

Sample Public Institutions (see Strategic Financial Analysis for Hi Ed.)

Financial Ratios		Sample (\$1000)				
Primary Reserve ratio calculation (p. 58*):	Data	Str	Wt	CFI		
Institution unrestricted net assets	+	35335				
Institution expendable restricted net assets	+	9938				
Component Unit (C.U.) unrestricted net assets	+	822				
C.U. temporary restrict net assets	+	16734				
C.U. net investment in plant	-	320				
Numerator-Total		62509				
Institution operating expenses	+	142112				
Institution nonoperating expenses	+	334				
Elimination of inter-entity amounts	+					
C.U. total expenses	+	2561				
Denominator- Total		145007				
Primary reserve Ratio =	÷	0.431	3.241	0.35	1.13	
Net Operating Revenue ratio calculation (p. 86*):						
Institution operating Income (loss)	+	-46895				
Institution net nonoperating revenues	+	49796				
C.U. change in unrestricted net assets	+	647				
Elimination of inter-entity amounts	+					
Numerator-Total		3548				
Institution operating revenues	+	95217				
institution nonoperating revenues	+	50130				
C.U. total unrestricted revenues	+	3208				
Elimination of inter-entity amounts	+					
Denominator- Total		148555				
Net Operating Revenue Ratio =	÷	0.024	3.412	0.1	0.34	
Return on Net Assets ratio calculation (p. 74*):						
Change in net assets plus C.U. change in net assets		11846				
Elimination of inter-entity amounts	+					
Divided by total net assets (beginning of year) + C.U. total net assets (beginning of year)		169948				
Return on Net Assets Ratio =	÷	0.070	3.485	0.2	0.70	
Viability Ratio calculation (p. 64*):						
Numerator-- Expendable net assets		62509				
Institution long-term debt (total project-related debt)	+	8242				
C.U. long-term debt (total project-related debt)	+	0				
Denominator- total Long-term debt (total project-related debt)		8242				
Viability Ratio =	÷	7.584	10.000	0.35	3.50	
TOTAL-Composite Financial Indicator Score (CFI)					5.7	
To Download Worksheet with Formula's Link to http://www.ncahlc.org/index.php?option=com_docman&task=cat_view&gid=67&Itemid=236						

*see page #ers in Strategy Financial Analysis for HiEd

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Comment:

Same total as in viability below

Cell: A12

Comment:

Consolidated amounts should be used, if available.

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Consolidated amounts should be used, if available.

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Consolidated amounts should be used, if available.

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Information not obtained from the financial statements directly since this information is usually contained in the notes.

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Comment: Staff User:

If you have NO long term debt, than Viability Strength Factor = 10.