



University  
of Basel

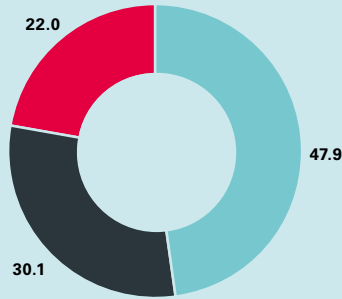
# **Annual Report 2018**

## Summary

# 2018 in figures.

## Course level

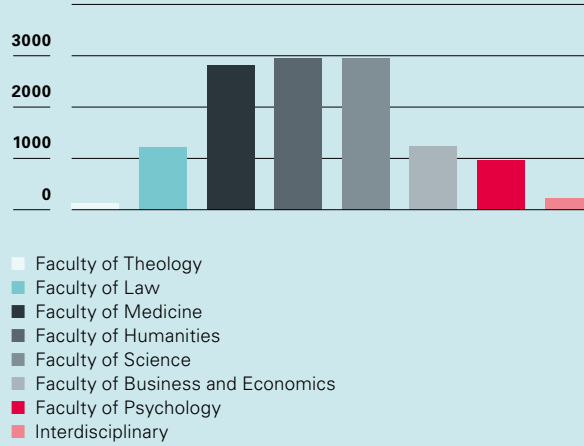
Basel has a high proportion of PhD candidates (22%) which shows that it is perceived as an attractive research university by emerging researchers.



- Bachelor's
- Master's
- PhD students

## Students and PhD candidates

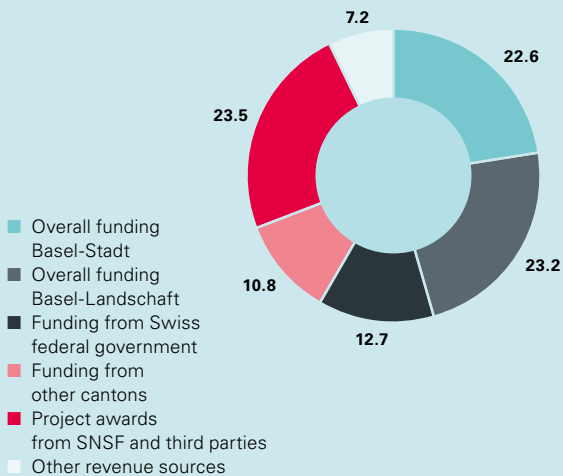
The humanities and sciences are the largest faculties of the University of Basel, followed by the Faculty of Medicine.



- Faculty of Theology
- Faculty of Law
- Faculty of Medicine
- Faculty of Humanities
- Faculty of Science
- Faculty of Business and Economics
- Faculty of Psychology
- Interdisciplinary

## Financing (percentage)

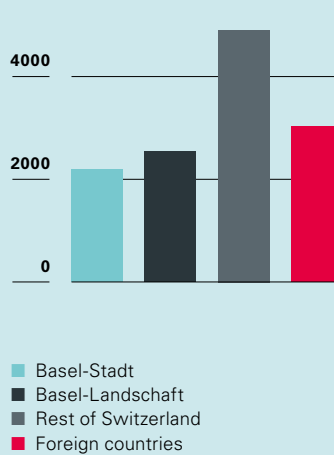
Basel-Stadt and Basel-Landschaft provide almost half of the university's funding.



- Overall funding Basel-Stadt
- Overall funding Basel-Landschaft
- Funding from Swiss federal government
- Funding from other cantons
- Project awards from SNSF and third parties
- Other revenue sources

## Origin

37.5% of students and PhD candidates come from the cantons Basel-Stadt and Basel-Landschaft.



- Basel-Stadt
- Basel-Landschaft
- Rest of Switzerland
- Foreign countries

## Students and PhD candidates

	Women		Men		Total	
	2018	2017	2018	2017	2018	2017
Faculty of Theology	63	61	56	59	119	120
Faculty of Law	726	747	487	516	1,213	1,263
Faculty of Medicine	1,592	1,531	1,230	1,244	2,822	2,775
Faculty of Humanities and Social Sciences	1,832	1,869	1,120	1,165	2,952	3,034
Faculty of Science	1,405	1,459	1,556	1,587	2,961	3,046
Faculty of Business and Economics	441	493	801	875	1,242	1,368
Faculty of Psychology	729	717	243	218	972	935
Institute for Educational Sciences	127	102	34	26	161	128
Interdisciplinary degree programs and doctoral studies	143	115	88	89	231	204
<b>Total</b>	<b>7,058</b>	<b>7,094</b>	<b>5,615</b>	<b>5,779</b>	<b>12,673</b>	<b>12,873</b>
<b>Total in %</b>	<b>55.7%</b>	<b>55.1%</b>	<b>44.3%</b>	<b>44.9%</b>	<b>100%</b>	<b>100%</b>

## Academic staff at the University of Basel as of 31.12.2018 (including Faculty of Medicine)

	Women		Men		Total
		%		%	
Professors	38	23.9	121	76.1	159
Clinical professors	10	14.3	60	85.7	70
Associate professors	14	16.9	69	83.1	83
Tenure-track	11	45.8	13	54.2	24
Assistant professors	13	38.2	21	61.8	34
Honorary professors	48	15.7	258	84.3	306
Private lecturers	132	28.1	338	71.9	470
Other lecturers	195	39.0	305	61.0	500
<b>Total</b>	<b>461</b>	<b>28.0</b>	<b>1 185</b>	<b>72.0</b>	<b>1,646</b>

## Students and PhD candidates according to their origin prior to their start of studies in fall 2018

	Women		Men		Total	
		%		%		%
Bachelor's program	658	50.2%	653	49.8%	1,311	10.3%
Master's program	341	55.4%	274	44.6%	615	4.9%
Doctoral studies	128	48.5%	136	51.5%	264	2.1%
<b>Basel-Stadt</b>	<b>1,127</b>	<b>51.5%</b>	<b>1,063</b>	<b>48.5%</b>	<b>2,190</b>	<b>17.3%</b>
Bachelor's program	796	53.8%	684	46.2%	1,480	11.7%
Master's program	412	54.6%	343	45.4%	755	6.0%
Doctoral studies	153	48.7%	161	51.3%	314	2.5%
<b>Basel-Landschaft</b>	<b>1,361</b>	<b>53.4%</b>	<b>1,188</b>	<b>46.6%</b>	<b>2,549</b>	<b>20.2%</b>
Bachelor's program	1,487	60.9%	955	39.1%	2,442	19.3%
Master's program	1,042	62.3%	631	37.7%	1,673	13.2%
Doctoral studies	422	53.1%	372	46.9%	794	6.3%
<b>Rest of Switzerland</b>	<b>2,951</b>	<b>60.1%</b>	<b>1,958</b>	<b>39.9%</b>	<b>4,909</b>	<b>38.7%</b>
Bachelor's program	458	54.8%	378	45.2%	836	6.6%
Master's program	443	57.6%	326	42.4%	769	6.1%
Doctoral studies	718	50.6%	702	49.4%	1,420	11.2%
<b>Foreign countries</b>	<b>1,619</b>	<b>53.5%</b>	<b>1,406</b>	<b>46.5%</b>	<b>3,025</b>	<b>23.9%</b>
<b>Total</b>	<b>7,058</b>	<b>55.7%</b>	<b>5,615</b>	<b>44.3%</b>	<b>12,673</b>	<b>100.0%</b>

**Legal note**

This is a translated and abbreviated version of the German original.

It is provided for information purposes only and has no legal force.

The complete German original can be found here:

[www.unibas.ch/de/Universitaet/Portraet/Jahresbericht](http://www.unibas.ch/de/Universitaet/Portraet/Jahresbericht)

**Acknowledgments**

The University of Basel would like to thank all private sponsors, foundations and companies that supported the institution in 2018 in its aim to provide quality teaching and research.

Our sincere thanks also go to all those who lent the university their know-how in boards and committees. First and foremost we would like to mention the members of the investment committee and the real estate committee.

**Imprint**

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# University of Basel

## Fiscal Year 2018

### At a glance

in CHF million	2018	2017	2016	2015
<b>Income statement</b>				
Public contributions	505.9	501.9	536.3	496.1
Third-party contributions, including SNSF	171.9	157.7	147.9	158.6
Fees, services and investment income	50.3	69.6	64.2	55.5
Out-of-period income	2.4	0.8	4.0	18.4
<b>Total income</b>	<b>730.5</b>	<b>730.0</b>	<b>752.4</b>	<b>728.7</b>
Personnel costs	376.3	371.9	381.7	381.7
Material expenses	290.9	300.2	316.0	290.1
Depreciation on fixed assets	28.6	30.0	30.6	29.9
Liquidation (-) / allocation (+) of unused project funds	46.4	29.3	4.0	38.9
Out-of-period expenses	4.4	3.6	1.1	19.3
Liquidation (-) / formation (+) of reserves	-16.7	-5.6	19.5	-14.8
<b>Total expenses</b>	<b>729.9</b>	<b>729.4</b>	<b>753.0</b>	<b>745.1</b>
<b>Year-end result</b>	<b>0.6</b>	<b>0.6</b>	<b>-0.6</b>	<b>-16.4</b>
<b>Balance sheet</b>				
Current assets	309.8	282.5	289.1	304.5
Fixed capital	780.8	728.1	633.1	560.1
<b>Total assets</b>	<b>1 090.6</b>	<b>1 010.6</b>	<b>922.1</b>	<b>864.5</b>
Borrowed capital	461.6	411.9	347.7	313.0
Committed funds	412.4	366.0	336.7	332.7
Reserves	202.7	219.4	225.0	205.4
Free equity capital	14.0	13.4	12.8	13.4
<b>Total liabilities</b>	<b>1 090.6</b>	<b>1 010.6</b>	<b>922.1</b>	<b>864.5</b>

The annual financial statement lists rounded figures; small rounding differences are therefore possible.

# Commentary:

## Fiscal Year 2018

### **Introductory remarks and appraisal of the annual financial statement 2018**

As in the previous year, the 2018 fiscal year closed with a modestly positive result of CHF 0.6 million. This positive result, compared with the 2018 budget, which showed a deficit of CHF 0.9 million, can be attributed to further savings in expenditures (e.g. vacant chairs and foregoing use of the associated facilities, reduction in central financial support for teaching and research cooperations) and to increased earnings in the form of contributions from other cantons as mandated by the Intercantonal University Agreement. The additional savings of CHF 1 million included in the 2018 budget (while also continuing the previous year's cost-saving measures of CHF 8 million) were achieved in the 2018 fiscal year.

This first year of the fourth performance period of the State Agreement also shows that a differentiated view of key indicators for teaching and research is required. The university has been highly successful in raising external funding for teaching and research for many years now. In 2018, there was a further increase in both funds from the Swiss National Science Foundation (SNSF) and other external funding, together totaling CHF 171.9 million – the best result in the history of the university. By contrast, there is a downward trend in student numbers. The sharp decline in the number of bachelor's students is of particular concern, and is only partly compensated for by an increase in the number of master's students.

Overall, the University of Basel still remains an attractive destination for students from other cantons as well as international PhD candidates. The University of Basel was thus able to maintain its excellent position in 2018 as a high-profile, regionally anchored yet internationally oriented academic institution, with close links with society, culture and business.

As in previous years, this report offers comprehensive details of the activities and influences in the 2018 fiscal year, with the aim of providing investors, as well as interested members of the public, with the most accurate depiction possible of both the progress and the risk of the university's operations.

### **Factors impacting the 2018 result**

A surplus of CHF 0.6 million was reported for 2018. On the expenditure side, there was only a slight increase of CHF 0.5 million over the previous year. A more detailed view of total spending reveals the following: The ordinary total expenditure (i.e. not including out-of-period effects and the formation/liquidation of reserves) increased by CHF 10.8 million compared to the previous year, although in this area there were compensatory effects. First, personnel costs (CHF +4.4 million), operating costs (CHF +14.1 million) and the allocation of unused project funds (CHF +17.1 million) increased in 2018. Second, compared to the previous year, in addition to a significant decline in construction expenses at the expense of the real estate fund (CHF -20.6 million), there were also reductions in non-capitalized expenses for furnishings, building services and construction investments (CHF -1.2 million) and a slight decrease in occupancy costs of CHF 0.5 million. And third, expenditures for non-capitalized small investments in the IT and equipment area fell by CHF 1.1 million and write-offs on fixed assets by CHF 1.4 million.

The ordinary total income (i.e. not including out-of-period effects) fell by CHF 1.1 million compared to the 2017 fiscal year (CHF 728.1 million in total; previous year: CHF 729.2 million). This slight decrease is due to the following movements: On the one hand, public contributions increased by a total of CHF 4.0 million in 2018. On the basis of decisions for the fourth performance period, there was an increase in global contributions totaling CHF 3.0 million, as well as a slight rise in the funds defined by the Intercantonal University Agreement (CHF +0.9 million). Other public contributions saw only a marginal increase totaling CHF 0.1 million, with federal funding under the Higher Education Act in particular remaining at the previous year's level.

On the other hand, there was a net increase of CHF 14.1 million in project awards from the SNSF and third parties. Despite already being at a high level the previous year, there were further increases in both project awards from the SNSF (CHF +2.1 million) and project awards from other external funds (CHF +12.0 million). The upward trend in project funding therefore continued. Finally, primarily due to considerable adjustments in the area of invest-

ment, the university's own income (fees, service and investments) fell by CHF 19.2 million compared to the previous year.

The decrease of CHF 11.9 million in the ordinary operating result – the balance of income and expenses before out-of-period transactions and the formation/liquidation of reserves – can be attributed on the one hand to the lower ordinary income in comparison to the previous year (CHF -1.1 million) and on the other to a net increase in ordinary expenses (CHF +10.8 million). However, this comparison with the previous year is heavily influenced by the value adjustments contained in the investment proceeds on the revenue side based on the market values in the area of the university's investments (CHF -18.6 million).

The negative balance of this year's out-of-period transactions in the amount of CHF 2.0 million is essentially attributable to three measures: First, the effective receipt of basic contributions under the Higher Education Act for 2017 were CHF 1.1 million below the claim on the federal government. Second, losses on disposal totaling CHF 0.7 million occurred in 2018. And third, the final accounting for the Intercantonal University Agreement for 2016 had an impact of CHF 0.1 million.

In 2018, the reserves held by the University of Basel were liquidated in the amount of CHF 16.7 million. This figure results from a formation of reserves totaling CHF 14.9 million and a proper liquidation of the reserves formed in previous years totaling CHF 31.6 million. Reserves in the amount of CHF 13.2 million were formed for measures that are already decided, most of which were included in the 2018 budget and for which implementation of the cost impact will not begin before 2019 or later. For the first time, this also included the formation of CHF 5.1 million for the segment accounting performed as of this year (separation between teaching & research and real estate). For 2018, the result from real estate was offset to ensure the earmarking of the relevant public funds for real estate. And on the other hand, an amount of CHF 1.7 million comes from an allocation to the allocated reserve for investment risks. Specifically, the reserve liquidation relates to the committed reserve for investment risks (CHF -12.3 million), the committed reserve for fixed assets (CHF -5.7 million), the committed funds of the University Council (CHF -1.2 million) and reserves as per financing regulations (CHF -12.4 million). The details of the accumulated and liquidated reserves in the 2018 fiscal year are explained in the following and listed in Notes 23 to 26 in the annex.

The following can be said about the individual items on the income statement:

### Revenue side

Public contributions totaling CHF 505.9 million are broken down into global contributions from the two supporting cantons Basel-Stadt (CHF 163.4 million) and Basel-Landschaft (CHF 169.1 million), federal contributions under the Higher Education Act (CHF 93.0 million) and contributions from other cantons in accordance with the Intercantonal Agreement (CHF 78.5 million). Separately, and therefore not included in the overall funding, the Canton of Basel-Stadt provides additional contributions covered by the special service agreements for the public mandate for the University Library (CHF 1.3 million) and Student Advice Center (CHF 0.5 million). The Canton of Basel-Stadt also makes an indirect contribution by waiving CHF 10 million in basic rent for its properties used by the university (see Note 14 in the annex).

Despite the already high amount of the previous year, the project funds from the Swiss National Science Foundation granted to the University of Basel increased by CHF 2.1 million, meaning that funding from the SNSF reached a new record high of around CHF 79 million in 2018. As in the previous year, this includes contributions to the National Centers of Competence in Research for Molecular Systems Engineering and Quantum Science and Technology with leading house ETH Zurich and co-leading house the University of Basel. Provided they were not used in 2018, the committed project funds from the SNSF were reported on the balance sheet as “Committed funds”.

The university received CHF 92.9 million (previous year CHF 80.9 million) in third-party project funds. With the exception of a few major projects, these

funds break down into several awards covering all faculties, with contributions ranging from CHF 0.1 million to CHF 0.9 million. Large, topically related domains within these funds include awards of CHF 13.1 million for EU projects and special federal programs totaling CHF 13.9 million, such as SCCER Crest research supported by the Swiss Innovation Agency (Innosuisse, formerly the Commission for Technology and Innovation), SystemsX and the Swiss Centre for Applied Human Toxicology (SCAHT). In teaching, federal funding also contributed to increasing university places for human medicine with a special program. Overhead payments of the Swiss National Science Foundation came to CHF 9.8 million (previous year CHF 9.6 million). The total is directly related to the procurement of project funds from the Swiss National Science Foundation and is provided largely to fund infrastructure. Finally, project funds include the earmarked contribution from the Canton of Aargau (CHF 4.5 million) for the operation of the Swiss Nano Institute (for details see Note 7). Details can be found in the consolidated financial statistics in the statistical data. Provided they were not used in 2018, the committed project funds were reported on the balance sheet as “Committed funds”.

Miscellaneous revenues record a net decrease of CHF 19.2 million. There was a slight decrease compared to the previous year in both the university's own service income (CHF -0.5 million, see Note 9) and revenues from fees (CHF -0.1 million, see Note 8). The large decline this year was recorded in the investment proceeds of CHF 18.6 million (see the explanations in Notes 10 and 26).



## Operating result/year-end result

in CHF million	2018	2017	2016	2015
<b>Ordinary operating result</b>	<b>-14.1</b>	<b>-2.2</b>	<b>16.0</b>	<b>-30.3</b>
Out-of-period income	2.4	0.8	4.0	18.4
Out-of-period expenses	-4.4	-3.6	-1.1	-19.3
Formation (-) / liquidation (+) of reserves	16.7	5.6	-19.5	14.8
<b>Reported year-end result</b>	<b>0.6</b>	<b>0.6</b>	<b>-0.6</b>	<b>-16.4</b>

### Expenditure side

The university's personnel costs increased by CHF 4.4 million compared to the previous year. The following developments are responsible for this increase: For positions funded by ordinary budget funds in teaching, research and self-administration, there was a slight decline in personnel costs of CHF 0.4 million; for Swiss National Science Foundation and other external funding, this item increased by CHF 2.8 million (for details see Note 12). In addition, as requested by the auditor, the completeness of the provision for accrued vacation was spot checked as at the end of 2018 (last completed in 2011).

This led to an increase in the corresponding provision charged to personnel expenses (from CHF 3 million to CHF 5 million). Details can also be found in the personnel overview in the statistical data.

The increase in operating costs totaling CHF 14.1 million compared with the previous year can be attributed to a CHF 2.9 million increase in publicly funded operating costs, as well as to an increase in financing from SNSF and other external sources (CHF +11.2 million). At the level of individual expense categories, the contributions to institutions and remuneration to third parties in particular rose sharply in 2018 (CHF +11.5 million). Further detailed items in operating costs are shown in Note 13 in the annex.

Compared to the previous year, occupancy costs (see Note 14) showed a net decrease of CHF 0.5 million. As in the previous year, this item includes a deduction payment in the amount of CHF 10.0 million by the Canton of Basel-Stadt for the basic rent for the cantonal properties used by the university. Aside from slight increases in expenses for systems and facilities (CHF +0.5 million) and real estate expenses (CHF +0.2 million), all other occupancy cost items fell in 2018: The elimination of additional rentals at the Rosental site reduced external rental costs (including the incidental rental costs posted separately for the first time in 2017) by

CHF 0.4 million. The basic rent for the university's use of cantonal properties belonging to the Canton of Basel-Stadt was reduced by CHF 0.7 million due to the return of properties. Finally, costs for energy and cleaning in the property portfolio fell by CHF 0.1 million.

Non-capitalized small investments (purchases under CHF 1,000) decreased by around CHF 1.1 million in comparison to the previous year. As in the previous year, this item (see Note 15) also includes non-capitalized expenses for software development, service contracts and investment contributions to partners.

The item for furnishings, building services and construction investments (see Note 16) shows a total net decrease of around CHF 1.2 million compared with the previous year. The expenses for furnishings (CHF -2.1 million) as well as minor investments in construction (CHF -1.3 million) fell in 2018. Only the expenses for building services (CHF +0.1 million) increased slightly. Deducting the capitalizable operational facilities (CHF -2.1 million compared to the previous year) brings the balance to the net decline shown.

The maintenance and investment real estate fund came in at CHF 19.1 million, CHF 20.6 million lower than in the previous year. While the decreases in the areas of building maintenance and services (CHF -0.6 million) and construction and building services (CHF -0.1 million) were within annual fluctuation margins, there was a substantial decline of CHF 19.9 million in the area of building repairs and changes compared to the previous year. The main reason for this decline is the completion of construction measures for alternative premises for the Department of Chemistry in buildings on the Rosental site. A total of CHF 17.0 million was spent on these measures in 2017, which fell to just CHF 0.5 million in 2018. In addition to many smaller implementation measures in the overall property portfolio, the only major individual projects in 2018 were the work to establish autonomous operations at the

Center for Pharmaceutical Sciences at Klingelbergstrasse 50 (CHF 5.3 million), the reconstruction and overhaul of Schönbeinstrasse 6 (CHF 1.3 million) and the refurbishment of the experimental greenhouse at Schönbeinstrasse 6 (CHF 1.7 million).

The positive balance for the item liquidation/ allocation of unused project funds is CHF 46.4 million (previous year CHF 29.3 million). Based on the university's accounting regulations, this item includes the effective liquidations or allocations to the corresponding liability items on the balance sheet (see detailed description in Note 21 "Liquidation/allocation of unused project funds" in the annex).

The reserves item (see notes 23 to 26) includes the formation and liquidation of reserves in line with the accounting regulations and financing rules of the university and approved by the University Council with the annual financial statement. The following reserves totaling CHF 14.9 million were formed for future or planned expenditure in 2018: CHF 5.1 million to balance real estate in the segment accounting conducted internally from the fourth performance period, CHF 2.7 million carried over from binding appointment awards in 2018 and a total of CHF 5.4 million for earmarked carryovers from the operating budget (CHF 3.6 million) or from the investment budget (CHF 1.8 million). Depending on the financial result, this also includes the yearly special amount for matching funds in

the area of competitively acquired external funding for performance-based financial support of research groups (CHF 3.5 million, previous year CHF 3.5 million). To hedge risks in the area of financial assets, CHF 1.7 million was accounted for in the reserves (fluctuation reserve). Conversely, proper liquidations of the reserves totaling CHF 31.6 million accumulated in previous years occurred according to their earmarking. This breaks down into CHF 9.2 million in assigned budget carryovers and CHF 3.2 million for new appointments. In addition, further amounts for liquidation of committed funds from the University Council (CHF 1.2 million), reserves for fixed assets (CHF 5.7 million) and reserves for investment risks (CHF 12.3 million) also occurred in 2018.

**Forecast for 2019 and ensuing years of the fourth performance period**

For 2019, as well as 2020 and 2021 as the remaining years of the fourth performance period, the university will need to undertake further efforts to fulfill the requirements of the supporting cantons, in addition to the savings already achieved (CHF 8 million in 2017 and around CHF 1 million in 2018). The measures taken so far to meet these requirements have involved cost-cutting measures and reductions in central credit for the promotion of teaching, research and young talent. From 2019, savings requirements will also apply to the individual faculties. The faculties need to achieve structural savings of around CHF 8 million in their budgets by the end of the 2018–2021 performance period. Further central and university-wide measures will be necessary to keep the university's accounts in balance. For 2019, such measures include the suspension of level increases, savings measures in construction, and the reduction of reserves. This overall package is the only way to absorb the cuts in overall funding defined by the supporting cantons in the University Mandate while also providing the necessary flexibility for the university's continued development. The university management has assumed that other public contributions (federal contributions based on the Higher Education Act and contributions from other cantons as mandated by the Intercantonal University Agreement) can be maintained at least at the existing level. To achieve this, it will be vital for the university to quickly rectify the current slight decline in student numbers and also continue to acquire the already very high level of external funding. Both of these factors have a decisive influence on the annual payments received from the federal government (Higher Education Act) and other cantons (Intercantonal University Agreement)

and constitute a significant part of the university's basic funding. Continuing to pursue the university's very successful method of attracting external funding is also essential, particularly considering that external funding often also requires the university to secure matching funding from public funding sources. Providers of external funding often also expect the university to provide and fund the facilities necessary to conduct externally funded research projects. Finally, when such external funding ends, any necessary follow-up funding must also be considered.

In view of the increasing competition between universities for researchers, lecturers and students at both national and international level, the university will face significant challenges and will need to make changes in the coming years. Agility and commitment will be required at all levels to successfully overcome these challenges. Doing so will ensure that the university can continue to make a major contribution to generating added value in the Basel region in the future.

# University of Basel income statement 2018

in Swiss francs	Statement 2018	Statement 2017
<b>Revenue</b>		
Overall funding Canton of Basel-Stadt	163,400,000	160,500,000
Overall funding Canton of Basel-Landschaft	169,100,000	169,000,000
Federal funding under the Higher Education Act	93,062,034	93,026,599
Funding from other cantons under the Intercantonal Agreement	78,525,786	77,647,703
Special contributions	1,800,700	1,754,100
<b>Public contributions</b>	<b>505,888,520</b>	<b>501,928,402</b>
Project awards from the SNSF	78,946,601	76,837,196
Project awards from other third parties	92,940,007	80,893,217
<b>Project awards from the SNSF and third parties</b>	<b>171,886,607</b>	<b>157,730,414</b>
Revenue from fees	26,232,987	26,295,896
Revenue from services	30,584,679	31,124,734
Investment proceeds	-6,472,969	12,150,106
<b>Other revenue sources</b>	<b>50,344,697</b>	<b>69,570,737</b>
Out-of-period income	2,415,230	803,418
<b>Out-of-period income</b>	<b>2,415,230</b>	<b>803,418</b>
<b>Total income</b>	<b>730,535,054</b>	<b>730,032,969</b>
<b>Expenses</b>		
Personnel costs	376,345,815	371,902,793
Operating costs	114,895,623	100,751,684
Occupancy costs	57,476,820	57,989,435
Small-scale IT and equipment investments	4,145,855	5,266,910
Furnishings, building services and construction investments	2,703,991	3,958,841
Maintenance and investments in real estate fund	19,075,086	39,708,827
Compensation for teaching and research in clinical medicine at university hospitals	92,559,559	92,559,559
Depreciation on real estate	1,771,377	1,770,790
Depreciation on fixed assets	26,859,422	28,216,072
Liquidation (-) / allocation (+) of unused project funds	46,397,429	29,298,358
<b>Ordinary expenses</b>	<b>742,230,976</b>	<b>731,423,268</b>
Out-of-period expenses	4,412,159	3,592,742
<b>Out-of-period expenses</b>	<b>4,412,159</b>	<b>3,592,742</b>
Liquidation (-) / formation (+) of reserves as per financing regulations	823,625	-6,007,777
Liquidation (-) / formation (+) committed allocations University Council	-1,179,720	-216,133
Liquidation (-) / formation (+) committed reserves for fixed assets	-5,731,639	-4,546,355
Liquidation (-) / formation (+) committed reserves for investment risks	-10,626,420	5,179,885
<b>Reserves</b>	<b>-16,714,154</b>	<b>-5,590,380</b>
<b>Total expenses</b>	<b>729,928,980</b>	<b>729,425,631</b>
<b>Year-end result</b>		
<b>Annual net profit</b>	<b>606,074</b>	<b>607,339</b>

# University of Basel balance sheet as of December 31, 2018

in Swiss francs	12/31/2018	12/31/2017
<b>Assets</b>		
Liquid assets	152,973,884	95,301,946
Short-term financial assets	25,920,054	52,616,109
Receivables from third parties	26,106,719	32,329,736
Receivables from the Confederation	90,000,000	90,000,000
Receivables due from supporting cantons	6,000,000	6,000,000
Receivables due from affiliates	147,223	100,696
Operational stocks	373,003	391,068
Accruals	8,314,113	5,791,973
<b>Total current assets</b>	<b>309,834,995</b>	<b>282,531,526</b>
Long-term financial assets	289,670,429	298,434,990
Investments	1,299,865	1,284,320
Employer advance pension fund	48999,690	52,358,389
Claims on the supporting cantons	12,000,000	18,000,000
Loans receivable	17,614,967	6,694,198
Properties for operational needs	52,305,135	54,058,914
Facilities	85,341,450	91,073,090
Facilities under construction	273,566,537	206,212,881
<b>Total fixed capital</b>	<b>780,798,073</b>	<b>728,116,782</b>
<b>Total assets</b>	<b>1,090,633,068</b>	<b>1,010,648,309</b>
<b>Liabilities</b>		
Liabilities toward third parties	39,629,133	46,542,450
Mortgages	–	250,000
Loans, supporting cantons	60,000,000	60,000,000
Loans, restructuring pension fund	27,050,000	28,850,000
Loans, assets under construction	255,471,382	200,563,550
Balance sheet reserves	50,237,663	47,221,729
Accrued liabilities	29,240,168	28,503,954
<b>Total borrowed capital</b>	<b>461,628,347</b>	<b>411,931,683</b>
Project funds Swiss National Science Foundation	134,816,676	125,636,758
Real estate fund	61,498,433	36,813,687
Other project funds (field-specific or earmarked)	175,666,619	162,597,905
Committed capital funds, foundations and associations	40,368,543	40,905,746
<b>Total committed funds</b>	<b>412,350,272</b>	<b>365,954,096</b>
Reserves from appointments	18,074,117	18,570,997
Reserves from budget carryovers	57,876,710	61,637,413
Reserves from real estate	5,081,209	–
Committed awards University Council	729,634	1,909,354
Committed reserves for fixed assets	85,341,448	91,073,088
Committed reserves for investment risks	35,548,449	46,174,869
<b>Total reserves</b>	<b>202,651,567</b>	<b>219,365,721</b>
Free capital funds and foundations	8,369,614	8,019,821
Free reserves	5,027,194	4,769,648
Year-end result	606,074	607,339
<b>Total free equity capital</b>	<b>14,002,883</b>	<b>13,396,809</b>
<b>Total liabilities</b>	<b>1,090,633,068</b>	<b>1,010,648,309</b>

# Notes to the Annual Report 2018 of the University of Basel.

## Scope of consolidation

Based on the recognized business principles for corporate groups with the duty to consolidate or business-like organizations, the annual financial statement of the University of Basel encompasses all asset, capital and performance figures for all departments and service divisions belonging to the University of Basel as a public corporation as well as all figures for legally independent and non-independent foundations, funds and associations that have significant economic relationships with the university. In addition, it reports all funds given by third parties for the fulfillment of the university's performance mandate or which make it possible to carry out supplementary projects in research and teaching for the university or its representatives.

Alternatively, the following rules apply for the principle of inclusion in the annual financial statement:

- Foundations, funds and associations are included if the majority of the members of the legally established body which has influence over the management and assets of the respective organization as the supreme authority consists of university members who are exercising their university function.
- Economic relationships are considered significant if the majority of the assets and/or contributions from the foundations, funds and associations benefit the other units that are included in the university's scope of consolidation.

The departments and service divisions are listed at the end in the table of financial performance figures in the statistical data for the annual financial statement. Non-independent legal funds and foundations refers to around 60 different gifts and legacies from third parties that benefit the university, individual departments or institutes, or that benefit university hospitals and individual university museums. The university manages a large portion of these funds in accordance with the wishes of the donors in the unified university assets. Legally independent foundations and associations also refer to funds given to the university by third parties. The foundations that are wholly integrated according to civil law are subject to the cantonal supervisory law and are also managed by the university.

The foundations and associations according to civil law are the following:

- Alfred Mutz-Stiftung
- Bernd Hollander-Stiftung
- Basler Studienstiftung
- Frey-Grynäische Stiftung
- Friedrich Zschokke-Stiftung
- Fritz Mangold-Stiftung
- Josef-Anton Häfliger-Stiftung
- Nikolaus und Bertha Burckhardt-Bürgin-Stiftung
- Rudolf Riggenschach-Stiftung
- Stiftung für das Knochtumor-Referenzzentrum Basel
- Stiftung für theologische und philosophische Studien
- Stiftung Schweizerisches Wirtschaftsarchiv
- Stiftung Zschokke-Haus
- Stiftung zur Förderung der biologischen Forschung
- Swiss Foundation for Excellence and Talent in Biomedical Research
- Universitätsstiftung Basel
- Verein AlumniBasel
- Verein zur Förderung des Wirtschaftswissenschaftlichen Zentrums der Universität Basel

Art. 31 para. 1 of the agreement between the Cantons of Basel-Landschaft and Basel-Stadt concerning the joint sponsorship of the University of Basel states: "Medical teaching and research is sponsored by the university, in particular the Faculty of Medicine. Services are performed both in the university departments and institutes as well as at the university hospitals and hospitals with university clinics." As part of the State Agreement negotiations, the costs for clinical teaching and research at the university hospitals and hospitals with university clinics were separated and integrated into the university's overall budget. Because the responsibility for accounting and supervision of the clinics remains in the hands of the cantons, the university accounting presented here does not consolidate the operational assets, capital and performance figures of the university hospitals (including the research department) or the hospitals with university clinics, the Institute of Forensic Medicine or the university's Center for Dental Medicine Basel (UZB). From the 2007 fiscal year, the hospital services rendered for

the Faculty of Medicine are financially compensated (UZB from 2016), thus constituting a purchase of services on the part of the university from the hospitals. As in the past, their SNSF research funds and individual grants in the area of external funding are integrated in the university's management of SNSF funds and external funding and are part of the university's annual financial statement.

Receivables and liabilities with respect to the two cantons are reported as "Receivables/liabilities due from affiliates". The financial involvements within the university have been eliminated.

### **University accounting practices**

When the State Agreement came into effect in 2007, a significant change was made to the funding bases for the university. The new equal sponsorship of the university by both of the Basel cantons introduced new accounting requirements. The following describes the university's accounting principles required by the State Agreement, which have been fully adhered to since 2007.

### **Accounting principles**

The university gaining its autonomy in 1997 resulted in strict accounting requirements. For this reason, as part of the effort to provide affiliates as well as third parties with open and transparent accountability for the funds entrusted to the university, the university's accounting in the subsequent years was gradually modified to comply with current and recognized accounting principles such as those defined in the specialized accounting recommendations (Swiss GAAP FER). The new equal sponsorship of the university by the two Basel cantons from 2007 was accompanied by additional changes to the accounting practices, which has further increased the already high standards in terms of transparency. The accounting standards introduced at the university are described below, with the primary goal being to realize the principle of a "true and fair view":

- Clear structure of the annual financial statement, consisting of a revenue and expense income statement, investment- and financing-appropriate balance sheet as well as notes with additional remarks on the annual financial statement that include regrouping of the funds and foundations of the university with respect to earmarking and availability.
- Appraisal of the university's own properties and other properties used for university purposes at acquisition costs minus the economically necessary adjustments. The revaluation reserves resulting from the initial inventory are reported as

committed reserves and are adjusted annually by the result from capitalizations, write-offs and investment contributions (federal subsidies, real estate fund contributions, third-party contributions).

- Assessment of operational facilities with respect to acquisition costs less economically necessary adjustments. The revaluation reserves resulting from the initial inventory are reported as committed reserves and are adjusted annually by the result from capitalizations and write-offs.
- University contributions in the area of upkeep and development of cantonal properties are treated as investment contributions by the university and are therefore not capitalized. In the domain of properties belonging to the university and properties used for university purposes, the value-enhancing investment contributions in the area of upkeep and development are capitalized and written off in accordance with the capitalization rules.
- Property that is not used for university purposes but whose rental income instead fulfills foundational or fund purposes (e.g. payment of grants) is allocated to financial assets, valued individually at the current market values, and carried forward to its lower book values in line with the principle of prudence.
- Valuation of financial assets at market values.
- Compliance with the gross assets principle (reporting gross investment income and its use according to the resolution passed by the University Council for the distribution of profits within the scope of the Swiss National Science Foundation and external funding administration of the university). Value adjustments are built up or liquidated in the amount of unrealized exchange gains/losses in the income statement and allocated to the centrally managed reserve for market risks.

- There is an allocated reserve for investment risks, taking into account the risk structure of the financial investments. This includes the value adjustments for unrealized capital gains and can be additionally accumulated for adequate protection against market risks from the effective investment income.
- Shares are valued at their acquisition cost.
- Operational stocks are valued according to the lowest value principle.
- Liquidity encompasses cash in hand, postal account and bank balances as well as cash equivalents with a remaining maturity of at least 90 days. They are appraised at their nominal value.
- Balance sheet reserves are formed when an event creates a probable liability before the balance sheet date and for which the amount and/or due date is uncertain but can be estimated. Balance sheet reserves are assessed at their nominal value.
- Reporting of deferred income and expenses on an accrual basis.
- Formation of reserves for university-internal awards that involve commitment or earmarking of own resources according to the financial regulations:
  - For unused funds from appointment awards
  - For approved earmarking from budget carryovers of the organizational units
  - For committed awards of the University Council.
- Based on a segment statement detailed in the university's report and application to its supporting cantons for the 2018 to 2021 performance period, there is a new reserve for "real estate" from 2018. This separates income and expenses into "real estate" and "teaching and research" as relevant. This segment accounting allows for better control and increases transparency with regard to the funding of real estate costs. It is intended to prevent cross-subsidization between the areas of teaching & research and real estate. Surpluses or deficits in real estate need to be offset annually.
- The organizational units have submitted a declaration of completeness and thus confirmed that they have reported all relevant transactions to the central authorities. In the course of reasonable efforts taken on the part of the university administration, this makes it possible to establish that the criteria for completeness have been met on the reporting date, especially with respect to the scope of consolidation and recording of the external funds received.
- Small rounding differences may result because values are rounded off in the annual financial statement.

It should be noted that the overall picture of the annual financial statement is a comprehensive material representation of the activities of the university, in particular the income statement.



## **Risk management and the internal control system of the university**

### Principles and concept

The University Council and the Rectorate of the University of Basel are responsible for establishing and maintaining a risk management system and reasonable internal checks. The internal control system (ICS) of the university was designed to provide the University Council and the Rectorate with an appropriate level of dependability in financial reporting as well as for the creation and presentation of the published annual financial statement reflecting the actual circumstances.

In addition to the control measures described on the level of the university at large, the internal control system of the university includes guidelines for risk assessment and a list of numerous checks on the process level that have already been implemented for several years now. Based on this concept, the Office of the Administrative Director created a documented risk control matrix for the key financial risks in 2009 and worked out the necessary checkpoints. The documented and evaluated processes are summarized in eight core processes. In addition, the new signature and initialing regulations that came into effect on 1 January 2011 have been implemented across the board, thus formalizing and standardizing the signature authorities and accounting checks throughout the entire university. In close cooperation with the University Council, the Rectorate has also developed a comprehensive risk assessment procedure and university risk pro-

file in order to document both financial risks and the key risks for the university and to set out any necessary measures. The University Council has acknowledged this very comprehensive work and commissioned the Rectorate with implementing the necessary measures.

The Rectorate regularly reviews, at least once annually, the risk assessment report and the prepared university risk profile in order to identify new key risks for the university and to take any necessary measures in a timely fashion on the basis of this report. The results from these audits are presented to the University Council in a risk report.

### Projects in progress

In view of the statutory regulations, an overarching risk management concept and internal control system at the University of Basel have been adopted by the University Council. Due to the highly complex implications and the necessary differentiated view, the associated work in the line constitutes a permanent process in which both the university's procedures as well as the implemented control activities are continuously reviewed, updated or modified if necessary and expanded upon by the responsible administrative levels of the university.

# Statistical data 2018

## Financial performance figures from the departments and service divisions (revenue)

CHF thousand	Contributions state sponsors Statement 2018	Financial awards SNSF third parties Statement 2018	Fees Services Other revenue sources Statement 2018	Total Revenue Statement 2018	Total Revenue Statement 2017
<b>Departments</b>					
Theology Studies	3,509	2,041	126	5,676	5,014
Law	11,435	1,532	762	13,729	14,337
Biomedicine	17,807	13,529	7,908	39,243	40,557
Sport, Exercise and Health	5,259	1,914	231	7,404	6,651
Public Health	2,781	3,032	1,414	7,227	7,247
Biomedical Engineering	1,444	5,618	553	7,615	4,927
Teaching and research (university clinics) <sup>1)</sup>	92,599	23,042	878	116,520	109,788
Medicine, unallocated	6,852	731	34	7,618	7,228
Foreign Languages and Literary Studies	10,252	2,976	77	13,305	13,711
Studies of the Ancient World	3,730	2,683	94	6,507	7,217
Social Sciences	7,287	4,210	54	11,551	12,390
History	4,214	3,111	161	7,486	7,690
Arts, media and philosophy	6,425	2,952	70	9,447	9,590
Humanities, unallocated	4,535	1,688	132	6,355	9,255
Physics	12,791	14,970	1,348	29,109	27,918
Environmental Sciences	18,426	6,644	1,746	26,816	27,355
Mathematics and Computer Science	7,885	3,491	306	11,682	12,162
Chemistry	14,062	14,723	302	29,087	23,852
Pharmacy	11,143	4,390	606	16,139	15,293
Biozentrum	39,634	15,974	1,340	56,948	67,067
Natural Sciences, unallocated	1,227	1	0	1,228	1,228
Economics	9,922	10,032	565	20,519	20,327
Psychology	11,075	3,924	2,030	17,028	15,122
Institute for European and Global Studies	1,692	336	26	2,055	2,269
Institute for Biomedical Ethics	792	725	7	1,524	1,427
Center for Philanthropy Studies	235	576	507	1,317	1,240
Institute for Educational Sciences	799	300	–	1,099	978
<b>Service divisions</b>					
University Library	23,135	1,859	2,817	27,810	27 121
IT Services	18,386	2	88	18,476	18 352
University administration	29,310	713	1,988	32,010	32 860
University-wide, unallocated <sup>2)</sup>	127,246	24,168	26,589	178,003	179 860

CHF thousand	<b>Contributions state sponsors Statement 2018</b>	<b>Financial awards SNSF third parties Statement 2018</b>	<b>Fees Services Other revenue sources Statement 2018</b>	<b>Total Revenue Statement 2018</b>	<b>Total Revenue Statement 2017</b>
<b>Summary by faculty</b>					
Faculty of Theology	3,509	2,041	126	5,676	5,014
Faculty of Law	11,435	1,532	762	13,729	14,337
Faculty of Medicine	126,742	47,866	11,019	185,628	176,399
Faculty of Humanities and Social Sciences	36,443	17,620	587	54,650	59,852
Faculty of Science	105,168	60,193	5,649	171,010	174,875
Faculty of Business and Economics	9,922	10,032	565	20,519	20,327
Faculty of Psychology	11,075	3,924	2,030	17,028	15,122
Interdisciplinary units	3,518	1,938	540	5,996	5,914
Service divisions	70,831	2,574	4,893	78,297	78,333
University-wide, unallocated <sup>2)</sup>	127,246	24,168	26,589	178,003	179,860
	<b>505,889</b>	<b>171,887</b>	<b>52,760</b>	<b>730,535</b>	<b>730,033</b>

- 1) The third-party awards reported for the university clinics essentially only include awards from the Swiss National Science Foundation that were processed and posted by the university authority responsible for administration of the contributions. The other external funding in the area of teaching and research in clinical medicine is granted directly to the individual clinics.
- 2) Unallocated university-wide figures include the public contributions that are not allocated directly to the organizational units, project funds that have not been finally allocated and tuition fees.

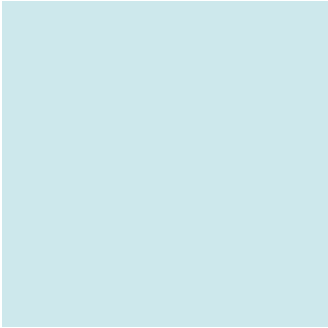
## Financial performance figures from the departments and service divisions (expenses)

CHF thousand	HR costs Statement 2018	Misc. Expenses Statement 2018	Depreciation fixed assets 2018	Total Expenses Statement 2018	Total Expenses Statement 2017
<b>Departments</b>					
Theology Studies	5,529	492	46	6,067	5,861
Law	12,692	1,474	127	14,292	14,381
Biomedicine	26,482	10,837	2,841	40,160	41,560
Sport, Exercise and Health	5,586	1,289	318	7,193	6,412
Public Health	6,984	1,940	31	8,955	6,842
Biomedical Engineering	5,043	1,272	568	6,884	5,891
Teaching and research (university clinics) <sup>1)</sup>	13,464	99,290	77	112,831	110,435
Medicine, unallocated	4,790	2,880	90	7,760	7,215
Foreign Languages and Literary Studies	13,261	610	224	14,095	14,619
Studies of the Ancient World	6,473	753	180	7,406	7,328
Social Sciences	10,637	1,444	178	12,259	12,612
History	6,481	1,289	97	7,867	7,408
Arts, media and philosophy	8,696	1,278	124	10,099	9,258
Humanities, unallocated	6,334	1,099	168	7,601	8,649
Physics	19,438	4,483	3,200	27,121	26,665
Environmental Sciences	22,045	4,222	1,485	27,752	26,009
Mathematics and Computer Science	10,645	789	330	11,764	10,987
Chemistry	20,270	6,205	3,454	29,929	28,953
Pharmacy	11,604	2,322	1,137	15,063	15,840
Biozentrum	42,010	10,178	6,584	58,772	63,946
Natural Sciences, unallocated	728	53	4	785	856
Economics	14,062	5,861	259	20,181	19,458
Psychology	13,267	2,122	517	15,906	16,136
Institute for European and Global Studies	1,969	129	23	2,121	2,212
Institute for Biomedical Ethics	1,419	81	18	1,518	1,639
Center for Philanthropy Studies	973	435	12	1,420	1,284
Institute for Educational Sciences	906	60	0	967	973
<b>Service divisions</b>					
University Library	17,432	9,570	314	27,316	26,993
IT Services	11,209	5,360	1,716	18,285	18,432
University administration	27,400	5,517	489	33,407	34,299
University-wide, unallocated <sup>2)</sup>	28,517	141,616	4,021	174,154	176,275

CHF thousand	<b>HR costs Statement 2018</b>	<b>Misc. Expenses Statement 2018</b>	<b>Depreciation fixed assets 2018</b>	<b>Total Expenses Statement 2018</b>	<b>Total Expenses Statement 2017</b>
<b>Summary by faculty</b>					
Faculty of Theology	5,529	492	46	6,067	5,861
Faculty of Law	12,692	1,474	127	14,292	14,381
Faculty of Medicine	62,349	117,509	3,925	183,783	178,355
Faculty of Humanities and Social Sciences	51,882	6,473	972	59,327	59,873
Faculty of Science	126,740	28,252	16,194	171,186	173,255
Faculty of Business and Economics	14,062	5,861	259	20,181	19,458
Faculty of Psychology	13,267	2,122	517	15,906	16,136
Interdisciplinary units	5,266	706	53	6,025	6,107
Service divisions	56,041	20,448	2,519	79,008	79,724
University-wide, unallocated <sup>2)</sup>	28,517	141,616	4,021	174,154	176,275
	<b>376,346</b>	<b>324,952</b>	<b>28,631</b>	<b>729,929</b>	<b>729,426</b>

1) Teaching and research (university clinics) contains remuneration for teaching and research at the university hospitals in the amount of CHF 92.6 million (previous year CHF 92.6 million).

2) The figure "University wide, unallocated" includes central personnel costs (e.g. pension inflation, social allowances, substitutes for vacant professorships, restructuring of the pension funds), the real estate fund, the liquidation/allocation of unused project funds, Unisport, SKUBA, AVUBA, expenses from federal programs (e.g. career advancement), basic rent for use of cantonal properties belonging to the Canton of Basel-Stadt, premises costs for energy, third-party rent and cleaning, and the formation of reserves for earmarked budget carryovers.



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