Financial Ratios and Trends

(2018 – 2023)

Mississippi Institutions of Higher Learning
Department of Finance
3825 Ridgewood Road, Jackson, Mississippi 39211
(601) 432-6142

Are resources sufficient and flexible enough to support the mission?	*Are resources, including debt, managed strategically to advance the mission?*	*Does asset performance and management support the strategic direction?*	Do operating results indicate the institution is living with available resources?	
Primary Reserve Ratio	**Viability Ratio**	**Return on Total Net Assets**	**Net Operating Revenue Ratio**	
			Contribution Ratios:	
Secondary Reserve Ratio	**Long-Term Liabilities to Unrestricted Net Assets** *net of GASB Nos 68 / 75 noncash benefits adjustments*	**Return on Expendable Net Assets**	**Gross Tuition**	**Gross Tuition Contribution per Student FTE**
Capitalization Ratio	**Debt Burden**	**Composition of Equity**	**Gifts, Grants & Contracts**	**Auxilary Enterprises**
Current Ratio	**Debt Service Coverage** *net of GASB Nos 68 / 75 noncash benefits adjustments*	**Financial Net Assets Ratio**	**State Appropriations**	**Hospital Operations**
			Demand Ratios:	
Days of Cash on Hand		**Physical net Investment in Capital Assets**	**Salaries Wages & Fringe Benefits**	**Payments to Suppliers**
		Physical Asset Reinvestment	**Instruction**	**Research**
		Age of Facilities	**Public Service**	**Institutional Support**
			Educational Support	**Operations and Maintenance**
			Student Aid	**Hospital Operations**
			Auxiliary Enterprises	

Where noted, some ratios exclude the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (FY15, forward) and 75 (FY18, forward).

State of Mississippi Institutions of Higher Learning (the System)

(including UMMC and Executive Office)

Financial Ratios

FY 2023

Ratio	Target [1]	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	UM + UMMC	USM	EO	SYSTEM
Measures of Resource Sufficiency and Flexibility													
Primary Reserve Ratio [2]	.40x	0.93	0.04	0.31	0.44	0.37	0.69	0.85	0.31	0.45	0.51	0.78	0.47
Secondary Reserve Ratio	none	0.20	0.00	0.23	0.02	0.02	0.03	0.08	0.02	0.03	0.01	0.25	0.04
Capitalization Ratio [2]	50% to 85%	76%	80%	65%	71%	91%	82%	75%	48%	61%	70%	71%	67%
Current Ratio	2.0x	7.3	1.7	2.7	3.9	2.5	6.2	1.8	2.0	2.0	3.7	2.6	2.6
Days of Cash on Hand Ratio [2]	> 90x	256	24	117	115	40	217	99	64	73	128	79	95
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*		256	24	117	149	101	225	298	104	154	166	345	159
Measures of Resource Management, including Debt													
Viability Ratio [2]	none	1.9	0.3	0.7	1.4	N/A	2.9	2.0	1.0	1.3	1.3	2.2	1.3
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	0.5	3.4	1.7	0.8	0.0	0.4	0.6	1.3	0.9	1.0	1.9	0.9
Debt Burden Ratio	< 7.0%	4.1%	1.5%	4.4%	3.1%	0.0%	1.9%	3.8%	2.4%	2.8%	3.6%	0.0%	3.0%
Debt Coverage Ratio	> 1.5x	7.3	-0.2	3.1	2.9	N/A	3.4	2.3	1.5	1.8	1.1	0.0	2.2
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		6.4	0.9	3.1	3.7	0.0	2.8	2.5	2.1	2.3	1.3	0.0	2.6
Measures of Asset Performance and Management													
Return on Total Net Assets [2]	3% to 4%	10.4%	-0.1%	8.7%	4.5%	2.7%	0.6%	1.9%	0.5%	1.3%	4.6%	4.7%	2.7%
Return on Expendable Net Assets [2]	none	27.5%	-56.5%	27.3%	-5.0%	-16.1%	4.4%	8.2%	-2.1%	2.7%	11.1%	7.7%	2.4%
Composition of Equity Ratio	1.0x	0.7	0.1	1.6	0.4	0.2	0.5	0.6	1.1	0.9	0.3	26.5	0.7
Financial Net Asset Ratio [2]	composition: equity vs physical assets	44.8%	2.6%	37.2%	30.8%	14.9%	32.4%	39.6%	55.1%	46.0%	26.4%	95.5%	38.9%
Physical Net Investment in Capital Asset Ratio [2]		55.2%	97.4%	62.8%	69.2%	85.1%	67.6%	60.4%	44.9%	54.0%	73.6%	4.5%	61.1%
Physical Asset Reinvestment Ratio	1.0x	1.2	1.7	0.0	2.2	0.1	0.1	1.9	0.6	1.1	0.7	0.5	52.8
Age of Facilities Ratio	< 14 years	21	21	23	15	20	22	16	10	12	17	61	15
Measures of Operating Performance (Contribution & Demand Ratios)													
Net Operating Revenues Ratio	2% to 4%	17.6%	-8.2%	6.8%	2.6%	-11.3%	0.4%	0.7%	-1.2%	-0.7%	-2.9%	-4.1%	0.3%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		14.6%	-6.3%	6.6%	4.7%	-9.2%	-0.5%	1.6%	0.3%	0.6%	-1.9%	-3.8%	1.6%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense													
Gross Tuition		25.0%	31.3%	30.2%	36.6%	31.6%	17.9%	60.7%	2.6%	17.7%	37.3%		24.7%
Gross Tuition per Student FTE		$ 8,455	$ 12,108	$10,295	$16,650	$ 9,489	$ 8,050	$21,519	$ 15,784	$20,699	$12,001		$ 15,780
State Appropriations		35.9%	35.5%	23.5%	23.4%	31.4%	27.1%	16.6%	10.0%	11.7%	27.1%	72.6%	18.9%
Gifts, Grants and Contracts		48.9%	20.3%	32.2%	35.9%	29.1%	45.3%	20.4%	5.7%	9.5%	32.9%	4.8%	18.3%
Auxiliary Enterprises		16.1%	9.4%	11.8%	11.5%	5.0%	13.1%	20.1%	0.1%	5.3%	10.8%	2.6%	7.9%
Hospital Operations									73.2%				73.2%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues													
Salaries, Wage and Fringe Benefits [2]		39.5%	57.4%	43.1%	58.1%	62.8%	41.5%	54.7%	55.6%	50.4%	59.7%	12.6%	55.7%
Payments to Suppliers		25.9%	25.9%	23.9%	20.8%	19.1%	38.6%	20.6%	37.4%	33.0%	23.8%	24.6%	28.0%
Instruction		11.7%	32.7%	20.6%	18.8%	31.8%	17.7%	25.4%	10.7%	14.6%	27.4%		17.4%
Research		7.0%	0.3%	7.1%	20.3%	0.4%	0.2%	11.9%	3.5%	5.7%	16.5%		9.8%
Public Service		5.7%	5.2%	0.6%	14.3%	0.5%	4.1%	0.9%	1.4%	1.3%	5.4%	0.3%	4.7%
Institutional Support		14.0%	12.3%	19.0%	10.6%	12.0%	11.7%	7.7%	4.5%	5.3%	7.8%	29.4%	8.4%
Educational Support		14.6%	19.6%	13.1%	7.3%	32.0%	29.5%	10.8%	1.0%	3.6%	10.8%	1.2%	6.7%
Operations and Maintenance		7.5%	10.1%	5.2%	3.8%	11.9%	13.7%	8.6%	2.5%	4.1%	10.5%	2.1%	5.1%
Student Aid		5.4%	9.0%	6.5%	5.0%	11.1%	8.0%	6.9%	0.6%	2.2%	6.2%	63.8%	4.9%
Auxiliary Enterprises		10.2%	11.0%	8.8%	11.1%	4.5%	9.1%	19.2%	0.1%	5.2%	11.6%	4.6%	7.6%
Hospital Operations									72.0%				72.0%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

Mississippi Institutions of Higher Learning Financial Ratios and Trends

There are a variety of ways to measure the financial health of an institution. One standard way is through the use of ratio analyses. "Ratio analysis can measure success factors against institution-specific objectives and provide the institution with the tools to improve its financial profile and carry out its mission. The principles of ratio analysis can serve as a yardstick to measure the use of financial resources to achieve the institution's mission. Financial ratio analysis quantifies the status, sources and uses of these resources and the institution's relative ability to repay current and future debt. Senior management and board members can use these measures to gauge institutional performance. Finally, ratios can focus planning activities on those steps necessary to improve the institution's financial profile in relation to its mission and strategic goals." *(Prager, Sealy & Co., Strategic Financial Analysis for Higher Education, seventh edition).*

Limitations in Calculating and using Financial Ratios

The use of financial ratios does have its limitations and is sometimes impractical. Comparing data among public and private institutions is extremely difficult due to key differences in accounting standards issued by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). The FASB establishes standards for private companies, publicly-traded entities and not-for-profit organizations, while the GASB standards are recognized as authoritative by state and local governments. This report does not apprise of these differences, nor does it present private higher education institutional data. Still, comparisons among public institutions are sometimes also difficult. For example, some public institutions rely on its sponsoring government for a bond credit rating, whereas other entities must be separately rated, or in the case of an IHL institution, the credit rating is derived from the financial position of the whole System. In addition, in some states, public institutions are not permitted to maintain expendable net asset balances above a certain threshold; institutions that incur operating surpluses or have significant expendable net assets may find future operating support reduced.

Comparative data in these reports are limited to Mississippi IHL institutions only. Financial ratios for the nine IHL institutions are included as well as the IHL Executive Office. Each institution will be evaluated on its own merits with a separate analysis provided for each.

Thirty-four financial ratios have been prepared that measure various aspects of performance and health which should be of interest to the institutions and the Board of Trustees. Section I includes five unique measures that predict whether resources are *sufficient and flexible*. Following in Section II are four measures that analyze *resource management, including debt*. Section III contains seven ratios which measure an institution's *asset performance and management*. The last section includes eighteen measures of *operating performance*. Section IV also contains contribution (revenue) and demand (expense) measures. Ratio trends have been provided for a six-year lookback. The ratio data is calculated based on audited financial statements, prepared in accordance with GASB (Governmental Accounting Standards Board). For fiscal years *2015 and forward*, the effect of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was removed from the ratio calculations where noted. For fiscal year 2018 *and forward,* the effect of implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* was removed from the ratio calculations where noted.

I. Measures of Resource Sufficiency and Flexibility

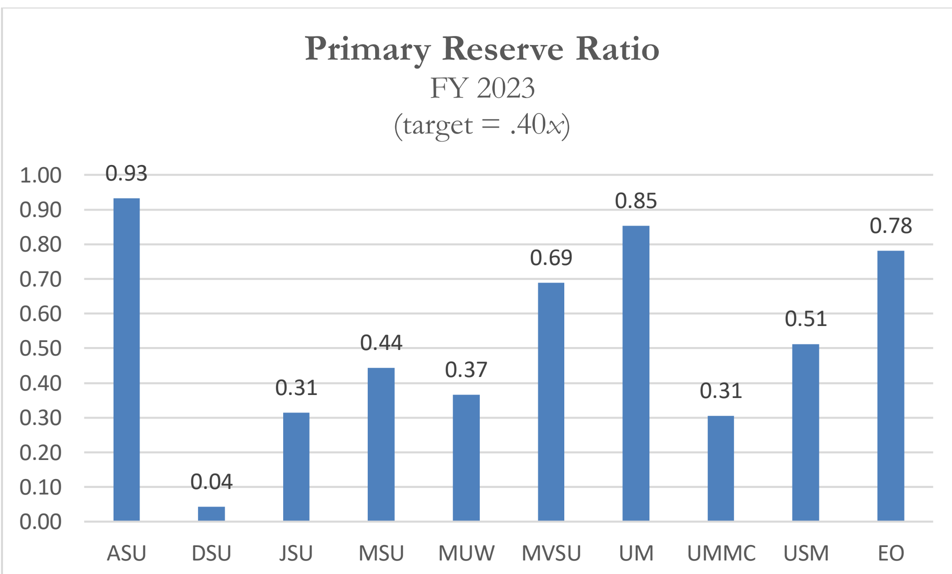
The ratios depicted in this section are useful in calculating whether an institution is financially sound and whether it has the ability to achieve and sustain a level of resources sufficient to realize its strategic objectives. Institutional needs must be linked to its mission. Determining what resources are required to enable the institution to achieve its strategic objectives may be one of the most significant issues addressed by a governing board. Questions to ask of the institution are:

- Can resources be increased sufficiently in order to realize objectives?
- Does the institution need to reevaluate and perhaps modify its mission and priorities in light of its current and future resources?

1. Primary Reserve Ratio

The Primary Reserve Ratio measures the financial strength of the institution by comparing expendable net assets to total expenses. Expendable net assets represent those assets that the institution can access quickly and spend to satisfy its debt obligations. By providing a snapshot of the institution's financial strength and flexibility, this ratio indicates how long the institution could function using its expendable reserves without relying on additional net assets generated by operations. It is reasonable to expect expendable net assets to increase at least in proportion to the rate of growth in operating size. A negative or decreasing trend over time indicates a weakening financial condition. The Primary Reserve Ratio is calculated as follows:

$$= \frac{\text{Unrestricted Net Assets + Expendable Net Assets}}{\text{Total Expenses}}$$

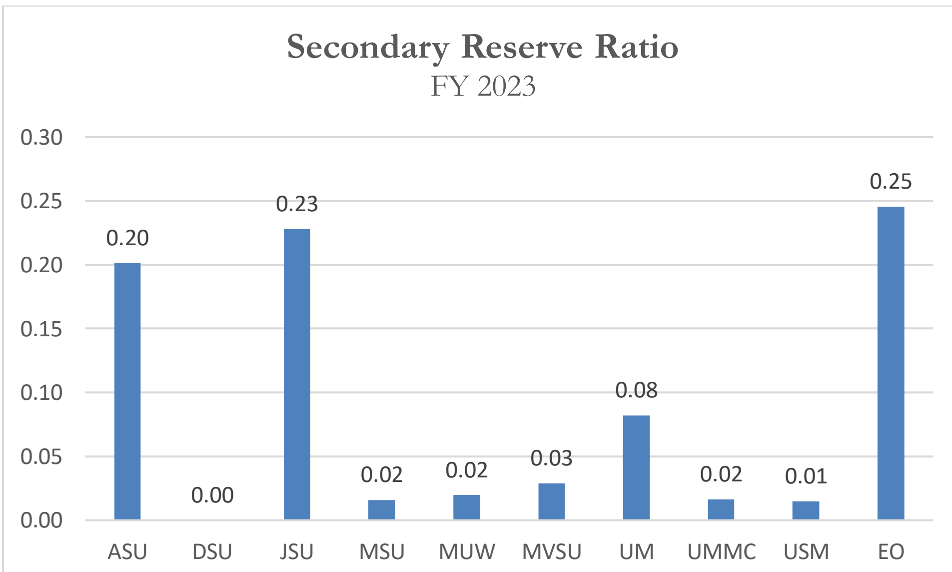


Industry accounting standards suggest that a Primary Reserve Ratio of .40x or better is advisable to give the institution the flexibility to transform the enterprise. The implication of .40x is that the institution would have ability to cover approximately five months of expenses (40 percent of 12 months). Generally, institutions operating at this ratio level rely on internal cash flow to meet short-term cash needs, carry a reasonable level of facilities maintenance, and appear capable of managing modest unforeseen adverse financial events.

2. Secondary Reserve Ratio

The Secondary Reserve Ratio measures the financial strength of the institution by comparing non-expendable net assets to total expenses. Non-expendable net assets represent those assets that are generally permanently restricted or restricted for an extended period of time. This ratio provides an assessment of the significance of these net assets in relation to operating size. The ratio is important because over the long term, net assets may provide a significant stream of secondary financing for operating and plant requirements. A decreasing trend over time indicates a weakening financial condition. Over the long term, institutions should strive to increase non-expendable net assets faster than operating size. This condition will signal an improvement in the institution's capital base and increased flexibility in its long-term financial condition. The Secondary Reserve Ratio is calculated as follows:

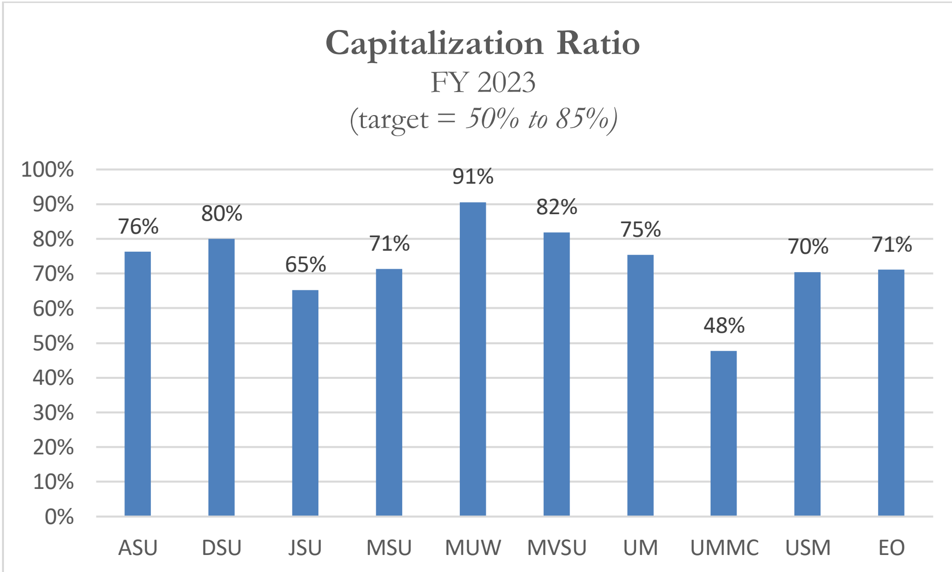
$$= \frac{\text{Non-Expendable Net Assets}}{\text{Total Expenses}}$$



3. Capitalization Ratio

The Capitalization Ratio measures the financial flexibility of the institution by not only looking at the current period's return on net assets, but also the accumulated return from previous periods as well. For most institutions, the ratio will simply be net assets divided by total assets. A higher ratio is not necessarily preferable to a low ratio. A very high capitalization ratio implies that an institution may not be leveraging its assets effectively and might be investing too much costly equity in physical assets. Institutions with a low capitalization ratio will find themselves constrained with less ability to undertake future capital opportunities without negatively impacting credit. The higher education industry has a desirable range for this ratio of 50 percent and 85 percent. Institutions above 85 percent may find it in their best interest to consider altering their capitalization structure and leveraging their assets to potentially increase income and future financial wealth. The Capitalization Ratio is calculated as follows:

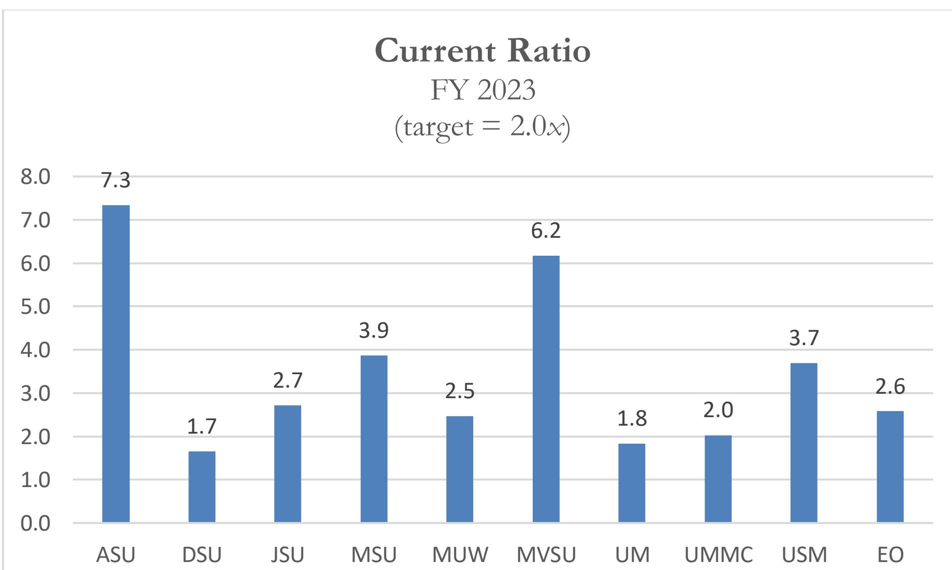
$$= \frac{\text{Total Net Assets}}{\text{Total Assets}}$$



4. Current Ratio

The Current Ratio is one of the most widely recognized measures of liquidity. This calculation measures short-term assets of an institution with its current liabilities. Conventional wisdom hold that this ratio should be at least 2:1…that is, for every dollar of liability coming due, there should be at least two dollars of assets available to pay them. Generally, the higher the ratio the better, however there is a point where one should question the wisdom of holding significant amounts of short-term assets when a higher return could be achieved by investing these assets in longer-term investments. The Current Ratio is calculated as follows:

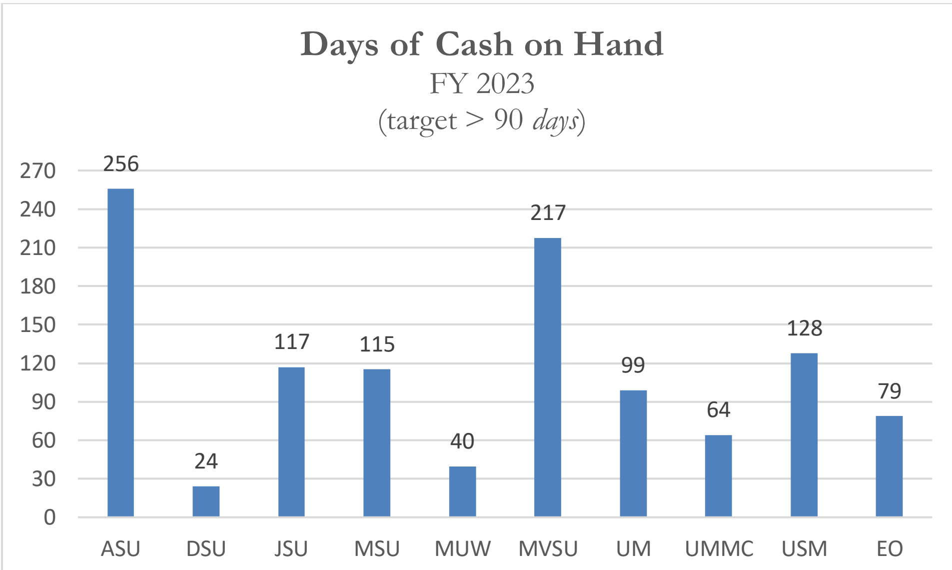
$$= \frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$$



5. Days of Cash on Hand Ratio

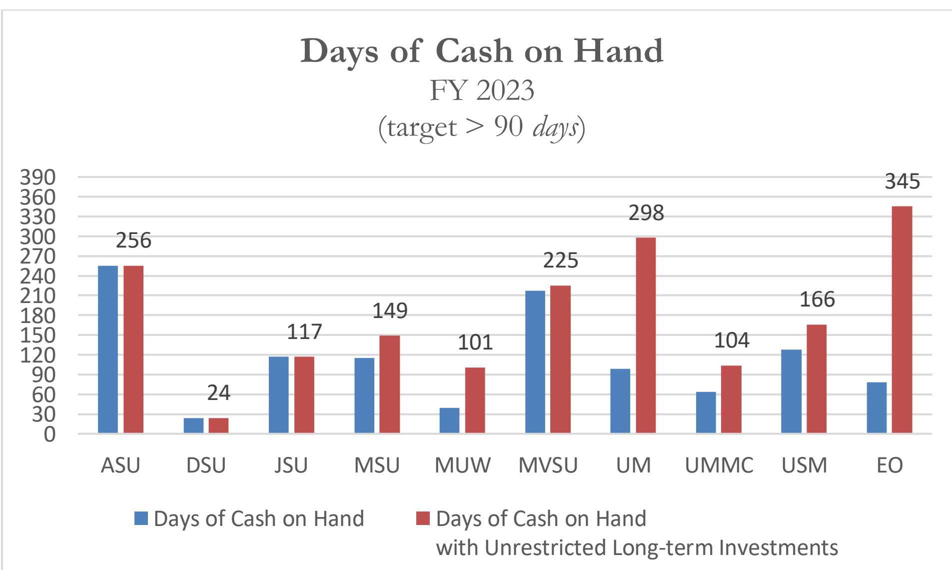
The Days of Cash on Hand Ratio is one of the most widely recognized measures of liquidity. This calculation measures the number of days a university is able to operate (cover its cash operating expenses) from unrestricted cash and short-term investments that can be liquidated and spent within a short period of time (30 days). Generally, the higher the ratio the better, however there is a point where one should question the wisdom of holding significant amounts of short-term assets when a higher return could be achieved by investing these assets in longer-term investments. The Days of Cash on Hand Ratio is calculated as follows:

$$= \frac{\text{Total Cash, Cash Equivalents + Short-Term Investments}}{\text{Daily Operating Expense Average (365 days)}}$$



6. Days of Cash on Hand Ratio with Unrestricted Long-term Investments:

$$= \frac{\text{Total Cash + Short-Term Investments + Unrestricted Long-term Investments}}{\text{Daily Operating Expense Average}}$$



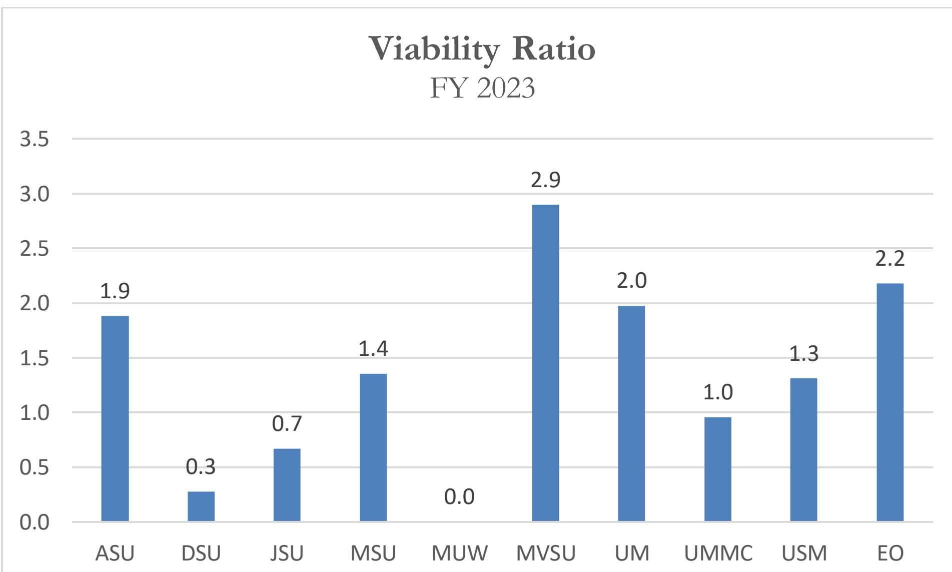
II. Measures of Resource Management, including Debt

The ratios presented in this section are fundamental to an institution trying to understand its debt position in relation to its overall financial health. *Has the institution managed debt (and all other sources of capital) strategically to advance its mission?* These ratios will also help the institution understand how analysts, as well as lenders and purchasers of debt, evaluate its ability to assume and pay debt service.

1. Viability Ratio

The Viability Ratio measures the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date. There is no absolute threshold (rule of thumb) to highlight the institution's financial viability because, in reality, long-term capital debt would not have to be paid all at once; however, trends should be developed and measured. Generally, the higher the ratio, the greater the ability to cover the long-term debt. Analysts should be aware that institutions often show a remarkable resiliency that permits them to continue long beyond what appears to be their point of financial collapse. Frequently, this means living with no margin for error and meeting severe cash flow needs by obtaining short-term loans. The Viability Ratio is calculated as follows:

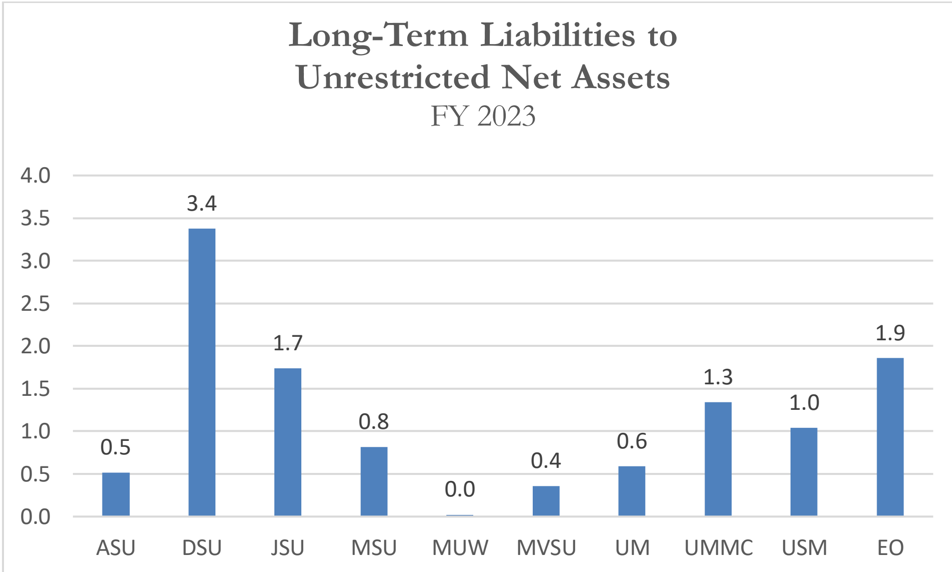
$$= \frac{\text{Unrestricted Net Assets+ Expendable Net Assets}}{\text{Total Long-term Debt}}$$



2. Long-Term Liabilities to Unrestricted Net Assets Ratio

The Long-Term Liability to Unrestricted Net Assets Ratio measures the ability of a university to cover long-term liabilities with current equity. A lower ratio indicates the institution has sufficient equity to cover long-term liabilities. The Long-Term Liability to Unrestricted Net Assets Ratio is calculated as follows:

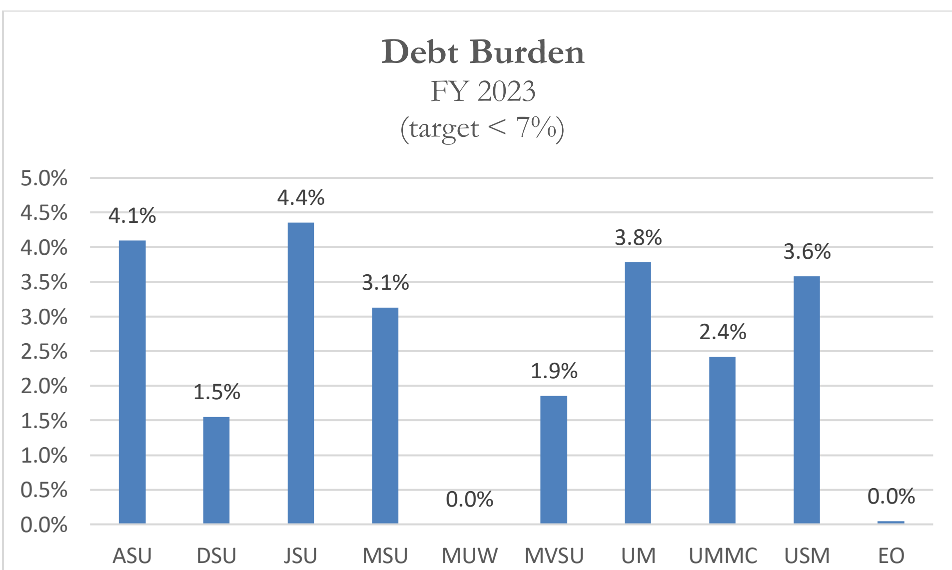
$$= \frac{\text{Long-term Liabilities + Other Long-term Liabilities}}{\text{Unrestricted Net Assets}}$$



3. Debt Burden

The Debt Burden Ratio examines the institution's dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures. Debt service includes both interest and principal payments. The higher education industry has viewed an upper threshold for this ratio at 7 percent, meaning that current principal and interest expense should not represent more than 7 percent of total expenditures; however, a number of institutions operate effectively with a higher ratio, while others could find this ratio unacceptable. A higher debt service burden indicates that the institution has less flexibility to manage the remaining portion of the budget. Institutions with greater budgetary flexibility will find that they are comfortable with a higher ratio. It is important to note that institutions that exceed 7 percent will not necessarily be excluded from obtaining additional external funding, however it is clear that institutions above this threshold will face greater scrutiny from rating agencies and lenders. The Debt Burden Ratio is calculated as follows:

$$= \frac{\text{Annual Debt Service}}{\text{(Operating + nonoperating expenses)} - \text{Depreciation expense} + \text{Principal payments on capital debt, leases}}$$

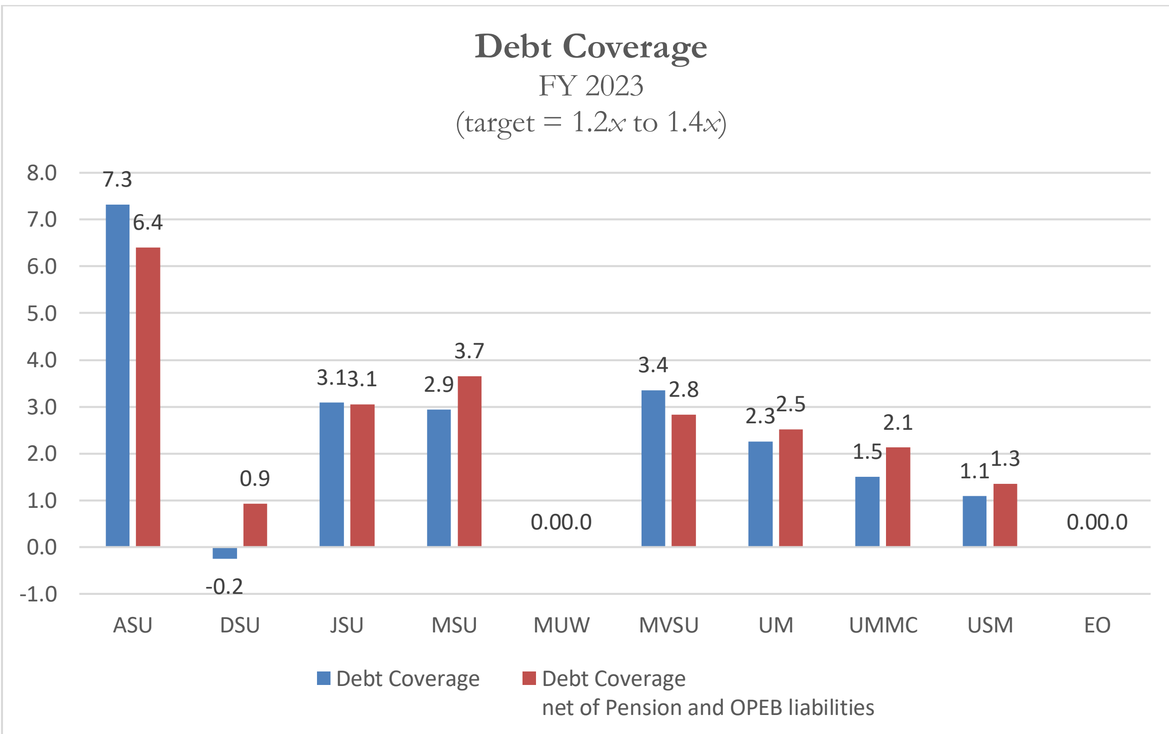


4. Debt Service Coverage

The Debt Coverage Ratio measures the excess of income over adjusted expenses available to cover annual debt service payments. This ratio gives the analyst a level of comfort that the institution has a net revenue stream available to meet its debt burden should economic conditions change. A high ratio is considered advantageous, while a low ratio or declining trend gives reason for concern regarding the institution's ability to sustain its operations, especially in the face of future budgetary challenges. Due to the inherent volatility in the change in net assets from year to year, many institutions find that it may be helpful to smooth the trend by examining a rolling two-year average for the ratio and establishing a target based on that measure. The Debt Service Coverage Ratio is calculated as follows:

$$= \frac{\text{Net operating income (loss)} + \text{Net nonoperating revenue (expense)}^{*}}{\text{Annual Debt Service}}$$

* addback: depreciation expense and interest payments on capital debt, leases



III. Measures of Asset Performance and Management

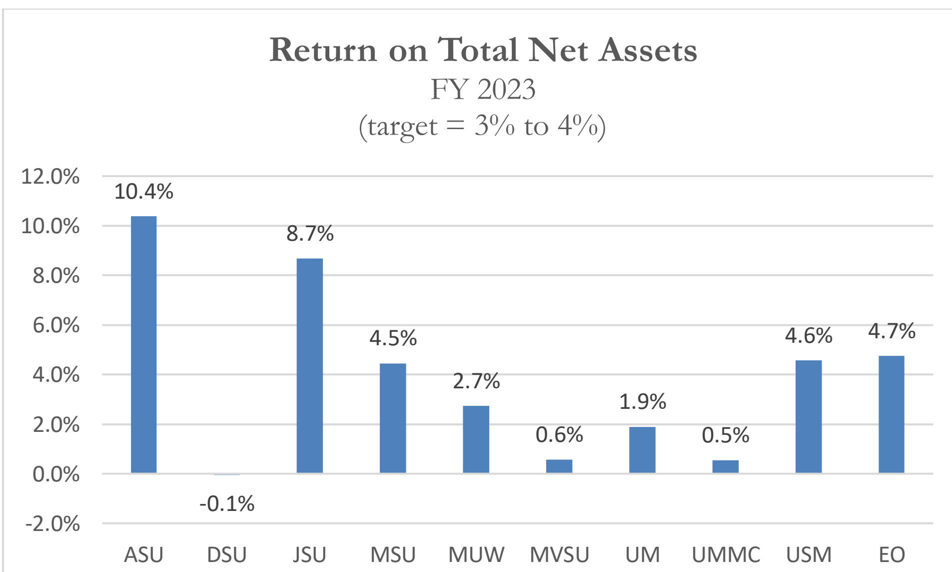
All assets that are under the stewardship of a board and senior management need to demonstrate some financial return over a long period of time or the institution will be consumed by deficits that draw resources away from other activities. The ratios that follow aid an institution in understanding whether historical investments are obtaining returns that can be reinvested in other programs and/or facilities. Specifically, these ratios will help answer the following questions:

- Is the institution better off financially at the end of the year than at the beginning of the year?
- Is the institution sufficiently invested in financial assets to continue expanding its equity?
- Is the institution making appropriate investments and maximizing its return for appropriate levels of risk?
- Is the institution adequately reinvesting and renewing its physical assets?

1. Return on Total Net Assets

The Return on Total Net Assets Ratio determines whether an institution is financially better off than in previous years by measuring total economic return. This ratio furnishes a broad measure of the change in an institution's total wealth over a single year. A decline in this ratio may be appropriate and even warranted if it reflects a strategy to better fulfill the institution's mission. On the other hand, an improving trend indicates that the institution is increasing its net assets and is likely to be able to set aside financial resources to strengthen its future financial flexibility. The Return on Total Net Assets Ratio is calculated as follows:

$$= \frac{\text{Change in Total Net Assets}}{\text{Total Net Assets, } \textit{beg. of yr}}$$

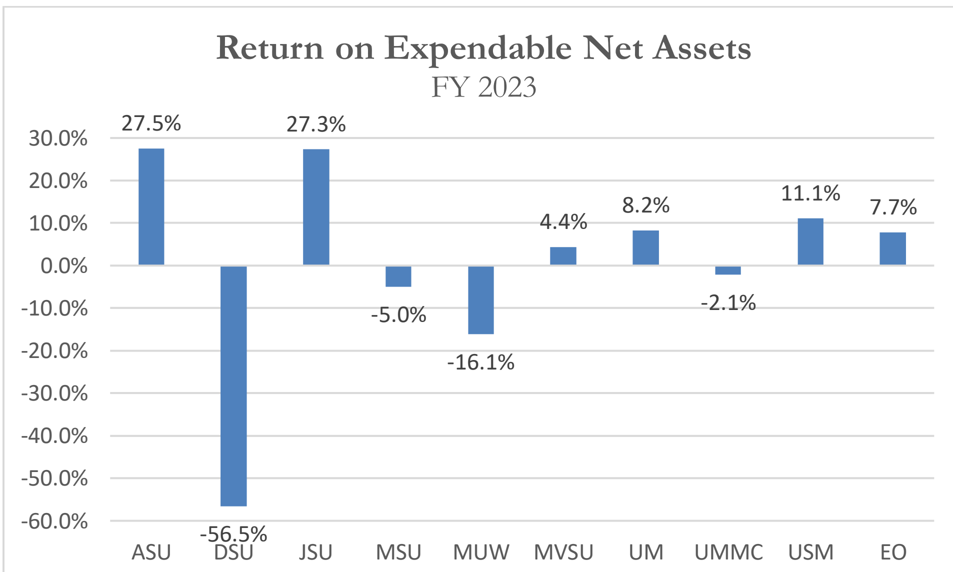


Institutions should establish a real rate of return target in the range of approximately 3 to 4 percent. However, if an institution's strategic plan calls for activities that will consume substantial resources, such as program expansion, a high return on net assets may be required in order to maintain a properly capitalized institution. Regardless, because this ratio could be affected by various volatile items, it is important that the institution understand the causes of the change in the ratio from year to year.

2. Return on Expendable Net Assets

The Return on Expendable Net Assets Ratio determines whether an institution is financially better off than in previous years by measuring total economic return. This ratio should be evaluated as a subset to the Return on Total net assets ratio. The difference between the two ratios is the removal of the Restricted Non-expendable and Net Investment in Capital Assets components leaving only the expendable components intact (restricted-expendable and unrestricted net assets). This modified approach allows the institution to ensure that resources are not solely accruing on the basis of nonexpendable or capital (plant) activities. This ratio furnishes a broad measure of the change in an institution's total wealth over a single year. A decline in this ratio may be appropriate and even warranted if it reflects a strategy to better fulfill the institution's mission. On the other hand, an improving trend indicates that the institution is increasing its net assets and is likely to be able to set aside financial resources to strengthen its future financial flexibility. The Return on Expendable Net Assets Ratio is calculated as follows:

$$= \frac{\text{Change in Expendable Net Assets}}{\text{Expendable Net Assets, } \textit{beg. of yr}}$$

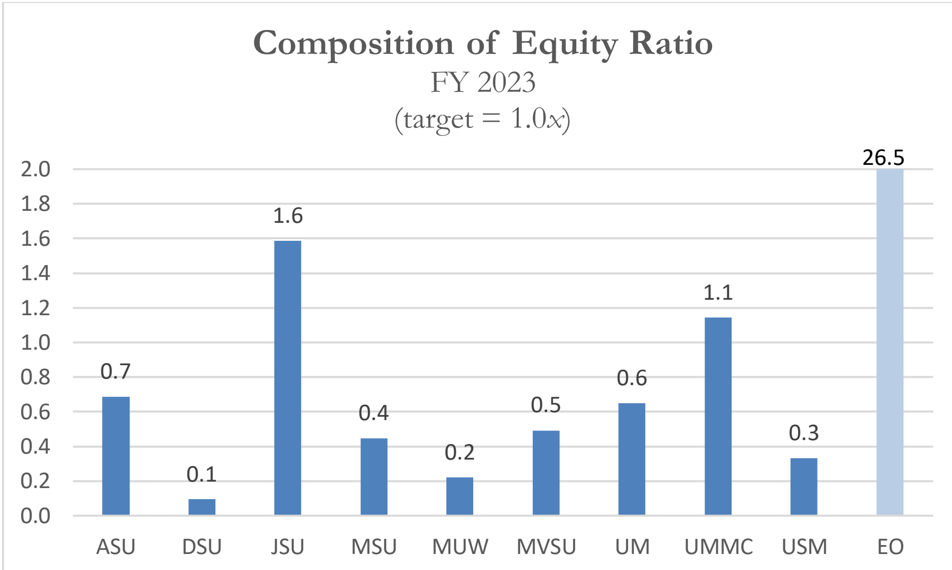


There is no established industry target for this modified ratio. However, if an institution's strategic plan calls for activities that will consume substantial resources, such as program expansion, a high return on net assets may be required to maintain a properly capitalized institution.

3. Composition of Equity

The Composition of Equity ratio provides useful insights into the allocation of equity among different types of assets, primarily financial and physical assets. Together with the Capitalization Ratio, these ratios help an analyst understand the institution's flexibility and whether its asset structure is in equilibrium. If equity is weighted heavily in property, plant, and equipment, the institution has less ability to allocate internal funds to new initiatives. If equity is comprised primarily of physical assets, the opportunity to increase expendable wealth will be reduced if those physical assets do not directly generate a return on invested equity. Therefore, the Composition of Equity Ratio provides an indication of the equilibrium of investments for an institution because it recognizes the tradeoffs between investment for the current generation (physical assets) and investment for future generations (financial assets). Stronger institutions typically exhibit a ratio greater than 1, which would indicate financial resources have been retained within the institution at a rate exceeding the need for capital investment. The Composition of Equity Ratio is calculated as follows:

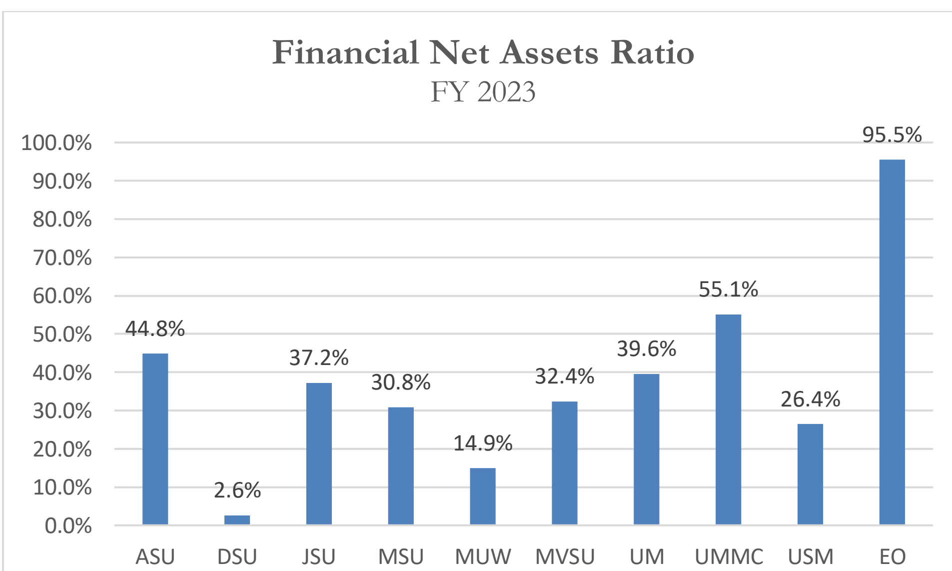
$$= \frac{\text{Total Financial Assets}}{\text{Total Physical Assets}}$$



4. Financial Net Assets Ratio and
5. Physical Net Investment in Capital Assets Ratio

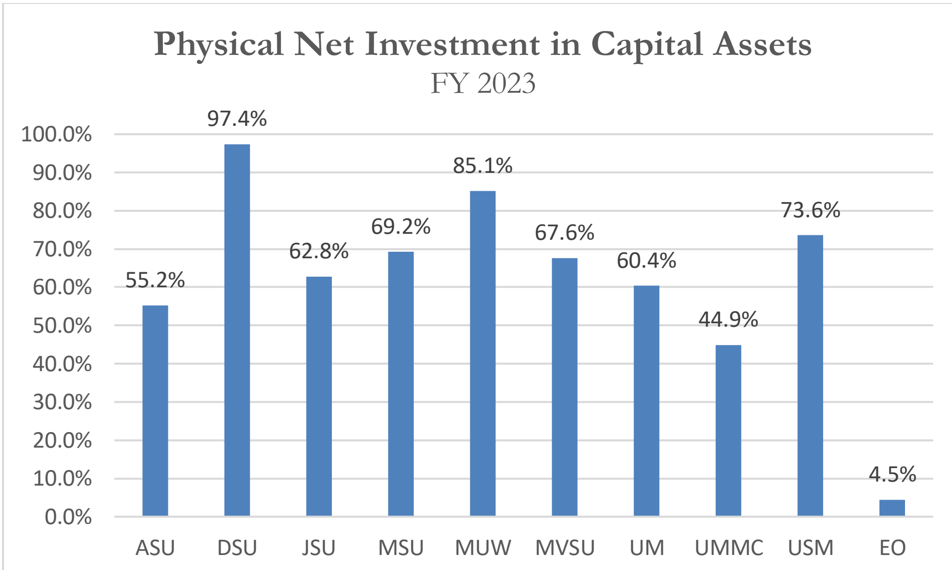
The Financial Net Assets Ratio and its counterpart, the Physical Net Investment in Capital Assets Ratio, provide useful insight into the allocation of equity between financial and physical net assets. Together, these ratios help an analyst understand the institution's flexibility and whether its asset and net Assets structures are in equilibrium. If the equity is weighted heavily in property, plant and equipment, the institution may have less ability to allocate internal funds to new initiatives. If equity is comprised primarily of physical assets, the institution may have reduced opportunities to increase expendable wealth because physical assets generally do not directly generate a return on invested equity. This may place the institution at a competitive disadvantage versus its peers. The Financial Net Assets Ratio is calculated as follows:

$$= \frac{\text{Total Net Assets} - \text{Net Investment in Capital Assets}}{\text{Total Net Assets}}$$



The Physical Net Investment in Capital Assets Ratio is calculated as follows:

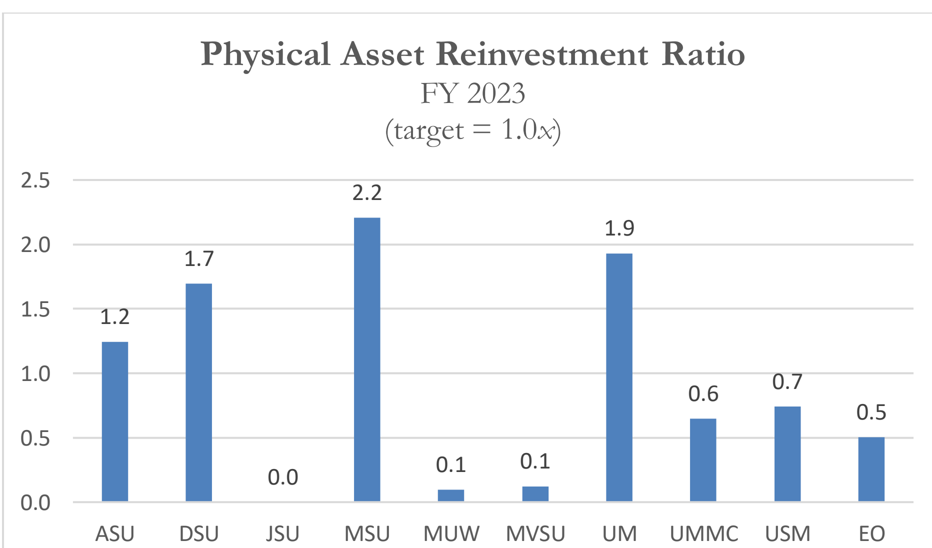
$$= \frac{\text{Net Investment in Capital Assets}}{\text{Total Net Assets}}$$



6. Physical Asset Reinvestment Ratio

The Physical Asset Reinvestment Ratio calculates the extent capital renewal is occurring compared with physical asset usage represented as depreciation expense. A ratio above 1:1 indicates an institution's increasing investment in physical assets, whereas a lower ratio potentially indicates an under-investment in campus facilities. This ratio should be evaluated on a multiyear basis. Comparison of this ratio is instructive only across institutions with similar programs and operating sizes. A ratio substantially less than 1:1 may indicate that the institution is consistently under-investing in plant and increasing its deferred maintenance obligation. Substantial ratios above 1:1 indicate a continued growth in facilities. The Physical Asset Reinvestment Ratio is calculated as follows:

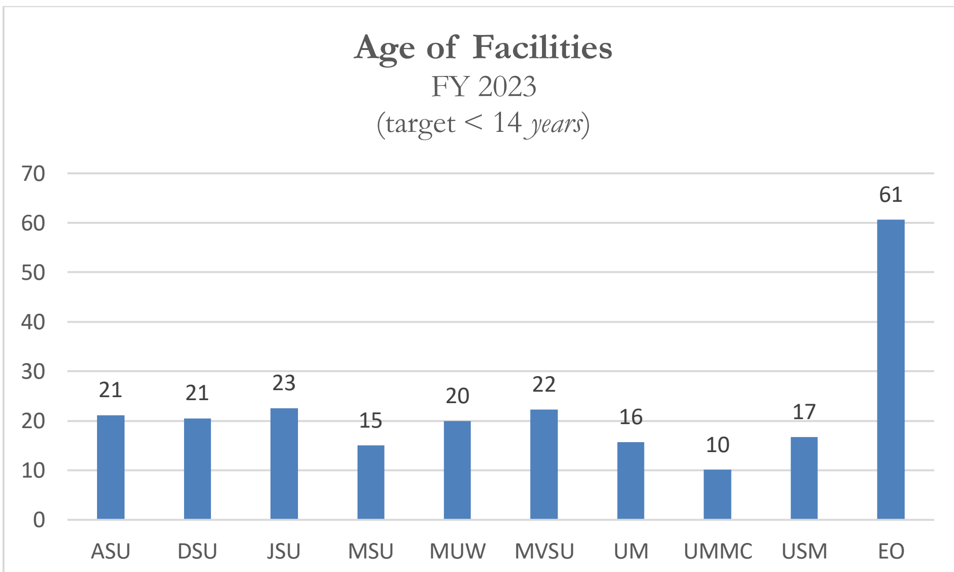
$$= \frac{\text{Cash paid for Capital Assets}}{\text{Depreciation Expense}}$$



7. Age of Facilities Ratio

The Age of Facilities Ratio measures the average age of total plant facilities. It accomplishes this by measuring the relationship between current depreciation to total accumulated depreciation. This ratio is important because it provides a rough sense of the age of the facilities and the potential need for considerable future resources to be invested in plant to cover deferred maintenance. A low ratio is better, since it indicates that an institution has made recent investments in its plant facilities. A high ratio signifies that an institution has deferred reinvestment in its plant and is likely to require a significant expenditure for plant facilities in the near future. An acceptable ratio for this measure is 10 years or less for research institutions and 14 years for predominantly undergraduate liberal arts institutions. This ratio does not provide a sense of whether the institution will be able to afford the necessary improvements. The Age of Facilities Ratio is calculated as follows:

$$= \frac{\text{Accumulated Depreciation}}{\text{Depreciation Expense}}$$



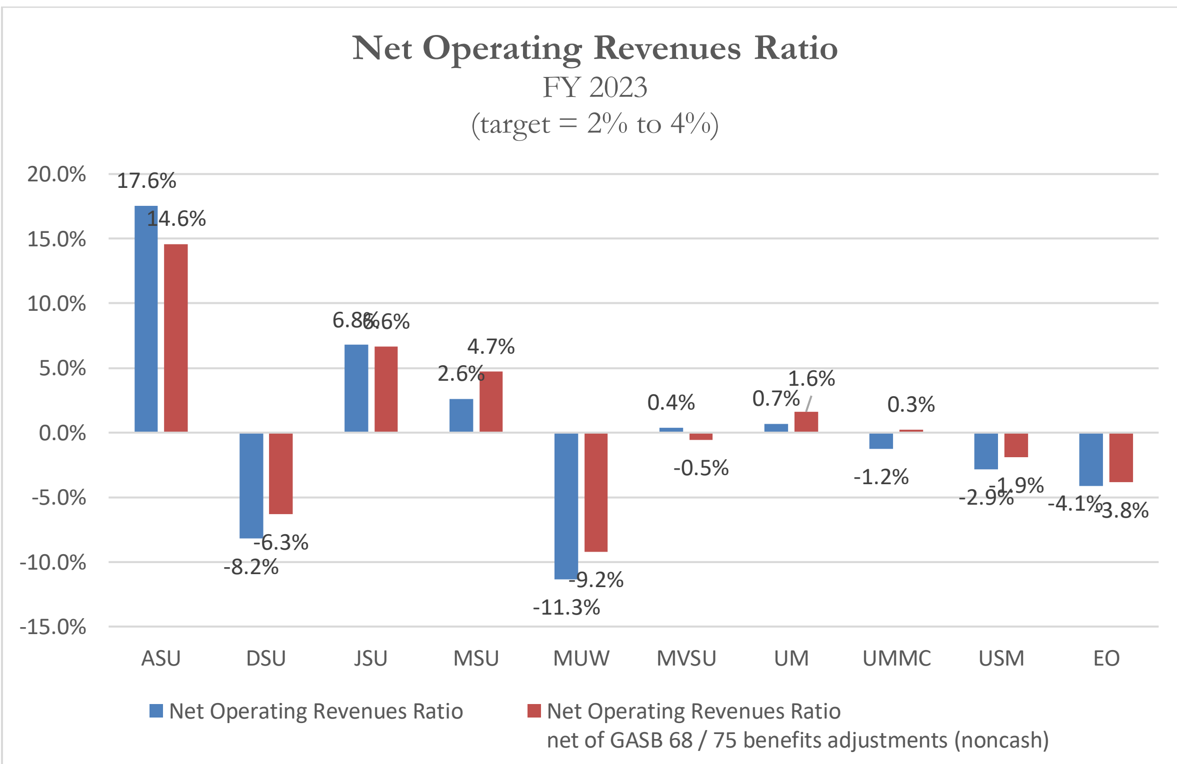
IV. Measures of Operating Performance

All institutions must over time operate in either a surplus or at least a break-even position. A prime reason for this is because operations are one of the sources of resources for reinvestment in institutional initiatives. Issues become critical for institutions when deficits are unplanned, unmanaged and occurring in core existing operations. The ratios in this section explore the different aspects of an institution's operations. It is important that analysis be put in the perspective of the institution's mission.

1. Net Operating Revenues Ratio

The Net Operating Revenues Ratio measures financial performance by comparing whether the institution completed the fiscal year with an annual operating surplus or deficit. Generally speaking, the larger the surplus the stronger the institution's financial performance as a result of the year's activities. A negative ratio indicates a loss for the year. A small deficit during a particular year may be relatively unimportant if the institution is financially strong, is aware of the causes of the deficit and has an active plan in place that cures the deficit. Large deficits are almost always a bad sign, particularly if management has not identified initiatives to reverse the shortfall. A pattern of large deficits can quickly sap an institution's financial strength to the point where it may have to make major adjustments to programs. The Net Operating Revenues Ratio is calculated as follows:

$$= \frac{\text{Operating income (loss) + net nonoperating revenues (expenses)}}{\text{Operating revenues + nonoperating revenues}}$$



The Net Operating Revenue Ratio target should be at least 2 to 4 percent over an extended period of time, although the target will likely vary from year to year. A key for institutions establishing a benchmark for this ratio would first be the anticipated institutional growth in total expenses.

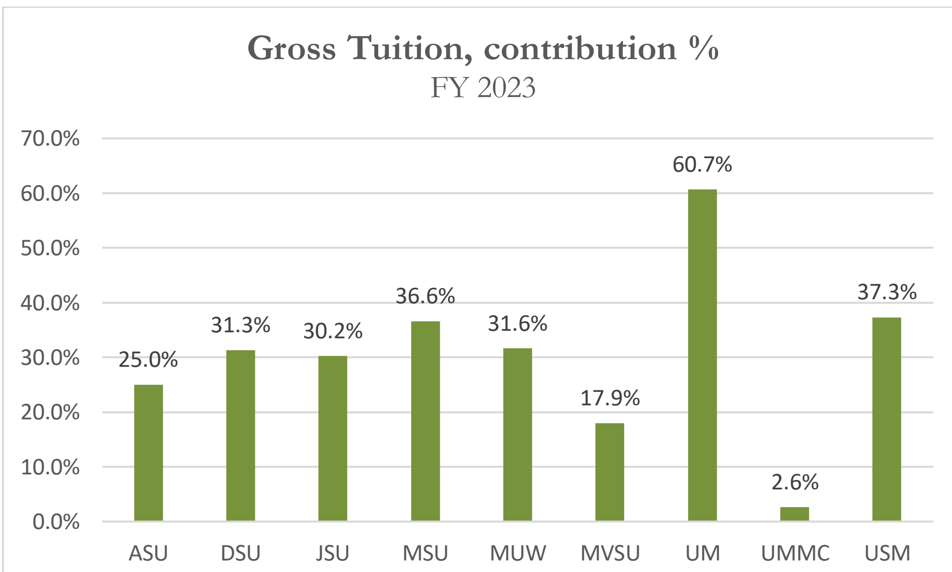
Contribution and Demand Ratios

Using ratios referred to as Contribution and Demand ratios can also result in further analysis of revenues by source and expense by type. Contribution and Demand ratios address the causes of why an institution's overall financial ratios have behaved in the manner observed. Contribution ratios measure the extent to which each type of revenue is consumed by operating and non-operating expense. Demand ratios measure the extent to which each type of expense is consuming operating revenues. Since public institutions may report expenses by either natural classification or by function, demand ratios may be calculated either way.

2. Gross Tuition Contribution Ratio

The Gross Tuition Contribution Ratio provides the reader further analysis about an institution's revenues by source. Heavily tuition-dependent institutions (that is, institutions that receive more than 60 percent of this revenue from tuition) are particularly sensitive to changes in enrollment patterns. These revenues are measured against an institution's total operating and non-operating expenses. The Gross Tuition Contribution Ratio is calculated as follows:

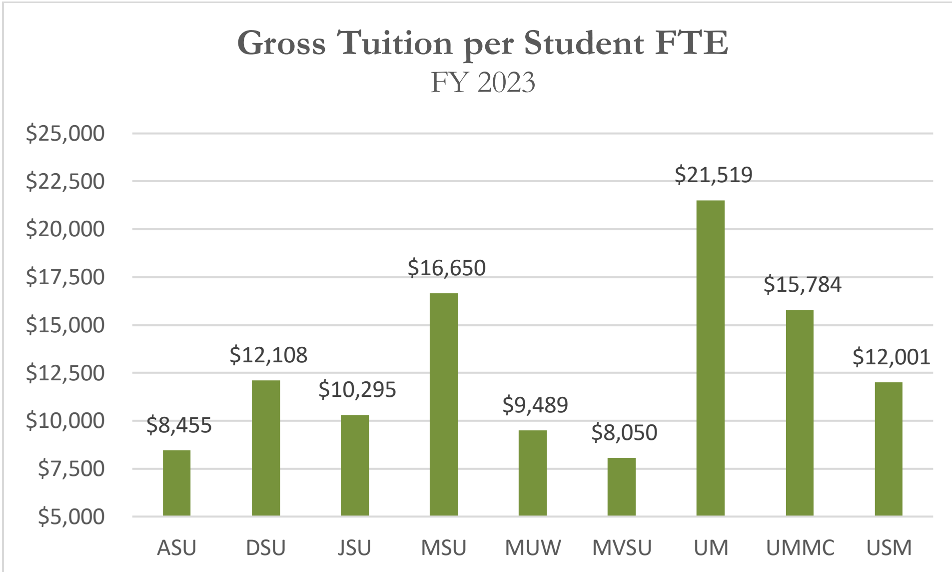
$$= \frac{\text{Gross Tuition revenue}}{\text{Operating expenses + Nonoperating expenses}}$$



3. Gross Tuition Contribution per Student FTE Ratio

The Gross Tuition Contribution per Student FTE Ratio allows the reader to measure the average amount of accrual tuition revenue on a per student full-time equivalency basis. An increase in this ratio is a positive occurrence for an institution. The Gross Tuition Contribution per Student FTE Ratio is calculated as follows:

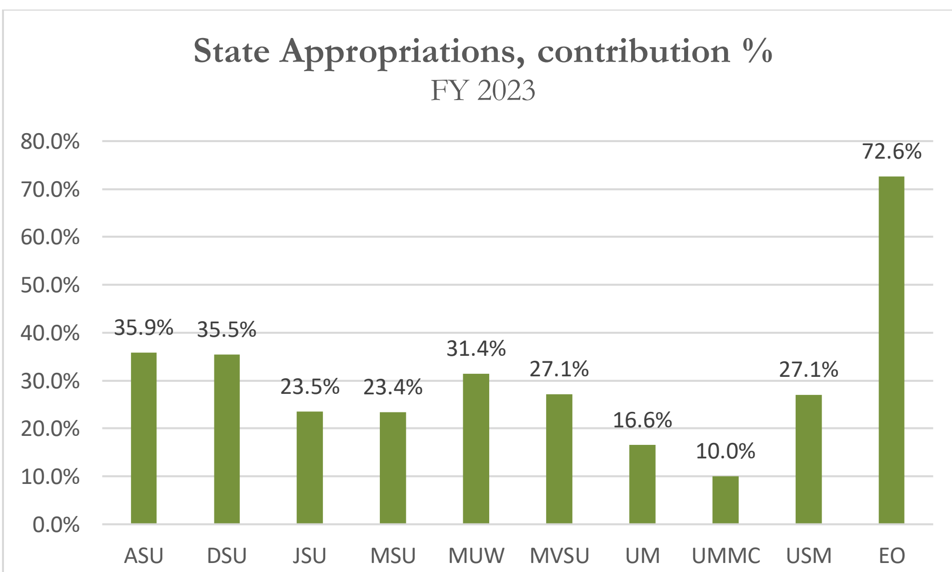
$$= \frac{\text{Gross tuition revenue}}{\text{Student Full-time Equivalent (fall enrollment)}}$$



4. State Appropriation Contribution Ratio

The State Appropriation Contribution Ratio provides the reader further analysis about an institution's revenue by source. Heavily state appropriation-dependent institutions (that is, institutions that receive a majority of its revenues from state appropriated sources) are particularly sensitive to changes in economic conditions within state government. State appropriated revenues for capital purposes are not included in this calculation, as these revenues are usually not directed towards the institution's general operations. These revenues are measured against an institution's total operating and non-operating expenses. The State Appropriation Contribution Ratio is calculated as follows:

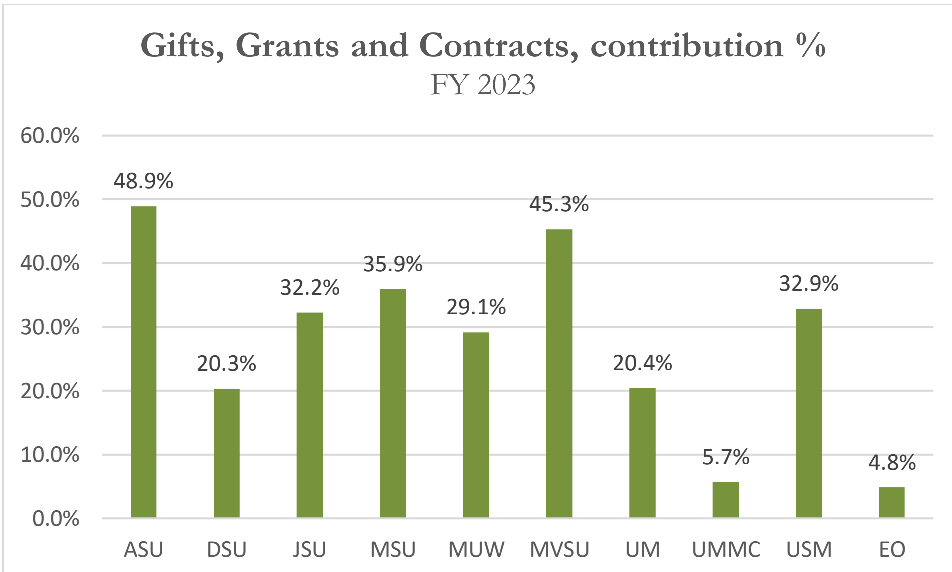
$$= \frac{\text{State appropriations revenue}}{\text{Operating expenses + Nonoperating expenses}}$$



5. Gifts, Grants and Contracts Contribution Ratio

The Gifts, Grants and Contracts Contribution Ratio provides the reader further analysis about an institution's revenue by source. Heavily gift, grants and contracts-dependent institutions (that is, institutions that receive the majority of revenues from grants and contract sources) are particularly sensitive to changes in economic conditions within government (federal, state, local, etc.) and private corporate sectors. Gifts, grants and contracts revenue restricted for capital purposes are not included in this calculation, as these revenues are usually not directed toward the institution's general operations. These revenues are measured against an institution's total operating and non-operating expenses. The Gift, Grants and Contracts Contribution Ratio is calculated as follows:

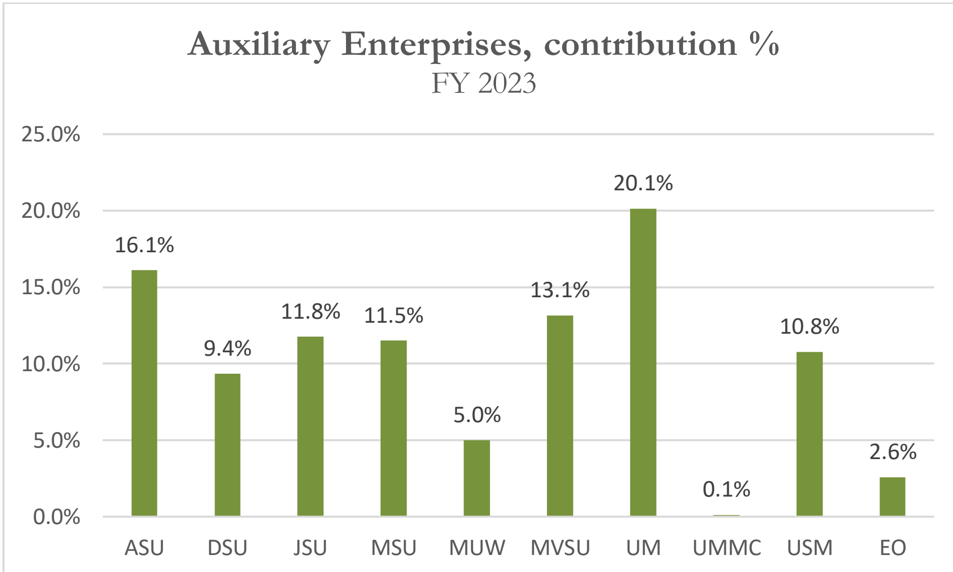
$$= \frac{\text{Gifts, grants and contracts revenue}}{\text{Operating expenses + Nonoperating expenses}}$$



6. Auxiliary Enterprises Contribution Ratio

The Auxiliary Enterprises Contribution Ratio provides the reader further analysis about an institution's revenue by source. Auxiliary enterprises typically exist to furnish goods or services to students, faculty, or staff. They are generally self-sustaining by nature, but sometimes receive smaller levels of supplemental support from general campus operations. Auxiliary enterprises receive most of its revenue from user fees, or in the case of large intercollegiate athletic programs, from conference affiliation shares, television and radio broadcasting rights, etc. Examples of common campus auxiliaries would include student housing, dining services, bookstores and some larger intercollegiate athletic programs. These revenues are measured against an institution's total operating and non-operating expenses. The Auxiliary Enterprise Contribution Ratio is calculated as follows:

$$= \frac{\text{Auxiliary enterprise revenues}}{\text{Operating expenses + Nonoperating expenses}}$$



7. Hospital Operations Contribution Ratio

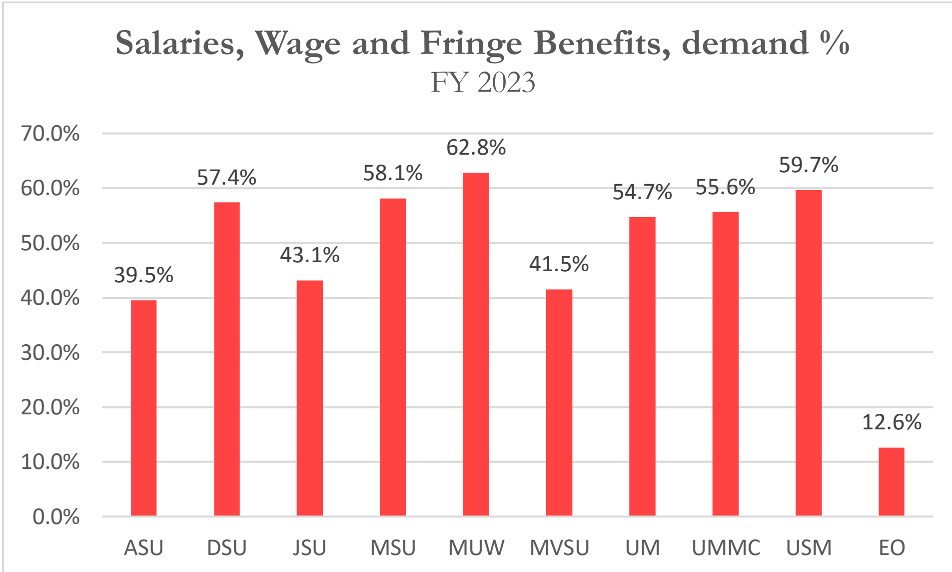
The Hospital Operations Contribution Ratio provides the reader further analysis about only the University of Mississippi Medical Center's revenue by source. Hospital operation revenues are presented as Patient Care revenues in the GASB financial statements. UMMC's hospital revenues are received from patients, third-party payers and others for services rendered. These revenues are measured against an institution's total operating and non-operating expenses. The Hospital Operations Contribution Ratio for fiscal year 2023 was **73.2%**, and is calculated as follows:

$$= \frac{\text{Patient care revenues}}{\text{Operating expenses + Nonoperating expenses}}$$

8. Salaries, Wages and Fringe Benefits Demand Ratio

The Salaries, Wages and Fringe Benefits Demand Ratio provides the reader further analysis about an institution's expense by natural classification. Expenditures at most public institutions of higher learning are heavily concentrated in the areas of salaries, wages and fringe benefits. Therefore, these institutions are particularly sensitive to changes in economic conditions within government (federal, state, local, etc.) and private corporate sectors. When economic conditions drive downward an institution's revenue support, budget decisions invariably must consider the effect on personnel costs. For ratio purposes these expenses are measured against an institution's total operating and non-operating revenues. The Salaries, Wages and Fringe Benefits Demand Ratio is calculated as follows:

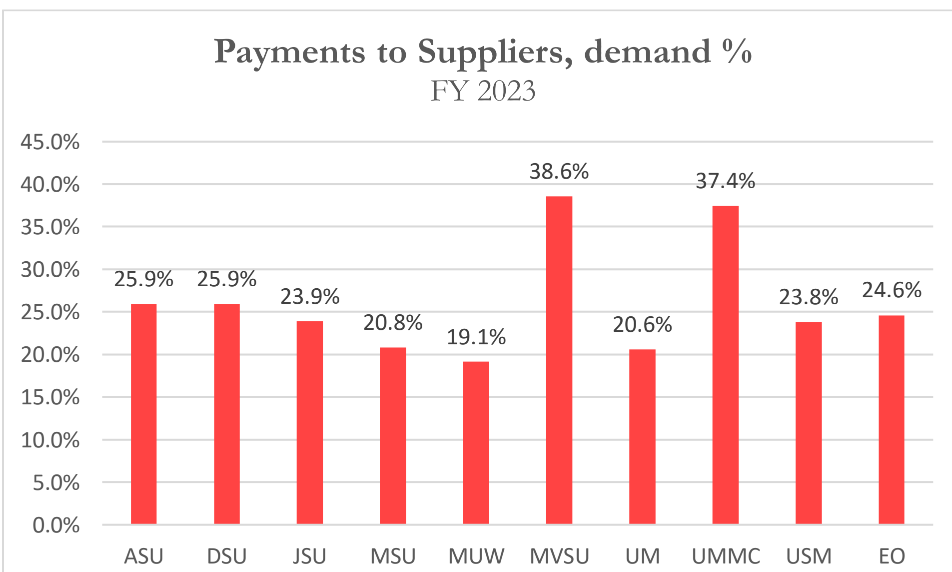
$$= \frac{\text{Salaries, wages and fringe benefits expense}}{\text{Operating revenues + Nonoperating revenues}}$$



9. Payments to Suppliers Demand Ratio

The Payments to Suppliers Demand Ratio provides the reader further analysis about an institution's expense by natural classification. On the GASB financial schedules, these payments are classified as contractual services and commodities. For ratio purposes these expenses are measured against an institution's total operating and non-operating revenues. The Payments to Suppliers Demand Ratio is calculated as follows:

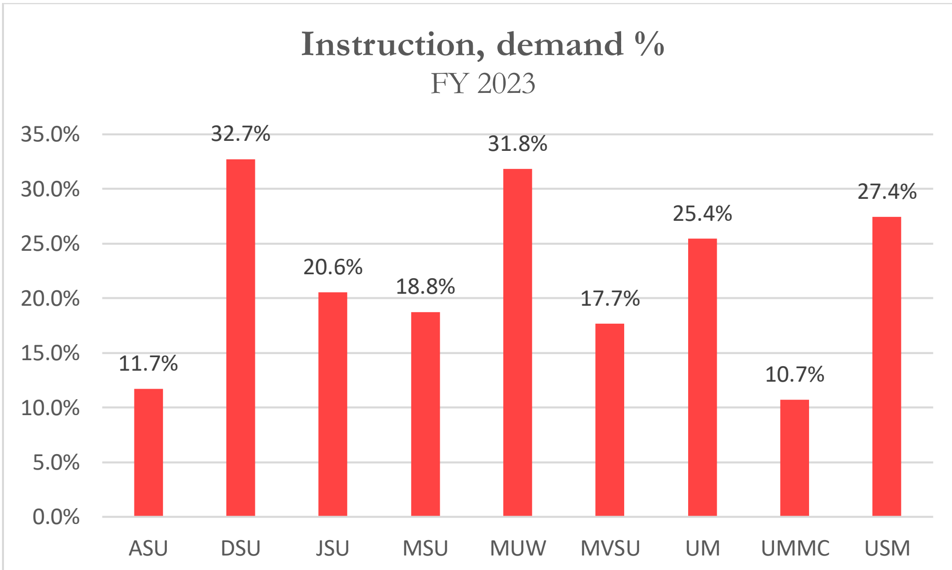
$$= \frac{\text{Contractual services expense + Commodities expense}}{\text{Operating revenues + Nonoperating revenues}}$$



10. Instruction Demand Ratio

The Instruction Demand Ratio provides the reader further analysis about an institution's expense by functional classification. In the GASB financial statements, these operating expenses are presented in the notes by functional classification. Instructional costs represent the backbone for an institution of higher learning. This category includes all activities associated with the instructional function. Instructional costs are considered core operations in the higher education environment, along with research and public service. For ratio purposes these expenses are measured against an institution's total operating and non-operating revenues. The Instruction Demand Ratio is calculated as follows:

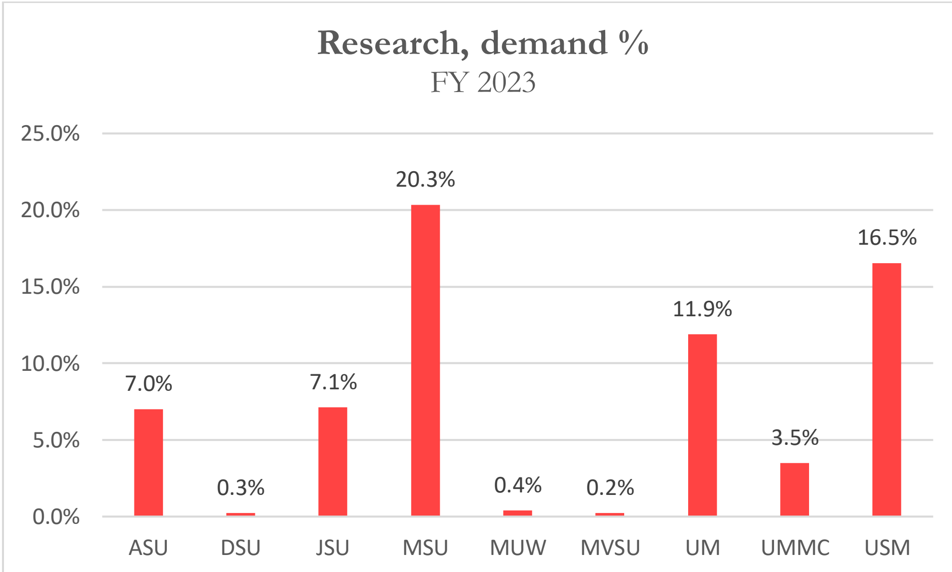
$$= \frac{\text{Instruction expense}}{\text{Operating revenues + Nonoperating revenues}}$$



11. Research Demand Ratio

The Research Demand Ratio provides the reader further analysis about an institution's expense by functional classification. In the GASB financial statements, these operating expenses are presented in the notes by functional classification. These costs include activities organized to produce research. Whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. Research costs are considered core operations in the higher education environment, along with instruction and public service. For ratio purposes these expenses are measured against an institution's total operating and non-operating revenues. The Research Demand Ratio is calculated as follows:

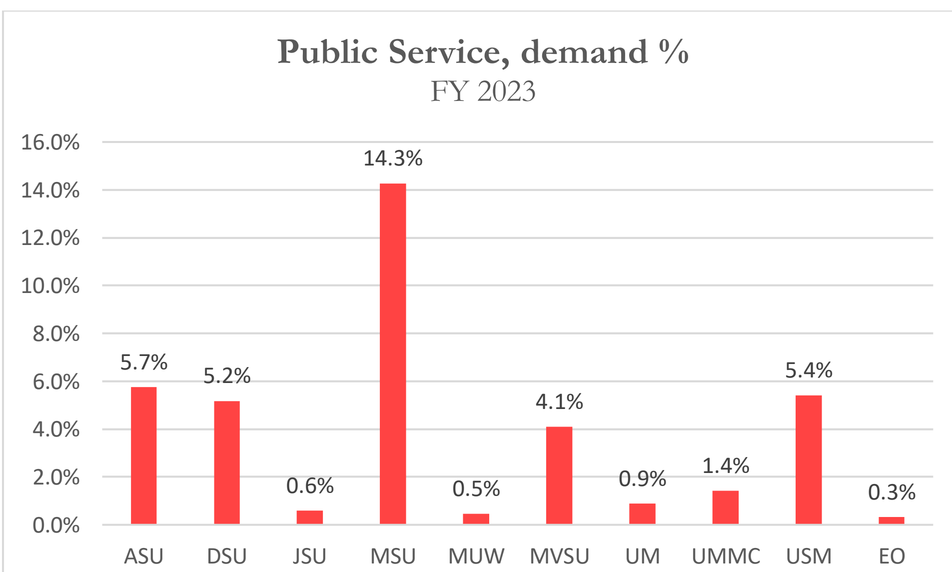
$$= \frac{\text{Research expense}}{\text{Operating revenues + Nonoperating revenues}}$$



12. Public Service Demand Ratio

The Public Service Demand Ratio provides the reader further analysis about an institution's expense by functional classification. In the GASB financial statements, these operating expenses are presented in the notes by functional classification. These costs include activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution, such as community programs and cooperative extension services. Public Service costs are considered core operations in the higher education environment, along with instruction and research. For ratio purposes these expenses are measured against an institution's total operating and non-operating revenues. The Public Service Demand Ratio is calculated as follows:

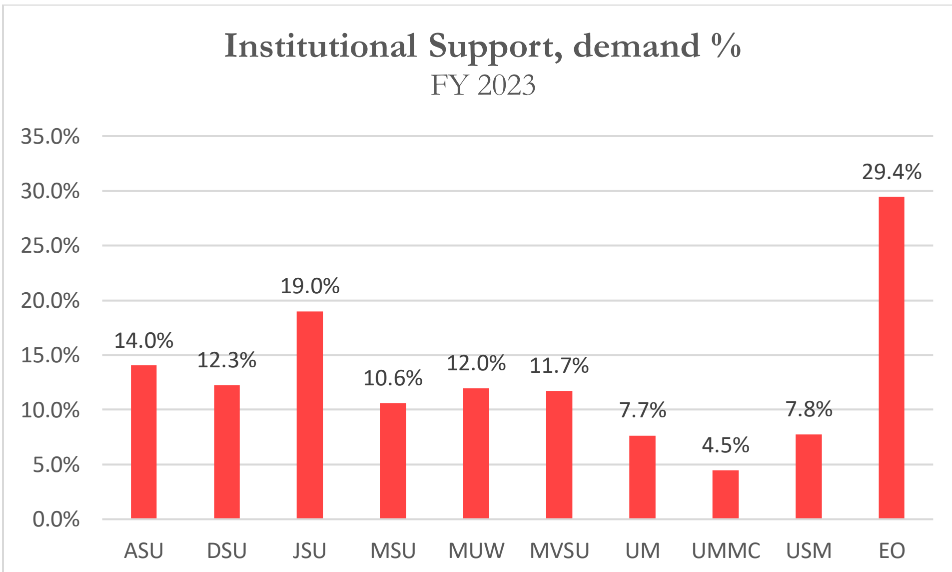
$$= \frac{\text{Public Service expense}}{\text{Operating revenues + Nonoperating revenues}}$$



13. Institutional Support Demand Ratio

The Institutional Support Demand Ratio provides the reader further analysis about an institution's expense by functional classification. In the GASB financial statements, these operating expenses are presented in the notes by functional classification. These costs include activities aligned with central executive-level activities concerned with the management and long-range planning of the entire institution. Back-office operations, such as general accounting and HR functions are also reported within this function. For ratio purposes these expenses are measured against an institution's total operating and non-operating revenues. The Institutional Support Demand Ratio is calculated as follows:

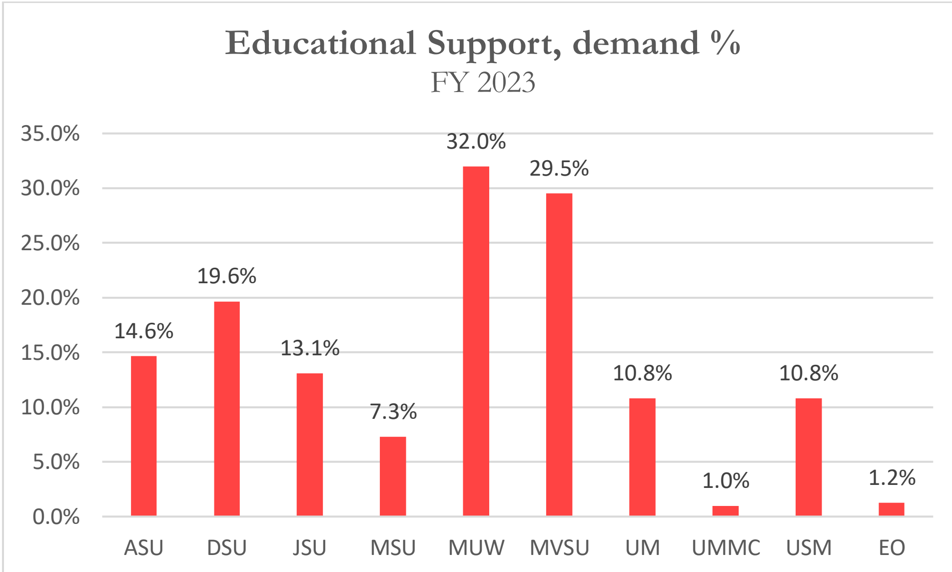
$$= \frac{\text{Institutional Support expense}}{\text{Operating revenues + Nonoperating revenues}}$$



14. Educational Support Demand Ratio

The Educational Support Demand Ratio provides the reader further analysis about an institution's expense by functional classification. In the GASB financial statements, these operating expenses are presented in the notes by functional classification. Included in the Educational Support ratio are costs associated with the Academic Support and Student Service functions. Academic Support costs include activities that primarily support the institution's core mission functions—instruction, research and public service. It includes the libraries, academic administrations (Deans' Offices) and often the ITS functions. The Student Service functional costs includes those of the offices of admissions and registrar, the financial aid office, and departmental costs associated with developing student's emotional and physical well-being (intramurals, student government, career center, etc). For ratio purposes these expenses are measured against an institution's total operating and non-operating revenues. The Educational Support Demand Ratio is calculated as follows:

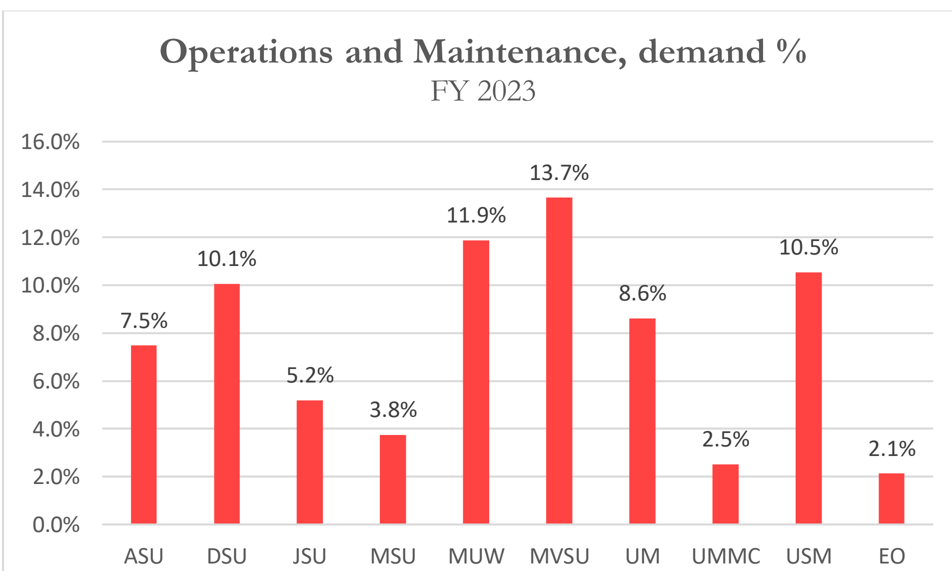
$$= \frac{\text{Academic support expense + Student services expense}}{\text{Operating revenues + Nonoperating revenues}}$$



15. Operations and Maintenance Demand Ratio*

The Operations and Maintenance Demand Ratio provides the reader further analysis about an institution's expense by functional classification. In the GASB financial statements, these operating expenses are presented in the notes by functional classification. Operations and Maintenance (O&M) costs include all costs associated with the operation and maintenance of the physical plant. Generally, this includes utility costs, fire and security costs and grounds and facility maintenance costs. O&M costs associated with the Auxiliary enterprises and Hospital are reported separately within those unique functional areas and are not included in this ratio. For ratio purposes these expenses are measured against an institution's total operating and non-operating revenues. The Operations and Maintenance Demand Ratio is calculated as follows:

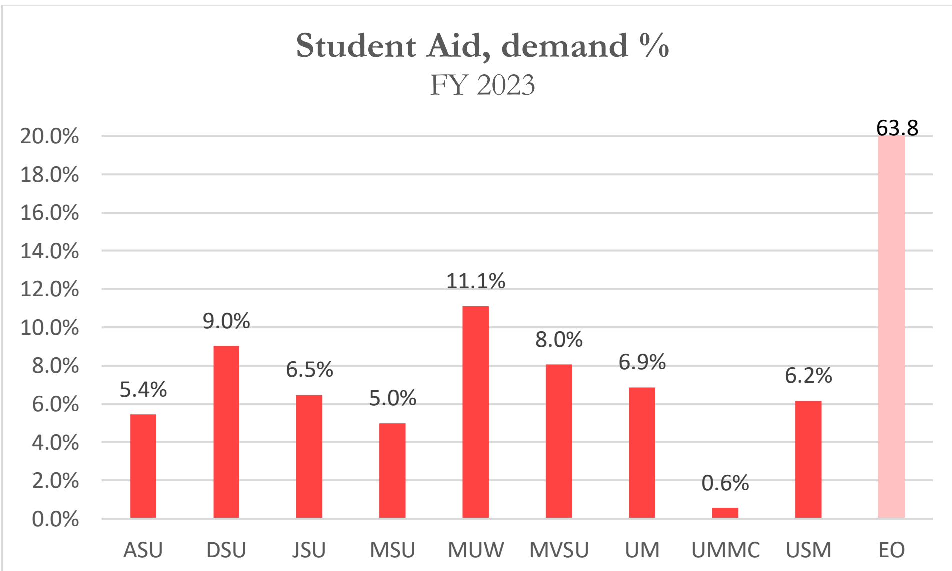
$$= \frac{\text{Operation of plant expense}}{\text{Operating revenues + Nonoperating revenues}}$$



16. Student Aid Demand Ratio

The Student Aid Demand Ratio provides the reader further analysis about an institution's expense by functional classification. In the GASB financial statements, these operating expenses are presented in the notes by functional classification. The Student Aid function includes expenditures for scholarships, fellowships and waivers in the form of financial aid to students selected by the institution and financed from both institutional and external sources. This function would include federal grant aid such as Pell awards and state aid such as MTAGs and MESGs. For ratio purposes these expenses are measured against an institution's total operating and non-operating revenues. The Student Aid Demand Ratio is calculated as follows:

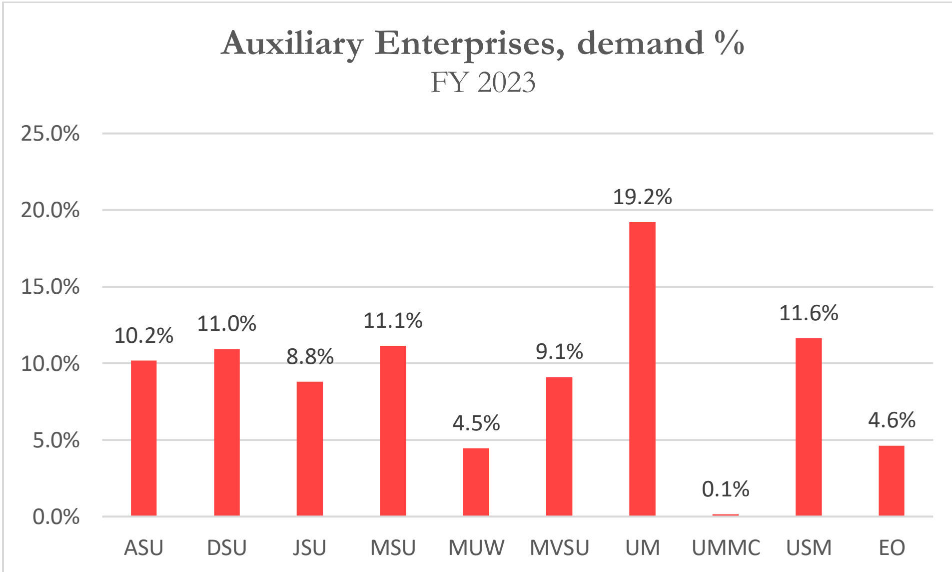
$$= \frac{\text{Student aid expense}}{\text{Operating revenues + Nonoperating revenues}}$$



17. Auxiliary Enterprises Demand Ratio

The Auxiliary Enterprises Demand Ratio provides the reader further analysis about an institution's expense by function classification. Auxiliary enterprises typically exist to furnish goods or services to students, faculty, or staff. They are generally self-sustaining by nature, but sometimes receive smaller levels of supplemental support from general campus operations. Auxiliary enterprises receive most of their funding from user fees, or in the case of large intercollegiate athletic programs, from conference affiliation shares, television and radio broadcasting rights, etc. Examples of common campus auxiliaries would include student housing, dining services, bookstores and some larger intercollegiate athletic programs. For ratio purposes these expenses are measured against an institution's total operating and non-operating revenues. The Auxiliary Enterprise Demand Ratio is calculated as follows:

$$= \frac{\text{Auxiliary enterprise expenses}}{\text{Operating revenues + Nonoperating revenues}}$$



18. Hospital Operations Demand Ratio

The Hospital Operations Demand Ratio provides the reader further analysis about the University of Mississippi Medical Center's expenses by functional classification. These expenses are measured against the Medical Center's total operating and non-operating revenues. The Hospital Operations Demand Ratio for fiscal year end 2023 was **72.0%**, and is calculated as follows:

$$= \frac{\text{Hospital expenses}}{\text{Operating revenues + Nonoperating revenues}}$$

State of Mississippi Institutions of Higher Learning (the System)

(including UMMC and Executive Office)

Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.39	0.41	0.41	0.49	0.50	0.47		0.44	20.45%
Secondary Reserve Ratio	none	0.05	0.05	0.05	0.05	0.05	0.04		0.05	-6.96%
Capitalization Ratio [2]	50% to 85%	67%	69%	67%	67%	68%	67%		67%	-0.13%
Current Ratio	2.0x	2.66	3.01	2.45	2.32	2.51	2.60		2.59	-2.50%
Days of Cash on Hand Ratio [2]	> 90x	82	91	109	121	106	95		101	15.18%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*		130	132	149	182	177	159		155	22.96%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	1.0	1.1	1.2	1.5	1.5	1.3		1.3	30.38%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	1.3	1.1	1.0	0.8	0.8	0.9		1.0	-30.12%
Debt Burden Ratio	< 7%	2.5%	2.9%	2.7%	2.8%	2.8%	3.0%		2.8%	17.16%
Debt Coverage Ratio	> 1.5x	1.1	1.9	1.2	3.2	3.5	2.2		2.2	97.95%
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		3.2	3.0	2.3	4.3	2.6	2.6		3.0	-18.83%
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	4.4%	4.7%	3.2%	7.1%	3.0%	2.7%		4.2%	-39.22%
Return on Expendable Net Assets [2]	none	3.2%	8.1%	3.0%	20.2%	4.6%	2.4%		6.9%	-26.60%
Composition of Equity Ratio	1.0x	0.5	0.6	0.6	0.7	0.6	0.7		0.6	19.79%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	34.1%	35.1%	34.9%	38.8%	39.0%	38.9%		36.8%	14.28%
Physical Net Investment in Capital Asset Ratio [2]		65.9%	64.9%	65.1%	61.2%	61.0%	61.1%		63.2%	-7.37%
Physical Asset Reinvestment Ratio	1.0x	1.5	1.3	1.2	1.0	1.0	52.8		9.8	3313.41%
Age of Facilities Ratio	< 14 years	14	15	15	16	15	15		15	3.48%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	-3.1%	-0.4%	-2.3%	3.2%	3.3%	0.3%		0.2%	-110.77%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		2.6%	2.7%	0.7%	6.2%	1.2%	1.6%		2.5%	-37.82%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		26.5%	26.9%	25.8%	25.8%	25.8%	24.7%		25.9%	-6.93%
Gross Tuition per Student FTE		$ 12,747	$ 13,812	$ 14,220	$ 14,312	$ 15,137	$ 15,780		$ 14,335	23.79%
State Appropriations		18.6%	18.2%	18.3%	18.0%	18.1%	18.9%		18.4%	1.87%
Gifts, Grants and Contracts		16.7%	17.9%	18.9%	21.3%	22.6%	18.3%		19.3%	9.73%
Auxiliary Enterprises		8.3%	8.2%	7.2%	8.0%	8.0%	7.9%		7.9%	-5.38%
Hospital Operations		71.7%	75.3%	71.6%	70.6%	75.0%	73.2%		72.9%	2.04%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		59.3%	58.7%	59.8%	55.6%	55.7%	55.7%		57.5%	-6.05%
Payments to Suppliers		23.5%	24.4%	25.0%	24.2%	26.1%	28.0%		25.2%	19.30%
Instruction		20.5%	18.8%	19.6%	18.0%	16.2%	17.4%		18.4%	-14.85%
Research		10.2%	10.9%	10.1%	8.6%	9.3%	9.8%		9.8%	-4.79%
Public Service		4.4%	4.2%	4.4%	4.3%	4.2%	4.7%		4.3%	7.21%
Institutional Support		9.1%	8.6%	9.0%	9.2%	7.9%	8.4%		8.7%	-8.00%
Educational Support		7.1%	7.0%	6.7%	6.6%	6.3%	6.7%		6.8%	-5.49%
Operations and Maintenance		5.0%	5.0%	4.8%	4.7%	5.0%	5.1%		4.9%	2.68%
Student Aid		5.3%	5.1%	6.2%	6.0%	7.0%	4.9%		5.7%	-7.01%
Auxiliary Enterprises		8.0%	7.8%	7.3%	6.4%	7.1%	7.6%		7.4%	-5.19%
Hospital Operations		72.2%	71.1%	73.1%	69.7%	68.9%	72.0%		71.2%	-0.31%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

Alcorn State University
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.50	0.53	0.59	0.67	0.66	0.93		0.65	86.44%
Secondary Reserve Ratio	none	0.17	0.18	0.18	0.19	0.18	0.20		0.18	20.73%
Capitalization Ratio [2]	50% to 85%	71%	73%	73%	74%	75%	76%		74%	7.12%
Current Ratio	2.0x	6.86	7.48	6.83	5.48	6.30	7.34		6.71	7.04%
Days of Cash on Hand Ratio [2]	> 120x	154	164	181	193	210	256		193	65.47%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*		154	164	181	193	210	256		193	65.47%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	1.0	1.1	1.2	1.3	1.4	1.9		1.3	92.05%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	1.0	0.9	0.8	0.7	0.7	0.5		0.8	-49.33%
Debt Burden Ratio	< 7%	2.9%	3.0%	3.2%	3.4%	3.4%	4.1%		3.3%	39.99%
Debt Coverage Ratio	> 1.5x	-0.4	1.7	1.2	1.6	4.1	7.3		2.6	-1726.35%
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		1.4	2.5	1.6	2.0	2.3	6.4		2.7	371.68%
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	-0.1%	1.9%	6.0%	8.5%	2.9%	10.4%		4.9%	-7563.79%
Return on Expendable Net Assets [2]	none	3.1%	6.9%	9.9%	9.2%	2.4%	27.5%		9.8%	790.01%
Composition of Equity Ratio	1.0x	0.5	0.5	0.6	0.6	0.6	0.7		0.6	34.77%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	39.0%	41.2%	41.7%	41.1%	40.7%	44.8%		41.4%	14.77%
Physical Net Investment in Capital Asset Ratio [2]		61.0%	58.8%	58.3%	58.9%	59.3%	55.2%		58.6%	-9.45%
Physical Asset Reinvestment Ratio	1.0x	0.0	0.0	0.0	3.1	1.7	1.2		1.0	
Age of Facilities Ratio	< 14 years	18	19	20	21	21	21		20	18.48%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	-9.1%	-2.1%	-3.1%	-1.6%	6.5%	17.6%		1.4%	-292.41%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		-3.6%	0.4%	-1.8%	-0.1%	0.9%	14.6%		1.7%	-507.04%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		27.4%	27.7%	26.4%	25.2%	24.7%	25.0%		26.1%	-8.97%
Gross Tuition per Student FTE		$ 7,197	$ 7,464	$ 7,561	$ 8,140	$ 8,725	$ 8,455		$ 7,924	17.48%
State Appropriations		30.3%	28.8%	28.9%	28.8%	29.5%	35.9%		30.4%	18.39%
Gifts, Grants and Contracts		30.7%	35.2%	33.6%	35.9%	45.7%	48.9%		38.3%	59.17%
Auxiliary Enterprises		16.2%	17.0%	16.9%	14.7%	14.3%	16.1%		15.9%	-0.66%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		55.1%	50.9%	49.7%	45.3%	40.2%	39.5%		46.8%	-28.20%
Payments to Suppliers		23.5%	25.8%	27.2%	29.1%	28.1%	25.9%		26.6%	10.46%
Instruction		25.6%	19.3%	21.2%	19.9%	12.1%	11.7%		18.3%	-54.19%
Research		7.8%	7.7%	7.2%	6.8%	6.3%	7.0%		7.1%	-9.85%
Public Service		6.4%	7.1%	6.2%	6.3%	5.3%	5.7%		6.2%	-10.33%
Institutional Support		13.6%	16.7%	14.4%	16.9%	16.2%	14.0%		15.3%	3.23%
Educational Support		16.1%	16.4%	15.4%	12.9%	13.7%	14.6%		14.9%	-9.02%
Operations and Maintenance		7.3%	6.7%	6.9%	7.9%	6.7%	7.5%		7.2%	2.95%
Student Aid		6.0%	6.0%	9.9%	12.4%	15.6%	5.4%		9.2%	-9.70%
Auxiliary Enterprises		18.6%	15.3%	15.0%	11.7%	11.0%	10.2%		13.6%	-45.25%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

Delta State University
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.09	0.07	0.09	0.13	0.11	0.04		0.09	-51.73%
Secondary Reserve Ratio	none	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Capitalization Ratio [2]	50% to 85%	83%	84%	83%	83%	81%	80%		82%	-3.44%
Current Ratio	2.0x	2.16	1.94	2.31	2.45	2.08	1.66		2.10	-23.04%
Days of Cash on Hand Ratio [2]	> 90x	17	10	39	45	47	24		30	39.74%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*		31	23	39	45	47	24		35	-21.58%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	0.5	0.4	0.5	0.7	0.6	0.3		0.5	-41.33%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	2.0	2.3	2.0	1.3	1.5	3.4		2.1	68.04%
Debt Burden Ratio	< 7%	2.5%	2.2%	1.6%	1.7%	1.7%	1.5%		1.9%	-38.21%
Debt Coverage Ratio	> 1.5x	1.5	-2.1	-0.6	1.3	0.8	-0.2		0.1	-116.33%
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		2.9	-1.4	1.2	2.7	-0.7	0.9		0.9	-68.43%
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	-0.4%	5.0%	-0.5%	1.3%	2.1%	-0.1%		1.2%	-86.86%
Return on Expendable Net Assets [2]	none	-32.2%	-19.9%	18.8%	36.7%	-17.5%	-56.5%		-11.8%	75.79%
Composition of Equity Ratio	1.0x	0.1	0.1	0.1	0.1	0.1	0.1		0.1	-15.70%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	6.0%	4.6%	5.5%	7.4%	5.9%	2.6%		5.3%	-56.76%
Physical Net Investment in Capital Asset Ratio [2]		94.0%	95.4%	94.5%	92.6%	94.1%	97.4%		94.7%	3.61%
Physical Asset Reinvestment Ratio	1.0x	0.1	0.7	0.5	0.7	1.7	1.7		0.9	1272.37%
Age of Facilities Ratio	< 14 years	23	23	19	20	20	21		21	-9.18%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	-16.9%	-21.3%	-14.8%	-5.6%	-6.8%	-8.2%		-12.3%	-51.65%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		-12.7%	-19.6%	-11.7%	-3.3%	-9.3%	-6.3%		-10.5%	-50.34%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		30.0%	31.1%	34.8%	35.1%	33.3%	31.3%		32.6%	4.46%
Gross Tuition per Student FTE		$ 7,557	$ 8,438	$ 9,212	$ 10,487	$ 11,154	$ 12,108		$ 9,826	60.21%
State Appropriations		26.6%	26.8%	29.5%	29.3%	30.8%	35.5%		29.8%	33.62%
Gifts, Grants and Contracts		21.6%	19.3%	19.2%	29.8%	26.4%	20.3%		22.8%	-6.17%
Auxiliary Enterprises		10.4%	9.9%	9.3%	6.8%	8.4%	9.4%		9.0%	-10.05%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		56.3%	59.7%	58.2%	57.0%	59.6%	57.4%		58.0%	1.86%
Payments to Suppliers		31.9%	35.8%	30.6%	24.8%	25.4%	25.9%		29.1%	-18.84%
Instruction		36.2%	34.8%	37.6%	33.3%	31.7%	32.7%		34.4%	-9.56%
Research		0.8%	0.3%	0.1%	0.3%	0.5%	0.3%		0.4%	-67.99%
Public Service		4.7%	4.1%	3.4%	2.3%	2.5%	5.2%		3.7%	9.90%
Institutional Support		10.2%	11.9%	13.2%	13.2%	12.3%	12.3%		12.2%	19.68%
Educational Support		20.4%	21.2%	16.7%	19.4%	21.8%	19.6%		19.9%	-3.69%
Operations and Maintenance		15.2%	20.7%	14.5%	9.4%	9.7%	10.1%		13.2%	-33.70%
Student Aid		10.1%	8.9%	10.1%	9.6%	8.0%	9.0%		9.3%	-10.87%
Auxiliary Enterprises		11.0%	10.9%	9.4%	8.7%	11.5%	11.0%		10.4%	-0.35%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

Jackson State University
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.07	0.09	0.13	0.16	0.25	0.31		0.17	338.33%
Secondary Reserve Ratio	none	0.18	0.22	0.22	0.27	0.21	0.23		0.22	25.04%
Capitalization Ratio [2]	50% to 85%	60%	66%	64%	64%	63%	65%		64%	9.13%
Current Ratio	2.0x	1.50	1.65	1.97	1.98	2.38	2.71		2.03	80.88%
Days of Cash on Hand Ratio [2]	> 90x	32	39	48	93	115	117		74	268.27%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*		32	39	48	93	115	117		74	268.27%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	0.1	0.2	0.2	0.3	0.5	0.7		0.3	418.20%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	23.7	13.1	6.7	4.5	2.5	1.7		8.7	-92.67%
Debt Burden Ratio	< 7%	3.8%	5.4%	4.9%	4.8%	4.7%	4.4%		4.7%	14.97%
Debt Coverage Ratio	> 1.5x	-0.9	0.8	1.8	3.5	3.4	3.1		1.9	-461.04%
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		0.7	1.1	1.6	2.9	1.8	3.1		1.9	352.98%
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	-1.0%	1.8%	2.7%	6.8%	3.0%	8.7%		3.7%	-942.78%
Return on Expendable Net Assets [2]	none	-12.3%	18.8%	37.7%	33.3%	61.2%	27.3%		27.7%	-322.98%
Composition of Equity Ratio	1.0x	0.3	1.3	1.4	1.5	1.5	1.6		1.3	409.10%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	21.4%	23.6%	25.7%	30.9%	33.7%	37.2%		28.7%	74.14%
Physical Net Investment in Capital Asset Ratio [2]		78.6%	76.4%	74.3%	69.1%	66.3%	62.8%		71.3%	-20.16%
Physical Asset Reinvestment Ratio	1.0x	0.0	0.0	0.0	0.0	0.0	0.0		0.0	
Age of Facilities Ratio	< 14 years	19	20	21	22	21	23		21	17.11%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	-11.9%	-3.2%	0.9%	8.8%	8.5%	6.8%		1.6%	-157.02%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		-4.6%	-1.3%	-0.1%	6.3%	1.7%	6.6%		1.4%	-244.91%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		33.6%	36.5%	34.8%	34.0%	32.3%	30.2%		33.6%	-9.92%
Gross Tuition per Student FTE		$ 8,529	$ 10,094	$ 10,999	$ 10,753	$ 10,846	$ 10,295		$ 10,253	20.71%
State Appropriations		23.6%	24.4%	24.2%	21.8%	22.8%	23.5%		23.4%	-0.13%
Gifts, Grants and Contracts		29.9%	30.9%	28.2%	28.2%	24.4%	32.2%		29.0%	7.81%
Auxiliary Enterprises		9.5%	10.3%	10.9%	7.8%	8.9%	11.8%		9.9%	24.10%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		53.2%	50.9%	47.4%	41.4%	41.4%	43.1%		46.2%	-18.94%
Payments to Suppliers		27.9%	24.2%	26.5%	21.5%	22.0%	23.9%		24.3%	-14.31%
Instruction		32.8%	25.7%	23.2%	19.4%	17.5%	20.6%		23.2%	-37.30%
Research		8.5%	8.9%	6.6%	5.4%	5.7%	7.1%		7.0%	-16.53%
Public Service		0.4%	0.3%	0.3%	0.4%	0.5%	0.6%		0.4%	55.63%
Institutional Support		19.2%	18.7%	22.9%	17.7%	13.2%	19.0%		18.4%	-0.98%
Educational Support		14.1%	14.7%	13.4%	10.7%	10.7%	13.1%		12.8%	-7.02%
Operations and Maintenance		7.2%	7.1%	6.4%	5.8%	10.3%	5.2%		7.0%	-27.83%
Student Aid		11.1%	8.6%	8.3%	7.0%	0.5%	6.5%		7.0%	-41.56%
Auxiliary Enterprises		10.9%	10.2%	9.0%	6.3%	8.8%	8.8%		9.0%	-19.36%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

Mississippi State University
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.39	0.44	0.47	0.49	0.52	0.44		0.46	14.96%
Secondary Reserve Ratio	none	0.02	0.02	0.02	0.02	0.02	0.02		0.02	-20.23%
Capitalization Ratio [2]	50% to 85%	68%	70%	72%	70%	71%	71%		70%	5.78%
Current Ratio	2.0x	4.18	4.01	4.78	3.46	4.39	3.86		4.11	-7.66%
Days of Cash on Hand Ratio [2]	> 120x	84	102	109	143	143	115		116	36.54%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*		127	142	148	180	179	149		154	16.97%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	0.8	1.0	1.1	1.3	1.4	1.4		1.2	73.04%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	1.5	1.2	1.0	0.8	0.8	0.8		1.0	-45.45%
Debt Burden Ratio	< 7%	3.3%	4.0%	3.6%	3.5%	3.3%	3.1%		3.5%	-5.43%
Debt Coverage Ratio	> 1.5x	2.1	3.0	2.7	3.3	4.5	2.9		3.1	42.52%
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		3.5	3.5	3.3	4.1	4.1	3.7		3.7	5.19%
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	7.0%	8.7%	7.8%	6.9%	5.8%	4.5%		6.8%	-36.86%
Return on Expendable Net Assets [2]	none	11.4%	17.9%	12.9%	8.4%	8.5%	-5.0%		9.0%	-143.82%
Composition of Equity Ratio	1.0x	0.4	0.4	0.4	0.5	0.5	0.4		0.4	26.24%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	29.1%	31.3%	32.5%	33.3%	33.8%	30.8%		31.8%	5.75%
Physical Net Investment in Capital Asset Ratio [2]		70.9%	68.7%	67.5%	66.7%	66.2%	69.2%		68.2%	-2.36%
Physical Asset Reinvestment Ratio	1.0x	2.0	1.0	0.9	1.3	1.5	2.2		1.5	11.04%
Age of Facilities Ratio	< 14 years	16	14	15	16	16	15		15	-3.32%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	1.6%	4.8%	3.6%	4.8%	7.5%	2.6%		4.2%	62.61%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		6.6%	6.9%	5.6%	7.4%	6.3%	4.7%		6.2%	-28.13%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		38.8%	39.7%	39.1%	39.0%	39.8%	36.6%		38.8%	-5.64%
Gross Tuition per Student FTE		$ 13,720	$ 14,733	$ 15,123	$ 15,376	$ 16,245	$ 16,650		$ 15,308	21.36%
State Appropriations		23.5%	22.8%	22.6%	20.9%	21.5%	23.4%		22.5%	-0.42%
Gifts, Grants and Contracts		31.3%	34.5%	37.2%	36.5%	41.4%	35.9%		36.1%	14.96%
Auxiliary Enterprises		14.0%	13.8%	11.9%	14.0%	12.7%	11.5%		13.0%	-18.05%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		59.9%	58.1%	58.5%	56.8%	56.1%	58.1%		57.9%	-2.92%
Payments to Suppliers		17.8%	18.9%	20.4%	20.4%	19.3%	20.8%		19.6%	17.12%
Instruction		20.4%	19.2%	19.0%	18.6%	16.9%	18.8%		18.8%	-8.21%
Research		21.9%	22.3%	23.2%	19.8%	19.5%	20.3%		21.2%	-6.96%
Public Service		13.6%	12.5%	13.4%	13.3%	13.1%	14.3%		13.4%	4.86%
Institutional Support		8.8%	7.0%	7.1%	9.5%	8.3%	10.6%		8.5%	20.81%
Educational Support		8.0%	7.8%	7.5%	7.6%	6.7%	7.3%		7.5%	-9.53%
Operations and Maintenance		4.0%	3.9%	4.2%	4.0%	3.6%	3.8%		3.9%	-5.35%
Student Aid		4.6%	4.5%	5.8%	6.4%	7.9%	5.0%		5.7%	7.49%
Auxiliary Enterprises		11.1%	11.1%	10.8%	10.2%	10.2%	11.1%		10.8%	-0.12%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

Mississippi University for Women
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.35	0.39	0.41	0.41	0.46	0.37		0.40	3.27%
Secondary Reserve Ratio	none	0.02	0.02	0.02	0.02	0.02	0.02		0.02	-6.67%
Capitalization Ratio [2]	50% to 85%	92%	94%	93%	93%	92%	91%		92%	-1.50%
Current Ratio	2.0x	2.85	3.92	3.90	3.84	2.85	2.47		3.30	-13.38%
Days of Cash on Hand Ratio [2]	> 90x	56	74	78	70	60	40		63	-29.44%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*		122	131	143	140	124	101		127	-17.10%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	243.2	N/A	N/A	N/A	N/A	N/A		243.2	
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	0.1	0.0	0.0	0.0	0.0	0.0		0.0	-59.98%
Debt Burden Ratio	< 7%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%		0.1%	-100.00%
Debt Coverage Ratio	> 1.5x	-7.7	-2.9	N/A	N/A	N/A	N/A		-5.3	
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		12.3	18.7						15.5	
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	5.2%	3.3%	2.4%	0.6%	7.6%	2.7%		3.6%	-47.42%
Return on Expendable Net Assets [2]	none	1.3%	6.5%	10.4%	-1.0%	13.8%	-16.1%		2.4%	-1387.45%
Composition of Equity Ratio	1.0x	0.2	0.2	0.3	0.3	0.3	0.2		0.3	-10.90%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	15.8%	16.3%	17.5%	17.2%	18.1%	14.9%		16.6%	-6.10%
Physical Net Investment in Capital Asset Ratio [2]		84.2%	83.7%	82.5%	82.8%	81.9%	85.1%		83.4%	1.15%
Physical Asset Reinvestment Ratio	1.0x	3.3	2.3	0.0	0.0	0.3	0.1		1.0	-97.02%
Age of Facilities Ratio	< 14 years	19	20	23	23	22	20		21	5.22%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	-7.8%	-5.7%	-8.0%	-7.7%	4.5%	-11.3%		-6.0%	45.49%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		-1.4%	-2.3%	-6.3%	-5.2%	1.5%	-9.2%		-3.8%	558.03%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		44.2%	38.1%	38.4%	38.7%	35.1%	31.6%		37.7%	-28.40%
Gross Tuition per Student FTE		$ 9,694	$ 8,491	$ 8,628	$ 9,037	$ 9,450	$ 9,489		$ 9,131	-2.11%
State Appropriations		28.2%	29.1%	28.7%	28.3%	29.1%	31.4%		29.1%	11.55%
Gifts, Grants and Contracts		28.3%	29.2%	30.3%	32.1%	45.0%	29.1%		32.3%	2.92%
Auxiliary Enterprises		5.7%	6.4%	5.0%	3.9%	5.1%	5.0%		5.2%	-13.02%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		56.3%	56.7%	58.4%	57.9%	53.0%	62.8%		57.5%	11.65%
Payments to Suppliers		19.6%	21.2%	21.1%	21.7%	17.0%	19.1%		20.0%	-2.56%
Instruction		32.5%	30.9%	30.6%	30.7%	25.3%	31.8%		30.3%	-2.06%
Research		1.0%	0.1%	0.4%	0.4%	0.4%	0.4%		0.4%	-60.21%
Public Service		0.9%	0.8%	0.5%	0.5%	0.4%	0.5%		0.6%	-48.99%
Institutional Support		10.8%	10.5%	10.6%	10.4%	8.5%	12.0%		10.5%	10.89%
Educational Support		26.4%	28.3%	27.9%	29.1%	24.3%	32.0%		28.0%	20.98%
Operations and Maintenance		9.6%	10.2%	11.2%	11.5%	9.4%	11.9%		10.6%	23.68%
Student Aid		12.3%	11.0%	14.5%	13.3%	16.6%	11.1%		13.1%	-9.50%
Auxiliary Enterprises		7.5%	7.6%	6.3%	5.6%	5.2%	4.5%		6.1%	-40.99%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

Mississippi Valley State University
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.45	0.48	0.53	0.73	0.73	0.69		0.60	53.25%
Secondary Reserve Ratio	none	0.02	0.02	0.02	0.03	0.03	0.03		0.02	52.25%
Capitalization Ratio [2]	50% to 85%	81%	83%	84%	84%	83%	82%		83%	1.50%
Current Ratio	2.0x	8.44	8.50	10.31	12.08	7.00	6.17		8.75	-26.89%
Days of Cash on Hand Ratio [2]	> 120x	141	155	160	175	217	217		178	54.11%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*		150	163	169	184	223	225		186	50.30%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	1.3	1.4	1.6	2.2	2.7	2.9		2.0	126.92%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	0.9	0.8	0.7	0.5	0.4	0.4		0.6	-59.70%
Debt Burden Ratio	< 7%	1.9%	2.5%	2.6%	2.8%	2.3%	1.9%		2.3%	-2.17%
Debt Coverage Ratio	> 1.5x	2.7	1.7	1.4	6.4	7.4	3.4		3.8	25.62%
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		5.4	3.0	2.6	7.6	5.4	2.8		4.5	-47.09%
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	5.3%	9.0%	4.0%	6.6%	3.6%	0.6%		4.8%	-89.35%
Return on Expendable Net Assets [2]	none	22.2%	8.7%	7.8%	31.3%	15.4%	4.4%		15.0%	-80.40%
Composition of Equity Ratio	1.0x	0.3	0.3	0.3	0.4	0.5	0.5		0.4	83.58%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	22.0%	22.0%	22.8%	27.9%	31.0%	32.4%		26.3%	47.14%
Physical Net Investment in Capital Asset Ratio [2]		78.0%	78.0%	77.2%	72.1%	69.0%	67.6%		73.7%	-13.30%
Physical Asset Reinvestment Ratio	1.0x	0.1	0.0	0.0	0.2	0.0	0.1		0.1	54.52%
Age of Facilities Ratio	< 14 years	22	20	21	22	22	22		22	-0.28%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	-0.9%	-2.3%	-3.1%	9.6%	9.4%	0.4%		2.2%	-141.66%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		4.0%	0.8%	0.1%	12.5%	5.4%	-0.5%		3.7%	-113.54%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		28.1%	26.3%	24.7%	25.8%	19.9%	17.9%		23.8%	-36.20%
Gross Tuition per Student FTE		$ 7,087	$ 7,333	$ 7,260	$ 7,764	$ 7,390	$ 8,050		$ 7,481	13.59%
State Appropriations		30.9%	29.9%	30.7%	29.9%	27.4%	27.1%		29.3%	-12.20%
Gifts, Grants and Contracts		32.1%	33.0%	35.1%	54.0%	55.5%	45.3%		42.5%	41.27%
Auxiliary Enterprises		19.6%	18.0%	15.4%	12.0%	13.3%	13.1%		15.2%	-32.84%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		56.4%	55.9%	56.2%	48.1%	40.9%	41.5%		49.8%	-26.32%
Payments to Suppliers		21.7%	24.1%	22.8%	22.7%	38.7%	38.6%		28.1%	77.97%
Instruction		28.4%	27.4%	27.0%	21.8%	16.6%	17.7%		23.1%	-37.71%
Research		0.3%	0.1%	0.0%	0.1%	0.1%	0.2%		0.1%	-32.03%
Public Service		6.2%	6.4%	6.5%	4.9%	4.2%	4.1%		5.4%	-34.16%
Institutional Support		11.5%	11.1%	11.7%	11.9%	12.7%	11.7%		11.8%	1.81%
Educational Support		18.7%	19.1%	18.4%	19.8%	19.4%	29.5%		20.8%	57.59%
Operations and Maintenance		11.3%	12.2%	12.4%	10.3%	16.3%	13.7%		12.7%	21.17%
Student Aid		6.6%	7.4%	9.1%	6.9%	7.3%	8.0%		7.6%	21.05%
Auxiliary Enterprises		12.0%	12.1%	11.3%	8.6%	8.6%	9.1%		10.3%	-24.10%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

University of Mississippi (excluding *the Medical Center*)
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.66	0.72	0.74	0.93	0.86	0.85		0.79	28.30%
Secondary Reserve Ratio	none	0.09	0.09	0.09	0.10	0.09	0.08		0.09	-12.62%
Capitalization Ratio [2]	50% to 85%	76%	78%	77%	78%	79%	75%		77%	-0.63%
Current Ratio	2.0x	1.79	2.95	2.05	1.27	1.59	1.83		1.91	2.17%
Days of Cash on Hand Ratio [2]	> 120x	80	133	126	79	72	99		98	23.72%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*		231	244	260	322	308	298		277	28.99%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	1.3	1.6	1.7	2.3	2.4	2.0		1.9	48.90%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	0.9	0.8	0.7	0.5	0.5	0.6		0.6	-34.10%
Debt Burden Ratio	< 7%	4.1%	4.8%	3.9%	4.8%	4.0%	3.8%		4.2%	-6.69%
Debt Coverage Ratio	> 1.5x	3.6	2.8	2.0	4.3	1.7	2.3		2.8	-37.39%
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		4.6	3.5	2.5	4.8	1.2	2.5		3.2	-45.53%
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	6.3%	3.8%	1.7%	5.6%	2.1%	1.9%		3.6%	-69.73%
Return on Expendable Net Assets [2]	none	0.1%	10.8%	5.2%	21.4%	-0.3%	8.2%		7.6%	15009.0%
Composition of Equity Ratio	1.0x	0.5	0.5	0.6	0.7	0.6	0.6		0.6	42.36%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	31.4%	33.1%	34.2%	38.5%	37.7%	39.6%		35.7%	26.23%
Physical Net Investment in Capital Asset Ratio [2]		68.6%	66.9%	65.8%	61.5%	62.3%	60.4%		64.3%	-11.99%
Physical Asset Reinvestment Ratio	1.0x	2.9	0.9	0.4	0.3	1.3	1.9		1.3	-33.13%
Age of Facilities Ratio	< 14 years	12	13	13	15	15	16		14	26.16%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	6.0%	4.8%	0.3%	10.2%	-0.9%	0.7%		3.5%	-88.57%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		10.0%	7.4%	2.6%	12.4%	-3.0%	1.6%		5.2%	-83.77%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		64.8%	64.3%	61.1%	60.0%	58.7%	60.7%		61.6%	-6.31%
Gross Tuition per Student FTE		$ 17,797	$ 19,238	$ 19,578	$ 19,320	$ 20,415	$ 21,519		$ 19,645	20.91%
State Appropriations		15.6%	15.3%	15.5%	15.6%	15.2%	16.6%		15.6%	5.98%
Gifts, Grants and Contracts		22.3%	22.4%	24.0%	25.9%	26.5%	20.4%		23.6%	-8.65%
Auxiliary Enterprises		18.5%	18.1%	15.9%	21.1%	19.8%	20.1%		18.9%	9.11%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		49.5%	50.9%	54.2%	50.1%	54.5%	54.7%		52.3%	10.50%
Payments to Suppliers		18.1%	19.4%	18.5%	15.4%	18.3%	20.6%		18.4%	13.52%
Instruction		26.1%	25.7%	31.0%	27.5%	24.0%	25.4%		26.6%	-2.56%
Research		11.4%	12.9%	8.4%	7.3%	11.9%	11.9%		10.6%	4.11%
Public Service		1.2%	0.8%	0.8%	0.9%	1.1%	0.9%		0.9%	-23.32%
Institutional Support		5.5%	5.5%	7.0%	6.0%	6.7%	7.7%		6.4%	39.93%
Educational Support		10.6%	10.9%	11.1%	9.8%	10.4%	10.8%		10.6%	2.26%
Operations and Maintenance		6.5%	7.0%	6.5%	6.7%	7.0%	8.6%		7.0%	32.12%
Student Aid		7.3%	7.5%	10.4%	9.6%	14.0%	6.9%		9.3%	-6.23%
Auxiliary Enterprises		17.0%	17.1%	16.0%	14.5%	18.2%	19.2%		17.0%	12.96%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

University of Mississippi Medical Center
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.32	0.31	0.26	0.34	0.35	0.31		0.31	-3.85%
Secondary Reserve Ratio	none	0.02	0.02	0.02	0.02	0.02	0.02		0.02	-5.36%
Capitalization Ratio [2]	50% to 85%	54%	56%	49%	49%	50%	48%		51%	-10.88%
Current Ratio	2.0x	2.76	2.73	1.94	1.94	1.92	2.03		2.22	-26.49%
Days of Cash on Hand Ratio [2]	> 90x	91	77	102	115	88	64		90	-29.86%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*	> 90x	102	87	111	136	125	104		111	1.83%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	1.4	1.3	1.2	1.4	1.2	1.0		1.2	-32.19%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	1.0	1.0	1.1	0.9	1.0	1.3		1.1	31.94%
Debt Burden Ratio	< 7%	1.2%	1.4%	1.3%	1.4%	1.7%	2.4%		1.6%	103.99%
Debt Coverage Ratio	> 1.5x	-2.2	-0.1	-1.9	1.5	4.3	1.5		0.5	-169.23%
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]	> 1.5x	3.4	2.7	1.3	4.6	3.2	2.1		2.9	-36.88%
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	1.6%	2.7%	-0.4%	10.9%	1.4%	0.5%		2.8%	-65.05%
Return on Expendable Net Assets [2]	none	-1.9%	-1.1%	-10.0%	29.3%	4.0%	-2.1%		3.0%	13.36%
Composition of Equity Ratio	1.0x	1.3	1.1	1.1	1.3	1.1	1.1		1.2	-14.66%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	54.4%	52.6%	47.9%	55.0%	56.3%	55.1%		53.6%	1.23%
Physical Net Investment in Capital Asset Ratio [2]	composition: equity vs physical assets	45.6%	47.4%	52.1%	45.0%	43.7%	44.9%		46.4%	-1.47%
Physical Asset Reinvestment Ratio	1.0x	1.0	2.5	2.8	1.4	0.4	0.6		1.5	-37.62%
Age of Facilities Ratio	< 14 years	11	12	13	13	10	10		11	-8.62%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	-6.9%	-4.0%	-6.1%	-1.3%	2.3%	-1.2%		-2.9%	-82.10%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]	2% to 4%	0.2%	0.1%	-1.7%	3.3%	0.5%	0.3%		0.4%	22.67%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		2.4%	2.4%	2.4%	2.6%	2.7%	2.6%		2.5%	8.83%
Gross Tuition per Student FTE		$ 12,680	$ 13,369	$ 14,325	$ 14,253	$ 14,849	$ 15,784		$ 14,210	24.48%
State Appropriations		10.5%	10.1%	10.3%	10.1%	10.2%	10.0%		10.2%	-4.75%
Gifts, Grants and Contracts		4.7%	5.2%	6.6%	9.1%	8.4%	5.7%		6.6%	20.26%
Auxiliary Enterprises		0.3%	0.2%	0.2%	0.1%	0.2%	0.1%		0.2%	-52.33%
Hospital Operations		71.7%	75.3%	71.6%	70.6%	75.0%	73.2%		72.9%	2.04%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		63.3%	63.3%	64.2%	58.9%	58.2%	55.6%		60.6%	-12.09%
Payments to Suppliers		30.6%	31.1%	32.5%	32.6%	35.0%	37.4%		33.2%	22.26%
Instruction		12.8%	11.9%	12.1%	11.3%	10.4%	10.7%		11.5%	-15.94%
Research		4.1%	4.2%	4.1%	3.5%	3.4%	3.5%		3.8%	-14.59%
Public Service		0.9%	1.0%	1.3%	1.4%	1.1%	1.4%		1.2%	56.78%
Institutional Support		8.1%	7.6%	7.6%	7.6%	5.5%	4.5%		6.8%	-44.55%
Educational Support		1.2%	1.1%	1.1%	1.0%	0.8%	1.0%		1.0%	-17.97%
Operations and Maintenance		2.6%	2.6%	2.6%	2.3%	2.3%	2.5%		2.5%	-5.09%
Student Aid		0.3%	0.3%	0.4%	0.4%	0.5%	0.6%		0.4%	89.32%
Auxiliary Enterprises		0.4%	0.3%	0.2%	0.1%	0.1%	0.1%		0.2%	-64.28%
Hospital Operations		72.2%	71.1%	73.1%	69.7%	68.9%	72.0%		71.2%	-0.31%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

University of Mississippi, *including the Medical Center*
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.41	0.42	0.38	0.48	0.48	0.45		0.44	9.36%
Secondary Reserve Ratio	none	0.04	0.04	0.04	0.04	0.04	0.03		0.04	-10.98%
Capitalization Ratio [2]	50% to 85%	65%	67%	63%	63%	64%	61%		64%	-5.99%
Current Ratio	2.0x	2.46	2.79	1.96	1.77	1.83	1.97		2.13	-20.20%
Days of Cash on Hand Ratio [2]	> 90x	88	92	108	106	84	73		92	-17.30%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*	> 90x	136	128	149	182	173	154		154	13.45%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	1.4	1.4	1.4	1.7	1.6	1.3		1.5	-6.37%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	1.0	0.9	0.9	0.7	0.8	0.9		0.9	-1.64%
Debt Burden Ratio	< 7%	2.0%	2.3%	2.0%	2.2%	2.3%	2.8%		2.3%	41.73%
Debt Coverage Ratio	> 1.5x	1.0	1.5	0.2	2.9	3.1	1.8		1.8	69.11%
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]	> 1.5x	4.1	3.1	1.9	4.7	2.3	2.3		3.1	-44.31%
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	4.3%	3.3%	0.9%	7.8%	1.8%	1.3%		3.2%	-68.73%
Return on Expendable Net Assets [2]	none	-1.1%	4.0%	-3.0%	25.4%	1.9%	2.7%		5.0%	-359.29%
Composition of Equity Ratio	1.0x	0.8	0.7	0.8	0.9	0.8	0.9		0.8	10.92%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	40.9%	41.1%	39.7%	45.4%	45.4%	46.0%		43.1%	12.44%
Physical Net Investment in Capital Asset Ratio [2]	composition: equity vs physical assets	59.1%	58.9%	60.3%	54.6%	54.6%	54.0%		56.9%	-8.61%
Physical Asset Reinvestment Ratio	1.0x	1.9	1.8	1.7	0.9	0.7	1.1		1.4	-40.51%
Age of Facilities Ratio	< 14 years	12	13	13	13	12	12		12	3.57%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	-3.2%	-1.5%	-4.4%	1.9%	1.4%	-0.7%		-1.1%	-76.96%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]	2% to 4%	3.0%	2.2%	-0.5%	5.8%	-0.4%	0.6%		1.8%	-79.91%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		18.9%	18.9%	17.6%	17.0%	17.6%	17.7%		17.9%	-6.46%
Gross Tuition per Student FTE		$ 17,153	$ 18,480	$ 18,864	$ 18,571	$ 19,583	$ 20,699		$ 18,891	20.67%
State Appropriations		11.9%	11.5%	11.7%	11.4%	11.5%	11.7%		11.6%	-1.29%
Gifts, Grants and Contracts		9.4%	9.7%	11.1%	13.3%	13.2%	9.5%		11.0%	1.24%
Auxiliary Enterprises		5.1%	5.0%	4.2%	5.4%	5.4%	5.3%		5.1%	4.81%
Hospital Operations		71.7%	75.3%	71.6%	70.6%	75.0%	73.2%		72.9%	2.04%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		53.0%	53.8%	55.7%	51.0%	51.8%	50.4%		52.6%	-5.06%
Payments to Suppliers		27.0%	27.8%	28.7%	27.9%	30.7%	33.0%		29.2%	22.25%
Instruction		16.7%	15.8%	17.2%	15.7%	14.0%	14.6%		15.7%	-12.24%
Research		6.2%	6.7%	5.3%	4.5%	5.6%	5.7%		5.7%	-8.28%
Public Service		1.0%	1.0%	1.2%	1.3%	1.1%	1.3%		1.1%	30.68%
Institutional Support		7.3%	7.0%	7.4%	7.2%	5.8%	5.3%		6.7%	-27.40%
Educational Support		3.9%	3.9%	3.8%	3.4%	3.3%	3.6%		3.7%	-8.91%
Operations and Maintenance		3.8%	3.8%	3.7%	3.5%	3.5%	4.1%		3.7%	9.21%
Student Aid		2.3%	2.3%	3.1%	2.9%	4.0%	2.2%		2.8%	-5.05%
Auxiliary Enterprises		5.2%	5.0%	4.5%	4.1%	4.8%	5.2%		4.8%	-0.96%
Hospital Operations		72.2%	71.1%	73.1%	69.7%	68.9%	72.0%		71.2%	-0.31%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

University of Southern Mississippi
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.32	0.38	0.41	0.52	0.50	0.51		0.44	58.13%
Secondary Reserve Ratio	none	0.02	0.02	0.02	0.02	0.02	0.01		0.02	-10.07%
Capitalization Ratio [2]	50% to 85%	66%	68%	69%	70%	69%	70%		69%	6.82%
Current Ratio	2.0x	1.87	2.50	3.08	3.99	3.33	3.69		3.08	96.96%
Days of Cash on Hand Ratio [2]	> 120x	42	55	104	138	106	128		96	200.93%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*		95	109	132	160	155	166		136	74.71%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	0.6	0.8	0.9	1.1	1.2	1.3		1.0	110.66%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	2.8	2.1	1.7	1.3	1.2	1.0		1.7	-63.24%
Debt Burden Ratio	< 7%	3.7%	3.9%	3.9%	4.1%	3.8%	3.6%		3.8%	-3.03%
Debt Coverage Ratio	> 1.5x	0.7	2.1	1.6	3.3	2.4	1.1		1.9	57.79%
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		1.7	2.8	2.2	3.8	1.7	1.3		2.3	-19.68%
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	4.9%	3.7%	5.3%	4.9%	4.4%	4.6%		4.6%	-7.13%
Return on Expendable Net Assets [2]	none	22.8%	7.7%	0.5%	22.8%	19.0%	11.1%		14.0%	-51.46%
Composition of Equity Ratio	1.0x	0.3	0.3	0.3	0.3	0.3	0.3		0.3	20.86%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	22.1%	18.9%	19.1%	22.1%	25.0%	26.4%		22.3%	19.64%
Physical Net Investment in Capital Asset Ratio [2]		77.9%	81.1%	80.9%	77.9%	75.0%	73.6%		77.7%	-5.57%
Physical Asset Reinvestment Ratio	1.0x	0.6	1.2	0.8	0.6	0.4	0.7		0.7	18.35%
Age of Facilities Ratio	< 14 years	16	15	15	16	16	17		16	6.89%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	-4.7%	0.8%	-1.3%	5.4%	2.0%	-2.9%		-0.1%	-38.78%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]		-0.5%	3.3%	1.1%	7.3%	-0.4%	-1.9%		1.5%	303.72%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition		39.2%	40.3%	39.6%	41.7%	39.5%	37.3%		39.6%	-4.72%
Gross Tuition per Student FTE		$ 10,057	$ 10,964	$ 11,206	$ 11,223	$ 11,761	$ 12,001		$ 11,202	19.33%
State Appropriations		24.5%	24.2%	24.7%	26.8%	24.6%	27.1%		25.3%	10.62%
Gifts, Grants and Contracts		30.4%	34.4%	34.6%	41.0%	40.2%	32.9%		35.6%	8.01%
Auxiliary Enterprises		11.1%	10.9%	9.7%	7.4%	9.7%	10.8%		9.9%	-2.90%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		60.3%	55.5%	58.0%	54.0%	55.2%	59.7%		57.1%	-1.12%
Payments to Suppliers		20.7%	22.4%	20.5%	21.1%	23.7%	23.8%		22.0%	15.15%
Instruction		30.1%	26.4%	27.4%	24.2%	24.6%	27.4%		26.7%	-8.91%
Research		15.5%	17.5%	16.5%	13.9%	14.5%	16.5%		15.7%	6.77%
Public Service		6.3%	5.7%	4.8%	3.8%	4.6%	5.4%		5.1%	-14.73%
Institutional Support		7.1%	6.5%	7.2%	8.2%	6.1%	7.8%		7.1%	8.68%
Educational Support		10.8%	10.0%	10.1%	11.8%	10.9%	10.8%		10.7%	-0.16%
Operations and Maintenance		8.7%	8.2%	8.2%	8.7%	9.8%	10.5%		9.0%	21.39%
Student Aid		6.6%	6.3%	8.3%	7.6%	10.4%	6.2%		7.6%	-7.04%
Auxiliary Enterprises		11.8%	11.4%	11.4%	9.5%	10.5%	11.6%		11.0%	-1.71%

[1]targets are industry specific for public four-year higher education institutions

[2]excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)

Executive Office of the IHL Board of Trustees
Financial Ratio Trends

Ratio	Target [1]	FY18	FY19	FY20	FY21	FY22	FY23	Trend 3-year	Average 6-year	Change 6-year
Measures of Resource Sufficiency and Flexibility										
Primary Reserve Ratio [2]	.40x	0.67	0.66	0.64	0.82	0.72	0.78		0.72	15.92%
Secondary Reserve Ratio	none	0.27	0.29	0.28	0.31	0.25	0.25		0.28	-10.31%
Capitalization Ratio [2]	50% to 85%	66%	66%	66%	70%	70%	71%		68%	7.24%
Current Ratio	2.0x	1.94	2.96	2.83	4.08	3.10	2.58		2.91	33.01%
Days of Cash on Hand Ratio [2]	> 90x	77	121	110	147	99	79		106	1.64%
Days of Cash on Hand Ratio [2] *with Unrestricted Long-term Investments*	> 90x	318	333	329	390	336	345		342	8.43%
Measures of Resource Management, including Debt										
Viability Ratio [2]	none	1.4	1.4	1.4	1.8	1.9	2.2		1.7	53.88%
Long-Term Liability to Unrestricted Net Assets [2]	< 1.5x	3.2	3.3	3.2	2.2	2.1	1.9		2.6	-41.13%
Debt Burden Ratio	< 7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Debt Coverage Ratio	> 1.5x	0.0	0.0	0.0	0.0	0.0	0.0			
Debt Coverage Ratio *net of GASB 68/75 noncash benefits adjustments* [2]	> 1.5x	0.0	0.0	0.0	0.0	0.0	0.0			
Measures of Asset Performance and Management										
Return on Total Net Assets [2]	3% to 4%	6.5%	3.8%	-0.1%	11.2%	-1.3%	4.7%		4.1%	-27.44%
Return on Expendable Net Assets [2]	none	8.0%	1.8%	-0.3%	17.4%	0.7%	7.7%		5.9%	-3.25%
Composition of Equity Ratio	1.0x	24.8	26.5	26.6	28.7	28.2	26.5		26.9	6.58%
Financial Net Asset Ratio [2]	composition: equity vs physical assets	94.2%	94.5%	94.6%	95.3%	95.3%	95.5%		94.9%	1.40%
Physical Net Investment in Capital Asset Ratio [2]	composition: equity vs physical assets	5.8%	5.5%	5.4%	4.7%	4.7%	4.5%		5.1%	-22.66%
Physical Asset Reinvestment Ratio	1.0x	0.0	0.4	0.3	0.1	0.3	0.5		0.3	
Age of Facilities Ratio	< 14 years	72	67	65	73	70	61		68	-16.03%
Measures of Operating Performance (Contribution & Demand Ratios)										
Net Operating Revenues Ratio	2% to 4%	1.6%	1.8%	-0.8%	9.5%	-2.1%	-4.1%		1.0%	-365.70%
Net Operating Revenues Ratio *net of GASB 68/75 noncash benefits adjustments* [2]	2% to 4%	2.1%	1.7%	-0.6%	10.1%	-3.4%	-3.8%		1.0%	-282.94%
Contribution Ratios: measure the extent to which each type of revenue is consumed by operating and non-operating expense										
Gross Tuition										
Gross Tuition per Student FTE										
State Appropriations		62.8%	63.9%	66.3%	74.5%	67.5%	72.6%		67.9%	15.55%
Gifts, Grants and Contracts		8.9%	6.3%	3.2%	3.0%	10.0%	4.8%		6.0%	-45.43%
Auxiliary Enterprises		2.7%	2.7%	2.5%	3.6%	2.8%	2.6%		2.8%	-5.19%
Demand Ratios: measure the extent to which each type of expense is consuming operating revenues										
Salaries, Wage and Fringe Benefits [2]		13.8%	13.2%	13.0%	11.8%	12.5%	12.6%		12.8%	-8.51%
Payments to Suppliers		23.7%	26.9%	23.4%	18.1%	28.5%	24.6%		24.2%	3.76%
Instruction										
Research										
Public Service		0.4%	0.3%	0.3%	0.3%	0.3%	0.3%		0.3%	-13.29%
Institutional Support		29.4%	32.6%	28.1%	22.5%	32.7%	29.4%		29.1%	0.01%
Educational Support		3.9%	2.9%	3.6%	2.9%	1.8%	1.2%		2.7%	-67.90%
Operations and Maintenance		1.8%	1.8%	1.7%	1.7%	2.2%	2.1%		1.9%	21.28%
Student Aid		56.7%	56.7%	62.4%	58.0%	59.2%	63.8%		59.5%	12.44%
Auxiliary Enterprises		3.7%	3.6%	3.7%	3.8%	3.5%	4.6%		3.8%	24.52%

[1] targets are industry specific for public four-year higher education institutions

[2] excludes the effects on unrestricted net assets and operating expenses of the net pension liability, the OPEB liability, and their related deferred inflows and outflows of resources related to the implementations of GASB Nos. 68 (*FY15, forward*) and 75 (*FY18, forward*)