



# Why Financial Modeling?

Spurred on by the pandemic, CFO's are increasingly being asked complex questions around institutional financials in order to demonstrate fiscal responsibility to boards and accreditors, as well as to ensure they are managing financials in alignment with institutional strategy and mission. Combined with inflation, runaway tuition growth and the pressure to have an ever-increasing number of student services, the financial health of institutions is under pressure.

Financial Modeling allows institutions to plan for their future by combining relevant historical data, allowing them to create, review and catalog multiple long-range financial scenarios and translate business and strategic plans into financial results.

## Objectives

To allow institutions to generate long range financial projections on a 5-10 year time horizon so they have the ability to plan for a number of potential outcomes, including shifting enrollment patterns, state appropriations volatility, inflation fluctuations, planned strategic initiatives and external shocks.

## Key Outcomes

- Create and catalog multiple financial scenarios over a 5-10 year time horizon.
- Combine relevant financial and operational data to provide leadership with long-range financial scenarios.
- Manage institutional finances in alignment with strategy and mission.
- Demonstrate fiscal responsibility to boards, accreditors, and regulators.
- Understand the long-term implications of enrollment fluctuations, tuition revenue adjustments, changing program demand, new program development, and student demographic shifts.
- Understand the long-term implications of the full costs of institutional staffing, including shifting student to faculty ratios, salary increases and other key staffing ratios.
- Ability to balance increasing costs with offsetting revenues.

## Key Questions

### Enrollment & Tuition Planning

How much additional net tuition revenue will be received if enrollment increases or decreases by X%? What are the full financial implications of changing program demand, new program development, and student demographic shifts?

### Faculty & Staff Planning

What are the full costs of the institutional staffing plan? How will student-to-faculty and student-to-staff ratios shift? What are the cumulative effects of annual salary increases?

### Scenario Planning

What are the baseline, high-growth, and low-growth scenarios? Are there contingency plans to weather an unexpected financial downturn?

### Financial Management

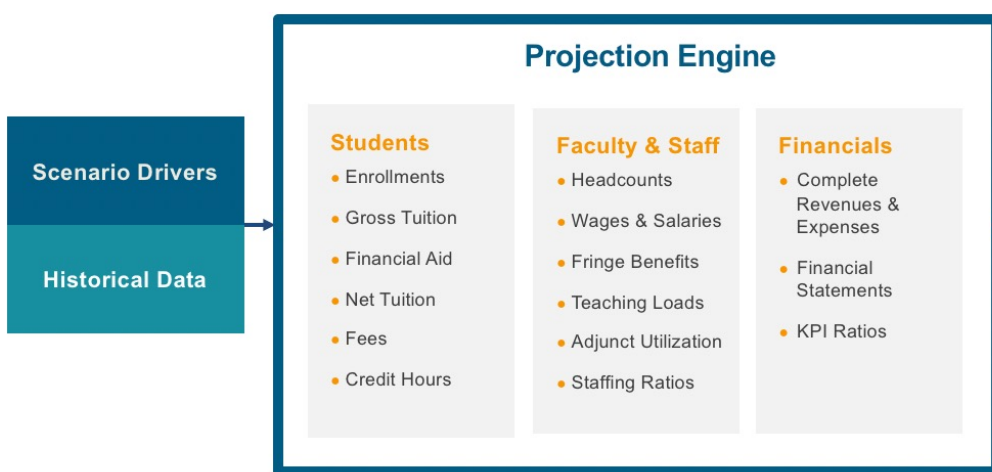
Is the institution prepared for volatility in state appropriations, persistent inflation, utility and commodity price hikes, and other financial contingencies?

# Core Product Components

Financial Modeling is a SaaS product that institutions access via a web browser, requiring a secure sign-in of eligible users.

**Implementation:** To get up and running, HelioCampus works with the institution to collect the historical data necessary via a data file. Historical data (with 5-10 years of history) includes: Student Enrollment & Tuition, Employee Payroll, Financial Statements & (optional) GL accounts. All configurable elements are addressed during implementation. At the conclusion of implementation, institutions have a fully configured application that can be used to generate and view financial scenarios. Training and documentation are also be provided.

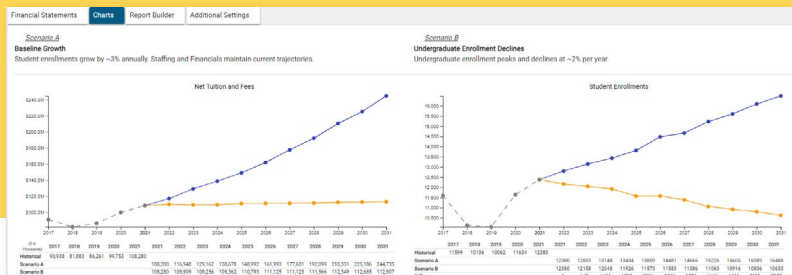
## How Does It Work?



## Financial Results

	Scenario 1 Projections	Scenario 2 Projections	Difference
<b>Operating Revenues:</b>			
Tuition and fees, gross	\$ 182,232	\$ 183,947	\$ 1,715
Less: Scholarship allowances	\$ (61,209)	\$ (61,837)	\$ (628)
Less: Debt aid allowance	(4,621)	(4,629)	(8)
Net tuition and fees	\$ 120,822	\$ 121,907	\$ 1,086
Federal Grants & Contracts	\$ 57,416	\$ 57,989	\$ 570
State Grants & Contracts	\$ 13,957	\$ 14,165	\$ 208
Nongovernmental Grants & Contracts	\$ 22,986	\$ 23,166	\$ 180
Sales & Services from Educational Depts.	\$ 4,385	\$ 4,364	\$ (21)
Auxiliary Enterprises (Net of Allowance)	\$ 45,951	\$ 46,099	\$ 148
Other Operating Revenues	\$ 10,547	\$ 10,504	\$ (43)
<b>Total Operating Revenues:</b>	<b>\$ 276,065</b>	<b>\$ 278,194</b>	<b>\$ 2,129</b>
<b>Operating Expenditures:</b>			
Salaries & Wages	\$ 191,135	\$ 191,956	\$ 820
Fringe Benefits	\$ 73,524	\$ 73,927	\$ 403
Travel	\$ 12,530	\$ 12,479	\$ (51)
Contractual Services	\$ 75,786	\$ 76,638	\$ 852
Utilities	\$ 12,542	\$ 12,576	\$ 34
Scholarships & Fellowships	\$ 34,088	\$ 34,282	\$ 195
Commodities	\$ 19,981	\$ 19,934	\$ (47)
Depreciation	\$ 22,887	\$ 22,957	\$ 70
<b>Total Expenditures and Deductions</b>	<b>\$ 442,473</b>	<b>\$ 444,748</b>	<b>\$ 2,275</b>
<b>Operating Loss</b>	<b>\$ (166,407)</b>	<b>\$ (166,554)</b>	<b>\$ (146)</b>
<b>Nonoperating Revenue (Expenses):</b>			
State Appropriations	\$ 132,317	\$ 133,265	\$ 949
Gifts & Grants	\$ 40,962	\$ 41,251	\$ 290
Investment Income (Net)	\$ 2,556	\$ 2,586	\$ 30
Interest Expense on Capital Asset Debt	\$ (7,729)	\$ (7,771)	\$ (42)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 168,105</b>	<b>\$ 169,331</b>	<b>\$ 1,226</b>
<b>Income (Loss) before Other Revenues, Expenses, Gains and Losses</b>			
	<b>\$ 1,698</b>	<b>\$ 2,778</b>	<b>\$ 1,080</b>
Capital Grants & Gifts	\$ 14,018	\$ 14,030	\$ 12
Restricted Capital Appropriation	\$ 14,991	\$ 14,946	\$ (45)
Other Additions	\$ 3,225	\$ 3,236	\$ 11
Other Deletions	\$ (1,047)	\$ (1,058)	\$ (11)
<b>Change in Net Position</b>	<b>\$ 32,884</b>	<b>\$ 33,931</b>	<b>\$ 1,047</b>
<b>Net Position - Beginning of Year</b>	<b>\$ 381,089</b>	<b>\$ 381,089</b>	
<b>Net Position - End of Year</b>	<b>\$ 413,973</b>	<b>\$ 415,020</b>	<b>\$ 1,047</b>

Income Statement	Balance Sheet	Ratio									
<b>Historic</b>											
2017	2018	2019	2020	2021							
<b>Projected</b>											
2022	2023	2024	2025	2026	2027						
<b>Operating Revenues</b>											
Tuition and fees, gross	\$155,607	\$155,419	\$143,544	\$156,403	\$162,722	\$174,312	\$180,841	\$199,324	\$213,276	\$229,206	\$246,442
Less: Scholarship allowances	(40,669)	(53,256)	(57,283)	(56,710)	(54,442)	(57,141)	(56,879)	(64,645)	(64,204)	(66,213)	(68,061)
Less: Debt aid allowance	-	-	-	-	-	-	-	-	-	-	-
Net tuition and fees	90,930	91,863	86,261	99,732	108,280	116,540	129,162	130,676	149,392	161,993	177,661
<b>Federal Appropriations</b>											
Federal Grants & Contracts	75,855	92,543	83,289	104,943	104,943	110,191	113,496	119,171	125,130	131,386	135,328
State Grants & Contracts	9,939	11,204	12,997	14,309	18,195	19,469	20,493	21,290	22,223	22,932	24,902
Nongovernmental Grants & Contracts	11,298	11,289	13,432	15,899	14,289	13,423	13,877	18,971	17,917	18,218	19,133
Sales & Services from Educational Depts.	1,997	2,176	2,111	2,343	2,437	2,383	2,784	2,992	3,047	3,281	3,424
Auxiliary Enterprises (Net of Allowance)	30,547	31,769	32,404	35,321	39,039	41,322	44,449	49,671	49,009	52,420	56,705
Interest Earned on Loans to Students	-	-	-	-	-	-	-	-	-	-	-
Parent Care Revenues	-	-	-	-	-	-	-	-	-	-	-
Other Operating Revenues	4,336	4,998	4,798	4,688	5,344	5,611	5,948	6,394	6,810	7,287	7,681
<b>Total Operating Revenues</b>	<b>\$225,099</b>	<b>\$229,459</b>	<b>\$229,099</b>	<b>\$273,893</b>	<b>\$293,024</b>	<b>\$311,856</b>	<b>\$326,139</b>	<b>\$351,718</b>	<b>\$372,918</b>	<b>\$399,732</b>	<b>\$428,824</b>
<b>Operating Expenditures</b>											
Salaries & Wages	\$144,888	\$183,026	\$184,856	\$188,554	\$224,379	\$237,841	\$254,490	\$274,810	\$296,837	\$317,616	\$339,845
Fringe Benefits	44,106	46,706	48,795	53,240	64,086	67,931	72,007	77,047	82,211	89,618	94,139



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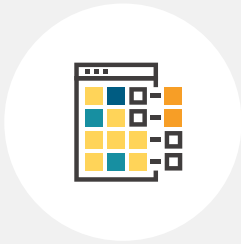
**Dedicated tools for building and communicating financial scenario-planning stories**



**A focus on high-value analytics**



**Built from the ground up and designed around higher ed business processes**



**Customizable and easy to implement**



**Distinct and complementary to the annual budgeting process**



**Easy to use and is focused entirely on long-term strategic financial planning at the institution level**

If you would like more information on HelioCampus solutions, email [info@heliocampus.com](mailto:info@heliocampus.com).

**Helio**CAMPUS

