

The University of Akron
 KPMG Metrics Calculations (Scenario #1 - FY21 All Faculty Reductions \$23.5M)
 Composite Financial Index (CFI)
 Last updated 7/2/20

Projection 2020 (Draft)				
Ratio	Ratio Value	Strength Factor	Weighting Factor	Score
Primary Reserve	0.60	4.50	35%	1.57
Net Operating Revenues	(9.95%)	(4.00)	10%	(0.40)
Return on Net Assets	(2.97%)	(1.49)	20%	(0.30)
Viability	0.51	1.22	35%	0.43
CFI				1.3

The University of Akron
 KPMG Metrics Calculations (Scenario #2 Faculty Reductions without AAUP \$11.7M)
 Composite Financial Index (CFI)
 Last updated 7/2/20

Projection 2020 (Draft)				
Ratio	Ratio Value	Strength Factor	Weighting Factor	Score
Primary Reserve	0.54	4.09	35%	1.43
Net Operating Revenues	(13.82%)	(4.00)	10%	(0.40)
Return on Net Assets	(4.81%)	(2.40)	20%	(0.48)
Viability	0.48	1.15	35%	0.40
CFI				1.0

The University of Akron
 KPMG Metrics Calculations (Scenario #3 FY22 Faculty Retrenchment - \$11.3M)
 Composite Financial Index (CFI)
 Last updated 7/2/20

Projection 2022 (Draft)				
Ratio	Ratio Value	Strength Factor	Weighting Factor	Score
Primary Reserve	0.53	3.96	35%	1.39
Net Operating Revenues	(10.56%)	(4.00)	10%	(0.40)
Return on Net Assets	(3.17%)	(1.59)	20%	(0.32)
Viability	0.46	1.11	35%	0.39
CFI				1.1

Sources: KPMG's Strategic Financial Analysis for Higher Education; Identifying, Measuring & Reporting Financial Risks; Seventh Edition, respective FY19 annual financial statements/notes, and certain assumptions

Note: CFI score is rounded to the nearest single decimal based on KPMG's guidance

Assumptions:

Using FY20 estimated expenses less FY21 budget reductions excluding faculty reductions for base estimate

Removed any market impact for UAF. No other changes were made to UAF and UARF from FY20 estimate to FY21 estimate

FY21 estimate does not include impact of elimination of non bargaining retired employee dependents on UA healthcare plan which is expected to increase total CFI score.