



The  
University of  
Lethbridge

## FINANCIAL HIGHLIGHTS

The University of Lethbridge has endeavoured to present the audited financial statements and supplementary schedules in a manner which would lead to better understanding by its readers. The University's financial reporting conforms to the Canadian Institute of Chartered Accountants' standards for Not-For-Profit Organizations.

The financial statements are prepared on the defer and match method and the following are the most significant changes in the current fiscal year financial statements:

- There was a change in the accounting policy for the University's multi-employer pension plans. In accordance with generally accepted accounting principles the University now accounts for its pension costs on the defined contribution basis without reflecting its portion of the plans' deficit or surplus. The accounting policy was applied retroactively and 1998-99 excess of revenue over expenses was increased by approximately \$3.2 million as a result of the change. The cumulative unfunded pension liability was also eliminated from the University's financial statements, resulting in a reduction in unfunded staff benefits of approximately \$5.6 million.
- Construction projects including Anderson Hall and the Library Information Network Centre increased the University's net book value of capital assets by approximately \$10 million during 1999-00.

The following is a summary of some of the major financial issues that took place during the fiscal year ended March 31, 2000:

- The Province of Alberta continues to distribute a Performance Envelope which grants all Alberta post-secondary institutions 1.0% of their provincial base operating grant plus an additional progress award based on the institution's individual performance on key performance indicators. The key performance indicators that are evaluated are:

Learning Component:

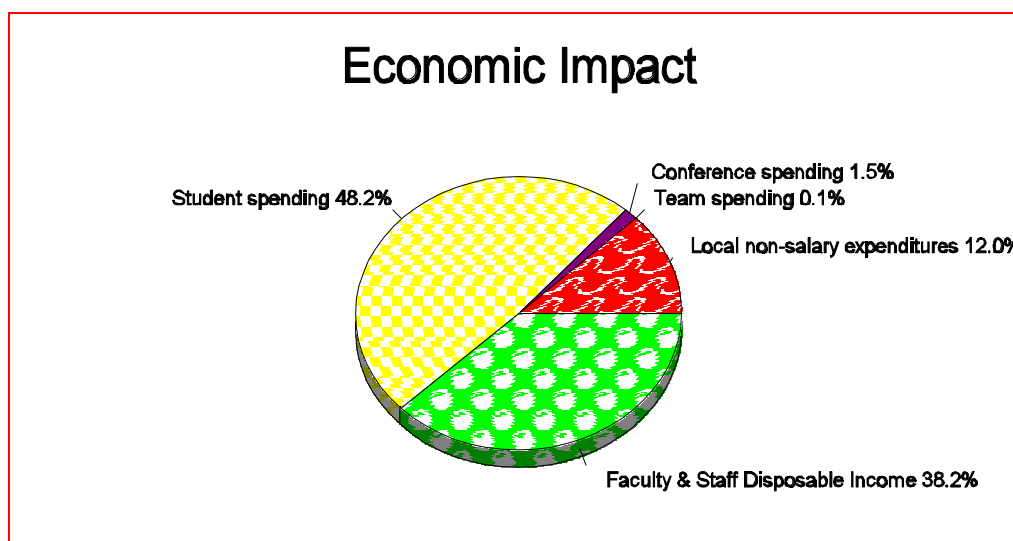
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|----------------|----|--|
| Responsiveness | 1. | employment rate                            |
|                | 2. | graduate satisfaction with overall quality |
| Accessibility  | 3. | credit full load equivalent                |
| Affordability  | 4. | administration expenditures                |
|                | 5. | enterprise revenue                         |

Research Component:

- |                     |    |                                |
|---------------------|----|--------------------------------|
| Research Excellence | 6. | council monetary awards        |
|                     | 7. | citation impact                |
|                     | 8. | community and industry support |

9. research enterprise

- The economic impact of the University on the local economy showed the institution was responsible for generating 1,355 jobs and injecting \$92 million into the local economy in 1998/99.



- The University received the following grants from the Province of Alberta (in thousands of dollars):

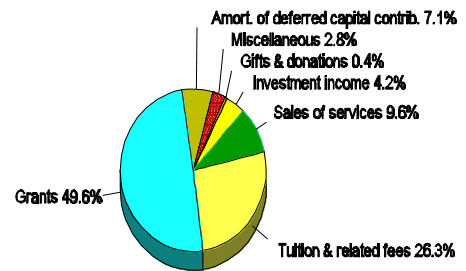
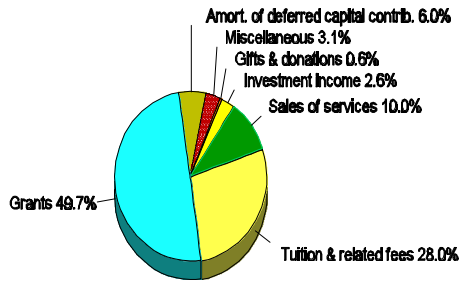
	<u>1999/00</u>	<u>1998/99</u>
Operating grant	\$ 31,710	\$ 29,759
Performance Funding Envelope	871	672
Access funding	3,863	2,832
Conditional grants	<u>6,826</u>	<u>4,238</u>
	<u>\$ 43,270</u>	<u>\$ 37,501</u>

- The University continues to have record student enrolments, with 6,009 students (Full Time Equivalent 5,407) in the Fall 1999 semester, an increase of 10.6% over the previous year.
- The budgeting process is based on a three year rolling budget model whereby budgets are estimated for three years into the future. In conjunction with the instructional tuition allocation model which allocates instructional fees to the faculties based on credit hours taught, the budgeting process has been very successful and allows the University to be in a position to respond to various budget scenarios.

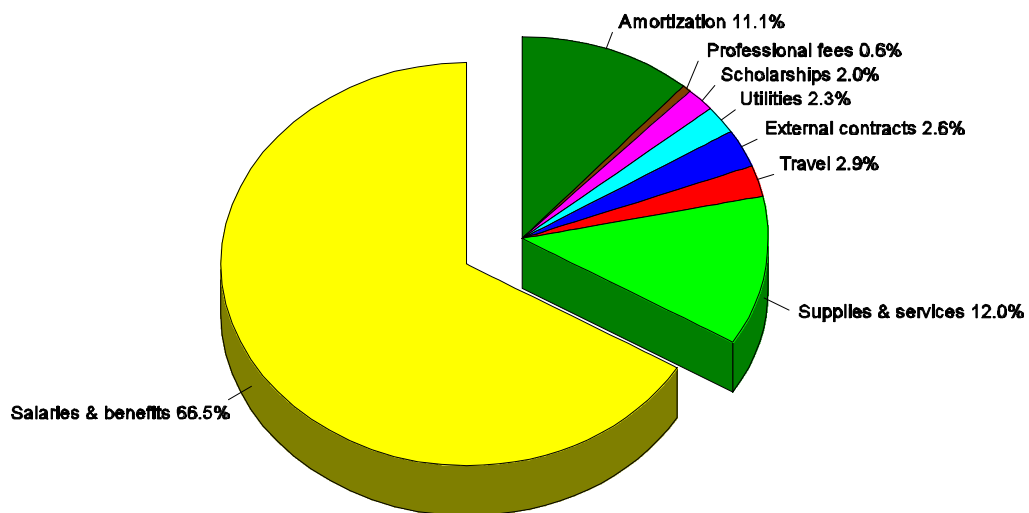
## REVENUE by Source

1999/00

1998/99



## EXPENSE by Category



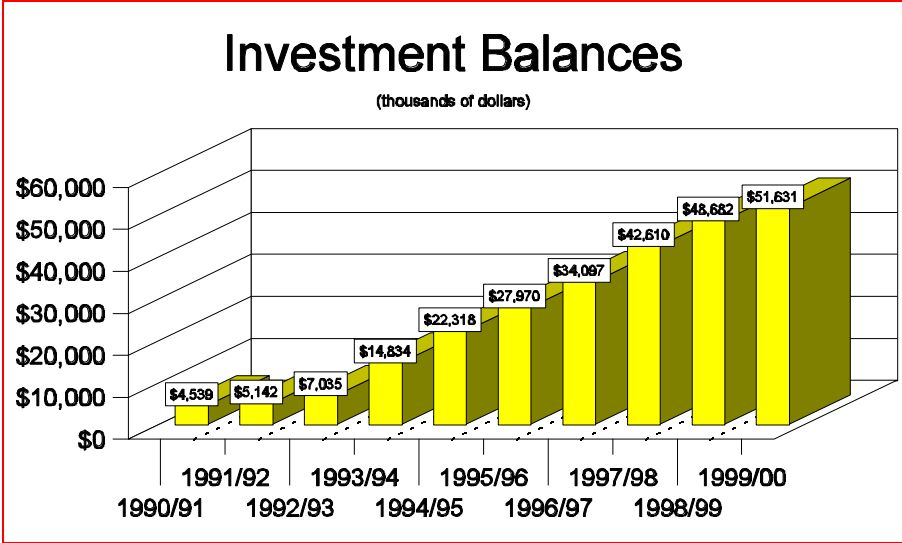
- The University is very proud of its investment in its collection, which contains in

1999/00 Financial Highlights

excess of 12,000 pieces of art work. The collection is used for both educational and public exhibition purposes. During 1999/00 a large number of art works were moved into a new art vault and an inventory reconciliation of the entire collection was completed at the same time.

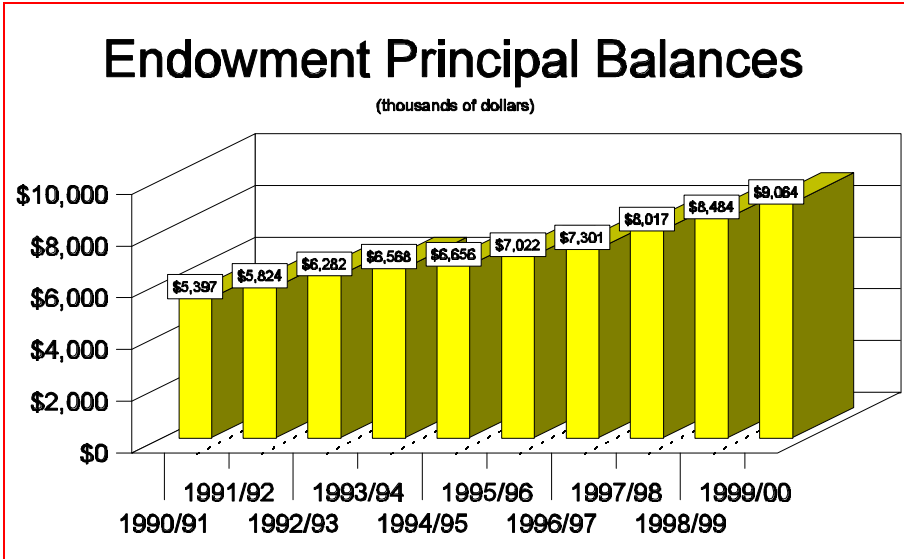
- Investment returns were lower in 1999/00 than the prior fiscal year largely due to wide fluctuations in the market and an increase in the Canadian/US exchange rate, which resulted in unrealized exchange losses in the University's investment portfolio. During the fiscal year, while the market return on stocks was 10.25% compared to 7.56% in 1998/99, the market return on bonds which made up approximately 33% of the portfolio was only 0.7% compared to 7.2% in 1998/99. The funds which make up the composition of the investment balance is as follows:

	<u>1999/00</u>	<u>1998/99</u>
Endowments	\$ 9,064	\$ 8,484
Operating (restricted grants)	3,900	3,978
Sponsored Research	2,762	2,246
Scholarships, bursaries and other	3,823	3,473
Internally restricted net assets	9,476	10,079
Deferred capital contributions	12,736	5,432
Departmental appropriations	9,766	11,151
Operating cash flow	<u>104</u>	<u>3,839</u>
	<u>\$ 51,631</u>	<u>\$48,682</u>

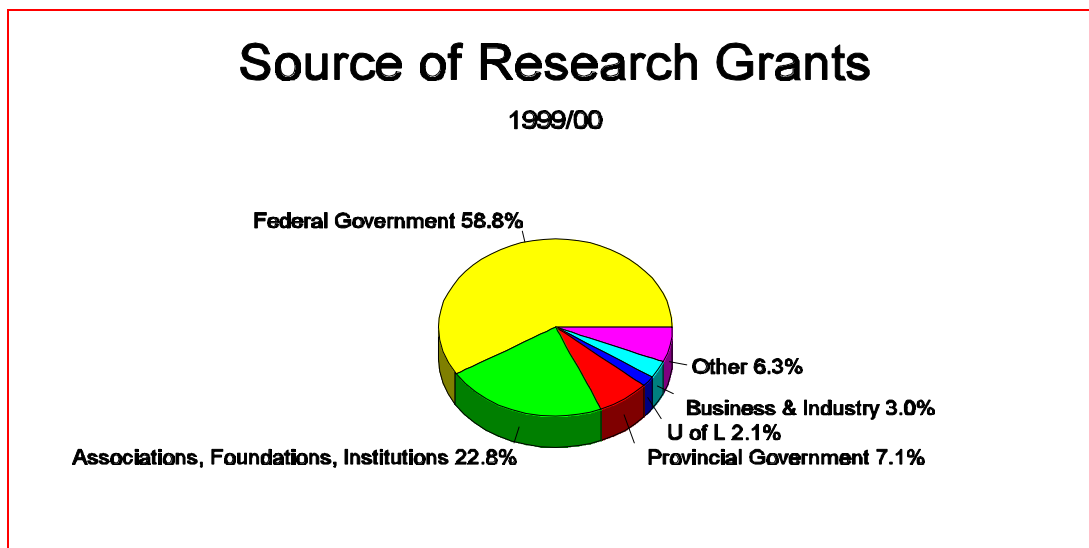
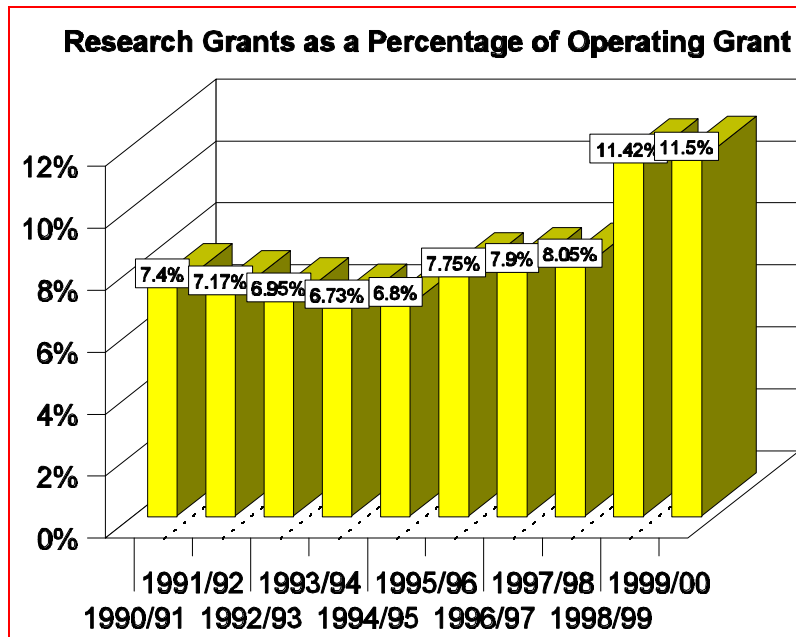


- The Board of Governors continues to have a high commitment to students in the form of scholarships. The amount of scholarships and bursaries awarded in 1999/00 was \$1.443 million, an increase of 2.85% over the previous year.
- Endowment balances continue to increase, with a balance of \$9.064 million, an increase of 6.84% over the prior year and a 68% increase over the past ten-year

period. Endowments consist of restricted donations, the principal of which is required to be maintained intact. The investment income generated from endowments must be used in accordance with the purposes specified by the donors or the Board of Governors. University policy has been established with the objective of protecting the real value of the endowments by limiting the amount of income expended and reinvesting unexpended income.



- The balance of the unrestricted net assets will be used primarily for investment in capital assets which will enhance the education available to our students. Included in the capital initiatives is the building of a Library Information Network Centre (LINC) and a Life Sciences Building. Construction of LINC is well under way and both projects are scheduled for completion in 2001.
- The University continues to have a strong commitment to research and is ranked "Number 2" for average size and number of research grants awarded to undergraduate medical/science (NSERC and MRC) research institutions in the Maclean's magazine Annual Rankings of Universities.



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