Viability Ratio  
(Expendable Resources to Debt)

The Viability Ratio measures one of the most basic determinants of clear financial health: the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date.

Debt Management - is debt managed strategically to advance the mission?

A Viability Ratio measures one of the most basic determinants of clear financial health: the availability of expendable net assets to cover debt should the institution need to settle its obligations as of the balance sheet date. A ratio in the range of 1.25X to 2.0X indicates a strong creditworthy institution. However, the level that is 'right' is institution-specific. The institution should develop a target for this ratio that balances its financial, operating and programmatic objectives. (1) To maintain its high bond rating, The UT System has established a minimum standard of 0.8X.

Data

<table>
<thead>
<tr>
<th></th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Violability Ratio</td>
<td>0.72</td>
<td>0.66</td>
<td>0.74</td>
<td>0.65</td>
<td>0.60</td>
<td>0.54</td>
<td>0.63</td>
<td>0.18</td>
</tr>
</tbody>
</table>

Expendable Net Assets $117,216,224 $130,213,038 $168,027,052 $184,882,027 $210,902,701 $197,452,816 $221,085,866 $23,633,051 $23,633,051

Long Term Debt $163,783,000 $198,899,000 $226,436,000 $283,597,000 $352,815,000 $367,237,000 $348,350,000 $(18,887,000)

Formula

\[
\text{Viability Ratio} = \frac{\text{Expendable Net Assets}}{\text{Long Term Debt}}
\]

UTSA’s CONDITION: Upward trend is due to additional student tuition and fees from enrollment growth in excess of budgeted revenues.