

## 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 internal control weaknesses over financial reporting that are explained on the next page.

### University overview

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

In fiscal year 2018, the University provided post-secondary education to over 31,000 students through a variety of colleges and undergraduate, graduate, and professional degree programs, with 7,396 degrees earned. The University employed 1,744 faculty and 2,738 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, 2018**

**Total assets/deferred outflows = \$1,205 million**

**Select asset balances:**

\$841.4 M	Capital assets
278.7	Cash and investments
43.5	Receivables

**Total liabilities/deferred inflows = \$962 million**

**Select liability balances:**

\$636.1 M	Long-term debt
202.0	Noncurrent employee benefits
20.6	Unearned revenues

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**University's net position = \$243 million**

None of this net position is unrestricted

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**Revenues and expenses during fiscal year 2018**

**Total revenues = \$590 million**

**Select revenue sources:**

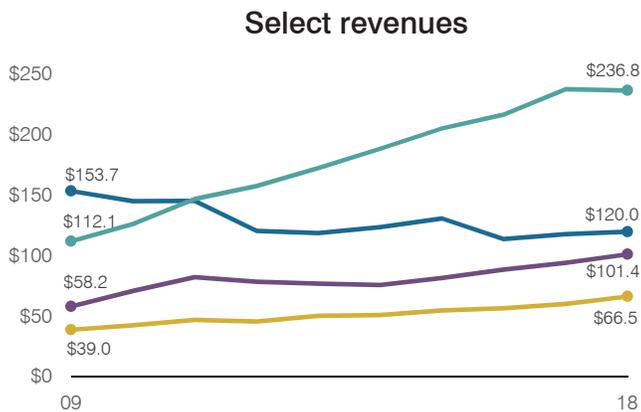
\$236.8 M	Tuition and fees, net of financial assistance
120.0	State assistance
101.4	Government grants/contracts
66.5	Auxiliary enterprises

**Total expenses = \$585 million**

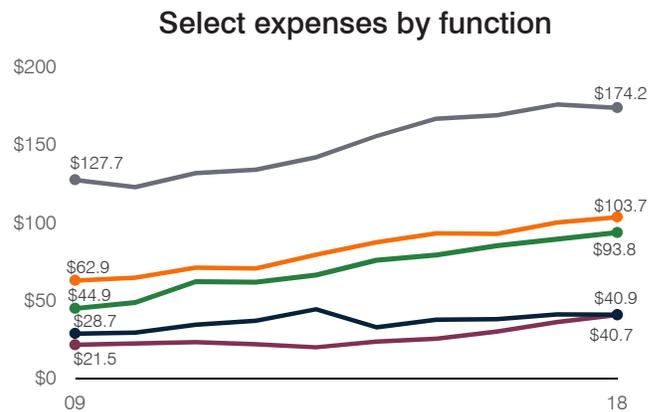
**Select expenses by function:**

\$174.2 M	Instruction
103.7	Academic and institutional support
93.8	Student services and scholarships
40.9	Auxiliary enterprises
40.7	Research

## Select revenues and expenses by function Fiscal years 2009 through 2018 (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 2018, 41 percent was for scholarships.
- **Auxiliary enterprises**—Services and activities for students including housing, books, athletic programs, food, parking, and student health.
- **Research**—Support for all initiatives to advance research in various fields.

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

## Audit findings and recommendations

Below is a summary of our report 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 findings 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

### IT security findings and recommendations

We found that the University did not have adequate policies and procedures over IT systems and data to adequately identify and respond to risks and to prevent, detect, and respond to unauthorized or inappropriate access or use, manipulation, damage, or loss, including protecting sensitive information. To ensure its financial and other sensitive data is protected, the University needs to continue to update and implement policies and procedures over its IT systems and data. We reported similar IT security findings in the prior year.