



North Dakota University System

Annual Financial Review Report

For Fiscal Year Ended June 30, 2024

NORTH DAKOTA UNIVERSITY SYSTEM
FINANCIAL REVIEW
Fiscal Year Ending 2024
Issue Date: March 20, 2025

The purpose of this report is to provide a financial analysis of each institution for fiscal year 2024. It provides an understanding of the financial health of each institution, as of June 30, 2024 and to identify trends over a period of time. It is not the intent to compare ratios of one institution to the ratios of another, but rather to compare each institution to the identified industry standard where applicable. With the exception of the Composite Financial Index (CFI), these are general industry standards and not specific to higher education. However, they provide a good benchmark to measure financial performance. In addition, individual ratio results do not stand on their own; rather, the results of all ratios and trends over time should be viewed together when considering the financial health of each institution.

Pages 6 -7 contain a national funding analysis with data provided by SHEEO. Nationally, in fiscal year 2024 North Dakota ranked 20th in total educational revenues per FTE, compared to 19th in fiscal year 2023. North Dakota ranked 27th in state/local appropriations funding per FTE student, compared to a ranking of 33rd in fiscal year 2023.

The operating income and net income margins ratios have been in the negative range for multiple years at most of the institutions and can fluctuate significantly from year to year. Factors such as large year-to-year variations in the actuarially-determined pension expense and increased depreciation expense as a result of additional buildings or building improvements can impact these ratios. Because the actuarially-determined pension expense is usually a significant expense and can fluctuate significantly from year-to-year, the operating income and net income margins are shown with and without pension expense in this report. Additionally, capital asset appropriations and capital grants and gifts can vary significantly from year-to-year and impact the net income margin. These ratios are not a concern at this time because all institutions have an acceptable CFI and maintain adequate appropriated reserves and additional designated reserves at levels required by the North Dakota State Board of Higher Education.

Formulas for CFI and Ratios Used in this Report

Composite Financial Index (CFI) Calculation

The CFI creates one overall measurement of financial health based on four core ratios: primary reserve ratio, net income ratio, viability ratio and return on net assets ratio. It is calculated by:

1. Determining the value of each ratio;
2. Converting the value of each ratio to strength factors along a common scale;
3. Multiplying the strength factors by specific weighting factors;
4. Totaling the resulting four numbers to reach the single CFI score.

When calculating these ratios for the CFI, the Higher Learning Commission (HLC) requires the following balances for the component units' accounts also be included:

1. Unrestricted, temporarily restricted net assets;
2. Total net assets;
3. Change in net assets;
4. Net investment in plant;
5. Total expenses;
6. Change in unrestricted net assets;
7. Total unrestricted revenues;
8. Long-term project related debt.

The component units (CU) included in these calculations are:

- Bismarck State College Foundation
- DCB Foundation
- Dickinson State University Heritage Foundation
- Lake Region Community College Foundation
- Mayville State University Foundation
- Minot State University Development Foundation
- North Dakota State College of Science Foundation
- NDSU Foundation and Alumni Association, NDSU Research & Technology Park, Inc.
- UND Aerospace Foundation, The UND Alumni Association and Foundation, REA Arena, Inc., UND Arena Services, Inc., UND Sports Facilities, Inc. and Arena Holdings Charitable LLC.
- VCSU Foundation
- Williston State College Foundation

Component unit balances are not included in other calculations in this report.

The CFI is presented for each institution and their component unit(s) listed above, as follows:

- CFI, including CU and excluding GASB 68 pension and GASB 75 OPEB liability and expense.
- CFI, excluding CU and excluding GASB 68 pension and GASB 75 OPEB liability and expense.

HLC uses the first measurement as its official CFI score. The second measurement is included here for informational purposes only.

HLC uses the zones listed below to evaluate institutions:

CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year

Viability Ratio

Formula:	Expendable Net Position
	<hr/>
	Long-Term Debt

Measures ability to retire long-term debt using current resources. Expendable net position includes unrestricted net position and all expendable restricted net position, excluding net investment in plant. Long-term debt excludes compensated absences. A ratio of greater than 1.0 is good and a ratio of less than .3 is of concern.

Primary Reserve Ratio

Formula:	Unrestricted Net Position and Expendable Net Position
	<hr/>
	Annual Operating Expenses

Measures ability to operate at current levels without future revenues. A ratio of greater than .1 is good while a ratio of less than .05 is of concern.

Current Ratio

Formula:	Current Assets
	<hr/>
	Current Liabilities

Measures ability to meet current obligations. A ratio of greater than two is good, while a ratio of less than 1.0 is of concern.

Working Capital Ratio

Formula:	Current Assets - Current Liabilities	
	<hr/>	X 52 weeks
	Operating Expenses	

Measures ability to sustain operations in a short-term emergency (4-6 weeks). While no industry standard is available, professional judgment suggests an institution should be able to cover a minimum of 4 weeks of operating expenses in the event of an emergency.

Operating Income Margin Ratio

Formula:	Income (loss) <u>before</u> state appropriations-capital assets and capital grants and gifts
	<hr/>
	Total Revenue (operating and non-operating)

Measures current year financial results. A ratio of greater than zero is desired and indicates an institution is not spending more than it is taking in during the year. A ratio greater than zero indicates an institution is adding to reserves.

The calculation includes state appropriations and other non-operating revenue as these revenues are used to fund operations. It excludes state appropriations for capital assets and capital grants and gifts.

A negative operating margin may occur when non-capitalized repairs are paid from appropriated repair and maintenance funds, a department is spending revenue earned in a prior year, or a department is spending more than earned in the current year.

Net Income Margin Ratio

Formula:	$\frac{\text{Increase (decrease) in net position}}{\text{Total Revenue (operating and non-operating)}}$
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Measures an institution’s financial status in terms of current year operations. A positive margin indicates a net increase in current year fund balances. A negative margin results when current year expenditures exceed current year revenues, requiring institutions to draw on reserves or creating deficit spending.

Net Tuition and Fees, per FTE Enrollment

Formula:	$\frac{\text{Net Tuition and Fees}}{\text{FTE Enrollment}}$
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Compares net tuition and fees to FTE enrollment. Table 5 in the fall enrollment report for the start of the fiscal year is used. For example, the Fall 2023 report is used for fiscal year 2024. As with the previous ratio, factors such as programs offered, number of in-state versus out-of-state students, state appropriations and other funding sources may affect this ratio. In addition, the ratio is affected by undergraduate, graduate and professional career enrollment.

No standard benchmarks exist to measure this ratio against because costs and other factors across the nation can vary significantly. Therefore, the information is provided here for informational purposes only.

Net Tuition and Fees Dependency

Formula:	$\frac{\text{Net Tuition and Fees}}{\text{Total Revenues}}$
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Compares net tuition and fees to total operating and non-operating revenues. Factors such as programs offered, number of in-state versus out-of-state students, state funding levels and other funding sources may affect this ratio. Examples of other funding sources are gifts, auxiliary revenue and federal, state and private grants.

No standard benchmarks exist to measure this ratio against, because costs and other factors across the nation can vary significantly. Therefore, the information is provided here for informational purposes only.

Net liquid assets less current liabilities (FY2020 to FY2024)

Formula:	$\frac{\text{FY2024 Net Liquid Assets – FY2020 Liquid Assets}}{\text{FY2020 Liquid Assets}}$
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Measures the change in ability to meet current obligations over time. Liquid assets includes cash, current investments and current receivables less current liabilities. A positive percentage change is desirable as it indicates improvement

over time in the ability to meet current obligations. A negative percentage change indicates decline in ability over time to meet current obligations.

The change in net liquid assets coupled with the current ratio indicates the change in financial liquidity from one year to another. The change in net liquid assets can fluctuate from year-to-year due to the liquid nature of current assets and current liabilities.

Long-term liabilities, excluding pension liability, OPEB liability and compensated absences

Formula:	FY2024 LT Liabilities – FY2020 LT Liabilities
	FY2020 LT Liabilities

Includes long-term liabilities, excluding pension liability, OPEB liability and compensated absences. A negative change indicates more debt was retired added over the three-year period. A positive change indicates more debt was added than retired.

FUNDING ANALYSIS – Fiscal Year 2024 National per FTE Funding

Educational revenues (tuition and fees) per student are in line with the national average while the State funding per FTE for the public institutions of higher education in North Dakota is slightly below the national average .

FY 2024 SHEEO Data for Public Institutions of Higher Ed (constand adjusted dollars)			
Total Educational Revenues Per FTE*		Educational Appropriations (State/Local) Per FTE*	
1 Illinois	\$ 34,282	1 Illinois	\$ 25,529
2 Michigan	\$ 28,171	2 Wyoming	\$ 21,109
3 Connecticut	\$ 27,968	3 New Mexico	\$ 20,041
4 Alabama	\$ 26,616	4 Alaska	\$ 20,002
5 Delaware	\$ 26,459	5 Connecticut	\$ 16,824
6 Wyoming	\$ 25,301	6 Hawaii	\$ 15,596
7 Alaska	\$ 24,950	7 New York	\$ 15,345
8 New Mexico	\$ 23,451	8 Tennessee	\$ 14,561
9 Tennessee	\$ 22,396	9 Massachusetts	\$ 14,355
10 Minnesota	\$ 22,022	10 North Carolina	\$ 13,380
11 New York	\$ 21,885	11 Nebraska	\$ 13,159
12 Massachusetts	\$ 21,169	12 Washington	\$ 13,034
13 Vermont	\$ 20,919	13 Georgia	\$ 12,993
14 Texas	\$ 20,740	14 Utah	\$ 12,955
15 Idaho	\$ 20,556	15 Texas	\$ 12,790
16 Maryland	\$ 20,410	16 Maryland	\$ 12,290
17 Utah	\$ 20,298	17 Idaho	\$ 12,231
18 Washington	\$ 20,285	18 California	\$ 12,134
19 Hawaii	\$ 20,267	19 Alabama	\$ 11,862
20 North Dakota	\$ 19,919	20 Michigan	\$ 11,423
21 Nebraska	\$ 19,818	21 Minnesota	\$ 11,418
22 Missouri	\$ 19,768	22 Florida	\$ 11,415
23 South Carolina	\$ 19,760	23 Nevada	\$ 11,198
24 Kentucky	\$ 19,742	24 Kansas	\$ 10,949
25 Colorado	\$ 19,502	25 New Jersey	\$ 10,394
26 Ohio	\$ 19,140	26 Missouri	\$ 10,352
27 South Dakota	\$ 18,993	27 North Dakota	\$ 10,326
28 North Carolina	\$ 18,720	28 Virginia	\$ 10,153
29 Indiana	\$ 18,710	29 Kentucky	\$ 10,144
30 Iowa	\$ 18,701	30 Wisconsin	\$ 10,032
31 Kansas	\$ 18,601	31 South Dakota	\$ 10,015
32 Oklahoma	\$ 18,601	32 Maine	\$ 9,512
33 Virginia	\$ 18,558	33 Arkansas	\$ 9,474
34 Oregon	\$ 18,325	34 Oklahoma	\$ 9,471
35 Pennsylvania	\$ 18,298	35 South Carolina	\$ 9,290
36 Wisconsin	\$ 18,281	36 Mississippi	\$ 9,047
37 Rhode Island	\$ 18,270	37 Oregon	\$ 8,625
38 Mississippi	\$ 18,104	38 Louisiana	\$ 8,426
39 Georgia	\$ 18,027	39 Ohio	\$ 8,190
40 New Jersey	\$ 17,384	40 Rhode Island	\$ 7,821
41 Arizona	\$ 16,414	41 Montana	\$ 7,447
42 Arkansas	\$ 15,989	42 West Virginia	\$ 7,392
43 Maine	\$ 15,777	43 Colorado	\$ 7,255
44 Montana	\$ 15,673	44 Indiana	\$ 7,234
45 California	\$ 15,070	45 Iowa	\$ 6,982
46 West Virginia	\$ 14,529	46 Delaware	\$ 6,866
47 New Hampshire	\$ 14,434	47 Pennsylvania	\$ 6,853
48 Louisiana	\$ 14,281	48 Arizona	\$ 6,707
49 Nevada	\$ 14,234	49 Vermont	\$ 5,345
50 Florida	\$ 13,887	50 New Hampshire	\$ 4,629
US	\$ 19,092	US	\$ 11,683

*Excluding Ag research, extension and med school funding.

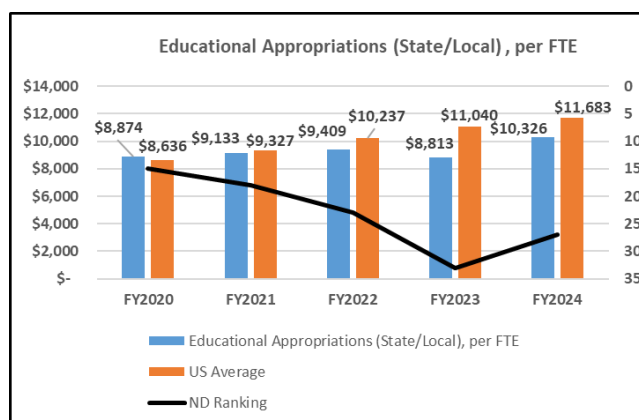
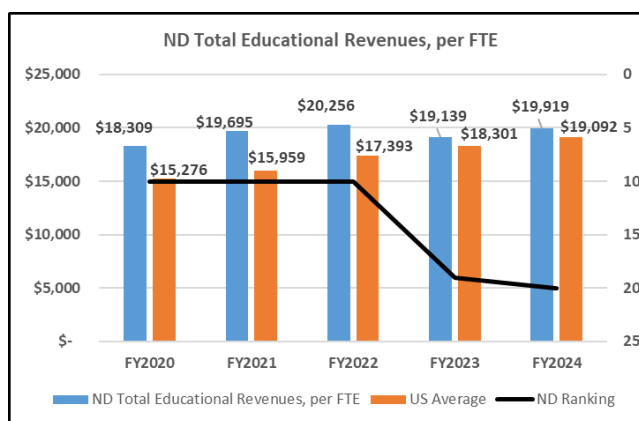
Source: Fiscal Year 2024 SHEEO State Higher Education Finance Report

Nationally, North Dakota ranked 20th in total educational revenues per FTE in fiscal year 2024, compared to a ranking of 19th in fiscal year 2023. North Dakota ranked 27th in state/local appropriations funding per FTE student, compared to a ranking of 33rd in fiscal year 2023.

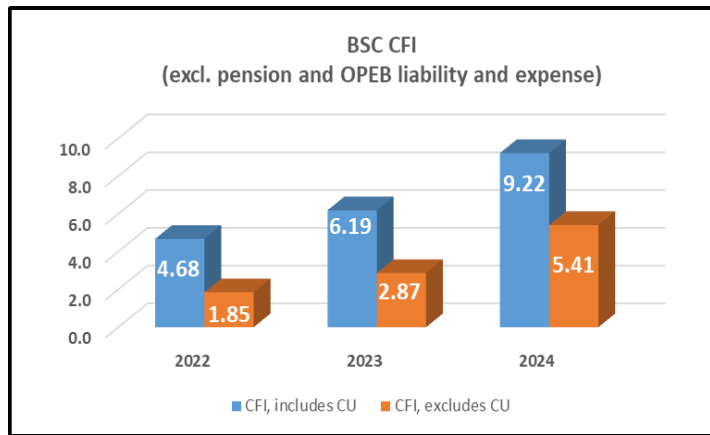
	FY2020	FY2021	FY2022	FY2023	FY2024
ND Total Educational Revenues per FTE	\$ 18,309	\$ 19,695	\$ 20,256	\$ 19,139	\$ 19,919
% increase (decrease)					8.8%
US Average	\$ 15,276	\$ 15,959	\$ 17,393	\$ 18,301	\$ 19,092
% increase (decrease)					25.0%
ND Ranking	10	10	10	19	20

	FY2020	FY2021	FY2022	FY2023	FY2024
Educational Appropriations (State/Local) per FTE	\$ 8,874	\$ 9,133	\$ 9,409	\$ 8,813	\$ 10,326
% increase (decrease)					16.4%
US Average	\$ 8,636	\$ 9,327	\$ 10,237	\$ 11,040	\$ 11,683
% increase (decrease)					35.3%
ND Ranking	15	18	23	33	27

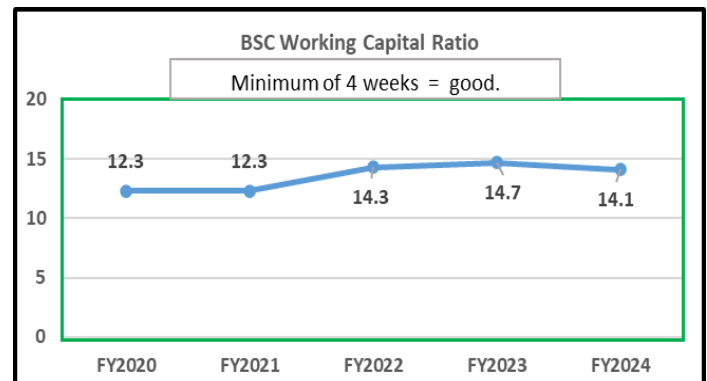
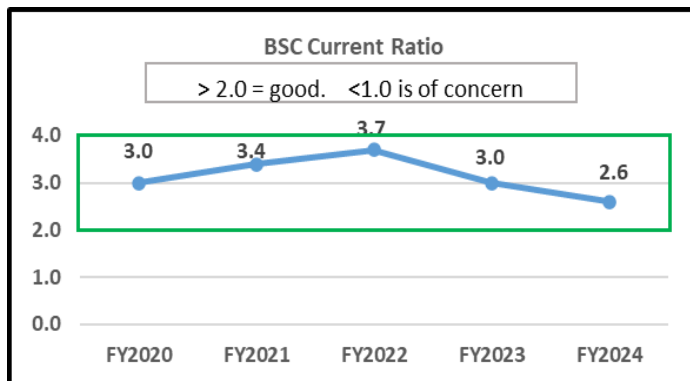
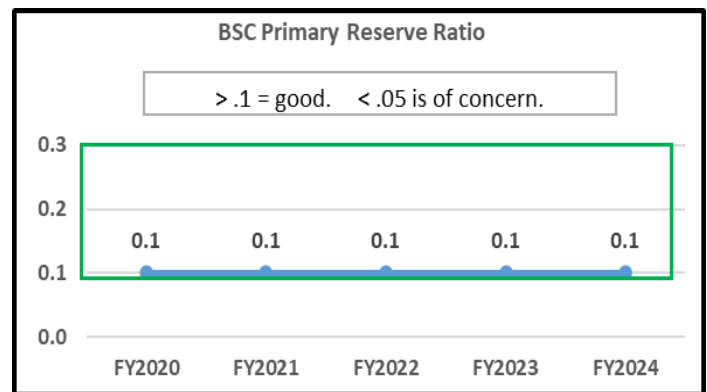
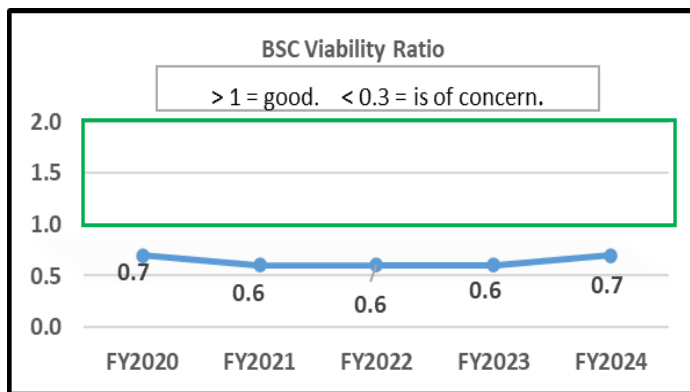
Source: Fiscal Year 2024 SHEEO State Higher Education Finance Report.

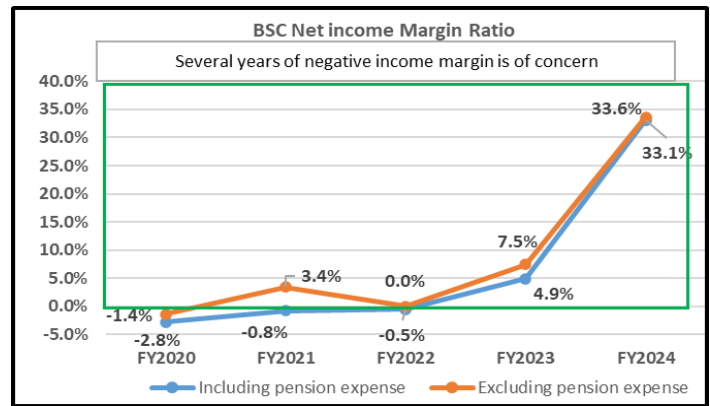
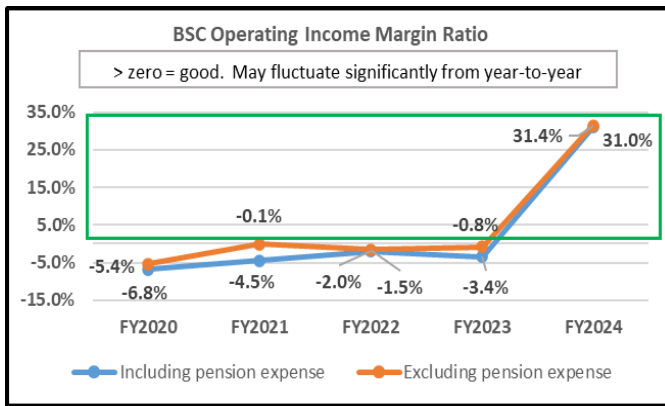


Bismarck State College (BSC)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year



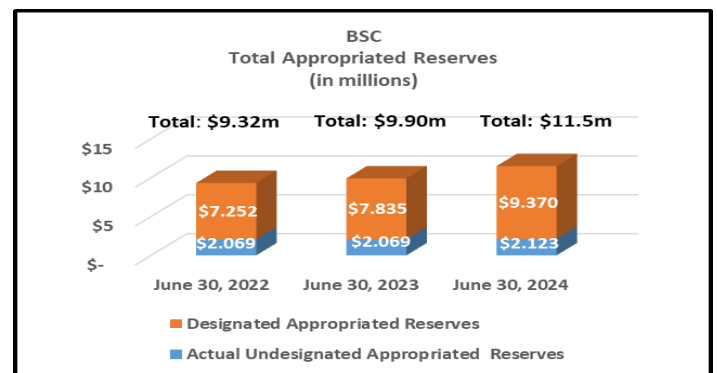
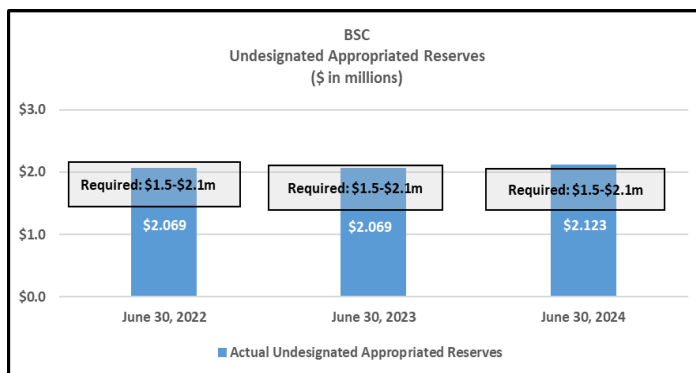


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

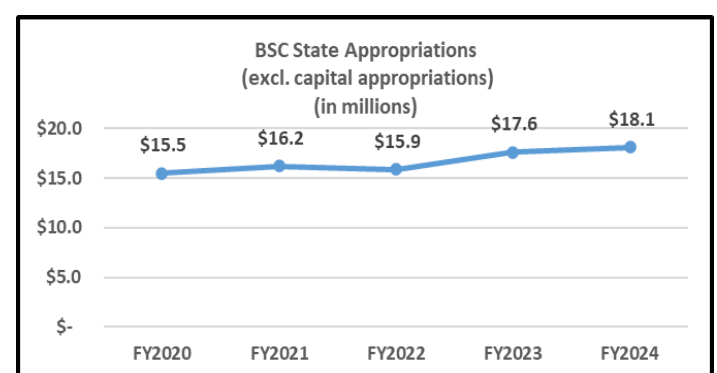
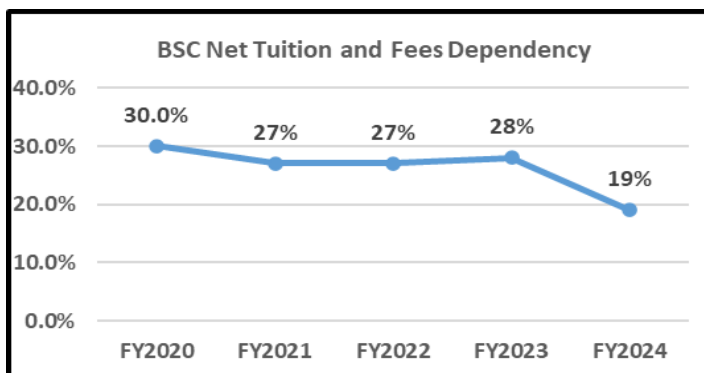
SBHE Policy 810. (1a). Undesignated Reserve states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. BSC's undesignated appropriated reserves are at 7.0 percent for fiscal year 2024 and 2023 and 6.9 percent for fiscal year 2022.

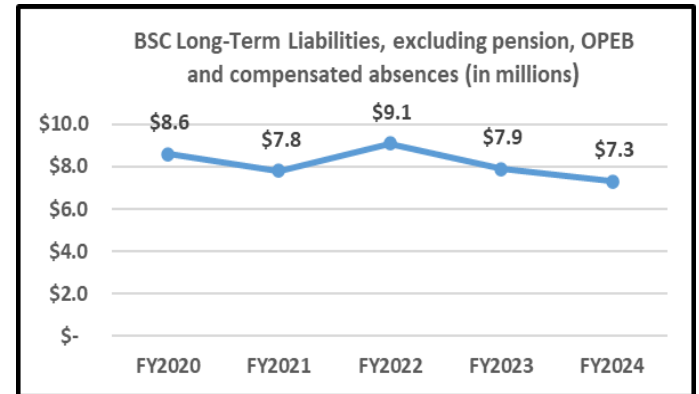
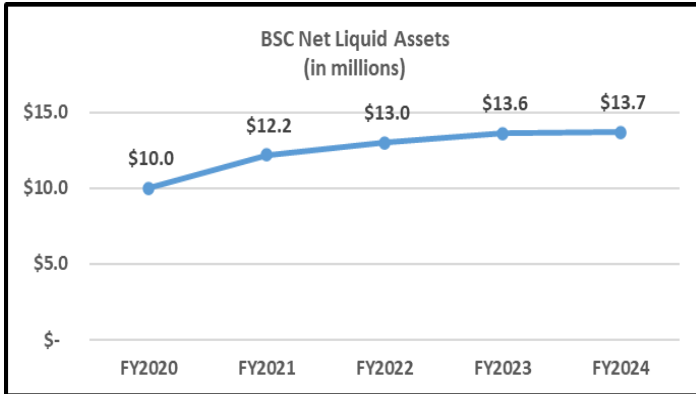
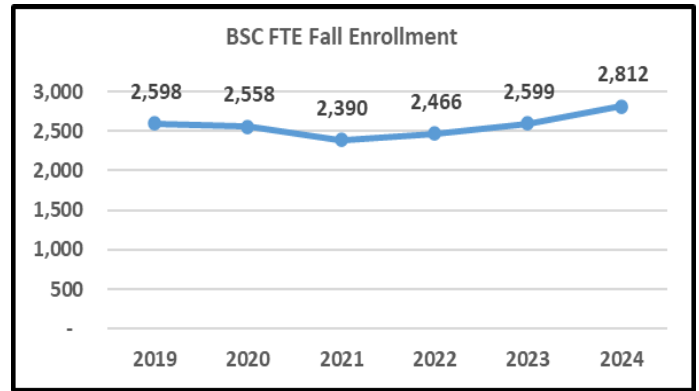
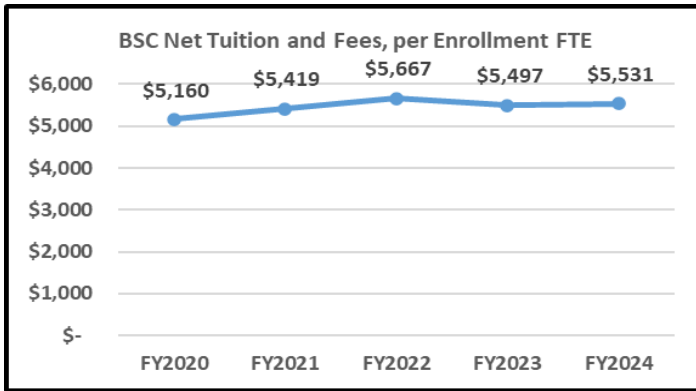
The information is presented on a cash basis.



Other Ratios:

No industry standard exists for the following ratios. They are presented here for informational purposes only.

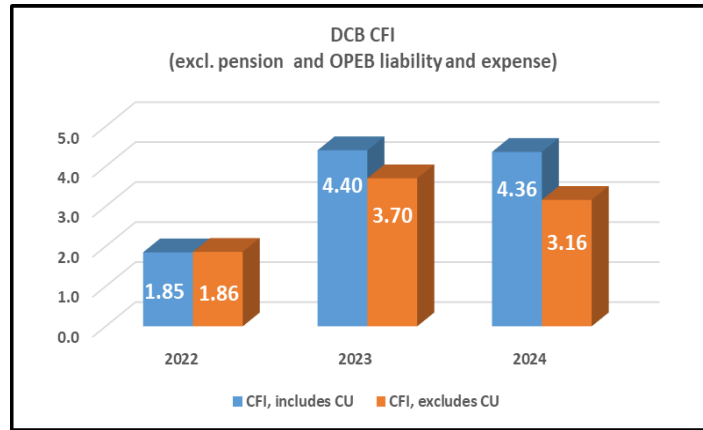




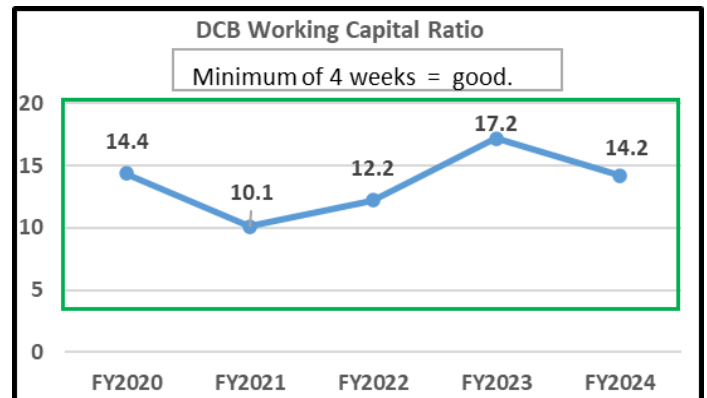
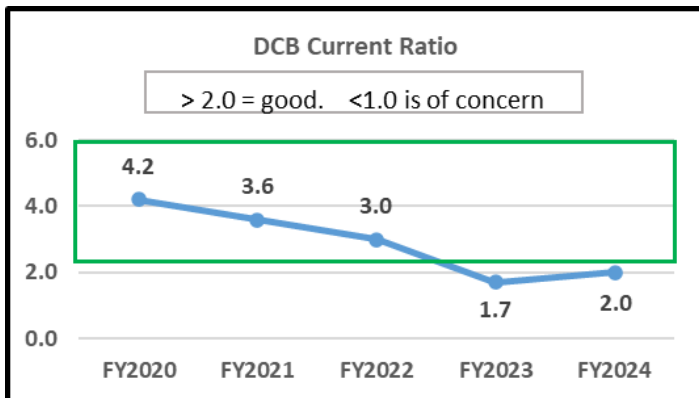
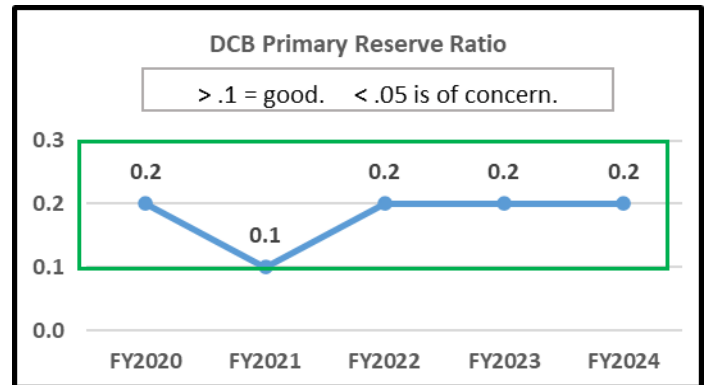
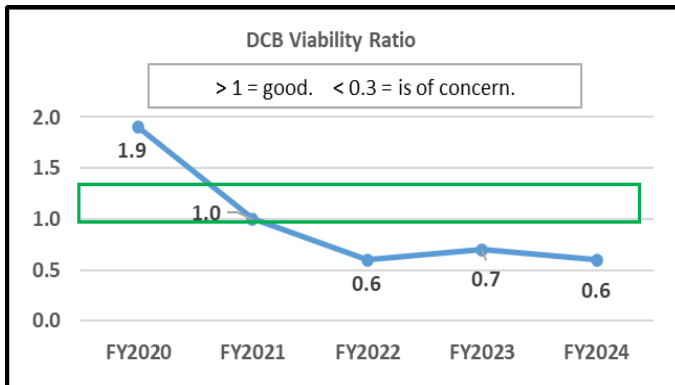
BSC Summary

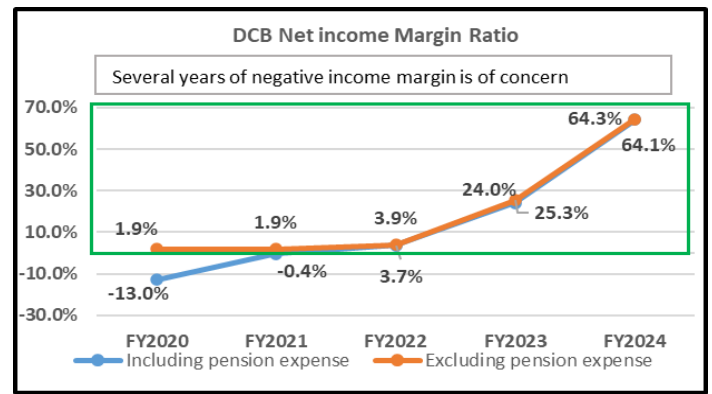
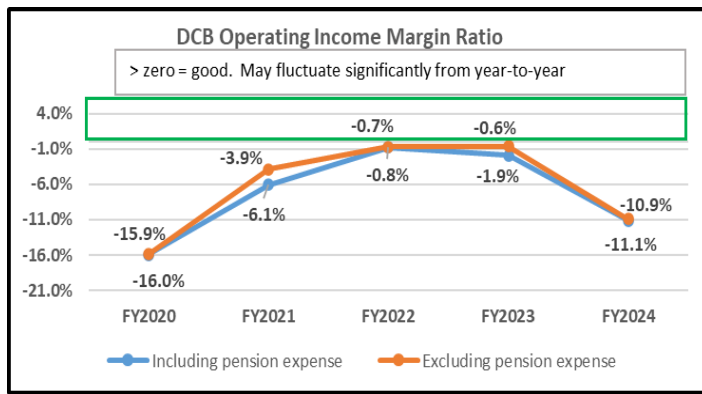
- The CFI scores are solid.
- The viability ratio has been below 1.0 for several years. However, the primary, current and working capital ratios are within the acceptable range.
- The operating income margin and net income margin increased significantly in fiscal year 2024 due to the \$24.5 million in State and Local Fiscal Recovery Funds received for the construction of the Polytechnic Building.
- Fall 2024 enrollment of 2,812 increased 8.2 percent from Fall 2023 enrollment of 2,599. Fall 2023 enrollment was flat compared to Fall 2019.
- Net Tuition and Fees Dependency decreased from 30 percent in fiscal year 2020 to 19 percent in fiscal year 2024. The receipt of \$24.5 million in State and Local Fiscal Recovery Funds for the construction of the Polytechnic Building increased total revenue (denominator) by 75.6 percent while tuition revenue (numerator) increased 6.1 percent.

Dakota College of Bottineau (DCB)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year



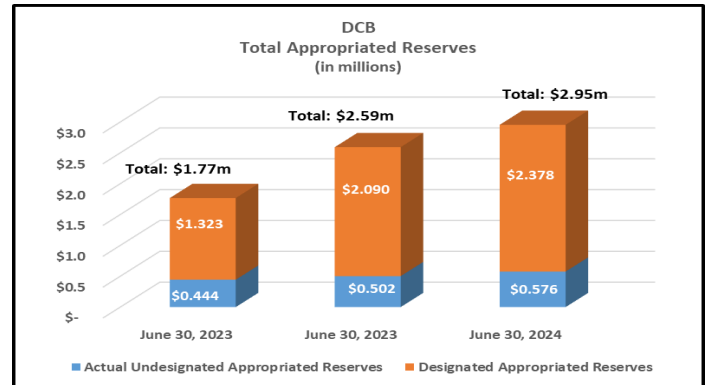
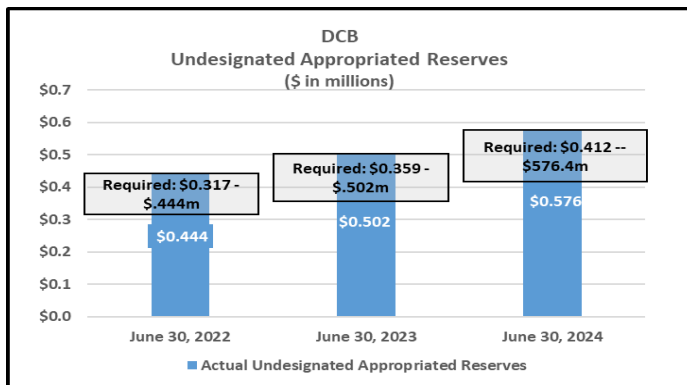


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

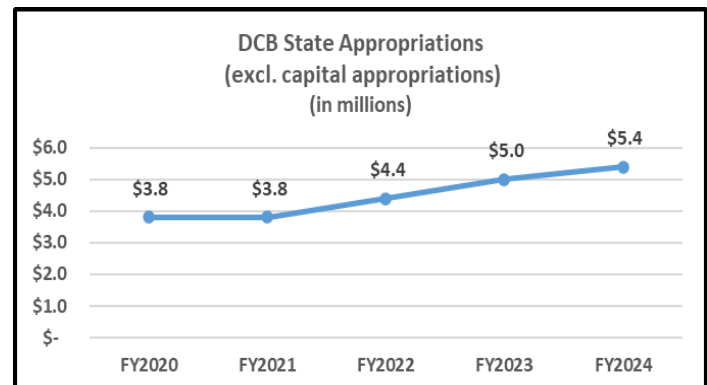
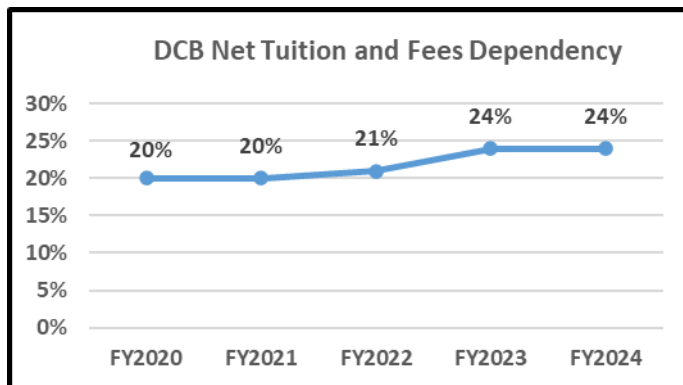
SBHE Policy 810. (1 a). **Undesignated Reserve** states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. DCB's undesignated appropriated reserves are at 7.0 percent for fiscal years 2024, 2023 and 2022.

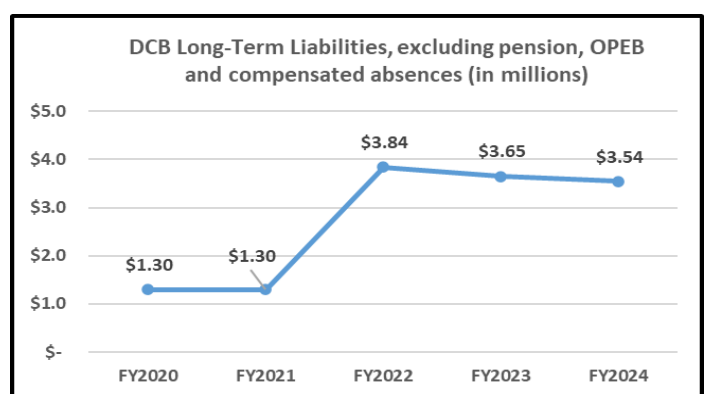
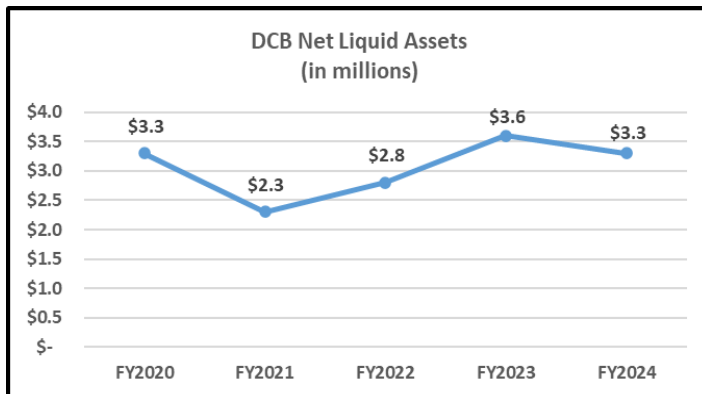
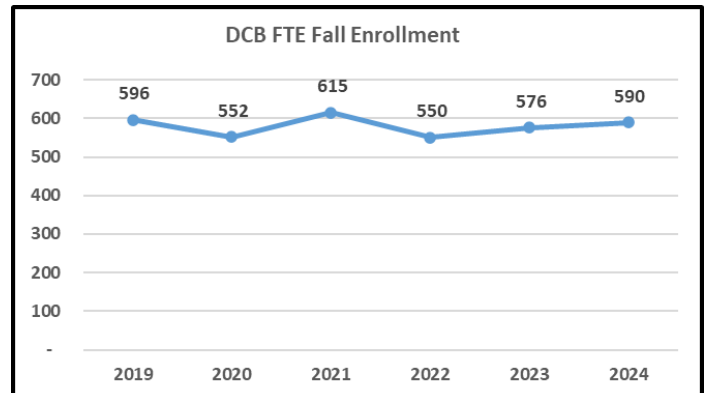
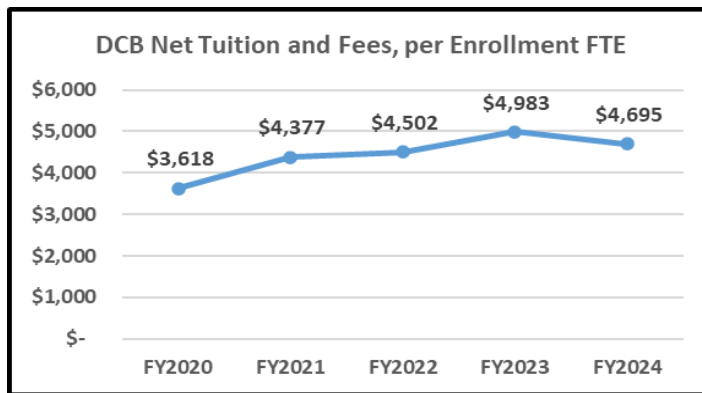
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Other Ratios:

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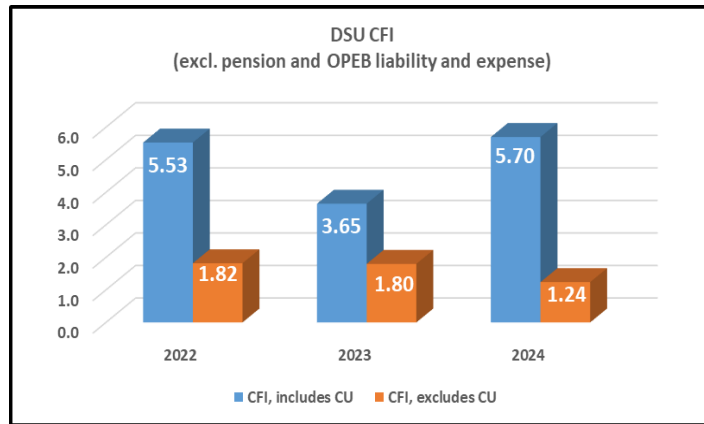




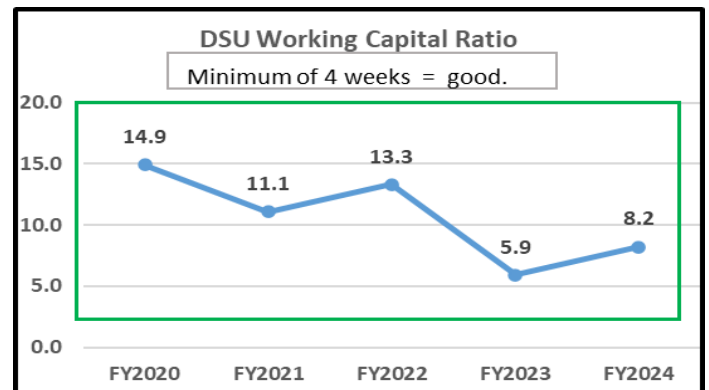
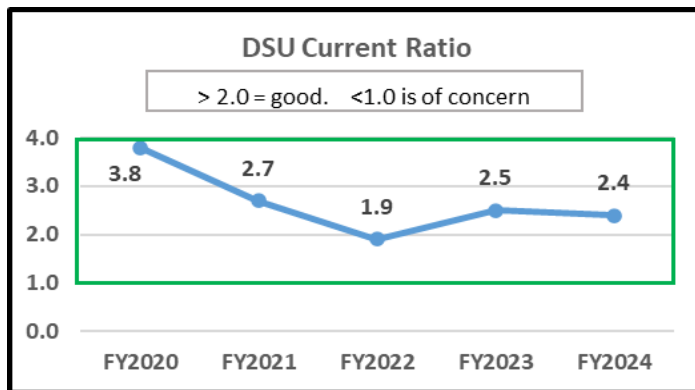
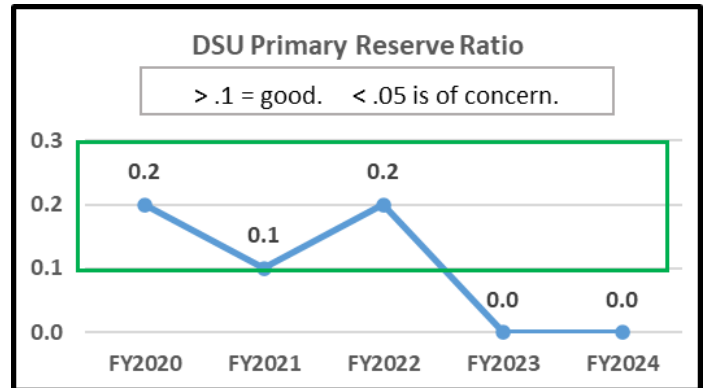
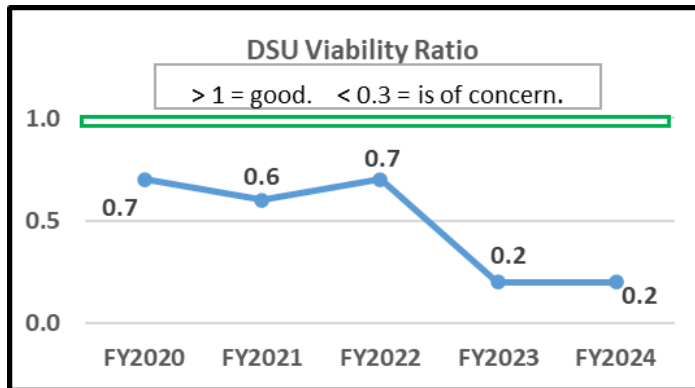
DCB Summary:

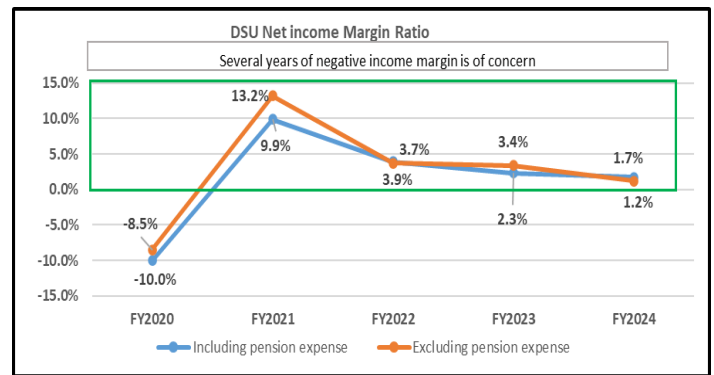
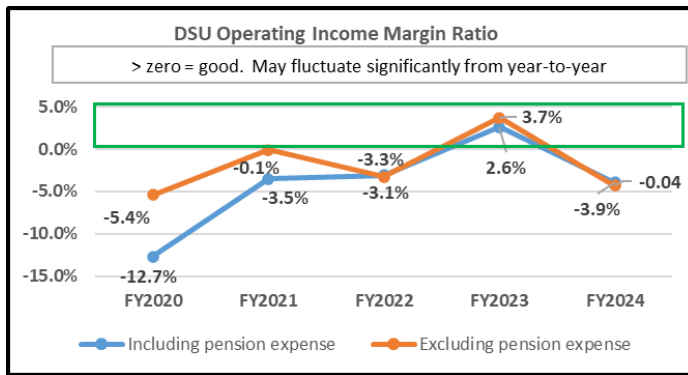
- CFI scores are solid.
- The viability ratio has been below 1.0 since fiscal year 2022 but it is not a concern at this time given DCB's strong CFI score. The decrease is the result of capital leases of \$1.3 million beginning in fiscal year 2022 for energy savings projects. Energy cost savings are expected to offset the lease payments.
- The operating income margin ratio has been negative for several years. The net income ratio has increased in fiscal years 2022, 2023 and 2024. For the three fiscal years, DCB received the following state appropriations and capital grants in gifts for the Old Main Renovation.
 - Fiscal year 2022: State appropriations-capital assets - \$458,000. Capital grants and gifts - \$131,000.
 - Fiscal year 2023: State appropriations-capital assets - \$1.5 million. Capital grants and gifts - \$1.5 million.
 - Fiscal year 2024: State appropriations-capital assets - \$409,000. Capital grants and gifts - \$1.1 million.
- Long-term liabilities increased \$2.5 million in fiscal year 2022 due to the issuance of Housing and Auxiliary Facilities Revenue Bonds that will mature in fiscal year 2046.

Dickinson State University (DSU)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
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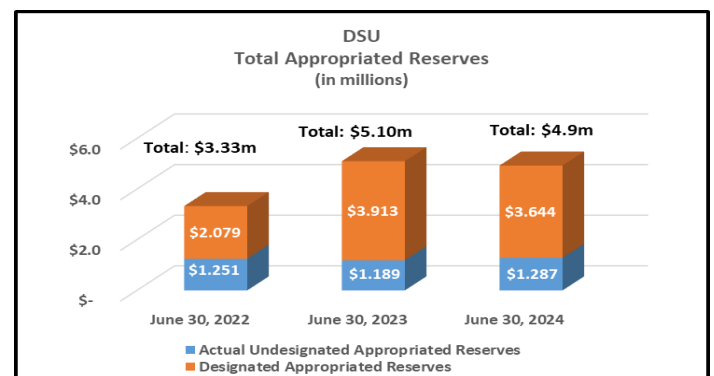
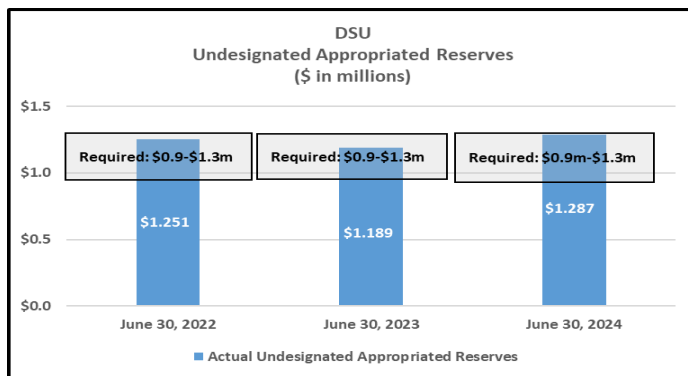


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

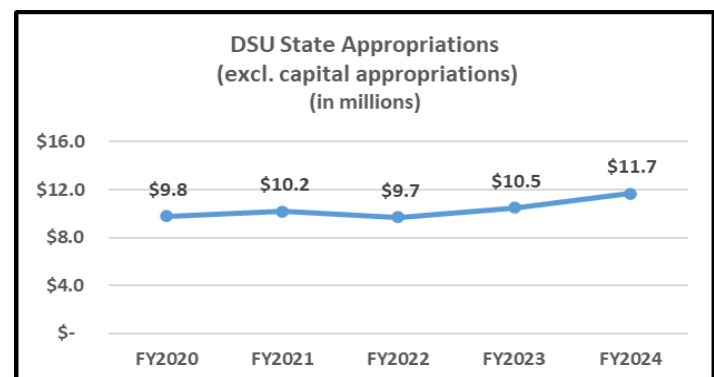
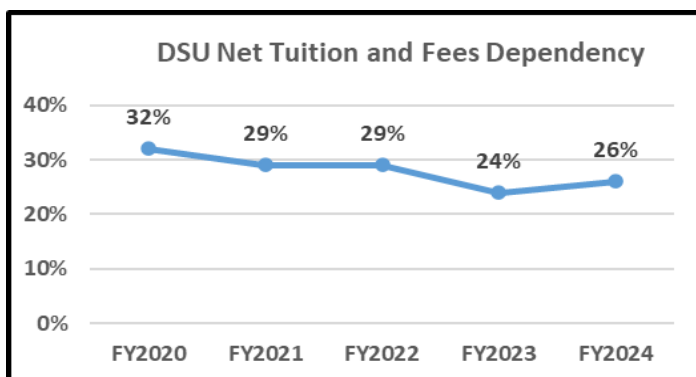
SBHE Policy 810. (1 a). **Undesignated Reserve** states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. DSU's undesignated appropriated reserves are at 6.9 percent for fiscal years 2024 and 7.0 percent for fiscal years 2023 and 2022.

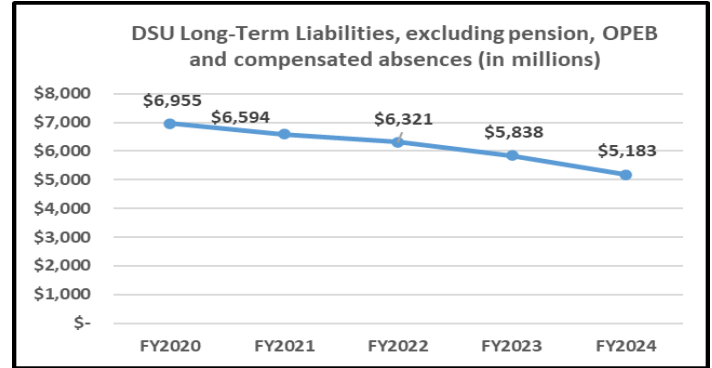
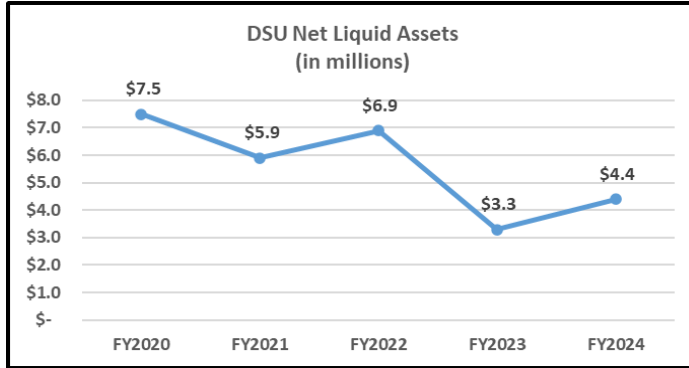
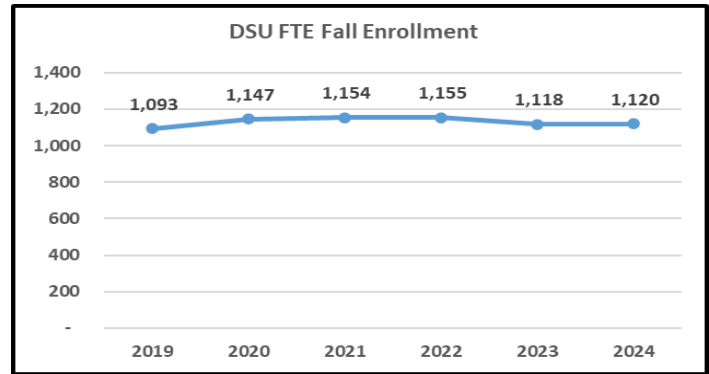
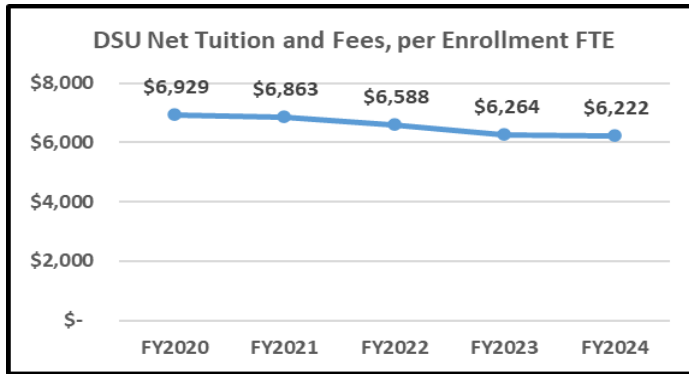
The information is presented on a cash basis.



Other Ratios:

No industry standard exists for the following ratios. They are presented here for informational purposes only.

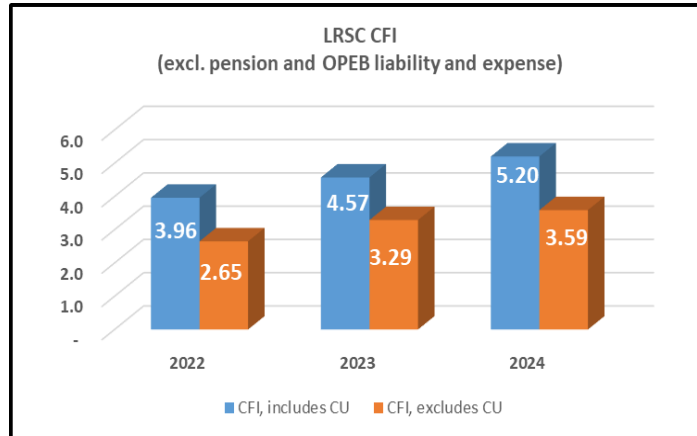




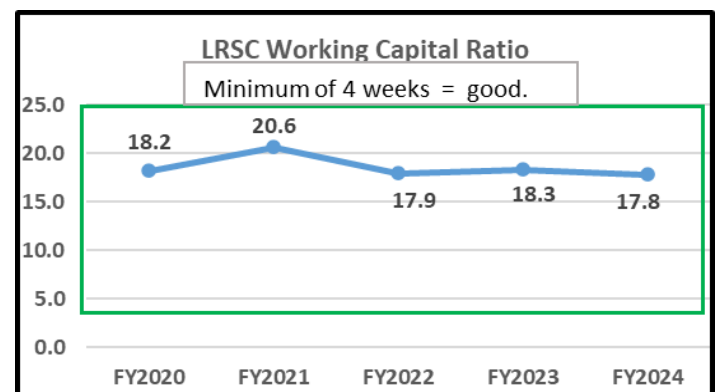
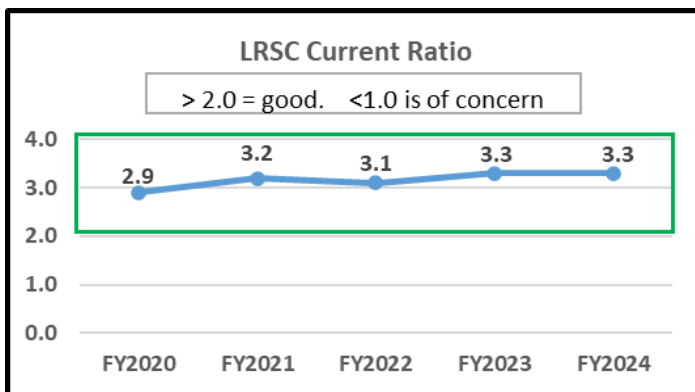
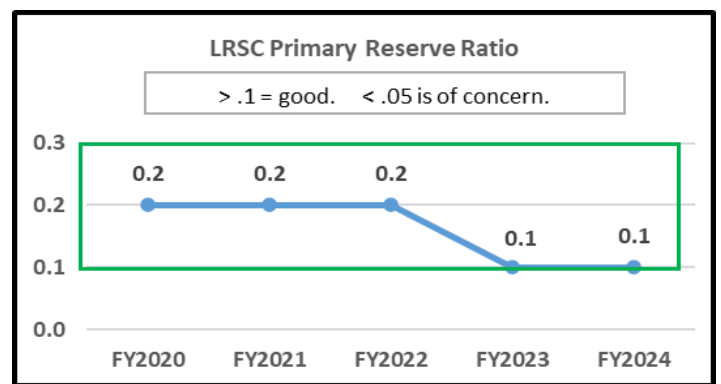
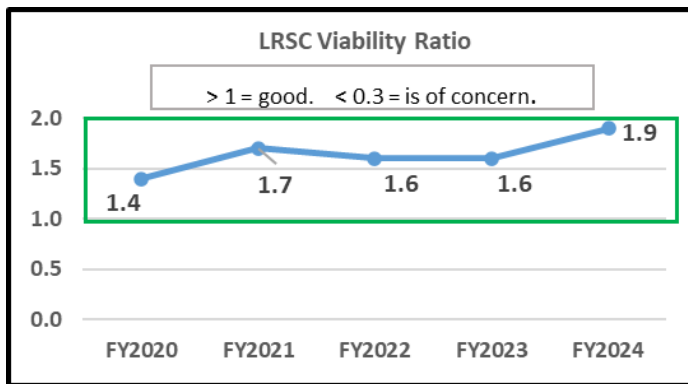
DSU Summary:

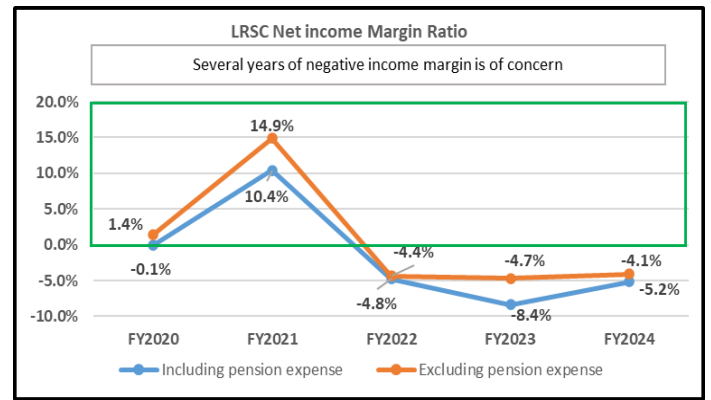
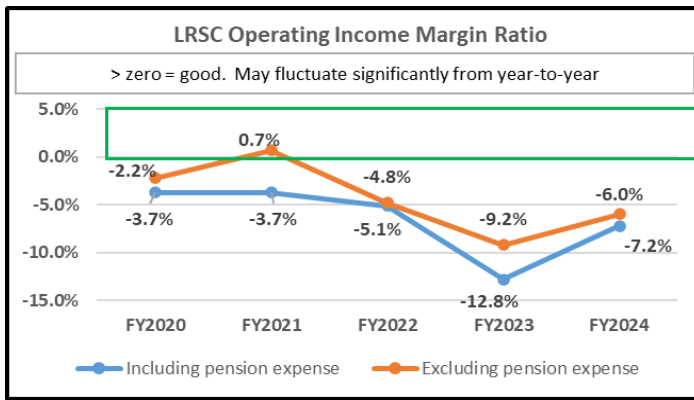
- DSU's CFI scores are solid.
- The viability ratio has been below 1.0 for the last five years. The primary ratio decreased to 0.0 in fiscal year 2024 and 2023. However, the current ratio and working capital ratio are strong.
- The operating income margin ratio, including and excluding pension expense, increased to above zero in fiscal year 2023 but has been below zero for the remaining fiscal years.
- The Fall 2024 enrollment was flat compared to the Fall 2023. FTE Fall 2023 enrollment of 1118 increased 6.0 percent compared to Fall 2019 enrollment of 1,093.

Lake Region State College (LRSC)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year



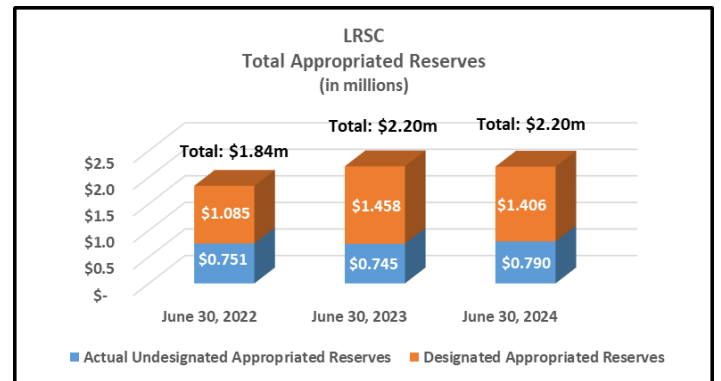
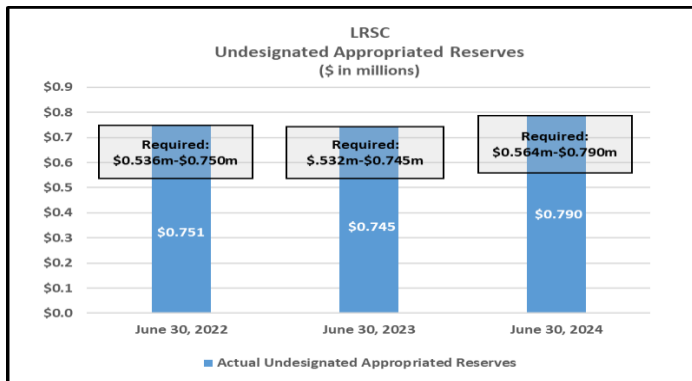


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

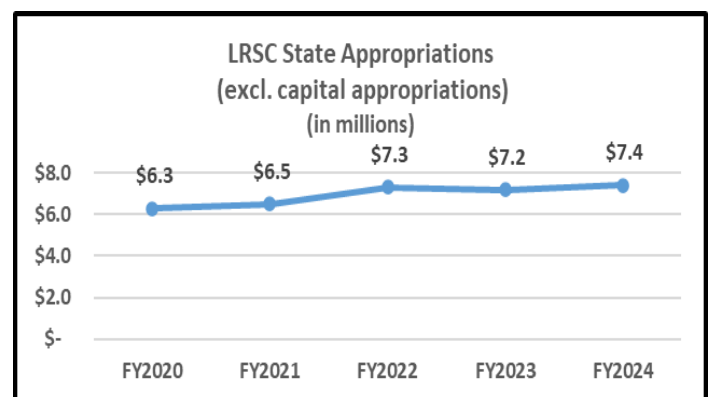
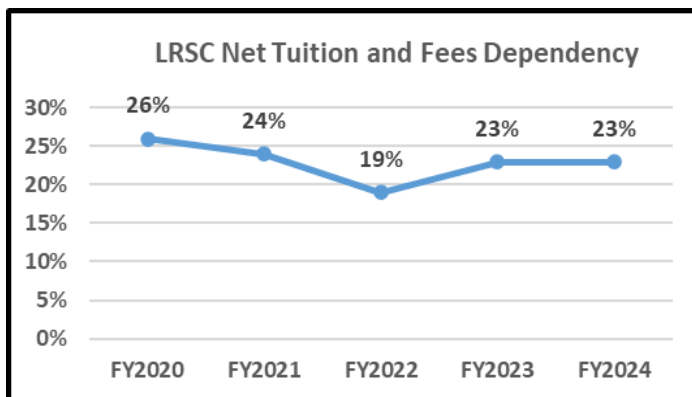
SBHE Policy 810. (1 a). **Undesignated Reserve** states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. LRSC's undesignated appropriated reserves are at 7.0 percent for fiscal years 2024, 2023 and 2022.

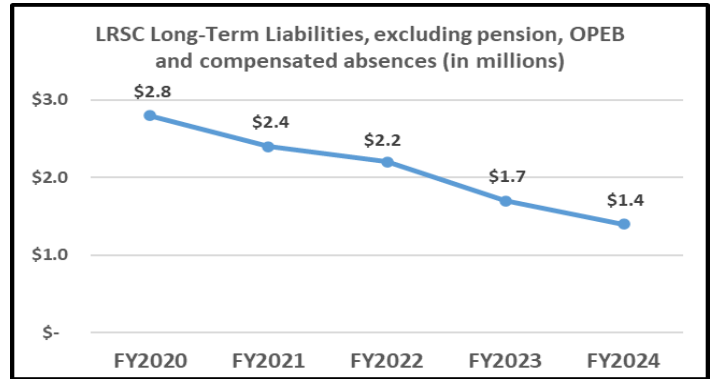
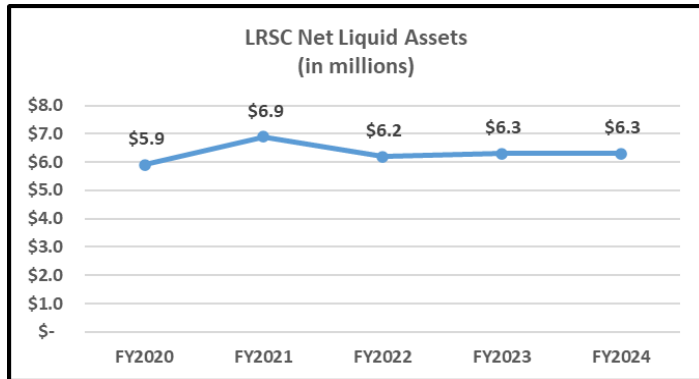
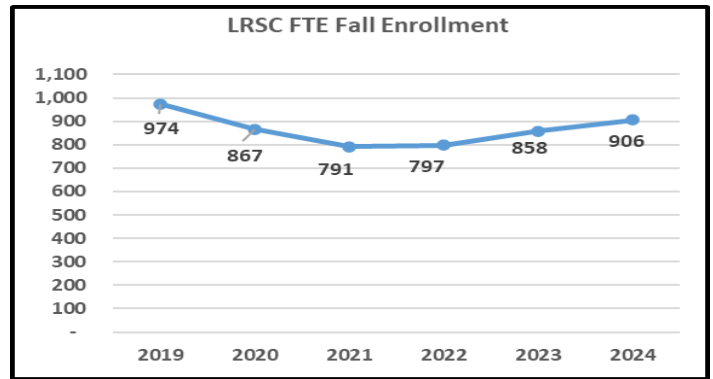
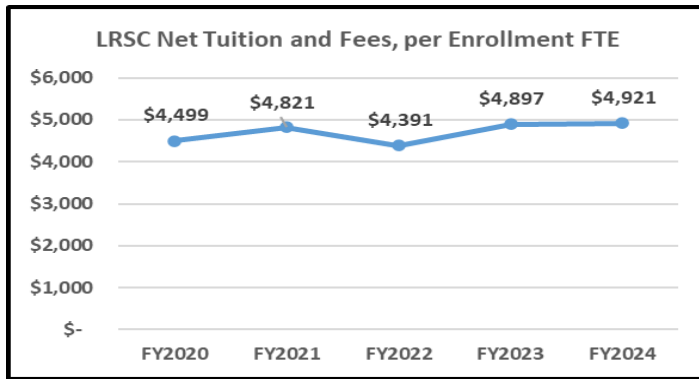
The information is presented on a cash basis.



Other Ratios:

No industry standard exists for the following ratios. They are presented here for informational purposes only.

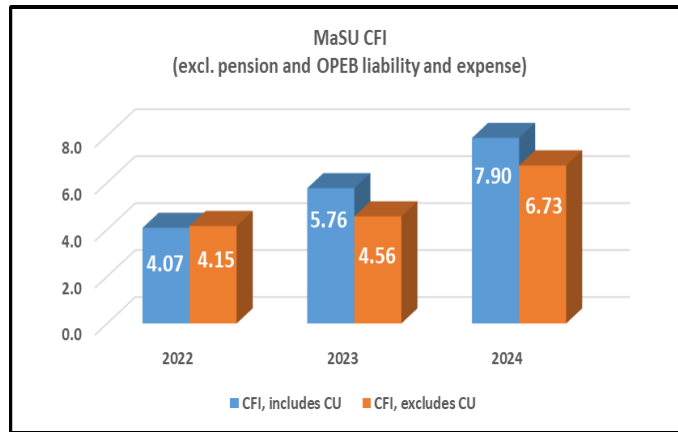




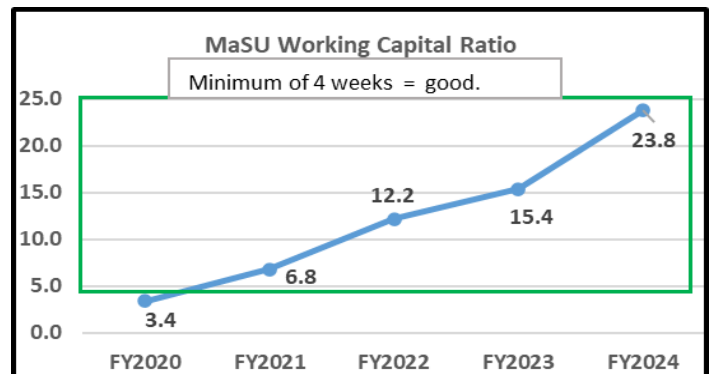
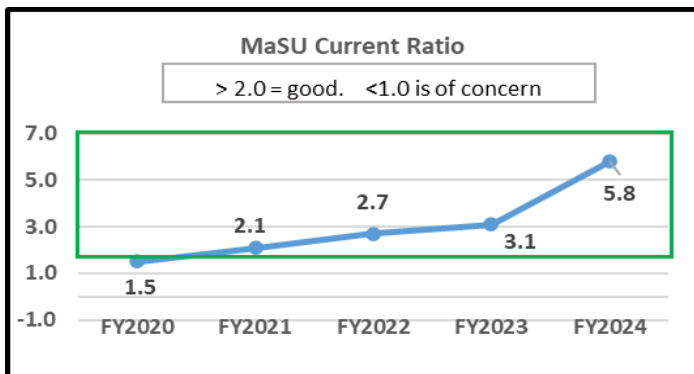
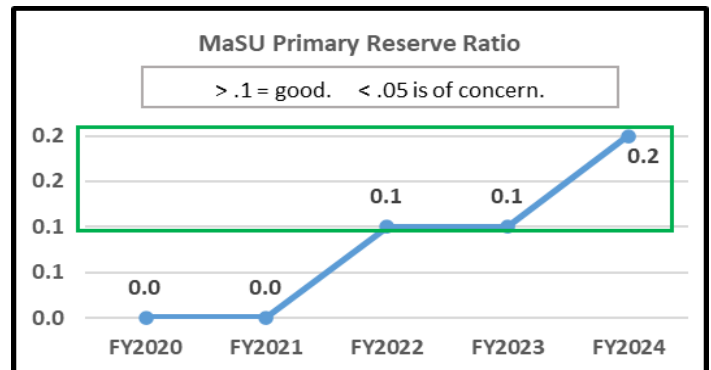
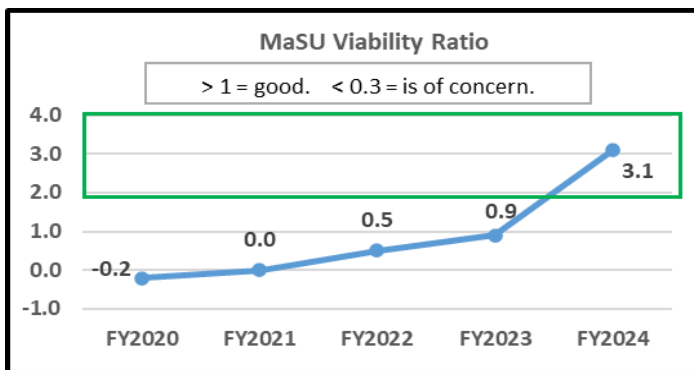
LRSC Summary:

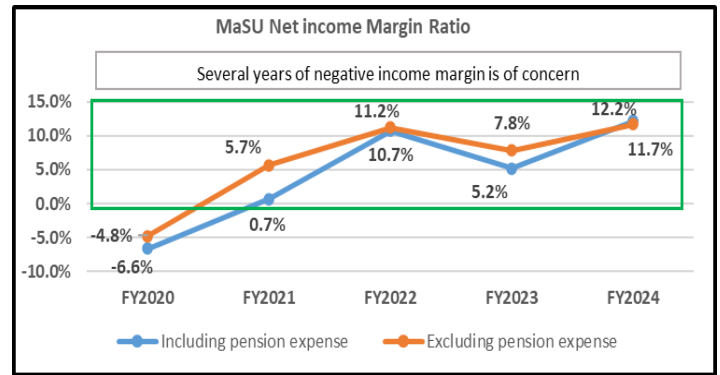
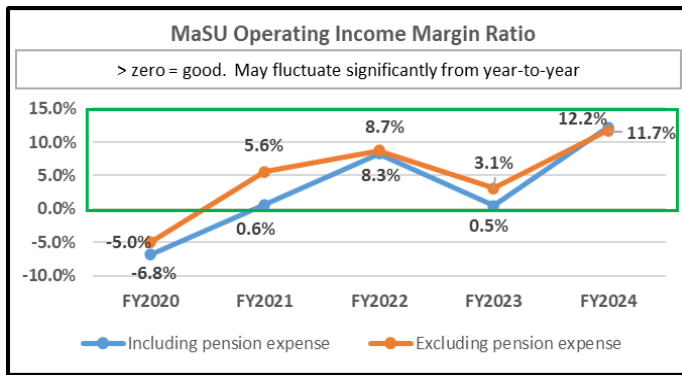
- CFI scores are solid.
- LRSC's viability ratio has increased in three of the last five fiscal years.
- All ratios continue to be good or very good, with the exception of the operating income margin ratio and the net income margin ratio. However, it is not a concern at this time given the strength of the other ratios and CFI scores.
- Fall 2024 enrollment of 906 increased 5.6 percent compared to Fall 2023. Fall 2023 FTE Enrollment of 858 decreased by 116 or 11.9 percent from Fall 2019.

Mayville State University (MaSU)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year



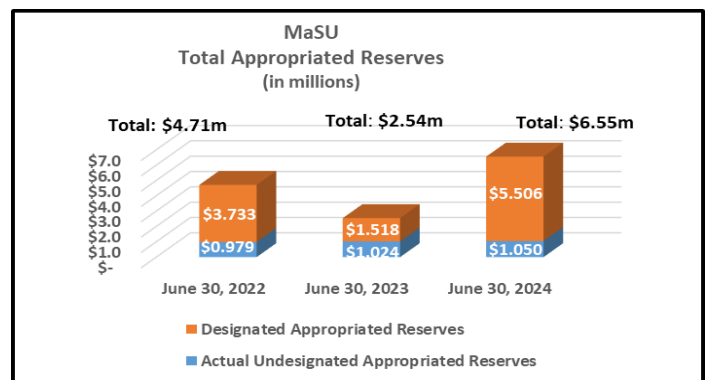
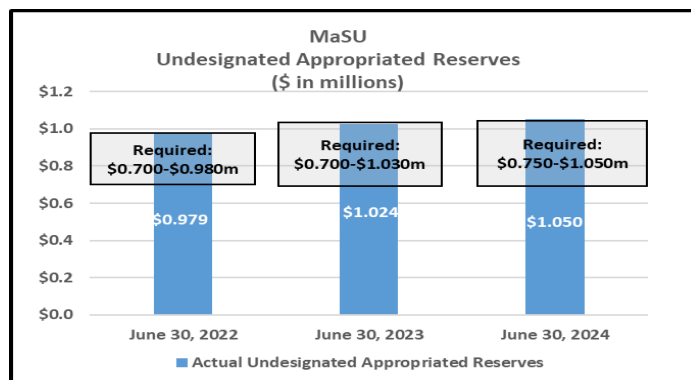


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

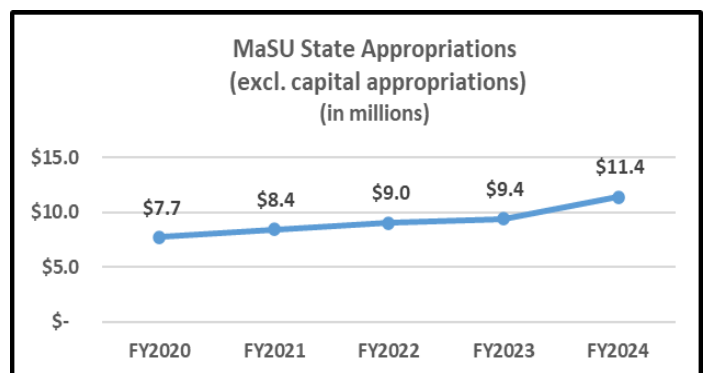
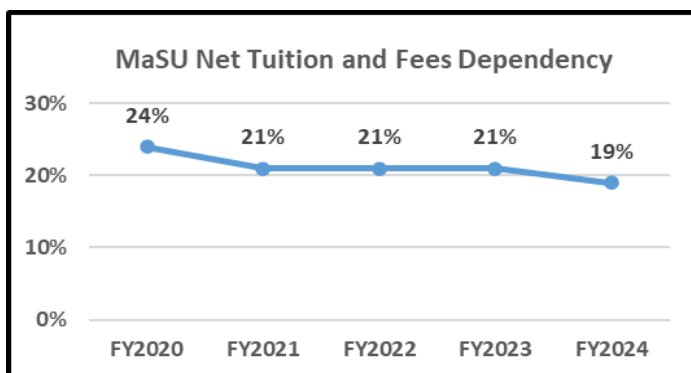
SBHE Policy 810. (1 a). **Undesignated Reserve** states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. MaSU's undesignated appropriated reserves are at 7.0 percent for fiscal years 2024, 2023 and 2022.

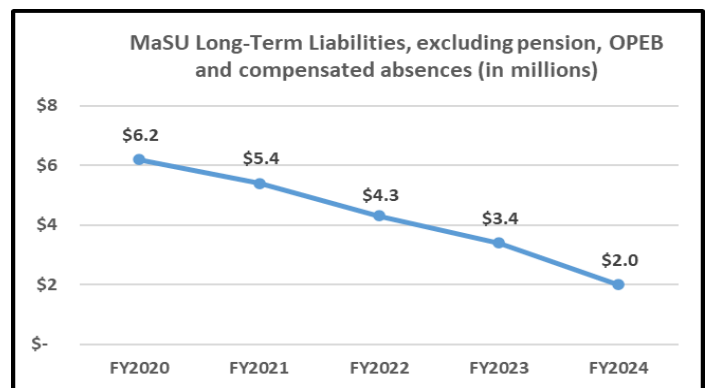
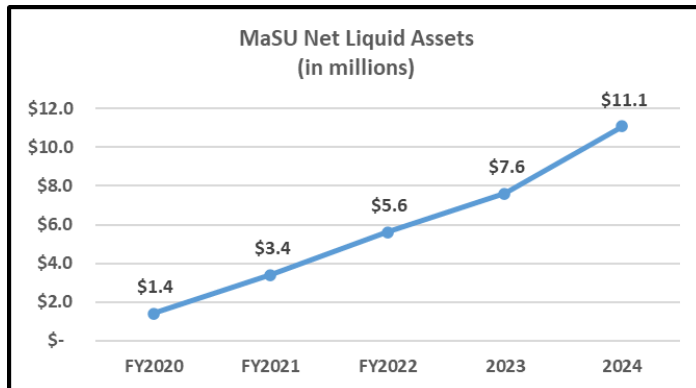
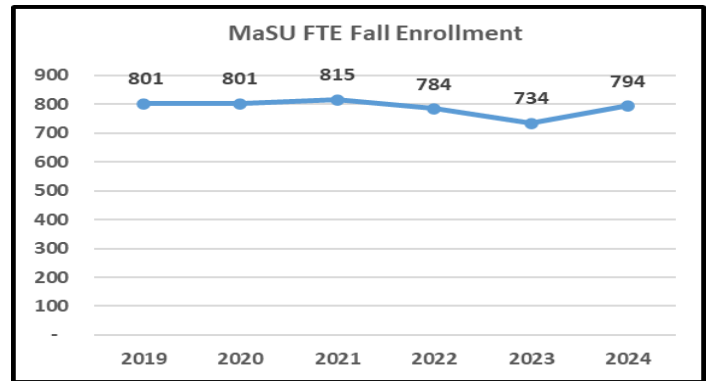
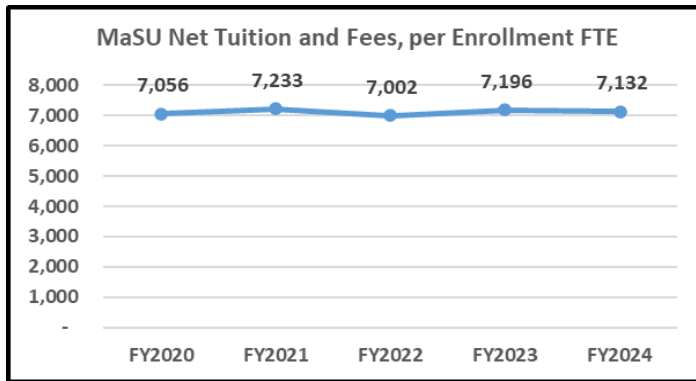
The information is presented on a cash basis.



Other Ratios:

No industry standard exists for the following ratios. They are presented here for informational purposes only.

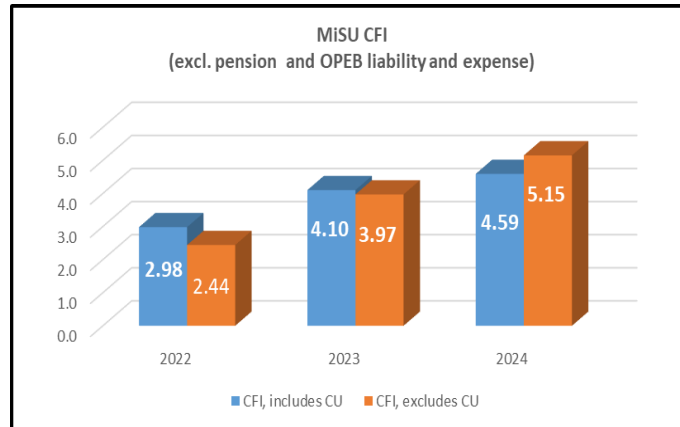




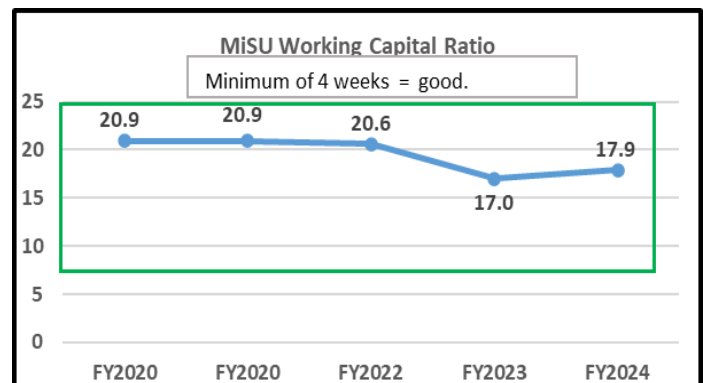
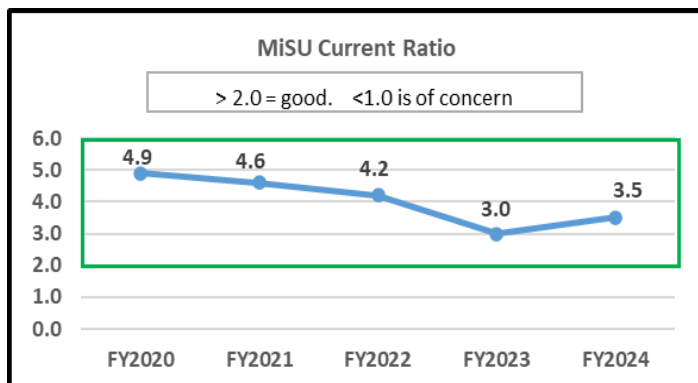
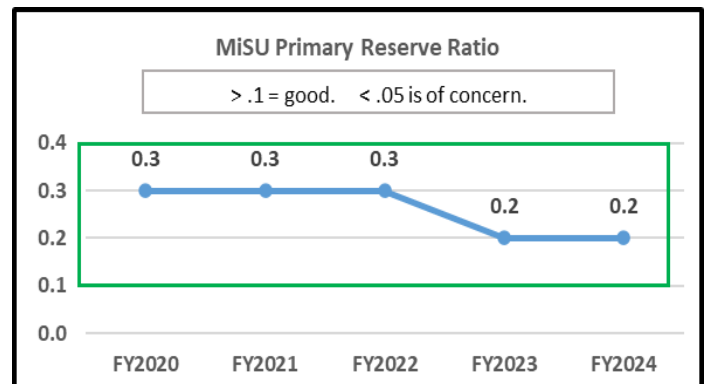
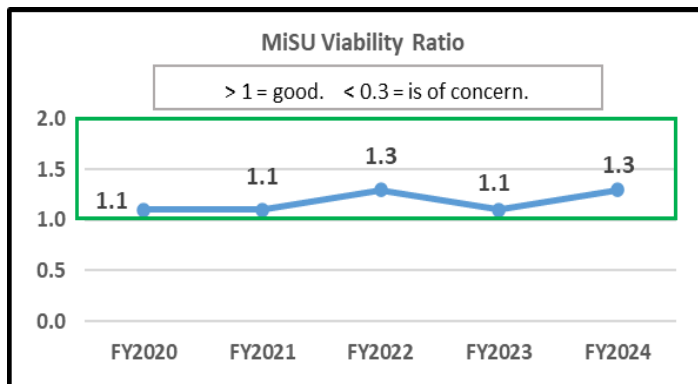
MaSU Summary:

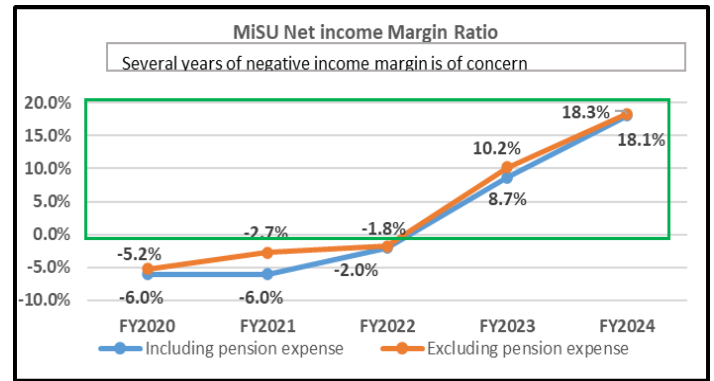
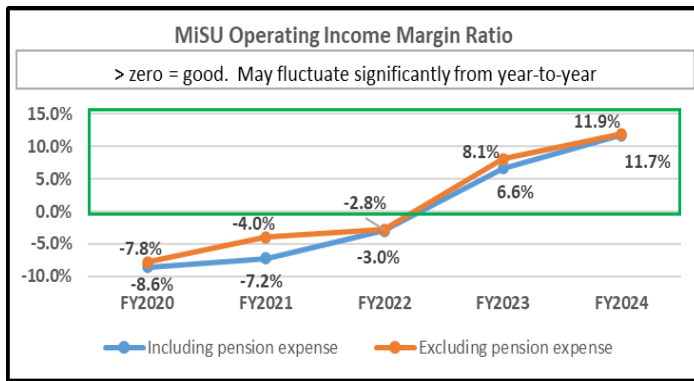
- CFI scores are solid.
- The operating income and net income margin, including and excluding pension expense, have been above zero since fiscal year 2021.
- Fall 2023 enrollment increased 8.2 percent to 794 compared to Fall 2023. Fall enrollment has decreased every year since 2021.

Minot State University (MiSU)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year



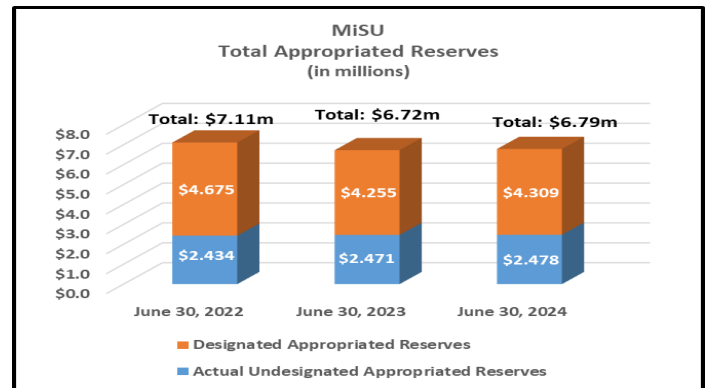
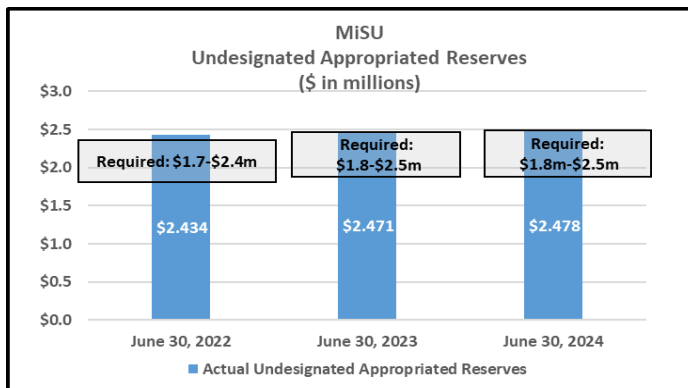


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

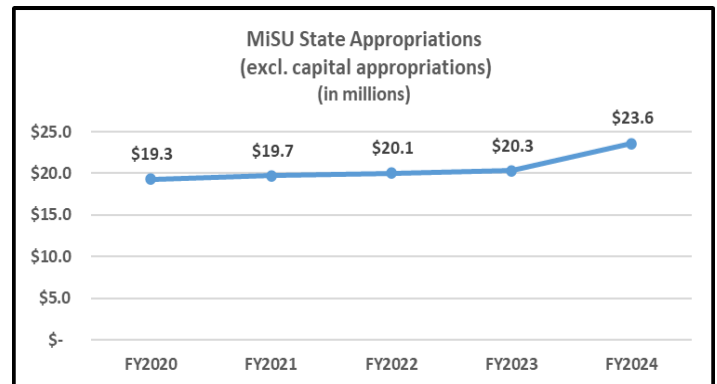
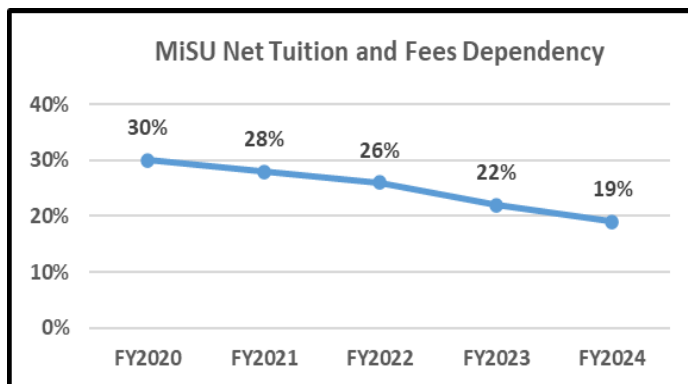
SBHE Policy 810. (1 a). Undesignated Reserve states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. MiSU's undesignated appropriated reserves are at 7.0 percent for fiscal years 2024, 2023 and 2022.

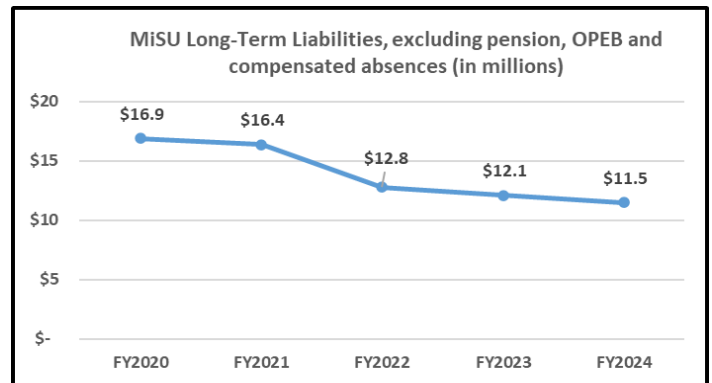
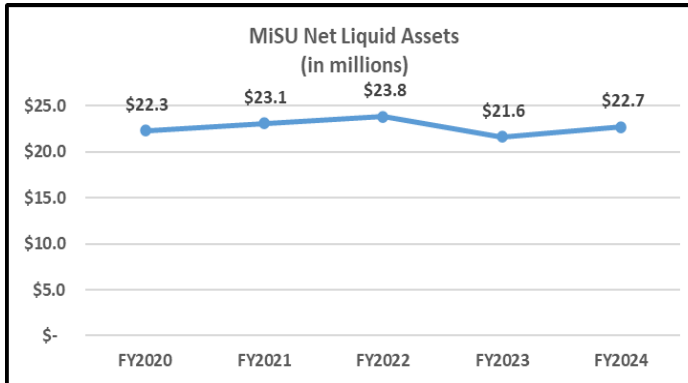
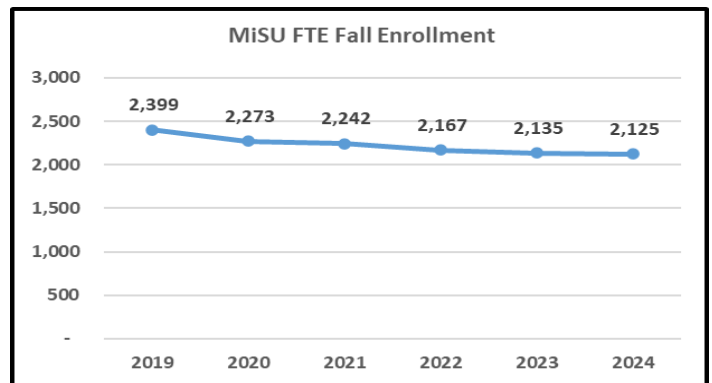
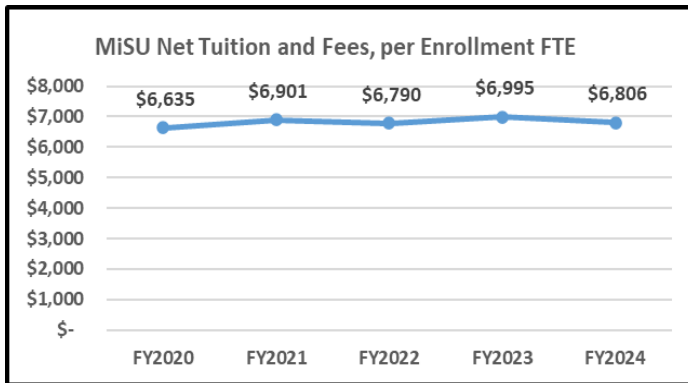
The information is presented on a cash basis.



Other Ratios:

No industry standard exists for the following ratios. They are presented here for informational purposes only.

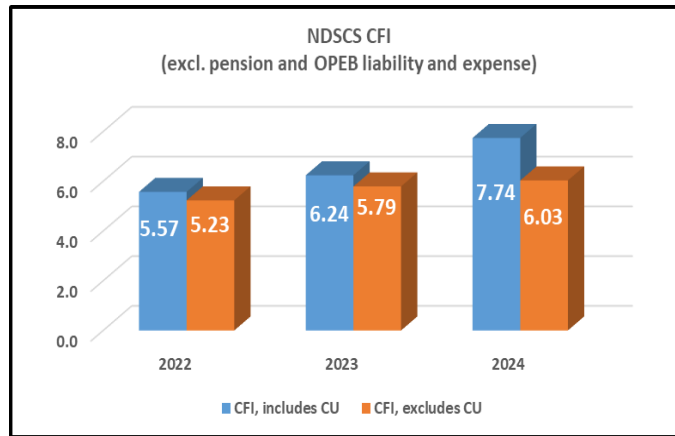




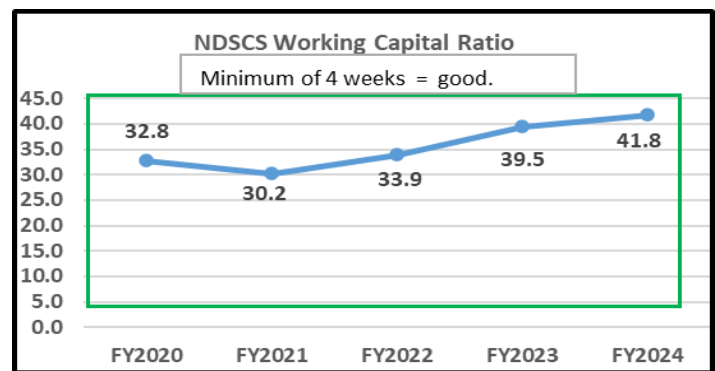
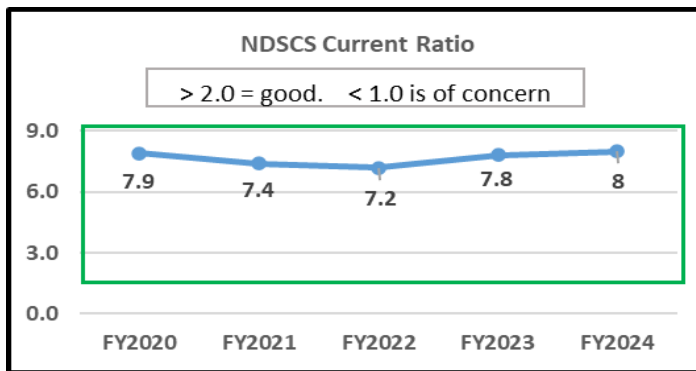
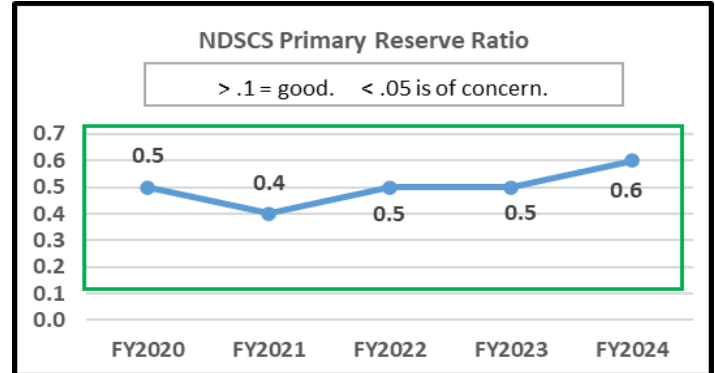
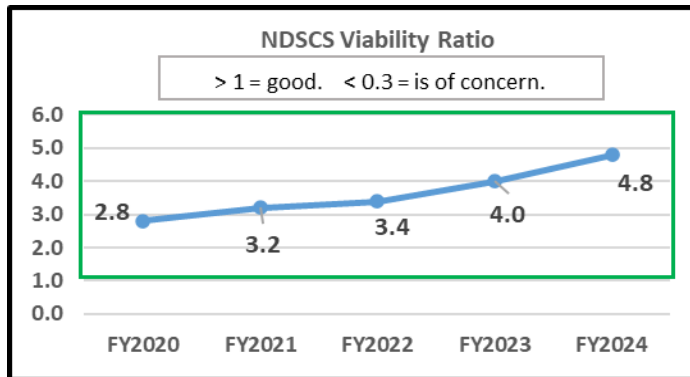
MISU Summary:

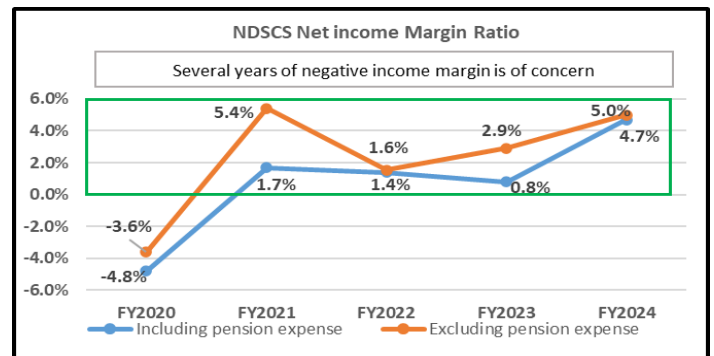
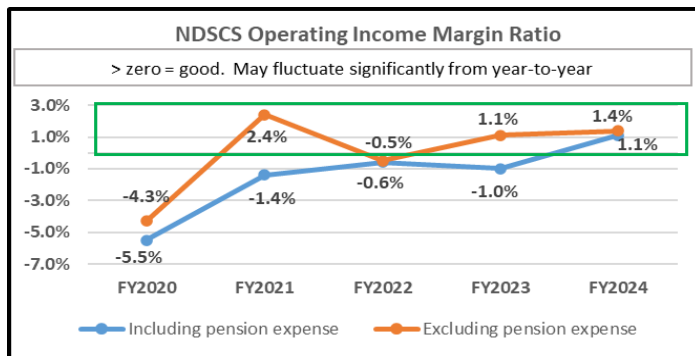
- CFI scores are solid.
- The ratios are all within the acceptable.
- The operating income margin and net income margin have increased since fiscal year 2022 and both are above zero in fiscal year 2024 and 2023.
- Fall enrollment decreased each year since fiscal year 2019. The Fall 2023 enrollment decreased 11.0 percent to 2,135 compared Fall 2019. Fall 2024 enrollment decreased slightly to 2,125 compared to Fall 2023.

North Dakota State College of Science (NDSCS)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year



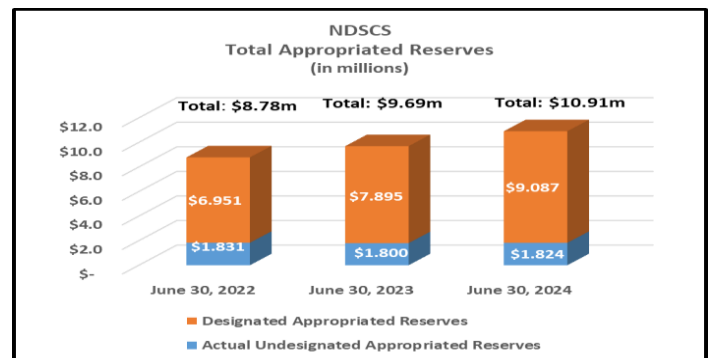
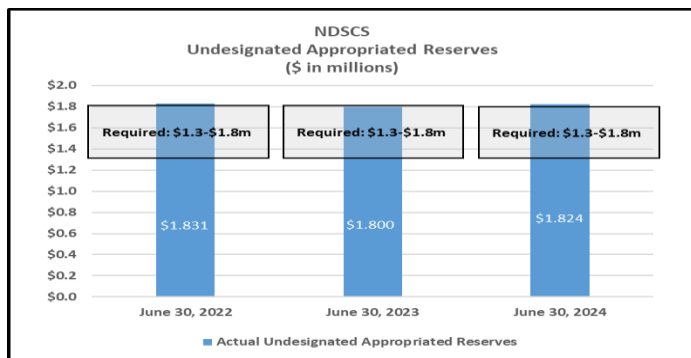


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

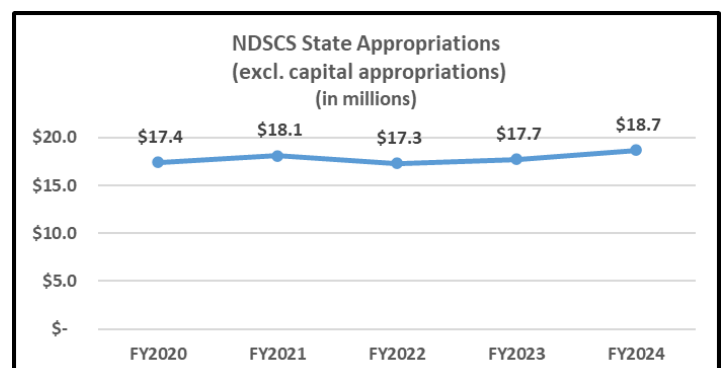
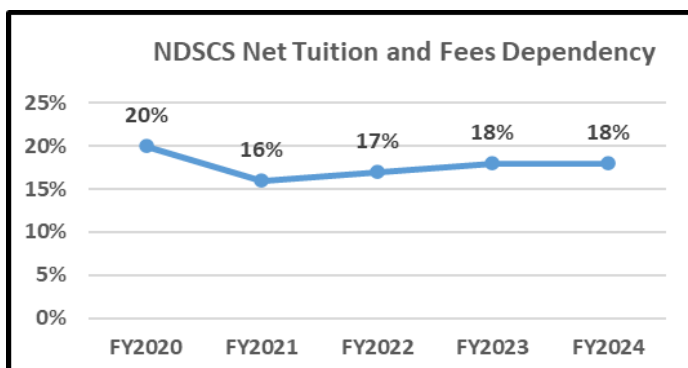
SBHE Policy 810. (1 a). **Undesignated Reserve** states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. NDSCS's undesignated appropriated reserves are at 7.0 percent for fiscal years 2024, 2023 and 2022.

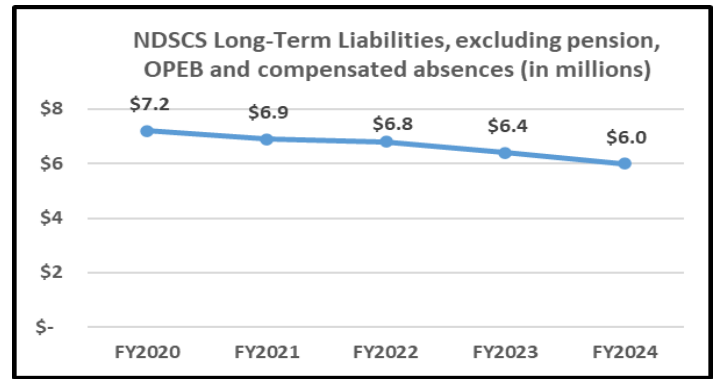
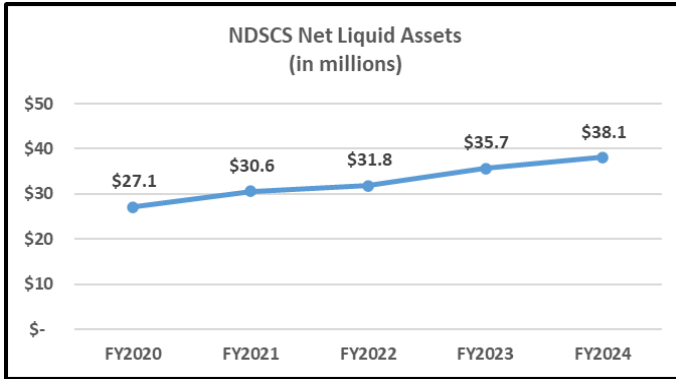
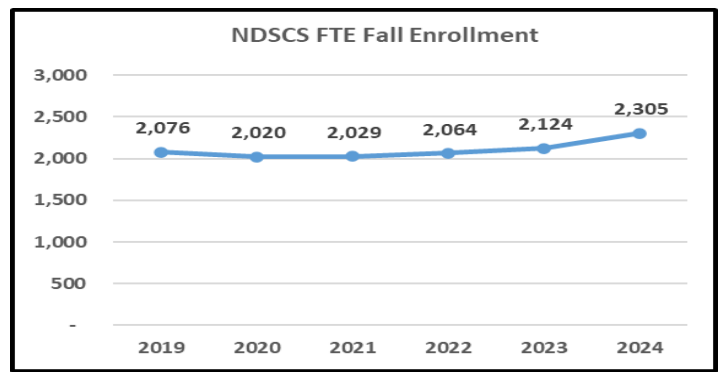
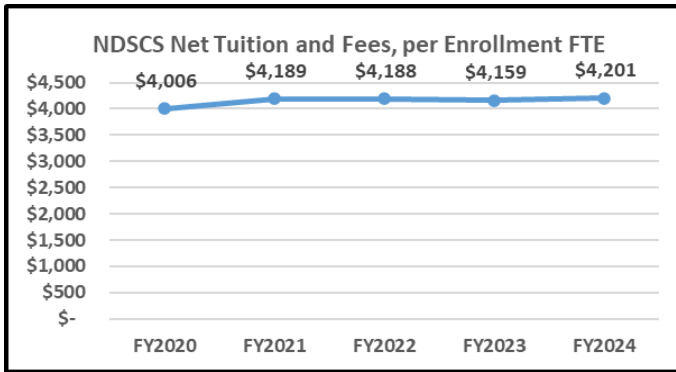
The information is presented on a cash basis.



Other Ratios:

No industry standard exists for the following ratios. They are presented here for informational purposes only.

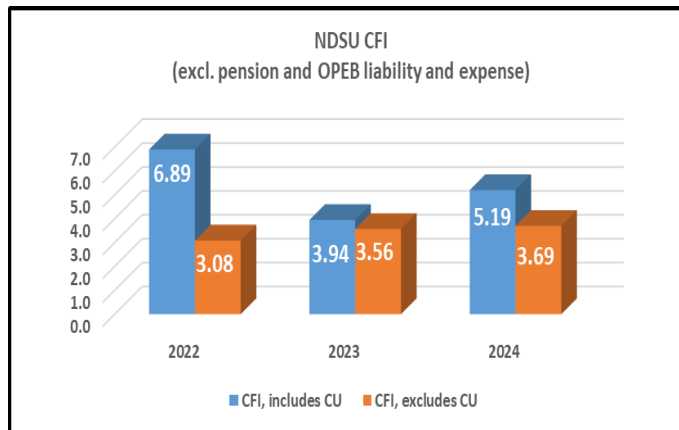




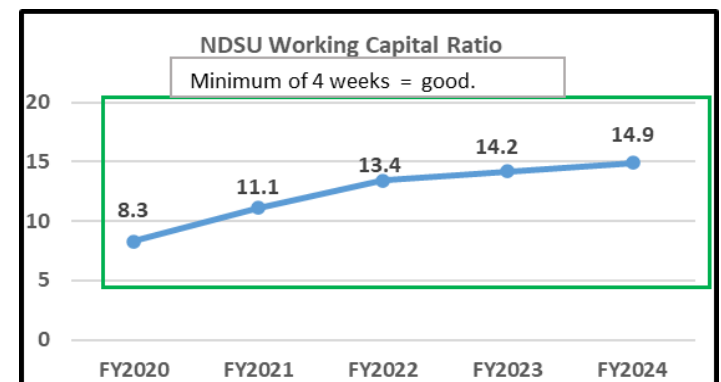
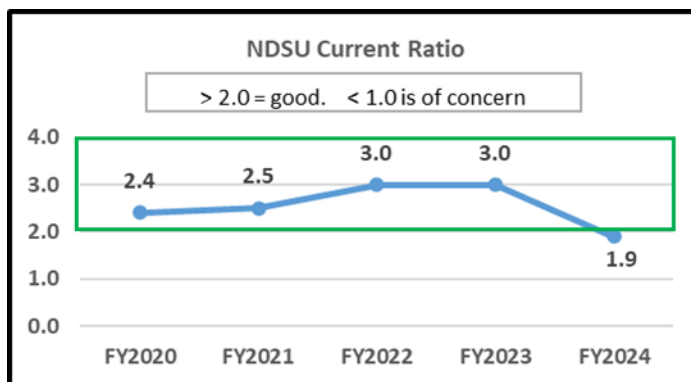
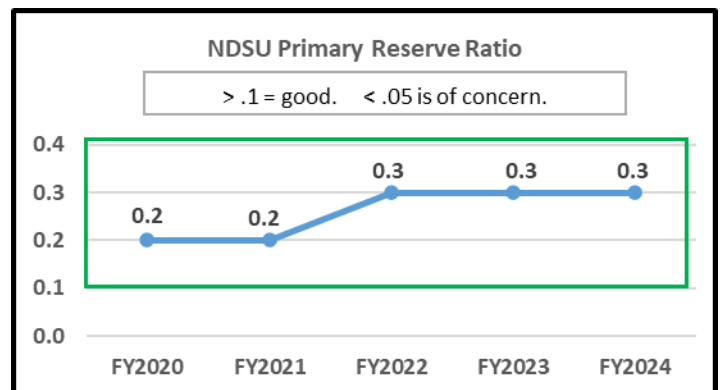
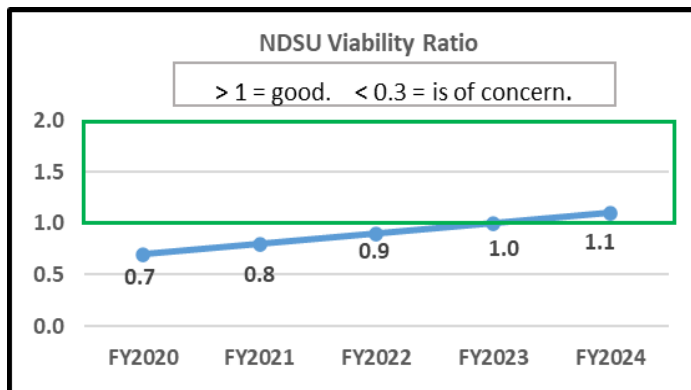
NDSCS Summary:

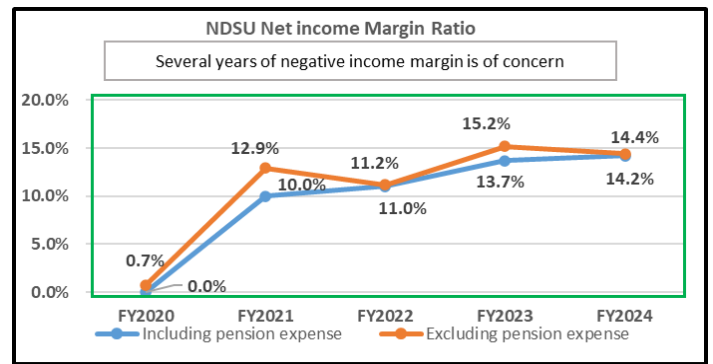
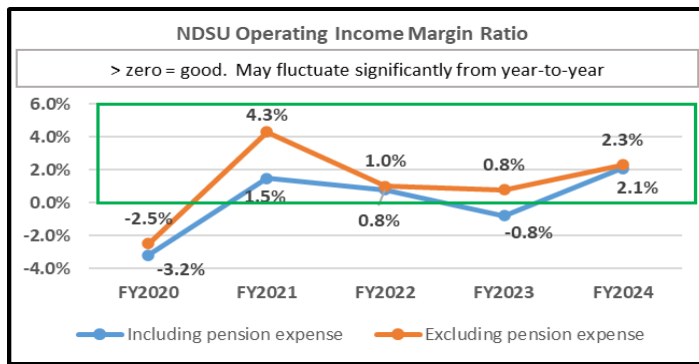
- CFI scores are solid.
- All other ratios are good or very good.
- Fall enrollment has increased steadily since Fall 2021. The Fall 2024 enrollment increased by 181 or 8.5 percent compared to Fall 2023. The Fall 2023 enrollment increased 2.3 percent compared to Fall 2019.

North Dakota State University (NDSU)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year



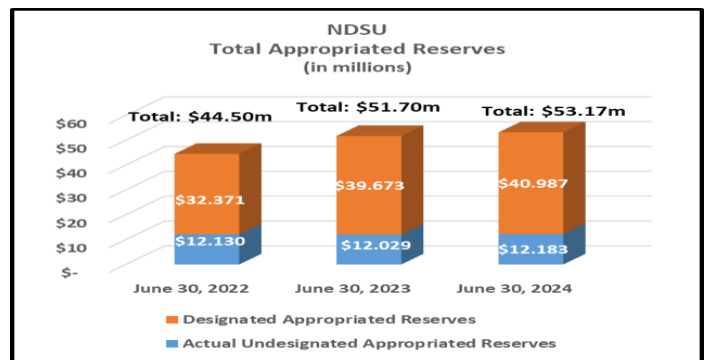
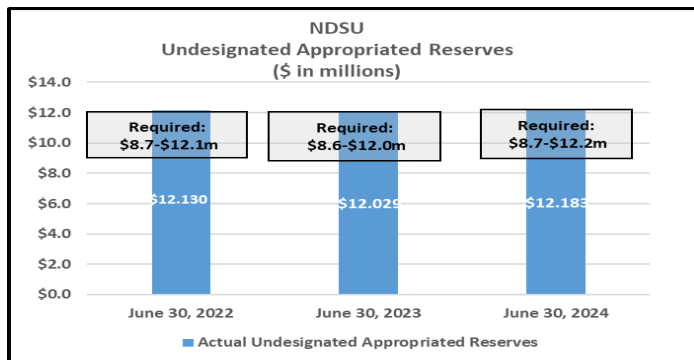


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

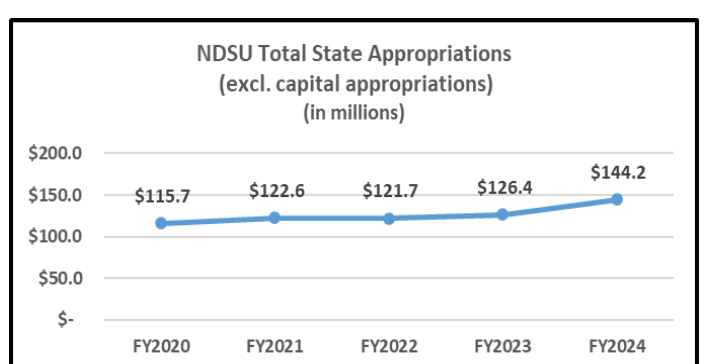
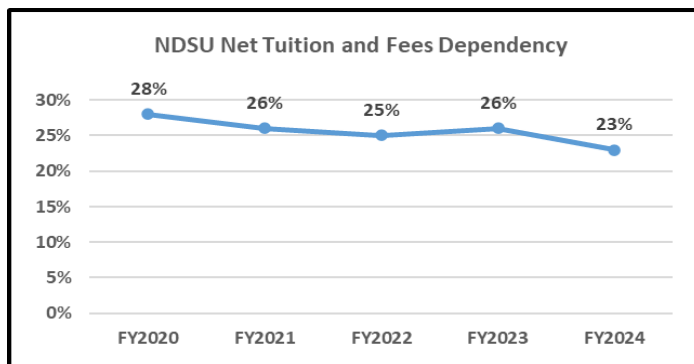
SBHE Policy 810. (1 a). **Undesignated Reserve** states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. NDSU's undesignated appropriated reserves are at 7.0 percent for fiscal years 2024, 2023 and 2022.

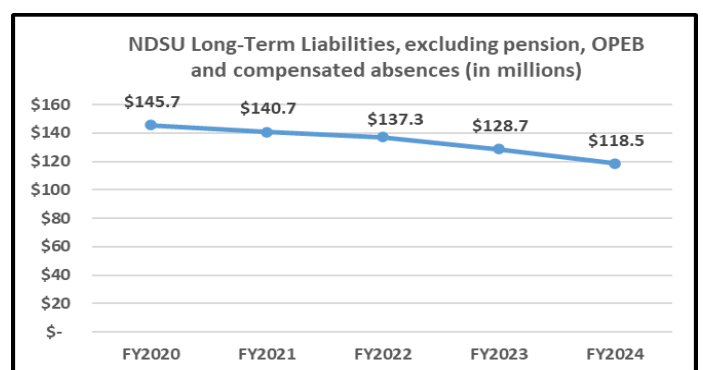
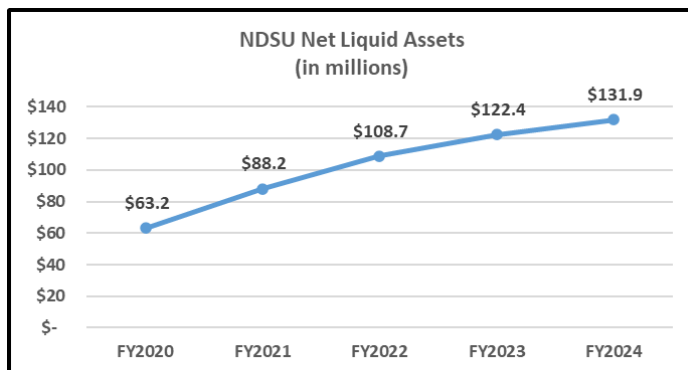
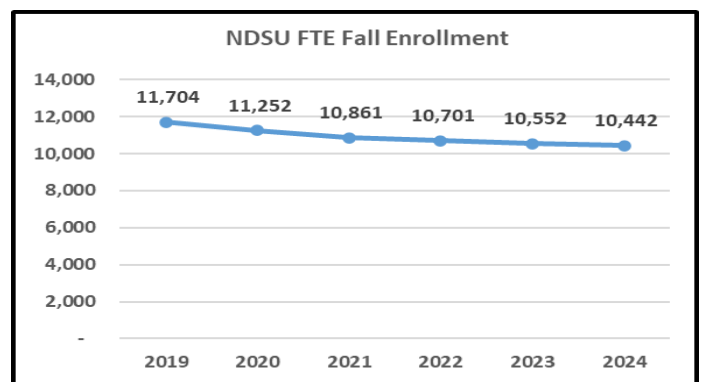
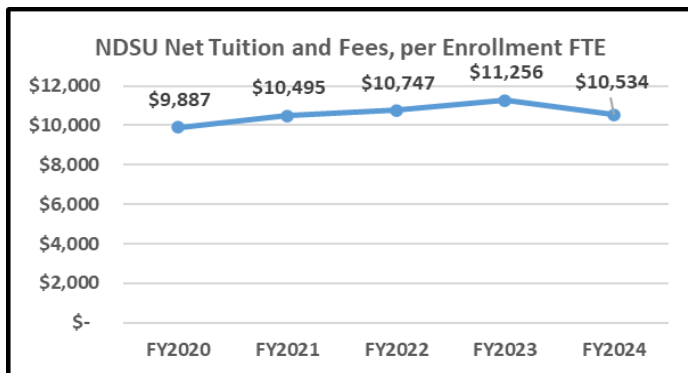
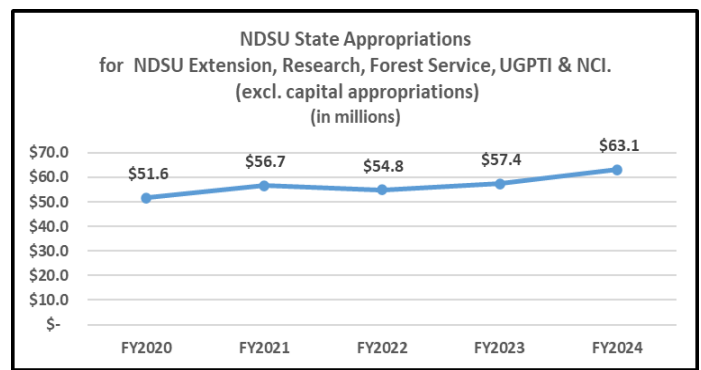
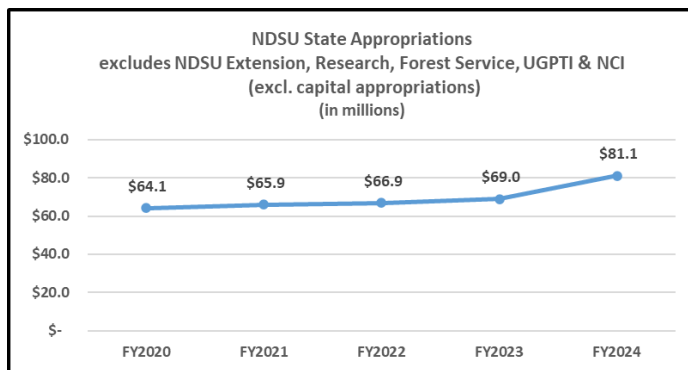
The information is presented on a cash basis.



Other Ratios:

No industry standard exists for the following ratios. They are presented here for informational purposes only.



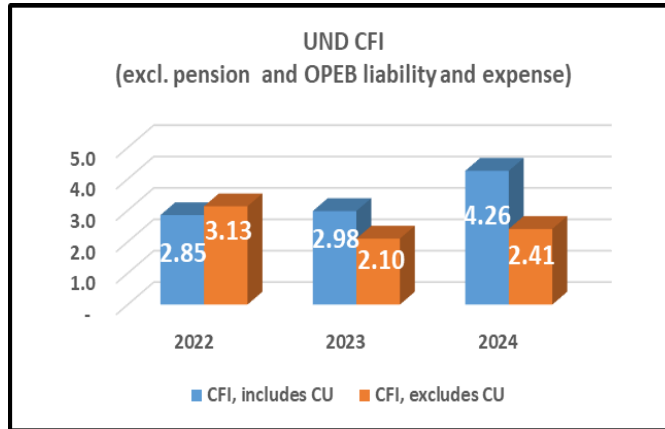


NDSU Summary:

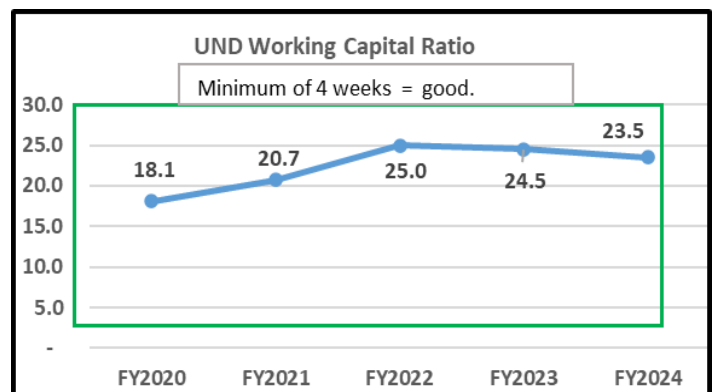
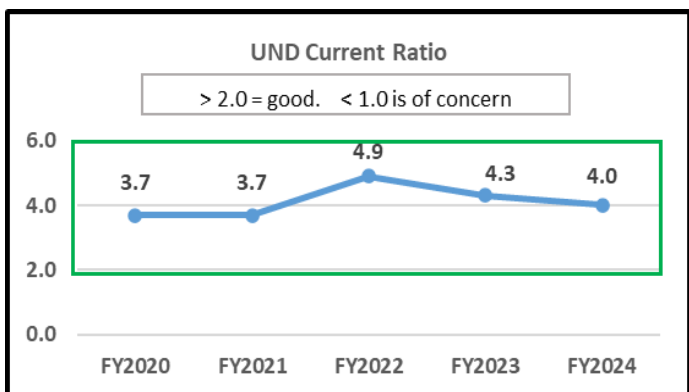
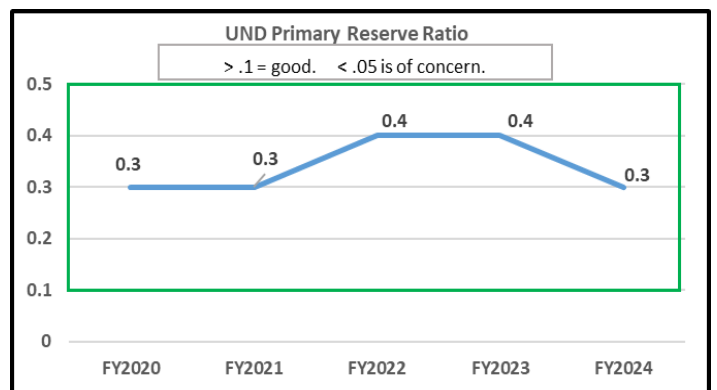
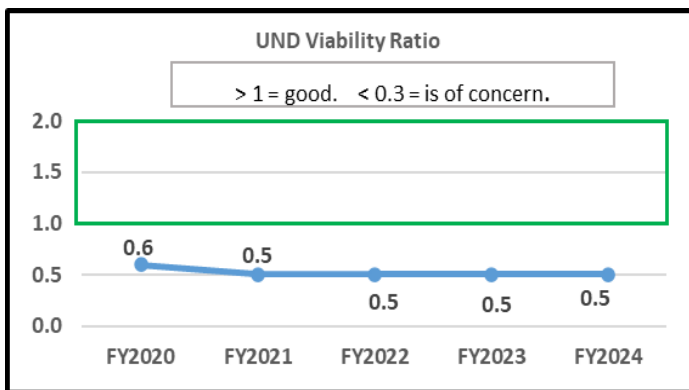
- CFI scores are solid.
- The ratios are good or very good.
- The Fall 2024 enrollment of 10,442 was flat compared to the Fall 2023 enrollment. Fall 2023 FTE Enrollment declined by 1,152 or 9.8 percent compared to Fall 2019. Enrollment has declined each year since Fall 2018.
- Standard & Poor's affirmed its 'AA-' rating with a stable outlook in a report dated November 15, 2024. According to S&P, "We assessed NDSU's enterprise risk profile as very strong, characterized by healthy matriculation rates, good geographic diversity, and the university's position as a flagship and land-grant institution in North Dakota. These strengths are somewhat offset, in our view, by improved but below median retention rates and small decreases in full-time equivalent (FTE) enrollment over the last three years. We assessed the university's financial risk profile as very strong, characterized by solid financial resources, good state funding environment, and a low debt burden."

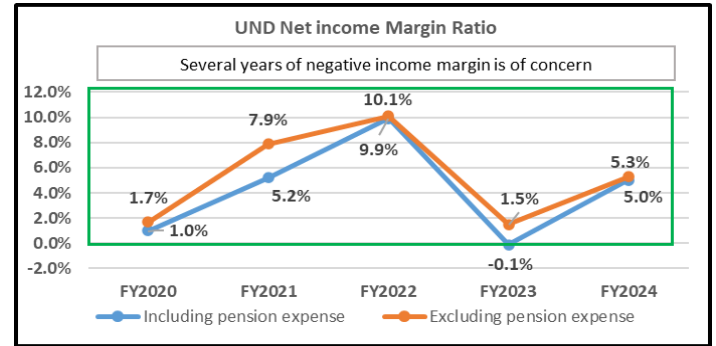
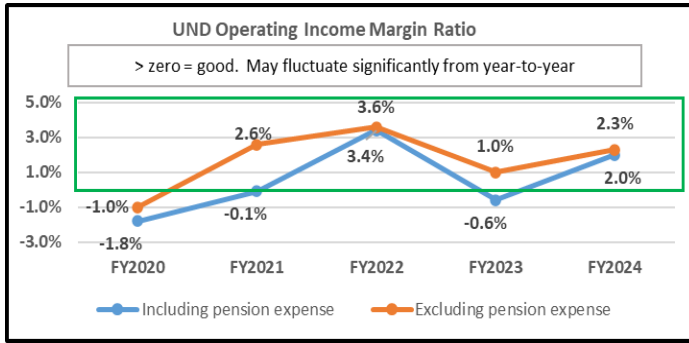
- Moody's Investors Service affirmed NDSU's Aa3 stable issuer rating in a report dated February 10, 2025. According to Moody's, "The credit quality is supported by a very good regional brand and market position. NDSU is a top research institution within its five-state region and has \$488 million operating scope that includes expanding STEM programing and research. Moody's also reported "NDSU maintains stable annual operating performance through a diverse mix of steady revenue streams and a disciplined financial management team with sound budgeting practices including responsibility centered management." and, "NDSU has a history of good budget and capital management. Additionally, the university has low-direct debt leverage and good asset diversity at its affiliate foundation."

University of North Dakota (UND)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year



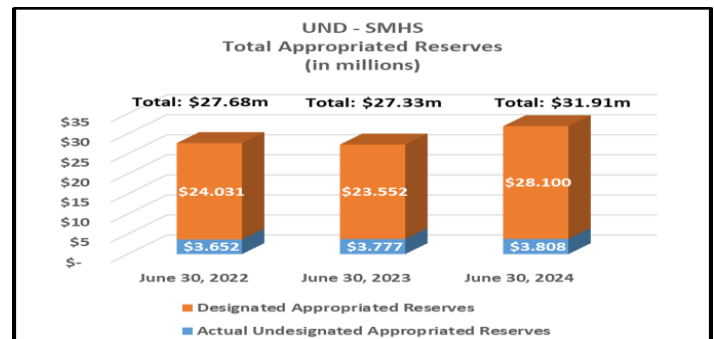
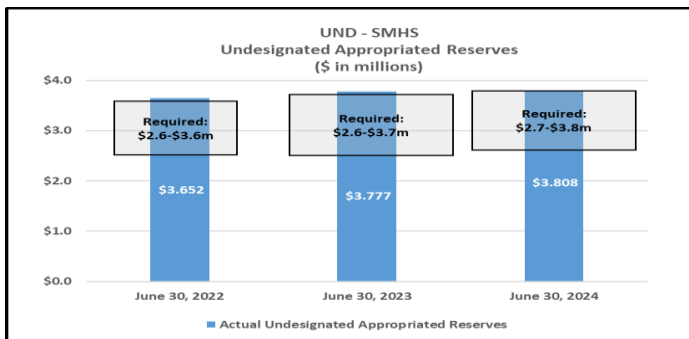
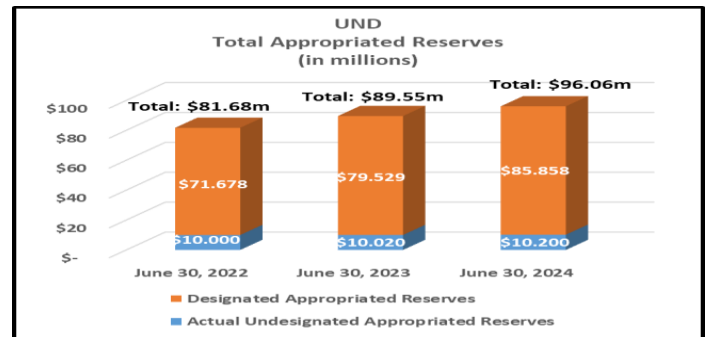
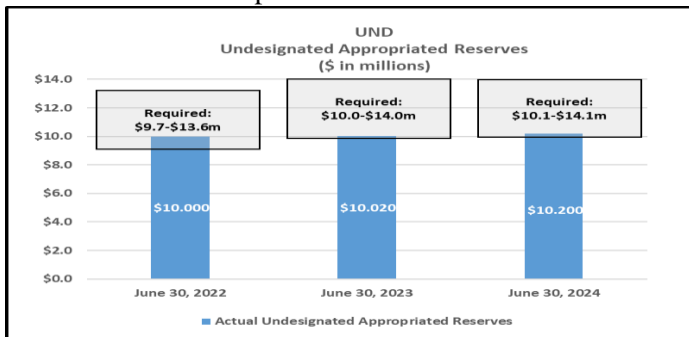


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

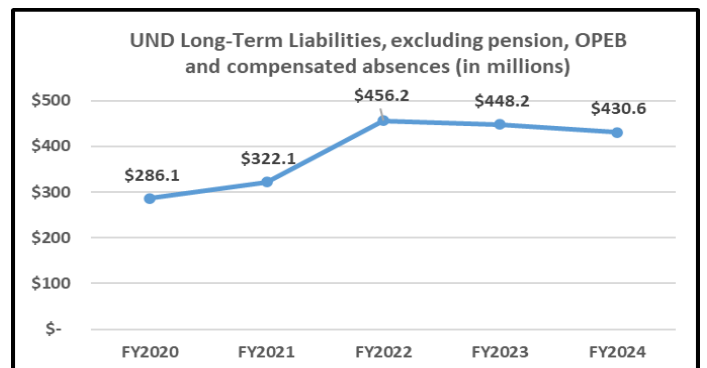
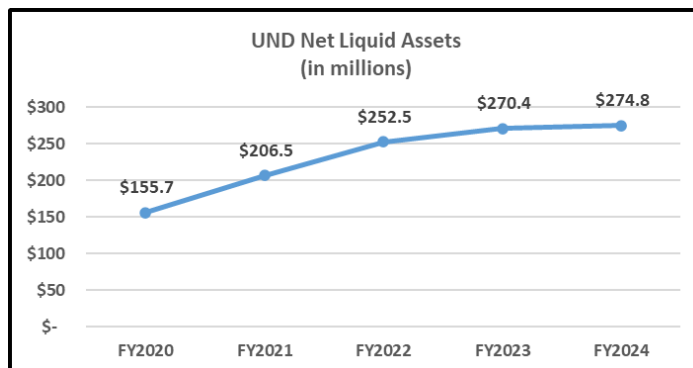
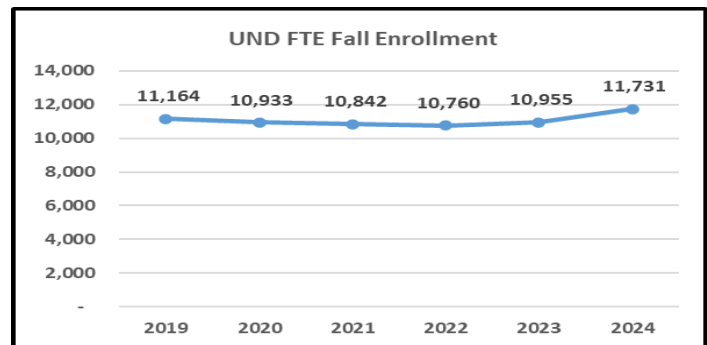
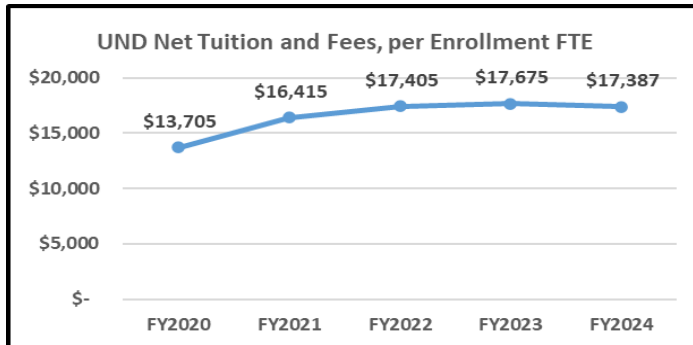
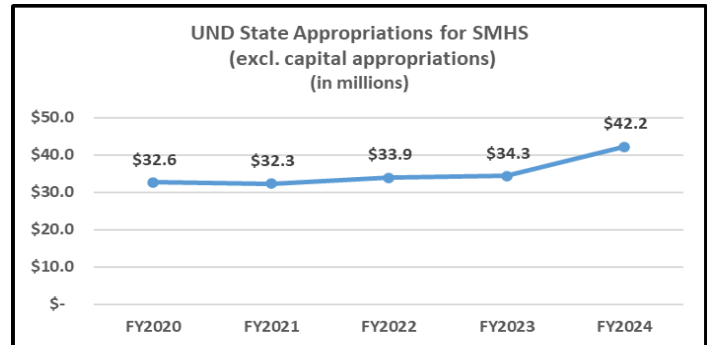
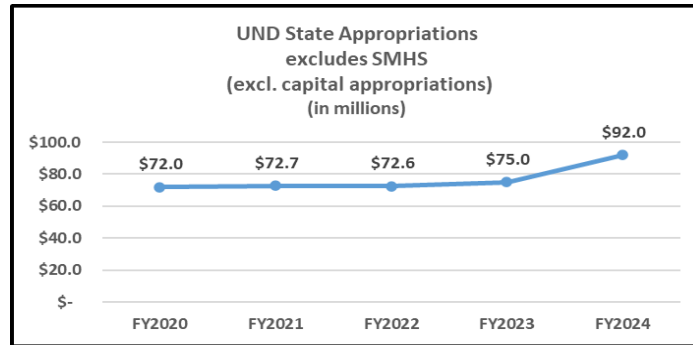
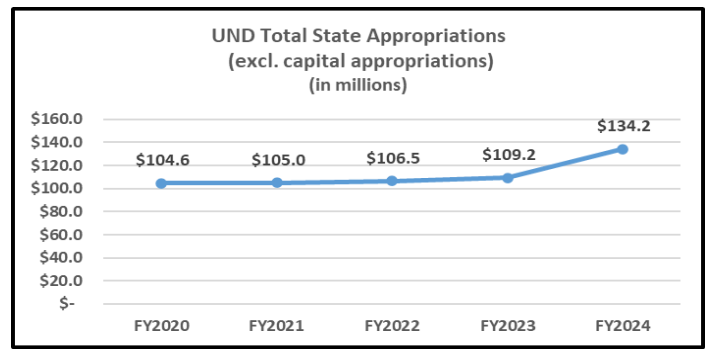
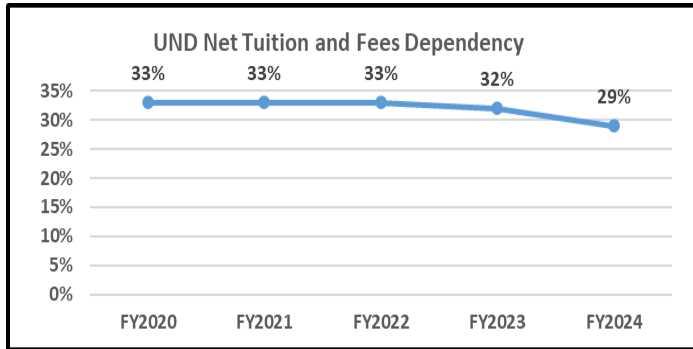
SBHE Policy 810. (1 a). Undesignated Reserve states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. UND's undesignated appropriated reserves are at 5.1 percent for fiscal years 2022 and 2024 and 5.0 percent in fiscal year 2023.

The information is presented on a cash basis.



Other Ratios:

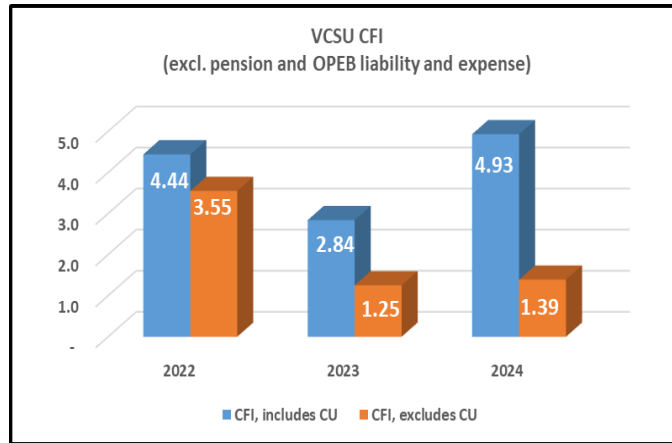
No industry standard exists for the following ratios. They are presented here for informational purposes only.



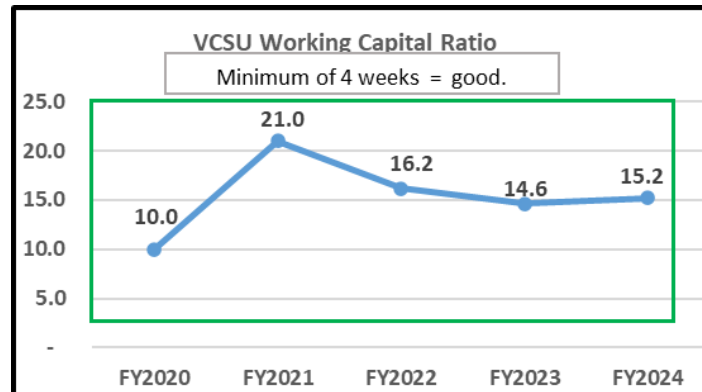
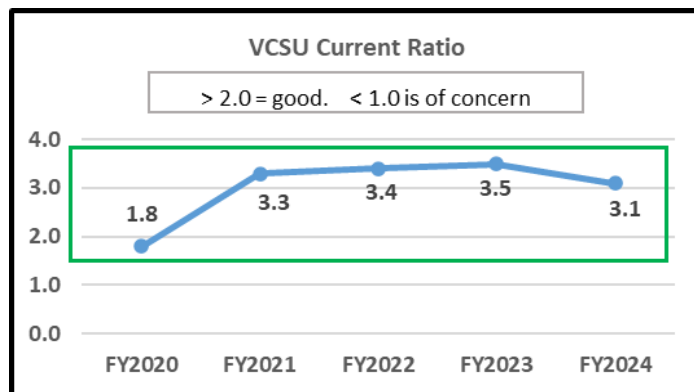
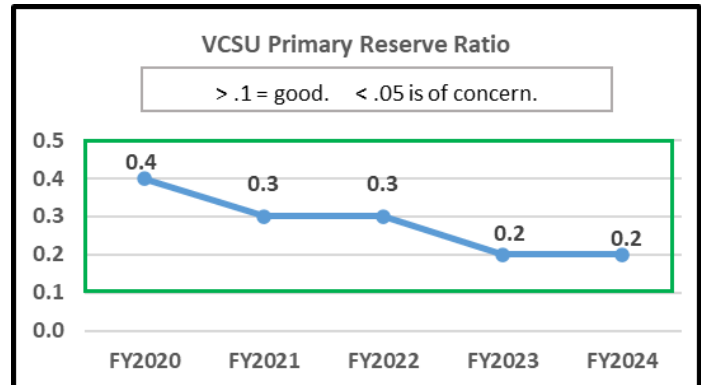
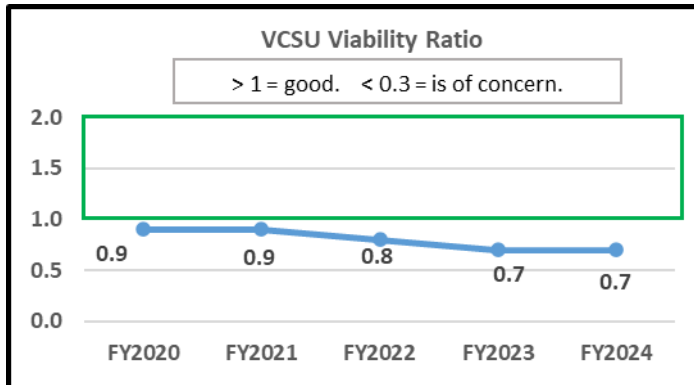
UND Summary:

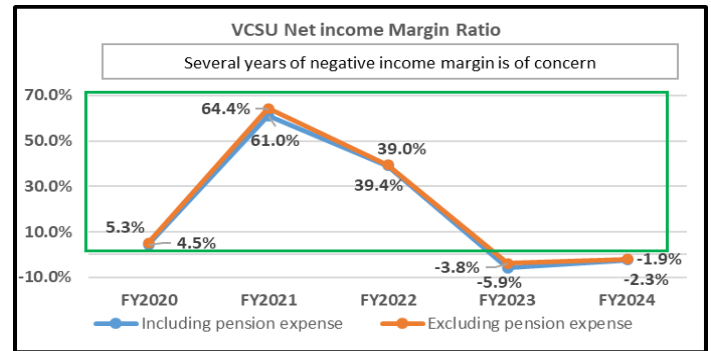
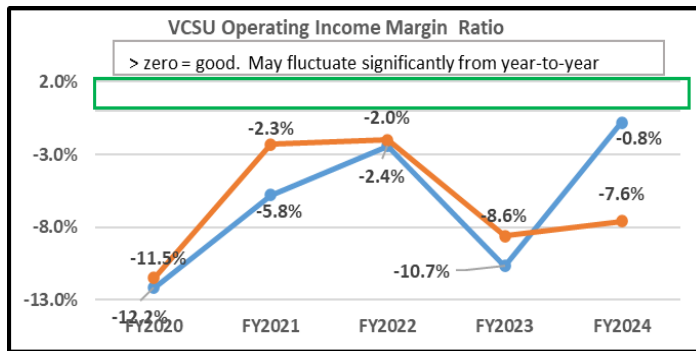
- CFI scores are solid.
- All other ratios are good or very good, with the exception of the viability ratio. The viability ratio has been below 1.0 for the past five fiscal years. However, it is not a concern at this time due to the strengths of the other ratios.
- Long-term liabilities increased in fiscal year 2022 as a result of the issuance of :
 - certificates of participation in fiscal year 2019 of \$96.8 million (new steam plant and energy efficiency projects),
 - housing and auxiliary facilities bonds of \$80.9 million (student-funded new Memorial Union) and facility improvement bonds of \$30.8 million (deferred maintenance) in fiscal year 2020.
 - certificates of participation of \$133.0 million for new and existing housing projects in fiscal year 2022.
- Long-term liabilities have decreased \$17.6 million or 3.9 percent since fiscal year 2023 as required payments are made.
- Fall 2024 enrollment increased by 776 or 6.6 percent from fiscal year 2023. Fall 2023 enrollment decreased by 209 or 1.9 percent compared to Fall 2019 enrollment.

Valley City State University (VCSU)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year



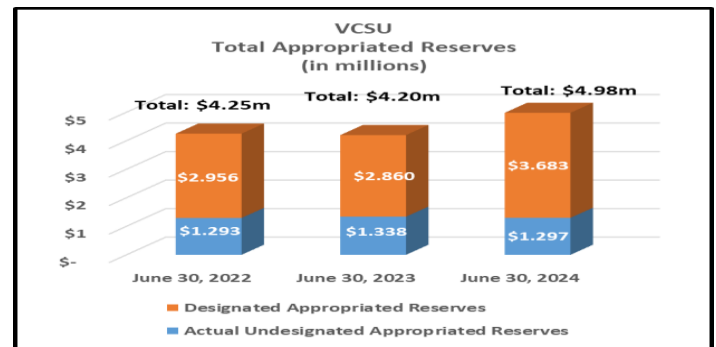
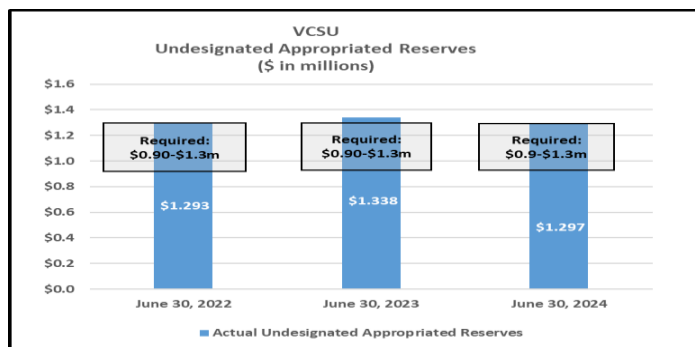


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

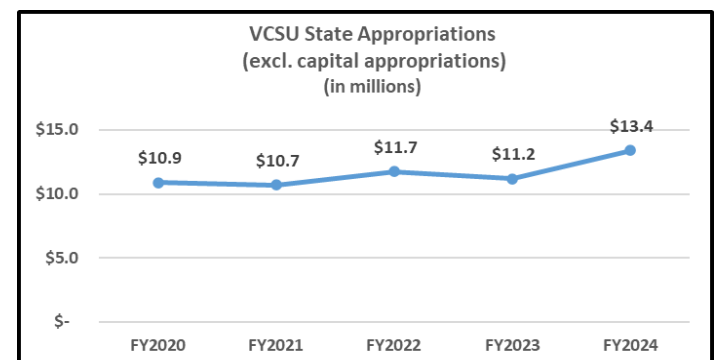
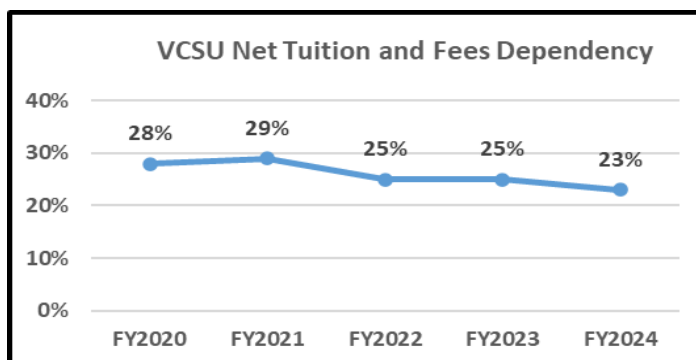
SBHE Policy 810. (1 a). Undesignated Reserve states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. VCSU's undesignated appropriated reserves are at 7.0 percent for fiscal years 2024, 2023 and 2022.

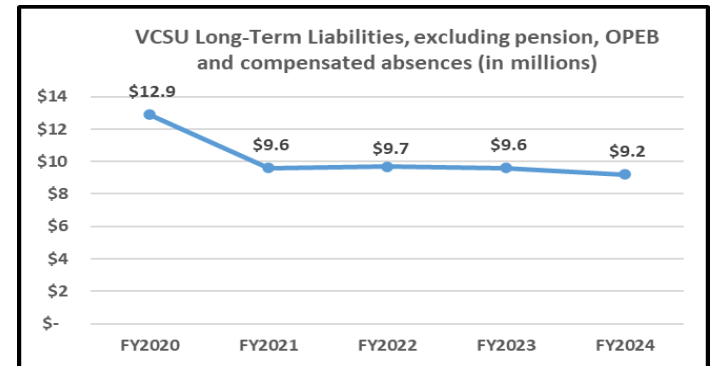
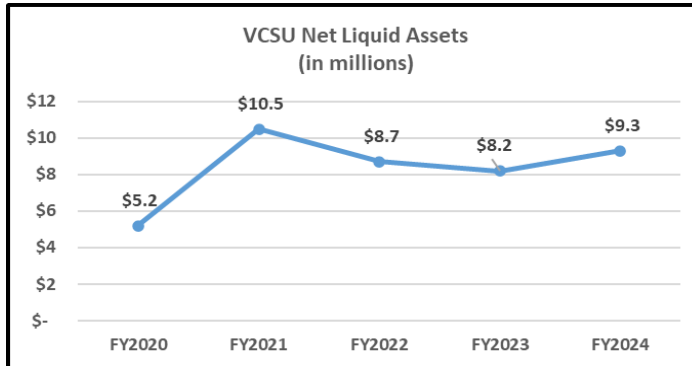
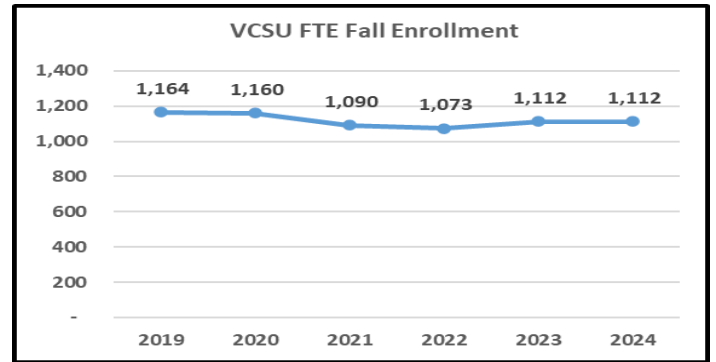
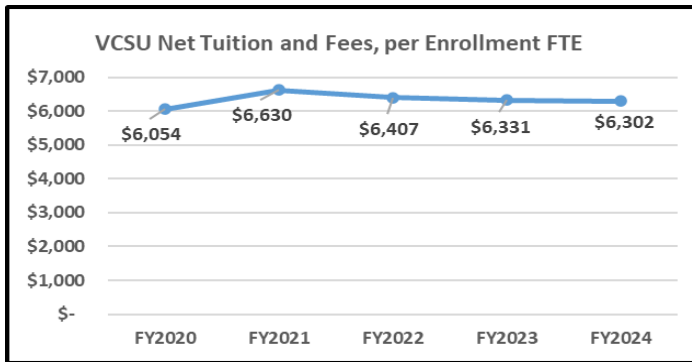
The information is presented on a cash basis.



Other Ratios:

No industry standard exists for the following ratios. They are presented here for informational purposes only.

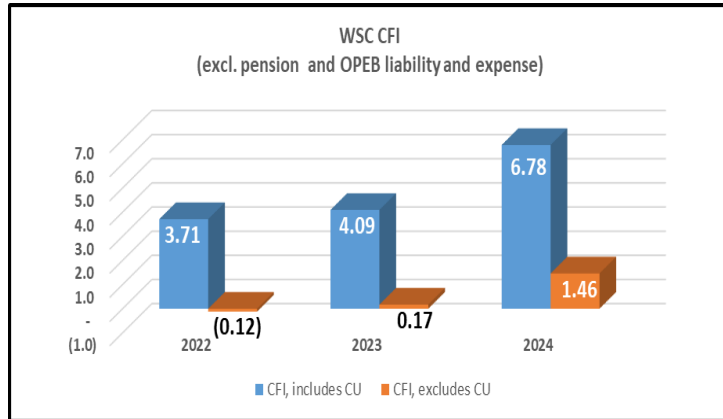




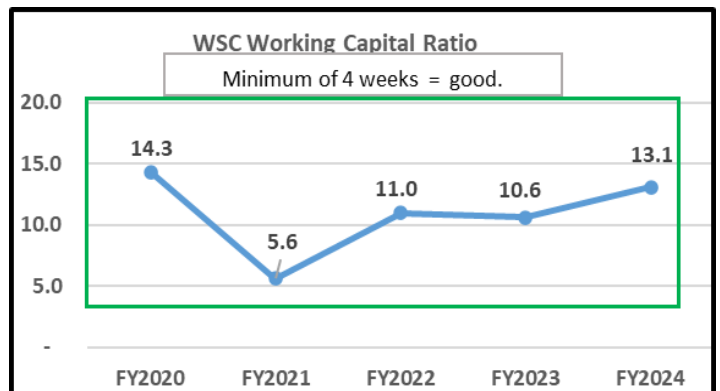
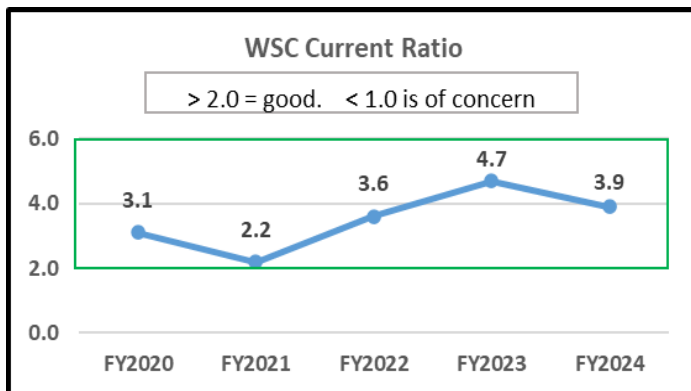
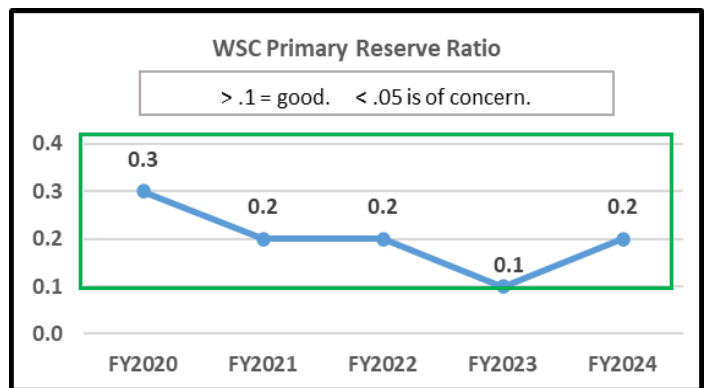
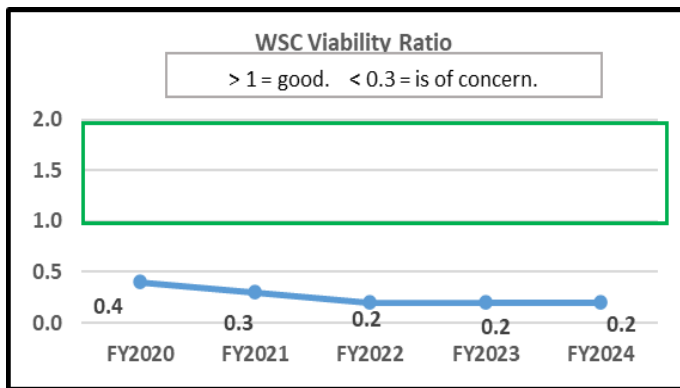
VCSU Summary:

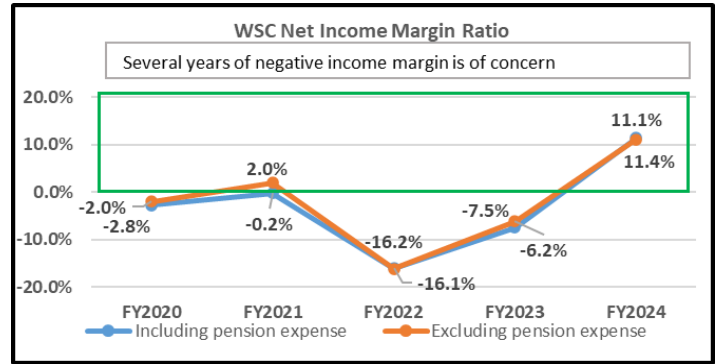
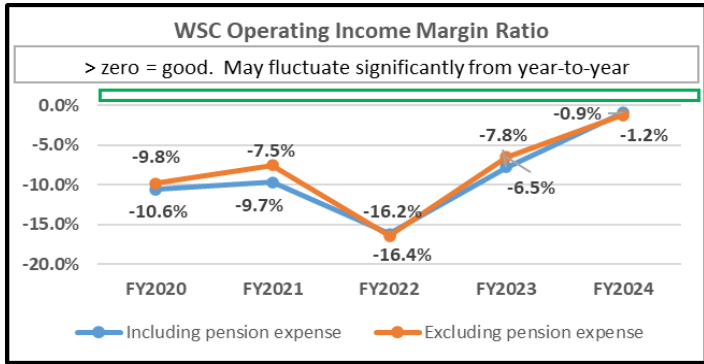
- CFI scores are solid.
- The primary reserve, current ratio and working capital ratios are good. The viability ratio has been below 1.0 since fiscal year 2018 but it is not a concern at this time, given the strength of the other ratios.
- The operating income margin, including and excluding pension expense, has been negative for the last five years.
- Fall 2024 enrollment is flat compared to Fall 2023 enrollment. FTE 2023 enrollment declined 4.5 percent from Fall 2019.

Willison State College (WSC)



CFI Zones	Public Institutions Composite Index	Outcomes
Above	1.10 to 10	No Review
In	0 to 1.0	Financial Panel Review if “in” for two or more consecutive years
Below	-4.0 to -0.1	Financial Panel Review if “below” in any given year



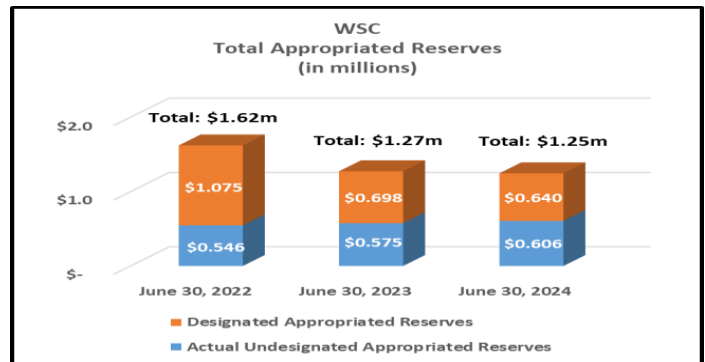
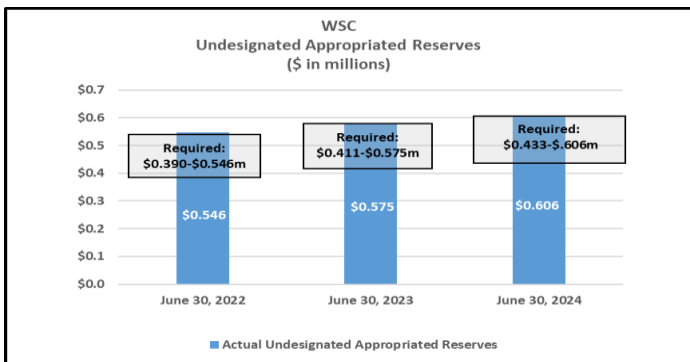


Appropriated Reserves

Unrestricted appropriated funds are set aside for two purposes: 1) undesignated reserves for sudden revenue shortfalls or unexpected expenses and 2) designated reserves for future programs, technology, strategic planning initiatives, etc., and other needs as determined by the institution.

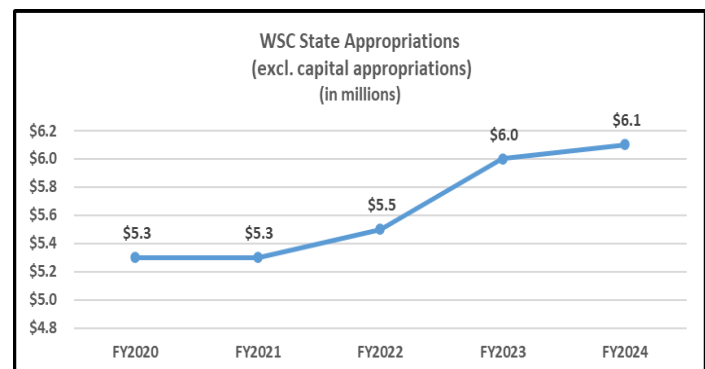
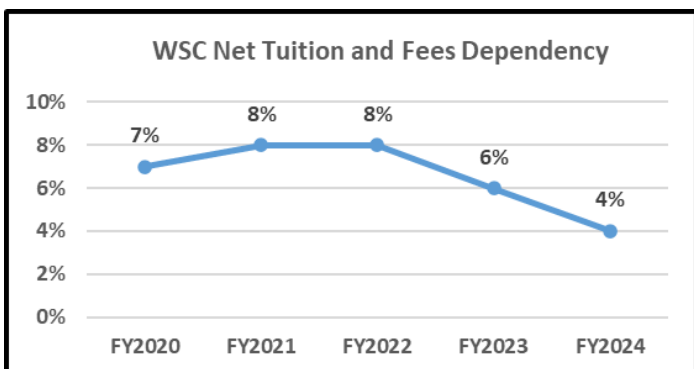
SBHE Policy 810. (1 a). **Undesignated Reserve** states colleges and universities shall target establishing and thereafter maintain an undesignated appropriated funds (i.e. general fund and tuition) reserve of between 5-7 percent of the previous fiscal years' actual general fund and net tuition revenue. WSC's undesignated appropriated reserves are at 7.0 percent for fiscal years 2024, 2023 and 2022.

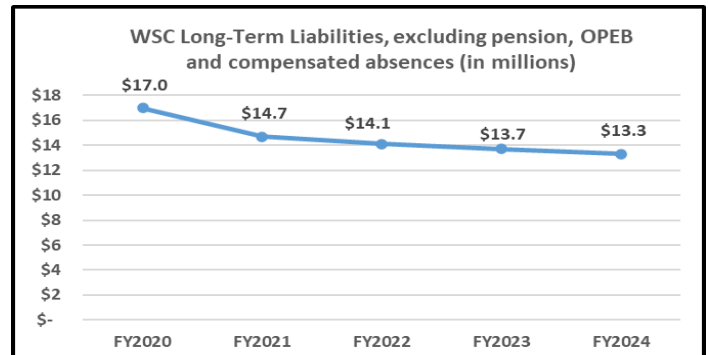
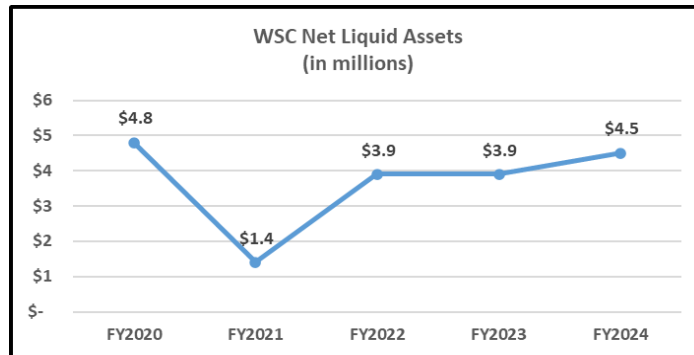
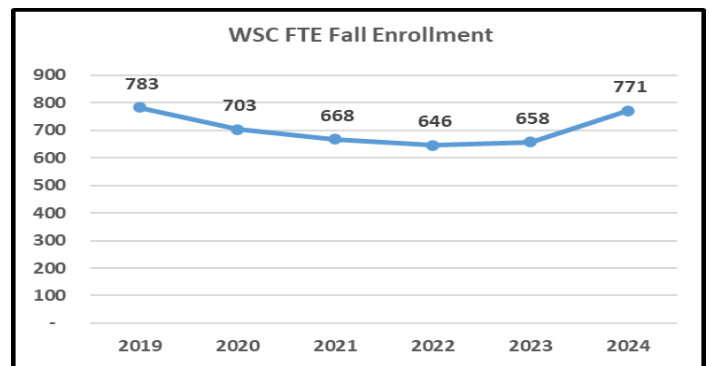
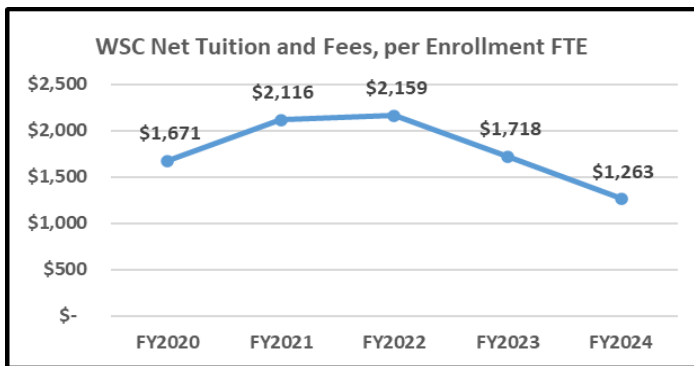
The information is presented on a cash basis.



Other Ratios:

No industry standard exists for the following ratios. They are presented here for informational purposes only.





WSC Summary

- CFI scores, including the foundation balances, are solid. However, CFI scores, excluding the foundation, are significantly lower and were in the “Below” zone for fiscal years 2022 and 2023..
- WSC prepared a plan to address the CFI and negative operating and net income margin ratios which addresses increasing student fees for the first time in more than six years, declining enrollments and reducing operating expenses.

To address increasing student fees:

- a. For fiscal year 2025, WSC’s Technology Committee approved an increase in the Technology fee of \$1.37 per credit.
- b. With the 1 percent maximum increase in fees, WSC has decided to change which fee is increased each year. In fiscal year 2025 the Technology Fee was increased and the plan is to increase the Student Fee in fiscal year 2026. This has been presented to Student Senate and we are waiting on their response.

To address declining enrollments the following actions have been taken:

- a. WSC has been working on collaborating with local organizations and businesses to gain more presence in the community to highlight what we offer to non-traditional students. We are also developing ways to increase our non-traditional student base. For example, exploring the offering more with night classes.
- b. Marketing efforts have included sending brochures and visiting local high schools to increase dual credit and early entry enrollment. WSC is also looking to expand our outreach boundary into southern Canada. WSC had a large increase in enrollment for Fall 2024 and this is the largest contributing factor.

The following has been implemented to help reduce operating costs:

- a. A hiring “frost” is still in place, and positions are being evaluated when turnover occurs. This has resulted in holding some positions open for longer than normal and shifting some job duties to combine positions.
 - b. Travel expenses continued to be limited in all departments, including athletics.
 - c. All departments are being asked to review their department budgets to find efficiencies.
 - d. WSC’s full-time grant writer is working with staff and faculty to find additional funding sources.
- The viability ratio has been below 1.0 since fiscal year 2018 but based on the strong primary reserve, current ratio and working capital ratio it is not be a concern at this time.
- The operating income margin ratio has been negative for several years. The net income margin, including and excluding pension expense, increased in fiscal year 2024 to 11.4 percent as a result of a cost reduction efforts that reduced operating expenses by\$1.4 million.
- Net tuition and fees, per FTE enrollment decreased 24.4 percent from fiscal year 2020. During the same time period, gifts from the WSC Foundation increased 24.1 percent.
Note: The WSC Foundation Scholarships are recognized as gift revenue rather than tuition revenue, in accordance with GASB accounting standards.
- Fall 2024 enrollment of 771 increased 17.2 percent compared to Fall 2023 FTE enrollment. Fall 2023 FTE Enrollment decreased 16.0 percent from Fall 2019.