

# DFA

Dalhousie Faculty Association

## Review of Dalhousie University Finances

Are budget decisions serving the University's mission?

3/22/2013

## Table of Contents

Executive Summary.....	iii
Introduction .....	1
Financial Picture.....	1
Assets .....	1
Liabilities .....	2
Budgeting Practices.....	5
Fund Definitions.....	5
Budget Trends.....	6
Budget Choices.....	10
Interfund Transfers .....	10
Endowment Spending.....	11
Construction, debt & maintenance.....	12
Research.....	14
Restricted Funds .....	14
Pensions .....	16
External Contractors .....	16
Reliability of Budget Forecasts.....	18
Enrolment Predictions .....	26
Conclusion.....	27
Bibliography .....	28
Appendix A.....	i
Appendix B.....	vi
Appendix C.....	vii

## List of Tables

Table 1 Dalhousie University Financial Position Review.....	3
Table 2 Spending by Responsibility Centre.....	7
Table 3 Trends in Revenue/Expenses and Changes in Operating Surpluses .....	8
Table 4 Internal/Interfund Transfers .....	11
Table 5 Change in Net Assets between 2002 and 2012.....	11
Table 6 Capital Debt, Dalhousie University Annual Financial Reports.....	13
Table 7 Campus Renewal Operating Budget Items .....	15
Table 8 Supplementary Pension Funds .....	16
Table 9 External Contractors.....	17
Table 10 Comparisons of Recommended, Final & Actual Operating Budgets.....	20
Table 11 Detail of differences Final vs Actual .....	21
Table 12 Dalhousie University’s T3010 Federal Charitable Returns.....	vi
Table 13 Detail of Actual Operating Budgets by Unit .....	vii

## Executive Summary

### Findings

Dalhousie University appears to be in good financial health. The administration is increasing spending for capital assets, administration and consultants at a higher rate than spending on areas that support the University's mission, and a higher rate than increases in operating revenues. The preliminary budgets always predict a deficit, sometimes very large, even though each year returns surpluses, sometimes substantial ones at the same time academic units are told to cut back. Money is being diverted from the academic mission to capital expenditures.

The budget process and choices are not particularly transparent to the University community, with wide-spread consultation focused narrowly on the 'regular' operating budget. It is not easy for academic staff to have a clear picture of what the university's financial reality is at any point and therefore, it is difficult to believe the academic community and students can have a meaningful discussion.

### Introduction

The Dalhousie Faculty Association undertook a review of Dalhousie University's financial position and budgeting practices for the fiscal years 2002-03 to 2011-12 to answer two questions:

- 1) Are the budget choices of the Senior Administration and Board of Governors furthering the mission of the University: learning, discovery and innovation, and engagement?
- 2) Is the University community is receiving an accurate picture of the state of Dalhousie University's finances in order to be full partners and give informed input into the budgeting process?

The mathematical accuracy of the computations presented within this report were submitted to an independent forensic accounting firm for verification.

### Financial Picture

#### Assets

As of March 31, 2012, Dalhousie University's Audited Financial Statements show the University and its wholly owned enterprises with just over \$1 billion of assets, double the amount as of March 31, 2003. Cash and cash equivalents increased 79 per cent, longer-term investments grew by 90 per cent, and the value of buildings, equipment, land, vehicles increased 139 per cent from \$168 million to \$403 million.

Dalhousie's Endowment Fund was \$344.6 million as of March 31, 2012, an increase of about 41 per cent as compared to the total at March 31, 2003.

The Restricted Fund grew to \$80 million in 2011-12, increasing 240 percent since March 31, 2003.

Equity in Capital Assets grew 120 per cent in that same time period to stand at \$145 million.

## Liabilities

Long-term debt increased 650 per cent to nearly \$105.9 million from \$14 million over that same 10-year period, while the current debt (the money that must be repaid in the current year) increased nearly 1000 per cent since 2002-03.

## Budgeting Practices

Like many other non-for-profit organizations, the University uses a 'fund' method of accounting grouping finances of similar activities. There are six 'funds' that are used to segregate spending at Dalhousie, but only one of them is dealt with in the BAC documents, and only for the university and not for its wholly owned enterprises. The Audited Consolidated Financial Statements deal with all funds and all entities, which is what is meant by consolidation.

## Budget Trends

Consolidated Audited Financial Reports from 2002-03 to 2011-12, shows that spending:

- in Operating budgets grew 71 percent;
- in Academic and Academic Support Responsibility Centres accounted for the majority of spending, but only grew at 48 per cent;
- on Administration and General grew 98 per cent;
- on Facilities Management and Student Services increased nearly 150 per cent;
- captured in the category of "Institution" increased 10-fold, with no definition of what that is.

The share of total Operating funds dedicated to Academic and Academic Support slipped 13 per cent over that 10-year period, to just below 67 per cent, while operating surpluses – Excess Revenue over Expenses – grew by 249 per cent.

Revenue recognized as "Amortization of deferred capital contributions" (recognition of money spent on Capital Assets) experienced the strongest growth, followed by revenue from the province and tuition income, while income from investment was the lowest.

It appears revenue from "Gifts" only grew by 20 per cent over the 10 years, and the cash amounts recognized in the BAC discussion papers are at odds with public charitable returns on the Canadian Revenue Agency web site.

While Finance Costs grew 147 per cent, spending on Scholarships, Bursaries and Grants expenses grew by 124 per cent.

## Budget Choices

### *Interfund Transfers*

Nearly a quarter of a billion dollars has been diverted from every funding envelope into the Capital fund, and \$95 million has ended up flowing from operating budgets to acquire capital assets.

### *Endowment Spending*

The value of this Endowment Principal Fund was \$344.6 million as of March 31, 2012, an increase of 46 per cent since April 1, 2002. During the same period, spending from the envelope has totaled nearly \$1 million, about 4 per cent of the value. (Annual Financial Report, 2012, P. 23). In 2009, Dalhousie University ranked 10<sup>th</sup> in the country for the size of the Endowment Principal Fund in 2009, when it was \$319.2 million.

After donations made in 2008-09 to Dalhousie's Endowment Fund, took a hit in value, (Annual Financial Report, 2012, P. 5), the Board of Governors elected to preserve the principal while maintaining spending. To do this, \$700,000 of the operating budget envelope was used to supplement Endowment income spending.

The Endowment management fees have increased 57 per cent to \$2.305 million in 2011-12 and these fees are deducted from the 'regular' operating budget.

### *Construction, debt & maintenance*

Nearly a quarter of a billion dollars from all activities of the University have been used to buy or build capital assets between April 1, 2002 and March 31, 2012. Additionally, the long-term debt of Dalhousie University has increased roughly 646 per cent during the 10-year period under examination, which means the amount of principal due each year has increased by 972 per cent.

An Operating envelope budget line "Long-Term Campus Renewal" covers costs of a long term nature—primarily for debt repayment, and capital and lease costs.

In its long-term financial plan released in 2006, the Board of Governors directed that Dalhousie University increase its facilities maintenance budget by \$1 million a year until the annual spending on maintenance comes to about two per cent of replacement value of the assets. At the time, that would bring the amount to \$30 million. (Dalhousie University, 2012) (Document [here](#)).

About \$1 million in additional operating expenses are incurred for every new building, more \$5 million in additional expenses for four new buildings added to the campus from 2009-2013.

### *Research*

Instead of 90 per cent of the sponsored research overhead staying in Faculties, only 65 per cent will remain when as new guidelines are phased in.

### *Restricted Funds*

Restricted funds come from such sources as unspent budget appropriations accumulated by academic and other budget units, operating surpluses from prior years, “departmental research overhead and development funds and certain fund raising activities.” (Annual Financial Report, 2012, P. 33) This fund has grown to more than \$80 million from just over \$20 million April 1, 2002; a nearly four-fold increase.

### *Pensions*

The Administration has \$6.2 million in a Pension Stabilization Fund, and may use that fund to defray part of the over-matching contribution of \$8.5 million the University estimates it must pay in 2013-14 from the operating budget.

### *External Contractors*

There has been a 78 per cent growth in the use of “Externally Contracted Services” to nearly \$50 million in 2011-12. The Canadian Revenue Agency Returns Charitable Returns for Dalhousie University show this amount as Professional and Consulting Fees.

## **Reliability of Budget Forecasts**

### *Assumptions*

Each year, at least two Budget Advisory Committee (BAC) reports are presented to the Senate. The first recommended budgets usually shows a deficit; sometimes large. When approved/final operating budgets in June, are compared Actual Spending in the Annual Financial Reports differences can be large, with the surpluses put into a restricted fund, while deficits are covered by appropriations. The last few years, the revenues are consistently underestimated and expenses overestimated, and surpluses have been growing.

In the unaudited reports it appears that the University only had a \$1.8 million surplus in 2011-12 (appropriated for priority facilities projects); but it really had a \$33.8 million surplus according to the Consolidated Statements, Schedule 1.

For the majority of academic units as some other designated areas, the accounting practice of the Administration is to budget from the 'final budgets' not the actual spending by not showing appropriations. If a unit has been underfunded because of a wrong set of assumptions, this underfunding will continue in the next budget exercise and become systemic. Although some units can carry forward surpluses, University policy restricts their use, and it is not clear how of these surpluses are spent by Faculties.

### Enrolment Predictions

The University administration justifies its increased spending on residences, student spaces and other planned enhancements due to increasing student enrolments. It also says new University research and academic spaces are a recruitment tool as the University is facing a declining demographic and is competing for students internationally. At the same time, the BAC's budget planning documents are projecting no increases in student enrolment year after year, while enrolment has been increasing

## Introduction

The Dalhousie Faculty Association undertook a review of Dalhousie University's financial position and budgeting practices for the fiscal years 2002-03 to 2011-12. This review seeks to assess whether the Administration and Board of Governors are using funds to further the mission of the University: learning, discovery and innovation, and engagement. The review is also to assess whether the University community is receiving an accurate message about the state of Dalhousie University's finances in order to be full partners in the budgeting process and provide informed input.

This report was prepared based on the Budget Advisory Committee's (BAC) discussion papers, operating budgets and 10 years of the Annual Financial Reports and the Audited Financial Statements, Notes and Unaudited Supplementary Schedules provided therein. The Annual Financial Report is issued by the University each June for the fiscal year just completed, around the same time its Annual Operating Budget for the next academic year (current fiscal year) is released.

The computations presented within this report were submitted to an independent forensic accounting firm for verification of the mathematical accuracy. Please refer to Appendix A for a copy of their findings letter.

The Audited Financial Statements give a holistic picture of the choices the Board of Governors and Senior Administration of the University are making in allocating money. These statements reflect the actual spending of the University across the entire spectrum of its operations – including its wholly owned or controlled enterprises -- rather than the BAC reports and the final operating budgets released in June, which are confined to only the operating budget of part of the university's activities and are based on a set of assumptions that may not prove to be accurate.

## Financial Picture

### Assets

As of March 31, 2012, Dalhousie University's Audited Financial Statements show the University and its wholly owned enterprises with just over \$1 billion of assets, including \$138 million of cash and very short-term investments (under three months), and nearly \$470 million of longer-term investments. This is double the value as of March 31, 2003, when assets totaled \$524 million. In the same period, cash and cash equivalents increased 79 per cent, longer-term investments grew by 90 per cent and the value of buildings, equipment, land, vehicles (all referred to as capital assets and recorded at cost) increased 139 per cent from \$168 million to \$403 million.

The assets are held in different "funds" for the purposes of accounting, and the majority of the money held in these funds are from surpluses in the Operating Fund and smaller amount from the Research, Ancillary and Special Purpose funds. Of note:



- Dalhousie's Endowment Fund was \$344.6 million as of March 31, 2012, an increase of 46 per cent since March 31, 2003.
- The Restricted Fund is a pool of money that represents unspent balances from faculty units and other administrative units, as well as unspent operating surpluses. This pool has grown to \$80 million in 2011-12, increasing 240 percent since March 31, 2003.
- Equity in Capital Assets grew 120 per cent in that same time period to stand at \$145 million.

## Liabilities

Long-term debt increased 650 per cent to nearly \$105.9 million from \$14 million over that same 10-year period, while the current debt (money that must be repaid in the current year) increased nearly 1000 per cent since 2002-03. As will be examined later, the University is using money from the Operating fund to repay current portion of debt owing and accounting for it under Campus Renewal – long-term, besides the money designated for Campus Renewal, which is maintenance and capital expenditures. Table 1 shows the University's assets and liabilities from the Audited Financial Statements.

The borrowing is not yet done, as the Campus Master Plan (introduced in 2010 with a total of \$600 million in projects at that time) includes more buildings, including fitness and recreation facilities, new landscaping and student spaces, as well as a new physical plant for the University to provide energy, heating and cooling services to the existing infrastructure and the new infrastructure. Preliminary design work has been approved for recreation facilities and to study energy generation. A recent advertisement for a new position -- Assistant Vice-President of Construction -- talks of \$60 million worth of projects each year.

Equity in Capital Assets represents the amount of Capital Assets, less the money borrowed to build or acquire them. The gap between the amount of Equity in Capital Assets and the amount of long-term debt held by the University is narrowing.

Table 1 Dalhousie University Financial Position Review

Financial Position at March 31. (thousands of dollars)

(Source)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	10- Year Chge
<b>ASSETS</b>											
<b>Current assets</b>	\$										
Cash and cash equivalents	138,680	123,603	281,232	229,415	163,231	120,245	67,967	57,167	62,146	77,471	79%
Temporary Investments								41,199	16,076		
Accounts receivable	30,524	32,356	29,632	30,828	21,626	17,889	14,860	20,188	20,341	20,031	
Due from related parties	44	56	52								
Inventories	2,085	2,528	2,552	2,616	2,476	2,488	2,456	2,526	2,490	2,779	
Prepaid expense	4,467	3,821	3,883	3,806	3,417	3,615	2,601	860	721	398	
	175,800	162,364	317,351	266,665	190,750	144,237	87,884	121,940	101,774	100,679	75%
Deferred pension asset	22,337	19,009	24,415	39,967	37,804	24,626	10,510	5,016	0	7,356	204%
Due from related parties <sup>1</sup>	662	1,027	1,096								
Investments	469,782	412,319	392,503	312,326	338,346	296,265	307,006	259,411	252,245	246,940	90%
Capital assets	403,426	377,909	309,593	257,203	235,896	234,769	239,272	223,356	192,265	168,948	139%
	1,072,007	972,628	1,044,958	876,161	802,796	699,897	644,672	609,723	546,284	523,923	105%

<sup>1</sup> Interest-free mortgage loans made to Senior Administration (Annual Financial Report, 2012, p. 28)

(Source)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	10- Year Chge
<b>LIABILITIES AND NET ASSETS</b>											
Current liabilities	\$										
Accts payable & accrued liabilities	60,131	58,683	55,280	47,086	40,744	26,542	26,958	29,029	26,871	26,174	
Deferred revenue	155,823	151,169	297,837	231,524	146,732	93,683	84,224	82,107	84,434	77,857	100%
Current portion of long-term debt	4,254	2,748	2,516	2,278	1,892	1,800	1,274	965	465	397	972%
	220,208	212,600	355,633	280,888	189,368	122,025	112,456	112,101	111,770	104,428	111%
Deferred capital contributions	153,118	152,616	139,054	116,611	87,720	89,341	89,342	85,607	78,408	71,836	113%
Long-term debt	105,940	56,231	34,396	36,640	41,083	42,976	44,923	35,706	14,377	14,194	646%
Deferred Pension Liabilities									267		
	479,266	421,447	529,083	434,139	318,171	254,342	246,721	233,414	204,822	190,458	
<b>Net assets</b>											
Endowment principal	344,589	335,910	317,608	269,460	322,765	297,978	270,164	259,301	241,194	236,705	46%
Restricted for future pension benefits	22,337	19,009	24,415	39,967	37,804	24,626	10,510	5,016	(267)	7,356	
Restricted funds	80,726	65,127	56,842	43,080	35,671	28,972	27,825	27,743	27,052	23,725	240%
Equity in capital assets	145,089	131,135	117,010	89,515	88,385	93,979	89,452	84,249	73,483	65,679	121%
	592,741	551,181	515,875	442,022	484,625	445,555	397,951	376,309	341,462	333,465	
	1,072,007	972,628	1,044,958	876,161	802,796	699,897	644,672	609,723	546,284	523,923	

## Budgeting Practices

The university, like many other not-for-profit organizations, uses a 'fund' method of accounting that group financing of similar activities. There are six 'funds' that are used to segregate spending at Dalhousie, but only one of them is dealt with in the BAC documents, and only for the university and not for its wholly owned enterprises. The Audited Consolidated Financial Statements deal with all funds and all entities, which is what is meant by consolidation.

### Fund Definitions

([Annual Financial Report, 2012, P. 19](#))

Operating - an unrestricted fund that accounts for the University's primary operating activities of instruction, non-sponsored research and related support activities.

Endowment - a restricted fund that accounts for the capitalization of externally and internally restricted amounts, primarily donations, which cannot be spent. Dalhousie also received \$1 million from estates, endowments and foundations, which are held and invested outside the University.

Ancillary - an unrestricted fund that accounts separately for all sales-producing operations that are supplementary to the University's primary operating activities. These operations include Student Community Services (Residence Life), the Arts Centre (Rebecca Cohn Auditorium), University Bookstore, Dalplex and Arena, Food Services and the Personal Computer Purchase Centre. These operations operate as a group on a self-sustaining basis.

Capital - a restricted fund that accounts for resources provided to the University for capital purposes and not reported in any other fund.

Special Purpose - a restricted fund including donations, which are restricted mainly by external sources, for purposes other than sponsored research.

Research - a restricted fund that accounts for revenues and expenses for all sponsored research.

## Budget Trends

An examination of 10 years of the Audited Financial Reports Supplementary Schedule 2, which detail revenue and expenses in the operating fund of all entities together from 2002-03 to 2011-12, shows that spending:

- in the Operating budget grew 71 percent;
- in Academic and Academic Support Responsibility Centres accounted for the majority of spending, but only grew at 48 per cent;
- on Administration and General envelope grew 98 per cent;
- on Facilities Management and Student Services increased nearly 150 per cent;
- captured in the category of “Institution” increased 10-fold, with no definition of what spending is included here that makes it different from Administration and General.

The share of total Operating funds dedicated to Academic and Academic Support slipped 13 per cent over that 10-year period, to just below 67 per cent. This analysis is presented in [Table 2](#).

The Facilities Management has grown as part of a deliberate effort of the Board of Governors to increase spending on maintenance to reach a benchmark of two per cent of the replacement value of the capital assets. Apart from an increased concentration on facilities maintenance, and capital spending, which is not captured in these financial statements except as increasing capital assets, it appears that increasing amounts of money is being directed to administrative matters. Additionally, support for students has been a focus of increasing resources, but again, is only a third of spending on facilities management.

[Table 3](#) gives another view of where spending has been growing, and also highlights Interfund transfers, which is how the University moves money from one fund to another, by accounting for this as an expense, rather than as transfer of unspent funds, commonly referred to as a surplus. These tables shows consolidated numbers, therefore includes the income and spending of the University’s two wholly owned entities.

**Table 2 Spending by Responsibility Centre, Operating Budget Fund Only**  
(excludes Endowment, Ancillary, Capital, Special Purpose and Research)

<u>(Source)</u>	2011-12	2010-11	2009-10	2008-09	2007-08	2006-7	2005-06	2004-05	2003-04	2002-03	10 Yr Change
Academic <sup>2</sup>	238,251	235,918	218,756	206,109	193,449	189,229	184,278	176,396	171,297	161,492	48%
Academic Support <sup>3</sup>	11,792	11,791	12,031	11,042	9,251	9,667	9,245	9,030	8,195	7,906	49%
Administration & General	31,699	30,768	28,784	26,004	22,829	20,614	19,679	18,349	17,753	16,008	98%
Facilities Management	60,377	52,793	45,797	40,657	38,757	35,794	32,389	30,235	26,711	24,397	147%
Student Services <sup>4</sup>	21,711	21,407	18,735	17,220	16,413	14,976	13,226	11,299	9,488	8,679	150%
Institution <sup>5</sup>	11,167	13,195	8,254	6,817	4,391	4,491	1,626	1,375	1,180	1,029	985%
<b>Total</b>	<b>374,997</b>	<b>365,872</b>	<b>332,357</b>	<b>307,849</b>	<b>285,090</b>	<b>274,771</b>	<b>260,443</b>	<b>246,684</b>	<b>234,624</b>	<b>219,511</b>	<b>71%</b>

<sup>2</sup> Faculties and University Libraries, the Colleges of Continuing Education and Sustainability, Centres, Institutes and Special Projects, Technical Co-op Education and Career Services; Faculty-related Costs (sabbatical, travel, etc.), transfer of tuition with King's; and Academic Initiatives.

<sup>3</sup> Information Technology Services; the Art Gallery; the Centre for Learning and Teaching; and, the Printing Centre.

<sup>4</sup> Includes Office of the Vice-President of Student Services

<sup>5</sup> Undefined

Table 3 Trends in Revenue/Expenses and Changes in Operating Surpluses<sup>6</sup>

From Consolidated Statements of Revenue/Expenses and Changes in Operating Surpluses (thousands of dollars) ([Source](#))

REVENUE	<a href="#">2012</a>	<a href="#">2011</a>	<a href="#">2010</a>	<a href="#">2009</a>	<a href="#">2008</a>	<a href="#">2007</a>	<a href="#">2006</a>	<a href="#">2005</a>	<a href="#">2004</a>	<a href="#">2003</a>	10-Yr Chg
Provincial gov't operating grants	184,477	190,805	168,308	148,896	133,611	123,496	114,185	107,549	105,627	100,886	83%
Other gov't grants and contracts	81,331	75,227	68,858	69,600	63,469	65,195	60,198	62,723	55,480	51,367	58%
Corporations and foundations	31,308	29,744	25,528	23,767	22,674	23,656	22,820	22,878	24,119	20,787	51%
Tuition fees	123,243	112,153	96,307	92,138	89,013	91,996	88,800	85,716	77,933	67,419	83%
Non-credit and other fees	19,179	18,302	23,206	21,877	21,171	20,194	18,853	17,890	16,266	14,796	30%
General	7,988	6,440	19,566	8,519	8,486	11,613	6,235	5,816	5,583	5,941	34%
Gifts	10,712	9,952	18,029	9,290	6,979	9,081	8,834	10,257	8,088	8,911	20%
Investment	19,181	20,222	19,413	19,128	20,609	19,036	16,441	16,633	16,664	15,773	22%
Ancillary sales and service	41,381	39,213	38,502	39,551	39,162	36,244	35,201	33,864	32,563	29,114	42%
External cost recoveries	40,366	38,726	36,756	34,011	30,164	29,777	28,569	28,372	29,203	28,454	42%
Amortization of deferred capital contributions	14,431	12,050	10,161	9,576	9,008	8,570	9,639	6,799	5,735	5,066	185%
<b>Total revenue</b>	573,597	552,834	524,634	476,353	444,346	438,858	409,775	398,497	377,261	348,514	65%

<sup>6</sup>Pension Expense Adjustments and Restricted for Future Pension Benefits were removed in this table as compared to the University's financial positions because those entries do not reflect real spending. They are a way of bridging a gap between Canadian Institute of Chartered Accountants standards used by Dalhousie University and the actuarial method required to be used to calculate pension payments required under the *Nova Scotia Pensions Act*

## EXPENSES

Salaries & Employee Benefits	318,502	310,617	290,750	273,799	259,607	255,564	245,854	233,507	220,984	206,291	54%
Library acquisitions	5,405	5,562	5,386	5,297	4,895	4,035	4,199	3,970	3,926	4,146	30%
Laboratory and teaching supplies	10,936	10,272	10,957	10,589	9,866	9,792	9,335	9,108	8,890	8,753	25%
Equipment and service	16,440	16,209	10,235	10,909	10,073	9,902	5,871	9,934	11,113	10,776	53%
Finance costs	4,664	3,306	3,331	4,145	4,478	4,178	3,861	3,427	2,532	1,892	147%
Utilities and taxes	13,399	14,784	15,307	15,323	15,677	13,709	12,684	10,595	9,966	10,305	30%
Externally contracted services	49,581	49,219	40,575	39,183	31,866	31,851	29,431	27,821	28,156	27,803	78%
Scholarships, bursaries and prizes	45,439	44,862	39,928	36,111	31,490	33,179	28,218	25,902	23,970	20,270	124%
Ancillary cost of sales and service	10,205	10,213	10,681	9,775	10,488	9,836	10,050	9,891	9,473	8,801	16%
Travel	11,764	11,725	11,284	12,043	10,238	10,601	10,760	9,847	8,738	9,134	29%
Amortization of capital assets	29,453	25,627	22,476	20,707	22,896	22,051	20,863	18,173	16,277	13,859	113%
General operating	23,991	27,678	26,151	25,727	24,236	23,829	23,364	23,324	21,657	21,506	12%
<b>Total Expense</b>	<b>539,779</b>	<b>530,074</b>	<b>487,061</b>	<b>463,608</b>	<b>435,810</b>	<b>428,527</b>	<b>404,490</b>	<b>385,499</b>	<b>365,682</b>	<b>343,536</b>	<b>57%</b>
<b>Excess Revenue over Expenses</b>	<b>33,818</b>	<b>22,760</b>	<b>37,573</b>	<b>12,745</b>	<b>8,536</b>	<b>10,331</b>	<b>5,285</b>	<b>12,998</b>	<b>11,579</b>	<b>4,978</b>	<b>579%</b>

## Transfers of surpluses

Committed to equity in capital assets	20,193	14,168	23,614	5,932	1,599	4,527	5,203	10,766	7,066	2,641	665%
Committed to restricted funds	13,625	8,592	13,959	6,813	6,937	5,804	82	2,232	4,513	2,337	483%
<b>Total</b>	<b>33,818</b>	<b>22,760</b>	<b>37,573</b>	<b>12,745</b>	<b>8,536</b>	<b>10,331</b>	<b>5,285</b>	<b>12,998</b>	<b>11,579</b>	<b>4,978</b>	



Trends are evident over the 10 years of consolidated financial statements:

Revenue from the province and tuition income experienced the strongest growth, while income from gifts was the lowest, increasing only 20 per cent over the 10 years. “Amortization of deferred capital contributions” is the way the University recognizes grants and donations for the purpose of acquiring capital assets. The money is not recognized when it is received, or when the asset is constructed or purchased, but is amortized to revenue over the useful life of the asset. (Dalhousie Annual Report 2012, P. 24) The amount of deferred capital contributions held by the University is recorded in the Financial Position, and was more than \$153 million as of March 31, 2012. (Table 1).

There appears to be a disparity between cash gifts reported in the Annual Reports at more than \$200 million of cash of the \$250 million goal Bold Ambitions goal (Annual Report, 2012, P. 1) and the filings by the University to the Canadian Revenue Agency. (Appendix B Charitable Returns)

While finance costs grew 147 per cent (not including repayments of current debt on Campus Renewal Long-Term), spending on Scholarships, Bursaries and Grants grew by 124 per cent. However, surpluses – also referred to as Excess Revenue over Expenses -- grew by 249 per cent.

## Budget Choices

### Interfund Transfers

Besides the six formal funds to aggregate spending and revenue, Dalhousie also uses for other “formal” funds to “hold” assets, plus one that is not accounted for in the Audited Financial Statements but is referred to in the notes as the “Pension Stabilization Fund”

As Table 4 shows, nearly a quarter of a billion dollars has been diverted from every funding envelope, and Table 3 shows that a total of \$95 million (Interfund transfers and surpluses) was used from operating budgets to acquire capital assets and was no longer available for supporting academic or academic support units.

Table 4 Internal/Interfund Transfers from Audited Financial Statements Schedule 1

(Transferred out)/ Transferred In

(In thousands of dollars)

Source <a href="#">here</a>	Operating	Endowment	Ancillary	Capital	Special Purpose	Research
2011/12	(22,551)	(1,419)	(8,446)	44,302	(1,230)	(10,656)
2010/11	(17,003)	(1,524)	(7,745)	35,423	974	(10,125)
2009/10	(13,020)	(1,536)	(7,730)	29,663	388	(7,765)
2008/09	(9,518)	(1,739)	(7,219)	23,254	1,888	(6,666)
2007/08	(6,731)	(1,722)	(7,280)	21,343	2,177	(7,787)
2006/07	(4,589)	(1,475)	(6,152)	22,561	(3,199)	(7,146)
2005/06	(5,578)	(1,088)	(6,877)	20,921	(949)	(6,429)
2004/05	(4,127)	(1,521)	(7,302)	20,851	(1,288)	(6,613)
2003/04	(2,287)	(1,556)	(6,972)	17,445	(660)	(5,970)
2002/03	174	(1,330)	(6,878)	11,338	(1,273)	(2,031)
<b>Total</b>	<b>(85,230)</b>	<b>(14,910)</b>	<b>(72,601)</b>	<b>247,101</b>	<b>(3,172)</b>	<b>(71,188)</b>

While Interfund transfers illustrate the flow of money for specific purposes, the Audited Financial Statements also show the cumulative effect of these transfers, as well as the impact of Gifts into the Endowment, funds and challenges in value due to market fluctuations in the statement of Changes in Net Assets.

Table 5 Change in Net Assets between 2002 and 2012

From Dalhousie University Annual Financial Statements (thousands of dollars)

Source <a href="#">here</a>	Endowment Principal	Restricted for Future Pension Benefits	Restricted Funds	Equity in Capital Assets	Total
Net Assets					
March 31, 2012	344,589	22,337	80,726	145,089	592,741
Net Assets					
April 1, 2002	244,146	1,693	21,428	63,038	330,305
Increase	100,443	20,644	59,298	82,051	262,436

## Endowment Spending

The majority of funds in the Endowment Fund come from donations and from net investment gains. The value of this Endowment Principal Fund was \$344.6 million as of March 31, 2012, an increase of 46 per

cent since April 1, 2002. During the same period, spending from the envelope has totaled about \$14.9 million, about 4 per cent of the value. (Annual Financial Report, 2012, P. 23)

In 2009, Dalhousie University ranked 10<sup>th</sup> in the country for the size of the Endowment Principal Fund in 2009, when it was \$319.2 million based on information from the Canadian Association of University Business Officers and published by the Canadian Association of University Teachers (CAUT). (CAUT, 2012, P. 44) (Access [here](#))

After donations made in 2008-09 to Dalhousie's Endowment Fund took a hit in value, the Board of Governors elected to preserve the principal while maintaining spending. (Annual Financial Report, 2012, P. 5). To do this, \$700,000 of the operating budget envelope was used to supplement Endowment spending, reducing the money available for operations. The Administration stated that this policy will continue for the foreseeable future, even though the Board of Governors could spend more and allow the value of the Endowment Fund to level off or grow more slowly.

The Endowment management fees have increased 57 per cent to \$2.305 million in 2011-12 from \$1.465 in 2002-03 and are deducted from the operating budget. Although they are nominally offset by Endowment income that flows into the operating budget, the operating budget is already covering expenses that are normally part of Endowment spending. Since 2002-03 the amount of endowment money flowing to the operating budget envelope increased 16 per cent, while the amount given in scholarships, bursaries and grants grew by 7 per cent.

Generally the amount of principal that can be spent is protected to a degree; but earned investment income is spent at a rate mandated by the Board of Governors for purposes either stipulated by donors or decided by Administration. Funds can, and have, been directed from other budget envelopes.

### Construction, debt & maintenance

Nearly a quarter of a billion dollars from five of the Universities aggregated funds has been used to buy or build capital assets between April 1, 2002 to March 31, 2012, but borrowing has also been made to cover these costs., peaking at \$110 million in 2011-12.

The long-term debt of Dalhousie University has increased roughly 646 per cent over the 10-year period under examination, which means the amount of principal due annually has increased by 972 per cent.

The Board of Governors Executive Committee approved a \$10 million budget increase for the Oceans Excellence Centre, and also approved \$30 million in new borrowing for that project, as well as borrowing for the LeMarchant Street Mixed-Use Facility. The chair of the Executive Committee reported it to the Board of Governors Meeting, Feb 14, 2012. While the [Highlights](#) circulated to the community did not name the amount of borrowing, the 2012 Annual Financial Report appears to include the borrowing for Oceans Excellence Centre . More debt is yet to come as borrowing authorized for the LeMarchant Mixed-Use Facility is not reflected in the figures below. (Dalhousie Notice, 2012)

As well, the Campus Master Plan details a long list of projects (more than \$600 million when released in 2010), including a new arena to replace the one torn down that needed a new roof, new or renewed fitness facilities, a new health profession building for clinical practice, and a new generating plant to replace the aging plant that is reportedly too small to heat and cool the new spaces envisioned. A recent advertisement looking for a new position – Assistant Vice-president of Construction – details about \$60 million a year of capital projects. (Access [here](#))

Table 6 Capital Debt, Dalhousie University Annual Financial Reports

[Source](#) here (thousands of dollars)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Long-term debt	105,940	56,231	34,396	36,640	41,083	42,976	44,923	35,706	14,377	14,194
Current portion of long-term debt	4,254	2,748	2,516	2,278	1,892	1,800	1,274	965	465	397
<a href="#">Finance costs from Capital Fund</a>	1,863	370	377	397	372	278				

The operating budget line “Long-Term Campus Renewal” is not covering maintenance costs any longer, after 2009 that amount is covering current debt repayment, and capital and lease costs associated with constructing new facilities. This is laid out in Table 7

Apart from the Campus Renewal Long-term, there is Campus Renewal, which is a maintenance and repair budget line. In its long-term financial plan released in 2006, the Board of Governors directed that Dalhousie University increase its facilities maintenance budget by \$1 million a year until the annual spending on maintenance comes to about two per cent of replacement value of the assets. At the time, that would bring the amount to \$30 million. (Dalhousie University, 2012) (Document [here](#))

Along with new buildings comes increased operating costs and maintenance. As the BAC pointed out in the budget line for campus renewal for 2012-13:

*Apart from the \$1 million annual increase, each time a new building is commissioned base funding is added to the Facilities Renewal budget for the long-term maintenance renewal of the building. In addition the \$1.86 million operating surplus in 2011-12 has been appropriated for use on priority facilities projects in 2012-13.*

*In the 2013-14 year, the University will commission two new buildings. The Oceans Excellence Centre attached to the oceanography wing of the Life Science Centre and the LeMarchant Street Mixed Use Building is with the top five floors dedicated to residence accommodations and the bottom two floors providing space for a variety of student services.*

*The additional costs of utilities, cleaning and maintenance of this new campus space (net of costs supported by residence and other revenue sources) are estimated at \$1.28 million, (Budget Advisory Committee, 2013, p. 4) Access [here](#).*

In its recommended budget for 2011-12, the BAC added \$1.8 million more for utilities, cleaning and maintenance of the Life Science Research Institute. More than \$1.3 million was added to the operating budget in 2010-11 to operate the Marion McCain Bldg on Cobourg Rd. This is a total of nearly \$5 million in additional expenses that will come from the operating budget envelope over three years alone. See Table 7

## Research

Dalhousie's Research Services issued a memo August 8, 2012, signed by the University President, announcing that more overhead money from research grants and contracts secured by departmental faculty would be diverted from the faculty to central Administration. Instead of 90 per cent of this overhead staying within the Faculty, it only 65 per cent would remain, phased in over several years. This will reduce the resources available to faculties to support research unless the funds are returned in a different manner. (Department of Research Services, 2012)(Source [here](#))

## Restricted Funds

Restricted funds represent amounts set aside by the University for specific uses and come from such sources as unspent budget appropriations accumulated by academic and other budget units, operating surpluses from prior years, "departmental research overhead and development funds and certain fund raising activities." (Annual Financial Report, 2012, P. 33) There is no separate accounting for spending in this fund, so it is difficult to be sure how much has been returned to, or kept within the units, and how much has been returned to general coffers and put to other uses. Some indication of how much money was, or wasn't, spent by units can be seen from the fact that this fund has grown to more than \$80 million from just over \$20 million April 1, 2002; a nearly four-fold increase.

Table 7 Campus Renewal Operating Budget Items

(Thousands of Dollars)

Operating Budget	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	% Change
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2003-14
Campus Renewal <sup>7</sup>	3,032	4,027	4,985	8,077	9,254	10,636	11,678	13,321	15,614	15,300	16,300	438%
Renewal Long-Term Costs <sup>8</sup>						450	4679	1675	6100	7,330	7,330	
Total	3,032	4,027	4,985	8,077	9,254	11,086	16,357	14,996	21,714	22,630	23,630	679%

<sup>7</sup> Historically also known as Facilities Renewal, or Maintenance & included classroom upgrades

<sup>8</sup> Accounts for maintenance backlog from 2009-10 and earlier and capital loan repayments, capital and lease cost for operations or storage during construction from 2010-11 and later

## Pensions

The University is the sole sponsor of the Defined Benefit Pension Plan available to many of the university’s employees. In January’s BAC Discussion Paper for 2013-14, (Access [here](#)) the Administration calculated that its contribution to the plan above and beyond the matched contributions from the employees will increase to \$8.5 million, as retirees are living longer and returns are not looking solid.

*“...there is certainty in the estimated increase of \$9.7 million in salary, pension (based on current 2012-13 contribution rates) and benefit costs for the 2013-14 fiscal year....extra (i.e. shortfall) contributions received by the operating budget will increase from \$4.5 million to \$8.5 million in 2013-14. Budget Advisory Committee, 2013, P. 3)*

This entire shortfall could be covered by using surplus pension funds in the Pension Stabilization Fund, which is calculated to be worth more than \$6.2 million as of March 31, 2012. The stabilization fund was accumulated from the difference between what was budgeted and what was paid into the pension plans during that fiscal year. Table 8 shows how money flowed in the pension stabilization fund.

In 2010-11 the University Administration spent \$1,779,000 less in pension contributions than it had budgeted, but instead of transferring the whole amount to the Pension Stabilization Fund, it spent \$479,000 on “costs relating to the development of a pension administration system and review of the pension plan structure.” (Annual Financial Report, 2011, P. 11,) (Access [here](#) ) That review may have been the detailed proposal presented to the employee groups to move to a jointly-sponsored pension plan.

### Table 8 Supplementary Pension Funds

Pension Stabilization Fund (thousands of dollars)

	2007-08	2008-09	2009-10	2010-11	2011-12	TOTAL
Surplus Provision for Compensation <sup>9</sup>	2,555	1,130	1,273	1,300	-	6,258

## External Contractors

Spending on Externally Contracted Services increased 78 per cent to nearly \$50 million in 2011-12. As the Charitable Returns filed by Dalhousie with the Canadian Revenue Agency show this amount as Professional and Consulting Fees, it would not be unreasonable to expect these are fees for administrative or management services or recruiting students. (Table 9)

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<sup>9</sup> According to note 7 d) (Page 11) of the Financial Annual Report March 31, 2008: this money is put in the "pension stabilization fund."

*Table 9 External Contractors, Dalhousie University Annual Financial Reports, Consolidated Supplementary Schedules 1*

(thousands of dollars)

<u>Source</u>	Operating	Endowment	Ancillary	Capital	Special Purpose	Research	Total	10-year change
2011-12	17,561	1,919	8,772		3,039	18,290	49,581	
2010-11	17,869	1,844	7,381		3,257	18,868	49,219	
2009-10	15,976	1,440	6,975		3,024	13,160	40,575	
2008-09	13,038	1,466	6,806		3,250	14,623	39,183	
2007-08	12,008	1,608	6,315		3,217	8,718	31,866	78%
2006-07	11,673	1,548	5,698		2,841	10,091	31,851	
2005-06	11,338	1,198	5,394		2,523	8,978	29,431	
2004-05	10,996	1,059	5,406		2,226	8,134	27,821	
2003-04	11,316	1,121	5,189		2,663	7,867	28,156	
2002-03	11,175	1,013	4,846		2,403	8,366	27,803	
<b>Total</b>	132,950	14,216	62,782	0	28,443	117,095	355,486	



## Reliability of Budget Forecasts

Each year, at least two BAC reports are presented to the Senate. The first recommended budget usually shows a deficit. When approved/final operating budgets, are compared Actual Spending in the Annual Financial Reports differences in revenues and spending can be large. The last few years, the revenues are consistently underestimated and expenses overestimated, and the gap is millions of dollars.

There are discrepancies within the Annual Financial Reports as well. The operating budgets in the first two unaudited sections--the Overview and Report on Operating Budget--consistently understate revenue and overstate expense. In the unaudited reports it appears that the University only had a \$1.8 million surplus in 2011-12; but it really had a \$33.8 million in excess revenue, according to the Audited Consolidated Statement of Revenue and Expense. This is for several reasons.

- Assumptions used to build the operating budget, especially enrolment figures, are conservative and therefore always shows lower than actual income in tuition, facilities renewal fees and from ancillary services.
- The Operating Budget that is reported is based on only three of five formally recognized funds; with Ancillary as a line item, as well as income from the Endowment Fund; the other pools of funds are Special Purpose, Capital and (sponsored) Research; therefore several sources of income and expense are excluded.
- The budgeting is based on the previous year's BAC "Final Budget" that does not reflect under or overspending. Surpluses are captured as Interfund Transfers within Expenditures, while other universities report the Interfund Transfers after the surpluses have been calculated in the budget reports. At Dalhousie, the Interfund transfers are detailed in the Consolidated Statements of Revenue and Expense and Changes in Operating Surpluses in the Audited Financial Statements, (illustrated in Table 4) but are not reflected in any of the Operating budgets that are circulated. Administration sometimes refers to the spending as "regular" operating budgets, as they do not include research, special purpose, or ancillary spending.
- The Operating budget issued in June does not include the income and spending of wholly owned enterprises of the University; like Concepts in Chemistry Inc., and the not-for-profit Halifax Marine Research Institute that were consolidated with the University financial statements for 2011-12. (Dalhousie University, 2012, P. 25) There have been other enterprises in the past.

The Audited Financial Statements, which form part of Section C of the Annual Financial Reports, along with Notes and Supplementary Schedules are the most accurate for determining actual spending and trends in spending. Not only are the documents prepared after spending, rather than forecasting what might be, but account for the money circulating to and from the other enterprises run by the University.

The “actual” budget in the beginning sections of the financial reports is not what was spent, as Faculties and certain other service units are allowed to carry forward deficits and surpluses. The “actual” budgets outside of the Consolidated Schedules do not capture what was actually spent by the majority of units, but mirrors the amounts projected in the final budget.

To understand the differences between what is predicted in the different budgets and what spending is actually made and captured in financial statements see [Table 10](#)

Another tool to visual how often the budgets are at odds with the actual spending is presented in [Table 11](#) , which deals with regular operating transactions from operating and endowment sources (but no capital, special purpose or research funds.) This also provides details for each academic unit. Some of this information comes from the Consolidated Schedule 1. The differences between Final budget and Actuals can be profound. Green indicates more revenue on hand than predicted (either through increased revenue or decreased spending) and Red indicates less revenue than predicted, or greater spending than budgeted.

The Cumulative differences column illustrates the amount of money each unit would have if they could keep their surpluses and apply them against their deficits. However, with the financial policy dealing with using leftover money in academic units amended November 2004, these budget surpluses end up in the Restricted Fund as they can only used for non-recurring expenses. (Dalhousie University, 2004) For non-academic units that can carry surpluses from year to year, Senior Administration can decide whether to grant permission to use the surpluses, or divert them to another purpose.

These differences can also result in structural deficits in unit budgets as the accounting practice of the Administration is to budget from the ‘final budgets’ which are not the actuals. So if a unit has been underfunded because of a wrong set of assumptions – like the number of people who will retire after the elimination of mandatory retirement—this underfunding will continuing in the next budget exercise.

*Table 10 Comparisons of Recommended, Final & Actual Operating Budgets*

(Operating Fund only) (thousands of dollars)

	2009-10					2010-11				
	BAC		Board	<a href="#">Annual Financial Report</a>		BAC		Board	<a href="#">Annual Financial Report</a>	
	<a href="#">Dec-08</a>	<a href="#">May-09</a>	<a href="#">Jun-09</a>	Unaudited Actuals (P11-15*)	Consolidated Schedule 1 (P 33)	<a href="#">Mar-10</a>	<a href="#">May-10</a>	<a href="#">Jun-10</a>	Unaudited Actuals (P13-16)	Consolidated Schedule 1 (P 35)
Revenue	289,418	289,518	289,050	290,785	336,602	314,600	315,347	316,450	318,684	373,366
Expenditure	293,127	289,518	289,050	287,907	319,337	324,663	315,347	316,450	310,886	348,869
<b>Surplus/(Deficit)</b>	<b>(3,709)</b>			<b>2,878</b>	<b>17,265</b>	<b>(10,063)</b>			<b>7,798</b>	<b>24,497</b>

	2011-12					2012-13		
	BAC		Board	<a href="#">Annual Financial Report</a>		BAC		Board
	<a href="#">Mar-11</a>	<a href="#">May-11</a>	<a href="#">Jun-11</a>	Unaudited Actuals (P13-17)	Consolidated Schedule 1 (P 36)	<a href="#">Jan-12</a>	<a href="#">Mar-12</a>	<a href="#">Jun-12</a>
Revenue	319,567	323,257	325,710	323,486	383,108	328,300	328,620	330,927
Expenditure	334,167	323,257	325,710	316,761	352,446	335,241	328,620	330,927
<b>Surplus/(Deficit)</b>	<b>(14,600)</b>	-	-	<b>6,725</b>	<b>30,662</b>	<b>(6,941)</b>	-	-

*Table 11 Detail of differences Final vs Actual* (Operating and Endowment Envelopes only) [\(Calculations here\)](#)

(thousands of dollars)

	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Cumulative Difference
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12		
<b>REVENUE</b>											
Red Indicates lower than budgeted Revenue; Green higher than budgeted Revenue											
Provincial Government Grants											
Operating	(439)	63	30	29		2,855	(740)		3		1,801
Enrolment Expansion											
Facilities/Space											
Targetted											
Equipment & Alterations											
<b>Total Provincial Government Grants</b>	(439)	63	30	29		2,855	(740)		3		1,801
Federal Indirect Costs of Research	536	547	161	392	84	80	(12)	176	201		2,165
Investment Income											
Endowment	261	(168)	(1,477)	(780)	(685)	(761)	(39)	1	(1,435)		(5,083)
Operating (net of interest/bank charges)	72	49	119	(41)	1,185	(561)	40	402	(148)		1,117
Tuition Fees	1,564	(887)	479	1,474	(509)	1,204	3,539	5,725	3,349		15,938
Facilities Renewal Fee	30	25	(11)	24	(10)	27	55	95	274		509
Application Fees <sup>10</sup>	40	(63)	(93)	57	79	(10)	117	190	243		560
Kings' Transfer <sup>11</sup>	140	193	98	403	170	97	190	(122)	222		1,391
Use of Surplus Appropriations			(960)	(937)							(18,97)
<b>Total Revenue</b>	<b>2,204</b>	<b>(241)</b>	<b>(1,654)</b>	<b>621</b>	<b>314</b>	<b>2,931</b>	<b>3,150</b>	<b>6,467</b>	<b>2,709</b>		<b>16,501</b>

<sup>10</sup> Moved from revenue offset of Administration spending

<sup>11</sup> Moved from revenue offset of Academic units

(thousands of dollars)

	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Cumulative Difference
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12		
<b>EXPENDITURES</b>											
Green indicates lower than budgeted spending; Red higher than budgeted spending											
<b>General Operating Expenditures</b>											
Non-Space Equipment (& alterations)											
Scholarships, Bursaries & Student Assistance											
Operating	(440)			(287)				(833)	(259)	(1,819)	
Endowment	(101)	(35)	107	199	125	75	(59)	244	280	835	
Campus Renewal ( Facilities Maintenance )	(30)	(25)		(24)		(27)	(55)	(95)	(773)	(1,029)	
Campus Renewal Long-Term Costs <sup>12</sup>											
Strategic Initiatives											
Net Energy, water, taxes & insurance <sup>13</sup>	(126)	82	(129)	(326)	(920)	965	1233	755		1534	
Endowment Management Expenses	35	11	(36)	(128)	(191)	109	(86)	(479)	95	(670)	
Facilities/Space											
Contingency	(58)	23		35	218	36		8	(694)	(432)	
<b>Total General Operation</b>	<b>(720)</b>	<b>56</b>	<b>(58)</b>	<b>(531)</b>	<b>(768)</b>	<b>1,158</b>	<b>1,033</b>	<b>(400)</b>	<b>(1,351)</b>	<b>(1,581)</b>	
<b>Academic</b>											
Architecture and Planning	66	116	26	109	(9)	(9)	(11)	193	47	528	
Arts and Social Sciences	381	629	478	661	423	(142)	(386)	(128)	(449)	1,467	
Computer Science	(234)	(243)	(290)	(289)	78	277	365	116	131	(89)	
Dentistry	(304)	(1)	19	17	133	(84)	22	39	43	(116)	
Engineering	(27)	606	1	56	(15)	(129)	(119)	228	441	1,042	
Graduate Studies	104	140	233	203	(162)	(211)	(112)	163	177	535	

<sup>12</sup> Maintenance backlog from 2009-10 earlier; debt repayment, capital & lease costs 2010-11 forward

<sup>13</sup> Combined from two items: Energy (net of recoveries) and Water, Taxes & Insurance (net of recoveries)

(thousands of dollars)

	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Cumulative Difference
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	
Health Professions	34	150	(415)	314	129	123	(1,239)	(449)	692	(661)
Law	(3)	(29)	11	77	28	41	(248)	133	172	182)
Management	(95)	36	178	68	(147)	(700)	(148)	(315)	232	(891)
Medicine	(529)	(441)	824	941	903	831	(276)	(1,901)	1,194	1546
Science	(43)	310	(80)	(201)	261	658	537	81	199	1,722
University Library	142	461	431	584	104	(303)	(18)	(635)	(169)	597
College of Continuing Education	93	(373)	(475)	(518)	124	(9)	(643)	(578)	(88)	(2,467)
College of Sustainability							28	(26)	87	89
Centres, Institutes & Special Projects	(65)	(898)	(971)	(72)	157	(58)	(665)	(633)	(10)	(3,215)
Engineering Co-op & Computer Science Career Services	43	(9)	75	24	(94)	(116)	16	38	101	78
Faculty Related Costs (eg.Travel, Leave Grants, PDA.)	594	(250)	244	120	161	254	194	740	391	2448
Academic Initiatives		(46)	(8)	(4)	332	105	157	45	35	616
Indirect Costs of Research One-Time Projects	(1,975)									(1,975)
<b>Total Academic</b>	<b>(1,818)</b>	<b>158</b>	<b>281</b>	<b>2,090</b>	<b>2,406</b>	<b>528</b>	<b>(2,546)</b>	<b>(2,889)</b>	<b>3,226</b>	<b>1,436</b>
<b>Academic Support</b>										
Academic IT Initiatives					211				258	469
Art Gallery	(17)	(8)	(3)	8	(13)	(4)	(14)	6	(5)	(50)
Centre for Learning and Teaching	44	69		(28)	4	31	72	78	(40)	230
Information Technology Services	65	(65)	46	(14)	240	(348)	29	163	528	644
Printing Centre	(7)	20		(16)	(9)	8		(33)	(28)	(65)
<b>Total Academic Support</b>	<b>85</b>	<b>16</b>	<b>43</b>	<b>(50)</b>	<b>433</b>	<b>(313)</b>	<b>87</b>	<b>214</b>	<b>713</b>	<b>1,250</b>

(thousands of dollars)

	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Cumulative Difference
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	
<b>Administration</b>										
Administrative Initiatives										
Business Process Integration				(22)						(22)
Environmental Health & Safety Office	(10)	(23)	19	(2)	(5)	(22)			72	29
External Relations <sup>14</sup>	(18)	(39)	(117)	(60)	11	(445)	3	516	355	206
Financial Services	(68)	(32)	69	8	(22)	84	6	107	3	155
Human Resources	(55)	(13)	(32)	29	75	(99)	(110)	(76)	3	(278)
Institutional Analysis and Research	35	50	7	(32)	64	34	16	1	23	232
Inter(University Services						(2)		1		(1)
President's Office		44	(17)	(34)	(19)	(63)	(2)	4	4	(83)
Registrar & Admissions	(39)	4	(193)	(35)	150	25	(7)	(130)	(92)	(317)
Research Services					42	56	(27)	71	22	164
Office of the VP Student Services <sup>15</sup>	15	(71)	70	103	(159)	105	63	(184)	36	(22)
University Secretariat/Internal Audit (BOG)	(3)	150	77	31	23	86	55	13	17	427
<b>Total Administration</b>	(143)	70	(117)	(14)	164	(211)	(3)	323	443	512
<b>General</b>		88	29	51	118	54	(84)	96	(27)	325
<b>Facilities Management</b>	(22)	(13)	(49)	(48)	(144)	(30)	(56)	(65)	(127)	(554)

<sup>14</sup> Combination of External Affairs and Marketing, PR & Communications (also Graphic & Photography Services)

<sup>15</sup> In 2011-12 The Annual Financial Report combined the Office of the VP in Student Services budget. Was separated out using average ratio over previous nine years and moved to Administration.

(thousands of dollars)

	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Final - Actual	Cumulative Difference
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	
<b>Student Services</b>										
Awards Office & Student Service -Sexton										
Counselling	(3)		(73)	26	(8)	(44)	15	(14)	18	(83)
Student Services	47		77	59	101	67	133	59	74	617
International Student Exchange Services				(20)						(20)
Student Health					9	52	39	62	26	188
Varsity, Intramurals & Clubs	84	(122)	(82)	55	79	(49)	6	(78)	(5)	(112)
<b>Total Student Services</b>	<b>128</b>	<b>(122)</b>	<b>(78)</b>	<b>120</b>	<b>181</b>	<b>26</b>	<b>193</b>	<b>29</b>	<b>113</b>	<b>590</b>
<b>Ancillaries</b>										
Dalhousie Arts Centre	2									2
Dalplex and Arena	79	(20)		127	89	6	(88)	198	82	473
Food Services		(62)	143	53	64	69	88	9	788	1,152
PCPC						60	58	(60)	(58)	
University Bookstore	240	(205)	252	38	12	10	(300)	114	207	368
University Housing (Student Community Services) <sup>16</sup>	465	(676)	(279)	141	207	465	73	43	7	446
<b>Total Ancillaries</b>	<b>786</b>	<b>(963)</b>	<b>116</b>	<b>359</b>	<b>372</b>	<b>610</b>	<b>(169)</b>	<b>304</b>	<b>1,026</b>	<b>2,441</b>
Provision for Compensation <sup>17</sup>		444	362	81				1,779		2,666
<b>TOTAL EXPENDITURES</b>	<b>(1,704)</b>	<b>(266)</b>	<b>529</b>	<b>2,058</b>	<b>2,762</b>	<b>1,822</b>	<b>(1,545)</b>	<b>(609)</b>	<b>4,016</b>	<b>7,063</b>

<sup>16</sup> Combines Housing Services that takes in revenue and offsets Residence Life (was Student Community Services)

<sup>17</sup> Funds in this line item totaled \$6,920 and were placed in a Pension Stabilization Fund; no accounting of this fund has been provided in Annual Financial Report.



## Enrolment Predictions

The University released its Campus Master Plan in 2010, which:

*focuses on improving and increasing academic, research and administrative facilities and enhancing student environments. The Campus Plan also considers facilities an important recruitment tool and provides a vision for Dalhousie's needs over the next decade. **The ten year plan allows for facilities to keep pace with enrolment growth by providing new or altered space for student learning and living.*** [Emphasis added]. (Budget Advisory Committee, Report XLIV, 2010, P.12) (Access [here](#))

The next report issued in March 2011 for the same budget 2011-12 says:

*Enrolment projections continue to pose a significant challenge for the reasons outlined in BAC XLIV. The University has benefitted from larger than expected enrolment increases in each of the last three years and is just shy of its 2012-13 enrolment target of 17,000 students. There are concerns about the University's capacity (e.g. residence and classroom space) to continue to accommodate ever larger incoming classes, at least in the short-term. As well, increased competition for international students and the declining pool of Nova Scotia high school graduates suggest caution in assuming continued increases.* (Budget Advisory Committee, Report XLV, 2011, P. 2)(Access [here](#))

If enrolment will continue to increase enough to support the building growth envisaged in the Campus Master Plan, it could be asked why the BAC continues to be conservative in its enrolment forecasts? If the enrolments will not continue to increase, why is the University being aggressive about its expansion plans? The university administration is borrowing money that will have to be repaid even if enrolment stagnates or declines, which could expose the University financial risks and the possibility of continued erosion of Academic unit budgets; the units that deliver the primary mission of the University.

Senior Administrators assumed a modest increase of 175 students for 11-12, but there were [533](#) (Office of the Registrar, 2012) more students at Dalhousie, according to the headcount at Dec 1, which would be higher if annualized.

In the operating budget plan for 2012-13, no increase in student enrolment was envisioned apart from new seats in medicine and nursing; but figures released with the BAC report for 2013-14 shows an increase by headcount at December 1, 2012 of 185 students, although the text on the page says 70 students). (Budget Advisory Committee, 2013, P. 2). This number was confirmed by the statistics released the same week by the Registrar. This number excludes the undergraduate Agricultural students, and moves the graduate Agricultural students back under the Dalhousie's 'Other Graduate Students' category where they have always been counted, until 2012-13.

## Conclusion

Dalhousie University appears to be in good financial health with assets of more than \$1 billion, and healthy cash reserves and cash flows. Surpluses are recorded year after year, despite cuts to operating grants by the province and administrative cuts to faculty budgets. The University administration and Board of Governors appear to favour growth in spending to construct facilities and acquiring capital assets, as well as administrative spending, while restricting spending in the University's principal mission: learning, discovery and innovation, and engagement.

The budget process and choices are not particularly transparent to the University community, with wide-spread consultation focused narrowly on the 'regular' operating budget, and not the six funds the University operates, nor the wholly own entities. The preliminary budgets always predict a deficit, sometimes very large, even though the surpluses in the operating budgets keep growing. The budgeting method ignores transfers to appropriations or top-ups from appropriations, which may result in systemic deficits in some units. It is not clear that Academic staff have a clear picture of what the financial realities are of Dalhousie University. This being the case, it would be doubtful that a full and frank discussion can be had, or meaningful input collected.

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## Appendix A

### REVIEW OF MATHEMATICAL ACCURACY OF DEA REPORT

DALHOUSIE UNIVERSITY

FEBRUARY 27, 2013



FORENSIC ACCOUNTANTS

**MATSON DRISCOLL & DAMICO LTD**

1959 Upper Water Street, Suite 1800 • Halifax, NS B3J 3N2  
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March 13, 2013

Dalhousie Faculty Association  
6280 South St. PO Box 15000  
Halifax, Nova Scotia  
B3H 4R2

Attention: Ms. Karen Janigan

**Re: Dalhousie Faculty Association  
Review of Mathematical Accuracy of DFA Report  
Halifax, Nova Scotia**

Dear Ms. Janigan:

You have asked us as independent professional accountants experienced in the quantification of economic damages to undertake a review of the relevant business records of DALHOUSIE UNIVERSITY Halifax, Nova Scotia in connection with a report prepared by Ms. Karen Janigan, Dalhousie Faculty Association, entitled "*Review of Dalhousie university Finances: Are budget decisions serving the mission of the University?*", dated February 20, 2013 ("DFA Report").

This report has been performed solely for the purposes outlined above and included the procedures we considered necessary and appropriate for the completion of our review.

**BACKGROUND**

Dalhousie University ("Dalhousie") is a not-for-profit organization located in Halifax, Nova Scotia. The Financial Statements for the most recent fiscal year ended March 31, 2012 report that Dalhousie had \$1,072,007,000 in assets, and \$573,597,000 in total revenue. Dalhousie utilizes the deferred contribution method of accounting, whereby:

- 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 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 income from these endowment investments is recognized when the related expense occurs; and,
- Revenue received without restrictions (i.e. operating grant from the Province of Nova Scotia, tuition fees and sales of services and goods etc.) are reported as revenue at the time the services are provided or the goods are sold provided collection of the related received is probably, persuasive evidence of an arrangement exists and the price is fixed or determinable.

Dalhousie's annual financial statements, which are audited, report the consolidated operations of the following funds:

- Operating
- Endowment
- Ancillary
- Capital
- Special Purpose; and,
- Research

In addition, Dalhousie also produces annual reports for each fiscal year which are unaudited. Included in the annual reports is a section entitled Budget vs Actual Operating Results, which reports the actual and budgeted revenues and expenses for the Operating Fund.

The DFA was created to represent the interests of all teaching, research, professional librarian and professional counseling staff in the matters of employer – employee relations.

The DFA Report is a report prepared entirely by the DFA, which reveals the DFA's findings, positions and views in relation to Dalhousie's budgeting and spending practices.

### **SCOPE OF OUR REVIEW**

In order to perform our mandate (see MDD Involvement section below), we have reviewed and considered the following information:

- 1) DFA Report;
- 2) Dalhousie University Audited Financial Statements for the 12 Months Ending March 31, 2003 -2012 ("Audited Financials");
- 3) Dalhousie University Annual Reports for the 12 Months Ending March 31, 2003-2012 ("Annual Reports");
- 4) Dalhousie University, Budget Advisory Committee - Operating Budget Plans 2008 – 2014; and,
- 5) Canada Revenue Agency, Registered Charity Information Return – Detailed Financial Information.

## **MDD INVOLVEMENT**

As communicated in our engagement letter, dated February 6, 2013, our involvement in this matter was limited to the following:

- To review the DFA Report and to verify the mathematical accuracy of all calculations presented therein with respect to the underlying source documentation; and,
- To provide independent consultation and to advise on accounting matters with respect to the content of the DFA Report.

We were not engaged to provide an assessment or an opinion on the contents of the DFA Report or on the findings, positions and/or views of the DFA in respect thereof. The procedures performed by MDD were advisory in nature and do not constitute an audit or other attest service as defined by the Canadian Institute of Chartered Accountants. The procedures do not constitute an audit of historical financial statements in accordance with generally accepted auditing standards, nor do they constitute an examination of prospective financial statements.

## **MDD ANALYSIS**

### *Testing of Mathematical Accuracy*

We obtained the original source documents referenced in the DFA report and verified the consistency of the information contained in these source documents to the information contained in the DFA report. We then summarized the relevant source documentation in electronic format. Using the summarized sources, we then tested the mathematical accuracy of the figures presented on each respective page of the DFA Report.

### *Independent Consultation*

In addition to the procedures discussed above, we attended various meetings with representatives of the DFA to discuss certain accounting matters, such as revenue recognition and overall fund accounting procedures.

## **RESTRICTIONS AND QUALIFICATIONS**

This Report is intended solely for the information and use of the management of the DFA, and is not to be reproduced for any other purpose without our written permission in each specific instance. To the extent that this Report is distributed to parties other than the management of the DFA, it must be distributed in its entirety including all disclaimers and restrictive legends attached thereto by us intact.

Notwithstanding anything herein, MDD does not assume any duties or obligations to third parties who may obtain access to this Report. Any use such third parties may



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Notwithstanding anything herein, MDD does not assume any duties or obligations to third parties who may obtain access to this Report. Any use such third parties may

choose to make of our Report is entirely at their own risk and we shall have no responsibility whatsoever in relation to any such use.

We reserve the right, but will be under no obligation, to review all findings included or referred to in this report and, if we consider it necessary, to revise our conclusions in light of any material information which becomes known to us subsequent to the date of this report.

**CLOSING**

Mark Gain, CPA, CA•IFA, CBV and Jarrett Reaume, CPA, CA, DIFA, CFE are the persons primarily responsible in the preparation of this report. We would be pleased to discuss the contents of this report with you at your convenience.

RESPECTFULLY,

*Matson, Driscoll & Demico Ltd.*

## Appendix B Charitable Returns

*Table 12 Dalhousie University's T3010 Federal Charitable Returns*

Accessed January 24, 2013 at <http://www.cra-arc.gc.ca/chrts-gvng/lstngs/menu-eng.html> [Source here](#)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-7	2005-06	2004-05	2003-04	2002-03
<b>Revenues</b>										
Gifts Issued a Tax Receipt	8,473,005	3,690,175	21,369,228	8,532,526	8,022,552	6,761,959	9,169,110	11,182,785	11,557,899	10,184,839
Gifts No Tax Receipt	620,110	1,999,933	728,218	3,812,773	-				88,518	129,883
<b>Total Gifts</b>	<b>9,093,115</b>	<b>5,690,108</b>	<b>22,097,446</b>	<b>12,345,299</b>	<b>8,022,552</b>	<b>6,761,959</b>	<b>9,169,110</b>	<b>11,182,785</b>	<b>11,646,417</b>	<b>10,314,722</b>
<b>Expenditures</b>										
Charitable prog. (core mission)	504,721,300	506,688,957	473,828,000	435,426,703	399,802,300	393,659,299	379,314,168	362,174,150	355,552,000	337,873,000
Management & admin.	28,063,000	26,097,000	26,488,000	23,893,539	20,594,326	17,413,000	15,171,000	14,331,000	14,636,000	13,137,000
Fundraising	2,736,000	2,687,000	2,296,000	2,172,748	2,234,674	3,201,000	4,508,000	3,710,000	3,117,000	2,872,000
All Compensation	315,174,000	316,023,000	306,302,000	271,636,000	246,429,000	241,448,000	240,360,000	228,224,000	228,607,000	not listed
Donations to other charities	30,700	7,043	1,285	14,297	700	137,701	2,832	850	-	-

## Appendix C

Table 13 Detail of Actual Operating Budgets by Unit

(Source)

Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	9-yr Chge
2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	

### REVENUE

<b>Provincial Government Grants</b>										
Operating	100,218	101,715	111,782	117,671	130,756	142,079	158,425	177,851	171,033	
Enrolment Expansion	451	902	1,353	1,805	1,805	1,805	2,940	2,940	2,940	
Facilities/Space	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
Targetted	50	50	50	50	50	50	50	50	50	
Equipment & Alterations	3,908	3,945								
<b>Total Provincial Gov't Grants</b>	<b>105,627</b>	<b>107,612</b>	<b>114,185</b>	<b>120,526</b>	<b>133,611</b>	<b>147,789</b>	<b>162,415</b>	<b>181,841</b>	<b>175,023</b>	66%
Fed Indirect Costs of Research Grant	5,536	5,980	6,141	6,744	6,826	7,022	6,830	6,674	6,511	18%
Investment Income										
Endowment	14,895	14,822	13,863	15,773	16,664	17,689	16,978	17,455	17,295	16%
Operating (net of interest/bank charges)	1,760	1,698	2,069	2,659	3,885	2,639	1,740	2,402	2,252	28%
Tuition Fees	77,711	85,544	88,931	92,701	89,780	92,978	97,258	104,602	115,329	48%
Facilities Renewal Fee	870	1,190	1,239	1,254	1,260	1,297	1,380	1,475	2,444	181%
Application Fees	975	872	842	917	939	930	1,057	1,230	1,283	32%
Kings' Transfer	2,307	2,360	2,465	2,770	2,937	3,034	3,127	3,005	3,349	45%
Use of Surplus Appropriations			463	-						
<b>TOTAL REVENUE</b>	<b>209,681</b>	<b>220,078</b>	<b>230,198</b>	<b>243,344</b>	<b>255,902</b>	<b>270,523</b>	<b>290,785</b>	<b>318,684</b>	<b>323,486</b>	54%

Review of Dalhousie University Finances, Winter 2013

(Source)

Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	9-yr Chge
2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12		

**EXPENDITURES**

**General Operating**

Non-Space Equipment (2005/6 earlier included alterations)	3,908	3,945	4,154	2,210	2,309	2,434	2,483	2,533	2,533	
Scholarships, Bursaries <sup>18</sup>										
Operating	6,399	6,714	7,463	8,543	9,341	9,628	9,971	10,988	10,414	63%
Endowment	4,958	4,951	4,797	4,866	5,176	5,465	5,185	5,225	5,285	7%
Campus Renewal <sup>19</sup>	3,032	4,027	4,985	8,077	9,254	10,636	11,678	13,321	15,614	415%
Campus Renewal Long-Term Costs <sup>20</sup>						450	4,679	1,675	6,100	
Strategic Initiatives								4,798	3,160	
Energy, water, taxes & insurance (net of recoveries)	8,350	8,942	10,431	11,195	12,689	12,804	13,396	14,081	15,550	
Endowment Management	1,465	1,489	1,586	1,866	2,008	1,858	1,896	2,264	2,305	57%
Facilities/Space	1,000	1,000	1,000	1,000	1,000	1,000	1,495	2,103	0	
Contingency	658	577	250	965	1,082	1,264	1,600	1,592	2,294	
<b>Ttl General Operating</b>	<b>29,770</b>	<b>31,645</b>	<b>34,666</b>	<b>38,722</b>	<b>42,859</b>	<b>45,539</b>	<b>52,383</b>	<b>58,580</b>	<b>63,255</b>	<b>112%</b>

**Academic**

Architecture and Planning	3,125	3,317	3,595	3,673	3,773	3,969	4,109	4,145	4,210
Arts and Social Sciences	14,818	16,026	16,759	17,137	17,584	18,253	18,790	19,868	20,985
Computer Science	5,055	5,053	5,360	5,187	5,048	5,019	5,021	5,459	5,780
Dentistry	7,891	7,819	7,970	8,196	8,208	8,666	8,846	9,284	9,223
Engineering	13,184	12,850	13,913	14,272	14,705	15,230	15,612	16,327	16,952
Graduate Studies	1,424	1,517	1,277	1,343	1,737	1,850	1,807	1,755	1,634
Health Professions	16,530	17,152	18,410	18,119	19,057	19,922	23,121	23,565	23,004

<sup>18</sup> Provincial student aid excluded from revenue & expense.

<sup>19</sup> Was Facilities Maintenance that includes classroom upgrades

<sup>20</sup> Backlog from 2009-10 and earlier, debt repayment, and capital and lease costs 20010-11 forward

Review of Dalhousie University Finances, Winter 2013

(Source)

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	9-yr Chge
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	
Law	5,714	6,002	6,326	6,562	6,693	7,052	7,585	8,457	10,043	
Management	7,486	7,855	8,677	8,804	9,086	10,531	10,581	11,779	11,843	
Medicine	29,651	31,364	31,749	33,504	34,018	35,644	37,597	40,990	38,416	
Science	23,411	24,740	25,342	26,273	25,962	26,522	27,322	29,834	30,937	
University Library	9,945	10,234	10,861	11,049	11,912	12,805	12,770	13,788	13,504	
College of Continuing Education	407	891	1,016	1,080	464	622	1,342	1,375	1,002	
College of Sustainability							581	1,082	1,116	
Centres, Institutes & Special Projects	1,867	2,380	2,462	1,526	1,312	1,581	2,243	2,568	1,795	
Engineering Co-op & Computer Science Career Services	344	419	357	421	558	603	495	500	512	
Faculty Related Costs <sup>21</sup>	681	1,382	926	1,176	1,086	1,104	1,377	1,141	1,621	
Academic Initiatives	300	402	471	476	300	537	494	615	631	
Indirect Costs of Research (One-Time)	1,975									
<b>Total Academic</b>	<b>143,808</b>	<b>149,403</b>	<b>155,471</b>	<b>158,798</b>	<b>161,503</b>	<b>169,910</b>	<b>179,693</b>	<b>192,532</b>	<b>193,208</b>	34%

**Academic Support**

(Negative) means net revenue

Academic IT Initiatives					39					-	
Art Gallery	124	121	124	119	147	144	157	146	173	40%	
Centre for Learning and Teaching	912	824	975	1,022	1,017	1,151	1,157	1,214	1,244	36%	
Information Technology Services	6,140	6,647	6,825	7,058	6,929	8,815	9,358	9,274	9,478	54%	
Printing Centre	(147)	(174)	(154)	(138)	(145)	(163)	(155)	(121)	(127)		
<b>Total Academic Support</b>	<b>7,029</b>	<b>7,418</b>	<b>7,770</b>	<b>8,061</b>	<b>7,987</b>	<b>9,947</b>	<b>10,517</b>	<b>10,513</b>	<b>10,768</b>	53%	

<sup>21</sup> eg. Travel, Leave Grants, Professional Development Allowances.

Review of Dalhousie University Finances, Winter 2013

(Source)

Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	9-yr Chge
2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12		

**Administration**

Business Process Integration			165	195	206	222				
Environmental Health and Safety Office	289	320	326	367	368	435	512	594	650	
External Relations <sup>22</sup>	3,443	3,743	4,076	4,638	5,439	6,786	6,997	7,103	7,510	
Financial Services	3,152	3,262	3,269	3,452	3,573	3,792	4,005	4,260	4,308	
Human Resources	1,943	1,991	2,057	2,050	2,114	2,450	2,603	2,744	2,843	
Institutional Analysis and Research	237	231	288	339	450	475	536	594	573	
Inter-University Services	44	45	62	50	61	64	77	77	93	
President's Office	1,961	2,126	2,091	2,160	2,333	2,863	3,000	3,298	3,447	
Registrar & Admissions	2,475	2,551	2,878	3,723	3,904	4,216	4,402	4,799	4,782	
Research Services	484	506	701	722	771	969	1,291	1,106	1,370	
Office of the VP Student Services	393	598	549	567	831	634	775	1,092	1,232	
University Secretariat/ Internal Audit (BOG)	258	282	459	510	554	618	734	785	779	
<b>Total Administration</b>						23,524		26,462	27,587	88%
	14,679	15,655	16,921	18,773	20,604		24,932			

<b>General</b>	1,134	929	888	859	808	945	1,150	1,003	1,097	-3%
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<b>Facilities Management</b>								17,001	16,861	52%
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<sup>22</sup> Includes Graphics/communications/marketing/PR



Review of Dalhousie University Finances, Winter 2013

(Source)

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	9-yr Chge
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	
	11,093	11,647	12,602	12,755	13,434	14,302	14,990			

**Student Services**

Awards Office & Student Services Centre -Sexton	244	257	267	328	335	350	364	379	394
Counselling	628	695	803	720	796	885	964	1,124	1,127
Student Services	892	1,044	1,141	862	1,490	1,755	1,856	2,600	2,527
International Student Exchange Services				309					
Student Health	79	81	82	84	77	35	50	29	66
Varsity, Intramurals & Clubs	394	624	600	517	511	667	605	712	560

**Total Student Services** 2,237 2,701 2,893 2,820 3,209 3,692 3,839 4,844 4,674 109%

**Ancillaries**

(Negative) means net revenue

Dalhousie Arts Centre	322	324	324	324	324	324	324	324	324
Dalplex and Arena	102	201	181	54	92	175	269	(17)	99
Food Services	0	62	(143)	(183)	(194)	(199)	(218)	(139)	(873)
PCPC						(60)	(58)	60	58
University Bookstore	(373)	72	(385)	(321)	(295)	(293)	17	(397)	(490)
University Housing & Residence Life (Student Community Services)	(620)	528	135	3	- 60	- 311	69	98	193
<b>Total Ancillaries</b>	<b>(569)</b>	<b>1,187</b>	<b>112</b>	<b>(123)</b>	<b>(133)</b>	<b>(364)</b>	<b>(403)</b>	<b>(71)</b>	<b>(689)</b>

Provision for Compensation - 2,555 1,130 1,273 1,962 - 6,920

**TOTAL EXPENDITURES**

<b>209,181</b>	<b>220,585</b>	<b>231,323</b>	<b>240,665</b>	<b>252,826</b>	<b>268,625</b>	<b>289,180</b>	<b>312,826</b>	<b>316,761</b>
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51%