

How Financial Modeling Contributes to Financial Strength

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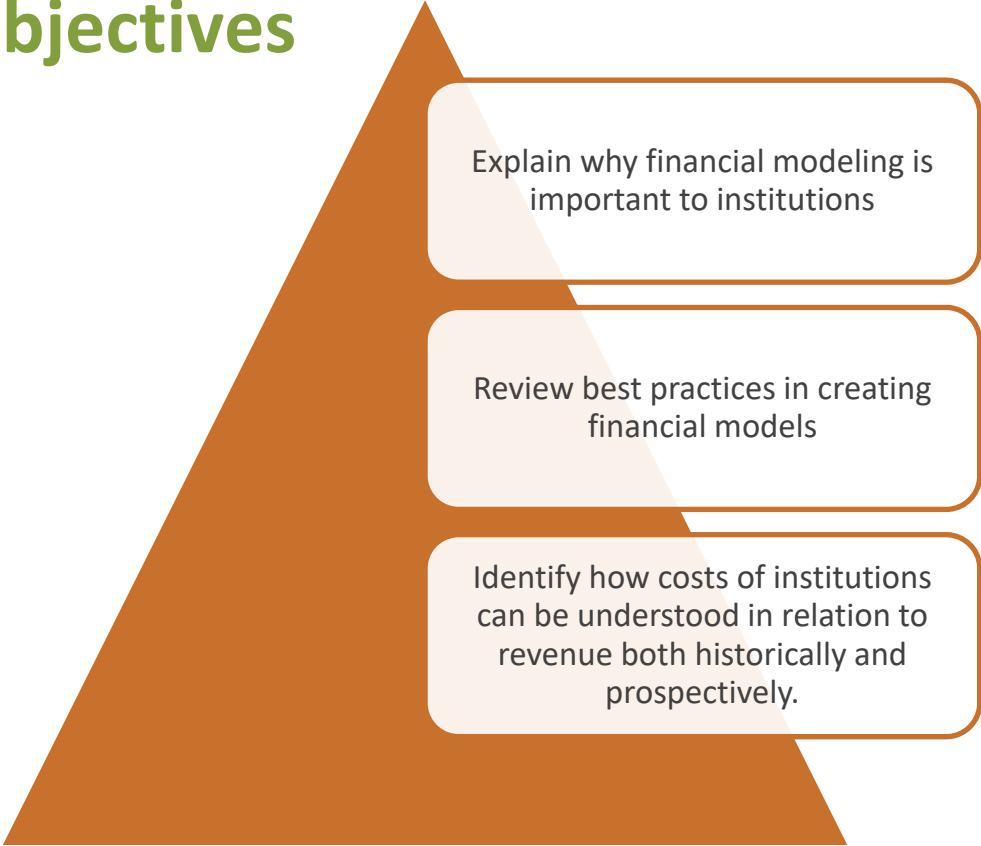
Create Opportunities

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Learning Objectives



Explain why financial modeling is important to institutions

Review best practices in creating financial models

Identify how costs of institutions can be understood in relation to revenue both historically and prospectively.





State of the Industry: What the headlines are saying...

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Harvard Business School professor: Half of American colleges will be bankrupt in 10 to 15 years

Published Thu, Aug 30 2018•11:22 AM EDT

The other college debt crisis: Schools are going broke

PUBLISHED TUE, DEC 3 2019•9:09 AM EST | UPDATED WED, DEC 4 2019•2:59 PM EST

June 28, 2019

Atlantic Union College begins sale of properties a year after shutdown

Private Colleges Battle Disconnects

Private presidents gather to mull the gaps between the challenges they face, the opportunities they see, a hostile public narrative and what they see as a very different reality.

Cincinnati Christian University closes after nearly 100 years

Another Small New England College Closes

Facing a demographic spiral and a challenge to its accreditation, tiny Southern Vermont College says it will close its doors.





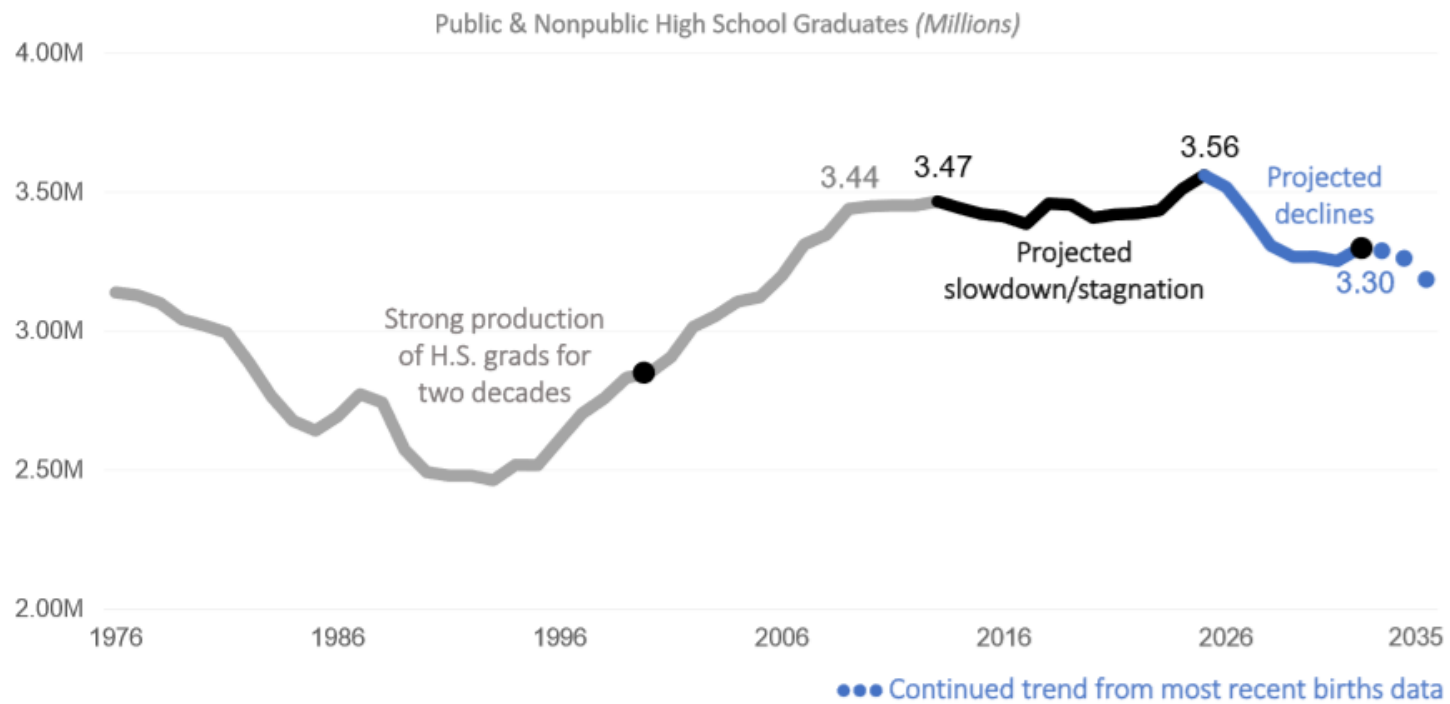
Trends in Higher Education

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Public and Nonpublic High School Graduates

Slowdown & Decline of Traditional-Age Students

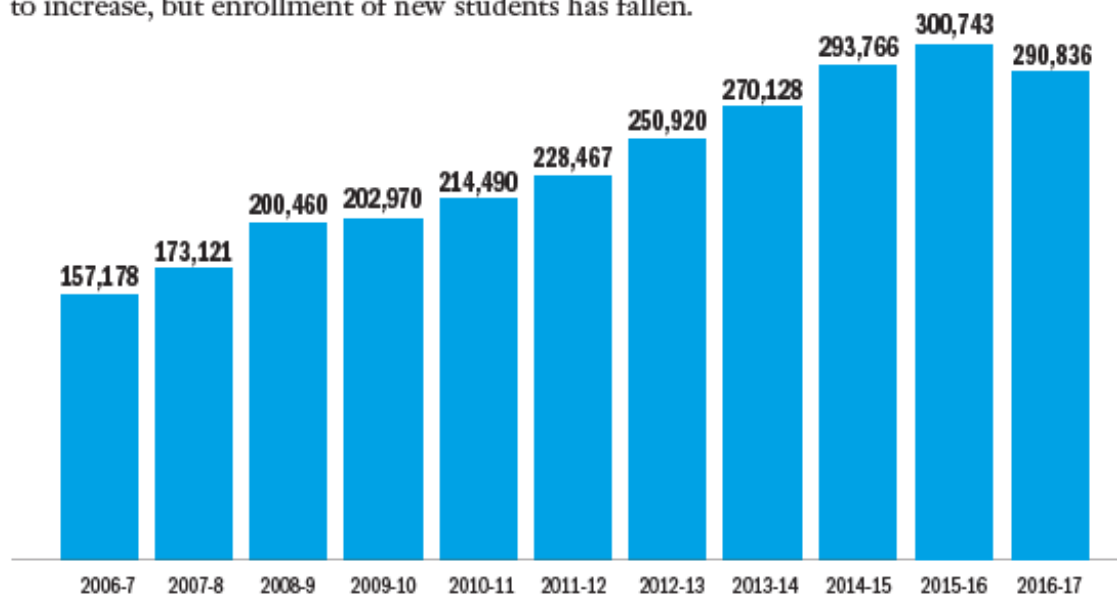


Source: WICHE's Knocking at the College Door: Demographics: Higher School Graduates & Demand for Higher Education



Enrollment of New International Students Drops for First Time in a Decade

The number of international students in the United States continues to increase, but enrollment of new students has fallen.

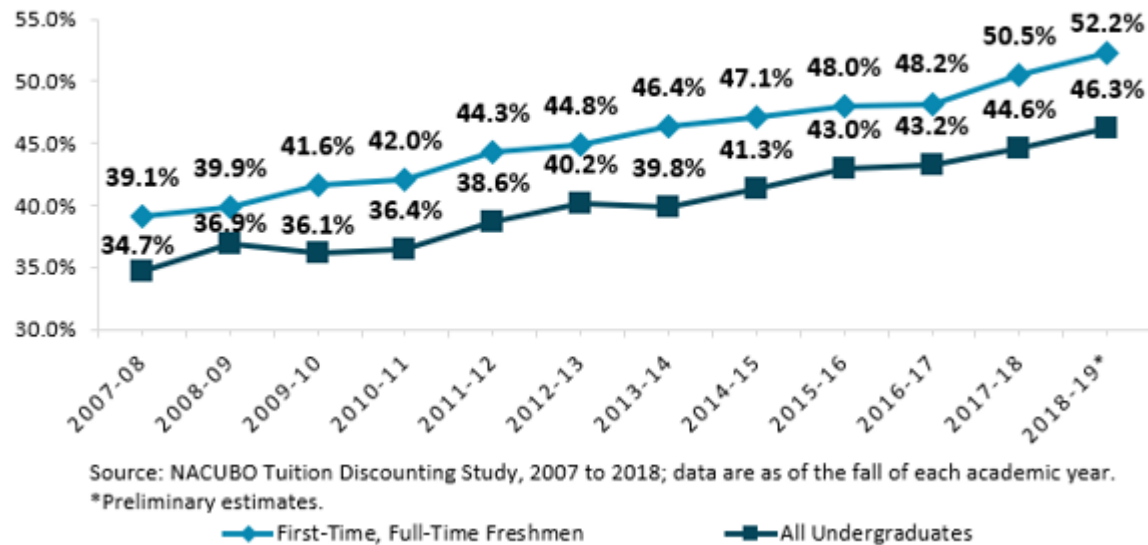


SOURCE: INSTITUTE OF INTERNATIONAL EDUCATION



Discounting

FIGURE 1: AVERAGE INSTITUTIONAL TUITION DISCOUNT RATE
BY STUDENT CATEGORY



Polling Question

What do you see as the biggest challenge facing your institution today?

- Declining enrollment
- Decrease in contributions or funding
- Lack of strategic plan
- Turnover of faculty and staff
- Other





A Story of a Turnaround

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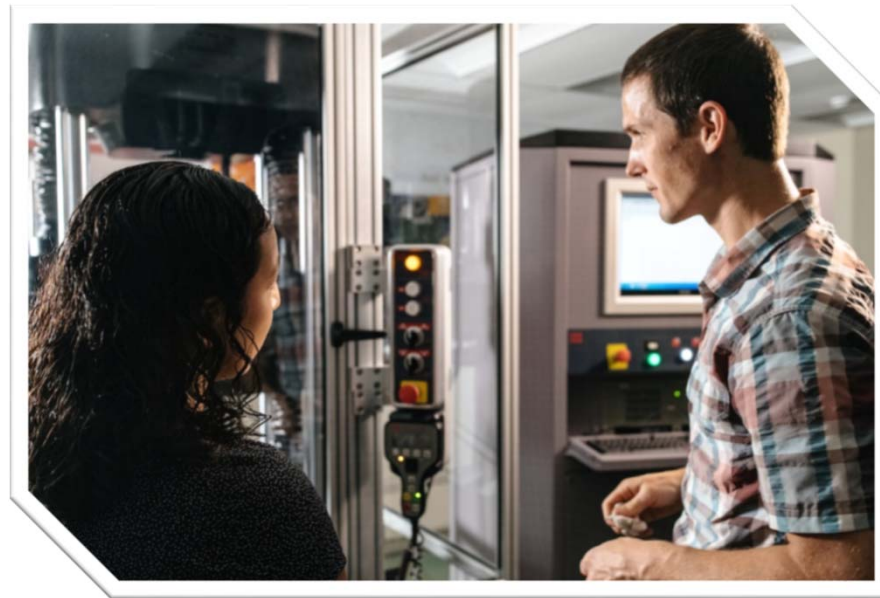
Who We Are

A private, non-profit technical college, Dunwoody College of Technology has been providing a world-class, hands-on, applied education since 1914. Dunwoody is for experimenters and makers, a place where the curious and the confident learn by doing.



Create Opportunities

Challenges Faced by Dunwoody College





Response to Challenges

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Historic Operating Income less Operating Expenses

FY99 through FY19 Audit



Governance



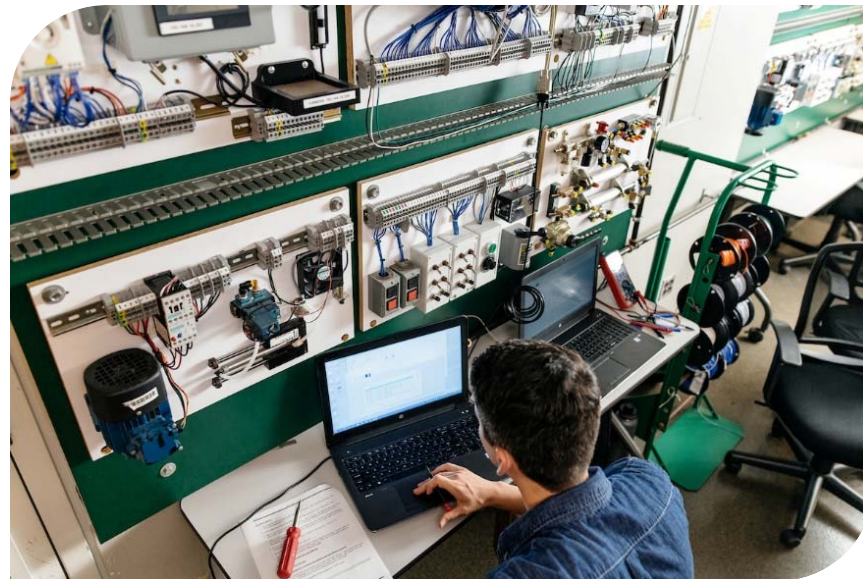
Staffing



Financial Planning and Reporting



Adaptability and Agility



Donor Relationships



Destination 2020

2012-2015

Sustaining Dunwoody in Our Second Century

- Mission Focus
- Financial Stability
- Exploration

SURVIVING

2016-2018

Investing & Growing

- Enrollment Growth to Meet the Needs of the Workforce
- Student Experience to Enhance Retention & Drive Student Success
- Brand Visibility to Promote the Importance of Technical Education

2019-2021

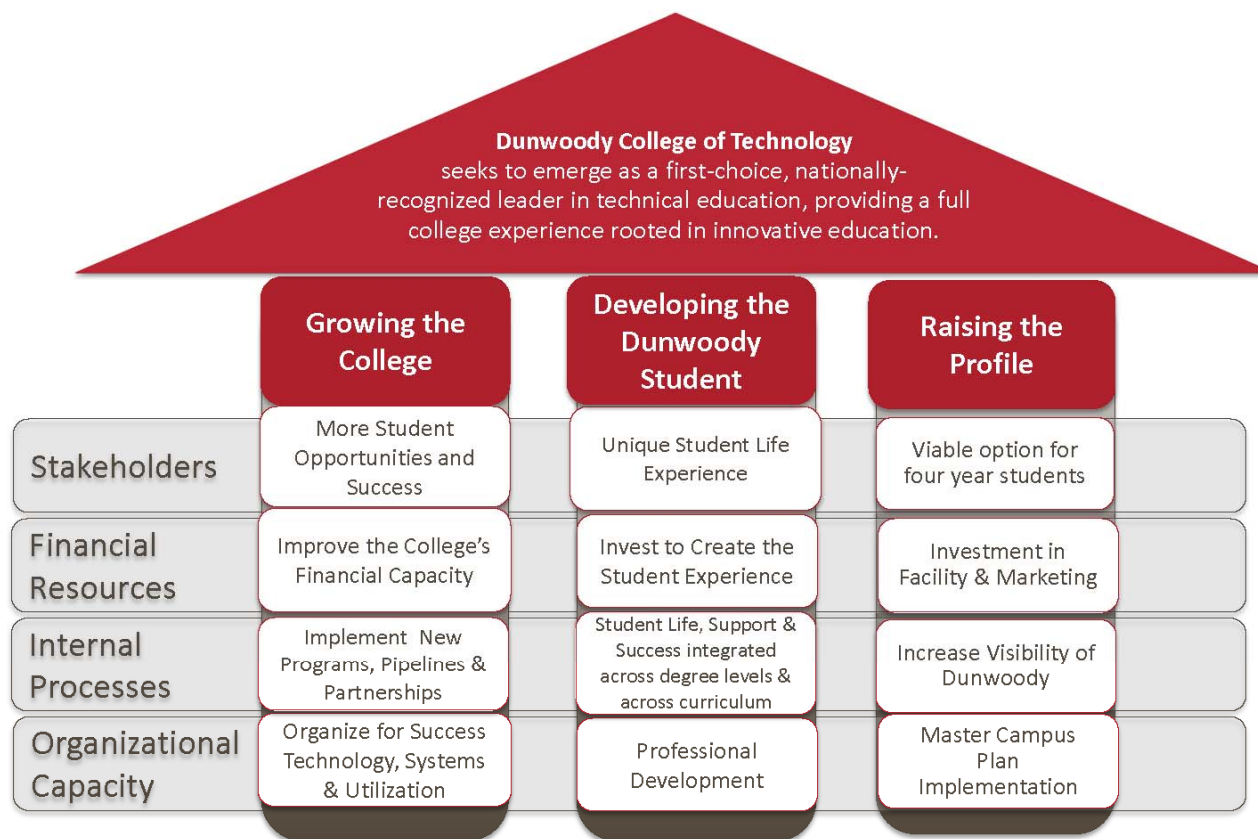
Emerging as Minnesota's Polytechnic

- Nationally recognized leader in technical education
- Distinguished from other colleges with a unique student experience
- Ongoing success of alumni
- Enrollment of 1,600
- Waiting lists in all of our programs

THRIVING



Create Opportunities



Mission: Dunwoody changes lives by building opportunities for graduates to have successful careers, to develop into leaders and entrepreneurs, and to engage in "the better performance of life's duties." (Quote from the Last Will and Testament of William Hood Dunwoody)



**Monthly
Financial
Reports**

**Multi-Year
Budgets**

**Program
Contribution
Margins**

Financial Empowerment



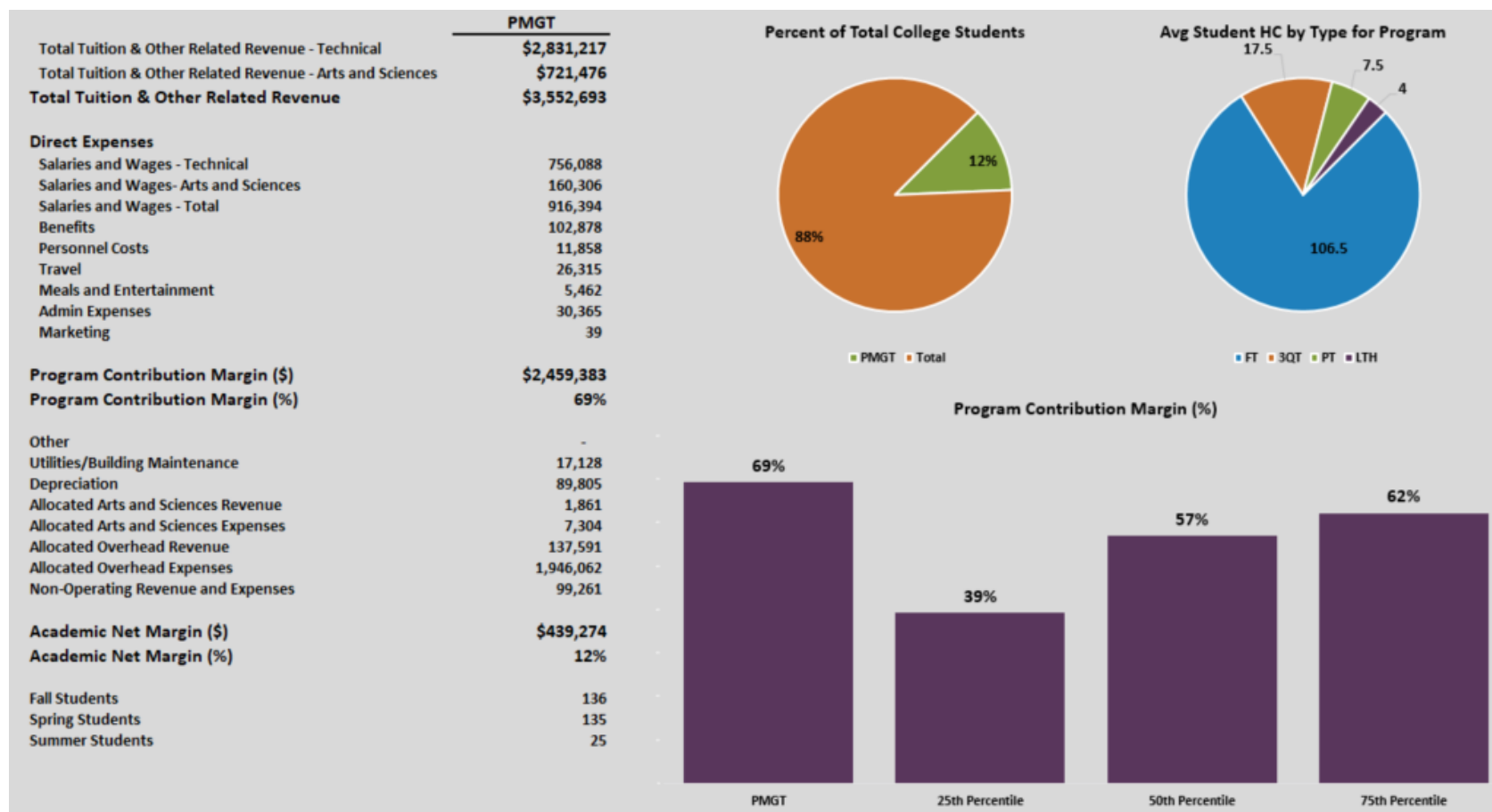
**Financial
Dashboards**



Program Contribution Margin

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Question & Answer





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Thank You

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