



REPORT HIGHLIGHTS FINANCIAL STATEMENT AUDIT

Subject

The University of Arizona issues financial statements annually. The University is responsible for preparing financial statements, maintaining strong internal controls, and demonstrating accountability for its use of public monies. As the auditors, our job is to determine whether the University has met its responsibilities.

Our Conclusion

The information in the University's financial statements is fairly stated in all material respects, and the financial statements can be relied on. This information will also be incorporated in the State of Arizona's *Comprehensive Annual Financial Report*.



2009

Year Ended June 30, 2009

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 net assets shows the net resources that must be used for restricted purposes as specified by donors and external entities.
- Unrestricted net assets shows the net resources available to fund general operations.

A condensed Statement of Net Assets is presented to the right.

Statement of Revenues, Expenses, and Changes in Net Assets

—This statement reports all revenues, expenses, and other changes to 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 \$10 million in the current year. A condensed Statement of Revenues, Expenses, and Changes in Net Assets is presented to the right.

Condensed Statement of Net Assets June 30, 2009 (In Millions)	
Assets:	
Cash and investments	\$ 614
Capital assets, net of depreciation	1,339
Receivables	208
Other assets	22
Total assets	2,183
Liabilities:	
Long-term debt	1,048
Other liabilities	254
Total liabilities	1,302
Net Assets:	
Invested in capital assets, net of related debt	467
Restricted	234
Unrestricted	180
Total net assets	\$ 881

Condensed Statement of Revenues, Expenses, and Changes in Net Assets Year Ended June 30, 2009 (In Millions)	
Operating revenues:	
Tuition and fees	\$ 269
Grants and contracts	396
Auxiliary enterprises	155
Other operating revenues	40
Total operating revenues	860
Operating expenses:	
Educational and general	1,161
Auxiliary enterprises	145
Depreciation	100
Total operating expenses	1,406
Operating loss	(546)
Nonoperating revenues and expenses:	
State appropriations	349
Grants and other appropriations, including federal fiscal stabilization funds of \$61	132
Other nonoperating, net	50
Net nonoperating revenues	531
Capital and endowment additions	25
Increase in net assets	10
Net assets—beginning of year	871
Net assets—end of year	\$ 881

American Recovery and Reinvestment Act (ARRA) Monies

TO OBTAIN
MORE INFORMATION

A copy of the full report
is available at:
www.azauditor.gov

Contact person:
Donna Miller
(602) 553-0333

Federal fiscal stabilization funds—For fiscal year 2009, the State of Arizona's Office of the Governor received federal ARRA monies totaling \$183 million under the State Fiscal Stabilization Fund Program. Program monies were distributed to the State's universities and community colleges to restore the shortfall of fiscal year 2009 state funding for higher education. The Office of the Governor provided the University of Arizona with \$61 million of this program's monies. The University used the monies primarily for salaries and benefits to support those faculty members, advisors, and others providing direct services to students. In addition, the monies helped mitigate tuition increases for academic year 2009-10.

Other federal ARRA monies—During fiscal year 2009, the University of Arizona was awarded over \$4 million of ARRA monies under various federally sponsored programs. Of this amount, approximately \$3 million was awarded for 18 separate research and development programs. The remaining \$1 million was awarded for two nonresearch federal grants for instruction and public service purposes.

REPORT
HIGHLIGHTS
FINANCIAL STATEMENT AUDIT

Year Ended June 30, 2009