

Report Date: 01/17/2008

E-App Reviewer Area
 Audit Trail Detail Report
 OPEID: 006838 00
 Appl Sys Id: 130984
 Entered by Education:

Section A

1. Purpose: 03 Reapproval (Recertification)

Preacquisition Review Requested:

2. School Name: Dalhousie University

3. Trade Name:

4. Former Name:

5. Merger: OPEID _____ School Name _____

6a. TIN:

6b. DUNS: 258957059

7. Recent Award Begin Date: 07/01/2000

Recent Award End Date: 06/30/2001

8. Current Award Begin Date: 07/01/2001

Current Award End Date: 06/30/2002

9. E-mail Address: www.dal.ca

10 - 14, 20 - 21, 70, L - School Officials :

Name:	Dr Thomas D. Traves	Last Update	End Date	Signature	Contact	Colleague	Agent
Joined User:		09/07/2001		Y	N	N	N
Address:	6299 South Street Halifax Nova Scotia Canada, B3H 4H6	006838		<u>School's Title</u>		<u>PEPS Title</u>	
Phone:	(902) 494-2511 2511	President and Vice Chancellor		President/Chancellor/CEO			
Fax:	(902) 494-1658						
E-mail:	President@Dal.ca						

Name:	Mr Bryan G. Mason	Last Update	End Date	Signature	Contact	Colleague	Agent
Joined User:		06/14/1999		N	N	N	N
Address:	6299 South Street Halifax Nova Scotia Canada, B3H 4H6	EPSROBER		<u>School's Title</u>		<u>PEPS Title</u>	
Phone:	902-494-3862	Vice President (Finance and Administration)		Chief Financial Officer			
Fax:	902-494-2022						
E-mail:	Bryan.Mason@Dal.ca						

Name:	Dr John Ruedy	Last Update	End Date	Signature	Contact	Colleague	Agent
Joined User:		06/16/1999		N	N	N	N
Address:	5849 University Avenue Halifax Nova Scotia Canada, B3H 4H7	EPSROBER		<u>School's Title</u>		<u>PEPS Title</u>	
Phone:	902 494 2362	Contact Person for Medical School		Other			
Fax:	902 494 3644						
E-mail:							

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Name: Ms Susan Tanner	<u>Last Update</u>	<u>End Date</u>	<u>Signature</u>	<u>Contact</u>	<u>Colleague</u>	<u>Agent</u>
Joined User:	12/09/2003	12/09/2003	N	Y	Y	N
6299 South Street.	006838					
Address: Studley Campus	<u>School's Title</u>	<u>PEPS Title</u>				
Halifax	Associate Registrar Admissions	Financial Aid				
Novia Scotia	& Awards	Administrator				
Canada, B3H 4H6						
Phone: 902-494-6572						
Fax: 902-494-1630						
E-mail: susan.tanner@dal.ca						

Name: Mrs Pamela Swinimer	<u>Last Update</u>	<u>End Date</u>	<u>Signature</u>	<u>Contact</u>	<u>Colleague</u>	<u>Agent</u>
Joined User:	12/09/2003		N	Y	Y	N
6299 South Street Room	006838					
133	<u>School's Title</u>	<u>PEPS Title</u>				
Address: Studley Campus	Assistant Registrar Financial	Financial Aid				
Halifax	Aid	Administrator				
Novia Scotia						
Canada, B3H 4H6						
Phone: 902-494-2416						
Fax: 902-494-1630						
E-mail: pamela.swinimer@dal.ca						

Section B

15. Accreditation:						
<u>End Date/</u>	<u>Last Updt</u>			<u>Last Accred</u>	<u>Number</u>	
<u>Approved</u>	<u>Date/User</u>	<u>Agency Name</u>	<u>Type</u>	<u>Year</u>	<u>Years</u>	

16. FAA Certification:

Number:

Expiration Date:

17. State Authorization:

<u>Eff. Date/</u>	<u>Last Updt</u>	<u>End Date/</u>			
<u>Approval</u>	<u>Date/User</u>	<u>End Reason</u>	<u>Name/Address</u>	<u>Phone/Fax</u>	<u>E-mail</u>

Section C

18. School Type: Foreign Public

19. Type Change Date:

Section D

22.Owner Type:

23,24.Owners:

Name/Address	Owner Level/%	Start Date / End Date	TIN	Last Updt Date/user	Owner Type/Stock Symbol/ Incorporation State/ Country
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25.Other Entities Owned:

Owner Name	OPE ID	School Name	Servicer	End Date	Liability Owed
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Section E

26.Educational Programs:

- N a.Associate's Degree
- Y b.Bachelor's Degree
- Y c.Master's Degree or Doctor's Degree
- Y d.First professional Degree
- Direct Assessment
- N e.Graduate Short Term
- N f.2 Year Transfer Program
- Y g.600+ Clock Hours
- N h.Undergrad Previous Degree Required
- N i.300-599 Clock Hours
- N j.Professional Certification

Academic Calendar: Semester Hours

- Program Length: Master's Degree or Doctor's Degree
- N 600-899 Clock Hours
 - Y One Year (N/D)
 - N Two Years(N/D)
 - N Three Plus years(N/D)

27.Vocational Programs:

Recommend.	Program Name	CIP	End/ Disapprove Date	Last Updt Date/User	Program Length	First Offered Date
Approve	Diploma in Costume Studies	36.0117		01/07/2004 EPOTOULI	Non-Degree 1 Year (900-1799 hours)	09/01/1977

Instruction Weeks: 68
 Clock Hours:
 Credit Hours: 60
 Type Credit Hours: Semester Hours
 State Authorized Hours:
 Completion Rate:
 Placement rate:
 Equivalent Degree: N
 Full Credit Assoc.: Y

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<u>Recommend.</u>	<u>Program Name</u>	<u>CIP</u>	<u>End/ Disapprove Date</u>	<u>Last Updt Date/User</u>	<u>Program Length</u>	<u>First Offered Date</u>
Approve	Diploma in Meteorology	40.0899		01/07/2004 EPOTOULI	Non-Degree 1 Year (900-1799 hours)	09/01/1983
	Instruction Weeks:	34				
	Clock Hours:					
	Credit Hours:	30				
	Type Credit Hours:	Semester Hours				
	State Authorized Hours:					
	Completion Rate:					
	Placement rate:					
	Equivalent Degree:	N				
	Full Credit Assoc.:	Y				

<u>Recommend.</u>	<u>Program Name</u>	<u>CIP</u>	<u>End/ Disapprove Date</u>	<u>Last Updt Date/User</u>	<u>Program Length</u>	<u>First Offered Date</u>
Approve	Diploma in Dental Hygiene	51.0602		01/07/2004 EPOTOULI	Non-Degree 1 Year (900-1799 hours)	09/01/1961
	Instruction Weeks:	64				
	Clock Hours:					
	Credit Hours:	85				
	Type Credit Hours:	Semester Hours				
	State Authorized Hours:					
	Completion Rate:					
	Placement rate:					
	Equivalent Degree:	N				
	Full Credit Assoc.:	Y				

28.Contract with Ineligible Institution:

<u>End Date</u>	<u>Last Updt Date/User</u>	<u>Program Name</u>	<u>OPE ID</u>	<u>School Name/ Corporation Name/ Address</u>	<u>Owner Name</u>	<u>Withdraw Ind./ % Contracted Out</u>
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Section F

29 - 30. Locations:

<u>OPE ID/ DUNS</u>	<u>School Name/Address/ Other Address</u>	<u>Recommend.</u>	<u>Disapprove Branch Date/Reason</u>	<u>End Date</u>	<u>Last Updt Date/User</u>
00683800 258957059	Dalhousie University 6299 South Street Halifax Nova Scotia Canada, B3H 4H6 Mailing Address:	Approve			09/07/2001 006838
00683801	Faculty of Medicine 6229 South Street Halifax Nova Scotia Canada, B3H 4H6 Mailing Address:	Approve			06/18/2001 PEPSPROD
00683802	Sexton Campus 1360 Barrington Street Halifax Nova Scotia Canada, B3J 1Z1 Mailing Address:	Approve			06/18/2001 PEPSPROD

Section G

Recently Completed Award Year: 2001

31. Are any of your programs offered in whole or part by correspondence or telecommunications.
- 32 a. N More than 50% of courses taught by correspondence.
- 32 b. N 50% or more of regular students enrolled in correspondence courses.
33. N More than 50% of regular students ability-to-benefit students.
34. N More than 25% of regular students incarcerated.

Section H

36.FTE Financial Aid Staff:

Award Year: 2002

Professional Staff:

Clerical Staff:

37.SFAP Programs:

Report Date: 01/17/2008

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Entered by Education:

38.-39.Enrollment:

Current Year:

Next Year:

Third Year:

Total Enroll.:

Withdrawals at 100% Refund:

Withdrawals <100% Refund:

Section I

41.Secondary School Completion Credential: Y

42.Authorized to Provide Post-secondary Education: Y

43.Offers Degree Equivalent to US Degree: Y

44.Two Year Program: Y

45.One Year Non Degree Program: Y

46. US Admin Office:

Medical School: Y

Vet School:

47.Foreign Instructional Location:

Name of Facility: Faculty of Medicine

5849 University Avenue

Address: Halifax

Nova Scotia

Canada, B3H 4H7

Phone: 902-494-2362

Fax: 902-494-3644

E-mail Address:

Contact Name: Mr. John Ruedy

Report Date: 01/17/2008

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48. Non-US Medical Evaluation Agency:

Canada: Committee on
 Name: Accreditation of Canadian
 Medical Schools (LCME)

774 Echo Drive
 Address: Ottawa
 Canada, K1S 5P2

Phone: 613 730 0687

Fax: 613 730 1196

E-mail Address:

Contact Name: Harvey Barkun, Executive Director

Canada: Royal College of
 Name: Physicians and Surgeons of
 Canada

774 Promenade Echo Drive
 Address: Ottawa
 Ontario
 Canada, K1S 5N8

Phone:

Fax:

E-mail Address:

Contact Name: Margaret Kennedy, Head Accreditation

49. Approved for Grad. Med. Ed. in your Country: Y

50. Total Clinical/Medical Instruction Months: 48

51. US Clinical/Medical Location:

52. Graduation Dates/Totals: Graduation Date Number Of Graduates

Most Recent Year: 05/25/2001 82

Previous Year: 05/25/2000 82

Third Year: 05/25/1999 82

Most Recent Academic Year

53. Start Date: 09/01/2000

End Date: 08/31/2001

54. Total Enrolled: 82

55. Total Non-US Citizens/Residents Enrolled: 82

56. Students Taking any Step of ECFMG Exam: 0

57. Students Passing any Step of ECFMG Exam: 0

Section J

58. Third-Party Servicers:

<u>Recommend. Date</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Last Updt Date/User</u>	<u>Contact Person/ Job Title</u>	<u>Company Name/ Address/Phone/Fax/E-mail</u>
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 Entered by Education:

Section K

59. 34 CFR 668.16: Y
 60. 34 CFR 668.16: Y
 61. Periodic Fiscal Reconcil: Y
 62. 34 CFR 668.16: Y
 63. 34 CFR 668.16: Y
 64. 34 CFR 668.163: N
 65. 34 CFR 668.22: Y
 66a. 34 CFR 668.15: Y
 66b. 34 CFR 668.23: Y
 67. Use Electronic Process: Y
 68. Change Notification Process: Y

69. Application Comments:

NOT APPLICABLE

<u>Section Number</u>	<u>Question Changed</u>	<u>Change Date</u>
A	10	09/07/2001
A	12	12/09/2003
A	13	12/09/2003
A	14	12/09/2003
E	26	01/06/2004
E	27	01/06/2004
G	31	09/07/2001
G	32	09/07/2001
G	33	09/07/2001
G	34	09/07/2001
I	45	09/07/2001
I	46	09/07/2001
I	48	09/07/2001
I	52	09/07/2001
I	53	09/07/2001
I	54	09/07/2001
I	55	09/07/2001
K	59	09/07/2001
K	60	09/07/2001
K	61	09/07/2001
K	62	09/07/2001
K	63	09/07/2001
K	64	09/07/2001
K	65	09/07/2001
K	66a	09/07/2001
K	66b	09/07/2001
K	67	09/07/2001
K	68	09/07/2001
K	69	09/07/2001
L	L	09/07/2001

71. Foreign Gift:

<u>Gift Type</u>	<u>Received Date</u>	<u>Foreign Amount</u>	<u>Giver Name</u>	<u>Country Name</u>	<u>Contract Start Date</u>	<u>Contract End Date</u>
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Section M

Default Management Plan:

Report Date: 01/17/2008

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DALHOUSIE
University

Office of the Registrar

Halifax, NS B3H 4H6
Canada

Tel: 902.494.2450

Fax: 902.494.1630

E-mail: Registrar@dal.ca

http://www.registrar.dal.ca

November 27, 2003

ATTN: Olga Touliatos
US Department of Education
Federal Student Aid
75 Park Place, Room 1206
New York, NY 10007
USA

RECEIVED
NOV 27 2003
FEDERAL STUDENT AID
NEW YORK OFFICE

RE: Dalhousie University 00683800

To Whom It May Concern: .

As discussed over the telephone on November 24, 2003, I am enclosing the requested documentation for the recertification of Dalhousie University.

Enclosed you will find:

1. Financial Statements for 2002 and 2003
2. Compliance Audits for 2000, 2001 and 2002

I am waiting for the President's Office to provide me with a copy of the LCME letter confirming accreditation for graduate medical education. I will forward this letter as soon as it is available to me.

I do request that contact for Dalhousie University be changed to myself. My direct telephone number is 902-494-2416 and my email address is pamela.swinimer@dal.ca.

If you have further questions, please contact me as soon as possible.

Sincerely,

Pamela Swinimer
Assistant Registrar, Financial Aid
Enclosures



DALHOUSIE
University

Office of the Registrar

Halifax, NS B3H 4H6
Canada

Tel: 902.494.2450

Fax: 902.494.1630

E-mail: Registrar@dal.ca

<http://www.registrar.dal.ca>

RECEIVED

NOV 01 2003

FEDERAL GOVERNMENT
NEW YORK OFFICE

November 28, 2003

ATTN: Olga Touliatos
US Department of Education
Federal Student Aid
75 Park Place, Room 1206
New York, NY 10007
USA

RE: Dalhousie University 00683800

To Whom It May Concern:

Enclosed please find the LCME letter confirming accreditation for medical education at Dalhousie University. This should complete the required documentation for recertification. If you have any questions or concerns please contact me at 902-494-2416.

Sincerely,

Pamela Swinimer
Assistant Registrar, Financial Aid
Enclosures



LIAISON COMMITTEE ON MEDICAL EDUCATION

ASSOCIATION OF AMERICAN MEDICAL COLLEGES
2450 N STREET, N.W.
Washington, D.C. 20037

David B. Stevens, M.D.
LCME Secretary, 2002-2003
Phone: 202-828-0596 Fax: 202-828-1125
E-Mail: dstevens@aamc.org

COUNCIL ON MEDICAL EDUCATION
AMERICAN MEDICAL ASSOCIATION
515 North State Street
Chicago, Illinois 60610

Frank A. Simon, M.D.
LCME Secretary, 2003-2004
Phone: 312-464-4933 Fax: 312-464-5830
E-Mail: frank_simon@ama-assn.org

November 5, 2002

Thomas Traves, Ph.D.
President
Dalhousie University
Arts & Administration Building
6299 So. Street
Halifax, Nova Scotia B3H 4H6
Canada

Dear Dr. Traves:

The purpose of this letter of accreditation is to inform you of the action taken by the Liaison Committee on Medical Education (LCME) at its meeting of October 16-17, 2002, regarding the accreditation status of the medical education program leading to the M.D. degree at the Dalhousie University Faculty of Medicine, and to transmit to you the final report of the CACMS/LCME team that conducted a full survey of the program on May 5-9, 2002.

After reviewing the report of the survey team, the LCME voted to continue the accreditation of the medical education program leading to the M.D. degree at the Dalhousie University Faculty of Medicine for a seven-year term. The program's next full survey will take place during academic year 2008-09.

In its review of the report, the LCME noted the following institutional strengths:

1. The leadership of the dean has proven effective in building effective partnerships with provincial government ministries and other stakeholders that are essential to the continued vitality of the institution.
2. The medical education program benefits from commitment by the dean to advancing the educational mission and from the enthusiasm and dedication of faculty members.
3. The educational and research missions of the Faculty receive enthusiastic support from the Capital District Health Authority and the Izaak Walton Killam Health Centre.
4. The associate deans along the continuum of medical education exhibit strong and effective working relationships that foster educational quality improvement.

5. The medical students are an academically talented group, and those who met with the survey team exhibited a strong sense of community and collegiality.
6. The Learning Resource Centre constructed in 1995 is a critically important resource for medical education.
7. The leadership of the Division of Medical Education has been instrumental in the development, support, and evaluation of a curriculum that promotes lifelong learning skills, allows opportunities for independent study, and provides a healthy balance of inpatient and outpatient clinical learning experiences.

The LCME also identified the following areas of partial or substantial noncompliance with its accreditation standards:

1. **Standard IS-4: *The manner in which the medical school is organized, including the responsibilities and privileges of administrative officers, faculty, students and committees must be promulgated in medical school or university bylaws. (Functions and Structure of a Medical School, June 2002 edition, page 7)***

Finding: The survey team noted that the curriculum committee—so important to the effective functioning of an educational program grounded in principles of problem-based learning—is not formally recognized in Faculty bylaws or corresponding organizational charts. Similarly, there is no apparent codification of the role or functions of the Executive Committee that has evolved from the Senior Advisory Group formed in 2001.

2. **Standard ED-24: *Residents who supervise or teach medical students, as well as graduate students and postdoctoral fellows in the biomedical sciences who serve as teachers or teaching assistants, must be familiar with the educational objectives of the course or clerkship and be prepared for their roles in teaching and evaluation. (F&S p. 13)***

Finding: Both the survey report and the self-study indicate that the majority of residents are not well acquainted with clerkship objectives, nor do they receive formal instruction on the teaching and evaluation of medical students.

3. **Standards ED-30 and ED-31: *The directors of all courses and clerkships must design and implement a system of formative and summative evaluation of student achievement in each course and clerkship. Each student should be evaluated early enough during a unit of study to allow time for remediation. (F&S p. 13)***

Finding: Several required courses and clerkships provide little in the way of formative evaluation to students regarding their progress in achieving stated objectives.

4. Standard ED-33: *There must be integrated institutional responsibility for the overall design, management, and evaluation of a coherent and coordinated curriculum.* (F&S p. 14)

Finding: In addition to the lack of formal recognition for the curriculum committee, the survey team also found ambiguity in the evolving terms of reference for the year committees. The report also notes that unit directors are not well informed regarding the process for identifying and evaluating the appropriateness of content coverage within and across instructional units.

5. Standard ED-44: *Students assigned to all campuses should receive the same rights and support services.* (F&S p. 16)

Finding: The survey team observed that students at the New Brunswick campus do not receive structured academic, financial aid, or personal counseling.

6. Standard ED-47: *In assessing program quality, schools must consider student evaluations of their courses and teachers, and an appropriate variety of outcome measures.* (F&S p. 16)

Finding: While the Faculty reviews several outcome measures collected during the undergraduate medical education program, it does not collect nor analyze information regarding the performance or career decisions of students after their graduation. The lack of such information limits the ability of the Faculty to determine its success in preparation of students for their postgraduate training and later careers.

7. Standard MS-8: *Each medical school should have policies and practices ensuring the gender, racial, cultural, and economic diversity of its students.* (F&S p. 18)

Finding: The Faculty has not been able to achieve its goals for student diversity in spite of efforts to attract students from aboriginal and African-Canadian communities.

8. Standard MS-19: *There must be a system to assist students in career choice and application to residency programs, and to guide students in choosing elective courses.* (F&S p. 19)

Finding: Both the survey team report and the institutional self-study agree that career counseling efforts are presently dispersed, uncoordinated, and largely dependent on student initiative.

9. Standard MS-23: *A medical school must provide students with effective financial aid and debt management counselling.* (F&S p. 19)

Finding: Although financial aid counselling is available from a variety of sources, there is little coordinated effort nor support to assist students in navigating among the efforts provided by

the assistant director of finance, individual faculty counselors, and the office of student affairs—particularly in light of substantial recent tuition increases.

10. Standard MS-32: Each medical school must define and publicize the standards of conduct for the teacher-learner relationship, and develop written policies for addressing violations of those standards. (F&S p. 20)

Finding: As noted in the survey report, the Faculty does not have a procedure in place to deal with sexual harassment or other forms of student mistreatment, relying instead on the university's sexual harassment policy and investigative office. There is no formal program aimed at preventing inappropriate behavior of faculty or students.

The LCME noted two areas in transition whose outcome could affect the Faculty's ongoing compliance with relevant accreditation standards:

1. The reorganization of student affairs functions within the Faculty of Medicine—implemented to address concerns voiced by students in their component of the self-study—has altered the role and responsibilities of the medical student advisor relative to the student affairs dean. It is not clear if this new relationship will provide adequate safeguards for maintaining a clear demarcation between academic advising, on the one hand, and student advocacy or personal counseling functions, on the other.
2. Radical changes in the regional health care and research environments, the evolution of Alternative Funding Plans in clinical departments, recurrent base budget cuts, and tuition increases have all contributed to a scenario of economic uncertainty for the Faculty. The complexity of the evolving financial issues and their solutions merits continued monitoring.

To address these noncompliance and transition issues, the dean of the Faculty is requested to supply a progress report on noncompliance issues 1 and 10 by September 1, 2003 to the CACMS Secretary and both LCME Secretaries. The dean is requested to submit an additional progress report by September 1, 2004 to the same parties, addressing the remaining noncompliance issues and transition areas.

For the 2003 progress report, the dean should supply the following information:

- Noncompliance item 1: Delineation of the charge, membership, authority, and responsibility of the Faculty of Medicine's Curriculum Committee and Executive Committee, and copies of any planned or implemented changes in faculty bylaws or similar documents that reflect the codification of such committees.
- Noncompliance item 10: Copies of university or Faculty standards of conduct for the teacher-learner relationship, mechanisms for reporting violations of such standards, and a description of educational activities aimed at preventing inappropriate behavior.

For the 2004 progress report, the dean should supply the following information:

- Noncompliance item 2: A summary of Faculty-wide and department-specific efforts to familiarize residents with the objectives for medical student courses and clerkships in which they participate, and any related programs to prepare them for their roles in medical student teaching and evaluation.
- Noncompliance item 3: A table summarizing, for each required course and clerkship, when and how students are evaluated to determine if they are experiencing academic difficulty. The table should also include a brief summary of formative assessment activities in each course and clerkship.
- Noncompliance item 4: A narrative description of the role of the curriculum committee, ad hoc task forces, year committees, and unit directors in regard to decision-making concerning additions, deletions, and modifications of the curriculum. Copies of meeting minutes or other documentation illustrating how such decisions are made would be helpful.
- Noncompliance item 5: A narrative description of formal programs to provide students at the New Brunswick campus with academic, personal, and financial aid counseling services.
- Noncompliance item 6: A list and description of any outcome measures obtained and reviewed by the Faculty that indicate the performance or evaluation of its graduates during residency training.
- Noncompliance item 7: A narrative summary of any recommendations or actions forthcoming from the multidisciplinary committee on student diversity, accompanied by a table showing the distribution of students by race and/or ethnicity for each of the four years of the educational program.
- Noncompliance item 8: A narrative description of programs and services informing students about career choices and application to postgraduate training programs.
- Noncompliance item 9: A narrative description of any programs to provide coordinated financial aid services and counseling for medical students, including debt management counseling activities.
- Transition Item 1: A description of the roles and responsibilities of the student affairs dean and medical student advisor respectively, in relation to any academic and personal counseling services that either of them is expected to provide to medical students.
- Transition Item 2: A copy of the Faculty's 2002-2003 Canadian Medical School Financial Questionnaire, accompanied by a narrative summary of the Faculty's financial status and prospects. The narrative summary should address the adequacy of revenue streams, existing and anticipated operating and capital expenditures, and an overview of the methods used to deploy budget allocations.

Accreditation is awarded to the program of medical education based on a judgment of appropriate balance between student enrollment and the total resources of the institution, including faculty, physical facilities, and the operating budget. If there are plans to significantly modify the educational program, or if there is to be a substantial change in student enrollment or in the resources of the institution so that the balance is distorted, the LCME expects to receive prior notice of the proposed change. Substantial changes may lead to re-evaluation of the program's accreditation status by the LCME.

Thomas Traves, Ph.D.
November 5, 2002
Page Six

A copy of this letter and the final report of the survey team are being sent to Noni E. MacDonald, M.D., Dean of the Faculty of Medicine. The report is held confidential by the LCME. The document is for the use of the medical school and the university, and any public dissemination or distribution is at the discretion of institutional officials.

Sincerely,



David P. Stevens, M.D.
LCME Secretary, 2002-2003

enc

cc: Noni E. MacDonald, M.D., Dean, Dalhousie University Faculty of Medicine
David Hawkins, M.D., CACMS Secretary
Frank A. Simon, M.D., LCME Secretary, 2003-2004



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- [Countries D to I \[pdf 220kb\]](#)

- [Countries J to P \[pdf 201kb\]](#)

- [Countries R to Z \[pdf 282kb\]](#)

- [Updates through 30 June 2003 \[pdf 251kb\]](#)

Documents

Updates concern the following countries: Australia, Azerbaijan, Bangladesh, Belize, Cambodia, Cook Islands, Chile, Colombia, Costa Rica, Croatia, Cuba, Ecuador, Egypt, Germany, Guyana, Haiti, Hungary, India, Iran (Islamic Republic of), Italy, Kyrgyzstan, Liberia, Malaysia, Micronesia (Federated States of), Mongolia, Montserrat, Nepal, Netherlands Antilles, Niue, Palau, Panama, Paraguay, Philippines, Republic of Korea, Republic of Moldova, Russian Federation, Saint Kitts and Nevis, Saint Lucia, Samoa, Senegal, Serbia and Montenegro, Seychelles, South Africa, Togo, Ukraine.

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FACULTE MIXTE DE MEDECINE, DE PHARMACIE ET D'ODONTO-STOMATOLOGIE
BOULEVARD MONIVONG 73
PHNOM PENH
Tel.: +855 (23) 368051
Year instruction started: 1980
Language of instruction: Khmer, French, English
Duration of basic medical degree course, including practical training: 7 years
Entrance examination: Yes
Foreign students eligible: No

CAMEROON

Total population in 1995: 13 560 000
Number of physicians per 100 000 population (1993): 7
Number of medical schools: 1
Duration of basic medical degree course, including practical training: 7 years
Title of degree awarded: Docteur en Médecine (Doctor of Medicine)
Medical registration/licence to practise: Registration is obligatory with the Ordre national des Médecins, BP 119, Yaoundé. Graduates must provide full personal and legal details, together with a certified copy of their degree certificate, to obtain licensure from the Ministry of Health. Those who have qualified abroad must also provide a certificate of equivalence of their degree.
Work in government service after graduation: Not obligatory
Agreements with other countries: No formal agreements exist, but informal agreements exist with France and the United Kingdom.

FACULTE DE MEDECINE ET DES SCIENCES BIOMEDICALES
UNIVERSITE DE YAOUNDE I
BP 1364
YAOUNDE
Tel.: +237 310 586
Fax: +237 311 224/315 178
Year instruction started: 1969

CANADA

Total population in 1995: 29 680 000
Number of physicians per 100 000 population (1993): 221
Number of medical schools: 16
Duration of basic medical degree course, including practical training: 3 or 4 years
Title of degree awarded: Doctor of Medicine (MD); Docteur en Médecine
Medical registration/licence to practise: Registration is obligatory with the Medical Council of Canada, 2283 St Laurent Boulevard, Ottawa, Ontario K1G 3H7. The licence to practise medicine is granted by the Provincial Licensing Authorities to candidates who have at least 2 years' postgraduate training and who have passed parts 1 and 2 of the qualifying examination of the Medical Council of Canada. Foreigners may have to meet citizenship or permanent residence requirements.
Work in government service after graduation: Not obligatory
Agreements with other countries: An agreement between the Committee on Accreditation of Canadian Medical Schools and the Liaison Committee on Medical Education of the USA leads to mutual recognition of medical degrees awarded by universities in Canada and the USA.

■ ALBERTA
FACULTY OF MEDICINE
UNIVERSITY OF CALGARY
HEALTH SCIENCES CENTRE
3330 HOSPITAL DRIVE N.W.
CALGARY T2N 4N1

Tel.: +1 (403) 220 4246
Fax: +1 (403) 270 1828
E-mail: psalo@acs.ucalgary.ca
Year instruction started: 1970
Language of instruction: English
Duration of basic medical degree course, including practical training: 4 years
Entrance examination: Yes
Foreign students eligible: Yes

FACULTY OF MEDICINE AND ORAL HEALTH SCIENCES
UNIVERSITY OF ALBERTA

2-45 MEDICAL SCIENCES BUILDING
EDMONTON T6G 2R7
Tel.: +1 (403) 492 6350
Fax: +1 (403) 492 9531
Year instruction started: 1913
Language of instruction: English
Duration of basic medical degree course, including practical training: 4 years
Entrance examination: Yes
Foreign students eligible: Yes

■ BRITISH COLUMBIA

FACULTY OF MEDICINE
UNIVERSITY OF BRITISH COLUMBIA
3250-910 WEST 10TH AVENUE
VANCOUVER V5T 4E3
Tel.: +1 (604) 875 4500
Fax: +1 (604) 875 5611
Year instruction started: 1950
Language of instruction: English
Duration of basic medical degree course, including practical training: 4 years
Entrance examination: No
Foreign students eligible: No

■ MANITOBA

FACULTY OF MEDICINE
UNIVERSITY OF MANITOBA
753 MCDERMOT AVENUE
WINNIPEG R3T 2N2
Tel.: +1 (204) 789 3569
Fax: +1 (204) 774 8941
E-mail: paraggebldghsc.lani@umanitoba.ca
Year instruction started: 1883
Language of instruction: English
Duration of basic medical degree course, including practical training: 4 years
Entrance examination: Yes

■ NEWFOUNDLAND

FACULTY OF MEDICINE
MEMORIAL UNIVERSITY OF NEWFOUNDLAND
300 PRINCE PHILLIP DRIVE
ST JOHN'S A1B 3V6
Tel.: +1 (709) 737 6602
Fax: +1 (709) 737 6746
Year instruction started: 1969
Language of instruction: English
Duration of basic medical degree course, including practical training: 4 years
Entrance examination: Yes

Foreign students eligible: Yes

■ NOVA SCOTIA

FACULTY OF MEDICINE
DALHOUSIE UNIVERSITY
5849 UNIVERSITY AVENUE
HALIFAX B2T 1E8
Tel.: +1 (902) 494 6592
Fax: +1 (902) 494 7119
Year instruction started: 1868
Language of instruction: English
Duration of basic medical degree course, including practical training: 4 years
Entrance examination: Yes
Foreign students eligible: Yes

■ ONTARIO

FACULTY OF HEALTH SCIENCES
MCMASTER UNIVERSITY
1200 MAIN STREET WEST
HAMILTON L8N 3Z5
Tel.: +1 (905) 525 9140
Fax: +1 (905) 528 4727
E-mail: martind@fhs.mcmaster.ca
Year instruction started: 1969
Language of instruction: English
Duration of basic medical degree course, including practical training: 3 years
Entrance examination: No
Foreign students eligible: Yes

FACULTY OF MEDICINE
QUEEN'S UNIVERSITY
BOTTERELL HALL
KINGSTON K7L 3N6
Tel.: +1 (613) 545 2544
Fax: +1 (613) 545 6884
Year instruction started: 1854
Language of instruction: English
Duration of basic medical degree course, including practical training: 4 years
Entrance examination: Yes
Foreign students eligible: Yes

FACULTY OF MEDICINE
UNIVERSITY OF WESTERN ONTARIO
HEALTH SCIENCES CENTER
LONDON N6A 5C1
Tel.: +1 (519) 661 3744
Fax: +1 (519) 661 3797
E-mail: admissions@do.med.uwo.ca
Year instruction started: 1882
Language of instruction: English
Duration of basic medical degree course, including practical training: 4 years
Foreign students eligible: No

FACULTY OF HEALTH SCIENCES
UNIVERSITY OF OTTAWA
451 SMYTH ROAD
OTTAWA K1H 8M5
Tel.: +1 (613) 562 5800

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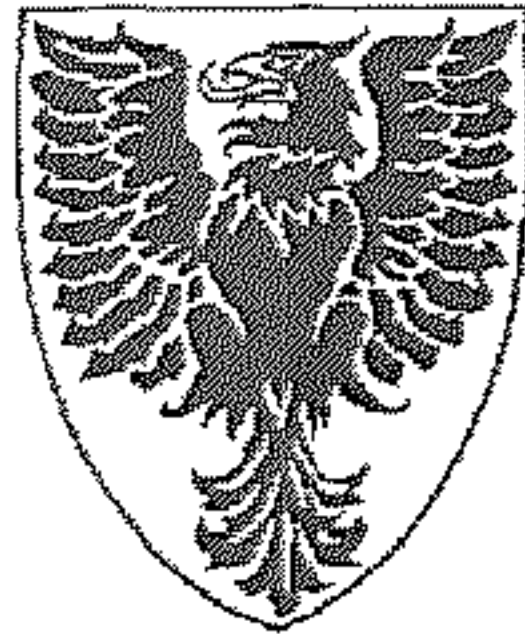
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- University of King's College
- University College of Cape Breton
- Université Sainte-Anne - Collège de l'Acadie



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DALHOUSIE UNIVERSITY
ANNUAL FINANCIAL REPORT

March 31, 2003

JAN - 2 2004

JAN - 2 2004

June 2003

DALHOUSIE UNIVERSITY
ANNUAL FINANCIAL REPORT

March 31, 2003

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SECTION A

Dalhousie Financial Overview

March 31, 2003

INTRODUCTION

2002-03 Financial Report

The year just completed has been a period of achievements and challenges in the financial life of the University. This Report to members and friends of the Dalhousie community will outline some of the significant developments across the Funds which encompass the University's activities, then will provide a comparison of our budgeted and actual operating revenues and expenditures, and will conclude with our audited Financial Statements for the past year.

-
- A Total revenues in all Funds for the fiscal year ending 31 March 2003 were \$348.5 million (\$319.1 million in 2002). The year-over-year increase represents growth in all Funds, with the largest growth occurring in the Operating Fund (\$18.9 million) and the Research Fund (\$7.3 million).
- B The University's operating budget once again was in balance, and in fact, despite some major changes in both revenues and expenditures, we were able to appropriate \$582,000 at year end to meet future needs. In the Operating Fund the major sources of increased revenues were tuition fees and a first-time federal government transfer to assist with the indirect costs of research activities directly funded by federal agencies. Compared to the prior year, tuition revenues were approximately \$10 million higher in 2002-03, with fully half this increase coming from significant enrolment growth. The indirect costs of research grant, which was announced as a one-time only grant for 2002-03, was used to meet existing costs of supporting research (facilities, services, seed money for new projects) and to upgrade research infrastructure. Federal funding for indirect costs of research was subsequently announced as a continuing program commencing in 2003-04.
- C The University's Endowment Funds, which had a market value of \$275 million at 31 March 2002, were valued at \$234 million at year-end 2003, even after the addition of \$3.3 million in new endowments during the year. In spite of a well-diversified asset mix strategy the Funds' 60 to 65 % exposure to equity investments meant that we could not avoid the impact of severe declines in the world's equity markets. While our investment managers generally outperformed their markets and their benchmark mandates, the investment returns for the past year were a disappointing -11.1%. Because we had anticipated such results we had moderated our normal Endowment Spending Policy for 2002-03, so that program spending for the year was 4.8% of the trailing 36-month average market value versus the usual 5%. It appears that Endowment spending restraints will continue for 2003-04 and beyond.

D The same equity investment losses have also impacted on the University's Pension Funds. After having enjoyed several years of healthy surpluses, which allowed for employee and employer contribution holidays plus benefits improvements and special distributions to retirees, an extrapolation of the Pension Fund's assets and liabilities showed a deficit of approximately \$34 million by June 2002 (equal to 6.7% of total pension assets). Actuarial projections indicated that additional annual contributions by the University in excess of \$14 million could be required. The University, working with its external advisors, modified several of the underlying actuarial assumptions which were found to be overly conservative. The revised assumptions are consistent with sound actuarial principles as applied to pension plans across the country. The University Board also clarified the benefits which would be available should the Plan ever be wound up, thereby reducing projected liabilities. Based on these actions, the additional University contributions to the plan were reduced to \$6.1 million per year, commencing July 2002. This pension charge had a \$4.6 million impact on the 2002-03 fiscal year (for the 9 month period July 2002 to March 2003). Unless there are strong improvements in the world's equity markets over the next few years it is likely that Plan contributions will have to be increased again in 2005 when our next triennial valuation is due.

E Approximately 75% of Dalhousie's operating budget is expended on compensation for our 2,700 full-time and regular part-time employees. In addition to salary and pension costs, approximately \$3 million was spent in 2002-03 for insured benefits. Throughout the 1990's health care costs increased at rates of between 10% and 15% annually. The trends in benefit costs experienced by Dalhousie were somewhat less than these industry averages, achieved by controlling the range of benefits offered under our plans and by introducing additional cost control measures. Nevertheless, between 1997 and 2002 the University's group insurance costs have increased by 50% (a portion of which related to higher salary levels). Looking ahead we are facing industry projections of annual cost increases of 17% for health insurance alone. These cost pressures are driven by increased utilization, demands for additional services, an ageing workforce, the high costs of newer drugs, and the impact of government cost shifting to the private sector. Based on the University's own data, we have estimated that by 2007 health and dental premiums for current coverages and population will rise by over 75%, absent any offsetting actions.

The Department of Personnel Services, working closely with the University's Employee Benefits Committee (representing employee groups and the employer), has initiated a review of the current benefits program. The review will include an examination of the cost drivers of health premiums, alternative risk management provisions, and a critique of plan coverages to determine if there can be reductions or a greater degree of flexibility. The outcome of this review will be significant for employees, some of whom already are opting out of health and dental plans due to high premium levels, and for the University and its ongoing operating costs.

F In the fall of 2002 the President's Budget Advisory Committee issued two reports designed to challenge the University community with respect to fiscal realities. The first of these reports carefully examined spending patterns at Dalhousie and at a comparator group of Canadian universities. It concluded that there was a pervasive mismatch between our ambitions as a comprehensive research university of national standing and the funding available to operate the institution. The report showed that current spending levels were deficient in particular areas, including libraries, computing, student services, administration and facilities operations (including deferred maintenance). Building on that "best practices" analysis, the second report attempted to quantify the targeted expenditure increases required to sustain the University and its teaching and research programs. It concluded by identifying three options - significant enrolment growth, significant increases to fee levels, and the elimination of high cost/low revenue programs. Growing out of the work of the Budget Advisory Committee and the resulting wide-spread discussion and debate across the campus, the President's Strategic Focus document, released in the winter of 2003, set forth an enrolment growth strategy for the University. Growth in student numbers will be matched by strategic investments in the underfunded areas identified in the earlier analysis.

G Capital expenditures on the physical redevelopment of the campus continued to be made in 2002-03. Fountain House, a student residence containing 201 single rooms, opened in summer 2002. Revenues generated by the new facility will cover all of its capital and operating costs. The \$7.1 million capital cost was financed by a 25 year fixed interest-rate swap arrangement at 5.86%.

In early April 2003, after months of planning and a public call for proposals, the Board of Governors approved a fixed-price design-build contract for a second new student residence. This six storey building will provide 500 single rooms, limited dining facilities plus underground parking. This \$19.6 million project will be fully funded by residential and parking revenues.

Planning and design work continued for a new Faculty of Management building. In November 2002 a team of architects was selected for this planned \$25 million project. Fund-raising for the new building is close to reaching this goal. It is expected that faculty, students and staff will occupy this new building in the summer of 2005.

In the area of deferred maintenance there was a further modest increase in budgeted funding in 2002-03. A portion of the available money was invested in asset management software which will assist with recording the maintenance backlog by building and by major infrastructure system, and support the setting of priorities in future years.

2002-03 saw record levels of student enrolment and of total revenues at Dalhousie. It saw also, for the first time, federal government support for the indirect costs of research, after many years of intensive lobbying by university presidents and others. At the same time the very negative investment market returns began to impact on both endowment spending levels and pension funding requirements, after a decade of truly impressive gains in both areas, gains which had contributed so significantly to the financial well-being of the University. Provincial operating support for the University remained frozen in 2002-03, a matter of great concern to those committed to post-secondary education in Nova Scotia. Between 1991-92 and 2002-03 provincial government support for Dalhousie's programs and activities declined by \$24.6 million (in 1991-92 dollars). In response to the decisions of successive provincial governments the universities in Nova Scotia have trended to increasing privatisation, with the highest tuition fee levels in the country. Declining public sector involvement intensifies the financial challenges for the students, faculty, staff and Board of Governors of this University.



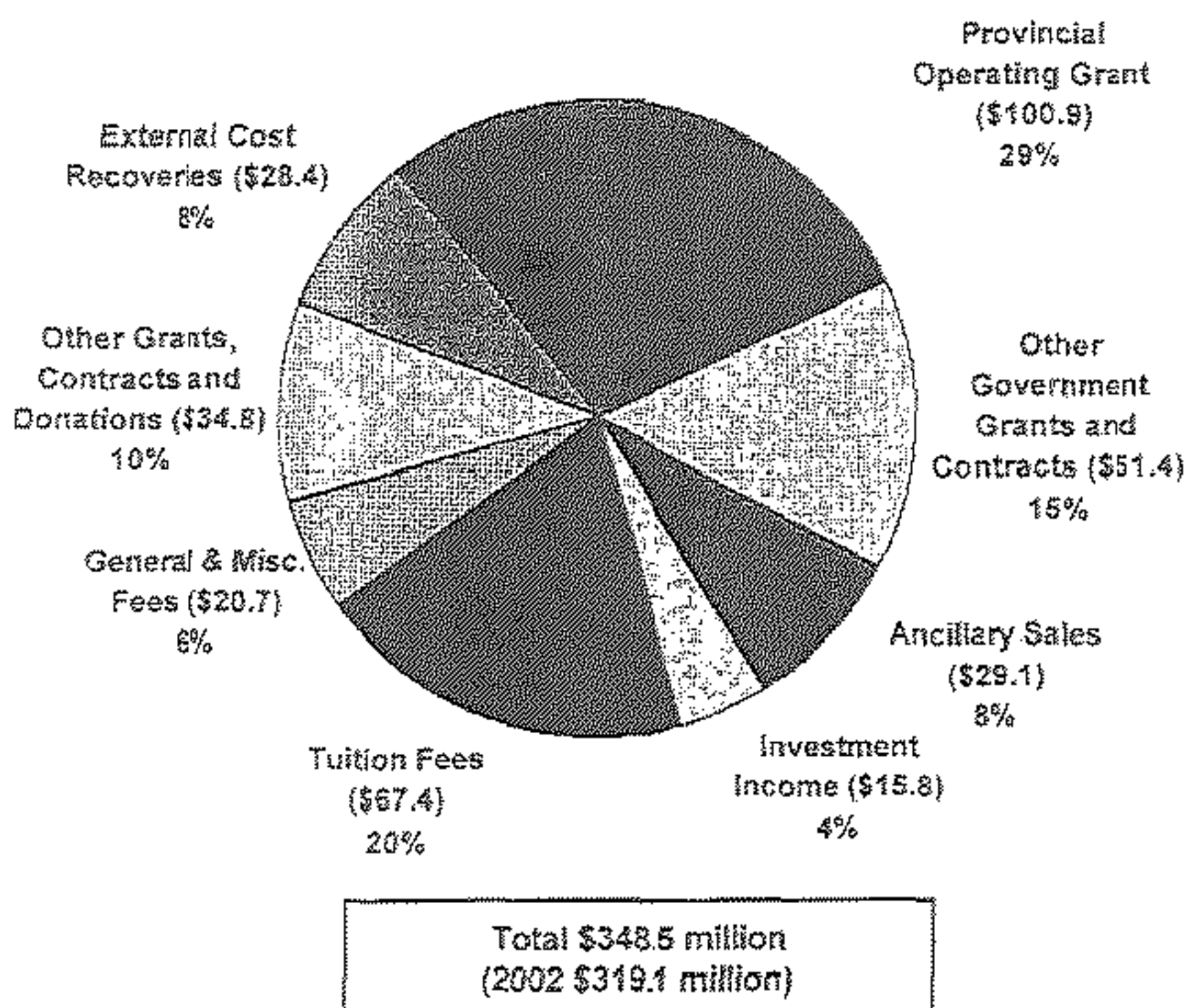
BRYAN G. MASON
Vice-President (Finance & Administration)

TOTAL REVENUE

Chart 1 below reports on all sources of University revenue which totalled \$348.5 million for the 2002-03 fiscal year. The major areas of growth for the year occurred in tuition revenue (\$10.6 million) and other government grants and contracts (\$11 million). An increase of 8.2% in enrolment during 2002-03 contributed to one-half of the tuition revenue increase. The first time receipt of \$5.3 million in indirect cost of research grant revenue together with a \$5.2 million increase in government sponsored research funding fuelled the increase in other government grant and contract revenue.

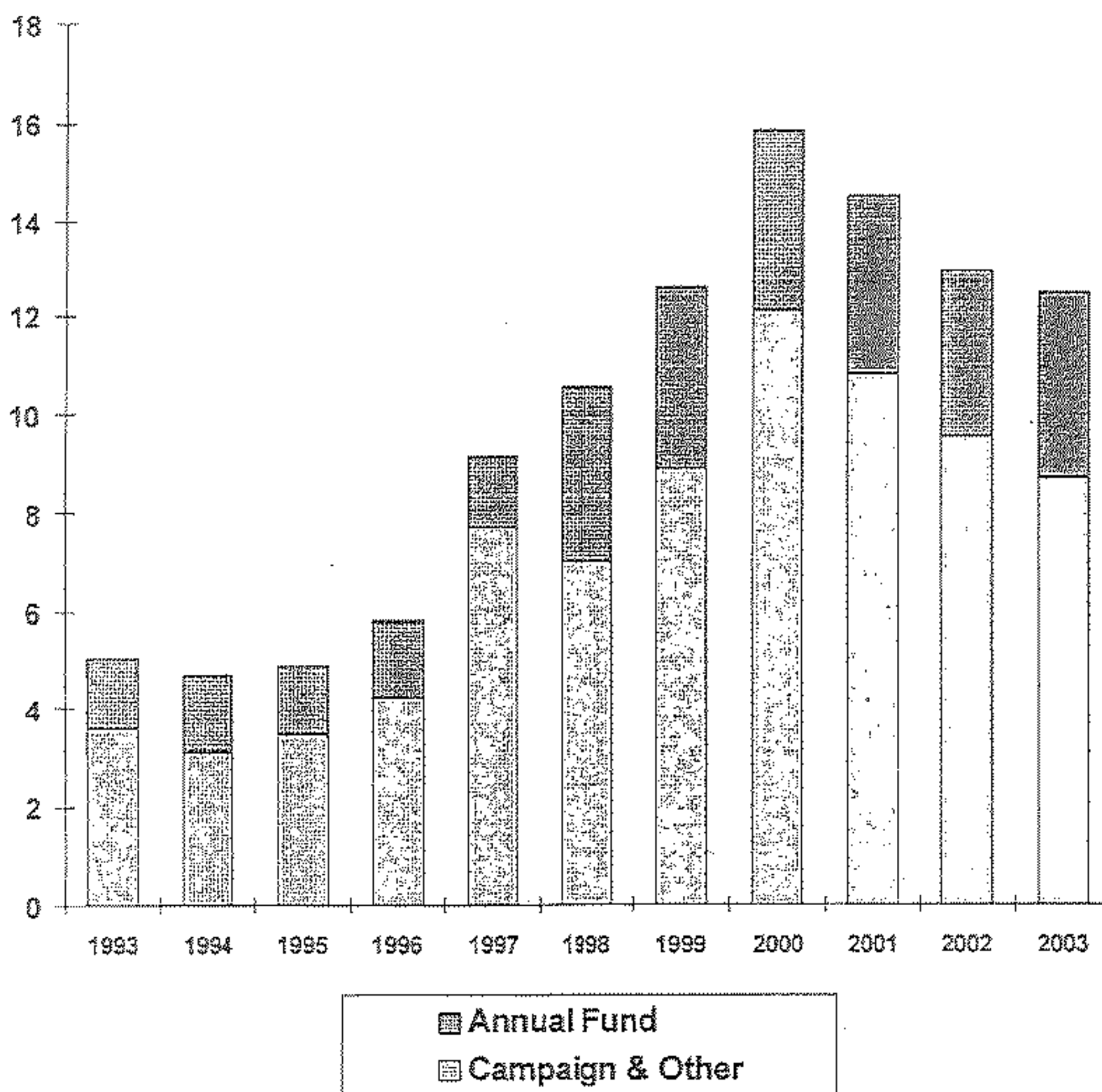
The share of total University revenue represented by provincial operating grants continues to decline and is 29% for 2002-03 compared to 32% in 2001-02 and 43% in 1991-92. A 9% increase in University revenue this past year marks the beginning of a period of planned growth in enrolment affecting a wide range of undergraduate and graduate programs and intensified research activity in many academic disciplines.

CHART 1
Total Revenue
For the Year Ended March 31, 2003
(\$ Million)



Gifts and donations continue to provide important funding for many programs at Dalhousie. The Annual Fund reached a record level of \$3.8 million in 2002-03 due to a 15% increase in the number of donors and increased support through the Faculty of Medicine Clinical Academic Enrichment Fund. The level of pledges in support of the Management Without Borders campaign continued to grow and there was a 64% increase in contributions to Dalhousie's planned giving program. The slight decline in overall donations in 2002-03 reflects the wind-up phase of the Capital Ideas Campaign launched several years ago.

CHART 2
Total Donations and Gifts
 (reported on a cash basis)

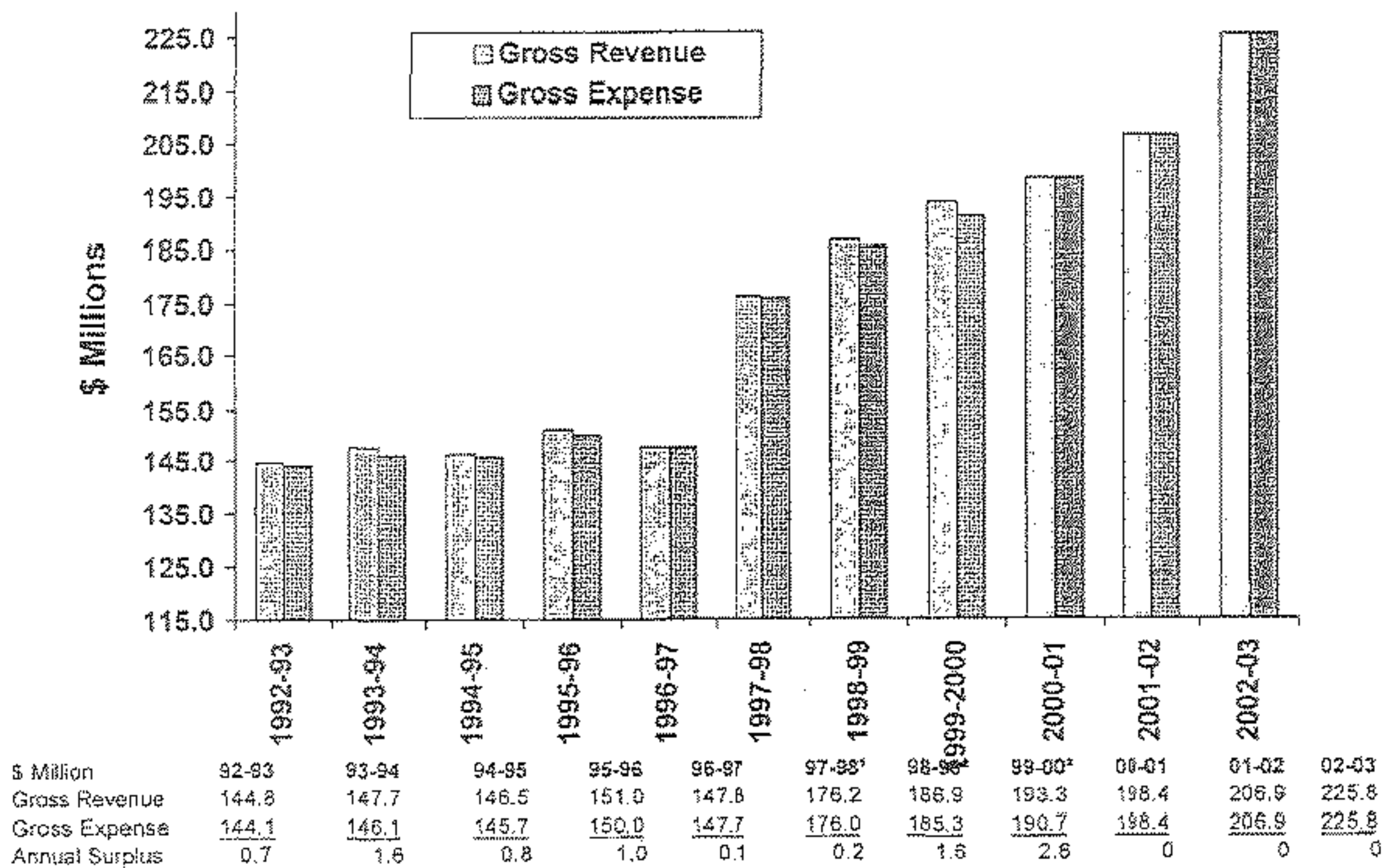


OPERATING REVENUE AND EXPENSE

The increase of \$18.9 million or 9.1% in 2002-03 operating revenue is attributable to increased tuition revenue as well as the first time receipt of \$5.3 million in funding from the federal government in support of the indirect costs of research. The one-time federal grant was used to fund numerous infrastructure projects in Faculties and other academic areas in accordance with the terms of the grant.

Operating revenue sources include the provincial operating grant (\$100.9 million), tuition revenue (\$67.4 million), cost recoveries from the sale of goods and services through Faculties and other units (\$26.0 million) and other revenue (\$31.5 million). Included in other revenue are investment income, non-credit fees and general revenue. The boost in enrolment experienced in 2002-03 provided much needed revenue of \$5.1 million to offset the effects of additional pension plan contributions of \$4.6 million.

CHART 3
Operating Revenue and Expense
(1992-93 to 2002-03)



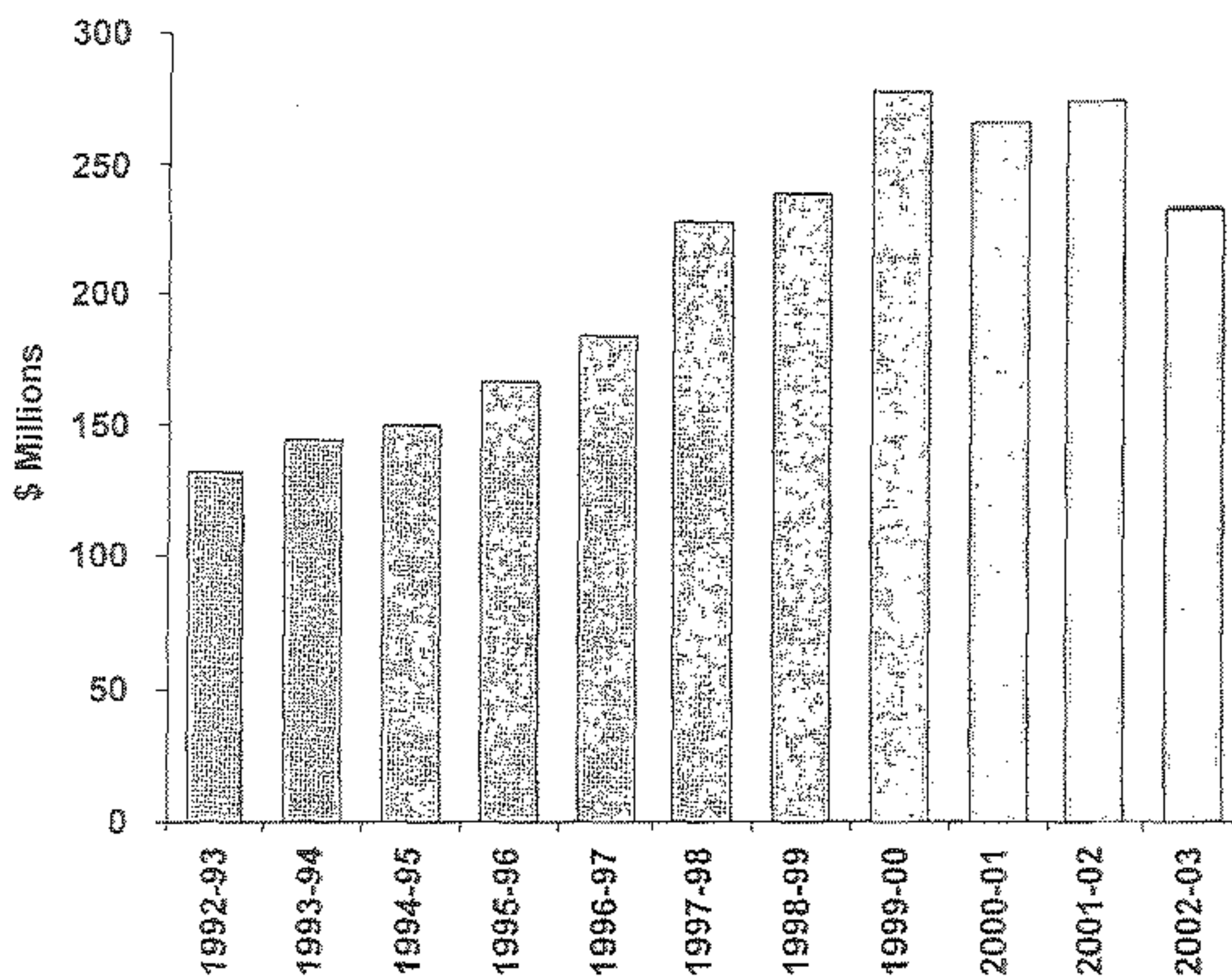
1 Commencing in 1997-98 the operating revenue and expense includes the combined budgets of Dalhousie and the former Technical University of Nova Scotia

2 Surplus includes \$2.6 million (\$1.4 million in 1999) in pension surplus recoveries used for debt retirement.

ENDOWMENTS

The deterioration in investment markets throughout the year ended March 31, 2003 has had a very negative impact on Dalhousie's endowments. The market value dropped from \$275 million at March 31, 2002 to \$234 million at March 31, 2003. A negative return of 11.1% for the year compares with the University policy objective to generate a real return of 5.55% over time to support program spending, investment management expenses and preserve the capital from the effects of general inflation. (The negative performance for the fiscal year has been followed by a positive return of 4% for the month of April 2003. While the April performance is welcome, a period of volatile investment market returns might well lie ahead.)

CHART 4
Market Value of Endowment Assets
(1992-93 to 2002-03)



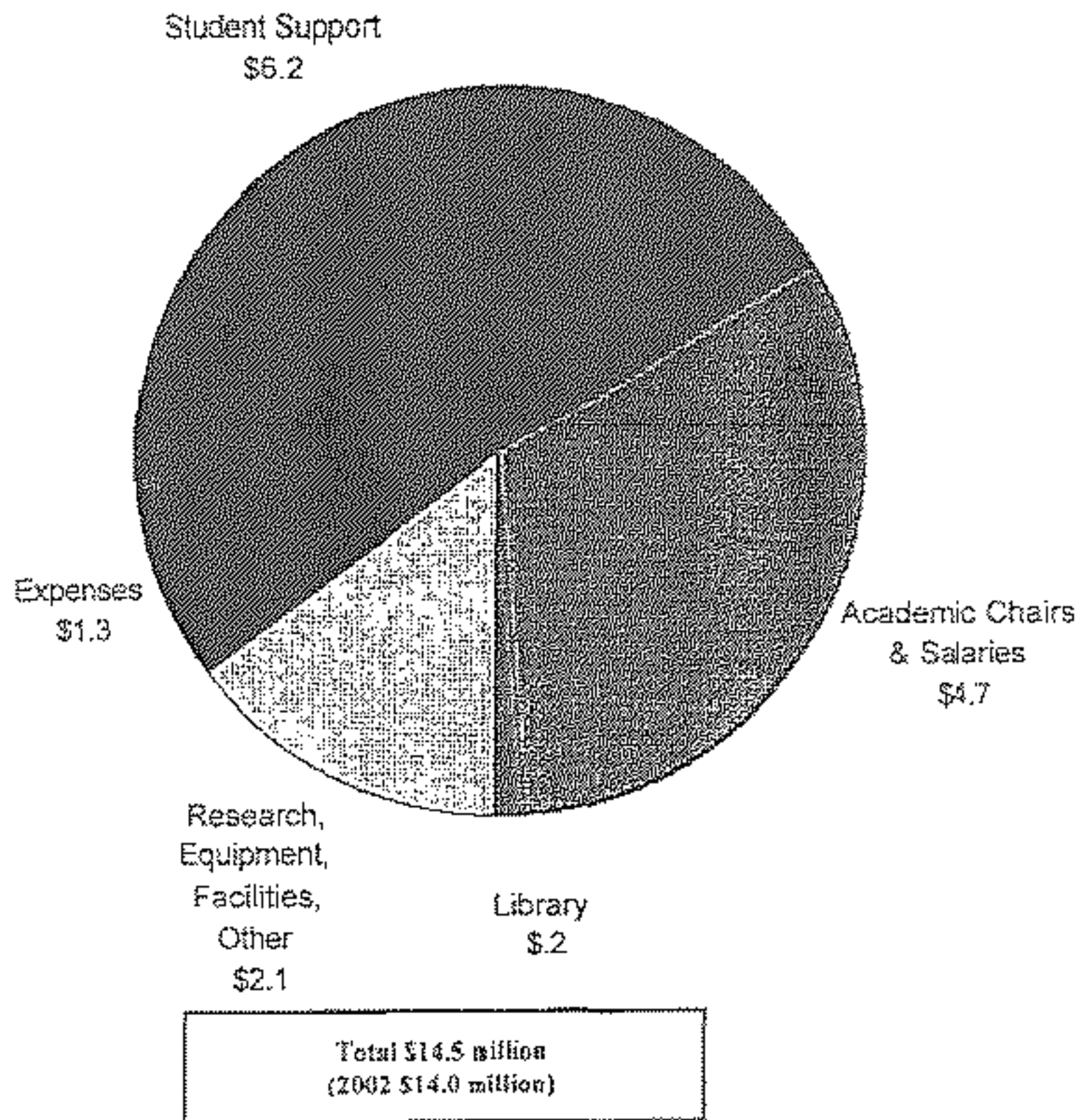
Note: Commencing in 1997-98 former Technical University of Nova Scotia funds are included in the market value figure.

The Board of Governors has an approved 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 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.

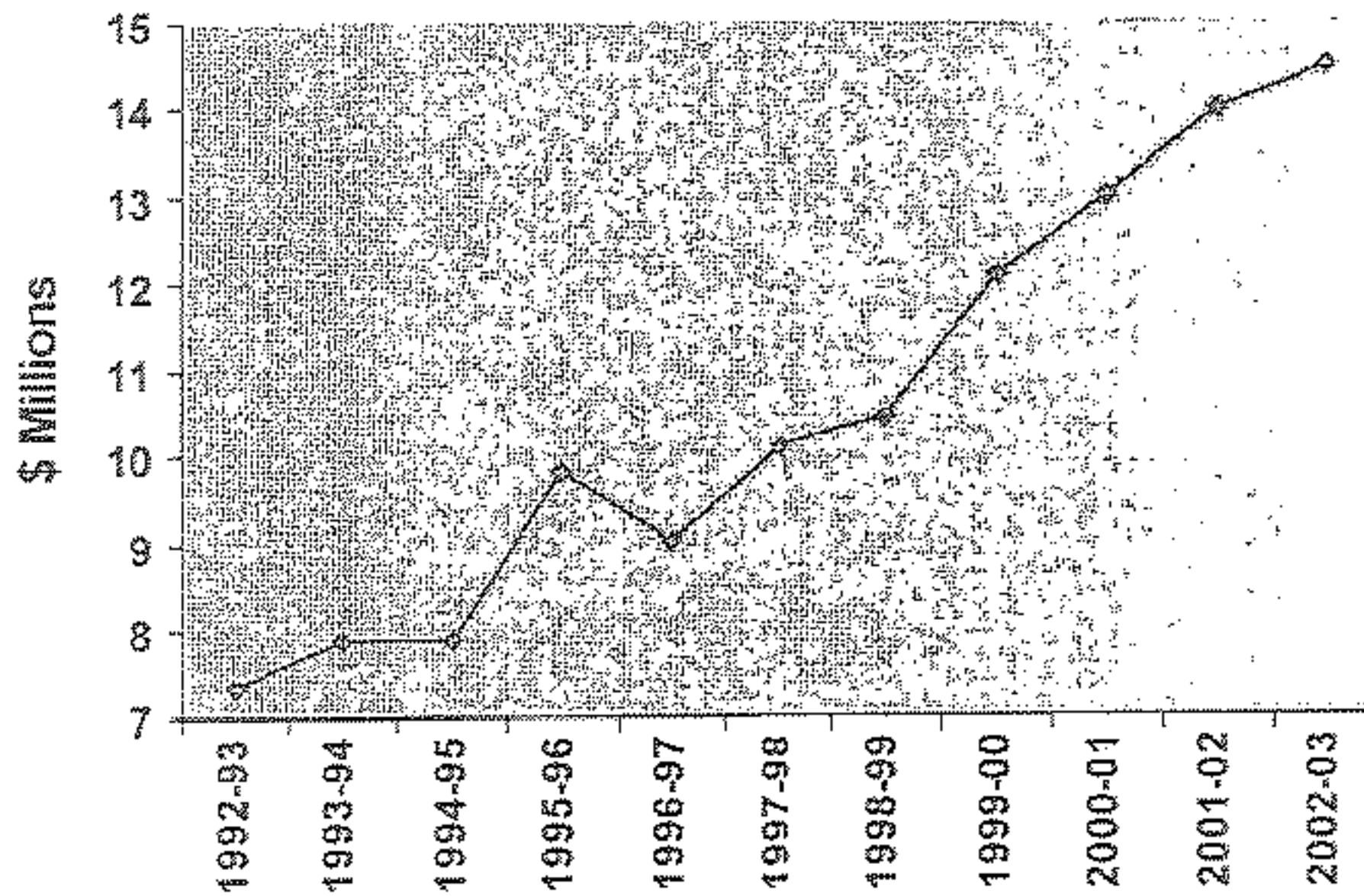
Endowment funds available for spending in any year are calculated on the basis of a trailing 36-month average of market valuations. The impact of swings in market returns is blunted by the more positive (or negative) returns of prior years. The endowment spending target for 2002-03 was determined by market returns for the period October 1998 to September 2001.

CHART 5
2002-03 Endowment Expenditures
(\$ Millions)



Note: Actual expenditures will vary somewhat from the amount available for spending in any given year due to factors such as the receipt of funds from externally-held estates and endowments, use of unspent income balances of prior years, decisions to accumulate several years' income to fund a major purchase, etc.

CHART 6
Endowment Expenditures
1992-93 to 2002-03



Note: Commencing in 1997-98 the former Technical University of Nova Scotia is included with expenditure figures. 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.

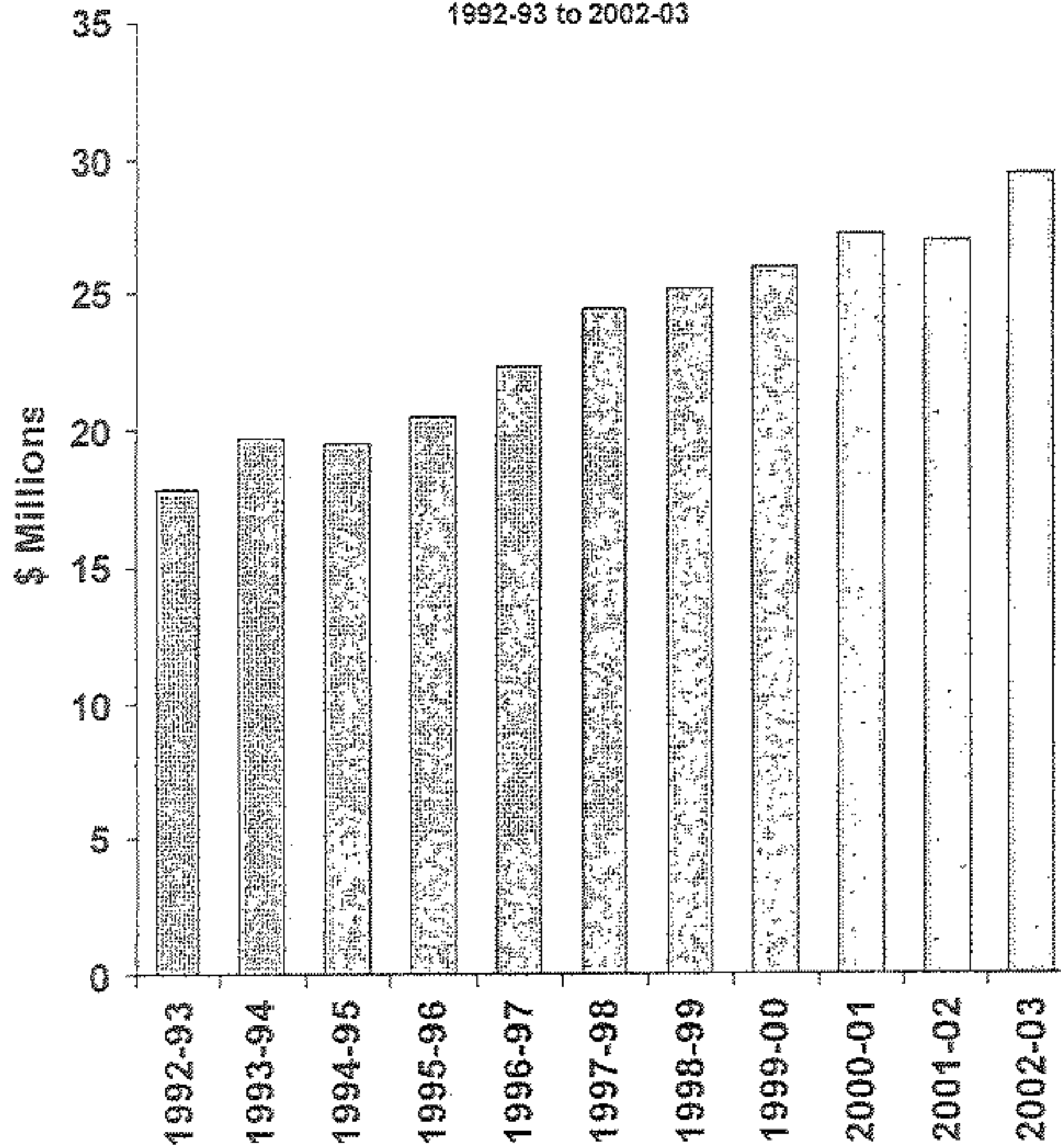
The table below provides a summary of the market value and one-through-four year annualized performance for each of the Endowment, Pension Trust Fund and Retirees' Trust Fund.

<u>FUND</u>	<u>Market Value</u> <i>(\$million)</i>	<u>Performance (%)</u>			
		<u>Annualized Returns</u>			
		<u>1 year</u>	<u>2 years</u>	<u>3 years</u>	<u>4 years</u>
Endowment	234	-11.1	-2.6	-2.4	2.3
Pension Trust Fund	312	-9.5	-1.6	-2.1	2.9
Retirees' Trust Fund	143	-9.6	-1.5	-1.6	4.0
	689				

ANCILLARY ENTERPRISES

The ancillary enterprises include the Bookstore, Housing and Conference Services, Dalplex and Arena, the Arts Centre (Rebecca Cohn Auditorium), Food Services and the Personal Computer Purchase Centre (PCPC). Ancillary revenue growth of \$2.4 million in 2002-03 is attributed to Housing and Conference Services, the Bookstore and PCPC. The addition of 225 student residence spaces in 2002-03 plus the general demand for goods and services from a higher student enrolment have created the rise in ancillary revenue. The ancillary operations record all direct revenues and expenditures and as a group require no subsidy from the University's operating budget.

CHART 7
Ancillary Revenues
1992-93 to 2002-03



SECTION B

Report on the 2002-03

Budget vs Actual Operating Results

2002-03 FISCAL YEAR

OPERATING BUDGET VERSUS ACTUAL RESULTS

2002-03 APPROVED OPERATING BUDGET

On the recommendation of the Operations Committee the 2002-03 operating budget for the University was approved by the Board of Governors at its June 25, 2002 meeting. The balanced budget included net revenues and expenditures of \$183,532,000 respectively and marked the fifteenth consecutive year of balanced budgets at Dalhousie. The attached schedule reports on the budget versus actual results of the year ended March 31, 2003 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 includes the distribution of the provision for compensation adjustments for each of the units in the Responsibility Centre Expenditure category.

In 2002-03 the University received a one-time only grant of \$5,289,000 from the Federal government in respect of the indirect costs of research. The terms for spending the funds were provided by the government after the University's budget was approved. The grant amount is reflected in the final revenue budget. The money was allocated to units by the President to support research infrastructure. The offsetting expenditures appear in the Academic section on page 16 of this report. The funding was not fully expended at year end so the balance has been carried forward for the completion of projects in 2003-04. Appendix A on page 18 provides information on the amount and purpose of the one-time allocations.

ACTUAL RESULTS

During the year revenues and expenditures varied somewhat from the budget and explanations for the major variances are as follows:

1. Investment Income - Endowment

Endowment Income and Endowment Expenditures (see the Responsibility Centre section) were both under budget by \$327,000. Endowment income is recognized each year in an amount sufficient to cover the expenditures for that year. Any unspent income is carried forward in the Endowment Fund for use in subsequent years.

2. Investment Income - Operating (Net of Interest and Bank Charges)

In 1999, Dalhousie began accepting credit cards for payment of student tuition and other fees. This method of payment is an integral part of the University's web-based student service system. Use of credit cards for fee payment continues to grow and credit card charges (\$680,000) exceeded the budget amount for the 2002-03 fiscal year mainly due to growing enrolment. Partially offsetting this negative variance was better-than-budget cash flow experience which yielded higher short-term investment income.

3. Tuition Fees

The \$5.1 million positive variance in tuition revenue is the result of enrolment growth in excess of the approved budget for 2002-03. This favourable variance will be partially distributed in the form of base budget increases in 2003-04 to Faculties that have experienced enrolment growth in 2002-03. The formula to accomplish these base budget allocations is known as Enrolment Related Budget Allocations (ERBA).

4. Facilities Renewal Fees and Facilities Renewal Expenditures

The offsetting variance on these two lines (i.e. \$57,000) reflects the increase in facilities renewal fee revenue resulting from 2002-03 enrolment growth and the corresponding additional expenditure on facilities renewal projects.

5. Scholarships, Bursaries and Student Assistance

The overspending on this line reflects the impact of enrolment growth on scholarship requirements.

6. Energy, Water, Taxes and Insurance

Over the last several years, fuel oil prices have fluctuated widely. For fiscal 2002-03 the average price was up by 33% compared to 2001-02. This increase in price combined with increased fuel oil consumption was partially offset by lower-than-budgeted electricity prices, resulting in an overexpenditure of \$832,000.

There were minor negative variances in each of water, taxes and insurance resulting in an over expenditure of \$52,000 on this budget line.

7. Responsibility Centre Expenditures

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. A negative variance of \$9,000 relates to the costs associated with ongoing commitments for students in the former Education graduate program. The second item relates to the annual transfer from King's for teaching services that in 2002-03 resulted in a favourable variance of \$15,000. The last variance appears on the line labelled Labour Disruption Related Costs. Funds were provided (in the Provision for Compensation line) for faculty advising and extra part-time teaching activities resulting from the March 2002 labour disruption. Actual costs were \$365,000 less than anticipated.

b) Administration - Application fee revenue was \$221,000 better than budget due to a higher number of student applications processed during the year. A large portion of this favourable variance is attributable to the 'double cohort' graduating class in Ontario.

- 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 budget units in the Final Budget column. The provision also included salary and related commitments associated with the 2002 labour disruption, which were funded by an appropriation from 2001-02. These have been distributed to academic and student service categories.

The \$478,000 favourable variance on this line is the result of an overestimate of the cost of compensation adjustments for the years 2001-02 and 2002-03. (The variance related to 2001-02 reflects the fact that salary adjustments for that year were not paid until after March 31, 2002.)

- d) Additional Pension Contributions - The Actual column includes an expenditure of \$4.6 million for additional pension contributions required for the period July 1, 2002 to March 31, 2003 in accordance with the funding plan developed in conjunction with the University's Actuary to address the pension plan deficit.

8. Total Surplus for the Year

The University's operating budget for 2002-03 produced a favourable variance of \$582,000. These funds have been appropriated for future requirements.

DALHOUSIE UNIVERSITY
2002-03 OPERATING BUDGET RESULTS
(\\$ 000's omitted)

	Approved Budget	Final Budget	Actual	Variance Fav (Unfav)
REVENUE				
Provincial Government Grants				
Basic	86,042	86,042	86,042	-
Facilities/Space	1,000	1,000	1,000	-
Targeted	50	50	50	-
Equipment & Alterations	3,794	3,794	3,794	-
	100,886	100,886	100,886	-
Federal Indirect Costs of Research Grant Investment		5,289	5,289	-
Endowment	4,710	14,827 (3)	14,500	(327)
Operating (net of bank & finance charges)	1,535	1,535	1,597	(62)
Tuition Fees	61,382	62,042 (4)	62,150	5,108
Facilities Renewal Fee	490	490	547	57
2001-02 Appropriation - General (1)	1,037	1,037	1,037	-
- Special Requirements (2)	2,392	2,392	2,692	-
TOTAL REVENUE	183,532	185,098	193,894	4,796
GENERAL OPERATING EXPENDITURES				
Equipment & Alterations	3,794	3,794	3,794	-
Scholarships, Bursaries and Student Assistance	6,180	6,180	6,270	(90)
Tuition Credits/Student Assistance due to labour disruption	779	779	779	-
Energy (net of recoveries)	5,632	5,632	5,664	(32)
Facilities Renewal	852	852	1,009	(157)
Water, Taxes & Insurance (net of recoveries)	1,762	1,762	1,754	(8)
Facilities Space	1,000	1,000	1,000	-
Contingency	400	400	418	(18)
TOTAL GENERAL OPERATING EXPENDITURES	20,439	20,439	21,428	(1,048)
RESPONSIBILITY CENTRE EXPENDITURES				
Academic	113,652	126,306	125,235	371
Academic Support	6,567	6,440	6,440	-
Administration	11,344	11,817	11,460	227
General	1,037	1,035	1,054	41
Facilities Management	8,755	9,895	10,043	(48)
Student Services	2,181	2,479	2,479	-
Endowment Expenditures (net included in Faculty/Unit budgets)	10,082	10,178	9,252	327
Provision for Compensation	8,456	478	-	478
Additional Pension Contributions	-	-	4,561	(4,561)
TOTAL RESPONSIBILITY CENTRE EXPENDITURES	163,994	168,659	171,824	(3,165)
TOTAL OPERATING EXPENDITURES	185,527	189,098	193,312	(4,214)
NET ANCILLARY EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	185,527	189,098	193,312	(4,214)
TOTAL SURPLUS FOR THE YEAR	-	-	582 (5)	582

- (1) The 2001-02 surplus was appropriated to partially address the budget shortfall in 2002-03 as recommended in the SAC XXIII report.
- (2) This amount was appropriated in 2001-02 to cover compensation requirements of 1,100 in 2002-03 and 1,792 was earmarked for commitments/reduced tuition revenue related to the labour disruption in 2002-03. The associated costs are reflected on the following lines: Tuition Credits/Student Assistance due to labour disruption and in the Provision for Compensation increases.
- (3) Endowment income and expenditures have been restated to reflect a supplementary allocation during the year for additional Kinsmen Chair Expenditures.
- (4) The tuition revenue budget and several Faculty budget allocations have been increased to reflect changes in the Enrolment Related Budget Allocation mechanism.
- (5) The 2002-03 Surplus has been appropriated for use in 2003-04.

DALHOUSIE UNIVERSITY
2002-03 OPERATING BUDGET RESULTS - DETAIL
(\$000's omitted)

	Budget	Final Budget	Actual (1)	Variance Fav (Unfav)	Transfer to/from Appropriations
ACADEMIC					
Architecture	2,658	2,658	2,658	-	68
Arts and Social Sciences	12,072	12,072	12,072	-	107
Computer Science	4,427	4,427	4,427	-	60
Dentistry	7,133	7,133	7,133	-	(71)
Education	-	-	9	(9)	-
Engineering	11,498	11,498	11,498	-	(223)
Graduate Studies	584	584	584	-	38
Health Professions	13,104	13,104	13,104	-	578
Law	4,030	4,030	4,030	-	-
Management	6,471	6,471	6,471	-	(24)
Medicine	26,862	26,862	26,862	-	(33)
Science	20,336	20,336	20,336	-	116
University Library	9,119	9,119	9,119	-	301
Centres, Institutes & Special Projects	1,235	1,235	1,235	-	260
Continuing Technical Education	(20)	(20)	(20)	-	105
Technical Co-op Education & Career Services	365	365	365	-	8
Faculty Related Costs (Travel, Sabbatical Leave Grants, Annoules etc.)	1,267	1,267	1,267	-	588
Henson College	420	(28)	(28)	-	82
Kings' Transfer	(2,117)	(2,132)	(2,132)	15	-
Indirect Costs of Research One-time Projects (Appendix A)	5,269	5,269	5,269	-	2,245
Strike Related Costs	364	364	364	364	-
TOTAL ACADEMIC	126,306	126,306	125,335	971	4,217
ACADEMIC SUPPORT					
Art Gallery	91	91	91	-	(1)
Instructional Development & Technology	635	635	635	-	87
Printing Centre	(154)	(154)	(154)	-	(3)
University Computing & Information Services	5,068	5,068	5,068	-	88
TOTAL ACADEMIC SUPPORT	6,440	6,440	6,440	-	168
ADMINISTRATION					
External Relations	2,397	2,397	2,397	-	-
Financial Services	2,608	2,608	2,608	-	3
Health and Safety Office	287	287	287	(3)	-
Institutional Affairs	255	255	255	-	-
Inter-University Services	48	48	41	7	-
Personnel Services	1,732	1,732	1,752	-	22
President's Office	1,692	1,692	1,692	-	-
Public Relations	602	602	602	-	-
Registrar & Admissions	2,739	2,739	2,759	-	6
Research Services	467	467	461	6	-
Senate Office	159	159	153	6	7
Secretary - The Board of Governors	83	83	76	7	-
Allocation for Enrollment Growth	350	350	350	-	-
Application Fees and Services Recovery	(685)	(685)	(1,105)	420	-
TOTAL ADMINISTRATION	11,687	11,687	11,150	537	38

(1) The actual column includes transfers to (from) appropriations in accordance with University policy.

DALHOUSIE UNIVERSITY
2002-03 OPERATING BUDGET RESULTS - DETAIL
(\$000's omitted)

	Approved Budget	Final Budget	Actual (1)	Variance Fav (Unfav)	Transfer to/(from) Appropriations
GENERAL	857	1,095	1,054	41	
<u>FACILITIES MANAGEMENT</u>	11,568	9,595	10,043	(448)	
<u>STUDENT SERVICES</u>					
Awards Office	237	228	228	-	
Counselling	456	516	518	-	5
General Student Services	651	712	712	-	43
General Student Services- re labour disruption	50	50	50	-	
Office of the Vice-President	304	490	490	-	52
Student Health	78	78	78	-	
Varsity, Intramurals & Clubs	331	407	407	-	105
TOTAL STUDENT SERVICES	2,387	2,479	2,479	-	235
<u>ENDOWMENT EXPENDITURES</u>					
Academic Salaries/Chairs	689	1,801	1,787	14	
Library	62	92	128	(36)	
Scholarships & Bursaries	4,825	4,805	4,867	138	
Research, Equipment and Other	1,027	2,029	2,017	12	
Endowment Management Expense	452	1,452	1,253	199	
TOTAL ENDOWMENT EXPENDITURES	9,055	10,179	9,852	327	-
<u>ANCILLARIES</u>					
Dalcard Unit	-	-	-	-	
Dalhousie Arts Centre	324	324	324	-	
Dolplex and Arena	161	161	161	-	
Food Services	-	-	-	-	3
Personal Computer Purchase Centre	-	-	-	-	
University Bookstore	533	(133)	(133)	-	(244)
University Housing	1,972	(372)	(372)	-	(306)
TOTAL ANCILLARIES	3,959	2,082	2,082	-	(547)

(1) The actual column includes transfers to (from) appropriations in accordance with the University Policy.

APPENDIX A

DALHOUSIE UNIVERSITY
2002-03 INDIRECT COSTS OF RESEARCH FUNDING ALLOCATION AND SPENDING (1)
(\$000's omitted)

	Purpose	Spending in 2002-03	Unspent Balance Carried forward for use in 2003-04	Total Allocation
Faculty of Arts & Social Sciences	library monograph purchases	82	18	100
Faculty of Engineering	laboratory & office renovations Building "H"	-	900	900
Faculty of Health Professions	laboratory renovations, grant proposal preparation and library	45	105	150
Faculty of Medicine	various renovation projects	419	581	1,000
Faculty of Science	laboratory renovation projects	359	641	1,000
University Library	Learning Commons	1,150	-	1,150
Vice-President, Research	transfer to Health Sciences Centre - laboratory & office renovations	323	-	323
	commercialization of Research	241	-	241
	research support initiatives	300	-	300
	Stats Canada Regional Data Centre - research database	125	-	125
		<u>3,644</u>	<u>2,245</u>	<u>5,289</u>

{1} In 2002-03, the Grants received from the Federal Government to support the indirect costs of research was allocated on a one time basis.

SECTION C

2002-03

Audited Financial Statements

Dalhousie University

**Management Notes on the Audited
Financial Statements**

March 31, 2003

MANAGEMENT NOTES ON THE AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2003

The audited financial statements of Dalhousie University are presented in this section of the Annual Financial Report for the year ended March 31, 2003. These financial statements have been audited and reported on by the firm of KPMG. These notes provide an overview of the results, contents of the financial statements and explanation of major changes.

Overview

- The University achieved a balanced operating result for 2002-03. This makes the fifteenth consecutive year that the University has achieved a balance or surplus from regular operations.
- Total revenues were \$348.5 million from all fund sources including operating, ancillary, research, endowment, special purpose and capital.
- Total University assets increased year-over-year by \$22.7 million.
- The 2002-03 financial statements reflect the adoption of new pension accounting requirements.

Financial Statements Contents

The Auditor's Report representing the standard unqualified audit opinion pertaining to the 2002-03 financial statements of the University. (page 23)

The Notes to the Financial Statements are designed to give the reader information on the accounting practices and policies used by the University and to indicate any changes in those practices from the previous fiscal period. 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 24 to 30)

The Balance Sheet shows the assets, liabilities, and net assets (equity) of the University as at March 31, 2003. (page 31)

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 32)

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 33)

The Statement of Cash Flows discloses the sources and uses of cash by the University for the year. (page 34)

Supplementary Schedule 1 (page 35) provides additional detail on a fund basis of University revenues and expenses.

Supplementary Schedules 2 and 3 (pages 36 and 37) provide a more detailed breakdown of the Operating and Ancillary Funds and Schedule 4 (page 38) provides comparative data for the Endowment, Special Purpose and Research columns on Schedule 1.

Change to Financial Statements - (Pension Benefit Accounting)

In 2000 the Canadian Institute of Chartered Accountants issued a new policy guideline in connection with the recording of costs associated with pension benefits. The CICA required the use of dramatically different assumptions, particularly with respect to the valuation of assets, than those traditionally employed by pension actuaries. Actuarial assumptions are the ones used for determining the level of contributions required under the Pension Benefit Act of Nova Scotia and the level of contributions permitted by Canadian Custom and Revenue Agency regulations. It is this level of contributions which is included in the annual budget plan of the University. In order to retain as great a degree of comparability as possible between budget reports and financial statements, the University continued to prepare our Financial Statements in accordance with our previous Accounting Policies. This variance with the new CICA guideline was deemed to be acceptable since the financial impact was not material.

In preparing our 2003 Financial Statements we determined that the amount which would be recorded for pension expense under the two methodologies had grown to a point of materiality. In light of this development we have changed our Accounting Policy (see Note 2 (h)) to accord with the CICA guideline, and we have restated our 2002 comparative figures (see Note 14).

A minor difference between the actuarial and the accounting methodologies relates to the calculation of projected liabilities under the Plan; for 2003 this difference was not material. The major difference between the methodologies relates to the valuation of assets. The actuarial approach uses a smoothing technique which averages market values over a three-year period, allowing for expected fluctuations in investment markets. Since the liabilities will come due over a period of many years, this smoothing technique assists in avoiding wild swings in both valuations and contribution levels. As stated earlier, both Provincial and Federal regulators accept asset smoothing when reviewing pension plans.

Under the accounting methodology assets are valued as at the single date ending the fiscal year (i.e. 31 March 2003 and 2002 in this instance). This approach will produce far greater volatility from year to year. As an example, the "Plan deficit" for accounting purposes at 31 March 2003 was two times that produced by the actuarial method (see Note 10). Another illustration of the increased volatility of CICA's methodology is that if our fiscal year had ended on 31 May 2003 (just two months later), our "Plan Deficit" would have been about \$30 million less than was reported at the end of March.

As members of the University community will know, we have devoted a great deal of effort and time over the past number of months to dealing with pension funding challenges. Based on the actuarial findings the University was required to significantly increase its contributions to the Plan retroactively to July 2002. However the attached Financial Statements, prepared under the new accounting standards, show that the University's pension contributions were actually \$5.7 million too high in fiscal 2003. For accounting purposes the appropriate pension expense for the year was determined on the basis of changes in market values and projected liabilities as at 31 March 2002. On the Schedules of Revenue and Expense (pages 35 to 38) we have shown the CICA-required "Pension Expense Adjustment" as a below-the-line item.

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 and non-sponsored research.

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.

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

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

Balance Sheet (page 31)

Total asset of the University increased by \$22.7 million for the year ended March 31, 2003. This change results in part from a \$7.5 million increase in capital assets relating to the completion of the Fountain House extension to Howe Hall, Student Union Building renovation, the Architecture Building renovation, the Library Learning Commons project and acquisition of equipment. An increase in the cash/temporary investments position net of \$16.4 million due to timing of cash flows at year end and an increase in deferred pension asset of \$5.7 million were also contributing factors.

The increase in accounts payable and accrued liabilities is due mainly to a year-end accrual \$4.6 million for a contribution paid to the pension plan early in the 2003-04 year. There was also a general increase in trade payables at March 31st.

Statement of Revenue and Expense (page 32)

The \$29.4 million increase in revenue resulted mainly from increased grants and contracts from government, corporations and foundations, and tuition revenue relating to increased enrolment and rates.

Gift revenue declined as a result of the winding down of the Capital Ideas Campaign. Ancillary sales and services revenue increased in a number of areas such as expanded student residence availability (i.e., Fountain House) and demand relating to enrolment growth.

As indicated in the statement there is no surplus or deficit for the year just ended as the excess of operating revenue over expense of \$582,000 was appropriated for future use.

Supplementary Schedules (pages 33 to 34)

Comparative figures are presented on a year-over-year basis for each of the funds described on page 21.

Auditor's Report



KPMG

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Chartered Accountants
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AUDITOR'S REPORT

To the Board of Governors of
Dalhousie University

We have audited the balance sheet of Dalhousie University as at March 31, 2003 and the statements of revenue, expense and changes in operating surplus, changes in net assets and cash flow 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, 2003 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 to 4 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.

KPMG LLP
Chartered Accountants

Halifax, Canada

June 4, 2003



KPMG LLP, a Canadian limited liability partnership is the Canadian member of KPMG International, a Swiss nonoperating association.

Dalhousie University

**Notes to the
Financial Statements**

March 31, 2003

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 original maturities of less than one year.

d) **Temporary Investments:**

Temporary investments include bonds with original 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 but not 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.

DALHOUSIE UNIVERSITY

Notes to Financial Statements (Continued)

Year ended March 31, 2003

(In Thousands of Dollars)

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
Furniture and 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 active employees.

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) Investment in an affiliated entity:

The University uses the equity method to account for GINI University Services Incorporated, an affiliated entity which the University controls. Under the equity method of accounting, the investment is initially recorded at cost and the carrying value of the investment is adjusted to recognize the net earnings of the entity.

3. Investments:

	2003		2002	
	Market Value	Cost	Market Value	Cost
Treasury Bills & Notes	2,265	2,265	2,973	2,973
Bonds	98,829	98,256	95,919	95,549
Canadian Equities	47,211	44,872	62,252	53,565
US Equities	42,630	50,206	56,443	51,525
Non-North American Equities	43,836	51,341	58,170	50,658
	\$234,771	\$246,940	\$275,757	\$254,270

4. Capital Assets:

	2003			2002		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	1,869	--	1,869	1,869	--	1,869
Buildings	257,722	126,425	131,297	250,261	120,445	129,816
Furniture & Equipment	57,482	31,786	25,696	45,611	26,185	19,426
Vehicles	259	129	130	156	85	71
Library Books	13,254	6,287	6,967	12,138	5,276	6,862
Computing	4,410	3,923	487	4,194	3,578	616
Land Improvements	5,474	2,972	2,502	5,474	2,698	2,776
	\$340,470	\$171,522	\$168,948	\$319,703	\$158,267	\$161,436

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.

	2003					2002
	Operating	Endowed	Special Purpose	Sponsored Research	Total	Total
Balance, Beginning of Year	1,0761	16,520	7,057	35,873	70,211	66,284
Income Received	14,689	15,220	14,983	66,704	111,596	96,531
Recognized as Revenue in the Current Year	(10,761)	(14,495)	(13,952)	(64,742)	(103,950)	(92,604)
Balance, End of Year	\$14,689	\$17,245	\$8,088	\$37,835	\$77,857	\$70,211

In accordance with the University's Endowment Management Policy, the University has set aside as deferred revenue an income stabilization reserve to be used to maintain level spending in those years when endowment spending allocations are less than a previous year. This stabilization reserve totalled \$10,403 for 2002 and 2003.

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.

	2003	2002
Balance, Beginning of Year	\$70,936	\$71,061
Contributions Received	\$5,966	\$5,938
Amortization of Contributions	(\$5,066)	(\$6,063)
Balance, End of Year	\$71,836	\$70,936

7. Long-Term Debt:

	2003	2002
Shirreff Hall:		
• 5% due October 1, 2013 repayable in quarterly instalments of \$12	\$ 386	\$ 413
• 5 7/8% due October 1, 2018 repayable in quarterly instalments of \$20	813	845
Howe Hall:		
• 5 1/8% due July 1, 2014 repayable in quarterly instalments of \$9	317	337
• 5 7/8% due April 1, 2018 repayable in quarterly instalments of \$15	600	623
• 5.86% due January 10, 2028 repayable in quarterly instalments of \$136	7,121	-
Peter Green Hall:		
• 5 7/8% due December 1, 2017 repayable in monthly instalments of \$7	822	857
Fenwick Place:		
• 7 1/2% due July 1, 2022 repayable in semi-annual instalments of \$190	3,865	3,951
Eliza Ritchie Hall:		
• repaid in full during the year	-	624
O'Brien Hall:		
• 5 3/4% due March 31, 2018 repayable in semi-annual instalments of \$22	434	452
5247 Morris Street:		
• 5 7/8% due April 1, 2019 repayable in monthly instalments of \$2	233	243
	\$14,591	\$8,345
Less: Current Portion	397	336
	\$ 14,194	\$ 8,009

The above obligations are secured by certain assets of the University.

All above payments include principal and interest.

The principal due within each of the next five years on long-term debt is as follows: 2004 - \$397; 2005 - \$422; 2006 - \$448; 2007 - \$474; 2008 - \$504.

The University has entered into an interest rate swap agreement with the Royal Bank of Canada whereby the University has fixed an interest rate on a long-term loan. Swap payments are reflected as interest expense and accounted for on an accrual basis. The principal underlying the swap agreement amounts to \$7,121 at March 31, 2003 (2002 nil).

B. 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.

Investment income on endowments, which is comprised of interest, dividend income and realized gains and losses, is recorded in the statement of revenue, expense, and changes in operating surplus when this income is available for spending. In any particular year, net investment income may be insufficient to fund the amount made available for spending. In this circumstance, current spending is funded by income accumulated from prior years where earnings exceeded the amount required for spending in those years. In 2003, \$10,751 was transferred from endowment principal to meet spending requirements.

	Endowment Principal March 31, 2002	New Contributions	Transfer (From) Endowment Principal	Endowment Principal March 31, 2003
Externally Restricted	\$242,421	\$3,270	(\$10,708)	\$234,983
Internally Restricted	1,725	40	(43)	1,722
TOTAL	\$244,146	\$3,310	\$10,665	\$236,705

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. The amount restricted for future pension benefits represents the cumulative difference between the funding and accounting valuations.

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.

9. Commitments and Contingent Liabilities:

The University has provided guarantees to third parties of \$3,111 on borrowings in connection with capital projects.

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. While the University is subject to risk for insurance losses experienced by CURIE members, no such losses have been incurred to date and CURIE's current reserves exceed actuarially determined requirements. 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 \$488 (2002 - \$515) 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, 2003, 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 unlikely 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, 2003. 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 \$58,363. The increase in the plan deficit during this nine-month period is the result of negative investment performance and growth in plan liabilities.

The difference of \$57,118 between the plan deficit determined for actuarial purposes and the net plan deficit of \$115,481 reported for accounting purposes below relates primarily to the valuation of assets. The market value of the net assets available for benefits noted below is based on the market value of the plan assets at March 31, 2003 whereas the actuarial valuation of assets takes account of longer-term market trends.

	March 31, 2003	March 31, 2002
	Total	Total
Market Value of Net Assets Available for Benefits	456,772	\$523,797
Accrued Pension Benefits	572,253	533,137
Net Plan Deficit for Accounting Purposes	(\$115,481)	(\$9,340)

The assets and liabilities of the plan are not included in the financial statements of the University.

	March 31, 2003	March 31, 2002
Employer Contributions During the Year	\$ 12,260	\$ 7,187
Employee Contributions During the Year (including voluntary contributions)	8,200	7,429
Amount of Retirement Benefits Paid	12,351	11,710

The significant actuarial assumptions adopted in measuring the University's accrued benefit obligations are as follows:

	March 31, 2003	March 31, 2002
Discount Rate Range (Average)	5.8%	5.8%
Expected Long-Term Rate of Return on Plan Assets	7.5%	7.5%
Salary Escalation Rate	5%	5%

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 mortgages payable approximates fair value.

12. Pledges:

Pledges to the University at March 31, 2003 were \$12,317 (2002 - \$5,679). 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:

In fiscal 2003, the University determined that pension benefit expense based on the contributed amounts for 2002 and prior required restatement. As a result, pension expense adjustment and excess of revenue over expense has increased by \$1,004 for 2002. Net assets restricted for future pension benefits, beginning of year 2002 has increased by \$689. The balance sheet reports a deferred pension asset of \$1,693 for 2002.

Certain other 2002 figures have been reclassified to conform to the 2003 financial statement presentation.

Dalhousie University

Financial Statements

March 31, 2003

DALHOUSIE UNIVERSITY
BALANCE SHEET
AS AT MARCH 31, 2003
(thousands of dollars)

ASSETS

	2003	2002
Current assets		
Cash and Cash Equivalents	\$ 77,471	50,654
Temporary Investments	-	10,436
Accounts Receivable	20,031	19,659
Inventories	2,779	2,695
Prepaid Expense	398	384
	<u>100,679</u>	<u>83,828</u>
Deferred pension asset (note 14)	7,356	1,693
Investments (note 3)	246,840	254,270
Capital assets (note 4)	168,948	161,436
	<u>\$ 523,923</u>	<u>501,227</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued liabilities	\$ 26,174	21,430
Deferred revenue (note 5)	77,857	70,211
Current portion of long-term debt	397	336
	<u>104,428</u>	<u>91,977</u>
Deferred capital contributions (note 6)	71,836	70,936
Long-term debt (note 7)	14,194	8,009
	<u>190,458</u>	<u>170,922</u>
Net Assets (note 8)		
Endowment principal	236,705	244,146
Restricted for future pension benefits	7,356	1,693
Restricted funds	23,725	21,428
Equity in capital assets	65,679	63,038
	<u>333,465</u>	<u>330,305</u>
	<u>\$ 523,923</u>	<u>501,227</u>

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, 2003
(thousands of dollars)

	Total	
	2003	2002
Revenue		
Provincial government operating grants	\$ 100,886	100,842
Other government grants and contracts	51,367	40,527
Corporations and foundations	20,787	18,149
Tuition fees	67,419	56,804
Non-credit and other fees	14,796	12,833
General	5,941	7,440
Gifts	8,911	5,858
Investment income	15,773	15,418
Ancillary sales and service	29,114	25,684
External cost recoveries	28,454	28,474
Amortization of deferred capital contributions	5,066	6,063
Total revenue	348,514	319,092
Expense		
Salaries and employee benefits	206,291	187,443
Pension expense adjustment (note 14)	(5,663)	(1,004)
Library acquisitions	4,146	4,164
Laboratory and teaching supplies	8,753	7,546
Equipment and service	10,776	11,736
Finance costs	1,892	1,516
Utilities and taxes	10,305	8,269
Externally contracted services	27,803	25,445
Scholarships, bursaries and prizes	20,270	17,938
Ancillary cost of sales and service	8,801	9,097
Travel	9,134	7,646
Amortization of capital assets	13,859	12,356
General operating	21,596	17,907
Total expense	337,873	310,059
Excess of revenue over expense	10,641	9,033
Use of excess of revenue over expense		
Committed to equity in capital assets	(2,641)	(5,059)
Committed to future pension benefits (note 8)	(5,663)	(1,004)
Committed to restricted funds	(2,337)	(2,970)
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, 2003
(thousands of dollars)

	2003					2002
	Endowment Principal	Restricted For Future Pension Benefits	Restricted Funds	Equity in Capital Assets	Total	Total
Net Assets, Beginning of Year	\$ 244,145	1,693	21,428	63,039	330,305	317,270
Excess of Revenue over Expense	-	5,663	2,337	2,641	10,641	9,033
Gifts of Endowed Principal	3,270	-	-	-	3,270	3,853
Transfers to(from) endowment principal (note 8)	(10,751)	-	-	-	(10,751)	149
Internally restricted contributions	40	-	(40)	-	-	-
Net Change for the Year	(7,441)	5,663	2,297	2,641	3,160	13,035
Net Assets, End of Year (note 8)	\$ 236,705	7,356	23,725	65,679	333,465	330,305

DALHOUSIE UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2003
(thousands of dollars)

	2003	2002
Cash flow from operating activities:		
Excess of revenue over expense	\$ 10,641	9,033
Items not involving cash:		
Amortization of capital assets	13,859	12,356
Amortization of deferred capital contributions	(5,066)	(6,063)
(Increase) decrease in deferred pension asset	(5,663)	(1,004)
Adjustments for changes in non-cash current assets	(470)	(86)
Adjustments for changes in current liabilities	12,390	7,455
	<u>25,691</u>	<u>21,691</u>
Cash flow from investing activities		
Purchase of capital assets	(21,371)	(21,625)
Net decrease in investments	7,330	(3,550)
Net decrease in temporary investments	10,436	3,773
Deferred capital contributions received	5,966	5,938
	<u>2,361</u>	<u>(15,464)</u>
Cash flow from financing activities		
Endowment gifts	3,270	3,853
Endowment income capitalized (transferred)	(10,751)	149
Issue of long-term debt	7,121	-
Principal payments on long-term debt	(875)	(1,295)
	<u>(1,235)</u>	<u>2,707</u>
Increase in cash and cash equivalents	26,817	8,934
Cash and cash equivalents, beginning of year	50,654	41,720
Cash and cash equivalents, end of year	<u>\$ 77,471</u>	<u>50,654</u>

(See accompanying notes to the financial statements)

Dalhousie University

Supplementary Schedules

March 31, 2003

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, 2009 (With Comparative Figures for 2007)
(in Thousands of Dollars)

	2009 (Schedule 2)	2008 (Schedule 3)	2007 (Schedule 4)	2009 (Schedule 4)	2008 (Schedule 4)	2007 (Schedule 4)	Total 2009
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Provincial government operating grants	100,225	100,225	-	-	-	-	100,225
Other government grants and contracts	6,740	7,411	82	511	43,934	51,388	
Corporations and foundations	748	430	-	873	19,176	20,787	
Tuition fees	67,419	60,804	-	-	-	67,419	
Map-credit and other fees	14,311	12,406	-	-	-	14,786	
General	1,235	1,645	34	485	435	2,809	
Gifts	1,115	1,104	-	1,087	5,941	8,247	
Investment	2,321	2,357	-	13,408	743	6,511	
Amortization of capital assets	4,647	4,647	-	(5,118)	11	15,773	
External cost recoveries	-	217	-	-	137	-	
Amortization of capital grants	26,018	29,114	-	2,130	-	28,148	
Total revenue	225,831	269,451	5,162	9,376	64,742	348,514	
Expense							
Salaries	69,818	69,818	-	1,452	7,608	79,288	
Academic	2,789	2,789	-	-	-	2,789	
Library	8,986	8,986	-	-	-	8,986	
Plant maintenance	45,782	45,782	-	312	15,992	62,486	
Administrative and support	23,324	23,324	-	185	4,828	28,337	
Benefits costs	168,714	168,714	-	1,929	25,689	196,327	
Total salaries and benefits	348,514	348,514	5,162	9,376	64,742	423,912	
Library acquisitions	3,426	3,426	-	44	211	4,140	
Laboratory and teaching supplies	2,899	2,899	-	40	263	3,202	
Equipment and service	3,747	3,747	-	57	578	4,372	
Finance costs	822	822	-	-	-	822	
Utilities and taxes	6,734	6,734	-	-	10	6,744	
Externally contracted services	11,175	11,175	-	1,013	2,403	14,591	
Scholarships, bursaries and prizes	5,742	5,742	-	4,525	9,212	19,479	
Auxiliary cost of sales and service	3,520	3,520	-	123	816	4,459	
Travel	12,554	12,554	-	314	3,857	16,725	
Amortization of capital assets	(1,741)	(1,741)	-	(11,338)	2,021	(1,458)	
General operating	224,158	224,158	2,523	9,376	63,773	311,089	
Internal/interfund transfers	1,474	1,474	-	-	-	1,474	
Total expense	423,912	423,912	7,685	13,710	137,715	575,317	
Change in year before accretions	1,474	1,474	2,523	242	969	6,282	
Change in net assets	(1,673)	(1,673)	(2,941)	(242)	(1,861)	(6,387)	
Surplus before pension expense adjustment	5,883	5,883	1,004	-	-	6,887	
Pension expense adjustment	5,883	5,883	1,004	-	-	6,887	
Net assets after pension adjustment	-	-	-	-	-	-	-

Notes (1) See Note 14

