
"If you think education is expensive, try ignorance."

— Derek Bok



Standard Seven — Finance

I. Purpose/Description

Financial Management

One of our trademarks over the years has been our conservative approach in managing financial resources. Our financial management team recognizes the following responsibilities:

- Facilitate financial planning to ensure consistency with our academic mission and goals
- Ensure continued financial viability
- Manage financial resources to maximize benefits
- Establish necessary controls and oversight to protect our financial integrity
- Provide appropriate financial information to the campus community and governing bodies

Assignment of Financial Management Responsibilities (7.C.2)

The Division of Administrative Services has central responsibility for financial management. Our chief financial officer (Vice President for Administrative Services) is responsible for monitoring fiscal operations. Financial management responsibilities are centralized when practical. In those instances where responsibilities have been delegated to other executive officers, central coordination exists. Within Administrative Services, financial responsibilities are distributed between the Assistant Vice President for Financial Services and the Director of Purchasing & Support Services with the Vice President for Administrative Services overseeing all functions.

Sound financial practices are further realized through an organizational plan that distributes line responsibilities to all areas on the campus. Each vice president or equivalent supervisor is empowered to authorize budgets, expenditures, and budget transfers within his or her respective area or division and is responsible to ensure adherence to our financial policies.

Qualifications of Financial Management Team (7.C.2)

Our financial management team possesses the required educational background, extensive professional experience, and comprehensive knowledge of our operations. We have enjoyed stable staffing on the financial management team. The current Vice President for Administrative Services has extensive experience with the Utah System of Higher Education and the state legislative budgetary process. Current staff members are also highly qualified, many with master's degrees and professional certifications in their field, and most with extensive WSU experience. For specific qualifications, please see vitae for finance department personnel on the self-study website (programs.weber.edu/nwreview).

Financial Oversight by the University Board of Trustees (7.C.1, 7.A.1)

Monthly financial reports are reviewed with the business affairs committee (a standing committee of the Board of Trustees) and summarized to the full Board of Trustees by the Vice President for Administrative Services and the President. The reports provide a comprehensive perspective of all accounts. The status of legislatively allocated Education & General ("E&G") budget is presented as well as spending patterns for all other institutional accounts. On a quarterly basis, our investment portfolio is presented to the Board of Trustees for review and approval.

All significant financial issues (including changes in applicable policies and procedures, updates regarding the state legislative process, and special use financial reports forwarded to the Utah System of Higher Education) are presented to the Board of Trustees for review, input, and approval.

Financial Planning (7.A.1, 7.A.2)

We have well-established financial planning linked to our established mission and goals. Financial planning and budgeting are developed under the umbrella of the Board of

Trustees, the Office of the Commissioner of Higher Education, and the Utah State Board of Regents. Our mission is a guiding principle throughout all levels of planning and budgeting.

While we enjoy adequate autonomy in establishing realistic objectives, we also recognize our responsibility and accountability to the citizens of the State of Utah. This requires that we work effectively with the State of Utah Governor's Office and the Utah State Legislature with regard to financial planning and budgeting. Being a state-supported institution, we must be responsive to limitations of state resources and to statewide initiatives. Both state government and our state's economy heavily influence our budgeting process.

Consistent with the national economy, the State of Utah experienced a decrease in revenues from the spring of 2001 through the fall of 2003. As a result of the weaker economy, we absorbed \$2,027,200 (a state tax funds reduction of 3.5%) in one-time budget cuts in 2001-02, and our base budget for 2002-03 was reduced by \$3,190,600 (a state tax funds reduction of 5.6%). Fortunately, we have been given wide latitude in determining how to best absorb these budget cuts.

Past Strategic Planning Efforts

The strategic planning effort of 1994 was a comprehensive assessment and was instrumental in establishing priorities. We determined that we should focus on:

- **Our role in Davis County.** Nearly 35% of our students resided there.
- **Information technology.** This office was restructured, and we hired a chief information officer.
- **Enrollment management.** These offices were reorganized under the provost's office to strengthen the relationship between academics and student services.
- **The financial condition of the university's athletics program.** We made a

commitment to reduce financial subsidies and operate the Athletics program on a more self-supporting basis.

Current Planning Priorities

Our current planning priorities are affected by academic, economic, and political influences over the past 10 years. Our highest priorities include:

- **Development of WSU Davis.** The financing, construction, and operation of WSU Davis is critical in serving the needs of our large student population base in Davis County.
- **Management of enrollment growth during times of decreases in state-appropriated funds.** Much planning has occurred to respond to this challenging issue. Increased tuition rates, the establishment of the two-tiered tuition schedule, and increased course fees are the results of these planning efforts. We will continue to be challenged to accommodate unfunded students.
- **Delivery of web-based instruction.** We have been a leader within the state in the development and delivery of web-based instruction.
- **Completion of the capital campaign.** Competition for state tax dollars has been an incentive to focus on fund-raising activities.
- **Replacement of our existing administrative computing systems.** The emergence of new technology and the relative age of our existing administrative systems made it necessary to establish this initiative as a high priority.
- **Maintenance of a competitive compensation plan.** Responding to increased health insurance costs and maintaining a level of competitive salaries continues to be a planning priority for us.

Future Comprehensive Planning Efforts

In October 2002, the State Board of Regents appointed our new president, who has over 20 years of experience at WSU. A major institutional planning effort was started in 2003-04 that involves the entire campus and outlines the near and long-term future. Our mission and role has been incorporated into this planning effort.

Long-term financial planning is linked closely to enrollment analysis and projections performed at WSU, the Office of the Commissioner for Higher Education, and the Governor's Office of Planning and Budget. Given the characteristics and timing of projected enrollments, financial planning is strategically designed to accommodate projected trends. Both operational needs and capital requirements are examined.

In projecting revenues and expenditures for the next three years, we conservatively expect 3% increases (see required NWCCU Table 1 and NWCCU Table 2 on pp.18-19). While the economy of Utah continues to be in a challenging cycle, increased tuition collections as well as our continued commitment to fund raising and to conservative financial management should allow for this moderate increase.

Budgeting Process (7.A.3)

Our budgeting process is decentralized. The E&G budgets are developed at the departmental level and processed up through the appropriate organizational units. Clear instructions and deadlines are conveyed to all areas of the institution. This process is managed effectively and results in our budget for the upcoming fiscal year being finalized in May or June before the beginning of the new fiscal year. Our budget plan is examined for consistency with our established mission and role throughout all steps of this process. (Figure I on page 4.)

Determination of tuition rates is an annual process that is linked tightly to our overall budgeting process and is greatly influenced by what the legislature provides to the institu-

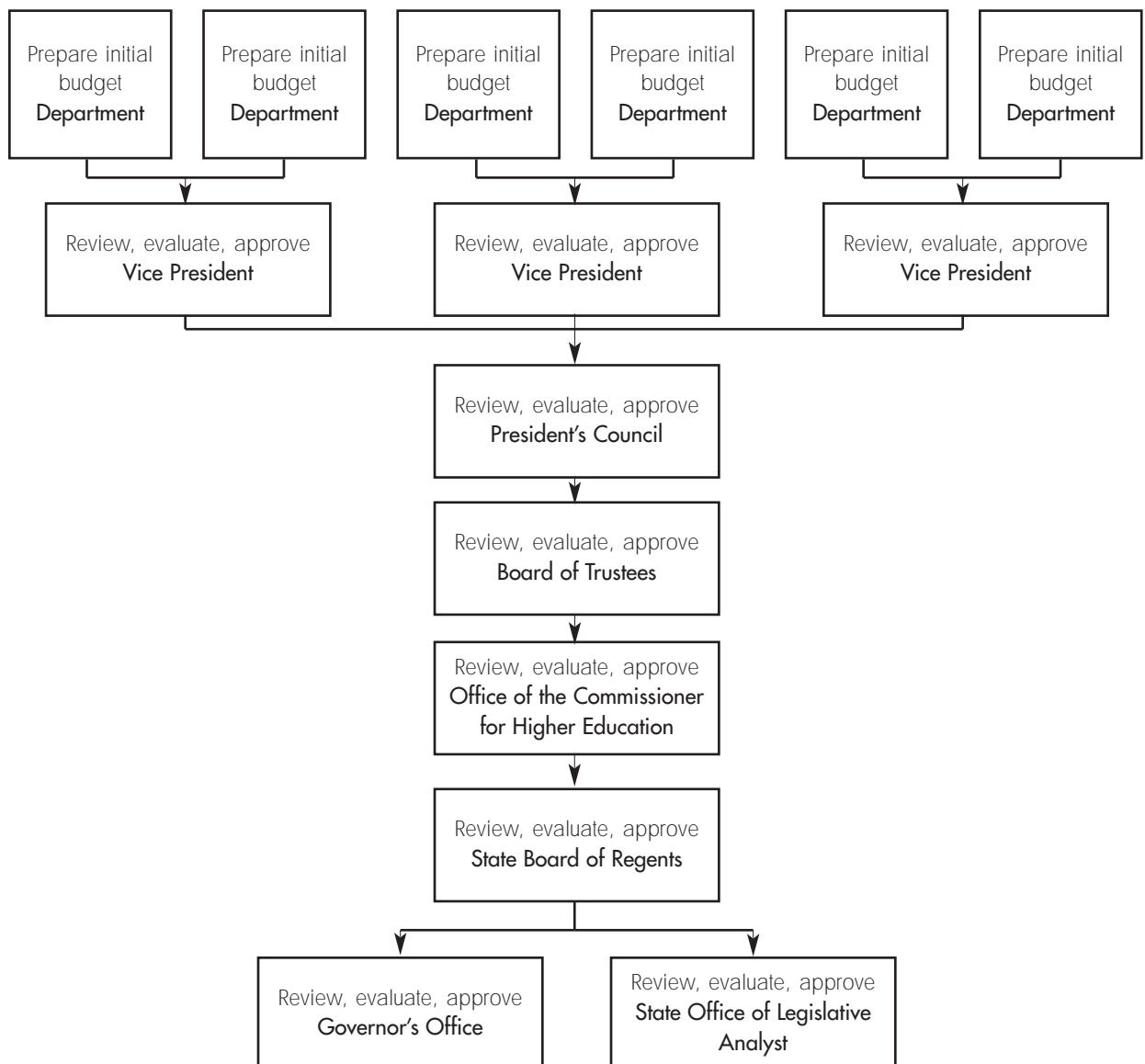
tion. Effective fiscal year 2001-02, we initiated a new two-tier tuition-setting process. Estimates for the first-tier tuition are determined by the State Board of Regents and are budgeted by the legislature as part of the state's appropriation process. Taking into account the proposed first-tier tuition increase and the general assessment of the economic condition of the state, the legislature allocates state tax dollars as well. Separate from this process, we assess the need for a second-tier tuition increase to be budgeted by the institution. A public hearing is held to explain the reasons for the increase and to obtain public

(more specifically student) comment. After evaluating the input, the second-tier tuition increase is finalized. These processes resulted in a 7% total tuition increase in 2001-02, a 9% total increase in 2002-03, and a 9.5% total increase in 2003-04. These are consistent with the national average of a 9.6% tuition increase for public four-year institutions.

Budgeting for Non- E&G Entities

In general, budgeting for grants, gifts, auxiliary enterprises, service enterprises, and athletics closely resembles the budgeting for the

Standard 7: Figure I. Budget Process



E&G budget process. This process is also closely coordinated and monitored within Administrative Services. Special emphasis is placed on monitoring revenue projections throughout the year to ensure that appropriate expenditure levels are adjusted to match actual revenues.

Capital Development and Improvement (7.A.2)

The State of Utah is heavily involved in institutional capital budgeting processes via the Division of Facilities Construction and Management (DFCM). DFCM assigns a coordinator to each campus to work directly with institutional representatives to develop building requests and oversee construction once funding is acquired. For a summary of capital investments, see required NWCCU Table 10.

Capital Development (projects over \$1.5 million)

The Utah State Legislature allocates funds for the construction of new physical facilities and major renovation of existing structures. We develop a list of projects and request funding to be considered for funding each year. Our facilities master plan (a 20-year plan updated every five years; most recently updated in 2002) helps in identifying projects. The capital development list is in priority order and is based on academic program and service needs. Once the list has been prepared, it is presented to and approved by the President's Council and subsequently the Board of Trustees. The list is then submitted for inclusion in the State Board of Regents request to the legislature.

Once we submit capital priorities to the State Board of Regents, they are evaluated with all other higher education projects through a "Qualification and Prioritization Model." This model incorporates such factors as mission/role, current inventory of space, life safety issues, and extent of institutional matching funds in determining the relative priority of each project. Once this process is complete, a higher education capital priority list is presented to the state for further evaluation.

Capital Improvement (projects less than \$1.5 million)

The same agencies described previously evaluate and fund projects costing less than \$1.5 million from a different part of the state budget which is restricted for use in altering, renewing, and improving existing facilities. DFCM works in cooperation with each university or college to identify those buildings needing attention in any given year. The list is developed and subsequently follows the same approval path as capital development projects. Since 1998, we have received approximately \$2.2 to \$2.8 million per year for capital improvements.

Privately Funded Projects

Institutions may solicit funds from donors to either augment state resources or totally fund any project, including new buildings. Authorization to construct a building using donated funds follows the same approval process described earlier.

Adequacy of Financial Resources

We continue to be on a solid financial foundation. Evidence of our financial stability includes:

- Stability of funding base through conservative financial management
- Emphasis on private fund raising
- Strategies for supplementing existing resources for academic programs
- Results of financial ratio analysis with comparable institutions
- Maintenance of adequate institutional reserves/surplus for contingencies
- Conservative use of debt
- Minimal transfers and inter-fund borrowing

Stability of Funding Base through Conservative Financial Management (7.B.3, 7.B.5)

Over the long term, we continue to benefit from a stable funding base provided by state

tax monies and tuition collections appropriated by the state legislature. Historically, the Utah legislature has allocated proportionately more tax funding for higher education than comparable states.

While we have experienced reductions in state tax dollars in fiscal years 2001-02 and 2002-03, our conservative financial management philosophy has minimized the impact at the WSU operating level. Maintaining adequate reserves, utilizing conservative budget allocations, shifting reliance on tuition collections, identifying alternate revenue sources, and focusing on fund-raising activities have allowed us to maintain a stable funding base during these challenging years.

Emphasis on Private Fund Raising (7.B.1)

Competition for state tax dollars has also been an incentive for us to focus on fund-raising activities. Launched in 1998 with a goal of \$75 million, our five-year capital campaign, "Changing Minds Together," exceeded that amount by fall 2002. The campaign focused on support for students, faculty, staff, programs, and improved facilities. Priorities were developed collaboratively with administration and academic deans. We included our capital campaign which raised more than \$90 million in gifts and pledges. We have made a commitment to keep staff hired for the capital campaign fund raising.

Strategies for Supplementing Resources in Academic Programs (7.B.1, 7.B.5)

We have implemented other strategies to supplement existing resources for academic programs such as:

- Increased tuition rates to offset budget cuts
- Two-tier tuition schedule (first tier for general needs; second tier for program- or initiative-specific needs)
- Tuition differential to adequately support master's programs
- Course fees to augment specialized equipment, software, and labs
- Redistribution of student fees to finance internet-based course development and support technology infrastructure

Results of Financial Ratio Analysis with Comparable Institutions (7.B.3)

Using the financial data (1998-99, 1999-00, 2000-01) provided in the "Integrated Postsecondary Education Data System (IPEDS) Report" that institutions across the nation provide to the National Center for Education Statistics (U.S. Department of Education—Office of Educational Research and Improvement), key ratios were calculated and compared with our peer institutions across the nation (Master's Colleges & Universities I, Public 4-Year, 2000-01). Evidenced in the financial ratio analysis are:

Standard 7: Table I. Outstanding Bonds.

| Bond Description | 6-30-2001 | 6-30-2002 |
|--|--------------------|---------------------|
| Student Facilities System Refunding Revenue Bonds, Series 1997A | \$2,360,000 | \$2,010,000 |
| Student Facilities System Refunding Revenue Bonds, Series 1998A | \$4,320,000 | \$4,070,000 |
| Student Facilities System Revenue Bonds, Series 2001A (New Student Housing) | N/A | \$12,280,000 |
| | \$6,680,000 | \$18,360,000 |

- Emphasis on academic instruction and academic support activities (75th and 78th percentile, respectively)
- Our increasing reliance on tuition collections versus state appropriations (60th percentile)
- Focus on providing student federal financial aid (73rd percentile)
- Significant amount of additions to the endowment pool because of the capital campaign (93rd percentile)
- Conservative use of debt (37th percentile)

Maintenance of Adequate Institutional Reserves/Surplus for Contingencies (7.B.3, 7.B.7)

Our conservative approach to financial management has provided for reasonable financial reserves over the past 10 years. We have averaged \$5 million in operating carry forward in the E&G budget. The carry forward is spread throughout WSU including at the departmental and central administrative levels. From a cash management perspective, the \$5 million equates to approximately one month of working capital of total state-appropriated funding. Reserves from operations have also been established for auxiliary and service enterprises over the past ten years.

Conservative Use of Debt (7.A.4, 7.B.2)

We have been very conservative regarding issuance of long-term debt. Most debt funding of capital facilities (non-revenue generating

facilities) is financed by the State of Utah. Because the financing is sponsored by the legislature, any debt service is the responsibility of the state. Over the past few years, we have provided matching institutional funds (primarily generated with private gifts) on certain projects to help elevate the priority of projects and, in effect, reduce the obligation of the state.

We are responsible for debt service on any non-state supported activity. Bonding on our new (2002) student housing is an example of this, and it will require the bonds to be serviced with revenues of the bonded project. We currently have three series of bonds outstanding. See Table I on page 6. The scheduled debt service through fiscal year 2006-07 is listed in Table II on page 7.

The source of funding for the debt service on the series 1997A and 1998A is student fees. The source of funding for the debt service on the series 2001A is revenues generated from the new student housing. In April 2010, there is an approximate \$1,000,000 reduction in debt service payments on our outstanding bonded debt. This significant reduction may provide for future flexibility to finance capital projects.

Another indication of our healthy financial condition and the conservative management of long-term debt was the fact that Standard and Poor's (S&P) assigned our series 1997A, series 1998A, and series 2001A bonds the rating of "AA" based solely on the strength of the pledged revenues and independent of the

Standard 7: Table II. Debt Service.

| Fiscal Year | Principal | Interest | Total Payments |
|--------------------|------------------|-----------------|-----------------------|
| 1998-99 | \$570,000 | \$365,527 | \$935,527 |
| 1999-00 | \$555,000 | \$361,572 | \$916,572 |
| 2000-01 | \$575,000 | \$338,006 | \$913,006 |
| 2001-02 | \$600,000 | \$312,898 | \$912,898 |
| 2002-03 | \$835,000 | \$906,726 | \$1,741,726 |
| 2003-04 | \$875,000 | \$869,944 | \$1,744,944 |
| 2004-05 | \$905,000 | \$831,066 | \$1,736,066 |
| 2005-06 | \$950,000 | \$790,156 | \$1,740,156 |
| 2006-07 | \$995,000 | \$746,786 | \$1,741,786 |

issuance of bond insurances. S&P assigned the rating of "AAA" and Moody's Investor's Service, Inc. assigned the rating of "AAA" based on the issuance of a bond insurance policy.

We have used short-term debt sparingly over the years. Currently, we have only minimal capital leases outstanding. Funding from the State of Utah is established to allow us to make regular drawdowns of appropriated funds. This, coupled with tuition collections and closely managed drawdowns of federal funding (e.g., Pell awards, grants, contracts), provides adequate working capital for operations. As short-term needs are identified, debt financing is generally avoided.

From an overall institutional perspective, debt for capital projects is at a minimum and is controlled adequately by the Board of Trustees and the Board of Regents, which must approve and authorize all major debt commitments.

Minimal Transfers and Inter-Fund Borrowing (7.B.4)

Transfers between funds are made within established guidelines of the institution, State Board of Regents, and the State of Utah. All transfers are subject to review in the annual financial audit. We generally avoid inter-fund borrowing. The one exception in the last 10 years is the 1997 loan made by the Weber State University Foundation to WSU to purchase a building for WSU Davis which is currently used as the Teaching and Learning Center now managed by Continuing Education/ Community Services.

Appropriate approval for the inter-fund loan was obtained from the Board of Directors of the Weber State University Foundation. For additional information on transfers between funds, see required NWCCU Table 3 on page 20.

Student Financial Aid (7.B.6)

Required NWCCU Table 4 on page 21 identifies the various sources of student financial

aid. Currently, approximately 60% of our students receive some form of federal financial aid. Unlike other institutions, we do not "package" aid for new students but rather we inform students regarding various forms of aid (federal aid, scholarships, and work-study) and let them make an informed decision as to what kind of federal aid, if any, they wish to apply for. Federal aid awards are based on "financial need" or willingness to incur a level of indebtedness. Because we do not "package" federal financial aid for our students, we do not engage in systematic planning efforts for this in light of our projected enrollments.

However, we are committed to increasing the amount of scholarship dollars available for students both because the number of our students has increased from 14,230 in 1994 to 18,059 in 2002, and also because most of our students work to pay for their educational expenses. Through our recently concluded capital campaign, we increased our scholarships by \$17.9 million. Moreover, additional scholarship money has been secured following a strategic plan to increase our numbers of upper division students, specifically transfer students.

Finally, state-approved tuition waivers (i.e., unfunded student financial aid) are managed separately from other institutionally based financial aid. Each year the budget office identifies the dollar level at which the scholarship office may legally award tuition waivers (i.e., resident tuition waivers may not exceed 10% of total tuition revenues). The University Scholarship Committee follows a plan that ensures fairness across campus entities in the distribution of waivers. The disbursement plan combines the historical use of waivers with projected need. The scholarship office is ultimately responsible for monitoring the number of tuition waivers. At year's end, the Budget Office reports the actual utilization of tuition waivers to the Utah State Board of Regents.

Auxiliary Management (7.B.8)

Overall auxiliary financial results have been positive over the past 10 years. While the bookstore is the stabilizing net income source,

the operations in the union building, student housing, and athletics have achieved more stable financial results. Auxiliaries as a whole generated a net increase in fund balance totaling \$193,684 and \$99,861, respectively, for fiscal years 1999-00 and 2000-01. When possible, reserves from operations have been established for each auxiliary. These reserves have been set up to help stabilize revenue fluctuations and finance capital expenditures. Continued positive financial results are expected for the future. The policies of the State Board of Regents require that the auxiliaries as a whole be self-supporting. We manage these operations closely to ensure that auxiliaries do not jeopardize our other operations.

Financial Accounting Systems

Financial Statements (7.B.3, 7.C.5)

Independent auditor examinations have verified that our financial statements have been prepared based upon generally accepted accounting principles. For the fiscal year ended June 30, 2002, we successfully implemented the new financial reporting model required by the "Governmental Accounting Standards Board" (GASB). More specifically, GASB standards No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* and No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities* have been implemented. We implemented the new standards following the "Business-Type Activities" (BTA) reporting model. The primary objective of these changes is to present the financial statements in a simpler reporting format, similar to private colleges and universities and corporate financial statements.

Implementation of New Administrative Enterprise Systems

In coordination with the Utah System of Higher Education (USHE), we conducted a comprehensive evaluation of our administrative enterprise systems (including the

Financial System, Human Resources System, and Student Information System) during 2001 and 2002. In the second quarter of 2002, USHE selected the SCT Banner system as the standard software for institutions. Once this decision was made, we immediately initiated plans to implement the software. Banner Financial went live July 1, 2003, Human Resources went live January 1, 2004, Alumni Development went live February 1, 2004, and Student Information Systems will go live in the Fall of 2005.

Budgetary Control (7.C.3)

Budgetary control is initially established through the overall budget process and is monitored and reported through the financial accounting system.

E&G Budget

Our E&G budget is managed and monitored closely by Administrative Services. Adjustments to the budget are coordinated centrally with specific budgetary impact determined at the vice-presidential level. The two major components of the E&G budget are general operating expenses and compensation expenses.

Monitoring general operating expenses (e.g., current expense, travel, hourly wages) has generally been decentralized to our operating units. Units are expected to manage their operating budgets in a fiscally responsible manner with surpluses/deficits carrying forward.

With compensation expenses at approximately 85% of the state-appropriated budget, budgetary control is extremely critical. Compensation comprises salaries and benefits. Contract salary payments are budgeted at the beginning of each year and monitored monthly by the payroll office. Any deviations from the original budgeted amount must be approved by the departmental head, the dean/director, the human resources department, and the supervising vice president. Budgetary control of benefits is performed in the budget office. A

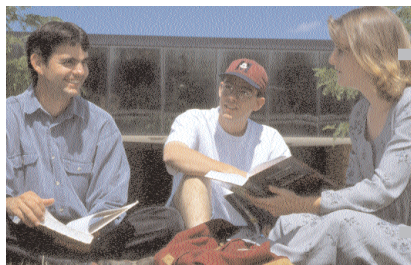
standard benefit rate is charged on all contract salary payments. This standard rate is determined based upon the prior year's actual expenses and any projected increase for the year. Use of a standard rate stabilizes benefit costs at the department level. It does become critical, however, that actual benefit expenses be evaluated on an annual basis with appropriate adjustments made to the standard rate.

Non-E&G Entities

There are similar and well-established budgetary control procedures established for non-E&G entities. Auxiliary enterprises, service enterprises, grants and contracts, gifts, and intercollegiate athletics are examples of subsidiary budgetary control.

Internal Control Systems (7.C.3)

Our overall internal control systems have consistently been judged effective by the results of auditor examinations (both external and internal). While existing systems have been developed to promote sound financial and management practices, we respond to and implement



"An investment in knowledge always pays the best interest."

— Benjamin Franklin

all legitimate internal control recommendations. Since 1994, independent auditors' management reports provided a minimal number of recommendations. Appropriate internal controls are in place, well established, and subject to review, both internally and externally, for all types of expenditures.

Trustee Audit Review Committee

The Utah Board of Regents revised policy R565 on audit committees in 2003. The new policy establishes a Board of Trustee audit

review committee. As a result of this action, we approved a new policy (5-10c) on August 7, 2003, to establish our audit committee and define the reporting process. Our audit committee consists of at least four and not more than six members, at least three of whom must be members of the Board of Trustees. They meet at least three times a year and perform the following functions:

- Approve annual audit schedule with the advice of the president
- Review and close all internal audits
- Review all regent-required audits
- Review primary external audits
- Interact with external auditors
- Assess internal control environment
- Assess process for receiving anonymous complaints
- Assess compliance with applicable laws
- Review audit function organization
- Concur in the appointment and replacement of audit director
- Review and approve minutes
- Report to the regents annually
- Report to the trustees quarterly

The Board of Regents also recommended that institutions undertake a program to provide

training over a 12-month period for all management and supervisory personnel to ensure knowledge and compliance with effective internal financial control procedures and practices.

We are in the process

of complying with this recommendation. In addition, our internal audit department provides training on internal controls at the beginning of each audit and in the supervisory training courses.

General Expenditure Controls

General expenditure controls begin at the departmental level. The department head is responsible for verifying that funds are available and the expenditure has an appropriate purpose. All requisitions must be approved electronically. Departments are required to

review their monthly reports of expenditures to verify the listed transactions.

All requisitions are examined by the purchasing department prior to processing to assure general policy compliance. The buyers evaluate the need to competitively bid requested items or combine similar orders to achieve quantity discounts. There are specific bid guidelines at different expenditures levels. All operational expenses with an estimated purchase price of \$20,000 or more (\$30,000 or more for construction services) are formally bid consistent with our policy and the State of Utah Procurement Code.

Accounting Services inspects all requisitions for direct-check payment for federal and state law compliance, policy compliance, correct coding, sufficient budget balance availability, and adequate supporting documentation. All requests for direct payment by check must have two signatures.

The internal audit department provides an additional general control over expenditures. All departments are audited on a periodic basis to evaluate internal controls and expenditure compliance with established laws, regulations, and policies.

Specific Expenditure Controls

In addition to general expenditure controls, there are specific controls by type of expenditure and the fund source of expenditure. The expenditure categories that have additional specific controls include payments for personal services (e.g., payroll), grants and contracts, scholarships, grants in aid, and purchasing card transactions.

All payments for personal services must have at least two signatures including the department head and the dean/director. Contract salary payments are budgeted at the beginning of each year and monitored monthly by the payroll office. Any deviations from the original budgeted amount must be approved by the departmental head, the dean/director, the human resources department, and the supervising vice president. Hourly employees

(including students and non-students) must initially register with the Career Services Office. Once hired, hourly employees use the automated time and attendance system to record their work hours. For federal work-study hourly employees, the Financial Aid Office establishes an award limit. Once this award limit is reached, the time and attendance system automatically recognizes the need to establish the employee as a regular hourly employee.

Requests for expenditures on grant and contract accounts must be signed by the principal investigator, the appropriate department head, and the accountant responsible for grant and contracts. The Office of Sponsored Projects also reviews and approves expenditures to ensure compliance with requirements of the grant/contract.

In 2003 we implemented a new automated scholarship management system. Under this new system, all students awarded a scholarship must return an acceptance letter. Once the acceptance letter is received, the Scholarship Office inputs the award into the student information system as a source of revenue for the student to pay tuition and fees. Throughout the awarding period, the Scholarship Office monitors the scholarships for applicable requirements of the award (i.e., minimum grade point average and minimum credit hours. The award requirements are also posted online for review by a supervising department, the Scholarship Office, and the Development Office to ensure compliance with donor criteria.

We fully control the administration of federal student financial aid. Awards are made based upon a federal formula that is used to establish a student's need for financial assistance. Federal Pell grants are awarded using the federal Pell grant payment schedule provided by the U. S. Department of Education and factoring in the student's enrollment level and cost of attendance. For additional control, the financial aid office authorizes payment, while the business office makes the payment to eligible students. In conjunction with our annual financial audit, the independent auditors review the financial aid program on an annual

basis to ensure compliance with general and state guidelines. Since 1994, only a minimal number of recommendations have been proposed.

During 1997, the purchasing department implemented a purchasing-card (P-Card) system to more effectively and efficiently process small dollar purchases. A comprehensive P-Card system was established with automated expenditure controls (e.g., amount and type) with mandatory training for all P-Card holders, mandatory departmental supervisory review and approval, monthly expenditure review in the purchasing department, and periodic examination by the internal audit department. The current limit of P-Card purchases is generally \$1,000.

Cash Receipting/Revenue Controls

Our largest funding source is state-appropriated tax dollars. Once the appropriated amount is established, a "drawdown" schedule is developed with the state. This schedule attempts to align our working capital needs taking into account projected tuition and fee collections throughout the year. The state electronically transfers the funds into our investment account with the Utah State Treasurer's Office. Monies are transferred to our operating account to meet financial obligations. These procedures are well established and monitored closely by the university and the state.

Student tuition and fees are the second largest revenue source of the institution. The billing and collection of tuition and fees are managed centrally within Financial Services. Once statements have been distributed, students have the option to pay on the internet, through the mail, or in person at the cashier's office. Students are motivated to meet established payment deadlines because all unpaid courses are dropped before the start of the semester. Students who add classes after the start of the semester are obligated to make payment. Any unpaid courses after the start of the semester are forwarded to the loan collections office within Financial Services. Students that are not in good financial standing are not allowed to register for additional classes until arrangements have been made to satisfy any out-

standing debt. Overall, these procedures are well established and monitored closely within Financial Services.

Grants and contracts (including federal, state, and local) are the third largest revenue source. Because generally these are established on a cost reimbursement basis, this area is managed closely within Accounting Services. Reimbursements are processed according to requirements of the grant or contract. Periodic billings (i.e., monthly or quarterly) are prepared and processed through our accounts receivable system. Pell federal financial aid is the largest single component within grants and contracts. At the beginning and through the first few weeks of each semester, a daily evaluation is made to determine the authorized drawdown amount from the U.S. Department of Education. We are knowledgeable of and sensitive to federal guidelines regarding drawdown procedures. These procedures are examined each year by our independent financial auditors; no exceptions have been noted. Drawdowns are monitored in Accounting Services, the Financial Aid Office, and the U.S. Department of Education to ensure that only authorized amounts are processed.

Revenues generated in auxiliary enterprises are another major component of our revenues. Each auxiliary is responsible for preparing deposit reports that agree with supporting documentation. All revenues are required to be deposited within three working days of receipt. Once the deposit reports are prepared, they are deposited with the cashier's office where they are reconciled to the cash report. All auxiliaries are required to match their supporting documentation with the data that are entered into the accounting system.

Gift Processing and Receipting (7.D.1)

University Development complies with Internal Revenue Service regulations in the receipting of gifts and follows guidelines established by the Council for Advancement and Support of Education (CASE), as outlined in the *CASE Management Reporting Standards*:

Standards for Annual Giving and Campaigns in Educational Fund Raising. The National Association of College and University Business Officers (NACUBO) endorses the management and non-financial reporting standards developed by CASE. For a summary of gifts received, see required NWCCU Table 9 on page 22.

In 2003, University Development began plans to convert from the existing alumni/development database (The Raiser's Edge) to the alumni/development module of SCT Banner, the new campus-wide administrative software. The February 2004 conversion created a more integrated procedure for the gift processing and accounting staffs.

The gift processing area in University Development records all gifts to WSU, including cash, in kind, real property and stock. Donations are accepted through the U.S. mail, in person, through campus mail, and online. All gifts are opened by two people, as required by the internal auditor, and listed on a form. The gift processing staff enters each gift into the constituent's gift record in Banner. Banner produces a report that is verified by a third staff member in the development office. The report is verified against the donations form and checked for errors. After the verification of accuracy is complete, University Development feeds the gifts to Accounting Services through a Banner process. The money donation form, Banner report, and a calculator tape of all checks are taken by the WSU police to the cashier's office.

The gift processors then produce individual donor receipts which are sent to the donor. Accounting Services receives copies of the donor receipts and verifies them against the original Banner report.

Employees are able to make gifts to WSU through payroll deduction. These are deposited into the appropriate gift accounts through the payroll office, which monthly sends a report to the development office. These gifts are then entered into the employees' gift record in Banner. Each employee who has made gifts through payroll deduction receives one receipt in January of the next calendar year. That receipt lists each gift fund to which the

employee gave through payroll deduction and the total amount designated to each fund. Employees who make other types of gifts through the year receive receipts through the regular process described in the preceding paragraph. Those receipts are sent at the time the gift is made.

The Department of Athletics solicits gifts for student-athlete scholarships through the Wildcat Club. That department deposits gifts with a WSU cashier and sends a report to University Development detailing the donor name, date of the gift, and amount. The gifts are entered in Banner and donor receipts are produced.

Treasury Management (7.C.4, 7.D.2)

Our treasurer, in partnership with the University Investment Committee, is responsible for cash management and investments (including endowments). These areas are managed and governed by our Board of Trustees' approved investment policy and the State of Utah Money Management Act. The investment policy provides general and specific provisions in the management of funds. The investment committee has broad representation that includes:

- Business affairs committee of the Board of Trustees representative
- Foundation Board of Directors representative
- Community members with investment management experience
- President
- Other key institutional officers

This active committee meets once a quarter and reviews current economic conditions and current strategies. Based upon this broad-based input, the committee formulates future strategies.

Prior to November 1994, our endowment pool was invested entirely in fixed income instruments. Initial investment of endowment funds in the equities market (through the CommonFund) occurred in November 1994. By

the end of 1994, \$600,000 had been invested in the equities market. With the investment in the equities market growing to over \$1,000,000, the endowment investment pool was unitized on July 1, 1997. To protect the purchasing power of the endowments, a 5% spending rate was established. Over the years, the investment committee's goal was to steadily increase the asset allocation mix to 75% equities and 25% fixed income. Consistent with the national trend in endowment management, the equities market in 2000, 2001, and 2002 produced negative returns. As noted previously, the capital campaign significantly increased the book value of the endowment pool during this same time frame.

The combination of increased asset allocation in the equities market and the significant addition into the endowment pool during a period of negative returns in the national equity market has resulted in a reevaluation of the spending policy for endowments. Effective January 2002, the spending policy of the endowment pool was reduced to 4% with another reduction to 3% effective October 2002. It has also been strongly encouraged, when possible, that endowments limit expenditure below the 3% spending rate. The investment committee and the administration are sensitive to this current situation and will continue to monitor and make necessary adjustments in the management of endowments.

Independent Audits (7.B.3, 7.C.3, 7.C.9, 7.C.10, 7.C.12, 7.C.13)

The State Auditor's Office conducts or contracts our annual financial audit, which covers all aspects of operations, including the Weber State University Foundation. As part of the financial audit, a management letter is prepared outlining any recommendations. We have received "unqualified audit opinions" from our independent financial auditors over the last 10 years. The positive results of these audits are an indication of our overall financial health. The examinations also provide a level of assurance to our governing boards that management and accounting controls are operating effectively.

Over the last 10 years, there have been a minimal number of recommendations that can all be classified as minor in nature. All recommendations are examined closely and are implemented when internal controls can be improved.

In conjunction with its financial audit, the State Auditor's Office also conducts the Single Audit of federal financial assistance. This audit is conducted in accordance with the requirements of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Given the size of our federal financial aid, specific audit work is performed on these programs. Over the last 10 years, there have been a minimal number of recommendations that can all be classified as minor in nature.

The State Auditor's Office also annually conducts our NCAA athletics audit. Again over the last 10 years, there have been a minimal number of recommendations that were all minor in nature.

Reports of these independent audits are available in the Exhibit Room.

Internal Audit Department (7.C.3, 7.C.11, 7.C.12, 7.C.13)

We maintain an effective internal audit department staffed with experienced and qualified auditors. Long-term and annual internal audit schedules are maintained and approved by our Board of Trustees. Financial examinations, internal control reviews, compliance audits, and procedural reviews comprise the majority of activities in the department. The internal audit department is considered an integral component of the financial and management control system.

The department reports directly to the president and has reporting responsibilities to the Board of Trustees Audit Committee, Board of Trustees, and the Utah State Board of Regents to ensure appropriate levels of independence and objectivity exist.

Reports of internal audits are available in the Exhibit Room.

Fund Raising and Development (7.D.1, 7.D.3)

The Office of University Development is responsible for coordinating our fund-raising activities and for receiving and acknowledging all private gifts in cash, real property, securities, and in-kind. Policies and procedures relating to University Development's role and responsibilities are found in our Policies & Procedures Manual at the following web sites: documents.weber.edu/ppm/2-01.htm and documents.weber.edu/ppm/2-02.htm.

Fund-Raising Activities (7.D.1)

University Development is organized on a constituency-based fund-raising model. Each of our seven colleges has a fund raiser liaison who works with the dean on academic priorities. Additionally, development officers are assigned to the Division of Student Affairs, athletics department, and the Stewart Library. An annual fund director manages a direct mail and phoning program; annual fund priorities each year are determined in consultation with the Vice President for University Relations for the greatest institutional need.

We are an institutional member of CASE, and all WSU fund raisers are members under the institutional umbrella. (The CASE code of ethics which we abide by, can be found at www.case.org/about/ethics.cfm.)

Weber State University Foundation (7.D.3)

The Weber State University Foundation is incorporated under the laws of the State of Utah and acts and operates exclusively for our benefit, as described in the provisions of

Section 501(c)(3) of the U.S. Internal Revenue Code. The foundation has no employees and operates from the development office with the Vice President for University Relations acting as executive director and as secretary by right of office. The Vice President of Administrative Services serves as foundation treasurer by right of office. The members of the Board of Directors are appointed by our president.

At the donor's direction, any gift may be accepted by the foundation. Foundation gifts are processed and receipted through the university system. All charitable gift annuities are accepted through the foundation.

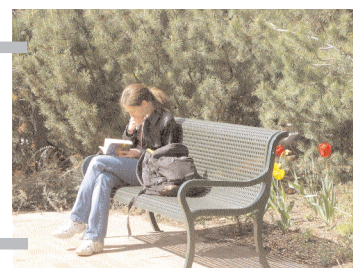
Copies of the Weber State University Foundation Articles of Incorporation and By-Laws can be found in the Exhibit Room.

Office of Sponsored Projects

Our Office of Sponsored Projects (OSP), formerly known as the Office of Grants and

"The soul takes nothing with her to the other world but her education and culture."

— Plato



Contracts, serves the Office of the Provost in efforts to support faculty and staff in writing and managing external awards and safeguarding WSU in contractual dealings with research sponsors. OSP supports our mission, linking its objectives to our mission statement, and fosters and promotes learning environment by cultivating opportunities for faculty and staff to strengthen teaching and learning experiences and pursue knowledge and creative work, through the development of externally funded opportunities. In 2002-03, we had \$5.5 million in sponsored projects. (For more specific information on OSP, please see its website at departments.weber.edu/osp.)

Independent, Proprietary Institution Requirements (7.C.6, 7.C.7, 7.C.8)

We are neither independent nor proprietary, so we have not completed required NWCCU Tables 5, 6, 7, or 8.

II. Significant Changes Since 1994

Since the last accreditation visit in 1994, there have been many significant changes that have affected our financial operations. Some of the most significant changes include:

- We have experienced a more tightly linked relationship between the condition of the Utah economy and the amount of state-appropriated funds allocated. Economic factors as well as increased pressures on state revenues have forced us to examine other strategies to supplement our resource base. Private fund raising, increased tuition rates, implementing a two-tier tuition schedule, introducing master's program "tuition differential," increased sponsored projects, additional course fees, and redirected revenues have all been utilized.
- In coordination with the Utah System of Higher Education (USHE), we conducted a comprehensive evaluation of our administrative enterprise systems (including the financial system, human resources system, and student information system) during 2001 and 2002. USHE has selected the SCT Banner system as the standard software for the institutions. We are in the process of implementing the new software.
- Prior to November 1994, our endowments were invested entirely in fixed-income instruments. With the objective to protect the purchasing power of the endowments, we have moved to a long-term equity-based investment strategy. In conjunction with this change, the endowments are now managed on a pooled basis.

III. Strengths and Challenges

Strengths include:

- Conservative financial budgeting and management has continued to place WSU on a solid financial foundation
- Emphasis on "academic instruction" and "academic support" activities
- Sound financial practices and experienced financial management
- Aggressive pursuit of new private and corporate funding

Challenges include:

- In the short-run, dealing with a stagnant state and national economy during times of increased enrollments
- Converting all major administrative software over a three-year time frame
- Budgetary challenges

IV. Next Steps/ Action Items

We anticipate the implementation of the following strategies in response to the challenges identified:

- Managing enrollments during times of reduced state support
- Maintaining a competitive compensation plan in an environment of increasing medical costs
- Addressing the erosion of operating budgets
- Renewing a campus that is now 50 years old
- Continued proactive involvement in the state legislative process

- Reducing dependency on one-time funding
- Maintaining financial conservatism
- Continued investment in fund raising and sponsored projects.

TABLE 1
CURRENT FUNDS REVENUES

| | ACTUAL | | | | | | PROJECTED | | | | | |
|--|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| | Year 1 (98-99) | | Year 2 (99-00) | | Year 3** (00-01) | | Year 4*** (01-02) | | Year 5 (02-03) | | Year 6 (03-04) | |
| | Amount | %* | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Source (IPEDS Report) | | | | | | | | | | | | |
| Tuition and Fees | 27,905,002 | 25.5% | 31,083,396 | 27.0% | 34,619,130 | 27.7% | 41,580,822 | 29.6% | 42,401,200 | 29.9% | 44,179,600 | 30.3% |
| Government Appropriations | | | | | | | | | | | | |
| Federal | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| State | 50,542,169 | 46.2% | 52,099,163 | 45.2% | 54,790,817 | 43.8% | 58,494,248 | 41.7% | 57,794,000 | 40.7% | 59,130,000 | 40.5% |
| Local | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Government Grants & Contracts | | | | | | | | | | | | |
| Unrestricted | 224,748 | 0.2% | 172,635 | 0.1% | 160,498 | 0.1% | 222,084 | 0.2% | 184,600 | 0.1% | 189,800 | 0.1% |
| Restricted | 11,523,066 | 10.5% | 11,510,718 | 10.0% | 11,693,829 | 9.3% | 14,408,668 | 10.3% | 14,484,000 | 10.2% | 14,892,000 | 10.2% |
| Total | 11,747,814 | 10.7% | 11,683,353 | 10.1% | 11,854,327 | 9.5% | 14,630,752 | 10.4% | 14,668,600 | 10.3% | 15,081,800 | 10.3% |
| State | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Unrestricted | 394,418 | 0.4% | 284,933 | 0.2% | 330,285 | 0.3% | 388,069 | 0.3% | 2,130,000 | 1.5% | 2,190,000 | 1.5% |
| Restricted | 394,418 | 0.4% | 284,933 | 0.2% | 330,285 | 0.3% | 388,069 | 0.3% | 2,130,000 | 1.5% | 2,190,000 | 1.5% |
| Local | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0.00% | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Unrestricted | 24,550 | 0.0% | 48,474 | 0.0% | 26,428 | 0.0% | 40,531 | 0.0% | 28,400 | 0.0% | 29,200 | 0.0% |
| Restricted | 24,550 | 0.0% | 48,474 | 0.0% | 26,428 | 0.0% | 40,531 | 0.0% | 28,400 | 0.0% | 29,200 | 0.0% |
| Total | 682,315 | 0.6% | 195,950 | 0.2% | 1,549,258 | 1.2% | 260,033 | 0.2% | 326,600 | 0.2% | 335,800 | 0.2% |
| Private Gifts, Grants, Contracts | 3,365,892 | 3.1% | 3,275,452 | 2.8% | 3,440,314 | 2.8% | 3,642,072 | 2.6% | 3,905,000 | 2.8% | 4,015,000 | 2.8% |
| Unrestricted | 4,048,207 | 3.7% | 3,471,402 | 3.0% | 4,989,572 | 4.0% | 3,902,105 | 2.8% | 4,231,600 | 3.0% | 4,350,800 | 3.0% |
| Restricted | 115,130 | 0.1% | 127,926 | 0.1% | 143,167 | 0.1% | 204,474 | 0.1% | 156,200 | 0.1% | 160,600 | 0.1% |
| Total | 578,719 | 0.5% | 674,521 | 0.6% | 702,688 | 0.6% | 1,157,571 | 0.8% | 710,000 | 0.5% | 730,000 | 0.5% |
| Endowment Income | 693,849 | 0.6% | 802,447 | 0.7% | 845,855 | 0.7% | 1,362,045 | 1.0% | 866,200 | 0.6% | 890,600 | 0.6% |
| Sales and Services of Educational Activities | 808,438 | 0.7% | 801,104 | 0.7% | 1,077,788 | 0.9% | 2,363,926 | 1.7% | 2,414,000 | 1.7% | 2,482,000 | 1.7% |
| Auxiliary Enterprises | 12,145,984 | 11.1% | 12,418,727 | 10.8% | 12,767,073 | 10.2% | 14,992,884 | 10.7% | 15,052,000 | 10.6% | 15,476,000 | 10.6% |
| Hospitals | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Other Sources | 1,130,685 | 1.0% | 2,484,337 | 2.2% | 3,772,320 | 3.0% | 2,527,057 | 1.8% | 2,414,000 | 1.7% | 2,190,000 | 1.5% |
| Independent Operations | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Total Current Funds Revenues | 109,441,116 | 100.0% | 115,177,336 | 100.0% | 125,073,595 | 100.0% | 140,282,439 | 100.0% | 142,000,000 | 100.0% | 146,000,000 | 100.0% |

* Percentage of Total Current Fund Revenues ** Most recent fiscal year for which audited financial statements are available ***Budget for current year

| TABLE 2 CURRENT FUNDS EXPENDITURES AND MANDATORY TRANSFERS | | | | | | | | | | | | |
|---|----------------|----------------|------------------|-------------------|----------------|----------------|-------------|--------|-------------|--------|-------------|--------|
| Function (IPEDS Report) | ACTUAL | | | | | | PROJECTED | | | | | |
| | Year 1 (98-99) | Year 2 (99-00) | Year 3** (00-01) | Year 4*** (01-02) | Year 5 (02-03) | Year 6 (03-04) | | | | | | |
| | Amount | %* | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Education and General Expenditures | | | | | | | | | | | | |
| Instruction | 40,964,232 | 39.0% | 42,741,116 | 38.5% | 45,620,662 | 38.5% | 49,512,983 | 37.8% | 52,250,000 | 38.0% | 54,670,000 | 38.5% |
| Research | 858,514 | 0.8% | 918,257 | 0.8% | 472,451 | 0.4% | 471,890 | 0.4% | 550,000 | 0.4% | 568,000 | 0.4% |
| Public Service | 2,578,150 | 2.5% | 2,167,839 | 2.0% | 2,296,589 | 1.9% | 2,287,557 | 1.7% | 2,681,250 | 2.0% | 2,769,000 | 2.0% |
| Academic Support (Excluding Libraries) | 8,394,716 | 8.0% | 9,016,510 | 8.1% | 9,461,449 | 8.0% | 12,444,984 | 9.5% | 11,275,000 | 8.2% | 11,360,000 | 8.0% |
| Library Expenditures | 2,734,368 | 2.6% | 2,866,118 | 2.6% | 3,106,074 | 2.6% | 3,170,000 | 2.4% | 3,575,000 | 2.6% | 3,692,000 | 2.6% |
| Student Services | 9,170,144 | 8.7% | 9,468,711 | 8.5% | 10,164,300 | 8.6% | 9,956,257 | 7.6% | 11,137,500 | 8.1% | 12,212,000 | 8.6% |
| Institutional Support | 10,232,384 | 9.7% | 13,280,033 | 12.0% | 13,357,173 | 11.3% | 14,991,372 | 11.4% | 15,537,500 | 11.3% | 15,904,000 | 11.2% |
| Plant Operations & Maintenance | 7,060,906 | 6.7% | 7,340,838 | 6.6% | 8,897,948 | 7.5% | 8,599,820 | 6.6% | 10,312,500 | 7.5% | 10,650,000 | 7.5% |
| Scholarships and Fellowships | 10,834,620 | 10.3% | 11,020,970 | 9.9% | 12,460,981 | 10.5% | 15,088,167 | 11.5% | 15,056,250 | 11.0% | 14,910,000 | 10.5% |
| Awards from Unrestricted Funds | 2,207,880 | 2.1% | 2,416,799 | 2.2% | 2,810,079 | 2.4% | 3,141,255 | 2.4% | 3,258,750 | 2.4% | 3,365,400 | 2.4% |
| Awards from Restricted Funds | 8,626,740 | 8.2% | 8,604,171 | 7.7% | 9,650,902 | 8.1% | 11,946,912 | 9.1% | 11,192,500 | 8.1% | 11,558,800 | 8.1% |
| Educational and General | | | | | | | | | | | | |
| Mandatory Transfer | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Total Educational and General Expenditures/Mandatory Transfers | 92,828,034 | 88.4% | 98,820,392 | 89.0% | 105,837,627 | 89.3% | 116,523,030 | 88.9% | 122,375,000 | 89.3% | 126,735,000 | 89.3% |
| Auxiliary Enterprises | | | | | | | | | | | | |
| (Including Transfers) | 12,144,919 | 11.6% | 12,225,043 | 11.0% | 12,667,212 | 10.7% | 14,489,925 | 11.1% | 15,025,000 | 11.0% | 15,265,000 | 10.8% |
| Hospitals (Including Transfers) | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Independent Operations | | | | | | | | | | | | |
| (Including Transfers) | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Total Current Funds Expenditures & Mandatory Transfers | 104,972,953 | 100.0% | 111,045,435 | 100.0% | 118,504,839 | 100.0% | 131,012,955 | 100.0% | 137,400,000 | 100.0% | 142,000,000 | 100.0% |

* Percentage of Total Current Fund ** Most recent fiscal year for which audited financial statements are available *** Budget for current year

| TABLE 3 SUMMARY REPORT OF REVENUES AND EXPENDITURES | | | | | | | |
|--|----------------|----------------|------------------|-------------------|----------------|----------------|--|
| | ACTUAL | | | | PROJECTED | | |
| | Year 1 (98-99) | Year 2 (99-00) | Year 3** (00-01) | Year 4*** (01-02) | Year 5 (02-03) | Year 6 (03-04) | |
| | Amount | Amount | Amount | Amount | Amount | Amount | |
| Education and General Revenues | 97,295,132 | 102,758,609 | 112,306,522 | 125,289,556 | 126,948,000 | 130,524,000 | |
| Expenditures | 92,828,035 | 98,820,392 | 105,837,627 | 116,523,031 | 122,375,000 | 126,735,000 | |
| Transfers -Mandatory | 0 | 0 | 0 | 0 | 0 | 0 | |
| -Non Mandatory | -2,144,955 | -2,806,108 | -2,578,454 | 52,582 | -2,000,000 | -2,000,000 | |
| Net Excess (Deficit) | 2,322,142 | 1,132,109 | 3,890,441 | 8,819,107 | 2,573,000 | 1,789,000 | |
| Auxiliary Enterprises Revenues | 12,145,984 | 12,418,727 | 12,767,073 | 14,992,884 | 15,052,000 | 15,476,000 | |
| Expenditures | 10,166,849 | 10,216,515 | 10,387,770 | 11,946,486 | 13,025,000 | 13,265,000 | |
| Transfers -Mandatory | 0 | 0 | 0 | 0 | 0 | 0 | |
| -Non Mandatory | 1,978,069 | 2,008,528 | 2,279,442 | 2,543,439 | 2,000,000 | 2,000,000 | |
| Net Excess (Deficit) | 1,066 | 193,684 | 99,861 | 502,959 | 27,000 | 211,000 | |
| Net Operational Excess (Deficit) | 2,323,208 | 1,325,793 | 3,990,302 | 9,322,066 | 2,600,000 | 2,000,000 | |

* Optional for Public Institutions

** Most recent fiscal year for which audited financial statements are available

*** Budget for Current Year

| TABLE 4 SOURCES OF FINANCIAL AID | | | | | | | | | | | | |
|--|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | ACTUAL | | | | | | PROJECTED | | | | | |
| | Year 1 (98-99) | | Year 2 (99-00) | | Year 3** (00-01) | | Year 4*** (01-02) | | Year 5 (02-03) | | Year 6 (03-04) | |
| | Amount | %* | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Annual Private Contributions | 654,657 | 5.4% | 650,427 | 5.2% | 728,620 | 5.2% | 472,038 | 3.0% | 500,000 | 2.9% | 550,000 | 3.1% |
| Governmental State Aid | 245,887 | 2.0% | 298,900 | 2.4% | 308,814 | 2.2% | 410,243 | 2.6% | 450,000 | 2.6% | 460,000 | 2.6% |
| Federal Aid (PELL, SEOG, WS) | 7,552,437 | 62.0% | 7,288,840 | 58.5% | 8,150,627 | 58.4% | 10,382,387 | 65.8% | 11,500,000 | 67.3% | 12,000,000 | 67.6% |
| Endowment Earnings (Non-Foundation) | 269,207 | 2.2% | 345,306 | 2.8% | 336,538 | 2.4% | 493,351 | 3.1% | 450,000 | 2.6% | 450,000 | 2.5% |
| Institutional Unfunded Aid | 2,114,113 | 17.4% | 2,437,497 | 19.6% | 2,938,382 | 21.1% | 2,635,280 | 16.7% | 2,750,000 | 16.1% | 2,800,000 | 15.8% |
| Federal Student Loans (if applicable) | 1,344,690 | 11.0% | 1,432,105 | 11.5% | 1,496,511 | 10.7% | 1,394,044 | 8.8% | 1,440,000 | 8.4% | 1,500,000 | 8.4% |
| Nonfederal Workstudy Aid | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Total Financial Aid | 12,180,991 | 100.0% | 12,453,075 | 100.0% | 13,957,492 | 100.0% | 15,787,343 | 100.0% | 17,090,000 | 100.0% | 17,760,000 | 100.0% |

* Percentage of Total Financial Aid

** Most recent fiscal year for which audited financial statements are available

*** Budget for current year

| TABLE 9 SUMMARY REPORT OF REVENUES AND EXPENDITURES | | | | | | | | | |
|--|----------------|----------------|------------------|-------------------|----------------|----------------|--------|--------|--------|
| | ACTUAL | | | | PROJECTED | | | | |
| | Year 1 (98-99) | Year 2 (99-00) | Year 3** (00-01) | Year 4*** (01-02) | Year 5 (02-03) | Year 6 (03-04) | | | |
| | Amount | Amount | Amount | Amount | Amount | Amount | Amount | Amount | Amount |
| Annual Gifts | | | | | | | | | |
| Operations Restricted | 3,365,892 | 3,275,452 | 3,440,314 | 3,642,072 | 3,800,000 | 4,000,000 | | | |
| Operations Unrestricted | 682,315 | 172,635 | 1,549,258 | 260,033 | 300,000 | 300,000 | | | |
| Endowments Exclusive of Foundation Gifts | 2,009,807 | 1,622,444 | 6,839,134 | 2,851,174 | 3,000,000 | 3,100,000 | | | |
| Plant | 2,424,424 | 4,269,686 | 4,117,705 | 2,419,350 | 2,500,000 | 2,500,000 | | | |
| Total | 7.8% | 8.1% | 12.7% | 6.5% | 6.8% | 6.8% | | | |
| Ratio of Annual Gifts to E & G | | | | | | | | | |
| Endowment Fund Balance | 17,877,623 | 19,741,401 | 23,966,422 | 23,760,962 | 19,000,000 | 21,000,000 | | | |
| Permanent | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Term | 3,899,235 | 5,125,964 | 7,049,190 | 6,432,694 | 6,500,000 | 7,000,000 | | | |
| Quasi | 21,776,858 | 24,867,365 | 31,015,612 | 30,193,656 | 25,500,000 | 28,000,000 | | | |
| Total | | | | | | | | | |

* Optional for Public Institutions

** Most recent fiscal year for which audited financial statements are available

*** Budget for current year

| TABLE 10 CAPITAL INVESTMENTS | | | | | | |
|---|--------------|--------------|----------------|-----------------|--------------|--------------|
| | ACTUAL | | | PROJECTED | | |
| | Year 1 98-99 | Year 2 99-00 | Year 3** 00-01 | Year 4*** 01-02 | Year 5 02-03 | Year 6 03-04 |
| | Amount | Amount | Amount | Amount | Amount | Amount |
| Land | | | | | | |
| Beginning Cost | 18,411,952 | 18,411,952 | 18,510,758 | 18,379,592 | 20,587,759 | 20,587,759 |
| Additions | - | 98,806 | - | 2,208,167 | - | - |
| Deductions | - | - | 131,165 | - | - | - |
| Ending Cost | 18,411,952 | 18,510,758 | 18,379,593 | 20,587,759 | 20,587,759 | 20,587,759 |
| Buildings | | | | | | |
| Beginning Cost | 104,875,809 | 112,810,469 | 134,469,768 | 136,844,281 | 162,553,601 | 165,000,000 |
| Additions | 7,934,660 | 21,926,176 | 2,409,953 | 25,709,321 | 2,446,399 | 22,000,000 |
| Deductions | - | 266,877 | 35,440 | - | - | - |
| Ending Cost | 112,810,469 | 134,469,768 | 136,844,281 | 162,553,602 | 165,000,000 | 187,000,000 |
| Furniture and Equipment | | | | | | |
| Beginning Cost | 45,681,083 | 45,970,348 | 47,037,757 | 49,888,091 | 32,245,424 | 32,245,424 |
| Additions | 3,295,572 | 4,355,544 | 4,813,049 | 2,733,360 | 2,500,000 | 4,000,000 |
| Deductions | 3,006,307 | 3,288,135 | 1,962,715 | 20,376,027 | 2,500,000 | 2,500,000 |
| Ending Cost | 45,970,348 | 47,037,757 | 49,888,091 | 32,245,424 | 32,245,424 | 33,745,424 |
| Construction in Progress | | | | | | |
| Beginning Cost | 20,757,529 | 23,896,032 | 2,567,697 | 13,743,101 | 4,284,997 | 1,284,997 |
| Additions | 10,140,592 | 3,366,015 | 13,482,138 | 18,023,308 | 1,000,000 | 1,000,000 |
| Deductions | 7,002,089 | 24,694,351 | 2,306,734 | 27,481,412 | 4,000,000 | 1,000,000 |
| Ending Cost | 23,896,032 | 2,567,696 | 13,743,101 | 4,284,997 | 1,284,997 | 1,284,997 |
| Debt Service | | | | | | |
| Principal | 7,810,000 | 7,255,000 | 6,680,000 | 18,360,000 | 17,525,000 | 13,650,000 |
| Interest | 2,393,385 | 2,031,813 | 1,693,807 | 13,059,260 | 12,152,534 | 11,282,590 |
| Depreciation (Private Institutions Only) | | | | | | |

** Most recent fiscal year for which audited financial statements are available

*** Budget for current year