

ARIZONA UNIVERSITY SYSTEM FY 2005 FINANCIAL RATIO ANALYSIS

- ▶ Board policy 3-410 requires each university to provide the Arizona Board of Regents with audited annual financial reports and a ten-year ratio analysis of selected data from the financial reports.
- ▶ With the changes in reporting requirements required with the implementation of GASB 34/35 and 39 in 2002 and 2004, respectively, the universities and central office staff prepared 10 new ratios. At its December 2005 meeting, the Board's Audit Committee approved these ratios and requested the universities to prepare them beginning with FY 2005 financial data, even though implementing the new ratios at this time would result in only four years of comparative data.
- ▶ Therefore, this FY 2005 annual financial ratio analysis uses data from the universities' FY 2005 audited financial statements together with data from three previous annual reports, covering the period July 1, 2002, through June 30, 2005.
- ▶ Each university has presented 10 ratios over the four-year period. The ratios serve as indicators of the universities' financial strengths and weaknesses. See pages 4 through 18 for the ratio analysis and graphs. University detail is presented on pages 19 through 21.
- ▶ Over the 4-year period, a decreasing share of the universities' revenues came from state General Fund appropriations, with this share at a 4-year low (Ratio 1). This trend is expected to continue as the universities compete with other state priorities for General Fund support, forcing the universities to implement tuition increases, aggressively compete for research funding, and pursue entrepreneurial activities.
- ▶ Net tuition and fees as a percentage of total revenue (Ratio 2) increased 7% at ASU, 5% at NAU, but only 1% at UA over the 4-year period, while the percentage of gifts, grants, contracts, and TRIF revenue (Ratio 3) and other revenue (Ratio 4) remained relatively flat.
- ▶ In FY 2005 Arizona State University's current year revenue was less than current year expenses, resulting in ASU using \$4.4 million of net assets (fund balances) to operate the university (Ratio 5). Calculation of the same ratio for ASU and its component units (Ratio 6), as required by GASB 39, shows that current year revenue was sufficient to cover current year expenses, with a slight (3%) cushion.
- ▶ In FY 2005 Northern Arizona University showed an increasing ability to keep current year expenditures well within current year revenues (Ratios 5 and 6), indicating a continuing strengthening of NAU's financial condition.

- ▶ The University of Arizona, while on a slight 4-year downward trend when looking at the university alone, kept current year expenditures within current year revenues (Ratio 5). When looking at the same ratio calculated for both UA and its component units (Ratio 6), UA is on an upward trend, with a 5% cushion in FY 2005.
- ▶ The ability of ASU's *expendable* net assets (those assets available for use for operations) to keep pace with total expenses (Ratio 7) has shown a downward trend over the 4-year period. However, the ability of ASU's *unrestricted* net assets (the most liquid assets) to keep pace with total expenses (Ratio 8) has remained relatively stable.
- ▶ The ability of UA's *expendable* net assets to keep pace with total expenses (Ratio 7) has shown a downward trend over the 4-year period, as has the ability of its *unrestricted* net assets to keep pace with total expenses (Ratio 8).
- ▶ The ability of NAU's *expendable* net assets to keep pace with total expenses (Ratio 7) has fluctuated over the 4-year period, but increased over the prior year and is greater than at either ASU or UA. The ability of NAU's *unrestricted* net assets to keep pace with total expenses (Ratio 8) has trended upwards over the 4-year period and is greater than at either ASU or UA.
- ▶ The universities consistently earn solid investment bond ratings by showing adequate capacity to pay interest and to repay principal on its debt. The universities continue to maintain strong ratings for both System Revenue Bonds (SRBs) and Certificates of Participation (COPs) from Moody's and Standard & Poor's.
 - ASU and UA continue to maintain an Aa3 rating on SRBs and an A1 rating on COPs from Moody's, and an AA SRB rating and an AA- COPs rating from S&P. The rating outlook for ASU and UA remains stable, meaning that based upon present debt levels in relation to net assets, a rating is not likely to change over the intermediate term, typically six months to two years. These ratings are in the upper half of the investment grade rating categories.
 - NAU has maintained an A2 SRB rating and an A3 COPs rating from Moody's, and an A+ SRB rating and an A COPs rating from S&P. The rating outlook for NAU also remains stable.

The most recent Moody's and S&P's analyses are available upon request from the universities.

- ▶ Debt ratios (Ratio 9) have remained relatively stable in the 3-5% range over the 4-year period and remain within the acceptable 10% range required by rating agencies.

- ▶ Total financial resources of both the university and its component units as a proportion of the total direct debt of the university and its component units (Ratio 10) has increased over the 4-year period at UA but decreased at both ASU and NAU. A higher percentage indicates more university and component unit resources to cover the total debt of the university and component units. At June 30, 2005, UA had sufficient financial resources to pay 90% of its total debt; NAU had sufficient resources to pay 50% of its total debt; and ASU had sufficient resources to pay 41% of its total debt.

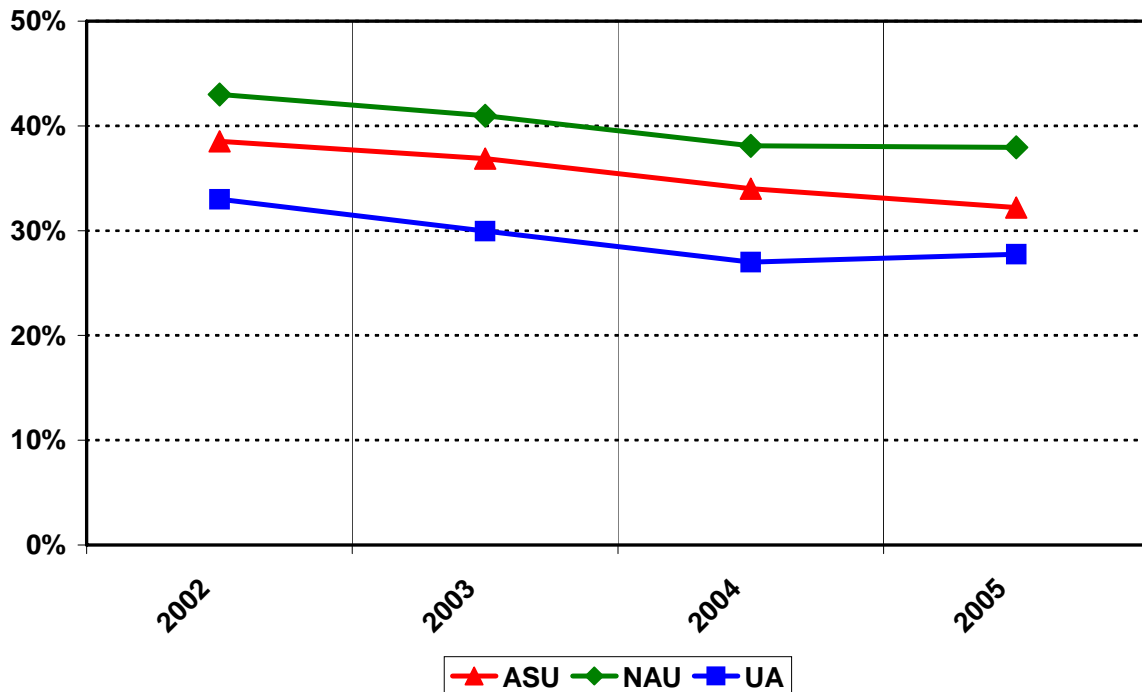
- ▶ An additional year of information will be added to this ratio analysis each year until ten years of information is again provided.

2/16/06

**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

Ratio 1	Description of Ratio
<p align="center">State General Fund Appropriations Total Revenue</p> <p align="center">FY 2005 RATIOS</p> <p><u>ASU</u> <u>NAU</u> <u>UA</u> 32% 38% 28%</p>	<p><i>Element definition: State General Fund Appropriations are state of Arizona legislative General Fund appropriations to the universities and do not include university tuition collections remitted to the state by the universities and then appropriated back to the universities. Total Revenue includes operating, nonoperating, and other revenue and gains.</i></p> <p>State General Fund Appropriations as a percentage of Total Revenue steadily declined at all three universities from FY 2002 through FY 2004, leveling off at NAU in FY 2005, continuing to decline at ASU, and increasing 1% at UA in FY 2005. We would expect a continued decline as the universities compete with other state priorities for limited state General Funds, thus requiring them to enhance revenues from all other sources (see Ratios 2, 3, and 4).</p> <p>ASU's FY 2002 ratio of 39% declined to 32% in FY 2005. NAU declined from 43% in FY 2002 to 38% in FY 2005. UA declined from 33% in FY 2002 to 27% in FY 2004, then rebounded only slightly to 28% in FY 2005. A declining trend in this ratio reflects a continuing shift in responsibility for funding the universities, with decreasing support from the state General Fund and increasing dependence on other sources including tuition, government (primarily federal) and private research grants, private gifts, and entrepreneurial efforts.</p>

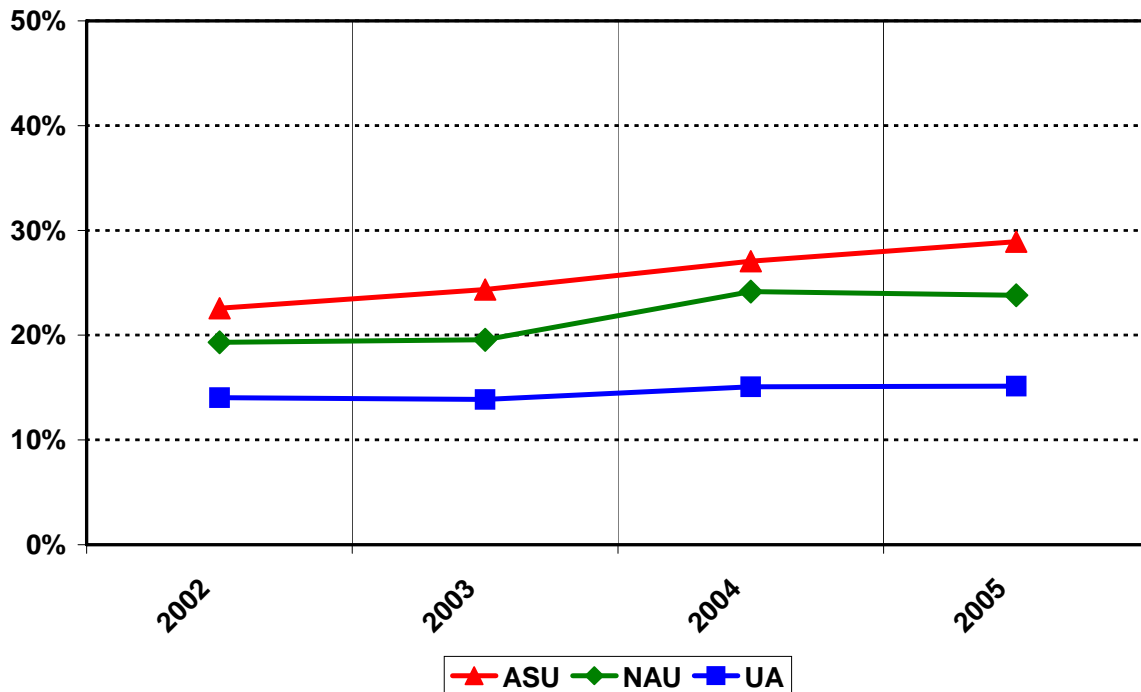
1. Ratio of State General Fund Appropriations to Total Revenue



**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

Ratio 2	Description of Ratio
<p><u>Net Tuition & Fees</u> Total Revenue</p> <p><u>FY 2005 RATIOS</u></p> <p><u>ASU</u> <u>NAU</u> <u>UA</u> 29% 24% 15%</p>	<p><i>Element definition: Net Tuition and Fees are tuition and fees paid by students and are net of scholarship allowances. Total Revenue includes operating, nonoperating, and other revenue and gains.</i></p> <p>Net Tuition and Fees increased as a proportion of Total Revenue over FY 2002 levels, with the most significant increase in FY 2004 resulting from the tuition increases emanating from the Regents' Changing Directions initiative. While committing to maintaining resident undergraduate tuition levels in the lower one-third of senior public institutions, the Regents increased tuition for the 2003-2004 academic year in order to manage the impact of declining state appropriations (Ratio 1). This ratio leveled off in FY 2005 at NAU and UA and increased at ASU.</p> <p>ASU's FY 2002 ratio of 23% increased to 29% in FY 2005. NAU increased from 19% in FY 2002 to 24% in FY 2005. UA increased only 1% from FY 2002 to FY 2005, 14% to 15%. Increases in this ratio reflect the increasing reliance on, and the upward pressure on, student tuition and fees as a revenue source to operate the universities and to service the debt on capital construction in the wake of declining State General Fund Appropriations as a percentage of Total Revenue.</p>

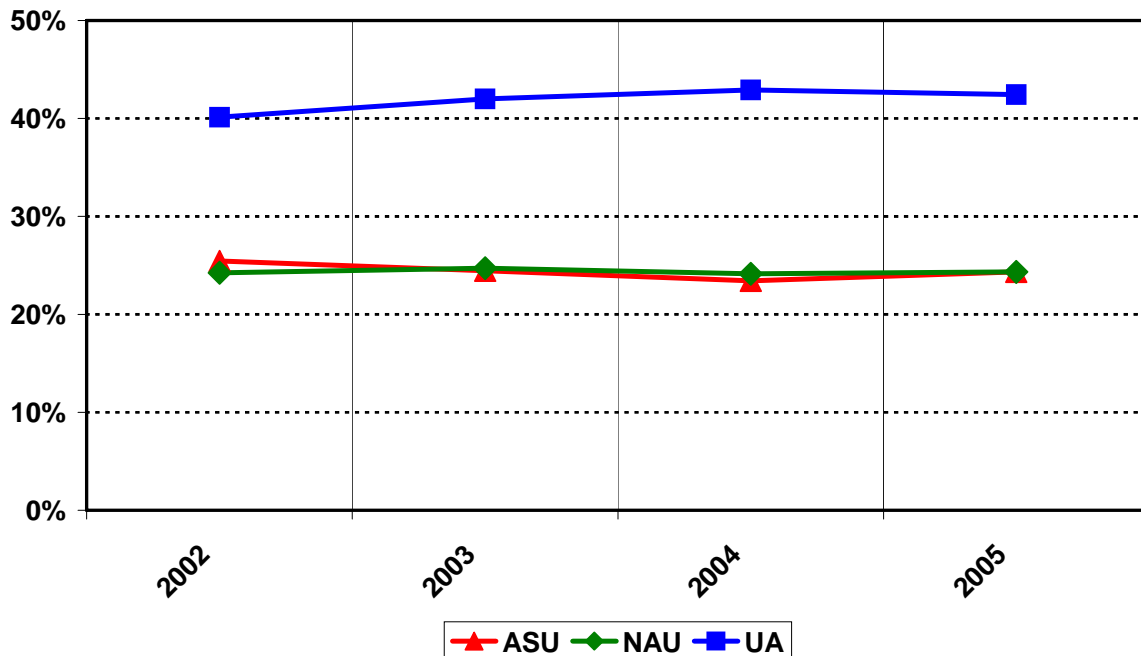
2. Ratio of Net Tuition and Fees Revenue to Total Revenue



**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

Ratio 3	Description of Ratio
<p align="center">Gifts, Grants, Contracts, & TRIF Revenue Total Revenue</p> <p align="center"><u>FY 2005 RATIOS</u></p> <p><u>ASU</u> <u>NAU</u> <u>UA</u> 24% 24% 42%</p>	<p><i>Element definition: Gifts, Grants, and Contracts</i> come from private donors, additions to endowments, and government (primarily federal) and private research grants and contracts. <i>TRIF Revenue</i> is ABOR's share of state sales tax revenue approved under Proposition 301 (November 2000). <i>Total Revenue</i> includes operating, nonoperating, and other revenue and gains.</p> <p>Total gifts, grants, and contracts and TRIF revenue remained relatively constant as a percentage of Total Revenue from FY 2002 through FY 2005.</p> <p>ASU's FY 2002 ratio of 25% declined slightly to 24% in FY 2005. NAU's FY 2002 ratio of 24% remained at that level in FY 2005. UA's FY 2002 ratio of 40% increased to 42% in FY 2005. UA's greater restricted funding from the federal government and private donors causes its ratio to diverge from ASU's and NAU's. As the universities' new research infrastructure buildings funded by HB 2529 come on line in FY 2006 and 2007, more research funding should be generated by all three universities and this ratio is likely to increase.</p>

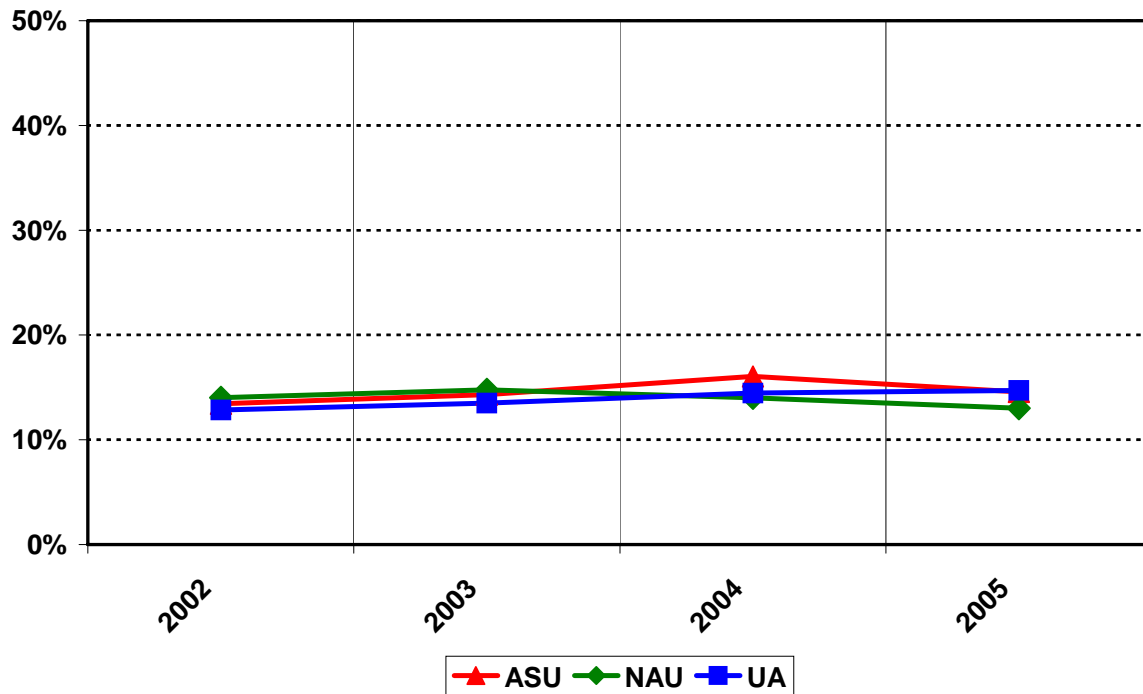
3. Ratio of Gifts, Grants, Contracts, and TRIF Revenue to Total Revenue



**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

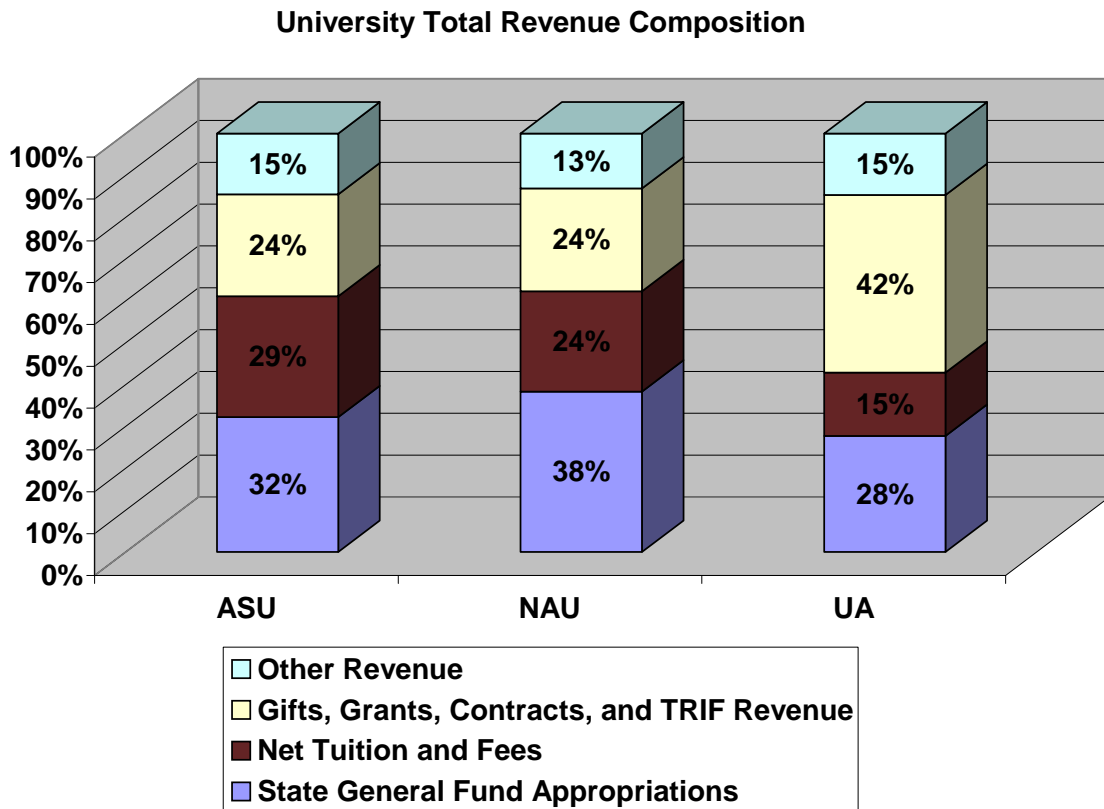
Ratio 4	Description of Ratio
<p><u>Other Revenue</u> <u>Total Revenue</u></p> <p>FY 2005 RATIOS</p> <p><u>ASU</u> <u>NAU</u> <u>UA</u> 15% 13% 15%</p>	<p><i>Element definition:</i> <i>Other Revenue</i> includes auxiliary enterprises revenue, investment income, and all other revenue, both operating and nonoperating, not included in the numerators of Ratios 1, 2, and 3. <i>Total Revenue</i> includes operating, nonoperating, and other revenue and gains.</p> <p>Other Revenue as a percentage of Total Revenue fluctuated only slightly, remaining in the 13% to 15% range, at all three universities from FY 2002 through FY 2005. Considering this ratio in conjunction with Ratios 1, 2, and 3 helps to explain the upward pressure on tuition rates.</p> <p>ASU's FY 2002 ratio of 13% increased to 15% in FY 2005. NAU's FY 2002 ratio decreased from 14% to 13% in FY 2005. UA's FY 2002 ratio of 13% increased to 15% in FY 2005.</p>

4. Ratio of Other Revenue to Total Revenue



**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

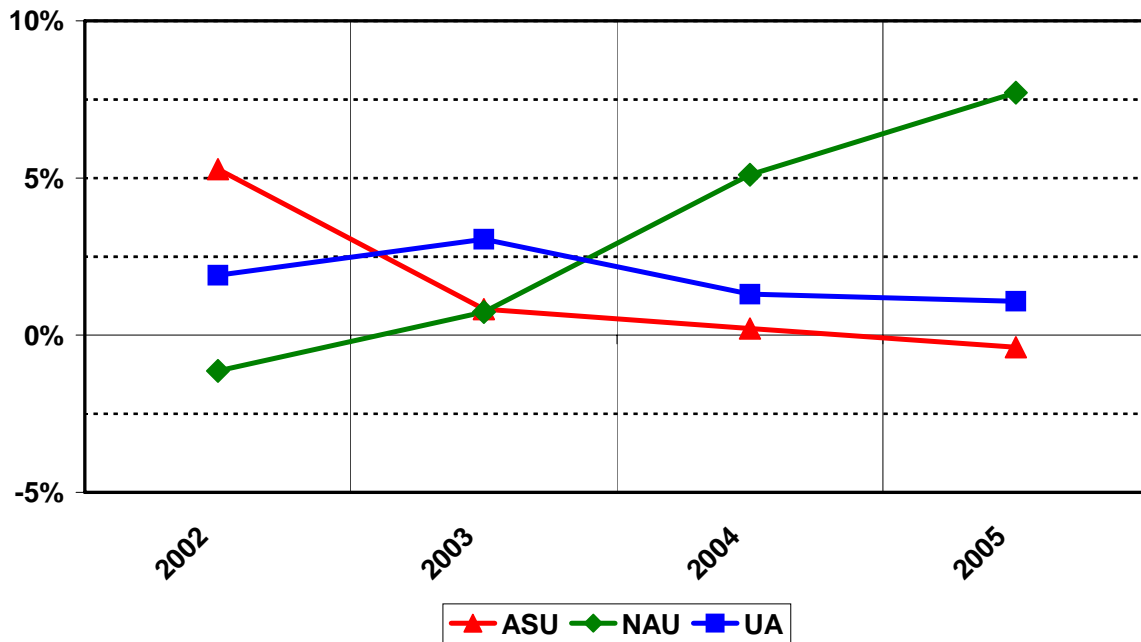
**Composition of University Total Revenue
Ratios 1, 2, 3, and 4 Combined**



**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

Ratio 5	Description of Ratio
<p>Net Revenue (University Only) Total Revenue (University Only)</p> <p><u>FY 2005 RATIOS</u></p> <p><u>ASU</u> <u>NAU</u> <u>UA</u> (0.4%) 8% 1%</p>	<p><i>Element definition:</i> Net Revenue equals total revenue less total expenses. Total Revenue includes operating, nonoperating, and other revenue and gains. Both figures are for the university only and do not include component units.</p> <p>This ratio indicates whether or not current year revenues were sufficient to cover current year expenses, thereby avoiding the need to deplete net assets to operate the university.</p> <p>This ratio declined at ASU from FY 2002 through FY 2005 (5% to -0.4%). In FY 2005, current year revenue was less than current year expenses, resulting in ASU using \$4.4 million of net assets (fund balances) to operate the university. UA's ratio increased from 2% in FY 2002 to 3% in FY 2003, then declined to 1% in both FY 2004 and FY 2005. The university was required to use almost all current year revenue to pay current year expenses in FY 2005. NAU's ratio increased from -1% in FY 2002 to 8% in FY 2005, indicating its increasing ability to cover current year expenses with current year revenue.</p>

5. Ratio of Net Revenue (University Only) to Total Revenue (University Only)

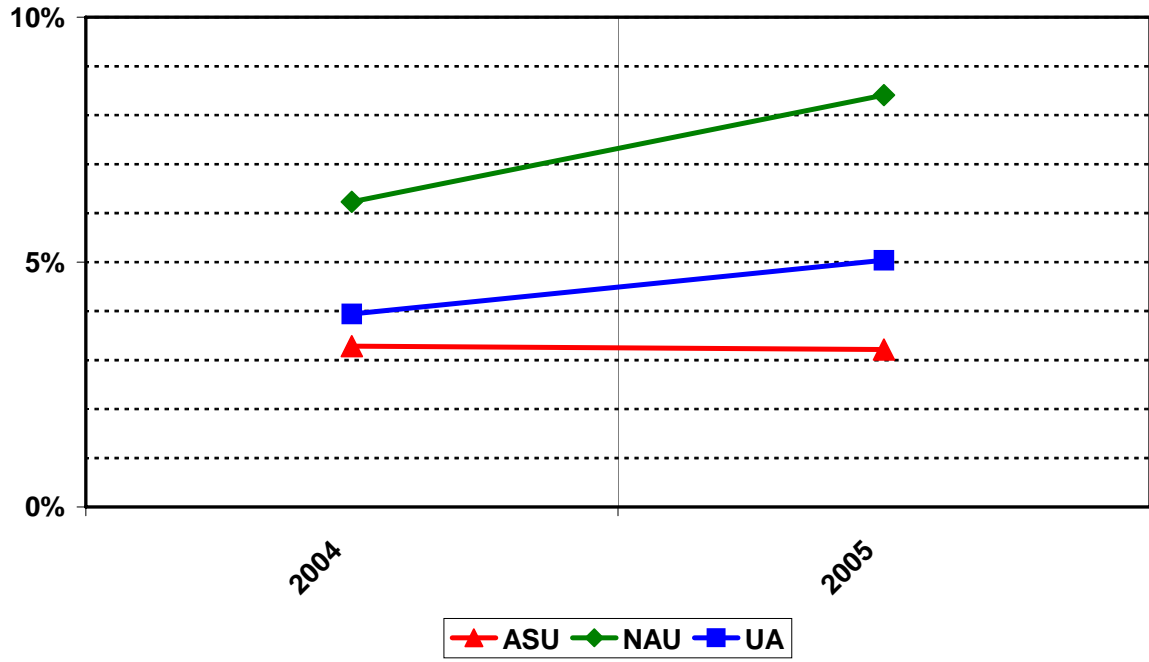


**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

Ratio 6	Description of Ratio						
<p style="text-align: center;"> Net Revenue (University + Component Units) Total Revenue (University + Component Units) </p> <p style="text-align: center;"><u>FY 2005 RATIOS</u></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u>ASU</u></td> <td style="text-align: center;"><u>NAU</u></td> <td style="text-align: center;"><u>UA</u></td> </tr> <tr> <td style="text-align: center;">3%</td> <td style="text-align: center;">8%</td> <td style="text-align: center;">5%</td> </tr> </table>	<u>ASU</u>	<u>NAU</u>	<u>UA</u>	3%	8%	5%	<p><i>Element definition:</i> Net Revenue equals total revenue less total expenses. Total Revenue includes operating, nonoperating, and other revenue and gains. Both figures are for the university <u>and</u> its component units. Reporting of financial data for component units is required under GASB 39 beginning with FY 2004 financial statements (see note below).</p> <p>This ratio indicates whether or not current year revenues of the university and its component units as defined by GASB 14 and 39 were sufficient to cover current year expenses of the university and the component units, thereby avoiding the need to deplete net assets to operate the university and the component units. All three universities and their component units met current year expenses with current year revenue in FY 2005.</p> <p>ASU's FY 2004 ratio of 3% remained constant for FY 2005. NAU's FY 2004 ratio of 6% increased to 8% in FY 2005, indicating an increasing ability to operate the university and its component units with current year revenue. UA's FY 2004 ratio of 4% improved to 5% in FY 2005, also indicating an increasing ability to operate the university and its component units with current year revenue.</p> <p>NOTE: ASU's component units, as defined by GASB 14 and GASB 39, are: ASU Foundation; Arizona Capital Facilities Finance Corporation (ACFFC); ASU Alumni Association; Collegiate Golf Foundation; Mesa Student Housing, LLC; Arizona State University Research Park, Inc.; Sun Angel Endowment; and Sun Angel Foundation. NAU's component units are: Northern Arizona University Foundation, Inc. and Northern Arizona Capital Facilities Finance Corporation (NACFFC). UA's component units are: The University of Arizona Foundation, Inc.; The University of Arizona Alumni Association; Law College Association of The University of Arizona; and Campus Research Corporation.</p>
<u>ASU</u>	<u>NAU</u>	<u>UA</u>					
3%	8%	5%					

ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS

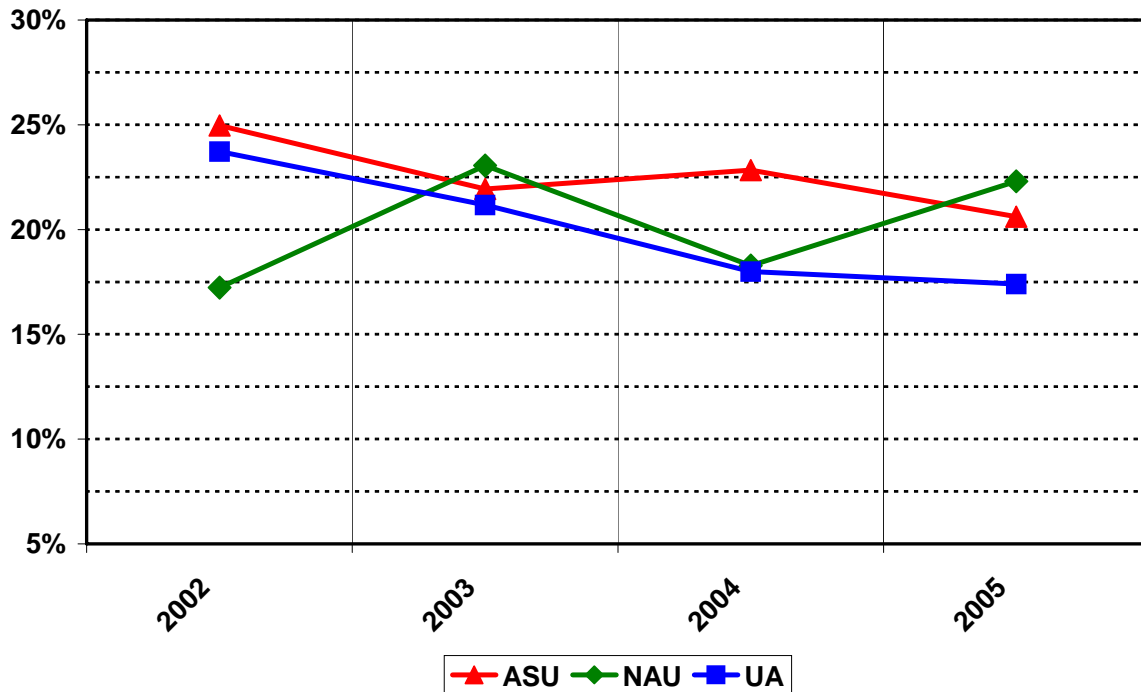
6. Ratio of Net Revenue (University + Component Units) to Total Revenue (University + Component Units)



**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

Ratio 7	Description of Ratio
<p>Expendable Net Assets Total Expenses</p> <p><u>FY 2005 RATIOS</u></p> <p><u>ASU</u> <u>NAU</u> <u>UA</u> 21% 22% 17%</p>	<p><i>Element definition: Expendable Net Assets</i> are assets available for use for operations. They include both unrestricted and expendable restricted net assets; they exclude endowments and net assets invested in property. <i>Total Expenses</i> include operating, nonoperating, and other expenses and losses.</p> <p>This ratio measures whether or not expendable net assets have kept pace with total expenses.</p> <p>ASU's FY 2002 ratio of 24% declined to 21% in FY 2005 and UA's FY 2002 ratio of 24% declined to 17% in FY 2005, both indicating that expendable net assets have not kept pace with total current year expenses and that expendable net assets continue on a downward trend. NAU's FY 2002 ratio of 17% increased to 22% in FY 2005, indicating that expendable net assets have kept pace with total current year expenses and are on an upward trend.</p>

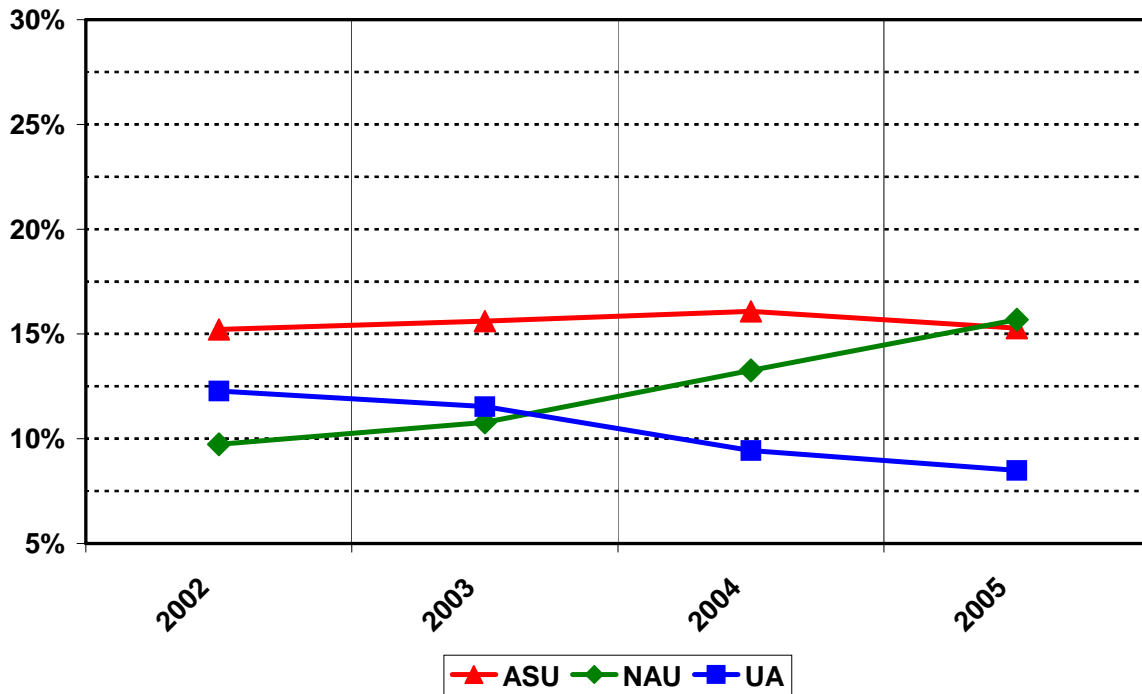
7. Ratio of Expendable Net Assets to Total Expenses



**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

Ratio 8	Description of Ratio						
<p>Unrestricted Net Assets Total Expenses</p> <p>FY 2005 RATIOS</p> <table> <tr> <td><u>ASU</u></td> <td><u>NAU</u></td> <td><u>UA</u></td> </tr> <tr> <td>15%</td> <td>16%</td> <td>8%</td> </tr> </table>	<u>ASU</u>	<u>NAU</u>	<u>UA</u>	15%	16%	8%	<p><i>Element definition: Unrestricted Net Assets</i> are a subset of expendable net assets (see Ratio 7) and represent those net assets that can most quickly be converted to cash. <i>Total Expenses</i> include operating, nonoperating, and other expenses and losses.</p> <p>This ratio measures the coverage of annual operations by the university's most liquid assets, those unrestricted net assets that can be the most quickly converted to cash. A higher percentage indicates more operating flexibility by the university.</p> <p>ASU's FY 2002 ratio of 15% fluctuated only slightly over the 4-year period, returning to the 15% level in FY 2005. NAU's FY 2002 ratio of 10% increased to 16% in FY 2005. UA's FY 2002 ratio of 12% declined to 8% in FY 2005.</p>
<u>ASU</u>	<u>NAU</u>	<u>UA</u>					
15%	16%	8%					

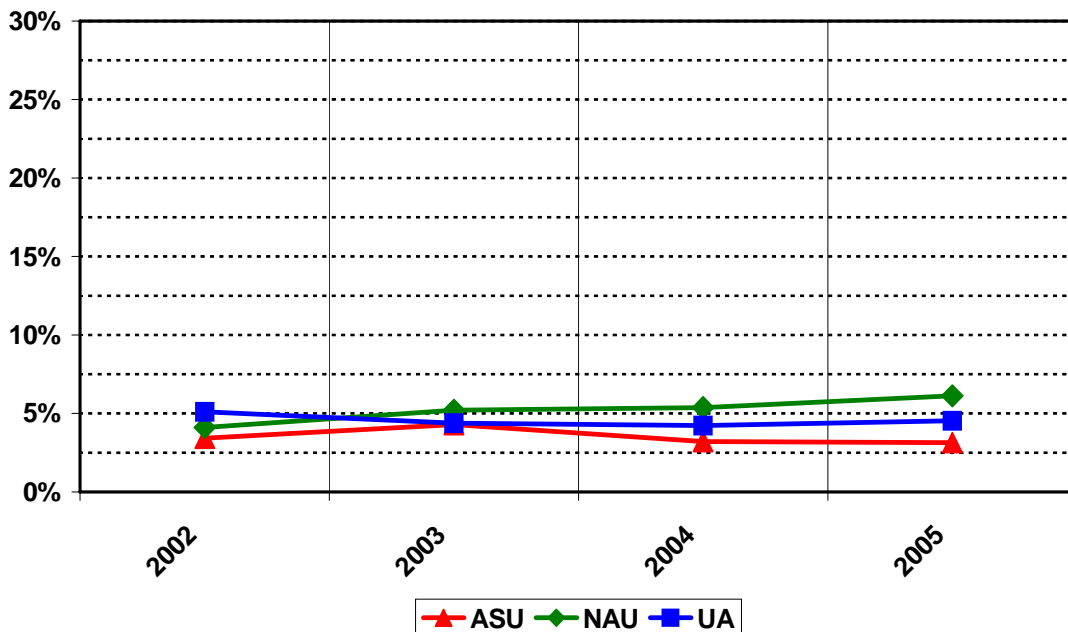
8. Ratio of Unrestricted Net Assets to Total Expenses



**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

Ratio 9	Description of Ratio			
<p align="center">Debt Service Payments (Interest + Principal) Total Expenses</p> <p align="center">FY 2005 RATIOS</p> <table border="0"> <tr> <td align="center"><u>ASU</u> 3%</td> <td align="center"><u>NAU</u> 6%</td> <td align="center"><u>UA</u> 5%</td> </tr> </table>	<u>ASU</u> 3%	<u>NAU</u> 6%	<u>UA</u> 5%	<p><i>Element definition: Debt Service Payments include the interest and principal payments for the university's System Revenue Bonds (SRBs) and Certificates of Participation (COPs). Total Expenses include operating, nonoperating, and other expenses and losses.</i></p> <p>This ratio measures the burden of debt service payments relative to, or as a proportion of, overall expenses of the university. This is one of the key ratios considered by rating agencies to determine ratings for SRBs and COPs. Rating agencies generally view 10% or less as a significant indicator of satisfactory creditworthiness, thus allowing debt instruments to be sold at more favorable interest rates. All three universities are within the acceptable range and demonstrate that they have adequate resources to meet existing debt requirements.</p> <p>ASU's FY 2002 ratio of 3% increased to 4% in FY 2003 and returned to 3% in both FY 2004 and FY 2005, indicating that the university's debt service remains relatively constant as a percentage of the university's Total Expenses. NAU's FY 2002 ratio of 4% increased to 5% in FY 2003 and FY 2004 and to 6% in FY 2005, indicating that the university's debt service is increasing as a percentage of Total Expenses. UA's FY 2002 ratio of 5% dropped to 4% in FY 2003 and FY 2004, then returned to the 5% level in FY 2005, indicating that the university's debt service remains relatively constant as a percentage of the university's Total Expenses.</p>
<u>ASU</u> 3%	<u>NAU</u> 6%	<u>UA</u> 5%		

9. Ratio of Debt Service Payment (Interest + Principal) to Total Expenses

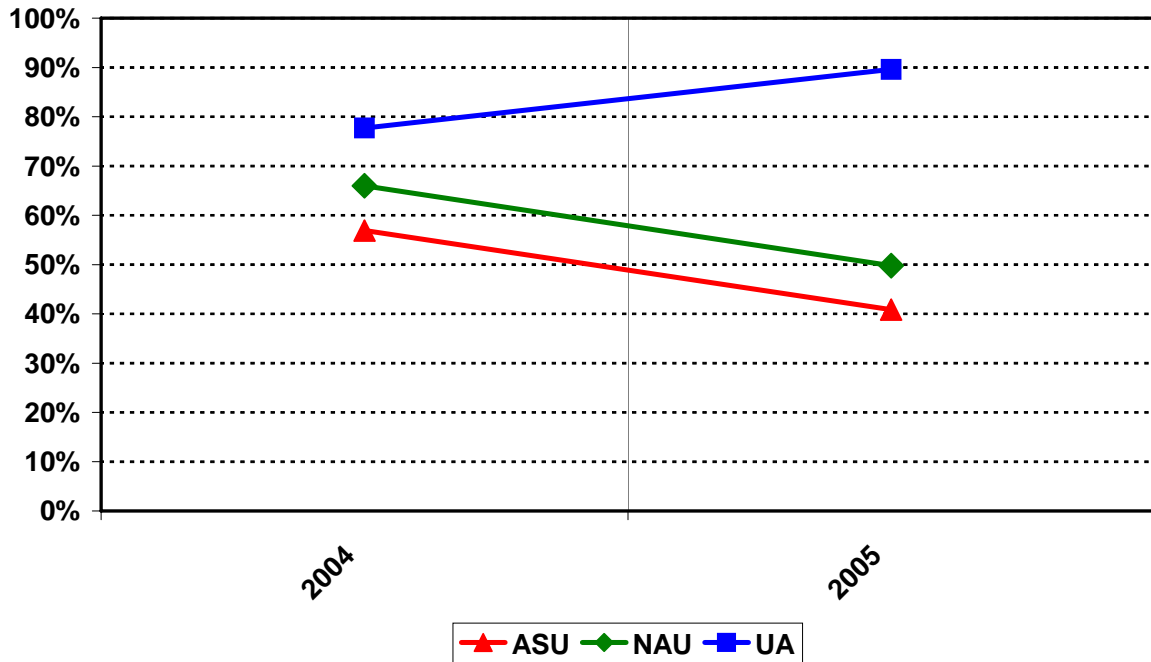


**ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS**

Ratio 10	Description of Ratio						
<p>Total Financial Resources (University + Component Units) Direct Debt (University + Component Units)</p> <p><u>FY 2005 RATIOS</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><u>ASU</u></td> <td style="text-align: center;"><u>NAU</u></td> <td style="text-align: center;"><u>UA</u></td> </tr> <tr> <td style="text-align: center;">41%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">90%</td> </tr> </table>	<u>ASU</u>	<u>NAU</u>	<u>UA</u>	41%	50%	90%	<p><i>Element definition:</i> Total Financial Resources include restricted and unrestricted expendable and nonexpendable net assets of the university, plus permanently and temporarily restricted and unrestricted net assets of the component units, excluding net property and equipment of the component units. Direct Debt is the total outstanding capital debt of the university and its component units. Reporting of financial data for component units is required under GASB 39 beginning with FY 2004 financial statements.</p> <p>This ratio measures coverage of debt by all resources available to the university, including those of its component units. A larger percentage indicates the availability of more resources to cover total university and component unit debt.</p> <p>ASU's FY 2004 ratio of 57% declined to 41% in FY 2005, indicating fewer resources of the university and its component units to cover total university and component unit debt. NAU's FY 2004 ratio of 66% declined to 50% in FY 2005, also indicating a decline in total resources of the university and its component units to cover total university and component unit debt. UA's FY 2004 ratio of 78% improved to 90% in FY 2005, indicating the availability of an increasing amount of university and component unit resources to pay total university and component unit debt.</p> <p>Explained differently, at June 30, 2005, ASU had sufficient financial resources to pay 41% of the total debt of the university and component units, down from 57% at June 30, 2004. NAU, at June 30, 2005, had sufficient financial resources to pay 50% of the total debt of the university and component units, down from 66% at June 30, 2004. UA, at June 30, 2005, had sufficient financial resources to pay 90% of the total debt of the university and component units, up from 78% at June 30, 2004.</p> <p>This ratio, as is the case for all ratios in this analysis, is valid as of June 30, 2005, only. The universities are "going concerns" and, therefore, payment of the total direct debt is not required as of June 30, 2005, but will be paid off over time.</p> <p>NOTE: Please see note to Ratio 6, listing component units for each university.</p>
<u>ASU</u>	<u>NAU</u>	<u>UA</u>					
41%	50%	90%					

ARIZONA UNIVERSITY SYSTEM
FY 2005 FINANCIAL RATIO ANALYSIS

10. Ratio of Total Financial Resources (University + Component Units)
to Direct Debt (University + Component Units)



ARIZONA STATE UNIVERSITY
Financial Ratios for Fiscal Years 2002 to 2005
(dollars in millions)

Ratio	FY 2002	FY 2003	FY 2004	FY 2005
1 <u>State General Fund Appropriations</u>	321	312	313	336
Total Revenues	833	846	935	1,044
ASU only	38.5%	36.9%	33.5%	32.2%
2 <u>Net Tuition and Fees Revenue</u>	188	206	253	302
Total Revenues	833	846	935	1,044
ASU only	22.6%	24.3%	27.1%	28.9%
3 <u>Gifts, Grants & Contracts, and TRIF Revenue</u>	212	207	219	254
Total Revenues	833	846	935	1,044
ASU only.	25.5%	24.5%	23.4%	24.3%
TRIF - Technology & initiative research funding. ASU's share of the state education sales tax.				
4 <u>Other Revenues</u>	112	121	150	152
Total Revenues	833	846	935	1,044
ASU only	13.4%	14.3%	16.0%	14.6%
5 <u>Net Revenues</u>	44	7	2	(4)
Total Revenues	833	846	935	1,044
ASU only	5.3%	0.8%	0.2%	-0.4%
6 <u>Net Revenues</u>			32	38
Total Revenues			1,036	1,182
ASU and component units			3.1%	3.2%
7 <u>Expendable Net Assets</u>	186	184	213	216
Total Expenses	789	839	933	1,048
ASU only	23.6%	21.9%	22.8%	20.6%
8 <u>Unrestricted net assets</u>	120	131	150	160
Total expenses	789	839	933	1,048
ASU only	15.2%	15.6%	16.1%	15.3%
9 <u>Debt Service Payments (int & princ)</u>	27	36	29	33
Total Expenses	789	839	933	1,048
ASU only	3.4%	4.3%	3.1%	3.1%
10 <u>Total financial resources , net</u>			444	444
Direct debt			784	1,087
ASU and component units			56.6%	40.8%

NORTHERN ARIZONA UNIVERSITY
Financial Ratios for Fiscal Years 2002 to 2005
(dollars in millions)

Ratio	FY 2002	FY 2003	FY 2004	FY 2005
1 <u>State General Fund Appropriations</u>	112	111	112	118
Total Revenues	264	271	294	311
NAU only	42%	41%	38%	38%
2 <u>Net Tuition and Fees Revenue</u>	51	53	71	74
Total Revenues	264	271	294	311
NAU only	19%	20%	24%	24%
3 <u>Gifts, Grants & Contracts, and TRIF Revenue</u>	64	67	71	76
Total Revenues	264	271	294	311
NAU only	24%	25%	24%	24%
TRIF - Technology & initiative research funding. NAU's share of the state education sales tax.				
4 <u>Other Revenues</u>	37	40	40	40
Total Revenues	264	271	294	311
NAU only	14%	15%	14%	13%
5 <u>Net Revenues</u>	(3)	2	15	24
Total Revenues	264	271	294	311
NAU only	-1%	1%	5%	8%
6 <u>Net Revenues</u>			19	28
Total Revenues			305	333
NAU and component units			6%	8%
7 <u>Expendable Net Assets</u>	46	62	52	64
Total Expenses	267	269	279	287
NAU only	17%	23%	19%	22%
8 <u>Unrestricted net assets</u>	26	29	37	45
Total expenses	267	269	279	287
NAU only	10%	11%	13%	16%
9 <u>Debt Service Payments (int & princ)</u>	11	14	15	18
Total Expenses	267	269	279	287
NAU only	4%	5%	5%	6%
10 <u>Total financial resources , net</u>			95	108
Direct debt			144	217
NAU and component units			66%	50%

UNIVERSITY OF ARIZONA
Financial Ratios for Fiscal Year 2002 to 2005
(Dollars in Millions)

Ratio	FY 2002	FY 2003	FY 2004	FY 2005
1	<hr/>			
State Appropriations Revenue	329	324	317	334
Total Revenues	997	1,083	1,149	1,204
	33%	30%	28%	28%
2	<hr/>			
Net Tuition and Fees Revenue	140	150	173	182
Total Revenues	997	1,083	1,149	1,204
	14%	14%	15%	15%
3	<hr/>			
Gifts, Grants, Contracts, and TRIF Revenue	396	463	493	511
Total Revenues	997	1,083	1,149	1,204
	40%	43%	43%	42%
TRIF - Technology & Initiative Research Funding. UA's share of the State education sales tax revenues.				
4	<hr/>			
Other Revenues	127	146	166	177
Total Revenues	997	1,083	1,149	1,204
	13%	13%	14%	15%
5	<hr/>			
Net Revenues (Univ Only)	19	34	15	13
Total Revenues (Univ only)	997	1,083	1,149	1,204
	2%	3%	1%	1%
6	<hr/>			
Net Revenues (Univ + Comp Units)			49	66
Total Revenues (Univ + Comp Units)			1,244	1,311
			4%	5%
7	<hr/>			
Expendable Net Assets**	232	222	204	207
Total Expenses	978	1,049	1,134	1,190
	24%	21%	18%	17%
**Unrestricted and Restricted				
8	<hr/>			
Unrestricted Net Assets	120	121	107	101
Total Expenses	978	1,049	1,134	1,190
	12%	12%	9%	8%
9	<hr/>			
Debt Service Payments (Prin & Int)*	46	46	48	54
Total Expenses	978	1,049	1,134	1,190
	5%	4%	4%	5%
* From Cash Flow Statement				
10	<hr/>			
Total Financial Resources (Univ + Comp Units)			628	707
Direct Debt (Univ + Comp Units)			808	789
			78%	90%