



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.

The most significant changes in the current fiscal year financial statements include the following:

- Construction projects including the Canadian Centre for Behavioural Neuroscience and the Library Information Network Centre increased the University's net book value of capital assets by approximately \$23 million during 2000/01. Construction expenditures during the year for the Library Information Network Centre totalled \$19.1 million, of which \$7.1 million was obtained through long-term financing and \$7.7 million from donations received in the current and prior years. The total budget for the Library Information Network Centre is \$34 million. The Canadian Centre for Behavioural Neuroscience construction expenditure during the year of \$5.1 million was funded from a variety of external sources. The total budget for this project is approximately \$8.5 million.
- Grant revenue increased by approximately \$3 million due to additional government funding for increases in utilities costs and enrolments and increases in research grants from provincial government departments and agencies.
- Tuition and related fees revenue increased by approximately \$2 million largely due to the increase in enrolment over the previous year as well as a slight increase (3%) in the tuition fee schedule. According to Tuition Fee Policy set by the Government of Alberta, tuition and related fees cannot exceed 30% of the institution's net operating expenditures. The University reached the 30% cap during 2000/01.

The following is a summary of some of the major financial issues that took place during the fiscal year ended March 31, 2001:

- 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:

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

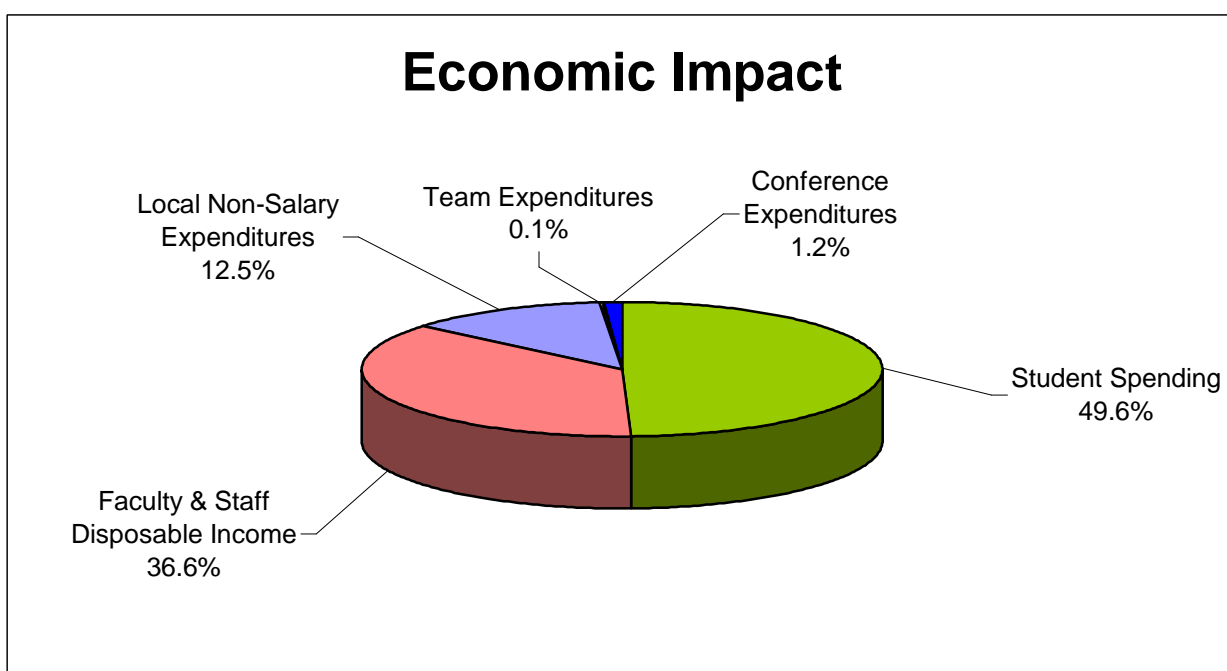
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Research Component:

- | | | |
|---------------------|----|--------------------------------|
| Research Excellence | 6. | council monetary awards |
| | 7. | citation impact |
| | 8. | community and industry support |
| | 9. | research enterprise |

The performance award for 2000/01 was \$1.095 million (1999/00: \$.871 million)

- The economic impact of the University on the local economy showed the institution was responsible for generating 1,545 jobs and injecting \$102 million into the local economy in 1999/00.



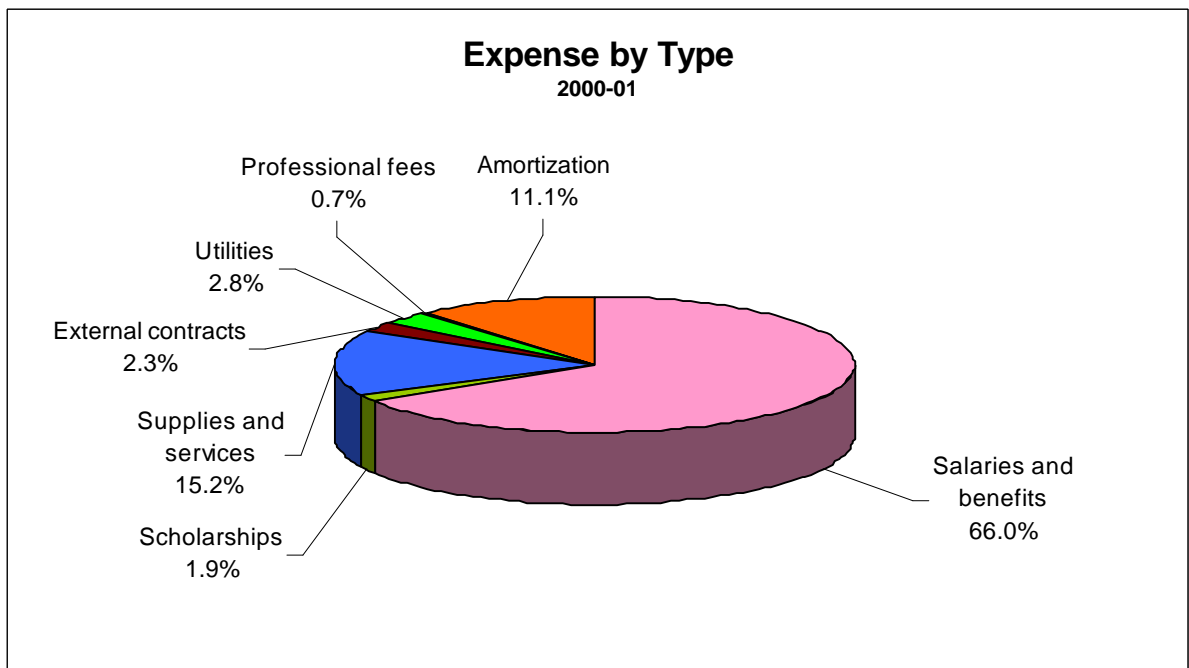
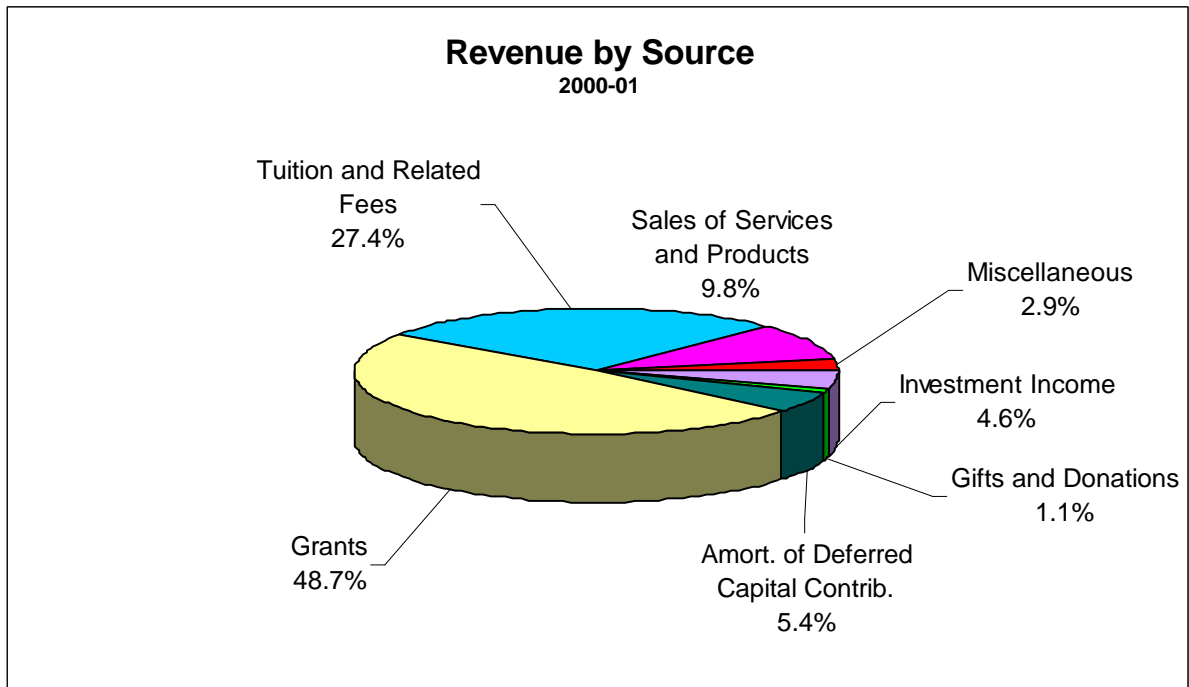
- The University received the following grants from the Province of Alberta (in thousands of dollars):

	<u>2000/01</u>	<u>1999/00</u>
Operating grant	\$ 32,581	\$ 31,710
Performance Funding Envelope	1,095	871
One-Time Energy Rebate	543	-
Unfunded Enrolment Growth	266	-
Access funding (operating)	3,026	3,863
Conditional grants	<u>9,296</u>	<u>6,826</u>
	<u>\$ 46,807</u>	<u>\$ 43,270</u>

- The University continues to have record student enrolments, with 6,410 students (Full Time Equivalent 5,774) in the Fall 2000 semester, an increase of 6.7% over the previous year.

2000/01 Financial Highlights

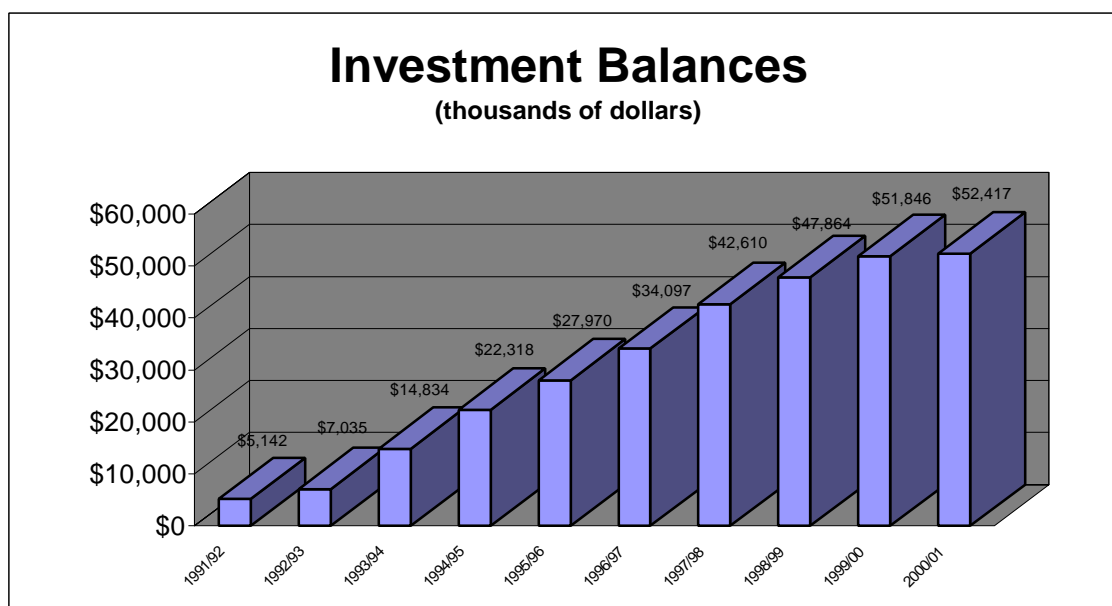
- The budgeting process is based on a three year rolling budget model whereby budgets are estimated for three years into the future. In conjunction with the instructional tuition allocation model which allocates instructional fees to the faculties based on credit hours taught, the budgeting process has been very successful and allows the University to be in a position to respond to various budget scenarios.



2000/01 Financial Highlights

- The University is very proud of its investment in its collection, which contains in excess of 12,000 pieces of art work. The collection is used for both educational and public exhibition purposes.
- The University's investment portfolio performed very well during 2000/01. The market return on stocks was 15.01% (1999/00: 10.25%) and the market return on bonds was 9.7% (1999/00: 0.7%). The investment portfolio was made up of the following fund balances at March 31, 2001:

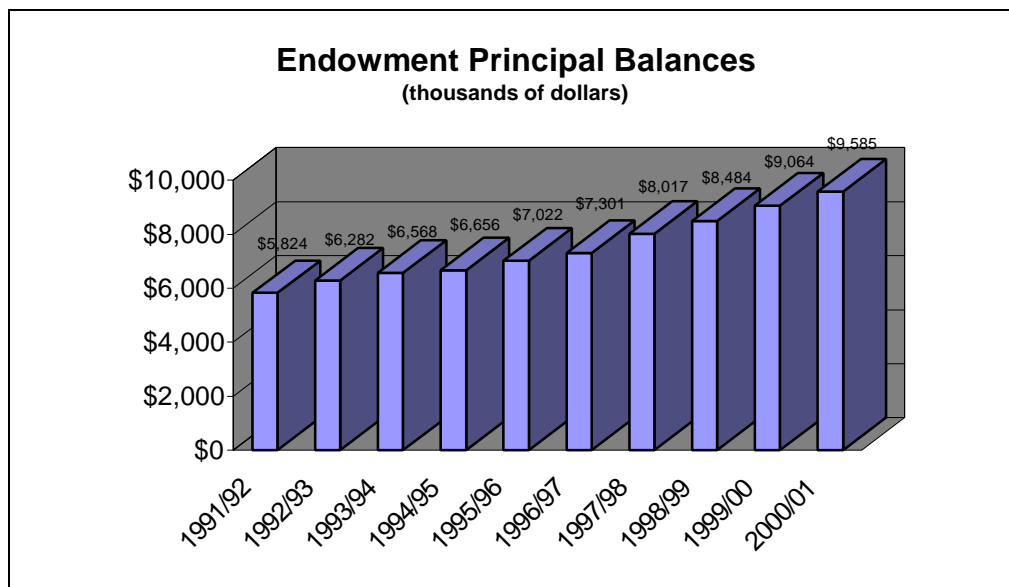
	<u>2000/01</u>	<u>1999/00</u>
Endowments	\$ 9,585	\$ 9,064
Operating (restricted grants)	4,265	3,900
Sponsored Research	3,635	2,762
Scholarships, bursaries and other	2,531	3,823
Internally restricted net assets	10,263	9,476
Deferred capital contributions	7,975	12,736
Departmental appropriations	13,231	9,766
Operating cash flow	<u>932</u>	<u>319</u>
	<u>\$ 52,417</u>	<u>\$ 51,846</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 2000/01 was \$1.436 million (1999/00: \$1.443 million). The University ranked second among primarily undergraduate universities on percentage of budget devoted to student services in the November 2000 Maclean's magazine Annual Survey of Canadian Universities.
- Endowment balances continue to increase, with a balance of \$9.585 million, an increase of 5.7% over the prior year and a 65% increase over the past ten-year period. Endowments

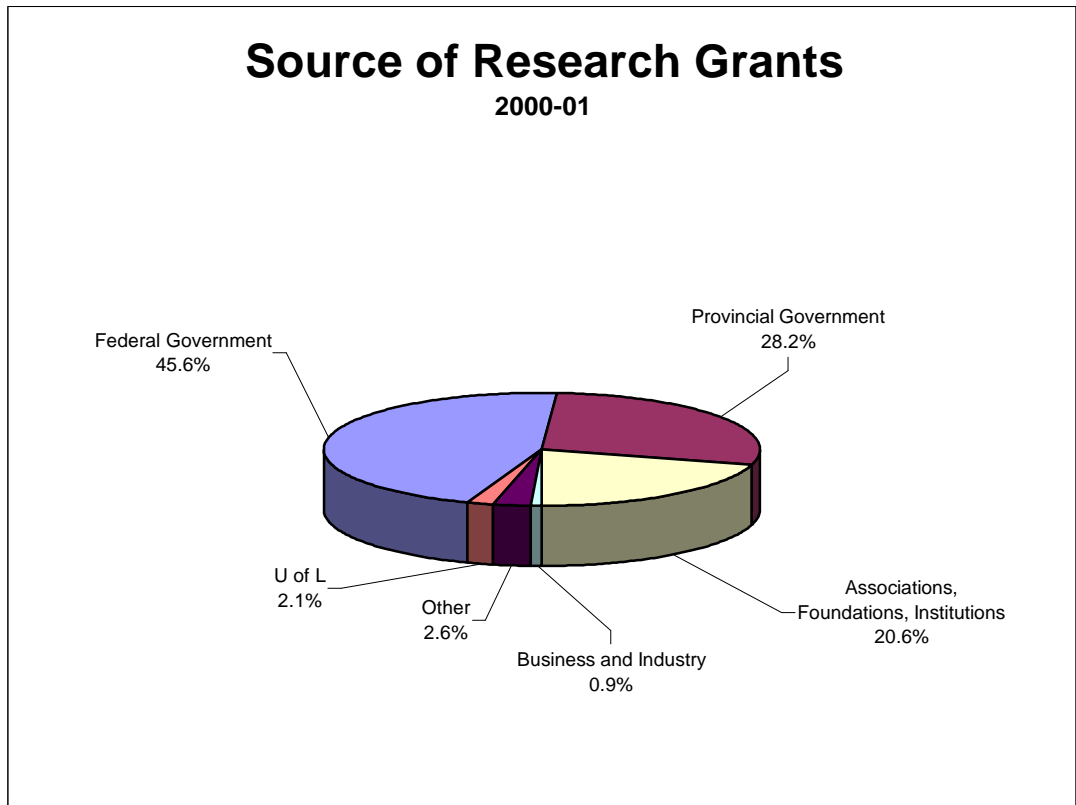
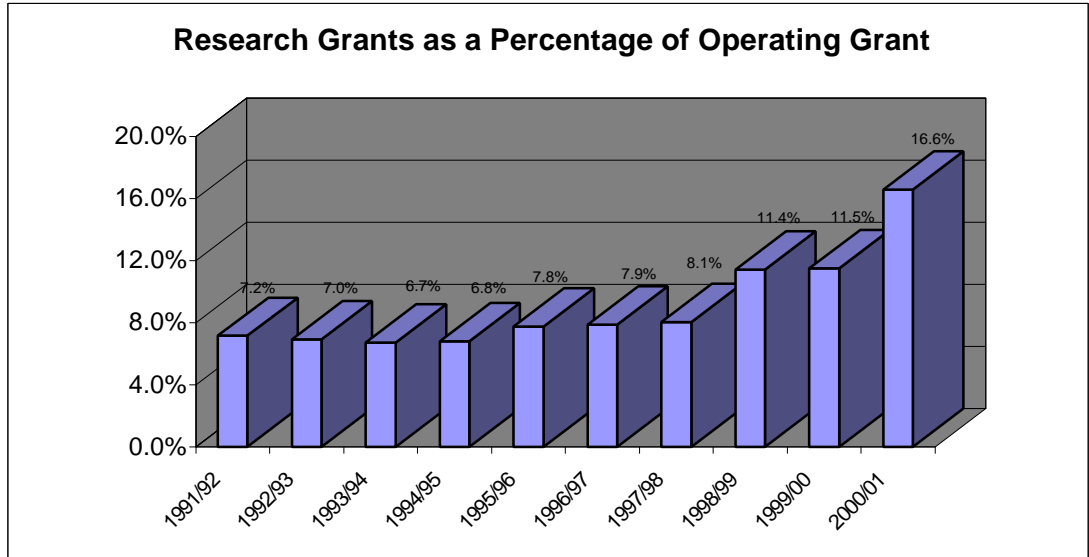
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consist of restricted donations, the principal of which is required to be maintained intact. The investment income generated from endowments must be used in accordance with the purposes specified by the donors or the Board of Governors. University 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, both of which will be open for business in September 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 Survey of Canadian Universities. The University also ranked second for awards per full-time faculty.

2000/01 Financial Highlights



Cindy Armstrong-Esther, MBA, CA
Director, Financial Services