Southern Utah University – Financial Indicators (2011)

Colleges and universities are called upon to demonstrate an amazing elasticity in adjusting to change. Financial flexibility is a critical component in providing this elasticity. A report of financial indicators, supplementing the standard accounting reports, can perhaps help demonstrate the trends in an institution's financial position.

While information viewed in isolation is of limited value, when put into the context of a trend, it offers the opportunity to expand comprehension and improve decision making. Time-series ratio analysis can be helpful in assessing an institution's financial position and direction:

1) Is the reporting institution financially healthy as of the reporting date?
2) Is the institution financially better off at the end of the reporting period than it was at the beginning?
3) Did the institution "live within its means" for the reporting period?
4) Why have the financial ratios trended in the manner observed?

The strategic indicators on the following pages provide an objective assessment of the financial performance of Southern Utah University for the period in question. Each indicator has, at its conclusion, a short discussion section written by SUU's Assistant Vice President for Finance A. Mitchell Bealer. The analysis provided in these sections is presented to assist the reader in understanding the reasons underlying the trends present.

While the data are historical and therefore not necessarily predictive, they do provide insight into policy changes that would be necessary if a different future state is desired. In this way, the information can assist in maintaining the delicate balance between the needs of the present of those of the future by identifying choices and setting priorities that will affect the institution's tomorrow.

Dorian G. Page, MAcc, CPA
Vice President for Finance & Government Relations

Financial Indicators – June 30, 2011

All business entities, including colleges and universities, can benefit from a study of a series of financial ratios or indicators, especially if they are compared to prior periods for a sense of trends in the business activities of the entity.

This publication of SUU Financial Indicators over several years can benefit administrators in seeing from where we have come financially, where we are, and, if unchanged, where we might be in the future. Obviously, not all impacts to an entity are under the control of that entity, but the decisions that can be, and are made by an organization will be enhanced if the financial impacts are recognized as well as the non-financial considerations.

The ratios and indicators have been grouped according to the intent of the indicator. There is a general explanation of the group and what ratios are included therein. Each ratio or indicator presented is designed to tell some significant story about SUU and how it has utilized its resources to accomplish its mission. We have prepared a short explanation of what each ratio portrays, how it is determined (calculated) and what it means in context of the trend experienced by that indicator.

The majority of the information presented is taken from the SUU Annual Financial Report, which is very informative, but is intended to provide general financial information to various audiences in a format that is common to all business entities. This report is intended for use by the SUU administration in its decision-making processes and has not been audited or verified by an outside entity.

A. Mitchell Bealer, CPA
Assistant Vice President for Finance

Assessment of Overall Financial Condition

Readers of financial reports are interested in assessing the financial condition of the institution. An important means of evaluating an institution's financial condition is the Statement of Net Assets, which shows the assets, liabilities, and net assets at a point in time. The following financial ratios, derived from the Statement of Net Assets, are used to assess the financial condition of Southern Utah University.

Current ratio
Primary reserve ratio
Return on net assets ratio
Viability ratio

Evaluation of Financial Performance

To evaluate the financial performance of a higher education institution, the financial activities as reported in the Statement of Revenues, Expenses, and Changes in Net Assets should be reviewed. This Statement reflects financial activity in instruction, research, public service, academic support, student services, operation and maintenance of plant, institutional support, student aid, and auxiliary enterprises. Three primary operating statement ratios are used to evaluate financial performance:

Net operating ratio
Contribution ratios
Demand ratios

Evaluation of Creditworthiness

Creditors are especially interested in evaluating the creditworthiness of an institution. When institutions try to secure external financing for capital and other projects, they must be able to demonstrate their ability to repay their current and future debts. Creditors tend to focus on the future, looking at the historical trends for indications that an institution will be able to meet its future obligations. Ultimately, creditworthiness is a matter of judgment. As part of the USHE system, SUU's credit rating depends largely on the rating of that state system. Three primary financial ratios are used to reflect an institution's creditworthiness:

Viability ratio (included above)
Debt burden ratio
Debt coverage ratio

Other Ratios

The following ratios provide additional information to readers desiring to understand the financial performance and status of the institution. The strength of all ratios lies in their ability to display trends. To fully understand the trends, once recognized, further in-depth analysis is then typically warranted.

Capital Debt to Net Capital Assets
Debt per FTE Student
Instructional Expenditures per FTE Student
Academic Expenditures
Endowment per FTE Student
Endowment Ratio
Auxiliaries
Tuition Discounting

Current Ratio

This current ratio measures an organization's liquidity, serving as an indicator of the ability to meet current obligations. This simple calculation matches the institution's short-term assets with liabilities expected to come due during the same period.

Generally accepted standards for this ratio indicate a 2:1 coverage as being desirable.

The numerator is simply total current assets; the denominator is total current liabilities. Both numbers come directly from the Statement of Net Assets.

SUU 2010-11	42,415,678 divided by 14,193,739 = 2.99 : 1
SUU 2009-10	37,624,773 divided by 10,754,844 = 3.50 : 1
SUU 2008-09	38,557,994 divided by 12,963,383 = 2.97 : 1
SUU 2007-08	30,895,869 divided by 9,938,149 = 3.11 : 1
SUU 2006-07	27,282,233 divided by 8,754,160 = 3.12 : 1

Discussion: Over the past five years we have maintained a relatively constant 3 to 1 current ratio indicating that the University has a healthy current ratio.

Primary Reserve Ratio

This primary reserve ratio compares the level of assets that an organization can quickly access and spend to satisfy its fiscal obligations. In describing the organization's ability to support current operations from available expendable resources, the ratio measures financial strength of the organization.

Expendable net assets should increase at a level commensurate with growth in operational activity. Monitoring this ratio allows a tracking of growth and whether or not growth in resource levels provides an appropriate margin for dealing with opportunity or adversity.

The numerator (expendable net assets) is comprised of unrestricted net assets and expendable restricted net assets as reported in the Statement of Net Assets. The denominator is comprised of operating expenses as reported in the Statement of Revenues, Expenses, and Changes in Net Assets.

SUU 2010-11	36,257,856 divided by 106,575,674 = 34.02%
SUU 2009-10	35,115,560 divided by 98,145,255 = 35.78%
SUU 2008-09	32,413,046 divided by 96,901,061 = 33.45%
SUU 2007-08	30,358,040 divided by 92,728,648 = 32.74%
SUU 2006-07	29,371,138 divided by 85,515,284 = 34.35%

Discussion: If all revenues immediately ceased, we could operate for approximately four months on existing expendable resources. This is highly unlikely and this exhibits a healthy level of expendable net assets relative to operations and provides the University the flexibility to take advantage of opportunity that may arise or deal with unforeseen adversity.

Return on Net Assets Ratio

This ratio measures economic return in order to determine whether an institution generated or used up net assets in a given year. In a For-Profit company this ratio is critical to demonstrate a return on invested capital (net assets). In a Not-For-Profit a return is not necessarily anticipated, thus the Not-For-Profit designation. Major changes are generally due to major gifts or appropriations for capital investment.

The numerator for this formula is Increase/ (Decrease) in net assets, the denominator is net assets at the beginning of the year. Both are found in the Statement of Revenues, Expenses, and Changes in Net Assets.

SUU 2010-11	18,001,859 divided by 147,741,744 = 12.18%
SUU 2009-10	5,332,633 divided by 141,802,671 = 3.76%
SUU 2008-09	(1,852,077) divided by 143,611,605 = (1.29%)
SUU 2007-08	17,619,328 divided by 125,9892,277 = 13.98%
SUU 2006-07	5,740,042 divided by 120,252,235 = 4.77%

Discussion: During 2007-08 we received capital project funds for the remodel of Old Main and the new Teacher Education building resulting in significantly higher revenue. 2008-09 brought many economic challenges reducing revenues across the board while the institution made every effort to hold the line on budgeted expenditure cuts resulting in a negative return on net assets. Increases in nonoperating (grants and gifts) along with other revenues (capital grants and gifts) for 2009-10 brought the return on net assets back to a positive position. The 2010-11 return is reflective of capital funding received for the Center for Health and Molecular Sciences building. The true return on Net Assets in our industry is our product – educated students.

Viability Ratio

In measuring the availability of sufficient cash, or other convertible assets, to pay institutional obligations as of the date of the Statement of Net Assets, this ratio indicates the relative liquidity of the organization.

In that long-term debt need not be paid off at once, there are no absolute thresholds for this ratio. Of more importance, are long-term trends in direction. Long-term declines would limit the ability to deal with adverse impacts or to take on new projects.

The numerator (expendable net assets) consists of unrestricted net assets and expendable restricted net assets. The denominator is total non-current liabilities (e.g., long-term debt). Both are found in the Statement of Net Assets.

SUU 2010-11	36,257,856 divided by 22,175,977 = 1.64 : 1
SUU 2009-10	35,115,560 divided by 23,420,370 = 1.50 : 1
SUU 2008-09	32,413,046 divided by 25,741,442 = 1.26 : 1
SUU 2007-08	30,358,040 divided by 14,039,623 = 2.16 : 1
SUU 2006-07	29,371,138 divided by 14,763,613 = 1.99 : 1

Discussion: The most significant change in this ratio has been a near doubling of the denominator (total non-current liabilities) between 2007-08 and 2008-09. During 2008-09, 2008 revenue bonds totaling $12,025,000 were issued to construct new residence halls on campus.

Net Operating Ratio

This ratio compares the net operating income or (loss) to total operating revenues. Accounting principles define state appropriations (in addition to many governmental grants and contracts as of 2007-08) as non-operating revenue. Since expenditures include the use of state appropriations and governmental grants and contracts (as of 2007-08), excluding the revenues will always result in negative Net Operating Revenues for state supported institutions similar to SUU. The more useful ratio is a modified Net Operating Ratio that reflects total revenues, shown following this ratio.

The numerator is Operating Income (Loss) as reported in the Statement of Revenues, Expenses, and Changes in Net Assets. The denominator is Total Operating Revenues taken from the same report.

SUU 2010-11	(57,720,261) divided by 48,855,413 = (118.15%)
SUU 2009-10	(54,280,360) divided by 43,864,895 = (123.74%)
SUU 2008-09	(53,422,861) divided by 43,478,200 = (122.87%)
SUU 2007-08	(51,342,851) divided by 41,385,797 = (124.06%)
SUU 2006-07	(33,916,235) divided by 51,599,049 = (65.73%)

Modified Net Operating Ratio

The numerator is Income (Loss) Before Other Revenue in the Statement of Revenues, Expenses, and Changes in Net Assets. The denominator is Total Operating Revenues plus Non-operating Revenues from the same report.

SUU 2010-11	1,605,559 divided by 109,241,460 = 1.47%
SUU 2009-10	2,194,346 divided by 101,527,896 = 2.16%
SUU 2008-09	(4,253,336) divided by 93,287,370 = (4.56%)
SUU 2007-08	3,035,079 divided by 96,417,651 = 3.15%
SUU 2006-07	1,856,995 divided by 88,053,146 = 2.11%

Contribution Ratios

These ratios measure specific revenue sources as a percentage of total operating expense. Analyzing these sources is important to ensure that revenues keep pace with expenses over time. Diversification in revenues streams is important in insulating the institution to some degree from fluctuations in primary sources.

The numerator for this formula is the revenue subcategory listed on the Statement of Revenues, Expenses, and Changes in Net Assets, the denominator is Total Operating Expenses.

SU U 2010-11	Operating Revenues	
	Tuition & Fees	28,922,972 divided by 106,575,674 = 27.14%
	Gov't Grants/Contracts	389,448 divided by 106,575,674 = 0. 37%
	Sales/Svcs Educ Activity	13,923,792 divided by 106,575,674 = 13.06%
	Sales/Svcs Aux Enterprise	5,579,233 divided by 106,575,674 = 5.23%
	Interest Inc/Student Loans	39,968 divided by 106,575,674 = 0.04%
	Nonoperating Revenues	
	State Appropriations	29,450,389 divided by 106,575,674 = 27.63 %
	Gov't Grants/Contracts	26,199,874 divided by 106,575,674 = 24.58%
	Private Gifts/Grants	2,914,431 divided by 106,575,674 = 2.73%
	Investment Income	1,842,245 divided by 106,575,674 = 1.73%
	Other Nonoperating	(20,892) divided by 106,575,674 = (0.02%)
SU U 2009-10	Operating Revenues	
	Tuition & Fees	25,845,830 divided by 98,145,255 = 26.33%
	Gov't Grants/Contracts	433,662 divided by 98,145,255 = 0.44%
	Sales/Svcs Educ Activity	12,151,144 divided by 98,145,255 = 12.38%
	Sales/Svcs Aux Enterprise	5,390,372 divided by 98,145,255 = 5.49%
	Interest Inc/Student Loans	43,887 divided by 98,145,255 = 0.04%
	Nonoperating Revenues	
	State Appropriations	28,950,422 divided by 98,145,255 = 29.50%
	Gov't Grants/Contracts	23,002,038 divided by 98,145,255 = 23.44%
	Private Gifts/Grants	4,835,111 divided by 98,145,255 = 4.93%
	Investment Income	803,073 divided by 98,145,255 = 0.82%
	Other Nonoperating	72,357 divided by 98,145,255 = 0.32%
SU U 20028-09	Operating Revenues	
	Tuition & Fees	24,923,619 divided by 96,901,061 = 25.72%
	Gov't Grants/Contracts	233,175 divided by 96,901,061 = 0.24%
	Sales/Svcs Educ Activity	13,088,620 divided by 96,901,061 = 13.51%
	Sales/Svcs Aux Enterprise	5,182,160 divided by 96,901,061 = 5.35%
	Interest Inc/Student Loans	50,626 divided by 96,901,061 = 0.05%
	Nonoperating Revenues	
	State Appropriations	31,185,490 divided by 96,901,061 = 32.18%
	Gov't Grants/Contracts	16,418,031 divided by 96,901,061 = 16.94%
	Private Gifts/Grants	3,215,914 divided by 96,901,061 = 3.32%
	Investment Income	(837,470) divided by 96,901,061 = (0.86%)
	Other Nonoperating	(172,795) divided by 96,901,061 = (0.18%)

Discussion: Tuition and fees increases coupled with State Appropriation decreases in relation to total expenditures represent a point of concern.

Demand Ratios

Demand ratios describe the eight functional classifications of educational and general expenses, as a percentage of total operating revenues. Trends in the eight categories indicate whether they are consuming more or less of an institution's revenue stream.

The particular ratio can also be valuable for inter-institutional comparisons, to determine where an organization places its emphasis. For instance, SUU spends a significantly higher proportion in public service activities than do most institutions. The formula's numerator is the specific functional expense category, as defined in the notes to the financial statements. The denominator is total operating revenues, reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

SUU 2010-11	Instruction	22,835,885 divided by 109,241,460 = 20.90%
	Research	120,654 divided by 109,241,460 = 0.11%
	Public Service	12,965,235 divided by 109,241,460 = 11.87%
	Academic Support	8,960,828 divided by 109,241,460 = 8.20%
	Student Services	10,788,114 divided by 109,241,460 = 9.88%
	Institutional Support	19,479,787 divided by 109,241,460 = 17.83%
	O&M of Plant	9,605,458 divided by 109,241,460 = 8.79%
	Student Aid	10,227,274 divided by 109,241,460 = 9.36%
	Auxiliaries	6,060,197 divided by 109,241,460 = 5.55%
	Depreciation	5,532,242 divided by 109,241,460 = 5.06%
SUU 2009-10	Instruction	23,064,363 divided by 101,527,896 = 22.72%
	Research	11,069 divided by 101,527,896 = 0.01%
	Public Service	13,218,385 divided by 101,527,896 = 13.02%
	Academic Support	7,242,799 divided by 101,527,896 = 7.13%
	Student Services	11,314,523 divided by 101,527,896 = 11.14%
	Institutional Support	13,987,698 divided by 101,527,896 = 13.78%
	O&M of Plant	9,304,055 divided by 101,527,896 = 9.16%
	Student Aid	8,906,167 divided by 101,527,896 = 8.77%
	Auxiliaries	5,864,027 divided by 101,527,896 = 5.78%
	Depreciation	5,132,169 divided by101,527,896 = 5.05%
SUU 2008-09	Instruction	23,989,625 divided by 93,287,370 = 25.72%
	Research	59,258 divided by 93,287,370 = 0.06%
	Public Service	13,557,454 divided by 93,287,370 = 14.53%
	Academic Support	7,903,846 divided by 93,287,370 = 8.47%
	Student Services	10,898,431 divided by 93,287,370 = 11.68%
	Institutional Support	13,793,721 divided by 93,287,370 = 14.79%
	O&M of Plant	9,186,414 divided by 93,287,370 = 9.85%
	Student Aid	6,928,150 divided by 93,287,370 = 7.43%
	Auxiliaries	5,820,630 divided by 93,287,370 = 6.24%
	Depreciation	4,763,532 divided by 93,287,370 = 5.11%

Discussion: Fairly consistent support of expenditures by category.

Debt Burden Ratio

This ratio compares the level of debt service (principal and interest payments) with the institution's operating expense, thereby measuring an organization's reliance on debt as a source for financing its mission. Higher ratios indicate fewer resources being available for other, general operating purposes.

As a measure of the relative cost of debt to overall expenses, a declining trend is generally desirable. The ratio can spike during times of specific funding activity, however. Investment bankers set an upper threshold of 7% for this ratio.

The numerator includes required principal and interest payments (plus any other required additions to reserves or renewal & replacement fund), as reported on the Statement of Cash Flows. The denominator is total operating expenses, as reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

SUU 2010-11	2,019,970 divided by 106,575,674 = 1.90%
SUU 2009-10	3,428,115 divided by 98,145,255 = 3.49%
SUU 2008-09	1,291,291 divided by 96,901,061 = 1.33%
SUU 2007-08	1,382,537 divided by 92,728,648 = 1.49%
SUU 2006-07	1,375,911 divided by 85,515,284 = 1.61%

Discussion: 2006-07 through 2008-09 reflects the gradual pay down of debt. 2009-10 includes the new debt service payments required for the 2008 bonds and other one-time financing required for completion of Resident Living's Cedar Hall resulting in a significantly higher percentage.

Debt Coverage Ratio

This ratio measures the excess income available for covering annual debt service (principal and interest) payments. A high ratio is therefore a positive indicator that the organization has sufficient income to meet debt obligations.

The numerator for this ratio includes changes in unrestricted net assets plus interest expense and depreciation expense. The denominator consists of required annual debt service (principal and interest payments).

SUU 2010-11	6,670,107 divided by 2,019,970 = 3.3 : 1
SUU 2009-10	7,993,351 divided by 3,428,115 = 2.3 : 1
SUU 2008-09	5,678,618 divided by 1,291,291 = 4.4 : 1
SUU 2007-08	9,574,535 divided by 1,382,537 = 6.9 : 1
SUU 2006-07	6,332,127 divided by 1,375,911 = 4.6 : 1

Discussion: The 2008-09 decrease is due to a minimal increase in net assets from operations (the numerator) during an especially challenging economic year. The decrease for 2009-10 was a result of increases in the numerator and denominator due to the additional debt service required for Cedar Hall as mentioned previously. The lower ratio suggests that the institution has fewer resources to meet debt obligations.

Capital Related Debt to Net Capital Assets

This ratio measures the extent to which plant fund assets have been financed by debt. Incurring indebtedness is often a cost-effective solution to obtaining necessary facilities. However, the assumption of debt burden does require careful balancing of fiscal obligations.

The numerator (capital-related debt) is comprised of total long-term liabilities minus remainder annuity trusts. The denominator is net capital assets as reported on the Statement of Net Assets.

SUU 2010-11	22,108,554 divided by 139,180,271 = 15.88%
SUU 2009-10	22,683,297 divided by 124,245,696 = 18.26%
SUU 2008-09	25,463,877 divided by 125,187,902 = 20.34%
SUU 2007-08	12,880,382 divided by114,594,271 = 11.24%
SUU 2006-07	13,646,599 divided by 99,985,489 = 13.65%

Discussion: This ratio decreases over time as capital debt is retired (2006-07 through 2007-08) and increases as capital-related debt is incurred – 2008 bonds issued during 2008-09 offset somewhat by the increase in Net Capital Assets due to the addition of the building (Cedar Hall) to the denominator. The decrease in the ratio for 2010-11 is a result of the addition of the Science Building without incurring additional debt.

Debt per FTE Student

This ratio compares the level of total institutional debt with the number of full-time equivalent (FTE) students enrolled at the institution, thereby providing a measure of the debt burden on a per student cost basis.

SUU 2010-11	22,502,089 divided by 7,761 annualized year FTE = $2,899/student
SUU 2009-10	23,102,293 divided by 7,504 annualized year FTE = $3,079/student
SUU 2008-09	26,021,891 divided by 7,160 annualized year FTE = $3,634/student
SUU 2007-08	13,466,855 divided by 6,829 annualized year FTE = $1,972/student
SUU 2006-07	14,260,550 divided by 6,937 annualized year FTE = $2,056/student

Discussion: This amount spikes in the year we issue new debt (2008-09), then tapers off as we add students (grow) and pay down debt.

Instructional Expenditures per FTE Student

This ratio provides a measure of the unit cost of production for education provided to students. Causes for declining numbers warrant further investigation, as they could indicate either increased efficiency in producing instruction or decreased emphasis on academic programs.

SUU 2010-11	22,835,885 divided by 7,761 annualized year FTE = $2,942
SUU 2009-10	24,064,363 divided by 7,504 annualized year FTE = $3,073
SUU 2008-09	23,989,625 divided by 7,160 annualized year FTE = 3,351
SUU 2007-08	25,876,749 divided by 6,829 annualized year FTE = $3,789
SUU 2006-07	23,575,731 divided by 6,937 annualized year FTE = $3,398

Discussion: We should stay fairly consistent in this measure, meaning our class size and faculty to student ratio is maintained at a consistent level. The recent decrease reflects budget reductions in 2008-09 and may suggest that our instructional expenditures are not keeping pace with our enrollment growth.

Mission Emphasis Indicator-Academic Expenditures

This ratio measures the relative emphasis placed on the academic mission of the institution. Trends of this ratios overtime can indicate changes in investment or production efficiencies relative to the primary academic mission. These trends are the most important indicator of institutional direction, as inter-institutional comparisons will be influenced by institution-specific missions (for instance, SUU's public service emphasis will make ratios lower for all other expenditures categories).

The numerator, academic expenditures, is made up of expenditure related to instruction, academic support, and scholarships and fellowships. The denominator is comprised of total consolidated non-auxiliary operating expenses.

SUU 2010-11	42,023,987 divided by 100,515,477 = 41.81%
SUU 2009-10	39,213,329 divided by 92,181,228 = 42.54%
SUU 2008-09	38,821,621 divided by 91,080,431 = 42.62%
SUU 2007-08	37,041,857 divided by 85,236,179 = 43.46%
SUU 2006-07	33,213,922 divided by 78,332,394 = 42.40%

Endowment Ratio

This indicator compares the total endowment (at market value) to current operational levels at the institution, answering the question of to what degree endowment growth is keeping pace with institutional financial growth.

The numerator is comprised of all endowment and quasi-endowment fund balances at market value. The denominator is total operating expenses reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

SUU 2010-11	14,916,036 divided by 106,575,674 = 14.00%
SUU 2009-10	12,526,867 divided by 98,145,255 = 12.76%
SUU 2008-09	11,856,569 divided by 96,901,061 = 12.24%
SUU 2007-08	14,613,536 divided by 92,728,648 = 15.76%
SUU 2006-07	13,246,959 divided by 85,515,284 = 15.49%

Discussion: This measure reflects the significant decrease in market value for our endowment fund investments experienced during 2008-09.

Ratio of Net Auxiliary Revenues to Total Auxiliary Revenues

This ratio tells whether the revenues in support of auxiliary enterprises were sufficient to meet the expenditures from those services. It is not unusual for auxiliary services to be out of balance – at time producing surpluses, at times deficits. Auxiliary enterprises are not funded by the state in most instances, and need to be self-supporting over time. Therefore, it is critical that surpluses be frequent enough and large enough to create fund balance reserves for use to meet capital outlay requirements and temporary unforeseen deficits.

The numerator is composed of total auxiliary revenues less total auxiliary expenditures (mandatory debt service transfers <u>not</u> included). The denominator is comprised of total auxiliary revenues.

SUU 2010-11	3,135,763 divided by 8,858,805 = 35.40%
SUU 2009-10	2,559,857 divided by 8,346,527 = 30.67%
SUU 2008-09	1,956,869 divided by 7,477,252 = 26.44%
SUU 2007-08	2,128,990 divided by 9,588,902 = 22.20%
SUU 2006-07	2,090,189 divided by 9,308,133 = 22.46%

Discussion: This trend indicates our Auxiliary Enterprises (Bookstore, Food Service, Residence Life and Student Center) are healthy and improving their profits relative to operations.

Tuition Discounting (Student Financial Aid Expenditures to Tuition Revenues)

A high ratio indicates that the institution receives substantially less than $1 in net revenues for each tuition dollar it charges (tuition discounting).

The first ratio shown for each year indicates "uncollected money", i.e., tuition charges not collected due to tuition waivers being given. The second and third ratios involved campus dollars being directly spent in covering student tuition charges.

Note that 3 methods have been used.

Method 1 divides "appropriated general fund student aid" (waivers) by "appropriated general fund student tuition" (fees excluded).

Method 2 divides "appropriated general fund student aid" (waivers) and "other general fund student aid" (campus-based scholarships) by the same divisor.

Method 3 divides "appropriated general fund student aid" (waivers), "other current general fund student aid" (campus-based scholarships), and "other restricted fund aid" (campus-based scholarships) by the same divisor.

Note that federal and state aid sources are EXCLUDED from all the above.

SUU 2010-11	Method 1	5,382,387 divided by 36,810,802 = 14.62%
	Method 2	6,470,251 divided by 36,810,802 = 17.58%
	Method 3	9,395,932 divided by 36,810,802 = 25.52%
SUU 2009-10	Method 1	4,537,326 divided by 31,583,158 = 14.37%
	Method 2	5,608,996 divided by 31,583,158 = 17.76%
	Method 3	7,985,098 divided by 31,583,158 = 25.28%
SUU 2008-09	Method 1	4,022,950 divided by 27,743,660 = 14.50%
	Method 2	5,174,337 divided by 27,743,660 = 18.65%
	Method 3	7,402,165 divided by 27,743,660 = 26.68%
SUU 2007-08	Method 1	3,898,995 divided by 25,452,146 = 15.32%
	Method 2	5,178,789 divided by 25,452,146 = 20.35%
	Method 3	7,298,078 divided by 25,452,146 = 28.67%
SUU 2006-07	Method 1	3,390,733 divided by 22,944,601 = 14.78%
	Method 2	3,957,230 divided by 22,944,601 = 17.25%
	Method 3	5,899,609 divided by 22,944,601 = 25.71%

Discussion: We collect approximately 85% of assessed tuition (methods 1&2) and we are not changing that measure materially.