



University
of Basel

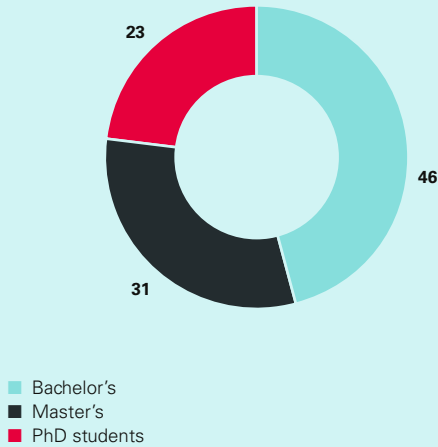
Annual Report 2021

Summary

2021 in figures.

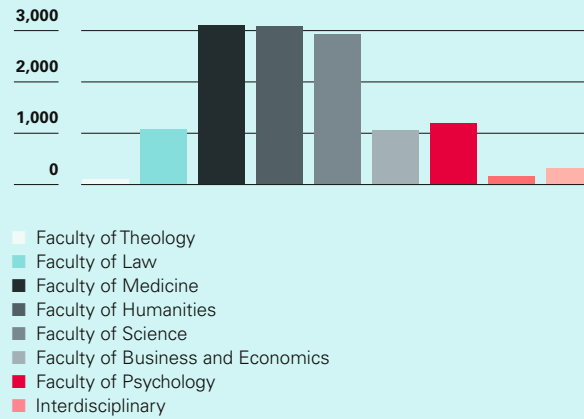
Study levels (in %)

The high proportion of doctoral candidates shows that the university enjoys a good reputation both nationally and internationally as a research university.



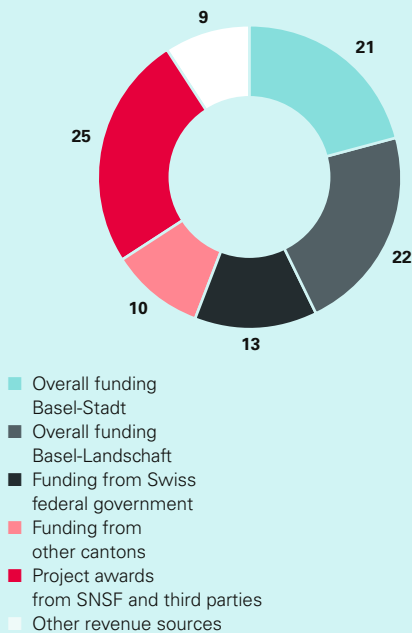
Students and PhD candidates

With just over 3,000 students each, the Faculties of Medicine and Humanities are the largest faculties at the University of Basel.



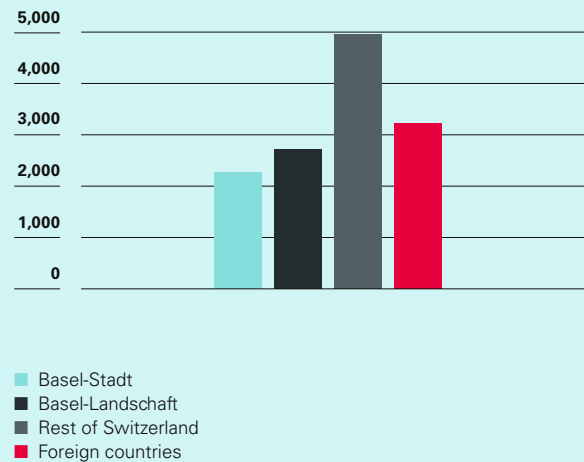
Financing (percentage)

The supporting cantons of Basel-Stadt and Basel-Landschaft provide more than 40% of the university's funding.



Origin

37.4% of the students and PhD candidates come from the cantons Basel-Stadt and Basel-Landschaft.



Students and PhD candidates

	Women		Men		Total	
	2021	2020	2021	2020	2021	2020
Faculty of Theology	50	55	52	57	102	112
Faculty of Law	653	716	452	486	1,105	1,202
Faculty of Medicine	1,768	1,751	1,336	1,299	3,104	3,050
Faculty of Humanities and Social Sciences	1,943	1,903	1,137	1,107	3,080	3,010
Faculty of Science	1,409	1,492	1,506	1,525	2,915	3,017
Faculty of Business and Economics	389	405	671	713	1,060	1,118
Faculty of Psychology	879	880	311	289	1,190	1,169
Institute for Educational Sciences	125	122	38	41	163	163
Interdisciplinary degree programs and doctoral studies	198	184	122	114	320	298
Total	7,414	7,508	5,625	5,631	13,039	13,139
Total in %	56.9%	57.1%	43.1%	42.9%	100%	100.0%

Academic staff at the University of Basel as of 31.12.2021 (including Faculty of Medicine)

	Women		Men		Total
		%		%	
Professors	44	24.6 %	135	75.4 %	179
Clinical professors	10	14.3 %	60	85.7 %	70
Associate professors	18	23.1 %	60	76.9 %	78
Tenure-track	9	52.9 %	8	47.1 %	17
Assistant professors	15	41.7 %	21	58.3 %	36
Adjunct professors	49	14.9 %	280	85.1 %	329
Lecturers (Privatdozent)	145	30.0 %	338	70.0 %	483
Assistant lecturers	245	44.3 %	308	55.7 %	553
Total	535	30.7%	1,210	69.3%	1,745

Students and PhD candidates according to their origin prior to their start of studies in fall 2021

	Women		Men		Total	
		%		%		%
Bachelor's program	640	49.6 %	650	50.4 %	1,290	9.9 %
Master's program	341	55.4 %	274	44.6 %	615	4.7 %
Doctoral studies	128	50.4 %	126	49.6 %	254	1.9 %
Basel-Stadt	1,109	51.4%	1,050	48.6%	2,159	16.5%
Bachelor's program	902	55.1 %	736	44.9 %	1,638	12.6 %
Master's program	419	54.8 %	345	45.2 %	764	5.9 %
Doctoral studies	156	50.8 %	151	49.2 %	307	2.4 %
Basel-Landschaft	1,477	54.5%	1,232	45.5%	2,709	20.8%
Bachelor's program	1,431	63.3 %	828	36.7 %	2,259	17.3 %
Master's program	1,178	63.6 %	674	36.4 %	1,852	14.2 %
Doctoral studies	461	55.5 %	370	44.5 %	831	6.4 %
Rest of Switzerland	3,070	62.1%	1,872	37.9%	4,942	37.9%
Bachelor's program	429	53.5 %	373	46.5 %	802	6.2 %
Master's program	533	61.3 %	337	38.7 %	870	6.7 %
Doctoral studies	796	51.1 %	761	48.9 %	1,557	11.9 %
Foreign countries	1,758	54.4%	1,471	45.6%	3,229	24.8%
Total	7,414	56.9%	5,625	43.1%	13,039	100.0%

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

Acknowledgments

The University of Basel would like to thank all private sponsors, foundations and companies that supported the institution in 2021 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.

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University of Basel

Fiscal Year 2021

At a glance

in CHF million	2021	2020	2019	2018
Income statement				
Public contributions	501.2	512.9	510.7	505.9
Third-party contributions, including SNSF	192.3	194.0	187.1	171.9
Fees, services and investment income	64.4	58.5	74.3	50.3
Out-of-period income	3.2	2.5	4.4	2.4
Total income	761.2	767.9	776.5	730.5
Personnel costs	408.4	393.8	376.1	376.3
Material expenses	328.0	299.1	280.6	290.9
Depreciation on fixed assets	35.4	27.9	27.9	28.6
Liquidation (-) / allocation (+) of unused project funds	-1.5	45.5	58.7	46.4
Out-of-period expenses	0.8	1.6	1.6	4.4
Liquidation (-) / formation (+) of reserves	-10.3	-0.1	31.5	-16.7
Total expenses	760.8	767.7	776.4	729.9
Year-end result	0.3	0.2	0.2	0.6
Balance sheet				
Current assets	302.8	421.9	378.7	309.8
Fixed capital	1,012.5	913.5	847.7	780.8
Total assets	1,315.4	1,335.4	1,226.3	1,090.6
Borrowed capital	599.9	570.4	507.0	461.6
Committed funds	514.8	516.6	471.1	412.4
Reserves	186.0	234.0	234.1	202.7
Free equity capital	14.7	14.3	14.2	14.0
Total liabilities	1,315.4	1,335.4	1,226.3	1,090.6

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

Commentary:

Fiscal Year 2021

Introductory remarks and appraisal of the annual financial statement 2021

The 2021 fiscal year closed with a positive result of CHF 0.3 million. This meant that the result in this final year of the fourth performance period was again slightly better than the budget target of a balanced result. This annual net profit is partially attributable to compensatory effects and special measures relating to both income and expenses. These are explained in more detail in the following comments and in the notes to the annual financial statement.

The last financial statement based on the old accounting standard also includes special transactions that have a considerable impact on how the results are disclosed and presented. These mainly comprise the opening of the new Biozentrum building and the DSBG building in 2021. The capitalization of these new university assets has led to changes in both the income statement and the balance sheet compared with the previous year. In addition, the switch to the new Swiss GAAP FER accounting standard, which has been ongoing behind the scenes, is also posing special challenges. The chart of accounts was converted to the new standard on 1 January 2021. At the same time, the capitalization limit for fixed assets was increased from CHF 1,000 to CHF 10,000 for the 2020 financial statement, following a detailed review and recommendation by the auditor. The depreciation and useful life periods that applied until 31 December 2020 were also reviewed, in particular those for scientific laboratory and research equipment. These changes also resulted in one-off effects in the annual financial statement 2021.

Finally, the planned additional and annually recurring savings were almost realized in full in the period 2018 to 2021 (e.g. suspension of the automatic wage increase in 2019, reduction of the investment budget, vacant professorships remaining unfilled and the associated personnel resources foregone, reduction in facilities for current professorships, reduction in central funding for teaching and research collaboration). At the same time, the reduction of reserves of CHF 10 million in 2021 as part of the requirements of the supporting cantons for the fourth performance period was implemented through appropriate measures during the

annual financial reporting. The additional funds earmarked for this purpose under the 2018–2021 performance mandate were used as planned by the university for its further strategic development. These amounted to CHF 7 million in 2021. Since the beginning of this performance period, additional funds have been deployed – particularly for digital transformation in various areas of the university, the establishment of the Center for Data Analytics, the Research & Infrastructure Support unit (RISE) in the Faculty of Humanities and Social Sciences, participation in the Institute of Molecular and Clinical Ophthalmology Basel (IOB), broad-based innovation initiatives, measures in the field of integrity, quality development and accreditation, and a further National Center of Competence in Research (NCCR).

The university continued to feel the effects of the pandemic in the 2021 fiscal year. As in the previous year, these were due mainly to higher administrative costs and, to some extent, higher personnel costs. Due to ongoing Covid restrictions, expenses, particularly for travel in the area of “recruitment, travel and events”, remained low. Other operating costs also rose only slightly, even though travel and laboratory-based work increased again in 2021. On the other hand, non-budgeted additional expenses occurred both centrally and decentrally in 2021 as part of ongoing crisis management (purchase of masks and hygiene supplies, deployment of security services, additional measures for hybrid teaching forms, rental of additional premises for in-person exams and extra costs in the IT infrastructure area for software licenses and laptops). At the same time, revenues continued to fluctuate. The income of individual university service areas (including Unisport, Language Center, museums, canteens) was still well below pre-pandemic levels.

This final year of the fourth performance period since the establishment of the joint sponsorship also demonstrates that the University of Basel makes great efforts to continue improving its performance against key indicators in the areas of teaching and research. The university has seen external funding grow continuously for many years now. Although funding was down slightly in 2021, it stood at a record level in 2020. The down-

ward trend in 2018 in one of the indicators central to teaching, “student numbers”, was halted in the subsequent years and has now increased slightly again. The University of Basel managed to keep the number of enrolled students and doctoral students above 13,000, despite the difficult conditions caused by the pandemic.

This report provides a detailed description of the activities and influences in the 2021 fiscal year, with the aim of presenting investors and interested members of the public with the most accurate picture possible of the university’s financial situation.

Factors impacting the 2021 result

Revenue side: Ordinary total income (not including out-of-period effects) decreased by CHF 7.5 million compared with the 2020 fiscal year (CHF 757.9 million in total; previous year: CHF 765.4 million). This decrease is due to the following movements:

Public contributions decreased by a total of CHF 11.6 million in 2021, and net contributions from the supporting cantons decreased by CHF 13.6 million. This includes a further CHF 5.0 million provided this year for the non-capitalizable additional costs of the new Biozentrum building, which is reported as accrued receivables, impairment, new Biozentrum building under Extraordinary contributions. For other public contributions, the funds defined by the Intercantonal University Agreement increased by CHF 0.8 million, while federal funding under the Higher Education Act rose by CHF 1.2 million.

There was a net decrease of CHF 1.7 million in project awards from the SNSF and third parties. This means that after two consecutive record years, project awards from the SNSF decreased by CHF 10.5 million in 2021. With a total of CHF 105.3 million, project awards from other third parties were up by CHF 8.8 million. The university’s own income (fees, services and investments) rose by CHF 5.8 million compared with the previous year. This was due to significant gains in value in the area of investments and a slight net increase in the area of fees and services.

Expenditure side: Expenditure was CHF 6.8 million lower than in the previous year, although this should be taken in context. Ordinary total expenditure (i.e. not including out-of-period

effects and the formation/liquidation of reserves) increased by CHF 4.8 million compared to the previous year, although significant compensatory effects have already been observed in this area. There were significant increases in personnel costs (CHF +14.6 million) and administrative costs (CHF +28.9 million). Write-offs were also higher in 2021 (CHF +7.6 million). However, these increases were almost fully offset by the significantly lower allocation of unused project funds (CHF –47.0 million).

The decrease of CHF 11.6 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 net decrease in lower ordinary income (CHF –7.4 million) and to higher ordinary expenses (CHF +4.8 million) compared to the previous year.

The balance of this year’s out-of-period transactions in the amount of CHF 2.4 million is due to the formation and liquidation of deferrals in the area of ancillary cost billing for property management and compensation for administrative costs, which resulted in this positive balance.

In 2021, the University of Basel liquidated reserves in the amount of CHF 10.3 million. In 2021, the reserves formed included CHF 7.9 million to the allocated reserve for investment risks (market-driven value adjustments for unrealized price gains), the committed reserve for fixed assets (CHF +2.7 million) and CHF 6.0 million for measures that are already decided, most of which were included in the 2021 budget and for which the cost effects will not be felt until at least 2022. The reserve liquidation largely relates to the reserve for the real estate segment statement (CHF –16.9 million) and the reserves as per financing regulations (CHF –10.0 million). The details of the accumulated and liquidated reserves in the fiscal year 2021 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 501.2 million are broken down into global contributions from the two supporting cantons Basel-Stadt (CHF 156.8 mil-

lion) and Basel-Landschaft (CHF 162.7 million), federal contributions under the Higher Education Act (CHF 95.7 million) and contributions from other cantons in accordance with the Intercantonal Agreement (CHF 79.2 million). In addition to the global contributions, the two supporting cantons have pledged compensation to the university for non-capitalizable additional costs for the new Biozentrum building totaling CHF 5.0 million (see Notes 5 and 14 in the annex), which is reported as an “extraordinary contribution”. The Canton of Basel-Stadt also 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). Furthermore, the Canton of Basel-Stadt 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).

Following the increases recorded in recent years and the record high of CHF 97.5 million reached in the previous year, project funding from the Swiss National Science Foundation decreased to CHF 87.0 million in 2021. Despite this CHF 10.5 million decrease in funding, it still represents the second highest level in the university’s history. In addition to some large-scale projects coming to an end, this decline is due to an adjustment made in 2021 to the staggered annual installments for payments relating to the two new National Centers of Competence in Research: AntiResist in the Biozentrum and SPIN in Physics. 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 2020, the committed project funds were reported on the balance sheet as “Committed funds”.

The university received CHF 105.3 million (previous year CHF 96.5 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. The increase of about CHF 8.8 million compared with the previous year includes an increase in grants from private individuals and foundations (CHF +13.6 million), a reduction in national and international research programs (CHF –8.5 million) and a one-off effect: As part of capitalization of

the new Biozentrum building, pre-financing payments totaling CHF 12.6 million were made in favor of the real estate fund. These were reported under funding from the federal government and cantons. The decline in funding in 2021 can generally be attributed to the following issues: first, the conclusion of special federal programs worth about CHF 6.9 million in total. For example, the special program for increasing university places in human medicine no longer applied in 2021 (CHF –4.7 million on previous year). There were also changes and cuts to a large number of other individual programs, amounting to CHF 2.2 million. Furthermore, the overhead payments of the Swiss National Science Foundation decreased by CHF 1.9 million in comparison with the previous year, and the cantonal contributions also decreased slightly (CHF –0.2 million). Funding for EU projects was lower by CHF 6.3 million (CHF 16.4 million in 2020 compared with CHF 10.1 million in 2021). At the same time, funding received from the Swiss Innovation Agency (Innosuisse) was also down, as the grants for SCCER Crest research stopped in 2020 (CHF –2.2 million on previous year). More details can be found in Note 7 and in the consolidated financial statistics in the statistical data. Provided they were not used in 2021, the committed project funds were reported on the balance sheet as “Committed funds”.

Miscellaneous revenues increased by net CHF 5.8 million. This increase can primarily be attributed to investment proceeds, which rose by CHF 5.2 million compared to the previous year (see Notes 10 and 26). In addition, the university’s own service income increased (CHF +0.9 million, see Note 9), while revenues from fees decreased slightly (CHF –0.3 million, see Note 8).

Expenditure side:

The university’s personnel costs were CHF 14.6 million higher than in the previous year. The following developments are responsible for this increase: A CHF 4.3 million rise in personnel costs for positions funded by ordinary budget funds in teaching, research and self-administration, and an increase of CHF 10.4 million for the Swiss National Science Foundation and other external funding (see Note 12 for details). More details can also be found in the personnel overview in the statistical data.

The CHF 17.7 million increase in operating costs compared to the previous year can be attributed to a decrease of CHF 4.4 million in operating costs financed from ordinary budget resources and to a significant decrease in funding from SNSF

Operating result/year-end result

in CHF million	2021	2020	2019	2018
Ordinary operating result	-12.4	-0.8	28.8	-14.1
Out-of-period income	3.2	2.5	4.4	2.4
Out-of-period expenses	-0.8	-1.6	-1.6	-4.4
Formation (-) / liquidation (+) of reserves	10.3	0.1	-31.5	16.7
Reported year-end result	0.3	0.2	0.2	0.6

and other external sources (CHF +22.1 million). At the level of individual expense categories, expenses for materials and third-party services remains the largest individual item, totaling almost CHF 57.4 million. Further detailed items in operating costs and their changes compared to the previous year are shown in Note 13 in the annex.

Occupancy costs (see Note 14) showed a net decrease of CHF 6.2 million in comparison to the previous year, partly attributable to a one-off effect of CHF 10.0 million for the new Biozentrum building in 2020. The non-capitalizable costs incurred to date for the new building were determined by an external consultancy on the basis of a detailed analysis. The preliminary value of CHF 20 million for 2020 was posted to occupancy costs in consultation with the supporting cantons and the auditor. As part of the capitalization of Biozentrum, a follow-up audit of the non-capitalizable costs was carried out and the preliminary value was set at CHF 30 million. This additional CHF 10 million was again posted to occupancy costs in 2021 (resulting in a reduction of CHF 10 million compared to the previous year). The amount is being funded by further awards of CHF 2.5 million from each supporting canton under item "Special contributions" (see Note 5) and by expected insurance payouts of CHF 5 million. Of this, CHF 2.2 million was recognized in 2021 as an expense reduction in occupancy costs. All other occupancy cost items increased by net CHF 1.6 million. As in the previous year, this item includes a deduction payment in the amount of CHF 10 million by the Canton of Basel-Stadt for the basic rent for the cantonal properties used by the university. Further detailed items in occupancy costs and their changes compared to the previous year are shown in Note 14 in the annex.

Non-capitalized small investments (purchases under CHF 10,000 since 1 January 2021; under CHF 1,000 in previous years) increased by around CHF 4.2 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 Furnishings, building services and construction investments (see Note 16) was CHF 3.4 million higher than in the previous year. Further detailed items and their changes compared with the previous year are shown in Note 16 in the annex.

The item Maintenance and investment in real estate fund came in at CHF 35.2 million, CHF 9.7 million higher than the previous year. The largest deviation comes from the expenses for individual plans and projects, which amounted to CHF 28.2 million in 2021 (CHF +10.2 million on previous year). In 2021, in addition to numerous smaller implementation measures in the overall property portfolio, this position comprised the following major individual plans: The complete refurbishment of the cafeteria at Bernoullistrasse 14/16 (CHF 1.8 million), replacement of AV equipment in Kollegienhaus at Petersplatz 1 (CHF 3.0 million), reconstruction of the entrance to the University Library at Schönbeinstrasse 18 (CHF 3.0 million) and replacement of the tropical greenhouse at Spalengraben 8 (CHF 3.4 million). In addition, individual sub-projects related to the new Biozentrum building were carried out directly by the university and pre-financed through the real estate fund. These included the expansion of laboratory quadrants, the installation of a fish station and the installation of network components (CHF 12.6 million in total). These sub-projects were capitalized at year end together with the main project and credited back to the real estate fund. In addition, expenses for building maintenance (CHF -0.2 million), services (CHF -0.5 million), and construction and building services (CHF +0.4 million) were near the previous year's levels.

The net figure for the item Liquidation/allocation of unused project funds is CHF –1.5 million (previous year CHF +45.5 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 item Reserves (see Notes 23 to 26) includes the formation and liquidation of reserves that are in line with the accounting regulations and the university's financing rules, and approved by the University Council with the annual financial statement. The following reserves totaling CHF 16.6 million were formed in 2021 for future or planned expenditure: CHF 2.7 million carried over from binding appointment awards in 2021, a total of CHF 3.3 million for earmarked carryovers from the operating budget (CHF 0.5 million) the investment budget (CHF 2.8 million), and CHF 2.7 million for reserves for fixed assets. To hedge risk in the area of financial assets, the fluctuation reserve was increased by CHF 7.9 million by means of an additional reserve. Conversely, proper liquidation of reserves accumulated in previous years, totaling CHF 26.9 million, was carried out according to their earmarking, with CHF 16.7 million assigned to balance real estate in the segment accounting conducted internally from the fourth performance period. A further CHF 5.9 million was liquidated from earmarked budget carryovers and CHF 4.1 million was assigned to new appointments.

Outlook for 2022 and the fifth performance period as a whole

With the Strategy 2022–2030, which was adopted by the University Council on 19 September 2019, the university has laid the groundwork for its successful development over the next 10 years.

Its aim is to continue positioning itself as an outstanding teaching and research institution that has strong, clear ties both regionally and internationally. As a distinguished university, the University of Basel strives to offer the best conditions for research and challenging, well-rounded studies for its students. It sees the increasingly fierce competition at a national and international level as an incentive to constantly improve and further increase the contribution to scientific progress, innovative strength and the appeal of the entire Basel region as a place to live and work.

This strategy also forms the financial framework for the bi-cantonal sponsorship defined by the Cantons of Basel-Landschaft and Basel-Stadt in the 2022–2025 performance mandate and which was agreed in October 2021 by parliamentary resolutions of the two cantons. With this total budget of CHF 1.35 billion, the supporting cantons enable the university to implement a four-year plan that is essential to fulfilling its core mandate as a university. The university is also revising its financial plan for the fifth performance period on the basis of the supporting cantons' decisions and the development and structural plans of the seven faculties. These adjustments for the fifth performance period, which are necessary in the strategy development and implementation process that is now beginning, will be continuously reviewed in the multi-year financial plan and reflected for the first time in the 2022 budget approved by the University Council.

The university will switch its accounting standard to Swiss GAAP FER in 2022, which will result in significant changes to the way that results are reported. As part of this, all items on the liabilities side of the balance sheet will be reviewed and reallocated to debt or equity as necessary. In view of this change, an equity strategy will be developed during the course of 2022, in order to allow the university to secure its medium- and long-term ability to act in terms of sustainable operations. Adequate equity will allow the university to take advantage of short-term opportunities in the areas of innovation, research and teaching, and to at least partially cover the numerous and in some cases financially significant risks (real estate financing, pension fund financing, loss of financial sources, pandemics, etc.).

University of Basel income statement 2021

in Swiss francs	Statement 2021	Statement 2020
Revenue		
Overall funding Canton of Basel-Stadt	156,800,000	156,200,000
Overall funding Canton of Basel-Landschaft	162,700,000	161,900,000
Federal funding under the Higher Education Act	95,756,755	94,593,554
Funding from other cantons under the Intercantonal Agreement	79,165,931	78,389,723
Special contributions	6,800,700	21,800,700
Public contributions	501,223,386	512,883,977
Project awards from the SNSF	87,010,643	97,481,202
Project awards from other third parties	105,303,244	96,506,093
Project awards from the SNSF and third parties	192,313,887	193,987,294
Revenue from fees	25,845,955	26,126,474
Revenue from services	24,316,533	23,418,557
Investment proceeds	14,217,402	8,989,344
Other revenue sources	64,379,889	58,534,375
Out-of-period income	3,243,058	2,460,920
Out-of-period income	3,243,058	2,460,920
Total income	761,160,220	767,866,565
Expenses		
Personnel costs	408,394,866	393,752,876
Operating costs	117,961,855	100,255,615
Occupancy costs	69,313,071	75,477,797
Small-scale IT and equipment investments	8,301,453	4,142,975
Furnishings, building services and construction investments	6,290,792	2,890,496
Maintenance and investments in real estate fund	35,138,627	25,427,495
Compensation for teaching and research in clinical medicine at university hospitals	90,986,544	90,875,059
Depreciation on real estate	15,664,635	1,808,357
Depreciation on fixed assets	19,754,360	26,058,894
Liquidation (-) / allocation (+) of unused project funds	-1,532,210	45,503,372
Ordinary expenses	770,273,992	766,192,938
Out-of-period expenses	846,579	1,574,579
Out-of-period expenses	846,579	1,574,579
Liquidation (-) / formation (+) of reserves as per financing regulations	-20,877,902	632,226
Liquidation (-) / formation (+) committed allocations University Council	-11,510	-28,677
Liquidation (-) / formation (+) committed reserves for fixed assets	2,700,874	-1,993,319
Liquidation (-) / formation (+) committed reserves for investment risks	7,911,384	1,309,386
Reserves	-10,277,154	-80,384
Total expenses	760,843,417	767,687,133
Year-end result		
Annual net profit	316,803	179,432

University of Basel balance sheet as of December 31, 2021

in Swiss francs	31/12/2021	31/12/2020
Assets		
Liquid assets	71,164,267	121,545,110
Short-term financial assets	139,322,499	142,777,967
Receivables from third parties	57,971,030	36,299,282
Receivables from the Confederation	544,742	84,868,481
Receivables due from supporting cantons	25,000,000	26,000,000
Receivables due from affiliates	11,055	130,964
Operational stocks	441,073	501,453
Accruals	8,353,784	9,735,661
Total current assets	302,808,449	421,858,919
Long-term financial assets	322,551,899	309,832,829
Investments	1,333,015	1,323,015
Employer advance pension fund	38,750,555	42,222,151
Loans receivable	19,511,200	20,424,350
Properties for operational needs	472,084,453	53,163,104
Facilities	50,003,523	82,787,080
Facilities under construction	108,313,627	403,751,977
Total fixed capital	1,012,548,272	913,504,506
Total assets	1,315,356,721	1,335,363,425
Liabilities		
Bank loans	66,328,993	26,633,284
Liabilities toward third parties	145,921,937	61,800,305
Loans, supporting cantons	–	60,000,000
Loans, restructuring pension fund	21,650,000	23,450,000
Loans, assets under construction	307,024,000	319,261,682
Balance sheet reserves	30,169,882	50,720,765
Accrued liabilities	28,822,030	28,551,795
Total borrowed capital	599,916,842	570,417,832
Project funds Swiss National Science Foundation	176,130,445	171,281,634
Real estate fund	77,997,471	78,614,811
Other project funds (field-specific or earmarked)	208,968,987	220,562,970
Committed capital funds, foundations and associations	51,689,518	46,098,680
Total committed funds	514,786,420	516,558,095
Reserves from appointments	16,352,613	17,772,146
Reserves from budget carryovers	52,029,145	54,607,081
Reserves from real estate	10,791,881	27,672,313
Committed awards University Council	181,022	192,532
Committed reserves for fixed assets	50,003,522	82,787,078
Committed reserves for investment risks	56,637,485	51,015,360
Total reserves	185,995,668	234,046,511
Free capital funds and foundations	9,193,504	8,823,870
Free reserves	5,147,483	5,337,686
Year-end result	316,803	179,432
Total free equity capital	14,657,791	14,340,988
Total liabilities	1,315,356,721	1,335,363,425

Notes to the Annual Report 2021 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.

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 that has influence over the management and the 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 the university assets in accordance with the wishes of the donors. 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
- Bernhard 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
- 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 provided 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. As 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 Department of Clinical Research) 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" (item 33). 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.

Accounting principles

The university gaining its autonomy in 1997 resulted in strict accounting requirements. Therefore, with the aim of providing related parties and third parties with an open and transparent account of the funds entrusted to the university, the university's accounting was incrementally adapted to modern, recognized accounting principles in subsequent years. 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.
- The existing capitalization limit of CHF 1,000 was increased to CHF 10,000 from 1 January 2021. Fixed assets above this amount are valued at acquisition or production cost minus accumulated depreciation. Depreciation is calculated on a straight line basis over the useful life of the asset, whereby the following periods have applied since 1 January 2021:
 - Land and buildings
Land unlimited, buildings 10–40 years
 - Furniture
10–15 years
 - Technical/operational facilities
8–15 years
 - Laboratory and research equipment
3–10 years
 - Office equipment
5 years
 - Informatics and hardware
3–5 years
- 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 for which the rental income fulfills foundational or fund purposes (e.g. payment of grants) is allocated to financial assets, valued individually up to 31 December 2021 at the current market values and carried forward to its lower book values in line with the principle of prudence. As at 1 January 2021, these properties are valued as financial assets at acquisition and production cost and depreciated based on their useful life.

- 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). In the amount of unrealized exchange gains/losses, value adjustments are made or reversed via 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 if an event before the balance sheet date gives rise to a probable liability 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 2018–2021 performance period, a reserve has been in place for the “real estate” segment since 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, and is intended to prevent cross-subsidization between the areas of teaching and 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 third-party 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 reasonable assurance of the reliability of the financial reporting and that the preparation and presentation of the published annual financial statement reflect the actual circumstances.

In addition to the control measures described on the level of the university as a whole, 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. The signature authority and accounting controls are uniformly formalized and standardized across the 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 2021

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

CHF thousand	Contributions state sponsors Statement 2021	Financial awards SNSF third parties Statement 2021	Fees Services Other revenue sources Statement 2021	Total Revenue Statement 2021	Total Revenue Statement 2020
Departments					
Theology Studies	3,420	1,991	151	5,562	5,508
Law	11,359	370	689	12,419	12,474
Biomedicine	19,356	13,324	1,433	34,113	34,927
Sport, Exercise and Health	5,204	1,124	564	6,892	8,147
Public Health	2,688	1,935	2,138	6,761	7,328
Biomedical Engineering	1,854	5,205	645	7,703	7,554
Teaching and research (university clinics) ¹⁾	90,803	22,919	1,388	115,110	114,188
Medicine, unallocated	8,234	874	34	9,141	8,490
Foreign Languages and Literary Studies	10,474	3,035	184	13,693	14,093
Studies of the Ancient World	3,689	3,136	93	6,918	7,214
Social Sciences	7,304	4,093	181	11,578	12,241
History	4,075	4,019	255	8,349	8,653
Arts, media and philosophy	6,288	2,298	38	8,624	9,137
Humanities, unallocated	3,833	471	357	4,661	6,387
Physics	9,054	16,744	1,857	27,655	32,041
Environmental Sciences	18,178	8,036	1,446	27,660	26,073
Mathematics and Computer Science	7,683	3,280	492	11,455	11,826
Chemistry	13,954	10,014	685	24,653	32,194
Pharmacy	11,272	4,581	561	16,414	15,290
Biozentrum	40,416	17,321	2,735	60,472	63,208
Natural Sciences, unallocated	1,258	–	5	1,263	1,085
Economics	11,334	4,033	673	16,040	20,597
Psychology	10,468	2,897	2,341	15,706	15,870
Institute for European and Global Studies	1,843	801	29	2,673	2,606
Institute for Biomedical Ethics	783	620	16	1,420	1,534
Center for Philanthropy Studies	256	545	758	1,559	1,371
Institute for Educational Sciences	765	485	229	1,480	1,395
Service divisions					
University Library	24,354	1,704	1,209	27,267	28,167
IT Services	19,814	–	207	20,021	18,264
University administration	33,989	3,336	2,129	39,453	36,389
University-wide, unallocated ²⁾	117,222	53,122	44,102	214,446	203,618

CHF thousand	Contributions state sponsors Statement 2021	Financial awards SNSF third parties Statement 2021	Fees Services Other revenue sources Statement 2021	Total Revenue Statement 2021	Total Revenue Statement 2020
Summary by faculty					
Faculty of Theology	3,420	1,991	151	5,562	5,508
Faculty of Law	11,359	370	689	12,419	12,474
Faculty of Medicine	128,139	45,380	6,201	179,720	180,633
Faculty of Humanities and Social Sciences	35,663	17,052	1,108	53,823	57,724
Faculty of Science	101,814	59,977	7,781	169,572	181,717
Faculty of Business and Economics	11,334	4,033	673	16,040	20,597
Faculty of Psychology	10,468	2,897	2,341	15,706	15,870
Interdisciplinary units	3,646	2,452	1,033	7,131	6,906
Service divisions	78,158	5,040	3,544	86,741	82,820
University-wide, unallocated ²⁾	117,222	53,122	44,102	214,446	203,618
	501,223	192,314	67,623	761,160	767,867

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.

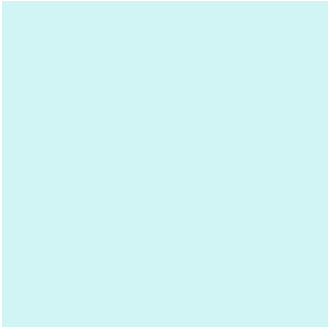
Financial performance figures from the departments and service divisions (expenses)

CHF thousand	HR costs Statement 2021	Misc. Expenses Statement 2021	Depreciation fixed assets 2021	Total Expenses Statement 2021	Total Expenses Statement 2020
Departments					
Theology Studies	5,778	245	15	6,038	6,101
Law	11,594	1,202	27	12,823	12,473
Biomedicine	23,383	9,006	1,743	34,132	34,569
Sport, Exercise and Health	6,325	1,238	207	7,770	7,575
Public Health	5,541	1,256	2	6,799	7,166
Biomedical Engineering	6,438	1,033	508	7,979	6,964
Teaching and research (university clinics) ¹⁾	17,434	98,027	34	115,494	114,211
Medicine, unallocated	5,924	3,136	106	9,166	8,524
Foreign Languages and Literary Studies	13,496	643	76	14,214	14,245
Studies of the Ancient World	6,429	704	63	7,197	6,754
Social Sciences	11,410	929	33	12,373	11,526
History	7,884	917	30	8,832	8,629
Arts, media and philosophy	8,598	691	53	9,342	8,877
Humanities, unallocated	5,485	735	78	6,298	8,206
Physics	23,232	4,362	2,768	30,362	28,794
Environmental Sciences	22,689	3,833	1,142	27,665	26,373
Mathematics and Computer Science	11,280	629	170	12,079	12,102
Chemistry	22,924	4,554	2,227	29,705	31,822
Pharmacy	13,794	3,342	913	18,050	16,127
Biozentrum	44,559	11,667	5,665	61,890	57,065
Natural Sciences, unallocated	709	26	1	736	822
Economics	14,816	5,320	82	20,218	20,490
Psychology	14,424	1,900	155	16,479	15,455
Institute for European and Global Studies	2,518	313	5	2,837	2,590
Institute for Biomedical Ethics	1,289	116	7	1,412	1,442
Center for Philanthropy Studies	1,008	326	7	1,340	1,322
Institute for Educational Sciences	1,349	197	–	1,546	1,229
Service divisions					
University Library	16,750	11,239	379	28,368	28,233
IT Services	12,939	6,968	789	20,695	19,195
University administration	31,590	5,942	454	37,986	36,383
University-wide, unallocated ²⁾	36,807	136,551	17,682	191,039	212,422

CHF thousand	HR costs Statement 2021	Misc. Expenses Statement 2021	Depreciation fixed assets 2021	Total Expenses Statement 2021	Total Expenses Statement 2020
Summary by faculty					
Faculty of Theology	5,778	245	15	6,038	6,101
Faculty of Law	11,594	1,202	27	12,823	12,473
Faculty of Medicine	65,043	113,698	2,599	181,340	179,008
Faculty of Humanities and Social Sciences	53,303	4,619	334	58,255	58,238
Faculty of Science	139,187	28,413	12,885	180,485	173,105
Faculty of Business and Economics	14,816	5,320	82	20,218	20,490
Faculty of Psychology	14,424	1,900	155	16,479	15,455
Interdisciplinary units	6,164	934	18	7,117	6,584
Service divisions	61,279	24,149	1,621	87,049	83,811
University-wide, unallocated ²⁾	36,807	136,551	17,682	191,039	212,422
	408,395	317,030	35,419	760,843	767,687

1) Teaching and research (university clinics) contains remuneration for teaching and research at the university hospitals in the amount of CHF 91.0 million (previous year CHF 90.8 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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