



Dalhousie University

Annual Financial Report

March 31, 2023

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Message from the Vice-President Finance and Administration

I am pleased to present our annual financial statements for the year ending March 31, 2023. In doing so, I would like to acknowledge the collective efforts of our community in successfully navigating the challenges posed by the global pandemic. We have managed to recover and bring the majority of our activities back to pre-pandemic levels. This demonstrates our resilience, adaptability, and commitment to serving our students, our faculty, our staff, and other stakeholders.

Our performance reflects growth in both enrolment and research activities. We continue to make strong progress on our commitments in our strategic plan, *Third Century Promise*, positioning us on the path to long-term success and fulfilling our mission.

We closed the year with a surplus of \$3.1 million, equivalent to 0.6% of our operating budget, reflecting essentially a “break even” year. The surplus was primarily driven by an increase in investment earnings and tuition revenues, along with savings in utility costs and unspent contingency. This was largely offset by additional expenditures in student assistance (scholarships and bursaries) and compensation costs.

Given the critical shortage of funds for capital infrastructure, all of the surplus will be allocated to address pressures related to the renewal and modernization of our core facilities across our campuses, as was the case with the modest surplus reported for the last year. By investing in our physical infrastructure, we are enhancing our capabilities and improving our learning environment.

Thank you to all members of our community for your dedication and contributions to our successes during the year. It is through our collective hard work, passion, and commitment that we share for Dalhousie that we have achieved these results.

Gitta Kulczycki

Vice-President, Finance & Administration



Financial Overview

2022-23 Financial Statements

INTRODUCTION

Management is responsible for the preparation, accuracy, and integrity of the information in the Annual Financial Report for the year ended March 31, 2023. Dalhousie's external auditor KPMG, appointed by the Finance, Audit, Investment, and Risk Committee of the Board of Governors, has completed the annual independent audit of the financial statements.

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.

The University's financial structure is organized using separate fund categories that group activities with 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.

FINANCIAL OVERVIEW

For fiscal year 2022-23, and consistent with prior years, Dalhousie's Statement of Revenue, Expenses and Changes in Operating Surplus indicates a surplus of \$76.9 million. This surplus is the consolidation of all University operations; it is important to note that not all funds are available to management to support general operations. The surplus flows through to net assets on the Statement of Financial Position, and, as required by generally accepted accounting principles, is classified based on the following restrictions that exist on future spending:

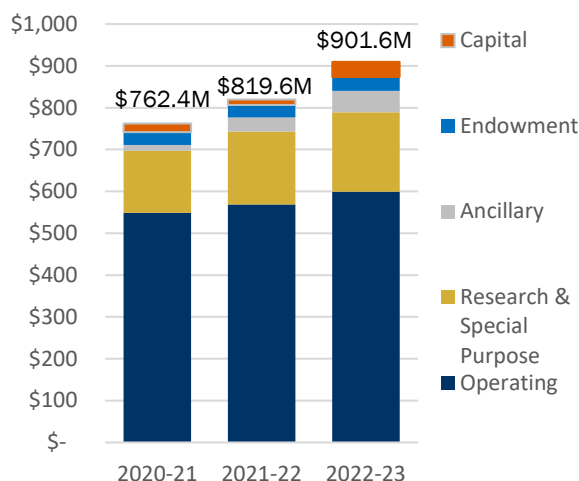
- \$42.6 million of the surplus restricted for investments in Capital Assets represents the cumulative contributions by the University to acquire long-term capital assets and fund large-scale capital upgrades or replacements.
- \$4.2 million of the surplus is restricted for future pension benefits for employees enrolled in the defined benefit pension plan.
- \$21.7 million of the surplus is internally restricted according to university policy. Approximately \$14.0 million of this operating surplus is associated with facilities renewal and maintenance projects that could not be completed due to lack of available labour.
- \$5.3 million of the surplus relates to research and special purpose externally restricted balances that have stipulations regarding the use of funds.

The balance of \$3.1 million represents the 2022-23 unrestricted operating budget surplus. Detailed analysis of the actual operating results compared to budget are provided in the **Operating Budget Results Report**.

FINANCIAL HIGHLIGHTS

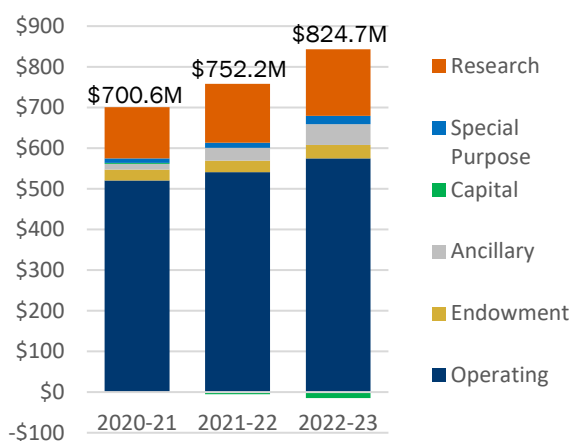
Total Revenue by Fund

- Total revenue increased \$82.0 million (10%) over the prior year
- Operating revenues increased \$30.6 million (5.4%) over 2021-22 primarily due to increased tuition revenue
- Ancillary activities increased to near pre-pandemic levels, resulting in a \$17.6 million (52%) increase in revenue
- Research activity increased resulting in an increase of \$12.4 million (8.1%) over the prior year



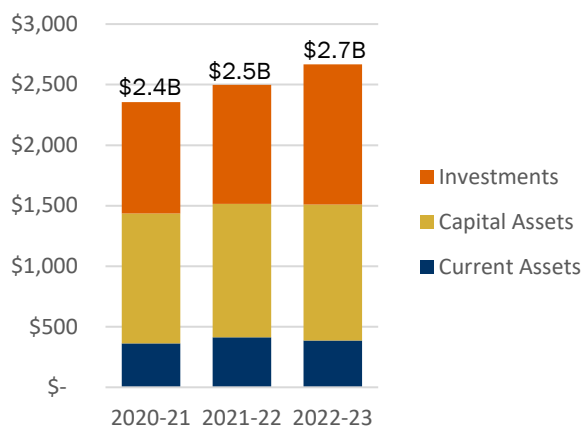
Total Expenses by Fund

- Total expenses increased by \$72.5 million (9.6%) over 2021-22
- Salary & benefits increased by \$31.6 million (7%) over 2021-22



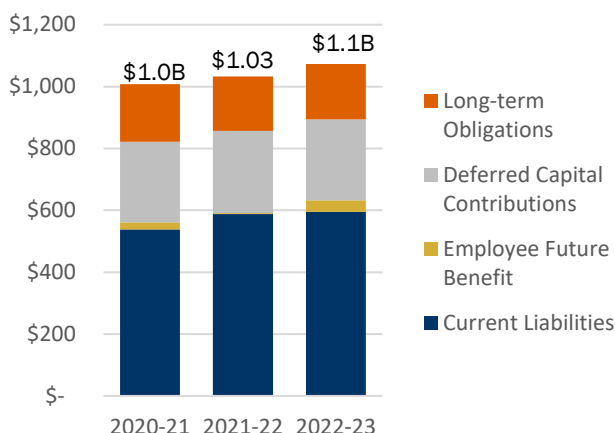
Total Assets

- Total Assets increased by \$144.8 million over 2021-22
- Investments increased by \$173.4 million over 2021-22. Integration of the Dalhousie Medical Research Fund (DMRF) assets account for \$72 million of the increase
- Cash and capital assets are relatively consistent with prior years



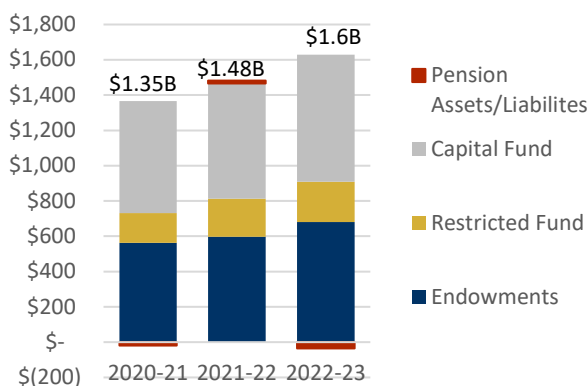
Total Liabilities

- Total Liabilities increased by \$40.2 million over 2021-22
- Employee future benefit obligations increased by \$34.3 million
- Included in long-term obligations is \$29.7 million representing funds held on behalf of the Province of NS to administer the Tourism Sector Financing Assistance Program
- Long-term obligations increased primarily due to new debt issued to fund the Thermal Plant capital project



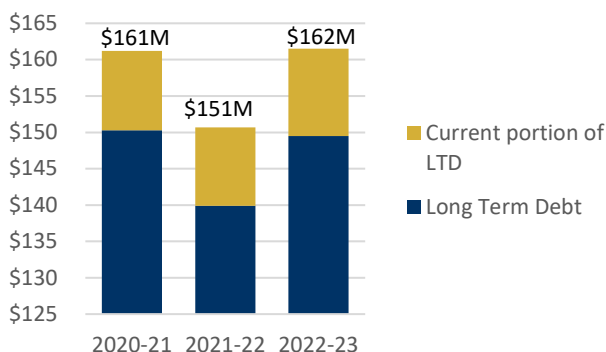
Net Assets

- Total net assets increased by \$104.6 million (7.1%)
- The increase of \$83.5 million in Endowment assets is primarily related to the integration of DMRF endowment funds



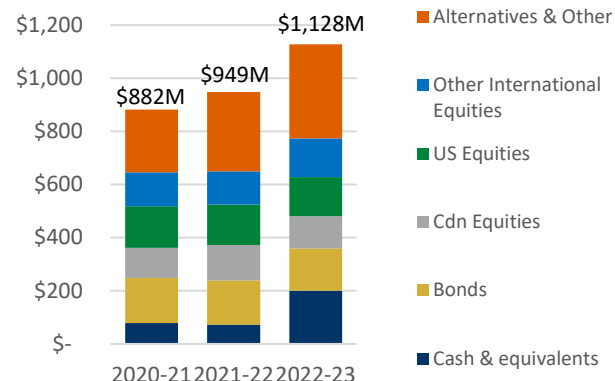
Long Term Debt

- Long-term debt increased by \$10.9 million representing a new debt issue of \$20 million net of principal repayments
- Average Debt per FTE has increased to \$8,624 from \$8,000 in 2021-22



Investments

- Total investments increased by \$179.4 million (18.9%)
- Treasury bills, notes and GIC'S increased by \$123.0 million as GIC'S and other short-term investments were purchased to take advantage of rising interest rates
- Alternatives & Others increased by \$55 million primarily related to the integration of DMRF's endowment assets of \$72 million

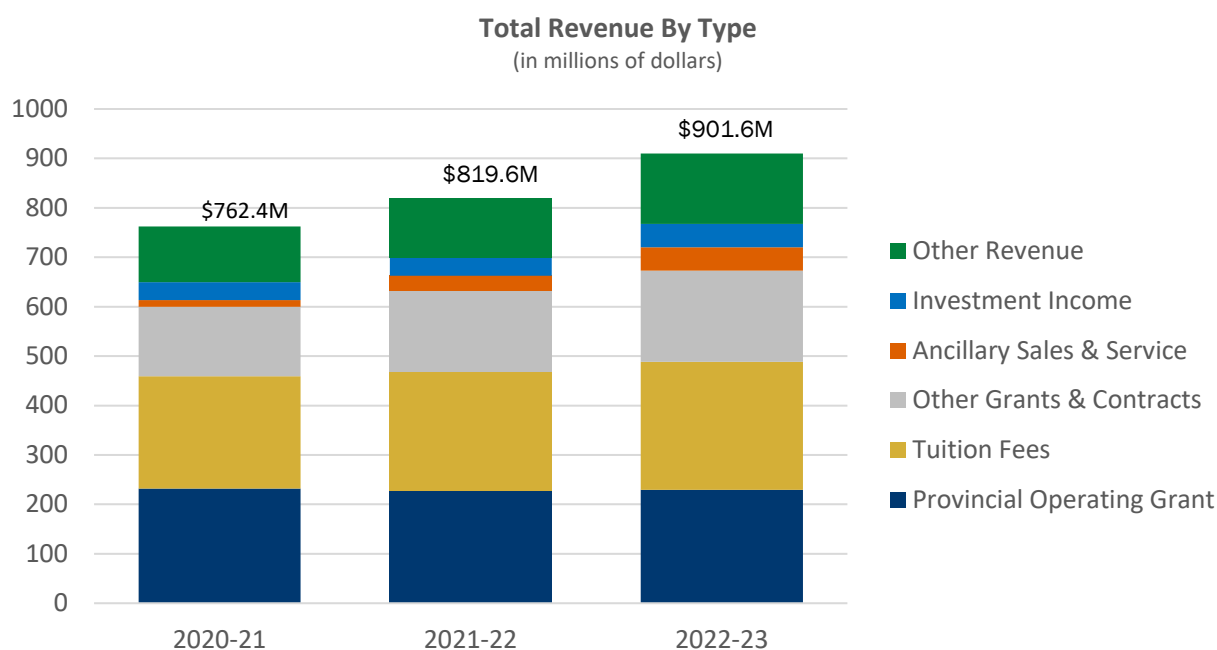


ANALYSIS OF FINANCIAL RESULTS

This section reviews the highlights of revenue and expenditure for the 2022-23 year in comparison to the prior year.

REVENUES

The University's total revenue from all sources in fiscal 2022-23 was \$901.7 million; an increase of 10% over previous year revenues of \$819.6 million. The increase is primarily related to increased student tuition from inflationary increases and increased enrolment, investment income related to increased interest rates, increased revenue from ancillary services that have returned to operating levels more consistent with pre-COVID, and other grants and contracts associated with increased research activity.



Provincial Government Operating Grant

The provincial operating grants increased 1.3% to \$229 million in 2022-23 representing the second largest source (25.2%) of total revenue for the University. The increase includes the 1% outlined in the Memorandum of Understanding with the Province of Nova Scotia and the remaining 0.3% increase relates to grants to support increased enrolment for specific academic programs in the Faculty of Medicine.

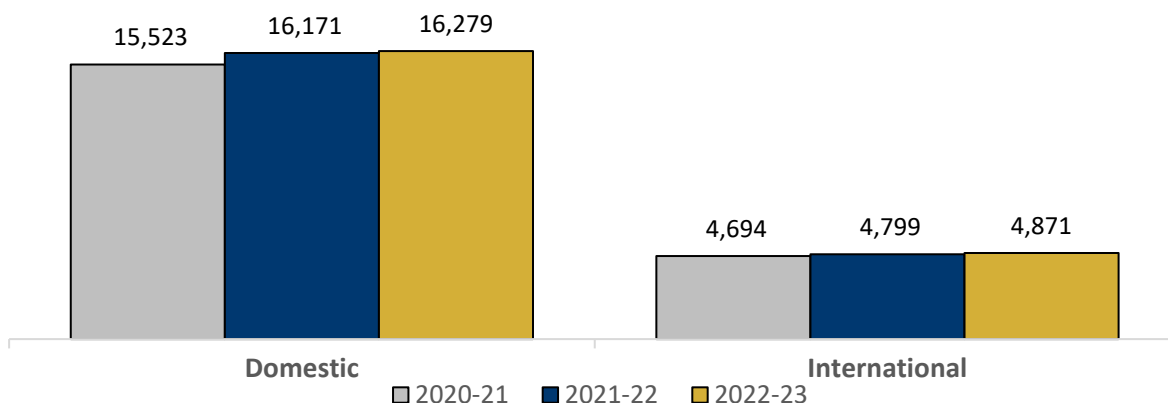
Tuition Fees

Tuition represents the largest source (28.5%) of total revenue at \$258.9 million in 2022-23. This includes the general tuition of \$238.7 million and \$20.2 million of revenue from specialty programs/cohorts received directly by Faculties.

Tuition fee revenue increased by \$16.4 million (8.4%) over 2021-22, a result of both enrolment growth and approved tuition fee increases. Total enrolment increased by 180 students (0.9%) to 21,150 in 2022-23; domestic enrolment increased 0.67% from 2021-22, while international enrolment increased 1.5%.

Enrolment Statistics - by Permanent Residence

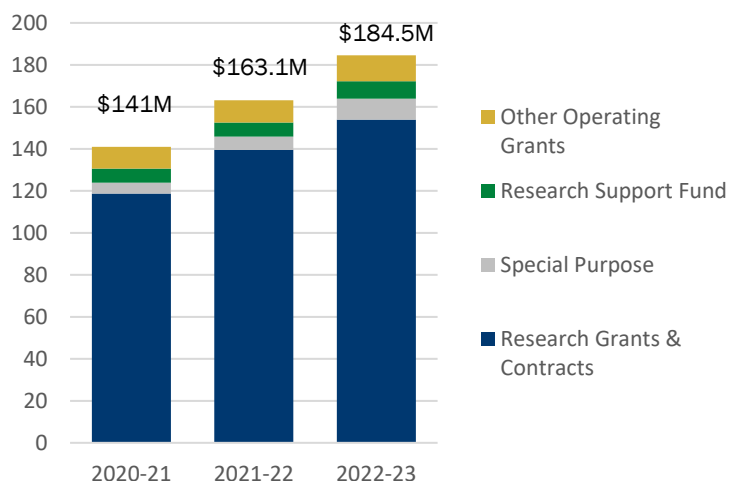
Source: Registrar's Office as of December 1



Other Grants and Contracts

Other grant and contract revenue is made up primarily of research and special purpose accounts. Combined they represent 89% of the total \$184.5 million revenue in 2022-23 and have grown \$18 million (12%) over 2021-22.

Dalhousie's researchers are accountable to manage approximately 4,200 segregated research grant and contract accounts, reporting to over 400 funders and sponsors. There are also approximately 1,100 Special Purpose accounts. Research and Special Purpose revenue must be used for the purposes specified by contributors and sponsors and are not used to support the general operations of the University.



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

The increase in research grants and contracts is largely due to an increase in revenue from large-scale grants and contracts (\$0.5 million in revenue or greater). Forty grants and contracts represented 40% of research revenue, the largest of which are the following:

- \$9 million generated from the Ocean Tracking Network's Major Science Initiative CFI project.
- \$7.7 million generated from the CFREF funded Ocean Frontier Institute
- \$5.5 million generated from a major CFI Project
- \$6.5 million received from Public Health of Canada for Covid-19 research.

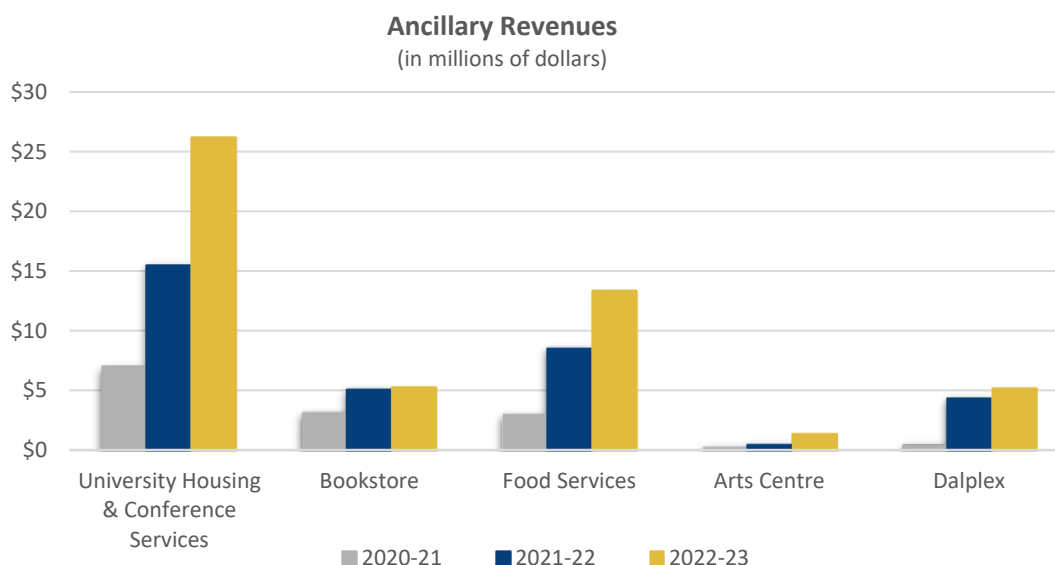
Canadian universities also receive an annual grant from the Federal Research Support Fund (RSF) program based on the level of federally funded research (i.e., NSERC, SSHRC, and CIHR). This grant is provided to

defray a portion of the indirect costs to support research activities that are incurred that are included in the operating budget. For 2022-23, the annual RSF grant was \$8.3 million, which was 24% higher than the 2021-22 grant.

Ancillary Sales & Services

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

Ancillary revenues increased by \$17.6 million or 52.9% over 2021-22 to \$51.4 million in 2022-23. The increase is due to the recovery of operations in all areas to near pre-pandemic operating levels. Most of the increase was in Housing and Conference Services (\$10.7 million) and Food Services (\$4.9 million) because of increased residence occupancy and third-party conference bookings.



Investment Income

Investment income consists of earning on both endowed and non-endowed investments. Short term investments are primarily interest-bearing securities with a term exceeding three months and relating to the investment of temporary cash surpluses while endowment funds are held in pooled funds, equities, bonds and alternatives. Total Investment income has increased \$11.1 million over 2021-22, the increase is mostly resulting from taking advantage of the sharp increase in interest rates during the year and purchasing more favorable GIC's and other variable rate instruments. In addition, there was an overall increase in endowment income.

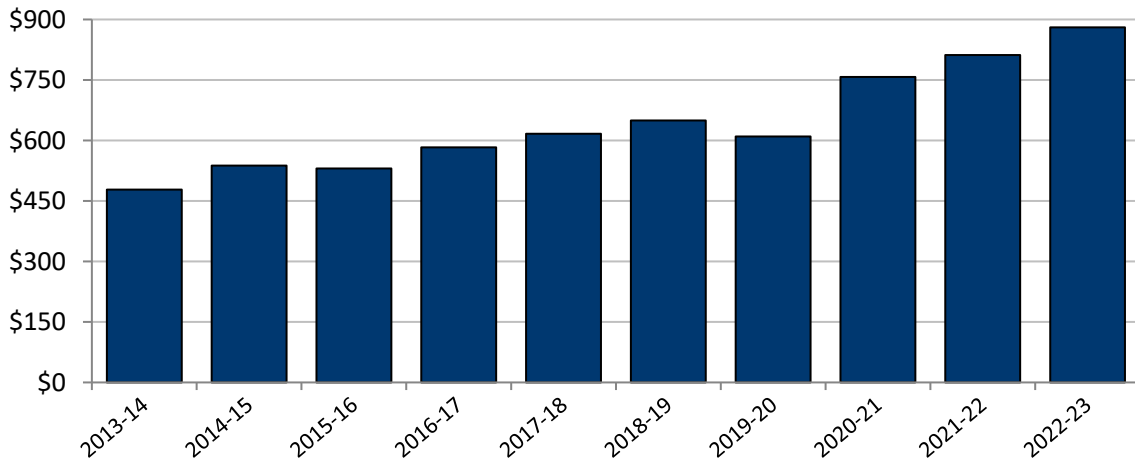
Investment income from over 1,600 endowment funds supplements operations of Faculties and units through support for scholarships and bursaries for students, academic chairs and salaries, library materials, and Faculty program costs. The funds must be spent according to the terms of the individual endowments as established by donors. In 2022-23, endowment revenue supported costs of \$32.8 million to supplement the operations of the Faculties and Units as is further described in the Operating Budget Report.

As shown in the graph below, the earnings on endowment principal growth provide support for the donor-specified activities at the University. The market value of the University's endowment assets was \$880.6

million as of March 31, 2023. The \$68.6 million increase over 2021-22 is primarily comprised of the integration of the (DMRF) investments of \$72 million, new gifts of \$6.7 million, offset by market decline of \$13 million. Realized gains were offset by endowment spending.

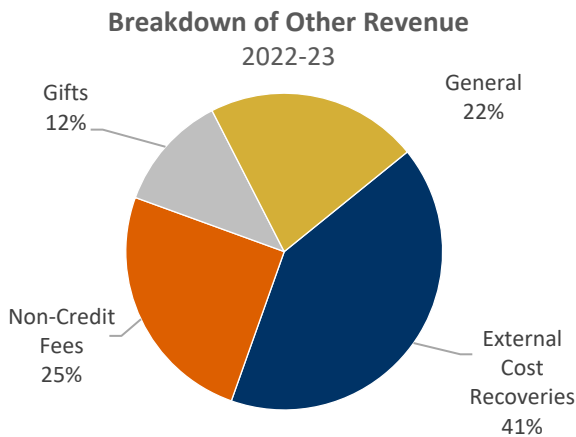
Market Value of Endowment Assets

2013-14 to 2022-23
 (in millions of dollars)



Other Revenue

Other revenue increased \$13.9 million (12%) to \$134.4 million in 2022-23. The following chart illustrates the breakdown of other revenue for 2022-23.



The most significant increase over 2021-22 was related to external cost recoveries, which increased by \$7.7 million (16%) over 2021-22, primarily driven by the settlement of the Cox fire and the Tupper Building insurance claim.

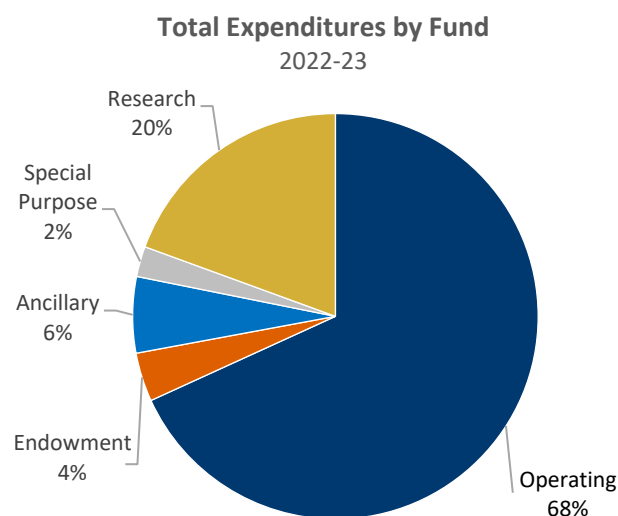
Non-credit and other fees include fees for programs offered through the Faculty of Opening Learning and Career Development, as well as athletic and recreation fees. Total non-credit and other fees have increased 5% over 2021-22.

EXPENDITURES

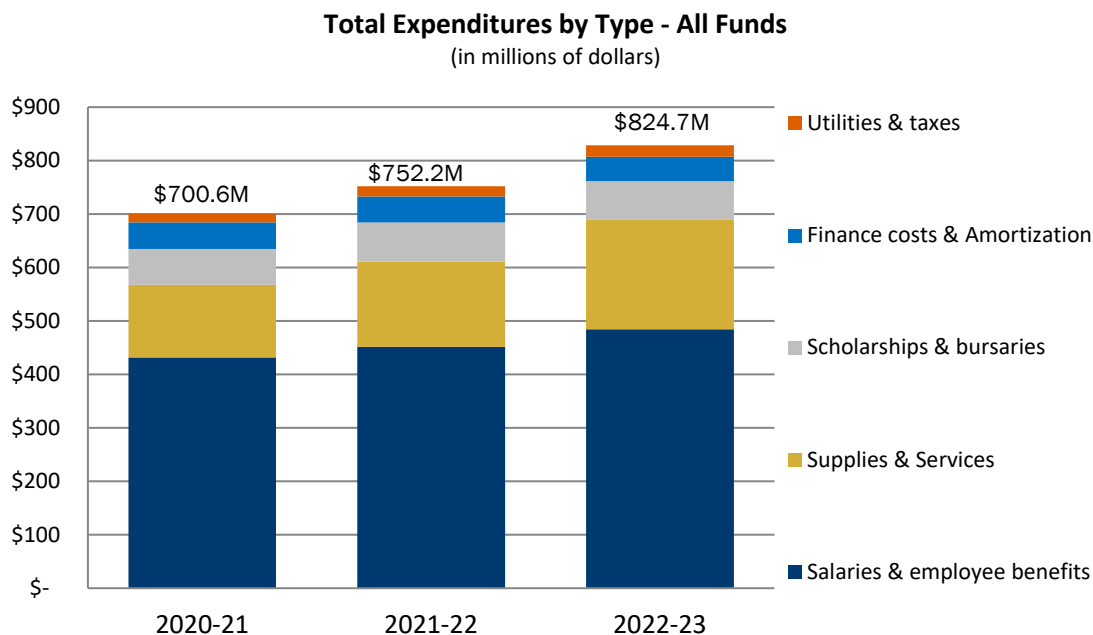
Dalhousie's total expenditures across all funds in fiscal 2022-23 were \$824.7 million, an increase of 9.7% over 2021-22 (\$752.2 million).

2022-23 Operating and Research expenses were \$575.1 million and \$163.9 million, respectively. Combined, they represent 88% of total expenditure. While the total has been relatively consistent over time, the proportion of expenses that are related to research has been steadily increasing year over year.

Ancillary expenses were \$20 million higher (61% increase) than the prior year, reflecting the increase in operating activity back to near pre-pandemic levels.



The following graph compares total expenses for the last three years by major expenditure category. The increase in operating expenses over the prior year is related to compensation costs (salary and employee benefits) and the cost of supplies and services.



Salaries and Employee Benefits

Salaries and benefits (compensation) represent 58% of total expenditures for 2022-23. Total compensation was \$484.4 million for 2022-23, a \$31.6 million (7%) increase over 2021-22. The following are the significant factors contributing to the increase:

- Annual compensation increases. Collective agreements with all employee groups expired during the year; the CUPE and DFA agreements were settled, while NSGEU 99 and NSGEU 77 agreements are

still in negotiation. Compensation costs for employee groups not yet settled include estimated salary increases.

- Increase in headcount across Faculties and Units following university investment in strategic priorities such as academic program support for equity, diversity and inclusion seeking groups, educational development support, student advising, international student support and recruitment and digital strategy.

Supplies and Services

Total supplies and services which includes library, lab and teaching supplies, externally contracted services, travel, and other general operating expenses were \$204.7 million in 2022-23, an increase of \$45.3 million (28%) over 2021-22. The most significant factors contributing to the increase include:

- Equipment and services increased \$8 million over 2021-22 due to increased research activity.
- Externally contract services increased \$21.4 million (29%) over 2021-22. Driven by higher external contracts for food services and residence services providers due to increase in residence occupancy and return to pracademic activities.
- Travel costs increased by \$9.2 million over 2021-22. With COVID-related travel restrictions being lifted there was a significant increase in travel. The most significant portion of the increase \$6.4 million (70% of increase) was related to academic and research activities.



Operating Budget Results

2022-23

INTRODUCTION

The Board of Governors approved the University's 2022-23 balanced budget with revenues and expenditures of \$516.7 million and \$516.7 million, respectively.

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 2022-23. The approved budget included a provision for compensation adjustments. This budget line is distributed to Faculties and Service and Support units during the year as compensation increases become known for faculty and staff (Note 8 d). The final budget column reflects these adjustments and base allocations from strategic initiatives and essential priorities made to Faculties/Units in the Responsibility Centre Expenditure category. The final budget also includes increases in the tuition budget related to PharmD.

OPERATING BUDGET RESULTS

Overall, the University results for 2022-23 produced a net surplus of \$3.1 million, representing 0.64% of operating revenues. The net surplus results from higher-than-expected investment earnings of \$2.7M, a favourable variance in tuition revenues of \$2.5 million, \$1.1 million in saving from unspent contingency funds, \$1.5 million of utility cost savings and \$1.7 million in savings related to the provision for ongoing costs resulting from the pandemic. These favourable variances were partially offset by increased costs in student assistance of \$0.5 million and an increase in the Provision for Compensation of \$5.8 million.

The surplus allows the University to address some pressures related to the renewal and modernization of our core facilities across our three campuses. To further support teaching, learning and research facilities, the surplus will allocate one-time funds to the following:

- i. \$1.7 million to support the remaining funding gap on the Rosina site on the Sexton campus.
- ii. \$1.5 million to support completing the 4th and 5th floors of the Collaborative Health Education Building (CHEB) that has been designated Health research and education spaces to transform interdisciplinary health teaching, learning and research at Dalhousie. This space will provide an opportunity to allow students to experience collaborative education, including high-frequency simulations. Project planning continues, and the Faculties of Health and Medicine have committed initial sums totalling \$1.0 million in support. There was also an allocation of \$1.5 million from the 2021-22 surplus.

Faculty, staff, and students require quality facilities to teach, research, learn, and work. These investments in our capital infrastructure allow for the opportunity to renew and modernize our space.

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

COMMENTARY ON MAJOR REVENUE & EXPENDITURE VARIANCES

1. Government Grants

a) Provincial Operating Grants:

Provincial Government grants from the Department of Labour and Advanced Education support the University budget. Funding includes the block operating grant, which increased by 1% in 2022-23, student assistance grants, and specific grants for academic programs and space costs. All grants received were consistent with the budget except the provincial grants supporting bursary and scholarship programs. These grants provide direct assistance to Nova Scotian students and equal the costs for the year resulting in no net impact on the University's operating budget.

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

Budget and Actual - Grant Amounts			
(in thousands of dollars)			
	2022-23	2022-23	
	Budget	Actual	Variance
University Operating Grant	201,596	201,596	-
Provincially Supported Student Assistance Programs			
Nova Scotia Bursary	8,190	8,591	401
Nova Scotia Graduate Scholarship	3,000	3,195	195
Program Specific Grants			
Health (Nursing, Occupational Therapy & Physiotherapy)	6,218	6,218	-
Medicine	8,900	8,900	-
Other	80	(20)	(100)
Facilities/Space Grant	1,000	1,000	-
	<u>228,984</u>	<u>229,480</u>	<u>496</u>

b) Federal Research Support Fund Grant:

Canadian universities receive an annual grant from the Federal Research Support Fund (RSF) program based on the level of federally funded research (i.e. NSERC, SSHRC, and CIHR). This grant defrays a portion of the indirect operating costs incurred (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). In 2022-23, an additional \$0.5 million was provided to support Research Security. These funds are reflected as an over expenditure in IT Infrastructure and Research Services.

2. Investment Income

a) Endowment Income (and Related Expenditure Lines):

The University has more than 1,600 endowments that provide student assistance and supplement Faculty and Unit budgets (through support for named chairs, salaries, and research costs) through annual spending allocations. Donors have established terms for each endowment. Investment income earned must be spent according to the purposes specified. As a result, annual investment income must equal the actual expenditures from the endowments for the year, and therefore there

Dalhousie University
Operating Budget Results
For the Year Ending March 31, 2023

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:

	2022-23 Approved Budget	2022-23 Final Budget	2022-23 Actual	Variance
Endowment Investment Income	37,117	37,277	32,839	4,438
Endowment Expenditures				
Student Assistance	8,976	8,913	8,647	266
Endowment Management expense	4,900	4,982	4,092	890
Included in Faculties and Units:				
Faculties and other academic units	22,643	22,763	19,513	3,249
Academic support units	80	85	81	5
Student Affairs	216	243	224	19
University Housing	302	291	283	9
Total Endowment Expenditures	37,117	37,277	32,839	4,438

Effective October 1, 2023, Dalhousie Medical Research Foundation was integrated with Dalhousie; 2022-23 expenditures include \$0.6 million of related spending.

The Endowment management expenses are calculated based on the fair market value of the endowment investment portfolio; the decline in market value during the year resulted in the actual costs being below budget.

Expenditures in most of the faculties were also under budget for the year. The significant variances related to vacancies in Academic chairs across many faculties, combined with general underspending of all Faculties. A detailed breakdown of Faculty and Support Unit endowment expenditures for the year compared to the budget is included in Appendix A.

b) Investment Income – Operating:

The University invests cashflows according to the Expendable Funds Investment Policy. A portion of Investment income is allocated to support the operating budget. The University's short-term investment revenue is \$2.7 million higher than budget due to increased interest rates during the year and higher than projected cash balances resulting from decreased and delayed spending.

3. Tuition Fees

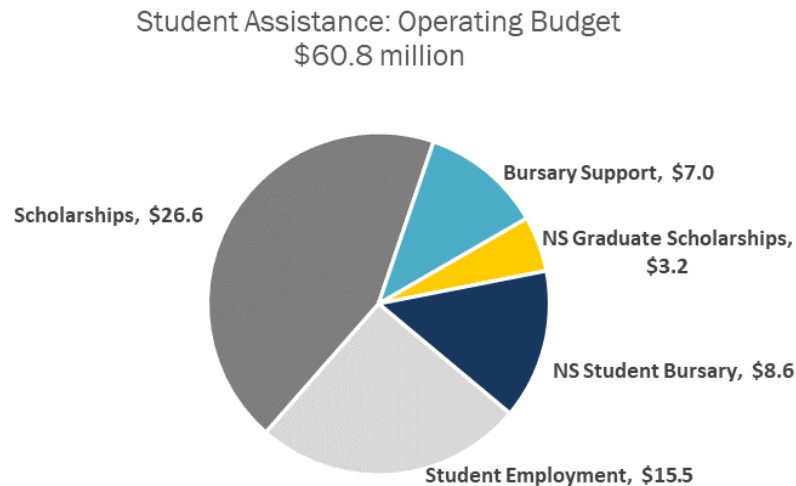
Overall, tuition revenue is better than budget by approximately \$2.5 million; Fall 2022 enrolment increased by 0.9% compared to the previous year, with an increase of 91 domestic students and 88 international students. Summer 2022 enrolment decreased by 3.1% compared to the prior year but was better than the budget.

The mix of international graduate and undergraduate students was different than budgeted, impacting international tuition revenue because undergraduate international students pay more tuition than thesis-based graduate students. Fall 2022 enrolment increased by 15.8% in international graduate students, while international undergraduate enrolment decreased by 3.4%.

4. Scholarships, Bursaries, and Student Assistance

During the year, the operating budget provided a total student assistance of \$34.7 million, reflecting an overspending of \$876,000 due to additional undergraduate renewable scholarships awarded to incoming students. The \$34.7 million does not reflect the total spending on student assistance; other awards are made directly by Faculties and units out of their operating budget allocations.

Overall, in 2022-23, \$60.8 million was spent on student assistance, including scholarships, bursaries, and student employment, as per the breakdown below:



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

University endowment funds are also an essential source of financial support for students. In 2022-23, \$8.6 million was awarded to students through the central endowment student assistance budget. Endowments managed by individual Faculties and Units provided a further \$6.0 million in student assistance.

5. Campus Renewal

The Campus Renewal budget is allocated to facilities renewal projects, including long-term campus renewal costs such as debt service and rental requirements for University space. As in prior years, several project timelines were significantly delayed due to the supply chain and labour shortages. Because several projects were not completed as of March 31, \$11.4 million has been carried forward to complete these projects in 2023-24.

Projects throughout the year included envelope renewal on the G building, University Club building, Langille Building and Howe Hall, safety upgrades such as eye wash stations and fire alarm panels

across several buildings, elevator renewal in the Life Sciences Central Services and Dentistry Buildings, classroom upgrades in the Life Sciences building, and a dock extension in the Dentistry building.

6. Energy, Water, Taxes, and Insurance

Overall, in 2022-23 there were savings of \$1.5 million (6%), primarily due to improved natural gas consumption due to a warmer winter and reduced electricity consumption offset by increased electricity pricing.

Over the last decade, sustainable energy projects have saved \$4.6 million per year on utilities. These savings are used first to retire the costs of these projects but will benefit the operating budget in future years.

7. Strategic Initiatives and Essential Priorities

The University budget included \$9.5 million for Strategic Initiatives and Essential Priorities. In 2022-23, \$2.6 million of base funds and \$3.7 million of one-time funds were allocated, leaving a balance of \$3.2 million that will be carried forward for spending in future years. The details of the spending by Strategic Pillar are outlined below.

	2022-23 One- Time Spending	2022-23 Base Spending
Pillar 1: Exceptional Student Experience	1,001	741
Pillar 2: Inclusive Excellence	267	165
Pillar 3: High Impact Research	411	-
Pillar 4: Civic University with Global Impact	303	-
Pillar 5: A Foundation for Inclusion and Distinction	1,737	1,665
	3,719	2,571

Highlights of Initiatives supported during the year include the development of an Indigenous Studies Major, a Black and African Diaspora Studies Major, support for benchmarking initiatives such as UniForum, simulation upgrades, as well as support for equity, diversity and inclusion initiatives across the institution, including salary support for an accessibility planning specialist, educational developers, equity policy implementation, training and anti-racism initiatives, and additional positions in the Office of Equity, Diversity Inclusion.

8. Responsibility Centre and Ancillary Expenditures

About 80% of the University's budget is allocated to Faculties and Central Service and Support Units.

a) Endowment Program

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

b) Academic

The University *Carry-Forward Policy* allows Faculties and major academic units to carry forward budget savings and requires them to address overruns. As a result, the only reported variance

relates to the increased revenue relating to enrolment under the agreement with the University of King's College to provide teaching services for King's students.

Academic Units added \$8.6 million to the carry-forward balances for the year (see Appendix A for breakdown by Faculty). Savings resulted from salary cost savings due to hiring delays, reduced travel, and delays in spending related to supply chain issues. Faculty carry-forwards can be used to fund one-time projects and initiatives. Faculty overspending must be repaid according to an established plan. The Provost and Vice President Academic and Vice President Finance and Administration continue to work with Faculties on their carry-forward plans.

c) Service and Support Units

i) Academic Support Units:

Information Technology Services overspent by \$0.5 million, \$0.4 million related to Federal Research Security funding announced during the year and \$0.1 million as a planned draw on carry-forward as part of the multi-year plan for continued performance and security improvements to the University's network and systems infrastructure. The Centre for Teaching and Learning experienced savings which will be retained to support further advancement in the teaching and learning experience.

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

Variances in these areas netted an overall savings of \$1.5 million, primarily driven by less pandemic-related expenditures than planned. Other material variances include:

- This winter's increase in student applications generated \$342,000 in additional application revenue.
- Financial Services experienced salary savings during the year, resulting in \$145,000 to be carried forward to support staff development and upskilling over the next year.
- Planning and Analytics drew on carry forward funds by \$112,000 to support staffing needs according to plan.
- The Registrar's Office incurred significantly more agent fees than budgeted to support the student recruitment process. In addition, the Registrar's Office drew on \$214,000 from carry-forward to support the CRM implementation.
- Research Services overspent by \$338,000 million; \$143,000 related to Federal Research Security funding announced during the year; and a \$195,000 planned draw from carry-forward.
- Facilities Management 2022-23 budget included a provision for ongoing pandemic-related costs of \$2.0 million; however, during the year, only \$259,000 of expenses were incurred, resulting in net savings of \$1,741,000.

Service and Support Units may carry forward savings when approved for specific purposes. Units have used these funds to address priority institutional and department projects such as employee development, training, and system implementation. Appendix A provides a breakdown of these units drawing on or carrying forward savings.

d) Provision for Compensation –

The approved budget included an estimate of scale and progression increases (and related pension and benefit increases). These are distributed to Faculty and Unit budgets once the amounts have been paid out. The agreements with NSGEU 77 and NSGEU 99 have not been finalized as of year-end, so no payments have been paid to these groups of employees. Overall, compensation costs in 2022-23 are greater than budgeted because the salary increases that have been negotiated are higher than the rates included in the budget.

The University's contribution to the pension plan is determined based on an actuarial consultant's valuation of the plan's financial position as required by the Nova Scotia Pension Benefits Act. The January 31, 2020, valuation required increased employer payments to fund the Pension Plan. Pension regulations allow for the increase to be phased in over four years. A new valuation as of January 31, 2023, will inform employer contribution levels on an ongoing basis. For 2022-23, the University transferred \$4.5 million to the Pension Stabilization Fund to transition to the increased contribution requirements.

e) Ancillaries –

The ancillary budget includes the Bookstore, University Housing and Conference Services, Residence Life, Food Services, Dalplex (Fitness Centre), and Arts Centre facilities. These units are responsible for covering their costs, including maintenance, from revenues generated. The following is a summary of the actual results compared with the budget for the year:

- i) The Arts Centre had better than budgeted revenues combined with salary savings and project delays, resulting in a net surplus of \$310,000. The surplus will be carried forward to complete the planned bathroom renovations and camera upgrades in 2023-24.
- ii) The Dalplex experienced better than budgeted revenues combined with salary savings allowing for a small surplus at year-end of \$25,000.
- iii) The University Residences had better than planned occupancy and conference business during the year resulting in a net surplus of \$3.3 million. This surplus is allocated to reserves to fund future capital improvement of the residences and related facilities.
- iv) Food Services budgeted a surplus of \$43,000. Cost savings related to contracted services and project expenses resulted in a final net surplus of \$280,000, which will be reserved for future use (e.g., contract renewal and equipment refresh).
- v) The University Bookstores produced a net surplus of \$43,000. The Halifax Bookstore experienced improved margins, which enabled \$65,000 to be added to carry-forward, while the Truro Bookstore had a shortfall of \$22,000 relating to weak sales.

Dalhousie University
Operating Budget Results - Summary
As at March 31, 2023

(thousands of dollars)

	Approved Budget	Final Budget (1)	Actual	Variance Fav (Unfav)
REVENUE				
Provincial Government Grants				
Operating	201,596	201,596	201,596	-
Scholarship and Bursary Program Grants	11,190	11,190	11,786	596
Program Specific Grants	15,198	15,198	15,098	(100)
Facilities/Space	1,000	1,000	1,000	-
	228,984	228,984	229,480	496
Federal Research Support Fund Grant	6,716	7,805	8,317	512
Investment				
Endowment	37,117	37,277	32,839	(4,438)
Operating	3,600	3,600	6,307	2,707
Tuition Fees	236,094	236,304	238,768	2,464
Facilities Renewal Fee	4,217	4,217	4,299	82
TOTAL REVENUE	516,728	518,187	520,010	1,823
GENERAL OPERATING EXPENDITURES				
Scholarships, Bursaries and Student Assistance				
Operating	13,735	13,735	14,281	(546)
Scholarship and Bursary Program	11,190	11,190	11,786	(596)
Endowment	8,976	8,913	8,647	266
Campus Renewal				
Annual Facilities Maintenance	37,001	38,090	38,172	(82)
Long Term	6,625	6,625	6,625	-
Energy, Water, Taxes, Insurance (net of recoveries)	25,532	25,861	24,395	1,466
Endowment Management Expenses	4,900	4,982	4,092	890
Strategic Initiatives and Essential Priorities	9,513	6,865	6,865	-
Equipment and Furniture Allocation	2,516	2,516	2,516	-
Contingency	2,600	2,601	1,485	1,116
TOTAL GENERAL OPERATING EXPENDITURES	122,588	121,378	118,864	2,514
RESPONSIBILITY CENTRE EXPENDITURES				
Academic	284,358	300,727	297,222	3,505
Academic Support	18,007	19,241	19,684	(443)
Administration	37,841	41,623	41,982	(359)
General	1,547	1,553	1,384	169
Facilities Management	24,961	26,095	24,354	1,741
Student Services	7,887	8,723	8,718	5
Provision for Compensation ⁽²⁾	19,227	(1,319)	4,434	(5,753)
TOTAL RESPONSIBILITY CENTRE EXPENDITURES	393,828	396,643	397,778	(1,135)
TOTAL OPERATING EXPENDITURES	516,416	518,021	516,642	1,379
NET ANCILLARY EXPENDITURES	312	166	229	(63)
TOTAL EXPENDITURES	516,728	518,187	516,871	1,316
SURPLUS	-	-	3,139	3,139

(1) The final budget includes the distribution of the Provision for Compensation and base allocations from Strategic Initiatives and Essential Priorities. Tuition revenue budget includes tuition revenue increase of \$210k for the phase-in of the PharmD program and the Faculty of Health budget has been adjusted accordingly. Endowment Investment Income includes increase of \$160k related to change in spending allocation in the Faculty of Management.

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

Dalhousie University
 Operating Budget Results - Detail
 As at March 31, 2023

(thousands of dollars)

	Approved Budget	Final Budget ⁽¹⁾	Actual ⁽²⁾	Variance Fav (Unfav)
ACADEMIC				
Agriculture	18,498	19,669	19,669	-
Architecture	5,111	5,392	5,392	-
Arts and Social Sciences	22,539	24,437	24,437	-
Computer Science	13,273	14,259	14,259	-
Dentistry	10,671	11,463	11,463	-
Engineering	22,246	23,959	23,959	-
Graduate Studies	2,458	2,844	2,844	-
Health	33,673	35,399	35,399	-
Law	13,295	13,992	13,992	-
Management	15,432	16,784	16,784	-
Medicine	56,558	58,891	58,891	-
Science	40,712	43,379	43,379	-
University Library	21,180	21,967	21,967	-
Open Learning & Career Development	1,278	1,326	1,326	-
College of Sustainability	1,651	1,725	1,725	-
Centres, Institutes & Special Projects	2,687	2,935	2,935	-
International Support to Faculties and Units	551	-	-	-
Cooperative Education Office	907	1,031	1,031	-
Faculty Related Costs (e.g. Travel, Leave Grants, PDA)	2,800	2,961	2,961	-
Kings' Transfer	(2,177)	(2,706)	(2,955)	249
Academic Initiatives	1,015	1,020	1,020	-
Transfer to Endowment Carryforward ⁽³⁾	-	-	(3,256)	3,256
TOTAL ACADEMIC	284,358	300,727	297,222	3,505
ACADEMIC SUPPORT				
Art Gallery	230	236	236	-
Centre for Learning and Teaching	1,367	1,765	1,765	-
IT Infrastructure	3,825	3,835	3,835	-
Information Technology Services	12,610	13,430	13,871	(441)
Printing Centre	(25)	(25)	(25)	-
Transfer from Endowment Carryforward ⁽³⁾	-	-	2	(2)
TOTAL ACADEMIC SUPPORT	18,007	19,241	19,684	(443)

(1) The final budget includes the distribution of the Provision for Compensation and base allocations from Strategic Initiatives. The Tuition Fees budget and the Faculty of Health budget have both been increased by \$210k to reflect the phase-in of the PharmD program.

(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 2).

Dalhousie University
Operating Budget Results - Detail
As at March 31, 2023

(thousands of dollars)

	Approved Budget	Final Budget ⁽¹⁾	Actual ⁽²⁾	Variance Fav (Unfav)
<u>ADMINISTRATION</u>				
Application Fees and Services Recovery	(1,757)	(1,757)	(2,099)	342
Advancement	7,167	7,671	7,671	-
Communications and Marketing	3,763	3,980	3,980	-
Environmental Health and Safety	1,587	1,582	1,582	-
Financial Services	5,241	5,958	5,958	-
Human Resources	3,762	4,047	4,089	(42)
Planning & Analytics	1,450	1,545	1,545	-
President's Office / Provost Office	2,343	2,546	2,546	-
Registrar & Admissions	6,858	6,881	7,357	(476)
Research Services	2,809	2,951	3,094	(143)
University Services ⁽³⁾	4,618	6,219	6,272	(53)
Transfer to Endowment Carryforward ⁽⁴⁾	-	-	(13)	13
TOTAL ADMINISTRATION	37,841	41,623	41,982	(359)
<u>GENERAL</u>	1,547	1,553	1,384	169
<u>FACILITIES MANAGEMENT</u>	24,961	26,095	24,354	1,741
<u>STUDENT SERVICES</u>				
Awards Office & Student Services Centre -Sexton	58	430	430	-
Student Support Services (including Vice Provost Student Affairs Office)	5,130	5,513	5,513	-
Student Wellness (including Counselling)	1,578	1,613	1,613	-
Recreation and Athletics	1,121	1,167	1,167	-
Transfer to Endowment Carryforward ⁽⁴⁾	-	-	(5)	5
TOTAL STUDENT SERVICES	7,887	8,723	8,718	5
<u>ANCILLARIES</u>				
Dalhousie Arts Centre	380	380	380	-
Dalplex	181	184	184	-
Food Services	(39)	(43)	(8)	(35)
Residence Life	1,758	1,832	1,832	-
University Bookstore	(103)	(104)	(66)	(38)
University Housing	(1,865)	(2,083)	(2,083)	-
Transfer to Endowment Carryforward ⁽⁴⁾	-	-	(10)	10
TOTAL ANCILLARIES	312	166	229	(63)

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

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

(3) The University Services budget line includes Equity, Diversity and Inclusion Office, Legal Counsel Office, Government & Global Relations Office, Interuniversity Services, Internal Audit Office, Risk and Assurance Office, and UniForum.

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

(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 ⁽¹⁾	Actual	Year End Variance Fav/(Unfav)	Final Budget	Actual before Transfer of Variance	Transfer of Variance to Carry Forward ⁽¹⁾	Actual	Year End Variance Fav/(Unfav)	Operating and Endowment Variance Fav/(Unfav)
ACADEMIC											
Agriculture	19,505	19,735	(230)	19,505	-	164	181	(17)	164	-	-
Architecture and Planning	5,270	5,196	74	5,270	-	122	76	46	122	-	-
Arts and Social Sciences	22,250	21,461	789	22,250	-	2,187	1,903	284	2,187	-	-
Computer Science	13,943	11,552	2,391	13,943	-	316	225	91	316	-	-
Dentistry	11,137	9,921	1,216	11,137	-	326	282	44	326	-	-
Engineering	22,634	22,268	366	22,634	-	1,325	1,114	211	1,325	-	-
Graduate Studies	2,288	2,312	(24)	2,288	-	556	463	93	556	-	-
Health	34,500	34,495	5	34,500	-	899	667	232	899	-	-
Law	10,375	10,536	(161)	10,375	-	3,617	3,268	349	3,617	-	-
Management	15,649	15,800	(151)	15,649	-	1,135	1,015	120	1,135	-	-
Medicine	51,011	49,869	1,142	51,011	-	7,880	6,645	1,235	7,880	-	-
Science	39,657	38,097	1,560	39,657	-	3,722	3,245	477	3,722	-	-
University Library	21,681	20,612	1,069	21,681	-	286	230	56	286	-	-
Open Learning and Career Development	1,243	1,040	203	1,243	-	83	4	79	83	-	-
College of Sustainability	1,717	1,697	20	1,717	-	8	8	-	8	-	-
Centres, Institutes & Special Projects	2,789	2,597	192	2,789	-	146	190	(44)	146	-	-
International Supports to Faculties and Units	-	-	-	-	-	-	-	-	-	-	-
Cooperative Education Office	1,031	1,031	-	1,031	-	-	-	-	-	-	-
Faculty Related Costs (eg. Travel, Leave Grants, PDA)	2,961	3,078	(117)	2,961	-	-	-	-	-	-	-
Kings' Transfer	(2,706)	(2,955)	-	(2,955)	249	-	-	-	-	-	249
Academic Initiatives	1,020	762	258	1,020	-	-	-	-	-	-	-
Transfer to Endowment Carryforward	-	-	-	-	-	-	-	(3,256)	(3,256)	3,256	3,256
TOTAL ACADEMIC	277,955	269,104	8,602	277,706	249	22,772	19,516	-	19,516	3,256	3,505
ACADEMIC SUPPORT											
Art Gallery	161	161	-	161	-	75	77	(2)	75	-	-
Centre for Learning and Teaching	1,764	1,671	93	1,764	-	1	1	-	1	-	-
IT Infrastructure	3,835	4,079	(244)	3,835	-	-	-	-	-	-	-
Information Technology Services	13,430	13,942	(71)	13,871	(441)	-	-	-	-	-	(441)
Printing Centre	(25)	(25)	-	(25)	-	-	-	-	-	-	-
Transfer from Endowment Carryforward	-	-	-	-	-	-	-	2	2	(2)	(2)
TOTAL ACADEMIC SUPPORT	19,165	19,828	(222)	19,606	(441)	76	78	-	78	(2)	(443)
ADMINISTRATION											
Application Fees and Services Recovery	(1,757)	(2,099)	-	(2,099)	342	-	-	-	-	-	342
Advancement	7,655	7,655	-	7,655	-	16	3	13	16	-	-
Communications and Marketing	3,980	3,955	25	3,980	-	-	-	-	-	-	-
Environmental Health and Safety	1,582	1,628	(46)	1,582	-	-	-	-	-	-	-
Financial Services	5,958	5,813	145	5,958	-	-	-	-	-	-	-
Human Resources	4,047	4,089	-	4,089	(42)	-	-	-	-	-	(42)
Planning & Analytics	1,545	1,657	(112)	1,545	-	-	-	-	-	-	-
President's Office / Provost's Office	2,546	2,546	-	2,546	-	-	-	-	-	-	-
Registrar & Admissions	6,881	7,571	(214)	7,357	(476)	-	-	-	-	-	(476)
Research Services	2,951	3,289	(195)	3,094	(143)	-	-	-	-	-	(143)
University Services	6,219	6,050	222	6,272	(53)	-	-	-	-	-	(53)
Transfer from Endowment Carryforward	-	-	-	-	-	-	-	(13)	(13)	13	13
TOTAL ADMINISTRATION	41,607	42,154	(175)	41,979	(372)	16	3	-	3	13	(359)

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

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

	Operating					Endowment					Consolidated
	* Column 1	* Column 2	* Column 3	* Column 4	* Column 5	* Column 6	* Column 7	* Column 8	* Column 9	* Column 10	* Column 11
	Final Budget	Actual before Transfer of Variance	Transfer of Variance for Appropriation ⁽¹⁾	Actual	Year End Variance Fav/(Unfav)	Final Budget	Actual before Transfer of Variance	Transfer of Variance to Carryforward ⁽¹⁾	Actual	Year End Variance Fav/(Unfav)	Operating and Endowment Variance Fav/(Unfav)
GENERAL	1,553	1,391	(7)	1,384	169	-	-	-	-	-	169
FACILITIES MANAGEMENT	26,095	24,614	(260)	24,354	1,741	-	-	-	-	-	1,741
STUDENT SERVICES											
Awards Office & Student Services Centre - Sexton	430	430	-	430	-	-	-	-	-	-	-
Student Support Services (including Vice-Provost's Office)	5,501	5,497	4	5,501	-	12	5	7	12	-	-
Student Wellness (including Counselling)	1,613	1,678	(65)	1,613	-	-	-	-	-	-	-
Recreation and Athletics	955	1,002	(47)	955	-	212	214	(2)	212	-	-
Transfer to Endowment Carryforward	-	-	-	-	-	-	-	(5)	(5)	5	5
TOTAL STUDENT SERVICES	8,499	8,607	(108)	8,499	-	224	219	-	219	5	5
ANCILLARIES											
Dalhousie Arts Centre	380	71	309	380	-	-	-	-	-	-	-
Dalplex	181	156	25	181	-	3	1	2	3	-	-
Food Services	(43)	(9)	1	(8)	(35)	-	-	-	-	-	(35)
Residence Life	1,832	2,049	(217)	1,832	-	-	-	-	-	-	-
University Bookstore	(104)	(147)	81	(66)	(38)	-	-	-	-	-	(38)
University Housing	(2,374)	(2,374)	-	(2,374)	-	291	283	8	291	-	-
Transfer to Endowment Carryforward	-	-	-	-	-	-	-	(10)	(10)	10	10
TOTAL ANCILLARIES	(128)	(254)	199	(55)	(73)	294	284	-	284	10	(63)

(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.



2022-23 Audited Financial Statements

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

The Management Notes for 2022-23 provide background on:

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

FUND ACCOUNTING

The financial statements are prepared in accordance with accounting standards for not-for-profit organizations as prescribed by the Chartered Professional Accountants of Canada. All funds are consolidated on the Statement of Revenue, Expense and Changes in Operating Surplus.

Fund accounting allows for budgetary controls, accountability and reporting throughout the University, based on the activity type. 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 carry out the Academic mission and operate the University. Government grants, tuition revenue, and other general revenues support operating expenditures. Budget allocations to Faculties and 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. Ancillary operations include Housing and Conference Services (including Residence life), Food Services, the Bookstore, the Dalhousie Arts Centre and Dalplex.

Endowment Fund

The University has more than 1,600 endowments that supplement University operations. 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. Revenues and transfers to the Capital Fund support capital assets, and payments on long-term debt. Capital reserves are funds set aside by the University to support future costs of large-scale capital upgrades or replacements and are included in the Capital Fund.

Research Funds

Research Fund expenditures are supported by revenues that are restricted for the purposes designated by the funders and sponsors. These funds cannot be used to support operations. Researchers managed approximately 4,200 segregated research grant and contract accounts in 2022-23.

Special Purpose Funds

Special Purpose Fund expenditures are supported by revenues that are restricted for the purposes established by contributors. In 2022-23, there were approximately 1,100 special purpose accounts used for a variety of purposes including annual giving, conferences, service and lab accounts, and joint projects with contributions from external parties.

Summary of Interfund Transfers

The University uses the fund method of accounting and classifies resources by use into separate funds that correspond to the University's major activities. Interfund transfers are required to fund activities or assets that, by their nature, are recorded in another fund. There are five main categories of transfers between funds reflected in the Supplementary Schedules 1 through 5 for 2022-23:

Transfers for Provision of Service

The following are charged to other funds from the operating budget:

- i) Cleaning, repairs and maintenance, minor facilities projects, and security are charged to the Ancillary Fund from the Operating (primarily relating to the student residence operation) (\$11.7 million).
- ii) Ancillaries are charged for steam heat costs (\$1.7 million).
- iii) Animal care, printing, audio visual and IT support costs charged across all funds (mainly charges to research for animal care services) (\$2.0 million).

Transfers of Capital Related to Assets

1. Operating Fund
 - i) Facilities Renewal and Faculty / Unit sponsored projects (\$27.8 million).
 - ii) Purchase of assets (e.g. equipment, library acquisitions) (\$5.3 million).
 - iii) Debt principal payments (\$5.3 million).
 - iv) Capital Replacement (e.g. heating plant, dentistry equipment) (\$0.3 million).
 - v) Utility savings funding for sustainability projects (\$3.3 million).
2. Ancillary Fund
 - i) Facilities Projects (e.g. Student residence improvements) (\$0.9 million).
 - ii) Debt principal payments (\$3.2 million).
3. Research and Special Purpose Funds
 - i) Purchase of assets (e.g. lab equipment) (\$13.5 million).
 - ii) Renovation and capital replacement projects (\$.5 million).

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 (\$4.4 million).
- ii) Transfer to the pension reserve account as required by the January 2020 actuarial valuation (\$4.5 million).

FUNDING AND ACCOUNTING REQUIREMENTS FOR THE PENSION PLAN

Pension Plan Funding: The University must fund the pension plan based on the requirements of the Nova Scotia Pension Benefits Act which allows for repayment of deficit over a multiyear period. 2022-23 funding for the plan is determined from the most recently prepared actuarial valuation as at January 31, 2020, extrapolated to March 31, 2023.

Pension Plan Accounting: The annual audited financial statements for the University must comply with Canadian Accounting Standards for Not-For-Profit Organizations. The standards require the University to expense the full benefit obligation based on the most recent actuarial valuation (January 31, 2020) extrapolated to year end (March 31, 2023) as explained in note 2h to the financial statements.

This results in an annual difference for financial statement purposes from the actual funding to the pension plan. The difference, the Pension Expense Adjustment, is identified as a separate line on the Statement of Revenue, Expenses and Changes in Operating Surplus. For 2022-23, the University contributed \$4.2 million less than the amount that was expensed per the accounting requirement.

Decline in investment market results and a change in the discount rate as at March 31, 2023 have had an impact on the overall obligation, and have resulted in a \$51.3 million increase in the pension liability.

FINANCIAL STATEMENT IMPACTS

Programs Administered on behalf of the Province of Nova Scotia

The University continued to administer various Covid-19 relief programs on behalf of the Province of Nova Scotia. Included in Cash and Accounts Payable and Accruals is \$9.5 million in unspent funds provided by the Province. Included in Restricted Cash and Long term deferred deposits is \$29.8 million, representing the value of letters of credit issued under the Tourism Sector Financing Assistance Program. The programs have no impact on the University's Statement of Revenue and Expenses. See Financial Statement notes 4 and 6.

Financial Statements of

DALHOUSIE UNIVERSITY

Year ended March 31, 2023



KPMG LLP
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INDEPENDENT AUDITOR'S 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, 2023
- the statement of revenue, expense and changes in operating surplus for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not- for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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 auditor's 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 auditor's report thereon, included in the "Annual Financial Report" as at the date of this auditor's 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 auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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.



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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 auditor's 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 auditor's 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' with a horizontal line underneath.

Chartered Professional Accountants

Halifax, Canada

June 27, 2022

Dalhousie University
Statement of Financial Position
As at March 31, 2023

(in thousands of dollars)

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 305,081	\$ 354,991
Accounts receivable	62,913	49,118
Inventories	2,376	2,266
Prepaid expenses	7,127	7,742
	<u>377,497</u>	<u>414,117</u>
Investments (note 3)	1,128,060	948,696
Long term restricted cash (note 4)	29,770	35,770
Employee future benefit asset (note 9)	-	16,199
Capital assets (note 5)	<u>1,124,038</u>	<u>1,099,753</u>
	<u>\$ 2,659,365</u>	<u>\$ 2,514,535</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 129,785	\$ 125,061
Deferred revenue (note 7)	444,035	451,757
Current portion of long-term debt (note 8)	12,030	10,762
	<u>585,850</u>	<u>587,580</u>
Employee future benefit obligation (note 9)	37,948	3,677
Deferred capital contributions (note 10)	269,611	265,593
Long term deferred deposit (note 4)	29,770	35,770
Long-term debt (note 8)	149,532	139,901
	<u>1,072,711</u>	<u>1,032,521</u>
Net assets: (note 11)		
Endowment	681,497	597,953
Excess of pension liabilities over pension assets	(35,060)	16,199
Restricted funds	228,499	215,233
Capital fund	711,718	652,629
	<u>1,586,654</u>	<u>1,482,014</u>
	<u>\$ 2,659,365</u>	<u>\$ 2,514,535</u>

Commitments and contingent liabilities (note 12)

See accompanying notes to financial statements.

Dalhousie University
Statement of Revenue, Expenses and Changes in Operating Surplus
Year ended March 31, 2023

(in thousands of dollars)

	2023	2022
Revenue:		
Provincial government operating grants	\$ 229,480	\$ 226,457
Other government grants and contracts	148,149	128,825
Corporations and foundations	36,395	34,285
Tuition fees	258,947	242,593
Non-credit and other fees	33,760	32,036
General	10,082	11,208
Gifts	16,019	13,210
Investment income	47,360	36,195
Ancillary sales and service	46,930	30,697
External cost recoveries	55,427	47,875
Amortization of deferred capital contributions (note 10)	19,070	16,208
	<u>901,619</u>	<u>819,589</u>
Expenses:		
Salaries and employee benefits	484,463	452,870
Pension recovery adjustment (note 9)	(4,173)	(1,131)
Library acquisitions	8,933	9,327
Laboratory and teaching supplies	17,278	16,453
Equipment and service	33,057	25,046
Finance costs	6,603	6,343
Utilities and taxes	22,044	19,502
Externally contracted services	96,103	74,704
Scholarships, bursaries, and prizes	72,542	73,462
Ancillary cost of sales and service	4,174	3,706
Travel	12,920	3,733
Amortization of capital assets	38,578	41,791
General operating	32,175	26,405
	<u>824,697</u>	<u>752,211</u>
Excess of revenue over expenses (consolidated all funds)	76,922	67,378
Less amounts:		
Committed to equity in capital fund	(42,627)	(18,411)
Committed to future pension benefits	(4,173)	(1,131)
Committed to restricted funds	(30,122)	(47,836)
	<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	\$ -	\$ -

See accompanying notes to financial statements.

Dalhousie University
Statement of Changes in Net Assets
Year ended March 31, 2023

(in thousands of dollars)

						2023	2022
	Endowment	Excess of pension liabilities over assets	Unrestricted operating funds	Restricted funds	Capital fund	Total	Total
Net assets, beginning of year	\$597,953	\$16,199	-	\$215,233	\$652,629	\$1,482,014	\$1,346,636
Excess of revenue over expenses	-	4,173	(3,139)	26,983	42,627	76,922	67,378
Endowed principal contribution	78,839	-	-	-	-	78,839	6,303
Employee future benefits, remeasurements, and other items	-	(55,432)	-	-	-	(55,432)	34,180
Realized investment returns	38,572	-	-	-	-	38,572	57,565
Transfer to/from restricted fund	-	-	3,139	(13,323)	16,462	-	-
Transfers from endowment	(33,867)	-	-	(394)	-	(34,261)	(30,048)
Net change for the year	83,544	(51,259)	-	13,266	59,089	104,640	135,378
Net assets, end of year	\$681,497	\$(35,060)	-	\$228,499	\$711,718	\$1,586,654	\$1,482,014

See accompanying notes to financial statements.

Dalhousie University
Statement of Cash Flows
Year ended March 31, 2023

(in thousands of dollars)

	2023	2022
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 76,922	\$ 67,378
Items not involving cash:		
Amortization of capital assets	38,578	41,791
Amortization of deferred capital contributions	(19,070)	(16,208)
Net change in employee future benefits	(4,962)	(538)
Change in current assets	(13,290)	(17,078)
Change in current liabilities	(8,998)	49,254
Cash provided by operating activities	<u>69,180</u>	<u>124,599</u>
Cash flows from investing activities:		
Purchase of capital assets	(62,863)	(67,191)
Net increase in investments	<u>(173,364)</u>	<u>(66,811)</u>
Cash used in investing activities	<u>(236,227)</u>	<u>(134,002)</u>
Cash flows from financing activities:		
Endowed principal contributions	78,839	6,303
Endowment realized investment returns	38,572	57,565
Endowment transfers	(34,261)	(30,048)
Deferred capital contributions received	23,088	20,630
Proceeds from long-term debt	20,000	-
Principal payments on long-term debt	(9,101)	(10,575)
Cash provided by financing activities	117,137	43,875
Net increase in cash and cash equivalents	<u>(49,910)</u>	<u>34,472</u>
Cash and cash equivalents, beginning of year	354,991	320,519
Cash and cash equivalents, end of year	<u>\$ 305,081</u>	<u>\$ 354,991</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, open learning, and career development programs. The University is a registered charitable organization and as such, is exempt from income taxes under Section 149 of the Income Tax Act of Canada.

2. Significant accounting policies:

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

The significant accounting policies are summarized below:

(a) Use of estimates:

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

(b) Revenue recognition:

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

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

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

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

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

2. Significant accounting policies (continued):

(c) Appropriations:

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

(d) Cash and cash equivalents:

Cash and cash equivalents include amounts on deposit with financial institutions and investments with maturities of less than three months that are considered highly liquid. Cash and cash equivalents are stated at cost, which together with accrued interest income approximates fair value given the short-term nature.

(e) Inventories:

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

(f) Investments:

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

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

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

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

Investments denominated in foreign currencies are translated using rates of exchange in effect at the Statement of Financial Position date.

(g) Capital assets:

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

2. Significant accounting policies (continued):

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

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

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

(h) Employee future benefits:

The University maintains a defined benefit pension plan (the "Pension Plan") providing pension benefits for certain employees and has adopted CPA Canada Handbook Accounting Part III, Section 3463: Reporting Employee Future Benefits by Not-For-Profit organizations. The University recognizes the accrued benefit obligation, net of the fair value of plan assets on the Statement of Financial Position. Current service and finance costs are expensed during the year. Remeasurements such as actuarial gains and losses and past service costs are recognized as a direct change in the Statement of Changes in Net Assets.

The University uses an actuarial valuation prepared for funding purposes to measure the defined benefit obligation related to the pension plan. The accrued benefit obligation related to employee future benefits is determined from the most recently prepared actuarial valuation as at January 31, 2020, extrapolated to March 31, 2023.

(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.

3. Investments:

	2023	2022
Cash	\$ 6,144	\$ 2,606
Treasury bills, notes and GICs	193,696	70,426
Bonds	159,827	165,487
Canadian equities	121,101	134,258
US equities	147,040	152,033
Other international equities	146,089	125,336
Alternatives and other	354,163	298,550
	\$ 1,128,060	\$ 948,696

Effective October 1, 2022, Dalhousie Medical Research Foundation integrated its operations with Dalhousie University. As part of the integration, \$78.8 million of assets were transferred to Dalhousie and are included in the financial statements for the year ended March 31, 2023.

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

During the year ended March 31, 2021, the University agreed to administer the Tourism Sector Financing Assistance Program (“TSFAP”) on behalf of the Province of Nova Scotia. Under the terms of the agreement the University issued standby letters of credit, expiring in 2026, to qualified tourism operators to support debt at lower financing rates. The University received funding from the Province of Nova Scotia that is being held as a cash deposit to secure the standby letters of credit. The University is acting as a financial intermediary for the program and will not benefit financially from the transactions. As at March 31, 2023, long term restricted cash and long term deferred deposits include \$29,770 (2022 - \$35,770) representing the value of the letters of credit issued under the TSFAP and an estimate of future third party costs of administering the program.

5. Capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 126,586	\$ -	\$ 126,586	\$ 126,312
Building	1,106,830	(260,026)	846,804	849,923
Leasehold improvements	1,620	(1,323)	297	401
Equipment	252,996	(196,739)	56,257	45,814
Vehicles	3,369	(2,963)	406	457
Library books	35,179	(32,235)	2,944	2,984
Software and computing	21,437	(14,710)	6,727	5,861
Land improvements	12,301	(5,051)	7,250	7,552
Construction in progress	76,767	-	76,767	60,449
	\$ 1,637,085	\$ (513,047)	\$ 1,124,038	\$ 1,099,753

The cost of assets under capital lease is \$ 4,465 (2022 - \$7,119), with related accumulated amortization of \$ 1,841 (2022 - \$4,652). Management has assessed for full or partial impairment and determined that there is none at March 31, 2023.

6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances for payroll taxes payable of \$14,613 (2022 - \$13,833).

As at March 31, 2023, accounts payable and accrued liabilities and cash and cash equivalents included \$ 9,587 (2022 - \$12,056) from funds received from the Province of Nova Scotia to be administered by the University to support various provincial Covid-19 support programs.

7. Deferred revenue:

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

	2023	2022
Operating	\$ 56,303	\$ 51,687
Endowment	206,752	215,345
Research	127,808	134,704
Special purpose	53,172	50,021
	\$ 444,035	\$ 451,757

8. Long-term debt:

	Payment amount	Repayment frequency	Maturity date	Interest rate	2023	2022
Central Services Parkade	22	Quarterly	Dec 2023	5.66%	\$ 33	\$ 76
Residence renewal	47	Quarterly	Oct 2025	4.69%	495	660
Howe Hall	136	Quarterly	Jan 2028	5.94%	2,345	2,738
Collaborative Health Education Building I	171	Quarterly	Sept 2028	2.22%	3,528	4,124
Risley Hall	385	Quarterly	Sept 2029	5.96%	8,270	9,280
Life Sciences Research Institute	150	Monthly	May 2031	4.65%	12,436	13,685
Collaborative Health Education Building II	163	Quarterly	Sept 2035	2.65%	6,915	7,377
Mona Campbell Building	75	Monthly	Nov 2035	4.82%	8,894	9,414
IDEA building and Dentistry Clinic renewal	350	Quarterly	Sept 2036	3.40%	15,200	16,072
Steele Ocean Sciences Building	473	Quarterly	Mar 2037	3.23%	20,852	22,027
LeMarchant Place	562	Quarterly	Sept 2037	3.30%	25,494	26,867
Fitness Centre and Truro Thermal Plant	715	Quarterly	Apr 2038	2.73%	34,591	36,465
Thermal Plant	100	Quarterly	Nov 2047	4.71%	19,896	-
Capital leases					2,613	1,878
					161,562	150,663
Less: current portion					(12,030)	(10,762)
					\$149,532	\$139,901

8. Long-term debt (continued):

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

2024	\$ 12,030
2025	11,927
2026	11,244
2027	11,509
2028	11,935
Thereafter	102,917

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 \$5,188 (2022 – \$5,320) relating to long-term debt has been included in interest expense. Interest of \$160 (2022 – \$165) relating to capital lease obligations has been included in interest expense.

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

9. Employee future benefits:

Pension

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

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

The most recent actuarial valuation of the plan for funding purposes was as of January 31, 2020, and reflected a going concern plan deficit of \$49,090.

An extrapolation of the January 31, 2020, actuarial valuation to March 31, 2023, indicated a going concern plan deficit of \$35,061. Remeasurement losses of \$55,432 have been recognized directly in the Statement of Changes in Net Assets.

The total cost of the defined benefit plan for the year of \$24,794 (2022 - \$25,917) less the amount of employer contributions in the year of \$28,967 (2022 - \$27,048) represents the pension recovery adjustment of \$4,173 (2022 - pension recovery adjustment of \$1,131), which is recorded in the Statement of Revenue, Expense, and Changes in Operating Surplus.

9. Employee future benefits (continued):

Retirement Service Award

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

The costs of the retirement service awards recognized during the year are \$1,264 (2022 - \$151).

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

	2023	2022
Pension benefit (obligation) asset		
Fair value of plan assets	\$ 1,742,526	\$ 1,727,329
Accrued benefit obligation	(1,777,586)	(1,711,130)
Pension benefit (obligation) assets	(35,060)	16,199
Retirement service award obligation	(2,888)	(3,677)
Net Employee future benefit (obligation) asset	\$ (37,948)	\$ 12,522

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

Actuarial Assumptions	2023	2022
Pension Plan		
Rate of compensation increase	3.59%	3.59%
Discount rate	5.69%	5.70%
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.

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

	2023	2022
Balance, beginning of year	\$ 265,593	\$ 261,171
Contributions received during the year:		
Government grants and contracts	12,246	10,690
General	302	4
Gifts	10,540	9,936
Total contributions received during the year	23,088	20,630
Recognized as revenue:		
Government grants and contracts	(16,715)	(13,892)
Corporations and foundations	(110)	(110)
General	(611)	(634)
Gifts	(1,634)	(1,572)
Total recognized as revenue	(19,070)	(16,208)
Balance, end of year	\$ 269,611	\$ 265,593
Balance by fund:		
Capital	\$ 222,588	\$ 223,856
Research	45,439	40,380
Special Purpose	1,584	1,357
Balance, end of year	\$ 269,611	\$ 265,593

11. Net assets:

(a) Endowment

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

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

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

	Endowment March 31, 2022	Contributions	Realized Investment Returns	Transfer from Endowment	Endowment March 31, 2023
External restrictions	\$ 581,025	\$ 78,639	\$ 37,587	\$ (33,363)	\$ 663,888
Internal restrictions	16,928	200	985	(504)	17,609
	\$ 597,953	\$ 78,839	\$ 38,572	\$ (33,867)	\$681,497

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

(d) Restricted funds:

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

11. Net assets (continued):

(e) Capital Fund:

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

	2023	2022
Capital assets	\$ 1,124,038	\$ 1,099,753
Less amounts financed by:		
Deferred capital contributions	(269,611)	(265,593)
Long-term debt	(161,562)	(150,663)
Working capital	2,838	(36,815)
Equity in capital assets	\$ 695,703	\$ 646,682
Capital reserves	16,015	5,947
Total Capital Fund	\$ 711,718	\$ 652,629

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, 2022, the surplus was \$97,444.

As of March 31, 2023, 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, 2023, estimated at \$7,429.

In June 2018 there was a fire on the University’s Agricultural Campus in Truro. A settlement has now been reached for the final insurance proceeds and a receivable of \$1,921 has been recorded in the March 31, 2023, financial statements.

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:

2024	\$ 1,523
2025	1,416
2026	719
2027	711
2028	170

Certain of the alternative investments contain contractual commitments. At March 31, 2023, there were outstanding future commitments of \$744 USD and \$12,833 CAD in real estate; €5,031 EUR, \$9,330 CAD, and \$4,500 USD in infrastructure; \$8,168 USD in private debt; \$29,357 USD and €3,583 EUR in private equity investments.

The University has provided a loan guarantee of \$5,722 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.

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, 2023, interest rate swaps outstanding have a notional value of \$159,422 (2022 - \$149,246) 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% (2022 - 2.22% - 5.96%)

Although the University has no intention of settling these instruments at March 31, 2023, the interest rate swap contracts described in Note 8 have a fair value of \$2,115 (2022 - (\$1,458)).

Credit risk:

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

13. Financial instruments (continued):

Liquidity risk:

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

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

14. Provincial Bursary Funding

The Nova Scotia University Student Bursary program, established in 2008, provides funding towards tuition costs for Nova Scotia students pursuing their studies at one of the universities in the province. Dalhousie received \$8,591 in funding under the program for the 2022-23 academic year (2022 - \$8,789).

15. Pledges

Pledges to the University at March 31, 2023, were \$80,593 (2022 - \$65,735). While these pledges are expected to be honoured over the next several years, they have not been recorded as receivable on the Statement of Financial Position and are not recorded until actually received.

16. Fine artwork collections

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



2022-23 Supplementary Schedules (Unaudited)

Dalhousie University
Schedule of Revenue and Expense
Year Ended March 31, 2023 (With Comparatives Figures for 2022)
(unaudited)

(in Thousands of Dollars)

	Operating 2023 (Schedule 2) \$	Endowment 2023 (Schedule 3) \$	Ancillary 2023 (Schedule 4) \$	Capital 2023 \$	Special Purpose 2023 (Schedule 5) \$	Research 2023 (Schedule 5) \$	Total 2023 \$	Total 2022 \$
Revenue								
Provincial government operating grants	229,480	-	-	-	-	-	229,480	226,457
Other government grants and contracts	19,648	-	582	-	6,501	121,418	148,149	128,825
Corporations and foundations	383	-	-	3	3,496	32,513	36,395	34,285
Tuition fees	258,947	-	-	-	-	-	258,947	242,593
Non-credit and other fees	29,815	-	3,331	598	12	5	33,761	32,036
General	4,265	-	-	2,830	2,920	66	10,081	11,208
Gifts	961	1,812	-	1,000	8,471	3,775	16,019	13,210
Investment	6,594	30,992	-	8,014	1,577	183	47,360	36,195
Ancillary sales and service	-	-	46,766	-	164	-	46,930	30,697
External cost recoveries	49,650	-	737	3,994	1,009	37	55,427	47,875
Amortization of deferred capital contributions	-	-	-	11,722	213	7,135	19,070	16,208
Total revenue	599,743	32,804	51,416	28,161	24,363	165,132	901,619	819,589
Expense								
Salaries								
Academic	191,667	5,902	83	-	1,150	17,059	215,861	206,630
Library	4,048	-	-	-	4	-	4,052	4,028
Plant maintenance	14,688	-	187	-	-	-	14,875	14,061
Administrative and support	130,491	902	7,940	500	6,653	36,691	183,177	168,599
Benefits costs	57,917	854	1,101	98	945	5,583	66,498	59,552
Total salaries and benefits	398,811	7,658	9,311	598	8,752	59,333	484,463	452,870
Library acquisitions	8,731	167	-	-	30	5	8,933	9,328
Laboratory and teaching supplies	6,332	122	50	1	1,593	9,180	17,278	16,453
Equipment and service	16,116	485	1,430	105	586	14,335	33,057	25,046
Finance costs	3,227	-	2,195	1,161	20	-	6,603	6,343
Utilities and taxes	20,404	-	1,627	11	1	1	22,044	19,502
Externally contracted services	37,424	4,253	14,138	128	5,194	34,966	96,103	74,704
Scholarships, bursaries and prizes	29,588	15,656	60	-	2,635	24,603	72,542	73,462
Ancillary cost of sales and service	-	-	4,174	-	-	-	4,174	3,706
Travel	5,101	493	12	-	1,170	6,144	12,920	3,733
Amortization of capital assets	-	-	-	38,578	-	-	38,578	41,791
General operating	17,779	701	504	462	2,073	10,656	32,175	26,405
Internal / interfund transfers	31,506	3,304	17,716	(55,510)	(1,684)	4,668	-	-
Total expense	575,019	32,839	51,217	(14,466)	20,370	163,891	828,870	753,343
Change in year before appropriations	24,724	(35)	199	42,627	3,993	1,241	72,749	66,246
Change in net assets	(24,724)	35	(199)	(42,627)	(3,993)	(1,241)	(72,749)	(66,246)
Surplus before pension expense adjustment	-	-	-	-	-	-	-	-
Pension expense adjustment	4,173	-	-	-	-	-	4,173	1,131
Net assets after pension adjustment	4,173	-	-	-	-	-	4,173	1,131

Schedule 1

Dalhousie University
Schedule of Revenue and Expense - Operating
Year Ended March 31, 2023 (With Comparatives Figures for 2022)
(unaudited)

(in Thousands of Dollars)

	Academic		Academic Support		Administration and General		Facilities and Construction Management		Student Services		Institution		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue														
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	229,480	226,457	229,480	226,457
Other government grants and contracts	10,569	9,615	-	-	11	108	82	15	669	248	8,317	6,716	19,648	16,702
Corporations and foundations	343	117	-	-	-	-	40	59	-	-	-	-	383	176
Tuition fees	20,179	18,574	-	-	-	-	-	-	-	-	238,768	224,019	258,947	242,593
Non-credit and other fees	15,148	14,063	-	-	4,046	4,264	-	-	6,313	5,792	4,308	4,661	29,815	28,780
General	-	-	85	43	1,405	1,377	1,711	1,390	1,064	683	-	-	4,265	3,493
Gifts	751	437	-	-	50	25	-	-	160	288	-	-	961	750
Investment	-	-	-	-	-	-	-	-	-	-	6,594	4,218	6,594	4,218
Ancillary sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External cost recoveries	41,991	40,170	1,864	1,890	1,290	1,341	3,490	1,698	1,015	845	-	-	49,650	45,944
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	88,981	82,976	1,949	1,933	6,802	7,115	5,323	3,162	9,221	7,856	487,467	466,071	599,743	569,113
Expense														
Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Academic	189,838	182,138	-	-	460	529	1	-	1,368	1,228	-	-	191,667	183,895
Library	4,048	4,013	-	-	-	-	-	-	-	-	-	-	4,048	4,013
Plant maintenance	82	73	-	-	-	-	14,606	13,801	-	-	-	-	14,688	13,874
Administrative and support	65,975	60,833	11,413	10,488	37,212	33,847	6,256	5,584	9,635	9,170	-	-	130,491	119,922
Benefits costs	41,761	37,028	2,211	1,880	7,228	6,467	4,826	4,377	1,891	1,675	-	-	57,917	51,427
Total salaries and benefits	301,704	284,085	13,624	12,368	44,900	40,843	25,689	23,762	12,894	12,073	-	-	398,811	373,131
Library acquisitions	8,679	9,132	-	-	50	37	-	-	2	3	-	-	8,731	9,172
Laboratory and teaching supplies	6,055	5,779	-	-	-	-	2	2	275	223	-	-	6,332	6,004
Equipment and service	6,018	6,171	5,616	4,934	915	960	2,823	2,199	744	869	-	-	16,116	15,133
Finance costs	182	172	98	103	96	97	29	47	42	30	2,780	3,090	3,227	3,539
Utilities and taxes	4	8	6	6	-	-	20,355	18,141	39	32	-	-	20,404	18,187
Externally contracted services	14,936	11,590	281	1,156	5,372	4,588	15,074	7,667	1,081	1,059	680	-	37,424	26,060
Scholarships, bursaries and prizes	4,492	4,012	2	2	-	-	-	-	13,308	17,103	11,786	11,859	29,588	32,976
Ancillary cost of sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	2,984	1,082	45	12	973	92	42	2	1,057	610	-	-	5,101	1,798
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General operating	6,287	5,465	875	617	3,985	3,895	4,880	4,317	959	671	793	790	17,779	15,755
Internal / interfund transfers	11,554	11,524	1,868	720	(3,668)	(2,194)	13,530	14,044	924	1,498	7,298	12,095	31,506	37,687
Total expense	362,895	339,020	22,415	19,918	52,623	48,318	82,424	70,181	31,325	34,171	23,337	27,834	575,019	539,442
Surplus for the year (shortfall)														
Change in year before appropriations	(273,914)	(256,044)	(20,466)	(17,985)	(45,821)	(41,203)	(77,101)	(67,019)	(22,104)	(26,315)	464,130	438,237	24,724	29,671
(Increase) decrease in appropriations	(8,586)	(8,562)	211	(1,006)	211	(433)	(14,384)	(16,334)	963	603	-	(3,939)	(21,585)	(29,671)
Operating (Surplus)/Deficit	-	-	-	-	-	-	-	-	-	-	(3,139)	(3,139)	(3,139)	-
Surplus before pension expense adjustment	(282,500)	(264,606)	(20,255)	(18,991)	(45,610)	(41,636)	(91,485)	(83,353)	(21,141)	(25,712)	460,991	434,298	-	-
Pension expense adjustment	-	-	-	-	-	-	-	-	-	-	4,173	1,131	4,173	1,131
Change in net assets after pension adjustment	(282,500)	(264,606)	(20,255)	(18,991)	(45,610)	(41,636)	(91,485)	(83,353)	(21,141)	(25,712)	465,164	435,429	4,173	1,131

Schedule 2

Dalhousie University
Schedule of Revenue and Expense for Operating and Endowment
Year Ended March 31, 2023 (With Comparatives Figures for 2022)
(unaudited)

(in Thousands of Dollars)

	2023			2022		
	Operating	Endowment	Total	Operating	Endowment	Total
Revenue	\$	\$	\$	\$	\$	\$
Provincial government operating grants	229,480	-	229,480	226,457	-	226,457
Other government grants and contracts	19,648	-	19,648	16,702	-	16,702
Corporations and foundations	383	-	383	176	-	176
Tuition fees	258,947	-	258,947	242,593	-	242,593
Non-credit and other fees	29,815	-	29,815	28,780	-	28,780
General	4,265	-	4,265	3,493	-	3,493
Gifts	961	1,812	2,773	750	2,092	2,842
Investment	6,594	30,992	37,586	4,218	27,928	32,146
Ancillary sales and service	-	-	-	-	-	-
External cost recoveries	49,650	-	49,650	45,944	-	45,944
Amortization of deferred capital contributions	-	-	-	-	-	-
Total revenue	599,743	32,804	632,547	569,113	30,020	599,133
Expense						
Salaries						
Academic	191,667	5,902	197,569	183,895	5,262	189,157
Library	4,048	-	4,048	4,013	4	4,017
Plant maintenance	14,688	-	14,688	13,874	-	13,874
Administrative and support	130,491	902	131,393	119,922	866	120,788
Benefits costs	57,917	854	58,771	51,427	725	52,152
Total salaries and benefits	398,811	7,658	406,469	373,131	6,857	379,988
Library acquisitions	8,731	167	8,898	9,172	134	9,306
Laboratory and teaching supplies	6,332	122	6,454	6,004	98	6,102
Equipment and service	16,116	485	16,601	15,133	160	15,293
Finance costs	3,227	-	3,227	3,539	-	3,539
Utilities and taxes	20,404	-	20,404	18,187	-	18,187
Externally contracted services	37,424	4,253	41,677	26,060	4,293	30,353
Scholarships, bursaries and prizes	29,588	15,656	45,244	32,976	13,810	46,786
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	5,101	493	5,594	1,798	113	1,911
Amortization of capital assets	-	-	-	-	-	-
General operating	17,779	701	18,480	15,755	577	16,332
Internal / interfund transfers	31,506	3,304	34,810	37,687	2,647	40,334
Total expense	575,019	32,839	607,858	539,442	28,689	568,131
Surplus for the year (shortfall)						
Change in year before appropriations	24,724	(35)	24,689	29,671	1,331	31,002
(Increase) decrease in appropriations	(21,585)	35	(21,550)	(29,671)	(1,331)	(31,002)
Operating Surplus/Deficit	(3,139)	-	(3,139)	-	-	-
Surplus for the year	-	-	-	-	-	0

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

Dalhousie University
Schedule of Revenue and Expense - Ancillary
Year Ended March 31, 2023 (With Comparatives Figures for 2022)
(unaudited)

(in Thousands of Dollars)

	Arts Centre		Housing and Conference Services		Bookstore		Dalplex		Food Service		Transfer to/from Operating		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other government grants and contracts	58	222	524	-	-	-	-	-	-	-	-	-	582	222
Corporations and foundations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tuition fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-credit and other fees	-	-	44	-	-	-	3,287	3,139	-	-	-	-	3,331	3,139
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary sales and service	1,350	280	24,959	15,416	5,299	5,083	1,887	1,215	13,271	8,499	-	-	46,766	30,493
External cost recoveries	-	-	626	-	-	-	30	6	81	-	-	-	737	6
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	1,408	502	26,153	15,416	5,299	5,083	5,204	4,360	13,352	8,499	-	-	51,416	33,860
Expense														
Salaries														
Academic	-	-	83	-	-	-	-	-	-	-	-	-	83	-
Library	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant maintenance	-	-	187	187	-	-	-	-	-	-	-	-	187	187
Administrative and support	722	469	4,483	3,543	969	881	1,604	1,456	162	146	-	-	7,940	6,495
Benefits costs	102	73	599	474	191	175	181	149	28	25	-	-	1,101	896
Total salaries and benefits	824	542	5,352	4,204	1,160	1,056	1,785	1,605	190	171	-	-	9,311	7,578
Library acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory and teaching supplies	-	-	31	-	-	-	19	-	-	-	-	-	50	-
Equipment and service	12	64	452	528	56	70	683	238	227	223	-	-	1,430	1,123
Finance costs	98	8	1,361	1,370	93	96	585	558	58	73	-	-	2,195	2,105
Utilities and taxes	58	50	1,236	971	10	8	201	180	122	98	-	-	1,627	1,307
Externally contracted services	77	71	2,585	1,065	76	64	6	2	11,394	7,988	-	-	14,138	9,190
Scholarships, bursaries and prizes	-	-	60	61	-	-	-	-	-	-	-	-	60	61
Ancillary cost of sales and service	38	2	200	7	3,865	3,653	71	44	-	-	-	-	4,174	3,706
Travel	-	-	5	1	5	2	2	2	-	-	-	-	12	5
General operating	49	34	642	501	(261)	90	102	51	(28)	-	-	-	504	676
Internal / interfund transfers	(58)	(162)	14,446	8,399	251	224	1,726	1,695	1,426	974	(75)	(2,972)	17,716	8,158
Total expense	1,098	609	26,370	17,107	5,255	5,263	5,180	4,375	13,389	9,527	(75)	(2,972)	51,217	33,909
Change in year before appropriations	310	(107)	(217)	(1,691)	44	(180)	24	(15)	(37)	(1,028)	75	2,972	199	(49)
Net (increase) decrease in appropriations	(309)	89	217	-	(81)	-	(25)	(52)	(1)	12	-	-	(199)	49
Surplus for the year (shortfall)	1	(18)	-	(1,691)	(37)	(180)	(1)	(67)	(38)	(1,016)	75	2,972	-	-

Schedule 4

Dalhousie University
Schedule of Revenue and Expense - Restricted Funds
Year Ended March 31, 2023 (With Comparatives Figures for 2022)
(unaudited)

(in Thousands of Dollars)

	Capital		Special Purpose		Research	
	2023	2022	2023	2022	2023	2022
Revenue	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-
Other government grants and contracts	-	7	6,501	4,085	121,418	107,809
Corporations and foundations	3	126	3,496	2,256	32,513	31,727
Tuition fees	-	-	-	-	-	-
Non-credit and other fees	598	93	12	21	5	3
General	2,830	2,860	2,920	2,738	66	2,117
Gifts	1,000	-	8,471	7,708	3,775	2,660
Investment	8,014	735	1,577	3,181	183	133
Ancillary sales and service	-	-	164	194	-	10
External cost recoveries	3,994	337	1,009	725	37	863
Amortization of deferred capital contributions	11,722	8,627	213	186	7,135	7,395
Total revenue	28,161	12,785	24,363	21,094	165,132	152,717
Expense						
Salaries						
Academic	-	-	1,150	1,146	17,059	16,327
Library	-	-	4	10	-	1
Plant maintenance	-	-	-	-	-	-
Administrative and support	500	92	6,653	5,396	36,691	35,828
Benefits costs	98	18	945	1,179	5,583	5,307
Total salaries and benefits	598	110	8,752	7,731	59,333	57,463
Library acquisitions	-	-	30	9	5	13
Laboratory and teaching supplies	1	25	1,593	1,234	9,180	9,092
Equipment and service	105	66	586	605	14,335	7,959
Finance costs	1,161	686	20	13	-	-
Utilities and taxes	11	5	1	1	1	2
Externally contracted services	128	71	5,194	3,693	34,966	31,397
Scholarships, bursaries and prizes	-	-	2,635	2,910	24,603	23,705
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	-	3	1,170	163	6,144	1,651
Amortization of capital assets	38,578	41,791	-	-	-	-
General operating	462	16	2,073	1,552	10,656	7,829
Internal / interfund transfers	(55,510)	(48,399)	(1,684)	(5,712)	4,668	5,619
Total expense	(14,466)	(5,626)	20,370	12,199	163,891	144,730
Surplus for the year (shortfall)	42,627	18,411	3,993	8,895	1,241	7,987
Change in net assets	(42,627)	(18,411)	(3,993)	(8,895)	(1,241)	(7,987)
Surplus for the year	-	-	-	-	-	-

Schedule 5