

Review Report**Institutional Update 2011-2012 for University of Arizona****Financial Information**

Type	FY 2011	FY 2010	FY 2009
Ending month of fiscal year	June	June	June
Last Completed Audit Year (example 2011)	2011	2010	2009
Did you receive your last completed audit within 6 months of the close of your fiscal year?	Yes	Yes	Yes
Was your most recent financial audit UNQUALIFIED?	Yes	Yes	Yes
Did your most recent audit report include a going concern for disclosure?	No	N/A	N/A

Composite Financial Index													
	FY 2011				FY 2010				FY 2009				
Primary Reserve Ratio Calculation	Data	Str	Wt	CFI	Data	Str	Wt	CFI	Data	Str	Wt	CFI	
Institution unrestricted net assets	293,103				254,432				179,821				
Institution expendable restricted net assets	+ 137,768				127,599				140,375				
Component Unit (C.U.) unrestricted net assets	+ 31,848				28,178				25,095				
C.U. temporary restrict net assets	+ 138,951				138,133				141,096				
C.U. net investment in plant	- 29,720				26,616				14,841				
Numerator Total	571,950				521,726				471,546				
Institution operating expenses	1,505,302				1,421,377				1,405,886				
Institution nonoperating expenses	+ 50,447				45,077				40,887				
Elimination of inter-entity amounts	+ 0				0				0				
C.U. total expenses	+ 85,761				80,778				74,779				
Denominator Total	1,641,510				1,547,232				1,521,552				
Primary reserve ratio (p. 58*)	/	0.348	2.62	0.35	0.92	0.337	2.53	0.35	0.89	0.310	2.33	0.35	0.82
Net Operating Revenue Ratio Calculation													
Institution operating income (loss)	-446,680				-459,417				-545,837				
Institution net nonoperating revenues	+ 517,906				528,660				530,536				
C.U. change in unrestricted net assets	+ 3,223				2,657				-5,276				
Elimination of inter-entity amounts	+ 0				0				0				
Numerator Total	74,449				71,900				-20,577				
Institution operating revenues	1,058,622				961,960				860,049				
Institution nonoperating revenues	+ 568,353				573,737				571,423				
C.U. total unrestricted revenues	+ 83,484				83,422				69,900				
Elimination of inter-entity amounts	+ 0				0				0				
Denominator Total	1,710,459				1,619,119				1,501,372				
Net Operating Revenue ratio (p. 86*)	/	0.044	3.38	0.10	0.34	0.044	3.38	0.10	0.34	-0.014	-	0.10	-
										1.00			0.10
Return on Net Assets ratio calculation													
Change in net assets plus C.U. change in net assets	151,930				122,890				-50,153				
Elimination of inter-entity amounts	+ 0				0				0				
Divided by total net assets + C.U. total net assets (beginning of year)	1,455,443				1,332,553				1,382,711				
Return on Net Assets ratio (p. 74*)	/	0.104	5.20	0.20	1.04	0.092	4.60	0.20	0.92	-0.036	-	0.20	-
										1.00			0.20
Viability ratio calculation													
Numerator - Expendable net assets (from Primary Reserve Numerator)	571,950				521,726				471,546				

Institution long-term debt (total project-related debt)	1,146,893	1,145,073	1,047,709
C.U. long-term debt (total project-related debt) +	10,487	9,374	9,109
Denominator - Total Long-term + C.U. debt (total project-related debt)	1,157,380	1,154,447	1,056,818
Viability ratio (p. 64*) /	0.494 1.18 0.35 0.41	0.452 1.08 0.35 0.38	0.446 1.07 0.35 0.37
Total-Composite Financial Indicator Score (CFI)	2.7	2.5	0.9

Comments

2011: None
 2010: None
 2009: None

What the Total Composite Financial Indicator Score (CFI) Means to You

The chart below identifies three zones in which the CFI scores shown above will fall: Above, In, and Below. Each zone specifies a range of CFI scores, with different ranges for private and public institutions. Following the close of the Institutional Update, the Commission will review all the financial data reported and will identify any institutions that have CFI scores in the **Below** zone for a **single** year or the **In** zone for **two consecutive** years. The Commission will notify those institutions about possible follow-up needed on their financial condition, including review by the Commission's Financial Panel Review process.

Zones	Private Institutions (-1 to 3) Composite Index	Public Institutions (-4 to 10) Composite Index	Outcomes
Above	1.5 to 3.0	1.1 to 10	No Review
In	1.0 to 1.4	0 to 1.0	Financial Panel Review if "In" for two or more consecutive years.
Below	-1.0 to 0.9	-4.0 to -0.1	Financial Panel Review if "Below" in any given year.