

**Dalhousie University**

# **Annual Financial Report**

**March 31, 2020**

**Published July 2020**



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

## **Message from the Vice-President Finance and Administration**

The Dalhousie community celebrates new stories, achievements, and milestones every year. Given current and recent events — a global pandemic with a profound and lasting impact; the longstanding issues and disparities brought to light by acts of and protests against anti-Black racism; and significant tragedies within our Nova Scotia community — it can be a challenge to look back past these last few months and take stock of the year's achievements.

Yet even in times of challenge, those achievements are evident as the Dal community responds collectively with resilience, strength, critical thinking, and common purpose. There are many examples of Dalhousie students and faculty and staff who are making a difference in these difficult times; here are a few: Graduating Master of Nursing Student Tanas Sylliboy saw a need to work with his Eskasoni community to improve awareness of the virus. Medical and Health program students stepped in to provide childcare for health care professionals across the province. Our office of Human Rights and Equity Services and new Vice-Provost Dr. Theresa Rajack-Talley are continuing important dialogues, virtually, about racism, discrimination, and what true inclusion means.

Dalhousie researchers such as Emily Marshall, Rudolf Uher, Catherine Mah, and Christopher Richardson have received federal funding to engage in the global response to the COVID-19 outbreak that will help design policy and intervention of the pandemic. An interdisciplinary team for the Faculty of Engineering worked with colleagues in health care to explore solutions leading to the development of a face shield for front line workers. Through the efforts of the Environmental Health and Safety office, researchers, and others, Dalhousie stepped up to collect a range of PPE and other supplies needed for health care workers.

This has been a year of significant leadership change for Dalhousie. Our new president, Dr. Deep Saini, Dalhousie's first president of colour, joined us in January to guide Dalhousie to even greater success in our third century ahead. Candace Thomas became board chair in July 2019, the first woman and first person of colour to do so. Dr. Theresa Rajack-Talley was also welcomed as the first vice-provost of equity and inclusion, providing senior leadership to help move Dal's diversity and inclusiveness strategy forward.

Dalhousie concluded the 2019-20 year with a \$6.4 million surplus that will be used to mitigate the anticipated budget shortfall for 2020-21. As we view the university landscape across the country, COVID-19 induced pressures on university operating budgets are widespread as uncertainty relating to fall enrolment requires a prudent fiscal approach to sustain our success in teaching and learning and research.

This is my final annual financial report as Vice-President prior to my retirement, and as I look back on my years here at Dalhousie a great deal has changed. University enrolment has doubled. There have been six presidents in that time, the addition of Sexton and Agricultural campuses through mergers (TUNS in 1997 and NSAC in 2013), and the launch of the New Brunswick medical program. Through the efforts of our faculty, research activity has grown immensely with expenditures increasing by over

\$100 million since the early 1980s. Likewise, support for our students through scholarships and bursaries has grown from \$3 million to \$60 million. The digital age has changed nearly everything about how Dal functions, and offices have been added to provide a wide range of student supports, improve the sustainability of our operations and expand environmental health and safety programs for our community.

In 1982, the University was facing a \$12 million accumulated operating deficit and a \$28 million capital deficit, (more than \$100 million dollars in today's terms). Since that time, the University has operated with an objective of balanced annual operating budgets, and capital projects must have funding plans in place before they advance. Despite the current COVID-19 induced financial challenges, Dalhousie's future remains bright.

Dalhousie exists to serve students and our community through world-class teaching and research and, as such, our success as a community is attributed to our people. Your dedication, passion, and efforts are inspiring and will ensure a bright future for Dalhousie and the University's important role in the economy and culture of our city, province, and our region. I'd like to thank the University's many dedicated faculty and staff as I have benefited from your perspectives and counsel in so many different ways over the years.

The coming months and years will require a collaborative approach. We must act together to solve the challenges — all of us doing our part, working together in creative ways, supporting each other to emerge as a stronger university.

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

Ian Nason

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, 2020. KPMG, Dalhousie's external auditor, appointed by the Board Finance Audit Investment and Risk Committee, has completed the annual independent audit of the financial statements which are prepared in accordance with **Canadian accounting standards for not-for-profit organizations**.

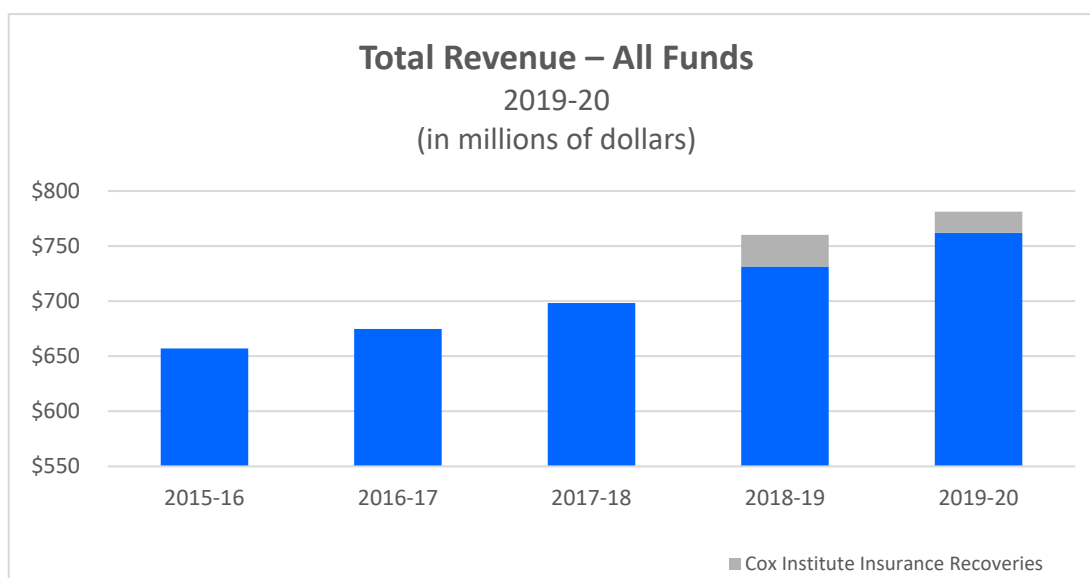
Systems of internal control are designed and maintained to produce reliable information to meet reporting requirements and safeguard University assets. Such controls provide reasonable assurance that transactions are properly authorized and executed according to applicable legislation and Dalhousie's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

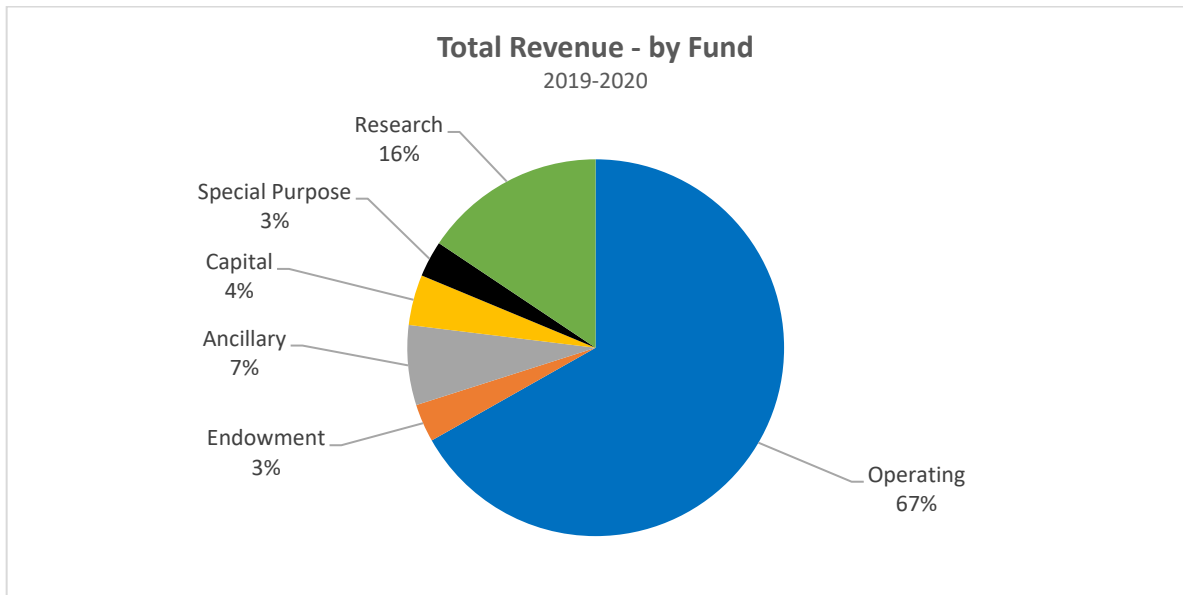
This section reviews the highlights of revenue and expenditure by fund for the 2019-20 year. The University financial structure is organized using separate fund categories which group activities that have similar characteristics to enhance budgetary controls and allow for appropriate accountability and 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.

## REVENUES

Total revenue from all funds for 2019-20 is \$781.2 million; an increase of \$21 million or 2.8% over the prior year. The significant factors in the year over year change in revenue are increased tuition revenue and research and special purpose funding and lower insurance recoveries related to the Cox Institute fire remediation and reconstruction. (\$28.9 million in 2018-19 and \$19.2 million in 2019-20)

The following two graphs show the growth in total revenue across all funds since 2015-16 and the percentage of total revenue by fund:



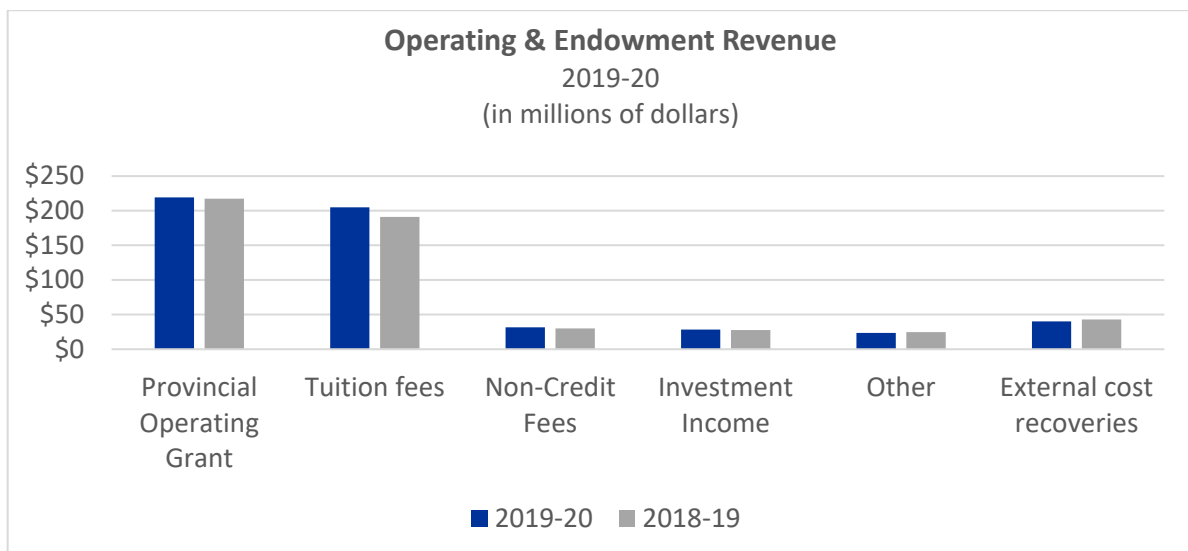


### Operating & Endowment Revenue

Operating and Endowment revenues are used to carry out the day-to-day operations of the University in support of the academic mission. Budgets allocated to Faculties and major service and support units to carry out their work are based on Budget Advisory Committee recommendations. The results for the 2019-20 year compared to budget are presented in the Operating Budget Report found on page 9 in this report.

The 2019-20 Operating Budget Report includes revenues of \$449.5 million for the year. Government grants, tuition revenue, endowment investment income, and other general revenues support operating expenditures. In addition to these centrally managed revenue streams, certain revenues are managed directly through Faculty and service unit budgets providing a further \$98.0 million in support of their operations. These revenues include tuition from specialty programs/cohorts and continuing education programs, cost recoveries, auxiliary fees, farm revenues etc. The University's total operating and endowment revenue reported in fiscal 2019-20 was \$547.5 million; an increase of 2.7% from the previous year.

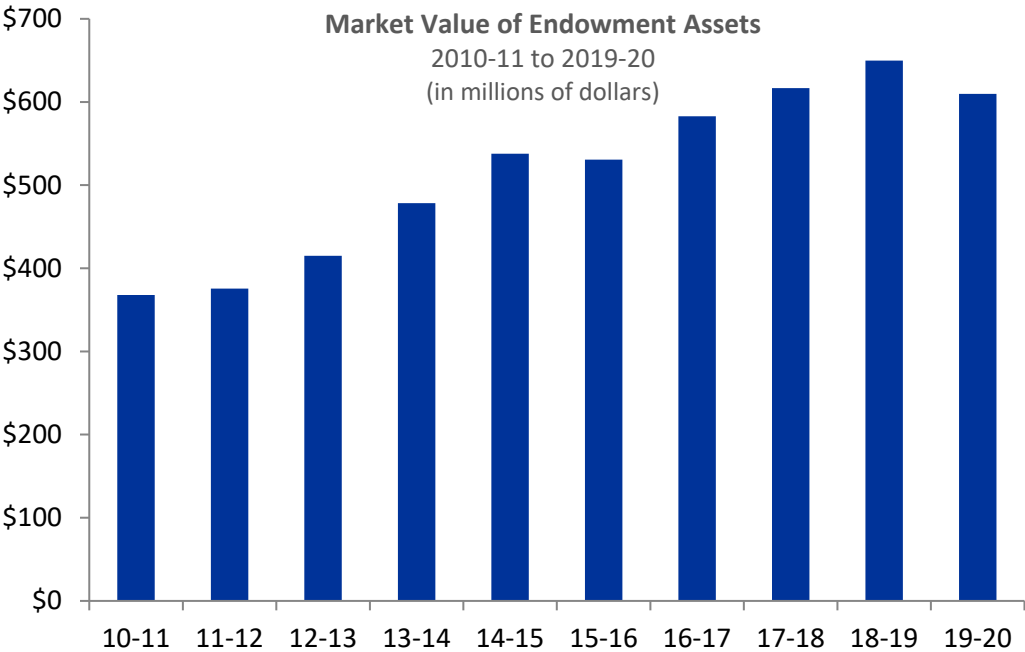
The graph below provides a breakdown of total Operating & Endowment Revenues for 2019-20 compared to 2018-19.



The provincial operating grants are the largest source of revenue for the University (40.0%) and increased by \$2.0 million in 2019-20 from a 1% increase in the provincial operating grant. Total tuition revenue is the second largest source of revenue supporting the operating costs at \$204.7 million and represents 37.4% of Dalhousie’s gross operating and endowment revenue. This includes the central tuition revenues of \$188.5 million and revenue from specialty programs/cohorts received directly by Faculties. Tuition fee revenue increased by \$13.9 million over 2018-19, a result of enrolment growth over the previous year and approved tuition fee increases.

Investment income from the 1400+ endowment funds supplement operations 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 2019-20 endowment expenditures of \$26.3 million supplemented the operations of the University.

As shown in the graph below, over time 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 \$609.8 million as of March 31, 2020. The reduction over 2018-19 relates to \$63 million in unrealized investment losses because of the impact on investment markets at the end of March as a result of the pandemic. Between March 31<sup>st</sup> and the end of May 2020 market returns have improved significantly generating 6.97% in returns and resulting in a market value of \$655 million.



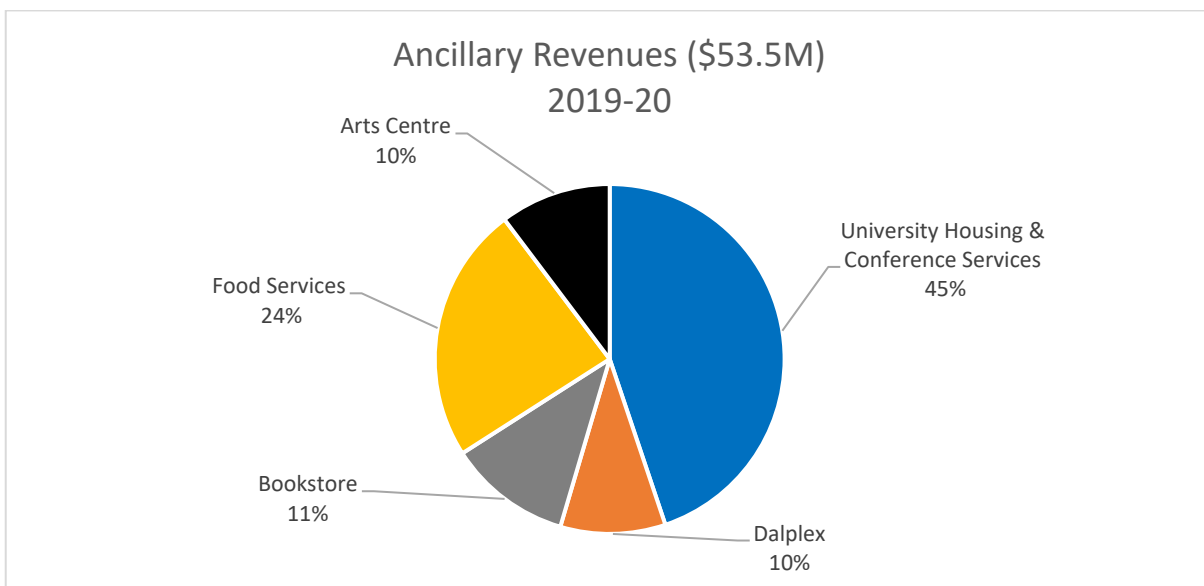
**Ancillary Revenues**

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, the Bookstore, Food Services, the Dalhousie Arts Centre and Dalplex. Overall, ancillary unit revenues are expected to cover associated operating and capital costs for the operations.

Ancillary revenues totaled \$53.5 million in 2019-20, an increase of 3.2% over 2018-19. The increase in Ancillary revenues resulted from increased residence and meal plan revenues, conference activity, and Arts Centre



performances and the first complete year of the expanded fitness facility. The overall increase in residence revenue for the year was partially offset because of the early closure of residences due to Covid-19.

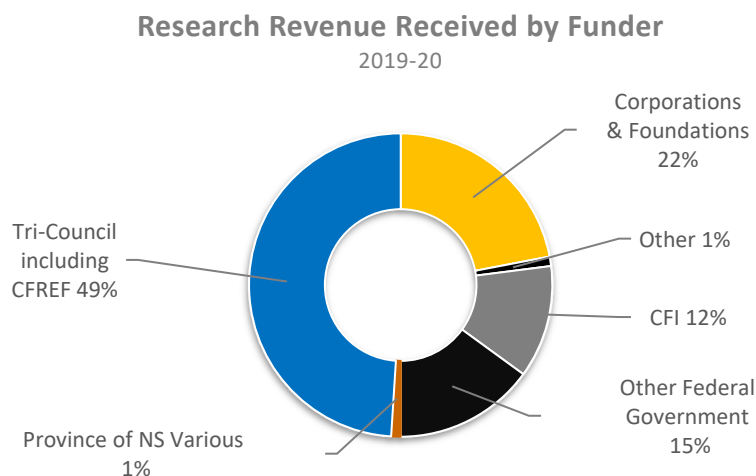


### Research and Special Purpose Revenues

In 2019-20 research and special purpose revenues grew by 8.6% to \$146.4 million. Research and Special Purpose revenue must be used for the purposes specified by contributors and sponsors and are not used to support general operations of the University.

Dalhousie’s Researchers are accountable to manage approximately 3,000 segregated research grant and contract accounts, reporting to approximately 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 (CIHR, NSERC, and SSHRC) to support the work of Faculty researchers. The chart below reflects the sources of research revenue received during the year.



## EXPENDITURES

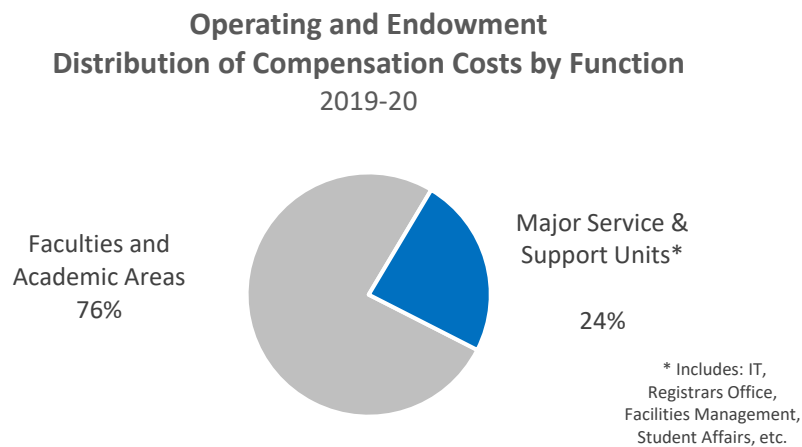
### Operating & Endowment Expenditures

Operating and endowment expenditures increased to \$537.5 million from \$525.6 million in the previous fiscal year, an increase of \$11.9 million (2.3%).

### Compensation

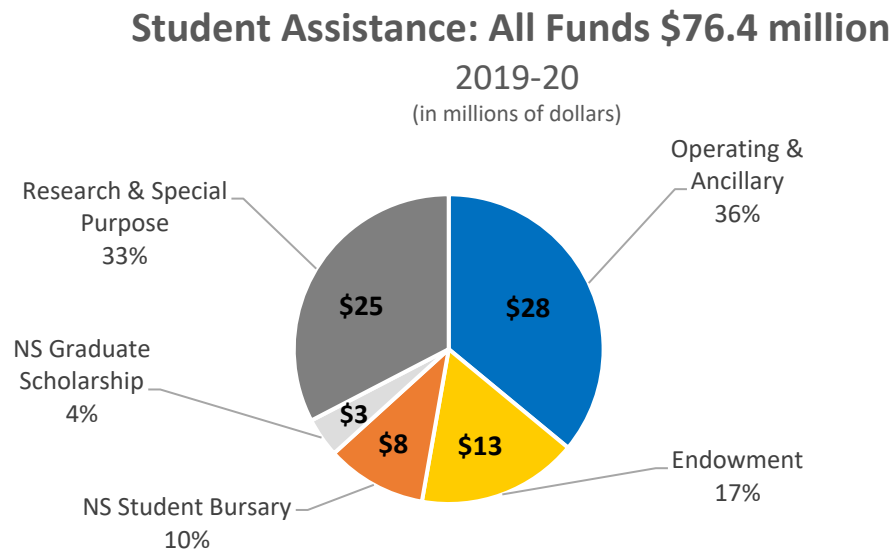
Compensation (net of unit revenues and recoveries) represent 72% of the operating budget or 66% of gross expenditures in the Operating and Endowment Funds. Salary and benefits costs (including pension) increased by 2.1% over 2018-19 to \$352.3 million. Compensation for faculty and staff increased while pension costs were reduced due to a decrease in employer contributions as a result of the March 31, 2019 actuarial valuation.

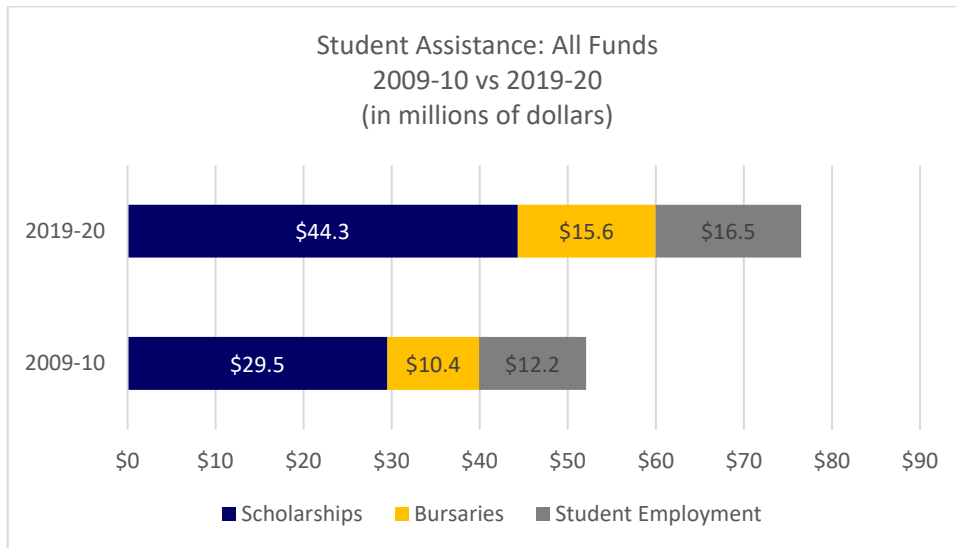
The following graph shows the distribution of compensation costs between Academic and Major Service and Support Units:



### Student Assistance

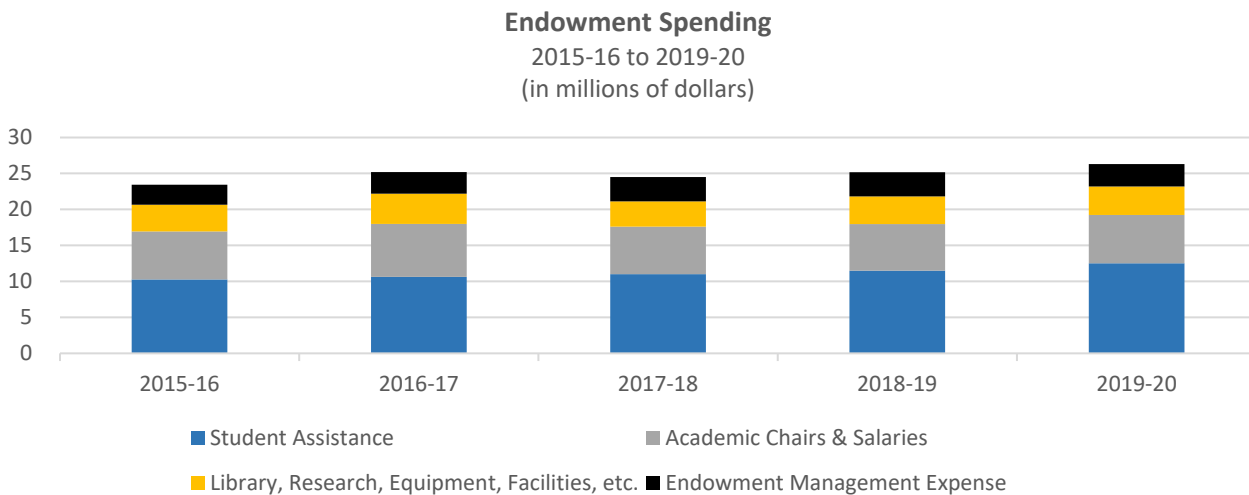
Student assistance includes undergraduate and graduate scholarships and bursaries, fellowships and employment. In 2019-20 support for students from Operating and Endowment Funds totaled \$51.5 million. Research grants also provide significant financial support, particularly for graduate students. The following graphs show total student support from all funds was \$76.4 million in 2019-20 (2018-19 \$71.6 million) and student assistance by type over 10 years.





### Endowment Supported Expenditures

Dalhousie’s 1400+ 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 . Annually, significant support is provided to students from the endowment funds.

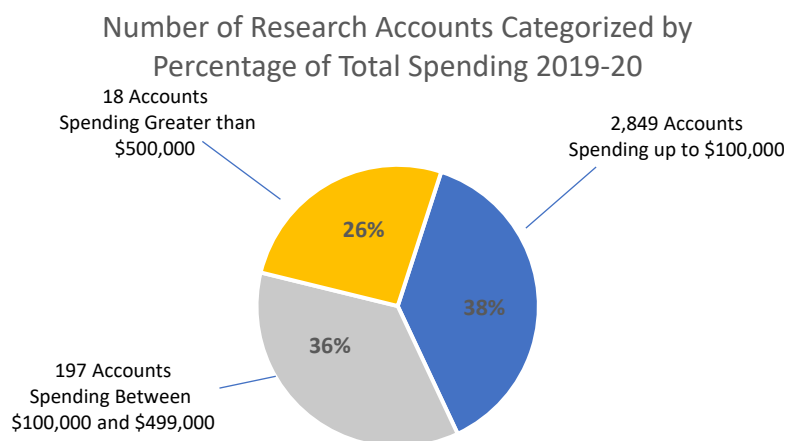


The objectives of the University’s Endowment Management Policy are: to balance present spending needs with expected future requirements; to protect the purchasing power of the capital base while achieving stability in year-to-year spending; and to attain real increases in spending through capital appreciation 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 only include revenue where the related expenditures have occurred. In 2019-20 research expenditures and special purpose expenditures totaled \$121.4 million and \$16.0 million respectively.

Expenditures on these accounts varies annually based on the type and level of activity. As reflected in the following chart, 26% of research expenditures are generated by 1% of the accounts (18 accounts).



## Capital

The University's Capital accounts track funds that are received and expended on property, facilities and equipment. This includes construction of new facilities, building improvements (Facilities Renewal), as well as library collections and research and lab equipment. The University also transfers funding to support debt payments on facilities and sets aside capital reserves to support future costs of large-scale capital upgrades or replacements in the Capital Fund. Notably for 2019-20 the Capital fund also reflects \$19.2 million in expenditures (and the insurance recovery) related to reconstruction and equipment replacement costs as a result of the Cox Institute fire on the Agricultural campus.

\$55.7 million was invested in capital assets in 2019-20 from all funds. Large project expenditures in 2019-20 included initial work on the Halifax thermal plant, dental clinic renewal, student residence improvements and several large purchases of research equipment (primarily funded by CFI).

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 for deferred maintenance items.

## Facilities Renewal

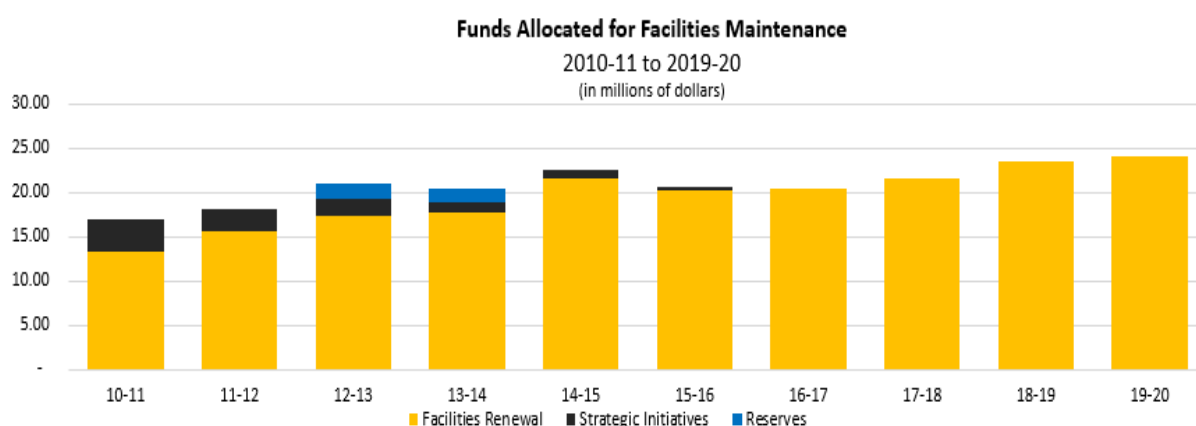
The Facilities Renewal allocations as part of the University's Operating budget is an important element of the University's capital program. The University maintains 162 buildings and utility distribution facilities across four campuses with a replacement cost estimated at \$2 billion. There is \$500+ million in deferred maintenance across Dalhousie's buildings and underground electrical and heating tunnels. A substantial annual investment is required to maintain these facilities to meet the ongoing needs of students, faculty, and staff.

The 2019-20 annual base budget for Facilities Renewal of \$24.0 million supports projects on both the Halifax and Agricultural campuses and is reviewed by the Capital Projects and Facilities Committee. Funds are allocated to

complete projects on all building system components across all campuses. The projects to be completed are prioritized based on life, health and safety, academic priority, and consideration of all campuses and there are specific annual allocations for classroom upgrades. In 2019-20 work included replacement of air handling units, rooftop fluid cooler and heat pumps in the Dental building, addition of exhibition room in H building and classroom upgrades in the Life Sciences Centre.

The University continues to seek alternative sources of funding for capital infrastructure. Importantly the University received a special one-time grant for facilities renewal from the Province of Nova Scotia for \$10.7 million which will support projects in 2020-21 and beyond.

The following graph shows the funds allocated for facilities maintenance over the last 10 years. Note that Facilities Renewal Funding includes one-time transition funds from the Province for facilities projects on the Agricultural Campus in 2013-14 to 2015-16. Annual spending varies depending on project completion timelines.



## Sustainability

The University's operational sustainability program is accomplished under the leadership of the Office of Sustainability and 74 students and volunteers who are directly engaged in creating or delivering on sustainability projects. The office leverages investment from partners to accomplish goals. It is estimated that \$98 million has been invested by Dal and funding partners in such projects since 2009. The office also participates as part of the project planning team for large capital projects to ensure sustainability policies, goals and measures are incorporated.

Goals, objectives, actions and targets under the University's Operational Sustainability Plan were set in 2010 for the ten-year period to 2020. Considerable progress has been made on a range of indicators including increased diversion of solid, liquid and hazardous waste, reducing utility consumption, reducing greenhouse gases and increasing renewable energy supply. Specific projects in the recent year include release of a second version of the University Climate Change Plan, energy efficiency upgrades to the University data centre, and process water efficiency gains in locations like the Ocean's Aquatron facility.

In 2018, Dalhousie released its second three-year sustainability progress report and the University received a Gold rating from the Sustainability Tracking Assessment Rating System (STARS). A new progress report will be released in 2020-21.

# 2019-20 Operating Budget Results



## **INTRODUCTION**

The Board of Governors approved the University's 2019-20 balanced operating budget in June of 2019 with revenues and expenditures each of \$447.2 million. This report includes detailed financial information comparing the actual results for the year to the approved budget.

## **THE FINAL BUDGET**

The summary on page 10 shows the Approved Budget and the Final Budget for the University in 2019-20. The approved budget included a provision for undistributed operating expenditure adjustments. This budget line is distributed to Faculties and service and support units during the year as compensation increases are provided to faculty and staff. These adjustments are reflected in the final budget. The March 31, 2019 Actuarial Valuation (completed in late fall 2019) determined a saving in the pension contributions funded by the operating budget. This amount has been transferred to the Pension Stabilization Reserve at March 31, 2020. The final budget also reflects base allocations from strategic initiatives made to Faculties/Units in the Responsibility Centre Expenditure category.

## **ACTUAL RESULTS**

Overall, the University results for 2019-20 produced a net surplus of \$6.4 million. The major contributor to the overall operating surplus for the year is tuition revenue which exceeded budget by \$4.3 million because of increased student enrolment. Other significant variances impacting the overall results for the year include a \$1.1 million improvement in operating interest revenue, and utility costs which were lower than budget by \$1.1 million. Commentary on these and other significant variances follow the Operating Budget Results Summary and the schedules that detail results for the individual Faculties and support and service units.

The 2019-20 surplus has been appropriated and will be used to mitigate the anticipated budget shortfall for 2020-21.

## Operating Budget Results - Summary

As at March 31, 2020

(thousands of dollars)

	Approved Budget	Final Budget (1)	Actual	Variance Fav (Unfav) (2)
<b>REVENUE</b>				
Provincial Government Grants				
Operating	195,665	195,665	195,665	-
Scholarship and Bursary Program Grants	11,190	11,190	11,171	(19)
Program Specific Grants	11,298	11,298	11,331	33
Facilities/Space	1,000	1,000	1,000	-
	219,153	219,153	219,167	14
Federal Research Support Fund Grant	6,958	6,958	6,958	-
Investment		-		
Endowment	29,533	29,533	26,311	(3,222)
Operating (net of bank & finance charges)	3,750	3,750	4,856	1,106
Tuition Fees	184,230	184,230	188,500	4,270
Facilities Renewal Fee	3,596	3,596	3,659	63
<b>TOTAL REVENUE</b>	<b>447,220</b>	<b>447,220</b>	<b>449,451</b>	<b>2,231</b>
<b>GENERAL OPERATING EXPENDITURES</b>				
Scholarships, Bursaries and Student Assistance				
Operating	12,125	12,125	12,658	(533)
Scholarship and Bursary Program	11,190	11,190	11,171	19
Endowment	6,976	6,976	6,837	139
Campus Renewal				
Annual Facilities Maintenance	23,962	23,963	24,026	(63)
Long Term	6,795	6,795	6,795	-
Energy, Water, Taxes and Insurance (net of recoveries)	23,840	23,840	22,742	1,098
Endowment Management Expenses	3,500	3,500	3,431	69
Strategic Initiatives Allocation	5,300	4,440	4,440	-
Equipment and Furniture Allocation	2,466	2,466	2,466	-
Contingency	1,900	1,900	1,840	60
<b>TOTAL GENERAL OPERATING EXPENDITURES</b>	<b>98,054</b>	<b>97,195</b>	<b>96,406</b>	<b>789</b>
<b>RESPONSIBILITY CENTRE EXPENDITURES</b>				
Academic	255,093	260,340	256,951	3,389
Academic Support	16,544	16,818	16,737	81
Administration	34,064	35,310	35,254	56
General	1,639	1,561	1,514	47
Facilities Management	21,785	22,245	22,321	(76)
Student Services	7,708	7,951	7,948	3
Provision for Compensation <sup>(3)</sup>	12,327	5,800	5,600	200
<b>TOTAL RESPONSIBILITY CENTRE EXPENDITURES</b>	<b>349,160</b>	<b>350,025</b>	<b>346,325</b>	<b>3,700</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>447,214</b>	<b>447,220</b>	<b>442,731</b>	<b>4,489</b>
<b>NET ANCILLARY EXPENDITURES</b>	<b>6</b>	<b>-</b>	<b>307</b>	<b>(307)</b>
<b>TOTAL EXPENDITURES</b>	<b>447,220</b>	<b>447,220</b>	<b>443,038</b>	<b>4,182</b>
<b>TOTAL SURPLUS FOR THE YEAR <sup>(4)</sup></b>	<b>-</b>	<b>-</b>	<b>6,413</b>	<b>6,413</b>

(1) The final budget includes the distribution of the Undistributed Operating Expenditures and base allocations from Strategic Initiatives.

(2) The variances include differences in actual endowment expenditures and related investment income for the year. See note 2 on page 13.

(3) Undistributed balance relates to savings in employer pension contributions based on the Actuarial Valuation as of March 31, 2019. The amount has been transferred to the Pension Stabilization Reserve. See note 7c on page 16.

(4) The overall budget surplus has been appropriated and will be used to mitigate the shortfall in the Interim budget for 2020-21.



Dalhousie University

Operating Budget Results - Detail

As at March 31, 2020

(thousands of dollars)

	Approved Budget	Final Budget <sup>(1)</sup>	Actual <sup>(2)</sup>	Variance Fav (Unfav)
<b>ACADEMIC</b>				
Agriculture	18,074	18,213	18,213	-
Architecture and Planning	4,720	4,951	4,951	-
Arts and Social Sciences	19,799	20,408	20,408	-
Arts and Social Sciences - Special Response Funds	241	241	241	-
Computer Science	9,742	9,984	9,984	-
Dentistry	10,227	10,485	10,485	-
Engineering	21,689	22,081	22,081	-
Graduate Studies	2,210	2,226	2,226	-
Health	30,367	31,126	31,126	-
Law	12,134	12,349	12,349	-
Management	13,721	13,994	13,994	-
Medicine	49,405	50,330	50,330	-
Science	36,423	37,218	37,218	-
University Library	18,339	18,551	18,551	-
College of Continuing Education	1,246	1,231	1,231	-
College of Sustainability	1,250	1,280	1,274	6
Centres, Institutes & Special Projects	2,644	2,752	2,751	1
International Support to Faculties and Units	700	700	261	439
Cooperative Education Office	805	846	776	70
Faculty Related Costs (eg.Travel, Leave Grants, PDA.)	2,847	2,802	2,802	-
Kings' Transfer	(2,477)	(2,477)	(2,338)	(139)
Academic Initiatives	987	1,049	1,049	-
Transfer to Endowment Carryforward <sup>(3)</sup>	-	-	(3,012)	3,012
<b>TOTAL ACADEMIC</b>	<b>255,093</b>	<b>260,340</b>	<b>256,951</b>	<b>3,389</b>
<b>ACADEMIC SUPPORT</b>				
Art Gallery	227	228	229	(1)
Centre for Learning and Teaching	1,382	1,399	1,399	-
IT Infrastructure	3,088	3,088	3,088	-
Information Technology Services	11,820	12,075	12,075	-
Printing Centre	27	28	(60)	88
Transfer from Endowment Carryforward <sup>(3)</sup>	-	-	6	(6)
<b>TOTAL ACADEMIC SUPPORT</b>	<b>16,544</b>	<b>16,818</b>	<b>16,737</b>	<b>81</b>

(1) The final budget includes the distribution of the Undistributed Operating Expenditures 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 13).

**Dalhousie University**  
**Operating Budget Results - Detail**  
**As at March 31, 2020**

(thousands of dollars)

	<b>Final Budget(1)</b>	<b>Actual (2)</b>	<b>Variance Fav (Unfav)</b>
<b>ADMINISTRATION</b>			
Application Fees and Services Recovery	(1,757)	(1,781)	24
Advancement	7,109	7,110	(1)
Communications and Marketing	3,155	3,175	(20)
Environmental Health and Safety	1,447	1,447	-
Financial Services	5,091	5,078	13
Human Resources	3,733	3,733	-
Planning & Analytics <sup>(3)</sup>	1,378	1,378	-
President's Office / Provost Office <sup>(3)</sup>	2,160	2,154	6
Registrar & Admissions	6,465	6,465	-
Research Services	2,734	2,711	23
University Services <sup>(4)</sup>	3,795	3,784	11
<b>TOTAL ADMINISTRATION</b>	<b>35,310</b>	<b>35,254</b>	<b>56</b>
<b>GENERAL</b>	<b>1,561</b>	<b>1,514</b>	<b>47</b>
<b>FACILITIES MANAGEMENT</b>	<b>22,245</b>	<b>22,321</b>	<b>(76)</b>
<b>STUDENT SERVICES</b>			
Awards Office & Student Services Centre -Sexton	373	373	-
Student Support Services (including Vice Provost Student Affairs Office)	4,996	4,996	-
Student Wellness (including Counselling)	1,509	1,509	-
Recreation and Athletics	1,073	1,073	-
Transfer to Endowment Carryforward <sup>(5)</sup>	-	(3)	3
<b>TOTAL STUDENT SERVICES</b>	<b>7,951</b>	<b>7,948</b>	<b>3</b>
<b>ANCILLARIES</b>			
Dalhousie Arts Centre	380	380	-
Dalplex	181	181	-
Food Services	(43)	(456)	413
Residence Life	1,625	1,625	-
University Bookstore	(109)	(109)	-
University Housing	(2,034)	(1,309)	(725)
Transfer to Endowment Carryforward <sup>(5)</sup>	-	(5)	5
<b>TOTAL ANCILLARIES</b>	<b>-</b>	<b>307</b>	<b>(307)</b>

(1) The final budget includes the distribution of the Undistributed Operating Expenditures and base allocations from Strategic Initiatives.

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

(3) The budget reflects the reallocation of budgeted positions related to Planning & Analytics from the Provost's office budget to the Planning & Analytics budget which includes Dal Analytics

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

(5) 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 13).

## 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 2019-20, grants for student assistance, and grants for specific academic programs and space costs.

All grants were received as budgeted other than the bursary and scholarship program grants and there was a small favourable variance on a Health grant. Both the provincial bursary program and the scholarship program provide direct assistance to students and the grant from the province for these program matches the cost resulting in no net impact on the University operating budget. The following table summarizes the budget and actual for the University's various grants for the year:

**Summary of Budget and Actual for Significant Grant Amounts**

(in thousands of dollars)

	2019-20 Budget	2019-20 Actual	Variance
<b>University Operating Grant</b>	195,665	195,665	-
<b>Provincially Supported Student Assistance Programs</b>			
Nova Scotia Bursary	8,190	8,031	(159)
Nova Scotia Graduate Scholarship	3,000	3,140	140
<b>Program Specific Grants</b>			
Health (Nursing, Occupational Therapy & Physiotherapy)	6,218	6,251	33
Medicine	5,000	5,000	-
Other	80	80	-
<b>Facilities/Space Grant</b>	1,000	1,000	-
	219,153	219,167	14

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).

### 2. Investment Income

a) Endowment Income (and Related Expenditure Lines):

The University has more than 1400 endowments which provide student assistance and supplement Faculty and Unit budgets (through named chairs, salaries, and research costs) through annual 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)

	<b>2019-20 Budget</b>	<b>2019-20 Actual</b>	<b>Variance</b>
<b>Endowment Investment Income</b>	<u>29,533</u>	<u>26,311</u>	<u>(3,222)</u>
<b>Endowment Expenditures</b>			
<b>Student Assistance</b>	6,976	6,837	139
<b>Endowment Management Expense</b>	3,500	3,431	69
		-	
<b>Included In Faculties and Units:</b>			
<b>Faculties and other academic units</b>	18,557	15,545	3,012
<b>Academic support units</b>	72	78	(6)
<b>Student Services</b>	174	171	3
<b>University Housing</b>	254	249	5
<b>Total Endowment Expenditures</b>	<u>29,533</u>	<u>26,311</u>	<u>3,222</u>

The major variance for the year related to vacancies in Academic chairs primarily in the Faculty of Medicine. The Faculty currently has searches underway to fill academic chairs. 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 \$1.1 million for the year due to higher than projected cash balances and higher interest rates.

**3. Tuition Fees**

Fall 2019 enrolment increased by 2.1% (409 students) compared with the previous year resulting in higher than budgeted tuition revenue. The mix of domestic and international students continues to shift, with an increase of 501 international students and a decrease of 92 domestic students. The reported increase in tuition revenue of \$4.3 million compared to budget is a result of the increased enrolment for the year.

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

During the year, additional support of \$533,000 was provided to students through the operating budget. The notable variance for 2019-20 is \$439,000 relating to emergency financial aid provided to approximately 400 students.

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 will vary from budget based on changes in the number of Nova Scotia students who receive support through the bursary program and the actual scholarships provided.

University endowment funds are also an important source of financial support for students. In 2019-20, \$6.8 million was provided to students through the central endowment student assistance budget. In addition, endowments managed by individual Faculties and Units provided a further \$4.9 million 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. During the year \$63,000 in additional facilities renewal student fee revenue resulted from increased enrolment. This allowed for an increased level of Facilities Renewal expenditures resulting in an offsetting variance of \$63,000 on this line.

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

Overall, the University saved \$1.1 million on utility costs for the 2019-20 year; related mostly to a reduction in natural gas pricing during the year and improved water consumption as a result of sustainability projects.

Sustainable energy projects over the last decade now provide \$3.6 million per year in cost savings to the operating budget. These savings are used first to retire the costs of these projects but ultimately will benefit the operating budget in future years. 2019-20 was the first full year of operation of the thermal plant in Truro. This co-generation project is generating over \$1.4 million in annual revenue from producing electricity for the provincial energy grid. These funds are used to pay incurred capital costs of renewal of the heating plant over time. Waste heat from the system is used to heat the campus.

## **7. Responsibility Centre and Ancillary Expenditures**

About 80% of the University budget is allocated to Faculties and service and support units to carry out day-to-day operations. The endowment program is integrated with the operating budget through allocations to all Faculties and several support units. Endowment spending varies from the amount available in any given year as described in note 2 above (a detailed breakdown by Faculty is included in Appendix A). Other variances are described as follows:

### **a) Academic –**

The University Carry-Forward Policy allows Faculties and major academic units to carry forward any budget savings and likewise are required to carry overruns. Hence there are no variances reported for these units. Significant variances in this category include:

- i) International support funding has been used to offset emergency bursaries to international students as a result of COVID-19 to the end of March. (see section 4. Scholarships, Bursaries, and Student Assistance) On a go-forward basis the funds have been allocated for upcoming projects in 2020-21.
- ii) Decreased 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 \$3.7 million to carry-forwards for the year (see Appendix A for breakdown by Faculty). Savings can be used to fund one-time projects and initiatives while overruns must be repaid according to a plan. The Provost and Vice President Academic and Vice President Finance and Administration continue to work with Faculties on their carry forward plans.

**b) Service and Support Units –**

- i) Academic Support Units: There was a delay in the multi-year program to invest in information technology infrastructure and the unspent funds were carried forward into 2020-21.
- ii) Administrative, General, Facilities Management and Student Services: There are various minor variances in these areas netting to an overall contribution of \$30,000 to the University operating surplus.

Service and Support Units may carry forward savings where approved for specific projects. (Appendix A provides a breakdown of these units drawing or carrying forward savings). The Environmental Health and Safety office, Registrar's office, Communications & Marketing, and University Services drew on carry-forward for the year for planned projects while staff savings in Student Services have been carried forward to provide for further wellness and other student-focused initiatives.

**c) Provision for Compensation –**

The approved budget included an estimate of scale and progression increases for the year according to compensation agreements and arrangements with employees. These have been distributed to Faculties and Unit budgets where the salary increases are paid to faculty and staff. Pension and benefit changes have also been reflected in Faculty and Unit budgets. The actual distribution of such costs was less than budget by \$200,000 in 2019-20 which has contributed to the University's overall surplus for the year.

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 at March 31, 2019 allowed the University to achieve operating savings of \$5.6 million in 2019-20. The pension savings in 2019-20 have been transferred to the Pension Stabilization Fund.

**d) Ancillaries –**

University Residences operations experienced a shortfall of \$725,000 resulting from the early closure due to COVID-19. This shortfall has been partially offset by a positive variance in Food Services from improved sales at the thirteen food service locations. The Dalplex had savings for the year of \$635,000 resulting from increased membership revenue and staff vacancy savings which has been carried forward to help address expected shortfalls in 2020-21 from revenue losses due to the pandemic. In addition to covering operating costs, ancillary operations have the responsibility to maintain investment in the renewal of the facilities and do not draw on the operating budget.

Dalhousie University  
**Operating Budget Results - Detailed Analysis of Budget, Actual and Variance**  
 Year Ended March 31, 2020

(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	17,929	17,665	264	17,929	-	284	69	215	284	-	-
Architecture and Planning	4,865	4,785	80	4,865	-	86	271	(185)	86	-	-
Arts and Social Sciences	18,665	18,875	(210)	18,665	-	1,743	1,748	(5)	1,743	-	-
Arts and Social Sciences - Special Response	241	136	105	241	-	-	-	-	-	-	-
Computer Science	9,735	8,630	1,105	9,735	-	249	1	248	249	-	-
Dentistry	10,243	9,949	294	10,243	-	242	243	(1)	242	-	-
Engineering	21,092	21,097	(5)	21,092	-	989	853	136	989	-	-
Graduate Studies	1,671	1,726	(55)	1,671	-	555	409	146	555	-	-
Health	30,497	30,007	490	30,497	-	629	501	128	629	-	-
Law	9,318	9,342	(24)	9,318	-	3,031	2,885	146	3,031	-	-
Management	13,191	12,435	756	13,191	-	803	879	(76)	803	-	-
Medicine	43,749	43,268	481	43,749	-	6,581	4,843	1,738	6,581	-	-
Science	34,187	34,431	(244)	34,187	-	3,031	2,512	519	3,031	-	-
University Library	18,322	18,223	99	18,322	-	229	275	(46)	229	-	-
College of Continuing Education	1,166	1,174	(8)	1,166	-	65	41	24	65	-	-
College of Sustainability	1,274	1,268	-	1,268	6	6	6	-	6	-	6
Centres, Institutes & Special Projects	2,718	2,577	140	2,717	1	34	9	25	34	-	1
International Supports to Faculties and Units	700	-	261	261	439	-	-	-	-	-	439
Cooperative Education Office	846	776	-	776	70	-	-	-	-	-	70
Faculty Related Costs (eg. Travel, Leave Grants, PDA)	2,802	2,917	(115)	2,802	-	-	-	-	-	-	-
Kings' Transfer	(2,477)	(2,338)	-	(2,338)	(139)	-	-	-	-	-	(139)
Academic Initiatives	1,049	780	269	1,049	-	-	-	-	-	-	-
Transfer to Endowment Carryforward	-	-	-	-	-	-	-	(3,012)	(3,012)	3,012	3,012
<b>TOTAL ACADEMIC</b>	<b>241,783</b>	<b>237,723</b>	<b>3,683</b>	<b>241,406</b>	<b>377</b>	<b>18,557</b>	<b>15,545</b>	<b>-</b>	<b>15,545</b>	<b>3,012</b>	<b>3,389</b>
<b>ACADEMIC SUPPORT</b>											
Art Gallery	157	159	(1)	158	(1)	71	76	(5)	71	-	(1)
Centre for Learning and Teaching	1,398	1,401	(3)	1,398	-	1	2	(1)	1	-	-
IT Infrastructure	3,088	2,402	686	3,088	-	-	-	-	-	-	-
Information Technology Services	12,075	12,124	(49)	12,075	-	-	-	-	-	-	-
Printing Centre	28	(148)	88	(60)	88	-	-	-	-	-	88
Transfer from Endowment Carryforward	-	-	-	-	-	-	-	6	6	(6)	(6)
<b>TOTAL ACADEMIC SUPPORT</b>	<b>16,746</b>	<b>15,938</b>	<b>721</b>	<b>16,659</b>	<b>87</b>	<b>72</b>	<b>78</b>	<b>-</b>	<b>78</b>	<b>(6)</b>	<b>81</b>
<b>ADMINISTRATION</b>											
Application Fees and Services Recovery	(1,757)	(1,781)	-	(1,781)	24	-	-	-	-	-	24
Advancement	7,109	7,109	1	7,110	(1)	-	-	-	-	-	(1)
Communications and Marketing	3,155	3,194	(19)	3,175	(20)	-	-	-	-	-	(20)
Environmental Health and Safety	1,447	1,470	(23)	1,447	-	-	-	-	-	-	-
Financial Services	5,091	5,078	-	5,078	13	-	-	-	-	-	13
Human Resources	3,733	3,742	(9)	3,733	-	-	-	-	-	-	-
Planning & Analytics	1,378	1,379	(1)	1,378	-	-	-	-	-	-	-
President's Office / Provost's Office	2,160	2,154	-	2,154	6	-	-	-	-	-	6
Registrar & Admissions	6,465	6,533	(68)	6,465	-	-	-	-	-	-	-
Research Services	2,734	2,711	-	2,711	23	-	-	-	-	-	23
University Services	3,795	3,807	(23)	3,784	11	-	-	-	-	-	11
<b>TOTAL ADMINISTRATION</b>	<b>35,310</b>	<b>35,396</b>	<b>(142)</b>	<b>35,254</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56</b>

(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 the consolidated Variance in column 11.

Dalhousie University  
**Operating Budget Results - Detailed Analysis of Budget, Actual and Variance**  
 Year Ended March 31, 2020

(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 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>	1,561	1,519	(5)	1,514	47	-	-	-	-	-	47
<b>FACILITIES MANAGEMENT</b>	22,245	22,321	-	22,321	(76)	-	-	-	-	-	(76)
<b>STUDENT SERVICES</b>											
Awards Office & Student Services Centre - Sexton	373	373	-	373	-						-
Student Support Services (including Vice-Provost's Office)	4,996	5,206	(210)	4,996	-						-
Student Wellness (including Counselling)	1,509	1,216	293	1,509	-						-
Recreation and Athletics	899	909	(10)	899	-	174	171	3	174	-	-
Transfer to Endowment Carryforward	-	-	-	-	-	-	-	(3)	(3)	3	3
<b>TOTAL STUDENT SERVICES</b>	<b>7,777</b>	<b>7,704</b>	<b>73</b>	<b>7,777</b>	<b>-</b>	<b>174</b>	<b>171</b>	<b>-</b>	<b>171</b>	<b>3</b>	<b>3</b>
<b>ANCILLARIES</b>											
Dalhousie Arts Centre	380	395	(15)	380	-	-	-	-	-	-	-
Dalplex	181	(454)	635	181	-	-	-	-	-	-	-
Food Services	(43)	(451)	(5)	(456)	413	-	-	-	-	-	413
Residence Life	1,625	1,675	(50)	1,625	-	-	-	-	-	-	-
University Bookstore	(109)	(166)	57	(109)	-	-	-	-	-	-	-
University Housing	(2,288)	(1,343)	(220)	(1,563)	(725)	254	249	5	254	-	(725)
Transfer to Endowment Carryforward	-	-	-	-	-	-	-	(5)	(5)	5	5
<b>TOTAL ANCILLARIES</b>	<b>(254)</b>	<b>(344)</b>	<b>402</b>	<b>58</b>	<b>(312)</b>	<b>254</b>	<b>249</b>	<b>-</b>	<b>249</b>	<b>5</b>	<b>(307)</b>

(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.



# 2019-20 Audited Financial Statements



The Dalhousie University Financial Statements for the year ended March 31, 2020 have been audited by the firm 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 2019-20 provide:

- I. information on the fund accounting approach used by Dalhousie to measure and manage financial activity,
- II. An explanation of the difference between the funding and accounting requirements with respect to the employer contributions to the Pension Plan and
- III. A description of the 2019-20 financial statement impact of:
  - o the remediation and rebuilding of Cox Institute after the fire on June 20, 2018.
  - o the novel strain of the Corona virus (Covid-19).

#### **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 six Fund categories: Operating, Ancillary, Endowment, Capital, Research and Special Purpose.

##### **Operating Fund**

The Operating Fund encompasses the day-to-day revenue and expenditures required to operate the University, 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 expected to cover their full costs.

##### **Endowment Fund**

University operations are supplemented by the University's over 1,400 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**

The 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 Capital Fund.

##### **Research Funds**

Research Fund expenditures are supported by revenues which are restricted for the purposes designated by the funders and sponsors. These funds cannot be used to support operations. Researchers managed approximately 3,000 segregated research grant and contract accounts in 2019-20.

### Special Purpose Funds

Special Purpose Fund expenditures are supported by revenues which are restricted for the purposes established by contributors. In 2019-20 there were approximately 1,000 special purpose accounts utilized for a variety of purposes including annual giving, conferences, service and lab accounts, and joint projects with contributions from external partners.

### 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 1 through 5. There are three main categories of interfund transfers as follows:

	<u>2020</u>	<u>2019</u>
	(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).	7.9	7.7
ii)   Ancillaries are charged for steam heat costs.	1.1	1.3
iii)  Printing, audio visual and IT support costs charged across all funds.	2.1	2.1
<b>Transfers of Capital Related to Assets</b>		
<b>Operating Fund</b>		
i)    Facilities renewal and Faculty / Unit sponsored projects	27.4	27.3
ii)   Purchase of assets (e.g. equipment, library acquisitions).	1.4	1.8
iii)  Debt principal payments.	5.2	5.2
iv)   Capital replacement (e.g. heating plant, farm equipment).	1.1	0.2
v)    Utility savings funding for sustainability projects.	3.8	2.9
<b>Ancillary Fund</b>		
i)    Facilities Projects (e.g. Student Residence improvements).	3.8	2.1
ii)   Debt principal payments.	3.2	3.2
iii)  Capital Replacement (e.g. athletic facilities)	1.0	0.4
<b>Research and Special Purpose Funds</b>		
i)    Purchase of assets (e.g. lab equipment)	15.0	4.5
ii)   Renovation Projects (e.g. research labs)	2.3	6.2
iii)  Capital contributions received (net amortized contributions)	(7.4)	(1.2)

### Transfers to Research and Special Purpose

The following are transferred to research and Special Purpose from the operating budget:

i)    Transfers for faculty startups and research support funded from Faculty accounts	2.4	3.1
ii)   Pension Savings to the Special Purpose reserve account	5.6	3.9

## II. 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. 2019-20 funding for the plan is determined based on a March 31, 2019 actuarial valuation.

**Pension Plan Accounting:** The annual audited financial statements for the University must comply with 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 (March 31, 2019) extrapolated to year end (March 31, 2020) 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, Expense and Changes in Operating Surplus. For 2019-20 the University was required to contribute \$0.4 million more than the amount that is expensed through the accounting requirement.

Note that Investment market results as at March 31, 2020 have resulted in a \$131 million increase in the pension liability and reduced net assets.

## III. Financial Statement impacts Cox Fire Recovery and Covid-19

### COX INSTITUTE RECOVERY

As noted last year there was a serious fire at Cox Institute on the Truro Campus in June 2018. The building was damaged significantly and the impact to students, faculty and staff was extensive. This loss is covered by University insurance.

The costs to repair and reconstruct the facility are recognized as expenses in the capital fund (see supplementary Schedule 5) totaling \$19.3 million (\$28.9 million for 2018-19) along with the related recovery from the insurer.

### COVID-19

During March 2020, due to the outbreak of Covid-19, the University asked students to vacate residences and moved to remote learning to complete the winter term. The significant impacts of the pandemic on the 2019-20 year-end results are as follows:

1. Investment market results as at March 31<sup>st</sup> have impacted both:
  - a. the employee future benefit obligation (recorded as direct change in the Statement of Net Assets increasing liability and reducing Net Assets by \$131 million) and
  - b. endowment investments (unrealized losses of \$63 million impacting investments and deferred revenue)
2. Students leaving residence early were refunded residence fees for the portion of the term remaining.
3. Increased student assistance was provided to students in urgent financial need.



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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, 2020
- the statement of revenue, expense and changes in operating surplus for the year then ended
- the statement of changes 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

(Herein 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, 2020, and its results of operations and its cash flows for the year then ended in accordance with .

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with 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 the "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/is 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.
- 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' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Halifax, Canada

July 14, 2020

Dalhousie University  
**Statement of Financial Position**  
 March 31, 2020

(in thousands of dollars)

	2020	2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 222,852	\$ 124,998
Accounts receivable	49,874	35,072
Inventories	2,671	2,334
Prepaid expenses	6,945	6,602
	<u>282,342</u>	<u>169,006</u>
Investments (note 4)	754,260	809,409
Capital assets (note 5)	<u>1,060,307</u>	<u>1,045,333</u>
	<u>\$ 2,096,909</u>	<u>\$ 2,023,748</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 133,900	\$ 82,415
Deferred revenue (note 7)	250,615	306,400
Current portion of long-term debt (note 8)	10,491	10,243
	<u>395,006</u>	<u>399,058</u>
Employee future benefits (note 9)	136,657	5,404
Deferred capital contributions (note 10)	264,873	253,124
Long-term debt (note 8)	<u>159,802</u>	<u>169,327</u>
	956,338	826,913
Net assets: (note 11)		
Endowment	540,151	512,887
Excess of pension liabilities over pension assets	(133,226)	(1,957)
Restricted funds	117,134	98,516
Capital fund	<u>616,512</u>	<u>587,389</u>
	1,140,571	1,196,835
	<u>\$ 2,096,909</u>	<u>\$ 2,023,748</u>
Commitments and contingent liabilities (note 12)		
Subsequent event (note 16)		

See accompanying notes to financial statements.



Dalhousie University  
**Statement of Revenue, Expenses and Changes in Operating Surplus**  
Year ended March 31, 2020

(in thousands of dollars)

	2020	2019
Revenue:		
Provincial government operating grants	\$ 219,167	\$ 217,138
Other government grants and contracts	109,099	100,414
Corporations and foundations	32,248	28,941
Tuition fees	204,728	190,829
Non-credit and other fees	34,912	33,090
General	10,656	9,868
Gifts	10,524	10,265
Investment income	31,693	31,320
Ancillary sales and service	49,859	48,286
External cost recoveries	62,221	73,479
Amortization of deferred capital contributions (note 10)	16,139	16,587
	<u>781,246</u>	<u>760,217</u>
Expenses:		
Salaries and employee benefits	415,341	401,097
Pension expense adjustment (note 9)	(384)	(1,556)
Library acquisitions	8,208	8,451
Laboratory and teaching supplies	14,883	14,961
Equipment and service	22,854	22,672
Finance costs	6,751	6,705
Utilities and taxes	19,427	20,384
Externally contracted services	84,326	94,439
Scholarships, bursaries and prizes	59,963	56,173
Ancillary cost of sales and service	8,833	8,373
Travel	16,780	15,711
Amortization of capital assets	40,688	40,016
General operating	34,698	31,779
	<u>732,368</u>	<u>719,205</u>
Excess of revenue over expenses (consolidated all funds)	<u>48,878</u>	<u>41,012</u>
Less amounts:		
Committed to equity in capital assets	(29,123)	(22,978)
Committed to future pension benefits	(384)	(1,556)
Committed to restricted funds	(19,371)	(16,478)
	<u>          </u>	<u>          </u>
Net change in operating surplus	<u>          </u>	<u>          </u>
Accumulated operating surplus, beginning of year	<u>          </u>	<u>          </u>
Accumulated operating surplus, end of year	<u>\$          </u>	<u>\$          </u>

See accompanying notes to financial statements.

Dalhousie University  
**Statement of Changes in Net Assets**  
Year ended March 31, 2020

(in thousands of dollars)

						2020	2019
	Endowment	Excess of pension liabilities over assets	Unrestricted operating Funds	Restricted funds	Capital fund	Total	Total
Net assets, beginning of year	\$512,887	(1,957)	-	98,516	587,389	1,196,835	\$1,110,097
Excess of revenue over expenses	-	384	6,413	12,958	29,123	48,878	41,012
Endowed principal contribution	5,839	-	-	-	-	5,839	10,770
Employee future benefits, remeasurements, and other items	-	(131,653)	-	-	-	(131,653)	14,918
Realized Investment returns	47,401	-	-	-	-	47,401	44,293
Transfer to Restricted Fund	-	-	(6,413)	6,413	-	-	-
Transfers from endowment	(25,976)	-	-	(753)	-	(26,729)	(24,255)
Net change for the year	27,264	(131,269)	-	18,618	29,123	(56,264)	86,738
Net assets, end of year	\$540,151	(133,226)	-	117,134	616,512	1,140,571	\$1,196,835

See accompanying notes to financial statements.

Dalhousie University  
**Statement of Cash Flows**  
Year ended March 31, 2020

(in thousands of dollars)

	2020	2019
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 48,878	\$ 41,012
Items not involving cash:		
Amortization of capital assets	40,688	40,016
Amortization of deferred capital contributions	(16,139)	(16,587)
Change in employee future benefits	(400)	(1,780)
Change in current assets	(15,482)	440
Change in current liabilities	(4,300)	2,050
Cash provided by operating activities	<u>53,245</u>	<u>65,151</u>
Cash flows from investing activities:		
Purchase of capital assets	(55,662)	(67,093)
Net decrease / (increase) in investments	<u>55,157</u>	<u>(67,325)</u>
Cash used in investing activities	<u>(505)</u>	<u>(134,418)</u>
Cash flows from financing activities:		
Endowment contributions	5,839	10,770
Endowment realized gains	47,401	44,293
Endowment transfers	(26,737)	(24,255)
Deferred capital contributions received	27,888	23,578
Proceeds from long-term debt	-	65,200
Principal payments on long-term debt	<u>(9,277)</u>	<u>(9,640)</u>
Cash provided by financing activities	45,114	109,946
Net increase in cash and cash equivalents	<u>97,854</u>	<u>40,679</u>
Cash and cash equivalents, beginning of year	124,998	84,319
Cash and cash equivalents, end of year	<u>\$ 222,852</u>	<u>\$ 124,998</u>

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, and continuing studies programs. The University is a registered charitable organization and as such, is exempt from income taxes under Section 149 of the Income Tax Act of Canada.

**2. Significant accounting policies:**

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

(a) Use of estimates:

The preparation of 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 sales of services and goods. These amounts are reported as revenue at the time the services are provided or the goods are sold provided collection of the related receivable is probable, persuasive evidence of an arrangement exists and the price is fixed or determinable.

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

(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 recorded at amortized cost.

(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, long-term bonds and alternatives and records these at fair value. The change in fair value year-over-year is reflected in revenue and expense or deferred revenue.

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

The values of private investments ("alternatives"), which comprise private externally managed co-mingled funds with underlying investments in equities, debt, real estate assets and infrastructure assets, are determined based on the 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 March 31, 2019, extrapolated to March 31, 2020.

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

**3. Related party transactions:**

The Dalhousie University Club (the "University Club") is incorporated under the Societies Act of Nova Scotia and operates as a not-for-profit organization under the Income Tax Act and is exempt from income tax. The University provides the University Club with financing and a rent-free lease. General operating expense of the University includes \$224 (2019 - \$247) related to catering costs charged by the University Club. Included in accounts receivable of the University is \$448 (2019 - \$395) due from the University Club, with no set terms of repayment.

**4. Investments:**

	<b>2020</b>	2019
Cash	\$ 3,284	\$ 3,920
Treasury bills, notes and GICs	94,453	109,754
Bonds	158,220	151,952
Canadian equities	82,192	103,455
US equities	111,451	124,333
Other international equities	101,730	108,651
Alternatives and other	202,930	207,344
	<b>\$ 754,260</b>	<b>\$ 809,409</b>

**5. Capital assets:**

			<b>2020</b>	2019
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 125,296	\$ -	\$ 125,296	\$125,769
Building	1,037,914	179,660	858,254	856,597
Leasehold improvements	1,102	1,102	-	179
Equipment	230,333	182,373	47,960	43,070
Vehicles	3,613	2,944	669	525
Library books	33,441	29,903	3,538	4,004
Software and computing	16,835	12,899	3,936	2,312
Land improvements	9,153	3,396	5,757	6,218
Construction in progress	14,897	--	14,897	6,659
	<b>\$ 1,472,584</b>	<b>\$ 412,277</b>	<b>\$ 1,060,307</b>	<b>\$ 1,045,333</b>

The cost of assets under capital lease is \$5,778 (2019 - \$5,014), with related accumulated amortization of \$2,806 (2019 - \$1,505).

**6. Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities are government remittances for payroll taxes payable of \$13,226 (2019 - \$11,680).

As at March 31, 2020, Accounts payable and accrued liabilities and Cash and cash equivalents included \$50,000 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 operating revenues include student fees, residence fees and grant income received in advance of year end relating to the period after March 31.

	<b>2020</b>	2019
Operating	\$ 31,143	\$ 31,942
Endowment	82,555	141,439
Research	89,860	86,429
Special purpose	47,057	46,590
	<b>\$ 250,615</b>	<b>\$ 306,400</b>



**8. Long-term debt:**

	Payment amount	Repayment frequency	Maturity date	Interest rate	2020	2019
Residence renewal	58	Quarterly	Nov 2019	5.21	-	176
Central Services Parkade	22	Quarterly	Dec 2023	5.66	163	207
Residence renewal	47	Quarterly	Oct 2025	4.69	967	1,111
Howe Hall	136	Quarterly	Jan 2028	5.94	3,459	3,789
Collaborative Health Education Building I	171	Quarterly	Sept 2028	2.22	5,279	5,838
Risley Hall	385	Quarterly	Sept 2029	5.96	11,140	11,980
Life Sciences Research Institute	150	Monthly	May 2031	4.65	16,032	17,133
Collaborative Health Education Building II	163	Quarterly	Sept 2035	2.65	8,265	8,691
Mona Campbell Building	75	Monthly	Nov 2035	4.66	10,391	10,849
IDEA building and Dentistry Clinic renewal	350	Quarterly	Sept 2036	3.40	17,729	18,516
Steele Ocean Sciences Building	473	Quarterly	Mar 2037	3.23	24,275	25,350
LeMarchant Place	562	Quarterly	Sept 2037	3.30	29,489	30,741
Fitness Centre and Truro Thermal Plant	715	Quarterly	Apr 2038	2.73	40,071	41,807
Capital leases					3,033	3,382
					170,293	179,570
Less: current portion					(10,491)	(10,243)
					\$159,802	\$169,327

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

2021	\$	10,491
2022		10,490
2023		10,131
2024		10,198
2025		10,418

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 \$5,799 (2019 – \$5,754) relating to long-term debt has been included in interest expense. Interest of \$217 (2019 – \$167) 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 March 31, 2019 and reflected a going concern plan deficit of \$6,442.

An extrapolation of the March 31, 2019 actuarial valuation to March 31, 2020 indicated a going concern plan deficit of \$133,226. Remeasurements of \$133,265 have been recognized directly in the Statement of Changes in Net Assets.

The total cost of the defined benefit plan for the year of \$24,244 (2019 - \$24,097) less the amount of employer contributions in the year of \$24,628 (2019 - \$25,653) represents the pension expense adjustment of \$384 (2019 - \$1,556), which is recorded in the statement of revenue, expense and changes in operating surplus.

**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 \$266 (2019 - \$602).

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

	<b>2020</b>	2019
<b>Pension benefit obligation</b>		
Fair value of plan assets	\$ 1,332,128	\$ 1,387,666
Accrued benefit obligation	(1,465,354)	(1,389,623)
Pension benefit obligation	(133,226)	(1,957)
<b>Retirement service award obligation</b>	(3,431)	(3,447)
Employee future benefit obligation	\$ (136,657)	\$ (5,404)

**9. Employee future benefits (continued):**

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

Actuarial Assumptions	2020	2019
Pension Plan		
Rate of compensation increase	3.57%	3.56%
Discount rate	5.33%	5.35%
Retirement Service Award		
Rate of compensation increase	3.10%	3.10%
Discount rate	6.00%	6.00%

**10. Deferred capital contributions:**

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

**10. Deferred capital contributions (continued):**

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

	<b>2020</b>	2019
Balance, beginning of year	\$ 253,124	\$ 246,133
Contributions received during the year:		
Government grants and contracts	25,916	15,245
Corporations and foundations	-	149
General	-	1,759
Gifts	1,972	6,425
Total contributions received during the year	27,888	23,578
Recognized as revenue:		
Government grants and contracts	(13,947)	(14,064)
Corporations and foundations	(115)	(115)
General	(591)	(883)
Gifts	(1,486)	(1,525)
Total recognized as revenue	\$ (16,139)	\$ (16,587)
Balance, end of year	\$ 264,873	\$ 253,124
Balance by fund:		
Capital	\$ 222,078	\$ 217,753
Research	41,513	33,964
Special Purpose	1,282	1,407
Balance, end of year	\$ 264,873	\$ 253,124

**11. Net assets:**

**(a) Endowment**

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

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

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

	Endowment March 31, 2019	Contributions	Realized Investment Returns	Transfer from Endowment	Endowment March 31, 2020
External restrictions	\$ 498,632	\$ 5,839	\$ 46,197	\$ (25,644)	\$ 525,024
Internal restrictions	14,255	-	1,204	(332)	15,127
	<u>\$ 512,887</u>	<u>\$ 5,839</u>	<u>\$ 47,401</u>	<u>\$ (25,976)</u>	<u>\$ 540,151</u>

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

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

**(c) Unrestricted Operating Funds**

The excess of revenue over expenditure in the operating fund is transferred to Restricted Funds to address Covid-19 impacts in 2020-21 and beyond.

**(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:

	2020	2019
Capital assets	\$ 1,060,307	\$ 1,045,333
Less amounts financed by:		
Deferred capital contributions	(264,873)	(253,124)
Long-term debt	(170,293)	(179,570)
Working capital, pending project completion	(17,793)	(39,576)
Equity in capital assets	\$ 607,348	\$ 573,063
Capital reserve	9,164	14,326
<b>Total Capital Fund</b>	<b>\$ 616,512</b>	<b>\$ 587,389</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, 2019, the surplus was \$90,185.

As of March 31, 2020, 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, 2020, estimated at \$15,003.

In June 2018 there was a fire on the University’s Agricultural Campus in Truro. Costs of \$19,281 related to the fire and related remediation and re-construction are recognized in the March 31, 2020 financial statements. Revenues of \$19,281, representing insurance proceeds, are included in external cost recoveries. No asset impairments 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:

2021	\$ 864
2022	831
2023	788
2024	697
2025	689

Certain of the alternative investments contain contractual commitments. At March 31, 2020, there were outstanding future commitments of \$207 CAD in Canadian real estate; €10,450 EUR in Infrastructure; \$10,917 USD in private debt; \$59,865 USD and €4,308 EUR in private equity investments.

The University has provided a loan guarantee of \$6,366 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 manages this exposure using forward foreign exchange contracts. At March 31, the forward foreign exchange contracts covered periods up to 1 month.

### Interest rate risk:

The University uses derivatives to hedge interest rate exposures 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, 2020 interest rate swaps outstanding have a notional value of \$167,698 (2019 - \$158,299) 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% (2019 - 2.22% - 5.96%).

Although the University has no intention of settling these instruments at March 31, 2020, the interest rate swap contracts described in Note 8 have a fair value of (\$24,636) (2019 - (\$11,188)).

### Credit risk:

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

### **13. Financial instruments**

#### **Liquidity risk:**

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

### **14. Pledges**

Pledges to the University at March 31, 2020 were \$85,300 (2019 - \$90,957). While these pledges are expected to be honored over the next several years, they have not been recorded as receivable on the statement of financial position.

### **15. Fine artwork collections**

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

### **16. Subsequent event**

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", was classified as a global pandemic in March 2020 and this has resulted in governments enacting emergency measures such as travel bans, quarantine periods and social distancing requirements to combat the spread of the virus. The measures have caused material disruption to businesses globally resulting in an economic slowdown and global equity and capital markets have experienced significant volatility and weakness. Governments have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

In March 2020, the University vacated residences and moved to an online learning platform for the remainder of the academic year. The duration of the outbreak and economic impacts are uncertain and there may be impacts in the future on the University's operations, value of investments and cash flows.



Dalhousie University  
Schedule of Revenue and Expense  
Year Ended March 31, 2020 (With Comparatives Figures for 2019)  
(unaudited)

(in Thousands of Dollars)

	Operating 2020 (Schedule 2)	Endowment 2020 (Schedule 3)	Ancillary 2020 (Schedule 4)	Capital 2020	Special Purpose 2020 (Schedule 5)	Research 2020 (Schedule 5)	2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Provincial government operating grants	219,167	-	-	-	-	-	219,167	217,138
Other government grants and contracts	16,260	-	575	708	7,018	84,538	109,099	100,414
Corporations and foundations	490	-	-	-	3,254	28,504	32,248	28,941
Tuition fees	204,728	-	-	-	-	-	204,728	190,829
Non-credit and other fees	31,700	-	3,049	116	47	-	34,912	33,090
General	3,840	-	-	2,993	3,725	98	10,656	9,868
Gifts	606	2,238	-	675	6,789	216	10,524	10,265
Investment	5,042	23,328	-	493	2,362	468	31,693	31,320
Ancillary sales and service	-	-	49,859	-	-	-	49,859	48,286
External cost recoveries	40,089	-	-	21,290	805	37	62,221	73,479
Amortization of deferred capital contributions	-	-	-	7,629	208	8,302	16,139	16,587
<b>Total revenue</b>	<b>521,922</b>	<b>25,566</b>	<b>53,483</b>	<b>33,904</b>	<b>24,208</b>	<b>122,163</b>	<b>781,246</b>	<b>760,217</b>
Expense								
Salaries								
Academic	170,275	5,310	55	2	913	13,449	190,004	186,594
Library	3,628	3	-	-	3	2	3,636	3,468
Plant maintenance	14,750	-	225	56	-	-	15,031	14,087
Administrative and support	110,094	686	7,338	131	5,015	30,112	153,376	143,677
Benefits costs	46,891	709	908	19	506	4,261	53,294	53,271
<b>Total salaries and benefits</b>	<b>345,638</b>	<b>6,708</b>	<b>8,526</b>	<b>208</b>	<b>6,437</b>	<b>47,824</b>	<b>415,341</b>	<b>401,097</b>
Library acquisitions	7,973	180	-	-	28	27	8,208	8,451
Laboratory and teaching supplies	5,679	64	-	130	1,279	7,731	14,883	14,961
Equipment and service	14,765	158	1,474	1,244	549	4,664	22,854	22,672
Finance costs	3,738	-	2,373	625	15	-	6,751	6,705
Utilities and taxes	17,785	-	1,602	37	1	2	19,427	20,384
Externally contracted services	25,666	3,131	12,671	19,251	4,366	19,241	84,326	94,439
Scholarships, bursaries and prizes	25,585	12,524	193	-	2,259	19,402	59,963	56,173
Ancillary cost of sales and service	-	-	8,833	-	-	-	8,833	8,373
Travel	6,935	667	87	22	1,317	7,752	16,780	15,711
Amortization of capital assets	-	-	-	40,688	-	-	40,688	40,016
General operating	21,556	814	1,262	131	4,046	6,889	34,698	31,779
Internal / interfund transfers	35,900	2,065	16,059	(57,552)	(4,337)	7,865	-	-
<b>Total expense</b>	<b>511,220</b>	<b>26,311</b>	<b>53,080</b>	<b>4,784</b>	<b>15,960</b>	<b>121,397</b>	<b>732,752</b>	<b>720,761</b>
Change in year before appropriations	10,702	(745)	403	29,120	8,248	766	48,494	39,456
Change in net assets	(10,702)	745	(403)	(29,120)	(8,248)	(766)	(48,494)	(39,456)
Surplus before pension expense adjustment	-	-	-	-	-	-	-	-
Pension expense adjustment	384	-	-	-	-	-	384	1,556
<b>Net assets after pension adjustment</b>	<b>384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>384</b>	<b>1,556</b>

Schedule 1

Dalhousie University  
Schedule of Revenue and Expense - Operating  
Year Ended March 31, 2020 (With Comparatives Figures for 2019)  
(unaudited)

(in Thousands of Dollars)

	Academic		Academic Support		Administration and General		Facilities and Construction Management		Student Services		Institution		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue														
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	219,167	217,138	219,167	217,138
Other government grants and contracts	8,824	8,855	-	-	-	-	7	7	471	436	6,958	7,931	16,260	17,229
Corporations and foundations	470	479	-	-	-	-	20	12	-	30	-	-	490	521
Tuition fees	16,228	14,894	-	-	-	-	-	-	-	-	188,500	175,935	204,728	190,829
Non-credit and other fees	15,229	14,313	-	-	3,673	3,537	-	-	8,624	8,244	4,174	3,795	31,700	29,889
General	-	-	50	79	1,252	1,216	1,629	1,590	909	986	-	-	3,840	3,871
Gifts	2	321	-	-	-	170	-	-	604	618	-	-	606	1,109
Investment	-	-	-	-	-	-	-	-	-	-	5,042	3,826	5,042	3,826
Ancillary sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External cost recoveries	34,618	36,738	2,211	2,331	1,202	1,451	1,292	1,558	766	829	-	-	40,089	42,907
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	75,371	75,600	2,261	2,410	6,127	6,374	2,948	3,167	11,374	11,143	423,841	408,625	521,922	507,319
Expense														
Salaries														
Academic	168,762	167,867	39	61	356	218	-	-	1,118	964	-	-	170,275	169,110
Library	3,628	3,465	-	-	-	-	-	-	-	-	-	-	3,628	3,465
Plant maintenance	75	69	-	-	-	-	14,675	13,729	-	-	-	-	14,750	13,798
Administrative and support	54,873	52,797	9,972	9,406	30,605	29,331	5,918	5,575	8,726	8,227	-	-	110,094	105,336
Benefits costs	33,570	33,968	1,766	1,730	5,631	5,500	4,395	4,394	1,529	1,494	-	-	46,891	47,086
Total salaries and benefits	260,908	258,166	11,777	11,197	36,592	35,049	24,988	23,698	11,373	10,685	-	-	345,638	338,795
Library acquisitions	7,931	8,063	-	-	36	49	-	-	6	5	-	-	7,973	8,117
Laboratory and teaching supplies	5,427	5,550	-	-	-	-	2	5	250	222	-	-	5,679	5,777
Equipment and service	6,131	5,256	4,932	5,620	877	707	2,125	1,819	700	548	-	-	14,765	13,950
Finance costs	251	204	99	99	78	79	51	57	14	19	3,245	3,114	3,738	3,572
Utilities and taxes	8	8	6	7	-	-	17,738	18,731	33	29	-	-	17,785	18,775
Externally contracted services	11,389	11,525	684	548	3,141	3,020	9,611	11,220	841	809	-	-	25,666	27,122
Scholarships, bursaries and prizes	3,604	3,397	2	2	-	-	-	-	10,808	10,368	11,171	11,113	25,585	24,880
Ancillary cost of sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	4,356	4,315	139	147	1,321	1,255	54	59	1,065	973	-	-	6,935	6,749
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General operating	7,092	6,717	1,047	1,032	4,890	4,142	3,805	3,452	4,041	3,932	681	616	21,556	19,891
Internal / interfund transfers	10,159	9,748	115	389	(1,989)	(1,250)	17,524	16,551	857	838	9,234	6,587	35,900	32,863
Total expense	317,256	312,949	18,801	19,041	44,946	43,051	75,898	75,592	29,988	28,428	24,331	21,430	511,220	500,491
Surplus for the year (shortfall)														
Change in year before appropriations	(241,885)	(237,349)	(16,540)	(16,631)	(38,819)	(36,677)	(72,950)	(72,425)	(18,614)	(17,285)	399,510	387,195	10,702	6,828
(Increase) decrease in appropriations	(3,703)	(1,512)	(716)	506	(232)	(282)	417	1,168	(55)	(664)	(6,413)	(6,044)	(10,702)	(6,828)
Surplus before pension expense adjustment	(245,588)	(238,861)	(17,256)	(16,125)	(39,051)	(36,959)	(72,533)	(71,257)	(18,669)	(17,949)	393,097	381,151	-	-
Pension expense adjustment											(384)	(1,556)	(384)	(1,556)
Change in net assets after pension adjustment	(245,588)	(238,861)	(17,256)	(16,125)	(39,051)	(36,959)	(72,533)	(71,257)	(18,669)	(17,949)	393,481	382,707	384	1,556

Note 1: The decrease in Appropriations for Facilities and Construction Management relates to timing on Facilities Renewal Projects.  
Note 2: The appropriation in Institution relates to the 2019-20 Operating Surplus to be used to mitigate Covid-19 impacts in 2020-21 and beyond

Schedule 2

Dalhousie University  
Schedule of Revenue and Expense for Operating and Endowment  
Year Ended March 31, 2020 (With Comparatives Figures for 2019)  
(unaudited)

(in Thousands of Dollars)

	2020			2019		
	Operating	Endowment	Total	Operating	Endowment	Total
Revenue	\$	\$	\$	\$	\$	\$
Provincial government operating grants	219,167	-	219,167	217,138	-	217,138
Other government grants and contracts	16,260	-	16,260	17,229	-	17,229
Corporations and foundations	490	-	490	521	-	521
Tuition fees	204,728	-	204,728	190,829	-	190,829
Non-credit and other fees	31,700	-	31,700	29,889	-	29,889
General	3,840	-	3,840	3,871	-	3,871
Gifts	606	2,238	2,844	1,109	2,033	3,142
Investment	5,042	23,328	28,370	3,826	23,933	27,759
Ancillary sales and service	-	-	-	-	-	-
External cost recoveries	40,089	-	40,089	42,907	-	42,907
Amortization of deferred capital contributions	-	-	-	-	-	-
<b>Total revenue</b>	<b>521,922</b>	<b>25,566</b>	<b>547,488</b>	<b>507,319</b>	<b>25,966</b>	<b>533,285</b>
Expense						
Salaries						
Academic	170,275	5,310	175,585	169,110	5,067	174,177
Library	3,628	3	3,631	3,465	-	3,465
Plant maintenance	14,750	-	14,750	13,798	-	13,798
Administrative and support	110,094	686	110,780	105,336	780	106,116
Benefits costs	46,891	709	47,600	47,086	614	47,700
<b>Total salaries and benefits</b>	<b>345,638</b>	<b>6,708</b>	<b>352,346</b>	<b>338,795</b>	<b>6,461</b>	<b>345,256</b>
Library acquisitions	7,973	180	8,153	8,117	226	8,343
Laboratory and teaching supplies	5,679	64	5,743	5,777	130	5,907
Equipment and service	14,765	158	14,923	13,950	211	14,161
Finance costs	3,738	-	3,738	3,572	-	3,572
Utilities and taxes	17,785	-	17,785	18,775	-	18,775
Externally contracted services	25,666	3,131	28,797	27,122	3,350	30,472
Scholarships, bursaries and prizes	25,585	12,524	38,109	24,880	11,500	36,380
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	6,935	667	7,602	6,749	595	7,344
Amortization of capital assets	-	-	-	-	-	-
General operating	21,556	814	22,370	19,891	756	20,647
Internal / interfund transfers	35,900	2,065	37,965	32,863	1,929	34,792
<b>Total expense</b>	<b>511,220</b>	<b>26,311</b>	<b>537,531</b>	<b>500,491</b>	<b>25,158</b>	<b>525,649</b>
Surplus for the year (shortfall)						
Change in year before appropriations	10,702	(745)	9,957	6,828	808	7,636
Change in net assets	(10,702)	745	(9,957)	-	808	7,636
<b>Surplus for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Schedule 3

Dalhousie University  
Schedule of Revenue and Expense - Ancillary  
Year Ended March 31, 2020 (With Comparatives Figures for 2019)  
(unaudited)

(in Thousands of Dollars)

	Arts Centre		Housing and Conference Services <sup>1</sup>		Bookstore		Dalplex		Food Service		Transfer to Operating		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other government grants and contracts	58	58	517	602	-	-	-	-	-	-	-	-	575	660
Corporations and foundations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tuition fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-credit and other fees	-	-	74	66	-	-	2,975	2,830	-	-	-	-	3,049	2,896
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary sales and service	5,438	4,977	23,390	22,654	6,086	6,030	2,224	1,980	12,721	12,645	-	-	49,859	48,286
External cost recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	5,496	5,035	23,981	23,322	6,086	6,030	5,199	4,810	12,721	12,645	-	-	53,483	51,842
Expense														
Salaries														
Academic	-	-	55	65	-	-	-	-	-	-	-	-	55	65
Library	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant maintenance	-	-	225	214	-	-	-	-	-	-	-	-	225	214
Administrative and support	715	696	4,025	3,681	860	870	1,590	1,468	148	88	-	-	7,338	6,803
Benefits costs	84	89	490	497	154	163	156	154	24	20	-	-	908	923
Total salaries and benefits	799	785	4,795	4,457	1,014	1,033	1,746	1,622	172	108	-	-	8,526	8,005
Library acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory and teaching supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment and service	25	3	771	478	62	63	364	740	252	372	-	-	1,474	1,656
Finance costs	89	116	1,432	1,604	101	111	666	511	85	84	-	-	2,373	2,426
Utilities and taxes	75	76	1,201	1,151	11	11	197	176	118	133	-	-	1,602	1,547
Externally contracted services	74	19	2,696	2,348	88	93	12	9	9,801	10,064	-	-	12,671	12,533
Scholarships, bursaries and prizes	-	-	120	203	-	-	-	-	73	153	-	-	193	356
Ancillary cost of sales and service	4,394	3,921	-	-	4,321	4,331	118	121	-	-	-	-	8,833	8,373
Travel	-	-	63	62	14	9	3	3	7	10	-	-	87	84
General operating	29	16	1,014	980	106	153	112	74	1	23	-	-	1,262	1,246
Internal / interfund transfers	25	(14)	12,884	9,651	312	453	1,346	1,601	1,804	1,783	(312)	(28)	16,059	13,446
Total expense	5,510	4,922	24,976	20,934	6,029	6,257	4,564	4,857	12,313	12,730	(312)	(28)	53,080	49,672
Change in year before appropriations	(14)	113	(995)	2,388	57	(227)	635	(47)	408	(85)	312	28	403	2,170
Net (increase) decrease in appropriations	14	(113)	270	(2,388)	(57)	199	(635)	47	5	85	-	-	(403)	(2,170)
Surplus for the year (shortfall)	-	-	(725)	-	-	(28)	-	-	413	-	312	28	-	-

<sup>1</sup> Housing and Conference Services include Residence Life operations with expenditures of \$1.6 million (\$1.5 million in 2019).

Schedule 4

Dalhousie University  
Schedule of Revenue and Expense - Restricted Funds  
Year Ended March 31, 2020 (With Comparatives Figures for 2019)  
(unaudited)

(in Thousands of Dollars)

	Capital		Special Purpose		Research	
	2020	2019	2020	2019	2020	2019
Revenue			\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-
Other government grants and contracts	708	700	7,018	3,924	84,538	77,901
Corporations and foundations	-	-	3,254	2,891	28,504	25,529
Tuition fees	-	-	-	-	-	-
Non-credit and other fees	116	225	47	80	-	-
General	2,993	1,943	3,725	3,856	98	198
Gifts	675	-	6,789	6,995	216	128
Investment	493	242	2,362	2,677	468	642
Ancillary sales and service	-	-	-	-	-	-
External cost recoveries	21,290	29,153	805	820	37	599
Amortization of deferred capital contributions	7,629	8,011	208	260	8,302	8,316
Total revenue	33,904	40,274	24,208	21,503	122,163	113,313
Expense						
Salaries						
Academic	2	8	913	841	13,449	11,503
Library	-	-	3	3	2	-
Plant maintenance	56	75	-	-	-	-
Administrative and support	131	58	5,015	4,392	30,112	26,308
Benefits costs	19	4	506	831	4,261	3,813
Total salaries and benefits	208	145	6,437	6,067	47,824	41,624
Library acquisitions	-	2	28	35	27	71
Laboratory and teaching supplies	130	371	1,279	1,135	7,731	7,548
Equipment and service	1,244	798	549	600	4,664	5,457
Finance costs	625	693	15	14	-	-
Utilities and taxes	37	59	1	1	2	2
Externally contracted services	19,251	26,924	4,366	4,410	19,241	20,100
Scholarships, bursaries and prizes	-	-	2,259	2,294	19,402	17,143
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	22	(9)	1,317	1,569	7,752	6,723
Amortization of capital assets	40,688	40,016	-	-	-	-
General operating	131	135	4,046	4,013	6,889	5,738
Internal / interfund transfers	(57,552)	(51,838)	(4,337)	(3,563)	7,865	7,163
Total expense	4,784	17,296	15,960	16,575	121,397	111,569
Surplus for the year (shortfall)	29,120	22,978	8,248	4,928	766	1,744
Change in net assets	(29,120)	(22,978)	(8,248)	(4,928)	(766)	(1,744)
Surplus for the year	-	-	-	-	-	-

Schedule 5