales and service	2	41	7	-	3,653	2,278	44	21	-	-	-	-	3,706	2,340
Travel	-	-	1	-	2	-	2	2	-	-	-	-	5	2
General operating	34	38	501	423	90	138	51	58	-	-	-	-	676	657
Internal / interfund transfers	(162)	(256)	8,399	6,959	224	214	1,695	738	974	752	(2,972)	(11,794)	8,158	(3,387)
Total expense	609	393	17,107	14,138	5,263	3,703	4,375	3,036	9,527	4,188	(2,972)	(11,794)	33,909	13,664
Change in year before appropriations	(107)	(153)	(1,691)	(7,199)	(180)	(616)	(15)	(2,587)	(1,028)	(1,239)	2,972	11,794	(49)	-
Net (increase) decrease in appropriations	89	-	-	-	-	-	(52)	-	12	-	-	-	49	-
Surplus for the year (shortfall)	(18)	(153)	(1,691)	(7,199)	(180)	(616)	(67)	(2,587)	(1,016)	(1,239)	2,972	11,794	-	-

Schedule 4

**Dalhousie University**  
**Schedule of Revenue and Expense - Restricted Funds**  
**Year Ended March 31, 2022 (With Comparatives Figures for 2021)**  
**(unaudited)**

(in Thousands of Dollars)

	<b>Capital</b>		<b>Special Purpose</b>		<b>Research</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Revenue	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-
Other government grants and contracts	7	763	4,085	3,412	107,809	97,009
Corporations and foundations	126	1	2,256	1,741	31,727	21,718
Tuition fees	-	-	-	-	-	-
Non-credit and other fees	93	129	21	105	3	-
General	2,860	2,797	2,738	2,351	2,117	1,270
Gifts	-	-	7,708	6,330	2,660	445
Investment	735	-	3,181	3,071	133	506
Ancillary sales and service	-	-	194	-	10	-
External cost recoveries	337	9,070	725	1,331	863	817
Amortization of deferred capital contributions	8,627	7,730	186	201	7,395	8,248
Total revenue	12,785	20,490	21,094	18,542	152,717	130,013
Expense						
Salaries						
Academic	-	-	1,146	1,630	16,327	13,887
Library	-	-	10	5	1	2
Plant maintenance	-	44	-	-	-	-
Administrative and support	92	100	5,396	4,343	35,828	31,602
Benefits costs	18	19	1,179	823	5,307	4,416
Total salaries and benefits	110	163	7,731	6,801	57,463	49,907
Library acquisitions	-	-	9	11	13	21
Laboratory and teaching supplies	25	37	1,234	805	9,092	6,738
Equipment and service	66	73	605	633	7,959	4,204
Finance costs	686	565	13	14	-	-
Utilities and taxes	5	8	1	1	2	1
Externally contracted services	71	8,364	3,693	3,744	31,397	26,404
Scholarships, bursaries and prizes	-	-	2,910	2,967	23,705	21,372
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	3	1	163	-	1,651	603
Amortization of capital assets	41,791	43,399	-	-	-	-
General operating	16	70	1,552	958	7,829	6,914
Internal / interfund transfers	(48,399)	(49,896)	(5,712)	(5,171)	5,619	9,826
Total expense	(5,626)	2,784	12,199	10,763	144,730	125,990
Surplus for the year (shortfall)	18,411	17,706	8,895	7,779	7,987	4,023
Change in net assets	(18,411)	(17,706)	(8,895)	(7,779)	(7,987)	(4,023)
Surplus for the year	-	-	-	-	-	-

Schedule 5