

Southeastern Illinois College  
Financial Ratio History

	Primary Reserve	Net Operating Revenue	Viability	Return on Net Assets	CFI	
2009	0.69		0.76	0.54	0.94	2.9
2010	1.41		0.65	0.88	1.42	4.4
2011	1		0.94	0.63	1.67	4.2
2012	1.08		0.56	0.72	0.88	3.2
2013	0.74		0.04	0.45	0.12	1.3
2014	0.94		0.42	0.59	0.7	2.65
2015	1.23		0.09	1.02	0.26	2.6
2016	1.23		-0.4	0.75	-0.56	1.02
2017	1.47		0.92	0.64	1.36	4.39
2018	1.48		1	0.76	2	5.24
2019	1.61		0.57	0.7	0.81	3.69
2020	1.01		0.41	0.51	0.84	2.77
2021	0.9		1	0.48	1.5	3.88
2022	1.61		1	1.09	2	5.7

1.1 to 10.0 Above the Zone No additional follow-up

0 to 1.0 In the Zone 1st year HLC will issue a Letter of Concern, 2nd year a report and additional financial documents must be submitted to HLC

-4.0 to -0.1 Below the Zone A report and additional financial documents must be submitted to HLC each year until CFI is above the zone

Primary Reserve Ratio - compares operating commitments against expendable wealth

Viability Ratio - compares outstanding long-term obligations against expendable wealth

Net Operating Revenues Ratio - ability on a short-term basis to live within means

Return on Net Assets Ratio - ability to generate overall return against all net resources

CFI - useful tool to benchmark an institution's health over a period of time

The CFI Methodology: This method was developed by KPMG, Prager, Sealy & Co., LLC, and Bearing Point, Inc.  
The CFI includes four commonly used financial ratios:

Primary Reserve Ratio - A measure of the level of financial flexibility

Net Operating Revenues Rate - A measure of the operating performances

Return on Net Assets Ratio - A measure of overall asset return and performance

Viability Ratio - A measure of the ability to cover debt with available resources

Once each of the four ratios is calculated, the relative strength of the score, or strength factor, and its importance in the mix of creating a composite score, or weight, are computed. The result is one weighted score for each indicator that when added together produces the Composite Financial Index. The strength factors and CFI score are standardized scores that fall along a scale of -4 to 10. A CFI score of 3 is the threshold of institutional financial health. A score of less than 3 indicates a need for serious attention to the institution's financial condition. A score of greater than 3 indicates an opportunity for strategic investment of institutional resources to optimize the achievement of institutional mission.