

REPORT HIGHLIGHTS
FINANCIAL STATEMENT AUDIT

Condensed financial information

Our Conclusion

The University of Arizona 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 over financial reporting. The information in the University's fiscal year 2014 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.



2014

Year Ended June 30, 2014

Statement of net position—This statement reports all assets, deferred outflows and inflows of resources, liabilities, and net position. Net position is reported in the following three major categories:

- **Net investment in capital assets**—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 position—This statement reports all revenues, expenses, and other changes to net position. Revenues and expenses are reported as either operating or nonoperating. The change in net position indicates whether financial health has improved or deteriorated as a result of current-year activities. Net position increased by \$79 million, or 7 percent, in the current fiscal year as compared to an increase of \$93 million, or 8 percent, in fiscal year 2013.

**Condensed statement of net position
As of June 30, 2014
(In millions)**

Assets	
Cash and investments	\$ 737
Capital assets, net of depreciation	1,781
Receivables	219
Other assets	<u>22</u>
Total assets	<u>2,759</u>
Deferred outflow of resources	
Deferred charges on refunding of debt	<u>14</u>
Liabilities	
Long-term debt	1,260
Other liabilities	<u>227</u>
Total liabilities	<u>1,487</u>
Net position	
Net investment in capital assets	612
Restricted	301
Unrestricted	<u>373</u>
Total net position	<u>\$1,286</u>

**Condensed statement of revenues,
expenses, and changes in net position
For the year ended June 30, 2014
(In millions)**

Operating revenues	
Tuition and fees	\$ 485
Grants and contracts	417
Auxiliary enterprises	191
Other operating revenues	<u>61</u>
Total operating revenues	<u>1,154</u>
Operating expenses	
Educational and general	1,425
Auxiliary enterprises	161
Depreciation	<u>117</u>
Total operating expenses	<u>1,703</u>
Operating loss	(549)
Nonoperating revenues and expenses	
State appropriations and shared revenues	289
Grants, contracts, and other appropriations	187
Other nonoperating, net	<u>91</u>
Net nonoperating revenues	<u>567</u>
Capital and endowment additions	61
Increase in net position	79
Net position—beginning (restated)	<u>1,207</u>
Net position—ending	<u>\$1,286</u>



University of Arizona

Copies of University of Arizona's Comprehensive Annual Financial Report and Report on Internal Control and Compliance are available at:
www.azauditor.gov
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Year Ended June 30, 2014