

Review Report**Institutional Update 2012-2013 for University of Arizona****Financial Information**

Type	FY 2012	FY 2011	FY 2010
Ending month of fiscal year	June	June	June
Last Completed Audit Year (example 2012)	2012	2011	2010
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	No	

Composite Financial Index

	FY 2012				FY 2011				FY 2010			
Primary Reserve Ratio Calculation	Data	Str	Wt	CFI	Data	Str	Wt	CFI	Data	Str	Wt	CFI
Institution unrestricted net assets	310,258				293,103				254,432			
Institution expendable restricted net assets	+ 122,904				137,768				127,599			
Component Unit (C.U.) unrestricted net assets	+ 31,686				31,848				28,178			
C.U. temporary restrict net assets	+ 105,819				138,951				138,133			
C.U. net investment in plant	- 29,792				29,720				26,616			
Numerator Total	540,875				571,950				521,726			
Institution operating expenses	1,583,391				1,505,302				1,421,377			
Institution nonoperating expenses	+ 44,391				50,447				45,077			
Elimination of inter-entity amounts	+ 0				0				0			
C.U. total expenses	+ 129,492				85,761				80,778			
Denominator Total	1,757,274				1,641,510				1,547,232			
Primary reserve ratio (p. 58*)	/ 0.308	2.32	0.35	0.81	0.348	2.62	0.35	0.92	0.337	2.53	0.35	0.89
Net Operating Revenue Ratio Calculation												
Institution operating income (loss)	-459,163				-446,680				-459,417			
Institution net nonoperating revenues	+ 455,106				517,906				528,660			
C.U. change in unrestricted net assets	+ -162				3,223				2,657			
Elimination of inter-entity amounts	+ 0				0				0			
Numerator Total	-4,219				74,449				71,900			
Institution operating revenues	1,124,228				1,058,622				961,960			
Institution nonoperating revenues	+ 499,497				568,353				573,737			
C.U. total unrestricted revenues	+ 107,967				83,484				83,422			
Elimination of inter-entity amounts	+ 0				0				0			
Denominator Total	1,731,692				1,710,459				1,619,119			
Net Operating Revenue ratio (p. 86*)	/ -0.002	-	0.10	-	0.044	3.38	0.10	0.34	0.044	3.38	0.10	0.34
		0.15		0.01								
Return on Net Assets ratio calculation												
Change in net assets plus C.U. change in net assets	21,734				151,930				122,890			
Elimination of inter-entity amounts	+ 0				0				0			
Divided by total net assets + C.U. total net assets (beginning of year)	1,607,373				1,455,443				1,332,553			
Return on Net Assets ratio (p. 74*)	/ 0.014	0.70	0.20	0.14	0.104	5.20	0.20	1.04	0.092	4.60	0.20	0.92
Viability ratio calculation												
Numerator - Expendable net assets (from Primary Reserve Numerator)	540,875				571,950				521,726			
Institution long-term debt (total project-related)	1,177,773				1,146,893				1,145,073			

debt)															
C.U. long-term debt (total project-related debt)	+	9,344				10,487						9,374			
Denominator - Total Long-term + C.U. debt (total project-related debt)		1,187,117				1,157,380						1,154,447			
Viability ratio (p. 64*)	/	0.456	1.09	0.35	0.38	0.494	1.18	0.35	0.41			0.452	1.08	0.35	0.38
Total-Composite Financial Indicator Score (CFI)					1.3				2.7						2.5

Comments

2012: None
 2011: None
 2010: 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.