Rudy

Here are my comments on the Rider information:

- The amount of cash, and how long they have cash compared to others, is not a metric I put much stock in. Cash is affected by bond proceeds, is very sensitive to timing issues on when cash is paid or received for various items, and in general is not that important in assessing financial health

- The reserves are interesting. Notice how many categories they now have in the net asset section. My view is:
  - Invested in plant speaks for itself
  - Donor-restricted is like restricted expendable
  - Board restricted is unrestricted
  - The only restricted, non-expendable is beneficial interest in trusts
  - The rest is all unrestricted, including the quasi-endowment
  - Here is how I see reserves:

	2014	2015
Unrestricted	$784	$9,359
Temporarily Restricted	$38,127	$26,540
Total Reserves	$39,239	$35,899
Operating Expenses	$156,343	$155,997
Debt	$52,119	$50,288
Viability Ratio	75.3%	71.4%
Primary Reserve Ratio	25.1%	23.0%

- The S&P report does suggest that cash flows and reserves are solid

Tuition Revenue

- With tuition revenue, even though enrollment is down, tuition revenue increased from 2014 to 2015:

	2014	2015	$ Change	% Change
Tuition Revenue	101,569	102,908	1,339	1.3%

  - The discount rate moved from 2014 to 2015:
  - The S&P report focuses on the enrollment decline from 2009 to 2014, but the fact that tuition revenue increased from 2014 to 2015 is more important

	2014	2015
Gross Tuition	158,341	165,308
Discount	-56,772	-62,400
Net Tuition Revenue	101,569	102,908
Discount Rate	35.9%	37.7%

- Other Revenues
  - Grants and contracts declined from $7.8 million to $3.0 million from 2014 to 2015.
  - Slight decline in auxiliary (housing and dining, I assume) revenue

- With retiree health:
  - Balance sheet liability of $9.983 million (about 10% of total liabilities)
  - 2015 Accrual expense of only 901k in 2015
  - 2015 cash paid was $202k, and $200k in 2014. They forecast slightly higher cash outlays, but this item is just not a significant factor for Rider

- Cash Flows: When all is said and done, Rider generated $12.594 million in operating cash flows in 2015, after generating $12.944 in 2014. That is a cash flow ratio that is very strong:

	2014	2015
Operating Cash Flows	12,944	12,594
Total Revenues	167,682	154,306
Cash Flow Ratio	7.7%	8.2%
	2014	2015
Operating Expenses	156,343	155,997
Change in Net Assets	11,339	-1,691
Total Revenues	167,682	154,306

- The change in net assets is negative in 2015. Here is the breakdown:

	2014	2015
Operating Revenue	160,340	155,250
Operating Expenses	156,343	155,997
Operating Income	3,997	-747
Non-operating Items	7,342	-944
Change in Net Assets	11,339	-1,691
Net Asset Ratio	7.1%	-1.1%

  - The non-operating items are dominated by paper gains and losses, which are driving some of the results.
  - The main reason for the decline in operating income is due to the decline in grants and contracts

- Expense Analysis:

	2014	2015	$ Change	% Change
Instruction	63,323	62,857	-466	-0.7%
Research	1,793	1,726	-67	-3.7%
Academic Support	16,199	15,701	-498	-3.1%
Student Services	25,331	26,174	843	3.3%
Institutional Support	20,961	21,639	678	3.2%
Fundraising	2,896	2,823	-73	-2.5%
Auxiliaries	25,840	25,077	-763	-3.0%
Total Operating Expenses	156,343	155,997	-346	-0.2%

  - Though the amounts are not large, it is still revealing that instruction went down while institutional support went up
  - If instruction changed in the same manner that institutional support did, then ii would have increased $2 million instead of going down about ½ a million
  - Instruction has remained about 40% of total expenses for a few years
  - Institutional support is about 14% of total expenses, which is high

- Endowment
  - The endowment is $56 million at the end of 2015, about what is was at the start of 2013
  - In 2014, the administration raised $3 million
  - In 2015, the administration raised $792,000
  - Given that fundraising expenses are $2.8 million to $2.9 million per year, they are not even covering fundraising expenses. This should be examined – money is being spent on people who are not raising very much money