Financial Planning Tools each School Should Have

(especially in preparation for Accreditation or Strategic Planning)

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Opening Disclaimers

- I am not addressing fiduciary compliance of the board related to a number of financial matters typically addressed during the accreditation process (HR, 403(b), FMLA, endowments / UPMIFA, audits, etc.)
  - I am just addressing financial planning and analysis and things boards, as fiduciaries, should be asking questions about, and thus information the Business Officer should have.

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Tools *"Toolbox"* each school should have to make data informed decisions

***Strongly* Recommend –**

- 5 – 10 year NAIS DASL (Data Analysis for School Leadership) or NBOA BIIS (Business Intelligence for Independent Schools) trends for the school ***(NAIS DASL template provided)***
  - For non DASL or BIIS participants, 5 – 10 year trends of important data points for the school ***(use NAIS DASL template provided)***

    Observe the trends for each data point and identify the most important trends and the main conclusions that can be obtained from this chart

- *DASL or BIIS comparative data with benchmark schools* ***(template provided)***
  - Local or regional schools
  - Aspirational schools
  - *Suggestion – use ratios to normalize size differences with other schools (i.e. endowment per student, benefit costs as a percentage of compensation, etc.)*

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Tools "Toolbox" each school should have to make data informed decisions *(continued)*

***Strongly* Recommend –**

- National Business Officers Association (NBOA)'s Long Range Financial Model or MISBO's Budget Model ***(available on their websites to members)***
- 3 – 5 year financial dashboard ***(template provided)***
- 14 year financial aid model ***(template provided)***
- Faculty salary analysis with public schools and benchmark schools ***(template provided)***
- Cost effectiveness by division and LS class size breakeven ***(template provided)***
- Net tuition revenue analysis over last 5 years ***(template provided)***

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Tools "Toolbox" each school should have to make data informed decisions *(continued)*

***Strongly* Recommend -**

- Net tuition revenue comparison by grade and percentage of each class with financial aid ***(template provided)***

Recommend -

- Class Size Model ***(template provided)***
- Demographic information (free from NAIS or NBOA for your community)
- Commonfund's HEPI Index to recast tuition
- Commonfund's CPI Index to recast faculty salaries

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Disclaimers / Caveats

- Once the data has been gathered, it should be reviewed for trends and to identify the story the figures are telling.
  - While some info is likely well known (i.e. enrollment trends), what might not be so obvious is what's causing it (attrition, new student enrollment, etc.).
  - General observations about faculty salaries, employee headcount, endowment, etc. should jump off the page from reviewing the trends and comparing to benchmark schools.
  - These observations can then inform the action plans for the strategic plan and accreditation report.

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Disclaimers / Caveats *(continued)*

- The data doesn't draw conclusions about what might be impacting the trends (i.e. decreasing enrollment might be due to value proposition, perception, quality of faculty, tuition, etc.).
  - The data simply identifies the trends and leaves it up to the school's leadership to determine the contributing factors and the plan of action to address.
  - For example, if new student enrollment is declining, the strategic plan might target increasing the number of new students through re-branding, increased marketing, scholarship competitions, etc.

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Disclaimers / Caveats *(continued)*

- Finally, sample questions to ask are provided – this is not an exhaustive list of questions and it does not touch on every subject. This simply shows the types of questions that school leaders should ask to determine opportunities for improvement and inclusion in the strategic plan or accreditation report. ***Thus, these are questions that Business Officers need to be prepared to answer.***

    - Some regional accreditation standards ask these exact questions, although most standards are more general and not as specific.

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Tools should be used to review trends in 4 major areas

- 1 - Enrollment
  - Enrollment
  - Financial Aid
  - Tuition and Fees
- 2 – Employment
  - Compensation
  - FTEs
  - Class Sizes

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Tools should be used to review trends in 4 major areas *(continued)*

- 3 – Financial
  - Net Tuition Revenue
  - NAIS DASL comparative data
  - Cost effectiveness by division
  - Tuition Gap (difference between NTR and total expenses)
  - Future budget projections

- 4 – Miscellaneous
  - Endowment
  - Debt
  - Annual Fund
  - Dashboard
  - Physical Plant

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2 Major Questions to Ask

- Where has the school been?
  - *What does the school's recent historical data reveal about what the school has been doing well, or what the school hasn't been doing well?*

- Where is the school going?
  - *What does the school's recent historical data reveal about where the school will be in 5 years if the trends continue?*
  - *Can the school focus efforts to turn around the negative trends?*
  - *What will happen if the school doesn't turn around the negative trends?*
  - *What new actions does the school need to take to get to where they want to be?*

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1 - Enrollment

- Enrollment Trends
- Financial Aid Trends
- Tuition and Fees

- ***Sample questions to answer –***

  - Is tuition appropriate?
    - How does it compare to benchmark schools?
    - How has it changed over 5 years compared to benchmark schools?
    - Has it kept up with inflation over the last 5 years?
      - Use Commonfund HEPI Index figures to recast tuition

  - What are enrollment trends for –
    - New student enrollment?
    - Attrition?
    - International students?
    - Percentage of student body on financial aid?

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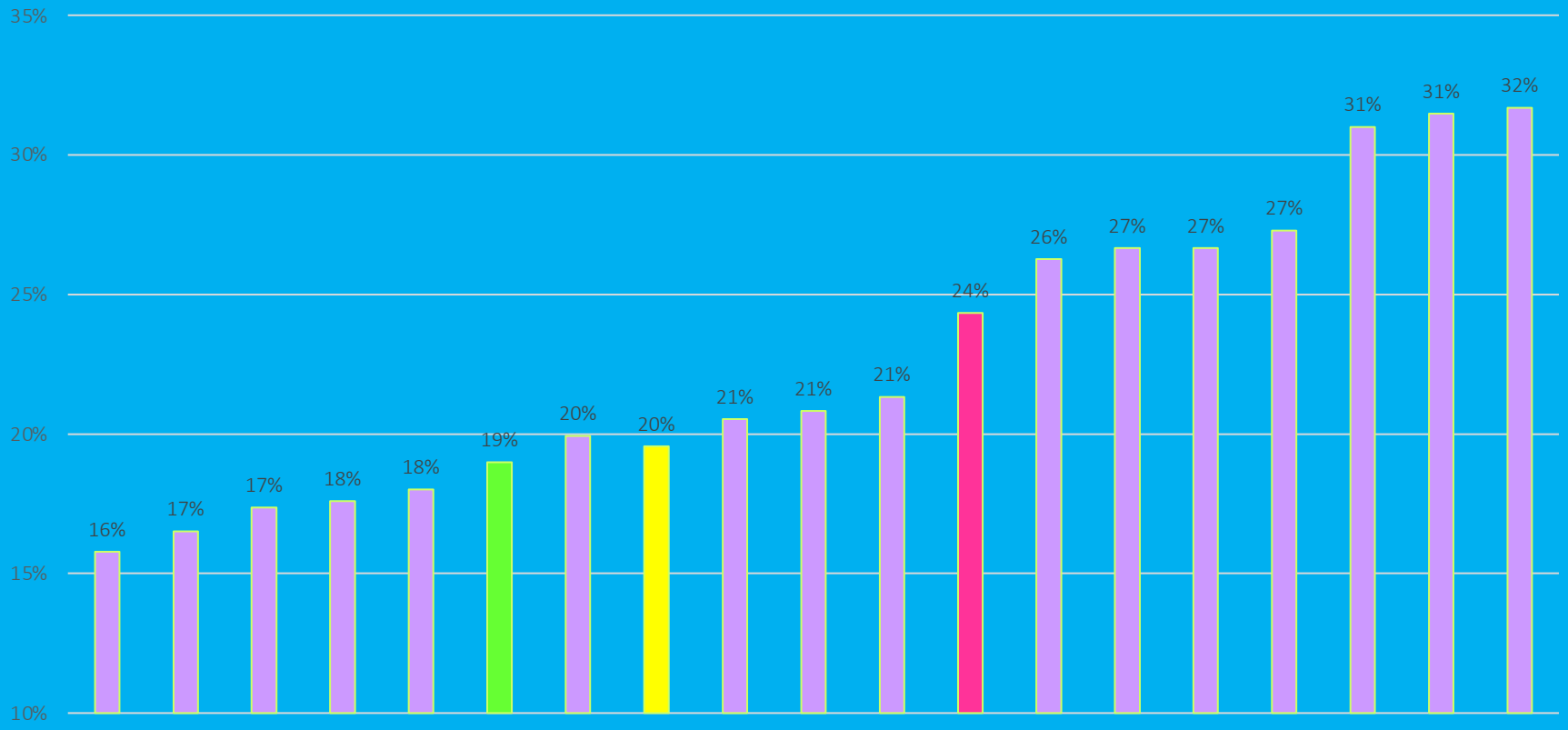
1 - Enrollment *(continued)*

- ***Sample tools needed to answer the questions –***
  - *Change in 12th grade tuition over 5 years compared to benchmark schools*



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1 - Enrollment *(continued)*

- ***Sample tools needed to answer the questions –***
  - *12th grade tuition recast for inflation over 5 years shows tuition has actually **declined** for the last 2 years*

	2016-17	2017-18	2018-19	2019-20	2020-21
12th Grade Tuition	15,000	15,300	15,606	15,918	16,236
HEPI Conversion	1.10	1.07	1.04	1.02	1.00
Restated Tuition Using the HEPI Index	16,512	16,406	16,255	16,266	16,236
Effective tuition increase each year		(106)	(151)	11	(30)

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1 - Enrollment *(continued)*

- ***Sample tools needed to answer the questions –***
  - *DASL 5 – 10 year trends*

Sample School						
DASL Survey for 2021-22						Percentage
Comparison of Statistical Information Reported Annually for Sample School						Change
						Since
	2017-18	2018-19	2019-20	2020-21	2021-22	2017-18
Enrollment Analysis						
Prior Year Opening Enrollment	673	693	691	662	638	-5.20%
Students Added During Prior Year	11	7	6	7	8	-27.27%
Prior Year Graduating Students	-72	-66	-61	-69	-69	-4.17%
Students Who Left During Prior Year or Not Invited to Return	-10	-12	-35	-25	-25	150.00%
Students who Elected Not to Return	-52	-67	-48	-50	-26	-50.00%
New Student Enrollment	143	136	109	113	114	-20.28%
Opening Day Enrollment	693	691	662	638	640	-7.65%
	-	-	-	-	-	
Attrition Percentage	8.6%	10.8%	8.0%	8.7%	4.7%	-45.47%
New Students as a Percentage of Total Enrollment	20.6%	19.7%	16.5%	17.7%	17.8%	-13.68%

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1 - Enrollment *(continued)*

- ***Sample questions to answer (continued)***

  - How is tuition projected to change over the next 5 – 10 years?
    - Can the school's families afford the tuition in 5 – 10 years?
    - How are demographics in the community expected to change in 5 – 10 years?
    - How much will the tuition gaps between divisions or grades widen over 5 – 10 years?
      - Enough to become exit points?
    - Does the tuition structure need to be reviewed to verify it remains appropriate? Should the school consider one tuition rate for each division? A different tuition rate for each grade? The same tuition rate for each grade? Indexed tuition?

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1 - Enrollment *(continued)*

- ***Sample tools needed to answer the questions –***
  - *NBOA Long Range Financial Model – 10 Year Tuition Projections*

Annual Tuition Increase 5.00%

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	Current Yr	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Prekindergarten	14,300	15,020	15,770	16,560	17,390	18,260	19,170	20,130	21,140	22,200	23,310
Kindergarten	17,100	17,960	18,860	19,800	20,790	21,830	22,920	24,070	25,270	26,530	27,860
Grades 1 - 3	19,900	20,900	21,950	23,050	24,200	25,410	26,680	28,010	29,410	30,880	32,420
Grade 4	21,400	22,470	23,590	24,770	26,010	27,310	28,680	30,110	31,620	33,200	34,860
Grades 5 - 8	22,100	23,210	24,370	25,590	26,870	28,210	29,620	31,100	32,660	34,290	36,000
Grades 9 - 12	23,530	24,710	25,950	27,250	28,610	30,040	31,540	33,120	34,780	36,520	38,350

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1 - Enrollment *(continued)*

- ***Sample questions to answer (continued)***
  - Is financial aid appropriate?
    - How does it compare to benchmark schools?
    - How has it changed over 5 years as compared to the benchmark schools?
  - Is financial aid growth mission driven or an effort to increase enrollment?
    - Does your school consider financial aid to be an expense or a revenue generator?
    - Is financial aid funded or a tuition discount?

      The following questions relate to tuition discounting used to increase enrollment
  - How is financial aid expected to change over the next 5 – 10 years?
    - How is the percentage of full pay students expected to change over the next 5 – 10 years?
      - How will that impact Annual Giving, Capital Campaign giving, parent participation in the school, etc.?
  - Has there been a change in grades / divisions receiving aid?
    - For example, years ago, none in Lower School - now 30%.

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1 - Enrollment *(continued)*

- ***Sample tools needed to answer the questions –***
  - *14 Year Financial Aid Model*

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Financial Aid by Grade - Projected Future Years									
4K	10,000	10,450	10,920	11,412	11,925	12,462	13,023	13,609	14,221
Kindergarten	45,000	14,276	14,742	15,223	15,721	16,235	16,767	17,317	17,885
1st grade	20,000	51,575	16,362	16,895	17,447	18,018	18,607	19,217	19,847
2nd grade	50,000	20,450	52,735	16,730	17,276	17,840	18,423	19,026	19,649
3rd grade	75,000	51,125	20,910	53,921	17,106	17,664	18,241	18,837	19,454
4th grade	30,000	76,688	52,275	21,381	55,135	17,491	18,062	18,652	19,261
5th grade	80,000	33,197	85,178	58,281	23,927	61,933	19,722	20,442	21,190
6th grade	70,000	82,100	34,068	87,413	59,811	24,555	63,559	20,240	20,979
7th grade	90,000	71,838	84,255	34,962	89,708	61,381	25,199	65,227	20,771
8th grade	127,500	92,363	73,723	86,467	35,880	92,063	62,992	25,861	66,939
9th grade	140,000	135,509	97,076	76,630	88,886	36,479	92,578	62,655	25,443
10th grade	180,000	142,100	137,541	98,532	77,779	90,220	37,027	93,967	63,595
11th grade	130,000	182,700	144,232	139,604	100,010	78,946	91,573	37,582	95,376
12th grade	140,000	131,950	185,441	146,395	141,698	101,510	80,130	92,947	38,146
Prior New Students	-	-	142,899	292,658	449,522	613,747	785,597	965,341	1,153,261
Net New Students / Departing Students	-	139,550	142,899	146,329	149,841	153,437	157,119	160,890	164,752
Total Estimated Aid	1,187,500	1,235,868	1,295,255	1,302,833	1,351,672	1,413,981	1,518,619	1,651,809	1,780,769
Annual Increase		48,368	59,387	7,578	48,839	62,309	104,638	133,190	128,960

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1 - Enrollment *(continued)*

- ***Sample questions to answer (continued)***

  - What percentage of new students are on financial aid? What is the trend over the last 5 years – how has that percentage changed?
    - How about by division? Is any division getting more new students on aid than other divisions?

  - What percentage of departing students are on financial aid? What is the trend over the last 5 years - how has that percentage changed?
    - If the percentage is increasing each year, does this mean that financial aid students are just being bought for a few years, which negatively impacts attrition?

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1 - Enrollment *(continued)*

- ***Sample questions to answer (continued)***
  - How does the % of gross tuition revenue spent on financial aid compare to benchmark schools?
    - How does it compare to NAIS average of 20 – 22%?
      (NAIS' average includes Tuition Remission so you need to include TR in your calculation)
  - What is the average award as a percentage of tuition and how has that changed over 5 years?
  - What percentage of each grade is on financial aid? Are there any grades that are effectively running entire sections of nothing but financial aid students? Are those sections generating enough revenue to cover the cost of the section?

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1 – Enrollment *(continued)*

- ***Sample questions to answer –***
  - On average, what percentage of tuition do financial aid recipients pay and what percentage of tuition do financial aid recipients receive?
    - Our goal was to collect, on average, more tuition dollars from financial aid recipients, than we gave them
    - Our goal was to collect 51% and award 49%
  - How many financial aid recipients are receiving awards that are 76 – 100% of tuition, and how has that number changed over 5 years?
    - Ditto for number of recipients for awards that are 0 – 25% of tuition?

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1 - Enrollment *(continued)*

- ***Sample tools needed to answer the questions -***
  - *Percentage of each class with Financial Aid*

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2 - Employment

- Compensation
- FTEs
- Class Sizes

- ***Sample questions to answer –***

  - Are faculty salaries appropriate?
    - How do they compare to benchmark schools?
    - Have they kept up with inflation over the last 5 years?
      - Use Commonfund CPI figures to recast faculty salaries

  - Are class sizes appropriate?

  - What is the trend for student / teacher ratios?

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2 – Employment *(continued)*

- ***Sample tools needed to answer the questions –***
  - *Recast mean faculty salaries have decreased each of the last 4 years*

	2016-17	2017-18	2018-19	2019-20	2020-21
Recast Mean Faculty Salary (Inflation					
Adjusted Percentage Change -					
CPI Index)	52,497	52,139	50,977	50,909	50,411
Annual Change		(359)	(1,162)	(67)	(498)

  - The mean faculty salary, as adjusted for inflation, is actually $2,000 less than 4 years ago

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2 – Employment *(continued)*

- ***Sample tools needed to answer the questions –***
  - *Are class sizes appropriate? Use a class size model to determine parameters for opening new sections.*

		manual input	manual input	manual input	
		Maximum Size of 1st Section	Waiting List Range	Minimum to open 2nd Section	
3K		12	13 - 16	17	
	Will Produce Minimum Size	***with an aide***			***8***
	Effectively open additional class for				***5***
4K		14	15 - 18	19	
	Will Produce Minimum Size	***with an aide***			***9***
	Effectively open additional class for				***5***
Kindergarten		15	16 - 19	20	
	Will Produce Minimum Size	***with a PT aide***			***10***
	Effectively open additional class for				***5***
1st Grade		15	16 - 19	20	
	Will Produce Minimum Size				***10***
	Effectively open additional class for				***5***
2nd Grade		16	17 - 20	21	
	Will Produce Minimum Size				***10***
	Effectively open additional class for				***5***
3rd Grade		18	19 - 22	23	
	Will Produce Minimum Size				***11***
	Effectively open additional class for				***5***
4th Grade		18	19 - 22	23	
	Will Produce Minimum Size				***11***
	Effectively open additional class for				***5***

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2 – Employment *(continued)*

- ***Sample questions to answer (continued)***
  - How are faculty salaries in comparison to the school's chief competition, be it the local public schools or local, regional or national independent schools?
    - How about benefits? Are they competitive?
  - How have salaries changed over the last 5 years compared to the competition?
    - Has the school made up ground, stayed even, or lost ground?

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2 – Employment *(continued)*

- ***Sample tools needed to answer the questions –***
  - *Salary comparison to public schools*

Sample School

2021-22 Salary Information

Years of Service Schedule

= employees whose salary is 95% or higher of Public School District

= employees whose salary is 75% or less of Public School District

	Name	Years At Sample School	Total Years of Related Service	Degrees Obtained	Additional Hours Beyond Degree	Sample School Salaries 2021-22	2021-22 Public School Salary	Excess of Public School Over Sample School Salaries	Percentage of Public School Salaries Paid by Sample
Full-Time Faculty - Lower School									
1	Teacher Name	26	31	BS	8	45,850	51,770	5,920	88.56%
1	Teacher Name	32	32	BA	15	37,600	51,770	14,170	72.63%
1	Teacher Name	6	6	BA	0	33,100	37,764	4,664	87.65%
1	Teacher Name	16	31	MED	24	54,100	58,537	4,437	92.42%
1	Teacher Name	2	4	BA	0	32,000	35,929	3,929	89.06%
1	Teacher Name	25	31	MA	34	45,600	62,043	16,443	73.50%
1	Teacher Name	7	13	MA	36	40,000	53,543	13,543	74.71%
1	Teacher Name	27	32	BA	48	48,100	53,523	5,423	89.87%

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2 – Employment *(continued)*

- ***Sample tools needed to answer the questions –***
  - *DASL comparison with benchmark schools*

Sample School			↑ = positive trend
Change in Mean from 2017-18 to 2021-22			↓ = negative trend
	5 Year Change in Mean of Regional Schools	5 Year Change in Sample School	Sample School Trend in Relation to the Benchmarks
Mean Faculty Salaries	8.61%	3.20%	↓
Median Faculty Salaries	8.47%	4.17%	↓
Starting Faculty Salaries	12.18%	-5.29%	↓
Lowest Faculty Salaries	11.33%	-5.29%	↓
Highest Faculty Salaries	9.18%	8.94%	↓

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2 – Employment *(continued)*

- ***Sample questions to answer (continued)***
  - At the end of the day, despite what the numbers show related to salaries, the overriding questions are –
    - Is the school losing good faculty because salaries or benefits aren't competitive?
    - Is the school unable to hire the faculty they want because salaries or benefits aren't competitive?
  - Does the school have an aging faculty and are massive retirements looming? Will younger replacements have a different set of needs (maternity leave, tuition remission, less willingness to coach or go on overnight trips, etc.?)

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2 - Employment *(continued)*

- ***Sample questions to answer (continued)***

  - Is employee headcount appropriate? How does it compare to benchmark schools?

  - How has employee headcount changed over the last 5 years?

    - Has the change in employee headcount been consistent with the change in student headcount –
      - Has employee headcount increased as the student headcount has increased?
      - Has employee headcount decreased as the student headcount has decreased?

Keep in mind some fixed costs don't change as enrollment changes (i.e. a librarian is needed even if enrollment drops from 650 to 600).

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2 - Employment *(continued)*

- ***Sample questions to answer (continued)***
  - Is the change in employee headcount sustainable?
  - What percentage of the budget comprises salaries and benefits?
    - For most schools, salaries and benefits are 70 – 80% of the budget
    - Likewise, net tuition revenue is typically 70 – 80% of the budget, thus tuition dollars pay employee costs
  - How have benefits as a percentage of total compensation changed over the last 5 years?
    - Is the change sustainable?
    - If not, what can be done to change it?

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3 - Financial

- Net Tuition Revenue
- NAIS DASL comparative data
- Cost effectiveness by division
- Tuition Gap (difference between NTR and total expenses)
- Future budget projections

- ***Sample questions to answer –***

  - How has Net Tuition Revenue per student changed each of the last 5 years?
    - What percentage of each year's tuition increase did the school actually realize?
    - Has NTR per student increased each year?

  - What is NTR per grade?

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3 – Financial *(continued)*

- ***Sample tools needed to answer the questions –***
  - *Net Tuition Revenue Analysis*

Sample School Net Tuition Revenue Calculation	***Headcount Focus***	***NTR Focus***
	Actual 6/30/20	Actual 6/30/21
Net Tuition Revenue	4,485,101	4,766,527
Increase in Tuition Income	244,526	264,375
Change in Other Tuitions	-8,970	-19,663
Change in Financial Aid	-183,740	36,714
Increase in Net Tuition Revenue	51,816	281,426
	0	0
Percentage Change in Net Tuition Revenue	1.2%	6.3%
Percentage of Tuition Increase Realized	22%	115%
Net Tuition Revenue per Student	9,442	10,229
Change in Net Tuition Revenue per Student	10	786
Enrollment	475	466
Change in Enrollment	5	(9)
Percentage Change in Enrollment	1.1%	-1.9%

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3 – Financial *(continued)*

- ***Sample tools needed to answer the questions –***
  - *Net Tuition Revenue by Grade*

Sample School

2021-22 Financial Aid and Net Tuition Revenue by Grade

	Number of Awards	Percentage of Number of Awards	Value of Actual Awards	Percentage of Value of Actual Awards	Average Grant Per Award	Opening Enrollment	Percentage of Class With Aid	Gross Tuition by Grade	Net Tuition by Grade
5th	12	7%	80,000	7%	6,667	37	32%	592,000	512,000
6th	13	8%	70,000	6%	5,385	40	33%	640,000	570,000
7th	11	7%	90,000	8%	8,182	40	28%	640,000	550,000
8th	18	11%	127,500	11%	7,083	40	45%	640,000	512,500
Total Middle School	54	32%	367,500	31%		157	34%	2,512,000	2,144,500

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3 – Financial (continued)

- ***Sample questions to answer –***
  - How has the cost per division changed over the last 5 years?
    - Has any division increased its spending per student more significantly than the others?
      - Why?
  - How has spending (overall and per student) changed over 5 – 10 years?
    - Has its growth outpaced the amount of tuition increases?
    - How does it compare to benchmark schools?
  - How has the tuition gap (difference between NTR and total expenses, which is made up through endowment earnings, annual fund donations, auxiliary income, etc.) changed over 5 years?
    - How has it changed per student?
    - How does the tuition gap compare to benchmark schools?

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3 – Financial *(continued)*

- ***Sample tools needed to answer the questions –***
  - *Cost Effectiveness by Division*

	2017-18	2018-19	2019-20	2020-21	2021-22
Upper School					
Beginning Enrollment	128	145	143	147	142
Total Expenses	1,454,393	2,514,292	2,529,202	2,721,251	2,720,868
Total Expenses Per Student	11,362	17,340	17,687	18,512	19,161
Net Deficit Per Division	(322,476)	(691,303)	(700,830)	(842,796)	(814,569)
Net Deficit Per Student	(2,519)	(4,768)	(4,901)	(5,733)	(5,736)

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3 – Financial *(continued)*

- ***Sample tools needed to answer the questions –***
  - *Cost Effectiveness by Division*

	Lower School	Middle School	Upper School	Total
Total Expenses	2,266,214	2,059,827	3,982,430	8,308,471
Total Expenses Per Student	27,637	25,120	25,366	25,883
Net Deficit Per Division	(758,329)	(80,970)	(363,930)	(1,203,230)
				-
Net Deficit Per Student	(9,248)	(987)	(2,318)	(3,748)

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3 – Financial *(continued)*

- ***Sample questions to answer –***

  - What are the direct operating costs to run a LS classroom?

  - What is the breakeven number of students needed to cover the direct operating costs of a LS classroom?

  - How many classes are currently being run at a loss?

  - Is the school willing to run a loss in order to open up a new section? If so, how much of a loss and thus what is the minimum enrollment to open a new section?

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3 – Financial *(continued)*

- ***Sample tools needed to answer the questions –***
  - *Class Size Breakeven*

Table of Lower School Class Size and Net Loss / Surplus

Number of Students	Weighted Average NTR	Cost Per Section	Net Loss / Surplus
5	82,869	146,908	(64,040)
6	99,442	146,908	(47,466)
7	116,016	146,908	(30,892)
8	132,590	146,908	(14,318)
9	149,164	146,908	2,255
10	165,737	146,908	18,829
11	182,311	146,908	35,403
12	198,885	146,908	51,976
13	215,459	146,908	68,550

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3 – Financial (continued)

- ***Sample questions to answer -***

  - What programmatic changes are planned for future years and what impact will they have on tuition?
    - Can program reductions be made to offset new programs in order to be budget neutral?
      - If adding Chinese, can Latin or German be dropped?

  - What are the key variables that need to change over the next 5 – 10 years for the school to achieve financial equilibrium? How do they need to change?
    - What will be the outcome of making the changes?
    - What will happen if the changes are not made?

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4 - Miscellaneous

- Endowment
- Debt
- Annual Fund
- Dashboard
- Physical Plant

- ***Sample questions to answer –***

  - What are endowment trends (increasing in value, decreasing in value, earnings exceed withdrawals, etc.)?
  - Is endowment spending greater or less than earnings?

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4 – Miscellaneous *(continued)*

- ***Sample tools needed to answer the questions –***
  - *NBOA Long Range Financial Model - 10 Year Endowment Projections*

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	Current Yr	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Endowment Income											
Beginning Endowment Value	8,500,000	8,397,500	8,300,602	8,207,169	8,114,899	8,023,698	7,933,556	7,844,420	7,756,278	7,669,118	7,582,931
Total Return $:	297,500	293,913	290,521	287,251	284,021	280,829	277,674	274,555	271,470	268,419	265,403
Cash Converted to Endowment	-	-	-	-	-	-	-	-	-	-	-
Spending	(400,000)	(390,811)	(383,954)	(379,520)	(375,223)	(370,971)	(366,811)	(362,697)	(358,629)	(354,606)	(350,583)
Ending Endowment Value	8,397,500	8,300,602	8,207,169	8,114,899	8,023,698	7,933,556	7,844,420	7,756,278	7,669,118	7,582,931	7,497,751

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4 – Miscellaneous *(continued)*

- ***Sample questions to answer (continued) –***
  - Is the endowment underwater? If so, how long has it been underwater and when is it projected to be above water?
  - How do endowment and annual fund totals compare to benchmark schools?
    - What is endowment per student compared to benchmarks?
    - What is annual fund participation percentage as compared to benchmarks?
  - Are debt totals increasing or decreasing? Is there a plan in place to pay debt obligations?
    - How have debt to endowment ratios changed?
    - How have debt to annual revenue ratios changed?

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4 – Miscellaneous *(continued)*

- ***Sample questions to answer (continued) –***
  - Does the dashboard show progress in key areas? Are the trends for the majority of the key indicators positive or negative?
    - What are strengths and weaknesses from a quick glance at the dashboard?
    - What actions need to be taken to convert negative trends to positive trends?

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4 – Miscellaneous *(continued)*

- ***Sample tools needed to answer the questions –***
  - *Dashboard*

Sample School
1 Page Dashboard Summary

↑ = positive trend
↓ = negative trend
↔ = neither positive nc

	2019-20	2020-21	2021-22	Change
Net Tuition Revenue	5,069,033	5,026,023	5,384,368	↑
Net Tuition Revenue per Student	11,600	11,826	12,378	↑
Enrollment	437	425	435	↑
Financial Aid	1,070,622	1,260,027	1,346,088	↓
12th Grade Tuition	16,060	16,665	17,325	↔
Attrition %	10.8%	12.3%	6.2%	↑
% of Full Pay Students	56.5%	53.4%	54.9%	↑
Employee FTEs	78.65	77.95	78.70	↔
Mean Faculty Salaries	45,540	45,178	46,164	↑
Annual Fund (raised prior year)	918,591	909,737	541,346	↓

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4 – Miscellaneous *(continued)*

- ***Sample questions to answer (continued) –***
  - What are the physical plant trends (increasing in value, decreasing in value)?
    - Are funds being set aside annually for PPRRSM?
    - How is deferred maintenance expected to change over the next 10 years?
  - Are building and replacement costs up to date for insurance coverages and calculating pertinent ratios?
    - Need to update every few years.
  - Are insurance coverages and deductibles sufficient? Is umbrella policy large enough?

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4 – Miscellaneous *(continued)*

- ***Sample tools needed to answer the questions –***
  - *NBOA Long Range Financial Model - 10 Year Physical Plant Projections*

	2021-22 Current Yr	2022-23 Year 1	2023-24 Year 2	2024-25 Year 3	2025-26 Year 4	2026-27 Year 5	2027-28 Year 6	2028-29 Year 7	2029-30 Year 8	2030-31 Year 9	3031-32 Year 10
Plant Replacement & Renewal											
Plant Asset Value	3,520,768	2,888,672	2,256,576	1,624,480	992,384	360,288	(271,808)	(903,904)	(1,536,000)	(2,168,096)	(2,800,192)
Major Construction Projects											
add: Major Capital Projects	-	-	-	-	-	-	-	-	-	-	-
Annual Capital Budget	-	-	-	-	-	-	-	-	-	-	-
Depreciation	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)
Total Net Plant Expansion	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)	(632,096)
Ending Plant Asset Value	2,888,672	2,256,576	1,624,480	992,384	360,288	(271,808)	(903,904)	(1,536,000)	(2,168,096)	(2,800,192)	(3,432,288)
Starting Deferred Maintenance	-	632,096	1,264,192	1,896,288	2,528,384	3,160,480	3,792,576	4,424,672	5,056,768	5,688,864	6,320,960
Renewal & Replacement Target	632,096	632,096	632,096	632,096	632,096	632,096	632,096	632,096	632,096	632,096	632,096
less: purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-
less: transfer to PPRRSM	-	-	-	-	-	-	-	-	-	-	-
Deferred Maintenance	632,096	1,264,192	1,896,288	2,528,384	3,160,480	3,792,576	4,424,672	5,056,768	5,688,864	6,320,960	6,953,056

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Conclusion

- ***Thoughts or suggestions for your school?***
  - Will this data be easy to obtain?
  - Will this data be helpful in analyzing the school's financial status?
  - Will this data be helpful in preparing for the next strategic plan or accreditation process?
  - Who at the School will benefit from having this information –
    - Admissions?
    - Business Office?
    - Development?
    - Board Committees?
    - Marketing Consultants?

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The End –

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Any questions?

Additional Information / Resources

- ***Specific tools needed to answer the <u>Enrollment</u> questions listed above –***
  - DASL 5 – 10 year trends
  - DASL comparative data with benchmark schools (tuition, financial aid, etc.)
  - NBOA's long range financial model
    - 10 year projections for tuition, financial aid, etc.
  - 14 year financial aid model
  - Percentage of each class with financial aid
  - Demographic information (NAIS or NBOA)
  - Commonfund HEPI Index to recast tuition

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Additional Information / Resources ***(continued)***

- ***Specific tools needed to answer the <u>Employment</u> questions listed above –***

  - DASL 5 – 10 year trends
  - DASL comparative data with benchmark schools (compensation, FTEs, etc.)
  - NBOA's long range financial model
    - Compensation, FTEs, etc.
  - Salary and benefits comparison to local public schools
  - Commonfund CPI Index (to recast salaries)

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Additional Information / Resources ***(continued)***

- ***Specific tools needed to answer the <u>Financial</u> questions listed above –***

  - DASL 5 – 10 year trends
  - DASL comparative data with benchmark schools (tuition, financial aid, etc.)
  - NBOA's long range financial model
    - 10 year projections for net tuition revenue, budget shortfall, etc.
  - Per student analysis (expenditures, endowment, etc.)
  - Cost effectiveness per division
  - Net tuition revenue by grade
  - Net tuition revenue analysis over 5 years

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Additional Information / Resources ***(continued)***

- ***Specific tools needed to answer the <u>Miscellaneous</u> questions listed above –***
  - DASL 5 – 10 year trends
  - NBOA's long range financial model
    - 10 year projections for endowment and physical plant balances
  - 3 – 5 year financial dashboard
    - Identify markers that are important to your school that your board wants to track and monitor

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