CAMPUS FINANCIAL RATIOS

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Annual Financial Review Report

- Provides financial analysis by institution
- Identifies trends over time
- Multiple financial ratios compared to general industry standards
- Composite Financial Index (CFI) specific to higher education
- Ratio results must be viewed together over time, not individually, to evaluate institution financial health

Formulas

Composite Financial Index (CFI) Calculation

The CFI creates one overall measurement of financial health based on four core ratios: primary reserve ratio, net income ratio, viability ratio and return on net assets ratio. The Higher Learning Commission (HLC) uses the CFI scores, excluding pension liability and expense, to determine the zone.

The HLC requires component units (CU) to be included in the CFI calculation. The CFI information excluding CU is presented here for informational purposes only.

CFI Zones	Public Institutions CFI	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if "in" for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if "below" in any given year

Operating Income Margin

Formula:

$$\frac{\textbf{Income (loss) before capital grants and gifts}}{\textbf{Total Revenue (operating and non-operating)}}$$

Measures current year financial results. A ratio of greater than zero is desired and indicates an institution is not spending more than it is taking in during the year. Additionally, a ratio of greater than zero indicates an institution is adding to reserves.

Formulas

Viability Ratio

Formula:

$$\frac{\textbf{Expendable Net Position}}{\textbf{Long-Term Debt}}$$

Measures ability to retire long-term debt using current resources. Expendable net position includes unrestricted net position and all expendable restricted net position, excluding net investment in plant. A ratio of greater than 1.0 is good and a ratio of less than .3 is of concern.

Working Capital Ratio

Formula:

$$\frac{\dfrac{\textbf{Current Assets}}{\textbf{Current Liabilities}}}{\textbf{Operating Expenses}} \quad \textbf{X 52 weeks}$$

Measures the ability to sustain operations in a short-term emergency situation (4-6 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.

Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

SBHE Policy 810. (1 a). Undesignated Reserve states that colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue.

The information is presented on a cash basis.

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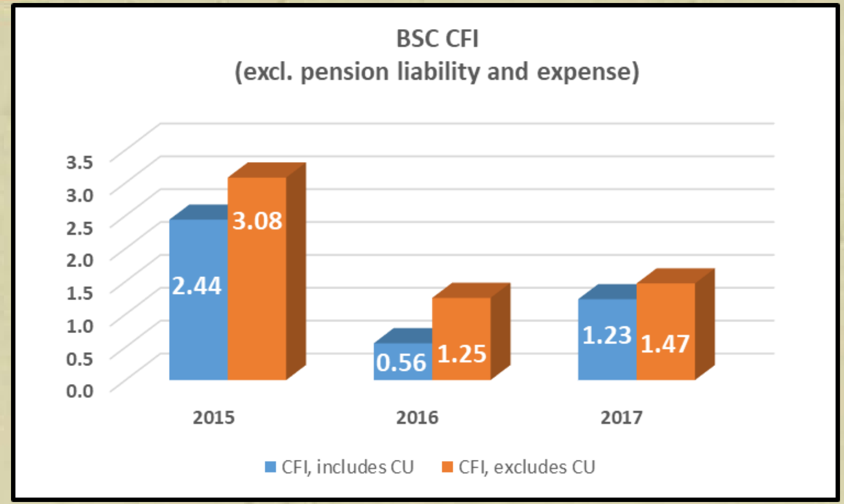

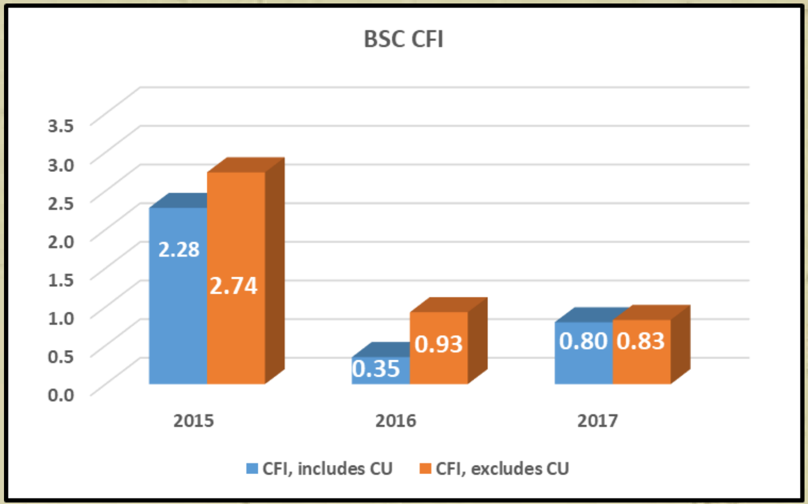

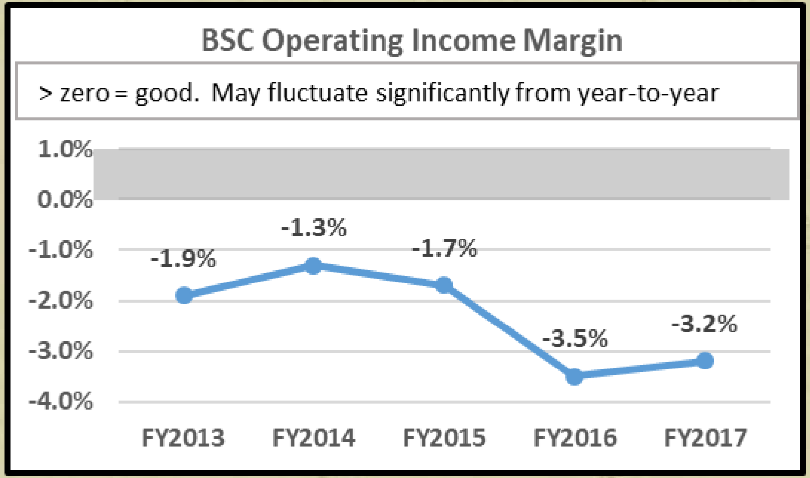

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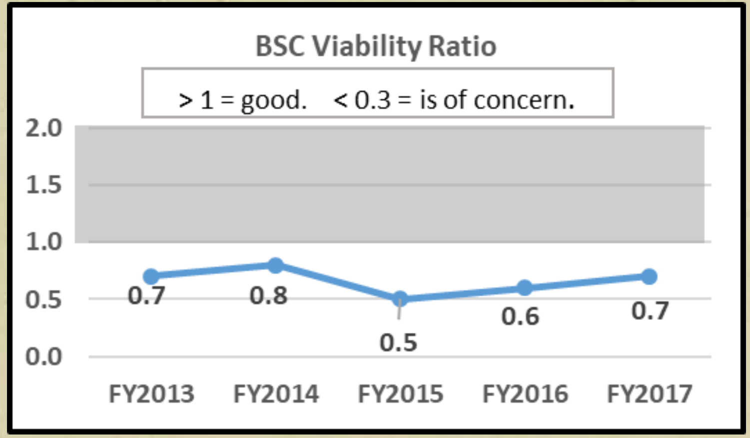
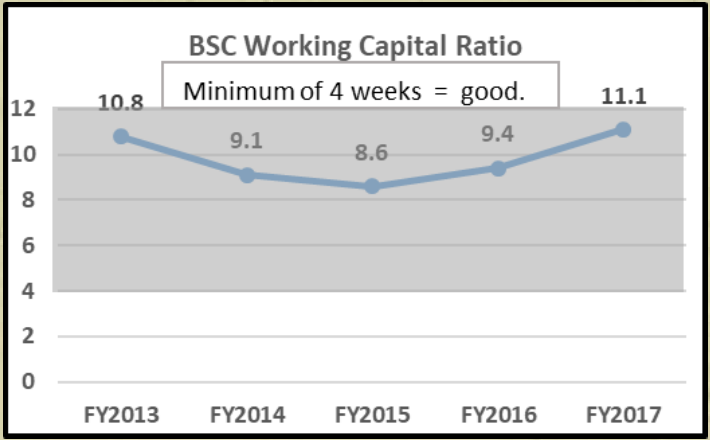
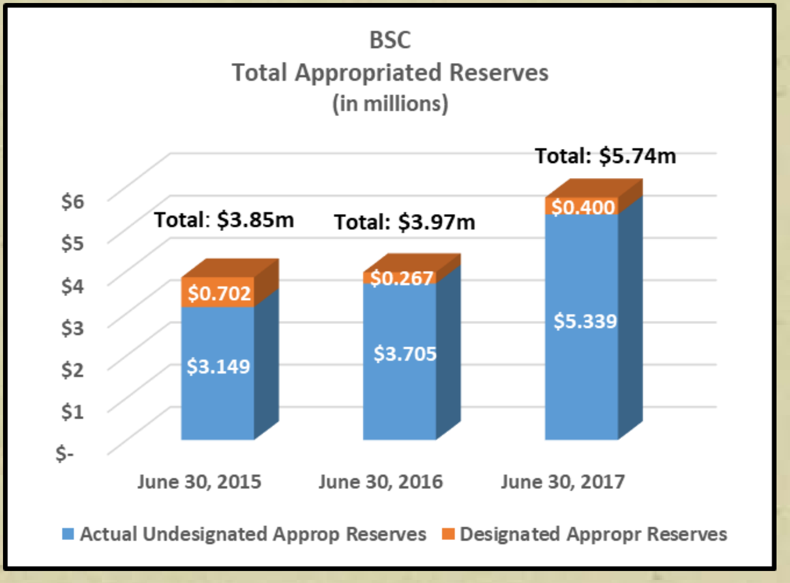
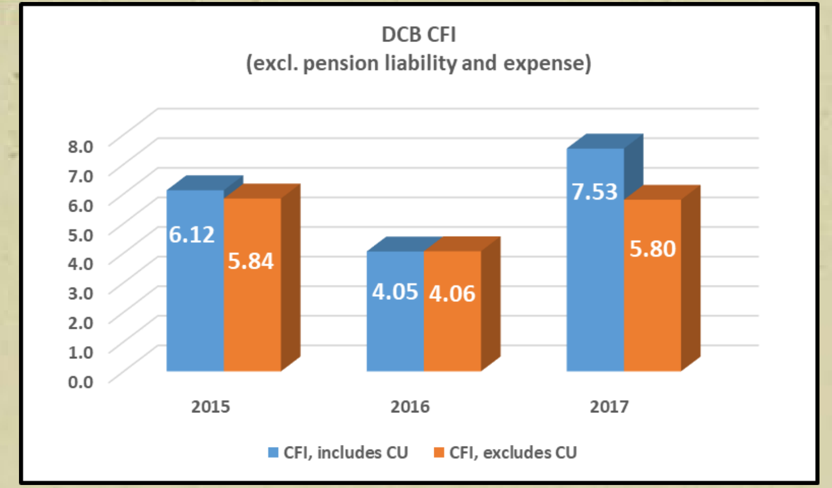
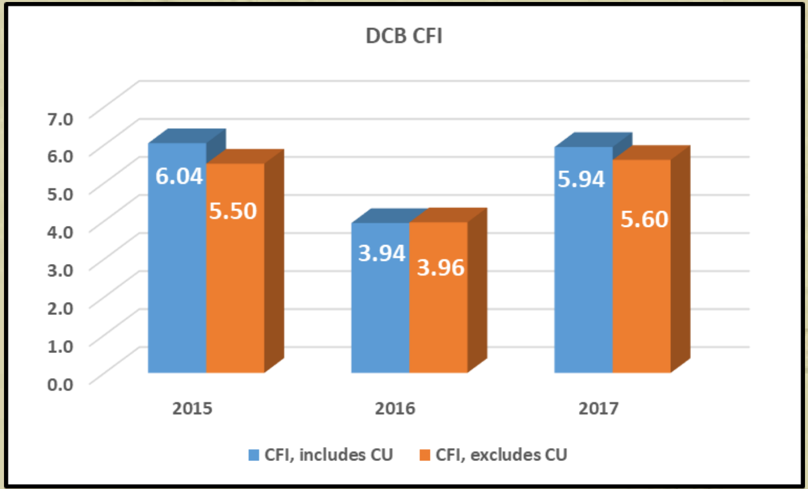


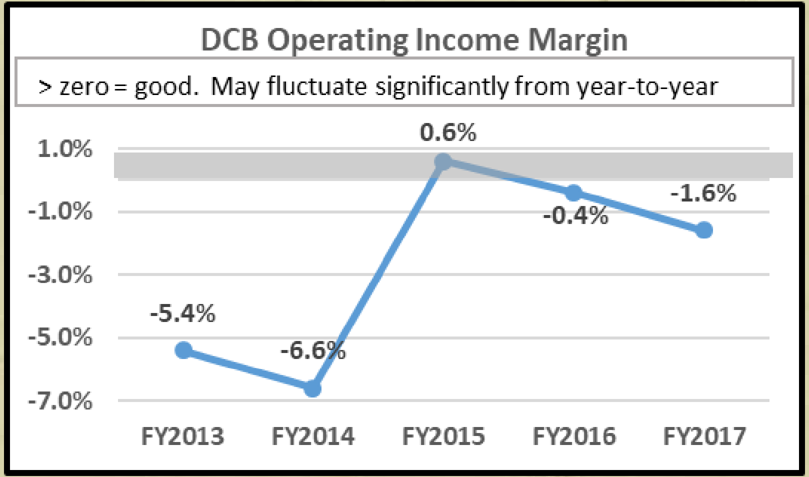




Dakota College at Bottineau







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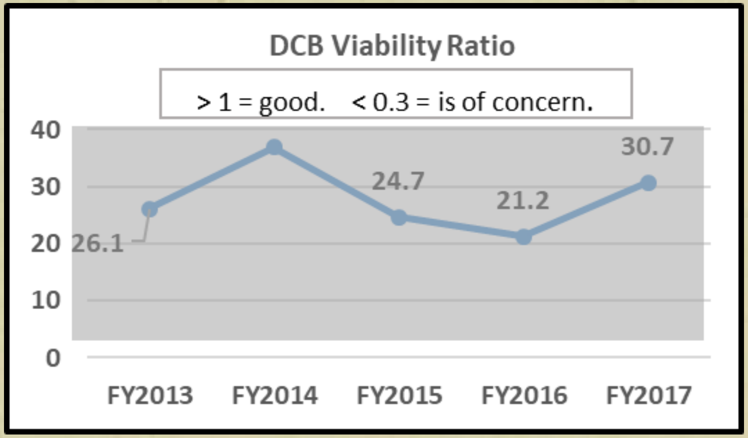
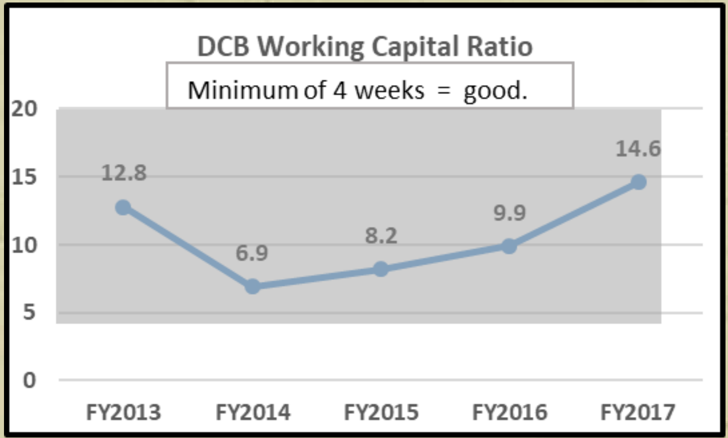
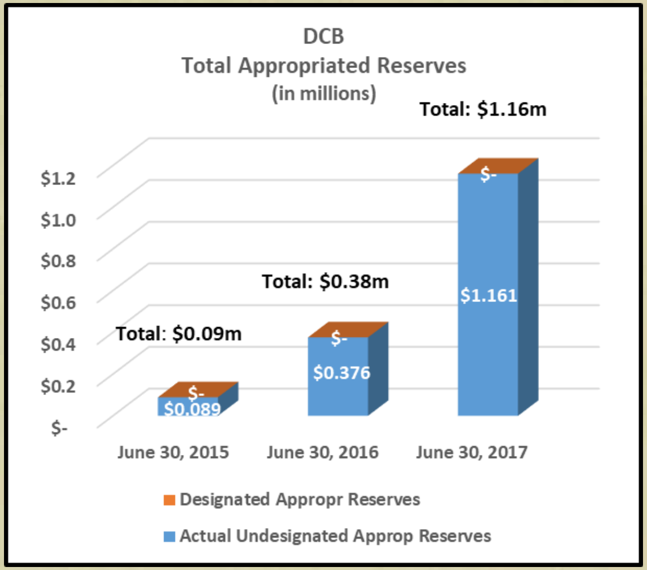
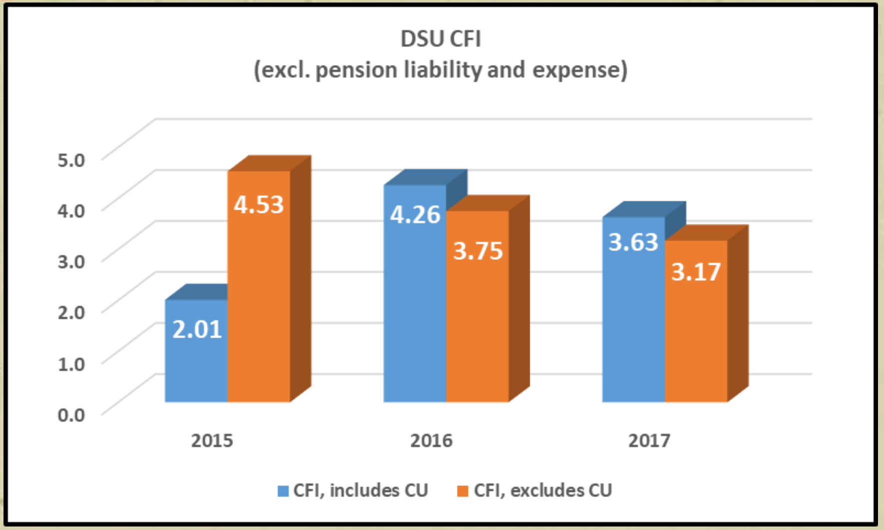
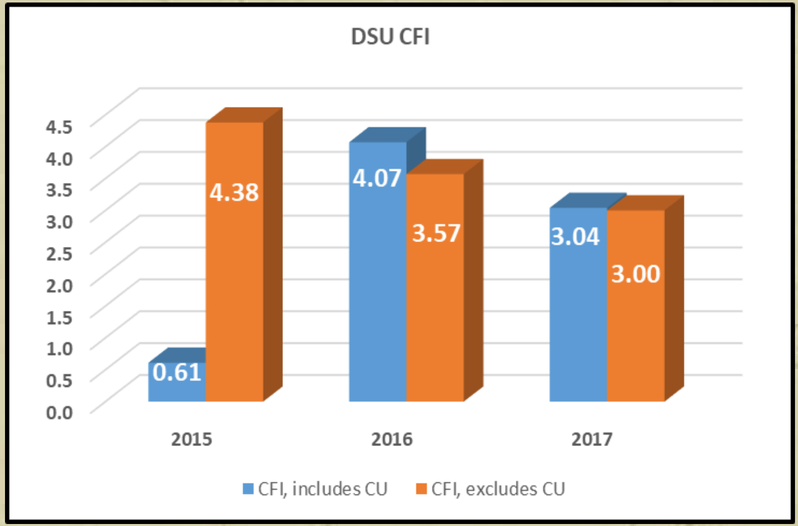






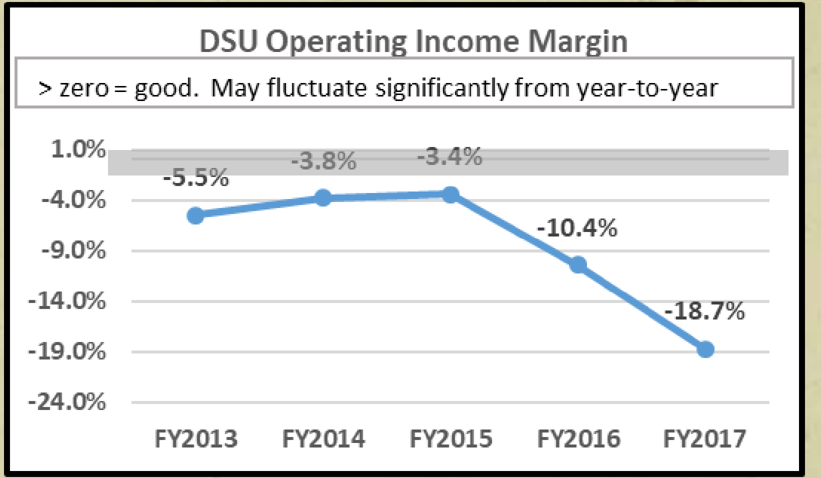
Dickinson State University





FY2017 and FY2016 CFI with CU includes the DSU Heritage Foundation. The foundation was created in November 2015.

FY2015 CFI with CU includes the financial information for the DSU Foundation. The foundation went into receivership in 2014. Therefore, the DSU Foundation's financial information as of 12/31/13 was used. This is the most recent financial information available for the foundation.



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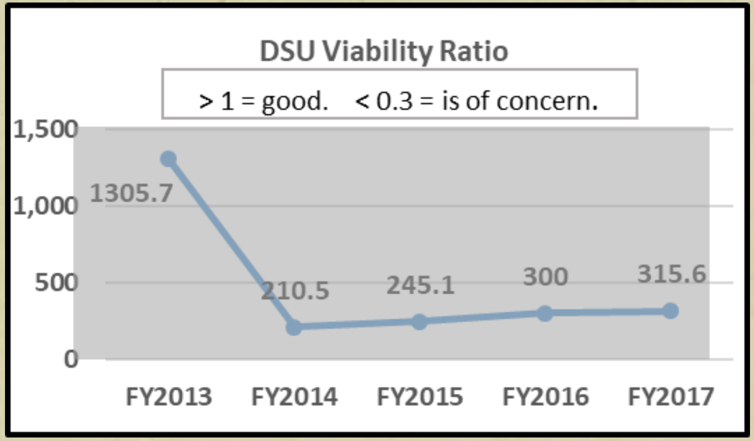

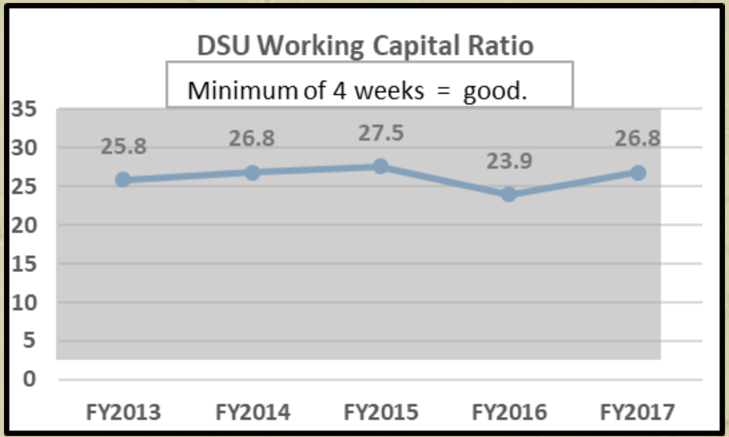

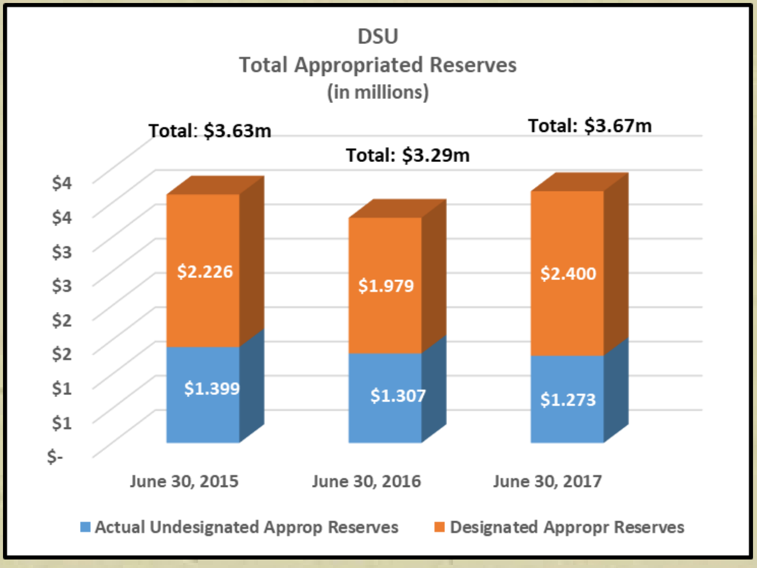

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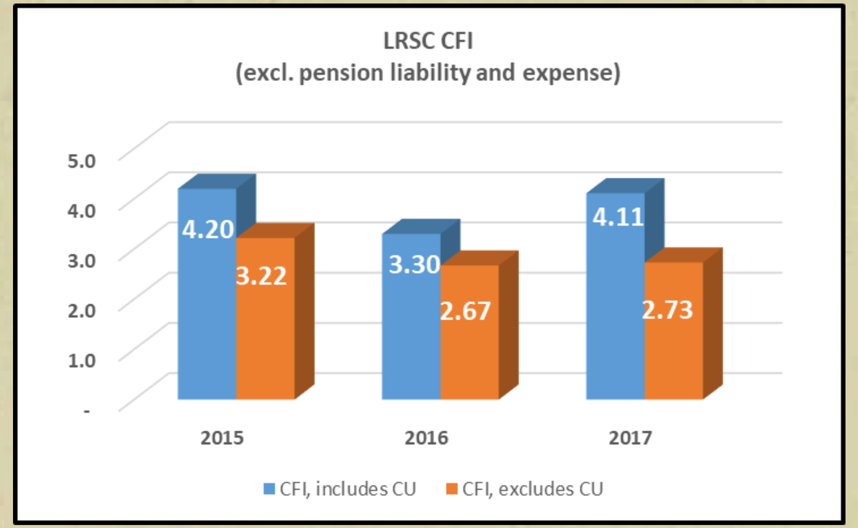

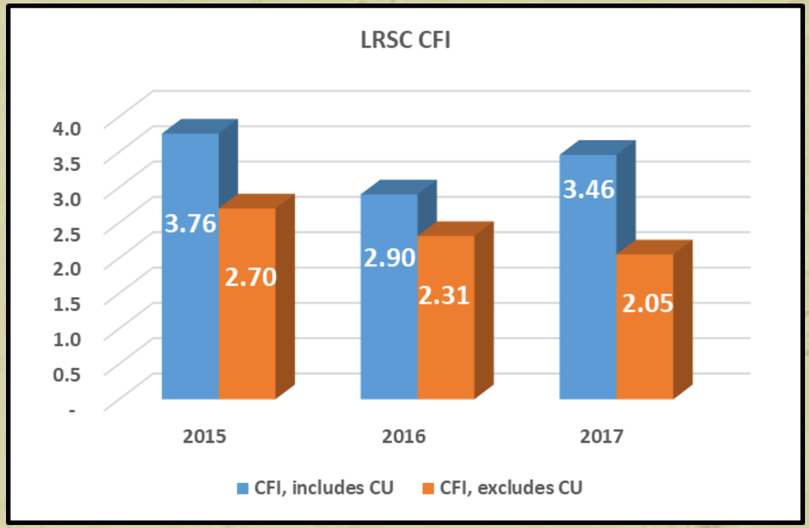

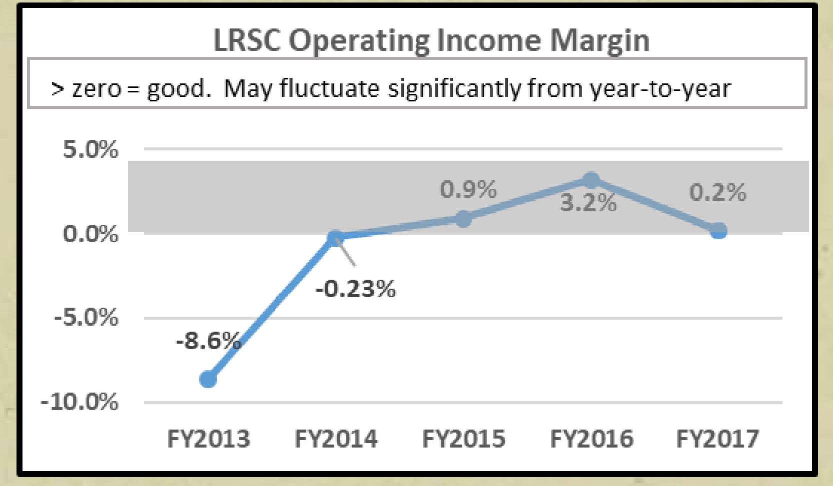

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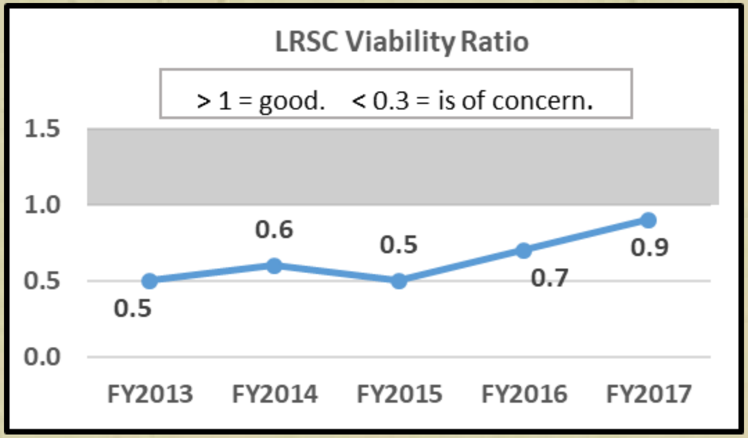
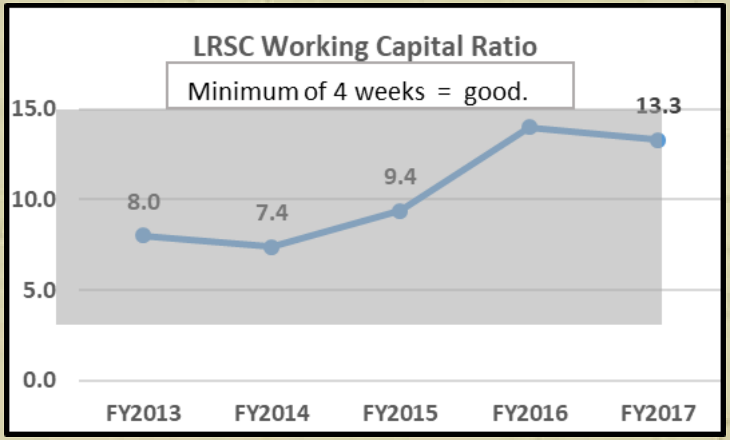
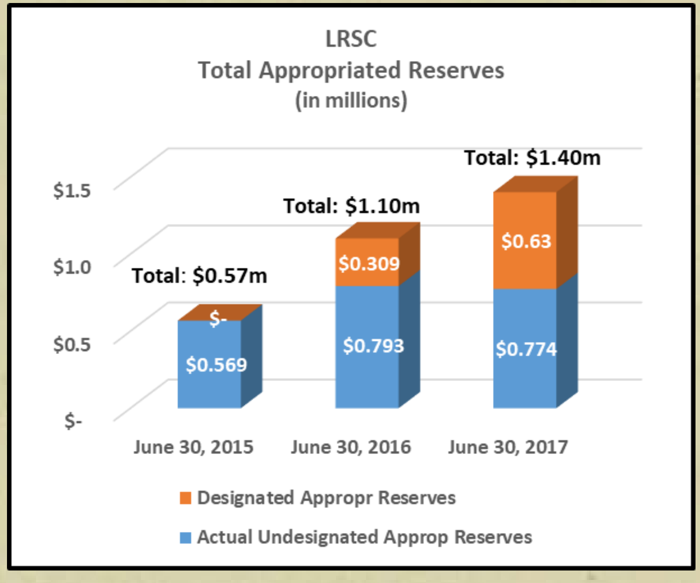
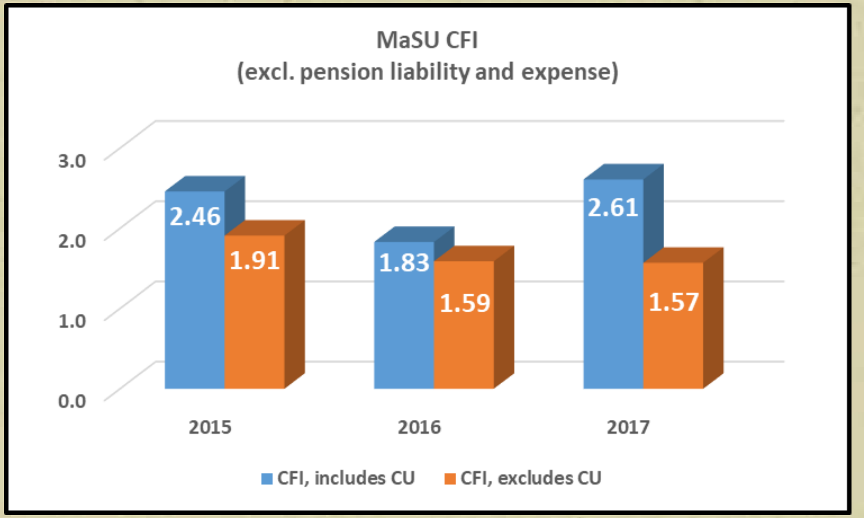
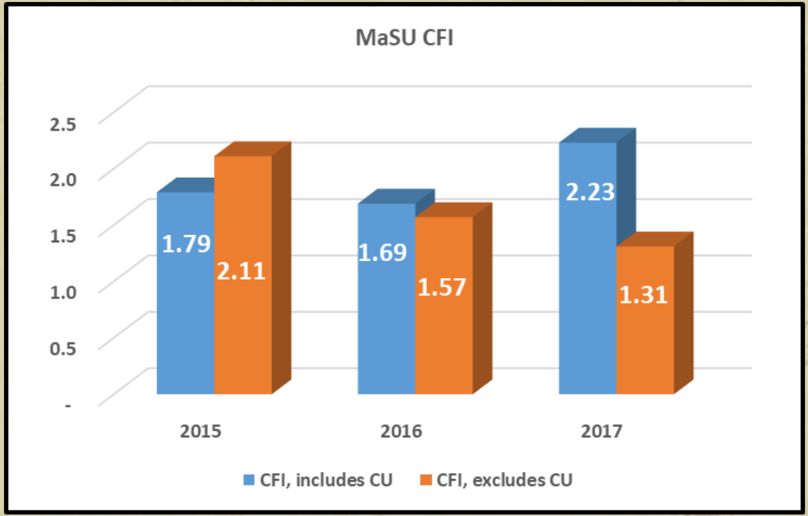


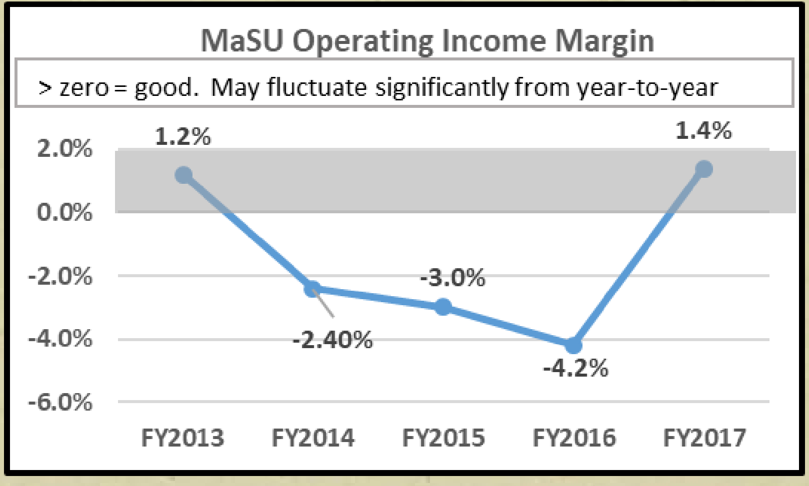




Mayville State University







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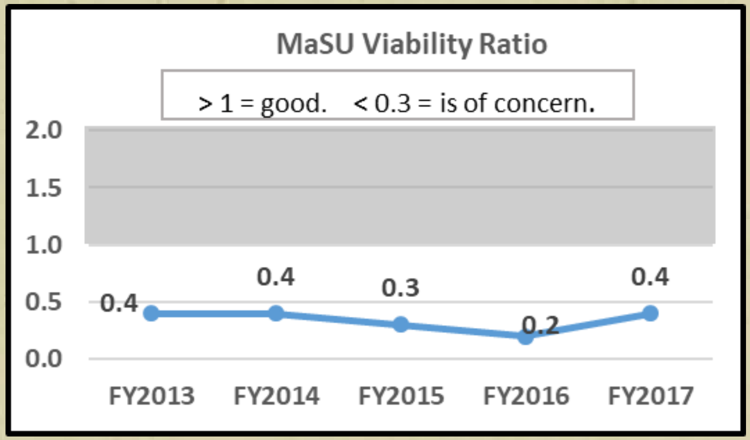
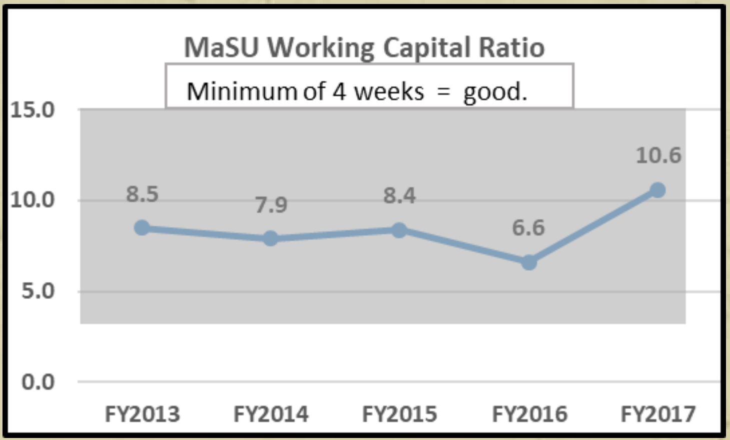
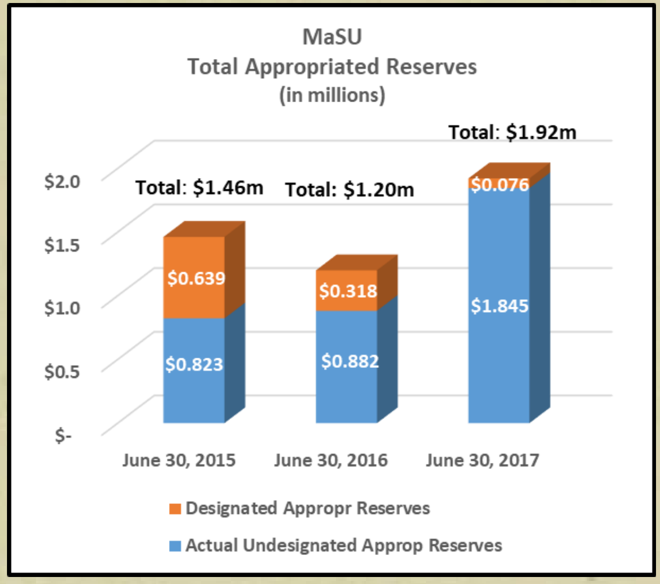
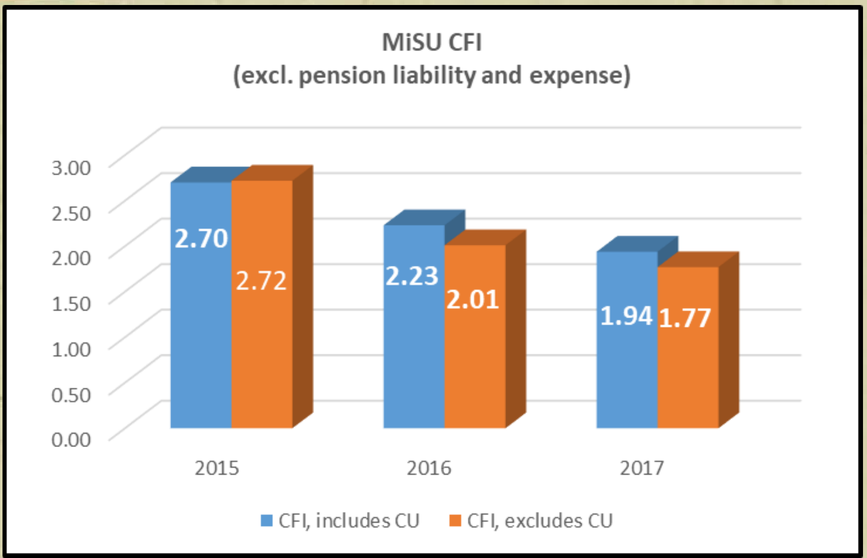
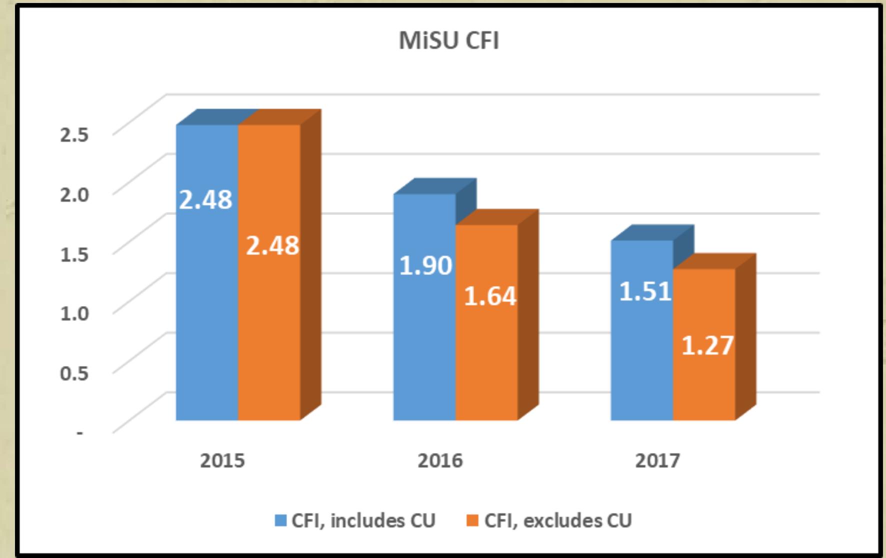


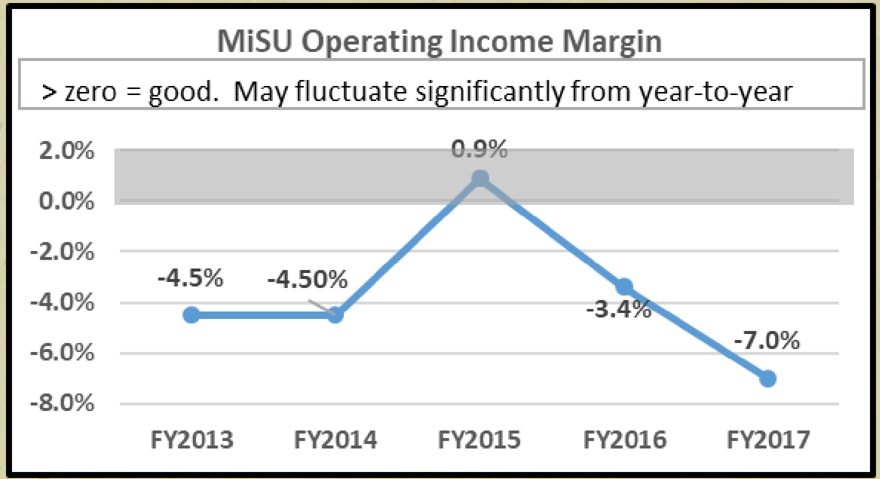




Minot State University







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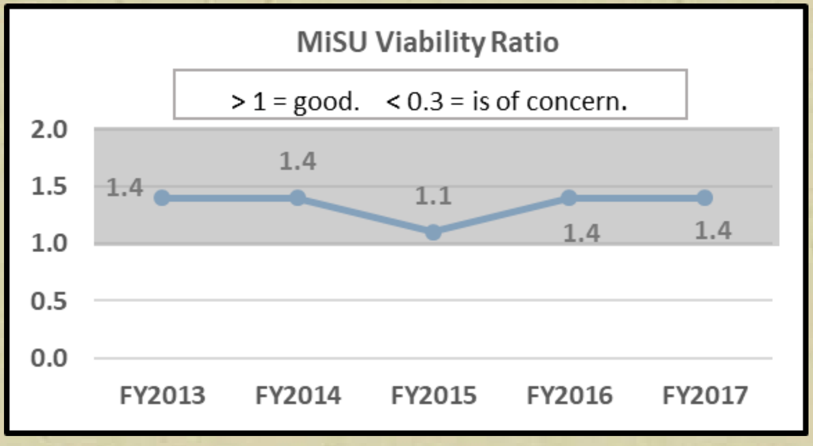
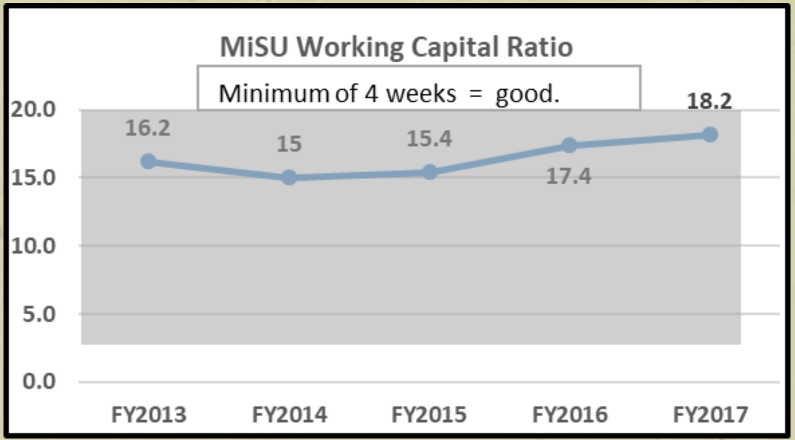
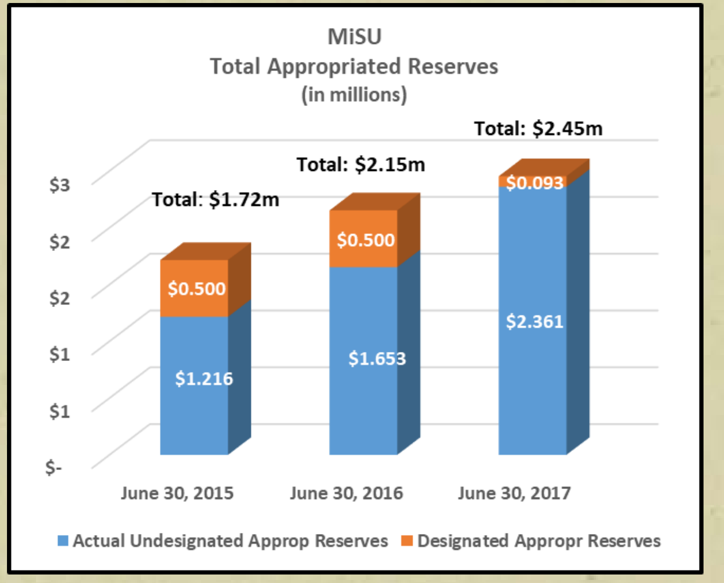
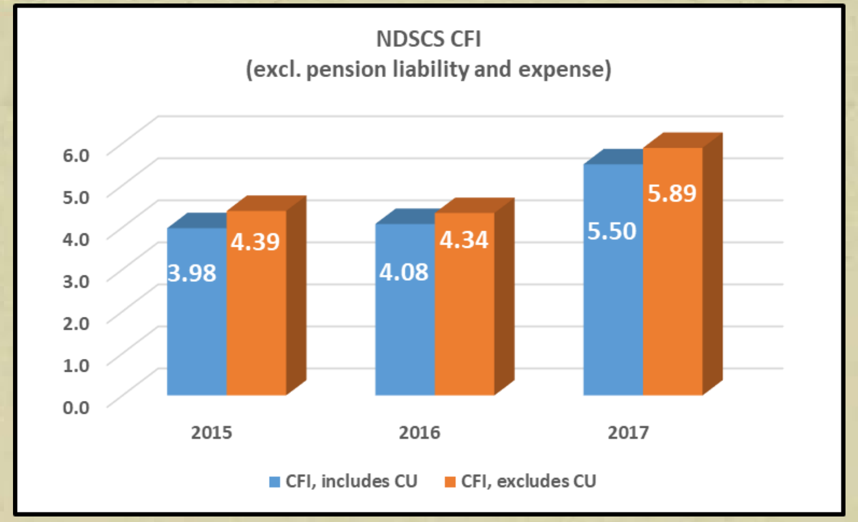
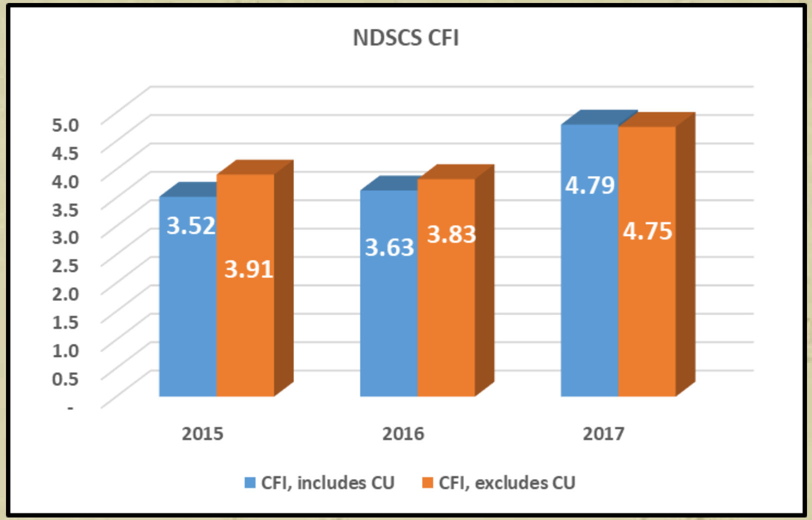


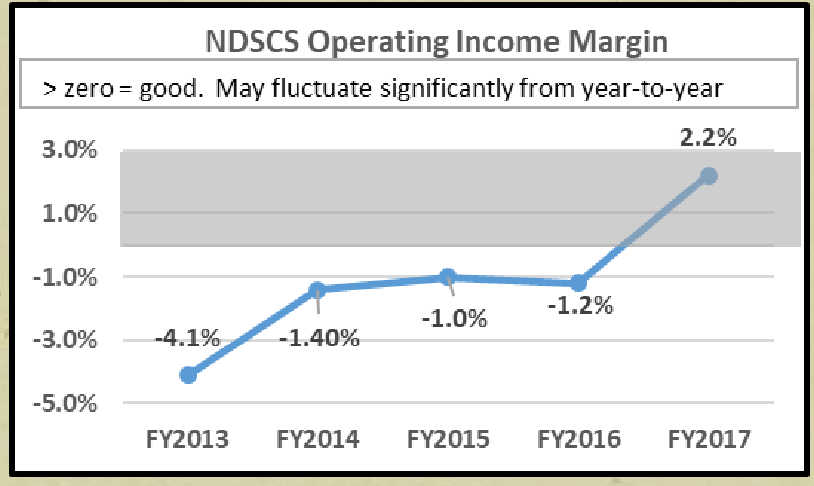




North Dakota State College Of Science







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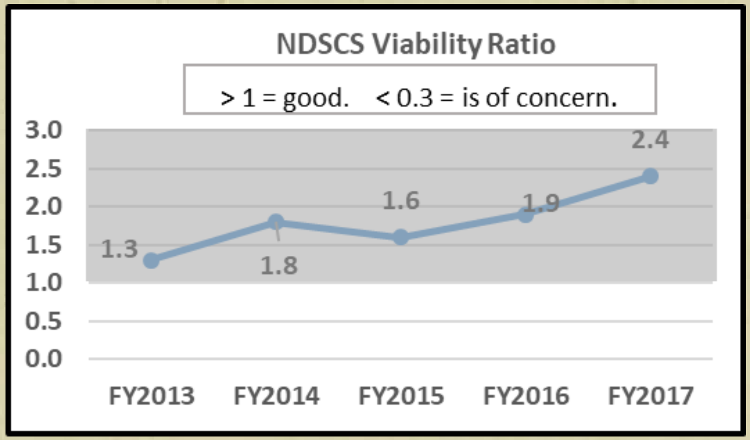
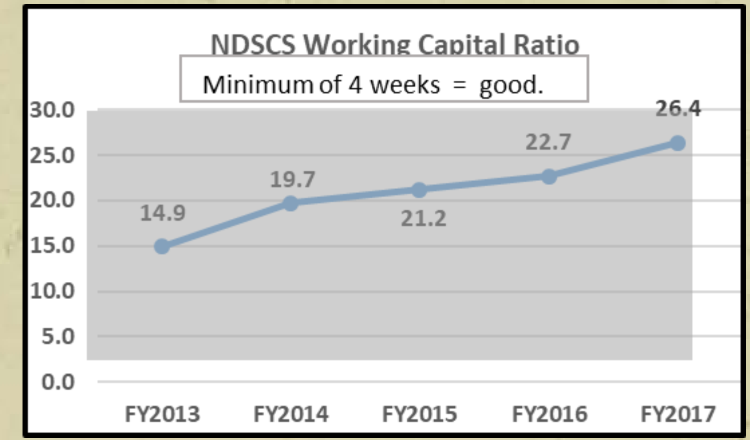
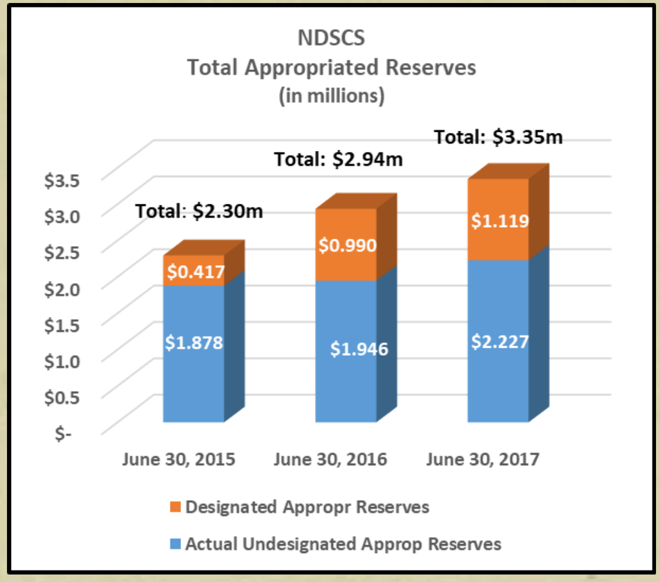
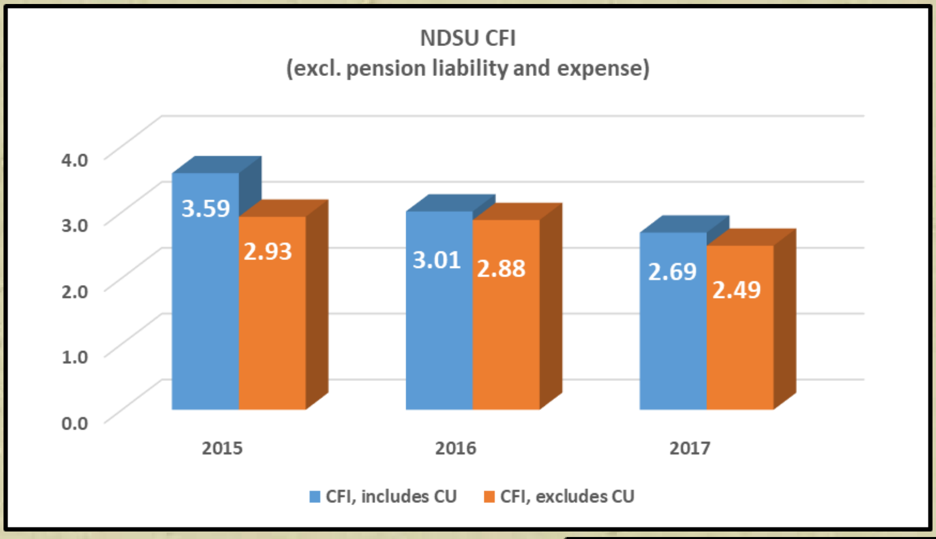
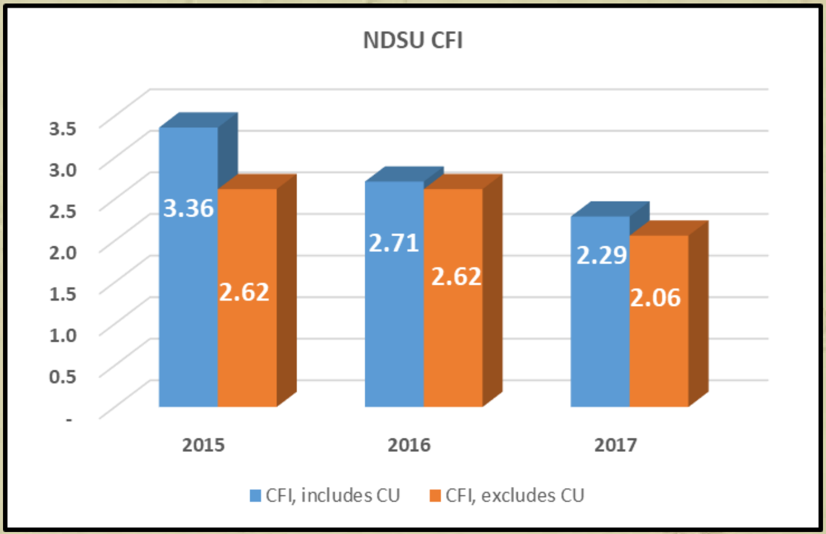


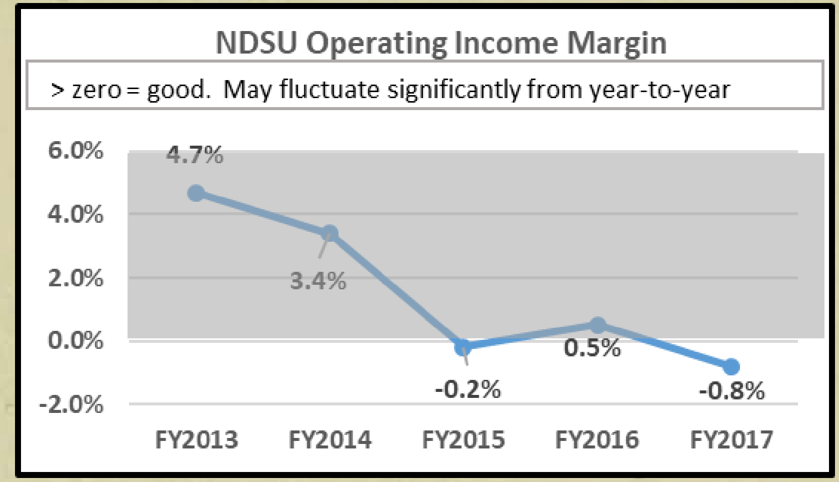




North Dakota State University







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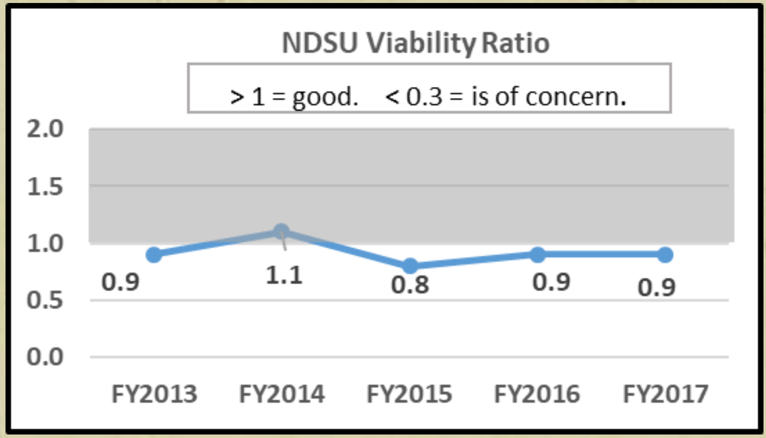
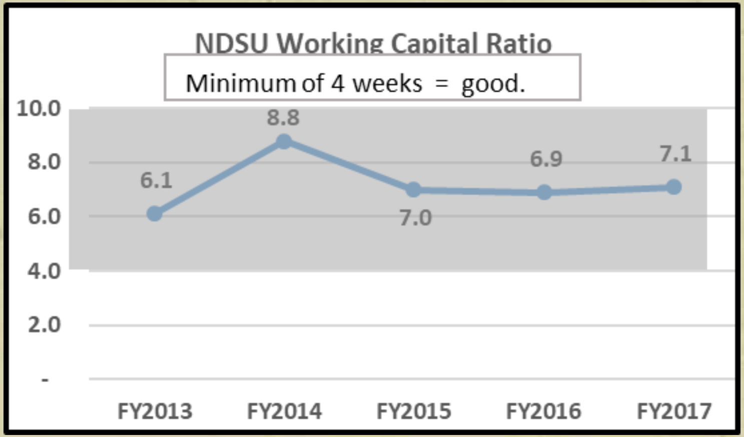
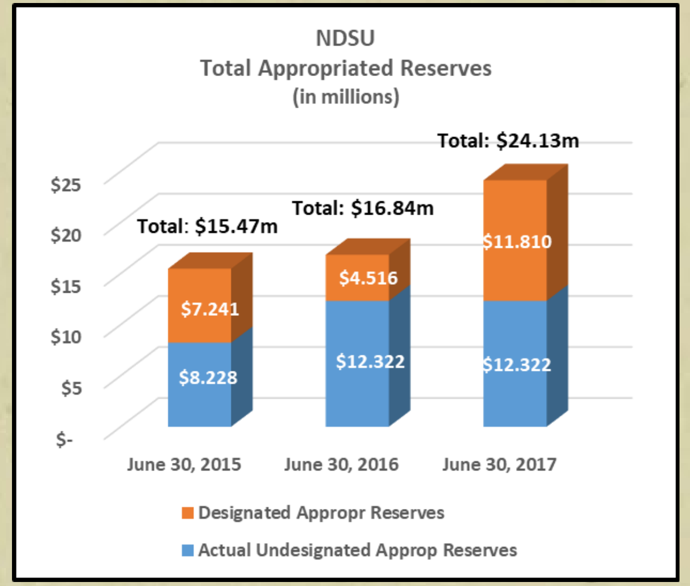
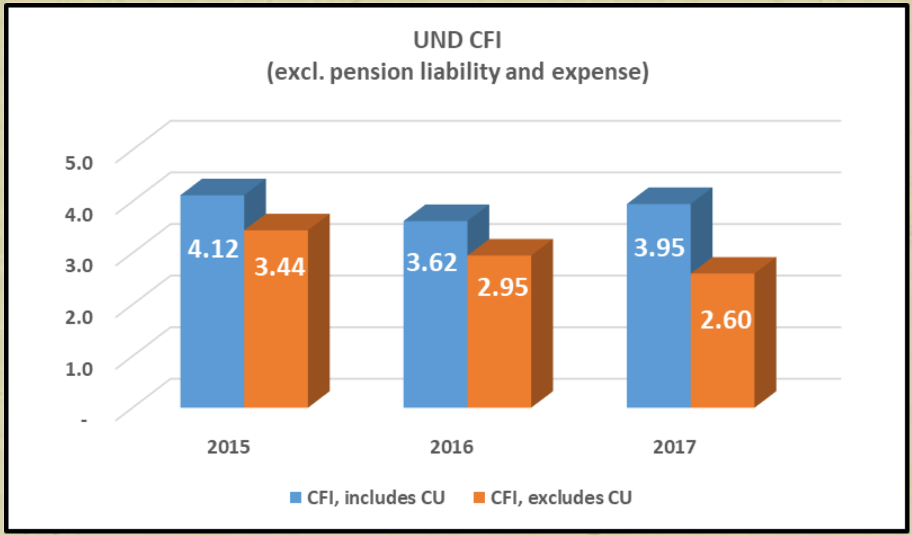
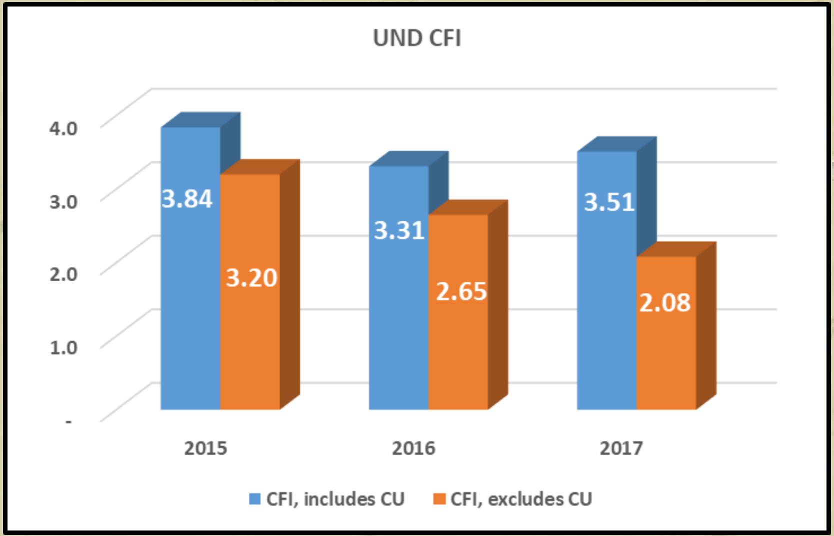


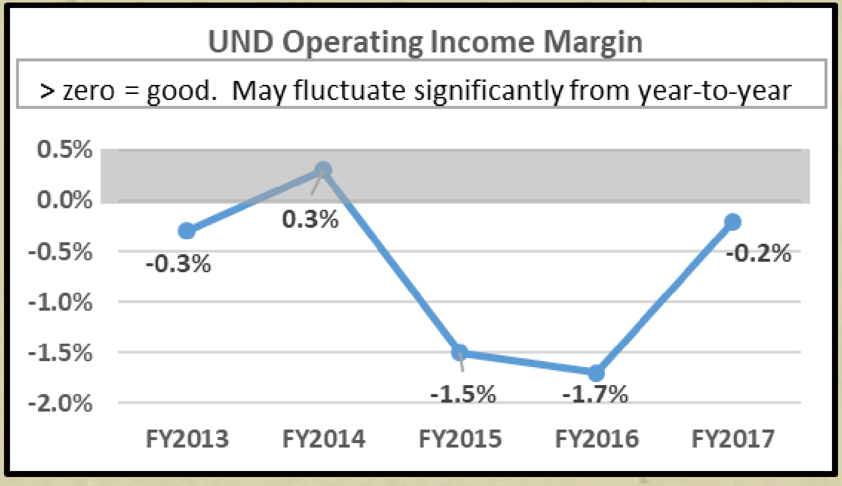




University Of North Dakota







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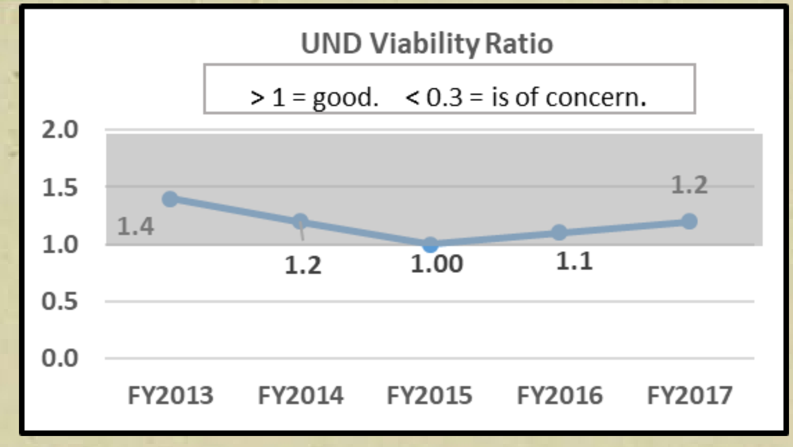
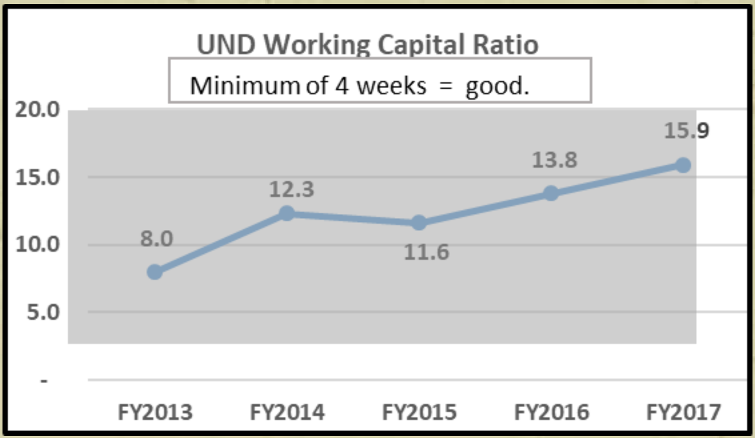
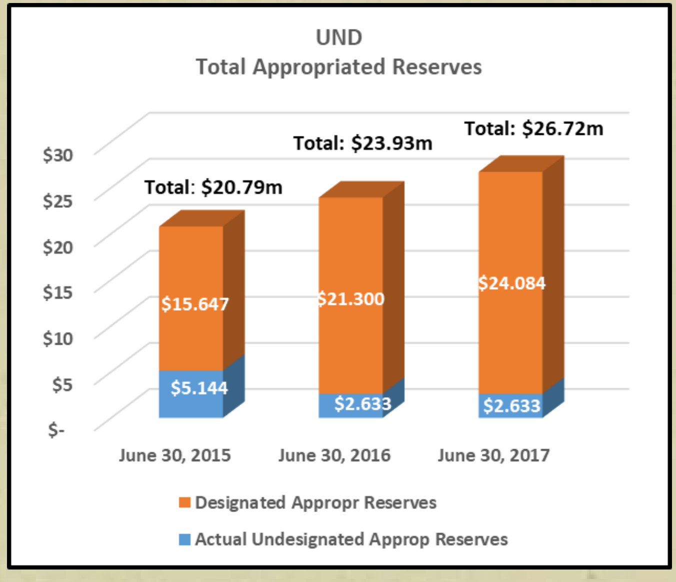
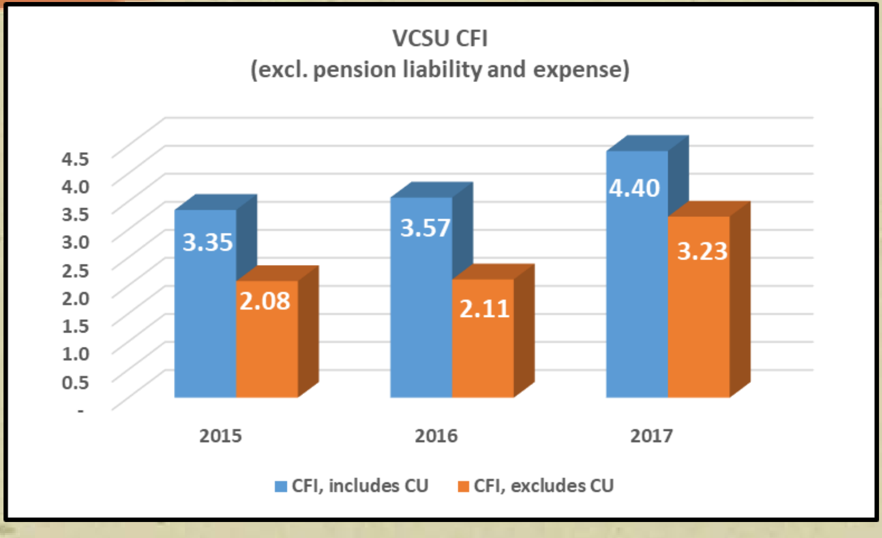
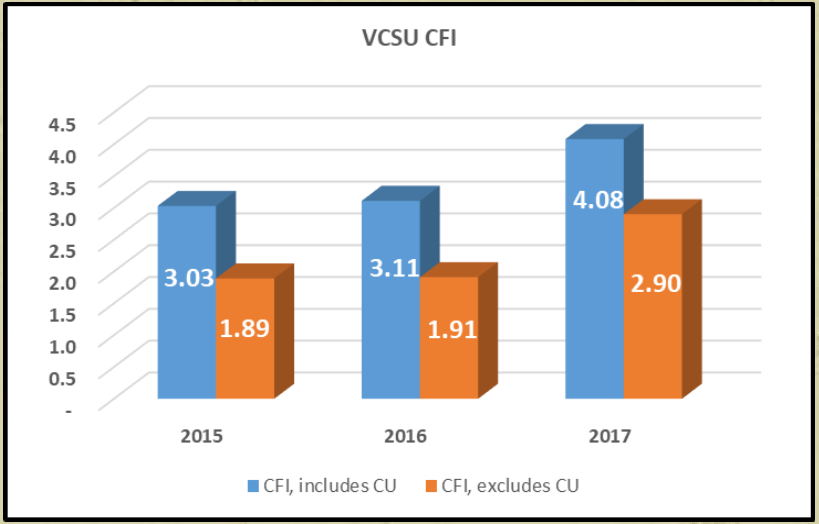


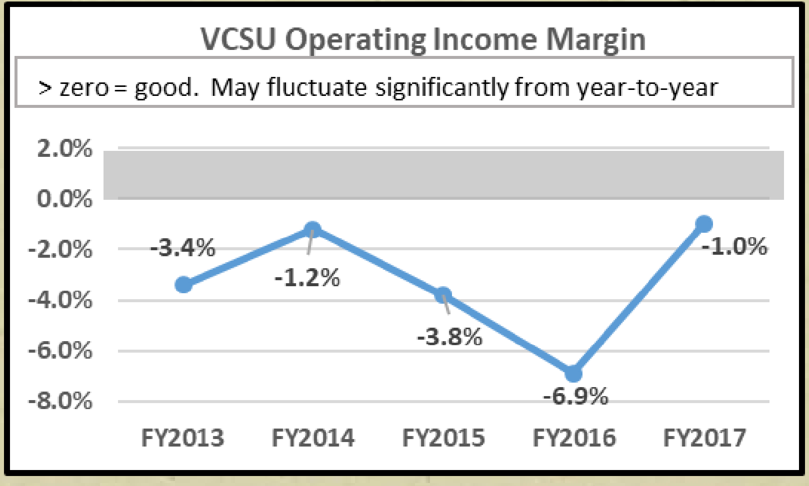




Valley City State University







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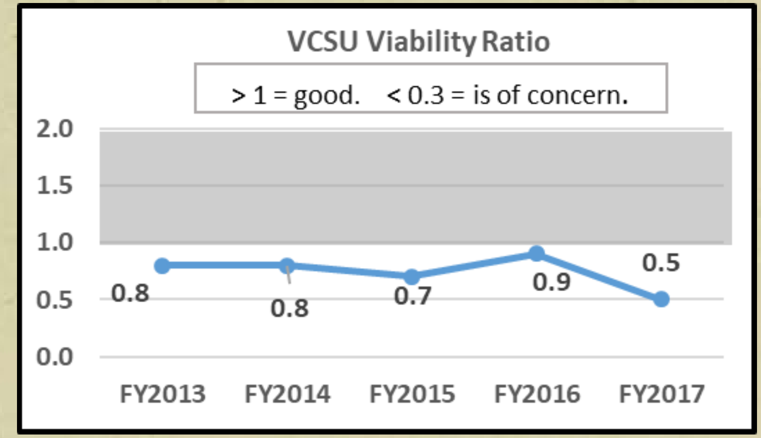

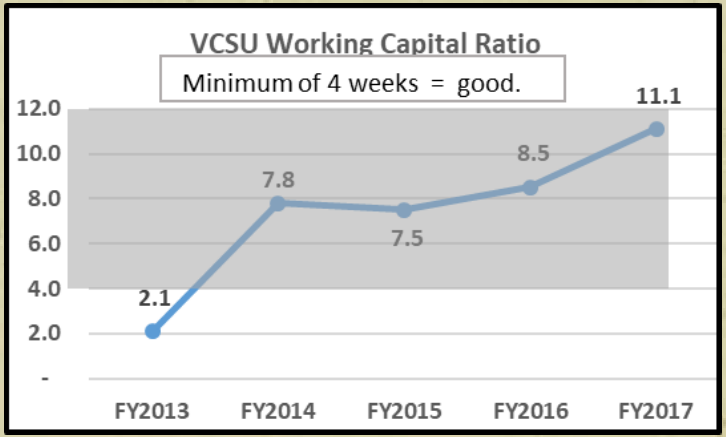

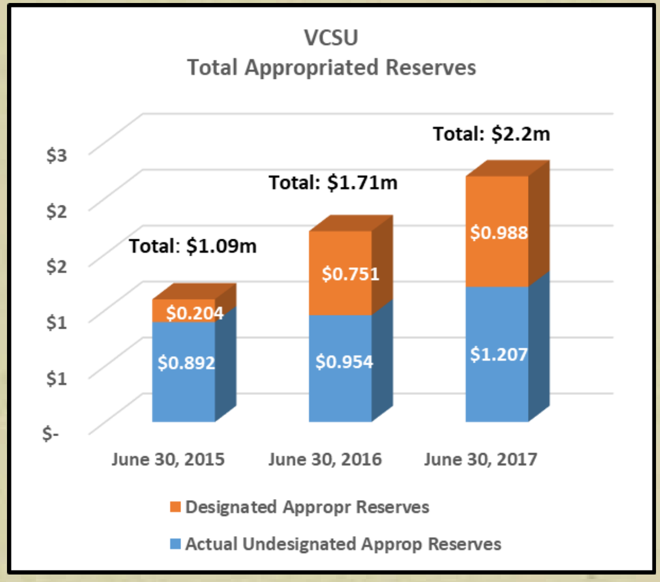

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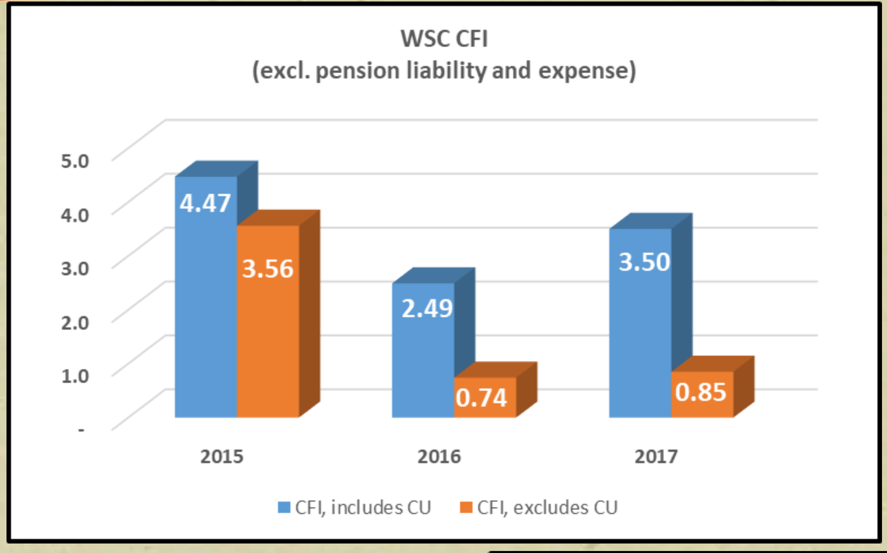

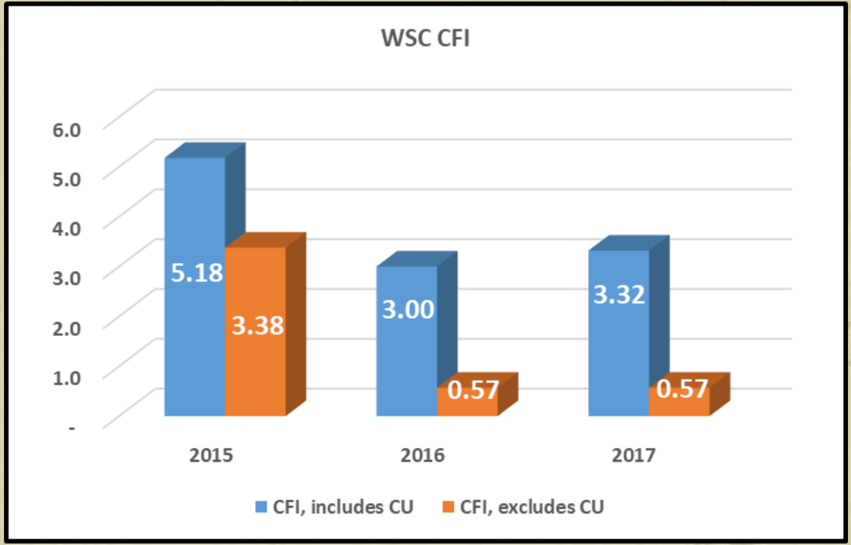

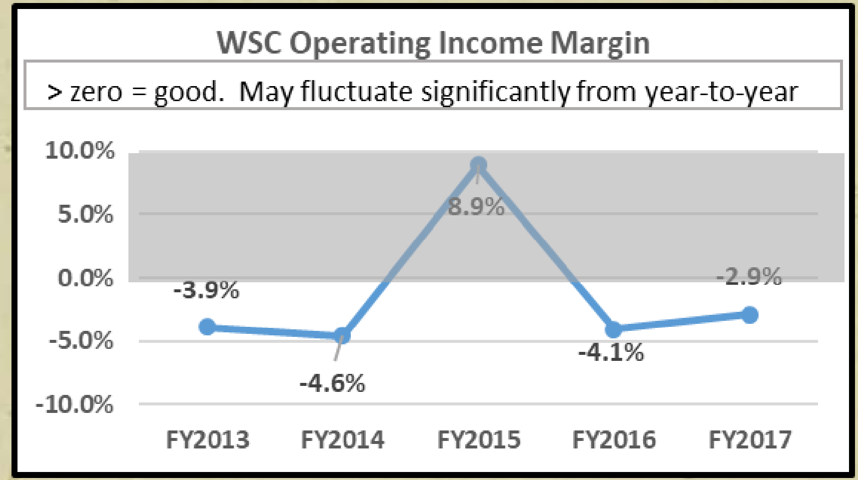

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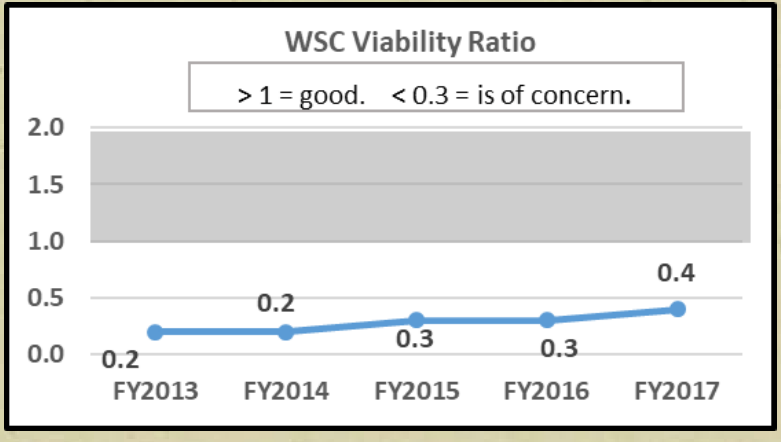

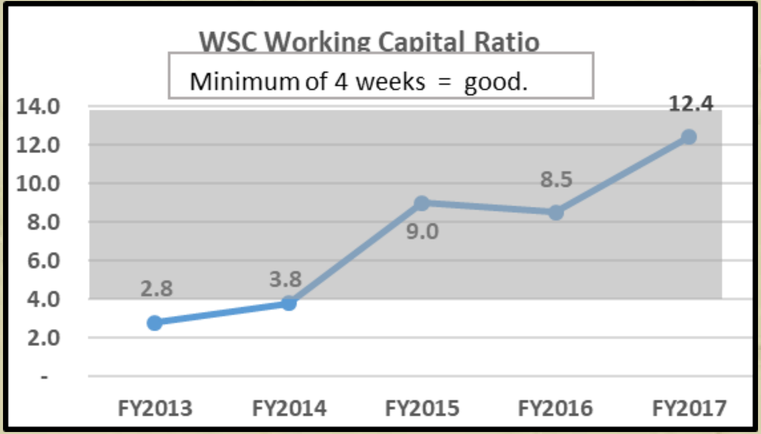

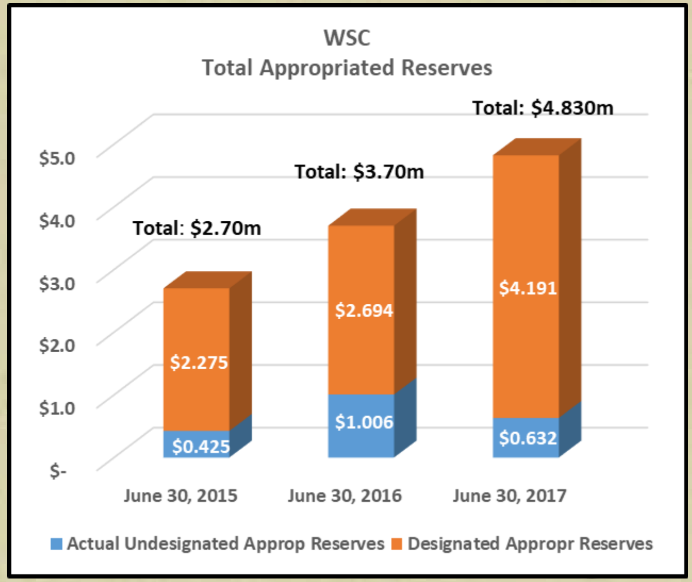

Questions?

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