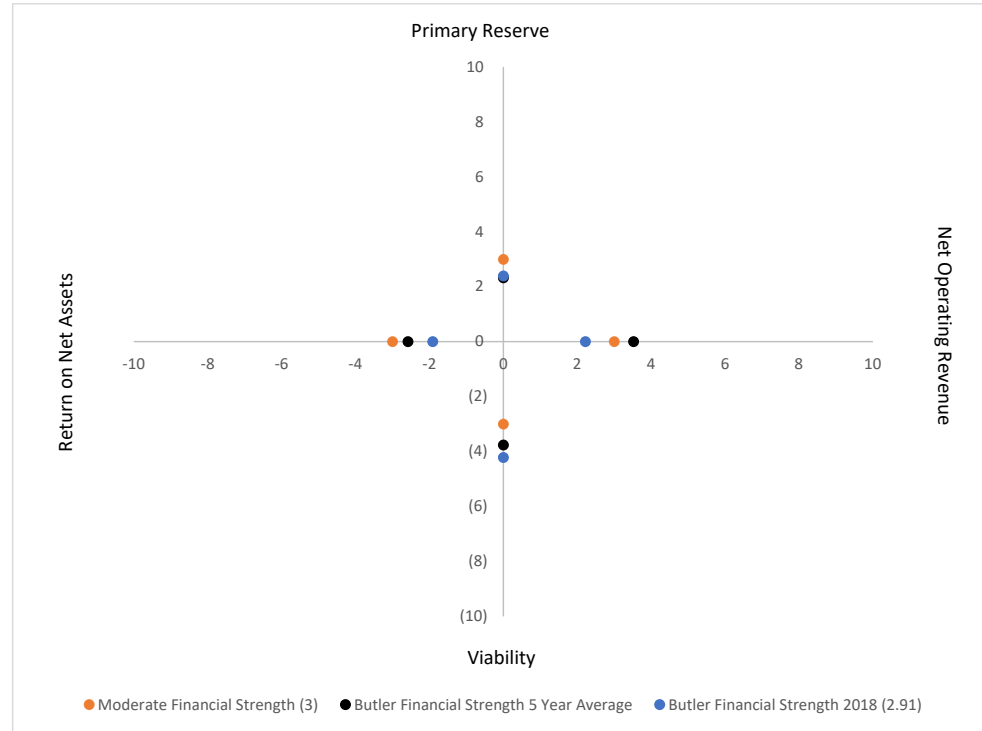


	FY2018	FY18 Ratios	
Primary reserve strength	2.39	2.22	0.00
Net operating revenue strength	2.22	0	-4.21
Return on net assets strength	1.91	-1.91	0.00
Viability strength	4.21	0	2.39

	5 YR Avg	X	Y
Primary reserve strength	2.33	10	0.00
Net operating revenue strength	3.52	0	10.00
Return on net assets strength	2.58	0	-10.00
Viability strength	3.76	-10	0.00

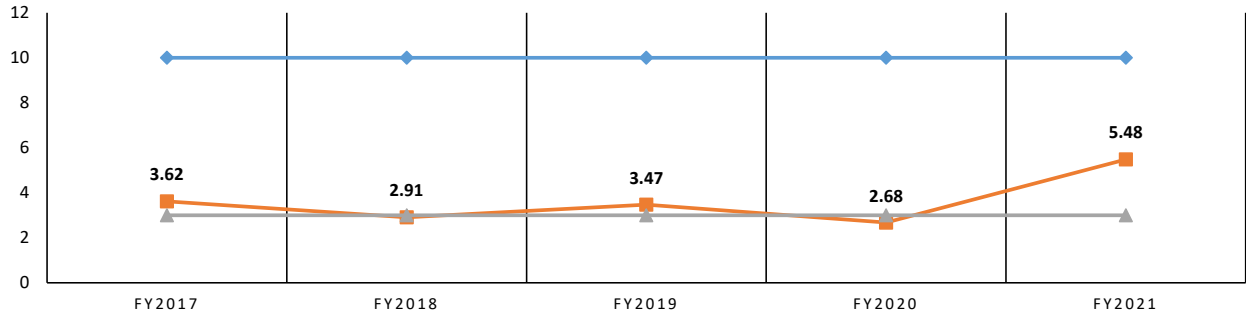
	FY2008	X	Y
Primary reserve strength	3.26	3	0.00
Net operating revenue strength	10.00	0	3.00
Return on net assets strength	5.40	0	-3.00
Viability strength	5.08	-3	0.00

	3.52	0
	0.00	-3.76
	-2.58	0.00
	0	2.33
	10	0.00
	0	-5.08
	-5.4	0.00
	0	3.26

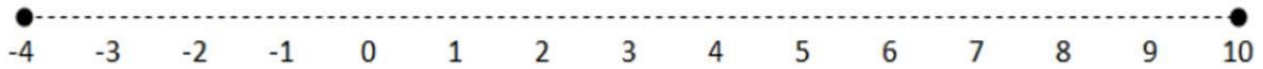


COMPOSITE FINANCIAL INDEX BUTLER CC

◆ Maximum (10)
 ■ TOTAL CFI
 ▲ Threshold (3)



MODIFIED SCALE FOR CHARTING CFI PERFORMANCE sm



Standard Weights for CFI Ratios

Ratio	Weight	Comments
Primary Reserve	35%	Are resources sufficient and flexible enough to support mission?
Viability	35%	Are resources, including debt, managed strategically to advance mission?
Return on Net Assets	20%	Does asset performance and management support the strategic direction?
Net Operating Revenues	10%	Do operating results indicate the institution is living within available resources?

Threshold Values

Overall CFI scoring 3 on 10-pt. scale equates to:

Primary Reserve	5 months of operations in reserve
Viability	1.25 times total debt owed
Return on Net Assets	6% return on combined financial and nonfinancial assets
Net Operating Revenues	2% net surplus to increase reserves

CFI Scoring Range

Action

negative 4 to negative 3	Consider whether financial exigency is appropriate. KBOR definition of financial exigency: budget cuts have been made and continuing need for more reductions would require layoff of tenure faculty.
negative 2 to 1	Consider structured programs to conserve cash and thus survive; assess debt and DOE compliance and remediation.
1 to 3	Consider substantive program adjustments, then re-engineer institution
3 to 5	Direct resources toward transformation
5 to 7	Focus resources to compete in future
7 to 9	Experiment with new initiatives; Design a robust mission
>9	Deploy resources to achieve robust mission

CFI Ranges

HLC has identified ranges, or zones, of CFI values that indicate whether further review is required.

Above the Zone

Public Institutions: 1.1 to 10.0

No additional follow-up is required for institutions with a CFI that falls above the zone.

In the Zone

Public Institutions: 0 to 1.0

First Year

If an institution reports a CFI that falls within the zone for the first time, HLC will issue a Letter of Concern. The institution is required to acknowledge receipt of this letter by submitting an institutional response from the CEO either confirming the financial information that was reported in the Institutional Update or requesting corrections and/or modifications to the financial information submitted. Any modifications to the data require supporting documentation.

Second or Subsequent Year

If an institution reports a CFI that falls within the zone for a second or subsequent consecutive year, HLC will require the institution to submit a report and additional financial documents for review by a panel of HLC peer reviewers.

Below the Zone

Public Institutions: -4.0 to -0.1

If an institution reports a CFI that falls below the zone, HLC will require the institution to submit a report and additional financial documents for review by a panel of HLC peer reviewers. In subsequent years, the institution will be required to submit a report for panel review following each Institutional Update until its CFI is above the zone.

	FY2022	FY2021	FY2020	FY2019	FY2018	5 YR AVERAGE
Primary reserve CFI	1.19	1.24	0.85	1.21	0.84	1.07
Net operating revenue CFI	0.37	0.84	0.23	0.31	0.22	0.40
Return on net assets CFI	0.62	1.51	0.35	0.46	0.38	0.66
Viability CFI	2.07	1.88	1.25	1.48	1.47	1.63
TOTAL CFI	4.25	5.48	2.68	3.47	2.91	3.76

	FY2022	FY2021	FY2020	FY2019	FY2018	AVERAGE
Primary reserve strength	3.40	3.53	2.44	3.47	2.39	3.05
Net operating revenue strength	3.69	8.45	2.28	3.13	2.22	3.95
Return on net assets strength	3.08	7.57	1.73	2.31	1.91	3.32
Viability strength	5.91	5.38	3.57	4.23	4.21	4.66

Primary Reserve Ratio

	FY 2022	FY2021	FY2020	FY2019	FY2018	FY2017
Institution unrestricted net assets	\$28,939,947	\$25,673,557	\$19,734,013	\$28,224,607	\$18,223,666	\$17,837,595
Institution expendable restricted net assets	\$0	\$0	\$0	\$0	\$16,015	\$130,229
Component Unit (C.U.) unrestricted net assets	\$505,773	\$407,924	\$557,033	\$684,196	\$543,645	\$564,381
C.U. temporarily restricted net assets	\$6,335,356	\$6,187,287	\$3,642,387	\$3,808,499	\$4,020,794	\$3,903,900
C.U. net investment in plant	\$0	\$8,361	\$10,750	\$1,674	\$3,680	\$6,099
Numerator Total	\$35,781,076	\$32,260,407	\$23,922,683	\$32,715,628	\$22,800,440	\$22,430,006
Institution operating expenses	\$76,493,299	\$66,487,179	\$71,432,907	\$68,816,453	\$69,601,986	\$70,106,617
Institution non-operating expenses	\$838,067	\$418,773	\$448,651	\$330,643	\$348,589	\$618,744
C.U. total expenses	\$1,742,428	\$1,711,345	\$1,754,346	\$1,804,818	\$1,859,394	\$2,155,071
Denominator Total	\$79,073,794	\$68,617,297	\$73,635,904	\$70,951,914	\$71,809,969	\$72,880,432
Primary reserve ratio	0.45	0.47	0.32	0.46	0.32	0.31
Conversion to strength factor	0.133	0.133	0.133	0.133	0.133	0.133
Primary reserve strength	3.40	3.53	2.44	3.47	2.39	2.31
Primary reserve weight	0.35	0.35	0.35	0.35	0.35	0.35
Primary reserve CFI	1.19	1.24	0.85	1.21	0.84	0.81

FY2016	5 YR AVERAGE
\$15,839,591	\$21,938,688
\$106,778	\$29,249
\$448,335	\$551,436
\$3,609,702	\$4,312,573
\$8,393	\$6,113
\$19,996,013	\$26,825,833
\$70,461,229	\$69,289,028
\$714,663	\$433,080
\$2,494,660	\$1,856,995
\$73,670,552	\$71,579,103
0.27	0.38
0.133	0.13
2.04	2.83
0.35	0.35
0.71	0.99

Net Operating Revenue

	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	5 YR AVERAGE
Institution operating income (loss)	(\$52,181,902)	(\$43,112,537)	(\$43,082,204)	(\$42,014,360)	(\$42,299,597)	(\$41,818,291)	(\$42,465,398)
Institution net non-operating revenues	\$56,142,271	\$52,093,476	\$45,468,632	\$44,891,345	\$44,452,542	\$48,206,337	\$47,022,466
C.U. change in unrestricted net assets	\$97,849	(\$149,109)	(\$127,163)	\$140,551	(\$23,155)	\$113,752	(\$9,025)
Numerator Total	\$4,058,218	\$8,831,830	\$2,259,265	\$3,017,536	\$2,129,790	\$6,501,798	\$4,548,044
Institution Operating Revenues	\$24,311,397	\$23,374,642	\$28,350,703	\$26,802,093	\$27,302,389	\$28,288,326	\$26,823,631
Institution non-operating revenues	\$56,980,338	\$52,512,249	\$45,917,283	\$45,221,988	\$44,801,131	\$48,206,337	\$47,331,798
C.U. total unrestricted revenues	\$3,314,838	\$4,524,461	\$1,975,522	\$2,250,335	\$1,836,239	\$2,268,823	\$2,571,076
Denominator Total	\$84,606,573	\$80,411,352	\$76,243,508	\$74,274,416	\$73,939,759	\$78,763,486	\$76,726,504
Net operating revenue ratio	4.8%	11.0%	3.0%	4.1%	2.9%	8.3%	5.8%
Conversion to strength factor	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Net operating revenue strength	3.69	8.45	2.28	3.13	2.22	6.35	4.48
Net operating revenue weight	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Net operating revenue CFI	0.37	0.84	0.23	0.31	0.22	0.63	0.45

Return on Net Assets Ratio

	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016
Change in net assets plus C.U. change in net assets	\$5,532,779	\$11,794,055	\$2,607,604	\$3,322,522	\$2,594,648	\$5,883,054	\$1,468,913
Total net assets + C.U. total net assets (beginning of year)	\$89,681,047	\$77,875,164	\$75,267,560	\$71,945,038	\$67,893,490	\$61,481,495	\$63,898,115
Return on net assets ratio	0.06	0.15	0.03	0.05	0.04	0.10	0.02
Conversion to strength factor	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Return on net assets strength	3.08	7.57	1.73	2.31	1.91	4.78	1.15
Return on net assets weight	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Return on net assets CFI	0.62	1.51	0.35	0.46	0.38	0.96	0.23

5 YR AVERAGE
\$5,170,322
\$76,532,460
0.07
2.00
3.32
0.20
0.66

Viability Ratio

	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016
Expendable net assets from primary reserve numerator	\$35,781,076	\$32,260,407	\$23,922,683	\$32,715,328	\$22,800,440	\$22,430,006	\$19,996,013
institution long-term debt (total project-related debt)	\$13,013,495	\$14,362,870	\$16,062,698	\$18,529,299	\$12,993,550	\$15,497,392	\$11,962,695
C.U. long-term debt (total project-related debt)	\$1,500,000	\$9,204	\$11,038	\$3,102	\$5,292	\$7,122	\$8,655
Total long-term + C.U. debt (total project-related debt)	\$14,513,495	\$14,372,074	\$16,073,736	\$18,532,401	\$12,998,842	\$15,504,514	\$11,971,350
Viability ratio	2.47	2.24	1.49	1.77	1.75	1.45	1.67
Conversion to strength factor	0.417	0.417	0.417	0.417	0.417	0.417	0.417
Viability strength	5.91	5.38	3.57	4.23	4.21	3.47	4.01
Viability weight	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Viability CFI	2.07	1.88	1.25	1.48	1.47	1.21	1.40

5 YR AVERAGE
\$24,372,894
\$15,009,127
\$7,042
\$15,016,169
1.62
0.417
3.90
0.35
1.36