

REPORT HIGHLIGHTS FINANCIAL STATEMENT AUDIT

Our Conclusion

Northern Arizona University is responsible for preparing annual financial statements, maintaining effective internal controls, and being accountable for its use of public monies. Our Office is responsible for auditing the University's financial statements annually. Since the University is a component of the State of Arizona, the information in its financial statements will also be incorporated in the State of Arizona's Comprehensive Annual Financial Report. A summary of the University's financial statements is presented to the right.

Based on our audit, we issued a report that included our opinion on the University's financial statements and a report on its internal control and compliance. The information in the University's fiscal year 2012 financial statements is reliable. Our report on internal control and compliance did not include any reported deficiencies in the University's internal control or compliance over financial reporting.



2012

Year Ended June 30, 2012

Condensed financial information

Statement of net assets—This statement reports all assets, liabilities, and net assets. Net assets, the difference between assets and liabilities, are reported in three major categories:

- **Invested in capital assets, net of related debt**—shows the equity in property, plant, and equipment.
- **Restricted**—shows the resources that must be used for restricted purposes as specified by donors and external entities.
- **Unrestricted**—shows the resources available for general operations.

Statement of revenues, expenses, and changes in net assets—This statement reports all revenues, expenses, and other changes in net assets. Revenues and expenses are reported as either operating or nonoperating. The change in net assets indicates whether financial health has improved or deteriorated as a result of current-year activities. Net assets increased by \$15 million, or 4 percent, in the current year as compared to an increase of \$49 million, or 13 percent, in fiscal year 2011 and an increase of \$57 million, or 18 percent, in fiscal year 2010.

Condensed statement of net assets As of June 30, 2012 (In millions)

Assets	
Cash and investments	\$225
Capital assets, net of depreciation	671
Receivables	66
Other assets	4
Total assets	<u>966</u>
Liabilities	
Long-term debt	486
Other liabilities	47
Total liabilities	<u>533</u>
Net assets	
Invested in capital assets, net of related debt	219
Restricted	37
Unrestricted	177
Total net assets	<u>\$433</u>

Condensed statement of revenues, expenses, and changes in net assets For the year ended June 30, 2012 (In millions)

Operating revenues	
Tuition and fees	\$ 158
Grants and contracts	20
Auxiliary enterprises	46
Other operating revenues	17
Total operating revenues	<u>241</u>
Operating expenses	
Educational and general	339
Auxiliary enterprises	37
Depreciation	27
Total operating expenses	<u>403</u>
Operating loss	(162)
Nonoperating revenues and expenses	
State appropriations	104
Grants	71
Other nonoperating, net	(5)
Net nonoperating revenues	<u>170</u>
Capital and endowment additions	7
Increase in net assets	15
Net assets—beginning	418
Net assets—ending	<u>\$ 433</u>



Northern Arizona University

Copies of Northern Arizona University's Annual
Financial Report and Report on Internal Control and
Compliance are available at: www.azauditor.gov
Contact person:
Taryn Stangle (602) 553-0333

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Year Ended June 30, 2012