

Northern Arizona University

CONCLUSION: Based on our audit, we issued opinions on the University's financial statements concluding that the information in those statements is reliable. We also issued a report over the University's internal control and compliance over financial reporting, which identified a finding that is explained on the next page.

University overview

University provides a variety of educational and employment opportunities for the State of Arizona—

In fiscal year 2019, the University provided post-secondary education to over 31,000 students through a variety of colleges and undergraduate, graduate, and professional degree programs, with 7,549 degrees earned. The University employed 1,805 faculty and 2,806 staff positions, providing education to a diverse student population and supporting advanced research.

University responsible for accurate financial report—The University is responsible for accurately preparing its [Comprehensive Annual Financial Report \(CAFR\)](#), maintaining effective internal controls, and being accountable for its use of public monies. Select financial information from the University's CAFR is presented below. However, the University's CAFR should be read to fully understand its overall financial picture. Our Office's [Financial Report User Guide for Colleges and Universities](#) will help readers identify and understand important and useful information in the University's CAFR.

University financial information

Asset, liability, and net position balances on June 30, 2019

Total assets/deferred outflows = \$1,199.0 million

Select asset balances:

\$859.2 M	Capital assets
253.5	Cash and investments
41.8	Receivables

Total liabilities/deferred inflows = \$939.4 million

Select liability balances:

\$626.4 M	Long-term debt and capital leases
189.1	Noncurrent employee benefits
19.5	Unearned revenues

University's net position = \$259.6 million

None of this net position is unrestricted

Revenues and expenses during fiscal year 2019

Total revenues = \$603.1 million

Select revenue sources:

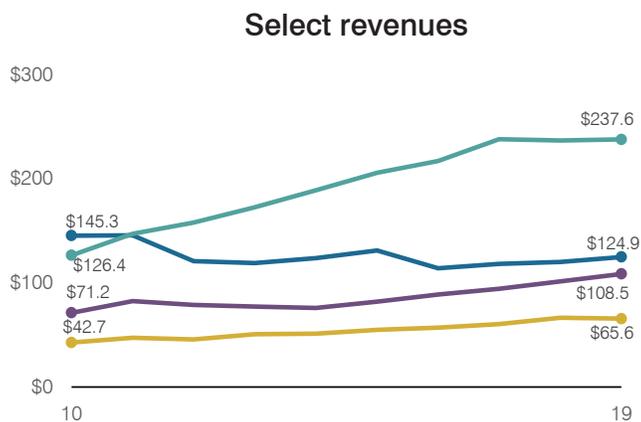
\$237.6 M	Tuition and fees, net of financial assistance
124.9	State assistance
108.5	Government grants and contracts
65.6	Auxiliary enterprises

Total expenses = \$586.2 million

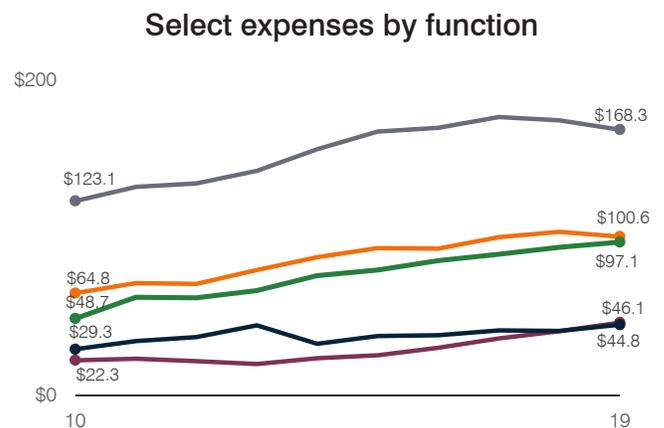
Select expenses by function:

\$168.3 M	Instruction
100.6	Academic and institutional support
97.1	Student services and scholarships
46.1	Research
44.8	Auxiliary enterprises

Select revenues and expenses by function Fiscal years 2010 through 2019 (In millions)



- **Tuition and fees, net of financial assistance**—Charges to students for educational services, net of any University student financial assistance revenues that were used to cover the students' tuition and fees.
- **State assistance**—State appropriations for general operations and maintenance, capital appropriations for research infrastructure, capital commitments for debt service, and the University's share of State sales tax revenues.
- **Government grants and contracts**—Primarily federal and State government grant programs and contracts awarded primarily for student financial aid and research and development programs.
- **Auxiliary enterprises**—Charges to students for services and activities including housing, books, athletic programs, food, parking, and student health, net of any University student financial assistance revenues that were used to cover these student charges.



- **Instruction**—Instruction for all degree and certificate programs.
- **Academic and institutional support**—University-wide planning, management, and administrative support services, including fiscal operations, information technology, and course development.
- **Student services and scholarships**—Social and cultural development, career guidance, financial aid administration, admissions, records, as well as grants, scholarships, and tuition and fee waivers. In fiscal year 2019, 41.1 percent was for scholarships.
- **Research**—Support for all initiatives to advance research in various fields.
- **Auxiliary enterprises**—Services and activities for students including housing, books, athletic programs, food, parking, and student health.

Source: Auditor General staff summary of information obtained from the University's financial statements.

Audit finding and recommendations

Below is a summary of our reported finding over the University's internal control and compliance over financial reporting that is included in the University's [Report on Internal Control and on Compliance](#) where there is detailed information about our finding, recommendations, and the University's response. For help in understanding important information presented in this report, please refer to our Office's [Internal Control and Compliance Reports User Guide](#).

Financial reporting internal control

Travel expense finding

The University inappropriately paid \$40,277 of the President's and her spouse's fiscal year 2019 travel expenses that conflicted with University and Arizona Board of Regents policies and lacked proper documentation to justify the deviations from policies, which put public monies at potential risk of misuse. These expenses represented 62 percent of the total \$64,969 in travel expenses the University expended on their behalf.¹ After we brought these expenses to management's attention, the Northern Arizona University Foundation reimbursed the University \$37,785 for certain airfare and other costs, and the President reimbursed the University \$179 for a duplicate hotel reimbursement.

¹ In June 2014, the Arizona Board of Regents chair authorized the President's spouse to travel with her under certain conditions.