

FINANCIAL RATIOS

The financial ratios provide a more holistic view of our financial performance and support a strategic approach to financial planning. EOU's mission is only attainable when our financial resources support our strategic plan. The alignment of resources and strategy is paramount for EOU to prosper as a university.

The following four ratios are used in assessing the institution's financial health. These ratios are calculated annually based on the current financial statements.

- Current Ratio
 - $\text{Current Assets} / \text{Current Liabilities}$
- Contribution Ratio
 - Divides each revenue stream by the total revenue to determine specific revenue stream contribution.
- Primary Reserve Ratio
 - $\text{Expendable Net Assets} / \text{Total Adjusted Expenses}$
- Debt Burden Ratio
 - $\text{Debt Service} / \text{Operating and Non Operating Expenses}$

