

March 31

2010

Dalhousie University

**Annual
Financial
Report**

Published June 2010



**DALHOUSIE
UNIVERSITY**

Inspiring Minds

DALHOUSIE UNIVERSITY
ANNUAL FINANCIAL REPORT

March 31, 2010

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TO: The Greater Dalhousie Community

FROM: Ken R. Burt, Vice-President, Finance and Administration

DATE: June 22, 2010

RE: The 2009-10 Annual Financial Report

The attached Annual Financial Report provides its readers with an account of the stewardship exercised over the financial resources entrusted to Dalhousie University. This comprehensive overview of Dalhousie's financial affairs describes developments affecting the University's finances, summarizes budget developments for the current year, compares budgeted and actual Operating Fund results, explains material variances, and then concludes with the audited Financial Statements for the year ended March 31, 2010.

1. The 2009-10 operating budget was balanced for the twenty-second consecutive year and received the approval of the Board of Governors at the June 23, 2009 meeting. Fiscal year 2009-10 was the second year of a new three-year Memorandum of Understanding (MOU) between the Government of Nova Scotia and the Province's universities. The Government grant increased by 13.0% or \$19.4 million in 2009-10. The additional funding allowed for increased operating costs for tuition to remain frozen at 2006-07 levels, an adjustment to Dalhousie for an increase in its relative share of system funding based on 2004-05 enrolment and for increased bursary support to Nova Scotia students. The Government's commitment to a more supportive multi-year grants strategy under the MOU is extremely important to Dalhousie going forward. Provincial operating grants, student fees and other revenue provided \$292.4 million in total operating budget revenue for 2009-10.
2. The 2009-10 fiscal year marks the final year of a new period of strategic investment to support "*Making an Impact: The President's Strategic Focus, 2007-2010*". In 2009-10 \$7.7 million (\$3.5 million in base funding and \$4.2 million in non-permanent allocations) was allocated for research and academic excellence, enrich student experience, strengthen enrolment, campus renewal, increase philanthropic support and renew human resources. These allocations dovetail with the recommendations of the Long Term Financial Planning Committee. Over the last 7 years \$29 million has been reallocated to Strategic Initiatives, the success of which is felt around the University.
3. There were three significant factors giving rise to an overall operating surplus of \$4.1 million. Tuition revenue was higher than budget by \$3.5 million as a result of higher than budgeted enrolment, 650 new students attended, and fuel oil prices declined and a warmer winter combined in a positive variance of \$1 million. The surplus has been appropriated and will be available on a one-time only basis in 2009-10 and beyond for Strategic Initiatives.

4. Financial Statements are the formal record of the financial activities for the period ending March 31, 2010 and are used to provide an overview of the financial condition of the University. The highlights to be noted include:
 - University revenue from all sources grew by 10% and surpassed the half billion dollar level to \$524.6 million.
 - Total assets of the University as of March 31, 2010 are reported to have increased by 19% to \$1,045 million from the previous year, driven by growth in capital assets, up 20%, and investments up by 26% to \$392 million.
5. The University continued to make progress in the area of campus renewal. The 2010-11 annual facilities maintenance budget allocation of \$11.8 million was augmented by \$3.5 million in project funding from Strategic Initiatives on a one-time basis. Numerous major projects were completed with upgrades in accessibility, safety, building systems and structures, and redevelopment of campus space. Importantly, work is almost completed on the Campus Master Plan, a renovation of the house at 5247 Morris Street was completed as well as a landscape improvement on the south side of the LSC leading towards Sheriff Hall. Roof replacements were also undertaken, most significantly on the Chemistry podium roof.
6. Markets began their recovery as the banking industry restructured itself following structural problems in the US mortgage market in 2008 and as a result, the University's Endowments included a modest investment gain but investments have not returned to pre-crash levels. The 2010-11 budget includes further actions to moderate and supplement endowment spending allocations in order to allow a full recovery of endowment value. The Pension Plan, which the University sponsors, also included investment increases of \$112 million or 19.3% but it is projected that Dalhousie's required funding will increase in June 2010 when the next actuarial valuation is due to be filed.
7. In 2009-10 two new buildings continued construction on Dalhousie campuses; the New Academic Building, a 100,000 square foot classroom and office building scheduled for completion in the summer of 2010 on Coburg Road, and the Life Sciences Research Centre, a 140,000 square foot research and commercialization building scheduled for completion in the spring of 2011 on Summer Street.

While 2009-10 will be remembered financially as the beginning of the recovery from the collapse of 2008, Dalhousie managed to continue a modest surplus from operations, and advanced in a number of important areas of strategic importance for our future.

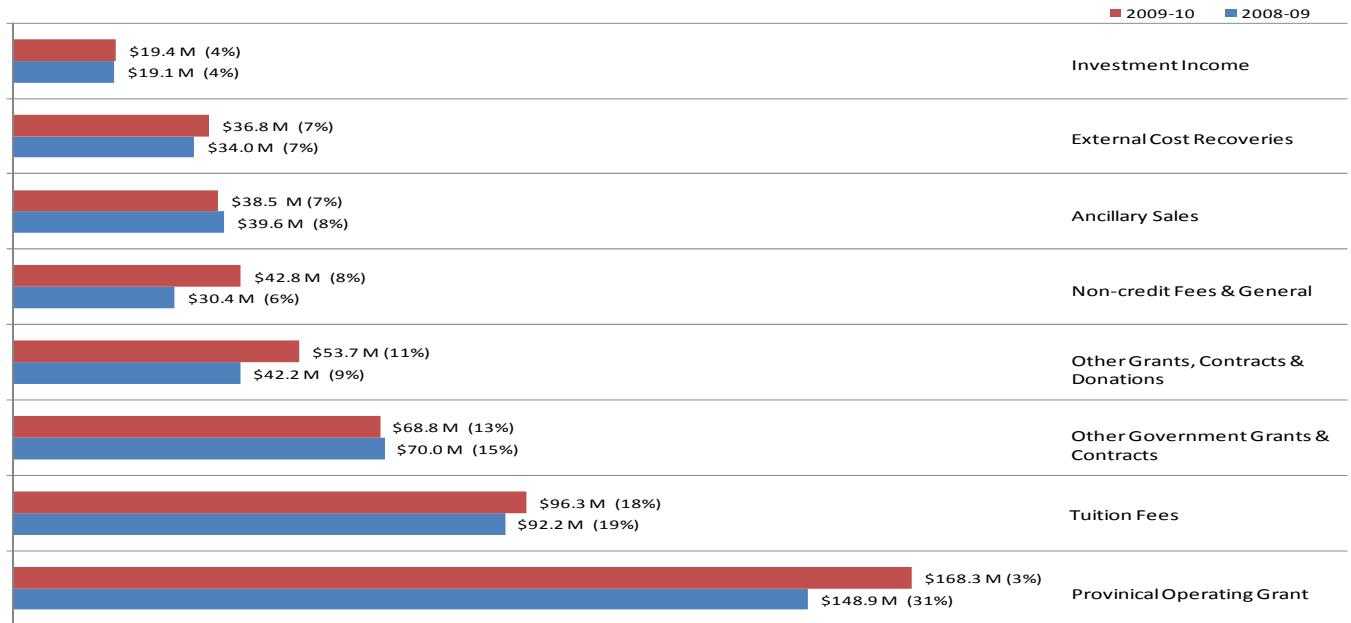


Ken R. Burt

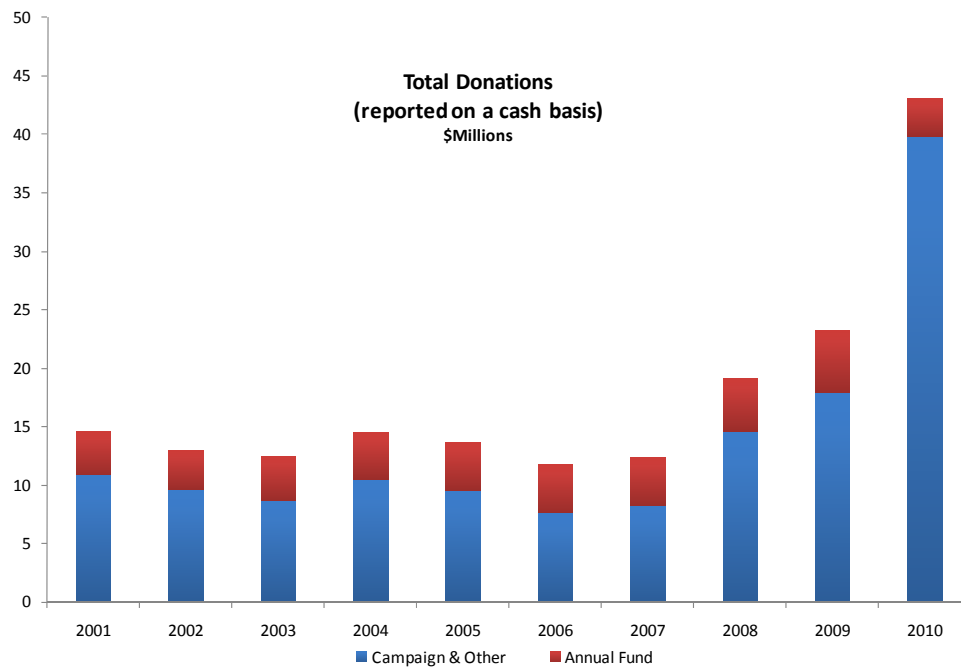
TOTAL REVENUE

The 2009-10 fiscal year marks a milestone in Dalhousie's history as total University revenue eclipsed the half billion dollar level. Total revenue increased by \$48.2 million to \$524.6 million in 2009-10. Provincial operating grants increased by \$19.4 million; general revenue rose by \$11.6 million as a result of the sale of Fenwick Place; and donations contributed to an \$11.1 million increase in Other Grants, Contracts and Donations.

2009-10 Revenues: \$524.6 million (2008-09: \$476.4 million)



Dalhousie continues to enjoy the strong support of alumni, faculty, staff and friends who contribute to the life of the University by providing leadership as well as financial resources. Funds raised of \$43 million in 2009-10 were more than double the 2008-09 year level of \$21 million. Exceptional gifts were received from Mr. Seymour Schulich and the Estate of Ms. Mona Campbell and these and other gifts will support student assistance, research and campus renewal in the years ahead.

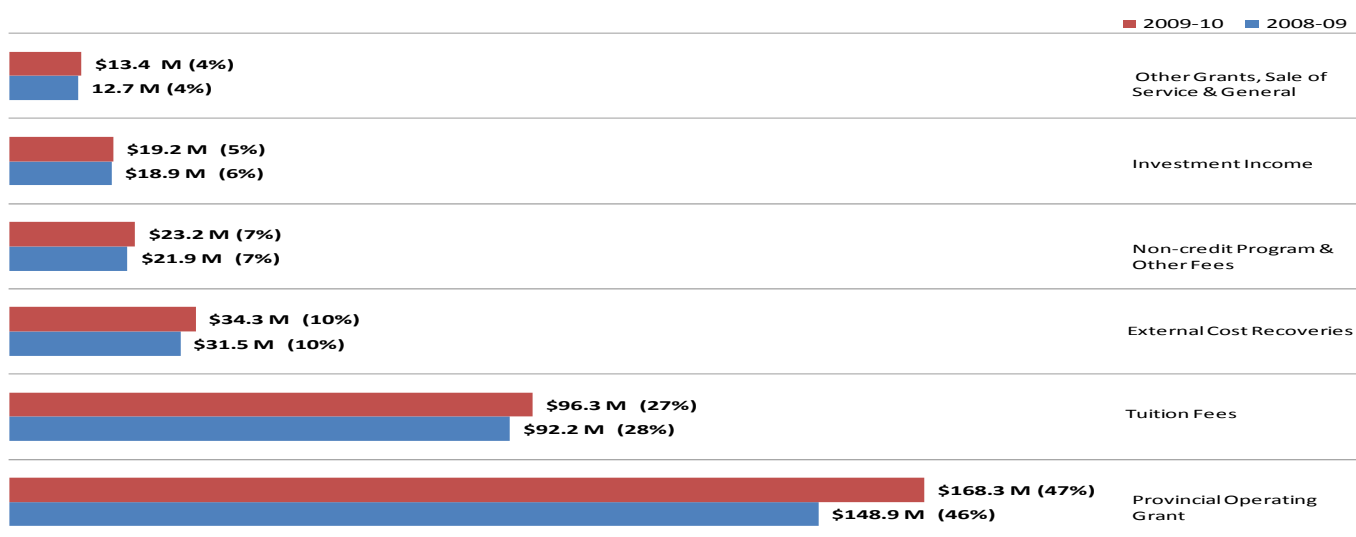


OPERATING AND ENDOWMENT REVENUE & EXPENSE

Operating and Endowment revenues accounted for \$354.7 million of total University revenue for the year ended March 31, 2010. The \$19.4 million increase in provincial grant revenue is comprised of various components as specified in the Memorandum of Understanding (MOU) with the Province of Nova Scotia. The largest component of increase provides support for inflationary cost increases (compensation, utilities, library, teaching materials, etc.) The MOU also provided for grants in lieu of a tuition fee freeze, Nova Scotia Student Bursary Program and a redistribution of system funding resulting from growth in Dalhousie's proportionate share of total Nova Scotia university enrolment. Enrolment increased by 650 students in the fall of 2009 over the previous year yielding \$4.1 million more in tuition revenue. All other sources of operating and endowment fund revenues increased during the year.

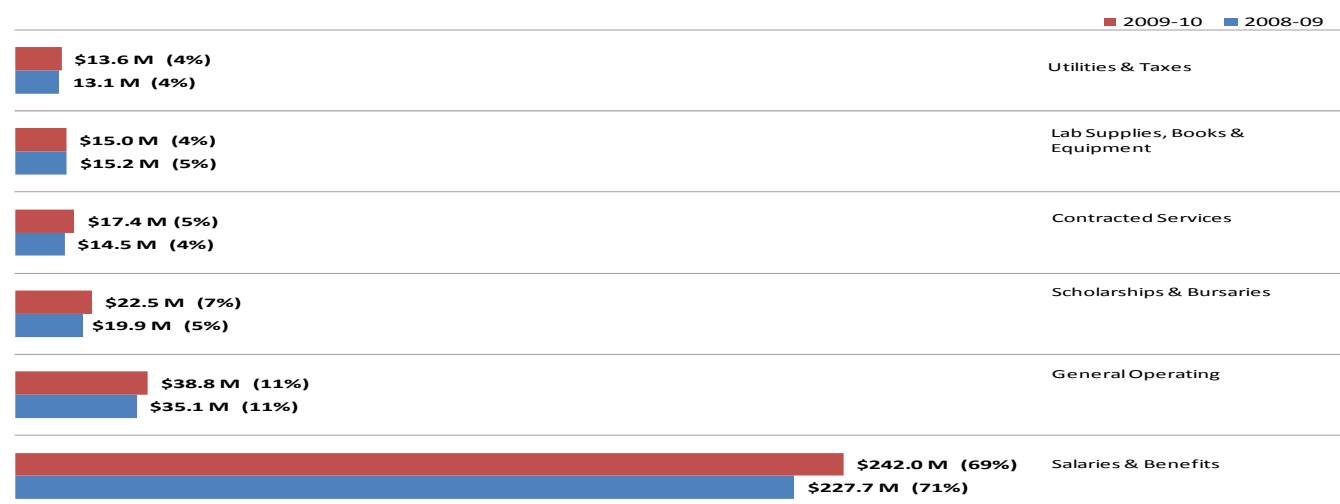
The operating surplus for the year was \$4.1 million representing the 22nd consecutive year of a balanced budget or surplus from operations.

2009-10 Operating & Endowment Revenue: \$354.7 million (2008-09: \$326.1 million)



Compensation remains the largest single expenditure. However, as a percentage of total expenditures compensation inched down to 69% (70% in 2009 and 73% in 2006) for the year ended March 31, 2010. Under the University's Strategic Initiatives program operating recourses continue to be allocated to areas that will strengthen the learning and teaching environment at Dalhousie. Starting in 2003-04 base allocations have been made annually to student assistance, campus renewal, library and teaching materials, and student and support services.

2009-10 Operating & Endowment Expense: \$394.3 million (2008-09: \$325.6 million)

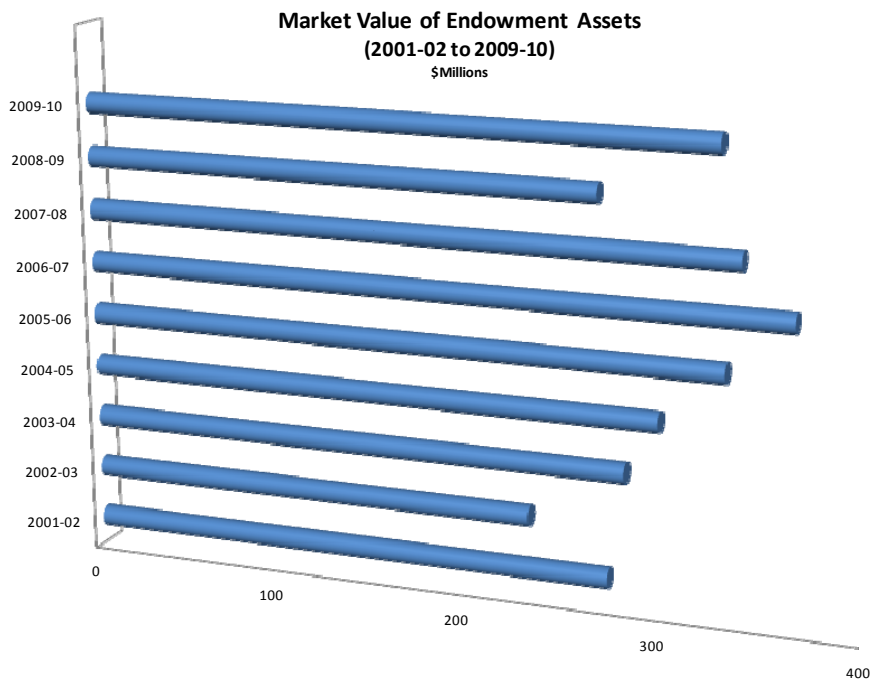


ENDOWMENTS

The endowment fund return for the year was 21% recapturing some of the decline in value suffered in recent years. In 2009-10 new endowment gifts of \$20.5 million were received.

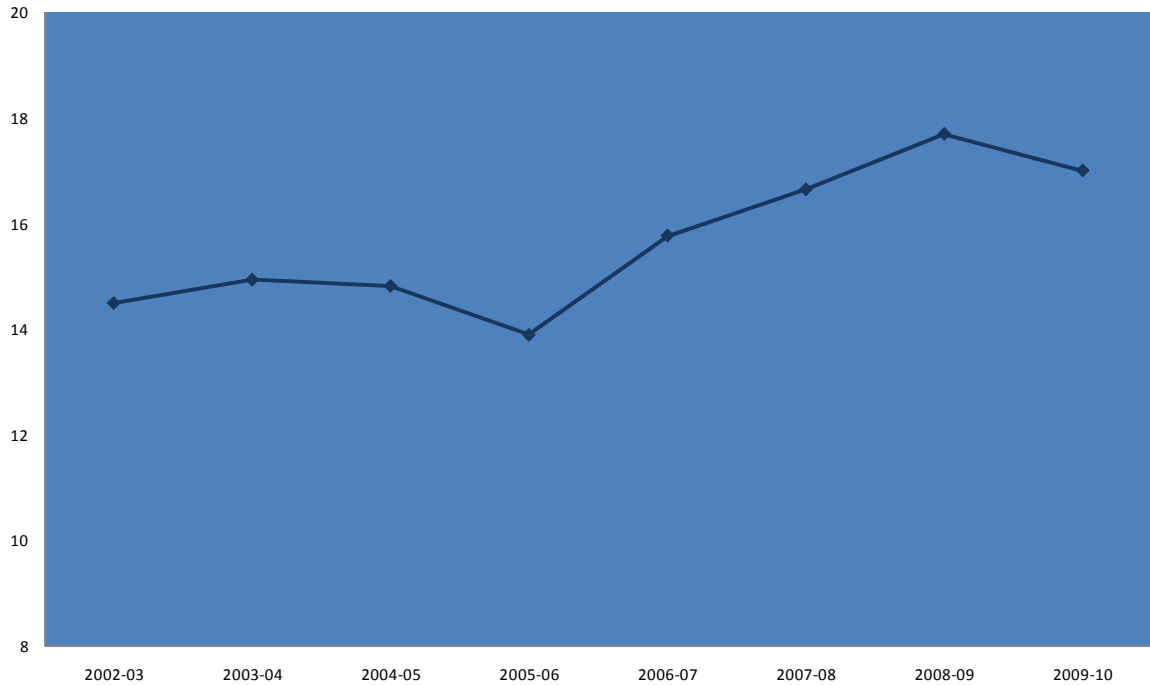
The Board of Governors' Endowment Management Policy was designed to achieve the following goals:

- 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 University continues to monitor endowment capital recovery and adjust annual spending to ensure the Endowment Management Policy goals are achieved. Year-over-year spending decreased from \$17.7 million in 2009 to \$17.0 million in 2010. This reduction was a planned measure to allow endowment capital to recover from the decline in investment markets in the 2007 to 2009 period. The University's policy allows for annual spending increases at CPI as long as the resulting spending rate remains within a band of 3.75% to 5.75% of each endowments market value. The intent of this policy is to keep spending growth equal to inflation growth **AND** to maintain the real economic value of the underlying enrolment capital over time. Coming into 2009-10, the spending rate was approaching the upper end of the band (i.e. 5.75%) and hence spending allocations were reduced by 5% to ensure that the real economic value of the capital would not be impaired.

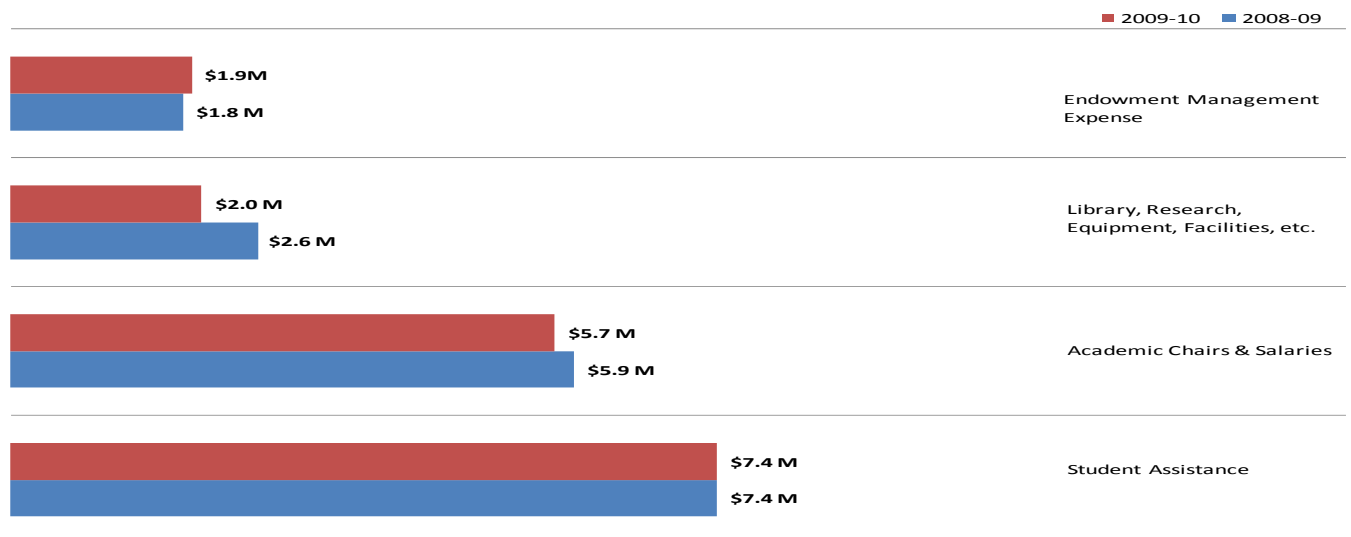
Endowment Expenditures 2002-03 to 2009-10



In spite of the spending allocation adjustment described above, student assistance expenditure in the endowment fund remained level at \$7.4 million in 2009-10.

The chart below reports on the distribution of endowment supported programs for the year.

2009-10 Endowment Expenditures: \$17.0 million (2008-09: \$17.7 million)

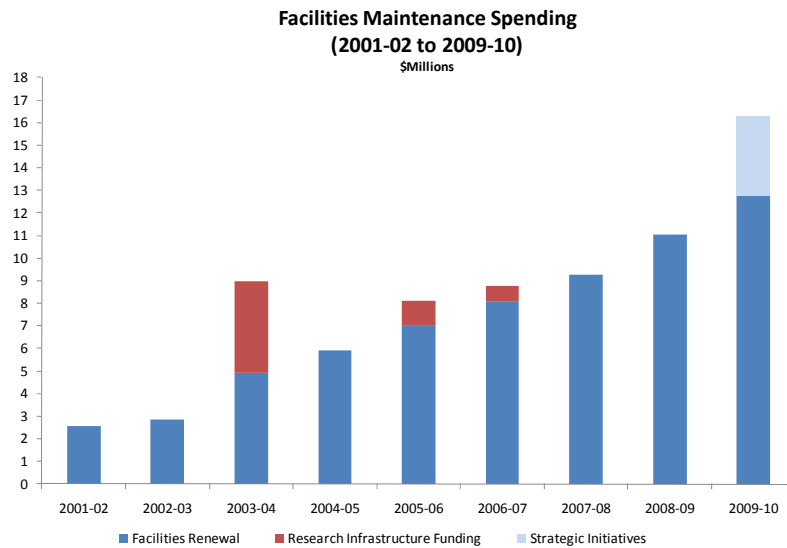


Actual expenditures will vary somewhat from the amount available for spending in any given year.

CAMPUS RENEWAL

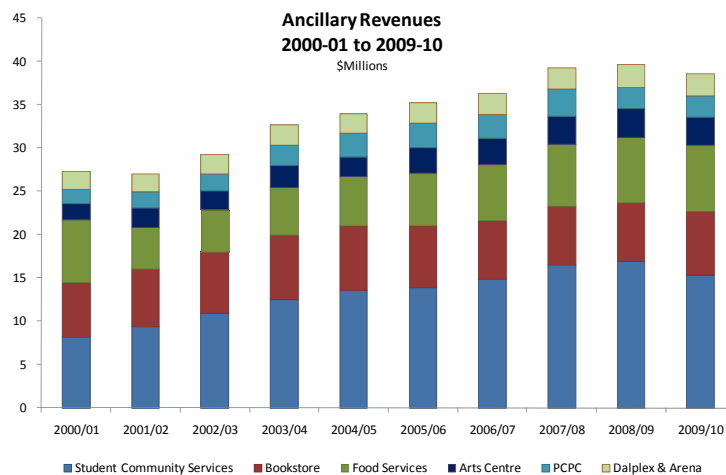
The renewal of Dalhousie's campus facilities and space is encompassed through many initiatives underway. These initiatives include the construction of new purpose-built buildings, the creation of a campus master plan to guide future development, the revitalization and retrofit of existing structures (e.g. Life Sciences Building), the adaptation of existing space to support modern teaching and learning methods and the annual maintenance of existing facilities.

A robust facilities maintenance program is an important element of the broader campus renewal effort. The Board's Facilities Renewal Strategy Committee recommendations in 2000 emphasized the need for significant increases in annual facilities maintenance spending to address the effects of an aging physical infrastructure. This priority was endorsed by the Board's Long Term Financial Planning Committee in 2006. Since 2001-02 the annual facilities maintenance expenditure budget has increased from \$2.3 million to \$12.8 million (in 2009-10). In 2009-10 \$3.5 million of strategic initiatives funding was used on a one-time basis to augment the annual facilities maintenance budget. Projects were completed in a variety of areas including a major project to replace the exterior fabric on a residence building, a preliminary energy system design study, space utilization studies, revitalization of study and common space for students and expansion and upgrade of office space throughout the campus.



ANCILLARY ENTERPRISES

Ancillary operations generated \$38.6 million in revenue. Early in the year Fenwick Place was sold resulting in a reduction of over 400 student residence beds and related revenue. As a group, the other ancillaries posted a modest increase in revenue of \$0.6 million.



2009-10 FISCAL YEAR

OPERATING BUDGET VERSUS ACTUAL RESULTS

2009-10 APPROVED OPERATING BUDGET

Dalhousie's 2009-10 Operating Budget included revenues and expenditures of \$289 million each as approved at the June 23, 2009 meeting of the Board of Governors. This report provides a comparison of the budget versus actual results for the year in summary and by Faculty/unit as well as commentary on major variances from budget.

THE FINAL BUDGET

The summary on page 11 shows the Approved Budget and Final Budget for the University in 2009-10. The Final Budget reflects compensation adjustments and strategic initiatives allocations made to the Faculties/units in the Responsibility Centre Expenditure Category. The budget also includes an increase in the tuition budget of \$495,000 for enrolment expansions in the undergraduate Medicine and Nursing programs. This increased revenue will fund additional costs associated with the space requirements for these expansions and the Facilities/Space budget line under General Operating Expenditures has also been increased by \$495,000 in the final budget.

ACTUAL RESULTS

The variances to budget in major operating revenue and expenditure lines for 2009-10 generated an overall positive variance (i.e. surplus) of \$4,136,000 for the year. Tuition revenue was higher than budget by \$3,539,000 due to higher than budgeted enrolment. On the energy line, fuel oil generated a positive variance of \$1,004,000 as a result of lower fuel prices compared to budget and lower consumption due to milder temperatures. Partially offsetting these items was a reduction in the operating grant from the province which was confirmed after the budget was approved. A detailed explanation of these and other significant variances follows.

1. Provincial Government Operating Grant

In 2009 the Province began discussions with Nova Scotia universities about a possible reduction in 2009-10 funding levels provided for in the Memorandum of Understanding. No conclusion was reached on the matter before the Budget Advisory committee issued its recommendations on an operating budget plan for 2009-10 in the spring of 2009 or before the budget was approved by the Board in June 2009. Following the tabling of the provincial budget in the legislature in September, university system funding was reduced and Dalhousie's share was \$740,000.

2. Provincial Government Grant- Nova Scotia Bursary Program

In 2009-10 the provincial bursary program provided support of \$1,022 to each Nova Scotia student attending a Nova Scotia university. The Nova Scotia Bursary expenditure line in the General Operating Expenditures section reflects an offsetting amount as this program is fully funded by the Province. The offsetting variances of \$106,000 on these lines reflect actual experience with this program.

3. Investment Income - Endowment

Endowment income and Endowment expenditures are both higher than budget by \$39,000 and as a result have no impact on the bottom line. Endowment income is recognized each year in an amount sufficient to meet expenditures from individual endowments. Dalhousie maintains separate fund accounts for over 1,100 endowments and expenditures from each are made in accordance with the terms specified by

donors. The revenue and expenditures each year will vary from the budget and unspent amounts are carried forward for use in a subsequent year or re-invested with the capital.

4. Investment Income - Operating

The positive variance in Operating Investment Income results from slightly better than anticipated cash balances during the year.

5. Tuition Fees

The 2009-10 tuition revenue budget was based on a projected enrolment equal to the 2008-09 enrolment. The reported enrolment increase of 650 students results in a positive tuition revenue variance of \$3,539,000.

6. Facilities Renewal Fee and Facilities Renewal Expenditures

The positive variance in Facilities Renewal fee revenue of \$55,000 relates to increased enrolment and is offset by a negative variance in Facilities Renewal expenditures.

7. Energy, Water, Taxes and Insurance

The favourable variance of \$1,004,000 in energy is due to lower fuel oil prices and consumption compared to the budget estimate. The \$229,000 variance in Water, Taxes and Insurance was largely due to a change in the municipal rate structure for property taxes.

8. 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 note 3 above. The following table summarizes expenditures by Responsibility Centre and the offsetting variance in Endowment income.

2009-10 Summary of Endowment Revenue and Expenditures			
('000's of dollars)			
	Budget	Actual	Variance
Endowment Revenue	<u>(17,017)</u>	<u>(16,978)</u>	<u>(39)</u>
Endowment Expenditures:			
Student Assistance	5,126	5,185	(59)
Endowment Management Expense	1,810	1,896	(86)
Academic	9,722	9,521	201
Academic Support	17	30	(13)
Student Services	108	116	(8)
University Housing	234	230	4
	<u>17,017</u>	<u>16,978</u>	<u>39</u>

- 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, two variances identified in the Academic responsibility centre category. The first item relates to the annual transfer from King's for teaching services which resulted in a \$190,000 favourable compared to budget. The second is the net under expenditure in endowment funds administered by Faculties.
- b) **Administration** – There are two major items contributing to the overall favourable variance in Administration. A favourable variance in application fees relates to an increase in the number of applications. Offsetting this variance is an approved over expenditure in Communications and Marketing for expanded market presence.
- c) **Student Services** - Student Services continues to be an area for investment through Strategic Initiatives. Unspent funds relating to those initiatives have been appropriated for use in 2010-11.
- d) **Provision for Compensation** - The approved budget included a provision for salary, wage and benefit increases for all employee groups and this amount has been distributed to units in the Final Budget column. Based on the 2007 Valuation the University was able to achieve a net reduction in the employer's contribution rate and the savings from the reduced rate are being transferred annually (i.e. \$1.27 million for 2009-10) to a Pension Stabilization Fund resulting in no overall variance on this line.
- e) **General** - The unfavourable variance of \$84,000 on this budget line relates to additional professional fees associated with an ongoing Pension Plan review involving representatives of the Board of Governors, employee groups and retirees .
- f) **Facilities Management** - Facilities Management includes positive and negative variances in various areas resulting in an overall unfavourable variance of \$56,000.

9. Total Surplus for the Year

The 2009-10 operating results generated a net positive variance (surplus) of \$4,136,000. The funds have been appropriated at year end and are available to support strategic priorities of the University on a one-time basis in 2010-11 and beyond.

DALHOUSIE UNIVERSITY
2009-10 OPERATING BUDGET RESULTS

(\$ 000's omitted)

	Approved Budget	Final Budget (1)	Actual	Variance Fav (Unfav)
<u>REVENUE</u>				
Provincial Government Grants				
Operating	159,165	159,165	158,425	(740)
Nova Scotia Bursary Program Grant	5,787	5,787	5,893	106
Enrolment Expansion	2,940	2,940	2,940	-
Facilities/Space	1,000	1,000	1,000	-
Targeted	50	50	50	-
	168,942	168,942	168,308	(634)
Federal Indirect Costs of Research Grant	6,842	6,842	6,830	(12)
Investment			-	
Endowment	17,017	17,017	16,978	(39)
Operating (net of bank & finance charges)	1,700	1,700	1,740	40
Tuition Fees	93,224	93,719 (1)	97,258	3,539
Facilities Renewal Fee	1,325	1,325	1,380	55
TOTAL REVENUE	289,050	289,545	292,494	2,949
<u>GENERAL OPERATING EXPENDITURES</u>				
Non-Space Equipment	2,483	2,483	2,483	-
Scholarships, Bursaries and Student Assistance				
Operating	9,971	9,971	9,971	-
Nova Scotia Bursary Program	5,787	5,787	5,893	(106)
Endowment	5,126	5,126	5,185	(59)
Facilities Renewal - annual	11,623	11,623	11,678	(55)
- backlog	4,679	4,679	4,679	-
Energy (net of recoveries)	11,553	11,553	10,549	1,004
Water, Taxes & Insurance (net of recoveries)	3,076	3,076	2,847	229
Endowment Management Expenses	1,810	1,810	1,896	(86)
Facilities/Space	1,000	1,495 (1)	1,495	-
Contingency	1,600	1,600	1,600	-
TOTAL GENERAL OPERATING EXPENDITURES	58,708	59,203	58,276	927
<u>RESPONSIBILITY CENTRE EXPENDITURES</u>				
Academic	166,210	174,210	173,819	391
Academic Support	10,246	10,604	10,617	(13)
Administration	22,202	23,151	23,125	26
General	1,005	1,066	1,150	(84)
Facilities Management	14,620	14,934	14,990	(56)
Student Services	4,695	4,870	4,878	(8)
Provision for Compensation	11,130	1,273	1,273	-
TOTAL RESPONSIBILITY CENTRE EXPENDITURES	230,108	230,108	229,852	256
TOTAL OPERATING EXPENDITURES	288,816	289,311	288,128	1,183
NET ANCILLARY EXPENDITURES	234	234	230	4
TOTAL EXPENDITURES	289,050	289,545	288,358	1,187
TOTAL SURPLUS FOR THE YEAR	-	-	4,136	4,136

(1) The final budget includes the distribution of the Provision for Compensation Adjustments to Faculty and Unit budgets. It also includes offsetting increases to the Tuition revenue and Facilities/Space expenditure budgets. This adjustment relates to the increased tuition revenue from undergraduate Nursing and Medicine expansions and the associated facilities costs to accommodate these expansions.

(2) Actual endowment expenditures and revenue will vary from the amount available for spending in any given year due to various factors. See note 8 on page 9.

(3) the 2009-10 Surplus of \$4,136,000 has been appropriated for one-time projects in 2010-11 and beyond.

DALHOUSIE UNIVERSITY
2009-10 OPERATING BUDGET RESULTS - DETAIL
(\$000's omitted)

	Approved Budget (1)	Final Budget	Actual (3)	Variance Fav (Unfav)	Transfer to (from) Appropriation
ACADEMIC					
Architecture and Planning	3,910	4,098	4,098	-	(11)
Arts and Social Sciences	17,423	18,404	18,404	-	(386)
Computer Science	5,165	5,386	5,386	-	365
Dentistry	8,440	8,868	8,868	-	22
Engineering	14,753	15,493	15,493	-	(119)
Graduate Studies	1,646	1,695	1,695	-	(112)
Health Professions	20,882	21,882	21,882	-	(1,239)
Law	7,011	7,337	7,337	-	(248)
Management	9,697	10,433	10,433	-	(148)
Medicine	35,790	37,321	37,321	-	(276)
Science	26,464	27,859	27,859	-	537
University Library	12,477	12,752	12,752	-	(18)
College of Continuing Education	617	699	699	-	(643)
College of Sustainability		609	609	-	28
Centres, Institutes & Special Projects	1,504	1,578	1,578	-	(665)
Engineering & Computer Science Career Services	479	511	511	-	16
Faculty Related Costs (eg.Travel, Leave Grants, PDA.)	1,378	1,571	1,571	-	194
Kings' Transfer	(2,937)	(2,937)	(3,127)	190	-
Academic Initiatives	1,511	651 (1)	651	-	157
Endowment Expenditures less than Budget (net)		-	(201)	201	(201)
TOTAL ACADEMIC	166,210	174,210	173,819	391	(2,747)
ACADEMIC SUPPORT					
Academic IT Initiatives	719		(1)		
Art Gallery	137	143	143	-	(14)
Centre for Learning and Teaching	1,169	1,229	1,229	-	72
Information Technology Services	8,376	9,387	9,387	-	29
Printing Centre	(155)	(155)	(155)	-	-
Endowment Expenditures in excess of Budget (net)		-	13	(13)	13
TOTAL ACADEMIC SUPPORT	10,246	10,604	10,617	(13)	100
ADMINISTRATION					
Administrative Initiatives	986		(1)		
Application Fees and Services Recovery	(940)	(940)	(1,057)	117	-
Communications & Marketing	2,371	2,383	2,468	(85)	(116)
Environmental Health and Safety Office	408	512	512	-	-
External Relations	3,978	4,617	4,617	-	204
Financial Services	3,801	4,011	4,005	6	-
Human Resources	2,309	2,493	2,503	(10)	(100)
Institutional Analysis and Research	530	552	552	-	16
Inter-University Services	63	77	77	-	-
President's Office	2,750	2,998	3,000	(2)	-
Registrar & Admissions	4,244	4,395	4,395	-	(7)
Research Services	1,008	1,264	1,264	-	(27)
University Secretariat/ Internal Audit	694	789	789	-	55
TOTAL ADMINISTRATION	22,202	23,151	23,125	26	25

(1) The final budget includes allocations from Academic Initiatives, Academic IT Initiatives and Administrative Initiatives to budget units during the year.

(2) The actual column includes transfers of variances in accordance with University policy. (see detailed analysis on pages 14 and 15.)

DALHOUSIE UNIVERSITY
2009-10 OPERATING BUDGET RESULTS - DETAIL
(\$000's omitted)

	Approved Budget	Final Budget	Actual (1)	Variance Fav (Unfav)	Transfer to (from) Appropriation
<u>GENERAL</u>	1,005	1,066	1,150	(84)	-
<u>FACILITIES MANAGEMENT</u>	14,620	14,934	14,990	(56)	-
<u>STUDENT SERVICES</u>					
Awards Office & Student Services Centre -Sexton	349	364	364	-	-
Counselling	837	979	979	-	15
General Student Services	2,075	1,989	1,989	-	133
Office of the Vice-President	735	838	838	-	63
Student Health	89	89	89	-	39
Varsity, Intramurals & Clubs	610	611	611	-	6
Endowment Expenditures in excess of Budget		-	8	(8)	8
TOTAL STUDENT SERVICES	4,695	4,870	4,878	(8)	264
<u>ANCILLARIES</u>					
Dalhousie Arts Centre	324	324	324	-	-
Dalplex and Arena	181	181	181	-	(88)
Food Services, incl. DalCard	(130)	(130)	(130)	-	88
Personal Computer Purchase Centre	-	-	-	-	58
University Bookstore	(283)	(283)	(283)	-	(300)
Student Community Services	142	142	142	-	73
Endowment Expenditures less than Budget		-	(4)	4	(4)
TOTAL ANCILLARIES	234	234	230	4	(173)

(1) The actual column includes transfers of variances in accordance with University policy. (see detailed analysis on pages 14 and 15.)

DALHOUSIE UNIVERSITY
2009-10 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	4,056	4,093	(37)	4,056	-	42	16	26	42	-	-	-
Arts and Social Sciences	17,629	18,141	(512)	17,629	-	775	649	126	775	-	-	-
Computer Science	5,171	4,937	234	5,171	-	215	84	131	215	-	-	-
Dentistry	8,816	8,816	-	8,816	-	52	30	22	52	-	-	-
Engineering	14,790	14,902	(112)	14,790	-	703	710	(7)	703	-	-	-
Graduate Studies	1,299	1,421	(122)	1,299	-	396	386	10	396	-	-	-
Health Professions	21,412	22,838	(1,426)	21,412	-	470	283	187	470	-	-	-
Law	6,782	6,782	-	6,782	-	555	803	(248)	555	-	-	-
Management	10,079	10,233	(154)	10,079	-	354	348	6	354	-	-	-
Medicine	33,744	33,739	5	33,744	-	3,577	3,858	(281)	3,577	-	-	-
Science	25,531	25,164	367	25,531	-	2,328	2,158	170	2,328	-	-	-
University Library	12,571	12,678	(107)	12,571	-	181	92	89	181	-	-	-
College of Continuing Education	645	1,256	(611)	645	-	54	86	(32)	54	-	-	-
College of Sustainability	609	581	28	609	-	-	-	-	-	-	-	-
Centres, Institutes & Special Projects	1,558	2,225	(667)	1,558	-	20	18	2	20	-	-	-
Engineering & Computer Science Career Services	511	495	16	511	-	-	-	-	-	-	-	-
Faculty Related Costs	1,571	1,377	194	1,571	-	-	-	-	-	-	-	-
Kings' Transfer	(2,937)	(3,127)	-	(3,127)	190	-	-	-	-	-	-	190
Academic Initiatives	651	494	157	651	-	-	-	-	-	-	-	-
Endowment Expenditures less than Budget (net)	-	-	-	-	-	-	-	(201)	(201)	201	-	201
TOTAL ACADEMIC	163,879	166,464	(2,775)	163,689	190	9,722	9,521	-	9,521	201		391
ACADEMIC SUPPORT												
Academic IT	-	-	-	-	-	-	-	-	-	-	-	-
Art Gallery	127	127	-	127	-	16	30	(14)	16	-	-	-
Centre for Learning and Teaching	1,228	1,157	71	1,228	-	1	-	1	1	-	-	-
Information Technology Services	9,387	9,358	29	9,387	-	-	-	-	-	-	-	-
Printing Centre	(155)	(155)	-	(155)	-	-	-	-	-	-	-	-
Endowment Expenditures in excess of Budget (net)	-	-	-	-	-	-	-	13	13	(13)	-	(13)
TOTAL ACADEMIC SUPPORT	10,587	10,487	100	10,587	-	17	30	-	30	(13)		(13)
ADMINISTRATION												
Administrative Initiatives	-	-	-	-	-	-	-	-	-	-	-	-
Application Fees and Services Recovery	(940)	(1,057)	-	(1,057)	117	-	-	-	-	-	-	117
Communications and Marketing	2,383	2,584	(116)	2,468	(85)	-	-	-	-	-	-	(85)
Environmental Health and Safety Office	512	512	-	512	-	-	-	-	-	-	-	-
External Relations	4,617	4,413	204	4,617	-	-	-	-	-	-	-	-
Financial Services	4,011	4,005	-	4,005	6	-	-	-	-	-	-	6
Human Resources	2,493	2,603	(100)	2,503	(10)	-	-	-	-	-	-	(10)
Institutional Analysis and Research	552	536	16	552	-	-	-	-	-	-	-	-
Inter-University Services	77	77	-	77	-	-	-	-	-	-	-	-
President's Office	2,998	3,000	-	3,000	(2)	-	-	-	-	-	-	(2)
Registrar & Admissions	4,395	4,402	(7)	4,395	-	-	-	-	-	-	-	-
Research Services	1,264	1,291	(27)	1,264	-	-	-	-	-	-	-	-
University Secretariat/ Internal Audit	789	734	55	789	-	-	-	-	-	-	-	-
TOTAL ADMINISTRATION	23,151	23,100	25	23,125	26	-	-	-	-	-		26

(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 12 and 13 of this report is a consolidation of the Endowment and Operating Expenditure budgets. Columns 1 and 6 above report the Final Budget, Columns 4 and 9 show the Total Actual expenditure and Columns 5 and 10 total column 11 which is the consolidated Variance on this schedule.

DALHOUSIE UNIVERSITY
2009-10 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	1,066	1,150	-	1,150	(84)	-	-	-	-	-	(84)
FACILITIES MANAGEMENT	14,934	14,990	-	14,990	(56)	-	-	-	-	-	(56)
STUDENT SERVICES											
Awards Office	364	364	-	364	-	-	-	-	-	-	-
Counselling	979	964	15	979	-	-	-	-	-	-	-
General Student Services	1,989	1,856	133	1,989	-	-	-	-	-	-	-
Office of the Vice-President	838	775	63	838	-	-	-	-	-	-	-
Student Health	89	50	39	89	-	-	-	-	-	-	-
Varsity, Intramurals & Clubs	503	489	14	503	-	108	116	(8)	108	-	-
Endowment Expenditures in excess of Budget	-	-	-	-	-	-	-	8	8	(8)	(8)
TOTAL STUDENT SERVICES	4,762	4,498	264	4,762	-	108	116	-	116	(8)	(8)
ANCILLARIES											
Dalhousie Arts Centre	324	324	-	324	-	-	-	-	-	-	-
Dalplex and Arena	181	269	(88)	181	-	-	-	-	-	-	-
Food Services	(130)	(218)	88	(130)	-	-	-	-	-	-	-
Personal Computer Purchase Centre	-	(58)	58	-	-	-	-	-	-	-	-
University Bookstore	(283)	17	(300)	(283)	-	-	-	-	-	-	-
University Housing	(92)	(161)	69	(92)	-	234	230	4	234	-	-
Endowment Expenditures less than Budget	-	-	-	-	-	-	-	(4)	(4)	4	4
TOTAL ANCILLARIES	-	173	(173)	-	-	234	230	-	230	4	4

(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 12 and 13 of this report is a consolidation of the Endowment and Operating Expenditure budgets. Columns 1 and 6 above report the Final Budget, Columns 4 and 9 show the Total Actual expenditure and Columns 5 and 10 total column 11 which is the consolidated Variance on this schedule.

MANAGEMENT NOTES ON THE AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2010

The financial statements of Dalhousie University have been audited by the firm of Ernst & Young and are presented in this section of the Annual Financial Report for the year ended March 31, 2010. These management notes provide a summary of the content of the financial statements, a note on the University Pension Plan and the fund accounting approach used to measure financial activity at Dalhousie for the year.

Financial Statements Contents

The Auditor's Report attests, without qualification, that the 2009-10 financial statements present the financial position of the University fairly. (page 18)

The Statement of Financial Position (Balance Sheet) shows the assets, liabilities, and net assets (equity) of the University as at March 31, 2010. (page 19)

The Statement of Revenue, Expense, and Changes in Operating Surplus records the revenue and matching expense of all funds of the University for the year. (page 20)

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 21)

The Statement of Cash Flows discloses the sources and uses of cash by the University for the year. (page 22)

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 are obvious from a reading of, the financial statements. (pages 23 to 32) Supplementary Schedule 1 (page 33) provides additional detail on a fund basis of University revenues and expenses.

Supplementary Schedules 2 and 3 (pages 34 and 35) provide a detailed breakdown of the Operating and Endowment Funds and Schedules 4 and 5 (pages 36 and 37) provide comparative data for the Ancillary, Special Purpose and Research columns on Schedule 1.

Pension Plan

In preparing the annual audited financial statements the University must comply with accounting standards as set by the Canadian Institute of Chartered Accountants (CICA). The CICA requires the use of significantly different assumptions and methods regarding the measurement of Pension Plan assets, liabilities and expense than those used for actuarial and funding purposes by pension actuaries.

Accounting assumptions are used for the purposes of preparing the University's financial statements. The differences in assumptions produce differences in outcomes. These financial statements report a pension asset of \$24.4 million whereas there is a deficit of \$126 million calculated on a market value basis and using actuarial standards as of the same date - March 31, 2010. The gap between the two measures is significant and results from various factors including the deficit smoothing and amortization techniques applied for accounting purposes which are not permitted for actuarial purposes.

The accounting standards dictate how the Pension Plan must be reported in the financial statements. Actuarial and legislative requirements dictate how the Plan's surplus/deficit position must be calculated. The actuarial calculation, as filed with the NS Superintendent of Pensions, and in accordance with the NS Pension Benefits Act, determines the annual contributions from the operating budget. Hence, it is the actuarial deficit in the Plan that must be addressed for budget planning purposes.

Funds

The University follows a fund accounting approach, which aggregates the financial aspects of similar activities. The University maintains the following funds:

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, 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.

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, 2010 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, 2010 and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at March 31, 2009 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated June 5, 2009.

Halifax, Canada
June 10, 2010

Ernst & Young LLP

Chartered Accountants

DALHOUSIE UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2010
(thousands of dollars)

ASSETS		2010	2009
Current assets			
Cash and cash equivalents	\$	281,232	229,415
Accounts receivable		29,632	31,192
Due from related parties (note 3)		52	926
Inventories		2,552	2,616
Prepaid expense		3,883	3,806
		317,351	267,955
Deferred pension asset (note 4)		24,415	39,967
Due from related parties (note 3)		1,096	-
Investments (note 5)		392,503	312,326
Capital assets (note 6)		309,593	257,203
	\$	1,044,958	877,451
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued liabilities	\$	55,280	48,376
Deferred revenue (note 7)		297,837	231,524
Current portion of long-term debt		2,516	2,278
		355,633	282,178
Deferred capital contributions (note 8)		139,054	116,611
Long-term debt (note 9)		34,396	36,640
		529,083	435,429
Net assets (note 10)			
Endowment principal		317,608	269,460
Restricted for future pension benefits		24,415	39,967
Restricted funds		56,842	43,080
Equity in capital assets		117,010	89,515
		515,875	442,022
	\$	1,044,958	877,451

Commitments and contingent liabilities (note 11)

(See accompanying notes to the financial statements)

DALHOUSIE UNIVERSITY
STATEMENT OF REVENUE, EXPENSE
AND CHANGES IN OPERATING SURPLUS
AS AT MARCH 31, 2010
(thousands of dollars)

	Total	
	2010	2009
Revenue		
Provincial government operating grants	\$ 168,308	148,896
Other government grants and contracts	68,858	69,600
Corporations and foundations	25,528	23,767
Tuition fees	96,307	92,138
Non-credit and other fees	23,206	21,877
General	19,566	8,519
Gifts	18,029	9,290
Investment income	19,413	19,128
Ancillary sales and service	38,502	39,551
External cost recoveries	36,756	34,011
Amortization of deferred capital contributions	10,161	9,576
Total revenue	524,634	476,353
Expense		
Salaries and employee benefits	290,750	273,799
Pension expense adjustment	15,552	(2,163)
Library acquisitions	5,386	5,297
Laboratory and teaching supplies	10,957	10,589
Equipment and service	10,235	10,909
Finance costs	3,331	4,145
Utilities and taxes	15,307	15,323
Externally contracted services	40,575	39,183
Scholarships, bursaries and prizes	39,928	36,111
Ancillary cost of sales and service	10,681	9,775
Travel	11,284	12,043
Amortization of capital assets	22,476	20,707
General operating	26,151	25,727
Total expense	502,613	461,445
Excess of revenue over expense	22,021	14,908
Use of excess of revenue over expense		
Committed to equity in capital assets	(23,614)	(5,932)
Committed to future pension benefits (note 4)	15,552	(2,163)
Committed to restricted funds	(13,959)	(6,813)
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
AS AT MARCH 31, 2010
(thousands of dollars)

	2010					2009
	Endowment Principal	Restricted For Future Pension Benefits	Restricted Funds	Equity in Capital Assets	Total	Total
Net Assets, Beginning of Year	\$ 269,460	39,967	43,080	89,515	442,022	484,625
Excess of Revenue over Expense	-	(15,552)	13,959	23,614	22,021	14,908
Gifts of Endowed Principal	20,564	-	-	-	20,564	10,583
Change in Unrealized Gains (Losses) (notes 7 and 12)	32,060	-	-	3,881	35,941	(36,862)
Transfers to (from) endowment principal	(4,476)	-	(197)	-	(4,673)	(31,232)
Net Change for the Year	<u>48,148</u>	<u>(15,552)</u>	<u>13,762</u>	<u>27,495</u>	<u>73,853</u>	<u>(42,603)</u>
Net Assets, End of Year (note 10)	<u>\$ 317,608</u>	<u>24,415</u>	<u>56,842</u>	<u>117,010</u>	<u>515,875</u>	<u>442,022</u>

(See accompanying notes to the financial statements)

DALHOUSIE UNIVERSITY
STATEMENT OF CASH FLOWS
AS AT MARCH 31, 2010
(thousands of dollars)

	2010	2009
Cash flows from operating activities:		
Excess of revenue over expense	\$ 22,021	14,908
Items not involving cash:		
Amortization of capital assets	22,476	20,707
Amortization of deferred capital contributions	(10,161)	(9,576)
Increase in deferred pension asset	15,552	(2,163)
Increase in due from related parties	(1,096)	-
Adjustments for changes in current assets	2,421	(9,731)
Adjustments for changes in current liabilities	73,217	91,134
	<u>124,430</u>	<u>105,279</u>
Cash flows from investing activities		
Purchase of capital assets	(74,866)	(42,014)
Net (increase) decrease in investments	(80,177)	26,020
	<u>(155,043)</u>	<u>(15,994)</u>
Cash flows from financing activities		
Endowment gifts	20,564	10,583
Decrease in endowment principal	(4,673)	(31,232)
Change in unrealized gains (losses)	35,941	(36,862)
Deferred capital contributions received	32,604	38,467
Principal payments on long-term debt	(2,006)	(4,057)
	<u>82,430</u>	<u>(23,101)</u>
Increase in cash and cash equivalents	51,817	66,184
Cash and cash equivalents, beginning of year	229,415	163,231
Cash and cash equivalents, end of year	<u>\$ 281,232</u>	<u>229,415</u>

(See accompanying notes to the financial statements)

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 Canadian 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 restrictions 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 provided collection of the related receivable is probable, persuasive evidence of an arrangement exists and the price is fixed or determinable.

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. Cash and cash equivalents, including short-term investments, are designated as held-to-maturity, which is recorded at amortized cost. Temporary cash surpluses are classified as loans and receivables and measured at amortized cost.

d) Inventories:

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

e) Investments:

Investments in pooled funds, equities, long term bonds and alternatives are classified as held-for-trading and stated at fair value. The change in fair value year over year is reflected in the Statement of Revenue

and Expense or deferred revenue and net assets. Interest-bearing securities with a term exceeding one year and relating to the investment of temporary cash surpluses are classified as held to maturity.

f) 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 lives:

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

g) 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 12 years (2009-12 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 life of employees active at the date of amendment. The transitional pension asset that arose on adoption of the CICA Handbook, Section 3461 is being amortized on a straight-line basis over 15 years. The most recent actuarial valuation of the pension plan for funding purposes was as of June 30, 2007, and the next required valuation will be as of June 30, 2010.

h) 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.

i) Related Entity:

The Dalhousie University Club is incorporated under the Societies Act of Nova Scotia and operates as a not-for-profit organization under the Income Tax Act and is exempt from income tax. The University exercises significant influence over the University Club by virtue of financing the operations and providing space without cost.

j) Derivative Financial Instruments:

Derivative financial instruments are utilized by the University in the management of its interest rates and foreign currency exposure.

The University enters into interest rate swaps in order to reduce the impact of fluctuating interest rates on its long-term debt. The swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. The University designates its interest rate swap agreements as hedges of underlying debt. Interest expense on the debt is adjusted to include the payments made or received under the interest rate swaps.

The University formally documents all debt 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 interest rate swaps that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

In the event that interest rate swaps are terminated or cease to be effective prior to maturity, any associated realized or unrealized gains or losses deferred under other current, or non-current, assets or liabilities on the Statement of Financial Position would be recognized in the period in which the underlying hedged transaction is recognized. In the event a designated 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 the Statement of Revenue and Expense.

3. Related Party Transactions:

Interest free housing related loans have been advanced to senior employees of the University. The loans are secured and repayable over several years.

4. Pension Plan:

For certain employees, the University has a contributory defined benefit pension plan, which provides benefits based on the best three 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, 2007, and reflected a plan surplus of \$259. The University is required to complete the next actuarial valuation not later than June 30, 2010.

For accounting purposes the funded status of the defined benefit plan as at March 31, 2010, in the financial statements is as follows:

Pension benefit plan – for accounting purposes	2010	2009
Fair value of plan assets	\$689,823	\$577,508
Accrued benefit obligations	833,023	719,691
Funded status		
Plan surplus (deficit)	(143,200)	(142,183)
Balance of unamortized amounts	167,615	182,150
Accrued benefit asset	\$24,415	\$39,967

The accrued benefit asset for accounting is created by the fact that experience losses are expensed over the average remaining services life of employees, notwithstanding the fact that the pension plan is in a deficit position. The deficit will most likely be funded by additional contributions in subsequent years.

The percentage of the fair value of plan assets by major category is as follows: equity securities 48.2% (2009-45.5%); debt securities 40.5% (2009-46.3%); alternatives 8.4% (2009-4.7%) and other 2.9% (2009-3.5%).

The significant assumptions used are as follows:

Pension Benefits	2010	2009
Rate of Compensation increase	4.5%	4.5%
Discount Rate	5.2%	5.9%
Expected long-term rate of return on plan assets	7.0%	7.0%

Pension benefit costs recognized in the year are \$34,726 (2009-\$16,059). The cash amount of employer contributions to the defined pension benefit plan was \$19,174 (2009-\$18,222).

5. Investments:

At Market Value	2010	2009
Cash	\$1,410	\$643
Treasury Bills, Notes & GIC's	53,787	4,402
Bonds	106,687	131,487
Canadian Equities	72,564	48,183
US Equities	48,576	44,875
Non-North American Equities	67,520	55,919
Alternatives	41,959	26,817
	\$392,503	\$312,326

DALHOUSIE UNIVERSITYNotes to Financial Statements (*continued*)

Year ended March 31, 2010

*(In Thousands of Dollars)***6. Capital Assets:**

	2010			2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	\$2,010	\$ --	\$2,010	\$2,010	\$ --	\$2,010
Buildings	351,043	168,242	182,801	346,555	167,910	178,645
Leasehold Improvements	2,459	655	1,804	655	655	--
Equipment	122,970	73,408	49,562	108,322	62,187	46,135
Vehicles	913	672	241	845	620	225
Library Books	22,867	16,051	6,816	21,284	14,679	6,605
Computing	10,204	9,568	636	9,526	9,076	450
Land Improvements	9,037	4,722	4,315	8,529	4,282	4,247
Construction in Progress	61,408	--	61,408	18,886	--	18,886
	\$582,911	\$273,318	\$309,593	\$516,612	\$259,409	\$257,203

7. Deferred Revenue:

Deferred revenue includes unspent grants, contributions, donations, or income received for which the contributor has specified a particular use. In accordance with generally accepted accounting standards investments include a market value adjustment in deferred revenue. Since these amounts are designated to fund certain expenditures, they are deferred and reported as revenue when the related expenses occur.

	2010					2009
	Operating	Endowed	Special Purpose	Sponsored Research	Total	Total
Balance, Beginning of Year	147,445	6,272	13,564	64,243	\$231,524	\$146,732
Income	191,757	57,688	26,352	97,997	373,794	196,063
Unrealized Losses (Gains)	--	(32,060)	--	--	(32,060)	32,060
Transferred from Principal	--	4,673	--	--	4,673	31,232
Recognized as Revenue in the Current Year	(147,445)	(18,127)	(21,375)	(93,147)	(280,094)	(174,563)
Balance, End of Year	\$191,757	\$18,446	\$18,541	\$69,093	\$297,837	\$231,524

8. 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, Expenses and Changes in Operating Surplus.

	2010	2009
Balance, Beginning of Year	\$116,611	\$87,720
Contributions received	32,604	38,467
Amortization of Contributions	(10,161)	(9,576)
Balance, End of Year	\$139,054	\$116,611

9. Long-Term Debt:

	2010	2009
Howe Hall:		
- 5.86% due January 10, 2013, repayable in quarterly installments of \$136	6,032	\$6,216
Peter Green Hall:		
- 5.88% due December 1, 2017, repayable in monthly installments of \$7	518	569
Central Services Building Parkade:		
- 5.41% due December 1, 2013, repayable in quarterly installments of \$22	598	642
Risley Hall:		
- 5.71% due September 1, 2014, repayable in quarterly installments of \$385	17,730	18,200
Residence Renewal:		
- 4.96% due November 15, 2014, repayable in quarterly installments of \$58	1,835	1,976
- 4.69% due October 12, 2015, repayable in quarterly installments of \$47	2,143	2,234
Faculty of Management Building:		
- 5.06% due March 2, 2017, repayable in quarterly installments of \$236	5,794	6,465
Howe Hall/Shireff Hall:		
- 4.74% due December 29, 2015. Repayable in quarterly installments of \$61	1,454	1,633
Leases payable		
- Interest rates vary due from April 2010 to December 2014	808	983
	36,912	\$38,918
Less: Current Portion	2,516	2,278
	\$34,396	\$36,640

DALHOUSIE UNIVERSITYNotes to Financial Statements (*continued*)

Year ended March 31, 2010

(In Thousands of Dollars)

The principal due within each of the next five years on long-term debt is as follows: 2011-\$2,516; 2012-\$2,204; 2013-\$2,167; 2014-\$2,275; 2015 - \$2,298. The University uses interest rate swaps to manage interest rate risk (see note 12).

Interest of \$63 relating to capital lease obligations has been included in interest expense. The total amount of assets under capital lease is \$1,739 with related accumulated amortization of \$730.

10. 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, 2009	New Contributions	Adjustment to Endowment Principal	Endowment Principal March 31, 2010
External Restrictions	\$260,889	\$20,564	\$27,387	\$308,840
Internal Restrictions	\$8,571	--	\$197	\$8,768
TOTAL	\$269,460	\$20,564	\$27,584	\$317,608

b) Restricted for Future Pension Benefits:

The University's operating budget includes the cost 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 \$15,552, (2009-(\$2,163)) greater (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 fund raising 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:

	2010	2009
Capital assets	\$309,593	\$257,203
Less amounts financed by:		
Deferred capital contributions	(139,054)	(116,611)
Long-term debt	(36,912)	(38,918)
Change in fair value of cash flow hedges	(4,712)	(8,593)
Cash flows, pending repayments by ancillaries or other identified sources	(11,905)	(3,566)
Equity in capital assets	\$117,010	\$89,515

11. Commitments and Contingent Liabilities:

The University has capital projects valued in excess of \$90 million for new academic and research facilities. The portion of the projects that has been committed but unspent at March 31, 2010 is \$33 million.

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, 2008. The University is subject to risk for insurance losses experienced by CURIE members and the University has met all of its obligations under the subscriber's agreement. Each CURIE member is required to participate for a minimum of five years. This long-term period creates an environment for CURIE where financial risk can be spread over time as well as among other subscribers. CURIE retains surplus for adverse experience and the amount of surplus at December 31, 2009 was \$32,032.

As of March 31, 2010, there are a number of claims against the University the amount of which is undeterminable at this time. The University has filed a defense as appropriate to these claims. 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.

The University has determined that a certain scientific facility is no longer required and the decommissioning of the facility is in progress. As such an asset retirement obligation (ARO) is recognized and represents the fair value, using the University's risk-free interest rate, of the estimated future cash flows necessary to complete the decommissioning. Estimated future cash flows are based on the University's estimated costs as per the decommissioning contract. The ARO liability is recorded at \$3,576 (2008 - \$2,782). Actual results may differ from

these estimates. The key assumptions used to determine the ARO include a risk-free interest rate of 5%, an estimated undiscounted obligation of \$5,500 and an expected settlement date of 3 years.

The University has a number of operating lease agreements for office, storage space and equipment. Future minimum lease payments required to meet non-cancelable terms are as follows: 2011-\$2,038; 2012-\$1,599; 2013-\$1,508; 2014-\$1,480; 2015-\$534.

Certain of the alternative investments contain contractual commitments. At March 31, 2010, there were outstanding future commitments of \$6 million CAD in Canadian real estate; \$16.2 million USD and €3.1 million EUR in private equity investments.

12. Financial Instruments:

a) Fair value of Financial Assets and Financial Liabilities

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

The carrying value of debt obligations approximate their fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

The fair value of investments is determined by using published price quotations in an active market or third party valuation at year end and is disclosed in note 5.

b) Foreign Currency Risk

The University undertakes revenue and purchase transactions in foreign currencies, and therefore is subject to gains and losses due to the fluctuations in foreign currency exchange rates.

The University manages its exposure to fluctuations in exchange rates by a combination of forward foreign exchange contracts and option contracts. At year-end, the forward foreign exchange contracts and option contracts covered periods of up to 1 year.

c) Interest Rate Risk Management

The University uses derivatives to alter interest rate exposures. Interest rate swaps allow the University to raise long-term borrowing at floating rates and effectively swap them into fixed rates that are lower than those available to the University if fixed rate borrowing were made directly. Under the interest rate swaps, the University agrees with the counterparty to exchange, at specific intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to the notional amount.

Although the University has no intention of settling these instruments at March 31, 2010, the interest rate swap contracts described in note 9 have a fair value of \$4,712, (2009-\$8,593) greater than the recorded value. In accordance with generally accepted accounting principals, this deficiency has been charged against equity in capital assets and will be restored with the maturity of debt.

The University has interest bearing loans on which general interest rate fluctuations apply.

d) Credit Risk

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

13. Pledges:

Pledges to the University at March 31, 2010, were \$21,122 (2009-\$13,451). While these pledges are expected to be honoured over the next several years, they have not been recorded as receivable.

14. Fine Artwork Collections:

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

15. Comparative Figures:

Certain 2009 figures have been reclassified to conform to the 2010 financial statement presentation.

DALHOUSIE UNIVERSITY
Schedule of Revenue and Expense
Year Ended March 31, 2010 (With Comparatives Figures for 2009)
(in Thousands of Dollars)

	Operating 2010 (Schedule 2)	Endowment 2010 (Schedule 3)	Ancillary 2010 (Schedule 4)	Capital 2010	Special Purpose 2010 (Schedule 5)	Research 2010 (Schedule 5)	2010	Total 2009
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Provincial government operating grants	168,308	-	-	-	-	-	168,308	148,896
Other government grants and contracts	9,147	-	75	-	173	59,463	68,858	69,600
Corporations and foundations	236	-	-	-	266	25,026	25,528	23,767
Tuition fees	96,307	-	-	-	-	-	96,307	92,138
Non-credit and other fees	23,206	-	-	-	-	-	23,206	21,877
General	2,491	-	-	13,533	3,420	122	19,566	8,519
Gifts	103	1,406	-	393	15,204	923	18,029	9,290
Investment	2,456	16,721	-	-	236	-	19,413	19,128
Ancillary sales and service	-	-	38,502	-	-	-	38,502	39,551
External cost recoveries	34,348	-	-	51	1,307	1,050	36,756	34,011
Amortization of deferred capital contributions	-	-	-	2,827	770	6,564	10,161	9,576
Total revenue	336,602	18,127	38,577	16,804	21,376	93,148	524,634	476,353
Expense								
Salaries								
Academic	120,209	4,573	-	-	477	11,786	137,045	130,570
Library	3,186	43	-	-	-	-	3,229	3,255
Plant maintenance	9,890	-	242	-	-	-	10,132	9,939
Administrative and support	70,748	511	5,977	-	2,493	23,112	102,841	95,039
Benefits costs	32,270	595	789	-	618	3,231	37,503	34,996
Total salaries and benefits	236,303	5,722	7,008	-	3,588	38,129	290,750	273,799
Library acquisitions	5,088	58	-	-	60	180	5,386	5,297
Laboratory and teaching supplies	3,606	33	-	-	438	6,880	10,957	10,589
Equipment and service	6,132	45	765	-	98	3,195	10,235	10,909
Finance costs	940	-	1,971	377	17	26	3,331	4,145
Utilities and taxes	13,603	-	1,704	-	-	-	15,307	15,323
Externally contracted services	15,976	1,440	6,975	-	3,024	13,160	40,575	39,183
Scholarships, bursaries and prizes	15,129	7,392	-	-	1,305	16,102	39,928	36,111
Ancillary cost of sales and service	-	-	10,681	-	-	-	10,681	9,775
Travel	5,205	242	40	-	617	5,180	11,284	12,043
Amortization of capital assets	-	-	-	22,476	-	-	22,476	20,707
General operating	17,355	511	1,875	-	2,241	4,169	26,151	25,727
Internal / interfund transfers	13,020	1,536	7,730	(29,663)	(388)	7,765	-	-
Total expense	332,357	16,979	38,749	(6,810)	11,000	94,786	487,061	463,608
Change in year before appropriations	4,245	1,148	(172)	23,614	10,376	(1,638)	37,573	12,745
Change in net assets	(4,245)	(1,148)	172	(23,614)	(10,376)	1,638	(37,573)	(12,745)
Surplus before pension expense adjustment	-	-	-	-	-	-	-	-
Pension expense adjustment	(15,552)	-	-	-	-	-	(15,552)	2,163
Net assets after pension adjustment	(15,552)	-	-	-	-	-	(15,552)	2,163

Schedule 1

DALHOUSIE UNIVERSITY
Schedule of Revenue and Expense - Operating
Year Ended March 31, 2010 (With Comparatives Figures for 2009)
(in Thousands of Dollars)

	Academic		Academic Support		Administration and General		Facilities Management		Student Services		Institution		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	168,308	148,896	168,308	148,896
Other government grants and contracts	2,113	1,335	-	-	-	-	26	-	178	375	6,830	7,021	9,147	8,731
Corporations and foundations	235	244	-	-	-	-	1	-	-	-	-	-	236	244
Tuition fees	5,823	4,824	-	-	-	-	-	-	-	-	90,484	87,314	96,307	92,138
Non-credit and other fees	8,062	8,547	21	34	2,259	2,191	-	-	4,711	4,144	8,153	6,961	23,206	21,877
General	-	-	49	49	493	789	929	918	1,020	765	-	-	2,491	2,521
Gifts	5	25	52	54	-	-	-	-	46	51	-	-	103	130
Investment	-	-	-	-	-	-	-	-	-	-	2,456	3,962	2,456	3,962
Ancillary sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
External cost recoveries	32,086	29,396	484	584	958	808	745	690	75	70	-	-	34,348	31,548
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	48,324	44,371	606	721	3,710	3,788	1,701	1,608	6,030	5,405	276,231	254,154	336,602	310,047
Expense														
Salaries														
Academic	119,037	112,673	-	-	26	44	-	-	1,146	1,058	-	-	120,209	113,775
Library	3,186	3,207	-	-	-	-	-	-	-	-	-	-	3,186	3,207
Plant maintenance	55	73	-	-	-	-	9,835	9,434	-	-	-	-	9,890	9,507
Administrative and support	37,049	33,960	8,326	7,551	18,326	16,857	2,775	2,649	4,272	3,997	-	-	70,748	65,014
Benefits costs	23,896	22,468	1,431	1,297	3,266	3,003	2,872	2,711	805	770	-	-	32,270	30,249
Total salaries and benefits	183,223	172,381	9,757	8,848	21,618	19,904	15,482	14,794	6,223	5,825	-	-	236,303	221,752
Library acquisitions	5,038	4,950	3	3	41	39	-	-	6	3	-	-	5,088	4,995
Laboratory and teaching supplies	3,606	3,470	-	-	-	-	-	-	-	-	-	-	3,606	3,470
Equipment and service	2,752	2,723	1,721	1,944	492	501	744	891	423	349	-	-	6,132	6,408
Finance costs	85	74	12	17	47	35	80	83	-	-	716	1,323	940	1,532
Utilities and taxes	-	-	-	-	-	-	13,603	13,121	-	-	-	-	13,603	13,121
Externally contracted services	5,346	6,062	124	191	2,062	1,820	8,269	4,756	175	209	-	-	15,976	13,038
Scholarships, bursaries and prizes	1,591	1,392	1	1	-	-	4	-	7,640	7,158	5,893	3,962	15,129	12,513
Ancillary cost of sales and service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	3,394	3,644	104	120	870	645	40	64	797	754	-	-	5,205	5,227
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General operating	6,867	6,509	479	545	4,232	3,441	2,988	3,157	2,397	2,221	392	402	17,355	16,275
Internal / interfund transfers	6,854	4,904	(170)	(627)	(578)	(381)	4,587	3,791	1,074	701	1,253	1,130	13,020	9,518
Total expense	218,756	206,109	12,031	11,042	28,784	26,004	45,797	40,657	18,735	17,220	8,254	6,817	332,357	307,849
Change in year before appropriations	(170,432)	(161,738)	(11,425)	(10,321)	(25,074)	(22,216)	(44,096)	(39,049)	(12,705)	(11,815)	267,977	247,337	4,245	2,198
(Increase) decrease in appropriations	2,831	46	(68)	81	(39)	362	(2,818)	(575)	(15)	(260)	(4,136)	(1,852)	(4,245)	(2,198)
Surplus before pension expense adjustment	(167,601)	(161,692)	(11,493)	(10,240)	(25,113)	(21,854)	(46,914)	(39,624)	(12,720)	(12,075)	263,841	245,485	-	-
Pension expense adjustment	-	-	-	-	-	-	-	-	-	-	15,552	(2,163)	15,552	(2,163)
Change in net assets after pension adjustment	(167,601)	(161,692)	(11,493)	(10,240)	(25,113)	(21,854)	(46,914)	(39,624)	(12,720)	(12,075)	248,289	247,648	(15,552)	2,163

DALHOUSIE UNIVERSITY
Schedule of Revenue and Expense for Operating and Endowment
Year Ended March 31, 2010 (With Comparatives Figures for 2009)
(in Thousands of Dollars)

	2010			2009		
	Operating	Endowment	Total	Operating	Endowment	Total
Revenue	\$	\$	\$			\$
Provincial government operating grants	168,308	-	168,308	148,896	-	148,896
Other government grants and contracts	9,147	-	9,147	8,731	-	8,731
Corporations and foundations	236	-	236	244	-	244
Tuition fees	96,307	-	96,307	92,138	-	92,138
Non-credit and other fees	23,206	-	23,206	21,877	-	21,877
General	2,491	-	2,491	2,521	-	2,521
Gifts	103	1,406	1,509	130	1,135	1,265
Investment	2,456	16,721	19,177	3,962	14,924	18,886
Ancillary sales and service	-	-	-	-	-	-
External cost recoveries	34,348	-	34,348	31,548	-	31,548
Amortization of deferred capital contributions	-	-	-	-	-	-
Total revenue	336,602	18,127	354,729	310,047	16,059	326,106
Expense						
Salaries						
Academic	120,209	4,573	124,782	113,775	4,863	118,638
Library	3,186	43	3,229	3,207	48	3,255
Plant maintenance	9,890	-	9,890	9,507	-	9,507
Administrative and support	70,748	511	71,259	65,014	400	65,414
Benefits costs	32,270	595	32,865	30,249	614	30,863
Total salaries and benefits	236,303	5,722	242,025	221,752	5,925	227,677
Library acquisitions	5,088	58	5,146	4,995	107	5,102
Laboratory and teaching supplies	3,606	33	3,639	3,470	13	3,483
Equipment and service	6,132	45	6,177	6,408	278	6,686
Finance costs	940	-	940	1,532	-	1,532
Utilities and taxes	13,603	-	13,603	13,121	-	13,121
Externally contracted services	15,976	1,440	17,416	13,038	1,466	14,504
Scholarships, bursaries and prizes	15,129	7,392	22,521	12,513	7,410	19,923
Ancillary cost of sales and service	-	-	-	-	-	-
Travel	5,205	242	5,447	5,227	259	5,486
Amortization of capital assets	-	-	-	-	-	-
General operating	17,355	511	17,866	16,275	493	16,768
Internal / interfund transfers	13,020	1,536	14,556	9,518	1,739	11,257
Total expense	332,357	16,979	349,336	307,849	17,690	325,539
Change in year before appropriations	4,245	1,148	5,393	2,198	(1,631)	567
Change in net assets	(4,245)	(1,148)	(5,393)	(2,198)	1,631	(567)
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.

DALHOUSIE UNIVERSITY
Schedule of Revenue and Expense - Ancillary
Year Ended March 31, 2010 (With Comparatives Figures for 2009)
(in Thousands of Dollars)

	Arts Centre		Student Community Services		Bookstore		Dalplex & Arena		Personal Computing Purchase Centre		Food Service		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other government grants and contracts	75	75	-	-	-	-	-	-	-	-	-	-	75	75
Corporations and foundations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tuition fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-credit and other fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gifts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary sales and service	3,216	3,209	15,340	16,876	7,320	6,832	2,540	2,569	2,427	2,503	7,659	7,562	38,502	39,551
External cost recoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	3,291	3,284	15,340	16,876	7,320	6,832	2,540	2,569	2,427	2,503	7,659	7,562	38,577	39,626
Expense														
Salaries														
Academic	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant maintenance	-	-	242	432	-	-	-	-	-	-	-	-	242	432
Administrative and support	587	547	2,772	2,686	649	591	1,595	1,596	326	304	48	60	5,977	5,784
Benefits costs	77	73	368	369	96	100	188	192	53	51	7	9	789	794
Total salaries and benefits	664	620	3,382	3,487	745	691	1,783	1,788	379	355	55	69	7,008	7,010
Library acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory and teaching supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment and service	10	11	446	1,224	72	83	111	101	-	-	126	202	765	1,621
Finance costs	81	80	1,658	1,793	82	155	38	29	28	29	84	117	1,971	2,203
Utilities and taxes	83	80	1,354	1,869	11	10	246	232	-	-	10	11	1,704	2,202
Externally contracted services	17	20	671	637	67	77	24	25	26	25	6,170	6,022	6,975	6,806
Scholarships, bursaries and prizes	-	-	-	322	-	-	-	-	-	-	-	-	-	322
Ancillary cost of sales and service	2,406	2,415	-	-	6,137	5,197	240	213	1,898	1,950	-	-	10,681	9,775
Travel	3	1	19	36	8	13	10	4	-	-	-	-	40	54
General operating	50	50	1,315	1,351	186	133	220	244	33	35	71	-	1,875	1,813
Internal / interfund transfers	(23)	7	6,425	5,701	312	463	(44)	(73)	5	49	1,055	1,072	7,730	7,219
Total expense	3,291	3,284	15,270	16,420	7,620	6,822	2,628	2,563	2,369	2,443	7,571	7,493	38,749	39,025
Change in year before appropriations	-	-	70	456	(300)	10	(88)	6	58	60	88	69	(172)	601
Net (increase) decrease in appropriations	-	-	(70)	(456)	300	(10)	88	(6)	(58)	(60)	(88)	(69)	172	(601)
Surplus for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Schedule 4

DALHOUSIE UNIVERSITY
Schedule of Revenue and Expense for Restricted Funds
Year Ended March 31, 2010 (With Comparatives Figures for 2009)
(in Thousands of Dollars)

	Special Purpose		Research	
	2010	2009	2010	2009
Revenue	\$	\$	\$	\$
Provincial government operating grants	-	-	-	-
Other government grants and contracts	173	216	59,463	60,578
Corporations and foundations	266	300	25,026	23,003
Tuition fees	-	-	-	-
Non-credit and other fees	-	-	-	-
General	3,420	5,681	122	57
Gifts	15,204	6,836	923	769
Investment	236	(182)	-	424
Ancillary sales and service	-	-	-	-
External cost recoveries	1,307	1,700	1,050	714
Amortization of deferred capital contributions	770	737	6,564	6,006
Total revenue	21,376	15,288	93,148	91,551
Expense				
Salaries				
Academic	477	543	11,786	11,389
Library	-	-	-	-
Plant maintenance	-	-	-	-
Administrative and support	2,493	2,046	23,112	21,795
Benefits costs	618	289	3,231	3,050
Total salaries and benefits	3,588	2,878	38,129	36,234
Library acquisitions	60	9	180	186
Laboratory and teaching supplies	438	336	6,880	6,770
Equipment and service	98	386	3,195	2,216
Finance costs	17	11	26	2
Utilities and taxes	-	-	-	-
Externally contracted services	3,024	3,250	13,160	14,623
Scholarships, bursaries and prizes	1,305	1,228	16,102	14,638
Ancillary cost of sales and service	-	-	-	-
Travel	617	533	5,180	5,970
Amortization of capital assets	-	-	-	-
General operating	2,241	3,900	4,169	3,246
Internal / interfund transfers	(388)	(1,888)	7,765	6,666
Total expense	11,000	10,643	94,786	90,551
Change in year before appropriations	10,376	4,645	(1,638)	1,000
Change in net assets	(10,376)	(4,645)	1,638	(1,000)
Surplus for the year	-	-	-	-

Schedule 5