Review Report

Institutional Update 2012-2013 for University of Illinois at Urbana-Champaign

Financial Information

<table>
<thead>
<tr>
<th>Type</th>
<th>FY 2012</th>
<th>FY 2011</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending month of fiscal year</td>
<td>June</td>
<td>June</td>
<td>June</td>
</tr>
<tr>
<td>Last Completed Audit Year (example 2012)</td>
<td>2012</td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Did you receive your last completed audit within 6 months of the close of your fiscal year?</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Was your most recent financial audit UNQUALIFIED?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Did your most recent audit report include a going concern for disclosure?</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>
## Composite Financial Index

<table>
<thead>
<tr>
<th>Primary Reserve Ratio Calculation</th>
<th>FY 2012</th>
<th>FY 2011</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Data</td>
<td>Str Wt</td>
<td>CFI Data</td>
</tr>
<tr>
<td>Institution unrestricted net assets</td>
<td>1,040,898</td>
<td>687,241</td>
<td>386,533</td>
</tr>
<tr>
<td>Institution expendable restricted net assets</td>
<td>+ 599,392</td>
<td>561,455</td>
<td>442,653</td>
</tr>
<tr>
<td>Component Unit (C.U.) unrestricted net assets</td>
<td>+ 5,795</td>
<td>25,864</td>
<td>-29,337</td>
</tr>
<tr>
<td>C.U. temporary restrict net assets</td>
<td>+ 661,460</td>
<td>642,646</td>
<td>529,854</td>
</tr>
<tr>
<td>C.U. net investment in plant</td>
<td>- 0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Numerator Total</strong></td>
<td>2,307,545</td>
<td>1,917,206</td>
<td>1,329,703</td>
</tr>
<tr>
<td>Institution operating expenses</td>
<td>4,744,967</td>
<td>4,465,371</td>
<td>4,341,575</td>
</tr>
<tr>
<td>Institution nonoperating expenses</td>
<td>+ 71,489</td>
<td>76,672</td>
<td>77,368</td>
</tr>
<tr>
<td>Elimination of inter-entity amounts</td>
<td>+ 0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>C.U. total expenses</td>
<td>+ 226,163</td>
<td>214,702</td>
<td>213,367</td>
</tr>
<tr>
<td><strong>Denominator Total</strong></td>
<td>5,042,619</td>
<td>4,756,745</td>
<td>4,632,310</td>
</tr>
<tr>
<td>Primary reserve ratio (p. 58*)</td>
<td>/ 0.458 3.44 0.35 1.20</td>
<td>/ 0.403 3.03 0.35 1.06</td>
<td>/ 0.287 2.16 0.35 0.76</td>
</tr>
</tbody>
</table>

### Net Operating Revenue Ratio Calculation

| Institution operating income (loss) | - 1,327,123 | - 1,195,818 | - 1,230,406 |
| Institution net nonoperating revenues | + 1,699,210 | 1,572,789 | 1,577,902 |
| C.U. change in unrestricted net assets | + -20,069 | 55,201 | -65,767 |
| Elimination of inter-entity amounts | + 0 | 0 | 0 |
| **Numerator Total** | 352,018 | 432,172 | 281,729 |
| Institution operating revenues | 3,417,844 | 3,269,553 | 3,111,169 |
| Institution nonoperating revenues | + 1,814,373 | 1,661,326 | 1,652,331 |
| C.U. total unrestricted revenues | + 18,058 | 18,211 | 19,354 |
| Elimination of inter-entity amounts | + 0 | 0 | 0 |
| **Denominator Total** | 5,250,275 | 4,949,090 | 4,782,854 |
| Net Operating Revenue ratio (p. 86*) | / 0.067 5.15 0.10 0.52 | / 0.087 6.69 0.10 0.67 | / 0.059 4.54 0.10 0.45 |

### Return on Net Assets ratio calculation

| Change in net assets plus C.U. change in net assets | 500,036 | 632,600 | 617,476 |
| Elimination of inter-entity amounts | + 0 | 0 | 0 |
| Divided by total net assets + C.U. total net assets (beginning of year) | 4,595,041 | 3,960,395 | 3,428,920 |
| Return on Net Assets ratio (p. 74*) | / 0.109 5.45 0.20 1.09 | / 0.160 8.00 0.20 1.60 | / 0.180 9.00 0.20 1.80 |

### Viability ratio calculation

| Numerator - Expendable net assets (from Primary Reserve Numerator) | 2,307,545 | 1,917,206 | 1,329,703 |
| Institution long-term debt (total project-related) | 1,634,542 | 1,620,790 | 1,651,141 |
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.

<table>
<thead>
<tr>
<th>Zones</th>
<th>Private Institutions (-1 to 3) Composite Index</th>
<th>Public Institutions (-4 to 10) Composite Index</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above</td>
<td>1.5 to 3.0</td>
<td>1.1 to 10</td>
<td>No Review</td>
</tr>
<tr>
<td>In</td>
<td>1.0 to 1.4</td>
<td>0 to 1.0</td>
<td>Financial Panel Review if &quot;In&quot; for two or more consecutive years.</td>
</tr>
<tr>
<td>Below</td>
<td>-1.0 to 0.9</td>
<td>-4.0 to -0.1</td>
<td>Financial Panel Review if &quot;Below&quot; in any given year.</td>
</tr>
</tbody>
</table>