



Minnesota
STATE COLLEGES
& UNIVERSITIES

Financial Performance Fiscal Year 2012 and 2011

Consolidated Financial Statements

Finance and Facilities Committee

Board of Trustees

January 16, 2013



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Agenda

- FY 2012 Audited Financial Statements
- FY 2012 Financial Performance
- Composite Financial Index (CFI)



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Fiscal Year 2012 Audited Financial Statements Results

- System statements
- 13 university and college statements
- Revenue fund
- “Clean” opinions
- No material weaknesses
- One significant deficiency



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Sound Financial Management

- College and university budgets balanced after significant state appropriation reductions
- Budget reserves preserved – critical risk management strategy
- Continued investments in building improvements and infrastructure - which help retain current and attract new students



Systemwide Assets, Liabilities and Net Assets

Assets, Liabilities and Net Assets (\$ in thousands)			
<i>Fiscal Year</i>	FY2012	FY2011	FY2010
Total Assets	\$ 2,955,024	\$ 2,883,354	\$ 2,624,327
Total Liabilities	\$ 963,414	\$ 1,013,247	\$ 900,561
Total Net Assets	\$ 1,991,610	\$ 1,870,107	\$ 1,723,766

- Total assets increased each year mainly due to additional capital asset investments
- Total liabilities remained relatively stable over the three years



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Systemwide Revenues, Expenses and Net Assets

Revenues, Expenses and Net Assets (\$ in Thousands)	FY2012	FY2011	FY2010
Total Revenues	\$ 1,938,267	\$ 2,050,326	\$ 2,047,633
Total Expenses	(1,816,764)	(1,903,985)	(1,867,992)
Change in Net Assets	\$ 121,503	\$ 146,341	\$ 179,641

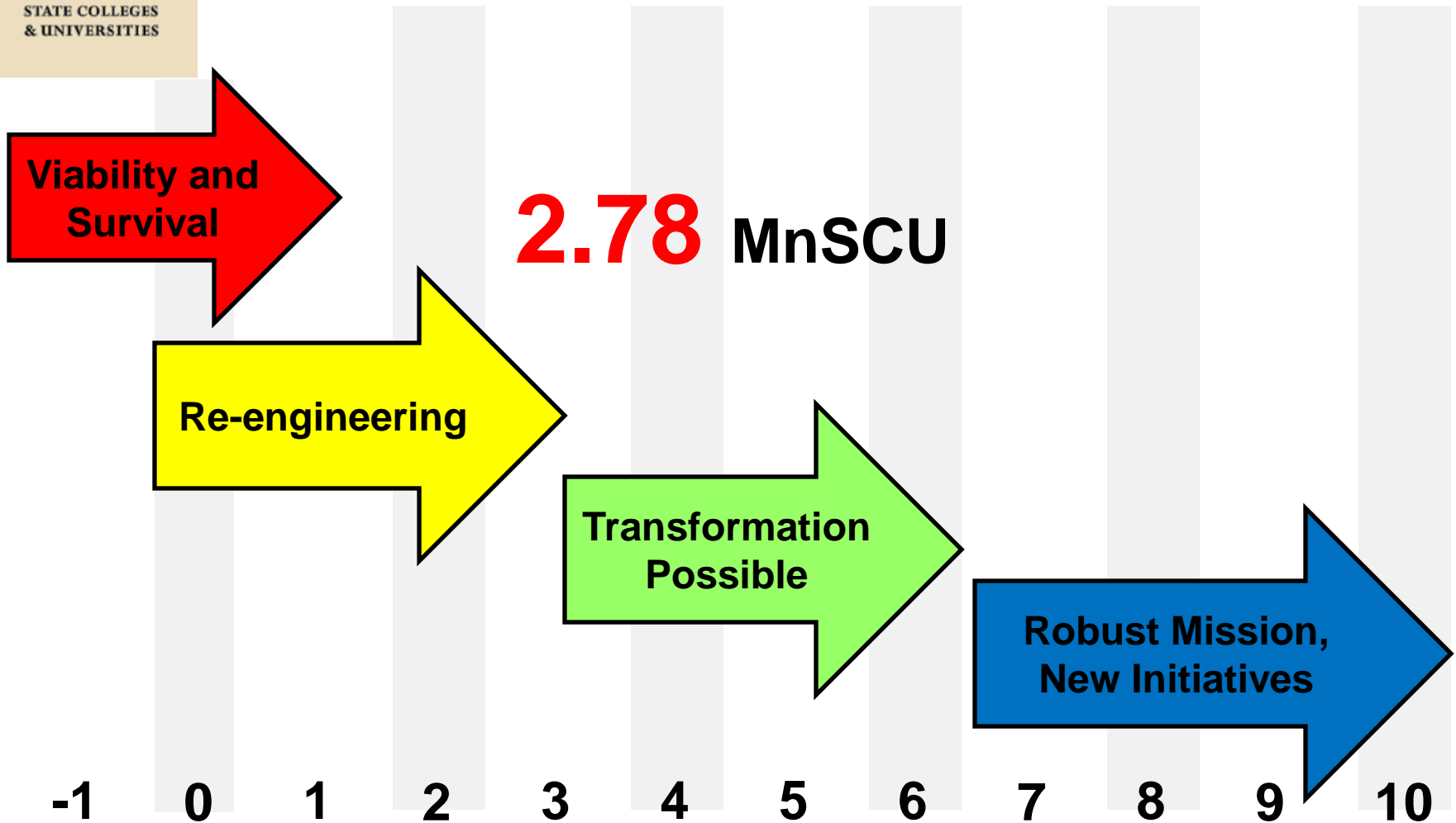
- Total revenue decreased by over \$100 million due to a large reduction in state appropriation & grants
- Operating expenses were reduced in line with the revenue reduction, helping maintain an increase in net assets in fiscal year 2012



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CFI Performance Scale

Range of Financial Health

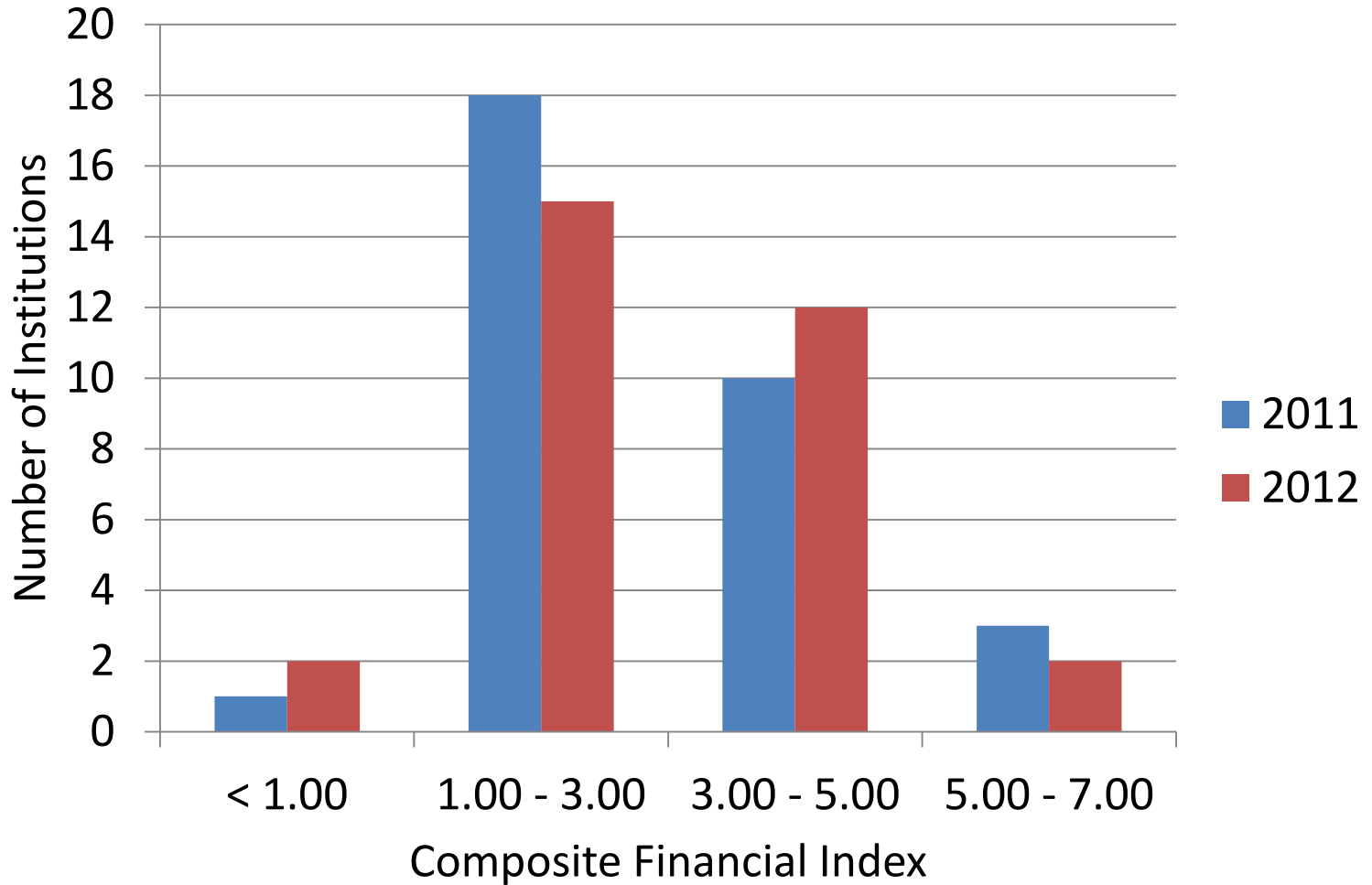




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Composite Financial Index

Colleges and Universities slightly stronger in 2012





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Composite Financial Index

Variability in the Colleges and Universities

	<u>Range</u>		<u>Averages</u>	
	<u>High</u>	<u>Low</u>	<u>Colleges</u>	<u>Universities</u>
Primary Reserve	1.54	0.38	0.82	0.92
Viability	3.50	0.33	1.17	0.67
Net Operating Revenue	0.67	(0.38)	0.13	0.38
Return on Net Assets	1.93	(0.15)	0.60	0.68
CFI			2.72	2.65



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FY2012 Financial Summary

- Significant state appropriation reduction in fiscal year 2012
- Enrollment levels decreased by 2.8% in fiscal year 2012
- Reductions in state appropriation and enrollment levels were countered by a managed decrease in operating expenses; resulting in relatively strong financial performance in fiscal year 2012
- Strong state and federal financial aid participation by students a continuing concern