THE COUNCIL OF INDEPENDENT COLLEGES

# Financial Indicators Tool (FIT)

***July 2016***

## Dominican University

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

Sponsored by

RUFFALO NOEL LEVITZ

# CIC FINANCIAL INDICATORS TOOL 2016

***NATIONAL AND MIDWEST REGION***

## Dominican University

# 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 composite score for the overall financial health 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.

Now in its tenth 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: primary reserve, viability, return on net assets, and net operating revenues. These four ratios are combined into a single index score, the Composite Financial Index (CFI), as described in the publication *Strategic Financial Analysis for Higher Education, Seventh Edition.* This method was developed by KPMG; Prager, Sealy & Co., LLC.; and Attain for use both in private and public higher education.

The financial indicators in this report are presented with data over a six-year period from academic year 2008–2009 through academic year 2013–2014, the most recent year for which data are available from public sources. Benchmarking comparisons for each of the four ratios and for the CFI 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–and represent the first attempt to apply the CFI methodology to this entire sub-sector of institutions. Like the KIT, this report makes comparisons by region of the country, financial resources, enrollment size, and Carnegie classification. The information in the FIT and the KIT is provided to member institutions to enhance institutional effectiveness and decision making. 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.

## UPDATE TO THE 2016 FIT REPORT:

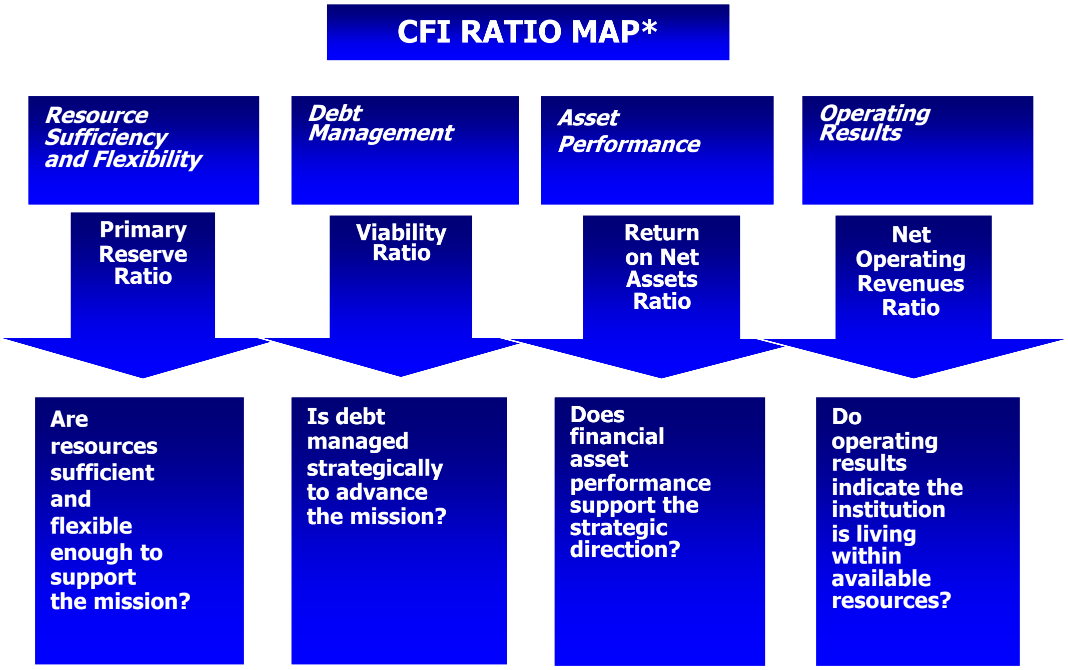
The 2016 FIT update retains the same basic look and structure as previous editions. This report introduces the 2015 Basic Carnegie Classifications, which were obtained from the Center for Postsecondary Research at Indiana University.

## OVERALL FINANCIAL HEALTH: THE COMPOSITE FINANCIAL INDEX

The Composite Financial Index (CFI) is a single indicator of overall institutional financial health 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:

- Primary Reserve Ratio - A measure of financial flexibility and resource sufficiency
- Viability Ratio - A measure of debt management
- Return on Net Assets Ratio - A measure of overall asset return and performance
- Net Operating Revenues Ratio - A measure of operating results

The “ratio map” below presents these basic concepts visually and can be useful in explaining the CFI.




*Adapted from* Strategic Financial Analysis for Higher Education*, p. 107.*

Once the four ratios are calculated, each ratio is then converted into a "strength factor" which falls on a scale of -4 to 10. The strength factors provide standardized measurements of each ratio for comparative purposes. The strength factor scores are then weighted (primary reserve and viability ratios at 35 percent; return on net assets ratio at 20 percent; and net operating revenues ratio at 10 percent) and added together to create the composite score. For institutions with no long-term debt in a given year, the weighting is altered to reflect the absence of a viability ratio (primary reserve ratio at 55 percent; return on net assets ratio at 30 percent; and net operating revenues ratio at 15 percent).

The CFI score also falls on a scale of -4 to 10. A CFI score of 3.0 is considered the threshold for institutional financial health by the developers of the tool; 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 down-turn in the stock market can affect the CFI score, a long-term view over three to five years is recommended.

### Resource Sufficiency: *The Primary Reserve Ratio*

The primary 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 was 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 recommended threshold for the primary 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.

### Debt Management: *The Viability Ratio*

The viability ratio measures the ability of an institution to adequately manage debt, 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 viability ratio—expendable net assets—is identical to the numerator in the primary reserve ratio, but the viability 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 threshold for the viability 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 viability ratio greater than 2.0 is an indicator of robust financial health.

### Asset Performance: *The Return On Net Assets Ratio*

The return on 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 return on 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 return on the 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 return on 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.

### Operating Results: *The Net Operating Revenues Ratio*

The net operating revenues 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? The developers of the CFI offer two methods for calculating the net operating revenues ratio. This report uses the change in unrestricted net assets method that can be calculated 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 challenge in calculating this ratio is determining what constitutes "normal operations" and what items may be exceptional or outside of normal operations. For example, faculty salaries and routine campus maintenance would be considered normal operations, but constructing a new science building would not. This ratio is also referred to as the Net Income Ratio. The similar return on net assets ratio includes everything that happened over the year—expected, unexpected, the stock market, operations, and so on—whereas the net operating revenues ratio is limited to basic operations.

The threshold for the net operating revenues 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 net operating revenues 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 net operating revenues ratio is to provide a bellwether to warn of such impending financial distress. Although the net operating revenues ratio only constitutes 10 percent of the Composite Financial Index, this small percentage is somewhat misleading since operating surpluses or deficits have an impact on all of the other three ratios over time.

### Liquidity: *A Threshold Consideration*

During the recent recession with the steep decline in market values and the severe tightening of credit issuing, most colleges and universities experienced unprecedented cash flow issues. As a result, the developers of the Composite Financial Index (CFI) methodology introduced a new consideration in the 2010 edition of *Strategic Financial Analysis for Higher Education*. Specifically, the authors recommended that college leaders consider whether the institution has sufficient liquidity to maintain operations at the current level. Their position is that a strong CFI score is no longer adequate if the institution does not have enough liquid assets or cash on hand to handle immediate expenses.

The liquidity ratio, calculated for both short-term and intermediate-term needs, measures the institution's ability to access cash quickly. The basic calculation is "Sources of Liquidity" divided by "Uses of Liquidity." In all cases, the result should be greater than 1.0, though many institutions would want to adopt a higher threshold. Sources of liquidity include cash on hand, operating funds, lines of credit, accounts receivable, and pledges or gifts anticipated. Uses of liquidity include operational expenses, endowment payouts, payments on debt, and anticipated capital investments. Each institution will want to establish its own specific measures for both short-term and intermediate-term liquidity. For additional guidance, please consult Chapter 4 of *Strategic Financial Analysis for Higher Education* (2010).

## 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.

The developers of the CFI methodology recommend a series of mission-related implications based on a range of CFI scores as follows:

### CFI Performance Strategies

| *CFI Range* | *Strategy* |
|---|---|
| *8 to 10* | Deploy resources to achieve robust mission |
| *6 to 9* | Allow experimentation with new initiatives |
| *4 to 7* | Focus resources to compete in future state |
| *2 to 5* | Direct resources to allow transformation |
| *0 to 3* | Re-engineer the institution |
| *-1 to 1* | Consider substantive programmatic adjustments |
| *-2 to 0* | Assess debt and Department of Education compliance and remediation |
| *-3 to -1* | Consider structured programs to conserve cash |
| *-4 to -2* | Consider whether financial exigency is appropriate |

Adapted from Tahey, et al. (2010), *Strategic Financial Analysis for Higher Education*, *p. 96.*

These ranges suggest that small differences in CFI 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 CFI score may indicate financial distress and inadequate resources to accomplish missional objectives effectively. A very high CFI score may indicate that an institution's resources are not being deployed effectively, suggesting unrealized opportunities for robust achievement of mission.

### Federal Test of Financial Responsibility

The U.S. Department of Education's Test of Financial Responsibility should not be confused with the Composite Financial Index used in CIC's FIT. The Financial Responsibility Test uses a composite score based upon three ratios, two of which are ratios also used in the CFI, the primary reserve ratio and the net operating revenues ratio (formerly called the net income ratio). The third ratio in the Department of Education's methodology is the equity ratio, which is a measure of an institution's ability to borrow. This composite index was developed for the Department of Education by KPMG to determine eligibility for Title IV funds. Its purpose is primarily to identify institutions that are at risk of precipitous closure (using a scale of -1 to 3). The CFI presents a more complete picture of an institution's financial strengths and weaknesses (using a scale of -4 to 10) and is a useful strategic indicator for institutions at various levels of financial health. Appendix B in this report allows institutions to calculate and compare CFI ratios and scores with those for the U.S. Department of Education.

## 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 CFI 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 strength factor for each ratio on the CFI and one showing the 25th, 50th, and 75th percentiles for the entire national group of institutions; and brief strategy descriptions from the developers of the CFI are also included.

***FIT Trends.*** This section at the front 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 2014 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) | 44% | >3,000 | 23% | MA-Large | 27% |
| | Quartile 2 | 17% | 2,001-3,000 | 17% | MA-Medium | 17% |
| | Quartile 3 | 19% | 1,000-2,000 | 33% | MA-Small | 13% |
| | Quartile 4 (bottom) | 19% | <1,000 | 26% | BA-Arts & Sciences | 30% |
| | | | | | BA-Diverse Fields | 12% |
| **Mid East** | Quartile 1 (top) | 31% | >3,000 | 22% | MA-Large | 34% |
| | Quartile 2 | 31% | 2,001-3,000 | 30% | MA-Medium | 15% |
| | Quartile 3 | 29% | 1,000-2,000 | 36% | MA-Small | 8% |
| | Quartile 4 (bottom) | 10% | <1,000 | 10% | BA-Arts & Sciences | 35% |
| | | | | | BA-Diverse Fields | 9% |
| **Midwest** | Quartile 1 (top) | 21% | >3,000 | 21% | MA-Large | 23% |
| | Quartile 2 | 29% | 2,001-3,000 | 21% | MA-Medium | 15% |
| | Quartile 3 | 23% | 1,000-2,000 | 40% | MA-Small | 9% |
| | Quartile 4 (bottom) | 27% | <1,000 | 17% | BA-Arts & Sciences | 28% |
| | | | | | BA-Diverse Fields | 25% |
| **New England** | Quartile 1 (top) | 46% | >3,000 | 26% | MA-Large | 27% |
| | Quartile 2 | 19% | 2,001-3,000 | 23% | MA-Medium | 21% |
| | Quartile 3 | 19% | 1,000-2,000 | 29% | MA-Small | 5% |
| | Quartile 4 (bottom) | 15% | <1,000 | 22% | BA-Arts & Sciences | 37% |
| | | | | | BA-Diverse Fields | 19% |
| **Southeast** | Quartile 1 (top) | 13% | >3,000 | 12% | MA-Large | 14% |
| | Quartile 2 | 31% | 2,001-3,000 | 17% | MA-Medium | 11% |
| | Quartile 3 | 25% | 1,000-2,000 | 39% | MA-Small | 11% |
| | Quartile 4 (bottom) | 37% | <1,000 | 31% | BA-Arts & Sciences | 32% |
| | | | | | BA-Diverse Fields | 32% |
| **West** | Quartile 1 (top) | 16% | >3,000 | 13% | MA-Large | 26% |
| | Quartile 2 | 20% | 2,001-3,000 | 17% | MA-Medium | 17% |
| | Quartile 3 | 31% | 1,000-2,000 | 33% | MA-Small | 8% |
| | Quartile 4 (bottom) | 33% | <1,000 | 37% | BA-Arts & Sciences | 8% |
| | | | | | BA-Diverse Fields | 41% |
| **National** | | | >3,000 | 19% | MA-Large | 24% |
| | | | 2,001-3,000 | 21% | MA-Medium | 15% |
| | | | 1,000-2,000 | 37% | MA-Small | 9% |
| | | | <1,000 | 23% | BA-Arts & Sciences | 38% |
| | | | | | 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.

***Temporarily Restricted Net Assets.*** Temporarily restricted funds may include short-term funding designated for fixed assets (e.g., accumulated capital campaign funding prior to construction) or long-term funding that should not be considered as part of the financial flexibility computation (e.g., long term charitable remainder trust equity). In such circumstances, it is preferable to remove these amounts from the calculations of the primary reserve and the viability ratio computation. Otherwise, an institution's primary reserve and viability ratios may be somewhat inflated. In the Data Worksheet at the end of this report (DATA Tab or p. 31), the rows containing temporarily restricted net assets for the primary reserve ratio and for the viability ratio have been left unlocked. This allows an institution to make adjustments if local circumstances warrant. Inserting revised figures in these cells will automatically recalculate indicators throughout the report.

***Missing or Incorrect Data.*** In cases where data from public sources were missing, institutions were contacted twice 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. 31). 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, Graphic Profile, and Appendix.*** A Projection Tool, Graphic Profile, and Appendix are provided at the end of the report. The DATA worksheet (p. 31) allows an institution to project its scores through 2016-2017 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. 32) charts the added data, displaying the impact of the four ratios on the CFI in a similar manner to the STRENGTH FACTORS worksheet (p. 25). The GRAPHIC PROFILE (p. 33) shows the relative strength of the ratios for each of the four years. The APPENDIX (p. 34) 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 is an association of 765 nonprofit independent colleges and universities and higher education affiliates and organizations that has worked since 1956 to support college and university leadership, advance institutional excellence, and enhance public understanding of private higher education's contributions to society. CIC is the major national organization that focuses on providing services to leaders of independent colleges and universities as well as conferences, seminars, and other programs that help institutions improve educational quality, administrative and financial performance, and institutional visibility. CIC conducts the largest annual conference of college and university presidents and of chief academic officers. CIC also provides support to state fundraising associations that organize programs and generate contributions for private colleges and universities. The Council 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 Hollie Chessman, director of research projects, by phone at (202) 466-7230 or by email at
hchessman@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 the analyses of co-curricular costs and demand. 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 Financial Indicators Tool initiative. He may be reached at
Michael.Williams@ruffalonl.com

## RUFFALO NOEL LEVITZ

Ruffalo Noel Levitz is the leading provider of technology-enabled services, software, and consulting for higher education enrollment management and fundraising. More than 1,800 colleges, universities, and nonprofit organizations rely on their solutions to help achieve their mission. Their experienced team works with campuses across North America to integrate student recruitment and retention, market research, and financial aid into a comprehensive approach to enrollment and net revenue management. Ruffalo Noel Levitz convenes conferences and webinars attended by more than 6,000 educators each year. In addition, they produce reports and columns to help campus leaders analyze current enrollment trends and discover more effective strategies. Visit us at
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.

Prager, F. J., Cowen, C. J., Beare, J., Mezzina, L., Salluzzo, R. E., Lipnick, J. & Tahey, P. (2005). *Strategic Financial Analysis for Higher Education.* (6th ed.): KPMG, Prager, Sealy & Co., LLC, and BearingPoint, Inc.

Tahey, P., Salluzzo, R. E., Prager, F. J., Mezzina, L., & Cowen, C. J. (2010). *Strategic Financial Analysis for Higher Education: Identifying, Measuring & Reporting Financial Risks.* (7th ed.): KPMG, Prager, Sealy & Co., LLC, and Attain.

*Note: This work defines and describes the CFI and its components in depth. CIC uses the material in the FIT report with permission of the copyright holders. Please note the second paragraph on page 86 of Prager, et al: "The CFI…must be analyzed in context with…activities and plans to achieve an assessment of …overall health, not just financial health…. When put in context of achievement of mission, a very high CFI…may indicate a failing institution."*

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

### 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:

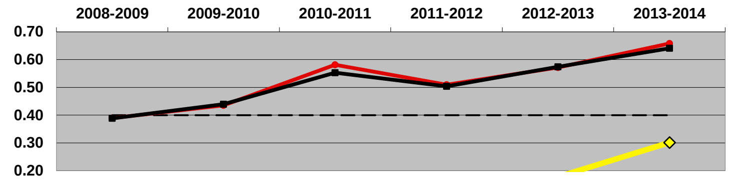
http://www.cic.edu/Benchmarking-Services.aspx

Or contact Hollie Chessman, CIC’s director of research projects, by phone at (202) 466-7230 or by email: hchessman@cic.nche.edu

# *Dominican University*

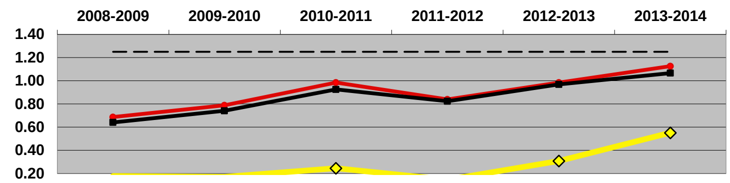
## FIT TRENDS

### Resource Sufficiency: Primary Reserve Ratio



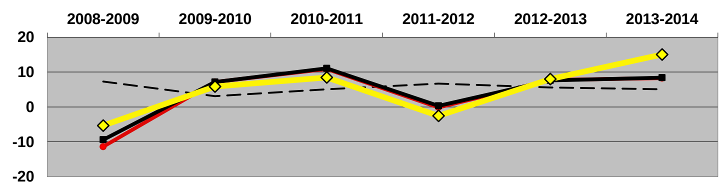

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| NATIONAL MEDIAN | 0.39 | 0.44 | 0.55 | 0.50 | 0.57 | 0.64 |
| MIDWEST MEDIAN | 0.39 | 0.44 | 0.58 | 0.51 | 0.57 | 0.66 |
| DOMINICAN | 0.16 | 0.13 | 0.16 | 0.09 | 0.18 | 0.30 |

### Debt Management: Viability Ratio



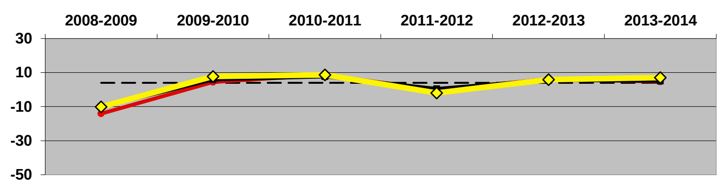

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| NATIONAL MEDIAN | 0.64 | 0.74 | 0.93 | 0.82 | 0.97 | 1.07 |
| MIDWEST MEDIAN | 0.69 | 0.79 | 0.98 | 0.84 | 0.98 | 1.13 |
| DOMINICAN | 0.18 | 0.17 | 0.25 | 0.15 | 0.31 | 0.55 |

### Asset Performance: Return on Net Assets Ratio (%)



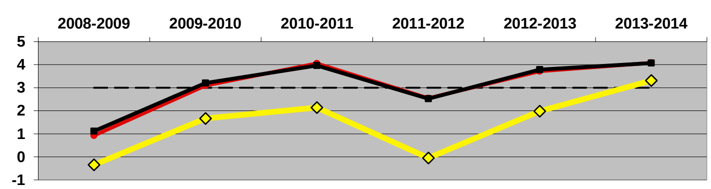

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| NATIONAL MEDIAN | -9.4 | 7.1 | 11.1 | 0.3 | 7.6 | 8.4 |
| MIDWEST MEDIAN | -11.4 | 7.1 | 10.9 | -0.1 | 7.7 | 8.3 |
| DOMINICAN | -5.3 | 5.9 | 8.5 | -2.6 | 8.0 | 15.0 |

### Operating Results: Net Operating Revenues Ratio (%)




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| NATIONAL MEDIAN | -10.0 | 5.9 | 7.8 | 0.5 | 5.7 | 5.1 |
| MIDWEST MEDIAN | -14.1 | 4.4 | 8.7 | -0.4 | 6.3 | 4.6 |
| DOMINICAN | -10.1 | 7.8 | 8.7 | -1.9 | 5.9 | 7.2 |

### Overall Financial Health: The Composite Financial Index (CFI)




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| NATIONAL MEDIAN | 1.1 | 3.2 | 4.0 | 2.5 | 3.8 | 4.1 |
| MIDWEST MEDIAN | 0.9 | 3.1 | 4.0 | 2.5 | 3.7 | 4.1 |
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

## CORE RATIOS FOR FINANCIAL HEALTH

***Dominican University***

| **Resource Sufficiency:** *Primary Reserve Ratio* | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| | 0.16 | 0.13 | 0.16 | 0.09 | 0.18 | 0.30 |

**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.

**Calculation**: Expendable net assets divided by total expenses.

**Threshold**: **.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.

| **Debt Management:** *Viability Ratio* | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| | 0.18 | 0.17 | 0.25 | 0.15 | 0.31 | 0.55 |

**Definition**: Measures the ability of the institution to meet its entire debt obligation with assets readily available.

**Calculation**: Expendable net assets divided by long-term debt.

**Threshold**: **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.

| **Asset Performance:** *Return on Net Assets Ratio (%)* | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| | -5.3 | 5.9 | 8.5 | -2.6 | 8.0 | 15.0 |

**Definition**: Indicates whether the institution's total assets, restricted and unrestricted, are increasing or decreasing.

**Calculation**: Change in net assets divided by total net assets at the beginning of the fiscal year.

**Threshold**: **3 to 4% above the inflation rate** -- If, for example, the CPI is 3%, a healthy return on net assets ratio 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.

| **Operating Results:** *Net Operating Revenues Ratio (%)* | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| | -10.1 | 7.8 | 8.7 | -1.9 | 5.9 | 7.2 |

**Definition**: Indicates whether institutional operations resulted in a surplus or a deficit for the year.

**Calculation**: Change in unrestricted net assets divided by total unrestricted revenue.

**Threshold**: **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.

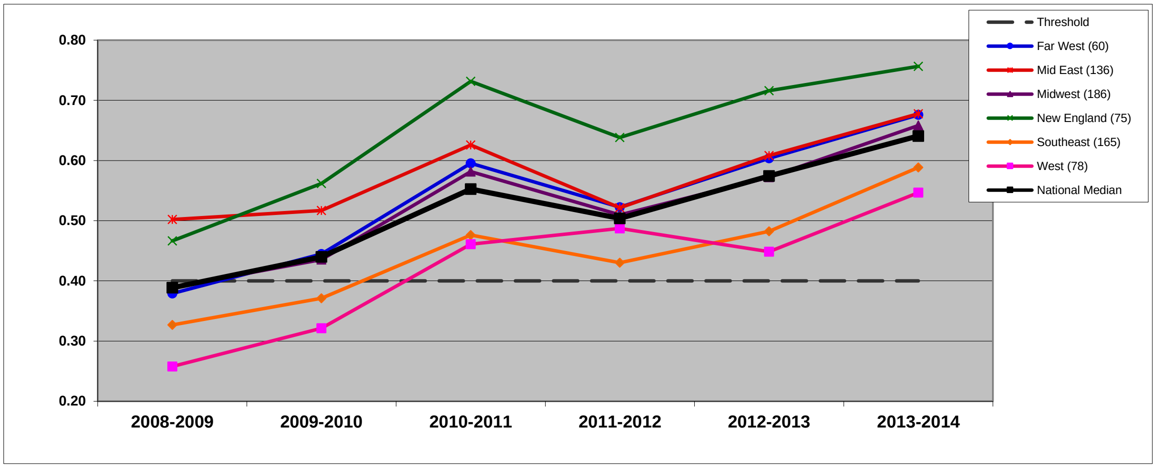
Note: There are two methods for computing the Net Operating Revenues Ratio. This report uses the change in unrestricted net assets method that can be calculated from publicly available IPEDS and IRS Form 990 data.

# PRIMARY 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 threshold for financial health.

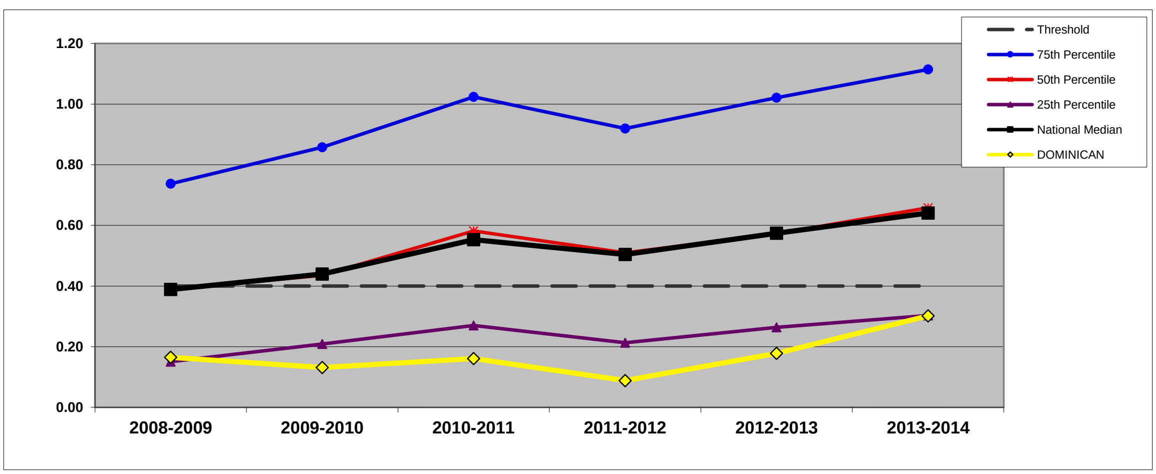
| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | 0.16 | 0.13 | 0.16 | 0.09 | 0.18 | 0.30 |

**NATIONAL: BY REGION (n=700).** This chart displays the median values of the ratio by year for each geographic region, as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Far West (60) | 0.38 | 0.44 | 0.60 | 0.52 | 0.60 | 0.68 |
| Mid East (136) | 0.50 | 0.52 | 0.63 | 0.52 | 0.61 | 0.68 |
| Midwest (186) | 0.39 | 0.44 | 0.58 | 0.51 | 0.57 | 0.66 |
| New England (75) | 0.47 | 0.56 | 0.73 | 0.64 | 0.72 | 0.76 |
| Southeast (165) | 0.33 | 0.37 | 0.48 | 0.43 | 0.48 | 0.59 |
| West (78) | 0.26 | 0.32 | 0.46 | 0.49 | 0.45 | 0.55 |
| National Median | 0.39 | 0.44 | 0.55 | 0.50 | 0.57 | 0.64 |

**MIDWEST REGION (n=186).** In addition to the median, or 50th percentile, this chart shows the 25th and 75th percentiles for your region.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| 75th Percentile | 0.74 | 0.86 | 1.02 | 0.92 | 1.02 | 1.11 |
| 50th Percentile | 0.39 | 0.44 | 0.58 | 0.51 | 0.57 | 0.66 |
| 25th Percentile | 0.15 | 0.21 | 0.27 | 0.21 | 0.26 | 0.30 |
| National Median | 0.39 | 0.44 | 0.55 | 0.50 | 0.57 | 0.64 |
| DOMINICAN | 0.16 | 0.13 | 0.16 | 0.09 | 0.18 | 0.30 |

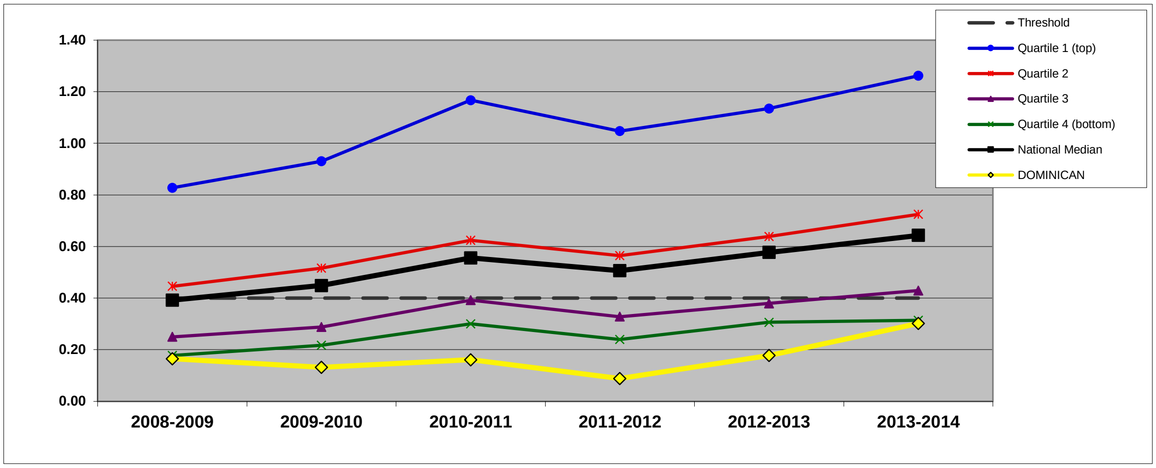
# PRIMARY RESERVE RATIO: BY FINANCIAL RESOURCES AND BY SIZE

**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 threshold for financial health.

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | 0.16 | 0.13 | 0.16 | 0.09 | 0.18 | 0.30 |

| FINANCIAL RESOURCES QUARTILE |
|---|
| 3 |

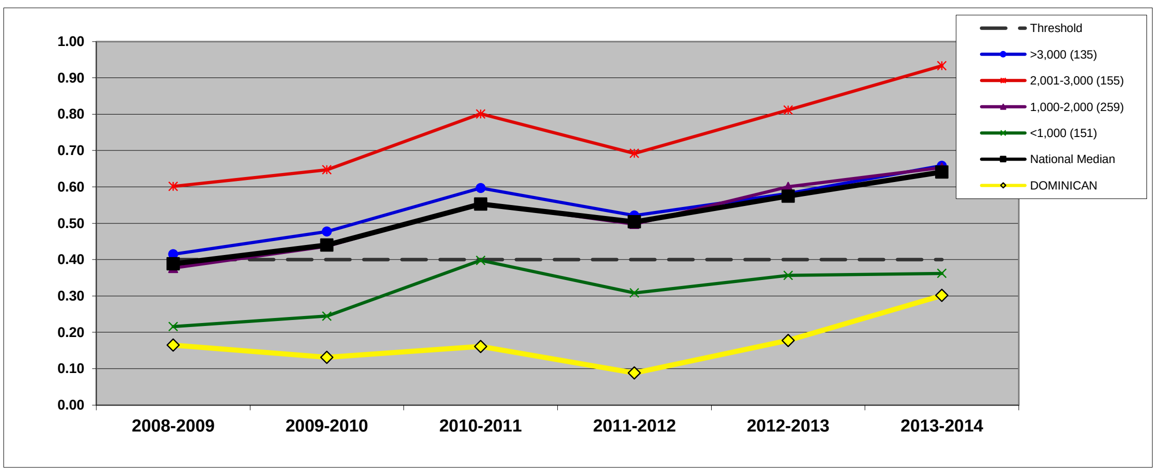
**NATIONAL: BY FINANCIAL RESOURCES (n=695).** This chart displays the median values of the ratio by year for each Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Quartile 1 (top) | 0.83 | 0.93 | 1.17 | 1.05 | 1.13 | 1.26 |
| Quartile 2 | 0.45 | 0.52 | 0.62 | 0.56 | 0.64 | 0.72 |
| Quartile 3 | 0.25 | 0.29 | 0.39 | 0.33 | 0.38 | 0.43 |
| Quartile 4 (bottom) | 0.18 | 0.22 | 0.30 | 0.24 | 0.31 | 0.31 |
| National Median | 0.39 | 0.45 | 0.56 | 0.51 | 0.58 | 0.64 |
| DOMINICAN | 0.16 | 0.13 | 0.16 | 0.09 | 0.18 | 0.30 |

| ENROLLMENT SIZE |
|---|
| 2,001-3,000 |

**NATIONAL: BY ENROLLMENT SIZE (n=700).** 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.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| >3,000 (135) | 0.41 | 0.48 | 0.60 | 0.52 | 0.58 | 0.66 |
| 2,001-3,000 (155) | 0.60 | 0.65 | 0.80 | 0.69 | 0.81 | 0.93 |
| 1,000-2,000 (259) | 0.38 | 0.44 | 0.56 | 0.50 | 0.60 | 0.65 |
| <1,000 (151) | 0.22 | 0.24 | 0.40 | 0.31 | 0.36 | 0.36 |
| National Median | 0.39 | 0.44 | 0.55 | 0.50 | 0.57 | 0.64 |
| DOMINICAN | 0.16 | 0.13 | 0.16 | 0.09 | 0.18 | 0.30 |

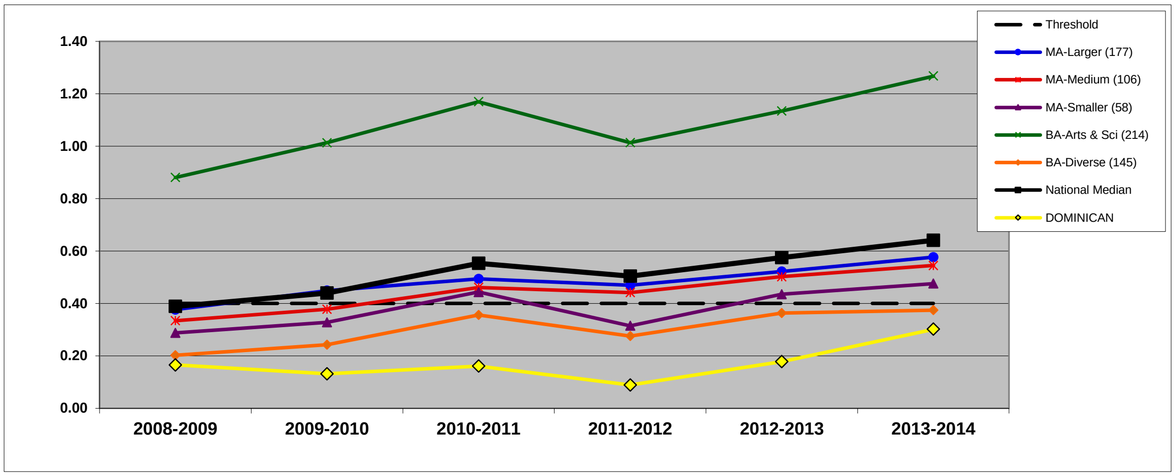
# PRIMARY RESERVE RATIO: BY CARNEGIE CLASSIFICATION

**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 threshold for financial health.

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | 0.16 | 0.13 | 0.16 | 0.09 | 0.18 | 0.30 |

| CARNEGIE |
|---|
| MA-Larger |

**NATIONAL: BY CARNEGIE CLASSIFICATION (n=700).** 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.



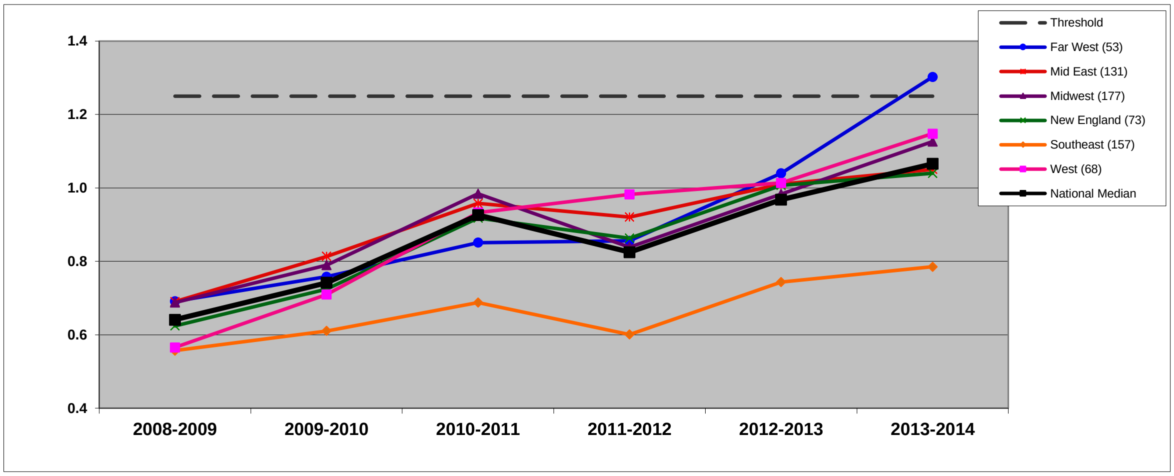

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| MA-Larger (177) | 0.38 | 0.45 | 0.49 | 0.47 | 0.52 | 0.58 |
| MA-Medium (106) | 0.33 | 0.38 | 0.46 | 0.44 | 0.50 | 0.54 |
| MA-Smaller (58) | 0.29 | 0.33 | 0.44 | 0.31 | 0.43 | 0.48 |
| BA-Arts & Sci (214) | 0.88 | 1.01 | 1.17 | 1.01 | 1.13 | 1.27 |
| BA-Diverse (145) | 0.20 | 0.24 | 0.36 | 0.27 | 0.36 | 0.37 |
| National Median | 0.39 | 0.44 | 0.55 | 0.50 | 0.57 | 0.64 |
| DOMINICAN | 0.16 | 0.13 | 0.16 | 0.09 | 0.18 | 0.30 |

# VIABILITY 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 threshold for financial health.

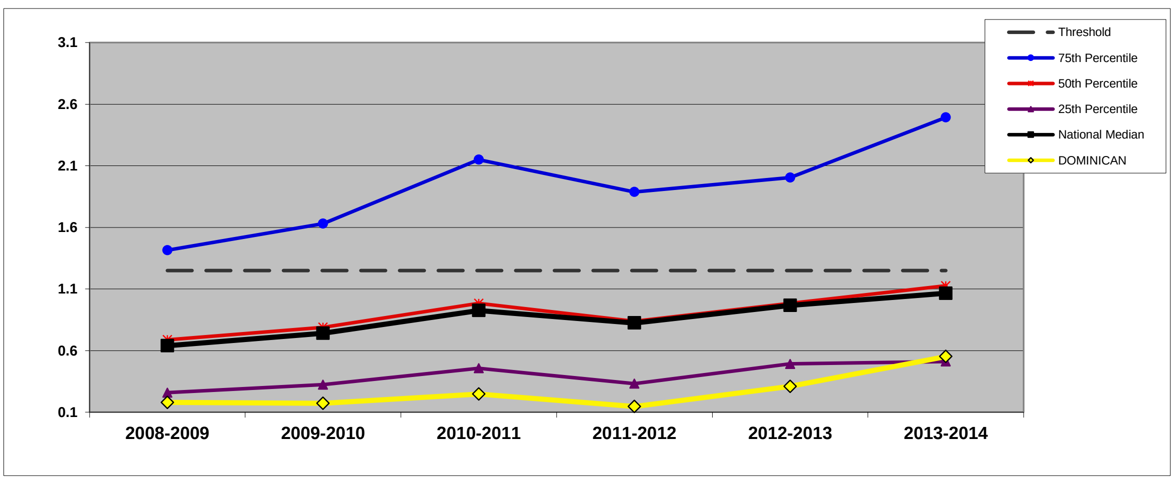
| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | 0.18 | 0.17 | 0.25 | 0.15 | 0.31 | 0.55 |

**NATIONAL: BY REGION (n=659).** This chart displays the median values of the ratio by year for each geographic region, as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Far West (53) | 0.69 | 0.76 | 0.85 | 0.86 | 1.04 | 1.30 |
| Mid East (131) | 0.69 | 0.81 | 0.96 | 0.92 | 1.01 | 1.05 |
| Midwest (177) | 0.69 | 0.79 | 0.98 | 0.84 | 0.98 | 1.13 |
| New England (73) | 0.62 | 0.72 | 0.92 | 0.86 | 1.01 | 1.04 |
| Southeast (157) | 0.56 | 0.61 | 0.69 | 0.60 | 0.74 | 0.79 |
| West (68) | 0.57 | 0.71 | 0.93 | 0.98 | 1.01 | 1.15 |
| National Median | 0.64 | 0.74 | 0.93 | 0.82 | 0.97 | 1.07 |

**MIDWEST REGION (n=177).** In addition to the median, or 50th percentile, this chart shows the 25th and 75th percentiles for your region.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| 75th Percentile | 1.42 | 1.63 | 2.15 | 1.89 | 2.01 | 2.49 |
| 50th Percentile | 0.69 | 0.79 | 0.98 | 0.84 | 0.98 | 1.13 |
| 25th Percentile | 0.26 | 0.32 | 0.46 | 0.33 | 0.49 | 0.51 |
| National Median | 0.64 | 0.74 | 0.93 | 0.82 | 0.97 | 1.07 |
| DOMINICAN | 0.18 | 0.17 | 0.25 | 0.15 | 0.31 | 0.55 |

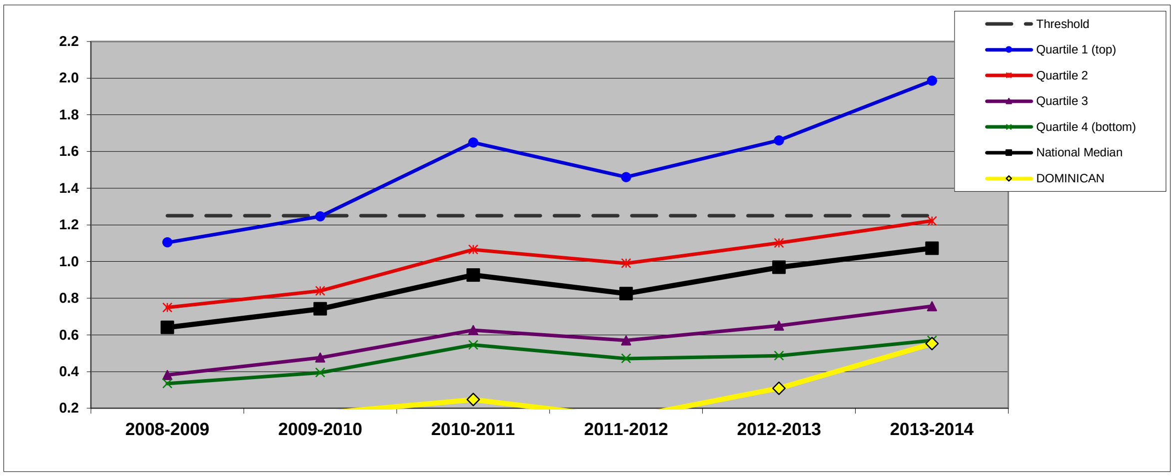
# VIABILITY RATIO: BY FINANCIAL RESOURCES AND BY SIZE

**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 threshold for financial health.

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | 0.18 | 0.17 | 0.25 | 0.15 | 0.31 | 0.55 |

| FINANCIAL RESOURCES QUARTILE |
|---|
| 3 |

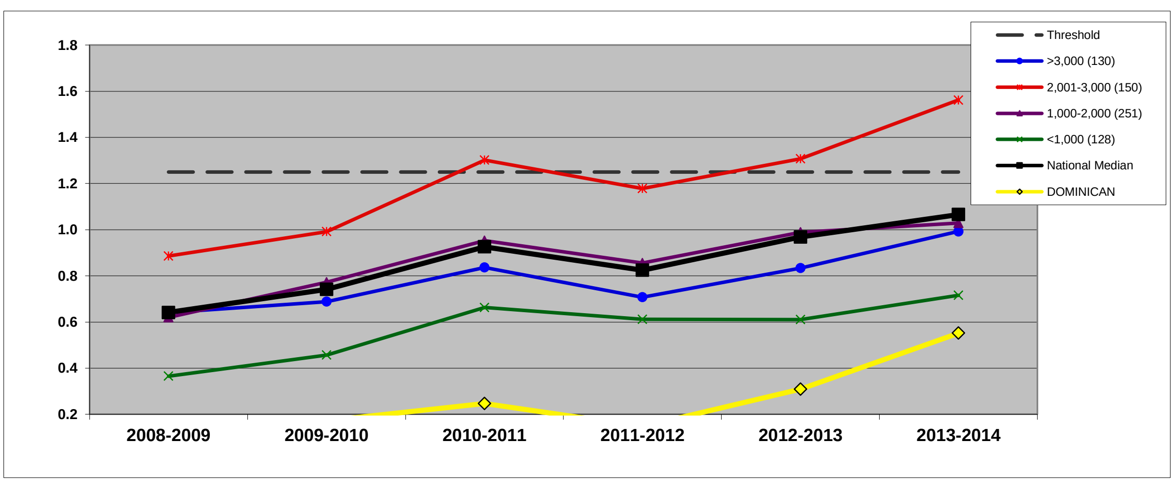
**NATIONAL: BY FINANCIAL RESOURCES (n=657).** This chart displays the median values of the ratio by year for each Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Quartile 1 (top) | 1.10 | 1.25 | 1.65 | 1.46 | 1.66 | 1.99 |
| Quartile 2 | 0.75 | 0.84 | 1.07 | 0.99 | 1.10 | 1.22 |
| Quartile 3 | 0.38 | 0.48 | 0.63 | 0.57 | 0.65 | 0.76 |
| Quartile 4 (bottom) | 0.33 | 0.39 | 0.55 | 0.47 | 0.49 | 0.57 |
| National Median | 0.64 | 0.74 | 0.93 | 0.82 | 0.97 | 1.07 |
| DOMINICAN | 0.18 | 0.17 | 0.25 | 0.15 | 0.31 | 0.55 |

| ENROLLMENT SIZE |
|---|
| 2,001-3,000 |

**NATIONAL: BY ENROLLMENT SIZE (n=659).** 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.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| >3,000 (130) | 0.64 | 0.69 | 0.84 | 0.71 | 0.83 | 0.99 |
| 2,001-3,000 (150) | 0.89 | 0.99 | 1.30 | 1.18 | 1.31 | 1.56 |
| 1,000-2,000 (251) | 0.62 | 0.77 | 0.95 | 0.86 | 0.99 | 1.03 |
| <1,000 (128) | 0.37 | 0.46 | 0.66 | 0.61 | 0.61 | 0.72 |
| National Median | 0.64 | 0.74 | 0.93 | 0.82 | 0.97 | 1.07 |
| DOMINICAN | 0.18 | 0.17 | 0.25 | 0.15 | 0.31 | 0.55 |

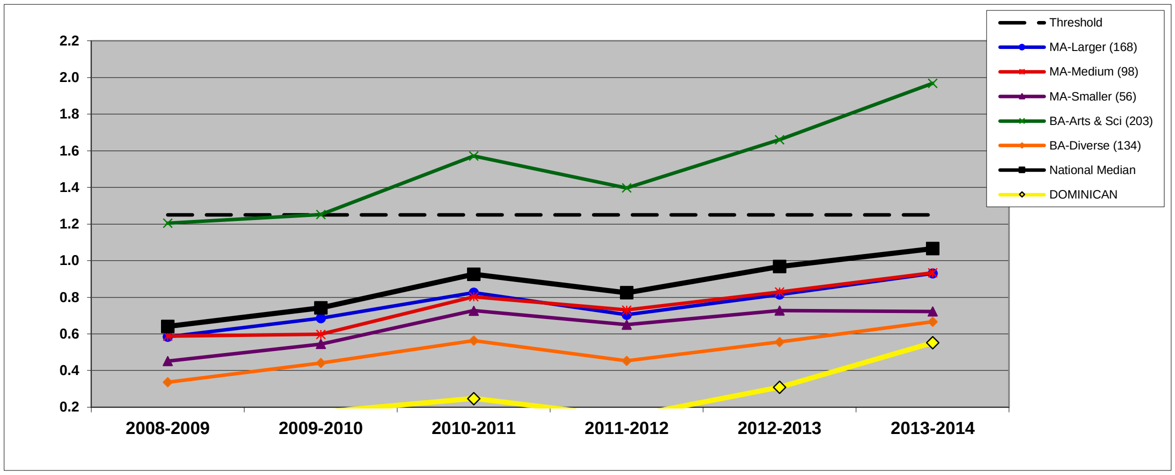
# VIABILITY RATIO: BY CARNEGIE CLASSIFICATION

**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 threshold for financial health.

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | 0.18 | 0.17 | 0.25 | 0.15 | 0.31 | 0.55 |

| CARNEGIE |
|---|
| MA-Larger |

**NATIONAL: BY CARNEGIE CLASSIFICATION (n=659).** 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.



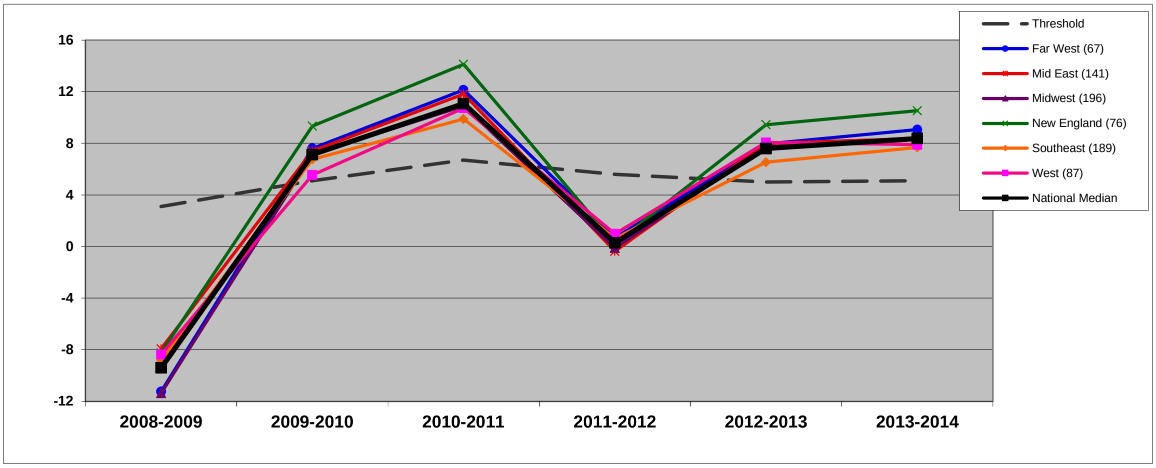

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| MA-Larger (168) | 0.58 | 0.69 | 0.82 | 0.70 | 0.82 | 0.93 |
| MA-Medium (98) | 0.59 | 0.60 | 0.80 | 0.73 | 0.83 | 0.93 |
| MA-Smaller (56) | 0.45 | 0.54 | 0.73 | 0.65 | 0.73 | 0.72 |
| BA-Arts & Sci (203) | 1.20 | 1.25 | 1.57 | 1.40 | 1.66 | 1.97 |
| BA-Diverse (134) | 0.34 | 0.44 | 0.56 | 0.45 | 0.56 | 0.67 |
| National Median | 0.64 | 0.74 | 0.93 | 0.82 | 0.97 | 1.07 |
| DOMINICAN | 0.18 | 0.17 | 0.25 | 0.15 | 0.31 | 0.55 |

# RETURN ON 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 threshold for financial health. For purposes of comparison, a threshold of 3.5 percent above inflation is used on the charts below.

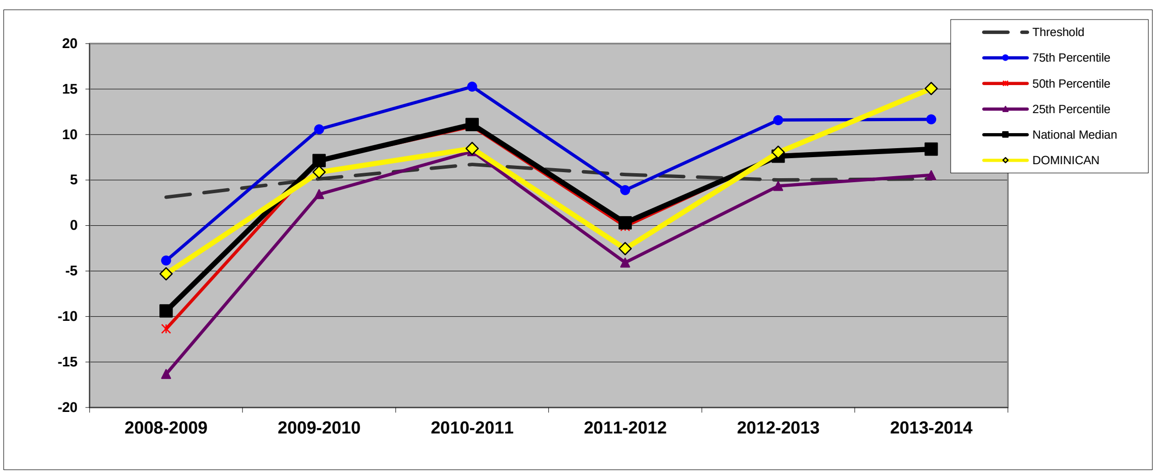
| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | -5.3 | 5.9 | 8.5 | -2.6 | 8.0 | 15.0 |

**NATIONAL: BY REGION (n=756).** This chart displays the median values of the ratio by year for each geographic region, as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Far West (67) | -11.2 | 7.6 | 12.1 | 0.7 | 7.9 | 9.1 |
| Mid East (141) | -7.9 | 7.4 | 11.8 | -0.4 | 8.0 | 8.4 |
| Midwest (196) | -11.4 | 7.1 | 10.9 | -0.1 | 7.7 | 8.3 |
| New England (76) | -8.2 | 9.3 | 14.1 | 0.2 | 9.4 | 10.5 |
| Southeast (189) | -8.8 | 6.8 | 9.9 | 0.6 | 6.5 | 7.7 |
| West (87) | -8.4 | 5.5 | 10.7 | 1.0 | 8.1 | 7.9 |
| National Median | -9.4 | 7.1 | 11.1 | 0.3 | 7.6 | 8.4 |

**MIDWEST REGION (n=196).** In addition to the median, or 50th percentile, this chart shows the 25th and 75th percentiles for your region.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| 75th Percentile | -3.9 | 10.5 | 15.3 | 3.9 | 11.6 | 11.7 |
| 50th Percentile | -11.4 | 7.1 | 10.9 | -0.1 | 7.7 | 8.3 |
| 25th Percentile | -16.3 | 3.4 | 8.1 | -4.1 | 4.3 | 5.5 |
| National Median | -9.4 | 7.1 | 11.1 | 0.3 | 7.6 | 8.4 |
| DOMINICAN | -5.3 | 5.9 | 8.5 | -2.6 | 8.0 | 15.0 |

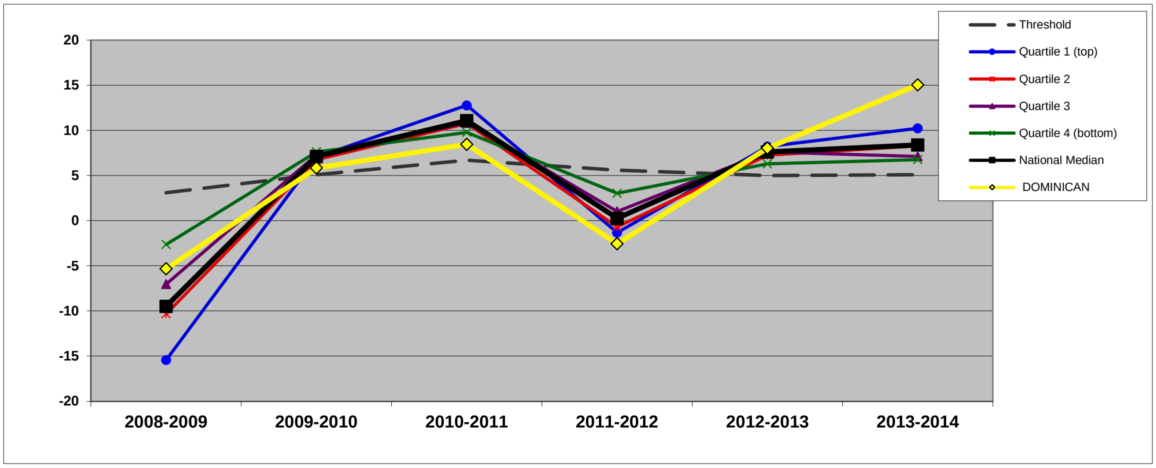
# RETURN ON NET ASSETS RATIO (%): BY FINANCIAL RESOURCES AND BY SIZE

**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 threshold for financial health. For purposes of comparison, a threshold of 3.5 percent above inflation is used on the charts below.

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | -5.3 | 5.9 | 8.5 | -2.6 | 8.0 | 15.0 |

| FINANCIAL RESOURCES QUARTILE |
|---|
| 3 |

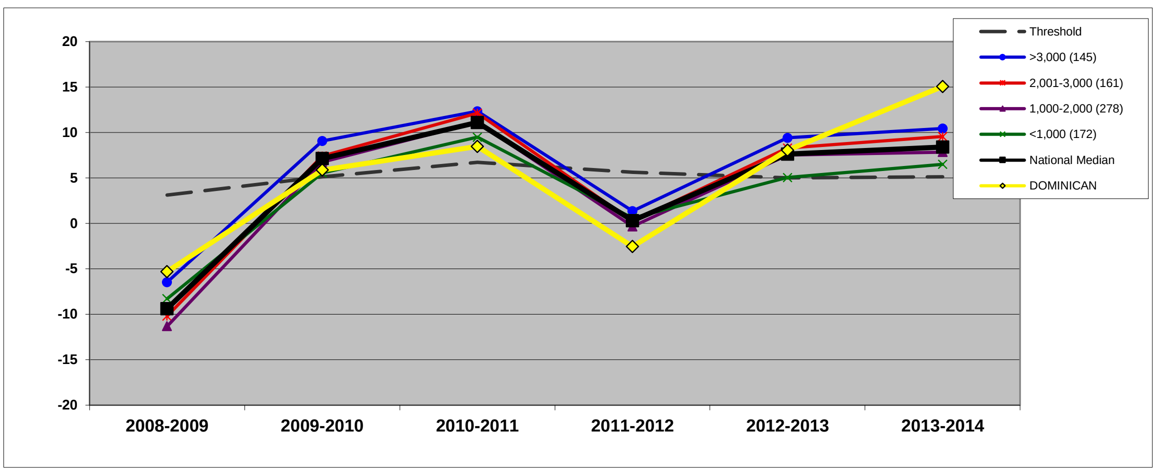
**NATIONAL: BY FINANCIAL RESOURCES (n=746).** This chart displays the median values of the ratio by year for each Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Quartile 1 (top) | -15.4 | 7.1 | 12.8 | -1.3 | 8.2 | 10.2 |
| Quartile 2 | -10.3 | 6.8 | 10.8 | -0.7 | 7.3 | 8.3 |
| Quartile 3 | -7.0 | 7.3 | 10.8 | 1.0 | 7.6 | 7.1 |
| Quartile 4 (bottom) | -2.6 | 7.6 | 9.8 | 3.0 | 6.3 | 6.8 |
| National Median | -9.5 | 7.1 | 11.1 | 0.3 | 7.6 | 8.4 |
| DOMINICAN | -5.3 | 5.9 | 8.5 | -2.6 | 8.0 | 15.0 |

| ENROLLMENT SIZE |
|---|
| 2,001-3,000 |

**NATIONAL: BY ENROLLMENT SIZE (n=756).** 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.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| >3,000 (145) | -6.5 | 9.0 | 12.3 | 1.3 | 9.4 | 10.4 |
| 2,001-3,000 (161) | -10.2 | 7.4 | 12.1 | 0.2 | 8.3 | 9.5 |
| 1,000-2,000 (278) | -11.3 | 6.7 | 11.1 | -0.4 | 7.5 | 7.8 |
| <1,000 (172) | -8.3 | 5.5 | 9.5 | 0.6 | 5.0 | 6.5 |
| National Median | -9.4 | 7.1 | 11.1 | 0.3 | 7.6 | 8.4 |
| DOMINICAN | -5.3 | 5.9 | 8.5 | -2.6 | 8.0 | 15.0 |

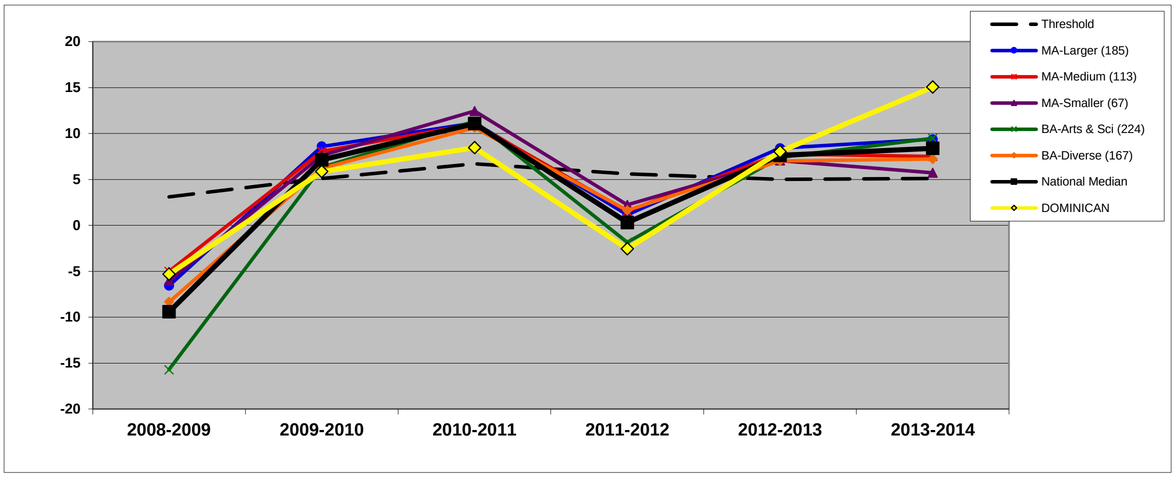
# RETURN ON NET ASSETS RATIO (%): BY CARNEGIE CLASSIFICATION

**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 threshold for financial health. For purposes of comparison, a threshold of 3.5 percent above inflation is used on the chart below.

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | -5.3 | 5.9 | 8.5 | -2.6 | 8.0 | 15.0 |

| CARNEGIE |
|---|
| MA-Larger |

**NATIONAL: BY CARNEGIE CLASSIFICATION (n=756).** 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.



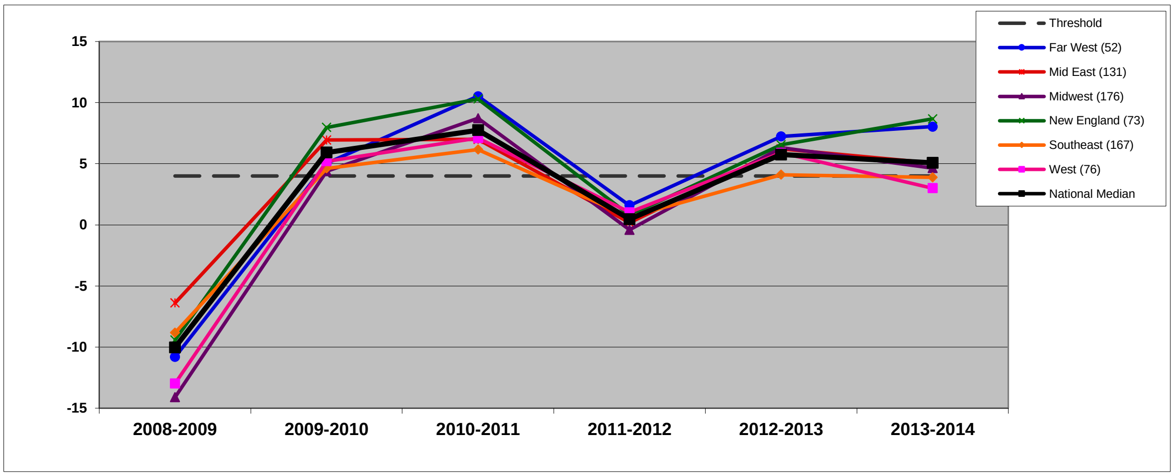

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| MA-Larger (185) | -6.6 | 8.6 | 11.2 | 1.2 | 8.4 | 9.4 |
| MA-Medium (113) | -5.0 | 8.0 | 11.1 | 1.5 | 7.8 | 7.5 |
| MA-Smaller (67) | -6.0 | 7.6 | 12.4 | 2.2 | 7.1 | 5.7 |
| BA-Arts & Sci (224) | -15.7 | 6.3 | 11.3 | -1.8 | 7.4 | 9.5 |
| BA-Diverse (167) | -8.3 | 6.2 | 10.6 | 1.6 | 7.0 | 7.2 |
| National Median | -9.4 | 7.1 | 11.1 | 0.3 | 7.6 | 8.4 |
| DOMINICAN | -5.3 | 5.9 | 8.5 | -2.6 | 8.0 | 15.0 |

# NET OPERATING REVENUES RATIO (%): BY REGION

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

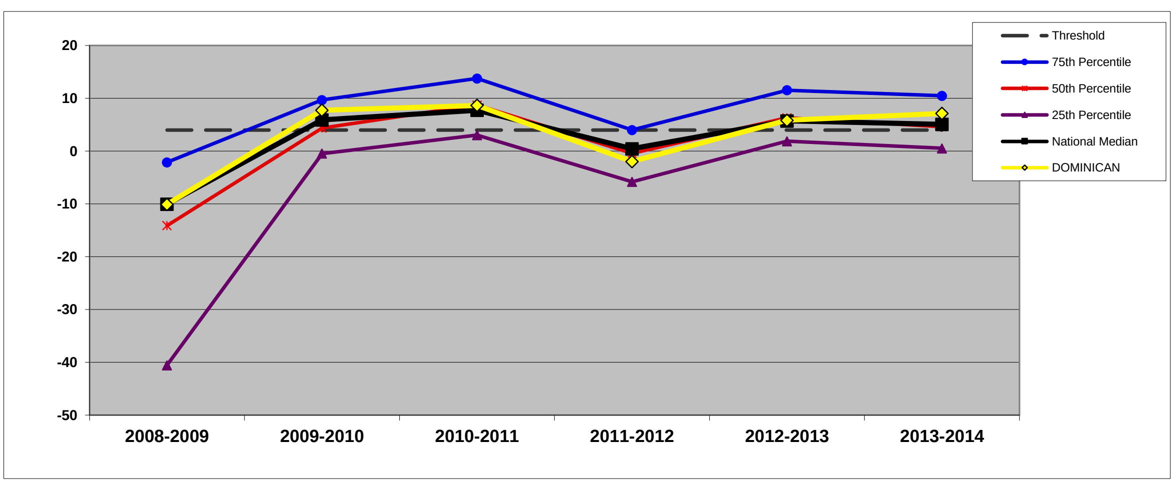
| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | -10.1 | 7.8 | 8.7 | -1.9 | 5.9 | 7.2 |

**NATIONAL: BY REGION (n=675).** This chart displays the median values of the ratio by year for each geographic region, as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Far West (52) | -10.8 | 5.0 | 10.5 | 1.6 | 7.2 | 8.0 |
| Mid East (131) | -6.4 | 6.9 | 7.0 | 0.2 | 6.2 | 5.1 |
| Midwest (176) | -14.1 | 4.4 | 8.7 | -0.4 | 6.3 | 4.6 |
| New England (73) | -9.4 | 8.0 | 10.3 | 0.8 | 6.5 | 8.7 |
| Southeast (167) | -8.8 | 4.6 | 6.2 | 0.6 | 4.1 | 3.9 |
| West (76) | -13.0 | 5.2 | 7.1 | 1.0 | 5.9 | 3.0 |
| National Median | -10.0 | 5.9 | 7.8 | 0.5 | 5.7 | 5.1 |

**MIDWEST REGION (n=176).** In addition to the median, or 50th percentile, this chart shows the 25th and 75th percentiles for your region.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| 75th Percentile | -2.1 | 9.7 | 13.8 | 4.0 | 11.6 | 10.5 |
| 50th Percentile | -14.1 | 4.4 | 8.7 | -0.4 | 6.3 | 4.6 |
| 25th Percentile | -40.5 | -0.4 | 3.0 | -5.8 | 1.9 | 0.5 |
| National Median | -10.0 | 5.9 | 7.8 | 0.5 | 5.7 | 5.1 |
| DOMINICAN | -10.1 | 7.8 | 8.7 | -1.9 | 5.9 | 7.2 |

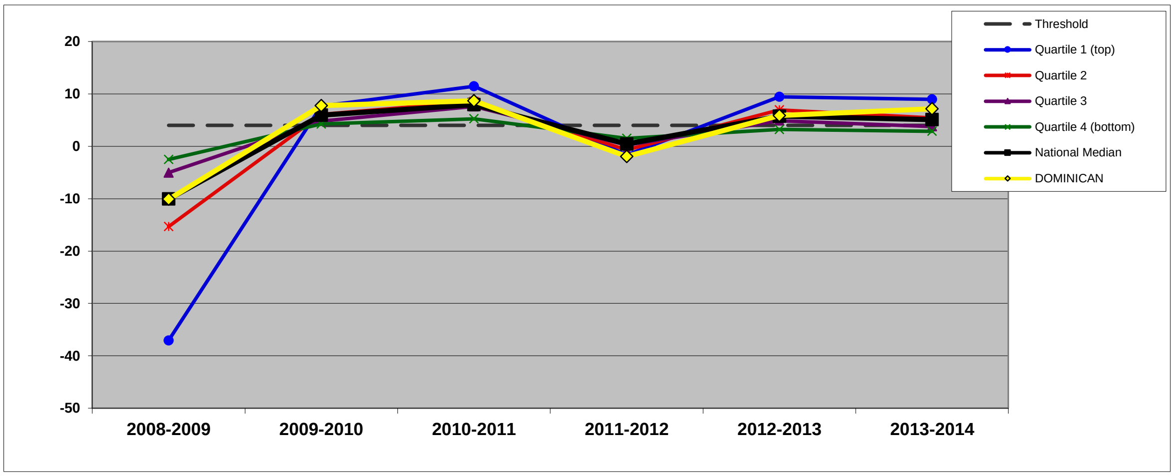
## NET OPERATING REVENUES RATIO (%): BY FINANCIAL RESOURCES AND BY SIZE

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

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | -10.1 | 7.8 | 8.7 | -1.9 | 5.9 | 7.2 |

| FINANCIAL RESOURCES QUARTILE |
|---|
| 3 |

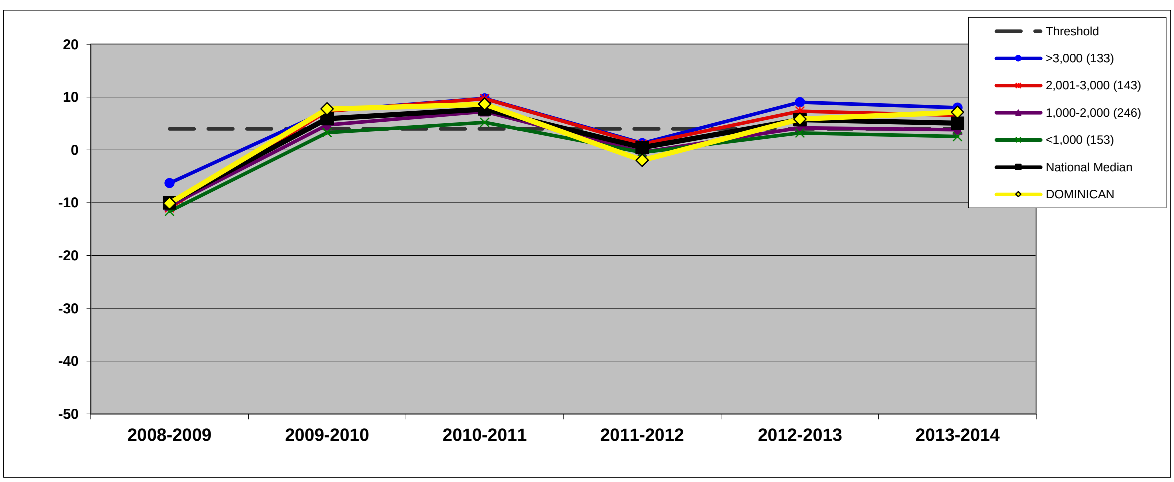
**NATIONAL: BY FINANCIAL RESOURCES (n=668).** This chart displays the median values of the ratio by year for each Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Quartile 1 (top) | -37.1 | 7.7 | 11.4 | -1.7 | 9.4 | 8.9 |
| Quartile 2 | -15.3 | 6.1 | 8.6 | -0.7 | 7.0 | 5.4 |
| Quartile 3 | -5.0 | 4.8 | 7.6 | 0.2 | 4.9 | 3.8 |
| Quartile 4 (bottom) | -2.5 | 4.2 | 5.3 | 1.5 | 3.2 | 2.9 |
| National Median | -10.1 | 5.9 | 8.0 | 0.4 | 5.7 | 5.1 |
| DOMINICAN | -10.1 | 7.8 | 8.7 | -1.9 | 5.9 | 7.2 |

| ENROLLMENT SIZE |
|---|
| 2,001-3,000 |

**NATIONAL: BY ENROLLMENT SIZE (n=675).** 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.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| >3,000 (133) | -6.3 | 7.4 | 9.8 | 1.3 | 9.1 | 8.0 |
| 2,001-3,000 (143) | -10.9 | 7.4 | 9.7 | 1.1 | 7.4 | 6.6 |
| 1,000-2,000 (246) | -10.6 | 4.8 | 7.3 | -0.4 | 4.2 | 3.9 |
| <1,000 (153) | -11.6 | 3.3 | 5.2 | -0.5 | 3.2 | 2.5 |
| National Median | -10.0 | 5.9 | 7.8 | 0.5 | 5.7 | 5.1 |
| DOMINICAN | -10.1 | 7.8 | 8.7 | -1.9 | 5.9 | 7.2 |

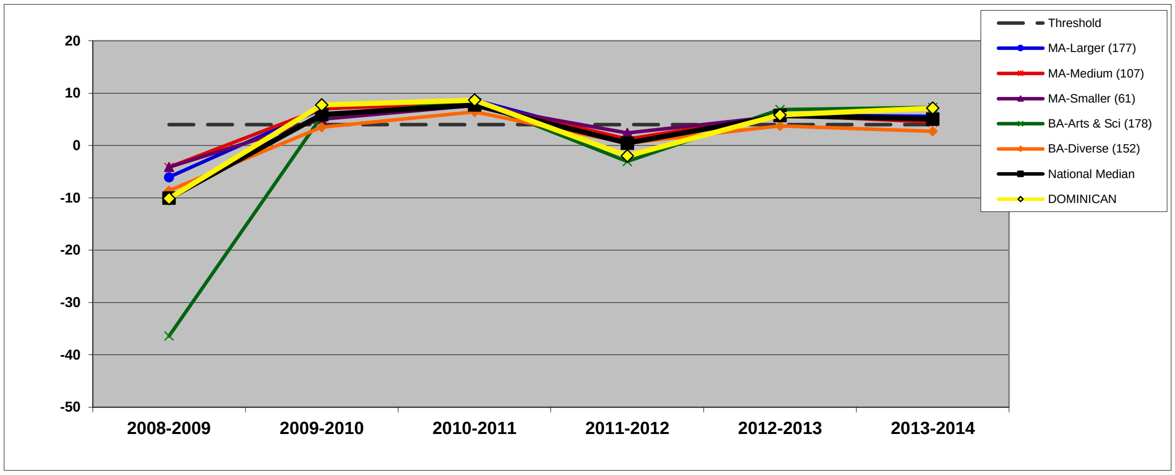
# NET OPERATING REVENUES RATIO (%): BY CARNEGIE CLASSIFICATION

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

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | -10.1 | 7.8 | 8.7 | -1.9 | 5.9 | 7.2 |

| CARNEGIE |
|---|
| MA-Larger |

**NATIONAL: BY CARNEGIE CLASSIFICATION (n=675).** 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.

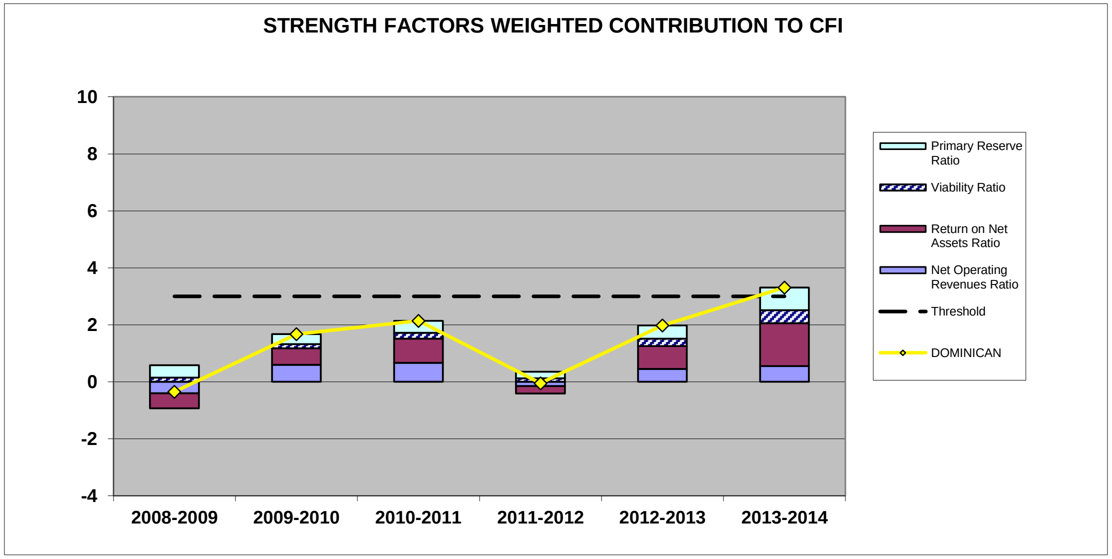



| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| MA-Larger (177) | -6.1 | 7.0 | 8.7 | 1.0 | 5.9 | 5.6 |
| MA-Medium (107) | -4.2 | 7.1 | 8.1 | 1.3 | 5.8 | 4.5 |
| MA-Smaller (61) | -4.1 | 5.1 | 7.7 | 2.4 | 5.7 | 5.0 |
| BA-Arts & Sci (178) | -36.4 | 5.6 | 8.5 | -3.0 | 6.9 | 7.3 |
| BA-Diverse (152) | -8.6 | 3.5 | 6.4 | 0.5 | 3.7 | 2.7 |
| National Median | -10.0 | 5.9 | 7.8 | 0.5 | 5.7 | 5.1 |
| DOMINICAN | -10.1 | 7.8 | 8.7 | -1.9 | 5.9 | 7.2 |

## COMPOSITE FINANCIAL INDEX (CFI): STRENGTH FACTORS
### *Dominican University*

| | Weight in CFI | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|---|
| | | Strength Factor | | | | | |
| *Primary Reserve Ratio* | *35%* | 1.2 | 1.0 | 1.2 | 0.7 | 1.3 | 2.3 |
| *Viability Ratio* | *35%* | 0.4 | 0.4 | 0.6 | 0.4 | 0.7 | 1.3 |
| *Return on Net Assets Ratio* | *20%* | -2.7 | 2.9 | 4.2 | -1.3 | 4.0 | 7.5 |
| *Net Operating Revenues Ratio* | *10%* | -4.0 | 6.0 | 6.7 | -1.5 | 4.5 | 5.5 |
| | *CFI Score* | **-0.3** | **1.7** | **2.1** | **-0.1** | **2.0** | **3.3** |

Note: The strength factors are standardized scores that allow direct comparisons among the four ratios. Strength factors have a ceiling of 10 and a floor of -4. The primary reserve and viability ratios are weighted the most heavily, followed by the return on net assets ratio, and the net operating revenues ratio.



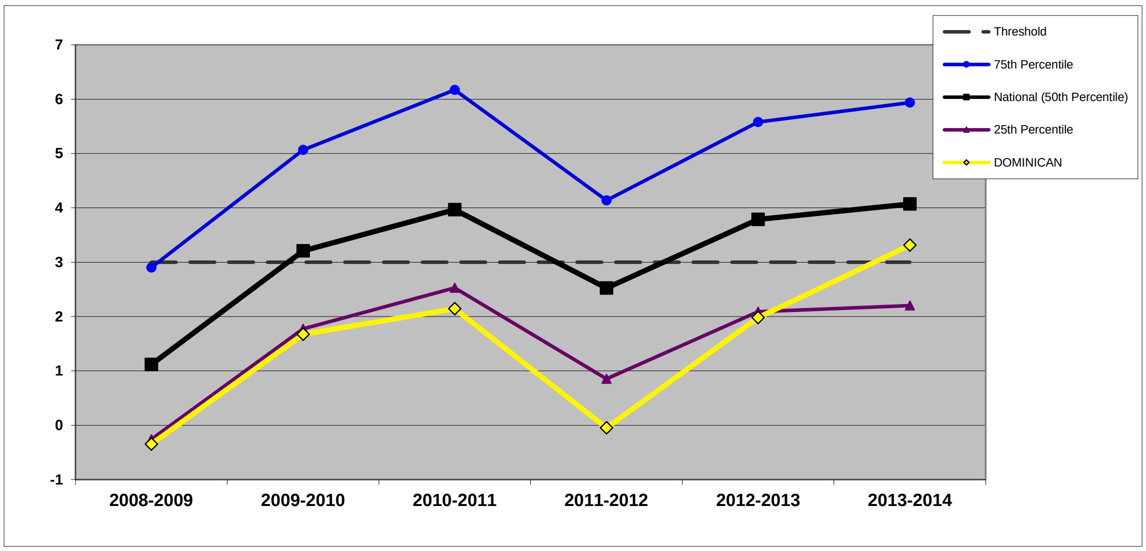

**DEFINITION**: The Composite Financial Index (CFI) is a measure of the institution's overall financial health based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the threshold for financial health.

# COMPOSITE FINANCIAL INDEX (CFI): NATIONAL PERCENTILES

**DEFINITION**: The Composite Financial Index (CFI) 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 threshold for financial health.

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

**NATIONAL (n=641).** In addition to the national median, or 50th percentile, this chart shows the 25th and 75th percentiles.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| 75th Percentile | 2.9 | 5.1 | 6.2 | 4.1 | 5.6 | 5.9 |
| National (50th Percentile) | 1.1 | 3.2 | 4.0 | 2.5 | 3.8 | 4.1 |
| 25th Percentile | -0.3 | 1.8 | 2.5 | 0.9 | 2.1 | 2.2 |
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

## CFI PERFORMANCE STRATEGIES

| 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | *Range* | *Strategy* |
|---|---|---|---|---|---|---|---|
| | | | | | | *7.5 to 10* | Deploy resources to achieve robust mission |
| | | | | | | *6.5 to 7.5* | Allow experimentation with new initiatives |
| | | | | | | *4.5 to 6.5* | Focus resources to compete in future state |
| | | | | | 3.3 | *2.5 to 4.5* | Direct resources to allow transformation |
| | 1.7 | 2.1 | | 2.0 | | *1 to 2.5* | Re-engineer the institution |
| -0.3 | | | -0.1 | | | *-1 to 1* | Consider substantive programmatic adjustments |
| | | | | | | *-2 to -1* | Assess debt and Department of Education compliance and remediation |
| | | | | | | *-3 to -2* | Consider structured programs to conserve cash |
| | | | | | | *-4 to -3* | Consider whether financial exigency is appropriate |

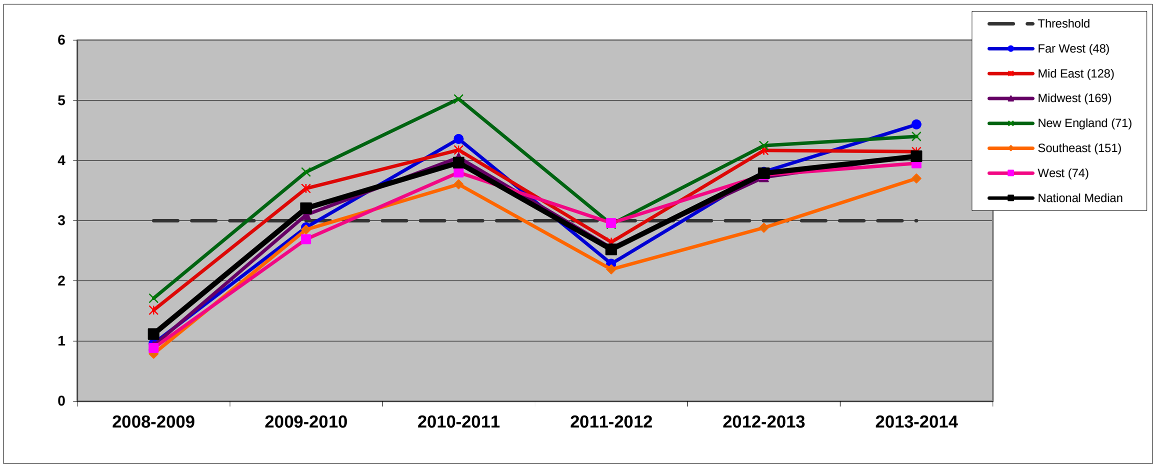
Adapted from Tahey, et al. (2010), *Strategic Financial Analysis for Higher Education,* p. 87.

# COMPOSITE FINANCIAL INDEX (CFI): BY REGION

**DEFINITION**: The Composite Financial Index (CFI) 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 threshold for financial health.

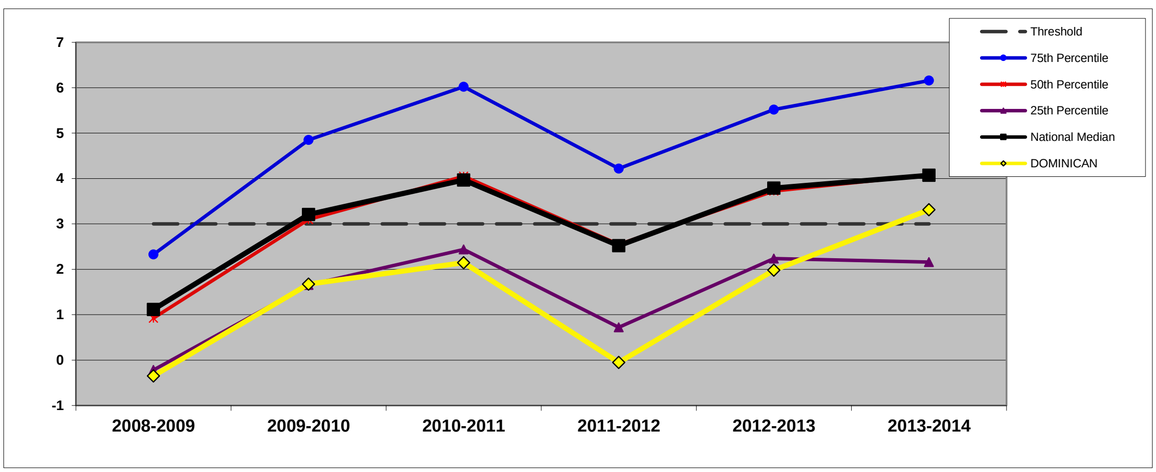
| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

**NATIONAL: BY REGION (n=641).** This chart displays the median values of the CFI by year for each geographic region, as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Far West (48) | 1.0 | 2.9 | 4.4 | 2.3 | 3.8 | 4.6 |
| Mid East (128) | 1.5 | 3.5 | 4.2 | 2.6 | 4.2 | 4.1 |
| Midwest (169) | 0.9 | 3.1 | 4.0 | 2.5 | 3.7 | 4.1 |
| New England (71) | 1.7 | 3.8 | 5.0 | 2.9 | 4.2 | 4.4 |
| Southeast (151) | 0.8 | 2.9 | 3.6 | 2.2 | 2.9 | 3.7 |
| West (74) | 0.9 | 2.7 | 3.8 | 3.0 | 3.8 | 4.0 |
| National Median | 1.1 | 3.2 | 4.0 | 2.5 | 3.8 | 4.1 |

**MIDWEST REGION (n=169).** In addition to the median, or 50th percentile, this chart shows the 25th and 75th percentiles for your region.



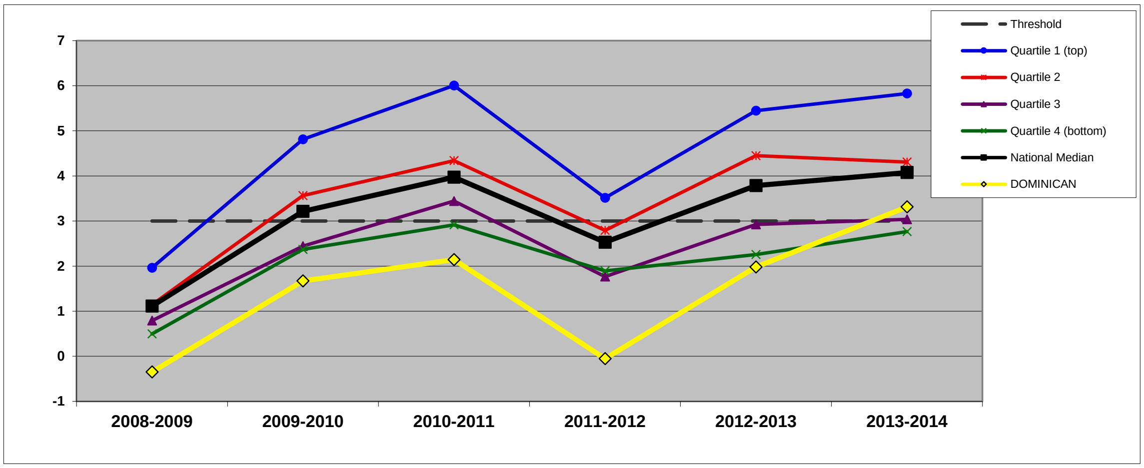

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| 75th Percentile | 2.3 | 4.8 | 6.0 | 4.2 | 5.5 | 6.2 |
| 50th Percentile | 0.9 | 3.1 | 4.0 | 2.5 | 3.7 | 4.1 |
| 25th Percentile | -0.2 | 1.7 | 2.4 | 0.7 | 2.2 | 2.2 |
| National Median | 1.1 | 3.2 | 4.0 | 2.5 | 3.8 | 4.1 |
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

# COMPOSITE FINANCIAL INDEX (CFI): BY FINANCIAL RESOURCES

**DEFINITION**: The Composite Financial Index (CFI) 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 threshold for financial health.

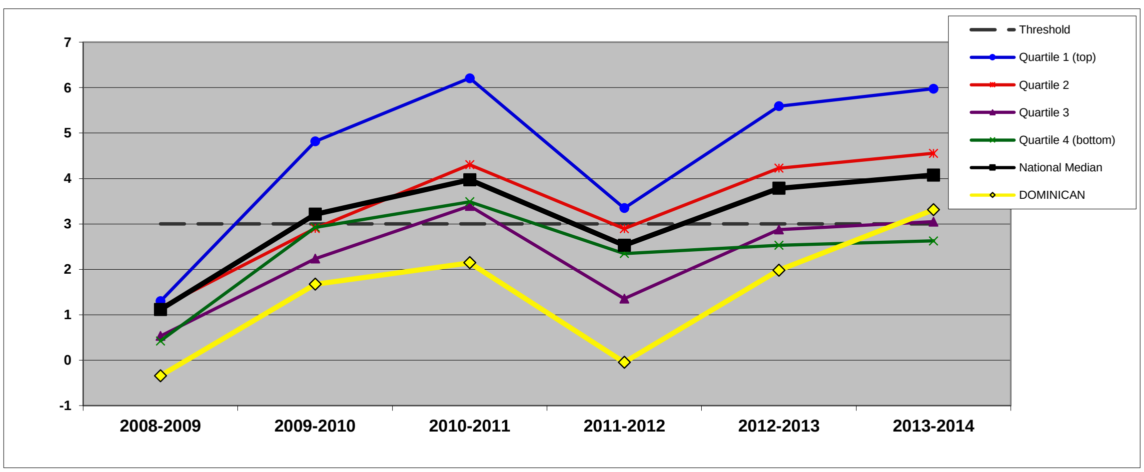
| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | FINANCIAL RESOURCES NATIONAL | FINANCIAL RESOURCES REGIONAL |
|---|---|---|---|---|---|---|---|---|
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 | 3 | 3 |

**NATIONAL: BY FINANCIAL RESOURCES (n=636).** This chart displays the median values of the CFI by year for each national Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Quartile 1 (top) | 2.0 | 4.8 | 6.0 | 3.5 | 5.4 | 5.8 |
| Quartile 2 | 1.1 | 3.6 | 4.3 | 2.8 | 4.4 | 4.3 |
| Quartile 3 | 0.8 | 2.4 | 3.4 | 1.8 | 2.9 | 3.0 |
| Quartile 4 (bottom) | 0.5 | 2.4 | 2.9 | 1.9 | 2.3 | 2.8 |
| National Median | 1.1 | 3.2 | 4.0 | 2.5 | 3.8 | 4.1 |
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

**MIDWEST REGION: BY FINANCIAL RESOURCES (n=169).** This chart displays the median values of the CFI by year for each regional Financial Resources Quartile as defined in CIC's Key Indicators Tool (KIT), as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| Quartile 1 (top) | 1.3 | 4.8 | 6.2 | 3.3 | 5.6 | 6.0 |
| Quartile 2 | 1.2 | 2.9 | 4.3 | 2.9 | 4.2 | 4.6 |
| Quartile 3 | 0.5 | 2.2 | 3.4 | 1.4 | 2.9 | 3.0 |
| Quartile 4 (bottom) | 0.4 | 2.9 | 3.5 | 2.3 | 2.5 | 2.6 |
| National Median | 1.1 | 3.2 | 4.0 | 2.5 | 3.8 | 4.1 |
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

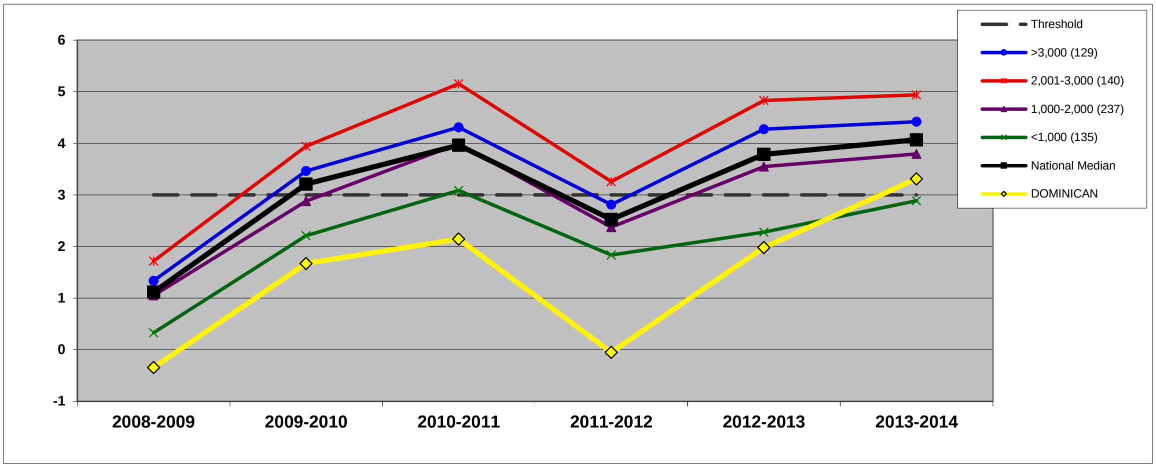
# COMPOSITE FINANCIAL INDEX (CFI): BY ENROLLMENT SIZE

**DEFINITION**: The Composite Financial Index (CFI) 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 threshold for financial health**.**

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

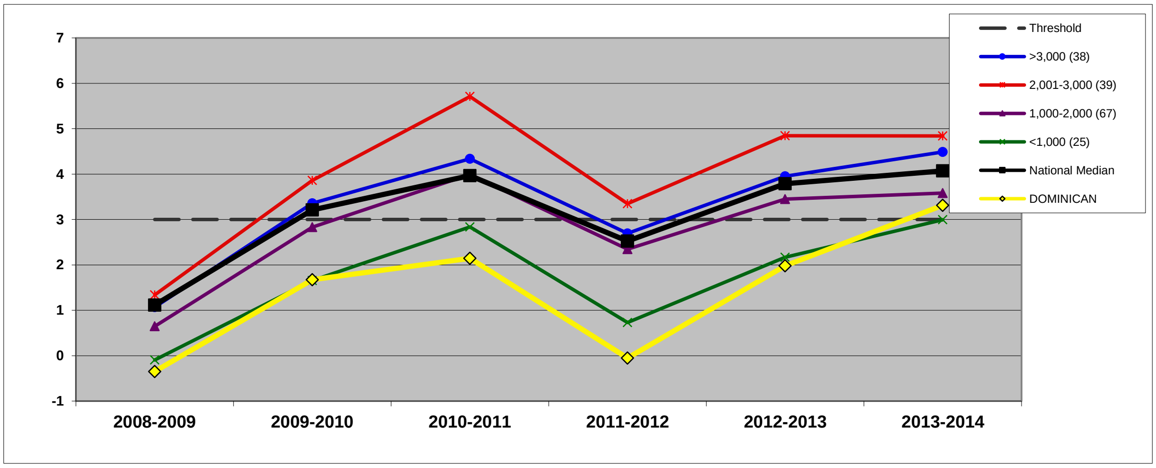
| ENROLLMENT SIZE |
|---|
| 2,001-3,000 |

**NATIONAL: BY ENROLLMENT SIZE (n=641).** This chart displays the median values of the CFI by year for four size groupings based on full-time equivalent (FTE) enrollment, as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| >3,000 (129) | 1.3 | 3.5 | 4.3 | 2.8 | 4.3 | 4.4 |
| 2,001-3,000 (140) | 1.7 | 3.9 | 5.2 | 3.3 | 4.8 | 4.9 |
| 1,000-2,000 (237) | 1.1 | 2.9 | 4.0 | 2.4 | 3.5 | 3.8 |
| <1,000 (135) | 0.3 | 2.2 | 3.1 | 1.8 | 2.3 | 2.9 |
| National Median | 1.1 | 3.2 | 4.0 | 2.5 | 3.8 | 4.1 |
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

**MIDWEST REGION: BY ENROLLMENT SIZE (n=169).** This chart displays the median values of the CFI by year for four size groupings based on full-time equivalent (FTE) enrollment, as well as the national median.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| >3,000 (38) | 1.1 | 3.4 | 4.3 | 2.7 | 4.0 | 4.5 |
| 2,001-3,000 (39) | 1.3 | 3.9 | 5.7 | 3.3 | 4.8 | 4.8 |
| 1,000-2,000 (67) | 0.6 | 2.8 | 4.0 | 2.3 | 3.4 | 3.6 |
| <1,000 (25) | -0.1 | 1.7 | 2.8 | 0.7 | 2.2 | 3.0 |
| National Median | 1.1 | 3.2 | 4.0 | 2.5 | 3.8 | 4.1 |
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

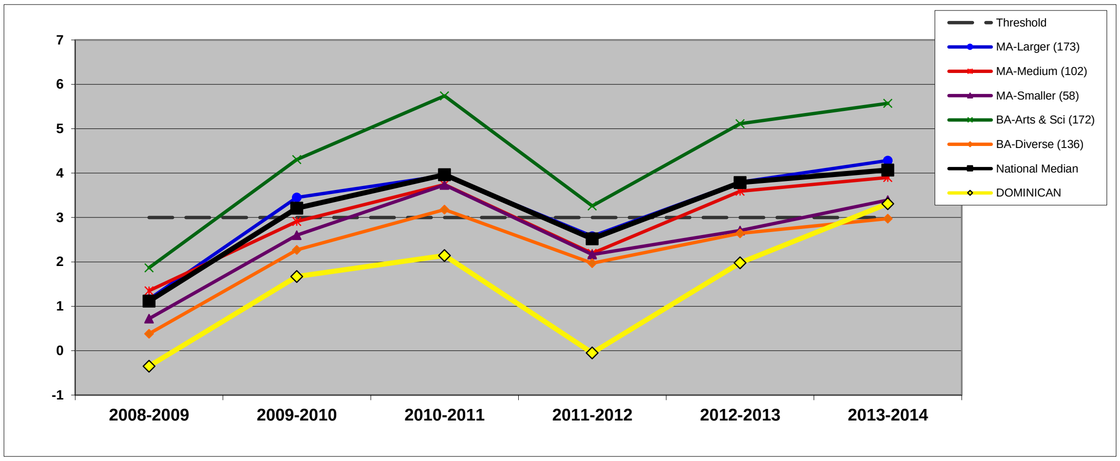
## COMPOSITE FINANCIAL INDEX (CFI): BY CARNEGIE CLASSIFICATION

**DEFINITION**: The Composite Financial Index (CFI) 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 threshold for financial health**.**

| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

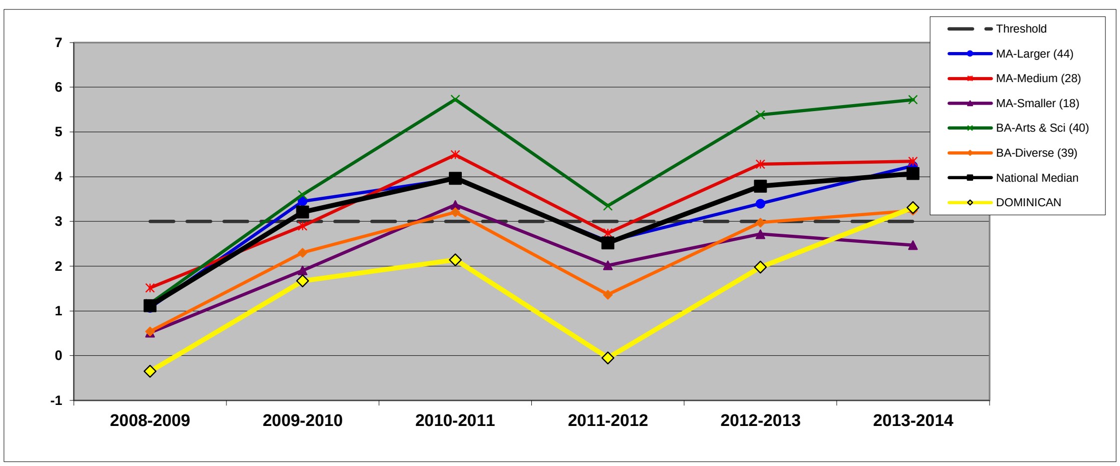
| CARNEGIE |
|---|
| MA-Larger |

**NATIONAL: BY CARNEGIE CLASSIFICATION (n=641).** 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.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| MA-Larger (173) | 1.2 | 3.5 | 3.9 | 2.6 | 3.8 | 4.3 |
| MA-Medium (102) | 1.4 | 2.9 | 3.7 | 2.2 | 3.6 | 3.9 |
| MA-Smaller (58) | 0.7 | 2.6 | 3.7 | 2.2 | 2.7 | 3.4 |
| BA-Arts & Sci (172) | 1.9 | 4.3 | 5.7 | 3.3 | 5.1 | 5.6 |
| BA-Diverse (136) | 0.4 | 2.3 | 3.2 | 2.0 | 2.6 | 3.0 |
| National Median | 1.1 | 3.2 | 4.0 | 2.5 | 3.8 | 4.1 |
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

**MIDWEST REGION: BY CARNEGIE CLASSIFICATION (n=169).** 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.




| | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
|---|---|---|---|---|---|---|
| MA-Larger (44) | 1.1 | 3.5 | 4.0 | 2.6 | 3.4 | 4.2 |
| MA-Medium (28) | 1.5 | 2.9 | 4.5 | 2.7 | 4.3 | 4.3 |
| MA-Smaller (18) | 0.5 | 1.9 | 3.4 | 2.0 | 2.7 | 2.5 |
| BA-Arts & Sci (40) | 1.2 | 3.6 | 5.7 | 3.3 | 5.4 | 5.7 |
| BA-Diverse (39) | 0.5 | 2.3 | 3.2 | 1.4 | 3.0 | 3.2 |
| National Median | 1.1 | 3.2 | 4.0 | 2.5 | 3.8 | 4.1 |
| DOMINICAN | -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 |

## INSTITUTIONAL DATA AND CALCULATIONS BY YEAR*

***Dominican University***

**COLOR KEY**

| | |
|---|---|
| | CALCULATED FIELD |
| | DATA ENTRY FIELD |

### COMPOSITE FINANCIAL INDEX (CFI)

| 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | SCENARIO |
|---|---|---|---|---|---|---|---|---|---|
| -0.3 | 1.7 | 2.1 | -0.1 | 2.0 | 3.3 | | | | |

### PRIMARY RESERVE RATIO

| 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | SCENARIO | |
|---|---|---|---|---|---|---|---|---|---|---|
| $34,602,219 | $39,049,101 | $44,025,693 | $42,925,075 | $46,597,262 | $51,267,176 | | | | | + unrestricted net assets EOY (990) |
| $10,806,289 | $9,682,999 | $8,920,573 | $7,955,629 | $8,863,907 | $13,114,943 | | | | | + temporarily restricted net assets EOY (990) |
| $82,982,738 | $82,182,767 | $80,693,584 | $80,428,159 | $78,940,810 | $79,207,613 | | | | | -- land, building, and equipment, net of depreciation EOY (990) |
| $45,754,715 | $40,394,000 | $36,848,272 | $34,634,838 | $33,978,193 | $33,102,818 | | | | | + long-term debt EOY (990) |
| $49,612,977 | $52,896,566 | $56,604,184 | $57,611,726 | $59,099,383 | $60,630,715 | | | | | total expenses (IPEDS) |
| 0.16 | 0.13 | 0.16 | 0.09 | 0.18 | 0.30 | | | | | ratio |
| 1.2 | 1.0 | 1.2 | 0.7 | 1.3 | 2.3 | | | | | strength factor |
| 0.4 | 0.3 | 0.4 | 0.2 | 0.5 | 0.8 | | | | | weighted value |

### VIABILITY RATIO

| 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | SCENARIO | |
|---|---|---|---|---|---|---|---|---|---|---|
| $34,602,219 | $39,049,101 | $44,025,693 | $42,925,075 | $46,597,262 | $51,267,176 | | | | | + unrestricted net assets EOY (990) |
| $10,806,289 | $9,682,999 | $8,920,573 | $7,955,629 | $8,863,907 | $13,114,943 | | | | | + temporarily restricted net assets EOY (990) |
| $82,982,738 | $82,182,767 | $80,693,584 | $80,428,159 | $78,940,810 | $79,207,613 | | | | | -- land, building, and equipment, net of depreciation EOY (990) |
| $45,754,715 | $40,394,000 | $36,848,272 | $34,634,838 | $33,978,193 | $33,102,818 | | | | | + long-term debt EOY (990) |
| $45,754,715 | $40,394,000 | $36,848,272 | $34,634,838 | $33,978,193 | $33,102,818 | | | | | long-term debt EOY (990) |
| 0.18 | 0.17 | 0.25 | 0.15 | 0.31 | 0.55 | | | | | ratio |
| 0.4 | 0.4 | 0.6 | 0.4 | 0.7 | 1.3 | | | | | strength factor |
| 0.2 | 0.1 | 0.2 | 0.1 | 0.3 | 0.5 | | | | | weighted value |

### RETURN ON NET ASSETS RATIO (%)

| 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | SCENARIO | |
|---|---|---|---|---|---|---|---|---|---|---|
| -$3,394,384 | $3,537,118 | $5,369,740 | -$1,765,601 | $5,392,735 | $10,917,192 | | | | | change in net assets (IPEDS) |
| $63,809,787 | $60,415,403 | $63,544,703 | $68,914,443 | $67,148,842 | $72,541,577 | | | | | total net assets BOY (IPEDS) |
| -5.3 | 5.9 | 8.5 | -2.6 | 8.0 | 15.0 | | | | | ratio |
| -2.7 | 2.9 | 4.2 | -1.3 | 4.0 | 7.5 | | | | | strength factor |
| -0.5 | 0.6 | 0.8 | -0.3 | 0.8 | 1.5 | | | | | weighted value |

### NET OPERATING REVENUES RATIO (%): Using Change in Unrestricted Net Assets

| 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | SCENARIO | |
|---|---|---|---|---|---|---|---|---|---|---|
| -$4,547,528 | $4,446,882 | $5,384,410 | -$1,100,618 | $3,672,187 | $4,669,914 | | | | | change in unrestricted net assets (990) |
| $45,065,449 | $57,343,448 | $61,988,594 | $56,511,108 | $62,771,570 | $65,300,629 | | | | | total unrestricted revenue = total revenue - ((change in permanently restricted assets) + (change in temporarily restricted assets)) (IPEDS and 990) |
| -10.1 | 7.8 | 8.7 | -1.9 | 5.9 | 7.2 | | | | | ratio |
| -4.0 | 6.0 | 6.7 | -1.5 | 4.5 | 5.5 | | | | | strength factor |
| -0.4 | 0.6 | 0.7 | -0.1 | 0.5 | 0.6 | | | | | weighted value |

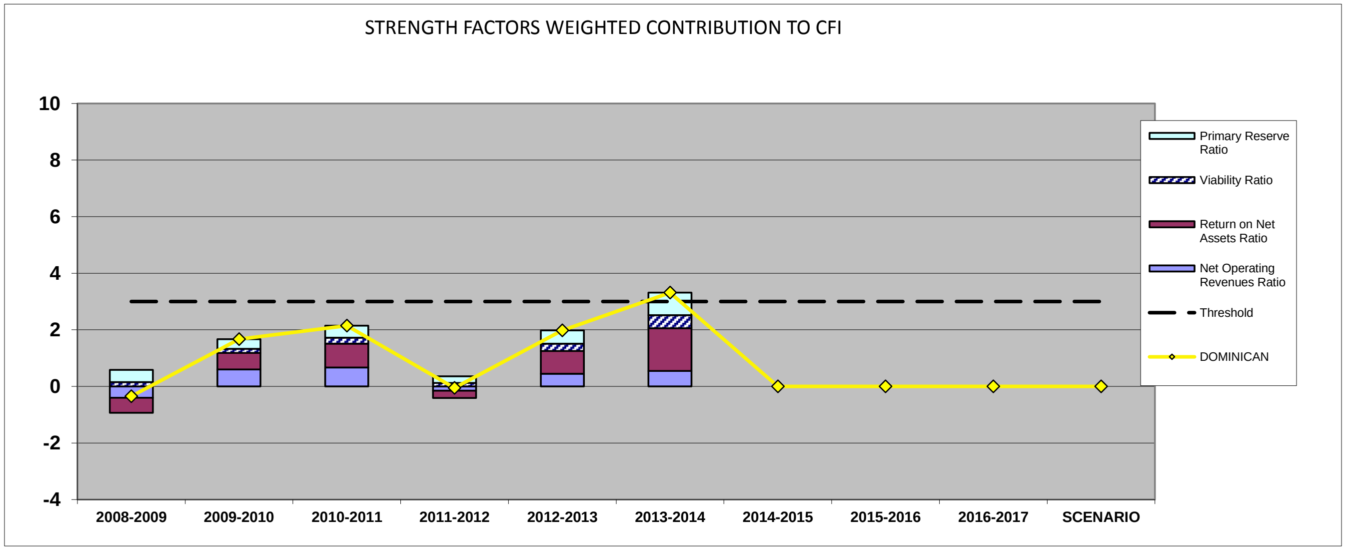
Note: There are two methods for computing the Net Operating Revenues Ratio. This report uses the change in unrestricted net assets method that can be calculated from publicly available IPEDS and IRS Form 990 data.

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

## COMPOSITE FINANCIAL INDEX (CFI): STRENGTH FACTORS AND PROJECTION TOOL
### *Dominican University*

| | weight in CFI | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 | 2016-2017 | SCENARIO |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | strength factor | | | | | | | | | |
| *Primary Reserve Ratio* | *35%* | 1.2 | 1.0 | 1.2 | 0.7 | 1.3 | 2.3 | | | | |
| *Viability Ratio* | *35%* | 0.4 | 0.4 | 0.6 | 0.4 | 0.7 | 1.3 | | | | |
| *Return on Net Assets Ratio* | *20%* | -2.7 | 2.9 | 4.2 | -1.3 | 4.0 | 7.5 | | | | |
| *Net Operating Revenues Ratio* | *10%* | -4.0 | 6.0 | 6.7 | -1.5 | 4.5 | 5.5 | | | | |
| | *CFI Score* | **-0.3** | **1.7** | **2.1** | **-0.1** | **2.0** | **3.3** | | | | |

The primary reserve and viability ratios are weighted the most heavily; then the return on net assets ratio, followed by the net operating revenues ratio. Strength factors have a ceiling of 10 and a floor of -4. Strength factors allow direct comparisons among the four ratios. Data for years 2014-2015, 2015-2016, 2016-2017, and SCENARIO will be displayed in the table above and on the chart below once data have been entered on the DATA worksheet.



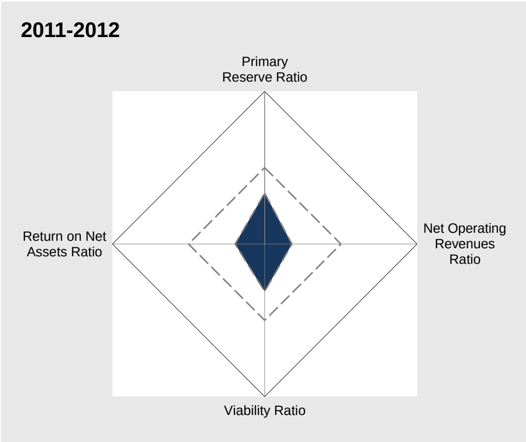

**DEFINITION**: The Composite Financial Index (CFI) is a measure of the overall financial health of the institution based on the sufficiency and flexibility of resources, the management of debt, the performance of assets, and the results of operations. A score of 3.0 is considered the threshold for financial health.

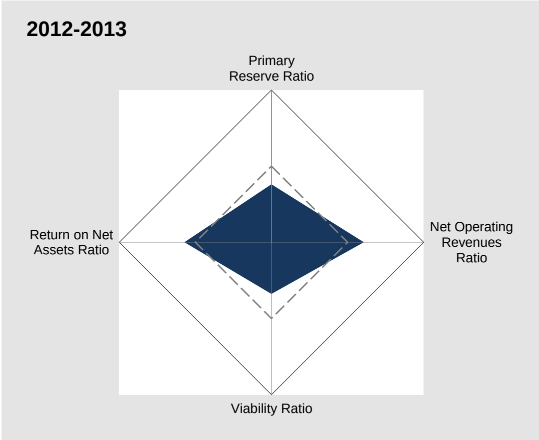
## GRAPHIC FINANCIAL PROFILE

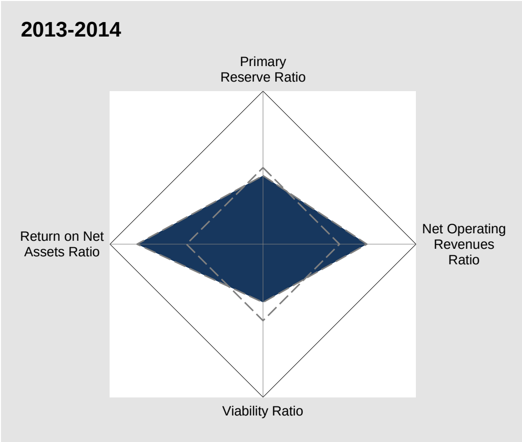
***Dominican University***

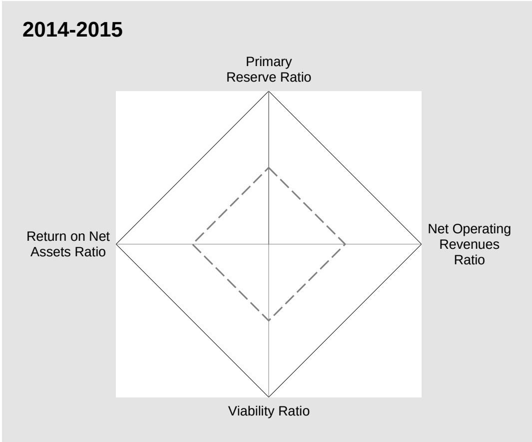
**STRENGTH FACTORS (UNWEIGHTED)**

| | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
|---|---|---|---|---|
| **Primary Reserve Ratio** | **0.7** | **1.3** | **2.3** | |
| **Net Operating Revenues Ratio** | **-1.5** | **4.5** | **5.5** | |
| **Viability Ratio** | **0.4** | **0.7** | **1.3** | |
| **Return on Net Assets Ratio** | **-1.3** | **4.0** | **7.5** | |




Graphic profiles demonstrate visually the strengths or weakness of the four ratios that comprise the Composite Financial Index (see *Strategic Financial Analysis for Higher Education,* 7th ed., KPMG, Prager, Sealy & Co., LLC, and Attain). Whereas the strength factor for each ratio is weighted in the CFI (primary reserve ratio, 35%; viability ratio, 35%; return on net assets ratio, 20%; and net operating revenues ratio, 10%) the diamonds above present unweighted strength factors.

The range for strength factors in the graphic profiles is -4 to 10. The small diamond in the middle of each graph is set at 3 and represents the threshold for financial health for each ratio. The strength factors for 2014-2015 will be displayed once data have been entered for that year on the DATA worksheet.

There is a correlation between the primary reserve and the viability ratios and between the return on net assets and the net operating revenues ratios.  A tall and narrow shaded area indicates that an institution is strong in expendable assets but weak in asset and operational performance; and a short, wide shaded area indicates the opposite. Strong asset and operational performance over time can contribute to an institution's expendable assets, increasing the vertical size of the shaded area. In cases where the strength factors for both the Return on Net Assets Ratio and Net Operating Revenues Ratio are -4.0, the graphic profile for that year will appear blank.

## DATA SOURCES AND CALCULATIONS FOR THE COMPOSITE FINANCIAL INDEX (CFI)

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

### PRIMARY RESERVE RATIO

| DATA ELEMENTS | SOURCE |
|---|---|
| Unrestricted Assets EOY | IRS Form 990, Part X, Line 27 |
| Temporarily Restricted Assets EOY | IRS Form 990, Part X, Line 28 |
| Land, Building, and Equipment EOY | IRS Form 990, Schedule D, Part VI - total LBE (d) minus investment LBE (a) |
| Long-term Debt EOY: | |
| Tax Exempt Bonds EOY | IRS Form 990, Part X, Line 20 |
| Mortgage EOY | IRS Form 990, Part X, Line 23 |
| Total Expenses | IPEDS Finance: Private not-for-profit institutions: Assets and liabilities: Total expenses |

#### RATIO CALCULATION

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

#### STRENGTH FACTOR CALCULATION

Primary Reserve Ratio / .133

### VIABILITY RATIO

| DATA ELEMENTS | SOURCE |
|---|---|
| Unrestricted Assets EOY | IRS Form 990, Part X, Line 27 |
| Temporarily Restricted Assets EOY | IRS Form 990, Part X, Line 28 |
| Land, Building, and Equipment EOY | IRS Form 990, Schedule D, Part VI - total LBE (d) minus investment LBE (a) |
| Long-term Debt EOY: | |
| Tax Exempt Bonds EOY | IRS Form 990, Part X, Line 20 |
| Mortgage EOY | IRS Form 990, Part X, Line 23 |

#### RATIO CALCULATION

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

#### STRENGTH FACTOR CALCULATION

Viability Ratio / .417

### RETURN ON NET ASSETS RATIO (%)

| DATA ELEMENTS | SOURCE |
|---|---|
| Change in Net Assets | IPEDS Finance: Private not-for-profit institutions: Assets and Liabilities: Total change in net assets |
| Total Net Assets BOY | IPEDS Finance: Private not-for-profit institutions: Assets and Liabilities: Net assets, beginning of year |

#### RATIO CALCULATION

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

### STRENGTH FACTOR CALCULATION

Return on Net Assets Ratio / .02

## NET OPERATING REVENUES RATIO (%)

| DATA ELEMENTS | SOURCE |
|---|---|
| Change in Unrestricted Net Assets: | |
| Unrestricted Assets EOY | IRS Form 990, Part X, Line 27 |
| Unrestricted Assets BOY | IRS Form 990, Part X, Line 27 |
| Change in Permanently Restricted Assets: | |
| Permanently Restricted Assets EOY | IRS Form 990, Part X, Line 29 |
| Permanently Restricted Assets BOY | IRS Form 990, Part X, Line 29 |
| Change in Temporarily Restricted Assets: | |
| Temporarily Restricted Assets EOY | IRS Form 990, Part X, Line 28 |
| Temporarily Restricted Assets BOY | 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

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

### STRENGTH FACTOR CALCULATION

Net Operating Revenues Ratio / .013

Note: There are two methods for computing the Net Operating Revenues Ratio. This report uses the change in unrestricted net assets method that can be calculated from publicly available IPEDS and IRS Form 990 data.

## COMPOSITE FINANCIAL INDEX (CFI)

### CALCULATION WITH DEBT

CFI = (Primary Reserve Ratio strength factor x .35) + (Viability Ratio strength factor x .35) + (Return on Net Assets Ratio strength factor x .20) + (Net Operating Revenues Ratio strength factor x .10)

### CALCULATION WITHOUT DEBT

CFI = (Primary Reserve Ratio strength factor x .55) + (Return on Net Assets Ratio strength factor x .30) + (Net Operating Revenues Ratio strength factor x .15)

TOC

## *COMPARISON OF THE TITLE IV FINANCIAL RESPONSIBILITY STANDARDS AND THE COMPOSITE FINANCIAL INDEX (CFI) - OVERVIEW*

The CFI was developed by KPMG; Prager, Sealy & Co., LLC.; and BearingPoint, Inc.
The Department of Education ratios and composite were developed by KPMG Peat Marwick.

| COMPOSITE FINANCIAL INDEX (CFI) | TITLE IV FINANCIAL RESPONSIBILITY STANDARDS |
|---|---|

### *RATIOS IN COMPOSITE SCORE AND WEIGHTING*

| COMPOSITE FINANCIAL INDEX (CFI) | TITLE IV FINANCIAL RESPONSIBILITY STANDARDS |
|---|---|
| **PRIMARY RESERVE RATIO (35%)**<br>available reserves | **PRIMARY RESERVE RATIO (40%)**<br>available reserves |
| **VIABILITY RATIO (35%)**<br>debt in relationship to available reserves | **EQUITY RATIO (40%)**<br>ability to borrow if necessary |
| **RETURN ON NET ASSETS RATIO (20%)**<br>overall change in wealth | |
| **NET OPERATING REVENUES RATIO (10%)**<br>effectiveness of operations | **NET INCOME RATIO (20%)**<br>effectiveness of operations |

### *PURPOSE OF COMPOSITE SCORE*

**DIAGNOSTIC AND STRATEGIC**

Institutional scores fall on a range of +10 to -4. Financial strengths and weaknesses are exposed by the ratios and strategy is suggested by the composite score.

| Range | Strategy |
|---|---|
| **7.5 to 10** | Deploy resources to achieve robust mission |
| **6.5 to 7.5** | Allow experimentation with new initiatives |
| **4.5 to 6.5** | Focus resources to compete in future state |
| **2.5 to 4.5** | Direct resources to allow transformation |
| **1 to 2.5** | Re-engineer the institution |
| **-1 to 1** | Consider substantive programmatic adjustments |
| **-2 to -1** | Assess debt and Department of Education compliance and remediation |
| **-3 to -2** | Consider structured programs to conserve cash |
| **-4 to -3** | Consider whether financial exigency is appropriate |

**DIAGNOSTIC**

The financial stability of an institution is determined by a composite score that can range from +3 to -1.

**>=1.5** Financially responsible
Title IV eligible

**1.0-1.4** The zone alternative
Title IV eligible but must not be in zone three consecutive years

**<1.0** Not financially responsible
A letter of credit is required to maintain Title IV eligibility

**RESOURCES**

NACUBO URGES REVIEW OF FINANCIAL RESPONSIBILITY STANDARDS

REPORT OF THE NAICU FINANCIAL RESPONSIBILITY TASK FORCE
(http://www.naicu.edu/docLib/20121119_NAICUFinan.Resp.FinalReport.pdf)