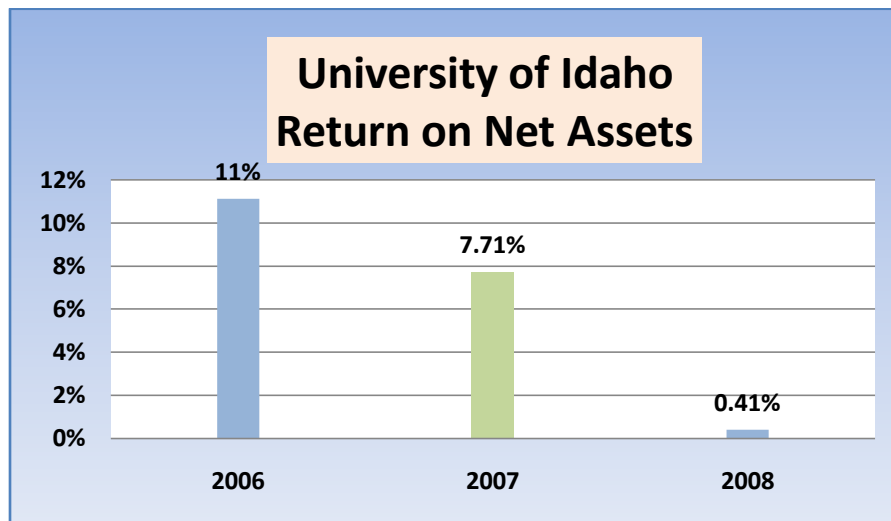


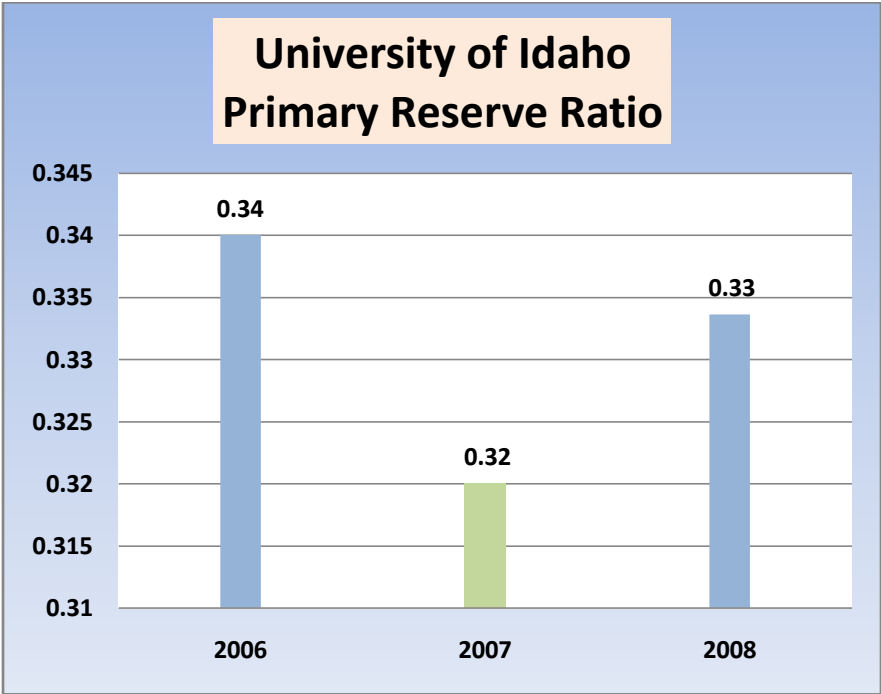
UNIVERSITY OF IDAHO RATIO ANALYSIS
FOR FISCAL YEARS 2006, 2007, AND 2008
DATA COMPILED FROM AUDITED FINANCIAL STATEMENTS

RETURN ON NET ASSETS RATIO



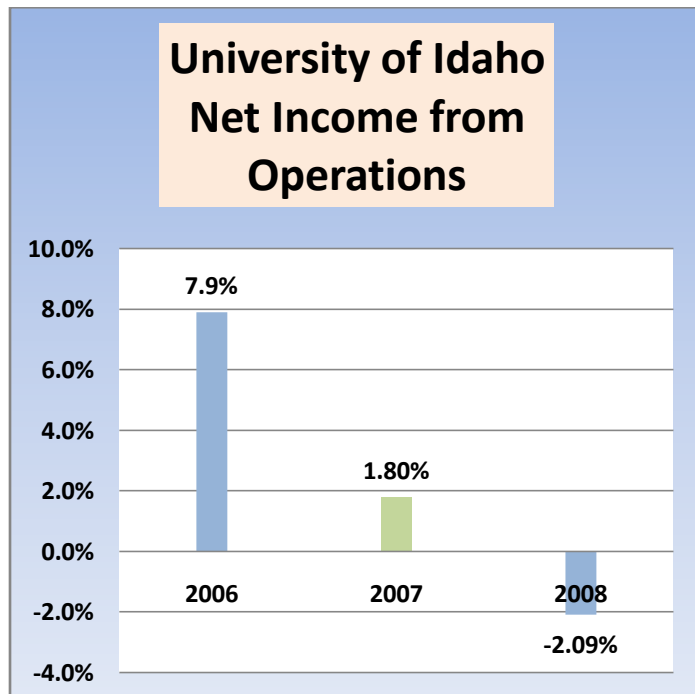
- Indicates whether the institution has financial strength and flexibility for the future.
- Determines whether the University is financially better, or worse, than in previous years by measuring total economic return. It is an important measure of the University's current reporting year operations.

PRIMARY RESERVE RATIO



- Measures number of years an entity could pay its expenses without relying on additional net assets.
- A ratio of .40 or better is necessary to give institutions the financial flexibility for positive transformation. Measures number of years an entity could pay its expenses without relying on additional net assets.

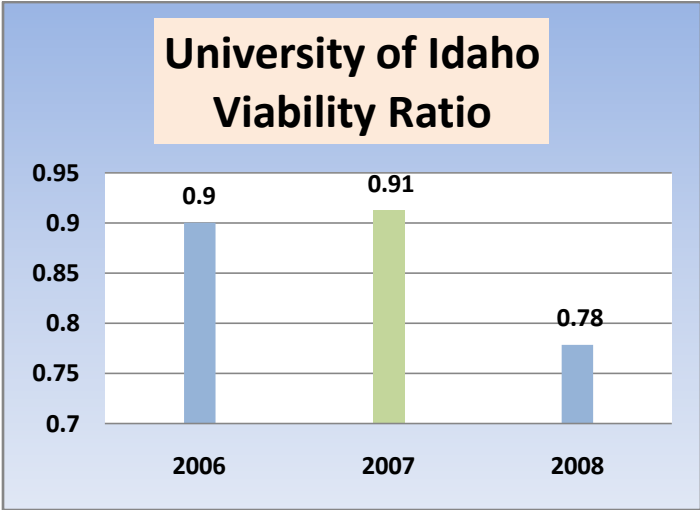
NET OPERATING REVENUES RATIO



Indicates whether total operating activities resulted in a surplus or deficit.

- Indicates whether total operating activities resulted in a surplus or deficit and measures the ability of the University to operate in the short term.
- A large surplus or deficit directly impacts the amount of funds UI will add or subtract from net assets

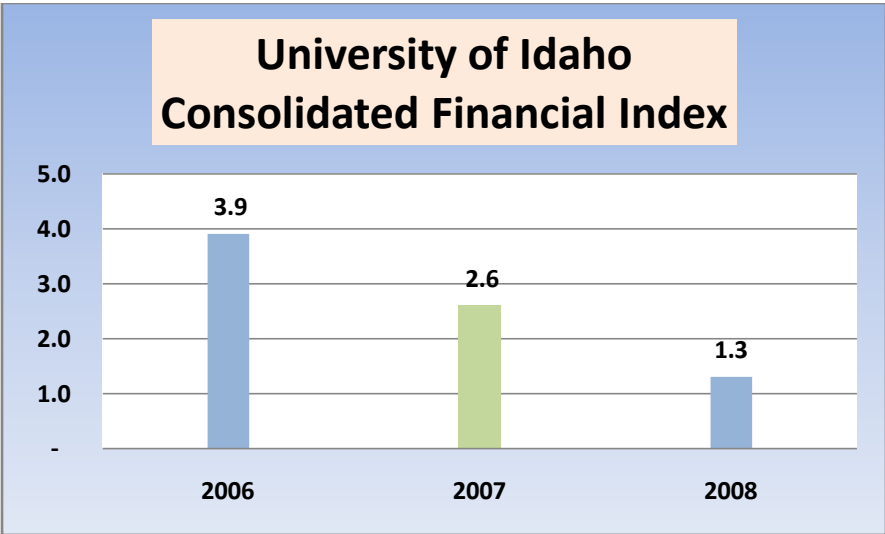
VIABILITY RATIO



- Measures the availability of expendable net assets to cover debt.
- Equal to 1.0 indicates sufficient expendable net assets to satisfy debt obligations.

Consolidated Financial Index (CFI)

The Consolidated Financial Index is a composite score of the four ratios which falls along a standardized scale of -1 to 10. A CFI score of 3 is a threshold of institutional financial health. A score of less than 3 indicates a need for serious attention to the institution’s financial condition. A score of greater than 3 indicates an opportunity for strategic investment of institutional resources to optimize the achievement of institutional mission.



CFI SCORING GUIDE

SCALE LEVEL	CFI SCORING RANGE	ACTION
One	-1 to 1	Assess viability of institution's survival
Two	0 to 2	Reengineer the institution
Three	1 to 3	
Four	2 to 4	Direct resources toward transformation
Five	3 to 5	
Six	4 to 6	Focus resources to compete
Seven	5 to 7	
Eight	6 to 8	Experiment with new initiatives
Nine	7 to 9	Experiment with new initiatives; achieve a robust mission
Ten	> 9	Deploy resources to achieve a robust mission

Adapted from Strategic Financial Analysis for Higher Education 6th Edition, KPMG, PRAGER, SEALY & CO. and BearingPoint