



Computer Financial Modeling Workshops, Inc.

Financial Ratio Model[®]



Excel[®] Version

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Financial Ratio Model®

The Financial Ratio Model uses Microsoft Excel® to measure and analyze an institution's financial strengths and weakness. Financial ratio analysis provides a ready means of focusing on how well the institution is performing. As a test, the ratios can be measured against the institutions strategic plan. Financial ratios are used by many different groups including: rating agencies, investors, accrediting bodies, board of trustees, internal committees, and other interested parties.

Built into the model are columns for prior year results for both the Statement of Financial Position, and the Statement of Activities. The Financial Ratio Model also has five additional columns designed for projecting ratios five years out based on the assumptions. The assumption table flows to the five year projections. Charts are also included which change with each iteration of the model.

Computer Financial Modeling Workshops can assist your institution with customization the Financial Ratio Model for a reasonable fixed cost. Please call for further details.

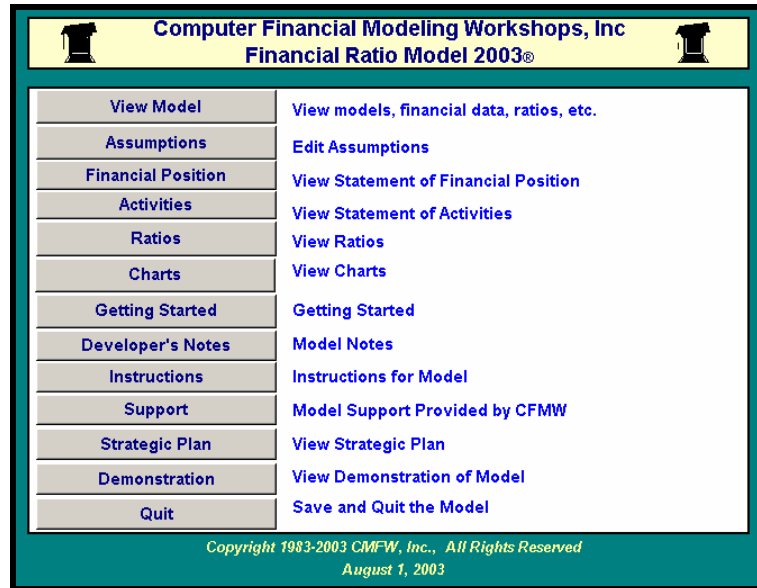
Financial Ratio Model® Special Features

Worksheets specifically designed to capture information on:

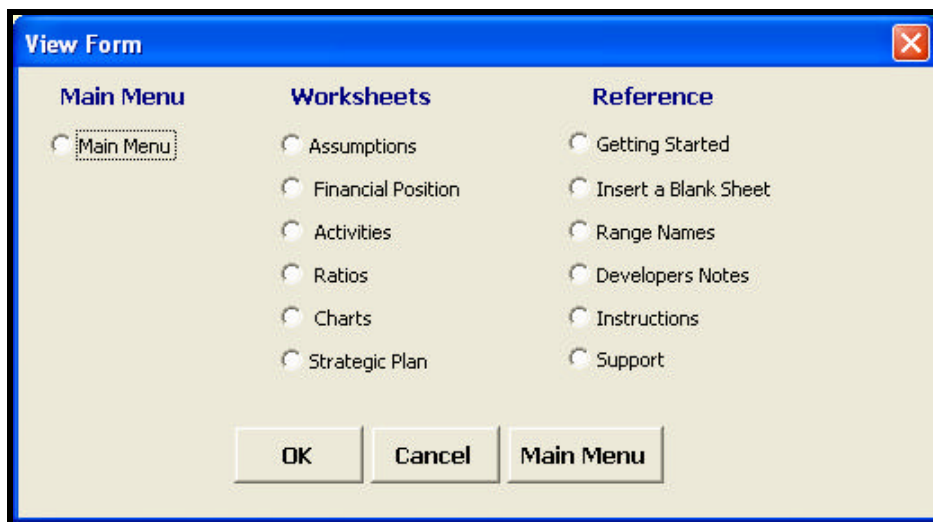
- Assumptions
- Financial Position
- Activities
- Ratios
- Charts
- Strategic Plans
- Custom Control Buttons & Menus
- Excel Forms and Dialog Boxes
- Range Names
- Visual Basic Macros
- Custom Excel Formula
- Help Routines

Navigating through the Financial Ratio Model

1. When the Financial Ratio Model is opened the **Main Menu** worksheet is displayed



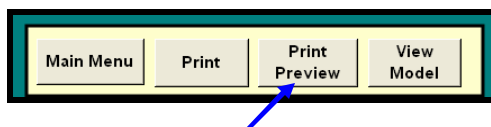
2. Click the **View Model** button to navigate through the model. When the button is clicked the form below will open:



3. Select the **Assumptions** option button and click **OK** to advance to the **Assumptions** worksheet.

	Account	2004	2005	2006	2007	2008
6	Cash and cash equivalents	1000	0%	0%	0%	0%
7	Student accounts receivable, net of	1100	0%	0%	0%	0%
8	Other receivables	1200	0%	0%	0%	0%
9	Contributions receivable, net	1300	0%	0%	0%	0%
10	Deferred charges and prepaid expel	1400	0%	0%	0%	0%
11	Investments held for long-term purp	1500	0%	0%	0%	0%
12	Notes receivable, net of allowances	1600	0%	0%	0%	0%
13	Property, plant and equipment, net	1700	0%	0%	0%	0%
14	Accounts payable	2000	0%	0%	0%	0%
15	Accrued expenses	2100	0%	0%	0%	0%
16	Deferred revenues	2200	0%	0%	0%	0%
17	Student deposits	2300	0%	0%	0%	0%
18	Accrued postretirement benefits	2400	0%	0%	0%	0%
19	Long-term debt	2500	0%	0%	0%	0%
20	U.S. Government Refundable	2600	0%	0%	0%	0%
21	Unrestricted	3000	0%	0%	0%	0%
22	Temporarily restricted	3100	0%	0%	0%	0%

4. On the top of the worksheet are four buttons. Click the Print Preview button to view the print layout of the Assumptions worksheet.



5. On the Assumption worksheet are the accounts that appear on the Statement of Financial Position and the Statement of Activities. Accounts may be added or deleted,

6. The year columns are used to forecast a percent change, either plus or minus. The corresponding amounts on either the Statement of Financial Position or the Statement of Activities will be changed by the percentage entered on the Assumptions worksheet.

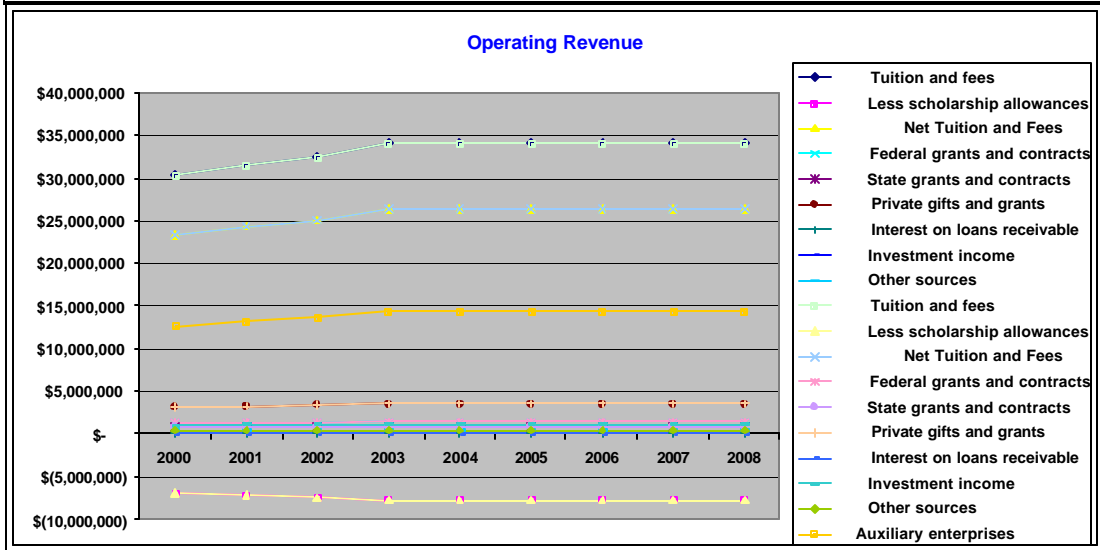
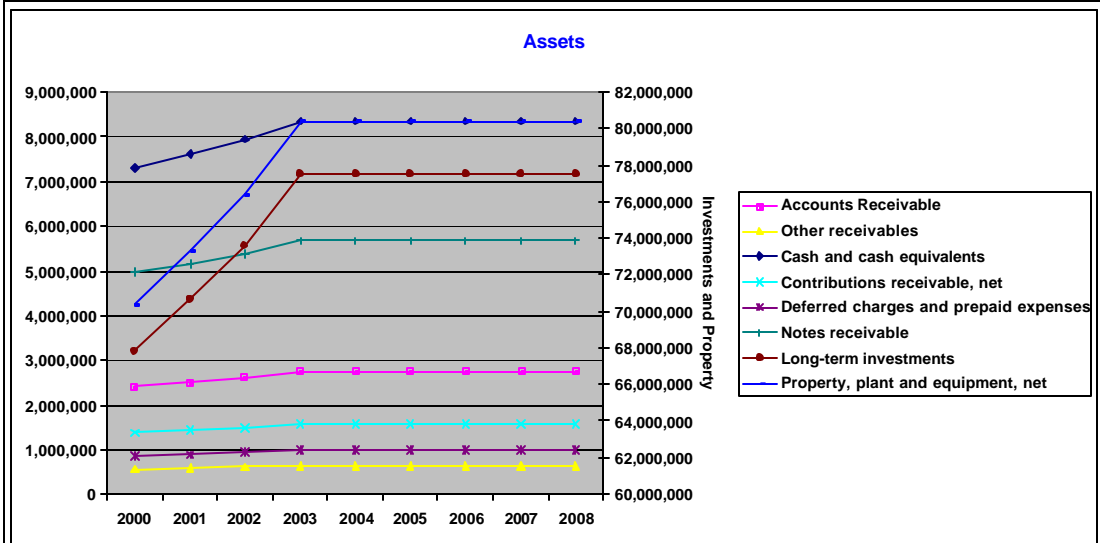
<div style="display: flex; justify-content: space-between; border: 1px solid black; padding: 2px;"> Main Menu Print Print Preview Demo View Model </div>										
Statement of Financial Position	Account	Actual 2000	Actual 2001	Actual 2002	Budget 2003	Proj. 2004	Proj. 2005	Proj. 2006	Proj. 2007	Prc 2007
Assets										
Cash and cash equivalents	1000	\$ 7,310,592	\$ 7,615,200	\$ 7,932,500	\$ 8,350,000	\$ 8,767,500	Increased by 5%		\$ 9,201,875	\$ 8,767,500
Accounts Receivable	1100	2,407,680	2,508,000	2,612,500	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
Other receivables	1200	569,088	592,800	617,500	650,000	650,000	650,000	650,000	650,000	650,000
Contributions receivable, net	1300	1,378,944	1,436,400	1,496,250	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000
Deferred charges and prepaid expenses	1400	866,765	902,880	940,500	990,000	990,000	990,000	990,000	990,000	990,000
Long-term investments	1500	67,852,800	70,880,000	73,625,000	77,500,000	77,500,000	77,500,000	77,500,000	77,500,000	77,500,000
Notes receivable	1600	4,368,576	5,175,600	5,391,250	5,675,000	5,675,000	5,675,000	5,675,000	5,675,000	5,675,000
Property, plant and equipment, net	1700	70,381,808	73,324,800	76,380,000	80,400,000	80,400,000	80,400,000	80,400,000	80,400,000	80,400,000
Total Assets		\$ 155,746,253	\$ 162,235,680	\$ 168,995,500	\$ 177,890,000	\$ 178,307,500	\$ 178,307,500	\$ 178,307,500	\$ 178,307,500	\$ 178,307,500
Liabilities and Net Assets										
Liabilities:										
Accounts payable	2000	1,637,222	1,705,440	1,776,500	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000	1,870,000
Accrued expenses	2100	4,627,999	4,820,832	5,021,700	5,286,000	5,286,000	5,286,000	5,286,000	5,286,000	5,286,000
Deferred revenues	2200	963,072	1,003,200	1,045,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Student deposits	2300	1,120,666	1,167,360	1,216,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000
Accrued postretirement benefits	2400	393,984	410,400	427,500	450,000	450,000	450,000	450,000	450,000	450,000
Long-term debt	2500	60,513,070	64,436,814	68,523,841	74,434,541	74,434,541	74,434,541	74,434,541	74,434,541	74,434,541
Federal Student Loan Advances	2600	7,091,712	7,387,200	7,635,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Total Liabilities		76,347,725	80,931,246	85,705,541	92,520,541	92,520,541	92,520,541	92,520,541	92,520,541	92,520,541
Net Assets										
Unrestricted	3000	65,723,396	66,309,559	68,137,459	69,419,459	69,419,459	69,419,459	69,419,459	69,419,459	69,419,459
Temporarily restricted	3100	2,743,600	2,898,000	3,040,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Permanently restricted	3200	10,931,532	11,508,325	12,102,500	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000	12,750,000
Total Net Assets		79,398,528	81,304,434	83,289,959	85,369,459	85,369,459	85,369,459	85,369,459	85,369,459	85,369,459
Total Liabilities and Net Assets		\$ 155,746,253	\$ 162,235,680	\$ 168,995,500	\$ 177,890,000	\$ 178,307,500	\$ 178,307,500	\$ 178,307,500	\$ 178,307,500	\$ 178,307,500

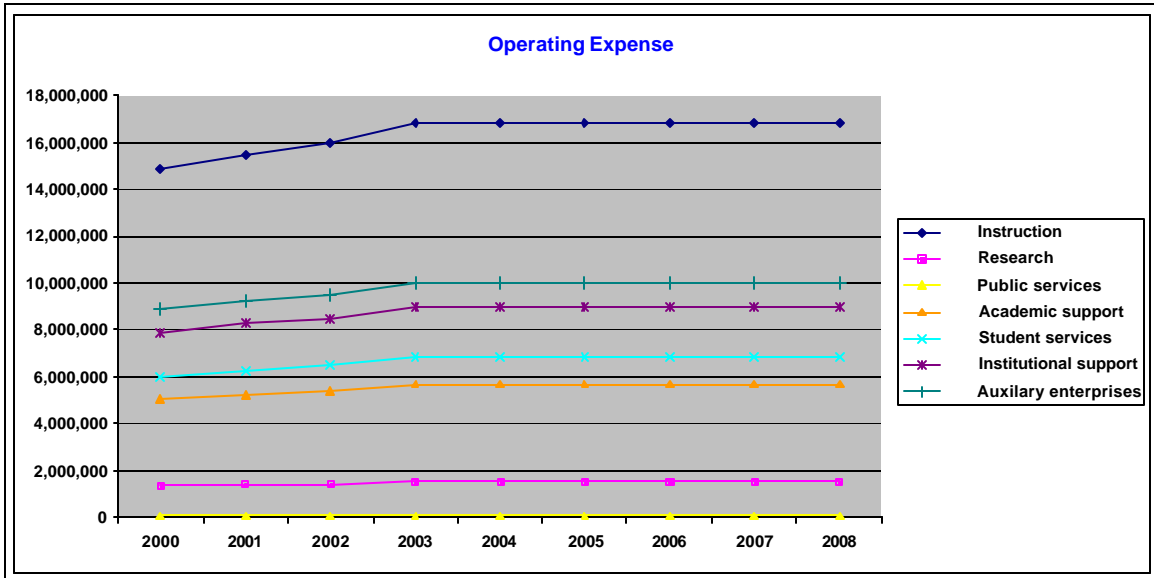
<div style="display: flex; justify-content: space-between; border: 1px solid black; padding: 2px;"> Main Menu Print Print Preview Demo View Model </div>										
Statement of Activities	Account	Actual 2000	Actual 2001	Actual 2002	Budget 2003	Proj. 2004	Proj. 2005	Proj. 2006	Proj. 2007	Prc 2007
Operating revenues:										
Tuition and fees	4000	\$ 30,298,320	\$ 31,561,375	\$ 32,537,500	\$ 34,250,000	\$ 35,962,500	Increased by 5%		\$ 37,675,000	\$ 35,962,500
Less scholarship allowances	4100	(6,900,192)	(7,187,700)	(7,410,000)	(7,800,000)	(7,800,000)	(7,800,000)	(7,800,000)	(7,800,000)	(7,800,000)
Net Tuition and Fees		23,398,128	24,373,675	25,127,500	26,450,000	28,162,500	28,162,500	28,162,500	28,162,500	28,162,500
Federal grants and contracts	4200	1,282,728	1,336,175	1,377,500	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000	1,450,000
State grants and contracts	4300	840,408	875,425	902,500	950,000	950,000	950,000	950,000	950,000	950,000
Private gifts and grants	4400	3,171,434	3,303,578	3,405,750	3,595,000	3,595,000	3,595,000	3,595,000	3,595,000	3,595,000
Interest on loans receivable	4500	22,116	23,038	23,750	25,000	25,000	25,000	25,000	25,000	25,000
Investment income	4600	1,105,800	1,151,875	1,187,500	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Other sources	4700	420,204	437,713	451,250	475,000	475,000	475,000	475,000	475,000	475,000
Auxiliary enterprises	4800	12,672,468	13,200,488	13,608,750	14,325,000	14,325,000	14,325,000	14,325,000	14,325,000	14,325,000
Total Revenues and Gains		42,913,896	44,701,965	46,084,500	48,910,000	50,222,500	50,222,500	50,222,500	50,222,500	50,222,500
Net Assts released From Restricted satisfaction of program restrictions		1,592,352	1,658,700	1,710,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Total Revenues, Gains, and Other Support		44,506,238	46,360,665	47,794,500	50,310,000	52,022,500	52,022,500	52,022,500	52,022,500	52,022,500
Operating Expenses:										
Educational and general:										
Instruction	5000	14,861,952	15,481,200	15,960,000	16,800,000	16,800,000	16,800,000	16,800,000	16,800,000	16,800,000
Research	5100	1,326,360	1,382,250	1,425,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Public services	5200	54,848	57,133	58,900	62,000	62,000	62,000	62,000	62,000	62,000
Academic support	5300	5,042,448	5,252,550	5,415,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Student services	5400	6,015,552	6,266,200	6,460,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000	6,800,000
Institutional support	7000	7,917,528	8,247,425	8,502,500	8,950,000	8,950,000	8,950,000	8,950,000	8,950,000	8,950,000
Total Educational and General		35,219,288	36,696,758	37,821,400	39,812,000	39,812,000	39,812,000	39,812,000	39,812,000	39,812,000

7. The Ratio worksheet contains the ratios that are calculated from the Statement of Financial Position and Statement of Activities. By changing the percents on the Assumption worksheet the ratios will be recalculated.

		Main Menu	Print	Print Preview	Demo	View Model					
Management Ratios	Formula	Actual 2000	Actual 2001	Actual 2002	Budget 2003	Proj. 2004	Proj. 2005	Proj. 2006	Proj. 2007		
Reserve Ratio	$\frac{\text{Expendable Net Assets}}{\text{Total Expense}}$	132.91%	132.65%	133.77%	133.77%	133.77%	133.77%	133.77%	133.77%		
Return of Net Assets	$\frac{\text{Change in Net Assets}}{\text{Total Net Assets (beginning of year)}}$	2.36%	2.40%	2.44%	2.50%	0.00%	0.00%	0.00%	0.00%		
Net Income Ratio - using an operating indicator	$\frac{\text{Excess (Deficiency) of Unrestricted Operating Revenues}}{\text{Over Unrestricted Operating Expenses}} \div \text{Total Unrestricted Operating Income}$	2.62%	2.61%	2.62%	2.60%	5.87%	5.87%	5.87%	5.87%		
Net Income Ratio - using change in unrestricted net assets	$\frac{\text{Change in Unrestricted Net Assets}}{\text{Total Unrestricted Income}}$	145.46%	2.52%	2.53%	2.51%	0.00%	0.00%	0.00%	0.00%		
Cash Income Ratio	$\frac{\text{Net Cash Provided by Operating Activities}}{\text{Total Unrestricted Income, Excluding Gains}}$	58.57%	56.23%	54.54%	51.83%	50.05%	Note change in ratio.	50.05%	50.05%		
Operating Income Ratio	$\frac{\text{Operating Income}}{\text{Educational and General Expenses}}$	84.54%	84.54%	84.54%	84.54%	88.85%	88.85%	88.85%	88.85%		
Net Tuition Dependency Ratio	$\frac{\text{Net Tuition and Fees}}{\text{Operating Income}}$	52.57%	52.57%	52.57%	52.57%	54.14%	Note change in ratio.	54.14%	54.14%		
Net Tuition per Student FTE Ratio	$\frac{\text{Net Tuition and Fees}}{\text{Full Time Equivalent Students}}$	10,636	10,597	10,470	10,580	11,265	11,265	11,265	11,265		
Net Auxiliary Income Ratio	$\frac{\text{Net Auxiliary Enterprise Revenues}}{\text{Total Unrestricted Income, Excluding Gains}}$										

8. On the chart worksheet are the charts for the model. These charts will change when the forecast are made by changes on the Assumption worksheet.



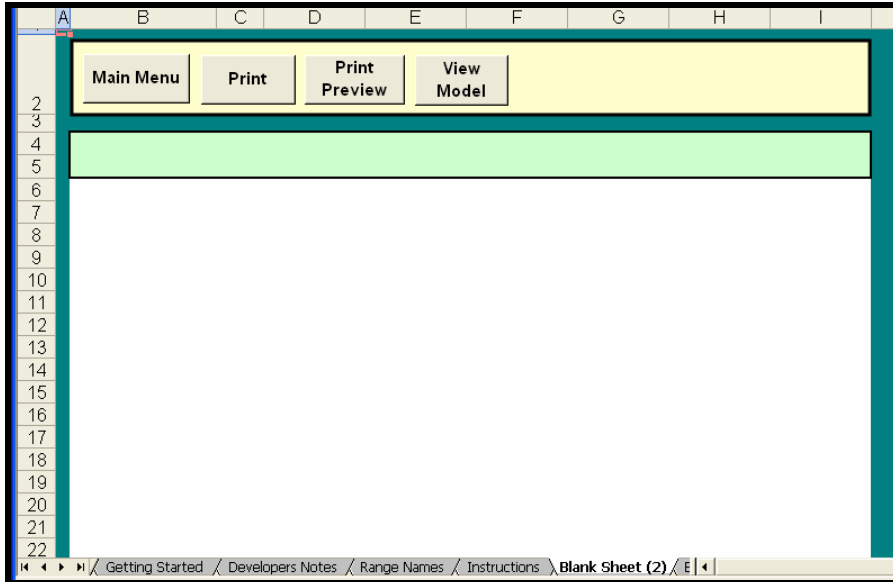


9. The Strategic Plan sheet is used to document the plan and measure results with the addition of the ratios in the model.

10. The Developers Notes worksheet is used to document changes to the model The Range Name worksheet is a list of all the range names in the model.

11. The Instruction worksheet contains procedures for specific model modification.

12. A worksheet named Blank Sheet is provided. If additional worksheets are required, on the Main Menu worksheet click View Model and select Insert a Blank Sheet, and then click OK. A blank worksheet will be inserted into the workbook. The worksheet then can be modified as need. Macros will have to be created for the Print and Print Preview buttons (see Instructions worksheet). Also, you should consider adding an option button to the View form.



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