



THE COUNCIL OF
INDEPENDENT COLLEGES

Financial Indicators Tool (FIT)

July 2019

Sample University

Prepared by **The Austen Group**,
a Division of Ruffalo Noel Levitz

Sponsored by



CIC FINANCIAL INDICATORS TOOL 2019

NATIONAL AND SOUTHEAST REGION

Sample University

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INTRODUCTION

The Financial Indicators Tool (FIT) is an annual financial benchmarking report provided by the Council of Independent Colleges (CIC) to presidents of member colleges and universities. Customized for each institution and containing an institution's unique data, the FIT presents a clear assessment of an institution's financial performance over time with benchmarking comparisons to similar institutions. The organization and format are similar to CIC's Key Indicators Tool (KIT), though the indicators in the FIT focus exclusively on financial conditions. The indicators in the FIT measure resource sufficiency, debt management, asset performance, and operating results. These four measures are then combined, resulting in one score for the overall financial strength of the institution. The FIT distills the complex financial operations of a college or university into one concise report that can assist presidents in understanding and explaining to others the institution's fiscal state. Originally developed with support from the William Randolph Hearst Foundations, CIC gratefully acknowledges Ruffalo Noel Levitz's generous financial support of CIC's benchmarking reports.

CIC uses its own methodology, the FIT Score, for assessing the financial strength of independent colleges and universities that relies on data available from public sources. CIC's FIT score and FIT methodology should not be confused with the Composite Financial Index and related methodology developed by Prager & Co., LLC and Attain, LLC, with which CIC has no affiliation.

Now in its twelfth year, the Financial Indicators Tool is produced for CIC by the Austen Group. Data are collected from two publicly available sources, the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS) and GuideStar, which provides Form 990s filed with the Internal Revenue Service (IRS). Using public sources for data minimizes the need to collect information directly from colleges and universities. The report includes four commonly used financial ratios: operating reserve, debt to expendable equity, change in net assets, and operating margin. These four ratios are combined into the FIT score.

The financial indicators in this report are presented with data over a six-year period from academic year 2011–2012 through academic year 2016–2017, the most recent year for which data are available from public sources. Benchmarking comparisons for each of the four ratios and for the FIT score are made with the same universe of colleges and universities found in CIC's Key Indicators Tool—all baccalaureate and master's level private, not-for-profit institutions. Like the KIT, this report makes comparisons by region of the country, financial resources, enrollment size, and Carnegie classification. These confidential resources are prepared for the exclusive use of CIC member presidents, who in turn may choose to share some or all of the report with key staff, board members, or other campus constituents.

EVALUATING OVERALL FINANCIAL STRENGTH

The FIT score is a single indicator of overall institutional financial strength based on performance in four principal domains of finance: sufficiency and flexibility of financial resources, management of debt, management and performance of assets, and results from operations. Each domain is measured by a core financial ratio:

- [Operating Reserve Ratio](#) - A measure of financial flexibility and resource sufficiency
- [Debt to Expendable Equity Ratio](#) - A measure of debt management
- [Change in Net Assets Ratio](#) - A measure of overall asset return and performance
- [Operating Margin Ratio](#) - A measure of operating results

Once the four ratios are calculated, each ratio is then converted into a "standard measure" which falls on a scale of -4 to 10 allowing the ratios to be compared to one another. The standard measures are then weighted (operating reserve and debt to expendable equity ratios at 35 percent; change in net assets ratio at 20 percent; and operating margin ratio at 10 percent) and added together to create the FIT Score. For institutions with no long-term debt in a given year, the weighting is altered to reflect the absence of a debt to expendable equity ratio (operating reserve ratio at 55 percent; change in net assets ratio at 30 percent; and operating margin ratio at 15 percent).

The FIT Score also falls on a scale of -4 to 10. A score of 3.0 is considered the baseline for institutional financial strength; a score of less than 3.0 suggests the need to address the institution's financial condition; and a score of greater than 3.0 indicates an opportunity for strategic investment to optimize the achievement of institutional mission. Since unique circumstances such as unusual short-term borrowing or a downturn in the stock market can affect the FIT Score, a long-term view over three to five years is recommended.

The Operating Reserve Ratio

The operating reserve ratio measures the sufficiency and flexibility of financial resources by comparing expendable net assets to total expenses. In other words, the total available resources that an institution could spend on operations are divided by the total expenses for the year. This ratio represents the portion of a year the institution could meet financial obligations with assets readily available. For example, if funds that could be spent equaled four million dollars and total expenses equaled two million dollars, the ratio would be 2.0. In this scenario, an institution could operate at the same level for two years with no additional revenue before all the expendable resources would be depleted. If the reverse were true, and funds that could be spent were two million dollars and total expenses over the year were four million, the ratio would be 0.5. Under this scenario an institution could operate for six months without additional revenue.

The baseline for financial strength for the operating reserve ratio is 0.4 (reserves to cover 40 percent of a year, or 4.8 months), indicating sufficient cash for short-term needs, facilities maintenance, and contingency reserves. A ratio below 0.15 (15 percent of a year, or 1.8 months) indicates possible short-term borrowing and insufficient reserves for reinvestments. A ratio of 1.0 or greater indicates reserves available to cover at least one year of expenses with no additional revenue.

The Debt to Expendable Equity Ratio

The debt to expendable equity ratio measures the ability of an institution to manage debt adequately, indicating whether the institution can meet its entire debt obligation with expendable assets. To calculate this ratio, the total resources that an institution could spend on operations are divided by long-term debt. The numerator in the debt to expendable equity ratio—expendable net assets—is identical to the numerator in the operating reserve ratio, but the debt to expendable equity ratio compares resources that could be spent to long-term debt rather than to total expenses. When expendable funds equal long-term debt, the ratio is 1.0. When expendable funds are twice the amount of long-term debt, the ratio is 2.0.

The baseline for financial strength for the debt to expendable equity ratio falls in the range of 1.25 to 2.0. Dropping below a ratio of 1.0 would limit an institution's ability to fund new initiatives through debt and may identify the institution as a credit risk. Strategic debt can be valuable to an institution, but excessive or extended levels of debt jeopardize an institution's ability to achieve its mission. A debt to expendable equity ratio greater than 2.0 is an indicator of robust financial health.

The Change in Net Assets Ratio

The change in net assets ratio measures asset management and performance, indicating whether an institution's total assets, both restricted and unrestricted, are increasing or decreasing. This ratio is calculated by dividing the change in total net assets, from the beginning of the year to the end, by the total net assets at the beginning of the year.

The change in net assets ratio should fall in the range of 3 to 4 percent above the rate of inflation. So if the Consumer Price Index (CPI) is at 3 percent, a healthy change in net assets ratio would be between 6 and 7 percent. Since both unforeseen and planned events can affect asset performance, in some years the ratio may fall below the recommended level. An occasional decrease is not a cause for concern if the financial reason for the drop is understood and if it results from an isolated financial circumstance from which the institution can recover. If, however, the change in net assets ratio is not 3 to 4 percent above inflation for a period of time, an institution should be concerned. Plant investment, a capital campaign, or a poor stock market can all affect this ratio in any given year, but the trend over time should be positive.

The Operating Margin Ratio

The operating margin ratio gauges the outcome of institutional operations, indicating whether normal operations resulted in a surplus or a deficit. In other words, is the institution operating within available resources in its basic day-to-day function of educating students? This report uses a change in unrestricted net assets method using data publicly available from IPEDS and GuideStar (IRS Form 990). The ratio is calculated by dividing the change in unrestricted assets, from the beginning to the end of the year, by the total unrestricted revenue for the year. Restricted assets are not included in the calculation.

The baseline for financial strength for the operating margin ratio (using the change in net assets method included in this report) is 4 percent. A deficit in a single year does not necessarily indicate a problem, but deficits over several years are a cause for concern and suggest the need for restructuring institutional finances. Continued decline in the operating margin ratio may signal that the institution is reaching the stage when it will be too late to make the necessary changes in operations that would turn the institution around. One of the purposes of the operating margin ratio is to provide a bellwether to warn of such impending financial distress. Although the operating margin ratio only constitutes 10 percent of the FIT score, this small percentage is somewhat misleading since operating surpluses or deficits have an impact on all of the other three ratios over time.

EXPENDABLE NET ASSETS

Expendable Net Assets are important for both the Operating Reserve and Debt to Expendable Equity ratios, the first comparing expendable assets to expenses and the second comparing expendable assets to debt. Expendable Net Assets are comprised of Unrestricted Net Assets and the portion of Temporarily Restricted Net Assets that excludes net assets related to investment in plant or those that will be invested in plant. Expendable Net Assets consist of assets that legally and practically could be spent, not at once but over time. The calculation of expendable net assets is important. The most common errors in calculating expendable assets are not excluding any amounts in temporarily restricted net assets related to plant and not calculating the correct net investment of plant to be excluded.

TURNING KNOWLEDGE INTO STRATEGIC ACTION

CIC's Financial Indicators Tool is designed to inform decision making and enhance institutional effectiveness. An institution's indicator scores as contained in this report are merely a reference-point for strategic decision making. Each score needs to be considered in light of the unique institutional context and mission, as well as the trend over time. This information is ideally translated into next steps, whether taking advantage of strong market position and good financial health, or charting a responsible path during a time of fiscal challenge. Knowing the rate and direction of change will help determine the appropriate sense of urgency with which action should be taken. Marginal financial health that is rapidly deteriorating calls for intense measures applied quickly. In most cases, successful financial turnarounds have included well-conceived fiscal strategies matched with closely monitored execution.

<i>FIT Score Range</i>	<i>Strategy</i>
8 to 10	Commit additional resources to advance mission
6 to 7	Encourage innovation to achieve mission
4 to 5	Implement initiatives to promote sustainability
2 to 3	Perform a thorough review of institutional effectiveness
-1 to 1	Implement significant institutional changes to achieve mission
-4 to -2	Assess Department of Education compliance and institutional long-term viability

These ranges suggest that small differences in FIT Scores, for example, between 3.1 and 3.5, may not be meaningful, while larger differences, such as between 3.2 and 5.2, suggest different strategies for achieving missional objectives. Institutions with identical scores can have very different futures depending on the extent to which substantial investments in mission-critical objectives are needed to sustain performance. A very low FIT Score may indicate financial distress and inadequate resources to accomplish missional objectives effectively. A very high FIT Score may indicate that an institution's resources are not being deployed effectively, suggesting unrealized opportunities to advance mission.

FORMAT AND ANALYSES

Individually Customized. A customized FIT report has been prepared for each CIC member institution. The institution's unique data are plotted against national and regional backdrops. The four core ratios and the FIT Score are presented in the same manner as the indicators in CIC's Key Indicators Tool with a few exceptions. There are no regional charts by financial resources, enrollment, size, or Carnegie classification for the four ratios; there are two extra worksheets, one showing the impact of the standard measure for each ratio on the FIT Score and one showing the 25th, 50th, and 75th percentiles for the entire national group of institutions with brief strategy descriptions.

FIT Trends. This section at the front of the FIT report provides a summary or dashboard-type presentation of the indicators in the FIT. This feature was developed in response to requests from CIC member presidents for summary charts that can be used in presenting benchmarked trend data to key constituents, such as trustees. This page contains a series of compact charts and graphs showing only the trend line for your institution compared to the national and regional medians.

Medians versus Means. The FIT uses median values (identical to the 50th percentile). The advantage of using median values instead of the mean (or average) is that the median is less influenced by high or low extremes, thus providing a more meaningful mid-point for comparative purposes. Only institutions with complete data for all six years of the report are used in calculating group medians.

Four Types of Comparisons. Explanations of the types of comparisons made in the report are found below. These criteria are identical to those used in CIC's Key Indicators Tool (KIT).

1. **Region:** Each institution is located in one of the six regional categories as outlined below. (Note: the regions vary slightly from those used in IPEDS.)

	States
Far West	Alaska, California, Hawaii, Nevada, Oregon, Washington
Mid East	Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania
Midwest	Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, Wisconsin
New England	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Southeast	Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia
West	Arizona, Colorado, Idaho, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Wyoming

2. **Financial Resources Quartile:** Each institution was placed in one of four quartiles based on an institution's financial resources. The financial resource measure was calculated by converting two, equally weighted KIT indicators, Net Tuition Revenue per Student and Endowment Assets per Student. An average of the three most recent years for this calculation is used to create a percentile rank of all institutions in the dataset. The institutions were then assigned to a national and regional quartile. These are the same quartiles used for the 2018 KIT.

3. **Enrollment Size:** Institution size utilizes four enrollment categories: 1) fewer than 1,000 students; 2) 1,000 to 2,000; 3) 2,001 to 3,000; and 4) greater than 3,000. The first indicator, Student Enrollment based on total enrollment FTE, from CIC's Key Indicators Tool (KIT) was used to determine enrollment size.

4. **2015 Basic Carnegie Classification:** Comparisons are based upon the following five Basic Carnegie Classifications established in 2005: Baccalaureate Colleges-Diverse Fields, Baccalaureate Colleges-Arts & Sciences, Master's Colleges and Universities (smaller programs), and Master's Colleges and Universities (medium programs), and Master's Colleges and Universities (larger programs). These classification groups comprise 90 percent of CIC's membership. The 2015 Carnegie Classification updates for individual institutions were used for this report. For additional information about the Basic Carnegie Classifications, including definitions of various categories, please visit the Carnegie website:

<http://carnegieclassifications.iu.edu/>

The following table shows the relative distribution of institutions in the FIT dataset within each region by national financial resource quartile, enrollment size category, and Carnegie classification.

	Financial Resources	%	Enrollment Size	%	Carnegie Classification	%
Far West	Quartile 1 (top)	45%	>3,000	29%	MA-Large	34%
	Quartile 2	25%	2,001-3,000	11%	MA-Medium	17%
	Quartile 3	16%	1,000-2,000	36%	MA-Small	13%
	Quartile 4 (bottom)	14%	<1,000	24%	BA-Arts & Sciences	27%
					BA-Diverse Fields	9%
Mid East	Quartile 1 (top)	30%	>3,000	25%	MA-Large	35%
	Quartile 2	33%	2,001-3,000	29%	MA-Medium	16%
	Quartile 3	26%	1,000-2,000	34%	MA-Small	7%
	Quartile 4 (bottom)	11%	<1,000	11%	BA-Arts & Sciences	31%
					BA-Diverse Fields	10%
Midwest	Quartile 1 (top)	23%	>3,000	24%	MA-Large	24%
	Quartile 2	26%	2,001-3,000	21%	MA-Medium	15%
	Quartile 3	26%	1,000-2,000	36%	MA-Small	10%
	Quartile 4 (bottom)	25%	<1,000	19%	BA-Arts & Sciences	27%
					BA-Diverse Fields	25%
New England	Quartile 1 (top)	45%	>3,000	34%	MA-Large	27%
	Quartile 2	21%	2,001-3,000	19%	MA-Medium	21%
	Quartile 3	18%	1,000-2,000	25%	MA-Small	5%
	Quartile 4 (bottom)	16%	<1,000	22%	BA-Arts & Sciences	36%
					BA-Diverse Fields	10%
Southeast	Quartile 1 (top)	15%	>3,000	18%	MA-Large	13%
	Quartile 2	21%	2,001-3,000	14%	MA-Medium	12%
	Quartile 3	25%	1,000-2,000	37%	MA-Small	11%
	Quartile 4 (bottom)	39%	<1,000	31%	BA-Arts & Sciences	31%
					BA-Diverse Fields	32%
West	Quartile 1 (top)	14%	>3,000	15%	MA-Large	27%
	Quartile 2	23%	2,001-3,000	23%	MA-Medium	17%
	Quartile 3	30%	1,000-2,000	28%	MA-Small	7%
	Quartile 4 (bottom)	33%	<1,000	34%	BA-Arts & Sciences	10%
					BA-Diverse Fields	39%
National			>3,000	23%	MA-Large	25%
			2,001-3,000	20%	MA-Medium	16%
			1,000-2,000	34%	MA-Small	9%
			<1,000	23%	BA-Arts & Sciences	28%
					BA-Diverse Fields	23%

ABOUT THE DATA

The FIT contains data from approximately 800 four-year, private, not-for-profit colleges and universities in the United States belonging to the five 2015 Carnegie Basic Classification categories that represent 90 percent of CIC's membership: Baccalaureate-Diverse, Baccalaureate-Arts & Sciences, Master's-Smaller, Master's-Medium, and Master's-Larger. The number of institutions included in each chart and table vary somewhat due to incomplete data for some institutions. For each indicator, only institutions with complete data for all years of the comparison are included.

Public Sources. The FIT uses data from two publicly available sources. As with the KIT, some data are drawn from the Integrated Postsecondary Education Data System (IPEDS), the major national source of public information on postsecondary institutions provided by the U.S. Department of Education's National Center for Education Statistics. In addition, the FIT utilizes data from institutional financial statements as reported to the Internal Revenue Service on Form 990 and made publicly available by GuideStar.

Separate Financial Entities. A small number of private colleges and universities have foundations or other entities that contribute revenue, incur expenses, and/or house assets that need to be considered as part of the overall financial operations of the institution. In some cases, while these other entities report separately to the IRS, their activities are reflected in the institution's consolidated financial statement. Since it is important to capture a consolidated view of an institution's financial position, CIC asked that member colleges and universities identify foundations or other entities reporting on separate Form 990s that should be included in the FIT calculations. Where separate financial entities were identified and data were available, these values were incorporated into the FIT report.

Institutional Aid. The guidelines for IPEDS stipulate that institutions follow NACUBO's Financial Accounting and Reporting Manual (FARM) when reporting financial information. These guidelines state that unfunded institutional aid in the form of tuition discounts should not be included in either total expense or total revenue amounts (FARM, paragraph 442). The assumption is that these guidelines were followed for the expense and revenue data in this report.

Missing or Incorrect Data. In cases where data from public sources were missing, institutions were contacted to supply the necessary information to CIC. In addition, data retrieved from public sources (IPEDS or GuideStar) occasionally do not agree with institutional records. Data from public sources were not altered nor were missing values imputed unless corrected information was received directly from a participating institution. The data items used in an institution's analysis are shown on the DATA worksheet (p. 29). Institutions are encouraged to review their data contained in this report and submit missing or corrected values to CIC for inclusion in future FIT reports. When institutional data is missing in a table, Microsoft Excel defaults the missing value to a zero on the chart.

Projection Tool and Appendices. A Projection Tool and two appendices are provided at the end of the report. The DATA worksheet (p. 29) allows an institution to project its scores through 2019-2020 by inserting relevant values in the yellow cells. An additional column permits experimenting with various scenarios. Ratios are automatically calculated once data are entered. The PROJECTION worksheet (p. 30) charts the added data, displaying the impact of the four ratios on the FIT Score in a similar manner to the STANDARD MEASURES worksheet (p. 23). APPENDIX A (p. 31) explains in detail the sources of the data, as well as the formulas for all calculations used in the report.

THE COUNCIL OF INDEPENDENT COLLEGES

The Council of Independent Colleges (CIC) is an association of 769 nonprofit independent colleges and universities, state-based councils of independent colleges, and other higher education affiliates, that works to support college and university leadership, advance institutional excellence, and enhance public understanding of independent higher education's contributions to society. CIC is the major national organization that focuses on services to leaders of independent colleges and universities and state-based councils. CIC offers conferences, seminars, publications, and other programs and services that help institutions improve educational quality, administrative and financial performance, student outcomes, and institutional visibility. It conducts the largest annual conferences of college and university presidents and of chief academic officers in the United States. Founded in 1956, CIC is headquartered at One Dupont Circle in Washington, DC.

www.cic.edu

For questions or comments about CIC's benchmarking services, including the Financial Indicators Tool (FIT), please contact Lesley McBain, director of research projects, by phone at (202) 466-7230 or by email at

lmcbain@cic.nche.edu

AUSTEN GROUP

In addition to its national benchmarking work for private colleges, the Austen Group provides operational analyses and reporting tools for individual institutions in the areas of academic program costs and demand and co-curricular costs and demand with a special emphasis on athletic programs. These tools assist administrators in making informed decisions regarding the efficiency and effectiveness of university operations. Michael Williams, president, is the primary Austen Group contact for CIC's Key Indicators Tool initiative. He may be reached at the email address below.

Michael.Williams@ruffalonl.com

[Austen Group](#)

RUFFALO NOEL LEVITZ

Ruffalo Noel Levitz is the leading provider of higher education enrollment, student success, and fundraising solutions. The firm serves more than 1,900 colleges and universities through data-driven solutions focused on the entire lifecycle of enrollment and fundraising, assuring students find the right program, graduate on time, secure their first job in their chosen field, and give back to support the next generation. With a deep knowledge of the industry, Ruffalo Noel Levitz provides institutions the ability to scale their efforts by tapping into a community of support and resources. To learn more, visit:

www.RuffaloNL.com
blogEM.RuffaloNL.com

FOR ADDITIONAL READING

For additional information about indicators of institutional strength and performance, please consult the following publications:

Alstete, J. W. (1995). *Benchmarking in Higher Education*. ASHE-ERIC Higher Education Report No. 5. Washington, DC: The George Washington University Graduate School of Education and Human Development.

Borden, V. M. H. & Banta, T. W. (1994). *Using Performance Indicators to Guide Strategic Decision Making*. New Directions for Institutional Research, No. 82. San Francisco, CA: Jossey-Bass.

Burke, J. C., & Minassians, H. P. (2002). *Reporting Higher Education Results: Missing Links in the Performance Chain*. New Directions for Institutional Research, No. 116. San Francisco, CA: Jossey-Bass.

Chabotar, K. J. (1989). Financial Ratio Analysis Comes to Nonprofits. *Journal of Higher Education*, 60 (2), 188-208.

Chabotar, K. J. (2006). *Strategic Finance: Planning and Budgeting for Boards, Chief Executives, and Finance Officers*. Washington, DC: Association of Governing Boards.

Hartley, H. V. (2009). Benchmarking Tool Provides National Comparisons. *NACUBO Business Officer*, 42 (10), 17.

Hignite, K. (2009). Diagnosing Fiscal Fitness. *NACUBO Business Officer*, 42 (10), 14-20.

Hudack, L. R., Orsini, L. L., & Snow, B. M. (2003). How to Assess and Enhance Financial Health. *NACUBO Business Officer*, 36 (10), 31-39.

McCormack, A. & Walstra, R. (2010). Reversal of Misfortune. *NACUBO Business Officer*, 43 (7), 13-17.

Minter, J., & Peat, Marwick, Mitchell, and Company. (1980). *Ratio Analysis in Higher Education: A Guide to Assessing the Institution's Financial Condition*. New York: Peat, Marwick, Mitchell, and Company.

Taylor, B. E., Meyerson, J. W., & Massy, W. F. (1993). *Strategic Indicators in Higher Education: Improving Performance*. Princeton: Peterson's Guides.

Townsley, M. K. (2009). *The Small College Guide to Financial Health: Weathering Turbulent Times*. Washington, DC: National Association of College and University Business Officers.

Townsley, M. K. (2014). *Financial Strategy for Higher Education*. Lulu Publishing Services.

CIC BENCHMARKING SERVICES

CIC is pleased to offer the following benchmarking services to enhance the Financial Indicators Tool (FIT).

Comparison Group FIT

Fee: \$500

This service provides CIC members a customized FIT report with the 25th, 50th, and 75th percentiles for each indicator for either one or two comparison groups selected by the institution. Customized groups permit more refined comparisons that may be useful for particular strategic objectives. Comparison groups may range in size from five to 25, though groups of 10 to 15 are recommended. Selecting two groups provides for multiple comparisons, perhaps of a peer and an aspirant group (see “Guidelines for Selecting Comparison Groups” available on the CIC website). Comparison institutions may be selected from among private, not-for-profit, four-year colleges or universities in the United States.

Online Consultations

Fee: \$650 (FIT only)

Fee: \$950 (KIT and FIT)

CIC has arranged with Mike Williams, president of the Austen Group, to provide web-based consultations using an institution’s FIT report with senior staff, boards, or faculty groups. The interactive online session employs voice and shared graphics, allowing participants to engage in substantive conversation about the institution’s concerns and goals in light of the FIT data. This service provides a cost-effective approach to enhancing the value of the FIT for your institution. It also is possible to extend what is generally a one-hour consultation to 90 minutes to include the companion Key Indicators Tool (KIT) in the presentation. The fee for a consultation using both the FIT and the KIT is \$950. Consultations should be scheduled at least four weeks in advance.

For additional information or to request any of these benchmarking services, please visit:

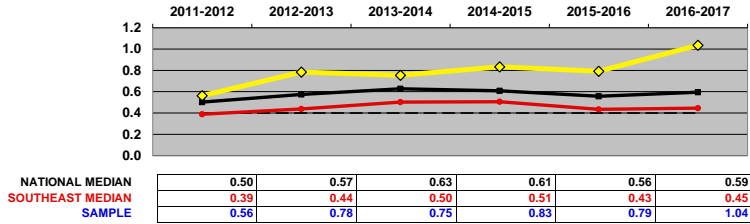
<http://www.cic.edu/BenchmarkingServices>

Or contact Lesley McBain, CIC’s director of research projects, by phone at (202) 466-7230 or by email:

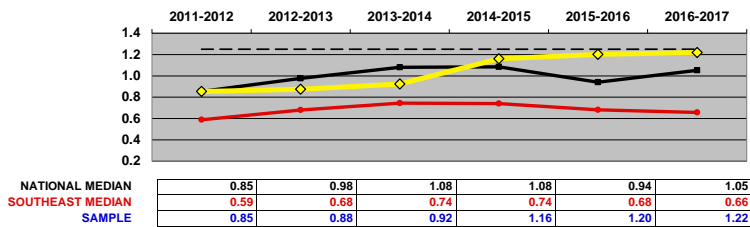
lmcbain@cic.nche.edu

Sample University
FIT TRENDS

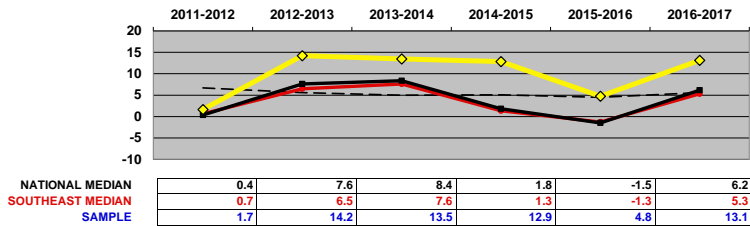
Operating Reserve Ratio



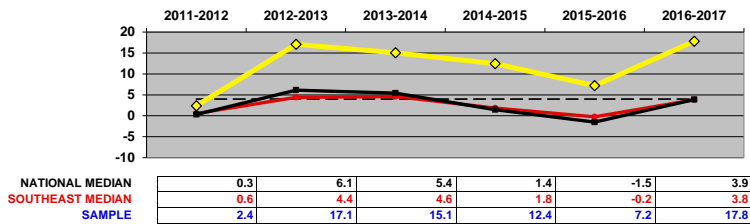
Debt to Expendable Equity Ratio



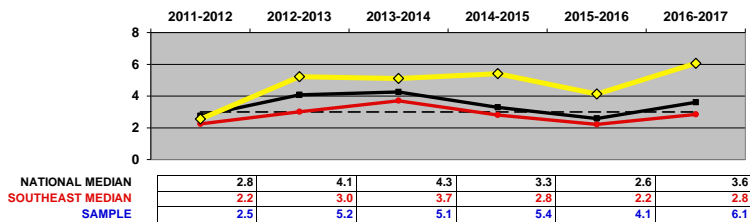
Change in Net Assets Ratio (%)



Operating Margin Ratio (%)



FIT Score



CORE RATIOS MEASURING FINANCIAL STRENGTH

Sample University

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Operating Reserve Ratio	0.56	0.78	0.75	0.83	0.79	1.04
<p>Definition: Measures financial strength by comparing expendable net assets to total expenses. The ratio represents the portion of a year the institution could meet financial obligations with assets readily available.</p> <p>Calculation: Expendable net assets divided by total expenses.</p> <p>Financial Strength Baseline: .40 -- Below .15 (15% of a year, or 1.8 months) indicates possible short-term borrowing and struggling to find reserves for reinvestments; .40 (40% of a year, or 4.8 months) indicates sufficient cash for short-term needs, facilities maintenance, and contingency reserves; 1.0 and greater indicates reserves available to cover at least one year of expenses with no additional revenue.</p>						

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Debt to Expendable Equity Ratio	0.85	0.88	0.92	1.16	1.20	1.22
<p>Definition: Measures the ability of the institution to meet its entire debt obligation with assets readily available.</p> <p>Calculation: Expendable net assets divided by long-term debt.</p> <p>Financial Strength Baseline: 1.25 -- A ratio of less than 1.0, where debt obligation and expendable assets are equal, is poor and may identify the institution as a credit risk; greater than 2.0 is a strong indicator of financial health.</p>						

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Change in Net Assets Ratio (%)	1.7	14.2	13.5	12.9	4.8	13.1
<p>Definition: Indicates whether the institution's total assets, restricted and unrestricted, are increasing or decreasing.</p> <p>Calculation: Change in net assets divided by total net assets at the beginning of the fiscal year.</p> <p>Financial Strength Baseline: 3 to 4% above the inflation rate -- If, for example, the CPI is 3%, a healthy change in net assets would be around 6 to 7%. Plant investment, a capital campaign, or a poor stock market can all affect this ratio in any given year, but a positive trend is desirable.</p>						

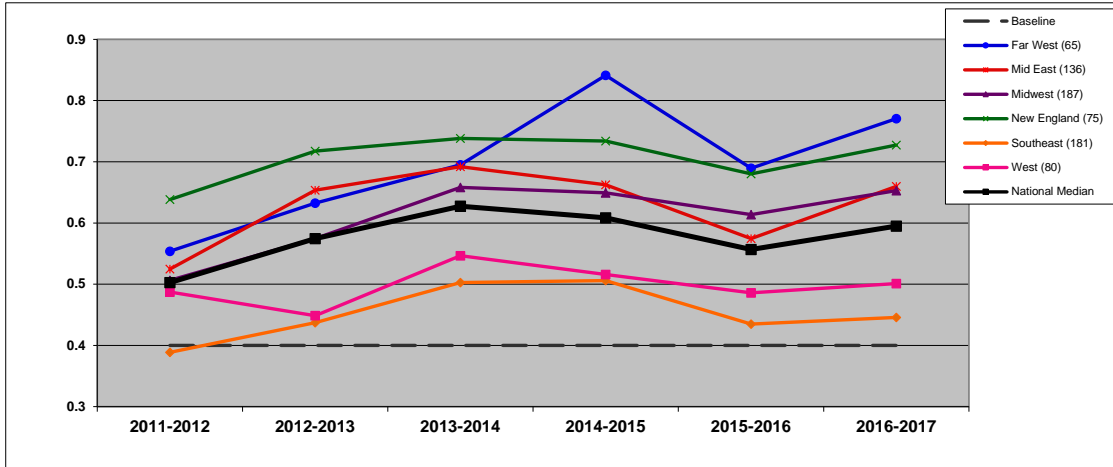
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Operating Margin Ratio (%)	2.4	17.1	15.1	12.4	7.2	17.8
<p>Definition: Indicates whether institutional operations resulted in a surplus or a deficit for the year.</p> <p>Calculation: Change in unrestricted net assets divided by total unrestricted revenue.</p> <p>Financial Strength Baseline: 4% -- A deficit in a single year is not necessarily a problem, but deficits over a number of years indicate trouble and suggest the need for restructuring.</p>						

OPERATING RESERVE RATIO: BY REGION

DEFINITION: Measures financial strength by comparing expendable net assets to total expenses. The ratio represents the portion of a year the institution could meet financial obligations with assets readily available. A ratio of .40 is considered the baseline for financial strength.

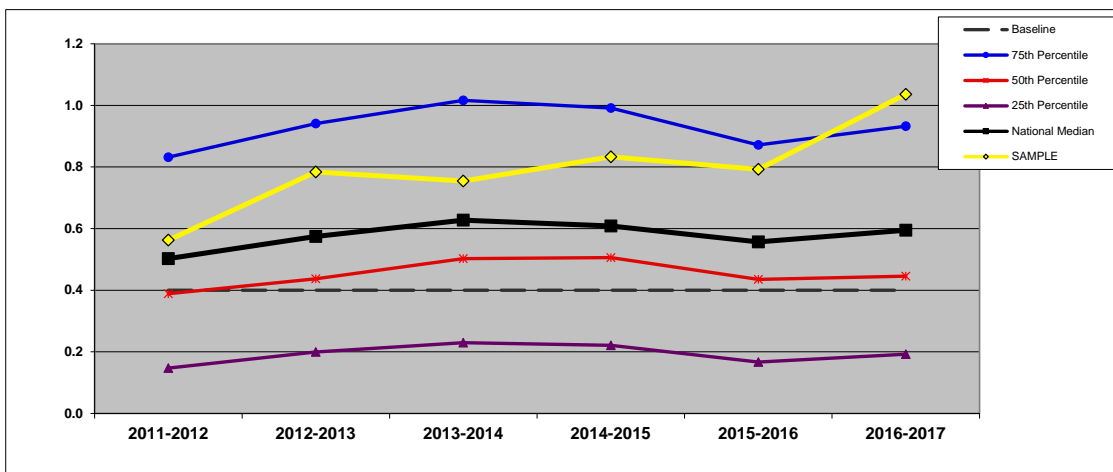
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	0.56	0.78	0.75	0.83	0.79	1.04

NATIONAL: BY REGION (n=724). This chart displays the median values of the ratio by year for each geographic region, as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Far West (65)	0.55	0.63	0.70	0.84	0.69	0.77
Mid East (136)	0.52	0.65	0.69	0.66	0.57	0.66
Midwest (187)	0.51	0.57	0.66	0.65	0.61	0.65
New England (75)	0.64	0.72	0.74	0.73	0.68	0.73
Southeast (181)	0.39	0.44	0.50	0.51	0.43	0.45
West (80)	0.49	0.45	0.55	0.52	0.49	0.50
National Median	0.50	0.57	0.63	0.61	0.56	0.59

SOUTHEAST REGION (n=181). In addition to the median, or 50th percentile, this chart shows the 25th and 75th percentiles for your region.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
75th Percentile	0.83	0.94	1.02	0.99	0.87	0.93
50th Percentile	0.39	0.44	0.50	0.51	0.43	0.45
25th Percentile	0.15	0.20	0.23	0.22	0.17	0.19
National Median	0.50	0.57	0.63	0.61	0.56	0.59
SAMPLE	0.56	0.78	0.75	0.83	0.79	1.04

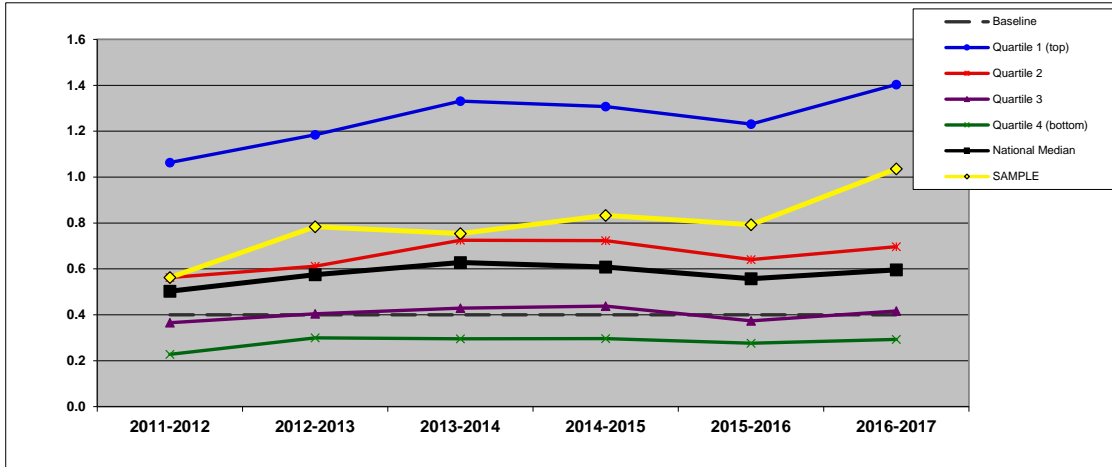
OPERATING RESERVE RATIO: BY FINANCIAL RESOURCES AND BY SIZE

DEFINITION: Measures financial strength by comparing expendable net assets to total expenses. The ratio represents the portion of a year the institution could meet financial obligations with assets readily available. A ratio of .40 is considered the baseline for financial strength.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	0.56	0.78	0.75	0.83	0.79	1.04

FINANCIAL RESOURCES QUARTILE
1

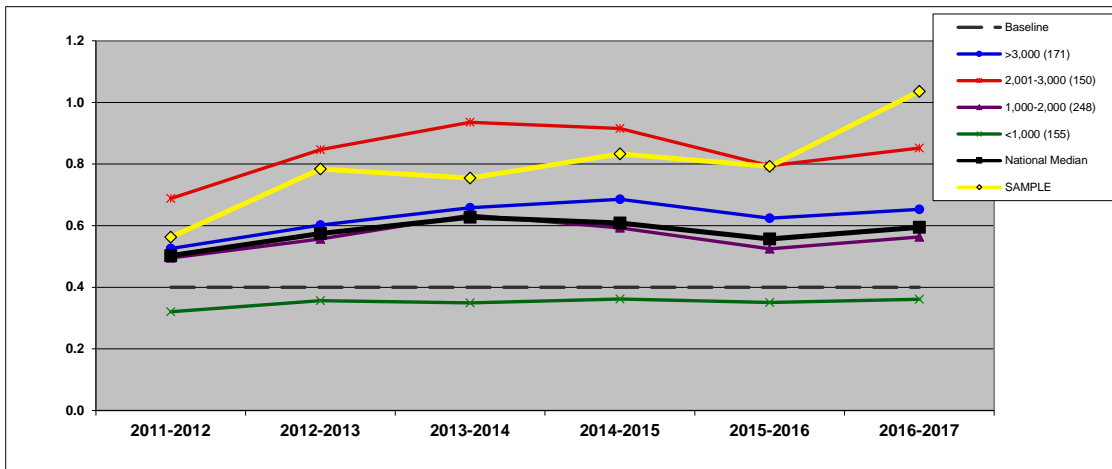
NATIONAL: BY FINANCIAL RESOURCES (n=721). This chart displays the median values of the ratio by year for each Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Quartile 1 (top)	1.06	1.18	1.33	1.31	1.23	1.40
Quartile 2	0.56	0.61	0.72	0.72	0.64	0.70
Quartile 3	0.37	0.40	0.43	0.44	0.37	0.42
Quartile 4 (bottom)	0.23	0.30	0.30	0.30	0.28	0.29
National Median	0.50	0.57	0.63	0.61	0.56	0.60
SAMPLE	0.56	0.78	0.75	0.83	0.79	1.04

ENROLLMENT SIZE
>3,000

NATIONAL: BY ENROLLMENT SIZE (n=724). This chart displays the median values of the ratio by year for four size groupings based on full-time equivalent (FTE) enrollment, as well as the national median.



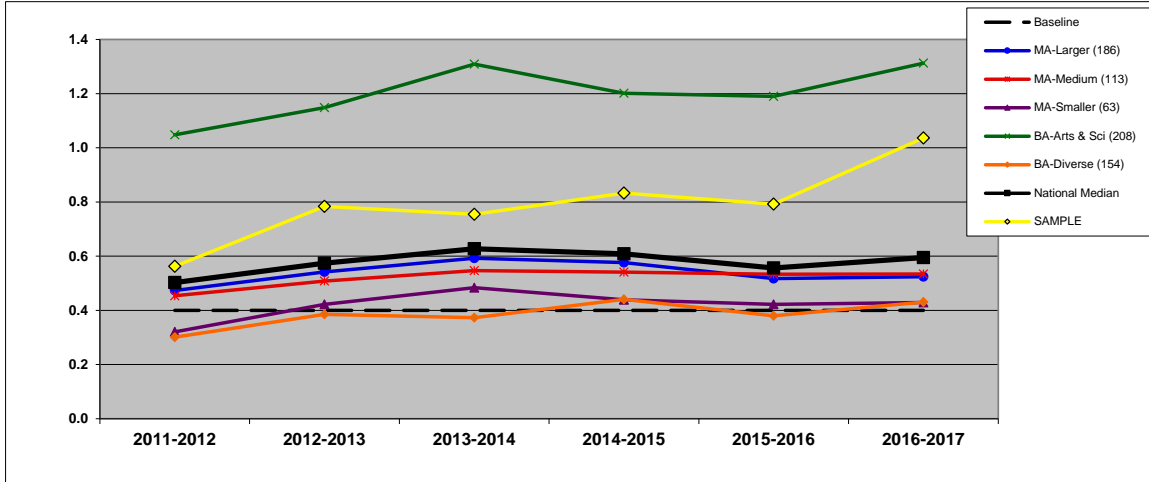
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
>3,000 (171)	0.53	0.60	0.66	0.69	0.62	0.65
2,001-3,000 (150)	0.69	0.85	0.94	0.92	0.79	0.85
1,000-2,000 (248)	0.50	0.56	0.63	0.59	0.52	0.56
<1,000 (155)	0.32	0.36	0.35	0.36	0.35	0.36
National Median	0.50	0.57	0.63	0.61	0.56	0.59
SAMPLE	0.56	0.78	0.75	0.83	0.79	1.04

OPERATING RESERVE RATIO: BY CARNEGIE CLASSIFICATION

DEFINITION: Measures financial strength by comparing expendable net assets to total expenses. The ratio represents the portion of a year the institution could meet financial obligations with assets readily available. A ratio of .40 is considered the baseline for financial strength.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	CARNEGIE
SAMPLE	0.56	0.78	0.75	0.83	0.79	1.04	MA-Medium

NATIONAL: BY CARNEGIE CLASSIFICATION (n=724). This chart displays the median values of the ratio by year for each of the five basic Carnegie baccalaureate (BA) and master's (MA) level classifications and the national median.



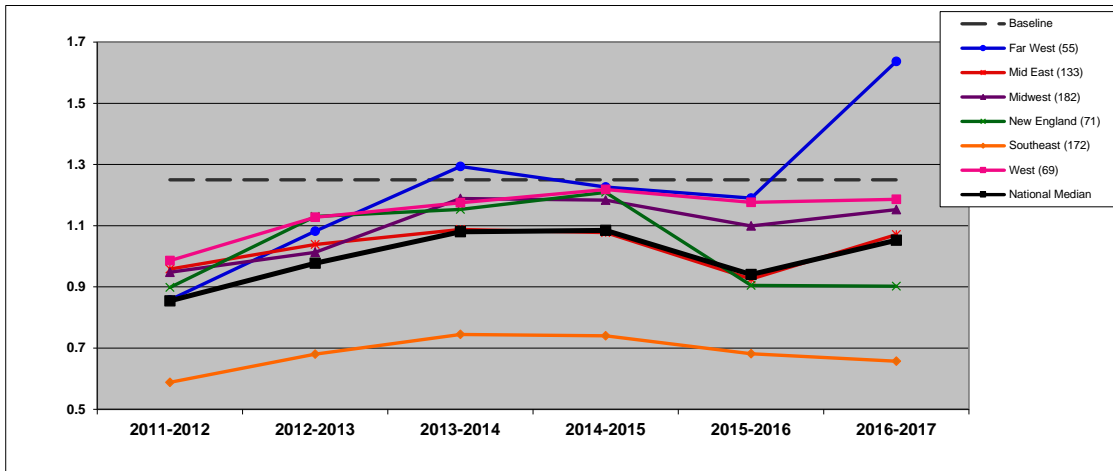
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
MA-Larger (186)	0.47	0.54	0.59	0.58	0.52	0.52
MA-Medium (113)	0.45	0.51	0.55	0.54	0.53	0.53
MA-Smaller (63)	0.32	0.42	0.48	0.44	0.42	0.43
BA-Arts & Sci (208)	1.05	1.15	1.31	1.20	1.19	1.31
BA-Diverse (154)	0.30	0.38	0.37	0.44	0.38	0.43
National Median	0.50	0.57	0.63	0.61	0.56	0.59
SAMPLE	0.56	0.78	0.75	0.83	0.79	1.04

DEBT TO EXPENDABLE EQUITY RATIO: BY REGION

DEFINITION: Measures the ability of the institution to meet its entire debt obligation with assets readily available. A ratio of 1.25 is considered the baseline for financial strength.

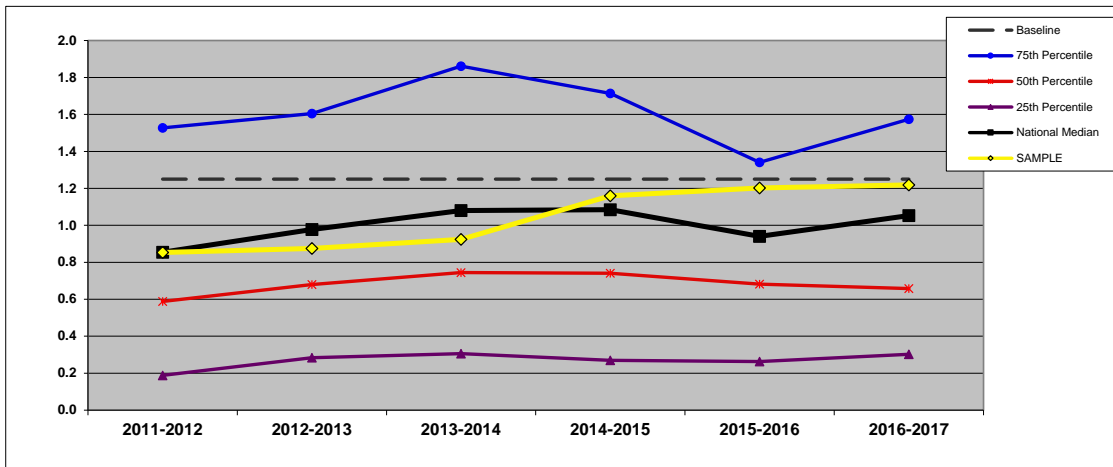
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	0.85	0.88	0.92	1.16	1.20	1.22

NATIONAL: BY REGION (n=682). This chart displays the median values of the ratio by year for each geographic region, as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Far West (55)	0.86	1.08	1.29	1.23	1.19	1.64
Mid East (133)	0.96	1.04	1.09	1.08	0.93	1.07
Midwest (182)	0.95	1.01	1.19	1.18	1.10	1.15
New England (71)	0.90	1.13	1.15	1.21	0.90	0.90
Southeast (172)	0.59	0.68	0.74	0.74	0.68	0.66
West (69)	0.99	1.13	1.18	1.22	1.18	1.19
National Median	0.85	0.98	1.08	1.08	0.94	1.05

SOUTHEAST REGION (n=172). In addition to the median, or 50th percentile, this chart shows the 25th and 75th percentiles for your region.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
75th Percentile	1.53	1.60	1.86	1.71	1.34	1.57
50th Percentile	0.59	0.68	0.74	0.74	0.68	0.66
25th Percentile	0.19	0.28	0.31	0.27	0.26	0.30
National Median	0.85	0.98	1.08	1.08	0.94	1.05
SAMPLE	0.85	0.88	0.92	1.16	1.20	1.22

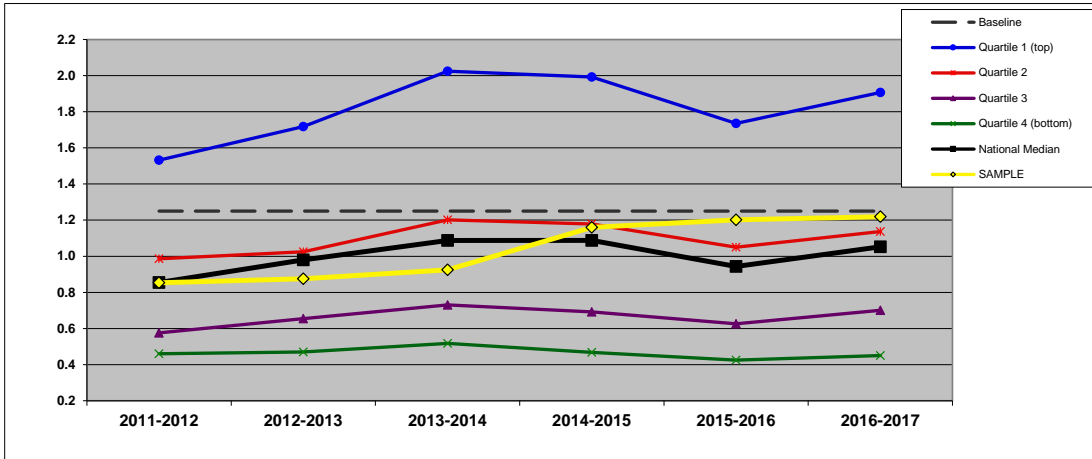
DEBT TO EXPENDABLE EQUITY RATIO: BY FINANCIAL RESOURCES AND BY SIZE

DEFINITION: Measures the ability of the institution to meet its entire debt obligation with assets readily available. A ratio of 1.25 is considered the baseline for financial strength.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	0.85	0.88	0.92	1.16	1.20	1.22

FINANCIAL RESOURCES QUARTILE
1

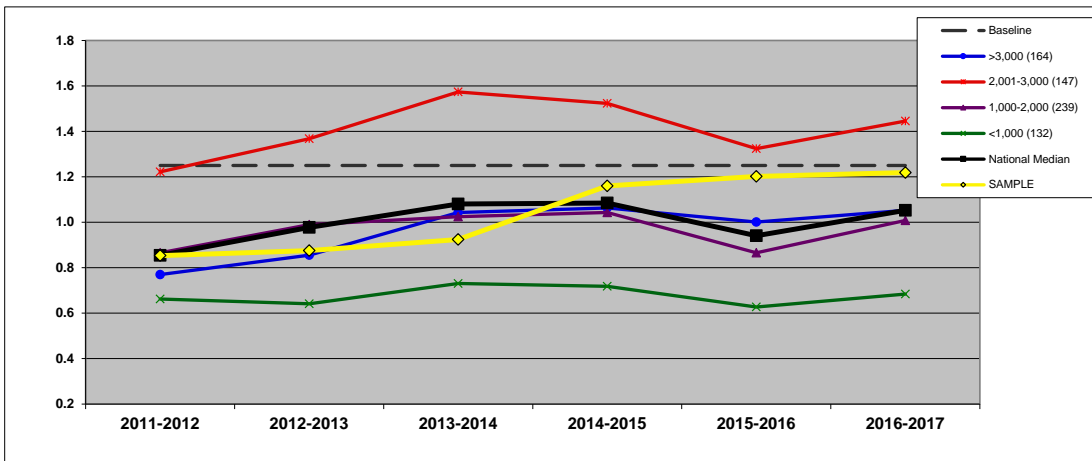
NATIONAL: BY FINANCIAL RESOURCES (n=680). This chart displays the median values of the ratio by year for each Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Quartile 1 (top)	1.53	1.72	2.02	1.99	1.74	1.91
Quartile 2	0.99	1.02	1.20	1.18	1.05	1.14
Quartile 3	0.58	0.65	0.73	0.69	0.63	0.70
Quartile 4 (bottom)	0.46	0.47	0.52	0.47	0.42	0.45
National Median	0.85	0.98	1.09	1.09	0.94	1.05
SAMPLE	0.85	0.88	0.92	1.16	1.20	1.22

ENROLLMENT SIZE
>3,000

NATIONAL: BY ENROLLMENT SIZE (n=682). This chart displays the median values of the ratio by year for four size groupings based on full-time equivalent (FTE) enrollment, as well as the national median.



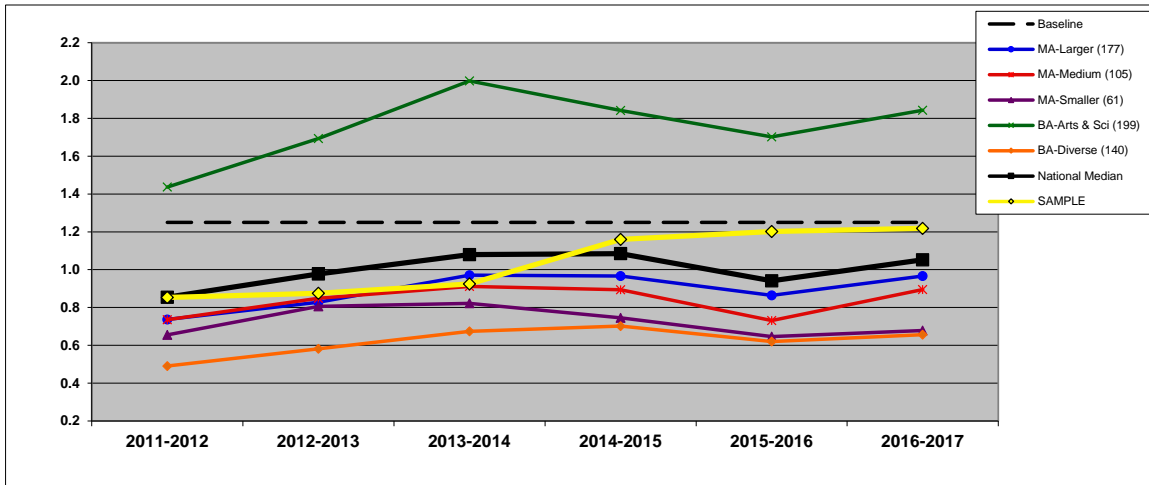
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
>3,000 (164)	0.77	0.86	1.04	1.06	1.00	1.05
2,001-3,000 (147)	1.22	1.37	1.57	1.52	1.32	1.45
1,000-2,000 (239)	0.87	0.99	1.02	1.04	0.87	1.01
<1,000 (132)	0.66	0.64	0.73	0.72	0.63	0.68
National Median	0.85	0.98	1.08	1.08	0.94	1.05
SAMPLE	0.85	0.88	0.92	1.16	1.20	1.22

DEBT TO EXPENDABLE EQUITY RATIO: BY CARNEGIE CLASSIFICATION

DEFINITION: Measures the ability of the institution to meet its entire debt obligation with assets readily available. A ratio of 1.25 is considered the baseline for financial strength.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	CARNEGIE
SAMPLE	0.85	0.88	0.92	1.16	1.20	1.22	MA-Medium

NATIONAL: BY CARNEGIE CLASSIFICATION (n=682). This chart displays the median values of the ratio by year for each of the five basic Carnegie baccalaureate (BA) and master's (MA) level classifications and the national median.



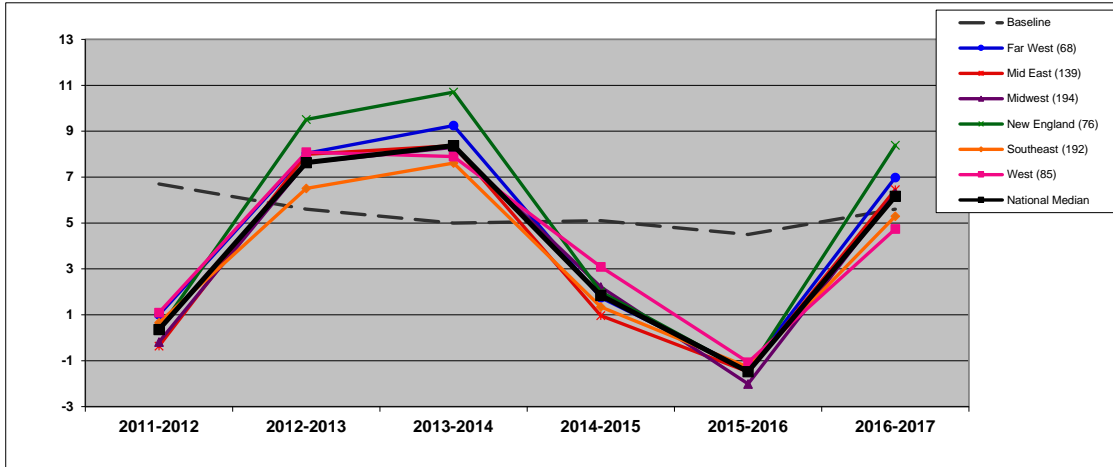
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
MA-Larger (177)	0.74	0.83	0.97	0.97	0.86	0.97
MA-Medium (105)	0.74	0.85	0.91	0.89	0.73	0.90
MA-Smaller (61)	0.66	0.81	0.82	0.75	0.65	0.68
BA-Arts & Sci (199)	1.44	1.69	2.00	1.84	1.70	1.84
BA-Diverse (140)	0.49	0.58	0.67	0.70	0.62	0.66
National Median	0.85	0.98	1.08	1.08	0.94	1.05
SAMPLE	0.85	0.88	0.92	1.16	1.20	1.22

CHANGE IN NET ASSETS RATIO (%): BY REGION

DEFINITION: Indicates whether the institution's total assets, restricted and unrestricted, are increasing or decreasing. A ratio that is 3 to 4 percent above inflation is considered the baseline for financial strength. For purposes of comparison, a threshold of 3.5 percent above inflation is used on the charts below.

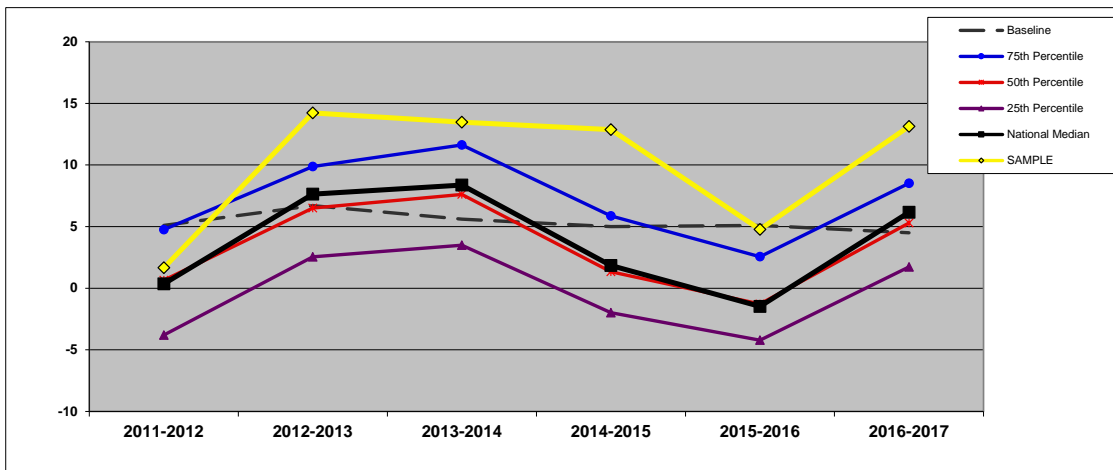
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	1.7	14.2	13.5	12.9	4.8	13.1

NATIONAL: BY REGION (n=754). This chart displays the median values of the ratio by year for each geographic region, as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Far West (68)	1.0	8.0	9.2	1.7	-1.4	7.0
Mid East (139)	-0.4	8.0	8.4	1.0	-1.5	6.5
Midwest (194)	-0.2	7.6	8.3	2.2	-2.0	6.3
New England (76)	0.4	9.5	10.7	2.0	-1.5	8.4
Southeast (192)	0.7	6.5	7.6	1.3	-1.3	5.3
West (85)	1.1	8.1	7.9	3.1	-1.1	4.7
National Median	0.4	7.6	8.4	1.8	-1.5	6.2

SOUTHEAST REGION (n=192). In addition to the median, or 50th percentile, this chart shows the 25th and 75th percentiles for your region.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
75th Percentile	4.8	9.9	11.6	5.9	2.6	8.5
50th Percentile	0.7	6.5	7.6	1.3	-1.3	5.3
25th Percentile	-3.8	2.6	3.5	-2.0	-4.2	1.7
National Median	0.4	7.6	8.4	1.8	-1.5	6.2
SAMPLE	1.7	14.2	13.5	12.9	4.8	13.1

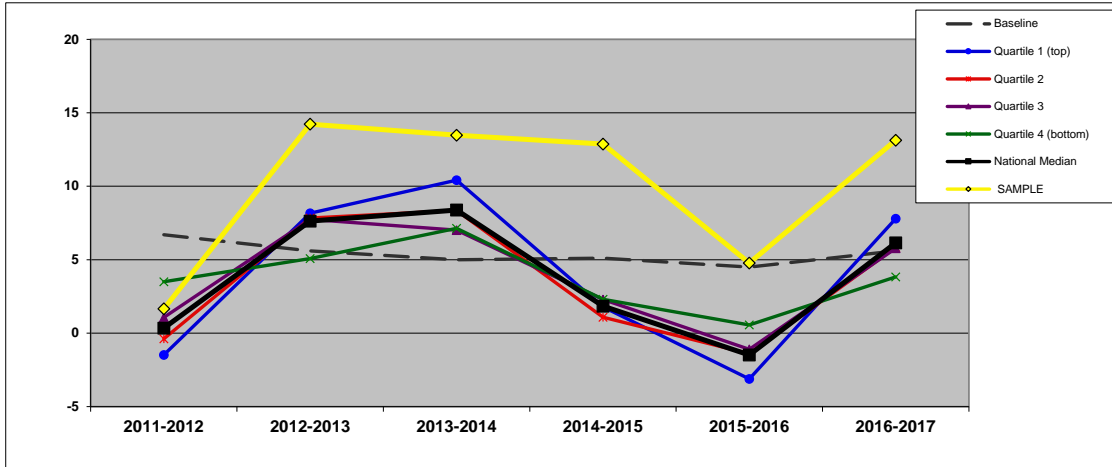
CHANGE IN NET ASSETS RATIO (%): BY FINANCIAL RESOURCES AND BY SIZE

DEFINITION: Indicates whether the institution's total assets, restricted and unrestricted, are increasing or decreasing. A ratio that is 3 to 4 percent above inflation is considered the baseline for financial strength. For purposes of comparison, a threshold of 3.5 percent above inflation is used on the charts below.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	1.7	14.2	13.5	12.9	4.8	13.1

FINANCIAL RESOURCES QUARTILE
1

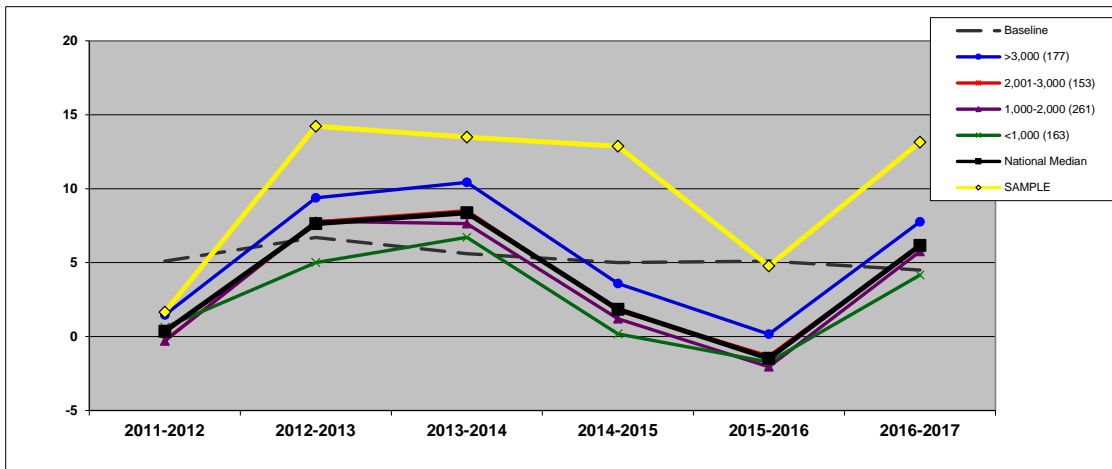
NATIONAL: BY FINANCIAL RESOURCES (n=748). This chart displays the median values of the ratio by year for each Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Quartile 1 (top)	-1.5	8.2	10.4	1.8	-3.1	7.8
Quartile 2	-0.4	7.8	8.4	1.1	-1.4	5.8
Quartile 3	1.1	7.7	7.0	2.3	-1.1	5.8
Quartile 4 (bottom)	3.5	5.1	7.1	2.3	0.6	3.8
National Median	0.3	7.6	8.4	1.8	-1.5	6.1
SAMPLE	1.7	14.2	13.5	12.9	4.8	13.1

ENROLLMENT SIZE
>3,000

NATIONAL: BY ENROLLMENT SIZE (n=754). This chart displays the median values of the ratio by year for four size groupings based on full-time equivalent (FTE) enrollment, as well as the national median.



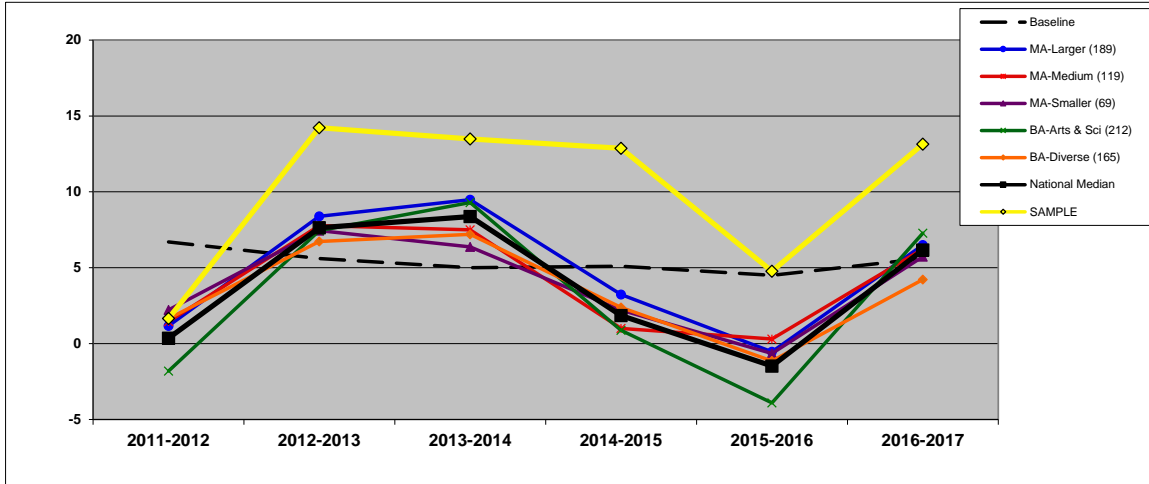
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
>3,000 (177)	1.5	9.4	10.4	3.6	0.2	7.8
2,001-3,000 (153)	-0.3	7.8	8.5	1.7	-1.3	6.1
1,000-2,000 (261)	-0.3	7.8	7.6	1.2	-2.0	5.8
<1,000 (163)	0.6	5.0	6.7	0.2	-1.7	4.2
National Median	0.4	7.6	8.4	1.8	-1.5	6.2
SAMPLE	1.7	14.2	13.5	12.9	4.8	13.1

CHANGE IN NET ASSETS RATIO (%): BY CARNEGIE CLASSIFICATION

DEFINITION: Indicates whether the institution's total assets, restricted and unrestricted, are increasing or decreasing. A ratio that is 3 to 4 percent above inflation is considered the baseline for financial strength. For purposes of comparison, a threshold of 3.5 percent above inflation is used on the chart below.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	CARNEGIE
SAMPLE	1.7	14.2	13.5	12.9	4.8	13.1	MA-Medium

NATIONAL: BY CARNEGIE CLASSIFICATION (n=754). This chart displays the median values of the ratio by year for each of the five basic Carnegie baccalaureate (BA) and master's (MA) level classifications and the national median.



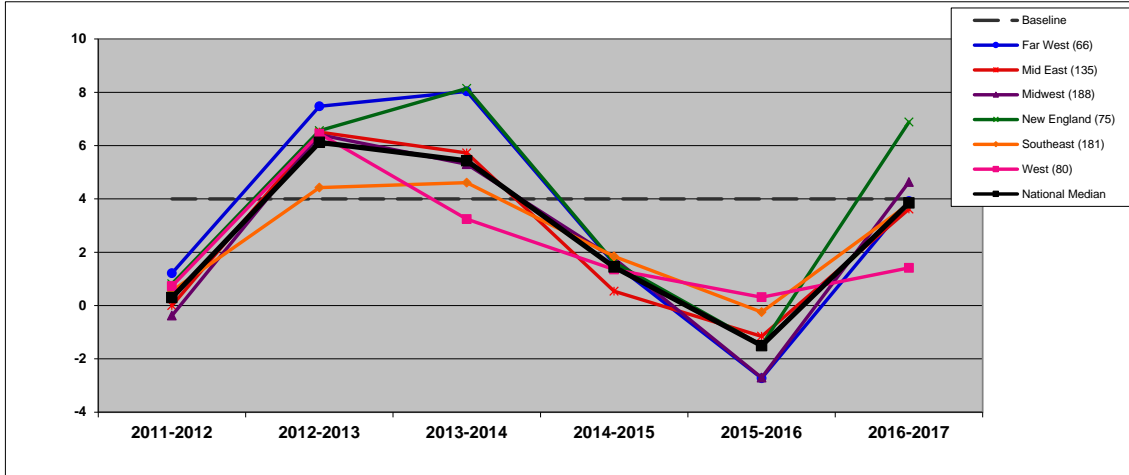
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
MA-Larger (189)	1.2	8.4	9.5	3.2	-0.5	6.5
MA-Medium (119)	1.4	7.8	7.5	1.0	0.3	6.2
MA-Smaller (69)	2.2	7.4	6.4	2.2	-0.7	5.7
BA-Arts & Sci (212)	-1.8	7.4	9.3	0.9	-3.9	7.3
BA-Diverse (165)	1.6	6.7	7.2	2.4	-1.1	4.2
National Median	0.4	7.6	8.4	1.8	-1.5	6.2
SAMPLE	1.7	14.2	13.5	12.9	4.8	13.1

OPERATING MARGIN RATIO (%): BY REGION

DEFINITION: Indicates whether institutional operations resulted in a surplus or a deficit for the year. The baseline for financial strength is 4 percent.

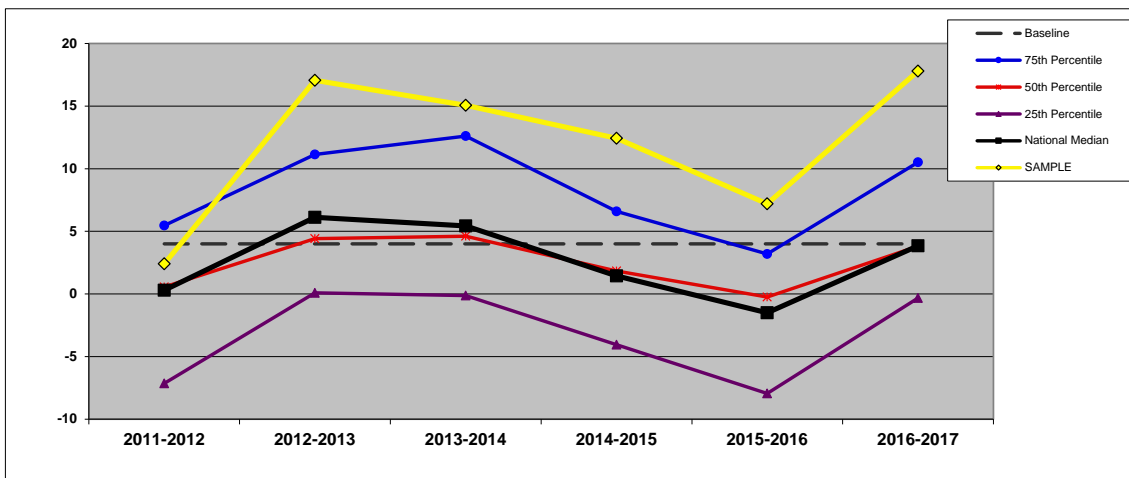
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	2.4	17.1	15.1	12.4	7.2	17.8

NATIONAL: BY REGION (n=725). This chart displays the median values of the ratio by year for each geographic region, as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Far West (66)	1.2	7.5	8.0	1.6	-2.7	3.9
Mid East (135)	0.0	6.5	5.7	0.5	-1.2	3.6
Midwest (188)	-0.4	6.4	5.3	1.8	-2.7	4.6
New England (75)	0.8	6.6	8.1	1.6	-1.5	6.9
Southeast (181)	0.6	4.4	4.6	1.8	-0.2	3.8
West (80)	0.7	6.4	3.2	1.4	0.3	1.4
National Median	0.3	6.1	5.4	1.4	-1.5	3.9

SOUTHEAST REGION (n=181). In addition to the median, or 50th percentile, this chart shows the 25th and 75th percentiles for your region.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
75th Percentile	5.5	11.1	12.6	6.6	3.2	10.5
50th Percentile	0.6	4.4	4.6	1.8	-0.2	3.8
25th Percentile	-7.1	0.1	-0.1	-4.0	-7.9	-0.3
National Median	0.3	6.1	5.4	1.4	-1.5	3.9
SAMPLE	2.4	17.1	15.1	12.4	7.2	17.8

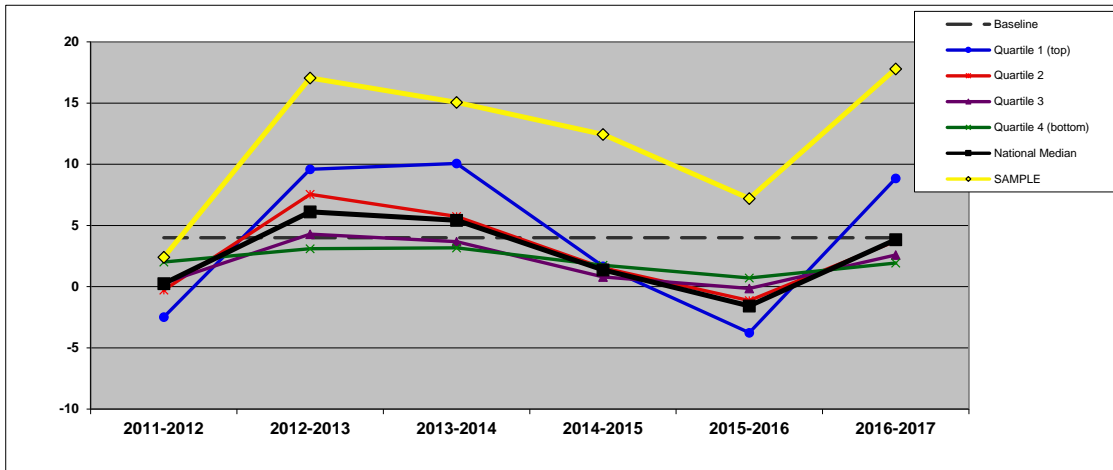
OPERATING MARGIN RATIO (%): BY FINANCIAL RESOURCES AND BY SIZE

DEFINITION: Indicates whether institutional operations resulted in a surplus or a deficit for the year. The baseline for financial strength is 4 percent.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	2.4	17.1	15.1	12.4	7.2	17.8

FINANCIAL RESOURCES QUARTILE
1

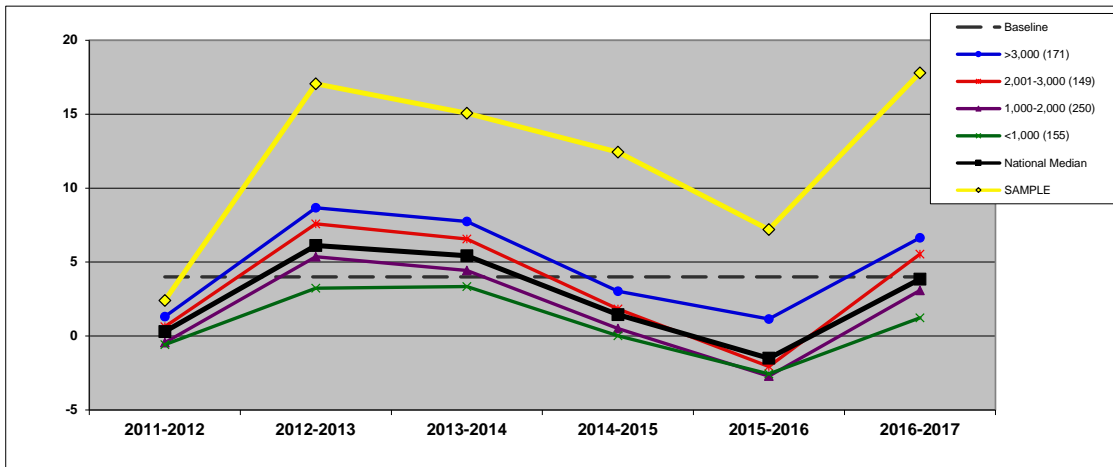
NATIONAL: BY FINANCIAL RESOURCES (n=722). This chart displays the median values of the ratio by year for each Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Quartile 1 (top)	-2.5	9.6	10.1	1.7	-3.8	8.9
Quartile 2	-0.3	7.5	5.7	1.5	-1.1	3.7
Quartile 3	0.3	4.3	3.7	0.8	-0.1	2.6
Quartile 4 (bottom)	2.0	3.1	3.2	1.8	0.7	1.9
National Median	0.3	6.1	5.4	1.4	-1.6	3.8
SAMPLE	2.4	17.1	15.1	12.4	7.2	17.8

ENROLLMENT SIZE
>3,000

NATIONAL: BY ENROLLMENT SIZE (n=725). This chart displays the median values of the ratio by year for four size groupings based on full-time equivalent (FTE) enrollment, as well as the national median.



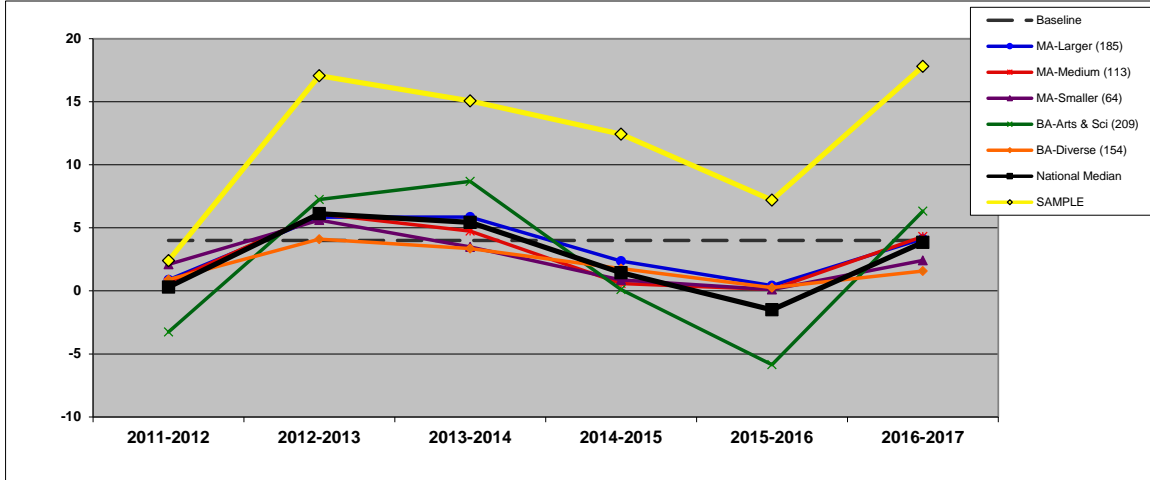
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
>3,000 (171)	1.3	8.7	7.8	3.0	1.2	6.6
2,001-3,000 (149)	0.6	7.6	6.6	1.8	-2.1	5.5
1,000-2,000 (250)	-0.4	5.4	4.4	0.5	-2.7	3.1
<1,000 (155)	-0.6	3.2	3.3	0.0	-2.6	1.2
National Median	0.3	6.1	5.4	1.4	-1.5	3.9
SAMPLE	2.4	17.1	15.1	12.4	7.2	17.8

OPERATING MARGIN RATIO (%): BY CARNEGIE CLASSIFICATION

DEFINITION: Indicates whether institutional operations resulted in a surplus or a deficit for the year. The baseline for financial strength is 4 percent.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	CARNEGIE
SAMPLE	2.4	17.1	15.1	12.4	7.2	17.8	MA-Medium

NATIONAL: BY CARNEGIE CLASSIFICATION (n=725). This chart displays the median values of the ratio by year for each of the five basic Carnegie baccalaureate (BA) and master's (MA) level classifications and the national median.



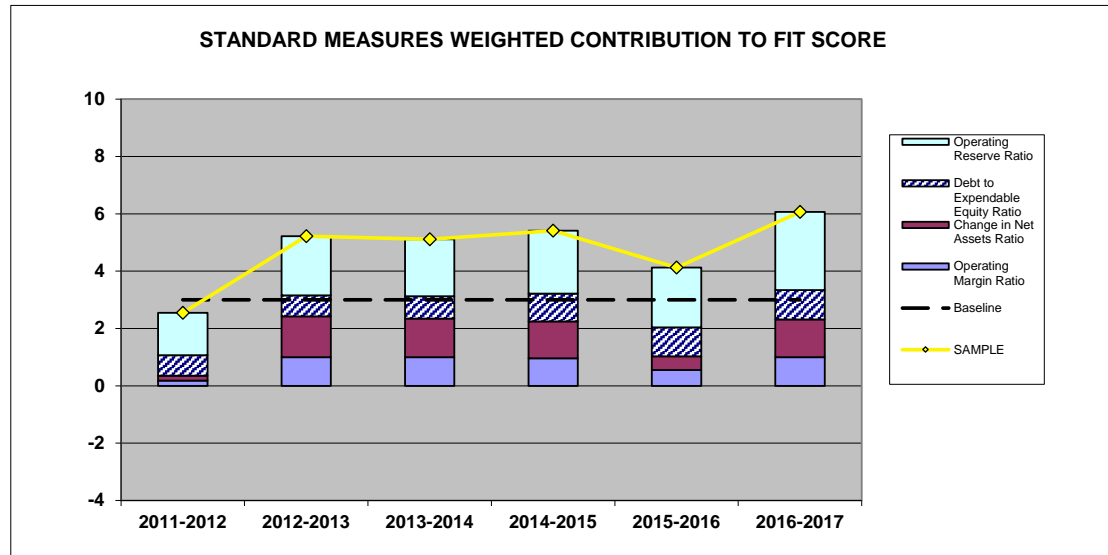
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
MA-Larger (185)	0.9	5.9	5.9	2.4	0.4	4.1
MA-Medium (113)	0.7	6.1	4.7	0.6	0.1	4.3
MA-Smaller (64)	2.1	5.6	3.5	0.9	0.1	2.4
BA-Arts & Sci (209)	-3.3	7.2	8.7	0.1	-5.9	6.3
BA-Diverse (154)	0.9	4.1	3.4	1.8	0.3	1.6
National Median	0.3	6.1	5.4	1.4	-1.5	3.9
SAMPLE	2.4	17.1	15.1	12.4	7.2	17.8

FIT SCORE: STANDARD MEASURES

Sample University

		2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Weight in FIT Score		Standard Measure					
Operating Reserve Ratio	35%	4.2	5.9	5.7	6.3	6.0	7.8
Debt to Expendable Equity Ratio	35%	2.0	2.1	2.2	2.8	2.9	2.9
Change in Net Assets Ratio	20%	0.8	7.1	6.7	6.4	2.4	6.6
Operating Margin Ratio	10%	1.9	10.0	10.0	9.6	5.5	10.0
FIT Score		2.5	5.2	5.1	5.4	4.1	6.1

Note: The standard measure allow direct comparisons among the four ratios. These measures have a ceiling of 10 and a floor of -4. The operating reserve and debt to expendable equity ratios are weighted the most heavily, followed by the change in net assets ratio, and the operating margin ratio.



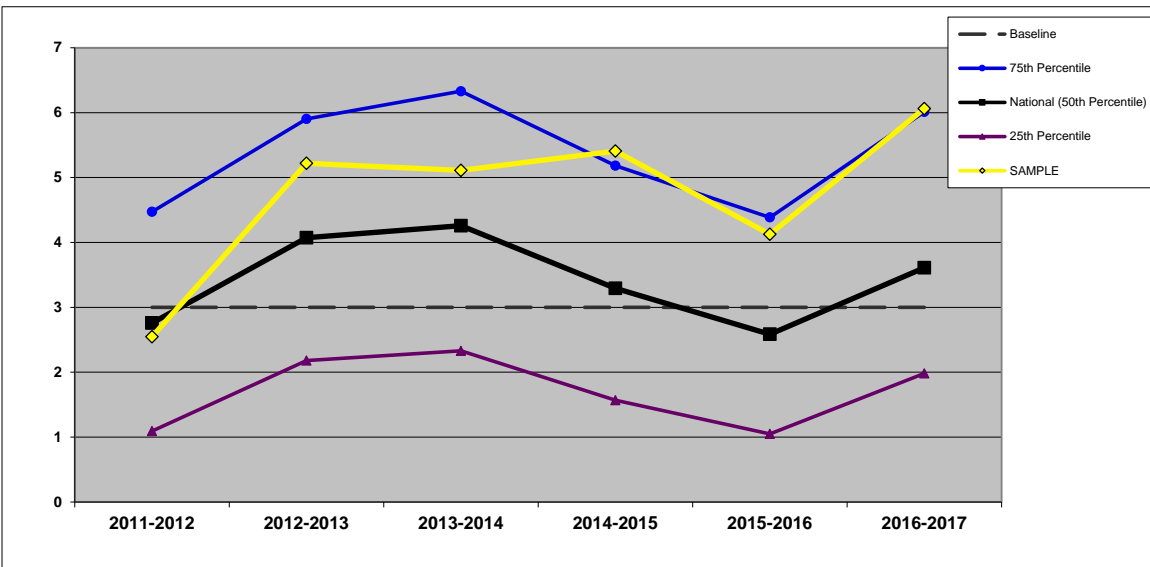
DEFINITION: The FIT Score is a measure of the institution's overall financial health based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the baseline for financial strength.

FIT SCORE: NATIONAL PERCENTILES

DEFINITION: The FIT Score is a measure of the institution's overall financial strength based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the baseline for financial strength.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

NATIONAL (n=721). In addition to the national median, or 50th percentile, this chart shows the 25th and 75th percentiles.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
75th Percentile	4.5	5.9	6.3	5.2	4.4	6.0
National (50th Percentile)	2.8	4.1	4.3	3.3	2.6	3.6
25th Percentile	1.1	2.2	2.3	1.6	1.0	2.0
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

PERFORMANCE STRATEGIES

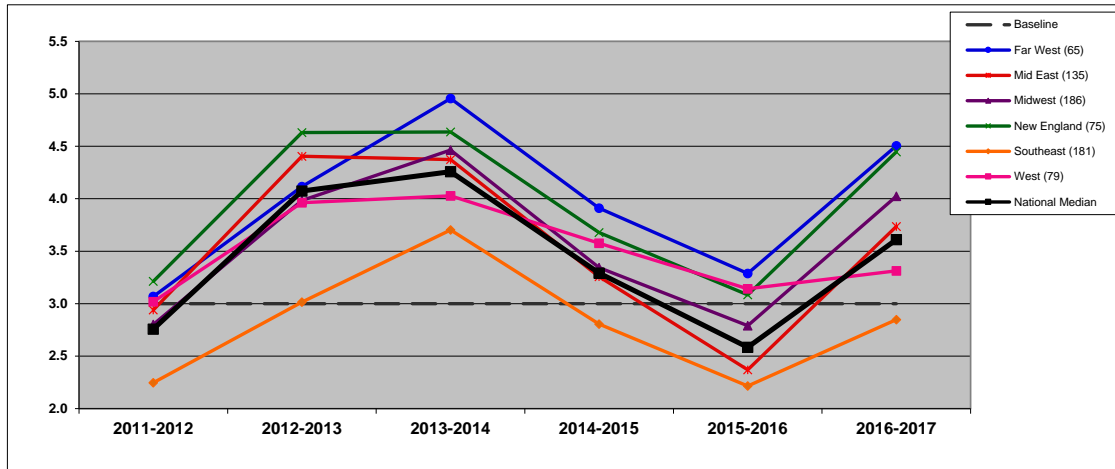
2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Range	Strategy
						8 to 10	Commit additional resources to advance mission
					6.1	6 to 7	Encourage innovation to achieve mission
	5.2	5.1	5.4	4.1		4 to 5	Implement initiatives to promote sustainability
2.5						2 to 3	Perform a thorough review of institutional effectiveness
						-1 to 1	Implement significant institutional changes to achieve mission
						-4 to -2	Assess Department of Education compliance and institutional long-term viability

FIT SCORE: BY REGION

DEFINITION: The FIT Score is a measure of the institution's overall financial strength based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the baseline for financial strength.

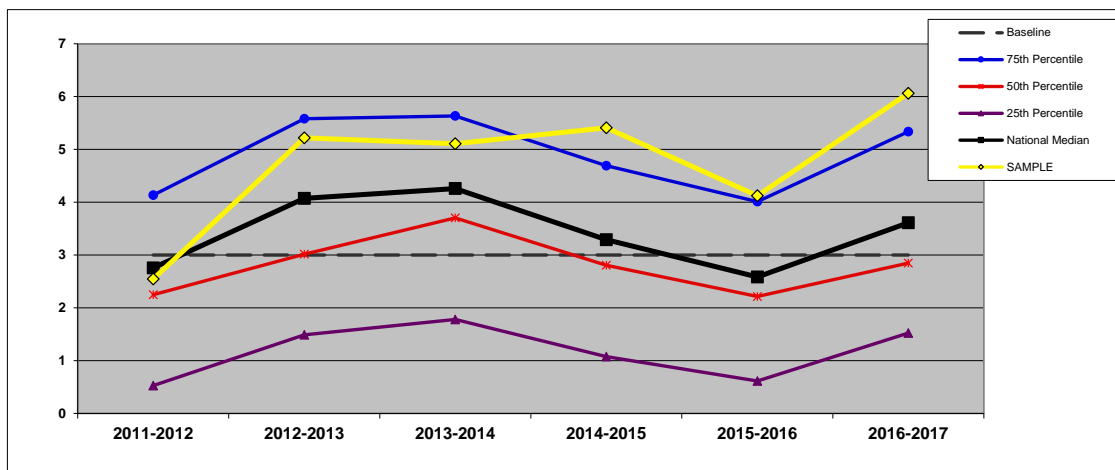
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

NATIONAL: BY REGION (n=721). This chart displays the median values of the FIT Score by year for each geographic region, as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Far West (65)	3.1	4.1	5.0	3.9	3.3	4.5
Mid East (135)	2.9	4.4	4.4	3.3	2.4	3.7
Midwest (186)	2.8	4.0	4.5	3.3	2.8	4.0
New England (75)	3.2	4.6	4.6	3.7	3.1	4.4
Southeast (181)	2.2	3.0	3.7	2.8	2.2	2.8
West (79)	3.0	4.0	4.0	3.6	3.1	3.3
National Median	2.8	4.1	4.3	3.3	2.6	3.6

SOUTHEAST REGION (n=181). In addition to the median, or 50th percentile, this chart shows the 25th and 75th percentiles for your region.



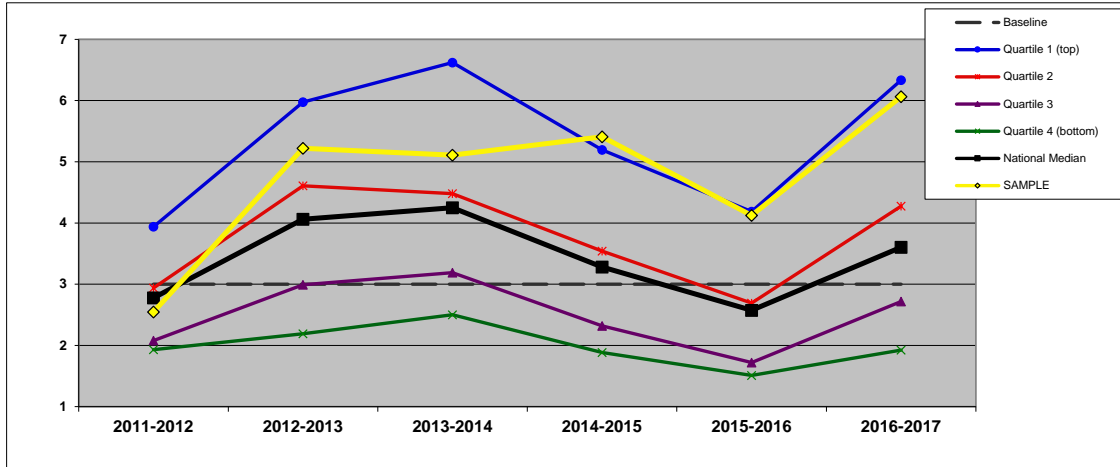
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
75th Percentile	4.1	5.6	5.6	4.7	4.0	5.3
50th Percentile	2.2	3.0	3.7	2.8	2.2	2.8
25th Percentile	0.5	1.5	1.8	1.1	0.6	1.5
National Median	2.8	4.1	4.3	3.3	2.6	3.6
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

FIT SCORE: BY FINANCIAL RESOURCES

DEFINITION: The FIT Score is a measure of the institution's overall financial strength based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the baseline for financial strength.

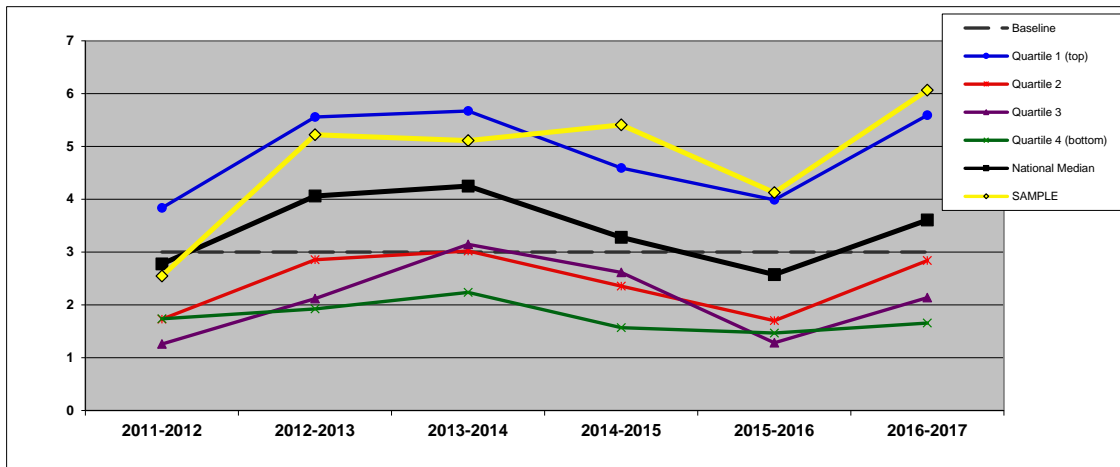
SAMPLE	FINANCIAL RESOURCES							
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	NATIONAL	REGIONAL
	2.5	5.2	5.1	5.4	4.1	6.1	1	1

NATIONAL: BY FINANCIAL RESOURCES (n=718). This chart displays the median values of the FIT Score by year for each national Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Quartile 1 (top)	3.9	6.0	6.6	5.2	4.2	6.3
Quartile 2	2.9	4.6	4.5	3.5	2.7	4.3
Quartile 3	2.1	3.0	3.2	2.3	1.7	2.7
Quartile 4 (bottom)	1.9	2.2	2.5	1.9	1.5	1.9
National Median	2.8	4.1	4.2	3.3	2.6	3.6
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

SOUTHEAST REGION: BY FINANCIAL RESOURCES (n=181). This chart displays the median values of the FIT Score by year for each regional Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Quartile 1 (top)	3.8	5.6	5.7	4.6	4.0	5.6
Quartile 2	1.7	2.9	3.0	2.4	1.7	2.8
Quartile 3	1.3	2.1	3.1	2.6	1.3	2.1
Quartile 4 (bottom)	1.7	1.9	2.2	1.6	1.5	1.7
National Median	2.8	4.1	4.2	3.3	2.6	3.6
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

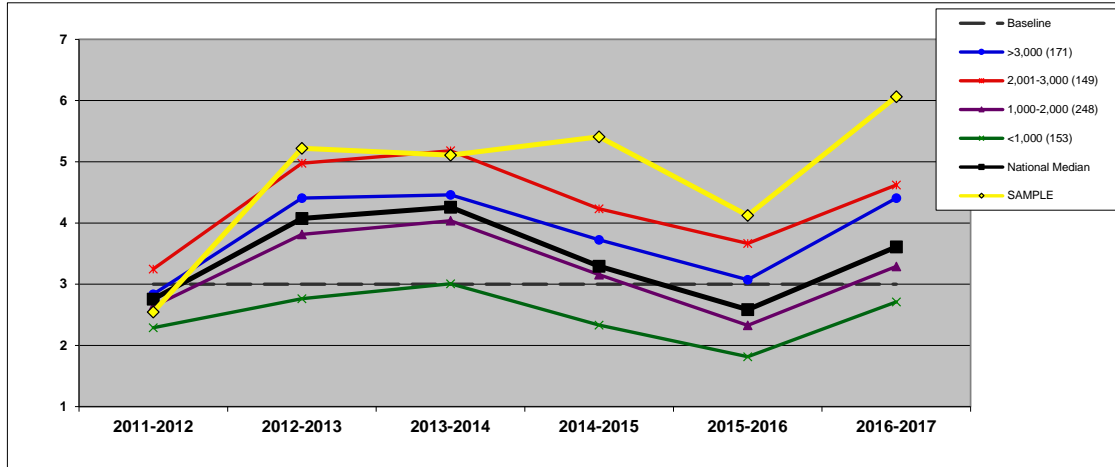
FIT SCORE: BY ENROLLMENT SIZE

DEFINITION: The FIT Score is a measure of the institution's overall financial strength based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the baseline for financial strength.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

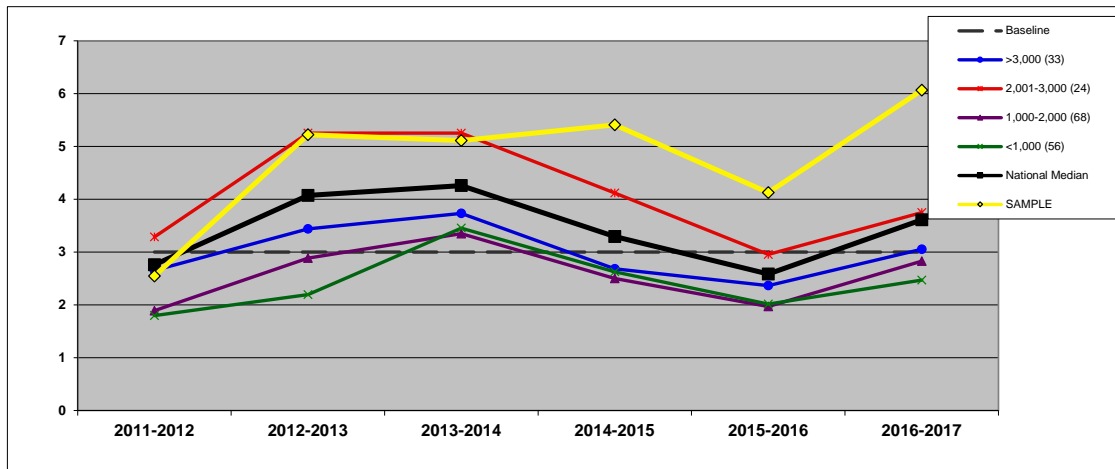
ENROLLMENT SIZE
>3,000

NATIONAL: BY ENROLLMENT SIZE (n=721). This chart displays the median values of the FIT Score by year for four size groupings based on full-time equivalent (FTE) enrollment, as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
>3,000 (171)	2.8	4.4	4.5	3.7	3.1	4.4
2,001-3,000 (149)	3.2	5.0	5.2	4.2	3.7	4.6
1,000-2,000 (248)	2.6	3.8	4.0	3.2	2.3	3.3
<1,000 (153)	2.3	2.8	3.0	2.3	1.8	2.7
National Median	2.8	4.1	4.3	3.3	2.6	3.6
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

SOUTHEAST REGION: BY ENROLLMENT SIZE (n=181). This chart displays the median values of the FIT Score by year for four size groupings based on full-time equivalent (FTE) enrollment, as well as the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
>3,000 (33)	2.7	3.4	3.7	2.7	2.4	3.1
2,001-3,000 (24)	3.3	5.3	5.3	4.1	3.0	3.7
1,000-2,000 (68)	1.9	2.9	3.3	2.5	2.0	2.8
<1,000 (56)	1.8	2.2	3.5	2.6	2.0	2.5
National Median	2.8	4.1	4.3	3.3	2.6	3.6
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

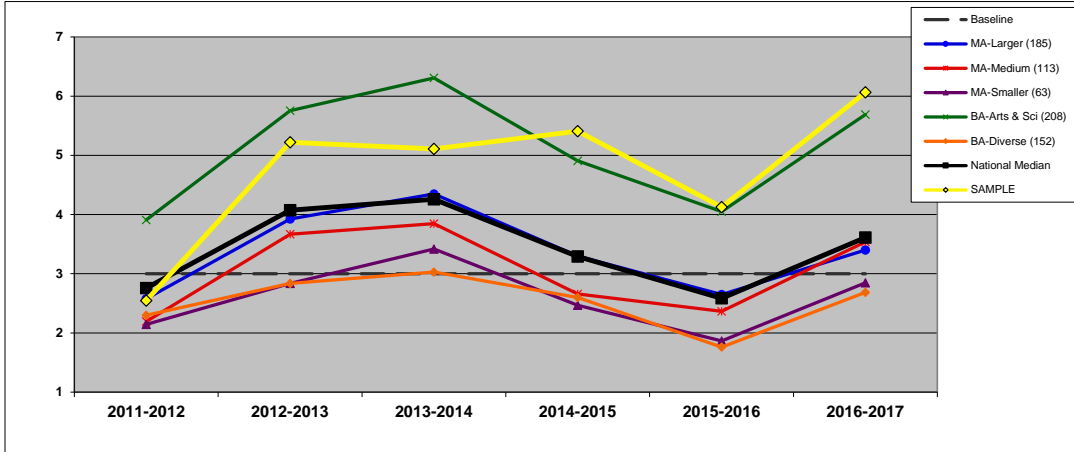
FIT SCORE: BY CARNEGIE CLASSIFICATION

DEFINITION: The FIT Score is a measure of the institution's overall financial strength based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the baseline for financial health.

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

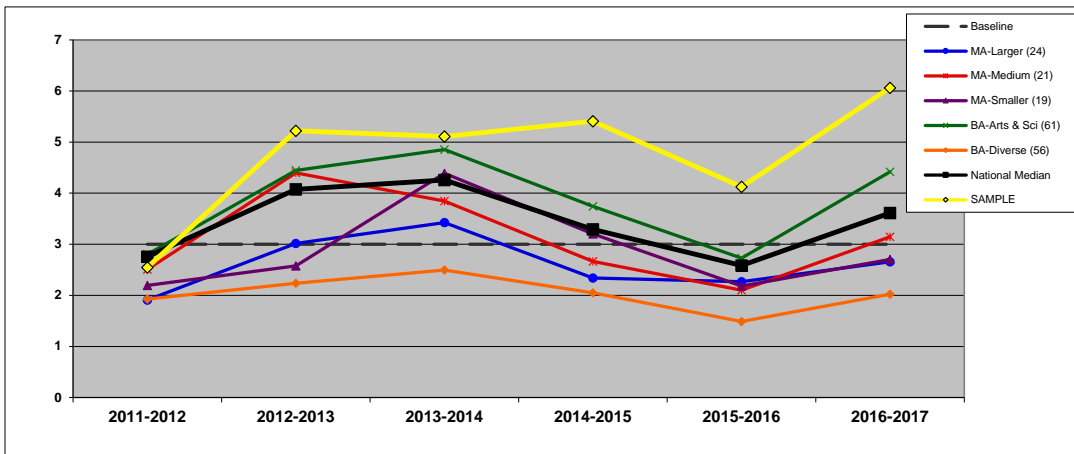
CARNEGIE	
MA-Medium	6.1

NATIONAL: BY CARNEGIE CLASSIFICATION (n=721). This chart displays the median values of the FIT Score by year for each of the five basic Carnegie baccalaureate (BA) and master's (MA) level classifications and the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
MA-Larger (185)	2.6	3.9	4.3	3.3	2.6	3.4
MA-Medium (113)	2.2	3.7	3.8	2.7	2.4	3.5
MA-Smaller (63)	2.1	2.8	3.4	2.5	1.9	2.8
BA-Arts & Sci (208)	3.9	5.8	6.3	4.9	4.0	5.7
BA-Diverse (152)	2.3	2.8	3.0	2.6	1.8	2.7
National Median	2.8	4.1	4.3	3.3	2.6	3.6
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

SOUTHEAST REGION: BY CARNEGIE CLASSIFICATION (n=181). This chart displays the median values of the FIT Score by year for each of the five basic Carnegie baccalaureate (BA) and master's (MA) level classifications and the national median.



	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
MA-Larger (24)	1.9	3.0	3.4	2.3	2.3	2.7
MA-Medium (21)	2.5	4.4	3.8	2.7	2.1	3.1
MA-Smaller (19)	2.2	2.6	4.4	3.2	2.2	2.7
BA-Arts & Sci (61)	2.8	4.4	4.9	3.7	2.7	4.4
BA-Diverse (56)	1.9	2.2	2.5	2.0	1.5	2.0
National Median	2.8	4.1	4.3	3.3	2.6	3.6
SAMPLE	2.5	5.2	5.1	5.4	4.1	6.1

INSTITUTIONAL DATA AND CALCULATIONS BY YEAR*
Sample University

COLOR KEY

	CALCULATED FIELD
	DATA ENTRY FIELD

FIT SCORE

2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	SCENARIO
2.5	5.2	5.1	5.4	4.1	6.1				

OPERATING RESERVE RATIO

2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	SCENARIO
\$207,606,347	\$244,096,239	\$277,542,862	\$307,154,641	\$324,020,886	\$372,530,510				
\$31,130,768	\$33,934,344	\$41,514,115	\$57,254,074	\$60,353,287	\$67,319,073				
\$254,758,704	\$297,946,545	\$330,743,756	\$340,593,876	\$355,468,229	\$397,725,207				
\$109,105,000	\$159,395,000	\$154,905,000	\$149,185,000	\$143,255,000	\$192,600,419				
\$165,484,406	\$177,959,358	\$189,876,482	\$207,718,967	\$217,314,323	\$226,554,684				
0.56	0.78	0.75	0.83	0.79	1.04				
4.2	5.9	5.7	6.3	6.0	7.8				
1.5	2.1	2.0	2.2	2.1	2.7				

+ unrestricted net assets EOY (990)
+ temporarily restricted net assets EOY (990)
-- land, building, and equipment, net of depreciation EOY (990)
+ long-term debt EOY (990)

total expenses (IPEDS)

ratio

standard measure

weighted value

DEBT TO EXPENDABLE EQUITY RATIO

2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	SCENARIO
\$207,606,347	\$244,096,239	\$277,542,862	\$307,154,641	\$324,020,886	\$372,530,510				
\$31,130,768	\$33,934,344	\$41,514,115	\$57,254,074	\$60,353,287	\$67,319,073				
\$254,758,704	\$297,946,545	\$330,743,756	\$340,593,876	\$355,468,229	\$397,725,207				
\$109,105,000	\$159,395,000	\$154,905,000	\$149,185,000	\$143,255,000	\$192,600,419				
\$109,105,000	\$159,395,000	\$154,905,000	\$149,185,000	\$143,255,000	\$192,600,419				
0.85	0.88	0.92	1.16	1.20	1.22				
2.0	2.1	2.2	2.8	2.9	2.9				
0.7	0.7	0.8	1.0	1.0	1.0				

+ unrestricted net assets EOY (990)
+ temporarily restricted net assets EOY (990)
-- land, building, and equipment, net of depreciation EOY (990)
+ long-term debt EOY (990)

long-term debt EOY (990)

ratio

standard measure

weighted value

CHANGE IN NET ASSETS RATIO (%)

2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	SCENARIO
\$5,298,476	\$46,281,508	\$50,099,196	\$54,269,303	\$22,718,250	\$65,529,812				
\$320,022,143	\$325,320,619	\$371,602,127	\$421,701,323	\$475,970,628	\$498,688,878				
1.7	14.2	13.5	12.9	4.8	13.1				
0.8	7.1	6.7	6.4	2.4	6.6				
0.2	1.4	1.3	1.3	0.5	1.3				

change in net assets (IPEDS)

total net assets EOY (IPEDS)

ratio

standard measure

weighted value

OPERATING MARGIN RATIO (%): Using Change in Unrestricted Net Assets

2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	SCENARIO
\$4,319,897	\$36,489,892	\$33,446,623	\$29,611,779	\$16,866,245	\$48,509,624				
\$179,618,236	\$213,927,732	\$221,995,103	\$238,115,013	\$234,407,211	\$272,512,384				
2.4	17.1	15.1	12.4	7.2	17.8				
1.9	10.0	10.0	9.6	5.5	10.0				
0.2	1.0	1.0	1.0	0.6	1.0				

change in unrestricted net assets (990)
total unrestricted revenue = total revenue -
((change in permanently restricted assets) +
(change in temporarily restricted assets))
(IPEDS and 990)

ratio

standard measure

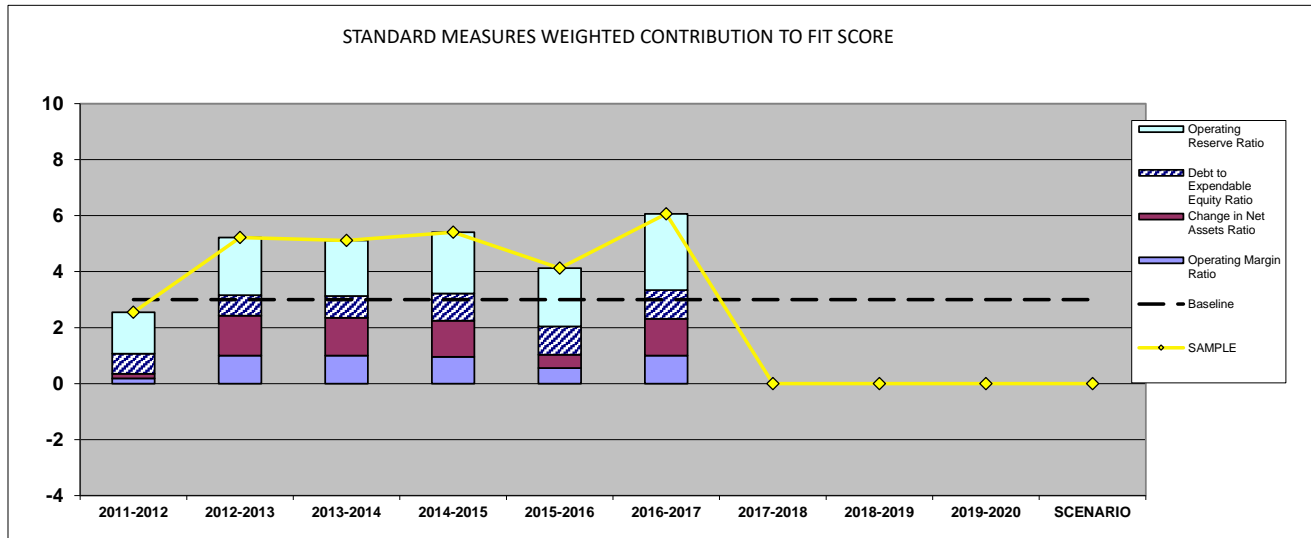
weighted value

*See APPENDIX for additional detail on FIT Score data sources and calculations. In the description of the data elements above, "990" and "IPEDS" indicate the sources of the data.

FIT SCORE: STANDARD MEASURES AND PROJECTION TOOL
Sample University

	Weight in FIT Score	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	SCENARIO
		Standard Measure									
Operating Reserve Ratio	35%	4.2	5.9	5.7	6.3	6.0	7.8				
Debt to Expendable Equity Ratio	35%	2.0	2.1	2.2	2.8	2.9	2.9				
Change in Net Assets Ratio	20%	0.8	7.1	6.7	6.4	2.4	6.6				
Operating Margin Ratio	10%	1.9	10.0	10.0	9.6	5.5	10.0				
FIT Score		2.5	5.2	5.1	5.4	4.1	6.1				

The operating reserve and debt to expendable equity ratios are weighted the most heavily; then the change in net assets ratio, followed by the operating margin ratio. Standard measures have a ceiling of 10 and a floor of -4. These measures allow direct comparisons among the four ratios. Data for years 2017-2018, 2018-2019, 2019-2020 and SCENARIO are displayed in the table above and on the chart below once data have been entered on the DATA worksheet.



DEFINITION: The FIT Score is a measure of the overall financial strength of the institution based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the baseline for financial strength.

DATA SOURCES AND CALCULATIONS FOR THE RATIOS AND FIT SCORE

Note: BOY = beginning of year; EOY = end of year

OPERATING RESERVE RATIO

DATA ELEMENTS

Unrestricted Assets EOY
Temporarily Restricted Assets EOY
Land, Building, and Equipment EOY
Long-term Debt EOY:
 Tax Exempt Bonds EOY
 Mortgage EOY

SOURCE

IRS Form 990, Part X, Line 27
IRS Form 990, Part X, Line 28
IRS Form 990, Schedule D, Part VI - total LBE (d) minus investment LBE (a)

IRS Form 990, Part X, Line 20
IRS Form 990, Part X, Line 23

Total Expenses

IPEDS Finance: Private not-for-profit institutions: Assets and liabilities: Total expenses

RATIO CALCULATION

Operating Reserve Ratio = (Unrestricted Assets EOY + Temporarily Restricted Assets EOY - Land, Building, and Equipment + (Tax Exempt Bonds + Mortgage)) / Total Expenses

STANDARD MEASURE CALCULATION

Operating Reserve Ratio / .133

DEBT TO EXPENDABLE EQUITY RATIO

DATA ELEMENTS

Unrestricted Assets EOY
Temporarily Restricted Assets EOY
Land, Building, and Equipment EOY
Long-term Debt EOY:
 Tax Exempt Bonds EOY
 Mortgage EOY

SOURCE

IRS Form 990, Part X, Line 27
IRS Form 990, Part X, Line 28
IRS Form 990, Schedule D, Part VI - total LBE (d) minus investment LBE (a)

IRS Form 990, Part X, Line 20
IRS Form 990, Part X, Line 23

RATIO CALCULATION

Debt to Expendable Equity Ratio = (Unrestricted Assets EOY + Temporarily Restricted Assets EOY - Land, Building, and Equipment + (Tax Exempt Bonds + Mortgage)) / (Tax Exempt Bonds + Mortgage)

STANDARD MEASURE CALCULATION

Debt to Expendable Equity Ratio / .417

CHANGE IN NET ASSETS RATIO (%)

DATA ELEMENTS

Change in Net Assets
Total Net Assets BOY

SOURCE

IPEDS Finance: Private not-for-profit institutions: Assets and Liabilities: Total change in net assets
IPEDS Finance: Private not-for-profit institutions: Assets and Liabilities: Net assets, beginning of year

RATIO CALCULATION

Change in Net Assets Ratio = Change in Net Assets / Total Net Assets BOY

STANDARD MEASURE CALCULATION

Change in Net Assets Ratio / .02

OPERATING MARGIN RATIO (%)

DATA ELEMENTS

Change in Unrestricted Net Assets:

Unrestricted Assets EOY

Unrestricted Assets BOY

Change in Permanently Restricted Assets:

Permanently Restricted Assets EOY

Permanently Restricted Assets BOY

Change in Temporarily Restricted Assets:

Temporarily Restricted Assets EOY

Temporarily Restricted Assets BOY

SOURCE

IRS Form 990, Part X, Line 27

IRS Form 990, Part X, Line 27

IRS Form 990, Part X, Line 29

IRS Form 990, Part X, Line 29

IRS Form 990, Part X, Line 28

IRS Form 990, Part X, Line 28

SOURCE

Total Revenue

IPEDS Finance: Private not-for-profit institutions: Assets and liabilities: Total revenues and investment return

RATIO CALCULATION

Operating Margin Ratio = (Unrestricted Assets EOY - Unrestricted Assets BOY) / (Total Revenue - ((Permanently Restricted EOY - Permanently Restricted BOY) + (Temporarily Restricted EOY - Temporarily Restricted BOY)))

STANDARD MEASURE CALCULATION

Operating Margin Ratio / .013

FIT SCORE

CALCULATION WITH DEBT

FIT Score = (Operating Reserve Ratio standard measure x .35) + Debt to Expendable Equity Ratio standard measure x .35) + (Change in Net Assets Ratio standard measure x .20) + (Operating Margin Ratio standard measure x .10)

CALCULATION WITHOUT DEBT

FIT Score = (Operating Reserve Ratio standard measure x .55) + (Change in Net Assets Ratio standard measure x .30) + (Operating Margin Ratio standard measure x .15)