

March 31

2005

Dalhousie University

**Annual
Financial
Report**

Published June 2005



**DALHOUSIE
UNIVERSITY**

Inspiring Minds

DALHOUSIE UNIVERSITY
ANNUAL FINANCIAL REPORT
March 31, 2005

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SECTION A

Dalhousie Financial Overview

March 31, 2005

INTRODUCTION

2004-05 Financial Report

The University's annual stewardship report, with its detailed overview of financial affairs, is one of the major accountability indicators for the institution. The report provides members, friends and stakeholders of the Dalhousie community with a description of significant developments in various University Funds, followed by a comparison of the approved 2004-05 Operating Budget and actual results, and concludes with the audited Financial Statements for the fiscal year ended 31 March 2005.

1. Revenues in all Funds (Operating, Ancillary, Endowment, Capital, Special Purpose and Research) totaled \$398.5 million, an increase of \$20.3 million or 5.4% over the prior year. The largest year-over-year increases were recorded in the Operating Fund (\$9.8M) and the Research Fund (\$5.4M).
2. Total assets of the University increased by 11.5% to \$610 million during the year. Current assets grew by 19.3% thanks to a significant growth in short term investments as a result of grant and other revenue received in advance of the 2005-06 fiscal year and reduced cash flow commitments as capital borrowings were placed. The net value of capital assets increased by approximately \$31 million to \$223 million in fiscal 2005, primarily due to the completion of Risley Hall and substantial progress on the Rowe Management Building.
3. Actual Operating revenues were \$371,000 (0.17%) below the budgeted amount approved by the Board of Governors in June 2004, while expenditures were \$483,000 (0.22%) below budget. As a result there was an Operating surplus of \$112,000 for the year. This amount was appropriated at year-end, bringing the accumulated appropriation of Operating surplus to \$1,422,000. These appropriated funds are a reserve against any revenue shortfall (e.g. less than budgeted enrolments) or expenditure increases (e.g. higher pension plan contributions following the Actuarial Valuation later in 2005). The accumulated Operating appropriation represents 0.6% of budgeted 2005-06 revenues and expenditures.
4. After two years of depressed market returns earlier in this decade, the Endowment Fund enjoyed its second consecutive year of positive performance. The annual Fund return in 2004-05 was 9.6%, building on the robust 25.6% rate-of-return in 2003-04. The market value of the Endowment was \$299 million at the end of fiscal 2005. The 925 individual endowments which make up the Funds contributed \$15 million in support of students, faculty, research, the Libraries and numerous other activities at the University in the past year.
5. While the assets and liabilities of the University's Pension Plan are not incorporated in these Financial Statements, the surplus or deficit position of the Plan does impact on the Operating budget to the extent that Employer contributions to the Plan are affected. For actuarial purposes Plan assets totaled \$564 million as at 31 March 2005. The extrapolated actuarial deficit as at that date was \$34 million (\$43 million in 2004). A full Triennial Actuarial Valuation of the Plan will be undertaken as at 30 June 2005, the results of which will be available to the University in the fall of 2005. At that point any required change in Employer contributions will be determined.
6. 2004-05 was the second year of the University's program of strategic investment in the operational and physical infrastructure which provides essential support for Dalhousie's teaching, learning and research missions. Over these first two years a total of \$7.2 million has been deployed to strengthen student financial assistance, student services, Libraries, information technology services, new academic initiatives, facilities and administrative services, and the renewal of our physical plant. This important

investment has allowed us to strengthen the quality and extend the range of supports provided to students and faculty.

7. Throughout the year construction proceeded aggressively on the Kenneth C. Rowe Management Building. This impressive 118,000 square foot addition to the University Avenue streetscape will be delivered on time (late summer 2005) and on budget (\$25 million), and for the first time will allow all the Schools which comprise the “Management Without Borders” Faculty to work together in one purpose-designed space.

In September 2004 the University officially opened Risley Hall, a \$20 million, 490 bed student residence and dining hall. The building has proven to be extremely popular with student residents. In 2004-05 the University commenced a multi-year program to restore and update its full inventory of student housing properties with a \$3.9 million upgrade for Cameron House in Howe Hall. This program will continue to be implemented in the years ahead.

8. During 2004-05 the Government and the universities of Nova Scotia, after extensive negotiations, entered into a Memorandum of Understanding which set out the levels of Government Operating Grants for the three years commencing with 2005-06. The MOU also provides for upper limits on tuition fee increases for the three year period. Operating Grants are scheduled to increase by 5.8% in 2005-06, 5.2% in 2006-07, and 4.5% in 2007-08. Over the three years Dalhousie will benefit from a \$17 million increase in its base Operating Grant. The infusion of new public funds into the university sector, and the multi-year commitment of such funding, are extremely important developments for which the University is most grateful.

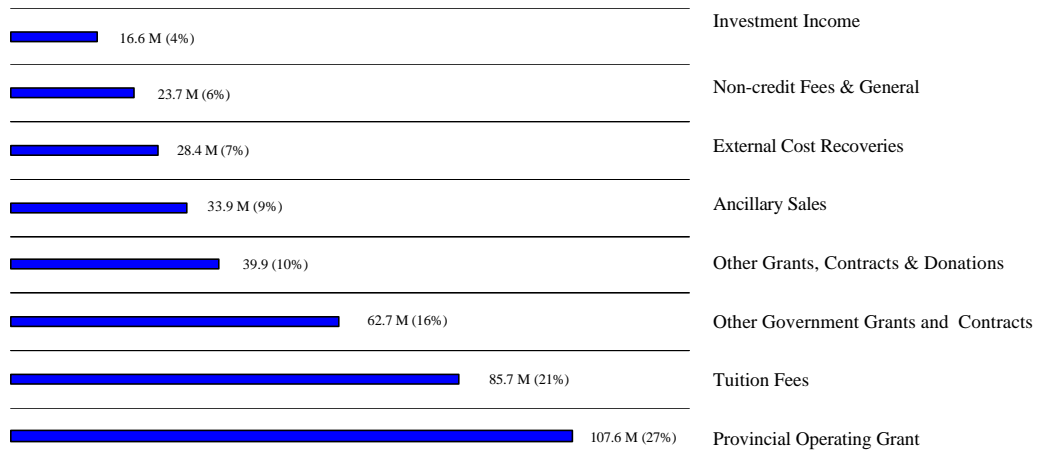


Bryan G. Mason
Vice-President (Finance & Administration)

TOTAL REVENUE

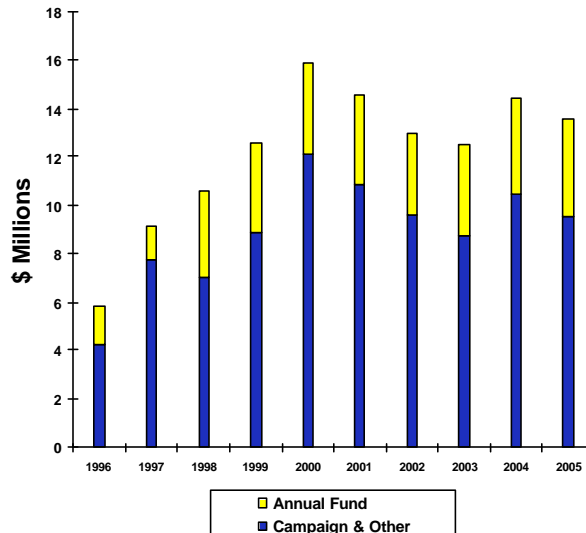
In fiscal year 2004-05 Dalhousie’s revenue from all sources increased by \$20.3 million (5.4%) to \$398.5 million. Research revenue increased by \$5.4 million to \$79.1 million in 2004-05. The continued escalation in research activity reflects the success of Dalhousie researchers in securing grants and contracts in a wide range of disciplines at the national and international level. Operating revenue accounted for a further \$9.8 million in overall revenue growth for the year and is attributed in large measure to increased tuition fee revenue. Increases in domestic and international student enrolment were once again experienced in 2004-05. Since 2001 enrolment has grown by about 3,100 students representing a 25% increase. Revenue has also increased in a number of ancillary operations including University Housing as a result of the opening of Risley Hall in September 2004.

Revenues 2004-05 (total: \$398.5 million)



Annual donations and gifts during the past decade have been critical to the development of the University. Revenue from this source has been particularly important in allowing the University to meet the requirements of a larger and more diverse student population. During this 10-year period contributions through the Annual Fund, planned giving and other gifts supporting a variety of important University projects and initiatives have more than doubled on an annual basis in comparison to our experience a decade ago. Most recently donations and gifts have provided funding for the new Kenneth C. Rowe Faculty of Management Building, student assistance, academic scholarship and improvements to teaching facilities and equipment.

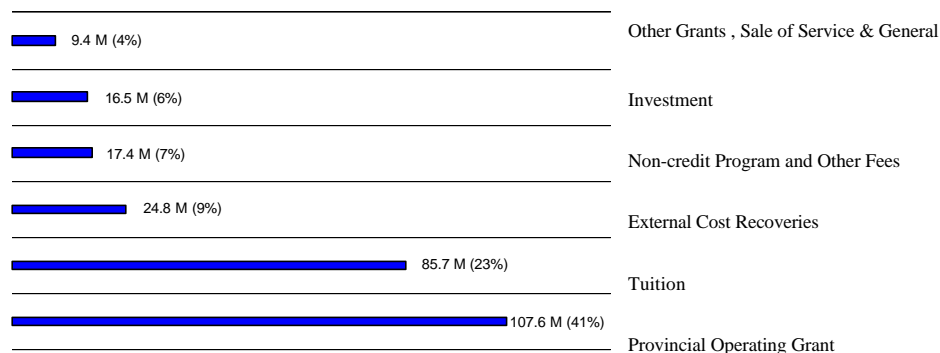
**Total Donations and Gifts
(reported on a cash basis)**



OPERATING AND ENDOWMENT REVENUE AND EXPENSE

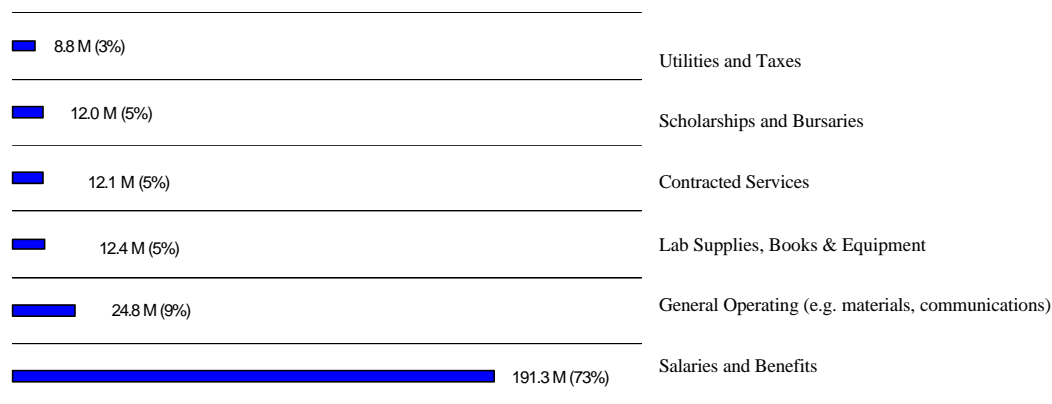
The year end March 31, 2005 marks the seventeenth consecutive year that the University's operating budget has been balanced or reported a modest surplus. Provincial operating grants remain the largest single operating revenue source but make up only 41% of gross operating/endowment revenue versus 67% in 1992-93.

Operating and Endowment Revenue 2004-05 (total: \$261.4 million)



Salaries and employee benefits comprise the largest share of University operating and endowment expense at 73% (71% in 2004).

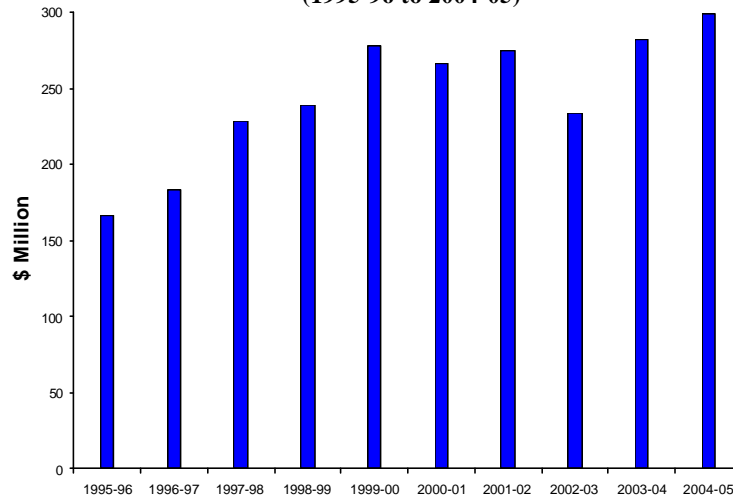
Operating and Endowment Expense 2004-05 (total: \$261.4 million)



ENDOWMENTS

The Dalhousie Endowment rose higher in 2004-05 fuelled by an annual return of 9.6% and new contributions of \$5.8 million. The endowment market value of \$299 million at March 31, 2005 is comprised of 925 named endowments managed in accordance with the terms and conditions stipulated by donors. The Endowment supports expenditures in a wide range of academic areas at Dalhousie including scholarships and bursaries for students, senior academic chairs and faculty salaries, world class research, library resources, equipment and facilities.

**Market Value of Endowment Assets
(1995-96 to 2004-05)**



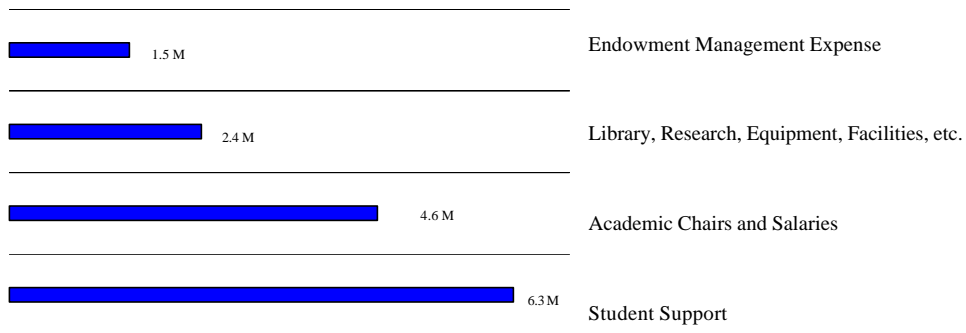
Note: Commencing in 1997-98 former Technical University of Nova Scotia funds are included in the market value figure.

The Board of Governors' Endowment Management Policy was designed to achieve certain goals as follows:

- 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.

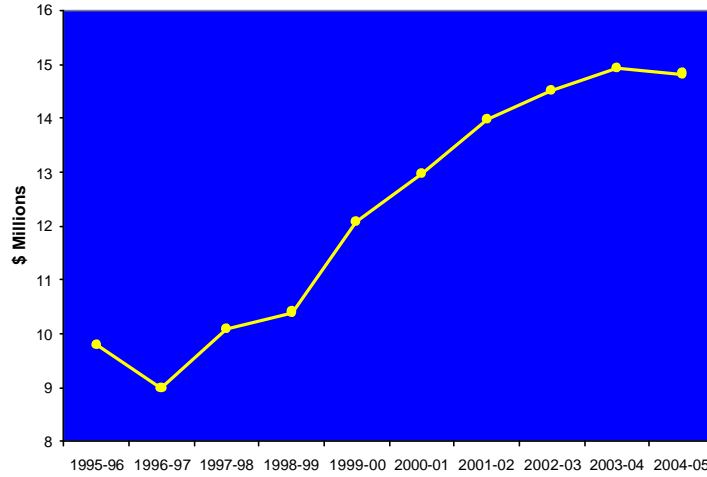
The Dalhousie endowments supported a spending program totalling \$14.8 million in 2004-05. Expenditures were virtually unchanged from 2003-04 (\$14.9 million) permitting a smooth transition to a new endowment spending policy. The new policy set the spending rate for 2004-05 at 4.75% of the market value of the previous September. In subsequent years, the spending allocation will be adjusted for inflation to provide stability in the amount available for endowment supported programs. Limits will be placed on the annual spending allocation to ensure that the amount is kept within a "band" whereby spending will not exceed 5.75% or be less than 3.75% of the year's market value.

Endowment Expenditures 2004-05 (total: \$14.8 million)



A key element of the University's endowment management policy is to pursue a program of investment that provides stable and sustainable income for annual spending while keeping pace with or exceeding inflation. The graph below shows the increased support for annual endowment program spending during the last decade. The compound annual increase in spending for the eight year period from 1996-97 was 6.5% and has outpaced inflation (as measured by the consumer price index) which has averaged 2.1% over the same period.

**Endowment Expenditures
1995-96 to 2004-05**



Note: 1995-96 includes \$1.2 million in expenditure of endowment principal for a capital project as specified by the terms and conditions of the gift.

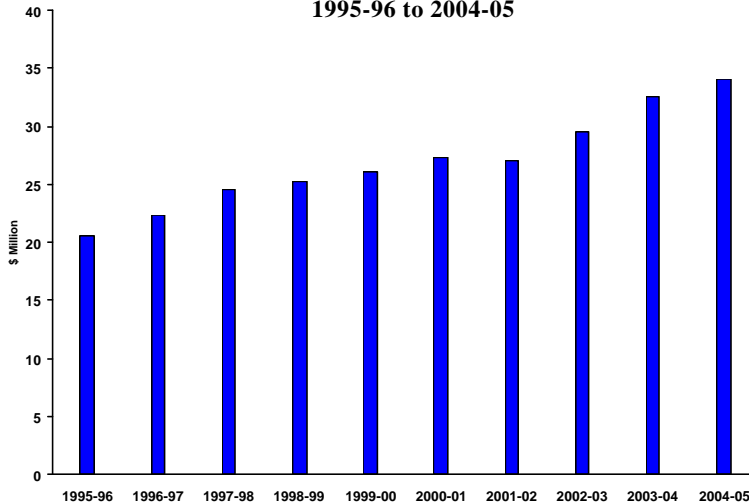
The table below provides a summary of the market value and one-through-four year and ten year annualized performance for each of the Endowment, Pension Trust Fund and Retirees' Trust Fund.

FUND	Market Value	Performance (%)				
	<i>(\$million)</i>	Annualized Returns				
		<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>	<u>10 years</u>
Endowment	299	9.6	17.3	7.0	6.9	9.8
Pension Trust Fund	403	9.7	16.9	7.4	7.3	10.1
Retirees' Trust Fund	188	10.0	17.5	7.7	7.6	9.5
TOTAL	890					

ANCILLARY ENTERPRISES

The ancillary enterprises include the Bookstore, University Housing and Conference Services, Dalplex (and Arena), the Arts Centre (Rebecca Cohn Auditorium), Food Services and the Personal Computer Purchase Centre (PCPC). Ancillary revenue increased by 4% to \$34 million in 2004-05. The growth in enrolment and expanded student residence operations have contributed to increased revenues in a number of ancillary operations (i.e. Housing, Food Services, Bookstore and PCPC). The ancillary operations record all direct revenues and expenses and as a group require no subsidy from the operating revenue of the University.

**Ancillary Revenues
1995-96 to 2004-05**



SECTION B

Report on the 2004-05

Budget vs Actual Operating Results

2004-05 FISCAL YEAR

OPERATING BUDGET VERSUS ACTUAL RESULTS

2004-05 APPROVED OPERATING BUDGET

On the recommendation of the Operations Committee the 2004-05 operating budget for the University was approved by the Board of Governors at its June 22, 2004 meeting. The balanced budget included net revenues and expenditures of \$217,217,000 and marked the seventeenth consecutive year of balanced budgets at Dalhousie. The attached schedule reports on the budget versus actual results for the year ended March 31, 2005 and shows the approved budget, the final budget, the actual revenue and expenditure and variances between the final budget and the actual results for the year.

THE FINAL BUDGET

The Final Budget column reflects certain adjustments to the approved budget, most notably compensation adjustments distributed to each of the units in the Responsibility Centre Expenditure category. During the year Strategic Initiatives Funding has been distributed to a number of budget lines. For example, funding for Academic IT Initiatives has been allocated to the Centre for Learning and Teaching and University Computing.

ACTUAL RESULTS

Revenues and expenditures varied somewhat from the budget and explanations for the major variances are as follows:

1. Provincial Government Grants

In the summer of 2004 the province confirmed components of the operating grant resulting in an increase of \$63,000 for Dalhousie.

2. Indirect Costs of Research Grant

The 2004-05 operating budget included an estimate of \$5.4 million in funding from the federal government to support the indirect costs of research. In December 2004, increased funding was confirmed resulting in a favourable variance of \$547,000 on this line. Beginning in 2003-04 the University has used this grant to provide partial funding for the costs of research infrastructure services which are embedded in the annual operating budget.

3. Investment Income - Endowment

Endowment Income and Endowment Expenditures (see the Responsibility Centre section) are both less than budget by \$168,000 resulting in no bottom line impact on the University's financial results. Endowment income is recognized each year in an amount sufficient to cover the expenditures for that year. Actual endowment expenditures and revenue will vary from the amount available for spending in any given year due to factors such as the receipt of funds from externally-held endowments, use of unspent income balances of prior years and decisions by units to accumulate income for several years to fund a major purchase. An unspent allocation in any year is carried forward in the Endowment Fund for use in subsequent years.

Schedules on pages 12 and 13 detail the underspending and overspending of the annual endowment allocation for Faculty and other budgets.

4. Tuition Fees

The approved budget for 2004-05 had targeted enrolment growth of 600 students over 2003-04. As reported during the year, the University achieved an enrolment growth of 286 students over the previous year. The resulting revenue shortfall was offset somewhat by increased international student and summer

term fee revenue leaving a net unfavourable variance of \$887,000.

5. Facilities Renewal Fees and Facilities Renewal Expenditures

The offsetting variance on these two lines (i.e. \$25,000) reflects the increase in facilities renewal fee revenue generated by enrolment growth in 2004-05 and the corresponding expenditure commitment on facilities renewal projects.

6. Energy, Water, Taxes and Insurance

The favourable variance in energy costs relates to Bunker C fuel oil prices which were slightly lower than the three year average pricing used for budget purposes. The unfavourable variance of \$30,000 in water, taxes and insurance is due to minor variances in the water and insurance expenditure lines.

7. Responsibility Centre Expenditures

The budgets for various units within the Responsibility Centre Expenditure section include endowment expenditures which vary from the amount available for spending in any given year as described in 3 above. These variances from budget appear at the bottom of each of the Responsibility Centre sections and are offset by the variance on the Investment Income – Endowment line in the revenue section of the budget.

a) Academic - In accordance with University policy, budget savings/overruns in academic budgets are carried forward and, hence, no variances are reported in any of the Faculties and major academic units. There are, however, three variances identified in the academic responsibility centre category. As a result of unanticipated revenues and expenditure savings in the budget, \$550,000 has been appropriated on the Centres, Institutes and Special Projects line for priority research infrastructure needs in 2005-06. The Faculty Related Costs budget line included a provision for retroactive compensation commitments which were underspent during the year resulting in a favourable variance of \$23,000. The third item relates to the annual transfer from King's for teaching services and as a result of enrolment increases at that university generated a favourable variance of \$193,000.

b) Administration – The significant components of the \$30,000 variance in this section are staff vacancy savings in the Board of Governors and Internal Audit Offices of \$99,000 offset by reduced application fee revenue of \$63,000.

c) Provision for Compensation – The approved budget included a provision for salary, wage and benefit increases for all employee groups which have been distributed to units in the Final Budget column. In advance of the fiscal year, assumptions must be made as to the exact salary base, salary increments where these have yet to be determined, and likely levels of benefit cost increases. The distribution of the salary increments and related benefits vary with actual experience. Salary increases and benefits underspending of \$444,000 shown on this line are a result of timing of new hires, turnover as a result of resignations and retirements, the impact of new federal pension maxima, and variances in the estimates for various employee benefit programs.

10. Total Surplus for the Year

The University's operating budget for 2004-05 produced a net favourable variance of \$112,000. These funds have been appropriated at year end and together with the net variance of \$1,310,000 appropriated from 2002-03 and 2004-05 the cumulative balance of \$1,422,000 is available on a one-time only basis in 2005-06 and beyond. Put in perspective, the balance carried forward represents 0.6% of the 2005-06 recommended budget.

DALHOUSIE UNIVERSITY
2004-05 OPERATING BUDGET RESULTS
(\$ 000's omitted)

	Approved Budget	Final Budget (1)	Actual	Variance Fav (Unfav)
REVENUE				
Provincial Government Grants				
Basic	101,652	101,652	101,715	63
Medicine Expansion	902	902	902	-
Facilities/Space	1,000	1,000	1,000	-
Targeted	50	50	50	-
Equipment & Alterations	3,945	3,945	3,945	-
	107,549	107,549	107,612	63
Federal Indirect Costs of Research Grant	5,433	5,433	5,980	547
Investment				
Endowment	14,990	14,990	14,822 (2)	(168)
Operating (net of bank & finance charges)	1,649	1,649	1,698	49
Tuition Fees	86,431	86,431	85,544	(887)
Facilities Renewal Fee	1,165	1,165	1,190	25
TOTAL REVENUE	217,217	217,217	216,846	(371)
GENERAL OPERATING EXPENDITURES				
Equipment & Alterations	3,945	3,945	3,945	-
Scholarships, Bursaries and Student Assistance				
Operating	6,714	6,714	6,714	-
Endowment	4,916	4,916	4,951 (2)	(35)
Facilities Renewal	3,502	3,502	3,527	(25)
Classroom Upgrade	500	500	500	-
Energy (net of recoveries)	6,772	6,772	6,660	112
Water, Taxes & Insurance (net of recoveries)	2,252	2,252	2,282	(30)
Facilities/Space	1,000	1,000	1,000	-
Endowment Management Expenses	1,500	1,500	1,489 (2)	11
Contingency	600	600	577	23
TOTAL GENERAL OPERATING EXPENDITURES	31,701	31,701	31,645	56
RESPONSIBILITY CENTRE EXPENDITURES				
Academic	140,585	147,394	147,514	(120)
Academic Support	7,209	7,560	7,570	(10)
Administration	13,346	14,137	14,087	50
General	989	1,017	929	88
Facilities Management	11,307	11,634	11,647	(13)
Student Services	2,828	3,106	3,123	(17)
Provision for Compensation	9,028	444	-	444
TOTAL RESPONSIBILITY CENTRE EXPENDITURES	185,292	185,292	184,870	422
TOTAL OPERATING EXPENDITURES	216,993	216,993	216,515	478
NET ANCILLARY EXPENDITURES	224	224	219	5
TOTAL EXPENDITURES	217,217	217,217	216,734	483
TOTAL SURPLUS FOR THE YEAR	-	-	112 (3)	112

(1) The approved budget has been restated to reflect a number of adjustments and developments that occurred during the year. These include the distribution of the Provision for Compensation Adjustments to Faculty and Unit budgets and allocation of Strategic Initiatives Funding.

(2) Actual endowment expenditures and revenue will vary from the amount available for spending in any given year due to factors such as the receipt of funds from externally-held endowments, use of unspent income balances of prior years and decisions by units to accumulate income for several years to fund a major purchase.

(3) The 2004-05 Surplus of \$112,000 has been appropriated for use in 2005-06.

DALHOUSIE UNIVERSITY
2004-05 OPERATING BUDGET RESULTS - DETAIL
(\$000's omitted)

	Approved Budget	Final Budget	Actual (2)	Variance Fav (Unfav)
<u>ACADEMIC</u>				
Architecture and Planning	3,278	3,433	3,433	-
Arts and Social Sciences	15,924	16,655	16,655	-
Computer Science	4,531	4,810	4,810	-
Dentistry	7,464	7,818	7,818	-
Engineering	12,904	13,456	13,456	-
Graduate Studies	1,567	1,657	1,657	-
Health Professions	16,527	17,302	17,302	-
Law	5,701	5,973	5,973	-
Management	7,517	7,891	7,891	-
Medicine	29,295	30,923	30,923	-
Science	23,702	25,050	25,050	-
University Library	10,390	10,695	10,695	-
College of Continuing Education	509	518	518	-
Centres, Institutes & Special Projects	1,394	1,482	2,032	(550)
Technical Co-op Education & Career Services	387	410	410	-
Faculty Related Costs (Travel, Sabbatical Leave Grants, Anomalies etc.)	1,306	1,132	1,109	23
Kings' Transfer	(2,167)	(2,167)	(2,360)	193
Academic Initiatives	356	356	356	-
Endowment Expenditures less than Budget (net)		-	(214)	214
TOTAL ACADEMIC	140,585	147,394	147,514	(120)
<u>ACADEMIC SUPPORT</u>				
Art Gallery	107	113	113	-
Centre for Learning and Teaching	955	893	893	-
Graphics and Photography		126	126	-
Printing Centre	(154)	(154)	(154)	-
University Computing & Information Services	6,201	6,582	6,582	-
Academic IT Initiatives	100	-	-	
Endowment Expenditures in Excess of Budget (net)		-	10	(10)
TOTAL ACADEMIC SUPPORT	7,209	7,560	7,570	(10)
<u>ADMINISTRATION</u>				
Application Fees	(935)	(935)	(872)	(63)
Board of Governors / Internal Audit	89	209	110	99
Environmental Health and Safety Office	281	297	309	(12)
External Relations (incl. Communications and Marketing)	3,431	3,578	3,578	-
Financial Services	3,077	3,230	3,230	-
Institutional Analysis and Research	272	281	281	-
Inter-University Services	44	45	45	-
Personnel Services	1,886	1,978	1,978	-
President's Office	1,956	2,170	2,148	22
Registrar & Admissions	2,440	2,555	2,551	4
Research Services	483	506	506	-
Senate Office	167	223	223	-
Administrative Initiatives	155	-	-	
TOTAL ADMINISTRATION	13,346	14,137	14,087	50

(1) The final budget includes distributions of Strategic initiatives funding to Budget Units.

(2) The actual column includes transfers of variances in accordance with University policy.
(see detailed analysis on pages 12 and 13)

DALHOUSIE UNIVERSITY
2004-05 OPERATING BUDGET RESULTS - DETAIL
(\$000's omitted)

	Approved Budget	Final Budget	Actual (2)	Variance Fav (Unfav)
<u>GENERAL</u>	989	1,017	929	88
<u>FACILITIES MANAGEMENT</u>	11,307	11,634	11,647	(13)
<u>STUDENT SERVICES</u>				
Awards Office	243	257	257	-
Counselling	625	695	695	-
General Student Services	939	1,044	1,044	-
Office of the Vice-President	402	527	527	-
Student Health	81	81	81	-
Student Services Initiatives	50	-	-	-
Varsity, Intramurals & Clubs	488	502	502	-
Endowment Expenditures in Excess of Budget		-	17	(17)
TOTAL STUDENT SERVICES	2,828	3,106	3,123	(17)
<u>ANCILLARIES</u>				
Dalhousie Arts Centre	324	324	324	-
Dalplex and Arena	181	181	181	-
Food Services	-	-	-	-
Personal Computer Purchase Centre	-	-	-	-
University Bookstore	(133)	(133)	(133)	-
University Housing	(148)	(148)	(148)	-
Endowment Expenditures less than Budget		-	(5)	5
TOTAL ANCILLARIES	224	224	219	5

(1) The final budget includes distributions of the Strategic Initiatives funding

(2) The actual column includes transfers of variances in accordance with University policy.
(see detailed analysis on pages 12 and 13)

DALHOUSIE UNIVERSITY
2004-05 OPERATING BUDGET RESULTS - DETAILED ANALYSIS OF CONSOLIDATED BUDGET, ACTUAL AND VARIANCE
(000's)

	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 ⁽¹⁾	Actual	Year End Variance Fav/(Unfav)	Final Budget	Actual before Transfer of Variance	Transfer of Variance ⁽¹⁾	Actual	Year End Variance Fav/(Unfav)	Operating and Endowment Variance Fav/(Unfav)
ACADEMIC											
Architecture and Planning	3,398	3,284	114	3,398	-	35	33	2	35	-	-
Arts and Social Sciences	15,906	15,355	551	15,906	-	749	671	78	749	-	-
Computer Science	4,746	4,981	(235)	4,746	-	64	72	(8)	64	-	-
Dentistry	7,784	7,784	-	7,784	-	34	35	(1)	34	-	-
Engineering	12,874	12,313	561	12,874	-	582	537	45	582	-	-
Graduate Studies	1,183	1,054	129	1,183	-	474	463	11	474	-	-
Health Professions	16,840	16,623	217	16,840	-	462	529	(67)	462	-	-
Law	5,513	5,542	(29)	5,513	-	460	460	-	460	-	-
Management	7,456	7,348	108	7,456	-	435	507	(72)	435	-	-
Medicine	28,427	28,832	(405)	28,427	-	2,496	2,532	(36)	2,496	-	-
Science	22,777	22,733	44	22,777	-	2,273	2,007	266	2,273	-	-
University Library	10,522	10,100	422	10,522	-	173	134	39	173	-	-
College of Continuing Education	472	850	(378)	472	-	46	41	5	46	-	-
Centres, Institutes & Special Projects	1,441	2,322	(331)	1,991	(550)	41	58	(17)	41	-	(550)
Technical Co-op Education & Career Services	410	419	(9)	410	-	-	-	-	-	-	-
Faculty Related Costs	1,132	1,382	(273)	1,109	23	-	-	-	-	-	23
Kings' Transfer	(2,167)	(2,360)	-	(2,360)	193	-	-	-	-	-	193
Academic Initiatives	356	402	(46)	356	-	-	-	-	-	-	-
Endowment Expenditures less than Budget (net)	-	-	-	-	-	-	-	(214)	(214)	214	214
TOTAL ACADEMIC	139,070	139,233	171	139,404	(334)	8,324	8,079	31	8,110	214	(120)
ACADEMIC SUPPORT											
Art Gallery	106	103	3	106	-	7	18	(11)	7	-	-
Centre for Learning and Teaching	892	824	68	892	-	1	-	1	1	-	-
Graphics and Photography	126	152	(26)	126	-	-	-	-	-	-	-
Printing Centre	(154)	(174)	20	(154)	-	-	-	-	-	-	-
University Computing & Information Services	6,582	6,647	(65)	6,582	-	-	-	-	-	-	-
Academic IT Initiatives	-	-	-	-	-	-	-	-	-	-	-
Endowment Expenditures in Excess of Budget (net)	-	-	-	-	-	-	-	10	10	(10)	(10)
TOTAL ACADEMIC SUPPORT	7,552	7,552	-	7,552	-	8	18	-	18	(10)	(10)
ADMINISTRATION											
Application Fees	(935)	(872)	-	(872)	(63)	-	-	-	-	-	(63)
Board of Governors/ Internal Audit	209	50	60	110	99	-	-	-	-	-	99
Environmental Health and Safety Office	297	320	(11)	309	(12)	-	-	-	-	-	(12)
External Relations	3,578	3,591	(13)	3,578	-	-	-	-	-	-	-
Financial Services	3,230	3,262	(32)	3,230	-	-	-	-	-	-	-
Institutional Affairs	281	231	50	281	-	-	-	-	-	-	-
Inter-University Services	45	45	-	45	-	-	-	-	-	-	-
Personnel Services	1,978	1,991	(13)	1,978	-	-	-	-	-	-	-
President's Office	2,170	2,126	22	2,148	22	-	-	-	-	-	22
Registrar & Admissions	2,555	2,551	-	2,551	4	-	-	-	-	-	4
Research Services	506	506	-	506	-	-	-	-	-	-	-
Senate Office	223	232	(9)	223	-	-	-	-	-	-	-
Administrative Initiatives	-	-	-	-	-	-	-	-	-	-	-
TOTAL ADMINISTRATION	14,137	14,033	54	14,087	50	-	-	-	-	-	50

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

* The information on pages 10 and 11 of this report is a consolidation of the Endowment and Operating Expenditure budgets. Columns 1 and 6 above are the Final Budget, Columns 4 and 9 are the Total Actual and Columns 5 and 10 total column 11 which is the Variance on this schedule.

DALHOUSIE UNIVERSITY
2004-05 OPERATING BUDGET RESULTS - DETAILED ANALYSIS OF CONSOLIDATED BUDGET, ACTUAL AND VARIANCE
(000's)

	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 ⁽¹⁾	Actual	Year End Variance Fav/(Unfav)	Final Budget	Actual before Transfer of Variance	Transfer of Variance ⁽¹⁾	Actual	Year End Variance Fav/(Unfav)	Operating and Endowment Variance Fav/(Unfav)
GENERAL	1,017	929	-	929	88	-	-	-	-	-	88
FACILITIES MANAGEMENT	11,634	11,647	-	11,647	(13)	-	-	-	-	-	(13)
STUDENT SERVICES											
Awards Office	257	257	-	257	-	-	-	-	-	-	-
Counselling	695	695	-	695	-	-	-	-	-	-	-
General Student Services	1,044	1,044	-	1,044	-	-	-	-	-	-	-
Office of the Vice-President	527	598	(71)	527	-	-	-	-	-	-	-
Student Health	81	81	-	81	-	-	-	-	-	-	-
Varsity, Intramurals & Clubs	484	589	(105)	484	-	18	35	(17)	18	-	-
Endowment Expenditures in Excess of Budget	-	-	-	-	-	-	-	17	17	(17)	(17)
TOTAL STUDENT SERVICES	3,088	3,264	(176)	3,088	-	18	35	-	35	(17)	(17)
ANCILLARIES											
Dalhousie Arts Centre	324	324	-	324	-	-	-	-	-	-	-
Dalplex and Arena	181	201	(20)	181	-	-	-	-	-	-	-
Food Services	-	62	(62)	-	-	-	-	-	-	-	-
Personal Computer Purchase Centre	-	-	-	-	-	-	-	-	-	-	-
University Bookstore	(133)	72	(205)	(133)	-	-	-	-	-	-	-
University Housing	(372)	309	(681)	(372)	-	224	219	5	224	-	-
Endowment Expenditures less than Budget	-	-	-	-	-	-	-	(5)	(5)	5	5
TOTAL ANCILLARIES	-	968	(968)	-	-	224	219	-	219	5	5

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

* The information on pages 10 and 11 of this report is a consolidation of the Endowment and Operating Expenditure budgets. Columns 1 and 6 above are the Final Budget. Columns 4 and 9 are the Total Actual and Columns 5 and 10 total column 11 which is the Variance on this schedule.

SECTION C

2004-05

Audited Financial Statements

Dalhousie University

**Management Notes on the Audited
Financial Statements**

March 31, 2005

MANAGEMENT NOTES ON THE AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2005

The financial statements of Dalhousie University have been audited by the firm of KPMG and are presented in this section of the Annual Financial Report for the year ended March 31, 2005. The notes below provide an overview of the results, contents of the financial statements and explanation of major changes.

Overview

- Total revenues were \$398.5 million from all fund sources including operating, endowment, ancillary, research, special purpose and capital.
- Total University assets increased year-over-year by \$63.3 million.

Financial Statements Contents

The Auditor's Report attests, without qualification, that the 2004-05 financial statements present the financial position of the University fairly. (page 16)

The Statement of Financial Position (Balance Sheet) shows the assets, liabilities, and net assets (equity) of the University as at March 31, 2005. (page 17)

The Statement of Revenue, Expense, and Change in Operating Surplus records the revenue and matching expense of all funds of the University for the year. (page 18)

The Statement of Changes in Net Assets provides a continuity of the major changes in each of the net asset balances shown on the Balance Sheet. (page 19)

The Statement of Cash Flows discloses the sources and uses of cash by the University for the year. (page 20)

The Notes to the Financial Statements are designed to give the reader information on the accounting practices and policies used by the University. The notes also provide more detailed information on balance sheet items and other financial matters which may not be included in, or be obvious from a reading of, the financial statements. (pages 21 to 28)

Supplementary Schedule 1 (page 29) provides additional detail on a fund basis of University revenues and expenses.

Supplementary Schedules 2 and 3 (pages 30 and 31) provide a detailed breakdown of the Operating and Endowment Funds and Schedules 4 and 5 (pages 32 and 33) provide comparative data for the Ancillary, Special Purpose and Research columns on Schedule 1.

Funds

The University follows a fund accounting approach which aggregates the financial aspects of similar activities. The following funds are maintained by the University:

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 receives \$1.1 million annually from estates, endowments and foundations which are held and invested outside the University.

Ancillary - an unrestricted fund that separately accounts for all sales-producing operations that are supplementary to the University's primary operating activities. These operations include Housing and Conference Services, the Arts

Centre (Rebecca Cohn Auditorium), University Bookstore, Dalplex and Arena, Food Services and the Personal Computer Purchase Centre. These operations normally 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.

Comments

Statement of Financial Position (page 17)

Total assets increased year-over-year by \$63.3 million. Increases occurred in capital assets (\$31.1 million), investments (\$7.1 million on a cost basis), deferred pension asset (\$5.0 million) and cash and temporary investments (\$19.8 million). Capital assets increased in a number of areas including equipment (\$14.8 million), computers (\$1.5 million), library books (\$1.2 million), and new buildings and improvements to existing buildings (\$31.8 million). Building construction included the new 490 bed student residence which commenced operations in September 2004 and the new Kenneth C. Rowe Faculty of Management Building. Amortization of capital assets in the amount of \$18.1 million partially offsets these additions.

Statement of Revenue and Expense (page 18)

The \$20.3 million increase in revenue resulted mainly from an increase in restricted research grants and contracts and tuition revenue relating to enrolment growth and rate increases. Ancillary sales and services revenue increased in a number of areas resulting from the demands of enrolment growth (e.g. student accommodation, bookstore and food service).

Supplementary Schedules (pages 29 to 33)

Comparative figures are presented on a year-over-year basis for each of the funds described above.

Auditor's Report



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Chartered Accountants
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Halifax NS B3J 3N2
Canada

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AUDITORS' REPORT

To the Board of Governors of
Dalhousie University

We have audited the statement of financial position of Dalhousie University as at March 31, 2005 and the statements of revenue, expense and changes in operating surplus, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Chartered Accountants

Halifax, Canada

June 3, 2005

Dalhousie University

Financial Statements

March 31, 2005

**DALHOUSIE UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2005
(thousands of dollars)**

ASSETS		2005	2004
Current assets			
Cash and Cash Equivalents	\$	57,167	62,497
Temporary Investments		41,199	16,076
Accounts Receivable		20,188	20,040
Inventories		2,526	2,490
Prepaid Expense		860	727
		121,940	101,830
Deferred pension asset (note 10)		5,016	-
Investments (note 3)		259,411	252,337
Capital assets (note 4)		223,356	192,296
	\$	609,723	546,463
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable and accrued liabilities	\$	29,029	27,198
Deferred revenue (note 5)		82,107	84,682
Current portion of long-term debt		965	465
		112,101	112,345
Deferred capital contributions (note 6)		85,607	78,408
Long-term debt (note 7)		35,706	14,377
Deferred pension liability (note 10)		-	267
		233,414	205,397
Net Assets (note 8)			
Endowment principal		259,301	241,194
Restricted for future pension benefits		5,016	(267)
Restricted funds		27,743	26,656
Equity in capital assets		84,249	73,483
		376,309	341,066
	\$	609,723	546,463

Commitments and contingent liabilities (note 9)

(See accompanying notes to the financial statements)

DALHOUSIE UNIVERSITY
STATEMENT OF REVENUE, EXPENSE
AND CHANGES IN OPERATING SURPLUS
FOR THE YEAR ENDED MARCH 31, 2005
(thousands of dollars)

	Total	
	2005	2004
Revenue		
Provincial government operating grants	\$ 107,549	105,627
Other government grants and contracts	62,723	55,865
Corporations and foundations	22,878	24,244
Tuition fees	85,716	77,933
Non-credit and other fees	17,890	16,266
General	5,816	5,920
Gifts	10,257	8,088
Investment income	16,633	16,772
Ancillary sales and service	33,864	32,563
External cost recoveries	28,372	29,203
Amortization of deferred capital contributions	6,799	5,735
Total revenue	398,497	378,216
Expense		
Salaries and employee benefits	233,507	221,416
Pension expense adjustment	(5,283)	7,623
Library acquisitions	3,970	3,926
Laboratory and teaching supplies	9,108	8,890
Equipment and service	9,934	11,113
Finance costs	3,427	2,532
Utilities and taxes	10,595	9,952
Externally contracted services	27,821	28,156
Scholarships, bursaries and prizes	25,902	23,970
Ancillary cost of sales and service	9,891	9,473
Travel	9,847	8,738
Amortization of capital assets	18,173	16,297
General operating	23,324	21,807
Total expense	380,216	373,893
Excess of revenue over expense	18,281	4,323
Use of excess of revenue over expense		
Committed to equity in capital assets	(10,766)	(7,066)
Committed to future pension benefits (note 8)	(5,283)	7,623
Committed to restricted funds	(2,232)	(4,880)
Net change in operating surplus	-	-
Accumulated operating surplus, beginning of year	-	-
Accumulated operating surplus, end of year	\$ -	-

(See accompanying notes to the financial statements)

DALHOUSIE UNIVERSITY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2005
(thousands of dollars)

	2005					2004
	Endowment Principal	Restricted For Future Pension Benefits	Restricted Funds	Equity in Capital Assets	Total	Total
Net Assets, Beginning of Year	\$ 241,194	(267)	26,656	73,483	341,066	332,702
Excess of Revenue over Expense	-	5,283	2,232	10,766	18,281	4,323
Gifts of Endowed Principal	4,740	-	-	-	4,740	1,867
Transfers to(from) endowment principal	1,894	-	(75)	-	1,819	2,174
Capitalization of deferred investment income (note 5)	10,403	-	-	-	10,403	-
Internally restricted contributions	1,070	-	(1,070)	-	-	-
Net Change for the Year	18,107	5,283	1,087	10,766	35,243	8,364
Net Assets, End of Year (note 8)	<u>\$ 259,301</u>	<u>5,016</u>	<u>27,743</u>	<u>84,249</u>	<u>376,309</u>	<u>341,066</u>

(See accompanying notes to the financial statements)

DALHOUSIE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2005
(thousands of dollars)

	2005	2004
Cash flow from operating activities:		
Excess of revenue over expense	\$ 18,281	4,323
Items not involving cash:		
Amortization of capital assets	18,173	16,283
Amortization of deferred capital contributions	(6,799)	(5,735)
(Increase) decrease in deferred pension asset/liability	(5,283)	7,623
Adjustments for changes in current assets	(317)	(638)
Adjustments for changes in current liabilities	(744)	7,649
	<u>23,311</u>	<u>29,505</u>
Cash flow from investing activities		
Purchase of capital assets	(49,233)	(39,621)
Net (increase) decrease in investments	(7,074)	(5,381)
Net (increase) decrease in temporary investments	(25,123)	(16,076)
	<u>(81,430)</u>	<u>(61,078)</u>
Cash flow from financing activities		
Endowment gifts	4,740	1,867
Endowment income capitalized (transferred)	1,819	2,174
Deferred capital contributions received	13,998	12,307
Capitalization of deferred revenue	10,403	-
Issue of long-term debt	22,500	870
Principal payments on long-term debt	(671)	(619)
	<u>52,789</u>	<u>16,599</u>
Increase in cash and cash equivalents	(5,330)	(14,974)
Cash and cash equivalents, beginning of year	62,497	77,471
Cash and cash equivalents, end of year	<u>\$ 57,167</u>	<u>62,497</u>

(See accompanying notes to the financial statements)

Dalhousie University

**Notes to the
Financial Statements**

March 31, 2005

1. Authority and Purpose:

Dalhousie University operates under the authority of the statutes of Nova Scotia 1863, Chapter 24 as amended. It is a Board-governed comprehensive research university offering a full range of undergraduate, graduate, professional, and continuing studies programs. The University is a registered charity and therefore, exempt from the payment of income tax under Section 149 of the Income Tax Act.

2. Significant Accounting Policies:

These financial statements have been prepared in accordance with generally accepted accounting principles.

a) 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 income from these endowment investments is recognized when the related expense occurs.

Revenues received without restriction include the operating grant from the Province of Nova Scotia, tuition fees, and sales of services and goods. These amounts are reported as revenue at the time the services are provided or the goods are sold.

b) 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.

c) Cash and Cash Equivalents:

Cash and cash equivalents include amounts on deposit with financial institutions and investments with maturities of less than one year.

d) Temporary Investments:

Temporary investments include bonds with terms to maturity in excess of one year and are carried at the lower of cost and market.

e) Inventories:

Inventories are valued at the lower of cost and net realizable value.

f) Investments:

Segregated investments are carried at cost.

Investments in pooled funds are carried at book value representing cost plus any capital gains or losses realized within the pool and remitted to the University. These capital gains or losses as well as those realized upon redemption of units in the pool, being the difference between the redemption price and the book value, are recorded as realized.

g) Capital Assets:

All capital assets are recorded at cost as 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.

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

Buildings	40 years
Leasehold Improvements	5 years
Equipment	3 to 10 years
Vehicles	5 years
Library Books	10 years
Computing	3 years
Land Improvements	20 years

h) Pension Plan:

The University maintains a defined-benefit plan providing pension benefits for certain employees. Pension plan assets are valued at fair market value for purposes of calculating expected return on plan assets. The cost is computed on an accrual basis using the projected unit credit method of estimating the cost of service and management's best estimates of investment performance, salary escalation, and other factors. The University will amortize actuarial gains or losses (such as changes in actuarial assumptions and experience gains and losses) over a certain minimum amount. The amortization is over the expected average remaining service life of 14 years (2004 - 14 years) for active employees. Past service costs arising from plan amendments are deferred and amortized on a straight line basis over the average remaining service period of employees active at the date of amendment. The transitional pension asset that arose on adoption of CICA Handbook Section 3461 is being amortized on a straight line basis over 15 years. The most recent actuarial valuation of the pension plans for funding purposes was as of June 30, 2002 and the next required valuation will be as of June 30, 2005.

i) Contributed Services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

j) Consolidation:

These financial statement include the accounts of GINI University Services Incorporated and Nova Universities Technology Incorporated (Nutech) which are affiliated entities controlled by the University. GINI University Services Incorporated was established to provide computer science research and consulting services to the local education and business communities; and provides support services, infrastructure and advice to students and recent graduates of the Faculty of Computer Science who are starting businesses of their own. Nutech is the unified office of technology transfer and commercialization for Dalhousie University. All significant inter-organizational balances and transactions have been eliminated in consolidation. For purposes of consolidation the financial statements of GINI University Services Incorporated (at December 31, 2004) and Nutech (at March 31, 2005) have been used.

k) Financial Instruments:

Derivative financial instruments are utilized by the University in the management of its interest rate exposure. The University's policy is not to utilize derivative financial instruments for trading or speculative purposes.

The University formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various interest rate hedge transactions. This process includes linking all derivatives to specific assets and liabilities on the statement of financial position or to specific firm commitments or anticipated transactions. The University also formally assesses, both at the inception of the hedge and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The University enters into interest rate swaps in order to reduce the impact of fluctuating interest rates on its long-term debt. These 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 hedge agreements as hedges of the underlying debt. Interest expense on the debt is adjusted to include the payments made or received under the interest rate swaps.

In the event that derivative instruments are terminated or cease to be effective prior to maturity any associated realized and unrealized gains or losses are deferred under other current, or non-current, assets or liabilities on the statement of financial position and would be recognized in income in the period in which the underlying hedged transaction is recognized. In the event a designed hedged item is sold, extinguished or matures prior to the termination of the related derivative instrument, any realized or unrealized gain or loss on such derivative instrument is recognized in income.

3. Investments:

	2005		2004	
	Market Value	Cost	Market Value	Cost
Treasury Bills & Notes	3,160	3,160	4,149	4,149
Bonds	104,120	100,467	100,170	95,740
Canadian Equities	66,275	43,713	63,360	46,060
US Equities	63,331	63,498	57,724	58,754
Non-North American Equities	62,823	48,573	58,492	47,634
	\$299,709	\$259,411	\$283,895	\$252,337

4. Capital Assets:

	2005			2004		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	1,869	--	1,869	1,869	--	1,869
Buildings	308,069	138,805	169,264	276,211	131,623	144,588
Leasehold Improvements	565	226	339	562	112	450
Equipment	86,862	45,324	41,538	74,427	38,692	35,735
Vehicles	507	268	239	303	182	121
Library Books	15,554	8,735	6,819	14,391	7,493	6,898
Computing	6,145	4,920	1,225	4,721	4,363	329
Land Improvements	5,146	3,083	2,063	5,146	2,864	2,306
	\$424,717	\$201,361	\$223,356	\$377,630	\$185,329	\$192,296

DALHOUSIE UNIVERSITYNotes to Financial Statements (*Continued*)

Year ended March 31, 2005

*(In Thousands of Dollars)***5. Deferred Revenue:**

Deferred revenue includes unspent grants, contributions, donations, payments or income received for which the contributor has specified a particular use. Since these amounts are designated to fund certain expenditures, they are deferred and reported as revenue when the related expenses occur.

	2005					2004
	Operating	Endowed	Special Purpose	Sponsored Research	Total	Total
Balance, Beginning of Year	17,140	17,270	12,592	37,680	84,682	77,857
Income Received	24,305	13,625	12,032	83,582	133,669	123,412
Capitalized to principal	--	(10,403)	--	--	(10,403)	--
Recognized as Revenue in the Current Year	(17,140)	(13,736)	(15,721)	(79,119)	(125,841)	(116,587)
Balance, End of Year	\$24,305	\$6,756	\$8,903	\$42,143	\$82,107	\$84,682

Until 2004 the University had set aside as deferred revenue an income stabilization reserve in the amount of \$10,403 to be used to maintain level spending in those years when endowment spending allocations were less than a previous year. In 2005 the University amended its endowment spending policy wherein the spending rate will be increased by the year-over-year increase in the Consumer Price Index for Canada provided that annual spending in any year will not be less than 3.75% of the Fund's market value or more than 5.75% of market value as of the previous year's third quarter end. This new policy eliminates the need for an income stabilization reserve and hence the reserve has been transferred to endowment principal during the current fiscal year.

6. Deferred Capital Contributions:

Deferred capital contributions represent the unamortized amount of grants and donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of revenue, expense, and changes in operating surplus.

	2005	2004
Balance, Beginning of Year	\$78,408	\$71,836
Contributions Received	\$13,998	\$12,307
Amortization of Contributions	(\$6,799)	(\$5,735)
Balance, End of Year	\$85,607	\$78,408

7. Long-Term Debt:

	2005	2004
Shirreff Hall:		
• 5% due October 1, 2013 repayable in quarterly instalments of \$12	\$ 329	\$ 358
• 5 7/8% due October 1, 2018 repayable in quarterly instalments of \$20	742	778
Howe Hall:		
• 5 1/8% due July 1, 2014 repayable in quarterly instalments of \$9	275	296
• 5 7/8% due April 1, 2018 repayable in quarterly instalments of \$15	548	575
• 5.86% due January 10, 2013 repayable in quarterly instalments of \$136	6,853	6,991
Peter Green Hall:		
• 5 7/8% due December 1, 2017 repayable in monthly instalments of \$7	747	786
Fenwick Place:		
• 7 1/2% due July 1, 2022 repayable in semi-annual instalments of \$190	3,674	3,773
Central Services Building Parkade:		
• 5.41% due December 1, 2013 payable in quarterly instalments of \$22	816	870
O'Brien Hall:		
• 5 3/4% due March 31, 2018 repayable in semi-annual instalments of \$22	395	415
Risley Hall:		
• 5.71% due September 1, 2029 repayable in quarterly instalments of \$385	19,820	–
Residence Renewal:		
• 4.96% due November 15, 2019 repayable in quarterly instalments of \$58	2,472	–
	36,671	14,842
Less: Current Portion	965	465
	\$ 35,706	\$ 14,377

All above payments include principal and interest.

The principal due within each of the next five years on long-term debt is as follows: 2006 - \$965; 2007 - \$1,016; 2008 - \$1,082; 2009 - \$1,139; 2010 - \$1210.

The University has entered into four interest rate swap agreements whereby the University has fixed interest rates on long-term loans. Swap payments are reflected as interest expense and accounted for on an accrual basis. The principal underlying the swap agreements amounts to \$29,968 at March 31, 2005 (2004 - \$7,862). The University has committed to borrow a further \$8 million that will be drawn in June 2005 for which it will enter into similar interest rate swap agreements.

8. Net Assets:

a) Endowment Principal:

Endowment principal consists of restricted donations to the University and funds that have been internally designated. The investment income generated from endowments must be used in accordance with the various purposes established by the donor or by the University. However, benefactors as well as University policy stipulate that, over time, the economic value of endowment principal should be protected by limiting the amount of income that may be expended.

To meet the foregoing requirement, 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, and
- to attain real increases in spending through capital appreciation from new gifts, capital investment gains, and the capitalization of income.

	Endowment Principal March 31, 2004	New Contributions	Deferred Revenue Transferred to Principal	Transfer To (From) Endowment Principal	Endowment Principal March 31, 2005
Externally Restricted	238,901	4,740	10,403	1,698	255,742
Internally Restricted	2,293	1,070	--	196	3,559
TOTAL	\$241,194	\$5,810	\$10,403	\$1,894	\$259,301

b) Restricted For Future Pension Benefits:

The University's operating budget includes as a cost the amount of contributions made to the pension plan each year. The total amount recorded for pension expense in the annual financial statements differs from the contributed amount. This difference, which may vary significantly from year to year, results from the requirement to use assumptions and methodologies for accounting that differ from those used for funding purposes. For accounting purposes the expense was \$5,283 (2004 - (\$7,623)) less than contributions made. The statutory contributions are determined by the actuary in accordance with the Pension Benefit Act of Nova Scotia to permit an appropriate level of funding over the long term.

c) Restricted:

Restricted funds represent amounts set aside by the University for specific uses such as unspent budget appropriations accumulated by academic and other budget units, departmental research overhead and development funds, and certain fundraising activities.

d) Equity in Capital Assets:

Equity in capital assets represents the unamortized cost of capital assets acquired through the expenditure of unrestricted resources.

Equity in capital assets consists of:

	2005	2004
Capital assets	223,357	192,296
less amounts financed by:		
deferred capital contributions	(85,607)	(78,408)
long-term debt	(36,671)	(14,842)
cashflow in advance of long-term debt	(5,122)	(12,173)
cashflow pending repayment by ancillaries or other identified sources	(11,708)	(13,390)
Equity in capital assets	\$84,249	\$73,483

9. Commitments and Contingent Liabilities:

The University has a capital project valued at \$25,000 for the construction of a new academic building for the Faculty of Management. The portion of the \$25,000 committed but unspent at March 31, 2005 is \$10,449 (2004 - \$3,443).

The University has provided guarantees to third parties of \$3,304 (\$3,443 in 2004) on borrowings in connection with student residences and this represents the maximum debt on these obligations. In the event of a default by the borrower, the University would assume the debt obligation and take title to the underlying property.

Effective April 1, 1988, the University became a member of the "Canadian Universities Reciprocal Insurance Exchange" (CURIE)

self-insurance program, and membership was renewed effective January 1, 2003. The University is subject to risk for insurance losses experienced by CURIE members and the University has met all of its obligations under the subscribers agreement. 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 subscribers.

The University has pledged a short-term investment as security for standby letters of credit of \$155 (2004 - \$166) with the Royal Bank of Canada in favour of the National Bank of Kuwait relating to a contract between the University and the Ministry of Health, State of Kuwait.

As of March 31, 2005, there are a number of claims against the University the amount of which is indeterminable at this time. The University has filed a defence as appropriate to these claims. Management is of the opinion that it is not likely that the claims against the University will be successful and no provision has been made for them in the accounts.

10. Pension Plan:

For certain employees, the University has a contributory defined benefit pension plan which provides benefits based on best years' average earnings. The participating employees normally contribute 4.65% on the first five thousand dollars of earnings and 6.15% on the balance of their earnings. The University funds the balance of the cost of benefits under the plan with contributions on a regular basis. The most recent actuarial valuation of the plan for funding purposes was as of June 30, 2002. This valuation reflected a plan deficit of \$16,984. Subsequently, the Plan's actuary extrapolated the results of this valuation to March 31, 2005. The actuarial value of net assets which reflect long-term market trends and accrued pension benefits of the plan yielded a projected plan deficit of \$33,973 (2004 - \$42,976). The funding status of the plan as calculated in accordance with actuarial requirements determines the level of contributions by the University.

However, the calculation of the plan deficit for accounting purposes is based on assumptions for the valuation of assets and liabilities that differ from those used for actuarial funding purposes resulting in a variance of \$9,766 (2004 - \$11,267) in the plan deficit. The assets and liabilities of the plan are not included in the financial statements of the University.

For accounting purposes the funded status of the defined benefit plan in the financial statements is as follows:

Pension benefit plan	2005	2004
Fair value of plan assets	\$590,842	546,835
Accrued benefit obligation	634,581	601,078
Funded status		
Plan surplus (deficit)	(43,739)	(54,243)
Balance of unamortized amounts	48,755	53,976
Accrued benefit asset (liability)	5,016	(267)

The percentage of the fair value of plan assets by major category is as follows: equity securities 59.7% (2004 - 59.5%); debt securities 39.0% (2004 - 38.6%); and other 1.4% (2004 - 1.9%).

The significant assumptions used are as follows:

Pension benefit plan	2005	2004
Accrued benefit obligation		
As of December 31:		
Discount rate	5.8%	6.0%
Rate of compensation increase	5.0%	6.0%
Benefit costs of years		
Ended December 31:		
Discount rate	5.05%	5.05%
Expected long-term rate of		
Return on plan assets	7.5%	7.5%
Rate of compensation increase	5.0%	5.0%

Pension benefit costs recognized in the year are \$9,966 (2004 - \$22,085). The cash amount of employer contributions to the defined pension benefit plan were \$15,249 (2004 - \$14,462).

11. Financial Instruments:

The carrying values of cash and cash equivalents, temporary investments, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to their relatively short terms to maturity.

The fair value of the investments is defined as their quoted market value at year end and is disclosed in Note 3.

The carrying value of the long-term debt approximates fair value.

Although the University has no intention of settling these instruments at March 31, 2005, the interest rate swap contracts described in note 7 have a fair value of (\$2,009).

12. Pledges:

Pledges to the University at March 31, 2005 were \$13,258 (2004 - \$16,331). While these pledges are expected to be honoured over the next several years, they have not been recorded as receivable.

13. Fine Artwork Collections:

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

14. Comparative Figures:

Certain 2004 figures have been reclassified to conform to the 2005 financial statement presentation, in part as a result of the change in accounting for affiliated entities controlled by the University (note 2(j)). As a result net assets decreased \$396, revenues increased \$955 and expenses increased \$588.

Dalhousie University

Supplementary Schedules

March 31, 2005

The University's audited financial statements are prepared in accordance with financial accounting and reporting standards recommended by the Canadian Institute of Chartered Accountants and are consistent with the format for Canadian Universities as recommended by the Canadian Association of University Business Officers.

The supplementary schedules in this section have been prepared without audit to provide further detailed information on the major functional areas of activity within the University on a basis similar to that used in prior years.

Schedule of Revenue and Expense
Year Ended March 31, 2005 (With Comparatives Figures for 2004)
(in Thousands of Dollars)

	Operating 2005 (Schedule 2)	Endowment 2005 (Schedule 3)	Ancillary 2005 (Schedule 4)	Capital 2005	Special Purpose 2005 (Schedule 5)	Research 2005 (Schedule 5)	2005	Total 2004
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Provincial government operating grants	107,549	-	-	-	-	-	107,549	105,627
Other government grants and contracts	6,443	-	100	-	702	55,478	62,723	55,865
Corporations and foundations	19	-	-	60	1,081	21,718	22,878	24,244
Tuition fees	85,716	-	-	-	-	-	85,716	77,933
Non-credit and other fees	17,413	-	-	-	477	-	17,890	16,266
General	1,733	-	-	78	3,612	393	5,816	5,920
Gifts	78	1,086	-	1,151	7,511	431	10,257	8,088
Investment	2,754	13,736	-	-	140	3	16,633	16,772
Ancillary sales and service	-	-	33,864	-	-	-	33,864	32,563
External cost recoveries	24,833	-	-	-	2,443	1,096	28,372	29,203
Amortization of capital grants	-	-	-	6,799	-	-	6,799	5,735
Total revenue	246,538	14,822	33,964	8,088	15,966	79,119	398,497	378,216
Expense								
Salaries								
Academic	97,498	4,051	-	-	782	10,418	112,749	107,165
Library	3,269	16	-	-	52	-	3,337	3,023
Plant maintenance	9,115	-	304	-	-	-	9,419	8,729
Administrative and support	50,184	315	4,330	-	3,512	18,819	77,160	73,286
Benefits costs	26,308	561	693	-	507	2,773	30,842	29,213
Total salaries and benefits	186,374	4,943	5,327	-	4,853	32,010	233,507	221,416
Library acquisitions	3,753	107	-	-	45	65	3,970	3,926
Laboratory and teaching supplies	2,940	68	-	-	276	5,817	9,101	8,890
Equipment and service	5,447	47	949	-	512	2,979	9,934	11,113
Finance costs	1,233	-	2,184	-	5	5	3,427	2,532
Utilities and taxes	8,777	-	1,818	-	-	-	10,595	9,952
Externally contracted services	10,996	1,059	5,406	-	2,226	8,134	27,821	28,156
Scholarships, bursaries and prizes	5,674	6,275	-	-	683	13,270	25,902	23,970
Ancillary cost of sales and service	-	-	9,891	-	-	-	9,891	9,473
Travel	3,650	211	55	-	558	5,373	9,847	8,738
Amortization of capital assets	-	-	-	18,173	-	-	18,173	16,297
General operating	13,369	560	2,001	-	2,979	4,422	23,331	21,807
Internal / interfund transfers	4,127	1,521	7,302	(20,851)	1,288	6,613	-	-
Total expense	246,340	14,791	34,933	(2,678)	13,425	78,688	385,499	366,270
Change in year before appropriations	198	31	(969)	10,766	2,541	431	12,998	11,946
Change in net assets	(198)	(31)	969	(10,766)	(2,541)	(431)	(12,998)	(11,946)
Surplus before pension expense adjustment	-	-	-	-	-	-	-	-
Pension expense adjustment	5,283	-	-	-	-	-	5,283	(7,623)
Net assets after pension adjustment	5,283	-	-	-	-	-	5,283	(7,623)

Schedule 1

DALHOUSIE UNIVERSITY
Schedule of Revenue and Expense - Operating
Year Ended March 31, 2005 (With Comparatives Figures for 2004)
(in Thousands of Dollars)

	Academic		Academic Support		Administration and General		Facilities Management		Student Services		Institution		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	107,549	105,627	107,549	105,627
Other government grants and contracts	346	467	-	-	-	-	-	-	54	53	6,043	5,537	6,443	6,057
Corporations and foundations	19	65	-	-	-	-	-	-	-	-	-	-	19	65
Tuition fees	4,756	4,243	-	-	-	-	-	-	-	-	80,960	73,690	85,716	77,933
Non-credit and other fees	7,975	6,977	26	30	1,925	2,199	-	-	1,756	1,672	5,731	4,860	17,413	15,738
General	-	-	6	10	285	472	763	813	679	672	-	-	1,733	1,967
Gifts	37	50	41	40	-	-	-	-	-	9	-	-	78	99
Investment	-	-	-	-	-	-	-	-	-	-	2,754	2,719	2,754	2,719
Endowment transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External cost recoveries	22,631	24,244	728	692	656	642	719	875	99	43	-	-	24,833	26,496
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	35,764	36,046	801	772	2,866	3,313	1,482	1,688	2,588	2,449	203,037	192,433	246,538	236,701
Expense														
Salaries														
Academic	96,509	91,958	-	-	55	44	-	-	934	863	-	-	97,498	92,865
Library	3,269	2,990	-	-	-	-	-	-	-	-	-	-	3,269	2,990
Plant maintenance	80	74	-	-	-	-	9,035	8,367	-	-	-	-	9,115	8,441
Administrative and support	27,571	26,644	6,539	5,923	11,770	10,906	1,951	1,984	2,353	2,135	-	-	50,184	47,592
Benefits costs	20,109	19,142	1,187	1,074	2,235	2,088	2,263	2,131	514	466	-	-	26,308	24,901
Total salaries and benefits	147,538	140,808	7,726	6,997	14,060	13,038	13,249	12,482	3,801	3,464	-	-	186,374	176,789
Library acquisitions	3,725	3,720	4	5	21	27	-	-	3	2	-	-	3,753	3,754
Laboratory and teaching supplies	2,940	2,906	-	-	-	-	-	-	-	-	-	-	2,940	2,906
Equipment and service	2,160	2,070	1,857	2,678	306	362	902	1,006	222	266	-	-	5,447	6,382
Finance costs	53	65	4	4	34	39	80	39	-	-	1,062	959	1,233	1,106
Utilities and taxes	-	-	-	-	-	-	8,777	8,323	-	-	-	-	8,777	8,323
Externally contracted services	5,318	5,619	95	109	971	833	4,353	4,578	259	177	-	-	10,996	11,316
Scholarships, bursaries and prizes	796	965	2	1	-	-	-	-	4,876	4,293	-	-	5,674	5,259
Ancillary cost of sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	2,669	2,600	74	66	334	341	32	25	541	455	-	-	3,650	3,487
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General operating	6,220	5,892	676	618	2,389	2,436	3,144	3,085	555	588	385	221	13,369	12,840
Internal / interfund transfers	4,977	6,652	(1,408)	(2,283)	234	677	(302)	(2,827)	698	243	(72)	-	4,127	2,462
Total expense	176,396	171,297	9,030	8,195	18,349	17,753	30,235	26,711	10,955	9,488	1,375	1,180	246,340	234,624
Change in year before appropriations	(140,632)	(135,251)	(8,229)	(7,423)	(15,483)	(14,440)	(28,753)	(25,023)	(8,367)	(7,039)	201,662	191,253	198	2,077
(Increase) decrease in appropriations	(225)	1,055	151	(255)	(35)	(226)	570	(1,167)	(101)	(748)	(112)	(728)	248	(2,069)
Net (increase) decrease in expenditures to be funded from future revenue (note 8)	(446)	(8)	-	-	-	-	-	-	-	-	-	-	(446)	(8)
Surplus before pension expense adjustment	(141,303)	(134,204)	(8,078)	(7,678)	(15,518)	(14,666)	(28,183)	(26,190)	(8,468)	(7,787)	201,550	190,525	-	-
Pension expense adjustment	-	-	-	-	-	-	-	-	-	-	(5,283)	7,623	(5,283)	7,623
Change in net assets after pension adjustment	(141,303)	(134,204)	(8,078)	(7,678)	(15,518)	(14,666)	(28,183)	(26,190)	(8,468)	(7,787)	206,833	182,902	5,283	(7,623)

* The increase in administrative and support salaries relates to new positions funded by strategic initiatives allocations and filling of vacant positions during the year.

DALHOUSIE UNIVERSITY
Schedule of Revenue and Expense for Operating and Endowment
Year Ended March 31, 2005 (With Comparatives Figures for 2004)
(in Thousands of Dollars)

	2005			2004		
	Operating	Endowment	Total	Operating	Endowment	Total
Revenue	\$	\$	\$			\$
Provincial government operating grants	107,549	-	107,549	105,627	-	105,627
Other government grants and contracts	6,443	-	6,443	6,057	-	6,057
Corporations and foundations	19	-	19	65	-	65
Tuition fees	85,716	-	85,716	77,933	-	77,933
Non-credit and other fees	17,413	-	17,413	15,738	-	15,738
General	1,733	-	1,733	1,967	-	1,967
Gifts	78	1,086	1,164	99	1,133	1,232
Investment	2,754	13,736	16,490	2,719	13,808	16,527
Endowment transfers	-	-	-	-	-	-
Ancillary sales and service	-	-	-	-	-	-
External cost recoveries	24,833	-	24,833	26,496	-	26,496
Amortization of deferred capital contributions	-	-	-	-	-	-
Total revenue	246,538	14,822	261,360	236,701	14,941	251,642
Expense						
Salaries						
Academic	97,498	4,051	101,549	92,865	4,402	97,267
Library	3,269	16	3,285	2,990	-	2,990
Plant maintenance	9,115	-	9,115	8,441	-	8,441
Administrative and support	50,184	315	50,499	47,592	330	47,922
Benefits costs	26,308	561	26,869	24,901	595	25,496
Pension expense adjustment	-	-	-	-	-	-
Total salaries and benefits	186,374	4,943	191,317	176,789	5,327	182,116
Library acquisitions	3,753	107	3,860	3,754	61	3,815
Laboratory and teaching supplies	2,940	68	3,008	2,906	18	2,924
Equipment and service	5,447	47	5,494	6,382	118	6,500
Finance costs	1,233	-	1,233	1,106	-	1,106
Utilities and taxes	8,777	-	8,777	8,323	-	8,323
Externally contracted services	10,996	1,059	12,055	11,316	1,121	12,437
Scholarships, bursaries and prizes	5,674	6,275	11,949	5,259	6,212	11,471
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	3,650	211	3,861	3,487	127	3,614
Amortization of capital assets	-	-	-	-	-	-
General operating	13,369	560	13,929	12,840	357	13,197
Internal / interfund transfers	4,127	1,521	5,648	2,462	1,556	4,018
Total expense	246,340	14,791	261,131	234,624	14,897	249,521
Change in year before appropriations	198	31	229	2,077	44	2,121
Change in net assets	(198)	(31)	(229)	(2,077)	(44)	(2,121)
Surplus for the year	-	-	-	-	-	-

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

Schedule 3

DALHOUSIE UNIVERSITY
Schedule of Revenue and Expense - Ancillary
Year Ended March 31, 2005 (With Comparatives Figures for 2004)
(in Thousands of Dollars)

	Arts Centre		Housing and Conference Services		Bookstore		Dalplex & Arena		Personal Computing Purchase Centre		Food Service		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other government grants and contracts	100	100	-	-	-	-	-	-	-	-	-	-	100	100
Corporations and foundations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tuition fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-credit and other fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary sales and service	2,097	2,427	13,599	12,545	7,428	7,368	2,233	2,279	2,777	2,378	5,730	5,566	33,864	32,563
External cost recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	2,197	2,527	13,599	12,545	7,428	7,368	2,233	2,279	2,777	2,378	5,730	5,566	33,964	32,663
Expense														
Salaries														
Academic	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant maintenance	-	-	304	288	-	-	-	-	-	-	-	-	304	288
Administrative and support	473	458	1,737	1,585	486	479	1,329	1,244	275	241	30	27	4,330	4,034
Benefits costs	65	64	321	275	89	85	158	153	53	42	7	6	693	625
Pension expense adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total salaries and benefits	538	522	2,362	2,148	575	564	1,487	1,397	328	283	37	33	5,327	4,947
Library acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory and teaching supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment and service	27	9	487	206	174	112	82	132	15	13	164	141	949	613
Finance costs	26	30	1,817	1,011	156	179	25	26	30	26	130	148	2,184	1,420
Utilities and taxes	68	64	1,508	1,313	8	8	197	193	-	-	37	51	1,818	1,629
Externally contracted services	24	28	773	732	66	55	65	49	23	23	4,455	4,302	5,406	5,189
Scholarships, bursaries and prizes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary cost of sales and service	1,515	1,843	-	-	5,870	5,530	207	201	2,299	1,899	-	-	9,891	9,473
Travel	1	2	41	27	3	5	5	4	3	2	2	2	55	42
General operating	74	86	1,468	932	280	328	96	69	39	63	44	114	2,001	1,592
Internal / interfund transfers	(76)	(57)	5,824	5,710	501	347	89	206	40	69	924	697	7,302	6,972
Total expense	2,197	2,527	14,280	12,079	7,633	7,128	2,253	2,277	2,777	2,378	5,793	5,488	34,933	31,877
Change in year before appropriations	-	-	(681)	466	(205)	240	(20)	2	-	-	(63)	78	(969)	786
Net (increase) decrease in appropriations	-	-	681	(466)	205	(240)	20	(2)	-	-	63	(78)	969	(786)
Surplus for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-

DALHOUSIE UNIVERSITY
Schedule of Revenue and Expense for Restricted Funds
Year Ended March 31, 2005 (With Comparatives Figures for 2004)
(in Thousands of Dollars)

	Special Purpose		Research	
	2005	2004	2005	2004
Revenue	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-
Other government grants and contracts	702	778	55,478	48,930
Corporations and foundations	1,081	962	21,718	23,217
Tuition fees	-	-	-	-
Non-credit and other fees	477	528	-	-
General	3,612	3,761	393	76
Gifts	7,511	5,678	431	1,131
Investment	140	219	3	26
Ancillary sales and service	-	-	-	-
External cost recoveries	2,443	2,381	1,096	326
Amortization of deferred capital contributions	-	-	-	-
Total revenue	15,966	14,307	79,119	73,706
Expense				
Salaries				
Academic	782	796	10,418	9,102
Library	52	33	-	-
Plant maintenance	-	-	-	-
Administrative and support	3,512	3,640	18,819	17,690
Benefits costs	507	506	2,773	2,586
Pension expense adjustment	-	-	-	-
Total salaries and benefits	4,853	4,975	32,010	29,378
Library acquisitions	45	39	65	72
Laboratory and teaching supplies	276	275	5,817	5,691
Equipment and service	512	463	2,979	3,537
Finance costs	5	3	5	3
Utilities and taxes	-	-	-	-
Externally contracted services	2,226	2,663	8,134	7,867
Scholarships, bursaries and prizes	683	775	13,270	11,724
Ancillary cost of sales and service	-	-	-	-
Travel	558	459	5,373	4,623
Amortization of capital assets	-	-	-	-
General operating	2,979	3,250	4,422	3,782
Internal / interfund transfers	1,288	491	6,613	5,970
Total expense	13,425	13,393	78,688	72,647
Change in year before appropriations	2,541	914	431	1,059
Change in net assets	(2,541)	(914)	(431)	(1,059)
Surplus for the year	-	-	-	-

Schedule 5