



## REPORT HIGHLIGHTS

### FINANCIAL STATEMENT AUDIT

### Our Conclusion

Arizona State 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 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

## Condensed financial information

**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 \$103 million, or 8 percent, in the current fiscal year as compared to an increase of \$85 million, or 7 percent, in fiscal year 2013.

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

<b>Assets</b>	
Cash and investments	\$ 859
Capital assets, net of depreciation	1,946
Receivables	194
Other assets	9
Total assets	<u>3,008</u>
<b>Deferred outflows of resources</b>	
Interest rate swap	14
Unamortized loss on refunding debt	18
Total deferred outflows of resources	<u>32</u>
<b>Liabilities</b>	
Long-term debt	1,372
Other liabilities	236
Total liabilities	<u>1,608</u>
<b>Net position</b>	
Net investment in capital assets	696
Restricted	173
Unrestricted	563
Total net position	<u>\$1,432</u>

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

<b>Operating revenues</b>	
Tuition and fees	\$ 897
Grants and contracts	244
Auxiliary enterprises	141
Other operating revenues	67
Total operating revenues	<u>1,349</u>
<b>Operating expenses</b>	
Educational and general	1,554
Auxiliary enterprises	131
Depreciation	112
Total operating expenses	<u>1,797</u>
Operating loss	(448)
<b>Nonoperating revenues and expenses</b>	
State appropriations and shared revenues	342
Grants, contracts, and gifts	208
Other nonoperating, net	(30)
Net nonoperating revenues	<u>520</u>
<b>Capital, additions to endowments, and extraordinary item</b>	
Increase in net position	103
Net position—beginning, (as restated)	<u>1,329</u>
Net position—ending	<u>\$1,432</u>



**Arizona State University**

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

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