



The
University of
Lethbridge

FINANCIAL HIGHLIGHTS

The University of Lethbridge has endeavoured to present the audited financial statements and supplementary schedules in a manner that 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:

- Grant revenue increased by approximately \$11 million due to additional general operating and Access grants, funding for faculty and staff retention, research grants and capital grants.
- The Canadian Centre for Behavioural Neuroscience (CCBN) and the Library Information Network Centre were completed and officially opened in September 2001. Total cost for the CCBN project including buildings, furnishings and equipment was approximately \$9.7 million which was almost entirely funded from external sources. The LINC project totalled \$33 million, of which approximately \$14 million was funded from donations and other external sources, \$9 million from internal sources and \$10 million from long-term debt. As noted in the financial statements, the University retired the debt with the bank on June 30, 2002 in favour of self-financing the outstanding obligation.
- Reconstruction of the former library space in University Hall commenced during the fiscal year. The project budget is \$4 million.
- Tuition and related fees revenue increased by approximately \$1 million due to the increase in enrolment over the previous year. There was no tuition fee increase during the year.

The following is a summary of some of the major financial issues that took place during the fiscal year ended March 31, 2002:

- 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:

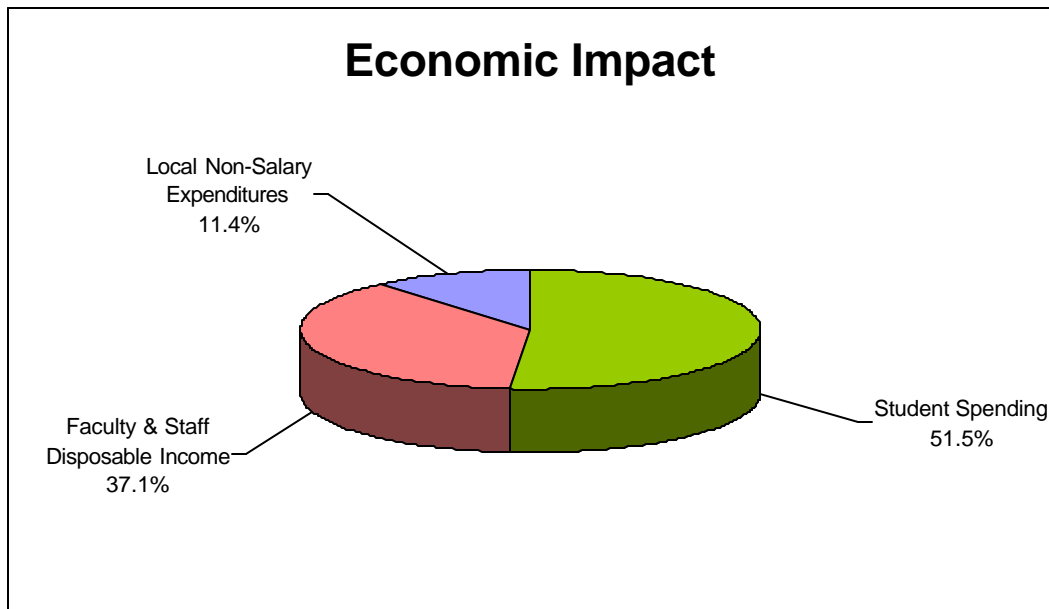
Responsiveness	1.	employment rate
	2.	graduate satisfaction with overall quality
Accessibility	3.	credit full load equivalent
Affordability	4.	administration expenditures
	5.	enterprise revenue

Research Component:

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

The University achieved a top-level progress performance award in the Learning Component for 2001/02, earning a one-time grant of \$370,128. In addition, a one-time grant of \$35,430 was awarded in recognition of research activities.

- The economic impact of the University on the local economy showed the institution was responsible for generating 1,699 jobs and injecting \$123 million into the local economy in 2001/02.

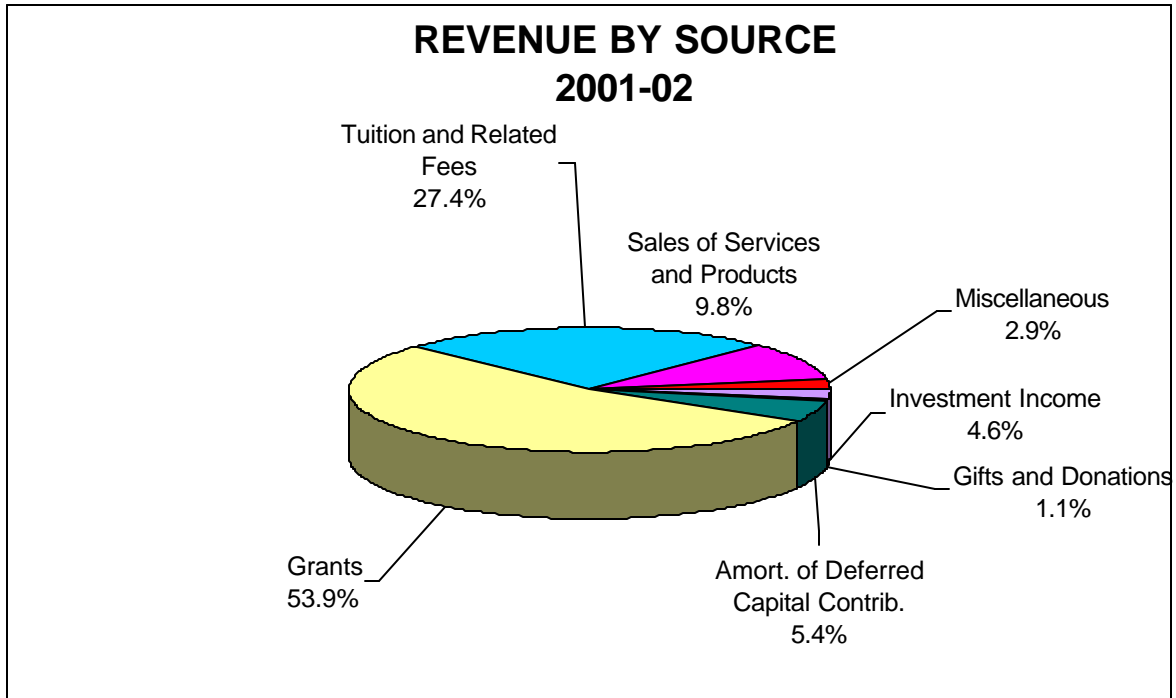


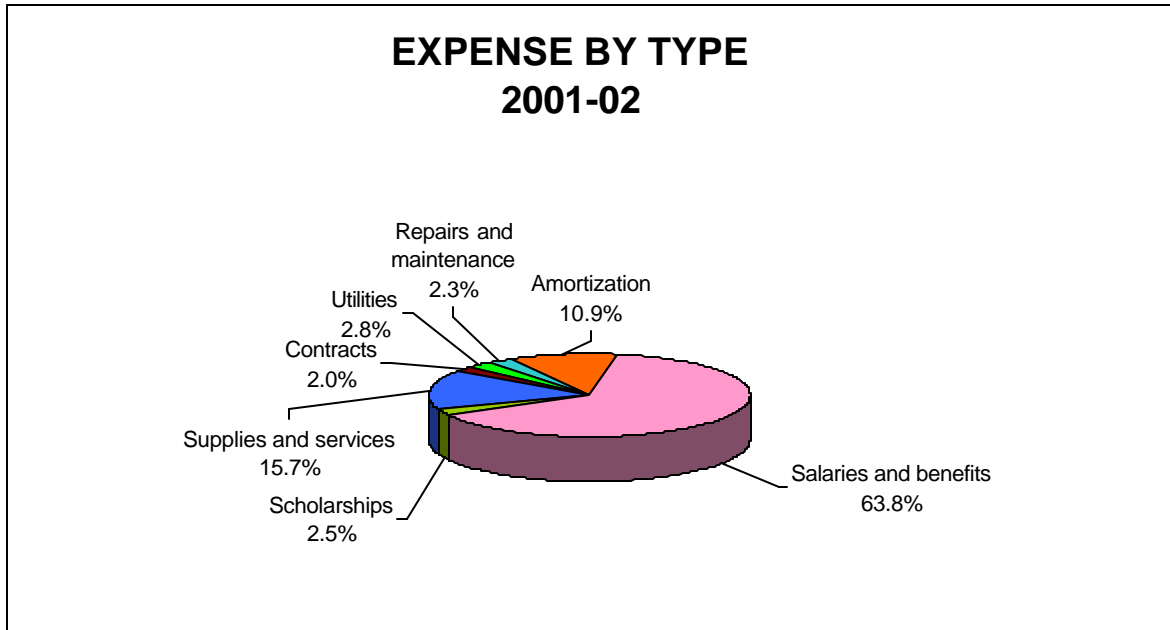
- The University received the following grants from the Province of Alberta (in thousands of dollars):

	<u>2001/02</u>	<u>2000/01</u>
Operating grants	\$39,096	\$ 32,581
Performance Funding Envelope	405	1,095
One-Time Energy Rebate	153	543
Unfunded Enrolment Growth	272	266
Access funding (operating)	4,805	3,026
Conditional grants	<u>7,008</u>	<u>9,296</u>
	<u>\$51,539</u>	<u>\$ 46,807</u>

2001/02 Financial Highlights

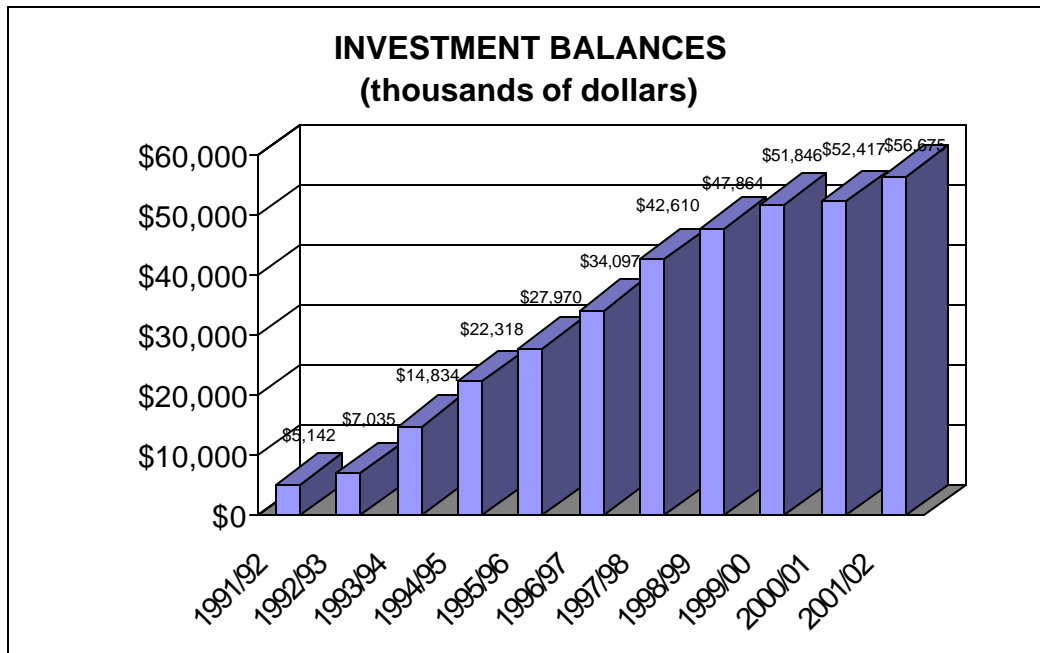
- The University continues to have record student enrolments, with 6,969 students (Full Time Equivalent 6,217) in the Fall 2001 semester, an increase of 7.7% over the previous year.
- The budgeting process is based on a three year rolling budget model whereby budgets are estimated for three years into 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.



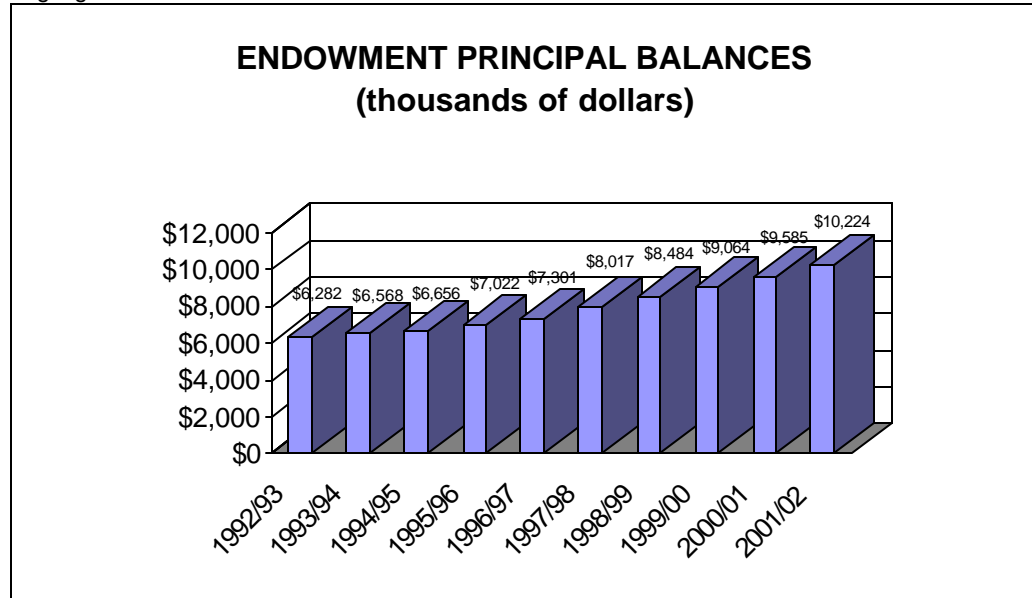


- The University is very proud of its investment in its collection, which contains in excess of 13,000 pieces of art work. The collection is used for both educational and public exhibition purposes.
- The University's investment portfolio performed very well during 2001/02 despite the volatility of the investment environment. The market return on stocks was 11.26% (2000/01: 15.01%) and the market return on bonds was 5.2% (2000/01: 9.70%). The investment portfolio was made up of the following fund balances at March 31, 2002:

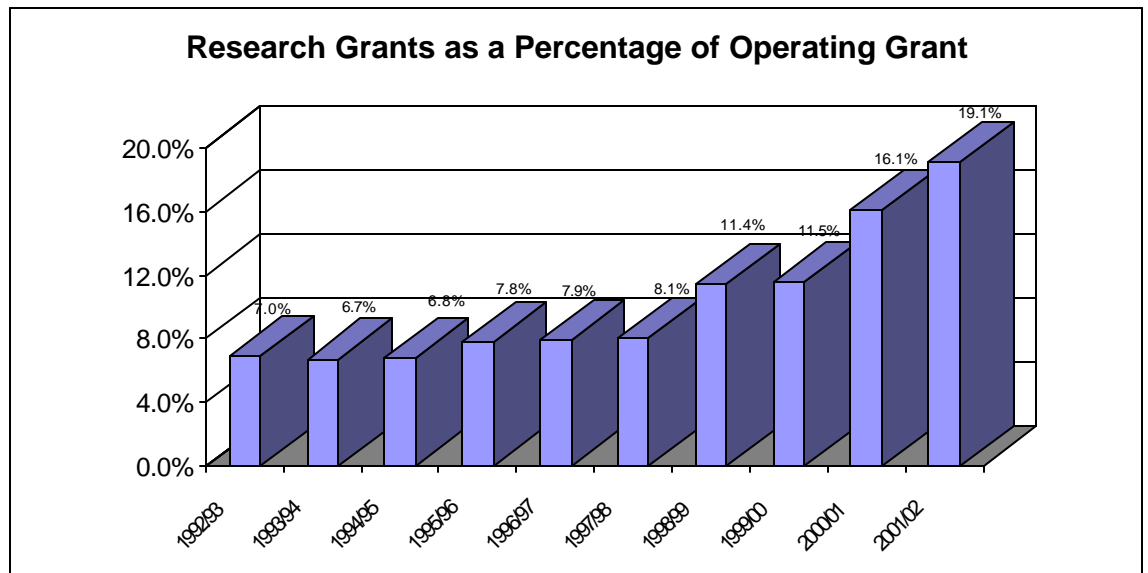
	<u>2001/02</u>	<u>2000/01</u>
Endowments	\$ 10,224	\$ 9,585
Operating (restricted grants)	234	4,265
Sponsored Research	3,698	3,843
Scholarships, bursaries and other	1,805	2,794
Special Purpose (restricted funds)	511	1,243
Internally restricted net assets	9,953	10,263
Deferred capital contributions	6,577	6,833
Departmental appropriations	17,647	13,231
Operating cash flow	6,026	360
	<u>\$ 56,675</u>	<u>\$ 52,417</u>

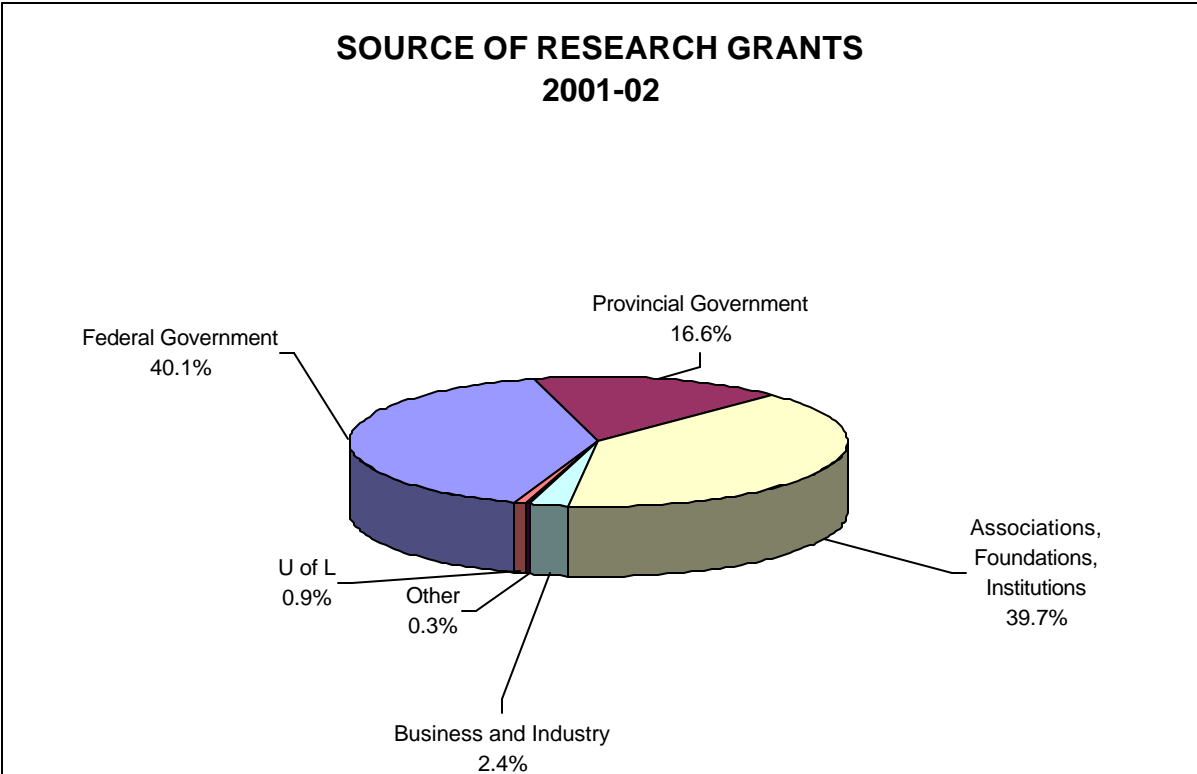


- The Board of Governors continues to have a high commitment to students in the form of scholarships. The amount of scholarships and bursaries awarded in 2001/02 was \$2.15 million (2000/01: \$1.44 million). The University ranked second among primarily undergraduate universities on percentage of budget devoted to student services in the November 2001 Maclean's magazine Annual Survey of Canadian Universities.
- Endowment balances continue to increase, with a balance of \$10.2 million, an increase of 6.7% over the prior year and a 63% 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.
- The University continues to have a strong commitment to research and is ranked "Number 1" 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 national awards per full-time faculty.





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