

**Dalhousie University**

# **Annual Financial Report**

**March 31, 2021**

**Published June 2021**



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

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

It has been over a year since the World Health Organization declared COVID-19 a pandemic. This has been a year of significant uncertainty and many challenges, but it has also shown Dalhousie's resiliency and ability to adapt to rapidly changing circumstances. We are so grateful for the efforts of our faculty and staff whose contributions over this difficult year have made all of the difference.

We concluded the 2020-21 fiscal year with an operating budget shortfall of \$311,000 — a very good result given the significant financial risks posed by the pandemic. We received welcome news in January from the Province of Nova Scotia of one-time funding of \$9.5 million to address pandemic pressures, which made this result possible. The University-approved budget had included a \$9.8 million planned use of reserve funds to balance the budget and address pandemic-related additional costs and lost revenues. The funding from the province has allowed these reserves to be preserved for future uncertainties; our recent experience has demonstrated how important having access to adequate reserve funds is.

With vaccines rolling out and COVID-19 cases declining here in Nova Scotia and elsewhere, we look forward to the resumption of on-campus activity this fall. There does remain a degree of uncertainty and an expectation of additional expenditures dealing with the lingering effects of the pandemic. Therefore, we will continue to take a cautious approach to our finances and ensure careful stewardship of our resources. The 2021-22 budget has been developed on this basis.

The pandemic demanded that we take new approaches to teaching, learning and how we work, and we now have a unique opportunity to assess our new ways and retain advances in our approaches and processes that the pandemic has necessitated. This allows us to reimagine how we use university space, as we reimagine how and where work needs to be done and affords us opportunity into the future.

The recently launched Strategic Plan, *Third Century Promise*, and the University's first digital strategy will provide important direction for Dalhousie's future path. Stewarding resources to support the implementation of these important priorities will inform the allocation of resources in coming budget cycles.

Thanks to everyone who contributed in some way to a challenging but successful year. Together, we have kept our university community safe through an extraordinary public health crisis. Our teaching and research have continued. We were able to assist in Nova Scotia's efforts to manage the pandemic and its impact on our businesses and communities. We can take great pride in what we have achieved together.

Gitta Kulczycki

Vice-President, Finance & Administration

# Financial Overview



## INTRODUCTION

Dalhousie’s management is responsible for the preparation, accuracy, and integrity of the information contained in the Annual Financial Report for the year ended March 31, 2021. Dalhousie’s external auditor KPMG, appointed by the Finance, Audit, Investment, and Risk Committee of the Board of Governors, has completed the annual independent audit of the financial statements which are prepared in accordance with **Canadian accounting standards for not-for-profit organizations**.

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

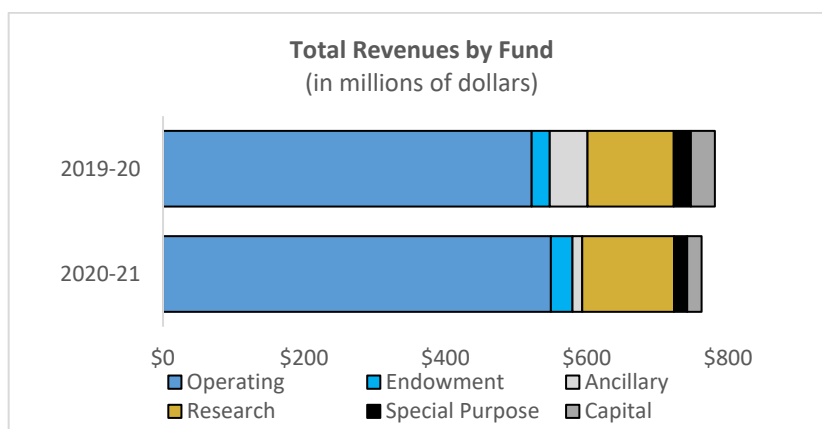
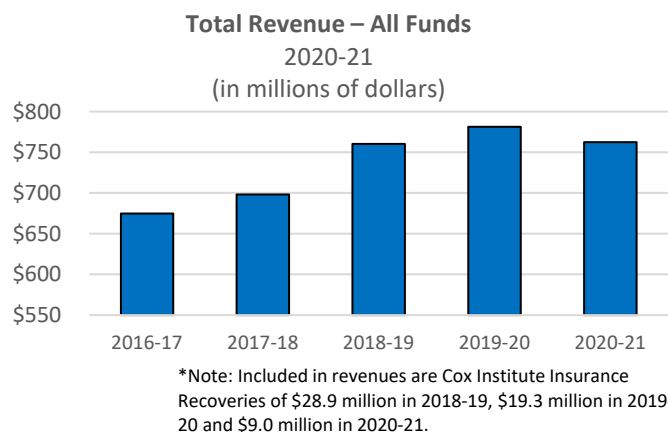
This section reviews the highlights of revenue and expenditure by fund for the 2020-21 year. The University financial structure is organized using separate fund categories which group activities that have similar characteristics to enhance budgetary controls and allow for appropriate accountability and reporting for internal and external stakeholders. Additional information on the University’s fund structure is included in the section - **Management notes on the Audited Financial Statements** - preceding the audited financial statements.

Of note for 2020-21, Covid-19 has had a significant impact on the operations and financial results of the University. Specific impacts are described throughout the Annual Financial Report including in the Overview of Revenues and Expenditures in the Operating Budget Report and Financial Statements.

## OVERVIEW OF REVENUES AND EXPENDITURES:

### REVENUES

Total revenue from all funds for 2020-21 is \$762.4 million; a decrease of \$18.8 million or 2.4% from the prior year. The decrease is attributable to a significant reduction in Ancillary Fund revenues and Non-Credit and Other Fees related to the pandemic, and lower insurance recoveries related to the Cox Institute fire remediation and re-construction. These lower revenues were partially offset by increased grant funding from the Provincial government, Tuition Revenue, Research Grants, and Contract revenue.

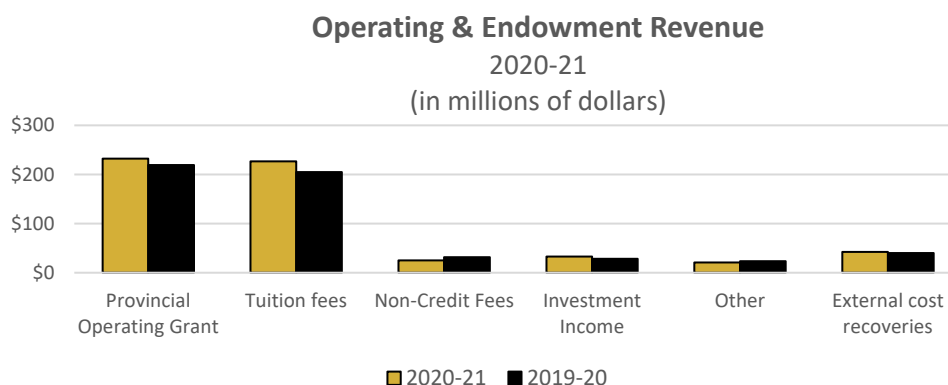


## Operating & Endowment Revenue

Operating and Endowment revenues are used to carry out the day-to-day operations of the University in support of the academic mission. The approved budget is allocated to Faculties and major service and support units to carry out their work and is based on Budget Advisory Committee recommendations. The results for the 2020-21 year compared to budget are presented in the Operating Budget Report found on page 9 in this report.

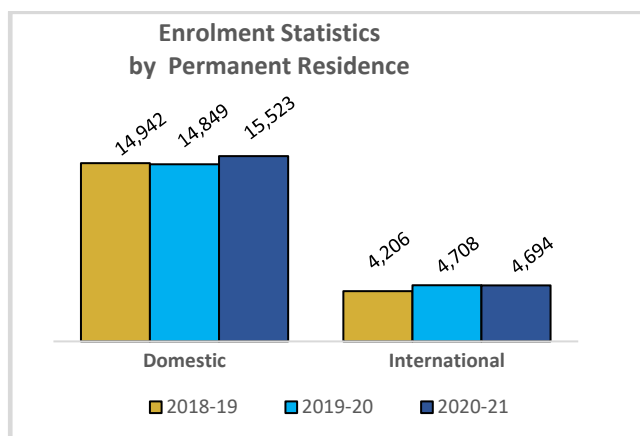
The 2020-21 Operating Budget is supported by Government grants, tuition revenue, endowment investment income, and other general revenues totaling \$483.9 million for the year. In addition to these centrally managed revenue streams, certain revenues are managed directly through Faculty and service unit budgets providing a further \$96.0 million in support of their operations. These revenues include tuition from specialty programs/cohorts and continuing education programs, cost recoveries, auxiliary fees, farm revenues, etc. The University's total operating and endowment revenue for 2020-21 was \$579.7 million; an increase of 5.9% from the previous year.

The graph below provides a breakdown of Operating & Endowment Revenues for 2020-21 compared to 2019-20.



The provincial operating grants are the largest source of revenue for the University (40.1%) and increased by \$13.1 million in 2020-21 including a 1% increase in the provincial operating grant, a one-time grant of \$9.5 million to assist the University with financial pressures related to the Covid-19 pandemic, and \$1.5 million for a seat expansion in the MD program in the Faculty of Medicine.

Tuition is the second largest source of revenue supporting the operations at \$226.8 million and represents 39.1% of gross operating and endowment revenue. This includes the central tuition of \$210.1 million and revenue from specialty programs/cohorts received directly by Faculties. Tuition fee revenue increased by \$22.0 million over 2019-20, a result of enrolment growth and approved tuition fee increases. Total enrolment increased to 20,217 in 2020-21, a 3.4% increase in year-over-year enrolment, driven largely by an increase in domestic students.

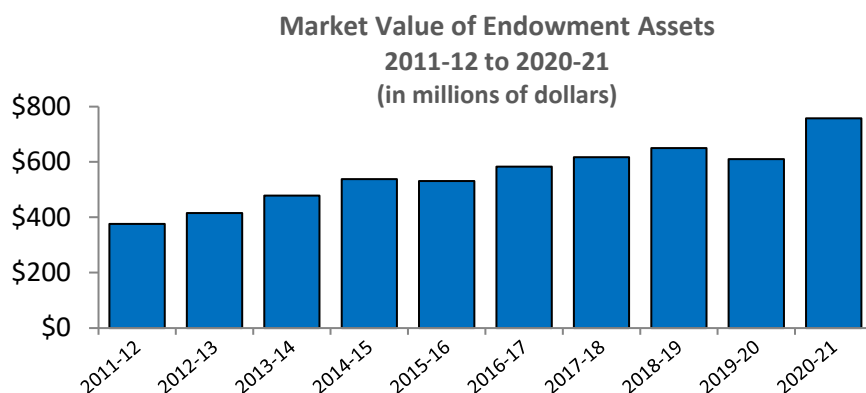


For 2020-21 there were reductions in non-credit fees for the College of Open Learning, Athletics and Recreation (waived fees) and the student bus pass, related to the pandemic.

\*Note: figures as of December 1, as provided by the Registrar's office

Investment income from over 1,500 endowment funds supplement 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 2020-21, endowment revenue supported costs of \$27.1 million to supplement the operations of the Faculties and Units as is further described in the Operating Budget Report.

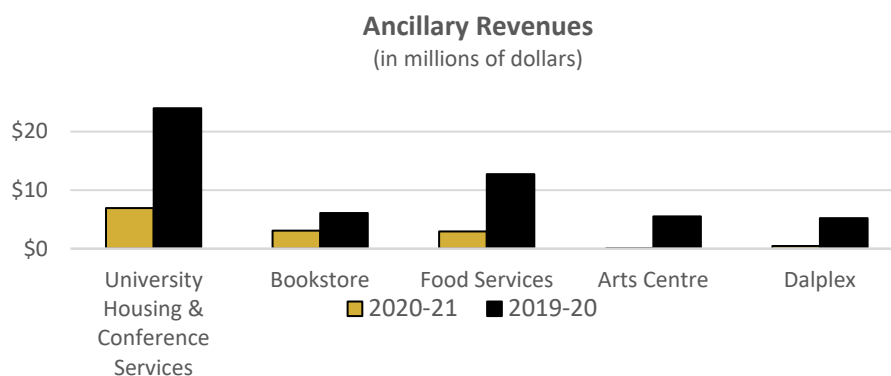
As shown in the graph below, over time the earnings on endowment principal growth provide support for the donor specified activities at the University. The market value of the University's endowment assets was \$757.5 million as of March 31, 2021. The increase over 2019-20 relates to \$118.0 million in unrealized investment gains from the improvement in investment markets at the end of March over the previous year.



### Ancillary Revenues

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

Ancillary revenues decreased by \$39.8 million or 74.5% over 2019-20 to \$13.7 million in 2020-21. The decrease resulted from a reduction in the number of students in residence which impacted both residence and meal plan revenues. Dalplex revenue was reduced as student fees were waived and memberships revenues declined for the Fitness Centre. Lower conference activity, Arts Centre performances, and Bookstore revenue also contributed to overall lower Ancillary revenues for the year.

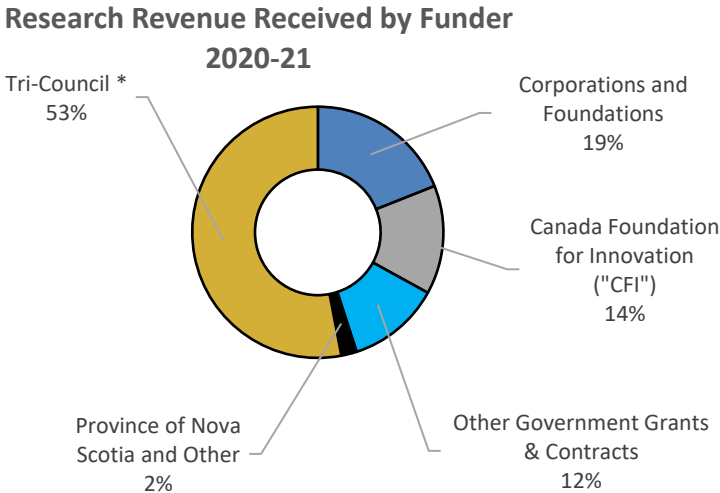


**Research and Special Purpose Revenues**

Research and special purpose revenues grew by 1.5% to \$148.6 million in 2020-21. Research and Special Purpose revenue must be used for the purposes specified by contributors and sponsors and are not used to support general operations of the University.

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

Research funding is received from a variety of sources with the largest contributions coming from the federal government through the Tri-Council granting agencies (the Canadian Institutes of Health Research (“CIHR”), Natural Sciences and Engineering Research Council (“NSERC”), and the Social Sciences and Humanities Research Council (“SSHRC”)). During the year, as a part of the Government of Canada’s Covid-19 economic response plan, the University received one-time funding from the Canada Research Continuity Emergency Fund (CRCEF), a tri-agency program that provided support for wages and other costs for researchers who were negatively impacted by the pandemic.



\* Tri-Council includes the Canada First Research Excellence Fund ("CFREF")

**Capital Revenues**

Capital revenues primarily relate to the amortization of deferred capital contributions, external cost recoveries related to insurance proceeds, and other general revenues. Revenue decreased by \$13.4 million to \$20.5 million in 2020-21 mainly due to a decrease in recoveries from the Cox Institute fire insurance proceeds.



## EXPENDITURES

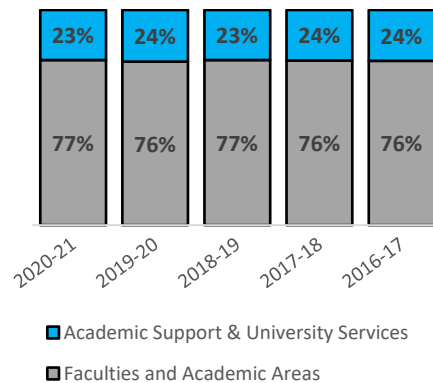
### Operating & Endowment Expenditures

Operating and endowment expenditures increased to \$539.8 million from \$537.5 million in the previous fiscal year, an increase of \$2.3 million (0.4%).

### Compensation

The nature of our work as an institution is providing service to our communities through teaching and research which means the majority of University costs relate to the compensation of faculty and staff. For the 2020-21 year compensation (net of unit revenues and recoveries) represented 70% of the operating budget or 67% of gross expenditures in the Operating and Endowment Funds. Salary and benefits costs (including pension) increased by 2.4% over 2019-20 to \$360.9 million. The graph to the right shows the distribution of compensation costs between Academic and Major Service and Support Units.

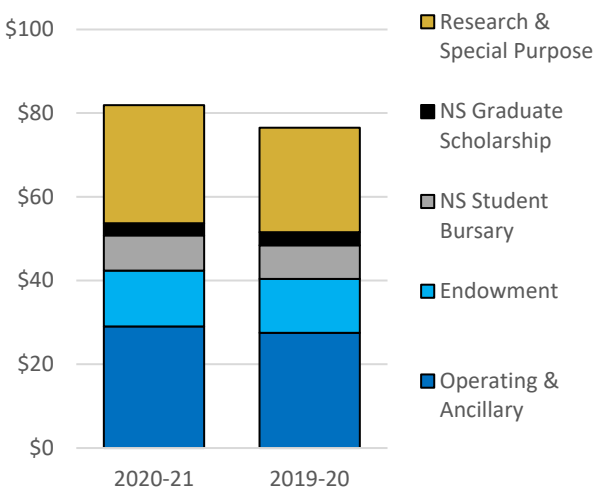
Distribution of Compensation Costs by Function  
2020-21



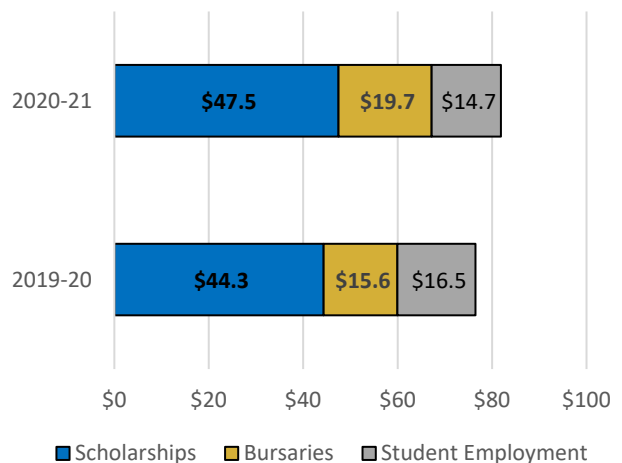
### Student Assistance

Student assistance includes undergraduate and graduate scholarships and bursaries, fellowships, and employment. In 2020-21, support for students totaled \$81.9 million, compared to \$76.5 million in the prior year. The following graphs show total student support by fund and student assistance by type.

Student Assistance - By Fund  
2019-20 vs 2020-21  
(in millions of dollars)



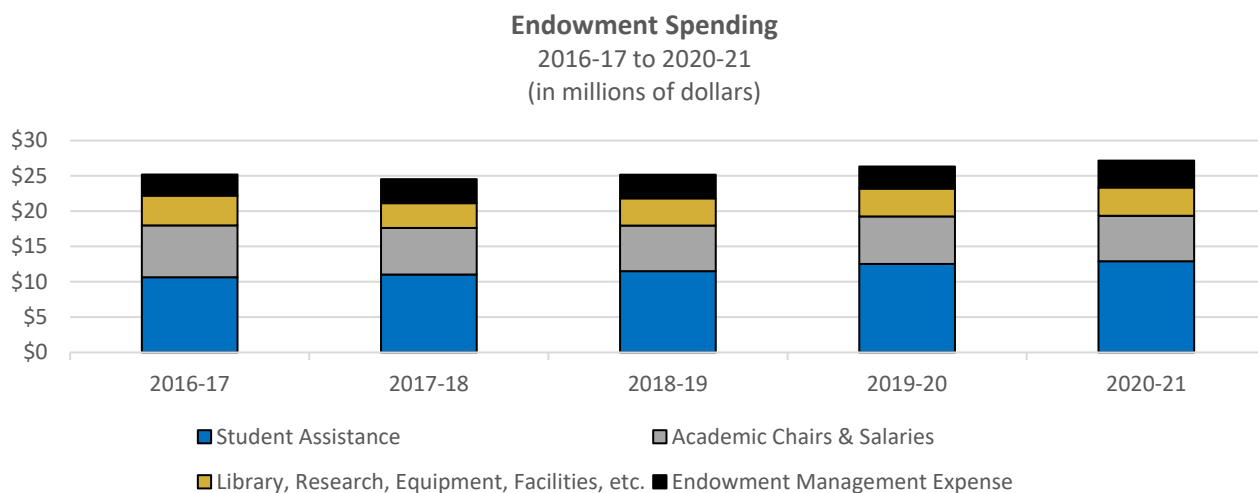
Student Assistance - By Type  
2019-20 vs 2020-21  
(in millions of dollars)



Overall Operating and Endowment funds provided increased scholarships and bursaries of \$4.7 million over 2019-20 including \$4.3 million in one-time support for students because of the pandemic. Research grants also provide significant financial support, particularly for graduate students, and increased by \$2 million over 2019-20. Student employment decreased year over year as a result of the pandemic but additional funds for student employment have been allocated in the 2021-22 budget.

### Endowment Supported Expenditures

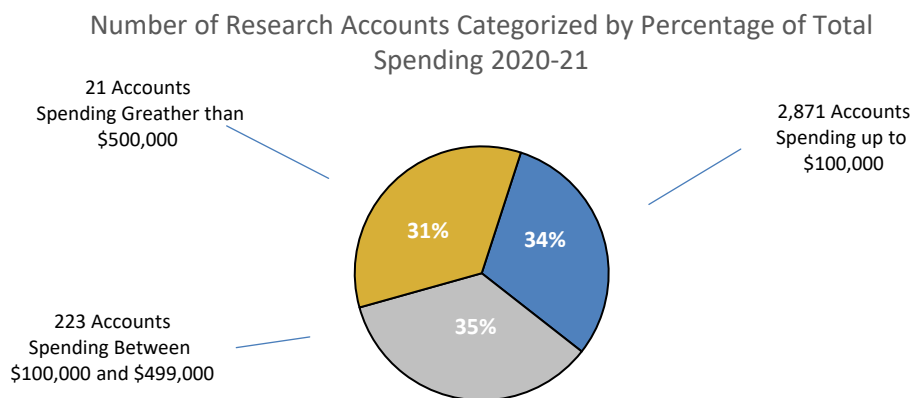
Dalhousie’s over 1,500 endowments provide an important source of funding for student bursaries and scholarships, academic chairs and salaries, research, and library materials and services. The graph below shows Endowment program spending by spending category. Student Assistance is the largest category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



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

### Research and Special Purpose Expenditures

As the purpose of research and special purpose revenues are restricted by the various funders, the financial statements include revenue only to support related expenditures that have occurred. In 2020-21, research expenditures and special purpose expenditures totaled \$126.0 million and \$10.8 million, respectively. Expenditures on these accounts vary annually based on the type and level of activity. As reflected in the following chart, 31% of research expenditures are generated by only 21 accounts (0.7 % of 3,115 accounts)



The Covid-19 pandemic resulted in spending delays on many of the University’s research projects (e.g. travel restrictions, work from home orders, etc.). Overall, travel expenditures for the year were reduced by \$7.1 million.

## Capital

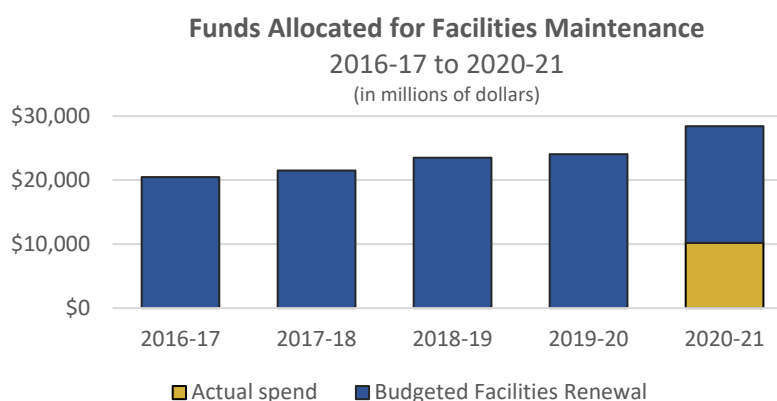
The University's Capital fund tracks funds that are received and expended on property, facilities, and equipment. This includes the construction of new facilities, building improvements (Facilities Renewal), as well as library collections, research and lab equipment. The University also transfers funding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

The University maintains 159 buildings and utility distribution facilities across four campuses with a replacement cost estimated at \$2 billion and \$500+ million in deferred maintenance. A substantial annual investment is required to maintain these facilities to meet the ongoing needs of students, faculty, and staff. The pandemic demanded that we take new approaches to teaching, learning and work, now providing a unique opportunity to consider how we use university space post pandemic.

During the 2020-21 year, \$57.5 million was invested in capital assets from all funds. Large project expenditures in 2020-21 included the Arts Centre addition, continued work on the Halifax thermal plant, and information technology infrastructure renewal. All large capital projects are undertaken based on funding plans as recommended by the Capital Projects and Facilities Committee of the Board. Projects are funded through a combination of donor and government contributions, new revenue streams, cost savings, and support from the Facilities Renewal budget where they related to deferred maintenance items.

The annual Facilities Renewal allocation, as part of the University's Operating budget is an important element of the University's capital program. The 2020-21 annual base budget for Facilities Renewal of \$28.0 million is allocated to complete work on all building system components across all campuses. The projects are prioritized based on life, health and safety, academic priority, and consideration of all campuses; and there are specific annual allocations for classroom upgrades. Planned projects for the year are reviewed by the Capital Projects and Facilities Committee. Funds In 2020-21 work included replacement of air handling units, rooftop fluid cooler and heat pumps in the Dental building, the addition of an exhibition room in H building, and classroom upgrades in the Life Sciences Centre.

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



In the Spring of 2020, all but the most urgent Facilities Renewal projects for the year were put on hold due to the significant uncertainty with the University's financial situation caused by the pandemic. The Operating Budget was approved in November, but project timelines were delayed significantly, and many projects were not completed as of March 31, 2021. Total spending during 2020-21 of \$10.2 million was \$17.8 million less than budget. Projects deferred will be completed and the unspent budget will be carried forward to 2021-22.

The University continues to seek alternative sources of funding to support capital infrastructure. In 2019-20, the University received a special one-time grant from the Province of Nova Scotia for \$10.7 million to be used for deferred maintenance. These funds will be used to support projects related to exterior envelope renewal at O'Brien

Hall, and the Central Services Building, as well as the Killam Library infrastructure tunnel renewal. Spending has commenced in 2020-21 and continue according to plan in 2021-22.

Over the last three years, the capital fund included expenditures (supported by recoveries from insurance) for the Cox Institute remediation and rebuild following the fire in June 2019. Total expenditures in 2018-19, 2019-20 and 2021-22 were \$28.9 million, \$19.3 million, and \$9.0 million respectively. During the current year, reconstruction was substantially completed.

# 2020-21 Operating Budget Results



## **INTRODUCTION**

The COVID-19 pandemic imposed a high degree of uncertainty on academic and financial planning for 2020-21 which led to the delay in the approval of the budget until Fall enrolments could be assured. The Board of Governors approved the University's 2020-21 budget in November of 2020 with revenues and expenditures of \$471.0 million and \$480.8 million respectively, resulting in a budget shortfall of \$9.8 million and a plan to use one-time reserves of \$9.8 million to balance the budget.

The budgeted shortfall related largely to anticipated revenue losses in recreation and athletics as student fees were waived, residences and food services operations due to reduced occupancy, parking, and expected reductions in revenue from specialized programs and cohorts of students. In addition to fees that were waived, the budget also provided for \$3.0 million in additional bursary support for students on the expectation that financial need would be greater because of the pandemic. Partially mitigating the shortfall, larger budget reductions were applied to all Faculties and Unit budgets, and savings in utility costs from lower occupancy were anticipated.

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 2020-21. The approved budget included 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 8d on page 18). These adjustments, as well as base allocations from strategic initiatives made to Faculties/Units in the Responsibility Centre Expenditure category are reflected in the final budget column. The final budget also includes increases in the government grant and tuition revenue budgets. These relate to funding provided to the Faculties of Medicine and Health for additional costs for expanded MD enrolments, and the new Pharmacy (Pharm D) program respectively.

## **ACTUAL RESULTS**

In January 2021, the Provincial Government announced an additional \$9.5 million in one-time funding to assist with 2020-21 financial pressures related to the COVID-19 pandemic. This welcome news allows the University to address the planned deficit (requiring only \$311,000 in reserve funding) and retain the balance of reserves for continued pandemic and future uncertainties. Commentary on significant variances to budget follow the Operating Budget Results Summary and the schedules that detail results for the individual Faculties and support and service units.

## Operating Budget Results - Summary

As at March 31, 2021

(thousands of dollars)

	Approved Budget	Final Budget (1)	Actual	Variance Fav (Unfav)
<b>REVENUE</b>				
Provincial Government Grants				
Operating	197,622	197,622	197,622	-
COVID-19 Pandemic one-time Grant			9,510	9,510
Scholarship and Bursary Program Grants	11,190	11,190	11,313	123
Program Specific Grants	11,298	12,798	12,798	-
Facilities/Space	1,000	1,000	1,000	-
	221,110	222,610	232,243	9,633
Federal Research Support Fund Grant	6,733	6,733	6,733	-
Investment				
Endowment	30,367	30,367	27,134	(3,233)
Operating (net of bank & finance charges)	3,000	3,000	3,846	846
Tuition Fees	206,230	207,194	210,095	2,901
Facilities Renewal Fee	3,596	3,596	3,867	271
<b>TOTAL REVENUE</b>	<b>471,036</b>	<b>473,500</b>	<b>483,918</b>	<b>10,418</b>
<b>GENERAL OPERATING EXPENDITURES</b>				
Scholarships, Bursaries and Student Assistance				
Operating	15,585	15,585	16,912	(1,327)
Scholarship and Bursary Program	11,190	11,190	11,313	(123)
Endowment	7,168	7,168	7,019	149
Campus Renewal				
Annual Facilities Maintenance	27,963	27,962	28,233	(271)
Long Term	6,495	6,495	6,495	-
Energy, Water, Taxes and Insurance (net of recoveries)	21,340	21,135	20,894	241
Endowment Management Expenses	3,600	3,600	3,783	(183)
Strategic Initiatives Allocation	6,000	5,291	5,291	-
Equipment and Furniture Allocation	2,466	2,466	2,466	-
Contingency	1,900	1,900	1,233	667
<b>TOTAL GENERAL OPERATING EXPENDITURES</b>	<b>103,707</b>	<b>102,792</b>	<b>103,639</b>	<b>(847)</b>
<b>RESPONSIBILITY CENTRE EXPENDITURES</b>				
Academic	262,988	271,228	266,592	4,636
Academic Support	17,236	17,536	22,906	(5,370)
Administration	34,749	35,964	35,899	65
General	1,842	1,842	1,932	(90)
Facilities Management	22,867	23,081	23,499	(418)
Student Services <sup>(2)</sup>	10,448	10,637	10,594	43
Provision for Compensation <sup>(3)</sup>	14,160	7,380	7,380	-
<b>TOTAL RESPONSIBILITY CENTRE EXPENDITURES</b>	<b>364,289</b>	<b>367,668</b>	<b>368,802</b>	<b>(1,134)</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>467,996</b>	<b>470,460</b>	<b>472,441</b>	<b>(1,981)</b>
<b>NET ANCILLARY EXPENDITURES <sup>(2)</sup></b>	<b>12,805</b>	<b>12,805</b>	<b>11,788</b>	<b>1,017</b>
<b>TOTAL EXPENDITURES</b>	<b>480,801</b>	<b>483,265</b>	<b>484,229</b>	<b>(964)</b>
<b>SHORTFALL FOR THE YEAR BEFORE DESIGNATED RESERVES</b>	<b>(9,765)</b>	<b>(9,765)</b>	<b>(311)</b>	<b>9,454</b>
<b>USE OF DESIGNATED RESERVES</b>	<b>9,765</b>	<b>9,765</b>	<b>311</b>	<b>(9,454)</b>
<b>SURPLUS (SHORTFALL)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

1) The final budget includes the distribution of the Provision for Compensation and base allocations from Strategic Initiatives. The Program Specific Grants budget and the Faculty of Medicine budget have both been increased by \$1.5 million to reflect funding from the province to support enrolment expansion in the MD program. The tuition revenue budget and the Faculty of Health budget have also been adjusted by \$965,000, reflecting increased tuition revenues related to the new PharmD program.

(2) The approved budget showed the incorrect distribution of Covid-19 revenue losses between Athletics and Recreation and Dalplex. This has been adjusted (\$1.1M).

(3) Undistributed balance has been transferred to the Pension Stabilization Reserve. See note 8d on page 18.

	Approved Budget	Final Budget <sup>(1)</sup>	Actual <sup>(2)</sup>	Variance Fav (Unfav)
<b>ACADEMIC</b>				
Agriculture	18,024	18,949	18,949	-
Architecture and Planning	4,920	4,862	4,862	-
Arts and Social Sciences	19,956	20,082	20,082	-
Arts and Social Sciences - Special Response Funds	241	241	241	-
Computer Science	11,362	11,568	11,568	-
Dentistry	10,345	10,642	10,642	-
Engineering	21,843	22,342	22,342	-
Graduate Studies	2,194	2,424	2,424	-
Health	30,543	32,388	32,388	-
Law	12,262	12,471	12,471	-
Management	14,074	14,416	14,416	-
Medicine	49,871	52,416	52,416	-
Science	37,391	38,199	38,199	-
University Library	19,061	19,285	19,829	(544)
Open Learning and Career Development	1,224	1,251	1,903	(652)
College of Sustainability	1,380	1,407	1,407	-
Centres, Institutes & Special Projects	2,742	2,764	2,764	-
International Support to Faculties and Units	700	700	700	-
Cooperative Education Office	834	880	880	-
Faculty Related Costs (eg.Travel, Leave Grants, PDA.)	2,802	2,774	2,774	-
Kings' Transfer	(2,177)	(2,177)	(2,397)	220
Academic Initiatives	1,049	994	994	-
Adjustment for one time net revenue losses (COVID)	2,350	2,350	-	2,350
Transfer to Endowment Carryforward <sup>(3)</sup>	-	-	(3,262)	3,262
<b>TOTAL ACADEMIC</b>	<b>262,988</b>	<b>271,228</b>	<b>266,592</b>	<b>4,636</b>
<b>ACADEMIC SUPPORT</b>				
Art Gallery	226	227	227	-
Centre for Learning and Teaching	1,378	1,372	1,718	(346)
IT Infrastructure	3,750	3,885	8,753	(4,868)
Information Technology Services	11,904	12,077	12,066	11
Printing Centre	(22)	(25)	129	(154)
Transfer from Endowment Carryforward <sup>(3)</sup>	-	-	13	(13)
<b>TOTAL ACADEMIC SUPPORT</b>	<b>17,236</b>	<b>17,536</b>	<b>22,906</b>	<b>(5,370)</b>

(1) The final budget includes the distribution of the Provision for Compensation and base allocations from Strategic Initiatives. The tuition revenue budget and the Faculty of Health budget has also been adjusted by \$965,000 respectively, reflecting increased tuition revenues during the phase in of the new 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 14).



**Dalhousie University**  
**Operating Budget Results - Detail**  
**As at March 31, 2021**

(thousands of dollars)

	<b>Approved Budget</b>	<b>Final Budget <sup>(1)</sup></b>	<b>Actual <sup>(2)</sup></b>	<b>Variance Fav (Unfav)</b>
<b><u>ADMINISTRATION</u></b>				
Application Fees and Services Recovery	(1,757)	(1,757)	(2,179)	422
Advancement	7,003	7,168	7,168	-
Communications and Marketing	3,108	3,008	3,008	-
Environmental Health and Safety	1,426	1,531	1,962	(431)
Financial Services	5,014	5,128	5,128	-
Human Resources	3,678	3,857	3,857	-
Planning & Analytics	1,357	1,395	1,395	-
President's Office / Provost Office	2,126	2,218	2,168	50
Registrar & Admissions	6,362	6,417	6,478	(61)
Research Services	2,692	2,749	2,749	-
University Services <sup>(3)</sup>	3,740	4,250	4,165	85
<b>TOTAL ADMINISTRATION</b>	<b>34,749</b>	<b>35,964</b>	<b>35,899</b>	<b>65</b>
<b><u>GENERAL</u></b>	<b>1,842</b>	<b>1,842</b>	<b>1,932</b>	<b>(90)</b>
<b><u>FACILITIES MANAGEMENT</u></b>	<b>22,867</b>	<b>23,081</b>	<b>23,499</b>	<b>(418)</b>
<b><u>STUDENT SERVICES</u></b>				
Awards Office & Student Services Centre -Sexton	372	389	389	-
Student Support Services (including Vice Provost Student Affairs Office)	4,902	5,054	5,054	-
Student Wellness (including Counselling)	1,509	1,505	1,505	-
Recreation and Athletics	1,065	1,089	3,653	(2,564)
Adjustment for one time net revenue losses (COVID)	2,600	2,600	-	2,600
Transfer to Endowment Carryforward <sup>(4)</sup>	-	-	(7)	7
<b>TOTAL STUDENT SERVICES</b>	<b>10,448</b>	<b>10,637</b>	<b>10,594</b>	<b>43</b>
<b><u>ANCILLARIES</u></b>				
Dalhousie Arts Centre	380	380	533	(153)
Dalplex	181	181	2,768	(2,587)
Food Services	(43)	(43)	1,196	(1,239)
Residence Life	1,625	1,636	1,126	510
University Bookstore	(109)	(107)	509	(616)
University Housing	(2,029)	(2,042)	5,667	(7,709)
Adjustment for one time net revenue losses (COVID)	12,800	12,800	-	12,800
Transfer to Endowment Carryforward <sup>(4)</sup>	-	-	(11)	11
<b>TOTAL ANCILLARIES</b>	<b>12,805</b>	<b>12,805</b>	<b>11,788</b>	<b>1,017</b>

(1) The final budget includes the distribution of the Provision For Compensation and base allocations from Strategic Initiatives. The Program Specific Grants budget and the Faculty of Medicine budget have both been increased by \$1.5 million to reflect funding from the province to support enrolment expansion in the MD program. The tuition revenue budget and the Faculty of Health budget have also been adjusted by \$965,000, reflecting increased tuition revenues related to the new PharmD program.

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

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

(4) This line reflects the transfer from (to) Endowment Carryforward for the variances in spending on endowment allocations included in Faculty and Units actual results for the year. (See Appendix A for breakdown by Faculty / Unit). The total variance in endowment expenditures is directly offset by a variance in the amount of investment income recognized for the year compared to budget (see note 2 on page 14).

**COMMENTARY ON MAJOR REVENUE & EXPENDITURE VARIANCES**

**1. Government Grants**

a) Provincial Operating Grants:

The University budget is supported by Provincial Government grants from the Department of Labour and Advanced Education. Funding includes the main block operating grant which increased by 1% in 2020-21, grants for student assistance as well as grants for specific academic programs and space costs. All other grants were received according to budget except as follows:

- In January 2021, the Provincial Government announced an additional \$9.5 million in one-time funding to address the financial pressures relating to the pandemic.
- The provincial grants supporting bursary and scholarship programs provide direct assistance to students and equal the costs for the year resulting in no net impact on the University operating budget.

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

**Budget and Actual - Grant Amounts**

(in thousands of dollars)

	<b>2020-21 Budget</b>	<b>2020-21 Actual</b>	<b>Variance</b>
<b>University Operating Grant</b>	197,622	197,622	-
<b>COVID-19 Pandemic one-time Grant</b>		9,510	9,510
<b>Provincially Supported Student Assistance Programs</b>			
<b>Nova Scotia Bursary</b>	8,190	8,420	230
<b>Nova Scotia Graduate Scholarship</b>	3,000	2,893	(107)
<b>Program Specific Grants</b>			
<b>Health (Nursing, Occupational Therapy &amp; Physiotherapy)</b>	6,218	6,218	-
<b>Medicine</b>	6,500	6,500	-
<b>Other</b>	80	80	-
<b>Facilities/Space Grant</b>	1,000	1,000	-
	<b>222,610</b>	<b>232,243</b>	<b>9,633</b>

b) Federal Research Support Fund Grant:

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

## 2. Investment Income

a) Endowment Income (and Related Expenditure Lines):

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

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

### Summary of Endowment Income and Expenditures compared with Budget

(in thousands of dollars)

	2020-21 Budget	2020-21 Actual	Variance
<b>Endowment Investment Income</b>	30,367	27,134	3,233
<b>Endowment Expenditures</b>			
<b>Student Assistance</b>	7,168	7,019	149
<b>Endowment Management Expense</b>	3,600	3,783	(183)
<b>Included In Faculties and Units:</b>			
<b>Faculties and other academic units</b>	19,089	15,827	3,262
<b>Academic support units</b>	72	85	(13)
<b>Student Affairs</b>	179	172	7
<b>University Housing</b>	259	248	11
<b>Total Endowment Expenditures</b>	30,367	27,134	3,233

Most faculties experienced underspending in the year. The major variance for the year related to vacancies in Academic chairs primarily in the Faculties of Medicine, Science, and Law as the pandemic impacted hiring timelines. A detailed breakdown of endowment expenditures for the year compared to Faculty and Support Unit budgets is included in Appendix A.

b) Investment Income – Operating:

The University invests cashflows according to the Expendable Funds Investment Policy which supports the operating budget. The University's short-term investment revenue is higher than budget by \$846,000 for the year due to higher than projected cash balances due to decreased and delayed spending, and timing of cashflows.

### **3. Tuition Fees**

The 2020-21 tuition revenue budget of \$206.2 million was based on actual fall 2020 enrolments and a cautious forecast for winter that considered student retention, attrition, and new enrolments between the Fall and Winter terms. Winter term enrolments were better than forecast resulting in an additional \$2.9 million in tuition revenue for the year. The tuition revenue budget increased by \$965,000 reflecting increased tuition revenues during the phase-in of the new PharmD program and the Faculty of Health budget has also been adjusted accordingly.

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

In 2020-21, \$4.3 million in one-time student assistance was provided to support students impacted by the pandemic. The budget allowed for a one-time increase of \$3.0 million to increase both the size and number of bursaries to students with financial need. During the year additional support of \$1.3 million was provided as follows:

- The PASS/III grading changes implemented resulted in increased scholarships to students.
- To assist international students through emergency bursaries, and with the costs of isolation requirements on arrival.

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

University endowment funds are also an important source of financial support for students. In 2020-21, \$7.0 million was provided to students through the central endowment student assistance budget. Endowments managed by individual Faculties and Units provided a further \$4.9 million in assistance for students.

### **5. Campus Renewal**

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

In the Spring of 2020, Facilities Renewal projects for the year were put on hold due to the significant uncertainty with the University's financial situation caused by the pandemic. Once the budget was approved in November the Facilities Renewal budget was confirmed, but project timelines were delayed significantly, and many projects were not completed as of March 31<sup>st</sup>. As a result, \$18.0 million has been carried forward to complete these projects in 2021-22.

During the year, \$271,000 in additional facilities renewal student fee revenue was generated from increased enrolment and this allowed for additional Facilities Renewal expenditures of an equivalent amount.

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

The 2020-21 budget for Energy, Water, Taxes, and Insurance line was reduced on a one-time basis by \$1.5 million for estimated savings in utility costs from decreased occupancy due to the pandemic. Overall, these

savings were exceeded but partially offset by an increase in insurance costs confirmed in January resulting in a small positive variance on the line of \$241,000.

Sustainable energy projects over the last decade have saved \$3.8 million per year on utilities. These savings are used first to retire the costs of these projects but ultimately will benefit the operating budget in future years.

## 7. Strategic Initiatives

The University budget included a \$6.0 million allocation for Strategic Initiatives. Funding was prioritized to address impacts of the pandemic and the transition to online academic delivery including TA, RA and other teaching supports for Faculty, and to facilitate online learning and other Faculty initiatives. Overall, \$710,000 of base funds was allocated for a variety of purposes including Qualitative Analysis software, positions in Equity, Diversity Inclusion, support positions in faculties and major service and support units, as well as a technical research support position.

## 8. Responsibility Centre and Ancillary Expenditures

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

Of particular note for 2020-21, the budget incorporated estimated one-time revenue losses in Faculties, Units, and Ancillaries of \$19.0 million resulting from the pandemic. In each instance, the estimated losses are net of estimated cost savings. The following table provides a summary of the actual losses for the year totalling \$16.9 million compared with the budget estimates:

	<b>2020-21</b>	<b>2020-21</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Academic</b>	(2,350)	(652)	1,698
<b>Print Centre</b>	-	(154)	(154)
<b>General</b>	(300)	(390)	(90)
<b>Facilities Management</b>	(950)	(1,368)	(418)
<b>Athletics</b>	(2,600)	(2,564)	36
<b>Ancillaries</b>			-
Dalhousie Arts Centre	-	(153)	(153)
Dalplex	(4,100)	(2,587)	1,513
Food Services	(1,500)	(1,239)	261
University Bookstore	(700)	(616)	84
University Housing	(6,500)	(7,199)	(699)
	<u>(19,000)</u>	<u>(16,922)</u>	<u>2,078</u>

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

### a) **Endowment Program-**

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

**b) Academic –**

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

- i) Net Revenue Losses (Covid-19): Overall revenue losses in Academic areas were \$1.7 million better than the budget estimate of \$2.4 million:
  - a. The Faculties of Dentistry, Engineering, Medicine, and Science originally projected revenue losses but achieved better than planned enrolments in premium fee programs while also achieving additional cost savings at a Faculty level.
  - b. The Faculty of Open Learning and Career Development incurred net losses of \$652,000 as program enrolments decreased.
- ii) University Library (including Academic Technology Services) incurred \$544,000 in costs to support faculty in the rapid transition to online learning for 2020-21. Such costs include captioning, course builders, and lecture recording equipment.
- iii) There was increased revenue relating to enrolment under the agreement with the University of King's College to provide teaching services for King's students.

Overall, Faculties added \$13.0 million to carry-forward for the year (see Appendix A for breakdown by Faculty). Savings were a result of hiring delays, reduced travel and meeting expenses due to public health restrictions, and in some areas enrolment growth in specialized programs. Faculty carry-forwards can be used to fund one-time projects and initiatives and Faculty overspending must be repaid according to an established plan. The Provost and Vice President Academic and Vice President Finance and Administration continue to work with Faculties on their carry-forward plans.

**c) Service and Support Units –**

a. Academic Support Units: Most academic support units experienced additional costs. The Centre for Teaching and Learning incurred increased costs of \$346,000 to support faculty in the transition to online teaching. A multi-year approach was planned to refresh IT infrastructure, but the sudden transition to online teaching, learning, and work prompted an immediate need to address aging infrastructure resulting in a \$4.8 million expenditure on this line. There were also small COVID-19 related revenue losses reported in the Print Centre of \$154,000.

b. Administrative, General, Facilities Management and Student Services:

There are favourable and unfavourable variances in these areas, netting to an overall deficit of \$402,000 for the year. Significant variances are as follows:

- a. Net Revenue Losses Covid-19:
  - i) Interest and Penalties on students' accounts were waived early in the fiscal year as one measure to assist students.
  - ii) Facilities Management parking and recovery losses were budgeted at \$950,000 for the year. The year-end result was \$418,000 worse mainly as a result of additional costs to address classroom-related public health requirements for this coming fall.
  - iii) Waived student fees and other net revenue losses for Recreation and Athletics were close to the budget estimate at \$2.6 million.
- b. An increase in the number of student applications this winter generated \$422,000 in

additional revenue.

- c. Environmental Health & Safety incurred additional expenses related to the purchase of Personal Protective Equipment.

Service and Support Units may carry forward savings when approved for specific projects. (Appendix A provides a breakdown of these units drawing or carrying forward savings). Financial Services, Human Resources, Research Services, and University services carried funds forward to address anticipated costs to retrofit space to accommodate what we have learned through the pandemic. Communications & Marketing will spend their carry-forward on planned priorities such as international marketing and the Dal.ca web refresh.

**d) Provision for Compensation –**

The approved budget included an estimate of scale and progression increases (and related pension and benefit increases) for all employee groups. The faculty (DFA) and NSGEU 77 agreements have been concluded but agreements with other employee groups are currently being negotiated. No increases related to the concluded agreements were paid to employees prior to March 31<sup>st</sup>. Retroactive increases to July 1, 2020 have been estimated and are reflected in the budget and actual results for Faculties and Units in this report.

The University's contribution to the pension plan is determined based on a valuation of the financial position of the plan by an actuarial consultant as required by the Nova Scotia Pension Benefits Act. The valuation at January 31, 2020 requires an increase in employer payments to fund the Pension Plan. Pension regulations allow for the increase to be phased in over five years.

For 2020-21, the University transferred \$7.4 million to the Pension Stabilization Fund to transition to the increased contribution requirements.

**e) Ancillaries –**

The ancillary budget includes the Bookstore, University Housing and Conference Services, Residence Life, Food Services, Dalplex (Fitness Centre), and Arts Centre facilities. These units are normally expected to cover their costs, including maintenance, from the revenues generated. However, this year, the overall budget allowed for \$12.8 million in revenue losses from these areas because of COVID-19. The following is a summary of the actual results compared with the budget for the year:

- i) The Arts Centre was expected to be closed for a substantial part of the year due to construction but did incur a loss of \$153,000 for the year.
- ii) The University waived Fitness Centre fees for students, and costs were higher (additional custodial, health and safety requirements, etc.) resulting in a loss of \$2.6 million for Dalplex for the year.
- iii) Public health requirements and the move to on-line learning meant that University residences operated at a fraction of their capacity. This resulted in losses for the year of \$7.7 million in the residence operation which was partially mitigated by \$510,000 in related savings in Residence Life. Related to the reduction in residence occupancy, Food Services also incurred net losses of \$1.2 million.
- iv) The University Bookstore transitioned to online sales allowing for a \$100,000 improvement on the estimated loss included in the budget.

Dalhousie University  
**Operating Budget Results - Detailed Analysis of Budget, Actual and Variance**  
 Year Ended March 31, 2021

(thousands of dollars)

	Operating					Endowment					Consolidated
	* Column 1	* Column 2	* Column 3	* Column 4	* Column 5	* Column 6	* Column 7	* Column 8	* Column 9	* Column 10	* Column 11
	Final Budget	Actual before Transfer of Variance	Transfer of Variance to Appropriation <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Final Budget	Actual before Transfer of Variance	Transfer of Variance to Carry Forward <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Operating and Endowment Variance Fav/(Unfav)
<b>ACADEMIC</b>											
Agriculture	18,652	18,132	520	18,652	-	297	272	25	297	-	-
Architecture and Planning	4,763	4,605	158	4,763	-	99	55	44	99	-	-
Arts and Social Sciences	18,287	18,539	(252)	18,287	-	1,795	1,507	288	1,795	-	-
Arts and Social Sciences - Special Response	241	286	(45)	241	-	-	-	-	-	-	-
Computer Science	11,310	9,024	2,286	11,310	-	258	186	72	258	-	-
Dentistry	10,386	8,918	1,468	10,386	-	256	220	36	256	-	-
Engineering	21,294	20,454	840	21,294	-	1,048	838	210	1,048	-	-
Graduate Studies	1,869	1,803	66	1,869	-	555	369	186	555	-	-
Health	31,723	29,962	1,761	31,723	-	665	418	247	665	-	-
Law	9,442	9,406	36	9,442	-	3,029	2,483	546	3,029	-	-
Management	13,578	12,082	1,496	13,578	-	838	925	(87)	838	-	-
Medicine	45,698	44,873	825	45,698	-	6,718	5,414	1,304	6,718	-	-
Science	35,021	34,521	500	35,021	-	3,178	2,677	501	3,178	-	-
University Library	19,041	19,085	500	19,585	(544)	244	168	76	244	-	(544)
Open Learning and Career Development	1,185	1,913	(76)	1,837	(652)	66	285	(219)	66	-	(652)
College of Sustainability	1,401	1,222	179	1,401	-	-	7	(1)	6	-	-
Centres, Institutes & Special Projects	2,727	1,906	821	2,727	-	37	3	34	37	-	-
International Supports to Faculties and Units	700	178	522	700	-	-	-	-	-	-	-
Cooperative Education Office	880	723	157	880	-	-	-	-	-	-	-
Faculty Related Costs (eg. Travel, Leave Grants, PDA)	2,774	1,947	827	2,774	-	-	-	-	-	-	-
Kings' Transfer	(2,177)	(2,397)	-	(2,397)	220	-	-	-	-	-	220
Academic Initiatives	994	576	418	994	-	-	-	-	-	-	-
Adjustment for one time net revenue losses (COVID)	2,350	-	-	-	2,350	-	-	-	-	-	2,350
Transfer to Endowment Carryforward	-	-	-	-	-	-	-	(3,262)	(3,262)	3,262	3,262
<b>TOTAL ACADEMIC</b>	<b>252,139</b>	<b>237,758</b>	<b>13,007</b>	<b>250,765</b>	<b>1,374</b>	<b>19,089</b>	<b>15,827</b>	<b>-</b>	<b>15,827</b>	<b>3,262</b>	<b>4,636</b>
<b>ACADEMIC SUPPORT</b>											
Art Gallery	156	156	-	156	-	71	85	(14)	71	-	-
Centre for Learning and Teaching	1,371	1,717	-	1,717	(346)	1	-	1	1	-	(346)
IT Infrastructure	3,885	9,605	(852)	8,753	(4,868)	-	-	-	-	-	(4,868)
Information Technology Services	12,077	12,066	-	12,066	11	-	-	-	-	-	11
Printing Centre	(25)	129	-	129	(154)	-	-	-	-	-	(154)
Transfer from Endowment Carryforward	-	-	-	-	-	-	-	13	13	(13)	(13)
<b>TOTAL ACADEMIC SUPPORT</b>	<b>17,464</b>	<b>23,673</b>	<b>(852)</b>	<b>22,821</b>	<b>(5,357)</b>	<b>72</b>	<b>85</b>	<b>-</b>	<b>85</b>	<b>(13)</b>	<b>(5,370)</b>
<b>ADMINISTRATION</b>											
Application Fees and Services Recovery	(1,757)	(2,179)	-	(2,179)	422	-	-	-	-	-	422
Advancement	7,168	7,168	-	7,168	-	-	-	-	-	-	-
Communications and Marketing	3,008	2,880	128	3,008	-	-	-	-	-	-	-
Environmental Health and Safety	1,531	1,962	-	1,962	(431)	-	-	-	-	-	(431)
Financial Services	5,128	5,081	47	5,128	-	-	-	-	-	-	-
Human Resources	3,857	3,794	63	3,857	-	-	-	-	-	-	-
Planning & Analytics	1,395	1,395	-	1,395	-	-	-	-	-	-	-
President's Office / Provost's Office	2,218	2,168	-	2,168	50	-	-	-	-	-	50
Registrar & Admissions	6,417	6,478	-	6,478	(61)	-	-	-	-	-	(61)
Research Services	2,749	2,729	20	2,749	-	-	-	-	-	-	-
University Services	4,250	4,045	120	4,165	85	-	-	-	-	-	85
<b>TOTAL ADMINISTRATION</b>	<b>35,964</b>	<b>35,521</b>	<b>378</b>	<b>35,899</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65</b>

(1) This column reflects the transfer of variances to (from) appropriation or Endowment carry-forward in accordance with university policy and accounting requirements  
 \* The information in this report is a consolidation of the Endowment and Operating Expenditure budgets. Columns 1 and 6 above report the Final Budget, Columns 4 and 9 show the Total Actual expenditure and Columns 5 and 10 the consolidated Variance in column 11.



Dalhousie University  
**Operating Budget Results - Detailed Analysis of Budget, Actual and Variance**  
 Year Ended March 31, 2021

(thousands of dollars)

	Operating					Endowment					Consolidated
	* Column 1	* Column 2	* Column 3	* Column 4	* Column 5	* Column 6	* Column 7	* Column 8	* Column 9	* Column 10	* Column 11
	Final Budget	Actual before Transfer of Variance	Transfer of Variance for Appropriation <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Final Budget	Actual before Transfer of Variance	Transfer of Variance to Carryforward <sup>(1)</sup>	Actual	Year End Variance Fav/(Unfav)	Operating and Endowment Variance Fav/(Unfav)
<b>GENERAL</b>	1,842	1,900	32	1,932	(90)	-	-	-	-	-	(90)
<b>FACILITIES MANAGEMENT</b>	23,081	23,767	(268)	23,499	(418)	-	-	-	-	-	(418)
<b>STUDENT SERVICES</b>											
Awards Office & Student Services Centre - Sexton	389	389	-	389	-	-	-	-	-	-	-
Student Support Services (including Vice-Provost's Office)	5,054	4,694	360	5,054	-	-	-	-	-	-	-
Student Wellness (including Counselling)	1,505	1,420	85	1,505	-	-	-	-	-	-	-
Recreation and Athletics	910	3,474	-	3,474	(2,564)	179	172	7	179	-	(2,564)
Adjustment for one time net revenue losses (COVID)	2,600	-	-	-	2,600	-	0	-	-	-	2,600
Transfer to Endowment Carryforward	-	-	-	-	-	-	-	(7)	(7)	7	7
<b>TOTAL STUDENT SERVICES</b>	<b>10,458</b>	<b>9,977</b>	<b>445</b>	<b>10,422</b>	<b>36</b>	<b>179</b>	<b>172</b>	<b>-</b>	<b>172</b>	<b>7</b>	<b>43</b>
<b>ANCILLARIES</b>											
Dalhousie Arts Centre	380	533	-	533	(153)	-	-	-	-	-	(153)
Dalplex	181	2,768	-	2,768	(2,587)	-	-	-	-	-	(2,587)
Food Services	(43)	1,196	-	1,196	(1,239)	-	-	-	-	-	(1,239)
Residence Life	1,636	1,126	-	1,126	510	-	-	-	-	-	510
University Bookstore	(107)	509	-	509	(616)	-	-	-	-	-	(616)
University Housing	(2,301)	5,408	-	5,408	(7,709)	259	248	11	259	-	(7,709)
Adjustment for one time net revenue losses (COVID)	12,800	-	-	-	12,800	-	-	-	-	-	12,800
Transfer to Endowment Carryforward	-	-	-	-	-	-	-	(11)	(11)	11	11
<b>TOTAL ANCILLARIES</b>	<b>12,546</b>	<b>11,540</b>	<b>-</b>	<b>11,540</b>	<b>1,006</b>	<b>259</b>	<b>248</b>	<b>-</b>	<b>248</b>	<b>11</b>	<b>1,017</b>

(1) This column reflects the transfer of variances to (or from) appropriation or Endowment carry forward in accordance with university policy and accounting requirements.  
 \* The information in this report is a consolidation of the Endowment and Operating Expenditure budgets. Columns 1 and 6 above report the Final Budget, Columns 4 and 9 show the Total Actual expenditure and Columns 5 and 10 total the consolidated Variance in column 11.

# 2020-21 Audited Financial Statements



The Dalhousie University Financial Statements for the year ended March 31, 2021 have been audited by the firm KPMG and are presented in this section of the Annual Financial Report. The financial statements should be read together with the Management Notes and the Operating Budget Report which contains the results for each Faculty and Service Unit for the year compared with budget.

The Management Notes for 2020-21 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:
  - a. Province of Nova Scotia COVID-19 relief programs administered by Dalhousie.
  - b. Cox Institute Insurance recovery.

## I. FUND ACCOUNTING

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

### **Operating Fund:**

Encompasses the day-to-day revenue and expenditures required to operate the University, and to carry out the Academic mission. Government grants, tuition revenue and other general revenues support operating expenditures. Budget allocations to Faculties and Major Service and Support Units are based on Budget Advisory Committee recommendations. The Operating Budget Report compares results to budget for Operating, Ancillary and Endowment fund activities.

### **Ancillary Fund:**

Ancillary units provide important services to the University community and are segregated from the core functions of teaching and research. The ancillary operations include Housing and Conference Services, Food Services, the Bookstore, the Dalhousie Arts Centre and Dalplex. These operations are normally expected to cover their full costs.

### **Endowment Fund:**

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

### **Capital Fund:**

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

### **Research Funds:**

Researchers managed approximately 3,000 segregated research grant and contract accounts in 2020-21. Expenditures are supported by revenues which are restricted for the purposes designated by the funders and sponsors. These funds cannot be used to support operations.

### **Special Purpose Funds:**

In 2020-21 there were approximately 1,000 special purpose accounts used for a variety of purposes including annual giving, conferences, service and lab accounts, and joint projects with contributions from external

partners. Expenditures are supported by revenues which are restricted for the purposes established by contributors.

### Transfers between the Funds

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

There are three main categories of interfund transfers as follows:

	2021	2020
	(millions of \$)	
<b>Transfers for Provision of Service</b>		
The following are charged to other funds from the operating budget:		
i) Cleaning, repairs and maintenance, small facilities projects, and security are charged primarily to the Ancillary fund (mainly the student residence operations).	\$ 5.3	\$ 7.9
ii) Ancillaries are charged for steam heat costs.	0.9	1.1
iii) Printing, audio visual and IT support costs charged across all funds.	1.6	2.1
<b>Transfers of Capital Related to Assets</b>		
<b>Operating Fund</b>		
i) Facilities renewal and Faculty / Unit sponsored projects	15.0	27.4
ii) Purchase of assets (e.g. equipment, library acquisitions).	9.0	1.4
iii) Debt principal payments.	3.9	5.2
iv) Capital replacement (e.g. heating plant, farm equipment).	0.7	1.1
v) Utility savings funding for sustainability projects.	5.3	3.8
<b>Ancillary Fund</b>		
i) Facilities Projects (e.g. Student Residence improvements).	0.1	3.8
ii) Debt principal payments.	3.1	3.2
iii) Capital Replacement (e.g. athletic facilities)		1.0
<b>Research and Special Purpose Funds</b>		
i) Purchase of assets (e.g. lab equipment)	5.4	15.0
ii) Renovation Projects (e.g. research labs)	4.4	2.3
iii) Capital contributions received (net amortized contributions)	3.5	(7.4)
<b>Transfers to Research and Special Purpose</b>		
The following are transferred to Research and Special Purpose from the operating budget:		
i) Transfers for faculty start-ups and research support funded from Faculty accounts	3.9	2.4
ii) Pension Savings to the Special Purpose reserve account	7.4	5.6
<b>Transfers to Ancillaries from Operating</b>		
For 2020-21 a transfer was required from the Operating Budget to Ancillaries to address pandemic related revenue loss losses.	11.5	

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

**Pension Plan funding:** The University must fund the pension plan based on the requirements of the Nova Scotia Pension Benefits Act which allows for repayment of deficit over a multiyear period. 2020-21 funding for the plan is determined based on a January 31, 2020 actuarial valuation.

**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, 2020) as explained in note 2h to the financial statements.

This results in an annual difference for financial statement purposes from the actual funding to the pension plan. The difference, the Pension Expense Adjustment, is identified as a separate line on the Statement of Revenue, Expenses and Changes in Operating Surplus. For 2020-21, the University was required to contribute \$7.7 million more than the amount that is expensed through the accounting requirement.

Improvements in investment market results and a slight increase in the discount rate as at March 31, 2021 have had a significant impact on the overall obligation, and have resulted in a \$114.5 million decrease in the pension liability.

## III. FINANCIAL STATEMENT IMPACTS:

### a. PROVINCE OF NOVA SCOTIA COVID-19 RELIEF PROGRAMS

The University administered various Covid-19 relief programs during the year on behalf of the Province of Nova Scotia. Included in Cash and Accounts Payable and Accruals on the Statement of Financial Position is \$30.1 million in unspent funds provided by the Province and included in Restricted Cash and Long term deferred deposits is \$35.8 million, representing the value of letters of credit issued under the Tourism Sector Financing Assistance Program. The programs have no impact on the University's Statement of Revenue and Expenses. Additional disclosure is included in Financial Statement notes 5 and 7.

### b. COX INSTITUTE INSURANCE RECOVERY

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

The costs to repair and reconstruct the facility include \$9.0 million recognized as expenses and \$9.0 million in insurance proceeds recognized as revenues in the Capital Fund (see supplementary Schedule 5). Betterments of \$3.3 million have been capitalized and are included in Capital Assets on the Statement of Financial Position.



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## INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Dalhousie University

### **Opinion**

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

- the statement of financial position as at March 31, 2021,
- 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, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Opinion**

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

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

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



### ***Other information***

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

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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



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

We also:

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

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

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Halifax, Canada

June 22, 2021



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

(in thousands of dollars)

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 320,519	\$ 222,852
Accounts receivable	32,978	49,874
Inventories	2,285	2,671
Prepaid expenses	6,785	6,945
	<u>362,567</u>	<u>282,342</u>
Investments (note 4)	881,885	754,260
Long term restricted cash (note 5)	35,770	-
Capital assets (note 6)	<u>1,074,353</u>	<u>1,060,307</u>
	<u>\$ 2,354,575</u>	<u>\$ 2,096,909</u>

**Liabilities and Net Assets**

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 135,284	\$ 133,900
Deferred revenue (note 8)	392,280	250,615
Current portion of long-term debt (note 9)	10,896	10,491
	<u>538,460</u>	<u>395,006</u>
Employee future benefits (note 10)	22,196	136,657
Deferred capital contributions (note 11)	261,171	264,873
Long term deferred deposit (note 5)	35,770	-
Long-term debt (note 9)	<u>150,342</u>	<u>159,802</u>
	1,007,939	956,338
Net assets: (note 12)		
Endowment	563,137	540,151
Excess of pension liabilities over pension assets	(19,112)	(133,226)
Restricted funds	168,393	117,134
Capital fund	634,218	616,512
	<u>1,346,636</u>	<u>1,140,571</u>
	<u>\$ 2,354,575</u>	<u>\$ 2,096,909</u>

Commitments and contingent liabilities (note 13)

See accompanying notes to financial statements.

Dalhousie University  
**Statement of Revenue, Expenses and Changes in Operating Surplus**  
Year ended March 31, 2021

(in thousands of dollars)

	2021	2020
Revenue:		
Provincial government operating grants	\$ 232,243	\$ 219,167
Other government grants and contracts	117,098	109,099
Corporations and foundations	23,866	32,248
Tuition fees	226,754	204,728
Non-credit and other fees	25,148	34,912
General	8,315	10,656
Gifts	9,518	10,524
Investment income	36,295	31,693
Ancillary sales and service	13,461	49,859
External cost recoveries	53,565	62,221
Amortization of deferred capital contributions (note 11)	16,179	16,139
	<u>762,442</u>	<u>781,246</u>
Expenses:		
Salaries and employee benefits	423,978	415,341
Pension expense adjustment (note 10)	7,678	(384)
Library acquisitions	9,370	8,208
Laboratory and teaching supplies	12,357	14,883
Equipment and service	19,733	22,854
Finance costs	6,097	6,751
Utilities and taxes	16,232	19,427
Externally contracted services	67,830	84,326
Scholarships, bursaries and prizes	67,206	59,963
Ancillary cost of sales and service	2,340	8,833
Travel	1,113	16,780
Amortization of capital assets	43,399	40,688
General operating	23,299	34,698
	<u>700,632</u>	<u>732,368</u>
Excess of revenue over expenses (consolidated all funds)	<u>61,810</u>	<u>48,878</u>
Less amounts:		
Committed to equity in capital fund	(17,706)	(29,123)
Committed to future pension benefits	7,678	(384)
Committed to restricted funds	(51,782)	(19,371)
	<u>          </u>	<u>          </u>
Net change in operating surplus	<u>          </u>	<u>          </u>
Accumulated operating surplus, beginning of year	<u>          </u>	<u>          </u>
Accumulated operating surplus, end of year	<u>\$          </u>	<u>\$          </u>

See accompanying notes to financial statements.

Dalhousie University  
**Statement of Changes in Net Assets**  
Year ended March 31, 2021

(in thousands of dollars)

						2021	2020
	Endowment	Excess of pension liabilities over assets	Unrestricted operating Funds	Restricted funds	Capital fund	Total	Total
Net assets, beginning of year	\$ 540,151	(133,226)	-	117,134	616,512	1,140,571	\$ 1,196,835
Excess of revenue over expenses	-	(7,678)	(311)	52,093	17,706	61,810	48,878
Endowed principal contribution	9,941	-	-	-	-	9,941	5,839
Employee future benefits, remeasurements, and other items	-	121,792	-	-	-	121,792	(131,653)
Realized Investment returns	38,674	-	-	-	-	38,674	47,401
Transfer to Restricted Fund	-	-	311	(311)	-	-	-
Transfers from endowment	(25,629)	-	-	(523)	-	(26,152)	(26,729)
Net change for the year	22,986	114,114	-	51,259	17,706	206,065	(56,264)
Net assets, end of year	\$ 563,137	(19,112)	-	168,393	634,218	1,346,636	\$ 1,140,571

See accompanying notes to financial statements.

Dalhousie University  
**Statement of Cash Flows**  
Year ended March 31, 2021

(in thousands of dollars)

	2021	2020
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 61,810	\$ 48,878
Items not involving cash:		
Amortization of capital assets	43,399	40,688
Amortization of deferred capital contributions	(16,179)	(16,139)
Net change in employee future benefits	7,331	(400)
Change in current assets	17,442	(15,482)
Change in current liabilities	143,049	(4,300)
Cash provided by operating activities	<u>256,852</u>	<u>53,245</u>
Cash flows from investing activities:		
Purchase of capital assets	(57,445)	(55,662)
Net (increase) / decrease in investments	<u>(127,625)</u>	<u>55,157</u>
Cash used in investing activities	<u>(185,070)</u>	<u>(505)</u>
Cash flows from financing activities:		
Endowed principal contributions	9,941	5,839
Endowment realized investment returns	38,674	47,401
Endowment transfers	(26,152)	(26,737)
Deferred capital contributions received	12,477	27,888
Principal payments on long-term debt	<u>(9,055)</u>	<u>(9,277)</u>
Cash provided by financing activities	25,885	45,114
Net increase in cash and cash equivalents	<u>97,667</u>	<u>97,854</u>
Cash and cash equivalents, beginning of year	222,852	124,998
Cash and cash equivalents, end of year	<u>\$ 320,519</u>	<u>\$ 222,852</u>

See accompanying notes to financial statements.

**1. Authority and purpose:**

Dalhousie University (the “University”) operates under the authority of the Statutes of Nova Scotia 1863, Chapter 24 as amended. The University is a Board-governed comprehensive research university offering a full range of undergraduate, graduate, professional, and 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:

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

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

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

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

(g) Capital assets:

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

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

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

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

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

(h) Employee future benefits:

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

The University uses an actuarial valuation prepared for funding purposes to measure the defined benefit obligation related to the pension plan. The accrued benefit obligation related to employee future benefits is determined from the most recently prepared actuarial valuation as at January 31, 2020, extrapolated to March 31, 2021.

(i) Contributed services:

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

(j) Long-term debt:

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

(k) Derivative financial instruments:

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

Interest rate swaps

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

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

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

In the event that interest rate swaps are terminated or cease to be effective prior to maturity, any associated unrecognized gains or losses would be recognized in the period in which the underlying hedged transaction is recognized or, if a future hedged transaction is no longer likely to occur, immediately. In the event a designated hedged item is sold, extinguished, or matures prior to the termination of the related derivative instrument, any gain or loss on such derivative instrument is recognized in revenue or expenses.

Foreign exchange contracts

The University enters into forward foreign exchange contracts to manage some of the foreign exchange exposures. These contracts are carried at fair value and any resulting gain or loss on the derivative is recorded as revenue, expense or deferred revenue. As at March 31, 2021, the use of forward foreign exchange contracts was temporarily suspended .

**3. Related party transactions:**

The Dalhousie University Club (the “University Club”) was incorporated under the Societies Act of Nova Scotia and operated as a not-for-profit organization under the Income Tax Act and was exempt from income tax. During the year, the University Club was dissolved, and assets were transferred to the University.

**4. Investments:**

	<b>2021</b>	2020
Cash	\$ 4,720	\$ 3,284
Treasury bills, notes and GICs	74,368	94,453
Bonds	169,305	158,220
Canadian equities	112,968	82,192
US equities	156,386	111,451
Other international equities	128,605	101,730
Alternatives and other	235,533	202,930
	<b>\$ 881,885</b>	<b>\$ 754,260</b>



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

During the year 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 is acting as a financial intermediary for the program and will not benefit financially from the transactions. As at March 31, 2021, long term restricted cash and long term deferred deposits included \$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.

**6. Capital assets:**

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 125,296	\$ -	\$ 125,296	\$ 125,296
Building	1,055,757	(205,974)	849,783	858,254
Leasehold improvements	1,429	(1,134)	295	-
Equipment	238,222	(189,980)	48,242	47,960
Vehicles	3,251	(2,688)	563	669
Library books	34,084	(30,825)	3,259	3,538
Software and computing	18,943	(14,049)	4,894	3,936
Land improvements	10,194	(3,889)	6,305	5,757
Construction in progress	35,716	-	35,716	14,897
	\$ 1,522,892	\$ (448,539)	\$ 1,074,353	\$ 1,060,307

The cost of assets under capital lease is \$6,331 (2020 - \$5,778), with related accumulated amortization of \$3,902 (2020 - \$2,806). Management has assessed for full or partial impairment and determined that there is none as at March 31, 2021.

**7. Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities are government remittances for payroll taxes payable of \$12,945 (2020 - \$13,226).

As at March 31, 2021, Accounts payable and accrued liabilities and cash and cash equivalents included \$30,131 (2020 - \$50,000) from funds received from the Province of Nova Scotia to be administered by the University to support various provincial Covid-19 support programs.

**8. Deferred revenue:**

Deferred revenue includes grants, contributions and income received which are unspent at the end of the year and for which the contributor has specified a particular use. Investments for externally restricted endowments includes net unrealized gains which are reflected in deferred revenue. Deferred 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.

	2021	2020
Operating	\$ 32,967	\$ 31,143
Endowment	197,250	82,555
Research	118,156	89,860
Special purpose	43,907	47,057
	<b>\$ 392,280</b>	<b>\$ 250,615</b>

**9. Long-term debt:**

	Payment amount	Repayment frequency	Maturity date	Interest rate	2021	2020
Central Services Parkade	22	Quarterly	Dec 2023	5.66	\$ 120	\$ 163
Residence renewal	47	Quarterly	Oct 2025	4.69	817	967
Howe Hall	136	Quarterly	Jan 2028	5.94	3,109	3,459
Collaborative Health Education Building I	171	Quarterly	Sept 2028	2.22	4,708	5,279
Risley Hall	385	Quarterly	Sept 2029	5.96	10,240	11,140
Life Sciences Research Institute	150	Monthly	May 2031	4.65	14,883	16,032
Collaborative Health Education Building II	163	Quarterly	Sept 2035	2.65	7,826	8,265
Mona Campbell Building	75	Monthly	Nov 2035	4.82	9,913	10,391
IDEA building and Dentistry Clinic renewal	350	Quarterly	Sept 2036	3.40	16,914	17,729
Steele Ocean Sciences Building	473	Quarterly	Mar 2037	3.23	23,168	24,275
LeMarchant Place	562	Quarterly	Sept 2037	3.30	28,199	29,489
Fitness Centre and Truro Thermal Plant	715	Quarterly	Apr 2038	2.73	38,290	40,071
Capital leases					3,051	3,033
					161,238	170,293
Less: current portion					(10,896)	(10,491)
					<b>\$150,342</b>	<b>\$159,802</b>

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

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

2022	\$ 10,896
2023	10,604
2024	10,587
2025	10,593
2026	10,731
Thereafter	107,827

The University uses interest rate swaps to manage interest rate risk (see note 14). The interest rates stated above are the effective rates on the swap agreements related to the underlying property debt. Interest of \$5,096 (2020 – \$5,799) relating to long-term debt has been included in interest expense. Interest of \$283 (2020 – \$217) relating to capital lease obligations has been included in interest expense.

Capital lease obligations are secured by leased assets as outlined in note 6.

**10. Employee future benefits:**

**Pension**

For certain employees, the University maintains a contributory defined benefit pension plan. Benefits are provided based on the best three years average pensionable earnings. Participating employees normally contribute 4.65% on the first five thousand dollars of earnings and 6.15% on the balance 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, 2021 indicated a going concern plan deficit of \$19,112. Remeasurements of \$121,792 have been recognized directly in the Statement of Changes in Net Assets.

The total cost of the defined benefit plan for the year of \$31,862 (2020 - \$24,244) less the amount of employer contributions in the year of \$24,184 (2020 - \$24,628) represents the pension expense adjustment of \$7,678 (2020 - \$(384)), which is recorded in the statement of revenue, expense and changes in operating surplus.

**10. 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 \$592 (2020 - \$266).

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

	<b>2021</b>	2020
<b>Pension benefit obligation</b>		
Fair value of plan assets	\$ 1,603,572	\$ 1,332,128
Accrued benefit obligation	(1,622,684)	(1,465,354)
Pension benefit obligation	(19,112)	(133,226)
<b>Retirement service award obligation</b>	(3,084)	(3,431)
<b>Employee future benefit obligation</b>	<b>\$ (22,196)</b>	<b>\$ (136,657)</b>

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

Actuarial Assumptions	<b>2021</b>	2020
<b>Pension Plan</b>		
Rate of compensation increase	3.57%	3.57%
Discount rate	5.71%	5.33%
<b>Retirement Service Award</b>		
Rate of compensation increase	3.10%	3.10%
Discount rate	6.30%	6.00%

**11. 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:

	2021	2020
Balance, beginning of year	\$ 264,873	\$ 253,124
Contributions received during the year:		
Government grants and contracts	4,984	25,916
General	105	-
Gifts	7,388	1,972
Total contributions received during the year	12,477	27,888
Recognized as revenue:		
Government grants and contracts	(13,873)	(13,947)
Corporations and foundations	(115)	(115)
General	(624)	(591)
Gifts	(1,567)	(1,486)
Total recognized as revenue	(16,179)	(16,139)
Balance, end of year	\$ 261,171	\$ 264,873
Balance by fund:		
Capital	\$ 221,842	\$ 222,078
Research	38,133	41,513
Special Purpose	1,196	1,282
Balance, end of year	\$ 261,171	\$ 264,873

**12. Net assets:**

**(a) Endowment**

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

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

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

	Endowment March 31, 2020	Contributions	Realized Investment Returns	Transfer from Endowment	Endowment March 31, 2021
External restrictions	\$ 525,024	\$9,941	\$37,690	\$(25,287)	\$547,368
Internal restrictions	15,127	-	984	(342)	15,769
	\$ 540,151	\$9,941	\$38,674	\$(25,629)	\$563,137

**(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 10.

**(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.

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

**(e) Capital Fund:**

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

	2021	2020
Capital assets	\$ 1,074,353	\$ 1,060,307
Less amounts financed by:		
Deferred capital contributions	(261,171)	(264,873)
Long-term debt	(161,238)	(170,293)
Working capital, pending project completion	(27,094)	(17,793)
Equity in capital assets	\$ 624,850	\$ 607,348
Capital reserves	9,368	9,164
<b>Total Capital Fund</b>	<b>\$ 634,218</b>	<b>\$ 616,512</b>

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

**13. Commitments and contingent liabilities:**

Effective April 1, 1988, the University became a member of the "Canadian Universities Reciprocal Insurance Exchange" (CURIE) self-insurance program. Membership was renewed effective January 1, 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, 2020, the surplus was \$99,449.

As of March 31, 2021, 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, 2021, estimated at \$19,662.

In June 2018 there was a fire on the University's Agricultural Campus in Truro. Costs of \$8,964 related to the fire and related remediation and re-construction are recognized in the March 31, 2021 financial statements. Revenues of \$8,964, representing insurance proceeds, are included in external cost recoveries. Betterments of \$3,339 have been capitalized and are included in Capital Assets. No asset impairment charges are expected to be incurred as a result of the fire.

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

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

2022	\$	932
2023		862
2024		727
2025		708

Certain of the alternative investments contain contractual commitments. At March 31, 2021, there were outstanding future commitments of \$567 USD in real estate; €9,536 EUR and \$9,800 USD in infrastructure; \$14,290 USD and \$4,076 CAD in private debt; \$63,449 USD and €3,621 EUR in private equity investments.

The University has provided a loan guarantee of \$6,158 related to the external financing obtained by the Dalhousie Student Union (“DSU”) for expansion and renovation of the Student Union Building.

**14. Financial instruments:**

**Foreign currency risk:**

The University is subject to gains and losses on certain investments due to the fluctuations in foreign currency exchange rates. The University manages this exposure using forward foreign exchange contracts. As at March 31, 2021, the use of forward foreign exchange contracts was temporarily suspended.

**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, 2021 interest rate swaps outstanding have a notional value of \$158,637 (2020 - \$167,698) 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% (2020 – 2.22% - 5.96%).

Although the University has no intention of settling these instruments at March 31, 2021, the interest rate swap contracts described in Note 9 have a fair value of (\$10,957) (2020 – (\$24,636)).

**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.



**14. 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.

**15. Pledges**

Pledges to the University at March 31, 2021 were \$81,200 (2020 - \$85,300). While these pledges are expected to be honored over the next several years, they have not been recorded as receivable on the statement of financial position and are not recorded until actually received.

**16. Fine artwork collections**

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

**17. Impacts of Covid-19**

In March 2020, the Covid-19 outbreak was declared a pandemic by the World Health Organization and has had significant financial and economic impacts.

The University has undertaken certain strategies and actions to respond to the pandemic with the health and safety of students, faculty and staff as a priority. The majority of teaching and learning has occurred online, and the majority of faculty and staff have worked from home throughout the year.

The impacts on the University's financial results for the year caused by the effects of the pandemic included significant revenue losses in Athletics and Recreation and Ancillary operations, increased student financial assistance and additional costs to transition to on-line learning. The University also achieved cost savings from curtailed travel and meeting activities. The Province of Nova Scotia provided one-time funding of \$9,500 to assist the University with financial pressures due to the pandemic.

The ultimate duration and magnitude of the pandemic's impact on the University's operations and financial operations is not known at this time.

Dalhousie University  
Schedule of Revenue and Expense  
Year Ended March 31, 2021 (With Comparatives Figures for 2020)  
(unaudited)

(in Thousands of Dollars)

	Operating 2021 (Schedule 2)	Endowment 2021 (Schedule 3)	Ancillary 2021 (Schedule 4)	Capital 2021	Special Purpose 2021 (Schedule 5)	Research 2021 (Schedule 5)	Total 2021	Total 2020
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Provincial government operating grants	232,243	-	-	-	-	-	232,243	219,167
Other government grants and contracts	15,722	-	192	763	3,412	97,009	117,098	109,099
Corporations and foundations	406	-	-	1	1,741	21,718	23,866	32,248
Tuition fees	226,754	-	-	-	-	-	226,754	204,728
Non-credit and other fees	24,914	-	-	129	105	-	25,148	34,912
General	1,897	-	-	2,797	2,351	1,270	8,315	10,656
Gifts	639	2,104	-	-	6,330	445	9,518	10,524
Investment	4,136	28,582	-	-	3,071	506	36,295	31,693
Ancillary sales and service	-	-	13,461	-	-	-	13,461	49,859
External cost recoveries	42,336	-	11	9,070	1,331	817	53,565	62,221
Amortization of deferred capital contributions	-	-	-	7,730	201	8,248	16,179	16,139
<b>Total revenue</b>	<b>549,047</b>	<b>30,686</b>	<b>13,664</b>	<b>20,490</b>	<b>18,542</b>	<b>130,013</b>	<b>762,442</b>	<b>781,246</b>
<b>Expense</b>								
<b>Salaries</b>								
Academic	176,728	4,968	-	-	1,630	13,887	197,213	190,004
Library	3,628	-	-	-	5	2	3,635	3,636
Plant maintenance	13,598	-	221	44	-	-	13,863	15,031
Administrative and support	112,950	819	5,210	100	4,343	31,602	155,024	153,376
Benefits costs	47,577	651	757	19	823	4,416	54,243	53,294
<b>Total salaries and benefits</b>	<b>354,481</b>	<b>6,438</b>	<b>6,188</b>	<b>163</b>	<b>6,801</b>	<b>49,907</b>	<b>423,978</b>	<b>415,341</b>
Library acquisitions	9,144	195	-	-	11	21	9,371	8,208
Laboratory and teaching supplies	4,720	53	4	37	805	6,738	12,357	14,883
Equipment and service	13,907	107	809	73	633	4,204	19,733	22,854
Finance costs	3,572	-	1,946	565	14	-	6,097	6,751
Utilities and taxes	15,071	-	1,151	8	1	1	16,232	19,427
Externally contracted services	21,582	3,804	3,932	8,364	3,744	26,404	67,830	84,326
Scholarships, bursaries and prizes	29,941	12,904	22	-	2,967	21,372	67,206	59,963
Ancillary cost of sales and service	-	-	2,340	-	-	-	2,340	8,833
Travel	447	60	2	1	-	603	1,113	16,780
Amortization of capital assets	-	-	-	43,399	-	-	43,399	40,688
General operating	13,682	1,018	657	70	958	6,914	23,299	34,698
Internal / interfund transfers	46,067	2,561	(3,387)	(49,896)	(5,171)	9,826	-	-
<b>Total expense</b>	<b>512,614</b>	<b>27,140</b>	<b>13,664</b>	<b>2,784</b>	<b>10,763</b>	<b>125,990</b>	<b>692,955</b>	<b>732,752</b>
Change in year before appropriations	36,433	3,546	-	17,706	7,779	4,023	69,487	48,494
Change in net assets	(36,433)	(3,546)	-	(17,706)	(7,779)	(4,023)	(69,487)	(48,494)
Surplus before pension expense adjustment	-	-	-	-	-	-	-	-
Pension expense adjustment	(7,678)	-	-	-	-	-	(7,678)	384
<b>Net assets after pension adjustment</b>	<b>(7,678)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,678)</b>	<b>384</b>

Schedule 1

Dalhousie University  
Schedule of Revenue and Expense - Operating  
Year Ended March 31, 2021 (With Comparatives Figures for 2020)  
(unaudited)

(in Thousands of Dollars)

	Academic		Academic Support		Administration and General		Facilities and Construction Management		Student Services		Institution		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	7	-	22	7	395	471	6,733	6,958	15,722	16,260
Other government grants and contracts	8,565	8,824	-	-	-	-	-	-	-	-	-	-	406	490
Corporations and foundations	280	470	-	-	-	-	126	20	-	-	-	-	-	-
Tuition fees	16,659	16,228	-	-	-	-	-	-	-	-	210,095	188,500	226,754	204,728
Non-credit and other fees	13,016	15,229	-	-	3,546	3,673	-	-	3,994	8,624	4,358	4,174	24,914	31,700
General	-	-	29	50	1,061	1,252	621	1,629	186	909	-	-	1,897	3,840
Gifts	12	2	-	-	-	-	-	-	627	604	-	-	639	606
Investment	-	-	-	-	-	-	-	-	-	-	4,136	5,042	4,136	5,042
Ancillary sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External cost recoveries	37,348	34,618	1,900	2,211	1,199	1,202	1,194	1,292	695	766	-	-	42,336	40,089
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	75,880	75,371	1,929	2,261	5,813	6,127	1,963	2,948	5,897	11,374	457,565	423,841	549,047	521,922
Expense														
Salaries														
Academic	175,073	168,762	-	39	452	356	-	-	1,203	1,118	-	-	176,728	170,275
Library	3,628	3,628	-	-	-	-	-	-	-	-	-	-	3,628	3,628
Plant maintenance	69	75	-	-	-	-	13,529	14,675	-	-	-	-	13,598	14,750
Administrative and support	57,334	54,873	10,391	9,972	30,871	30,605	6,190	5,918	8,164	8,726	-	-	112,950	110,094
Benefits costs	34,362	33,570	1,758	1,766	5,574	5,631	4,366	4,395	1,517	1,529	-	-	47,577	46,891
Total salaries and benefits	270,466	260,908	12,149	11,777	36,897	36,592	24,085	24,988	10,884	11,373	-	-	354,481	345,638
Library acquisitions	9,103	7,931	-	-	39	36	-	-	2	6	-	-	9,144	7,973
Laboratory and teaching supplies	4,592	5,427	-	-	-	-	-	2	128	250	-	-	4,720	5,679
Equipment and service	5,146	6,131	5,501	4,932	766	877	2,111	2,125	383	700	-	-	13,907	14,765
Finance costs	225	251	179	99	92	78	38	51	16	14	3,022	3,245	3,572	3,738
Utilities and taxes	6	8	6	6	-	-	15,031	17,738	28	33	-	-	15,071	17,785
Externally contracted services	10,876	11,389	1,131	684	3,135	3,141	5,516	9,611	924	841	-	-	21,582	25,666
Scholarships, bursaries and prizes	3,226	3,604	1	2	-	-	-	-	15,402	10,808	11,312	11,171	29,941	25,585
Ancillary cost of sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	380	4,356	10	139	18	1,321	1	54	38	1,065	-	-	447	6,935
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General operating	4,367	7,092	395	1,047	3,960	4,890	2,102	3,805	2,231	4,041	627	681	13,682	21,556
Internal / interfund transfers	9,311	10,159	6,620	115	(1,180)	(1,989)	8,869	17,524	966	857	21,484	9,234	46,070	35,900
Total expense	317,698	317,256	25,992	18,801	43,727	44,946	57,753	75,898	31,002	29,988	36,445	24,331	512,617	511,220
Surplus for the year (shortfall)														
Change in year before appropriations	(241,818)	(241,885)	(24,063)	(16,540)	(37,914)	(38,819)	(55,790)	(72,950)	(25,105)	(18,614)	421,120	399,510	36,430	10,702
(Increase) decrease in appropriations	(13,207)	(3,703)	856	(716)	(693)	(232)	(18,431)	2,738	(918)	(55)	(4,348)	(2,321)	(36,741)	(10,702)
Operating (Surplus)/Deficit	-	-	-	-	-	-	-	-	-	-	311	(6,413)	311	(6,413)
Surplus before pension expense adjustment	(255,025)	(245,588)	(23,207)	(17,256)	(38,607)	(39,051)	(74,221)	(72,533)	(26,023)	(18,669)	417,083	393,097	-	-
Pension expense adjustment	-	-	-	-	-	-	-	-	-	-	(7,678)	384	(7,678)	384
Change in net assets after pension adjustment	(255,025)	(245,588)	(23,207)	(17,256)	(38,607)	(39,051)	(74,221)	(72,533)	(26,023)	(18,669)	409,405	393,481	(7,678)	384

Schedule 2

Dalhousie University  
Schedule of Revenue and Expense for Operating and Endowment  
Year Ended March 31, 2021 (With Comparatives Figures for 2020)  
(unaudited)

(in Thousands of Dollars)

	2021			2020		
	Operating	Endowment	Total	Operating	Endowment	Total
Revenue	\$	\$	\$	\$	\$	\$
Provincial government operating grants	232,243	-	232,243	219,167	-	219,167
Other government grants and contracts	15,722	-	15,722	16,260	-	16,260
Corporations and foundations	406	-	406	490	-	490
Tuition fees	226,754	-	226,754	204,728	-	204,728
Non-credit and other fees	24,914	-	24,914	31,700	-	31,700
General	1,897	-	1,897	3,840	-	3,840
Gifts	639	2,104	2,743	606	2,238	2,844
Investment	4,136	28,582	32,718	5,042	23,328	28,370
Ancillary sales and service	-	-	-	-	-	-
External cost recoveries	42,336	-	42,336	40,089	-	40,089
Amortization of deferred capital contributions	-	-	-	-	-	-
<b>Total revenue</b>	<b>549,047</b>	<b>30,686</b>	<b>579,733</b>	<b>521,922</b>	<b>25,566</b>	<b>547,488</b>
Expense						
Salaries						
Academic	176,728	4,968	181,696	170,275	5,310	175,585
Library	3,628	-	3,628	3,628	3	3,631
Plant maintenance	13,598	-	13,598	14,750	-	14,750
Administrative and support	112,950	819	113,769	110,094	686	110,780
Benefits costs	47,577	651	48,228	46,891	709	47,600
<b>Total salaries and benefits</b>	<b>354,481</b>	<b>6,438</b>	<b>360,919</b>	<b>345,638</b>	<b>6,708</b>	<b>352,346</b>
Library acquisitions	9,144	195	9,339	7,973	180	8,153
Laboratory and teaching supplies	4,720	53	4,773	5,679	64	5,743
Equipment and service	13,907	107	14,014	14,765	158	14,923
Finance costs	3,572	-	3,572	3,738	-	3,738
Utilities and taxes	15,071	-	15,071	17,785	-	17,785
Externally contracted services	21,582	3,804	25,386	25,666	3,131	28,797
Scholarships, bursaries and prizes	29,941	12,904	42,845	25,585	12,524	38,109
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	447	60	507	6,935	667	7,602
Amortization of capital assets	-	-	-	-	-	-
General operating	13,682	1,018	14,700	21,556	814	22,370
Internal / interfund transfers	46,070	2,561	48,631	35,900	2,065	37,965
<b>Total expense</b>	<b>512,617</b>	<b>27,140</b>	<b>539,757</b>	<b>511,220</b>	<b>26,311</b>	<b>537,531</b>
Surplus for the year (shortfall)						
Change in year before appropriations	36,430	3,546	39,976	10,702	(745)	9,957
(Increase) decrease in appropriations	(36,741)	(3,546)	(40,287)	(10,702)	745	(9,957)
<b>Operating Surplus/Deficit</b>	<b>311</b>	<b>-</b>	<b>311</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus for the year	-	-	-	-	-	-

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

Schedule 3

Dalhousie University  
Schedule of Revenue and Expense - Ancillary  
Year Ended March 31, 2021 (With Comparatives Figures for 2020)  
(unaudited)

(in Thousands of Dollars)

	Arts Centre		Housing and Conference Services <sup>1</sup>		Bookstore		Dalplex		Food Service		Transfer to/from Operating		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other government grants and contracts	58	58	134	517	-	-	-	-	-	-	-	-	192	575
Corporations and foundations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tuition fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-credit and other fees	-	-	-	74	-	-	-	2,975	-	-	-	-	-	3,049
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary sales and service	176	5,438	6,805	23,390	3,087	6,086	444	2,224	2,949	12,721	-	-	13,461	49,859
External cost recoveries	6	-	-	-	-	-	5	-	-	-	-	-	11	-
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	240	5,496	6,939	23,981	3,087	6,086	449	5,199	2,949	12,721	-	-	13,664	53,483
Expense														
Salaries														
Academic	-	-	-	55	-	-	-	-	-	-	-	-	-	55
Library	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant maintenance	-	-	221	225	-	-	-	-	-	-	-	-	221	225
Administrative and support	372	715	2,778	4,025	743	860	1,187	1,590	130	148	-	-	5,210	7,338
Benefits costs	57	84	391	490	148	154	139	156	22	24	-	-	757	908
Total salaries and benefits	429	799	3,390	4,795	891	1,014	1,326	1,746	152	172	-	-	6,188	8,526
Library acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory and teaching supplies	-	-	4	-	-	-	-	-	-	-	-	-	4	-
Equipment and service	3	25	337	771	50	62	191	364	228	252	-	-	809	1,474
Finance costs	15	89	1,260	1,432	84	101	540	666	47	85	-	-	1,946	2,373
Utilities and taxes	57	75	845	1,201	7	11	159	197	83	118	-	-	1,151	1,602
Externally contracted services	66	74	898	2,696	41	88	1	12	2,926	9,801	-	-	3,932	12,671
Scholarships, bursaries and prizes	-	-	22	120	-	-	-	-	-	73	-	-	22	193
Ancillary cost of sales and service	41	4,394	-	-	2,278	4,321	21	118	-	-	-	-	2,340	8,833
Travel	-	-	-	63	-	14	2	3	-	7	-	-	2	87
General operating	38	29	423	1,014	138	106	58	112	-	1	-	-	657	1,262
Internal / interfund transfers	(256)	25	6,959	12,884	214	312	738	1,346	752	1,804	(11,794)	(312)	(3,387)	16,059
Total expense	393	5,510	14,138	24,976	3,703	6,029	3,036	4,564	4,188	12,313	(11,794)	(312)	13,664	53,080
Change in year before appropriations	(153)	(14)	(7,199)	(995)	(616)	57	(2,587)	635	(1,239)	408	11,794	312	-	403
Net (increase) decrease in appropriations	-	14	-	270	-	(57)	-	(635)	-	5	-	-	-	(403)
Surplus for the year (shortfall)	(153)	-	(7,199)	(725)	(616)	-	(2,587)	-	(1,239)	413	11,794	312	-	-

<sup>1</sup> Housing and Conference Services include Residence Life operations with expenditures of \$1.1 million (\$1.6 million in 2020)

Schedule 4

Dalhousie University  
 Schedule of Revenue and Expense - Restricted Funds  
 Year Ended March 31, 2021 (With Comparatives Figures for 2020)  
 (unaudited)

(in Thousands of Dollars)

	Capital		Special Purpose		Research	
	2021	2020	2021	2020	2021	2020
Revenue	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-
Other government grants and contracts	763	708	3,412	7,018	97,009	84,538
Corporations and foundations	1	-	1,741	3,254	21,718	28,504
Tuition fees	-	-	-	-	-	-
Non-credit and other fees	129	116	105	47	-	-
General	2,797	2,993	2,351	3,725	1,270	98
Gifts	-	675	6,330	6,789	445	216
Investment	-	493	3,071	2,362	506	468
Ancillary sales and service	-	-	-	-	-	-
External cost recoveries	9,070	21,290	1,331	805	817	37
Amortization of deferred capital contributions	7,730	7,629	201	208	8,248	8,302
<b>Total revenue</b>	<b>20,490</b>	<b>33,904</b>	<b>18,542</b>	<b>24,208</b>	<b>130,013</b>	<b>122,163</b>
Expense						
Salaries						
Academic	-	2	1,630	913	13,887	13,449
Library	-	-	5	3	2	2
Plant maintenance	44	56	-	-	-	-
Administrative and support	100	131	4,343	5,015	31,602	30,112
Benefits costs	19	19	823	506	4,416	4,261
<b>Total salaries and benefits</b>	<b>163</b>	<b>208</b>	<b>6,801</b>	<b>6,437</b>	<b>49,907</b>	<b>47,824</b>
Library acquisitions	-	-	11	28	21	27
Laboratory and teaching supplies	37	130	805	1,279	6,738	7,731
Equipment and service	73	1,244	633	549	4,204	4,664
Finance costs	565	625	14	15	-	-
Utilities and taxes	8	37	1	1	1	2
Externally contracted services	8,364	19,251	3,744	4,366	26,404	19,241
Scholarships, bursaries and prizes	-	-	2,967	2,259	21,372	19,402
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	1	22	-	1,317	603	7,752
Amortization of capital assets	43,399	40,688	-	-	-	-
General operating	70	131	958	4,046	6,914	6,889
Internal / interfund transfers	(49,896)	(57,552)	(5,171)	(4,337)	9,826	7,865
<b>Total expense</b>	<b>2,784</b>	<b>4,784</b>	<b>10,763</b>	<b>15,960</b>	<b>125,990</b>	<b>121,397</b>
Surplus for the year (shortfall)	17,706	29,120	7,779	8,248	4,023	766
Change in net assets	(17,706)	(29,120)	(7,779)	(8,248)	(4,023)	(766)
Surplus for the year	-	-	-	-	-	-

Schedule 5