

2009-11 Tuition Income Budget Vs. Actual Status Report
May, 2010

	(1)	(2)	(3)	(4)	(5)
	2007-09 Actual Collections	2009-10 Original Estimate-- from Annual Budget	2009-10 Revised Estimate--May, 2010	2009-10 Change Original Estimate to Revised Estimate	Brief Explanation of Change and Related Impact
BSC	\$23,957,200	\$13,039,000	\$13,800,000	\$761,000	Fall 2009 FTE enrollment increased 223 students (7.6%) over Fall 2008 and Spring 2010 FTE enrollment increased 229 students over Spring 2009 resulting in additional tuition revenues. As a result BSC has had more academic and support service demands on the budget.
LRSC	\$7,728,690	\$3,819,321	\$4,160,000	\$340,679	FTE student enrollment increased by 113 (15%) over original estimate. Funds used for increased instructional expenses and positions.
WSC	\$3,365,693	\$1,752,399	\$1,817,089	\$64,690	Increase in enrollment in the fall from 559 students in 2008 to 572 in 2009 and spring from 467 in 2009 to 524 in 2010. These increases were 2.3% and 12.2% respectively.
UND	\$116,944,582	\$62,570,330	\$64,300,533	\$1,730,203	From Spring 2009 to Spring 2010 the increase in FTE students, net of all SOMHS enrollments, is up about 357 or 3.7% compared to budget. Based on collections year to date, overall collections are estimated to increase about 2.77% above budget.
UND Medical School	\$21,662,128	\$11,781,337	\$11,581,337	-\$200,000	Variance due to slight changes in mix of in-state and out-state student mix in professional programs.
NDSU	\$106,974,416	\$60,363,478	\$60,273,000	-\$90,478	The 09-10 tuition shortfall is a culmination of several factors, including: 1.) carryover of an unanticipated tuition shortfall from 08-09; and, 2.) shifting student demographics (i.e. undergraduate/graduate, residency status, student credit hour load, delivery method). NDSU utilized salary savings from positions that were vacant for a portion of the year to address the shortfall. In addition these changing demographics of students was considered in our 2010-11 annual budget process which should avoid budget shortfalls for the 2nd year of the biennium.
NDSCS	\$12,705,676	\$5,926,000	\$5,926,000	\$0	
DSU	\$17,221,056	\$9,395,944	\$8,512,367	-\$883,577	Although head count increased, total credit hours produced was 1,367 (6%) under original estimates. No reallocations necessary during the 2009-2010 fiscal year as carryover from 2007-2009 exceeded estimates by \$717,934, tuition discounts were less than estimated, in addition to unexpended appropriations.
MASU	\$5,548,824	\$2,949,944	\$3,310,878	\$360,934	Enrollment is at highest level in recent years which will have a positive impact on the overall financial health of the institution, with an 65 FTE student (10.5%) increase over original estimates.
MISU	\$21,021,826	\$10,912,644	\$10,028,475	-\$884,169	The actual FTE student enrollment for FY '10 is less than originally projected by 205 FTE students (8.5%).
VCSU	\$8,041,887	\$4,317,586	\$4,335,170	\$17,584	
DCB	\$2,538,689	\$1,326,000	\$1,437,133	\$111,133	FTE student enrollment increased 36 FTE students (8%) over original estimates.
TOTAL	\$347,710,667	\$188,153,983	\$189,481,982	\$1,327,999	

Bismarck State College

FY2010 Budget

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
Instruction	11,775,189	2,362,110			14,137,299
Institutional Support	3,367,109	1,665,854	56,600		5,089,563
Student Services	1,603,710	215,942			1,819,652
Academic Support	309,279	225,363			534,642
Physical Plant	1,094,899	2,350,211	36,500		3,481,610
Total Appropriation (state and tuition) for FY10	18,150,186	6,819,480	93,100		25,062,766
Actual Expenditures to Date, thru 4/30/2010	14,759,135	4,990,626	104,434		19,854,195
Remaining FY10 Balance	3,391,051	1,828,854	(11,334)		5,208,571

(a)

2009-11 Appropriation					
Deferred Maintenance 09-11 - Line 54				340,637	340,637
Capital Assets - Line 50				281,481	281,481
Capital Assets Carryover - Line 51				-	-
Total Capital Assets (Excl Major Capital Projects)				622,118	622,118
Actual Expenditures to Date, thru 4/30/2010				341,542	341,542
Remaining 09-11 Balance				280,576	280,576

Note: Excludes tuition waivers and tuition carryover spending.

(a) Equipment > \$5,000 is budgeted in the "Equipment" column and equipment < \$5,000 is budgeted in "Operating". While the "Equipment" column is overspent, the equipment in the "Operating" column is underspent. The total equipment < and > \$5,000 is within budget.

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Lake Region State College**FY2010 Budget**

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
Instruction	3,198,727	536,648	37,806	-	3,773,181
Academic Support	749,945	111,418	17,356	-	878,719
Student Services	561,591	100,429	900	-	662,920
Institutional Support	1,152,642	586,441	41,921	-	1,781,004
Physical Plant	367,656	659,023	20,200	-	1,046,879
					-
					-
					-
					-
SUBTOTAL	6,030,561	1,993,959	118,183		8,142,703
					-
Total Appropriation (state and tuition) for FY10	6,030,561	1,955,142	157,000		8,142,703
Actual Expenditures to Date, thru 4/30/2010	4,842,380	1,486,103	156,447	-	6,484,930
Remaining FY10 Balance	1,188,181	469,039	553		1,657,773

2009-11 Appropriation					
Deferred Maintenance 09-11 - Line 54				93,807	93,807
Capital Assets - Line 50				43,662	43,662
Capital Assets Carryover - Line 51				-	-
Total Capital Assets (Excl Major Capital Projects)				137,469	137,469
Actual Expenditures to Date, thru 4/30/2010				78,762	78,762
Remaining FY10 Balance				58,707	58,707

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Williston State College**FY2010 Budget**

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment 1/	Capital Assets	Total Budget
Instruction	2,650,744	239,797			2,890,541
Institutional Support	1,041,841	478,598			1,520,439
Student Services	442,332	38,559			480,891
Academic Support	-	-			-
Physical Plant	318,593	218,563			537,156
Total Appropriation (state and tuition) for FY10	4,453,510	975,517			5,429,027
Actual Expenditures to Date, thru 4/30/2010	3,856,509	764,025	-		4,620,534
Remaining FY10 Balance	597,001	211,492	-		808,493

2009-11 Appropriation

Deferred Maintenance 09-11 - Line 54				382,002	382,002
Capital Assets - Line 50				86,475	86,475
Capital Assets Carryover - Line 51				77,844	77,844
Total Capital Assets (Excl Major Capital Projects)				546,321	546,321
Actual Expenditures to Date, thru 4/30/2010				353,402	353,402
Remaining 09-11 Balance				192,919	192,919

1/ all equipment purchases are less than \$5,000 and therefore are budgeted in the operating line item.

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University of North Dakota, Including SOMHS

FY2010 Budget

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
College of Aerospace Sciences	7,073,223	760,756			7,833,979
College of Arts & Sciences	20,124,412	1,393,542	39,340		21,557,294
College of Business and Public Administration	7,967,413	256,466			8,223,879
College of Education and Human Development	6,962,360	498,672	124,615		7,585,647
College of Engineering and Mines	4,778,562	300,093	52,750		5,131,405
College of Law	2,977,350	657,241			3,634,591
College of Nursing	4,087,442	274,490			4,361,932
Graduate School	932,341	78,164			1,010,505
VPAA-Academic Support	5,935,963	4,470,630	187,924		10,594,516
SUBTOTAL	60,889,066	8,690,054	404,629		69,983,749

Vice President of Research	314,114	21,415			335,529
VP Student and Outreach Services	6,519,467	2,101,366	12,000		8,632,833
President and Institutional Support	2,969,133	3,190,528	2,418		6,162,080
VP Finance and Operations (including utilities and fringe benefits)	31,475,371	13,933,818	10,661		45,419,849
Consortiums		45,520			45,520
Total Appropriation (state and tuition) for FY10	102,117,151	27,982,700	429,708		130,529,559
Actual Expenditures to Date, thru 4/30/2010	82,923,391	19,441,056	113,547		102,477,994
Remaining FY10 Balance	19,193,760	8,541,644	316,161		28,051,565

2009-11 Appropriation

23054 Deferred Maintenance - Line 54				7,178,674	7,178,674
23050 Capital Assets - Line 50				2,300,545	2,300,545
23073 1997 Flood Expenditures - Line 73		1,231,806			1,231,806
23051 Capital Assets-Carryover - Line 51				1,565,182	1,565,182
Total Capital Assets (Excl Major Capital Projects)		1,231,806		11,044,401	12,276,207
Actual Expenditures to Date, thru 4/30/2010		1,231,806		2,646,274	3,878,080
Remaining FY10 Balance				8,398,127	8,398,127

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
Medical School Budget	27,329,187	6,582,647	474,134	-	34,385,968
Total	27,329,187	6,582,647	474,134	-	34,385,968
Actual Expenditures to Date, thru 4/30/2010	20,098,609	4,739,575	434,324	-	25,272,508
Remaining FY10 Balance	7,230,578	1,843,072	39,810	-	9,113,460

Excludes SITS pool allocations for system technology support

North Dakota State University (NDSU)

FY2010 Budget

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
Center for Global Initiatives and Leadership	321,019	31,500			352,519
College of Ag, Food Systems and Natural Resources	5,758,919	394,123			6,153,042
College of Arts, Humanities and Social Sciences	9,841,576	292,149	10,000		10,143,725
College of Business	4,497,665	103,112			4,600,777
College of Engineering and Architecture	10,029,759	297,691	50,412		10,377,862
College of Human Development and Education	7,150,368	319,345	17,201		7,486,914
College of Pharmacy, Nursing, and Allied Sciences	4,440,020	138,711	42,500		4,621,231
College of Sciences and Mathematics	13,794,397	396,788	115,000		14,306,185
College of University Studies	360,741	15,829			376,570
Graduate School and Interdisciplinary Studies	1,061,503	28,264			1,089,767
VP Academic Affairs-Academic Support	3,905,029	2,589,021	179,713		6,673,763
SUBTOTAL VPAAP	66,182,355	4,806,533	414,826		66,182,355
President and Institutional Support	1,999,898	1,306,190			3,306,088
VP for Equity, Diversity and Global Outreach	1,312,640	158,543			1,471,183
VP for Finance and Administration (including utilities and fringe benefits)	15,464,863	26,078,505	125,959		41,669,327
VP for Information Technology	3,246,532	913,364			4,159,896
VP for Research	936,814	59,186			996,000
VP for Student Affairs	4,985,814	595,509			5,581,323
VP for University Relations	1,285,607	446,045			1,731,652
					-
Total Appropriation (State and Tuition) for FY10	90,393,164	34,163,875	540,785		125,097,824
Actual Expenditures to Date, thru 4/30/2010	75,439,673	31,946,094	482,075		107,867,842
Remaining FY10 Balance	14,953,491	2,217,781	58,710		17,229,982

2009-11 Appropriation

Deferred Maintenance 09-11 - Line 54				5,355,817	5,355,817
Capital Assets - Line 50				1,692,226	1,692,226
Capital Assets Carryover - Line 51				348,656	348,656
Total Capital Assets (Excl Major Capital Projects)				7,396,699	7,396,699
Actual Expenditures to Date, thru 4/30/2010				3,977,540	3,977,540
Remaining 09-11 Balance				3,419,159	3,419,159

Excludes SITS pool allocations for system technology support

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North Dakota State College of Science

FY2010 Budget

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
					-
Instruction	8,955,875	1,119,068	77,000		10,151,943
Institutional Support	2,556,496	2,092,960	10,000		4,659,456
Student Services	919,853	204,100			1,123,953
Academic Support	1,235,407	224,411			1,459,818
Physical Plant	2,652,354	2,103,320			4,755,674
					-
Total Appropriation (state and tuition) for FY10	16,319,985	5,743,859	87,000		22,150,844
Actual Expenditures to Date, thru 4/30/2010	13,128,238	3,501,355	54,167		16,683,760
Remaining FY10 Balance	3,191,747	2,242,504	32,833		5,467,084

2009-11 Appropriation

Deferred Maintenance 09-11 - Line 54				1,034,143	1,034,143
Capital Assets - Line 50				6,453,332	6,453,332
Capital Assets Carryover - Line 51				-	-
Total Capital Assets (Excl Major Capital Projects)				7,487,475	7,487,475
Actual Expenditures to Date, thru 4/30/2010				3,339,000	3,339,000
Remaining FY10 Balance				4,148,475	4,148,475

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Dickinson State University**FY2010 Budget**

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
Instruction	8,802,607	784,245	5,482		9,592,334
Academic support	1,738,434	719,797			2,458,231
Student Affairs	1,109,488	864,598			1,974,086
Institutional Support	1,700,346	1,254,712			2,955,058
Physical Plant (includes utilities)	1,470,781	2,125,351	45,062		3,641,194
					-
Total Appropriation (state and tuition) for FY10	14,821,656	5,748,703	50,544		20,620,903
Actual Expenditures to Date, thru 4/30/2010	12,204,514	3,356,049	50,544		15,611,107
Remaining FY10 Balance	2,617,142	2,392,654			5,009,796

2009-11 Appropriation

Deferred Maintenance 09-11 - Line 54				1,662,172	1,662,172
Capital Assets - Line 50				1,111,802	1,111,802
Capital Assets Carryover - Line 51				269,103	269,103
Total Capital Assets (Excl Major Capital Projects)				3,043,077	3,043,077
Actual Expenditures to Date, thru 4/30/2010				401,425	401,425
Remaining FY10 Balance				2,641,652	2,641,652

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Mayville State University

FY2010 Budget

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
Instruction	3,429,373	530,436			3,959,809
Institutional Support	774,762	317,075			1,091,837
Student Services	725,435	154,188			879,623
Academic Support	374,521	212,600			587,121
Physical Plant	736,607	1,391,690	8,000		2,136,297
Total Appropriation (state and tuition) for FY10	6,040,698	2,605,989	8,000		8,654,687
Actual Expenditures to Date, thru 4/30/2010	4,922,314	1,658,415	-		6,580,729
Remaining FY10 Balance	1,118,384	947,574	8,000		2,073,958

2009-11 Appropriation

Deferred Maintenance 09-11 - Line 54				1,910,120	1,910,120
Capital Assets - Line 50				270,403	270,403
Capital Assets Carryover - Line 51				486,876	486,876
Total Capital Assets (Excl Major Capital Projects)				2,667,399	2,667,399
Actual Expenditures to Date, thru 4/30/2010				1,880,949	1,880,949
Remaining 09-11 Balance				786,450	786,450

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Minot State University**FY2010 Budget**

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
College of Business	2,529,539	101,419	5,000		2,635,958
College of Arts & Sciences	6,702,195	291,742	-		6,993,937
College of Education & Health Services	4,922,016	191,778	27,500		5,141,294
Graduate School	144,951	11,000	-		155,951
VP Academic Affairs	2,569,399	865,785	74,677		3,509,861
Total VPAA	16,868,100	1,461,724	107,177		18,436,901
President and Institutional Support	1,266,696	100,800	-		1,367,496
VP Administration & Finance	3,776,065	2,624,419	57,000		6,457,484
VP Student Affairs	742,975	46,463	-		789,438
VP Advancement	137,308	58,500	-		195,808
					-
Total Appropriation (state and tuition) for FY10	22,791,144	4,291,906	164,177		27,247,227
Actual Expenditures to Date, thru 4/30/2010	17,917,172	4,415,404	83,664		22,416,239
Remaining FY10 Balance	4,873,972	(123,498)	80,513		4,830,987

2009-11 Appropriation

Deferred Maintenance 09-11 - Line 54				595,111	595,111
Capital Assets - Line 50				4,346,870	4,346,870
Capital Assets Carryover - Line 51				4,284,970	4,284,970
Total Capital Assets (Excl Major Capital Projects)				9,226,951	9,226,951
Actual Expenditures to Date, thru 4/30/2010				1,249,157	1,249,157
Remaining FY10 Balance				7,977,794	7,977,794

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Valley City State University

FY2010 Budget

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
Instruction	5,435,807	643,205	19,950		6,098,962
Academic Support	458,497	219,618	30,000		708,115
Student Services	940,899	170,972			1,111,871
Institutional Support	1,410,600	694,151	40,000		2,144,751
Plant Operation and Maintenance	1,144,262	1,323,484	73,200		2,540,946
Total Appropriation (state and tuition) for FY 10	9,390,065	3,051,430	163,150		12,604,645
Actual Expenditures to Date, thru 4/30/2010	7,641,638	2,032,470	96,748		9,770,856
Remaining FY10 Balance	1,748,427	1,018,960	66,402		2,833,789

2009-11 Appropriation					
Deferred Maintenance 09-11 - Line 54				1,304,921	1,304,921
Capital Assets - Line 50				19,758,416	19,758,416
Capital Assets Carryover - Line 51				444,208	444,208
Total Capital Assets (Excl Major Capital Projects)				21,507,545	21,507,545
Actual Expenditures to Date, thru 4/30/2010				1,373,949	1,373,949
Remaining FY10 Balance				20,133,596	20,133,596

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Dakota College at Bottineau**FY2010 Budget**

FY2010 General Appropriation & Tuition Budget	Personnel	Operating	Equipment	Capital Assets	Total Budget
Instruction	1,782,655	100,786	-	-	1,883,441
Institutional Support	586,292	152,849	25,000		
Student Services	330,295	90,806	-	-	
Academic Support	133,397	116,213	-	-	249,610
Plant Services	455,204	425,551	-	-	880,755
					-
					-
Total Appropriation (state and tuition) for FY10	3,287,843	886,205	25,000	-	4,199,048
Actual Expenditures to Date, thru 4/30/2010	2,655,370	755,390	21,776		3,432,536
Remaining FY10 Balance	632,473	130,815	3,224		766,512

2009-11 Appropriation

Deferred Maintenance 09-11 - Line 54				97,021	97,021
Capital Assets - Line 50				3,189,725	3,189,725
Capital Assets Carryover - Line 51				13,573	13,573
Total Capital Assets (Excl Major Capital Projects)				3,300,319	3,300,319
Actual Expenditures to Date, thru 4/30/2010				159,012	159,012
Remaining FY10 Balance				3,141,307	3,141,307

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**North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data**

Bismarck State College

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4	
Instruction	\$ 15,944,967	46%	\$ 12,376,193	57%		0%	\$ 1,997,064	100%	\$ 1,571,710	14%
Academic Support	\$ 1,706,131	5%	\$ 380,843	2%		0%		0%	\$ 1,325,288	12%
Student Services	\$ 1,545,951	4%	\$ 1,448,956	7%		0%		0%	\$ 96,995	1%
Institutional Support	\$ 5,327,795	15%	\$ 4,445,369	21%		0%		0%	\$ 882,426	8%
Physical Plant	\$ 3,512,267	10%	\$ 2,993,413	14%	\$ 97,362	100%		0%	\$ 421,492	4%
Scholarships & Fellowships	\$ 1,648,959	5%		0%		0%		0%	\$ 1,648,959	15%
Auxiliary Services	\$ 3,699,435	11%		0%		0%		0%	\$ 3,699,435	34%
Public Service	\$ -	0%		0%		0%		0%	\$ -	0%
Research	\$ -	0%		0%		0%		0%	\$ -	0%
Depreciation	\$ 1,246,102	4%		0%		0%		0%	\$ 1,246,102	11%
	\$ 34,631,607	100%	\$ 21,644,774	100%	\$ 97,362	100%	\$ 1,997,064	100%	\$ 10,892,407	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

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**North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data**

Dickinson State University

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction	9,792,777	34%	\$ 8,409,948	42%		0%	188,654	6%	\$ 1,194,175	23%
Academic Support	2,000,750	7%	\$ 1,995,134	10%		0%	-	0%	\$ 5,616	0%
Student Services	2,120,666	7%	\$ 1,244,387	6%		0%	311,616	9%	\$ 564,663	11%
Institutional Support	4,001,671	14%	\$ 6,052,423	30%		0%	631,520	19%	\$ (2,682,272)	-51%
Physical Plant	2,759,328	10%	\$ 2,279,996	11%	\$ 282,362	100%	-	0%	\$ 196,970	4%
Scholarships & Fellowships	1,504,951	5%	\$ -	0%		0%	2,226,395	66%	\$ (721,444)	-14%
Auxiliary Services	5,555,567	19%	\$ -	0%		0%	-	0%	\$ 5,555,567	105%
Public Service	76,022	0%	\$ -	0%		0%	-	0%	\$ 76,022	1%
Research	-	0%	\$ -	0%		0%	-	0%	\$ -	0%
Depreciation	1,113,292	4%	\$ -	0%		0%	-	0%	\$ 1,113,292	21%
	\$ 28,925,024	100%	\$ 19,981,888	100%	\$ 282,362	100%	\$ 3,358,185	100%	\$ 5,302,589	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

G:\LAURA\excel\LEGIS\functional expense breakdown by funding source, June 2010.xlsx]NDSU1

North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data

Lake Region State College

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction	4,447,797	40%	\$ 3,359,945	48%		0%	678,289	31%	\$ 409,563	22%
Academic Support	1,205,447	11%	\$ 690,593	10%		0%	503,773	23%	\$ 11,081	1%
Student Services	781,461	7%	\$ 669,622	10%		0%	17,850	1%	\$ 93,989	5%
Institutional Support	1,639,092	15%	\$ 1,501,731	21%		0%	9,788	0%	\$ 127,573	7%
Physical Plant	783,365	7%	\$ 775,289	11%	\$ 3,125	100%		0%	\$ 4,951	0%
Scholarships & Fellowships	261,663	2%		0%		0%	947,711	44%	\$ (686,048)	-37%
Auxiliary Services	1,424,278	13%		0%		0%		0%	\$ 1,424,278	76%
Public Service		0%		0%		0%		0%	\$ -	0%
Research		0%		0%		0%		0%	\$ -	0%
Depreciation	493,582	4%		0%		0%		0%	\$ 493,582	26%
TOTAL	\$ 11,036,685	100%	\$ 6,997,180	100%	\$ 3,125	100%	\$ 2,157,411	100%	\$ 1,878,969	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

G:\LAURA\excel\LEGIS\[functional expense breakdown by funding source, June 2010.xlsx]NDSU1

North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data

Mayville State University

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction	4,578,667	35%	3,632,282	50%		0%	398,137	17%	\$ 548,248	17%
Academic Support	475,229	4%	475,229	7%		0%	-	0%	\$ -	0%
Student Services	906,009	7%	754,870	10%		0%	9,214	0%	\$ 141,925	4%
Institutional Support	1,454,699	11%	1,163,645	16%		0%	5,422	0%	\$ 285,632	9%
Physical Plant	1,291,296	10%	1,223,313	17%	34,682	100%	680	0%	\$ 32,621	1%
Scholarships & Fellowships	138,814	1%		0%		0%	721,571	30%	\$ (582,757)	-18%
Auxiliary Services	2,070,712	16%		0%		0%	5,772	0%	\$ 2,064,940	63%
Public Service	1,130,070	9%		0%		0%	1,129,852	47%	\$ 218	0%
Research	133,081	1%		0%		0%	133,744	6%	\$ (663)	0%
Depreciation	780,181	6%		0%		0%	-	0%	\$ 780,181	24%
	\$ 12,958,758	100%	\$ 7,249,339	100%	\$ 34,682	100%	\$ 2,404,392	100%	\$ 3,270,345	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

G:\LAURA\excel\LEGIS\functional expense breakdown by funding source, June 2010.xlsx]NDSU1

**North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data**

Minot State University

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction	18,738,723	44%	14,141,329	56%		0%	1,343,549	15%	\$ 3,253,845	38%
Academic Support	1,876,360	4%	1,841,725	7%		0%	-	0%	\$ 34,635	0%
Student Services	2,527,681	6%	1,651,086	7%		0%	2	0%	\$ 876,593	10%
Institutional Support	4,840,991	11%	3,352,431	13%		0%	-	0%	\$ 1,488,560	17%
Physical Plant	3,853,407	9%	3,872,149	15%	412,932	100%	-	0%	\$ (431,674)	-5%
Scholarships & Fellowships	229,639	1%	-	0%		0%	3,217,132	37%	\$(2,987,493)	-35%
Auxiliary Services	3,523,716	8%	-	0%		0%	-	0%	\$ 3,523,716	41%
Public Service	4,376,658	10%	310,656	1%		0%	3,545,383	41%	\$ 520,619	6%
Research	574,474	1%	-	0%		0%	574,474	7%	\$ -	0%
Depreciation	2,345,516	5%	-	0%		0%	-	0%	\$ 2,345,516	27%
	\$ 42,887,165	100%	\$ 25,169,376	100%	\$ 412,932	100%	\$ 8,680,540	100%	\$ 8,624,317	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

G:\LAURA\excel\LEGIS\[functional expense breakdown by funding source, June 2010.xlsx]NDSU1

**North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data**

Dakota College at Bottineau

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction	2,087,347	31%	1,613,118	42%	-	0%	328,106	26%	\$ 146,123	10%
Academic Support	622,606	9%	388,315	10%	-	0%	-	0%	\$ 234,291	16%
Student Services	502,113	8%	395,659	10%	-	0%	-	0%	\$ 106,454	7%
Institutional Support	754,497	11%	673,464	17%	-	0%	57,917	5%	\$ 23,116	2%
Physical Plant	731,672	11%	778,507	20%	73,957	100%	-	0%	\$ (120,792)	-8%
Scholarships & Fellowships	369,172	6%	-	0%	-	0%	854,471	69%	\$ (485,299)	-33%
Auxiliary Services	1,327,934	20%	-	0%	-	0%	-	0%	\$ 1,327,934	91%
Public Service	540	0%	-	0%	-	0%	-	0%	\$ 540	0%
Research	-	0%	-	0%	-	0%	-	0%	\$ -	0%
Depreciation	232,080	4%	-	0%	-	0%	-	0%	\$ 232,080	16%
TOTAL	\$ 6,627,961	100%	\$3,849,063	100%	\$ 73,957	100%	\$1,240,494	100%	\$ 1,464,447	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

G:\LAURA\excel\LEGIS\[functional expense breakdown by funding source, June 2010.xlsx]NDSU1

**North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data**

North Dakota State College of Science

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction	17,049,821	45%	\$ 9,801,650	56%		0%	2,490,396	50%	\$ 4,757,775	33%
Academic Support	1,503,823	4%	\$ 1,475,395	8%		0%		0%	\$ 28,428	0%
Student Services	1,800,034	5%	\$ 1,149,952	7%		0%		0%	\$ 650,082	5%
Institutional Support	3,699,945	10%	2,897,866	17%		0%		0%	\$ 802,079	6%
Physical Plant	3,282,202	9%	2,243,201	13%	955,825	100%		0%	\$ 83,176	1%
Scholarships & Fellowships	877,858	2%	\$ -	0%		0%	2,452,527	50%	\$ (1,574,669)	-11%
Auxiliary Services	7,808,543	21%		0%		0%		0%	\$ 7,808,543	54%
Public Service	-	0%		0%		0%		0%	\$ -	0%
Research	-	0%		0%		0%		0%	\$ -	0%
Depreciation	1,789,122	5%	\$ (6,052)	0%		0%	(2,571)	0%	\$ 1,797,745	13%
TOTAL	\$ 37,811,348	100%	\$ 17,562,012	100%	\$ 955,825	100%	\$ 4,940,352	100%	\$ 14,353,159	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

G:\LAURA\excel\LEGIS\[funtional expense breakdown by funding source, June 2010.xlsx]NDSU1

**North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data**

North Dakota State University

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction	70,034,537	22%	52,695,805	31%	-	0%	907,353	2%	\$ 16,431,379	19%
Academic Support	21,138,087	7%	16,115,206	9%	-	0%	-	0%	\$ 5,022,881	6%
Student Services	12,438,740	4%	5,660,513	3%	-	0%	1,052,091	2%	\$ 5,726,136	7%
Institutional Support	16,421,692	5%	14,082,209	8%	-	0%	-	0%	\$ 2,339,483	3%
Physical Plant	16,754,645	5%	20,162,878	12%	1,369,870	100%	(574,812)	-1%	\$ (4,203,291)	-5%
Scholarships & Fellowships	14,124,266	4%	13,497,609	8%	-	0%	8,352,842	14%	\$ (7,726,185)	-9%
Auxiliary Services	45,173,799	14%	-	0%	-	0%	-	0%	\$ 45,173,799	53%
Public Service	26,438,437	8%	14,202,462	8%	-	0%	10,312,487	17%	\$ 1,923,488	2%
Research	77,221,340	24%	34,079,340	20%	-	0%	39,036,774	66%	\$ 4,105,226	5%
Depreciation	16,532,360	5%	-	0%	-	0%	-	0%	\$ 16,532,360	19%
TOTAL	\$ 316,277,903	100%	\$ 170,496,022	100%	\$ 1,369,870	100%	\$ 59,086,735	100%	\$ 85,325,276	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

G:\LAURA\excel\LEGIS\[functional expense breakdown by funding source, June 2010.xlsx]NDSU1

**North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data**

University of North Dakota

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction	130,774,134	37%	\$ 89,054,730	54%		0%	3,481,654	5%	\$ 38,237,750	33%
Academic Support	29,401,766	8%	\$ 24,862,045	15%		0%	-	0%	\$ 4,539,721	4%
Student Services	14,947,236	4%	\$ 6,840,932	4%		0%	544,268	1%	\$ 7,562,036	7%
Institutional Support	28,583,415	8%	\$ 16,820,534	10%		0%	-	0%	\$ 11,762,881	10%
Physical Plant	21,258,674	6%	\$ 17,180,582	11%	1,625,487	100%	7,723	0%	\$ 2,444,882	2%
Scholarships & Fellowships	8,999,849	3%	\$ 7,948,040	5%		0%	8,140,839	11%	\$ (7,089,030)	-6%
Auxiliary Services	36,298,242	10%		0%		0%	-	0%	\$ 36,298,242	32%
Public Service	15,061,319	4%	\$ 701,370	0%		0%	12,782,705	18%	\$ 1,577,244	1%
Research	47,803,919	14%	\$ 191,970	0%		0%	46,914,216	65%	\$ 697,733	1%
Depreciation	18,610,079	5%		0%		0%	-	0%	\$ 18,610,079	16%
	\$ 351,738,633	100%	\$ 163,600,203	100%	\$ 1,625,487	100%	\$ 71,871,405	100%	\$ 114,641,538	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

G:\LAURA\excel\LEGIS\[functional expense breakdown by funding source, June 2010.xlsx]NDSU1

**North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data**

Valley City State University

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction	5,822,358	35%	5,246,902	51%		0%	231,657	13%	\$ 343,799	8%
Academic Support	1,520,866	9%	542,874	5%		0%	40,739	2%	\$ 937,253	23%
Student Services	1,029,921	6%	959,679	9%		0%	-	0%	\$ 70,242	2%
Institutional Support	2,003,789	12%	1,798,685	18%		0%	15,089	1%	\$ 190,015	5%
Physical Plant	2,028,439	12%	1,688,621	16%	337,818	100%	-	0%	\$ 2,000	0%
Scholarships & Fellowships	129,027	1%	-	0%		0%	959,881	54%	\$ (830,854)	-20%
Auxiliary Services	2,702,122	16%	-	0%		0%	-	0%	\$ 2,702,122	66%
Public Service	345,844	2%	-	0%		0%	331,807	19%	\$ 14,037	0%
Research	184,135	1%	-	0%		0%	184,135	10%	\$ -	0%
Depreciation	692,292	4%	-	0%		0%	-	0%	\$ 692,292	17%
TOTAL	\$ 16,458,793	100%	\$ 10,236,761	100%	\$ 337,818	100%	\$ 1,763,308	100%	\$ 4,120,906	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

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**North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data**

Williston State College

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction	4,786,766	48%	2,543,780	52%		0%	665,037	40%	\$ 1,577,949	45%
Academic Support	252,739	3%	248,739	5%		0%	-	0%	\$ 4,000	0%
Student Services	683,548	7%	648,182	13%		0%	-	0%	\$ 35,366	1%
Institutional Support	1,319,704	13%	833,134	17%		0%	129,873	8%	\$ 356,697	10%
Physical Plant	581,859	6%	577,731	12%	\$ -	0%	-	0%	\$ 4,128	0%
Scholarships & Fellowships	409,469	4%	-	0%		0%	898,919	54%	\$ (489,450)	-14%
Auxiliary Services	1,388,640	14%	-	0%		0%	-	0%	\$ 1,388,640	40%
Public Service	-	0%	-	0%		0%	-	0%	\$ -	0%
Research	-	0%	-	0%		0%	-	0%	\$ -	0%
Depreciation	574,290	6%	-	0%		0%	(19,952)	-1%	\$ 594,242	17%
TOTAL	\$ 9,997,015	100%	\$ 4,851,566	100%	\$ -	0%	\$ 1,673,877	100%	\$ 3,471,572	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

G:\LAURA\excel\LEGIS\[functional expense breakdown by funding source, June 2010.xlsx]NDSU1

**North Dakota University System - Functional Classification Expenditure Distribution, by Funding Source
FY 2009 Financial Statement Data**

North Dakota University System Office

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total 1/		Appn Oper 2/		Appr Capital 2/		Grant		Other 3/, 4/	
Instruction		0%		0%		0%		0%	\$ -	0%
Academic Support		0%		0%		0%		0%	\$ -	0%
Student Services		0%	\$ -	0%	\$ -	0%		0%	\$ -	0%
Institutional Support	14,148,168	93%	\$ 5,947,810	100%	\$ 2,331,894	100%	369,303	100%	\$ 5,499,161	84%
Physical Plant	16,280	0%		0%		0%		0%	\$ 16,280	0%
Scholarships & Fellowships		0%		0%		0%		0%	\$ -	0%
Auxiliary Services		0%		0%		0%		0%	\$ -	0%
Public Service		0%		0%		0%		0%	\$ -	0%
Research		0%		0%		0%		0%	\$ -	0%
Depreciation	1,069,246	7%		0%		0%		0%	\$ 1,069,246	16%
TOTAL	\$ 15,233,694	100%	\$ 5,947,810	100%	\$ 2,331,894	100%	\$ 369,303	100%	\$ 6,584,687	100%

1/ Includes" salaries, operating, data processing, depreciation, scholarships/fellowships, costs of sales and services

2/ Appropriated includes both general fund and tuition income sources

3/ Includes all other fund sources, such as fee income, auxiliaries, indirect cost recovery, and private funds.

4/ Any negative balances are a result of financial statement reclassification entries.

G:\LAURA\excel\LEGIS\functional expense breakdown by funding source, June 2010.xlsx]NDSU1

NORTH DAKOTA UNIVERSITY SYSTEM
PLANT VALUE BASED ON 2009-11 FACILITIES DATA AND OMB INFRASTRUCTURE WORKSHEETS
Revised 06/08/2010

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(12)	(13)	(14)	(15)	(16)	(17)
Replacement Value Per 2009-11 Facilities Data and Infrastructure Worksheets															
Type I-Academic and Research-State Supported Per 09-11 Facilities Data			Type II-Administrative Per 09-11 Facilities Data			Infrastructure Per 2009-11 Infrastructure Worksheets	Total 2009-11 Types I, II & Infrastructure			Type III-Auxiliary and Research-NonState Supported Per 09-11 Facilities Data			Total 2009-11 Plant Value		
No.	Value	Sq. Ft.	No.	Value	Sq. Ft.	No.	Value Including Infrastructure	Sq. Ft.	No.	Value	Sq. Ft.	No.	Value Including Infrastructure	Sq. Ft.	
														(9) + (13)	(10) + (14)
BSC	9	\$41,082,476	332,881	1	\$4,707,124	38,896	\$9,100,972	10	\$54,890,572	371,777	3	\$9,841,931	73,068	13	\$64,732,503 444,845
LRSC	4	14,387,578	126,301	3	4,181,992	46,057	2,630,799	7	\$21,200,369	172,358	4	\$5,579,061	52,140	11	\$26,779,430 224,498
WSC	3	19,603,032	171,001	6	981,488	15,084	4,947,821	9	\$25,532,341	186,085	4	\$2,723,759	35,635	13	\$28,256,100 221,720
UND	39	317,879,313	2,416,643	50	163,051,127	1,075,492	80,462,168	89	\$561,392,608	3,492,135	136	\$241,392,099	2,190,264	225	\$802,784,707 5,682,399
NDSU	45	221,407,082	1,695,354	23	89,943,095	557,527	55,963,284	68	\$367,313,461	2,252,881	50	\$138,680,458	1,233,933	118	\$505,993,919 3,486,814
NDSCS	16	86,231,097	643,558	6	31,216,688	148,806	19,961,200	22	\$137,408,985	792,364	13	\$56,021,163	470,136	35	\$193,430,148 1,262,500
DSU	9	38,860,141	289,415	10	14,688,182	150,019	4,847,241	19	\$58,395,564	439,434	10	\$17,191,384	171,023	29	\$75,586,948 610,457
MASU	8	32,311,755	227,572	11	9,945,606	49,684	5,070,535	19	\$47,327,896	277,256	5	\$13,182,581	127,830	24	\$60,510,477 405,086
MISU	9	92,415,664	662,538	11	19,929,253	122,274	12,601,594	20	\$124,946,511	784,812	7	\$24,988,508	223,532	27	\$149,935,019 1,008,344
VCSU	11	29,537,453	261,294	12	14,545,058	100,869	4,105,224	23	\$48,187,735	362,163	6	\$16,031,549	144,870	29	\$64,219,284 507,033
MISU-BC	8	12,638,269	131,919	7	1,569,846	13,055	1,746,666	15	\$15,954,781	144,974	3	\$6,700,671	66,564	18	\$22,655,452 211,538
TOTAL	161	906,353,860	6,958,476	140	354,759,459	2,317,763	201,437,504	301	\$1,462,550,823	9,276,239	241	532,333,164	4,788,995	542	1,994,883,987 14,065,234

Does not include leased facilities or other facilities that are not maintained by the state (e.g. UND REA, NDSU Research Park, etc.)

G:\LAURA\excel\CAPITAL\2009-11 Facilities Data Worksheet Revised June 2010.xlsx Summary

NDUS Employee Heacount October 30, 2009

0	13										
Unit	Faculty FT	Faculty PT	Non-Broadband FT	Non-Broadband PT	Broadband FT	Broadband PT	Temp Instruct	Temp Non-Instruct	Student	Total	
BSC01	114	4	13	4	174	7	162	91	94	663	
DSU01	94	2	19	1	130	11	135	29	268	689	
LRSC1	29	11	15	0	48	8	107	69	67	354	
MASU1	39	1	10	0	104	7	20	49	172	402	
MISU1	164	10	41	3	192	21	72	140	456	1099	
MISUB	22	2	3	0	38	3	42	20	51	181	
NDSCS	112	10	20	1	180	7	117	94	241	782	
NDSU1	520	137	365	37	1378	127	491	1072	1982	6109	
NDUSO	0	0	10	0	16	0	0	0	0	26	
UND01	649	79	164	76	1761	124	632	1049	2100	6634	
VCSU1	58	0	15	0	82	5	43	24	216	443	
WSC01	32	4	6	6	49	6	50	8	35	198	
- TOT	1833	260	681	128	4152	326	1871	2645	5682	17578	

NDUS Employee Count as of October 31, 2008

Unit	Faculty FT	Faculty PT	Non-Broadband FT	Non-Broadband PT	Broadband FT	Broadband PT	Temp Instruct	Temp Non-Instruct	Student	Total
BSC01	108	5	14	3	157	5	134	99	103	629
DSU01	89	2	16	2	119	10	127	23	263	651
LRSC1	26	11	16	0	46	8	94	55	74	330
MASU1	40	1	8	0	100	8	18	44	169	388
MISU1	163	11	42	2	181	22	68	136	474	1099
MISUB	23	2	3	0	35	4	37	21	39	164
NDSCS	121	8	22	1	176	7	98	87	222	742
NDSU1	515	120	351	35	1315	121	428	995	1832	5712
NDUSC	0	0	10	0	11	1	0	0	0	22
UND01	638	74	179	53	1735	114	581	924	2097	6395
VCSU1	56	0	14	0	88	5	31	10	225	429
WSC01	33	3	5	15	41	6	77	10	34	224
-TOT	1813	237	680	111	4004	311	1693	2404	5532	16785

C:\DOCUME~1\jglatt\LOCALS~1\Temp\Employee Count 10-31-08.xlsx-1.xls\sheet1

NDU_HR_EMPLOYEECOUNT - Employee Cnts by Business UnitAs of Date: **10/31/2007**[View Results](#)Download results in : [Excel Spreadsheet](#) [CSV Text File](#) (7 kb)

View All

First [1-13 of 13](#) Last

	Unit	Faculty FT	Faculty PT	Non- Broadband FT	Non- Broadband PT	Broadband FT	Broadband PT	Temp Instruct	Temp Non- Instruct	Student	Total
1	BSC01	110	4	32	0	128	4	157	129	117	681
2	DSU01	83	2	14	3	121	11	137	19	294	684
3	LRSC1	25	12	6	0	45	9	107	70	75	349
4	MASU1	41	2	7	0	91	9	16	34	202	402
5	MISU1	169	11	39	1	187	25	69	127	553	1181
6	MISUB	22	2	2	0	34	3	31	17	43	154
7	NDSCS	123	9	21	0	176	5	108	94	254	790
8	NDSU1	482	114	354	37	1273	124	392	1078	1844	5698
9	NDUSO	0	0	10	0	12	0	0	0	0	22
10	UNDD1	623	84	245	28	1642	112	626	912	2009	6281
11	VCSU1	55	0	11	1	87	6	21	0	197	378
12	WSC01	33	6	4	1	37	9	73	7	42	212
13	~ TOT	1766	246	745	71	3833	317	1737	2487	5630	16832

**NORTH DAKOTA UNIVERSITY SYSTEM
FINANCIAL REVIEW
Fiscal Year Ending 2009 (with trends since FY 2006)
Prepared in May 2010**

As with any large business organization governed by a board, it is essential that the board members know the financial strength of the organization. This information is important to have in order to make informed decisions. The central purpose and use of the information in this report is to provide the board with a financial analysis of each institution which is needed to assist the board in fulfilling its fiduciary responsibilities. In addition, to this report a separate budget status report is regularly presented which discloses significant revenue and expenditure variances, deficits, and pending lawsuits.

The purpose of this financial review is to gain an understanding of the financial health of each institution, based on year-end financial statements as of June 30, 2009 and to identify trends that are occurring over a period of time (FY2006 thru FY2009). It is not the intent of the Ratio Analysis section of this report to compare ratios of one institution to the ratios of another, but rather to compare each institution to the identified industry standard. These are general industry standards and not specific to just higher education. However, they do provide a good benchmark to measure financial performance. **In addition, it is important to note that individual ratio results do not stand on their own; rather, the results of all the ratios and trends over time should be viewed together when considering the financial health of the institution.**

In order to distinguish between financial statement position and funding adequacy, a Funding Analysis section (pages 12–13) is included in this report. NDUS institutions are funded, on average, at 54 percent of their peers based on state and local appropriations. Nationally, although ND ranks very high in state per capita funding for higher education, ND ranks 40 out of 50 in state/local appropriations funding per FTE student. It is important to point out that institutions can be financially stable despite being less well funded than their counterparts. This is largely due to good fiscal management; however, there is a limit to how far resources can be stretched. Some long-term consequences of limited resources are deferred maintenance and faculty and staff salaries, which lag comparators. Even in light of their funding challenges, this report suggests that ND institutions are well managed and most are financially stable.

NDUS Financial Review
FY 2009

Viability Ratio

This ratio measures the ability to retire long-term debt using current resources. It is calculated by comparing combined unrestricted net assets and net assets restricted for debt service to total long-term debt (bonds, notes and capital leases). A ratio of greater than 1.0 is good and a ratio of less than .3 is of concern.

The following table shows the viability ratio for each institution for the current fiscal year and three previous fiscal years:

VIABILITY RATIO				
Institution	FY 2009	FY 2008	FY 2007	FY 2006
DSU	7.8	3.8	2.3	2.0
NDSCS	2.9	2.2	1.9	1.7
MiSU	2.7	2.2	1.7	1.3
LRSC	1.8	1.5	1.5	1.1
WSC	1.2	1.5	.9	1
DCB	1.0	1.1	1.2	.5
VCSU	.7	.5	.5	.4
BSC	.7	.5	.4	.7
Total NDUS	.6	.6	.6	.5
UND	.5	.5	.5	.4
NDSU	.4	.5	.5	.5
MaSU	.3	.3	.2	.1

Five of the eleven institutions have a viability ratio of less than 1.0. The ratio increased for nine of the institutions in FY 2009 as a result of long-term debt retired during the year and an increase in net assets available for debt service. The ratio for the NDUS, as a whole, is still below industry standard of 1.0 which is good.

BSC added debt in FY 2006 for the construction of Lidstrom Hall which became operational in FY 2009 and nearly \$4.0 million of debt was prepaid on the National Energy Center of Excellence building. Improvement in this ratio will continue as long-term debt is repaid. In FY 2009, MaSU incurred debt of \$2.1 million for the construction of the coal plant that was completed in February 2010. Although MaSU's ratios remain a concern, they have rebounded some as a result of steps taken beginning in FY 2006 to improve their financial condition.

NDUS Financial Review
FY 2009

Primary Reserve Ratio

This ratio measures the ability to operate at current levels without future revenues. It is calculated by comparing combined unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern.

The following table shows the primary reserve ratio for each institution for the current fiscal year and three previous fiscal years:

PRIMARY RESERVE RATIO				
Institution	FY 2009	FY 2008	FY 2007	FY 2006
MISU	.6	.5	.5	.4
DSU	.4	.5	.4	.3
LRSC	.3	.3	.4	.4
NDSCS	.3	.3	.3	.3
UND	.3	.3	.3	.3
Total NDUS	.3	.3	.3	.3
NDSU	.2	.3	.3	.3
VCSU	.2	.2	.3	.3
BSC	.2	.2	.2	.2
MaSU	.2	.2	.1	.1
WSC	.1	.2	.2	.1
DCB	.1	.2	.2	.1

The primary reserve ratio is good for all campuses and has remained stable over the last several years. As a result, the total NDUS ratio remains good.

NDUS Financial Review
FY 2009

Current Ratio

This ratio measures the ability to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of long-term debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern.

The following table shows the current ratio for each institution for the current fiscal year and three previous fiscal years:

CURRENT RATIO				
Institution	FY 2009	FY 2008	FY 2007	FY 2006
MISU	6.1	5.2	5.2	3.3
DSU	4.5	8.0	6.2	4.1
NDSCS	4.0	4.5	4.4	4.9
LRSC	3.7	3.5	4.4	3.5
NDSU	2.9	3.1	2.5	3.1
Total NDUS	2.7	3.1	3.0	3.0
DCB	2.6	3.5	5.3	2.2
VCSU	2.5	2.5	3.0	3.5
BSC	2.3	2.2	2.6	2.4
UND	2.2	2.8	2.6	2.9
WSC	1.9	2.3	2.7	2.0
MaSU	0.9	1.6	1.3	1.2

The current ratio for most of the institutions is good; it increased at four of the eleven institutions since FY 2006 (MISU, DSU, LRSC and DCB). MaSU's short term liability of \$2.1 million related to the coal plant will be converted to a long term liability after the plant's completion. Excluding this debt from short term liabilities, MaSU's current ratio would have been 2.0.

NDUS Financial Review
FY 2009

Working Capital Ratio

This ratio measures the ability to sustain operations in a short-term emergency situation (4-6 weeks). The ratio compares working capital (current assets less current liabilities) to total operating expenses, converted into weeks. While no industry standard is available, professional judgment suggests that an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency.

The following table shows the working capital ratio for each institution for the current fiscal year and three previous fiscal years:

WORKING CAPITAL RATIO				
Institution	FY 2009	FY 2008	FY 2007	FY 2006
MISU	25.7	24.6	20.6	15.9
DSU	20.5	22.1	17.3	15.4
LRSC	15.0	13.8	17.3	15.7
NDSCS	13.2	12.3	12.3	13.0
Total NDUS	9.4	11.1	9.8	10.1
VCSU	9.3	9.3	10.9	10.5
NDSU	8.9	9.6	7.2	9.3
BSC	8.2	9.8	9.8	8.2
UND	7.1	10.3	9.9	9.9
WSC	5.4	7.2	7.9	4.2
DCB	5.3	7.0	8.8	4.5
MaSU	0.0	4.2	2.3	1.4

Most of the institutions have good or very good working capital reserves. MaSU's ratio increased in 2007 and 2008 but declined significantly in 2009. MaSU's short term liability of \$2.1 million which is related to the coal plant will be converted to a long term liability after the plant's completion. Excluding this debt from short term liabilities, MaSU's working capital ratio would have been 6.4. WSC had little working capital in 2006 and has improved since that time. MISU's and DSU's ratios have improved significantly since FY2006.

NDUS Financial Review
FY 2009

Operating Income Margin

This ratio measures current year financial results. The ratio is calculated by comparing combined operating and nonoperating net income (before capital gifts and grants) to total combined operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired and indicates the institution is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the institution is adding to reserves.

The following table shows the operating income margin for each institution for the current fiscal year and three previous fiscal years:

Operating Income Margin				
Institution	FY 2009	FY 2008	FY 2007	FY 2006
WSC	5.0%	1.1%	-0.6%	3.0%
MISU	0.9%	3.8%	4.9%	-1.4%
Total NDUS	0.1%	0.5%	2.9%	3.1%
LRSC	0.0%	-3.7%	0.4%	1.2%
DSU	-0.2%	1.5%	1.7%	-3.0%
BSC	-0.4%	1.7%	2.1%	1.1%
UND	-0.5%	-0.3%	1.5%	0.9%
NDSU	-0.9%	0.1%	3.5%	4.1%
MaSU	-1.9%	0.3%	0.8%	2.2%
DCB	-2.2%	-3.7%	-0.2%	-3.8%
NDSCS	-3.4%	3.1%	-2.8%	2.9%
VCSU	-3.8%	-6.3%	-3.4%	6.2%

Eight institutions have an operating income margin below zero, which means they spent more to operate in 2009 than they earned from operations in 2009. A negative margin for one year could be due to timing issues or one-time events. Several years of a ratio of zero or less is of concern. Institutions with a ratio of zero or less for two or more consecutive years such as LRSC, UND, NDSCS, DCB and VCSU should be closely monitored.

NDUS Financial Review
FY 2009

Net Income Margin

This ratio measures an institution's financial status in terms of current year operations. The ratio is calculated by dividing the current year's increase in net assets by total revenues. A positive net income margin indicates that the institution experienced a net increase in current year fund balances. A negative net income margin results when an institution's current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or creating deficit spending.

Net Income Margin				
Institution	FY 2009	FY 2008	FY 2007	FY 2006
BSC	14%	1%	3%	2%
DSU	14%	9%	12%	4%
WSC	9%	13%	5%	6%
MiSU	7%	6%	5%	0%
VCSU	5%	4%	2%	9%
MaSU	5%	7%	2%	0%
NDSCS	3%	2%	0%	5%
Total NDUS	3%	2%	4%	4%
NDSU	2%	2%	4%	5%
LRSC	1%	-3%	2%	4%
UND	1%	2%	2%	3%
DCB	-1%	1%	31%	5%

All institutions with the exception of DCB had a positive net income margin. A negative margin for one year could be due to timing issues or one-time events. Several years of a negative margin is of concern. Since FY2006, there are no institutions with a negative net income margin for more than one year.

NDUS Financial Review
FY 2009

Trend: Change in net liquid assets less current liabilities (2006 to 2009)

This calculation measures the change in ability to meet current obligations over time. It is the percentage change from June 30, 2006 to June 30, 2009 between liquid assets (cash, current investments and current receivables) and current liabilities. A positive percentage change is desirable as it indicates improvement over time in an institution's ability to meet current obligations. A negative percentage change indicates decline in ability over time to meet current obligations.

The following table shows the percentage change in net liquid assets for each institution from FY 2006 to FY 2009 and the dollar amount of net liquid assets for the current fiscal year and three previous fiscal years:

Institution	Net Liquid Assets				
	Trend % Change FY 2006- 2009	Ending Balance (in millions)			
		FY 2009	FY 2008	FY 2007	FY 2006
WSC	160%	\$0.9	\$1.0	\$1.1	\$0.3
MISU	96%	\$21.1	\$19.3	\$16.5	\$10.8
DSU	73%	\$10.7	\$10.8	\$7.9	\$6.2
DCB	49%	\$0.5	\$0.6	\$0.8	\$0.4
BSC	39%	\$4.4	\$5.0	\$4.4	\$3.2
NDSCS	17%	\$9.1	\$8.5	\$7.7	\$7.8
NDSU	16%	\$51.2	\$51.4	\$35.0	\$44.1
LRSC	13%	\$2.9	\$2.7	\$2.9	\$2.6
Total NDUS	13%	\$149.1	\$166.2	\$135.2	\$131.5
VCSU	0%	\$2.7	\$2.6	\$2.9	\$2.7
UND	-15%	\$44.9	\$61.6	\$55.4	\$52.9
MASU	-1,121%	\$-0.8	\$0.8	\$0.3	\$0.1

The change in net liquid assets coupled with the current ratio gives an indication of change in financial liquidity from one year to another. All institutions, with the exception of UND, MaSU and VCSU had an increase in net liquid assets since FY 2006. MaSU's short term liability of \$2.1 million related to the coal plant will be converted to a long term liability after the plant's completion in February 2010. Excluding this debt, MaSU's net liquid assets would have been \$1.3 million; an increase of 1,572 percent since 2006. Although UND's net liquid assets declined 15 percent in since 2006, it is not a concern at this point in time because their current ratio and working capital ratio are both good.

NDUS Financial Review
FY 2009

Trend: Change in long-term liabilities (2006-2009)

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. A negative change indicates the institution retired more debt than it added over the three-year period. A positive change indicates the institution added more debt than it retired.

The following table shows the percentage change in long-term liabilities for each institution from FY 2006 to FY 2009 and the dollar amount of long-term liabilities at year end and for the three previous fiscal years:

Long-term Liabilities					
Institution	Trend	Ending Balance (in millions)			
	% Change FY 2006-2009	FY 2009	FY 2008	FY 2007	FY 2006
DSU	-64%	\$1.2	\$2.6	\$3.0	\$3.4
NDSCS	-34%	\$2.6	\$3.2	\$3.6	\$3.9
DCB	-28%	\$0.4	\$0.5	\$0.5	\$0.6
WSC	-26%	\$0.8	\$0.7	\$0.9	\$1.1
MISU	-25%	\$7.0	\$8.3	\$8.9	\$9.4
LRSC	-22%	\$1.6	\$1.7	\$1.9	\$2.0
VCSU	-13%	\$4.1	\$4.3	\$4.4	\$4.7
UND	-1%	\$115.8	\$109.9	\$112.4	\$116.3
Total NDUS	10%	\$284.2	\$275.7	\$267.3	\$272.6
NDSU	19%	\$127.5	\$117.3	\$107.9	\$107.0
BSC	25%	\$8.2	\$12.6	\$12.7	\$6.6
MASU	31%	\$6.1	\$4.4	\$4.6	\$4.7

This calculation, coupled with the viability ratio indicates an institution's ability to service debt over time. Institutions with a viability ratio of less than 1.0, coupled with a large increase in long-term debt, are NDSU, BSC and MaSU. BSC had a 25 percent increase in long-term debt since 2006, due to the addition of a \$1.4 million capital lease for the Mechanical Maintenance Building in Mandan and a \$5.0 million capital lease for the NECE building. In FY 2009, BSC prepaid \$3.889 million of the capital lease on the NECE building. This prepayment, along with regular bond payments, reduced long-term debt by 35 percent from FY 2008 to FY 2009. However, with a viability ratio of less than 1.0, BSC should remain cautious about adding new debt in the near future. NDSU's increase is mostly attributed to the long term capital lease of Barry Hall. In FY 2009, MaSU incurred debt of \$2.1 million for the construction of the coal plant that was completed in February 2010.

NDUS Financial Review
FY 2009

Trend: Change in Fall FTE enrollment (2006-2009)

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009, including all credit on-campus and distance learning students.

The following table shows the percentage change for each institution in Fall FTE enrollment from FY 2006 to FY 2009 and the FTE enrollment numbers for the current fiscal year and three previous fiscal years:

Fall FTE Enrollment					
Institution	Trend	Enrollment*			
	% Change FY 2006- 2009	2009	2008	2007	2006
DCB	23%	490	440	402	399
BSC	19%	3,160	2,937	2,792	2,651
LRSC	16%	868	784	764	750
NDSU	15%	12,577	11,794	11,221	10,890
DSU	6%	2,187	2,294	2,158	2,059
Total NDUS	6%	37,564	36,096	35,075	35,373
MASU	2%	662	563	586	652
UND	-1%	11,306	11,137	10,967	11,381
VCSU	-1%	833	823	807	844
MISU	-3%	2,832	2,720	2,730	2,928
NDSCS	-4%	2,076	2,041	2,097	2,171
WSC	-12%	573	562	551	648

*As re-defined, Aug. 2006 based on 15 credit hours.

Overall, the NDUS saw an increase in FTE enrollment since Fall 2006 of 6 percent. Four of the institutions (DCB, BSC, LRSC and NDSU) had increased enrollment in each of the last three consecutive years. Occasional declines in enrollment are not unusual, but several consecutive years of declining enrollment is noteworthy. Institutions with two or more consecutive years of declining enrollment since 2006 include: MaSU, MiSU and NDSCS. All three of these campuses experienced increases in enrollment when compared to FY2008.

NDUS Financial Review
FY 2009

Trend: Change in On Campus and Distance Learning enrollment (2006-2009)

The following tables show the percentage change for each institution in Fall On Campus and Distance Learning enrollment from FY 2006 to FY 2009 and the FTE enrollment numbers for the current fiscal year and three previous fiscal years:

Fall On Campus Enrollment*					
Institution	Trend	Enrollment			
	% Change FY 2006- 2009	2009	2008	2007	2006
MASU	15%	672	492	519	585
NDSU	13%	13,602	12,847	12,226	12,002
DCB	12%	342	325	323	306
BSC	10%	2,649	2,471	not available ¹	2,400
WSC	4%	524	402	419	503
Total NDUS	3%	36,402	35,093	32,143	35,255
DSU	0%	2,111	2,111	2,136	2,104
MISU	-2%	2,595	2,492	2,512	2,647
UND	-4%	11,207	11,208	11,113	11,630
VCSU	-7%	716	721	726	774
NDSCS	-13%	1,636	1,645	1,774	1,883
LRSC	-17%	348	379	395	421

*May include students who are simultaneously enrolled in both on campus and distance learning methods.

¹Not available due to problems with coding combination courses.

Fall Distance Learning Enrollment*					
Institution	Trend	Enrollment			
	% Change FY 2006- 2009	2009	2008	2007	2006
NDSU	129%	587	382	301	256
NDSCS	67%	1,015	900	643	607
UND	63%	1,965	1,540	1,446	1,204
VCSU	40%	367	298	256	263
DSU	40%	656	619	534	468
DCB	36%	406	330	314	299
Total NDUS	35%	9,415	8,349	9,684	6,982
BSC	27%	1,371	1,317	not available ¹	1,077
LRSC	25%	1,354	1,278	1,125	1,087
WSC	4%	425	448	312	409
MISU	-1%	1,054	940	912	1,065
MASU	-13%	215	297	250	247

*Includes students who are enrolled in distance learning only.

¹Not available due to problems with coding combination courses.

NDUS Financial Review
FY 2009

Discounts as a percentage of tuition

This calculation measures the dollar amount of discounts granted as a percentage of gross tuition and fee revenue. The higher the percentage, the more the institution is forgoing revenues.

The following table shows discounts for each institution as a percentage of tuition for the current fiscal year and three previous fiscal years:

Discounts as a Percentage of Tuition				
Institution	FY 2009	FY 2008	FY 2007	FY 2006
BSC	1.1%	1.0%	1.1%	1.5%
DCB	2.8%	3.0%	3.5%	2.6%
WSC	3.2%	4.2%	3.9%	3.5%
LRSC	5.1%	5.2%	4.3%	3.0%
MASU	5.8%	4.0%	5.0%	9.9%
UND	6.8%	6.7%	8.0%	8.4%
NDSCS	7.3%	5.7%	7.0%	6.0%
MISU	7.5%	7.4%	7.4%	6.8%
VCSU	8.0%	8.1%	8.1%	8.5%
Total NDUS	9.5%	9.1%	9.3%	9.4%
NDSU	13.6%	13.2%	12.1%	12.9%
DSU	23.0%	21.1%	19.3%	16.5%

FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. While the dollar amount of discounts increased 23 percent, total discounts as a percentage of tuition increased by only .1 percent. Therefore, the dollar increase in discounts corresponds to the dollar increase in tuition over the three-year period, rather than the result of an increase in the number of discounts.

Six of the institutions (DCB, LRSC, NDSCS, MISU, NDSU and DSU) had an increase while five institutions (BSC, WSC, MaSU, UND and VCSU) had a decrease in the amount of discounts granted as a percent of tuition since FY 2006. DSU had the largest increase — from 16.5 percent in FY 2006 to 23.0 percent in FY 2009. MaSU's discounts were down from 9.9 percent in FY 2006 to 5.8 percent in FY 2009 as planned.

It should be noted that many of the discounts are partial discounts to reduce the "published" tuition rate. At some campuses, this discount practice is not necessary as the SBHE approved special tuition rates at select campuses. For example, some campuses charge the resident rate to all students, regardless of residency status. Others have a published higher non-resident rate, but use discounts to lower this rate, but generally not less than the resident rate.

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Deferred Maintenance as a percentage of plant value

This calculation measures the value of deferred maintenance of state facilities and infrastructure (excluding auxiliary buildings and infrastructure) compared to respective plant replacement values.

The following table shows deferred maintenance for each institution as a percentage of plant replacement values as of March 2009 and as of March of three prior years:

Deferred Maintenance as a Percentage of Plant Value				
Institution	2010	2008	2006	2004
LRSC	2%	3%	3%	1%
DCB	3%	5%	5%	15%
BSC	3%	5%	5%	5%
MISU	3%	3%	11%	10%
NDSCS	4%	5%	5%	6%
UND	7%	9%	9%	7%
NDSU	8%	10%	10%	11%
WSC	8%	1%	1%	7%
Total NDUS	8%	10%	10%	10%
VCSU	15%	15%	15%	25%
DSU	16%	17%	17%	24%
MASU	22%	29%	29%	39%

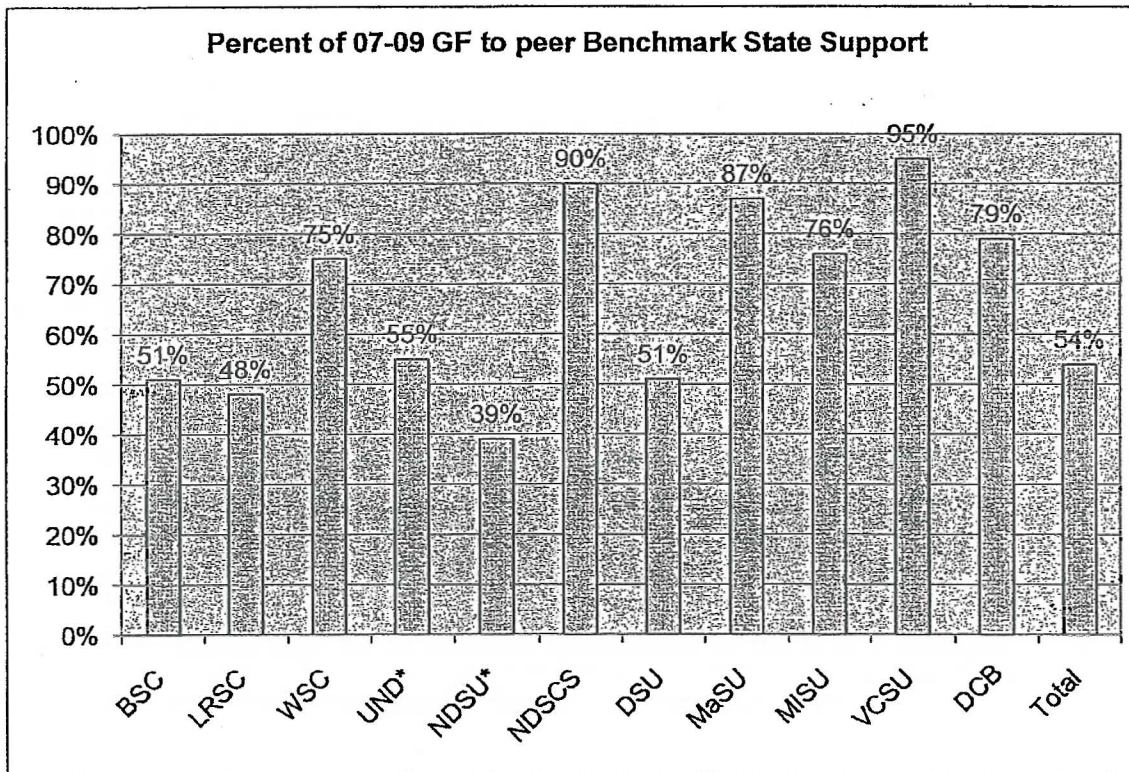
System-wide deferred maintenance on state funded facilities and infrastructure in March 2009 totaled \$109.3 million dollars. Four institutions have a deferred maintenance ratio above the system average; eight institutions had a decrease since 2004.

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FUNDING ANALYSIS

Peer Funding Comparison

Data from the NDUS Resource Allocation Model indicates NDUS institutions are funded with state and local appropriations on average at about 54 percent of their peers



*UND includes med school, NDSU excludes Ag
Data Source NDUS Resource Allocation Model

NDUS Financial Review FY 2009

National per FTE Funding Comparison

Funding per FTE for the public institutions of higher education in North Dakota are well below that of public institutions in other states.

FY 2009 Total Educational Revenue per FTE - Public Institutions of Higher Ed			
Total Educational Revenues Per FTE*		Educational Appropriations (State/Local) Per FTE*	
1 Wyoming	17460	1 Wyoming	15391
2 Alaska	17317	2 Alaska	12962
3 Delaware	15084	3 Idaho	9255
4 New Jersey	14696	4 Hawaii	8849
5 Maryland	14640	5 North Carolina	8844
6 Vermont	14326	6 Oklahoma	8797
7 Maine	14252	7 Nevada	8781
8 Connecticut	13974	8 Georgia	8765
9 Pennsylvania	13679	9 New Mexico	8359
10 Rhode Island	13562	10 Connecticut	8317
11 Oklahoma	13457	11 New York	8238
12 Alabama	13255	12 Texas	8171
13 Kentucky	13184	13 Alabama	8102
14 Michigan	13059	14 Maryland	8100
15 Texas	12327	15 Louisiana	8092
16 Arkansas	12033	16 Kentucky	7969
17 West Virginia	12032	17 Arkansas	7955
18 Idaho	11857	18 Tennessee	7901
19 Hawaii	11819	19 Illinois	7777
20 North Dakota	11812	20 New Jersey	7481
21 New York	11795	21 Mississippi	7316
22 Arizona	11759	22 Arizona	7301
23 Tennessee	11756	23 Nebraska	7048
24 Iowa	11546	24 California	6899
25 Mississippi	11394	25 Maine	6756
26 Virginia	11355	26 Florida	6564
27 Illinois	11297	27 Wisconsin	6534
28 Nevada	11290	28 Washington	6483
29 Minnesota	11243	29 West Virginia	6433
30 North Carolina	11239	30 Minnesota	6161
31 Nebraska	10866	31 Utah	6103
32 Georgia	10821	32 Missouri	6084
33 South Carolina	10801	33 Iowa	5905
34 New Hampshire	10750	34 Virginia	5702
35 Louisiana	10616	35 South Carolina	5700
36 Wisconsin	10397	36 Delaware	5695
37 Missouri	10272	37 Kansas	5591
38 New Mexico	10185	38 Massachusetts	5591
39 Ohio	10133	39 Pennsylvania	5542
40 Massachusetts	10113	40 North Dakota	5476
41 Indiana	10102	41 Michigan	5365
42 Kansas	9677	42 Oregon	5020
43 Oregon	9447	43 Ohio	4858
44 Utah	9348	44 Rhode Island	4763
45 Colorado	9029	45 Indiana	4752
46 Florida	8872	46 Montana	4465
47 Montana	8852	47 Colorado	3929
48 Washington	8757	48 South Dakota	3927
49 South Dakota	8660	49 New Hampshire	3131
50 California	8426	50 Vermont	2654
US Average	10998	US Average	6928

*Excluding Ag research, extension and med school funding.
Source SHEEO Data

NDUS Financial Review
FY 2009

SUMMARY BY INSTITUTION

BSC

BSC's overall financial position remains good. The viability ratio, primary reserve ratio, current ratio and working capital ratio remained at about the same levels since 2006. Long-term debt increased 25 percent, due to the addition of a \$1.4 million capital lease for the Mechanical Maintenance Building and a \$5.0 million capital lease for the NECE building. In FY 2009, BSC prepaid \$3.889 million of the capital lease on the NECE building. This prepayment, along with regular bond payments, reduced long-term debt by 35 percent from FY 2008 to FY 2009. Enrollments have exceeded record levels since 2007. On campus enrollment increased 10 percent since 2006 while distance learning enrollment increased 27 percent. Net assets increased for each of the last four years. Deferred maintenance as a percentage of plant value decreased and discounts as a percentage of tuition remain the lowest in the system.

DSU

DSU's financial position remains very sound. The viability ratio, primary reserve ratio, current ratio and working capital ratio all increased since 2006 and long-term debt decreased. Enrollments decreased slightly in FY2009. Distance learning enrollment increased significantly since 2006 while on campus enrollment remained stable. Although the operating income margin was negative for two of the last four years, it has been positive the other two. Deferred maintenance is a continuing challenge.

LRSC

LRSC's overall financial position is sound. Reserves are good, liquidity is strong, debt remains at a manageable level and enrollment increased. Although on campus enrollment has been decreasing, distance learning enrollment increased for each of the last four years. Since FY 2006, long-term debt decreased by 22 percent and the viability ratio has steadily improved.

MaSU

At June 30, 2009 the financial condition of MaSU remains a concern; although some progress has been made since implementing a financial management plan in FY 2006. Improvements were made in the primary reserve ratio and enrollments increased in FY 2009. Deferred maintenance continues to be a concern and MaSU's overall financial condition should continue to be closely monitored.

MiSU

MiSU's financial position is sound. None of the ratios indicate any concerns at this point. Reserves are good and liquidity is strong. Declining enrollment is a concern but the fiscal impact of the enrollment decline appears to be managed at this time.

DCB

DCB financial condition improved considerably since FY 2006. Liquidity improved and long term debt decreased substantially. FY 2009 enrollment increased 23 percent from 2006 with both on campus and distance learning enrollment increasing. The negative net operating income and net income margins continue to be a concern and DCB's financial position should continue to be carefully monitored. Please note that on August 1, 2009, MiSU-B changed its name to Dakota College of Bottineau.

NDUS Financial Review
FY 2009

NDSCS

NDSCS's financial position is sound. Reserves and liquidity are strong and long term debt decreased considerably since FY 2006. Net liquid assets are increasing. Total FTE enrollment increased slightly. On campus enrollment continues to decline but distance learning enrollment has increased significantly. None of the ratios indicate any concerns at this point; however, it should be noted that NDSCS had negative operating income for the last three years.

NDSU

NDSU's financial position is sound. Although the viability ratio remains marginal, liquidity remains strong and reserves are stable. Enrollment continues to increase in both on campus and distance learning. NDSU received a recent (2009) Moody's rating of A1 (upper-medium-grade), with a stable outlook. Long term liabilities increased 19 percent since FY 2006 and the impact of issuing additional debt should be carefully evaluated.

UND

UND's overall financial position is good; the majority of the ratios remained stable or improved slightly since 2006. The viability ratio, a result of increased long-term debt improved slightly as debt service revenue on new projects is collected. Total FTE enrollment is down slightly with on campus enrollment decreasing 4 percent while distance learning increased 63 percent since 2006.

VCSU

VCSU's viability and primary reserve ratios improved since FY 2006 and liquidity is strong. Long term debt has also decreased. VCSU had net operating losses in the last three years which in part can be attributed to a \$1 million Center of Excellence Grant that was recorded as revenue in FY 2006. This influx of revenue is causing some distortion in the ratios due to the fact that the grant is being spent over four years with no new revenue coming in. Total FTE enrollment decreased slightly since 2006 with on campus enrollment down 7 percent and distance learning enrollment up 40 percent. In light of declining enrollments over the past four years and the net operating losses, the impact of issuing additional debt in the future should be carefully evaluated.

WSC

In FY 2006, WSC took proactive steps to improve their financial status. Significant improvements have been made since FY 2006. Liquidity is good and long term debt decreased significantly. Reserves and net assets increased and operating income was positive in FY 2009. Enrollment declined 12 percent from FY 2006 and although it increased slightly every year since FY 2007, it continues to be a concern and WSC's financial condition should continue to be closely monitored.

BSC Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: BSC is .7*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. BSC's ratio was marginal at .7 and is up from .5 at June 30, 2008. Lidstrom Hall has become operational and nearly \$4 million of debt has been prepaid on the NECE. Improvement in this ratio will continue as long-term debt is repaid.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: BSC is .2*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. BSC's ratio was .2, which is good.

Current Ratio – *Greater than 2 is good, less than 1 is concern: BSC is 2.3*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7. BSC's ratio was 2.3, which is good.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: BSC is 8.2*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. BSC has working capital to cover operating expenses for about 8 weeks if an emergency event should occur, which is good.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: BSC is -0.4%*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was 0.1 percent. BSC's margin was (0.4) percent. A slightly negative margin can be due to timing issues or one-time events, and is not of concern. The upswing in the operating income margin from fiscal year 2005 to 2008 was a result of increased tuition revenue from enrollment growth, much of which had been reserved for future needs. The use of some of these carryover funds for one-time operating expenses explains the slightly negative margin for

fiscal year 2009. The expenses have no offsetting income because the revenue was recorded in a prior year.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: BSC is 14%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by current year total revenues. A negative net income margin results when an institution's increase current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. BSC's ratio of 14 percent is very good.

Change in net liquid assets – *Positive % is good, negative % is concern: BSC is 39%*

This calculation measures the change in the ability of the campus to meet current obligations from one fiscal year to another. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2006 calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campus's ability to meet current obligations is improving over time. A negative change indicates the campus's ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net current assets since 2006 by 20 percent. BSC's net current assets increased 39 percent also, which is very good. Combined with the good current ratio and working capital ratio, BSC's liquidity remains strong.

Change in long-term debt – *Small increase ok, large increase is concern: BSC is 25%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has increased long-term debt by 10 percent since 2006. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time. BSC had a 25 percent increase in long-term debt since 2006, due to the addition of the following:

- \$1.4 million capital lease for the Mechanical Maintenance Building in Mandan
- \$5.0 million capital lease for the NECE building

In FY 2009, BSC prepaid \$3.889 million of the capital lease on the NECE building. This prepayment, along with regular bond payments, reduced long-term debt by 35 percent from FY 2008 to FY 2009. However, with a viability ratio of less than 1.0, BSC should remain cautious about adding new debt in the near future.

Change in FTE enrollment – *Positive preferred, negative may be a concern: BSC is 19%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the

NDUS saw a 6 percent increase in FTE enrollment since fall 2006. BSC experienced record enrollments each year since Fall 2007.

On-Campus enrollment vs Distance Ed enrollment – *BSC on-campus enrollment is 66% and distance learning is 34%.*

This calculation measures the percentage of on-campus enrollment compared to enrollment headcount that receives instruction solely through distance learning methods such as face-to-face off campus, e-learning and correspondence courses. On-campus enrollment may include students who are enrolled in both face-to-face on campus courses and distance learning. The on-campus enrollment is obtained the face-to-face on campus enrollment in table 9 of the Fall 2009 enrollment report. The distance ed enrollment is obtained by subtracting the face-to-face on campus enrollment from the total campus enrollment reported in table 9 of the Fall 2009 enrollment report. In 2009, on-campus enrollment made up 66 percent of total enrollment while distance ed enrollment comprised 34 percent of total enrollment. Overall, NDUS on-campus enrollment and distance ed enrollment made up 79 percent and 21 percent, respectively of the NDUS total enrollment. BSC's distance learning enrollment increased 27 percent since 2006 while on-campus enrollment increased 10 percent for the same time period. Overall, NDUS distance learning increased 35 percent while on-campus enrollment increased 3 percent.

Tuition discounts as a percent of gross tuition and fee revenue – *NDUS campus total is 9.5%: BSC is 1.1%*

This calculation measures the dollar amount of discounts granted in relation to overall tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in tuition revenues. FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. BSC's discounts as a percent of tuition have decreased from 1.5 percent to 1.1 percent, remaining well below the other campuses.

Deferred Maintenance as a percent of plant value – *NDUS average is 7.5%: BSC is 3.4%*

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). BSC's deferred maintenance at 3.4 percent is below the system average, due to the younger age of their buildings and infrastructure. Aging facilities require ongoing repairs and improvements, which continue to deplete resources that could be available for other campus needs.

Summary

BSC's overall financial position remains good. Enrollment continues to rise, deferred maintenance as a percentage of plant value has decreased and tuition waivers as a percentage of tuition revenue remain the lowest in the system. Additionally, the viability ratio and current ratio have improved over June 30, 2008 and 35 percent of long-term debt was repaid in FY 2009.

DCB Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules. Please note that on August 1, 2009, MiSU-B changed its name to Dakota College of Bottineau.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: DCB is 1.0*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. DCB's ratio of 1.0 is good and is up from FY 2006.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: DCB is .1*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. DCB's ratio at .1 is good.

Current Ratio – *Greater than 2 is good, less than 1 is concern: DCB is 2.6*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7. DCB's ratio at 2.6 is good, and is up from FY 2006.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: DCB is 5.3*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. DCB has working capital to cover operating expenses for about 5 weeks if an emergency event should occur, which is good and has improved from FY 2006.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: DCB is -2.2%*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was 0.1 percent. DCB's margin was -2.2 percent, which means they spent more to operate in 2009 than they earned for operations in 2009. DCB's ratio has been negative the last six years and continues to be a concern.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: DCB is -1%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by current year total revenues. A negative net income margin results when an institution's increase current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. DCB's ratio of -1percent is **a cause for concern.**

Change in net liquid assets – *Positive % is good, negative % is concern: DCB is 49%*

This calculation measures the change in the ability of the campus to meet current obligations from one fiscal year to another. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2006 calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campuses ability to meet current obligations is improving over time. A negative change indicates the campuses ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net current assets since 2006 by 14 percent. DCB's increase of 49 percent since 2006 is **good.**

Change in long-term debt – *Small increase ok, large increase is concern: DCB is -28%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has decreased long-term debt by 10 percent since 2006. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time. No additional debt has been added since 2006, and all debt payments have been made as scheduled.

Change in FTE enrollment – *DCB is 23%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the NDUS saw a 6 percent increase in FTE enrollment since Fall 2006. DCB's FTE enrollment has increased over the prior years.

On-Campus enrollment vs Distance Ed enrollment – *DCB on-campus enrollment is 46% and distance learning is 54%.*

This calculation measures the percentage of on-campus enrollment compared to enrollment headcount that receives instruction solely through distance learning methods such as face-to-face off campus, e-learning and correspondence courses. On-campus enrollment may include students who are enrolled in both face-to-face on campus courses and distance learning. The on-campus enrollment is obtained the face-to-face on campus enrollment in table 9 of the Fall 2009 enrollment report. The distance ed enrollment is obtained by subtracting the face-to-face on campus enrollment from the total campus enrollment reported in table 9 of the Fall 2009 enrollment report. In 2009, on-campus enrollment made up 46% of total enrollment while distance ed enrollment comprised

54% of total enrollment. Overall, NDUS on-campus enrollment and distance ed enrollment made up 79 percent and 21 percent, respectively of the NDUS total enrollment. DCB's distance learning enrollment increased 36 percent since 2006 while on-campus enrollment increased 12 percent. Overall, NDUS distance learning increased 35 percent while on-campus enrollment increased 3%.

Tuition discounts as a percent of gross tuition revenue and fees – NDUS campus total is 9.5%: DCB is 2.8%

This calculation measures the dollar amount of discounts granted in relation to overall tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in tuition revenues. FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. DCB's discounts as a percent of tuition have remained around 3% to 3.5% since 2006 and remain below the system average.

Deferred Maintenance as a percent of plant value – NDUS average is 7.5%: DCB is 3.3%

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). DCB's deferred maintenance at 3.3 percent is below the system average, due to a recently completed renovation project. Aging facilities require ongoing repairs and improvements, which continually take a backseat to funding more pressing current operational needs, especially in times of dwindling resources.

Summary

Prior to FY 2007 DCB's financial position had progressively declined and was of concern. Steps taken by DCB in FY 2007 have helped to improve their financial position considerably. Although FY 2009 ratios are down slightly from FY 2007 levels they are all in "good" status with the exception of the net operating income and net income margin. FY 2009 FTE enrollment is up 19 percent from 2008. The negative net operating income continues to be a concern and DCB's financial position will continue to be carefully monitored.

DSU Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: DSU is 7.8*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. DSU's ratio of 7.8 is good.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: DSU is .4*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. DSU's ratio of .4 is good.

Current Ratio – *Greater than 2 is good, less than 1 is concern: DSU is 4.5*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7. DSU's ratio of 4.5 is good.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: DSU is 20.5*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. DSU has working capital to cover operating expenses for about 20 weeks if an emergency event should occur, which is very good.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: DSU is -0.2%*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was 0.1 percent. DSU's margin was -.02 percent. DSU had a negative operating income margin in three of the last four years, but the amounts have been minimal. Several years of a ratio of zero or less is of concern.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: DSU is 14%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by current year total revenues. A negative net income margin results when an institution's increase current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. DSU's ratio of 14 percent is **very good**.

Change in net liquid assets – *Positive % is good, negative % is concern: DSU is 73%*

This calculation measures the change in the ability of the campus to meet current obligations over time. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2006 calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campus's ability to meet current obligations is improving over time. A negative change indicates the campus's ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net liquid assets since 2006 by 14 percent. DSU increased net liquid assets by 73 percent.

Change in long-term debt – *Small increase ok, large increase is concern: DSU is -64%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has increased long-term debt by 10 percent since 2006. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time. DSU's long-term debt has decreased 64 percent since 2006.

Change in FTE enrollment – *DSU is 6%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the NDUS saw a 6 percent increase in FTE enrollment since fall 2006. DSU's FTE enrollment has increased 2 percent since 2006.

On-Campus enrollment vs Distance Ed enrollment – *DSU on-campus enrollment is 76% and distance learning is 24%.*

This calculation measures the percentage of on-campus enrollment compared to enrollment headcount that receives instruction solely through distance learning methods such as face-to-face off campus, e-learning and correspondence courses. On-campus enrollment may include students who are enrolled in both face-to-face on campus courses and distance learning. The on-campus enrollment is obtained the face-to-face on campus enrollment in table 9 of the Fall 2009 enrollment report. The distance ed enrollment is obtained by subtracting the face-to-face on campus enrollment from the total campus enrollment reported in table 9 of the Fall 2009 enrollment report. In 2009, on-campus enrollment made up 76% of total enrollment while distance ed enrollment comprised 24% of total enrollment. Overall, NDUS on-campus enrollment and distance ed enrollment made up 79 percent and 21 percent, respectively of the NDUS total enrollment. DSU's distance learning

enrollment increased 40 percent since 2006 while on-campus enrollment was flat. Overall, NDUS distance learning increased 35 percent while on-campus enrollment increased 3%.

Tuition discounts as a percent of gross tuition revenue and fees – *NDUS campus total is 9.5%: DSU is 23.0%*

This calculation measures the dollar amount of discounts granted in relation to overall tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in tuition revenues. FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. DSU's discounts as a percent of tuition have increased from 16.5 percent in 2006 to 23.0 percent, and are the highest in the system.

Deferred Maintenance as a percent of plant value – *NDUS average is 7.5%: DSU is 15.6%*

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). At 15.6 percent, DSU's deferred maintenance is above the system average but has decreased some over the previous period.

Summary

DSU's financial position remains very sound. The viability ratio, the primary reserve ratio, the current ratio, and the working capital ratio have all increased from 2006 as long-term debt has decreased. Enrollments are increasing and although the operating income margin has been negative for three of the last four years it has been less than – 1.0 percent in two of those years. Deferred maintenance is a continuing challenge.

LRSC Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: LRSC is 1.8*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. LRSC's ratio of 1.8 is good, and up from 1.1 at June 30, 2006.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: LRSC is .3*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. LRSC's ratio of .3 is good.

Current Ratio – *Greater than 2 is good, less than 1 is concern: LRSC is 3.7*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7 LRSC's ratio of 3.7 is good.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: LRSC is 15.0*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. LRSC has working capital to cover operating expenses for about 15 weeks if an emergency event should occur, which is very good.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: LRSC is 0.0%*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was 0.1 percent. LRSC's margin was 0.0 percent and is up from -3.7% in 2008.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: LRSC is 1%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by current year total revenues. A negative net income margin results when an institution's increase current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. LRSC's ratio of 1 percent is good.

Change in net liquid assets – *Positive % is good, negative % is concern: LRSC is 13%*

This calculation measures the change in the ability of the campus to meet current obligations from one fiscal year to another. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2009 calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campus's ability to meet current obligations is improving over time. A negative change indicates the campus's ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net current assets since 2006 by 14 percent. LRSC's net liquid assets have increased since 2006 by 13 percent. Given the good current ratio and working capital ratio, LRSC's liquidity is strong.

Change in long-term debt – *Small increase ok, large increase is concern: LRSC is -22%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has increased long-term debt by 10 percent since 2006. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time. LRSC's long-term debt has decreased 22 percent since 2006.

Change in FTE enrollment – *LRSC is 16%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the NDUS experienced a 6 percent increase in FTE enrollment since Fall 2006. LRSC's FTE enrollment has increased 14 percent since 2006.

On-Campus enrollment vs Distance Ed enrollment – *LRSC on-campus enrollment is 20% and distance learning is 80%.*

This calculation measures the percentage of on-campus enrollment compared to enrollment headcount that receives instruction solely through distance learning methods such as face-to-face off campus, e-learning and correspondence courses. On-campus enrollment may include students who are enrolled in both face-to-face on campus courses and distance learning. The on-campus enrollment is obtained the face-to-face on campus enrollment in table 9 of the Fall 2009 enrollment report. The distance ed enrollment is obtained by subtracting the face-to-face on campus enrollment from the total campus enrollment reported in table 9 of the Fall 2009 enrollment report. In 2009, on-campus enrollment made up 20% of total enrollment while distance ed enrollment comprised

80% of total enrollment. Overall, NDUS on-campus enrollment and distance ed enrollment made up 79 percent and 21 percent, respectively of the NDUS total enrollment. LRSC's distance learning enrollment increased 25 percent since 2006 while on-campus enrollment decreased 17 percent. Overall, NDUS distance learning increased 35 percent while on-campus enrollment increased 3%.

Tuition discounts as a percent of gross tuition revenue and fees – *NDUS campus total is 9.5%: LRSC is 5.1%*

This calculation measures the dollar amount of discounts granted in relation to overall tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in tuition revenues. FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. LRSC's discounts as a percent of tuition have increased from 3.0 percent in 2006 to 5.1 percent, but is still among the lowest in the system.

Deferred Maintenance as percent of plant value – *NDUS average is 7.5%: LRSC is 2.4%*

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). LRSC's deferred maintenance, at 2.4 percent, is well below the system average.

Summary

LRSC's overall financial position is sound. Reserves are good, liquidity is strong, debt remains at a manageable level, and enrollment has gradually increased. Since FY 2006, long-term debt has decreased by 22% and the viability ratio has improved.

MaSU Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: MaSU is .27*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. MaSU's ratio was .27, which is a concern. This should continue to be closely monitored. L-T debt increased \$1.7 million from FY 2008 due to the building of the Coal Plant on campus while net assets and net assets restricted for debt service increased \$440 thousand. MaSU's viability ratio has improved from 0.08 in FY06 to .27 in FY2009.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: MaSU is .19*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. MaSU's ratio of .19 has improved since last fiscal year but remains marginal.

Current Ratio – *Greater than 2 is good, less than 1 is concern: MaSU is .9*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7. MaSU's ratio of .9 is a concern. In conjunction with the building on the Coal Plant on campus, a short term liability will be reclassified as a long term liability after completion. The amount of this short term liability is \$2.1 million, which would increase this ratio to 2.0 if classified as a long term liability.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: MaSU is 0.0*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. MaSU's ratio of 0.0 is a concern. In conjunction with the building of the Coal Plant on campus, a short term liability will be reclassified as a long term liability after completion. The amount of this short term liability is \$2.1 million which would increase this ratio to 6.4 if classified as a long term liability.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: MaSU is -1.9*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and

nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was 0.1 percent. MaSU's margin was -1.9, which means they spent more to operate in 2009 than they earned for operations and this should continue to be closely monitored.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: MaSU is 5%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by current year total revenues. A negative net income margin results when an institution's increase current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. MaSU's ratio of 5 percent is good.

Change in net liquid assets – *Positive % is good, negative % is concern: MaSU is -1,121%*

This calculation measures the change in the ability of the campus to meet current obligations over time. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2006 calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campus's ability to meet current obligations is improving over time. A negative change indicates the campus's ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net current assets since 2006 by 14 percent. MaSU net liquid liabilities at June 30, 2009 were \$791,976. In conjunction with the building of the Coal Plant on campus, a short term liability will be reclassified as a long term liability after completion. The amount of this short term liability is \$2.1 million which would increase net liquid assets to \$1.3 million, a 1,572% increase since 2006.

Change in long-term debt – *Small increase is ok, large increase is concern: MaSU is 31%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has increased long-term debt by 31 percent since 2006 due to the building of the Coal Plant on campus. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time.

Change in FTE enrollment – *MaSU is 2%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the NDUS experienced a 6 percent increase in FTE enrollment since Fall 2006. Declining enrollment continues to be a concern at MaSU. MaSU did show a 15% increase in FTE when compared to Fall 2008 enrollment which indicates concerns in FTE are being alleviated.

On-Campus enrollment vs Distance Ed enrollment – *MaSU on-campus enrollment is 76% and distance learning is 24%.*

This calculation measures the percentage of on-campus enrollment compared to enrollment headcount that receives instruction solely through distance learning methods such as face-to-face off campus, e-learning and correspondence courses. On-campus enrollment may include students who are enrolled in both face-to-face on campus courses and distance learning. The on-campus enrollment is obtained the face-to-face on campus enrollment in table 9 of the Fall 2009 enrollment report. The distance ed enrollment is obtained by subtracting the face-to-face on campus enrollment from the total campus enrollment reported in table 9 of the Fall 2009 enrollment report. In 2009, on-campus enrollment made up 76% of total enrollment while distance ed enrollment comprised 24 percent of total enrollment. Overall, NDUS on-campus enrollment and distance ed enrollment made up 79 percent and 21 percent, respectively of the NDUS total enrollment. MaSU's distance learning enrollment decreased 13 percent since 2006 while on-campus enrollment increased 15 percent. Overall, NDUS distance learning increased 35 percent while on-campus enrollment increased 3%.

Tuition discounts as a percent of gross tuition revenue and fees – *NDUS campus total is 9.5%: MaSU is 5.8%*

This calculation measures the dollar amount of discounts granted in relation to overall gross tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in tuition revenues. FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. MaSU's discounts as a percent of tuition decreased from 9.9 percent in FY 2006 to 5.8 percent in FY 2009.

Deferred Maintenance as a percent of plant value – *NDUS is 7.5%: MaSU is 22.1%*

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). Four campuses have deferred maintenance above the system average, but MaSU is at a critical stage with deferred maintenance at 22.1 percent of plant value. Areas of greatest concern are ADA (disability accommodations) and Health and Safety (fire sprinklers, etc.). Currently approximately one-half of MaSU's base capital improvement biennial appropriation is used for special assessments. A one-time deferred maintenance funding appropriation in the 09-11 biennium will help address this issue. A state funded capital project in the 09-11 biennium will eliminate over \$5,000,000 of deferred maintenance, which will help to reduce our deferred maintenance as a percent of plant value percentage significantly.

Summary

At June 30, 2009 the financial condition of MaSU remains a concern; however, they have made good progress since implementing a work plan in FY2006. MaSU's overall financial condition should continue to be closely monitored.

MISU Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: MISU is 2.7*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. MiSU's ratio of 2.7 is good.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: MISU is .6*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. MiSU's ratio of .6 is good and is up from .4 in FY 2006.

Current Ratio – *Greater than 2 is good, less than 1 is concern: MISU is 6.1*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7. MiSU's ratio of 6.1 is good.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: MISU is 25.7*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. MISU has working capital to cover operating expenses for about 25 weeks if an emergency event should occur, which is very good.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: MISU is .9%*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was 0.1 percent. MiSU's margin was 0.9 percent.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: MiSU is 7%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by current year total revenues. A negative net income margin results when an institution's increase

current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. MiSU's ratio of 7 percent is good.

Change in net liquid assets – *Positive % is good, negative % is concern: MISU is 96%*

This calculation measures the change in the ability of the campus to meet current obligations from one fiscal year to another. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2006 calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campus's ability to meet current obligations is improving over time. A negative change indicates the campus's ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net current assets since 2006 by 14 percent. MiSU's net liquid assets have increased since 2006 by 96 percent. Given the good current ratio and working capital ratio, MiSU's liquidity is strong.

Change in long-term debt – *Small increase ok, large increase is concern: MISU is -25%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has increased long-term debt by 10 percent since 2006. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time. MiSU's long-term debt has decreased 25 percent since 2006.

Change in FTE enrollment – *MISU is -3%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the NDUS saw a 6 percent increase in FTE enrollment since Fall 2006. MiSU's FTE enrollment has decreased 2 percent since 2006.

On-Campus enrollment vs Distance Ed enrollment – *MiSU on-campus enrollment is 71% and distance learning is 29%.*

This calculation measures the percentage of on-campus enrollment compared to enrollment headcount that receives instruction solely through distance learning methods such as face-to-face off campus, e-learning and correspondence courses. On-campus enrollment may include students who are enrolled in both face-to-face on campus courses and distance learning. The on-campus enrollment is obtained by dividing the face-to-face on campus enrollment in table 9 of the Fall 2009 enrollment report by the total enrollment reported in table 9 of the Fall 2009 enrollment report. The distance ed enrollment is obtained by subtracting the face-to-face on campus enrollment from the total campus enrollment reported in table 9 of the Fall 2009 enrollment report. In 2009, on-campus enrollment made up 71% of total enrollment while distance ed enrollment comprised 29% of total enrollment. Overall, NDUS on-campus enrollment and distance ed enrollment made up 79 percent and 21 percent, respectively of the NDUS total enrollment. MiSU's distance learning enrollment decreased 1 percent since 2006 while on-campus enrollment decreased 2 percent. Overall, NDUS distance learning increased 35 percent while on-campus enrollment increased 3%.

Tuition discounts as a percent of gross tuition revenue and fees – *NDUS campus total is 9.5%: MISU is 7.5%*

This calculation measures the dollar amount of discounts granted in relation to overall tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in revenues. FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. MiSU's discounts as a percent of tuition have increased from 6.8 percent to 7.5 percent since 2006, and remain below the system total of 9.5 percent.

Deferred Maintenance as a percent of plant value – *NDUS average is 7.5%: MISU is 2.6%*

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). MiSU's deferred maintenance, at 2.6 percent, has improved significantly during the last year due to renovations completed.

Summary

MiSU's financial position is sound. None of the ratios indicate any concerns at this point. Reserves are good, liquidity is strong, and debt remains at a manageable level. Declining enrollment is a concern but the fiscal impact of the enrollment decline appears to be well managed at this time.

NDSCS Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: NDSCS is 2.9*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. NDSCS's ratio of 2.9 is good, and has increased over the past four years.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: NDSCS is .3*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. NDSCS's ratio was .3, which is good.

Current Ratio – *Greater than 2 is good, less than 1 is concern: NDSCS is 4.0*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7. NDSCS's ratio of 4.0 is very good.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: NDSCS is 13.2*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. NDSCS has working capital to cover operating expenses for about 13 weeks if an emergency event should occur, which is very good.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: NDSCS is -3.4%*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was .1 percent. NDSCS's margin was -3.4 percent, which means they spent more to operate in 2009 than they earned for operations in 2009.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: NDSCS is 3%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by current year total revenues. A negative net income margin results when an institution's increase current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. NDSCS's ratio of 3 percent is good.

Change in net liquid assets – *Positive % is good, negative % is concern: NDSCS is 17%*

This calculation measures the change in the ability of the campus to meet current obligations from one fiscal year to another. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2006, calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campus's ability to meet current obligations is improving over time. A negative change indicates the campus's ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net current assets since 2006 by 14 percent. NDSCS's net liquid assets have increased since 2006 by 17 percent. Given the good current ratio and working capital ratio, NDSCS's liquidity is strong.

Change in long-term debt – *Small increase ok, large increase is concern: NDSCS is -34%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has increased long-term debt by 10 percent since 2006. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time. NDSCS's long-term debt has decreased 34 percent since 2006, indicating no new debt has been added and current debt is being paid off.

Change in FTE enrollment – *NDSCS is -4%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the NDUS saw a 6 percent increase in FTE enrollment since Fall 2006. NDSCS's FTE enrollment has decreased 10 percent since 2006.

On-Campus enrollment vs Distance Ed enrollment – *NDSCS on-campus enrollment is 62% and distance learning is 38%.*

This calculation measures the percentage of on-campus enrollment compared to enrollment headcount that receives instruction solely through distance learning methods such as face-to-face off campus, e-learning and correspondence courses. On-campus enrollment may include students who are enrolled in both face-to-face on campus courses and distance learning. The on-campus enrollment is obtained the face-to-face on campus enrollment in table 9 of the Fall 2009 enrollment report. The distance ed enrollment is obtained by subtracting the face-to-face on campus enrollment from the total campus enrollment reported in table 9 of the Fall 2009 enrollment report. In 2009, on-campus enrollment made up 62% of total enrollment while distance ed enrollment comprised

38% of total enrollment. Overall, NDUS on-campus enrollment and distance ed enrollment made up 79 percent and 21 percent, respectively of the NDUS total enrollment. NDSCS's distance learning enrollment increased 67 percent since 2006 while on-campus enrollment decreased 13 percent. Overall, NDUS distance learning increased 35 percent while on-campus enrollment increased 3%.

Tuition discounts as a percent of gross tuition revenue and fees – *NDUS campus total is 9.5%: NDSCS is 7.3%*

This calculation measures the dollar amount of discounts granted in relation to overall tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in tuition revenues. FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. NDSCS's discounts as a percent of tuition have increased from 6.0 percent in 2006 to 7.3 percent in FY 2009.

Deferred Maintenance as a percent of plant value – *NDUS average is 7.5%: NDSCS is 4.1%*

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). NDSCS's deferred maintenance, at 4.1 percent, is below the system average. NDSCS has placed a higher importance on maintenance of infrastructure than on adding new facilities.

Summary

NDSCS's financial position is sound. Most ratios have improved over the last several years. None of the ratios indicate any concerns at this point. Net liquid assets are increasing, debt is being reduced and reserves are stable. Enrollment declines continue to be a concern but appear to have been managed well and have not had a negative effect on the campus' financial position.

NDSU Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: NDSU is .4*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. NDSU's ratio is .4, which is marginal.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: NDSU is .2*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. NDSU's ratio is .2, which is good.

Current Ratio – *Greater than 2 is good, less than 1 is concern: NDSU is 3.0*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7. NDSU's ratio of 3.0 is good.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: NDSU is 9.0*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. NDSU has working capital to cover operating expenses for about 9 weeks if an emergency event should occur, which is good.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: NDSU is -0.9%*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was 0.1 percent. NDSU's margin was (0.9) percent, which means they spent more to operate in 2009 than they earned for operations in 2009.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: NDSU is 2%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by

current year total revenues. A negative net income margin results when an institution's increase current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. NDSU's ratio of 2 percent is good.

Change in net liquid assets – *Positive % is good, negative % is concern: NDSU is 16%*

This calculation measures the change in the ability of the campus to meet current obligations from one fiscal year to another. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2006 calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campus's ability to meet current obligations is improving over time. A negative change indicates the campus's ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net current assets since 2006 by 14 percent. NDSU's net liquid assets have increased since 2006 by 16 percent. Given the good current ratio and working capital ratio, NDSU's liquidity remains strong.

Change in long-term debt – *Small increase ok, large increase is concern: NDSU is 19%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has increased long-term debt by 19 percent since 2006. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time. NDSU's long-term debt has increased 10 percent since 2006. With a viability ratio of greater than .3 and strong liquidity, the increase is not a concern at this point; however, the addition of long-term debt should be carefully considered.

Change in FTE enrollment – *NDSU is 15%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the NDUS saw a 6 percent increase in FTE enrollment since Fall 2006. NDSU's FTE enrollment has increased 15 percent since 2006.

On-Campus enrollment vs Distance Ed enrollment – *NDSU on-campus enrollment is 96% and distance learning is 4%.*

This calculation measures the percentage of on-campus enrollment compared to enrollment headcount that receives instruction solely through distance learning methods such as face-to-face off campus, e-learning and correspondence courses. On-campus enrollment may include students who are enrolled in both face-to-face on campus courses and distance learning. The on-campus enrollment is obtained the face-to-face on campus enrollment in table 9 of the Fall 2009 enrollment report. The distance ed enrollment is obtained by subtracting the face-to-face on campus enrollment from the total campus enrollment reported in table 9 of the Fall 2009 enrollment report. In 2009, on-campus enrollment made up 96 percent of total enrollment while distance ed enrollment comprised 4 percent of total enrollment. Overall, NDUS on-campus enrollment and distance ed enrollment made up 79 percent and 21 percent, respectively of the NDUS total enrollment. NDSU's

distance learning enrollment increased 129 percent since 2006 while on-campus enrollment increased 13 percent. Overall, NDUS distance learning increased 35 percent while on-campus enrollment increased 3 percent.

Tuition discounts as a percent of gross tuition revenue and fees – *NDUS campus total is 9.5%: NDSU is 13.6%*

This calculation measures the dollar amount of discounts granted in relation to overall tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in tuition revenues FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. NDSU's discounts as a percent of tuition have increased from 12.9 percent at FY 2006.

Deferred Maintenance as a percent of plant value – *NDUS average is 7.5%: NDSU is 8.0%*

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). NDSU's deferred maintenance, at 8.0 percent, is at about the system average.

Summary

NDSU's financial position is sound. Although the viability ratio remains marginal liquidity remains strong and reserves are stable. FTE enrollment continues to increase and is up 15 percent from 2006. NDSU received a recent Moody's rating of A1 (upper-medium-grade), with a stable outlook. According to Moody's, "The stable outlook reflects Moody's expectation that University will continue to enjoy a healthy market position, balanced operating performance and adequate debt service coverage. While we feel the debt level is manageable at the current rating level, the University's ability to absorb additional borrowing beyond this issuance is largely dependent on the ability to sustain enrollment growth and revenues in support of new debt service." The impact of issuing additional debt should be carefully evaluated.

UND Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: UND is .5*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. UND's ratio of .5 is marginal.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: UND is .3*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. UND's ratio of .3 is good.

Current Ratio – *Greater than 2 is good, less than 1 is concern: UND is 2.2*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7. UND's ratio of 2.2 is good.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: UND is 7.1*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. UND has working capital to cover operating expenses for about 7 weeks if an emergency event should occur, which is good.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: UND is -0.5 %*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was 0.1 percent. UND's margin was -0.5 percent, which means they spent more to operate in 2009 than they earned for operations in 2009.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: UND is 1%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by

current year total revenues. A negative net income margin results when an institution's increase current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. UND's ratio of 1 percent is good.

Change in net liquid assets – *Positive % is good, negative % is concern: UND is -15%*

This calculation measures the change in the ability of the campus to meet current obligations from one fiscal year to another. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2006 calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campus's ability to meet current obligations is improving over time. A negative change indicates the campus's ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net current assets since 2006 by 14 percent. UND's net liquid assets decreased 15 percent since 2006. Given the good current and working capital ratios, UND's liquidity is a concern.

Change in long-term debt – *Small increase ok, large increase is concern: UND is -1%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has increased long-term debt by 10 percent since 2006. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time. UND's long-term debt has decreased 1 percent since 2006. The impact of issuing long-term debt in the future should be carefully evaluated.

Change in FTE enrollment – *UND is -1%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the NDUS saw a 6 percent increase in FTE enrollment since Fall 2006. UND's FTE enrollment declined 1 percent since 2006.

Distance Learning vs. On-Campus enrollment – *UND distance learning is 15%; on campus is 85%*

This calculation measures the percentage of unduplicated enrollment headcount that receives instruction through distance learning methods such as E-Learning, correspondence or face-to-face off campus courses. It is calculated by comparing Fall 2009 distance learning unduplicated enrollment headcount to the Fall 2009 on-campus unduplicated enrollment headcount. In 2009, distance learning made up 15 percent of UND's unduplicated headcount enrollment while on-campus instruction made up 85 percent of unduplicated headcount enrollment. Overall, distance learning made up 21 percent of the NDUS unduplicated headcount enrollment while on-campus instruction made up 79 percent of unduplicated headcount enrollment. UND's distance learning enrollment increased 63 percent since 2006 while on-campus enrollment decreased 4 percent for the same time period.

Tuition discounts as a percent of gross tuition revenue and fees – *NDUS campus total is 9.5%: UND is 6.8%*

This calculation measures the dollar amount of discounts granted in relation to overall tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in tuition revenues. FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. UND's discounts as a percent of tuition have decreased from 8.4 percent in FY 2006 to 6.8 percent in FY 2009.

Deferred Maintenance as a percent of plant value – *NDUS average is 7.5%: UND is 7.0%*

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). UND's deferred maintenance at 7.0 percent of plant value is slightly below the system average.

Summary

UND's overall financial position is sound. The marginal viability ratio, a result of increased long-term debt, has been a concern but is expected to improve as debt service revenue is collected. Although enrollment is down from FY 2006, it has increased slightly from FY 2008 with most of the increase in distance ed. The impact of issuing debt in the future should be carefully evaluated.

VCSU Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: VCSU is .7*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. VCSU's ratio of .7 is marginal.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: VCSU is .2*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. VCSU's ratio of .2 is good.

Current Ratio – *Greater than 2 is good, less than 1 is concern: VCSU is 2.5*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7. VCSU's ratio of 2.5 is good.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: VCSU is 9.3*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. VCSU has working capital to cover operating expenses for about 9 weeks if an emergency event should occur, which is good.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: VCSU is -3.8%*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was 0.1 percent. VCSU's margin was -3.8 percent, which means they spent more to operate in 2009 than they earned for operations in 2009 but is an improvement for 2008 when the operating income margin was -6.3%. A negative margin for one year is not normally a concern because it could be due to timing issues or a one-time event.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: VCSU is 5%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by current year total revenues. A negative net income margin results when an institution's increase current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. VCSU's ratio of 5 percent is good.

Change in net liquid assets – *Positive % is good, negative % is concern: VCSU is 0%*

This calculation measures the change in the ability of the campus to meet current obligations from one fiscal year to another. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2006 calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campus's ability to meet current obligations is improving over time. A negative change indicates the campus's ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net current assets since 2009 by 14 percent. VCSU's net liquid assets have increased since 2006. Given the good current ratio and working capital ratio, VCSU's liquidity is good.

Change in long-term debt – *Small increase ok, large increase is concern: VCSU is -13%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has increased long-term debt by 10 percent since 2006. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time. VCSU's long-term debt has decreased 13 percent since 2006. In June 2010, \$3.5 million will be issued for renovation of a residence hall. VCSU will be increasing housing rates and will receive a 45 percent federal subsidy on interest through the Build America bonds program.

Change in FTE enrollment – *VCSU is -1%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the NDUS saw a 6 percent increase in FTE enrollment since Fall 2006. VCSU's FTE enrollment has decreased 1 percent since 2006.

On-Campus enrollment vs Distance Ed enrollment – *VCSU on-campus enrollment is 66% and distance learning is 34%.*

This calculation measures the percentage of on-campus enrollment compared to enrollment headcount that receives instruction solely through distance learning methods such as face-to-face off campus, e-learning and correspondence courses. On-campus enrollment may include students who are enrolled in both face-to-face on campus courses and distance learning. The on-campus enrollment is obtained the face-to-face on campus enrollment in table 9 of the Fall 2009 enrollment report. The distance ed enrollment is obtained by subtracting the face-to-face on campus enrollment from the total campus enrollment reported in table 9 of the Fall 2009 enrollment report. In 2009,

on-campus enrollment made up 66% of total enrollment while distance ed enrollment comprised 34% of total enrollment. Overall, NDUS on-campus enrollment and distance ed enrollment made up 79 percent and 21 percent, respectively of the NDUS total enrollment. VCSU's distance learning enrollment increased 40 percent since 2006 while on-campus enrollment decreased 7 percent for the same time period. Overall, NDUS distance learning increased 35 percent while on-campus enrollment increased 3%.

Tuition discounts as a percent of gross tuition revenue and fees – *NDUS campus total is 9.5%: VCSU is 8.0%*

This calculation measures the dollar amount of discounts granted in relation to overall tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in tuition revenues. FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. VCSU's discounts as a percent of tuition have decreased from 8.5 percent to 8.0 percent since 2006.

Deferred Maintenance as a percent of plant value – *NDUS average is 7.5%: VCSU is 14.8%*

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). VCSU's deferred maintenance, at 14.8 percent, is above the system average, which is of **concern**.

Summary

VCSU's financial position has improved since 2006 and the majority of their ratios are good. Enrollment increased every year since 2007. VCSU had net operating losses in the last three years however; this can partially be attributed to a \$1 million Center of Excellence Grant that was recorded as revenue in FY 2006. This influx of revenue is causing some distortion in the ratios due to the fact that the grant is being spent over four years with no new revenue coming in. Deferred maintenance is above the system average, which is of concern. In light of the net operating losses, the impact of issuing additional debt in the future should be carefully evaluated.

WSC Financial Review June 30, 2009

The following financial results were based on information from audited financial statements. Other information was based on various NDUS reports and schedules.

Viability Ratio – *Greater than 1 is good, less than .3 is concern: WSC is 1.2*

This ratio measures the ability of a campus to retire L-T debt using current resources. It is calculated by comparing unrestricted net assets and net assets restricted for debt service to total L-T debt (bonds, notes and capital leases). A ratio of greater than 1 is good and a ratio of less than .3 is of concern. The NDUS ratio at June 30, 2009 was .6. WSC's ratio of 1.2 is good and has improved from .1 in FY 2006.

Primary Reserve Ratio – *Greater than .1 is good, less than .05 is concern: WSC is .13*

This ratio measures the ability of the campus to operate at current levels without future revenues. It is calculated by comparing unrestricted net assets and expendable restricted net assets to annual operating expenses. A ratio of greater than .1 is good while a ratio of less than .05 is of concern. The NDUS ratio at June 30, 2009 was .3. WSC's ratio of .13 is good and has improved slightly from .1 in FY 2006.

Current Ratio – *Greater than 2 is good, less than 1 is concern: WSC is 1.9*

This ratio measures the ability of the campus to meet current obligations. The ratio is calculated by comparing current assets (unrestricted cash and investments, accounts/notes/grants receivable and inventories) to current liabilities (accounts payable, accrued payroll, student deposits and current portion of L-T debt). A ratio of greater than 2 is good, while a ratio of less than 1 is of concern. The NDUS ratio at June 30, 2009 was 2.7. WSC's ratio of 1.9, is good.

Working Capital Ratio – *Greater than 4 is minimum, less than 4 is concern: WSC is 5.4*

This ratio measures the ability of the campus to sustain operations in a short-term emergency situation (4-6 weeks). The ratio is calculated by comparing working capital (current assets less current liabilities) to total operating expenses and then converting to weeks by multiplying by 52. While no specific industry standard is available, professional judgment would indicate an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency. The NDUS ratio at June 30, 2009 was 9.4 which means in the event of an emergency, the NDUS could cover expenses with reserves for about 9 weeks. WSC has working capital to cover operating expenses for about 5 weeks if an emergency event should occur, which is good, and has improved from 4.2 in FY 2006.

Operating Income Margin – *Greater than 0 is good, less than 0 is concern: WSC is 5.0%*

This ratio measures the current year financial results. The ratio is calculated by comparing operating and nonoperating net income (before capital gifts and grants) to total operating and nonoperating revenues (excluding capital gifts and grants). A ratio of greater than zero is desired because that means the campus is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates the campus is adding to reserves. The NDUS margin at June 30, 2009 was 0.1 percent. WSC's operating income margin of 5.0% is good and improved significantly from 2008.

Net Income Margin – *Greater than 0 is good, less than 0 is concern: WSC is 9%*

This ratio measures the institution's financial status in terms of current year operations. It is calculated by comparing the current year's increase in net assets from the previous year divided by current year total revenues. A negative net income margin results when an institution's increase current year expenditures exceed its current year revenues, requiring the institution to draw on reserves or create deficit spending. A positive net income margin indicates that the institution experienced a net increase in fund balances. The NDUS ratio at June 30, 2009 was 3 percent. WSC's ratio of 9 percent is good.

Change in net liquid assets – *Positive % is good, negative % is concern: WSC is 160%*

This calculation measures the change in the ability of the campus to meet current obligations from one fiscal year to another. It is calculated by subtracting current liabilities from liquid assets (cash, current investments and current receivables) at June 30, 2009, comparing it to the same calculation at June 30, 2006, and then dividing by the June 30, 2006 calculation to arrive at the percentage change. A positive percentage change would be desired because it indicates the campus's ability to meet current obligations is improving over time. A negative change indicates the campus's ability to meet current obligations is eroding over time. This calculation coupled with the current ratio above gives an indication of change in financial liquidity over time. The NDUS increased net current assets since 2006 by 14 percent. WSC's net liquid assets increased by 160% from 2006.

Change in long-term debt – *Small increase is ok, large increase is concern: WSC is -26%*

This calculation measures the change in long-term liabilities over time. It is the percentage change from June 30, 2006 to June 30, 2009 in total long-term liabilities. It is calculated by comparing total long-term liabilities at June 30, 2009, to those at June 30, 2006 and dividing by the June 30, 2006 amount to arrive at the percentage change. A negative change indicates the campus is retiring more debt than it is adding. A positive change indicates the campus is adding more debt than it is retiring. The NDUS has decreased long-term debt by 10 percent since 2006. This calculation coupled with the viability ratio above gives an indication of the debt servicing ability of a campus over time. WSC has not added additional long-term debt in several years.

Change in FTE enrollment – *WSC is -12%*

This calculation shows the percentage change in FTE enrollment from Fall 2006 to Fall 2009. It is calculated by comparing Fall 2009 enrollment to Fall 2006 enrollment and then dividing by Fall 2006 to arrive at the percentage change. Obviously, a positive change is preferred. Overall, the NDUS saw a 6 percent increase in FTE enrollment since Fall 2006. WSC's FTE enrollment has dropped 12 percent since 2006, but increased slightly from 2008.

On-Campus enrollment vs Distance Ed enrollment – *WSC on-campus enrollment is 55% and distance learning is 45%.*

This calculation measures the percentage of on-campus enrollment compared to enrollment headcount that receives instruction solely through distance learning methods such as face-to-face off campus, e-learning and correspondence courses. On-campus enrollment may include students who are enrolled in both face-to-face on campus courses and distance learning. The on-campus enrollment is obtained the face-to-face on campus enrollment in table 9 of the Fall 2009 enrollment report. The distance ed enrollment is obtained by subtracting the face-to-face on campus enrollment from the total campus enrollment reported in table 9 of the Fall 2009 enrollment report. In 2009, on-campus enrollment made up 55% of total enrollment while distance ed enrollment comprised 45% of total enrollment. Overall, NDUS on-campus enrollment and distance ed enrollment made up 79 percent and 21 percent, respectively of the NDUS total enrollment. WSC's distance learning

and on-campus enrollment both increased 4 percent since 2006. Overall, NDUS distance learning increased 35 percent while on-campus enrollment increased 3%.

Tuition discounts as a percent of gross tuition revenue and fees – NDUS campus total is 9.5%: WSC is 3.2%

This calculation measures the dollar amount of discounts granted in relation to overall tuition and fee revenue. It is calculated by dividing the dollar value of discounts by gross tuition and fee revenue. The higher the percentage, the more the campus is giving up in tuition revenues. FY 2009 discounts for the NDUS totaled \$27.3 million, an increase of 23 percent over FY 2006. The increase is due to the increase in tuition rates, because discounts as a percent of tuition increased only slightly from 9.4 percent to 9.5 percent in that same time period. WSC's discounts have decreased from 3.5% in FY 2006 to 3.2% in FY 2009 and remain among the lowest in the system.

Deferred Maintenance as a percent of plant value – NDUS is 7.5%: WSC is 8.2%

This calculation measures deferred maintenance of state buildings compared to the buildings' respective plant value. It is calculated by dividing estimated deferred maintenance (from biennial budget schedules) by the replacement value of the buildings and infrastructure (as calculated for OMB during the biennial budget process). Auxiliary buildings/infrastructure are not included in the calculation. Deferred maintenance for the 2009-11 biennium totals \$109.3 million dollars for the system (7.5 percent of the plant value). WSC's deferred maintenance at 8.2 percent is above the systems average.

Summary

In FY 2006, WSC took efforts to improve their financial status. They continue to make improvements in 2009, liquidity is good, debt has decreased significantly since 2006, reserves and net assets have increased and they had positive operating income in FY 2009. Although FTE enrollment is down 11 percent from FY 2006, it rebounded slightly from FY 2008 to FY 2009 but continues to be a concern.

NOTES TO THE FINANCIAL STATEMENTS

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion	Noncurrent Portion
Bonds Payable	\$ 78,600,949	\$ 11,300,000	\$ 9,116,808	\$ 80,784,141	\$ 3,040,103	\$ 77,744,038
Notes Payable	8,366,689	6,987,580	3,820,508	11,533,758	1,922,208	9,611,550
Capital Leases	1,952,105	-	85,567	1,866,548	82,422	1,784,126
Special Assessments	530,563	-	38,741	491,822	28,369	463,453
Other	-	3,440,000	-	3,440,000	-	3,440,000
Total	\$ 89,450,306	\$ 21,727,580	\$ 13,061,614	\$ 98,116,269	\$ 5,073,102	\$ 93,043,167

On July 16, 2008, NDSU Research Park Ventures, LLC issued \$3,440,000 in non-voting preferred membership units. These membership units are mandatorily redeemable on or after December 31, 2018 (10 years from the investment date) at a redemption price equal to the stated value of each unit. The amount the NDSU Research Park Ventures, LLC would be required to pay to redeem the units at June 30, 2009 is \$3,440,000.

NOTE 8 – BONDS PAYABLE**PRIMARY INSTITUTION**

Revenue bonds are limited obligations of the University System. The principal and interest on the bonds are payable generally from the net income of specific auxiliary activities, designated student fees, interest subsidies and debt service reserve funds. These revenues are generally pledged to the payment of bonds in accordance with the specific terms of the specific indenture. Amounts held by the trustee specifically for payment on bonds are reflected in Net Assets, Restricted for Debt Service.

The summary of outstanding obligations of the campuses, as of June 30, 2009 is presented below and the detail is presented in the Supplementary Information section following these notes.

	Original Balances	Interest Rates	Balances Outstanding
Bismarck State College	\$ 4,650,000	3.4 - 6.1%	\$ 4,020,000
Dickinson State University	775,000	4.0 - 5.0%	630,000
Lake Region State College	1,050,000	4.0-5.125%	745,000
Mayville State University	3,495,000	4.8 - 5.38%	2,302,396
Minot State University	10,801,000	0 - 5.25%	5,584,500
Minot State University - Bottineau	390,000	6.25 - 6.95%	81,000
North Dakota State College of Science	3,035,000	0 - 5.5%	1,050,000
North Dakota State University	149,590,000	0 - 5.6%	87,700,000
University of North Dakota	89,190,000	0 - 5.0%	71,550,000
Valley City State University	4,050,000	4.3 - 7.25%	3,190,000
Williston State College	2,046,000	0 - 4.75%	426,000
North Dakota University System	14,200,000	0 - 4.28%	8,520,000
Total Bonds Payable	\$ 283,272,000		\$ 185,798,896

Industrial Commission Bonds

For the 2007-2009 biennium, the North Dakota University System Office received an appropriation of

NORTH DAKOTA UNIVERSITY SYSTEM
SUPPLEMENTARY INFORMATION
JUNE 30, 2009

SCHEDULE OF BONDS PAYABLE - Primary Institution

Issue	Original Balance	Interest Rate	Installments	Balance Outstanding
Bismarck State College				
2005 Housing & Auxiliary Facilities, due through 2030, collateralized by net revenues and income of housing services, interest rate fixed.	\$ 4,400,000	3.4-5.35%	\$90,000 to \$710,000	\$ 4,020,000
Total BSC				\$ 4,020,000
Dickinson State University				
2006 Student Union Improvement Revenue Refunding Bonds, due through 2020, collateralized by student union fee revenue and bookstore net revenue, interest rate fixed.	\$ 775,000	4.0%-5.0%	\$50,000 to \$310,000	\$ 630,000
Total DSU				\$ 630,000
Lake Region State College				
2004 Housing & Auxiliary Facilities Improvement Revenue Bonds due through the year 2017, collateralized by auxiliary services net revenues, facility usage fees and HUD interest subsidy, interest rate fixed.	\$ 1,050,000	3-5.125%	\$55,000 to \$100,000	\$ 745,000
Total LRSC				\$ 745,000
Mayville State University				
2003 Facilities Revenue Bonds, due through the year 2018, collateralized by the student fees, sales tax and earnings, interest rate fixed.	\$ 2,800,000	5.38%	\$116,368	\$ 2,302,396
Total MaSU				\$ 2,302,396
Minot State University				
2001 Building Authority, consisting of revenue bonds due through the year 2013, interest rate fixed.	\$ 2,299,000	None	\$208,628 to \$315,000	\$ 834,500
2008 Student Services Facilities Revenue Bonds due through 2030, collateralized by net revenues from auxiliary housing, interest rate fixed.	\$ 5,000,000	4.0-5.25%	\$125,000 to \$290,000	4,750,000
Total MISU				\$ 5,584,500
Minot State University - Bottineau				
1971 Milligan Hall Revenue Bonds, due through 2012, collateralized by net revenues and income of Milligan Hall, fixed rate.	\$ 390,000	8.25-8.90%	\$15,000 to \$29,000	\$ 81,000
Total MISU - Bottineau				\$ 81,000
North Dakota State College of Science				
2001 Housing Facilities Revenue Bonds, due through 2016, fixed rate collateralized by net housing and auxiliary facilities pledged revenues.	\$ 2,785,000	4.0-5.5%	\$95,000 to \$270,000	\$ 1,050,000
Total NDSCS				\$ 1,050,000

NORTH DAKOTA UNIVERSITY SYSTEM
SUPPLEMENTARY INFORMATION
JUNE 30, 2009

SCHEDULE OF BONDS PAYABLE - Primary Institution (continued)

Issue	Original Balance	Interest Rate	Installments	Balance Outstanding
North Dakota State University				
2000 Research & Tech Park (MIDA Bonds), consisting of revenue bonds due the year 2022, interest rate fixed.	\$ 6,500,000	5.375-5.6%	\$195,000 to \$515,000	\$ 555,000
2002 Research & Tech Park (MIDA Bonds), consisting of revenue bonds due the year 2032, interest rate fixed.	\$ 20,450,000	3.0-5.0%	\$145,000 to \$1,310,000	1,485,000
2002 Residence Hall Revenue Bonds due through 2029, collateralized by net revenues and income of housing and auxiliary system revenues and repair and replacement reserve accounts, interest rate fixed.	\$ 7,600,000	5.0-5.6%	\$135,000 to \$480,000	6,715,000
2002 Minard Hall Revenue Bonds through 2032, collateralized by net revenues of housing and auxiliary services, fixed rate.	\$ 3,000,000	2.1-5.0%	\$50,000 to \$180,000	2,575,000
2003 Refunding Revenue Bonds due through 2012, collateralized by net revenues of housing and auxiliary services, fixed rate.	\$ 5,990,000	1.7-3.95%	\$600,000 to \$750,000	2,175,000
2004 Housing & Auxiliary Facilities Revenue Bonds through 2034, collateralized by net revenues of housing and auxiliary services, interest rate fixed.	\$ 10,350,000	3.0-5.0%	\$125,000 to \$630,000	9,415,000
2005 Housing & Auxiliary Facilities Revenue Bonds, due through 2035, collateralized by net revenues of housing and auxiliary system, interest rate fixed.	\$ 18,700,000	4.25-5.0%	\$1,200,000	18,310,000
2006A Housing & Auxiliary Facilities Revenue Bonds, due through 2036, collateralized by net revenues of housing and auxiliary system, interest rate fixed.	\$ 9,990,000	4.25-5.0%	\$630,000	9,485,000
2006B Housing & Auxiliary Facilities Revenue Bonds, due through 2029, collateralized by net revenues of housing and auxiliary system, interest rate fixed.	\$ 2,845,000	4.25-5.0%	\$225,000	2,800,000
2007B Research & Tech Park Refunding callable Revenue Bonds Maturity June 30 2023, collateralized by lease revenue, fixed rate.	\$ 18,100,000	4.0-6.5%	\$805,000 to \$1,330,000	17,815,000
2007A Research & Tech Park Refunding callable Revenue Bonds Maturity June 30 2022, collateralized by lease revenue, fixed rate	\$ 4,735,000	4.0-4.125%	\$220,000 to \$510,000	4,630,000
2007 Housing & Auxiliaries Facilities Revenue Bonds, fixed rate Maturity 2037, collateralized by Auxiliary revenue.	\$ 12,000,000	4.5-5.0%	\$735,237 to \$791,897	11,740,000
Total NDSU				<u>\$ 87,700,000</u>
University of North Dakota				
1998A Housing and Refunding Revenue Bonds due through 2021, collateralized by net housing & auxiliary facilities system, debt service grants, and bond indenture earnings, fixed rate.	\$ 22,560,000	2.0-3.7%	\$1,375,000 to \$2,130,000	\$ 9,750,000
2002 Memorial Union Refunding Revenue Bonds due through 2021, collateralized by net housing and auxiliary facilities system, debt service grants, & bond indenture earnings, fixed rate.	\$ 6,710,000	3-5%	\$235,000 to \$550,000	3,940,000
2004 Housing & Auxiliary Facilities Revenue Bonds due through 2034, collateralized by net housing and auxiliary facilities system, debt service grants, & bond indenture earnings, fixed rate..	\$ 19,645,000	1-5%	\$30,000 to \$1,180,000	17,995,000
2006 Housing & Auxiliary Facilities Revenue Bonds due through 2036, collateralized by net housing and auxiliary facilities system, debt service grants, & bond indenture earnings, fixed rate.	\$ 40,050,000	3.5-5%	\$85,000 to \$2,875,000	39,865,000
Total UND				<u>\$ 71,550,000</u>

NORTH DAKOTA UNIVERSITY SYSTEM
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SCHEDULE OF BONDS PAYABLE - Primary Institution (continued)

Issue	Original Balance	Interest Rate	Installments	Balance Outstanding
Valley City State University				
1971 Snoeyenbos Hall Revenue Bonds, due through 2011, collateralized by rentals, charges and other income from the operation of Snoeyenbos Hal, interest rate fixed.	\$ 750,000	7.2-7.25%	\$30,000 to \$55,000	\$ 150,000
2003 Housing & Auxiliary Facilities Revenue Bonds due through 2033, collateralized by net housing and auxiliary facilities system, interest rate fixed.	\$ 3,300,000	4.0-5.5%	\$50,000 to \$225,000	3,040,000
Total VCSU				<u>\$ 3,190,000</u>
Williston State College				
1979 Student Housing Revenue Bonds, due through 2019, collateralized by net revenues and income from Nelson Hall and apartments, interest rate fixed.	\$ 546,000	3.0%	\$1,000 to \$20,000	\$ 126,000
2001 Health & Wellness Center Revenue Bonds due through 2011, collateralized by auxiliary revenues, fixed rate..	\$ 1,500,000	None	\$150,000	300,000
Total WSC				<u>\$ 426,000</u>
North Dakota University System				
2003 ConnectND Project Revenue Bonds, Series C, issued by North Dakota Building Authority (\$20,000,000 - NDUS owns 71%), due through the year 2014 collateralized by student fees, fixed rate.	\$ 14,200,000	4.28%	\$1,890,000 to \$2,615,000	\$ 8,520,000
Total NDUS				<u>\$ 8,520,000</u>
Total Bonds Payable	<u>\$ 249,020,000</u>			<u>\$ 185,798,896</u>

NOTES TO THE FINANCIAL STATEMENTS

\$15.75 million to act as the fiscal agent for the campuses on bond payments to the Industrial Commission. Of this total, \$1.03 million is special funds, which is the amount the campuses pay as local match. During fiscal year 2009, the North Dakota University System Office paid \$7.24 million in general funds to the Industrial Commission of North Dakota.

Refunding and Defeased Bonds

The purpose of a refunding bond is to refund in advance of maturity another bond issue. Under an advanced refunding arrangement, refunding bonds are issued, and the net proceeds plus additional resources that may be required, are used to purchase securities issued or guaranteed by the United States Government. These securities are then deposited in an irrevocable trust under an escrow agreement which provides that all proceeds from the trust will be used to fund the principal and interest payments of the previously issued bonded debt being refunded. The trust deposits have been computed so that the securities in the trust, along with future cash flow generated by the securities, will be sufficient to service the previously issued bonds. As a result, trust account assets and liabilities for the defeased bonds are not included in the University System's financial statements. The following is a description of the University System's defeased bonds and the balance of the bonds outstanding in the trust.

Mayville State University

On July 1, 1998, Mayville State University issued \$695,000 of Student Center Refunding Revenue Bonds (Series 1998) to advance refund \$640,000 of outstanding 1989 Student Center Revenue Bonds. The bonds were paid off during fiscal year 2009 and there was no outstanding balance as of June 30, 2009.

North Dakota State College of Science

On June 20, 2001, North Dakota State College of Science issued \$2,785,000 of Housing and Auxiliary Facilities Improvement and Refunding Revenue Bonds (Series 2001). These bonds were used to i) refund, defease and discharge outstanding North Dakota State School of Science Married Student Housing Revenue Bonds 1970, Dormitory Revenue Bonds of 1970, and Dormitory Revenue Bonds of 1972; ii) finance the cost of the construction of the parking lot and related improvements at the College; and iii) to pay certain costs associated with the issuance of the Series 2001 bonds. The principal amount outstanding as of June 30, 2009, of the original 1970 bonds refunded, is \$475,000.

North Dakota State University

On May 1, 2006, North Dakota State University issued \$2,845,000 of Housing & Auxiliary Facilities Revenue Bonds, (Series 2006B) with an average interest rate of 4.625 percent. The bonds were used to advance refund a portion (\$2,880,000) of outstanding 1999 Student Health & Wellness Center Revenue Bonds (with an average interest rate of 5.3 percent). The University advance refunded the bonds to reduce its total debt service payments over the next 13 years by approximately \$422,000 and to obtain an economic gain (difference of the present values of the debt service payments on the old and new debt) of approximately \$245,000. The bonds were paid off during fiscal year 2009 and there was no outstanding balance as of June 30, 2009.

On December 30, 1985, the University issued \$4,833,813 of Housing and Auxiliary Facilities Revenue Refunding Bonds (Series 1985). The purpose of issuing Series 1985 bonds was to refund in advance of maturity the outstanding advanced refunded bonds, which consisted of all bonds outstanding as of December 30, 1985, totaling \$7,675,000. The principal amounts outstanding as of June 30, 2009 of the original bonds refunded, total \$430,000.

On January 25, 2007, the NDSU Research & Technology Park, Inc., issued \$22,835,000 of Lease Revenue Refunding Bonds, Series 2007A and 2007B with an average true interest rate of 4.30 percent.

NOTES TO THE FINANCIAL STATEMENTS

The bonds were used to advance refund a portion (\$21,580,000) of outstanding Series 2000 Lease Revenue Bonds and Series 2002 Lease Revenue Bonds (with an average interest rate of 5.5 and 4.9 percent, respectively). The NDSU Research & Technology Park advance refunded the funds to reduce its total debt service payments over the next 24 years by approximately \$1,075,086 and to obtain an economic gain (difference of the present values of the debt service payments on the old and new debt) of approximately \$635,567. The principal amount outstanding as of June 30, 2009 or the original amount of the portion of the Series 2000 and 2002 bonds refunded, totaled \$22,445,000.

University of North Dakota

On January 1, 1998, the University of North Dakota issued \$22.6 million of Housing and Auxiliary Facilities Improvement and Refunding Revenue Bonds (Series 1998A) to advance refund \$20.4 million of outstanding 1988 Series A & B Housing and Auxiliary Facilities Refunding Revenue Bonds and to provide \$450,000 for parking lot construction at the Rural Technology Center. There was no outstanding balance as of June 30, 2009.

Housing and Auxiliary Facilities Refunding Series 1985A bonds were originally issued (in addition to financing construction costs) to refund in advance of maturity, the outstanding advanced refunding bonds as follows: (a) \$14,520,000 of Housing and Auxiliary Facilities Revenue Bonds Series 1984A, and (b) \$3,750,000 of Housing and Auxiliary Facilities Revenue Bonds Series 1984B. The principal amounts outstanding as of June 30, 2006, of the original bonds refunded by the advance refunding of 1985, totaled \$0. Housing and Auxiliary Facilities Refunding Bonds Series 1984A, which were included in the advance refunding of 1985 as described above, were originally issued in 1984 for the purpose of advance refunding certain outstanding bonds (Series I through Series N). The principal amounts outstanding as of June 30, 2007 of the original bonds refunded by the advance refunding of 1984 totaled \$0. Housing and Auxiliary Facilities Revenue Bonds Series I and Series J, which were included in the advance refunding of 1984 as described above, were originally issued in 1975 for the purpose of advance refunding certain outstanding bonds of the University. There was no outstanding balance as of June 30, 2009.

Scheduled Maturities of Bonds Payable – Primary Institution

Fiscal Year	Principal	Interest	Total
2010	\$ 8,488,908	\$ 8,377,072	\$ 16,865,980
2011	8,779,263	8,062,200	16,841,463
2012	8,848,488	7,732,969	16,581,457
2013	8,232,054	7,386,665	15,618,719
2014	8,025,552	7,056,634	15,082,186
2015 - 2019	29,084,631	31,341,312	60,425,943
2020 - 2024	31,055,000	24,324,857	55,379,857
2025 - 2029	36,765,000	16,499,799	53,264,799
2030 - 2034	39,180,000	7,129,062	46,309,062
2035 - 2039	7,340,000	484,937	7,824,937
	<u>\$ 185,798,896</u>	<u>\$ 118,395,508</u>	<u>\$ 304,194,404</u>

NOTES TO THE FINANCIAL STATEMENTS

Fiscal Year	Principal	Interest	Total
2010	\$ 3,040,103	\$ 3,277,837	\$ 6,317,940
2011	3,755,311	3,116,065	6,871,376
2012	3,594,124	2,957,652	6,551,776
2013	3,108,881	2,817,797	5,926,679
2014	3,242,314	2,684,822	5,927,137
2015 - 2019	18,719,439	11,897,351	30,616,790
2020 - 2024	20,028,351	7,874,069	27,902,420
2025 - 2029	20,509,550	4,155,466	24,665,016
2030 - 2034	4,274,762	636,261	4,911,023
2035 - 2039	511,305	59,150	570,455
	<u>\$80,784,140</u>	<u>\$ 39,476,471</u>	<u>\$ 120,260,611</u>

Nonrecourse Lease Revenue Bonds

In July 2000, the UND Aerospace Foundation issued \$13,770,000 of nonrecourse lease revenue bonds, which bear interest at 4.375 to 5 percent with various maturities beginning September 1, 2000 and continuing through September 2010. The proceeds of the bonds were principally used to refinance UND leases for its facilities and equipment. In conjunction with the issuance of these bonds, the UND Foundation entered into a lease agreement as lessor with UND for the facilities and equipment. Payments under the lease agreement match the principal and interest payments due on the bonds and will be paid by UND directly to the bond trustee as a result of the UND Foundation assigning all of its rights and interest as lessor to the bond trustee. The UND Aerospace Foundation, as issuer, does not have any obligation to pay the bonds beyond the rents paid by UND to the bond trustee under the lease agreement and has also granted the trustee a security interest in the related leased equipment. In the event of UND's default under the lease agreement (as defined), the bondholders do not have any rights to collect from the UND Foundation other than the proceeds from the sale or release of the leased equipment. The outstanding balance of the bonds on June 30, 2009 is \$1,610,000. The lease, lease assignment, and bond agreements provide for the legal right of offset, permitting the related assets and debt to be netted for financial reporting purposes.

NOTE 9 – NOTES PAYABLE**PRIMARY INSTITUTION****Energy Performance Contracts**

Several campuses have individual notes payable to GE Capital Public Finance, Inc., for energy improvements through a performance contract. Details of the notes are as follows:

Scheduled Maturities of Notes Payable – Primary Institution

NOTES TO THE FINANCIAL STATEMENTS

Institution	Original Balance	Maturity Date	Interest Rate	Outstanding Balance June 30, 2009
Bismarck State College	\$ 1,492,000	July 2012	5.01%	\$ 745,642
Dickinson State University	2,256,164	July 2013	4.09%	-
Lake Region State College	932,726	February 2015	4.41%	565,304
Mayville State University	1,193,632	August 2012	5.25%	474,735
Minot State University	1,158,054	December 2012	4.22%	464,278
Minot State University - Bottineau	378,067	August 2013	4.27%	180,170
North Dakota State College of Science	1,915,887	November 2009	5.52%	365,379
Valley City State University	1,065,688	November 2011	4.87%	447,670
Total Notes Payable	\$ 10,392,218			\$ 3,243,178

Fiscal Year	Principal	Interest	Total
2010	\$ 951,998	\$ 135,462	\$ 1,087,460
2011	824,400	89,620	914,020
2012	772,378	52,755	825,133
2013	508,220	18,316	526,537
2014	120,413	5,642	126,055
2015 - 2019	65,768	971	66,739
2020 - 2024	-	-	-
2025 - 2029	-	-	-
	\$ 3,243,178	\$ 302,766	\$ 3,545,944

MAJOR COMPONENT UNITS**Financing Structure for the Commuter Regional Jet Simulator – UND Aerospace Foundation**

On July 14, 2007 the UND Aerospace Foundation entered into an agreement with Alerus Financial to modify two previously issued term loans, which were refinanced into one loan referred to as the CRJ Term Loan. This loan is represented by a CRJ Term note in the amount of \$1.8 million. Proceeds of this note will be used exclusively to refinance the existing Alerus notes mentioned above, with an advance of \$200,000 for upgrades to a CRJ simulator. Additionally, Alerus granted an interest rate change to the Foundation's revolving line of credit for aircraft and simulator purchases up to \$1.5 million. The Foundation has additional borrowing capacity of \$319,830 on the Alerus simulator note payable as of June 30, 2009. Certain assets (primarily aircraft and CRJ simulators) have been pledged as security for the above borrowings.

Detail of notes payable for the component units is as follows:

NOTES TO THE FINANCIAL STATEMENTS**Scheduled Maturities of Notes Payable – Major Component Units**

Fiscal Year	Principal	Interest	Total
2010	\$ 1,922,208	\$ 556,528	\$ 2,478,736
2011	1,883,175	460,110	2,343,285
2012	1,196,201	373,112	1,569,313
2013	1,283,458	304,615	1,588,073
2014	2,859,073	176,144	3,035,217
2015 - 2019	2,389,643	225,677	2,615,320
2020 - 2024	-	-	-
	<u>\$ 11,533,758</u>	<u>\$ 2,096,186</u>	<u>\$ 13,629,944</u>

NOTE 10 – CAPITAL LEASES**PRIMARY INSTITUTION**

The institutions lease various types of capital assets under capital lease agreements. Capital leases give rise to property rights and lease obligations and therefore, the assets under lease are recorded as assets of the institution and the lease obligation is recognized as a liability. The leases have varying interest rates with maturities to 2044.

Carrying Value of Assets Held Under Capital Leases		
	Carrying Value	Accumulated Depreciation
Land improvements/infrastructure	\$ 1,660,015	\$ 734,801
Buildings	46,319,106	6,347,408
Furniture, fixtures, and equipment	33,092,192	13,754,672
Construction in progress	7,420,000	-
Total	\$ 88,491,313	\$ 20,836,880

Scheduled Maturities of Capital Leases –**Primary Institution**

NOTES TO THE FINANCIAL STATEMENTS

Fiscal Year	Principal	Interest	Total
2010	\$ 9,420,471	\$ 3,789,622	\$ 13,210,093
2011	5,729,743	3,264,590	8,994,333
2012	4,753,035	2,534,718	7,287,753
2013	4,066,315	2,444,834	6,511,149
2014	3,819,852	2,272,934	6,092,787
2015 - 2019	17,875,843	7,843,502	25,719,345
2020 - 2024	8,840,058	4,618,637	13,458,695
2025 - 2029	9,951,725	2,246,261	12,197,986
2030 - 2034	1,324,365	717,514	2,041,879
2035 - 2039	1,430,546	390,895	1,821,441
2040 - 2044	677,361	51,215	728,576
	<u>\$ 67,889,313</u>	<u>\$ 30,174,723</u>	<u>\$ 98,064,036</u>

Scheduled Maturities of Capital Leases – Major Component Units

Fiscal Year	Principal	Interest	Total
2010	\$ 82,422	\$ 88,318	\$ 170,740
2011	42,805	83,534	126,339
2012	44,845	81,494	126,339
2013	46,982	79,357	126,339
2014	49,221	77,118	126,339
2015 - 2019	283,607	348,090	631,697
2020 - 2024	357,937	273,760	631,697
2025 - 2029	451,750	179,948	631,698
2030 - 2034	506,979	61,548	568,527
	<u>\$ 1,866,548</u>	<u>\$ 1,273,167</u>	<u>\$ 3,139,715</u>

NOTE 11 – OTHER LONG-TERM LIABILITIES**SPECIAL ASSESSMENTS**

The institutions and major component units receive special assessments from the city or county for improvements made to roads and infrastructure owned by the city or county that are adjacent to or on campus property.

Scheduled Maturities of Special Assessments

NOTES TO THE FINANCIAL STATEMENTS

PRIMARY INSTITUTION			
Fiscal Year	Principal	Interest	Total
2010	\$ 169,563	\$ 86,252	\$ 255,815
2011	149,372	76,038	225,410
2012	141,777	67,366	209,143
2013	140,503	59,104	199,607
2014	124,701	51,082	175,783
2015 - 2019	505,266	157,962	663,228
2020 - 2024	196,974	53,024	249,998
2025 - 2029	85,129	19,837	104,966
2030 - 2034	18,683	1,573	20,256
	<u>\$ 1,531,968</u>	<u>\$ 572,238</u>	<u>\$ 2,104,206</u>

COMPONENT UNITS			
Fiscal Year	Principal	Interest	Total
2010	\$ 28,369	\$ 29,000	\$ 57,369
2011	28,369	28,000	56,369
2012	28,369	27,000	55,369
2013	27,688	26,000	53,688
2014	27,688	25,000	52,688
2015 - 2019	351,339	69,000	420,339
2020 - 2024	-	-	-
2025 - 2029	-	-	-
2030 - 2034	-	-	-
2035 - 2039	-	-	-
	<u>\$ 491,822</u>	<u>\$ 204,000</u>	<u>\$ 695,822</u>

Compensated Absences

The compensated absences liability of the institutions at June 30, 2009 consists of accumulated unpaid annual leave, compensatory time, payable portion of accumulated sick leave, personal holiday hours, and Saturday/legal holiday hours earned and vested. Compensated absences for employees at June 30, 2009 and 2008 totaled \$25,707,911 and \$23,666,968, respectively. Leave policies restrict the accumulation of unused vacation and thus limit the actual payments made to employees upon termination or retirement.

NOTE 12 – RETIREMENT BENEFITS

The North Dakota University System participates in two major retirement systems: North Dakota Public Employees' Retirement System administered by the State of North Dakota and a privately administered retirement system: Teachers' Insurance Annuity Association and College Retirement Equity Fund. The following is a brief description of each plan:

NORTH DAKOTA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (NDPERS)

Bismarck State College
Capital Lease Record as of May 26, 2010

Any lease of real property under which the property is transferred to the institution, or the institution has an option to purchase the property for a nominal sum (or for a sum significantly less than actual value at the end of the lease term.

							6/30/2009	FY10		FY10		FY10		6/30/2010		Funding Source(s) of Annual Lease Payments ¹ /	End of lease conditions ²
Lease Class	Lease #	Description	Asset Class (Infra-structure, building)	Original Principal	Lease Term Begin	Lease Term Ending	Payment Amount	# of Years	Actual Principal Balance Due	New Leases - Principal	Scheduled Principal Due	Scheduled Interest Due	Scheduled Principal Balance Remaining				
None														\$ -			
Capital Lease (CL) Total								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
DTCU	n/a	BSC Foundation-Mechanical Maintenance Bldg	Building	\$ 1,400,000	01/01/07	12/31/22	\$ 132,000	15	\$ 1,265,000		\$ 70,000	\$ 61,155	\$ 1,195,000	State-tuition	option to purchase for \$100		
DTCU	n/a	BSC Foundation-NECE Bldg	Building	\$ 5,000,000	07/01/07	06/30/32	\$ 73,480	25	\$ 1,000,000		\$ 23,823	\$ 49,657	\$ 976,178	State-tuition	option to purchase for \$100		
														\$ -			
Due to Component Units (DTCU) Total								\$ 2,265,000	\$ -	\$ 93,823	\$ 110,812	\$ 2,171,178					
Grand Total								\$ 2,265,000	\$ -	\$ 93,823	\$ 110,812	\$ 2,171,178					

1/ Funding Source: state, local or private

2/ describe facility ownership at end of lease term

Williston State College
Capital Lease Record as of May 26, 2010

Any lease of real property under which the property is transferred to the institution, or the institution has an option to purchase the property for a nominal sum (or for a sum significantly less than actual value at the end of the lease term).

										6/30/2009	FY10	FY10	FY10	6/30/2010	Funding Source(s) of Annual Lease Payments1 /	End of lease conditions 2/	Approval Level 3/
Lease Class	Lease #	Description	Asset Class (infrastructure, building)	Original Principal	Lease Term Beginning	Lease Term Ending	Payment Amount	# of Years	Actual Principal Balance Due	New Leases - Principal	Scheduled Principal Due	Scheduled Interest Due	Scheduled Principal Balance Remaining				
Capital Lease (CL) Total									\$ -	\$ -	\$ -	\$ -	\$ -				
														\$ -			
	Teton Heights	Teton Heights North and South - Student Housing; Rent for Leased Premises from WSC Foundation	Building	\$225,000.00	05/01/08	04/30/18	\$ 31,200.00	10	\$ 158,348.41		\$ 16,986.49	\$ 14,213.51	\$ 141,361.92	Local	Foundation will donate to college free and clear	Campus	
														\$ -			
														\$ -			
Due to Component Units (DTCU) Total									\$ 158,348.41	\$ -	\$ 16,986.49	\$ 14,213.51	\$ 141,361.92				
Grand Total									\$ 158,348.41	\$ -	\$ 16,986.49	\$ 14,213.51	\$ 141,361.92				

1/ Funding Source: state, local or private

2/ describe facility ownership at end of lease term

3/ indicate the highest level of authorization received: campus, SBHE, legislature

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UNIVERSITY OF NORTH DAKOTA
Capital Lease Record

Capital Building Leases as of May 27, 2010

Capital Building Leases as of May 27, 2010

										6/30/2009	FY10			6/30/2010		
Lease Class	UND Lease #	Description	Asset Class	Original Principal	Lease Term Beginning	Lease Term Ending	Payment Amount (maximum annual payment)	# of Years	Actual Principal Balance Due	New Leases - Principal	Scheduled Principal Due	Scheduled Interest Due	Scheduled Principal Balance Due	Funding Source(s) of Annual Lease Payments ^{1/}	End of lease conditions ^{2/}	
CL	Indus Com	Energy Improvement Project-02	Buildings	\$ 4,740,000	12/01/03	12/01/11	\$ 648,286	8	\$ 1,810,000		\$ 575,000	\$ 70,573	\$ 1,235,000	S Facilities budget (1)	UND owns	
CL	Indus Com	Energy Improvement Project-05	Buildings	\$ 2,837,158	06/01/06	12/31/24	\$ 245,827	17.5	\$ 2,837,158		\$ 126,328	\$ 119,321	\$ 2,710,830	S Facilities budget (1)	UND owns	
CL	LRB	2002 EERC addition/renovation	Building	\$ 8,595,000	12/01/02	06/30/27	\$ 607,130	25	\$ 7,150,000		\$ 270,000	\$ 335,953	\$ 6,880,000	L EERC funds	UND owns	
CL	GE208	Synthetic Turf	Infrastructure	\$ 558,199	07/07/07	07/01/13	\$ 26,787	6	\$ 408,358		\$ 88,541	\$ 18,607	\$ 319,816	L Athletics	UND owns	
CL	Honeywell	West Campus Steamline Lab equip capitalized to 2002 building, noted above	Infrastructure	\$ 3,795,250	03/27/09	03/27/24	\$ 84,731	15	\$ 3,627,027		\$ 176,881	\$ 162,040	\$ 3,450,146	S Facilities budget (1)	UND owns	
CL	GE198	building, noted above	Buildings	\$ 800,000	10/01/07	04/01/17	\$ 101,560	10	\$ 665,787		\$ 69,849	\$ 31,711	\$ 595,938	L EERC funds	UND owns	
Note	Gate City	Hangar	Buildings	\$ 1,500,000	04/01/10	04/01/30	\$ 133,054	20	\$ -	\$ 1,500,000	\$ 71,500	\$ 38,427	\$ 1,428,500	L Aerospace flight fees	UND owns	
Capital Lease (CL) Total									\$ 16,498,330	\$ 1,500,000	\$ 1,378,099	\$ 776,632	\$ 16,620,231			
CL	Aerospace Foundation	Aerospace Hangar	Buildings	\$ 2,000,000	07/07/03	07/06/23	\$ 153,072	20	\$ 1,591,578		\$ 82,873	\$ 70,199	\$ 1,508,705	L Aerospace flight fees	UND Aerospace Foundation owns	
CL	UND Foundation	Minot Family Practice Center	Buildings	\$ 4,400,000	06/15/04	12/15/18	\$ 276,177	13.5	\$ 3,483,351		\$ 129,061	\$ 142,939	\$ 3,354,290	L Minot CFM revenue	UND will own	
Due to Component Units (DTCU) Total									\$ 5,074,929	\$ -	\$ 211,934	\$ 213,138	\$ 4,862,995			
Grand Total									\$ 21,573,259	\$ 1,500,000	\$ 1,590,033	\$ 989,770	\$ 21,483,226			

1/ Funding Source: state, local or private

2/ describe facility ownership at end of lease term

Footnotes:

(1) Utility savings

(2) UND entered into an operating lease with the UND Aerospace Foundation to utilize the hangar at the airport. The state auditors subsequently determined that according to accounting principles, the lease should be reported as a capital lease for financial statement purposes.

North Dakota State University
Capital Lease Record as of May 26, 2010

Any lease of real property under which the property is transferred to the institution, or the institution has an option to purchase the property for a nominal sum (or for a sum significantly less than actual value at the end of the lease term.

Lease Class	Lease #	Description	Asset Class (Infrastructure, building)	Original Principal	Lease Term Beginning	Lease Term Ending	Payment Amount (annual maximum payment)	# of Years	Actual Principal Balance Due	New Leases - Principal	Scheduled Principal Due	Scheduled Interest Due	Scheduled Principal Balance Remaining	Funding Source(s) of Annual Lease Payments 1/	End of lease conditions 2/
CL	0307	Bremer Bank-First American Bank-Telecommunications	Infrastructure	\$1,100,000.00	05/27/94	01/10/10	\$118,018.00	15	\$ 112,272.24		\$ 112,272.24	\$ 5,745.76	\$ -	GF/tuition	NDSU
CL	0423	ND Industrial Commission-Energy Conserv 650 NP Avenue LLC-Downtown Campus; Renaissance Hall-Visual Arts, architecture and landscape architecture departments	Buildings	\$355,000.00	06/30/03	12/01/12	\$42,795.00	9	\$ 185,000.00		\$ 35,000.00	\$ 7,795.63	\$ 150,000.00	utility savings	NDSU
CL	0476	FM City Development II-FR Up Loan-Bison Block Hall; NDSU office and classroom space	Buildings	\$5,600,000.00	07/01/05	06/30/41	\$379,000.00	36	\$ 5,600,000.00			\$ 379,000.00	\$ 5,600,000.00	GF/tuition	NDSU
CL	0516	Wells Fargo-Athletic Field Turf	Infrastructure	\$500,000.00	11/12/08	10/15/16	\$78,437.99	8	\$ 500,000.00		\$ 53,277.99	\$ 25,160.00	\$ 446,722.01	local	NDSU
CL	0521	JPR Investments LLC-StopNGo-Build Out; NDSU office space	Buildings	\$380,000.00	06/30/09	06/30/12	\$95,000.00	4	\$ 285,000.00		\$ 95,000.00	\$ -	\$ 190,000.00	GF/tuition	JPR Investments
CL	0529	Wells Fargo-Greenhouse Generator	Buildings	\$151,418.00	08/14/09	03/30/14	\$33,296.44	5		\$ 151,418.00	\$ 29,724.14	\$ 3,572.30	\$ 121,693.86	GF/tuition/local	NDSU
CL	0532	FM City Development -Fit Up Loan-Associated with Op Lease 520	Buildings	\$231,856.30	10/02/09	01/02/11	\$195,029.28	1.3	\$ 231,856.30	\$ 231,856.30	\$ 135,588.85	\$ 9,783.11	\$ 96,267.45	local	FM City Development
CL	0533	Cityscapes- Security Office Fit-up loan	Buildings	\$238,121.75	08/15/09	06/01/14	\$59,148.48	5	\$ 238,121.75	\$ 238,121.75	\$ 41,484.52	\$ 15,278.94	\$ 196,637.23	GF/tuition	Cityscapes
CL	0534	Cityscapes- Bookstore Fit-up loan	Buildings	\$176,492.00	10/01/09	06/01/14	\$44,487.60	4.8	\$ 176,492.00	\$ 176,492.00	\$ 27,328.86	\$ 9,744.14	\$ 149,163.14	local	Cityscapes
									\$ -						
Capital Lease (CL) Total									\$ 7,125,450.65	\$ 797,888.05	\$ 820,686.75	\$ 474,754.31	\$ 7,102,651.95		
DTCU	433	NDSU Development Fnd-Equine Sci	Buildings	\$4,355,000.00	01/01/03	12/31/24	\$313,097.50	21	\$ 3,580,000.00		\$ 165,000.00	\$ 145,540.00	\$ 3,415,000.00	GF/tuition	NDSU
DTCU	465	NDSU Development Fnd-Fargodome-Paid from Gifts @ NDSUDF	Buildings	\$3,500,000.00	10/10/05	10/10/20	\$331,995.70	15	\$ 2,894,022.50		\$ 192,806.59	\$ 139,189.11	\$ 2,701,215.91	private	Fargodome
DTCU	503	NDSU Development Foundation-Barry Hall; College of Business	Buildings	\$7,420,000.00	11/29/07	11/29/27	\$486,157.86	20	\$ 7,255,370.60		\$ 116,882.76	\$ 369,275.10	\$ 7,138,487.84	local	NDSU
DTCU	504	NDSU Development Foundation-Klazi Hall; Architecture program	Buildings	\$3,900,000.00	11/29/07	11/29/27	\$255,527.72	20	\$ 3,813,469.62		\$ 61,434.34	\$ 194,093.38	\$ 3,752,035.28	local	NDSU
Due to Component Units (DTCU) Total									\$ 17,542,862.72	\$ -	\$ 536,123.69	\$ 848,097.59	\$ 17,006,739.03		
BP		NDSU Research & Tech Park, Inc. - Research 1	Buildings	\$6,500,000.00	04/01/01	04/01/22	\$628,943.00	21	\$5,185,000.00		\$315,000.00	\$207,782.52	\$4,870,000.00	local	NDSU Research & Tech Park
BP		NDSU Research & Tech Park, Inc. - Research 2	Buildings	\$20,450,000.00	04/01/08	04/01/32	\$1,525,963.00	15	\$19,300,000.00		\$525,000.00	\$800,289.50	\$18,775,000.00	local	NDSU Research & Tech Park
Bonds Payable (BP) Total									\$ 24,485,000.00	\$ -	\$ 840,000.00	\$ 1,008,072.02	\$ 23,645,000.00		
Grand Total									\$ 49,153,313.37	\$ 797,888.05	\$ 2,196,810.44	\$ 2,330,923.92	\$ 47,754,390.98		

1/ Funding Source: state, local or private
2/ describe facility ownership at end of lease term

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North Dakota State College of Science
Capital Lease Record as of May 26, 2010

Any lease of real property under which the property is transferred to the institution, or the institution has an option to purchase the property for a nominal sum (or for a sum significantly less than actual value at the end of the lease term).

Lease Class	Lease #	Description	Asset Class (infrastructure, building)	Original Principal	Lease Term Beginning	Lease Term Ending	Payment Amount	# of Years	6/30/2009 Actual Principal Balance Due	FY10 New Leases - Principal	FY10 Scheduled Principal Due	FY10 Scheduled Interest Due	6/30/2010 Scheduled Principal Balance Remaining	Funding Source(s) of Annual Lease Payments ¹	End of lease conditions ²
CL		Skills & Technology Training Center	Building	\$ 1,250,000.00		No ending date						\$ 141,156.00	\$ -	Local	option to purchase from NDSU Foundation at original purchase price
													\$ -		
													\$ -		
													\$ -		
													\$ -		
													\$ -		
													\$ -		
Capital Lease (CL) Total									\$ -	\$ -	\$ -	\$ 141,156.00	\$ -		
													\$ -		
													\$ -		
													\$ -		
													\$ -		
													\$ -		
Due to Component Units (DTCU) Total									\$ -	\$ -	\$ -	\$ -	\$ -		
													\$ -		
													\$ -		
													\$ -		
													\$ -		
													\$ -		
Grand Total									\$ -	\$ -	\$ -	\$ 141,156.00	\$ -		

1/ Funding Source: state, local or private
2/ describe facility ownership at end of lease term

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