



University  
of Basel

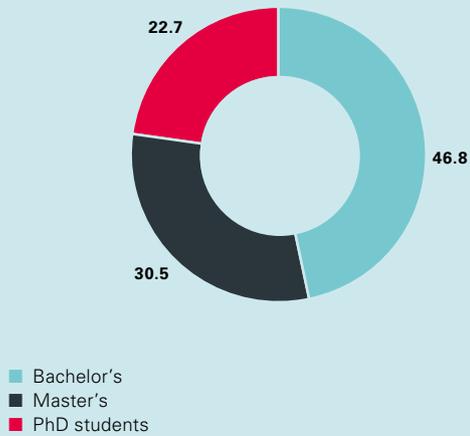
# **Annual Report 2019**

## Summary

# 2019 in figures.

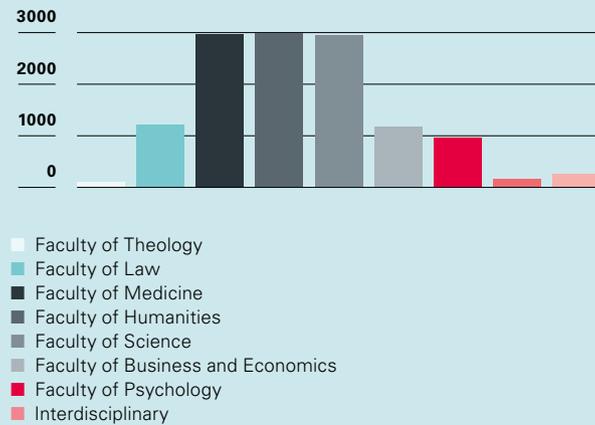
## Course level

Basel has a high proportion of PhD candidates (22,7%) which shows that the university is perceived as an attractive research institution both at a national and international level.



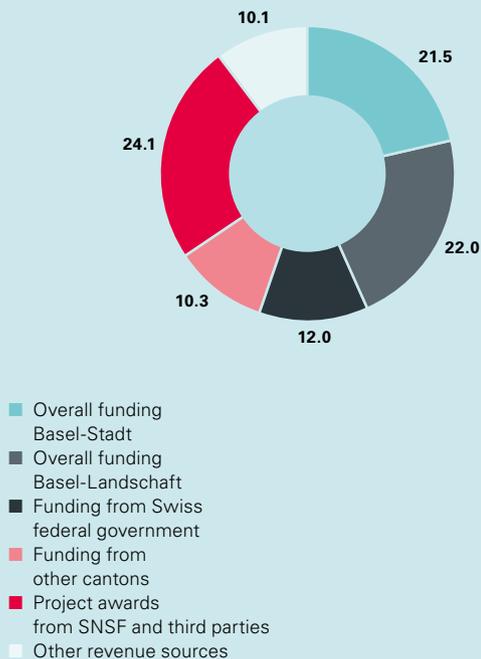
## Students and PhD candidates

The largest faculties at the University of Basel are the Faculty of Humanities, the Faculty of Science and the Faculty of Medicine.



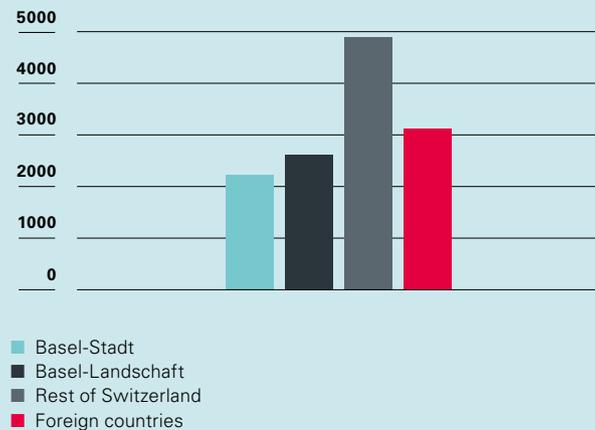
## Financing (percentage)

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



## Origin

37.7% of the students and PhD candidates come from the cantons Basel-Stadt and Basel-Landschaft.



## Students and PhD candidates

	Women		Men		Total	
	2019	2018	2019	2018	2019	2018
Faculty of Theology	56	63	50	56	106	119
Faculty of Law	695	726	507	487	1,202	1,213
Faculty of Medicine	1,671	1,592	1,279	1,230	2,950	2,822
Faculty of Humanities and Social Sciences	1,861	1,832	1,116	1,120	2,977	2,952
Faculty of Science	1,424	1,405	1,518	1,556	2,942	2,961
Faculty of Business and Economics	421	441	758	801	1,179	1,242
Faculty of Psychology	775	729	247	243	1,022	972
Institute for Educational Sciences	127	127	38	34	165	161
Interdisciplinary degree programs and doctoral studies	170	143	98	88	268	231
<b>Total</b>	<b>7,200</b>	<b>7,058</b>	<b>5,611</b>	<b>5,615</b>	<b>12,811</b>	<b>12,673</b>
<b>Total in %</b>	<b>56.2%</b>	<b>55.7%</b>	<b>43.8%</b>	<b>44.3%</b>	<b>100%</b>	<b>100%</b>

## Academic staff at the University of Basel as of 31.12.2019 (including Faculty of Medicine)

	Women		Men		Total
		%		%	
Professors	40	24.2 %	125	75.8 %	165
Clinical professors	10	14.3 %	60	85.7 %	70
Associate professors	14	17.3 %	67	82.7 %	81
Tenure-track	12	46.2 %	14	53.8 %	26
Assistant professors	15	41.7 %	21	58.3 %	36
Adjunct professors	46	14.9 %	262	85.1 %	308
Lecturers (Privatdozent)	128	27.5 %	337	72.5 %	465
Assistant lecturers	206	39.5 %	316	60.5 %	522
<b>Total</b>	<b>471</b>	<b>28.2%</b>	<b>1,202</b>	<b>71.8%</b>	<b>1,673</b>

## Students and PhD candidates according to their origin prior to their start of studies in fall 2019

	Women		Men		Total	
		%		%		%
Bachelor's program	678	51.1 %	649	48.9 %	1,327	10.4 %
Master's program	334	54.4 %	280	45.6 %	614	4.8 %
Doctoral studies	133	48.4 %	142	51.6 %	275	2.1 %
<b>Basel-Stadt</b>	<b>1,145</b>	<b>51.7%</b>	<b>1,071</b>	<b>48.3%</b>	<b>2,216</b>	<b>17.3%</b>
Bachelor's program	812	54.5 %	679	45.5 %	1,491	11.6 %
Master's program	451	55.7 %	359	44.3 %	810	6.3 %
Doctoral studies	146	46.6 %	167	53.4 %	313	2.4 %
<b>Basel-Landschaft</b>	<b>1,409</b>	<b>53.9%</b>	<b>1,205</b>	<b>46.1%</b>	<b>2,614</b>	<b>20.5%</b>
Bachelor's program	1,465	62.2 %	892	37.8 %	2,357	18.4 %
Master's program	1,069	61.6 %	667	38.4 %	1,736	13.6 %
Doctoral studies	434	55.2 %	352	44.8 %	786	6.1 %
<b>Rest of Switzerland</b>	<b>2,968</b>	<b>60.8%</b>	<b>1,911</b>	<b>39.2%</b>	<b>4,879</b>	<b>38.1%</b>
Bachelor's program	452	55.2 %	367	44.8 %	819	6.4 %
Master's program	449	59.6 %	304	40.4 %	753	5.9 %
Doctoral studies	777	50.8 %	753	49.2 %	1,530	11.9 %
<b>Foreign countries</b>	<b>1,678</b>	<b>54.1%</b>	<b>1,424</b>	<b>45.9%</b>	<b>3,102</b>	<b>24.2%</b>
<b>Total</b>	<b>7,200</b>	<b>56.2%</b>	<b>5,611</b>	<b>43.8%</b>	<b>12,811</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 2019 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 2019

### At a glance

in CHF million	2019	2018	2017	2016
<b>Income statement</b>				
Public contributions	510.7	505.9	501.9	536.3
Third-party contributions, including SNSF	187.1	171.9	157.7	147.9
Fees, services and investment income	74.3	50.3	69.6	64.2
Out-of-period income	4.4	2.4	0.8	4.0
<b>Total income</b>	<b>776.5</b>	<b>730.5</b>	<b>730.0</b>	<b>752.4</b>
Personnel costs	376.1	376.3	371.9	381.7
Material expenses	280.6	290.9	300.2	316.0
Depreciation on fixed assets	27.9	28.6	30.0	30.6
Liquidation (-) / allocation (+) of unused project funds	58.7	46.4	29.3	4.0
Out-of-period expenses	1.6	4.4	3.6	1.1
Liquidation (-) / formation (+) of reserves	31.5	-16.7	-5.6	19.5
<b>Total expenses</b>	<b>776.4</b>	<b>729.9</b>	<b>729.4</b>	<b>753.0</b>
<b>Year-end result</b>	<b>0.2</b>	<b>0.6</b>	<b>0.6</b>	<b>-0.6</b>
<b>Balance sheet</b>				
Current assets	378.7	309.8	282.5	289.1
Fixed capital	847.7	780.8	728.1	633.1
<b>Total assets</b>	<b>1,226.3</b>	<b>1,090.6</b>	<b>1,010.6</b>	<b>922.1</b>
Borrowed capital	507.0	461.6	411.9	347.7
Committed funds	471.1	412.4	366.0	336.7
Reserves	234.1	202.7	219.4	225.0
Free equity capital	14.2	14.0	13.4	12.8
<b>Total liabilities</b>	<b>1,226.3</b>	<b>1,090.6</b>	<b>1,010.6</b>	<b>922.1</b>

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

# Commentary:

## Fiscal Year 2019

### **Introductory remarks and appraisal of the annual financial statement 2019**

The 2019 fiscal year closed with a modestly positive result of CHF 0.2 million, slightly better than the 2019 budget, which still showed a deficit of CHF 0.3 million. Both income and expenses show a significant increase on balance compared with the previous year. This increase can be attributed to two opposing factors: on the one hand, the savings measures required in the 2018 to 2021 performance period (e.g. suspension of the automatic wage increase in 2019, reduction of the investment budget, vacant professorships remaining unfilled and associated personnel resources foregone, reduction in facilities for current professorships, reduction in central financial support for teaching and research cooperations) led to a reduction in the corresponding expense items. On the other hand, these savings were more than offset by high levels of project and external funding as well as investment income, which caused a considerable increase in both income and expenses (allocation of unused project funds and formation of reserves).

The additional annual savings of CHF 3.5 million included in the 2019 budget were achieved in the 2019 fiscal year. The recurring annual savings efforts have, as planned, so far resulted in total savings of CHF 12.5 million since the start of the performance period.

This second year of the fourth performance period of the State Agreement shows that a differentiated view of the development of key indicators in teaching and research is required. This means the university is achieving continuous growth in the procurement of external funding. In 2019, there was a further increase in both funds from the Swiss National Science Foundation (SNSF) and other external funding, together totaling CHF 187.1 million. This was the best result in the history of the university, surpassing even the previous record of CHF 171.9 million achieved in 2018. But while the previous year's downward trend in student numbers has stopped, the University of Basel's numbers are still growing at a slower rate than in Switzerland as a whole based on the latest data from the Swiss Federal Statistical Office.

This report offers comprehensive details of the activities and influences in the 2019 fiscal year with the aim of providing investors and interested members of the public with the most accurate depiction possible of the university's financial situation.

### **Factors impacting the 2019 result**

A surplus of CHF 0.2 million was reported for 2019. The ordinary total income (not including out-of-period effects) increased by CHF 43.9 million compared to the 2018 fiscal year (CHF 772.0 million in total; previous year: CHF 728.1 million). This increase is due to a handful of different developments. First, public contributions increased by a total of CHF 4.8 million in 2019. On the basis of decisions for the fourth performance period, there was an increase in global contributions totaling CHF 3.0 million in 2019, as well as a rise in the funds defined by the Intercantonal University Agreement (CHF +1.8 million). Other public contributions, and federal funding under the Higher Education Act in particular, remained at the previous year's level. Second, there was a net increase of CHF 15.2 million in project awards from the SNSF and third parties. Despite already being at a record high level the previous year, there were further increases in both project awards from the SNSF (CHF +4.4 million) and project awards from other external funds (CHF +10.7 million). Finally, primarily due to considerable gains in the area of investment, the university's own income (fees, service and investments) increased by CHF 23.9 million compared to the previous year.

On the expenditure side, there was a significant increase (CHF +46.4 million) over the previous year, although this requires a differentiated view. The ordinary total expenditure (i.e. not including out-of-period effects and the formation/liquidation of reserves) increased by just CHF 1.0 million compared to the previous year, although significant compensatory effects have already been observed in this area. Expenditure for almost all items thus declined by a total of CHF 11.3 million. In addition to personnel costs (CHF -0.3 million) and operating costs (CHF -2.4 million), the remaining items under ordinary total expenditure decreased significantly (CHF -8.6 million), with delays in the new Biozentrum building being a particular influencing factor. These decreases are almost completely offset by the allocation of unused project funds (CHF +12.3 million).

The substantial increase of CHF 42.9 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 to the strong increase in ordinary income in comparison to the previous year (CHF +43.9 million) and to a comparatively small net increase in ordinary expenses (CHF +1.0 million). As in the previous year (but in the opposite direction), this comparison with the previous year is heavily influenced by the investment proceeds, which increased considerably due to the positive development of market values in the area of the university's investments (CHF +28.7 million; previous year CHF -18.6 million).

The positive balance of this year's out-of-period transactions in the amount of CHF 2.8 million is essentially attributable to one item: the effective receipt of basic contributions under the Higher Education Act for 2018 was CHF 2.3 million above the claim on the federal government allocated in the previous year. Prior year deferrals were also reversed in 2019, resulting in a total positive balance of CHF 0.5 million.

In 2019, the University of Basel formed net reserves in the amount of CHF 31.4 million. New reserves in the amount of CHF 43.6 million were formed and proper liquidations of reserves totaling CHF 12.2 million accumulated in previous years were carried out. In 2019, the reserves formed included an allocation in the amount of CHF 14.1 million to the allocated reserve for investment risks (market-driven value adjustments for unrealized price gains), CHF 13.5 million for real estate (the result from real estate is always offset against a reserve to ensure the earmarking of the relevant public funds for real estate for the following year), and CHF 16.0 million for measures that are already decided, most of which were included in the 2019 budget and for which implementation of the cost impact will not begin until 2020 or later. Specifically, the reserve liquidation relates to the reserves as per financing regulations (CHF -11.1 million), the committed reserve for fixed assets (CHF -0.6 million) and the committed funds of the University Council (CHF -0.5 million). The details of the accumulated and liquidated reserves in the 2019 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 510.7 million are broken down into global contributions from the two supporting cantons Basel-Stadt (CHF 164.9 million) and Basel-Landschaft (CHF 170.6 million), federal contributions under the Higher Education Act (CHF 93.0 million) and contributions from other cantons in accordance with the Intercantonal Agreement (CHF 80.4 million). In addition to 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. This amount is not reported under this item but as an expense reduction in occupancy costs (see Note 14 in the annex).

The project funds from the Swiss National Science Foundation of CHF 83.4 million exceeded the previous year's record value by CHF 4.4 million. 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 2019, the committed project funds were reported on the balance sheet as "Committed funds".

The university received CHF 103.6 million (previous year CHF 92.9 million) in third-party project funds. This was the first time that the funds passed the 100-million mark. 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 21.0 million for EU projects, as well as special federal programs totaling CHF 15.8 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 10.0 million (previous year CHF 9.8 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 5.0 million) for the operation of the Swiss Nano Institute and, from Fondation Botnar, the first tranche of CHF 5.0 million for the Botnar Research Centre for Child Health (BRCCCH). More details can be found in Note 7 and in the consolidated financial statistics in the statistical data. Provided they were not used in 2019, the committed project funds were reported on the balance sheet as "Committed funds".

Miscellaneous revenues record a net increase of CHF 23.9 million. This increase can primarily be attributed to investment proceeds, which rose by CHF 28.7 million on the previous year (see the explanations in Notes 10 and 26). However, there was a decrease compared to the previous year in the university's own service income (CHF -6.4 million, see Note 9), while revenues from fees saw a slight increase (CHF +1.6 million, see Note 8).

## Operating result/year-end result

in CHF million	2019	2018	2017	2016
<b>Ordinary operating result</b>	<b>28.8</b>	<b>-14.1</b>	<b>-2.2</b>	<b>16.0</b>
Out-of-period income	4.4	2.4	0.8	4.0
Out-of-period expenses	-1.6	-4.4	-3.6	-1.1
Formation (-) / liquidation (+) of reserves	-31.5	16.7	5.6	-19.5
<b>Reported year-end result</b>	<b>0.2</b>	<b>0.6</b>	<b>0.6</b>	<b>-0.6</b>

### Expenditure side

The university's personnel costs decreased slightly by CHF 0.3 million compared to the previous year. The following developments are responsible for this decline: for positions funded by ordinary budget funds in teaching, research and self-administration, there was a decline in personnel costs of CHF 2.9 million; however, for Swiss National Science Foundation and other external funding, this item increased by CHF 2.6 million (for details see Note 12). More details can also be found in the personnel overview in the statistical data.

The decline in operating costs totaling CHF 2.4 million compared to the previous year can be attributed to a CHF 3.8 million decline in ordinary budget resources and to a slight increase in financing from SNSF and other external sources (CHF +1.4 million). At the level of individual expense categories, the expenses for materials and third-party services remains the largest individual item, totaling almost CHF 59 million. Further detailed items in operating costs and their changes compared to the previous year are shown in Note 13 in the annex.

Compared to the previous year, occupancy costs (see Note 14) showed a net decrease of CHF 3.6 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. In 2019, the basic rent for the university's use of cantonal properties belonging to the Canton of Basel-Stadt was the only occupancy cost item that increased slightly compared to the previous year (CHF +0.2 million). All other items show decreases, which can mainly be attributed to savings on property management.

Non-capitalized small investments (purchases under CHF 1,000) decreased by around CHF 0.4 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 slight increase of CHF 0.2 million compared with the previous year. Expenses for furnishings (CHF +0.5 million) and expenses for building services (CHF +1.0 million) both increased in 2019. It was only minor investments in construction (CHF -0.6 million) that saw a decrease. Deducting the capitalizable operational facilities (CHF +0.7 million compared to the previous year) brings the balance to the slight increase shown.

The maintenance and investment real estate fund came in at CHF 16.0 million, CHF 3.0 million lower than in the previous year. While the changes in the areas of building maintenance and services (CHF -0.8 million) and construction and building services (CHF +0.1 million) were within annual fluctuation margins, there was a decline of CHF 2.3 million in the area of building repairs and changes. In addition to many smaller implementation measures in the overall property portfolio, the only major individual projects in 2019 were the work to establish autonomous operations at the Center for Pharmaceutical Sciences at Klingelbergstrasse 50 (CHF 2.1 million), the refurbishment of the experimental greenhouse at Schönbeinstrasse 6 (CHF 0.7 million) and the new replacement tropical house (CHF 1.4 million).

The balance for the item liquidation/allocation of unused project funds is CHF +58.7 million (previous year CHF +46.4 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 43.6 million were formed for future or planned expenditure in 2019: CHF 13.5 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 2019 and a total of CHF 13.3 million for earmarked carryovers from the operating budget (CHF 9.6 million) or from the investment budget (CHF 3.7 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 4.0 million). To hedge risks in the area of financial assets, CHF 14.1 million was accounted for in the reserves (fluctuation reserve). Conversely, proper liquidations of the reserves totaling CHF 12.2 million accumulated in previous years occurred according to their earmarking. This breaks down into CHF 7.3 million in earmarked budget carryovers and CHF 3.8 million for appointment awards. In addition, further amounts for liquidation of committed funds from the University Council (CHF 0.5 million) and reserves for fixed assets (CHF 0.6 million) also occurred in 2019.

**Outlook for 2020 and the fourth performance period as a whole**

The faculties need to achieve structural savings of around CHF 8 million in their budgets by the end of the 2018–2021 performance period. With the structural savings of CHF 2.5 million already implemented in the 2019 accounts, the faculties will make further savings totaling CHF 5.5 million for 2020 and 2021. Further central and university-wide measures are necessary to keep the university's accounts in balance.

The university considers it important to retain the existing reserve concept. The agreed savings measures will therefore be continued. This financial leeway gives the university a high degree of autonomy to provide effective accrued risk provision.

In the current environment, various risks have emerged that will present a significant challenge for the university. There is already no question that the unfavorable developments concerning the new Biozentrum building, the difficult pension funding situation and the dramatic impact of the coronavirus pandemic will bring increased financial challenges for the university.

In view of the increasing competition between universities for researchers, lecturers and students at both national and international level, the university will continue to face significant challenges in the longer term. Through its caution, agility and commitment at every level, the university aims to continue making a major contribution to generating added value in the Basel region in the future.

# University of Basel income statement 2019

in Swiss francs	Statement 2019	Statement 2018
<b>Revenue</b>		
Overall funding Canton of Basel-Stadt	164,900,000	163,400,000
Overall funding Canton of Basel-Landschaft	170,600,000	169,100,000
Federal funding under the Higher Education Act	93,085,851	93,062,034
Funding from other cantons under the Intercantonal Agreement	80,350,525	78,525,786
Special contributions	1,800,700	1,800,700
<b>Public contributions</b>	<b>510,737,077</b>	<b>505,888,520</b>
Project awards from the SNSF	83,388,409	78,946,601
Project awards from other third parties	103,677,976	92,940,007
<b>Project awards from the SNSF and third parties</b>	<b>187,066,385</b>	<b>171,886,607</b>
Revenue from fees	27,842,361	26,232,987
Revenue from services	24,173,789	30,584,679
Investment proceeds	22,251,734	-6,472,969
<b>Other revenue sources</b>	<b>74,267,884</b>	<b>50,344,697</b>
Out-of-period income	4,442,649	2,415,230
<b>Out-of-period income</b>	<b>4,442,649</b>	<b>2,415,230</b>
<b>Total income</b>	<b>776,513,995</b>	<b>730,535,054</b>
<b>Expenses</b>		
Personnel costs	376,076,192	376,345,815
Operating costs	112,477,681	114,895,623
Occupancy costs	53,829,459	57,476,820
Small-scale IT and equipment investments	3,773,526	4,145,855
Furnishings, building services and construction investments	2,910,957	2,703,991
Maintenance and investments in real estate fund	16,076,443	19,075,086
Compensation for teaching and research in clinical medicine at university hospitals	91,509,059	92,559,559
Depreciation on real estate	1,771,377	1,771,377
Depreciation on fixed assets	26,114,991	26,859,422
Liquidation (-) / allocation (+) of unused project funds	58,701,322	46,397,429
<b>Ordinary expenses</b>	<b>743,241,007</b>	<b>742,230,976</b>
Out-of-period expenses	1,638,987	4,412,159
<b>Out-of-period expenses</b>	<b>1,638,987</b>	<b>4,412,159</b>
Liquidation (-) / formation (+) of reserves as per financing regulations	18,387,279	823,625
Liquidation (-) / formation (+) committed allocations University Council	-508,425	-1,179,720
Liquidation (-) / formation (+) committed reserves for fixed assets	-561,052	-5,731,639
Liquidation (-) / formation (+) committed reserves for investment risks	14,157,525	-10,626,420
<b>Reserves</b>	<b>31,475,328</b>	<b>-16,714,154</b>
<b>Total expenses</b>	<b>776,355,322</b>	<b>729,928,980</b>
<b>Year-end result</b>		
<b>Annual net profit</b>	<b>158,673</b>	<b>606,074</b>

# University of Basel balance sheet as of December 31, 2019

in Swiss francs	31/12/2019	31/12/2018
<b>Assets</b>		
Liquid assets	223,216,125	152,973,884
Short-term financial assets	26,064,006	25,920,054
Receivables from third parties	26,538,588	26,106,719
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	356,005	147,223
Operational stocks	358,288	373,003
Accruals	6,123,837	8,314,113
<b>Total current assets</b>	<b>378,656,849</b>	<b>309,834,995</b>
Long-term financial assets	310,537,098	289,670,429
Investments	1,304,125	1,299,865
Employer advance pension fund	45,625,228	48,999,690
Claims on the supporting cantons	6,000,000	12,000,000
Loans receivable	21,337,501	17,614,967
Properties for operational needs	50,533,758	52,305,135
Facilities	84,780,398	85,341,450
Facilities under construction	327,573,866	273,566,537
<b>Total fixed capital</b>	<b>847,691,974</b>	<b>780,798,073</b>
<b>Total assets</b>	<b>1,226,348,823</b>	<b>1,090,633,068</b>
<b>Liabilities</b>		
Bank loans	5,568,927	–
Liabilities toward third parties	57,341,973	39,629,133
Loans, supporting cantons	60,000,000	60,000,000
Loans, restructuring pension fund	25,250,000	27,050,000
Loans, assets under construction	279,172,604	255,471,382
Balance sheet reserves	52,045,289	50,237,663
Accrued liabilities	27,628,863	29,240,168
<b>Total borrowed capital</b>	<b>507,007,656</b>	<b>461,628,347</b>
Project funds Swiss National Science Foundation	146,204,062	134,816,676
Real estate fund	79,009,428	61,498,433
Other project funds (field-specific or earmarked)	201,333,066	175,666,619
Committed capital funds, foundations and associations	44,506,161	40,368,543
<b>Total committed funds</b>	<b>471,052,717</b>	<b>412,350,272</b>
Reserves from appointments	16,924,749	18,074,117
Reserves from budget carryovers	63,899,335	57,876,710
Reserves from real estate	18,595,231	5,081,209
Committed awards University Council	221,209	729,634
Committed reserves for fixed assets	84,780,396	85,341,448
Committed reserves for investment risks	49,705,974	35,548,449
<b>Total reserves</b>	<b>234,126,895</b>	<b>202,651,567</b>
Free capital funds and foundations	8,569,773	8,369,614
Free reserves	5,433,110	5,027,194
Year-end result	158,673	606,074
<b>Total free equity capital</b>	<b>14,161,556</b>	<b>14,002,883</b>
<b>Total liabilities</b>	<b>1,226,348,823</b>	<b>1,090,633,068</b>

# Notes to the Annual Report 2019 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 Riggerbach-Stiftung
- Stiftung für das Knochentumor-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 (UZH). From the 2007 fiscal year, the hospital services rendered for the Faculty of Medicine are financially compensated (UZH 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 and write-offs (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 President's Board 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 President's Board 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 Executive 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 nine 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 President's Board has also developed a comprehensive risk assessment procedure and university risk profile 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 President's Board with implementing the necessary measures.

The President's Board regularly reviews, at least every two years, 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.

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.

# Statistical data 2019

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

CHF thousand	Contributions state sponsors Statement 2019	Financial awards SNSF third parties Statement 2019	Fees Services Other revenue sources Statement 2019	Total Revenue Statement 2019	Total Revenue Statement 2018
<b>Departments</b>					
Theology Studies	3,450	2,768	149	6,367	5,676
Law	11,184	1,283	817	13,285	13,729
Biomedicine	19,600	17,307	1,632	38,539	39,243
Sport, Exercise and Health	5,331	2,385	594	8,310	7,404
Public Health	2,788	3,199	2,264	8,251	7,227
Biomedical Engineering	1,861	4,900	541	7,302	7,615
Teaching and research (university clinics) <sup>1)</sup>	91,609	19,530	1,379	112,518	116,520
Medicine, unallocated	7,221	1,069	128	8,418	7,618
Foreign Languages and Literary Studies	10,454	3,486	71	14,011	13,305
Studies of the Ancient World	3,766	2,463	132	6,361	6,507
Social Sciences	7,283	3,842	63	11,188	11,551
History	4,129	3,943	304	8,376	7,486
Arts, media and philosophy	6,459	2,770	68	9,297	9,447
Humanities, unallocated	3,686	1,986	199	5,871	6,355
Physics	12,021	15,508	1,588	29,117	29,109
Environmental Sciences	17,611	7,551	2,197	27,359	26,816
Mathematics and Computer Science	7,938	5,602	297	13,837	11,682
Chemistry	14,255	14,479	494	29,228	29,087
Pharmacy	11,507	3,885	762	16,154	16,139
Biozentrum	37,818	16,934	968	55,720	56,948
Natural Sciences, unallocated	1,285	–	–	1,285	1,228
Economics	10,480	9,833	892	21,206	20,519
Psychology	10,865	3,883	1,423	16,170	17,028
Institute for European and Global Studies	1,708	950	18	2,675	2,055
Institute for Biomedical Ethics	770	604	9	1,383	1,524
Center for Philanthropy Studies	248	586	649	1,483	1,317
Institute for Educational Sciences	680	382	1	1,063	1,099
<b>Service divisions</b>					
University Library	22,500	905	3,780	27,186	27,810
IT Services	17,595	–	55	17,650	18,476
University administration	31,291	761	2,244	34,296	32,010
University-wide, unallocated <sup>2)</sup>	133,342	34,271	55,329	222,942	178,003

CHF thousand	<b>Contributions state sponsors Statement 2019</b>	<b>Financial awards SNSF third parties Statement 2019</b>	<b>Fees Services Other revenue sources Statement 2019</b>	<b>Total Revenue Statement 2019</b>	<b>Total Revenue Statement 2018</b>
<b>Summary by faculty</b>					
Faculty of Theology	3,450	2,768	149	6,367	5,676
Faculty of Law	11,184	1,283	817	13,285	13,729
Faculty of Medicine	128,410	48,390	6,537	183,338	185,628
Faculty of Humanities and Social Sciences	35,778	18,490	836	55,104	54,650
Faculty of Science	102,436	63,959	6,306	172,700	171,010
Faculty of Business and Economics	10,480	9,833	892	21,206	20,519
Faculty of Psychology	10,865	3,883	1,423	16,170	17,028
Interdisciplinary units	3,406	2,522	676	6,604	5,996
Service divisions	71,386	1,666	6,079	79,132	78,297
University-wide, unallocated <sup>2)</sup>	133,342	34,271	55,329	222,942	178,003
	<b>510,737</b>	<b>187,066</b>	<b>79,044</b>	<b>776,848</b>	<b>730,535</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.

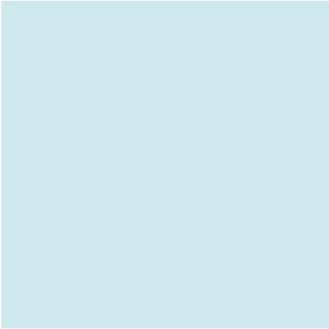
## Financial performance figures from the departments and service divisions (expenses)

CHF thousand	HR costs Statement 2019	Misc. Expenses Statement 2019	Depreciation fixed assets 2019	Total Expenses Statement 2019	Total Expenses Statement 2018
<b>Departments</b>					
Theology Studies	5,515	437	50	6,002	6,067
Law	12,027	1,231	129	13,386	14,292
Biomedicine	24,057	9,764	2,759	36,581	40,160
Sport, Exercise and Health	6,086	1,221	346	7,653	7,193
Public Health	5,790	1,530	28	7,349	8,955
Biomedical Engineering	5,600	970	616	7,186	6,884
Teaching and research (university clinics) <sup>1)</sup>	14,096	98,745	104	112,945	112,831
Medicine, unallocated	5,051	3,231	126	8,408	7,760
Foreign Languages and Literary Studies	13,118	849	231	14,197	14,095
Studies of the Ancient World	6,252	812	158	7,221	7,406
Social Sciences	10,114	1,233	177	11,524	12,259
History	6,930	1,007	98	8,035	7,867
Arts, media and philosophy	8,441	650	133	9,224	10,099
Humanities, unallocated	6,092	972	170	7,234	7,601
Physics	19,310	4,375	3,230	26,915	27,121
Environmental Sciences	22,086	2,339	1,456	25,882	27,752
Mathematics and Computer Science	10,514	856	306	11,676	11,764
Chemistry	21,747	5,444	3,520	30,711	29,929
Pharmacy	11,907	2,578	1,104	15,589	15,063
Biozentrum	42,045	11,526	6,363	59,934	58,772
Natural Sciences, unallocated	707	47	6	760	785
Economics	14,226	6,593	246	21,066	20,181
Psychology	13,717	2,150	503	16,371	15,906
Institute for European and Global Studies	2,091	214	18	2,322	2,121
Institute for Biomedical Ethics	1,347	76	16	1,440	1,518
Center for Philanthropy Studies	1,049	315	14	1,378	1,420
Institute for Educational Sciences	1,002	101	-	1,103	967
<b>Service divisions</b>					
University Library	16,772	9,271	347	26,390	27,316
IT Services	11,336	5,546	1,316	18,198	18,285
University administration	28,735	6,076	671	35,483	33,407
University-wide, unallocated <sup>2)</sup>	28,316	192,565	3,646	224,527	174,154

CHF thousand	<b>HR costs Statement 2019</b>	<b>Misc. Expenses Statement 2019</b>	<b>Depreciation fixed assets 2019</b>	<b>Total Expenses Statement 2019</b>	<b>Total Expenses Statement 2018</b>
<b>Summary by faculty</b>					
Faculty of Theology	5,515	437	50	6,002	6,067
Faculty of Law	12,027	1,231	129	13,386	14,292
Faculty of Medicine	60,680	115,462	3,979	180,121	183,783
Faculty of Humanities and Social Sciences	50,947	5,523	966	57,436	59,327
Faculty of Science	128,317	27,166	15,985	171,467	171,186
Faculty of Business and Economics	14,226	6,593	246	21,066	20,181
Faculty of Psychology	13,717	2,150	503	16,371	15,906
Interdisciplinary units	5,488	706	48	6,243	6,025
Service divisions	56,843	20,893	2,334	80,071	79,008
University-wide, unallocated <sup>2)</sup>	28,316	192,565	3,646	224,527	174,154
	<b>376,076</b>	<b>372,726</b>	<b>27,886</b>	<b>776,689</b>	<b>729,929</b>

1) Teaching and research (university clinics) contains remuneration for teaching and research at the university hospitals in the amount of CHF 91.5 million (previous year CHF 92.5 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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University of Basel  
Petersplatz 1  
P.O. Box 2148  
4001 Basel  
Switzerland  
[www.unibas.ch](http://www.unibas.ch)