

## Northern Arizona University Annual financial statement audit

The University's fiscal year 2024 reported financial information is reliable. However, we reported a deficiency over financial reporting, summarized on the next page.

### Audit purpose

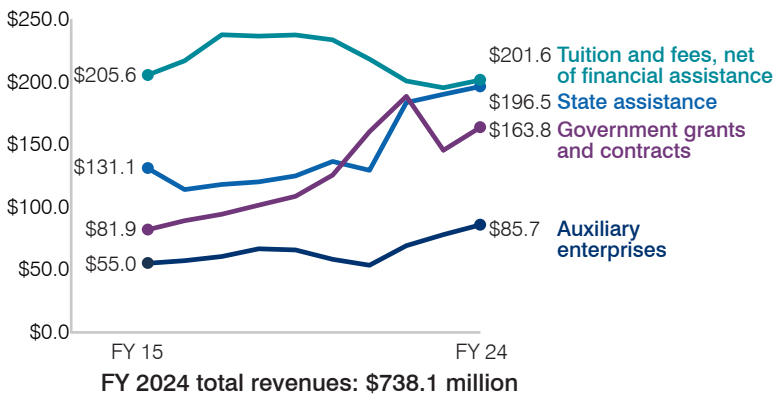
To express our opinion on the University's financial statements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

### Primary revenue sources and how they were spent

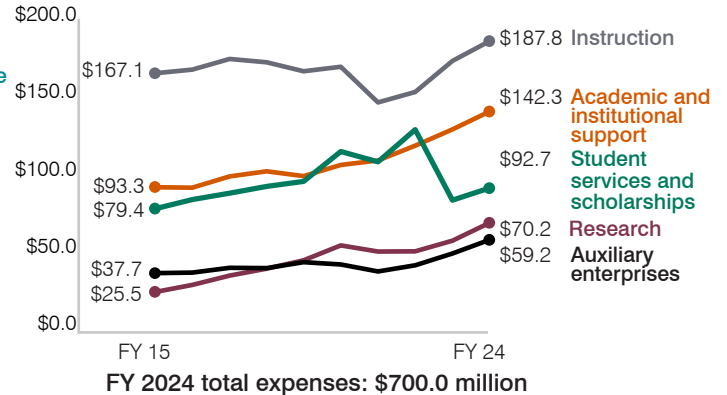
Fiscal years (FY) 2015 through 2024

(In millions)

#### Primary revenue sources



#### Primary expense purposes



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

### Largest primary revenue sources FY 2024

- **Tuition and fees, net of financial assistance 27.3%**—Includes 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 26.6%**—Includes 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.

### Largest primary expense purposes FY 2024

- **Instruction 26.8%**—Costs to provide instruction for all degree and certificate programs.
- **Academic and institutional support 20.3%**—Costs for University-wide planning, management, and administrative support services, including fiscal operations, information technology, and course development.
- **Student services and scholarships 13.2%**—Costs that support social and cultural development, career guidance, financial aid administration, admissions, and records, as well as grants, scholarships, and tuition and fee waivers.

### University's net position increased in FY 2024

University revenues were \$38.1 million more than its expenses, increasing its total net position to \$442.6 million at June 30, 2024. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations, long-term debt, and accounts payable. Of the total net position, \$407.2 million is restricted by external parties or is not in spendable form, and the remaining \$35.4 million is unrestricted.

## Auditor findings and recommendations

Summarized below are our findings and recommendations included in the University's [Report on Internal Control and on Compliance](#) where there is further information and the University's responses. The University needs to:

- Plan for where to allocate resources and implement policies and procedures to evaluate and manage the risks of holding sensitive information by identifying, classifying, and inventorying the information the University holds to assess where stronger access and security controls may be needed to protect data in accordance with State statutes and federal regulations. We found that processes for managing and documenting risks for its information technology systems (IT) and data were not sufficient, which may put University operations and IT systems and data at unintended and unnecessary risk or potential harm.

## Auditor General website report links

- The June 30, 2024, Northern Arizona University Annual Comprehensive Financial Report and Report on Internal Control and on Compliance that are summarized in these highlights can be found at this [link](#). These reports should be read to fully understand the University's overall financial picture and our reporting responsibilities.
- The University's reports from prior years are available at this [link](#).
- For help in understanding important information presented in these reports, please refer to our user guides at the following links:
  - [Financial Report User Guide for Colleges and Universities](#).
  - [Internal Control and Compliance Reports User Guide](#).