PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 4, 2026

NEW ISSUE – BOOK-ENTRY-ONLY **RATINGS: See "Ratings" Herein**

In the opinion of Barnes & Thornburg LLP, Phoenix, Arizona, Bond Counsel to the Arizona Board of Regents for and on behalf of Northern Arizona University, based on existing law and assuming continuing compliance by the Board and the University with the requirements of federal tax laws, interest on the 2026 Bonds (as defined below) is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of federal tax law. Interest on the 2026 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. Bond counsel is also of the opinion that interest on the 2026 Bonds is exempt from Arizona state income tax. See "TAX MATTERS" herein.

$26,035,000*
ARIZONA BOARD OF REGENTS
NORTHERN ARIZONA UNIVERSITY
SYSTEM REVENUE REFUNDING BONDS
SERIES 2026

Dated: Date of Delivery **Due: June 1, as shown on the inside front cover page**

The $26,035,000* Northern Arizona University System Revenue Refunding Bonds, Series 2026 (the "2026 Bonds") are being issued by the Arizona Board of Regents (the "Board"), acting for and on behalf of Northern Arizona University (the "University"), only in fully registered form without coupons and, when issued, will be available to purchasers in denominations of $5,000 of principal or any integral multiple thereof, only through a book-entry-only system maintained by The Depository Trust Company ("DTC"). The 2026 Bonds will initially be registered in the name of DTC or its nominee as described herein. As long as the book-entry-only system is maintained for the registration of the 2026 Bonds, no physical delivery of the 2026 Bonds will be made to the ultimate purchasers thereof and all payments of principal of, premium, if any, and interest on the 2026 Bonds will be made to such purchasers through DTC, as described herein. See Appendix F – "BOOK-ENTRY-ONLY SYSTEM" herein. Interest on the 2026 Bonds at the interest rates set forth on the inside front cover page hereof is payable on each June 1 and December 1, commencing [June 1, 2026]*, until maturity or prior redemption. Principal of the 2026 Bonds, at maturity or upon redemption, will be paid by U.S. Bank Trust Company, National Association, as trustee, registrar and paying agent.

The 2026 Bonds are subject to redemption as described under "THE 2026 BONDS – Redemption Provisions" herein.

The 2026 Bonds are being issued for the purpose of providing funds to (i) refund in advance of maturity the Bonds to be Refunded (as defined herein) issued by the Board for and on behalf of the University and (ii) pay costs relating to the issuance of the 2026 Bonds. See "PLAN OF REFUNDING" herein.

The 2026 Bonds are limited obligations of the Board and, together with the Outstanding Bonds (as defined herein), and any bonds subsequently issued on a parity therewith, are payable solely from and secured solely by a pledge of and first lien on the Gross Revenues (as defined herein) of the University. See "SOURCES OF PAYMENT AND SECURITY" herein.

All or a portion of the 2026 Bonds may or may not be issued with bond insurance and the decision whether to use bond insurance on all or a portion of the 2026 Bonds will be subject to market conditions at the time of pricing of the 2026 Bonds. See "BOND INSURANCE AND RELATED RISK FACTORS" herein.

NEITHER THE FULL FAITH AND CREDIT OF THE BOARD, THE UNIVERSITY OR THE STATE OF ARIZONA (THE "STATE") NOR THE TAXING POWER OF THE STATE IS PLEDGED FOR THE PAYMENT OF THE 2026 BONDS. THE 2026 BONDS DO NOT CONSTITUTE A DEBT OF THE BOARD, THE UNIVERSITY OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE BOARD HAS NO TAXING POWER.

SEE INSIDE FRONT COVER PAGE FOR MATURITY SCHEDULE AND ADDITIONAL INFORMATION

This cover page contains only a brief description of the 2026 Bonds and the security therefor. It is not a summary of all material information with respect to the 2026 Bonds. Investors should read this entire Official Statement to obtain information necessary to make an informed investment decision.

The 2026 Bonds are offered, when, as and if issued by the Board and received by the underwriters listed below (together, the "Underwriters"), subject to the approving opinion of Barnes & Thornburg LLP, Bond Counsel, as to validity and tax exemption. In addition, certain legal matters will be passed upon for the Board by the Senior Vice President and General Counsel to the Board, and for the Underwriters by Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that the 2026 Bonds will be available for delivery in book-entry form through the facilities of DTC, on or about March 11, 2026.*

Stifel **Morgan Stanley**

February __, 2026

* Preliminary, subject to change

$26,035,000*
ARIZONA BOARD OF REGENTS
NORTHERN ARIZONA UNIVERSITY
SYSTEM REVENUE REFUNDING BONDS
SERIES 2026

MATURITY SCHEDULE*

Maturity (June 1)	Principal Amount	Interest Rate	Yield	CUSIP® [(a)] (664754)
2027	$725,000			
2028	830,000			
2029	1,460,000			
2030	690,000			
2031	2,545,000			
2032	2,670,000			
2033	2,805,000			
2034	2,940,000			
2035	3,100,000			
2036	3,245,000			
2037	2,455,000			
2038	2,570,000			

* Preliminary, subject to change.

ARIZONA BOARD OF REGENTS

Ex Officio Members

Katie Hobbs	Governor of Arizona
Tom Horne	Superintendent of Public Instruction

Appointed Members

Doug Goodyear	Chair
Jessica Pacheco	Chair Elect
Gregg Brewster	Secretary
Cecilia Mata	Treasurer
Fred DuVal	Regent
Larry Edward Penley	Regent
Lee Stein	Regent
James McCain	Regent
Jadyn Fisher	Student Regent, Assistant Treasurer
Felipe Garcia	Student Regent

Staff

Chad Sampson	Executive Director
Jennifer Pollock, Esq.	Senior Vice President and General Counsel

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SPECIAL SERVICES

BOND COUNSEL

Barnes & Thornburg LLP
Phoenix, Arizona

INDEPENDENT AUDITORS

State of Arizona
Office of the Auditor General
Phoenix, Arizona

TRUSTEE AND DEPOSITORY TRUSTEE

U.S. Bank Trust Company, National Association
Tempe, Arizona

MUNICIPAL ADVISOR

RBC Capital Markets, LLC
Phoenix, Arizona

NORTHERN ARIZONA UNIVERSITY

FLAGSTAFF, ARIZONA

ADMINISTRATION

Dr. José Luis Cruz Rivera	President
Mr. Bjorn Flugstad	Senior Vice President for University Operations and Chief Financial Officer
Dr. Karen Pugliesi	Provost and Executive Vice President for Academic Affairs
Dr. Jason Wilder	Vice President for Research
Mr. Nick Lobejko	Vice President of Advancement and Foundation and CEO of the NAU Foundation
Mr. Bradley Miner	Associate Vice President for Financial Services, University Comptroller

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, including the cover page, the inside front cover page and the Appendices hereto, in connection with the offering contained herein, and, if given or made, such information or representation must not be relied upon as having been authorized by the State of Arizona (the "State"), the Arizona Board of Regents (the "Board"), Northern Arizona University (the "University"), the Municipal Advisor (as defined herein), or the underwriters identified on the cover page hereof (together, the "Underwriters"). This Official Statement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities other than the original offering of the 2026 Bonds, nor will there be any sale of the 2026 Bonds, by any person in any jurisdiction where such offer, or solicitation or sale would be unlawful.

The information contained in this Official Statement has been obtained from the Board, the University and other sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by any of the foregoing. The presentation of such information, including tables of receipts of revenues and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. All estimates, projections, forecasts or matters of opinion are "forward looking statements," which must be read with an abundance of caution and which may not be realized or may not occur in the future. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the State, the Board, or the University since the date hereof.

The information in Appendix F – "BOOK-ENTRY-ONLY SYSTEM" herein has been furnished by The Depository Trust Company and no representation is made by the Board, the University, the Municipal Advisor or the Underwriters, or any of their counsel or agents, as to the accuracy or completeness of such information.

A wide variety of other information, including financial information, concerning the Board and the University is available from publications and websites of the Board and the University and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of or incorporated into this Official Statement, except as expressly noted herein.

The 2026 Bonds will not be registered in accordance with the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other Federal, state or other governmental entity or agency has passed upon the accuracy of this Official Statement.

The Board has undertaken to provide continuing disclosure with respect to the 2026 Bonds to enable the Underwriters to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule"). See "CONTINUING DISCLOSURE UNDERTAKING" and Appendix E – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this official statement for purposes of, and as that term is defined in, the Rule.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors pursuant to Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Trustee (as defined herein) assumes no responsibility for this Official Statement and has not reviewed or undertaken to verify any information contained herein.

Reference to the University's website in Appendix A is intended solely to provide access to a more detailed description of the degree programs and colleges offered at the University's campuses and is not part of this Official Statement. Investors should not rely on information presented on the University's website in determining whether to purchase the 2026 Bonds.

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OFFICIAL STATEMENT

$26,035,000*
ARIZONA BOARD OF REGENTS
NORTHERN ARIZONA UNIVERSITY
SYSTEM REVENUE REFUNDING BONDS
SERIES 2026

INTRODUCTION

This Official Statement, including the cover page, the inside front cover page and the Appendices hereto, is provided to furnish certain information with respect to the issuance and sale by the Arizona Board of Regents (the "Board"), acting for and on behalf of Northern Arizona University (the "University"), of $26,035,000* principal amount of its Northern Arizona University System Revenue Refunding Bonds, Series 2026 (the "2026 Bonds").

The Board is issuing the 2026 Bonds to provide funds to (i) refund in advance of maturity the Bonds to be Refunded (as defined herein) issued by the Board for and on behalf of the University and (ii) pay costs relating to the issuance of the 2026 Bonds. See "PLAN OF REFUNDING" herein.

The 2026 Bonds are limited obligations of the Board which, together with the Board's Northern Arizona University System Revenue Bonds, Series 2012 (the "2012 Bonds"), Northern Arizona University System Revenue and Refunding Bonds, Tax-Exempt Series 2016A (the "2016A Bonds"), Northern Arizona University System Revenue Refunding Bonds, Series 2017 (the "2017 Refunding Bonds"), Northern Arizona University System Revenue Bonds, Series 2017 (the "2017 Bonds"), Northern Arizona University System Revenue Refunding Bonds, Series 2020 (the "2020 Refunding Bonds"), Northern Arizona University System Revenue Refunding Bonds, Taxable Series 2020 (the "2020 Taxable Refunding Bonds"), Northern Arizona University System Revenue Refunding Bonds, Series 2021 (the "2021 Refunding Bonds"), Northern Arizona University System Revenue Refunding Bonds, Series 2024 (the "2024 Bonds"), and Northern Arizona University System Revenue Refunding Bonds, Series 2025 (the "2025 Bonds" and, together with the 2012 Bonds, the 2016A Bonds, the 2017 Refunding Bonds, the 2017 Bonds, the 2020 Refunding Bonds, the 2020 Taxable Refunding Bonds, the 2021 Refunding Bonds, the 2024 Bonds, the 2026 Bonds and any hereinafter described Parity Bonds that the Board subsequently issues pursuant to the herein-defined Bond Resolution, the "Bonds") to be outstanding after the issuance of the 2026 Bonds and the refunding of the Bonds to be Refunded, are payable solely from and secured solely by a pledge of and first lien on the Gross Revenues (as defined herein) of the University. See "SOURCES OF PAYMENT AND SECURITY" herein.

Unless and until discontinued, the 2026 Bonds will be held in book-entry-only form by The Depository Trust Company, a registered securities depository ("DTC"), and beneficial interests therein may only be purchased and sold, and payments of principal of and interest on the 2026 Bonds will be made only to the beneficial owners of the 2026 Bonds, through participants in the DTC system. Beneficial interests in the 2026 Bonds will be offered and sold in $5,000 denominations and any integral multiples thereof. See Appendix F – "BOOK-ENTRY-ONLY SYSTEM" herein.

Certain capitalized terms used in this Official Statement and not otherwise defined herein have the meanings given to such terms in Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" herein.

NEITHER THE FULL FAITH AND CREDIT OF THE BOARD, THE UNIVERSITY OR THE STATE OF ARIZONA (THE "STATE") NOR THE TAXING POWER OF THE STATE IS PLEDGED FOR THE PAYMENT OF THE 2026 BONDS. THE 2026 BONDS DO NOT CONSTITUTE A DEBT OF THE BOARD, THE UNIVERSITY OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE BOARD HAS NO TAXING POWER.

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* Preliminary, subject to change.

For a discussion of the University, its programs, campuses, students, faculty, sources of revenues and financial condition, see "THE UNIVERSITY" and Appendix A – "NORTHERN ARIZONA UNIVERSITY – PROGRAMMATIC, DEMOGRAPHIC and FINANCIAL DATA." The audited financial statements of the University for the fiscal year ended June 30, 2025 are included in this Official Statement as Appendix B.

The descriptions and summaries of various documents contained herein do not purport to be comprehensive or definitive and reference is made to each document for the complete details of all its terms and conditions. All statements herein are qualified by reference to each such document in its entirety and are further qualified in their entirety by reference to laws and principles of equity relating to or affecting the enforceability of creditors' rights.

Copies of the Bond Resolution may be obtained, until the delivery of the 2026 Bonds, from the underwriters named on the cover page hereof (the "Underwriters") upon request to Stifel, Nicolaus & Company, Incorporated, 787 7th Avenue , New York, NY 10019, Attention: Public Finance Department and thereafter from the Comptroller of the University.

THE BOARD

The Board is the governing body of the State's three public universities. In 1885, the Territorial Legislature created the Governing Board of The University of Arizona at Tucson, Arizona. Separate boards were later formed to govern the schools established in Tempe, Arizona (Arizona State University) and Flagstaff, Arizona (the University). In 1945, the State Legislature placed all three State institutions of higher learning under the control of one body, known today as the Arizona Board of Regents. The Board is comprised of eleven voting members and one non-voting member, eight of whom are appointed by the Governor to serve eight-year terms, and two of whom, the Governor and the State Superintendent of Public Instruction, serve ex officio. In addition, two students selected from among the three State universities are appointed by the Governor to serve staggered two-year terms, the first year as a non-voting member and the second year as a voting member.

The Constitution of the State provides that the State Legislature shall appropriate moneys for the purpose of operating and maintaining all State institutions of higher learning. Such moneys are derived from taxation, as well as from other sources as determined by the State Legislature, to insure the proper maintenance of the institutions. The direction and control of all moneys appropriated for the use and benefit of State institutions is vested in the Board. Title 15, Chapter 13 of the Arizona Revised Statutes sets forth the general powers of the Board, which include the expenditure of State funds for the support and maintenance of State institutions of higher learning, their buildings and grounds, and for any other purpose the Board deems expedient, if not inconsistent with provisions of any appropriations.

State Sunset Laws; No Sunset of the Board without a State Constitutional Amendment. In order to encourage systematic review of State agencies and statutes, State statutes (referred to as "Sunset Laws") currently provide for the automatic termination of various State agencies, including the Board, and their related statutes. Under the Sunset Laws, most agencies terminate unless the State Legislature takes affirmative action to continue their existence. However, the Sunset Law relating to the Board provides that the Board will not terminate unless the State's voters approve an amendment to the State Constitution repealing the authority of the Board pursuant to Article XI, Section 5 of the State Constitution. The Board is not aware of any proposal to make such an amendment to the State Constitution.

THE UNIVERSITY

The University is a fully-accredited, four-year degree-granting institution of higher learning (Carnegie Classification: Doctoral, Public, High Research), supported by the State and governed by the Board. The University's 2025 fall semester total headcount was estimated at 27,184 students, including 19,318 undergraduate and 3,125 graduate full-time students, and 2,885 undergraduate and 1,856 graduate part-time students. The University emphasizes undergraduate education while offering graduate programs leading to master's and doctorate degrees in selected fields. For almost 125 years, the University's philosophy has been to preserve a friendly campus atmosphere and to maintain close student-faculty relationships through quality teaching in the classroom and through faculty guidance for each individual student. The University's Mission Statement embodies a number of themes and goals which provide guidance for University programs. These include: promote high levels of student access, engagement, achievement, and affordability; expand the boundaries of knowledge to improve lives; advance the internationalization of the University to prepare students for global citizenship; promote issues of diversity, civility, democracy, citizenship, and community engagement and collaboration; become one of the nation's leading universities serving Native Americans; and exemplify a sustainable, innovative, and effective university.

The University's main campus is located on an 883-acre site in Flagstaff, Arizona ("Flagstaff"). Flagstaff is a four-season city, with a 2025 estimated population of 79,796, located on the Colorado Plateau at an elevation of approximately 7,000 feet. Flagstaff is the county seat of Coconino County, Arizona and serves as the population and economic center of the northern part of the State. Immediately north of the campus are the 12,633 foot-high San Francisco Peaks, which feature a winter sports center. The University is at the junction of Interstate Highways 40 and 17, less than a three-hour drive from Phoenix, Arizona and approximately five hours from Tucson, Arizona; Albuquerque, New Mexico; and Las Vegas, Nevada.

The University also has a distance-learning mission to provide educational services and higher education courses leading to degrees and certificates for residents throughout the State, the region and the nation. Courses are taught in traditional classrooms by full-time and part-time faculty, and increasingly online. Twenty-one sites have been established around the State to serve this mission with approximately one-quarter of the total student body receiving instruction off-campus or online. Among the largest of these are Phoenix Biomedical and NAU North Valley, both in the Phoenix, Arizona metropolitan area; Northern Arizona University-Yuma in cooperation with Arizona Western College; and Northern Arizona University-Yavapai in cooperation with Yavapai Community College. Instruction, through offering complete degree and certificate programs in response to community needs, is the major component of the University's statewide activity. In turn, public service to local school districts, public and private employers and other local constituencies is a function of the academic programs and services offered locally. Extended campus programs function through a collaboration of a broad spectrum of campus-based academic and service units, to provide quality instruction and associated support services in support of degree programs for individuals unable to pursue their higher education on a traditional campus. The University's competency-based approach to higher education called "Personalized Learning" allows self-motivated students to achieve a bachelor's degree at a pace that suits their personal situation. See Appendix A – "NORTHERN ARIZONA UNIVERSITY – Programmatic, Demographic and Financial Data" for additional information about the University.

AUTHORIZATION AND USE OF FUNDS

The 2026 Bonds are being issued and offered by the Board pursuant to Title 15, Chapter 13, Article 5 of the Arizona Revised Statutes, and pursuant to the provisions of a resolution adopted by the Board on April 25, 1986, as thereafter supplemented and amended, including by a supplemental resolution adopted by the Board on September 27, 2012 and accepted by the Trustee on the dated date of the 2026 Bonds (the "Bond Resolution"). See Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" herein. Proceeds of the 2026 Bonds will be used to (i) refund in advance of maturity the Bonds to be Refunded and (ii) pay the costs of issuing the 2026 Bonds. See "PLAN OF REFUNDING" below.

PLAN OF REFUNDING

The proceeds of the 2026 Bonds, net of amounts to pay costs of issuance, will be deposited into a depository trust account (the "Depository Trust"), held by U.S. Bank Trust Company, National Association, serving as depository trustee (the "Depository Trustee") pursuant to the terms of a Depository Trust Agreement between the Board and the Depository Trustee, and invested in obligations issued or guaranteed by the United States of America or any department, agency or instrumentality thereof ("Government Obligations"), the principal of and interest therefrom are determined to be sufficient to pay when due the redemption price of the below-described "Bonds to be Refunded." See "MATHEMATICAL VERIFICATION" herein.

BONDS TO BE REFUNDED

Issue Series	Maturity Date (June 1)	Principal Amount Outstanding	Bonds to be Refunded*	Redemption Date *	Redemption Price	CUSIP® (664754)
2012 Bonds	2027	$760,000	$760,000	6/1/2026	100%	W20
	2028	785,000	785,000	6/1/2026	100	W38
	2029	815,000	815,000	6/1/2026	100	W46
2016A Bonds						
	2027	$600,000	$600,000	6/1/2026	100%	4B1
	2028	2,185,000	2,185,000	6/1/2026	100	4C9
	2029	660,000	660,000	6/1/2026	100	4D7
	2030	690,000	690,000	6/1/2026	100	4E5
	2031	2,545,000	2,545,000	6/1/2026	100	4F2
	2032	2,670,000	2,670,000	6/1/2026	100	4G0
	2033	2,805,000	2,805,000	6/1/2026	100	4H8
	2034	2,940,000	2,940,000	6/1/2026	100	4J4
	2035	3,100,000	3,100,000	6/1/2026	100	4K1
	2036	3,245,000	3,245,000	6/1/2026	100	4L9
	2037	2,455,000	2,455,000	6/1/2026	100	4M7
	2038	2,570,000	2,570,000	6/1/2026	100	4N5
TOTAL		**$28,825,000**	**$28,825,000**			

Upon the issuance of the 2026 Bonds and the deposit of funds into the Depository Trust, the Bonds to be Refunded will no longer be deemed to be Outstanding within the meaning of the Bond Resolution and will no longer be secured by a lien on Gross Revenues.

MATHEMATICAL VERIFICATION

Concurrently with the delivery of and payment for the 2026 Bonds, Robert Thomas CPA, LLC, a firm of independent certified public accountants, will deliver to the Board its verification report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of certain computations prepared using information provided by RBC Capital Markets, LLC (the "Municipal Advisor"), on behalf of the Board, relating to (a) the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit to the Depository Trusts, if any, to pay when redeemed the principal of and accrued and unpaid interest on the Bonds to be Refunded, and (b) the "yield" on the Government Obligations and the 2026 Bonds.

The report of Robert Thomas CPA, LLC will state that the scope of its engagement was limited to verifying the mathematical accuracy of the computations contained in schedules provided to it by the Municipal Advisor and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of its report.

* Preliminary, subject to change.

SOURCES AND USES OF FUNDS

The following table sets forth the sources and uses of funds for the 2026 Bonds.

Sources of Funds:	**2026 Bonds**
Principal Amount	$____________
Original Issue Premium/(Discount)	____________
Total Sources of Funds	**$**____________
Uses of Funds:	
Deposit to the Depository Trust	$____________
Costs of Issuance (including Underwriters' discount)	____________
Total Uses of Funds	**$**____________

THE 2026 BONDS

General Description

The 2026 Bonds will be dated the date of delivery and will bear interest from that date or from the most recent interest payment date to which interest has been paid or provided for until maturity or prior redemption. The 2026 Bonds will mature in the amounts and on the dates, and bear interest at the rates, set forth on the inside front cover page hereof. Interest on the 2026 Bonds will be payable semiannually on each June 1 and December 1, commencing [June 1, 2026]* (each such date being referred to herein as an "Interest Payment Date").

The 2026 Bonds will be delivered in the form of fully registered securities without coupons in the name of Cede & Co., as registered owner and nominee for DTC. U.S. Bank Trust Company, National Association, as trustee, registrar and paying agent (the "Trustee") will treat the registered owner as the absolute owner of the 2026 Bonds for all purposes, including making payments and sending notices.

Redemption Provisions

The 2026 Bonds maturing on or before June 1, 2036* are not subject to redemption prior to their stated maturities. The 2026 Bonds maturing on or after June 1, 2037* are subject to redemption at the option of the Board on June 1, 2036* and on any date thereafter, in whole or in part, in $5,000 increments, from such maturities as may be selected by the Board and by lot within a maturity, at a redemption price equal to the principal amount thereof plus interest accrued to the date of redemption, without premium.

Notice of and Procedure for Redemption

For purposes of any redemption of less than all 2026 Bonds of a single maturity, the particular 2026 Bonds to be redeemed will be selected randomly by the Trustee by the method used by DTC.

Notice of any redemption, identifying the redemption date, the redemption price, and the particular 2026 Bonds, or portions thereof, to be redeemed will be sent by electronic media not less than 30 nor more than 60 days prior to the date fixed for redemption to DTC.

Any notice of redemption given as described in the preceding paragraph will also contain a statement that on the redemption date, the redemption price of such 2026 Bonds called for redemption will become due and payable

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* Preliminary, subject to change.

and that, from and after such date, the 2026 Bonds being redeemed will cease to accrue interest; provided, that such redemption notice will also state that the call for redemption is conditioned upon the deposit with the Trustee of an amount sufficient to pay the principal of and premium (if any) due on the 2026 Bonds on the redemption date.

Failure to mail any such notice to a particular owner, or any defect therein, will not affect the validity of any proceedings for redemption of any other 2026 Bond for which notice was properly given. Such notice having been given and funds for such redemption having been timely deposited with the Trustee, the 2026 Bonds so called for redemption will, on the redemption date, become due and payable, and interest thereon will cease to accrue.

In addition to the items required above, each notice of redemption may further state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such 2026 Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and such 2026 Bonds shall not be required to be redeemed. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

BOND INSURANCE AND RELATED RISK FACTORS

Bond Insurance Policy

The Board has applied to various companies for a bond insurance policy (the "Policy") to guarantee the scheduled payment of principal and interest with respect to all or a portion of the 2026 Bonds. All or a portion of the 2026 Bonds may or may not be issued with bond insurance and the decision whether to use bond insurance on all or a portion of the 2026 Bonds, and with which bond insurance company (the "2026 Insurer"), will be subject to market conditions at the time of pricing of the 2026 Bonds.

If the Policy is obtained, there are certain risk factors related to any applicable bond insurance policy. In the event of default in the payment of principal or interest with respect to all or any insured 2026 Bonds when due, any Owner of such 2026 Bonds will have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of principal by reason of redemption, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure the payment of any applicable redemption premium. The payment of principal and interest in connection with redemption of any insured 2026 Bond which is recovered from an Owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the 2026 Insurer at such time and in such amounts as would have been due absent such redemption unless the 2026 Insurer chooses to pay such amounts at an earlier date.

The 2026 Insurer may direct, and must consent to, any remedies that the Trustee exercises and the 2026 Insurer's consent is required in connection with amendments to the Bond Resolution.

In the event the 2026 Insurer is unable to make payment of principal and interest on any insured 2026 Bonds as such payments become due under the Policy, such 2026 Bonds will be payable solely from the moneys received by the Trustee pursuant to the Bond Resolution. In the event the 2026 Insurer becomes obligated to make payments with respect to any insured 2026 Bonds, no assurance is given that such event will not adversely affect the market price of the 2026 Bonds or the marketability (liquidity) of the 2026 Bonds.

The long-term ratings on any insured 2026 Bonds are dependent in part on the financial strength of the 2026 Insurer and its claims paying ability. The 2026 Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the 2026 Insurer and of the ratings on the 2026 Bonds will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) of the 2026 Bonds. See "RATINGS" herein.

If insured, such 2026 Bonds would be general obligations of the 2026 Insurer and in an event of default by the 2026 Insurer, the remedies available to the Trustee may be limited by applicable bankruptcy law or other similar laws related to insolvency.

None of the Board, the University, Bond Counsel, the Municipal Advisor, the Underwriters or Underwriters' Counsel will make any independent investigation of the claims paying ability of the 2026 Insurer, and no assurance or representation regarding the financial strength or projected financial strength of the 2026 Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Board to pay principal and interest with respect to the 2026 Bonds and the claims paying ability of the 2026 Insurer, particularly over the life of the investment.

SOURCES OF PAYMENT AND SECURITY

Gross Revenue Pledge

The Bonds now or hereafter Outstanding, including the 2026 Bonds, are payable from and secured solely by a pledge of and first lien on the Gross Revenues of the University.

"Gross Revenues," as defined in the Bond Resolution and used in this Official Statement, means and includes all: (i) tuition, registration, matriculation, laboratory, admission and other fees from students matriculated, registered or enrolled at and attending the University, and (ii) fees, rentals and other charges from students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, any revenue producing facility, building or project within the System of Building Facilities (as defined in the Bond Resolution), including interest received on and profits realized from the sale of investments made with moneys derived from any revenue producing facility, building or project within the System of Building Facilities. See Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" herein. Gross Revenues do not include moneys appropriated by the State Legislature or endowment fund income or other restricted revenue sources.

Schedule of Historical Gross Revenues

The table below reflects the Gross Revenues of the University for the five most recent fiscal years.

SCHEDULE OF HISTORICAL GROSS REVENUES
(Dollars in Thousands) [(a)]

	Academic Year						
Fiscal Year	Nonresident Tuition [(b)]	Resident Tuition [(b)]	Summer School and Other Fees [(c)]	Total Tuition And Fees	Other Miscellaneous Income	Receipts From Other Major Revenue Sources [(d)]	Total Gross Revenues
2021	$101,500	$86,462	$71,850	$259,812	$3,844	$71,498	$335,155
2022	93,870	79,299	64,375	237,544	4,725	86,813	329,082
2023	90,587	77,512	62,848	230,947	6,824	102,792	340,563
2024	86,612	84,823	66,734	238,170	8,210	119,658	366,038
2025	77,404	89,394	73,214	240,012	10,474	120,939	370,737

(a) Numbers may not add due to rounding.

(b) Tuition and registration fees revenue is shown on a cash basis net of waivers for certain students on scholarships, faculty and staff members enrolled in courses, and certain dependents of faculty and staff enrolled in courses. For a further discussion of tuition and registration fees revenue, see "FINANCIAL CONDITION OF THE UNIVERSITY – Tuition and Fees" in Appendix A.

(c) Consists of summer school registrations and other student-related fees and charges not included in the tuition and registration fees revenue. Other fees include fees for transcripts, graduation, late registration and other special fees.

(d) For a further discussion of receipts from other major revenue sources, see "FINANCIAL CONDITION OF THE UNIVERSITY – Receipts from Other Major Revenue Sources" in Appendix A.

Source: Northern Arizona University, Office of the Comptroller.

Obligations Payable from Gross Revenues

The Board has Outstanding Bonds, which will include the 2026 Bonds, secured by a first (or senior) lien on Gross Revenues and other obligations secured by a subordinate lien on Gross Revenues (the "Subordinate Obligations"), as discussed below.

Senior Lien Bonds

Pursuant to the laws of the State and the provisions of the Bond Resolution, the Board is authorized to issue system revenue bonds in addition to the 2026 Bonds which are payable solely from and secured solely by a pledge of and a first (or senior) lien on the Gross Revenues on a parity with the Outstanding Bonds (the "Parity Bonds"). See "Issuance of Additional Bonds" herein. The Board, on behalf of the University, currently has Outstanding $257,685,000 principal amount of Bonds, prior to the issuance of the 2026 Bonds. After the issuance of the 2026 Bonds, the Board will have $254,895,000* principal amount of Outstanding Bonds as indicated in the following table:

Parity Bonds	Original Principal Amount	Dated	Outstanding Principal Amount [(a)]
2012 Bonds	$23,955,000	01-25-12	$3,100,000
2016 Bonds	33,815,000	05-26-16	27,035,000
2017 Refunding Bonds	42,970,000	03-09-17	28,725,000
2017 Bonds	24,260,000	11-15-17	17,145,000
2020 Refunding Bonds	112,725,000	01-29-20	107,445,000
2020 Taxable Refunding Bonds	13,520,000	11-18-20	8,705,000
2021 Refunding Bonds	7,835,000	05-27-21	5,980,000
2024 Bonds	29,555,000	04-25-24	29,555,000
2025 Bonds	29,995,000	03-06-25	29,995,000
Subtotal			$257,685,000
Less: The Bonds to be Refunded			(28,825,000)*
Plus: The 2026 Bonds			26,035,000*
Total Principal Amount of Bonds to be Outstanding			**$254,895,000***

Subordinate Obligations

The Board, on behalf of the University, currently has outstanding $80,705,000 principal amount of Subordinate Obligations. Pursuant to State law and the provisions of a resolution adopted by the Board (the "SPEED Bond Resolution"), the Board is authorized to issue additional Subordinate Obligations which are payable solely from and secured solely by a pledge of and a junior lien on Gross Revenues. See "Issuance of Additional Bonds" herein.

The following table sets forth outstanding Subordinate Obligations of the University:

Subordinate Obligations	Original Principal Amount	Dated	Outstanding Principal Amount
2020 SPEED Refunding Bonds	$76,150,000	03-04-20	$56,910,000
2024 SPEED Refunding Bonds	28,420,000	04-16-24	23,795,000
Total Principal Amount of Subordinate Obligations Outstanding			**$80,705,000**

[(a)] Does not include an estimated $43.875 million of additional Subordinate Obligations the Board expects to issue on behalf of the University in March, 2026.

* Preliminary, subject to change.

Schedule of Debt Service Requirements

The following table sets forth the University's estimated annual debt service requirements on Bonds to be Outstanding after the issuance of the 2026 Bonds, and on outstanding Subordinate Obligations.

NORTHERN ARIZONA UNIVERSITY
SCHEDULE OF DEBT SERVICE REQUIREMENTS (1)

Fiscal Year	Outstanding Bonds Debt Service Requirements (2)	Less: Bonds to be Refunded*	Plus: 2026 Bonds* Principal	Plus: 2026 Bonds* Interest (3)	Total Bonds Debt Service Requirements	Outstanding Subordinate Obligations Debt Service Requirements (4)	Total Debt Service Requirements (5)
2026	$25,178,756	$701,484		$289,278	$24,766,549	$9,988,880	$34,755,429
2027	27,873,377	2,762,969	$725,000	1,301,750	27,137,158	9,979,636	37,116,794
2028	27,847,234	4,318,269	830,000	1,265,500	25,624,465	9,964,472	35,588,937
2029	27,955,873	2,687,525	1,460,000	1,224,000	27,952,348	9,967,783	37,920,131
2030	28,018,972	1,841,000	690,000	1,151,000	28,018,972	9,968,025	37,986,997
2031	26,162,704	3,661,500	2,545,000	1,116,500	26,162,704	4,834,427	30,997,131
2032	25,129,781	3,659,250	2,670,000	989,250	25,129,781	4,882,778	30,012,559
2033	25,118,971	3,660,750	2,805,000	855,750	25,118,971	4,886,980	30,005,951
2034	25,111,695	3,655,500	2,940,000	715,500	25,111,695	4,236,644	29,348,339
2035	20,271,079	3,668,500	3,100,000	568,500	20,271,079	4,235,135	24,506,214
2036	20,236,806	3,658,500	3,245,000	413,500	20,236,806	4,229,647	24,466,453
2037	19,278,117	2,706,250	2,455,000	251,250	19,278,117	4,230,400	23,508,517
2038	16,794,633	2,698,500	2,570,000	128,500	16,794,633	4,233,066	21,027,699
2039	12,513,065				12,513,065	3,872,490	16,385,555
2040	5,005,245				5,005,245	3,874,205	8,879,450
2041	4,115,667				4,115,667	3,872,962	7,988,629
2042	2,641,534				2,641,534	3,870,526	6,512,060
2043	2,643,966				2,643,966	4,236,647	6,880,613
2044	2,643,454				2,643,454		2,643,454

(1) Figures may not total due to rounding.
(2) Consists of $257,685,000 Outstanding principal amount of Bonds.
(3) The first Interest Payment Date on the 2026 Bonds will be June 1, 2026*.
(4) Consists of $80,705,000 outstanding principal amount of Subordinate Obligations. Does not reflect the impact of approximately $43.9 million of SPEED Revenue Bonds, Series 2026A the University plans to issue in March 2026 pursuant to a separate official statement. See "SOURCES OF PAYMENT AND SECURITY – Obligations Payable from Gross Revenues" herein.
(5) The Gross Revenues of the University for fiscal year 2025 are 13.2* times greater than the highest aggregate annual debt service on the Bonds to be Outstanding after the issuance of the 2026 Bonds, and 9.7* times greater than the highest aggregate annual debt service on the Bonds and Subordinate Obligations.

* Preliminary, subject to change.

Rate Covenant

Bond Resolution Covenant. The Board has covenanted in the Bond Resolution to fix, revise and collect tuition, registration, matriculation, laboratory, and admission fees, and all other fees, admissions, rentals and other charges received from students, faculty, staff members and others using or being served by the System of Building Facilities, in an aggregate amount so that Gross Revenues for each year will be equal to at least 200% of the Maximum Annual Debt Service Requirement due in any fiscal year on the Bonds, including the 2026 Bonds, and sufficient at all times to continually operate and maintain the System of Building Facilities and to make the necessary debt service deposits at the times and in the amounts specified in the Bond Resolution, if any. See "NORTHERN ARIZONA UNIVERSITY SCHEDULE OF DEBT SERVICE REQUIREMENTS."

SPEED Bond Resolution Covenant. The Board has further covenanted in the SPEED Bond Resolution to fix and revise from time to time, and collect, tuition, registration, matriculation, health services, laboratory and admission fees from students matriculated, registered or enrolled at and attending the University, and all fees, admissions, rentals, and other charges received from students, faculty, staff members and others using or being served by the System of Building Facilities, in aggregate amounts such that the Gross Revenues of the University for each fiscal year will be (i) at least equal to 100% of the annual debt service due on all Bonds and any Subordinate Obligations in such fiscal year and (ii) sufficient at all times to operate and maintain the System of Building Facilities.

Issuance of Additional Bonds

Bond Resolution Requirement. In accordance with the Bond Resolution, the Board may issue additional Parity Bonds payable from and secured by the Gross Revenues of the University, if Gross Revenues received for the fiscal year preceding the issuance of such Parity Bonds, as shown by a certificate of the University, are at least equal to 200% of the Maximum Annual Debt Service Requirement on all outstanding Bonds and the proposed Parity Bonds.

SPEED Bond Resolution Requirement. Pursuant to the SPEED Bond Resolution, the Board may issue additional Parity Bonds if: (i) no default exists and all deposits and obligations pursuant to the Bond Resolution and SPEED Bond Resolution are current, (ii) the aggregate Gross Revenues of the University for the prior fiscal year were at least equal to 200% of the Maximum Annual Debt Service on all Bonds Outstanding, including the proposed Parity Bonds to be issued, and (iii) the aggregate Gross Revenues of the University for the prior fiscal year were at least 150% of the Maximum Annual Debt Service on all Bonds Outstanding and Subordinate Obligations outstanding, including the proposed Parity Bonds to be issued.

Compliance with the requirements of the Bond Resolution and the SPEED Bond Resolution will be demonstrated by the University at the time of issuance of the 2026 Bonds using Gross Revenues information for fiscal year 2025.

In addition, pursuant to State law, the Board has the power to issue bonds to acquire any project or projects, provided that: (i) as of the date of issuance of bonds for any of the State's universities, projected debt service on the bonds and certificates of participation then outstanding and proposed to be issued by or for the benefit of such State university, as shown in each fiscal year in the most recent capital improvement plan for such university, as reported to the Board and certified by the Board as such in its adopted capital improvement plan, may not exceed, in any fiscal year shown therein, more than eight percent (8%) of such university's total projected expenditures and mandatory transfers and (ii) the project to be acquired with the proceeds of the bonds is reviewed by the State Legislature's Joint Committee on Capital Review.

No Acceleration of Bonds

Under no circumstances is the payment of principal of and interest on the Bonds, including the 2026 Bonds, subject to acceleration upon the occurrence of an Event of Default under the Bond Resolution.

FUTURE BORROWINGS

The Board, on behalf of the University, currently has no plans to issue additional Parity Bonds for new money purposes through the end of calendar year 2026. The Board, on behalf of the University, has plans to issue approximately $43.9 million of additional SPEED Revenue Bonds for new money purposes in March 2026 and an additional $43.8 million prior to the end of calendar year 2026.

LITIGATION

The Senior Vice President and General Counsel to the Board will render an opinion concurrently with delivery of the 2026 Bonds to the effect that there are no lawsuits pending or, to the best of such counsel's knowledge, threatened against the Board which question its right to adopt or comply with the provisions of the Bond Resolution or the validity or enforceability thereof or to consummate the transactions described therein or herein; nor are there lawsuits pending or, to the best of such counsel's knowledge, threatened against the Board which, if decided adversely to the Board, would, individually or in the aggregate, impair the Board's ability to comply with all the requirements set forth in the Bond Resolution or have a material adverse effect upon the financial condition of the University.

TAX MATTERS

Federal Tax Matters

In the opinion of Barnes & Thornburg LLP, Bond Counsel, interest on the 2026 Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the 2026 Bonds, assuming the accuracy of the certifications of the Board and the University and continuing compliance by the Board and the University with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the 2026 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the "adjusted financial statement income" (as defined in Section 56A of the Code) of "applicable corporations" (as defined in Section 59 of the Code) for purposes of computing the alternative minimum tax imposed on such corporations.

The Code contains a number of restrictions and requirements that apply to the 2026 Bonds including, without limitation, (i) investment restrictions, (ii) requirements for periodic payments of arbitrage profits to the United States, and (iii) rules regarding the proper use of the proceeds of the 2026 Bonds and the facilities financed or refinanced with such proceeds. The Board has covenanted to comply with all of the restrictions and requirements of the Code that must be satisfied in order for the interest on the 2026 Bonds to be and remain excludable from the gross income of the owners thereof for federal income tax purposes (the "Tax Covenants"). Failure to comply with certain of the Tax Covenants could result in the inclusion of the interest on the 2026 Bonds in the gross income of the owners for federal income tax purposes, retroactive to the date of issuance of the 2026 Bonds or some other date.

Original Issue Discount

Certain of the 2026 Bonds may be offered at a discount ("original issue discount") equal generally to the difference between the public offering price and the principal amount. For federal income tax purposes, original issue discount on a 2026 Bond accrues periodically over the term of such 2026 Bond as interest with the same tax exemption and alternative minimum tax status as stated interest. The accrual of original issue discount increases the bondholder's tax basis in the 2026 Bonds for determining taxable gain or loss upon sale or redemption prior to maturity. Bondholders should consult their tax advisors for an explanation of the accrual rules.

Original Issue Premium

Certain of the 2026 Bonds are being offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a 2026 Bond through reductions in the bondholder's tax basis for such 2026 Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Bondholders should consult their tax advisors for an explanation of the amortization rules.

No Other Opinions. Bond Counsel will express no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2026 Bonds.

State Tax Matters

Interest on the 2026 Bonds is exempt from State of Arizona income tax. Bond Counsel will express no opinion regarding other tax consequences of ownership, disposition of, or the accrual or receipt of interest on the 2026 Bonds. Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the 2026 Bonds, including whether interest on the 2026 Bonds is exempt from taxation under the laws of any jurisdiction other than the State of Arizona.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the 2026 Bonds or otherwise prevent holders of the 2026 Bonds from realizing the full benefit of the tax exemption of interest on the 2026 Bonds. Such proposals may impact the marketability or market value of the 2026 Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the 2026 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2026 Bonds would be impacted thereby.

Purchasers of the 2026 Bonds should consult their tax advisors regarding any potential, proposed or pending legislation, regulatory initiatives or litigation.

General

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2026 Bonds, and Bond Counsel will not express any opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the 2026 Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

See Appendix D hereto for the proposed Form of Approving Opinion of Bond Counsel.

MUNICIPAL ADVISOR

RBC Capital Markets, LLC is employed as the Municipal Advisor to the Board in connection with the issuance of the 2026 Bonds. The fees for the Municipal Advisor are contingent upon the issuance, sale and delivery of the 2026 Bonds.

The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification and does not guarantee the accuracy, completeness, or fairness of the information in this Official Statement.

The Municipal Advisor may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the 2026 Bonds.

APPROVAL OF LEGAL MATTERS

Certain legal matters incident to the issuance of the 2026 Bonds are subject to the approving opinion of Barnes & Thornburg LLP, Bond Counsel. The proposed form of the opinion of Bond Counsel is set forth in Appendix

D. Fees of Bond Counsel will be paid from 2026 Bond proceeds only upon issuance of the 2026 Bonds. Certain legal matters will be passed upon for the Board by the Senior Vice President and General Counsel to the Board and for the University by its General Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Greenberg Traurig, LLP.

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the 2026 Bonds from the Board at a price of $___________ (representing the par amount of the 2026 Bonds less Underwriters' discount of $___________ plus net original issuance premium/(discount) of $___________). The public offering prices may be changed from time to time by the Underwriters. The Underwriters may subsequently offer and sell the 2026 Bonds to dealers (including dealers depositing the 2026 Bonds into investment trusts) and others at prices lower than such initial public offering prices. The Underwriters will be obligated to purchase all of the 2026 Bonds if any are purchased.

The Underwriters and their respective affiliates may be engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the Board. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Board.

Stifel, Nicolaus & Company, Incorporated ("Stifel"), one of the Underwriters of the 2026 Bonds, and its affiliates may be engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Board and to persons and entities with relationships with the Board, for which they received or will receive customary fees and expenses. In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Board (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Board. Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Board.

Morgan Stanley & Co. LLC, one of the Underwriters of the 2026 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2026 Bonds.

INDEPENDENT AUDITORS

The audited financial statements of the University as of June 30, 2025 and for the fiscal year then ended have been audited by the State Office of the Auditor General (the "Auditor General"), independent auditors, as indicated in their report thereto, and are included in Appendix B to this Official Statement. The University has advised the Auditor General of the inclusion of such audited financial statements, together with the Auditor General's report thereon, in this Official Statement but has not requested or received the consent of the Auditor General to do so since such request and consent would have required the Auditor General to review all of the information contained herein. The Auditor

General has not reviewed this Official Statement, or performed any further procedures with respect to the University's audited financial statements for the fiscal year ended June 30, 2025.

RATINGS

The 2026 Bonds have been rated "A1" by Moody's Ratings ("Moody's") and "A+" by S&P Global Ratings, a division of Standard Poor's Financial Services LLC ("S&P"). The Board and the University have furnished Moody's and S&P with certain information and materials, which have not been included in this Official Statement.

Such ratings reflect only the view of Moody's and S&P, respectively. An explanation of the significance of such ratings may be obtained from Moody's at 250 Greenwich Street at 7 World Trade Center, New York, New York 10007 and S&P at 55 Water Street, New York, New York 10041. The ratings are not a recommendation to buy, sell or hold the 2026 Bonds and there is no assurance that such ratings will continue for any given period of time or that either will not be revised downward or withdrawn entirely by Moody's or S&P if, in their judgment, circumstances so warrant.

The Board expects to furnish the rating agencies with information and materials that they may request. The Board, however, assumes no obligation to furnish requested information or materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the 2026 Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price or the marketability of the 2026 Bonds.

CONTINUING DISCLOSURE UNDERTAKING

The Board has undertaken for the benefit of the Owners of the 2026 Bonds from time to time to provide certain financial information and operating data relating to the University and notices of the occurrence of certain listed events in accordance with a continuing disclosure undertaking, the form of which is set forth in Appendix E hereto. The University timely filed its annual report for the fiscal year ended June 30, 2024, but did not link CUSIPs related to certain of its outstanding obligations, which has since been corrected.

ADDITIONAL INFORMATION

The summaries of the 2026 Bonds, the Bond Resolution, opinions, contracts, agreements, and other related documents described in this Official Statement are only brief descriptions of certain provisions thereof and do not constitute complete statements of such documents or provisions. Reference is hereby made to the complete documents for further information, copies of which are available as set forth under "INTRODUCTION" herein. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

The attached Appendices are integral parts of this Official Statement and must be read together with all of the foregoing.

The Board and the University have approved and authorized the distribution of this Official Statement.

ARIZONA BOARD OF REGENTS, acting for and on behalf of NORTHERN ARIZONA UNIVERSITY

By:____________________________________

Bjorn Flugstad
Senior Vice President for University Operations
and Chief Financial Officer

APPENDIX A

NORTHERN ARIZONA UNIVERSITY
PROGRAMMATIC, DEMOGRAPHIC AND FINANCIAL DATA

General Description

The University is a fully-accredited, four-year degree-granting institution of higher learning (Carnegie Classification: Doctoral, Public, High Research), supported by the State and governed by the Board. The University's 2025 fall semester total headcount was estimated at 27,184 students (including full-time and part-time undergraduate and graduate students). The University emphasizes undergraduate education while offering graduate programs leading to master's and doctorate degrees in selected fields. For almost 125 years, the University's philosophy has been to preserve a friendly campus atmosphere and to maintain close student-faculty relationships through quality teaching in the classroom and through faculty guidance for each individual student. The University's Mission Statement embodies a number of themes and goals which provide guidance for University programs. These include goals to be a learning-centered university with a deep commitment to student success and high expectations for student achievement; provide responsive educational programs to State citizens wherever they live and work; further the environmental, economic, social, and cultural vitality of our communities through collaborative stewardship of place; advance the internationalization of the University to prepare students for global citizenship; create a culture of inclusion that contributes to a rich learning experience and helps prepare students for engaged social responsiveness in a global environment; become the nation's leading university serving Native Americans; and to exemplify an innovative, effective, and accountable learning community.

The University's main campus is located on an 883-acre site in Flagstaff, Arizona ("Flagstaff"). Flagstaff is a four-season city, with an estimated 2025 population of 79,796, located on the Colorado Plateau at an elevation of 7,000 feet. Flagstaff is the county seat of Coconino County, Arizona and serves as the population and economic center of the northern part of the State. Immediately north of the campus are the 12,633 foot high San Francisco Peaks, which feature a winter sports center. The University is at the junction of Interstate Highways 40 and 17, less than a three-hour drive from Phoenix, Arizona and approximately five hours from Tucson, Arizona; Albuquerque, New Mexico; and Las Vegas, Nevada.

The University also has a distance learning mission to provide educational services and higher education courses leading to degrees and certificates for residents throughout the State, the region and the nation. Courses are taught in traditional classrooms by full-time and part-time faculty, and increasingly online. Twenty-one sites have been established around the State to serve this mission with about one-quarter of the total student body receiving instruction off-campus or online. Among the largest of these are Phoenix Biomedical and NAU North Valley, both in the Phoenix, Arizona metropolitan area; and Northern Arizona University – Yuma in cooperation with Arizona Western College. Instruction, through offering complete degree and certificate programs in response to community needs, is the major component of statewide activity. In turn, public service to local school districts, public and private employers and other local constituencies is a function of the academic programs and services offered locally. Extended Campuses programs function through a collaboration of a broad spectrum of campus-based academic and service units, to provide quality instruction and associated support services in support of degree programs for individuals unable to pursue their higher education on a traditional campus.

History

The University was established in 1899 as Northern Arizona Normal School, with 23 students and a single building. In 1925, the State Legislature changed the institution's status from a normal school to a four-year, degree-conferring college, granting the Bachelor of Education. The same year, the name of the school was changed to Northern Arizona State Teachers College. In 1929, the name was changed to Arizona State Teachers College at Flagstaff. The name was changed again in 1945 to Arizona State College at Flagstaff when majors leading to the Bachelor of Arts and the Bachelor of Science degrees were added. Effective May 1, 1966, the institution was designated a university by the State Legislature and was given its present name.

Graduate work at the University began in 1937, with a program leading to the Master of Arts in Education degree. In 1954, the Board authorized the granting of the Educational Specialist degree and in 1955, the Master of

Arts and Master of Science degrees. Approval for programs leading to the Doctor of Philosophy and the Doctor of Education degrees was given in 1968. In 1973, the first doctoral students were graduated.

Organization and Administration

The University is governed by the Board. The general administrative powers of the Board include the enactment of ordinances for the governance of the institutions under its control, the setting of tuitions and fees, the appointment and employment of University administrative officers and faculty members, and the establishment of curricula. The administrative officers of the University are responsible for its operation and maintenance in accordance with the rules and policies established by the Board. The following table lists the names of the principal administrators of the University followed by brief resumes.

Name	Position
Dr. José Luis Cruz Rivera	President
Mr. Bjorn Flugstad	Senior Vice President for University Operations and Chief Financial Officer
Mr. Bradley Miner	Associate Vice President for Financial Services, University Comptroller
Dr. Karen Pugliesi	Provost and Executive Vice President for Academic Affairs
Mr. Nick Lobejko	Vice President of Advancement and Foundation and CEO of the NAU Foundation
Dr. Jason Wilder	Vice President for Research

Dr. José Luis Cruz Rivera became the 17th President of the University on June 14, 2021. Prior to joining the University, Dr. Cruz Rivera served as President of The City University of New York's ("CUNY") Herbert H. Lehman College in Bronx, New York and as Executive Vice Chancellor and University Provost of the 25-campus, 500,000-student CUNY system—the world's largest urban university.

Dr. Cruz Rivera is a leading national advocate for policies to broaden participation and deliver equitable educational value for all students as well as a frequent keynote speaker and writer on higher education issues. Dr. Cruz Rivera has testified several times before the US Congress, and his work has been funded by federal, state, and philanthropic organizations including the National Science Foundation, Lumina Foundation, the Andrew W. Mellon Foundation, and the US Department of Education. Furthermore, his work in higher education has been covered by many media outlets, including The Chronicle of Higher Education, the New York Times, the Washington Post, and Univision.

Prior to joining the University, Dr. Cruz Rivera served as provost of California State University in Fullerton, California. He is a former vice president of Higher Education Policy and Practice at The Education Trust in Washington, DC and a former Chief Student Affairs Officer for the University of Puerto Rico system. Dr. Cruz Rivera began his career as a faculty member in engineering at the University of Puerto Rico, Mayagüez, rising through the ranks and serving as chair of the Electrical and Computer Engineering Department and dean of Academic Affairs.

Dr. Cruz Rivera is a Senior Member of the Institute of Electrical and Electronics Engineers, a patented inventor, published scholar, and a National Science Foundation Career Award recipient. Dr. Cruz Rivera earned his bachelor's degree in electrical engineering (magna cum laude) from the University of Puerto Rico, Mayagüez, and his master's and doctorate degrees from the Georgia Institute of Technology, specializing in optical interconnections for ultracompact massively parallel processing systems. Dr. Cruz Rivera is an alum of the Harvard Institute of Educational Management.

Mr. Bjorn Flugstad was appointed Vice President for Finance, Institutional Planning and Analysis and Chief Financial Officer of the University in 2015 and Senior Vice President for University Operations in 2021. Mr. Flugstad holds a Master's degree in Finance from the University of Wisconsin – Madison, as well as a Bachelor of Arts from Hamline University, where he graduated summa cum laude and was a member of Phi Beta Kappa. Mr. Flugstad has more than 20 years of experience in finance, budgeting, and planning roles. He joined the University in February 2008; since then, he has held roles with increasing responsibility in the University's Budget and Planning organization, including Director of the Budget Office in 2010. Prior to joining the University, Mr. Flugstad held managerial and analyst roles in corporate finance organizations at large corporations including IBM, Thomson Reuters, Cardinal Health and Johnson Outdoors. In these roles, he focused on cost accounting, financial planning and analysis, financial statement consolidation, new product analysis and planning, and compliance testing.

Mr. Bradley Miner serves as Associate Vice President for Financial Services and University Comptroller. He Joined the University in 2017 and since that time has held administrative roles including Associate Comptroller and Director of Financial Reporting, Analysis and Compliance. Prior to joining the University in 2017, Mr. Miner spent 10 years in the financial services industry at American Express Company. He held several strategic planning and portfolio management leadership roles centered around financial planning and analysis, financial governance and compliance, investment optimization, and global financial software delivery. Mr. Miner holds a Bachelor of Science in Accounting (cum laude) and Master of Science in Accounting (academic excellence) from the University of Arizona. Mr. Miner is a Certified Public Accountant in the State of Arizona and part-time accounting faculty at the University of Arizona.

Dr. Karen Pugliesi was appointed Executive Vice President for Academic Affairs and Provost at the University in June 2021. She is Professor of Sociology and has served in a variety of leadership positions at the University for over 20 years. Through June of 2020, Dr. Pugliesi served for six years as Dean of the College of Social & Behavioral Sciences. As dean she provided leadership for twelve departments, schools and programs offering degrees in social sciences, related professional, and interdisciplinary programs. Dr. Pugliesi served as Vice Provost for Academic Affairs from 2004 through 2014. As Vice Provost she provided leadership for advancement of university academic programs, use of technology in instruction, and business processes supporting enrollment and student progression, curriculum, instructional planning, and academic assessment. Dr. Pugliesi joined the faculty at the University as an Assistant Professor. She earned a bachelors in Sociology and bachelor's in Social Work from Utah State University, and a masters and doctorate degree from Washington State University, both in Sociology. Dr. Pugliesi's research has focused on the impact of chronic stressors linked to social roles, work conditions, and familial caregiving on well-being; social support networks; emotion management in the workplace; gender and well-being; and the links between social conditions, and the links between emotional experiences, medicalization, and the self-diagnosis of premenstrual syndrome.

Mr. Nick Lobejko was appointed Vice President for Advancement and Chief Financial Officer for the NAU Foundation in November 2022 and currently serves as Vice President of Advancement and Foundation and CEO of the NAU Foundation. Mr. Lobejko has been driving philanthropic support, advancing alumni and donor engagement, and breaking fundraising records in higher education since 2008. With a Master of Arts in educational leadership and policy studies from the University of Northern Colorado and two bachelor degrees in business from Winona State University, Mr. Lobejko spent eight and a half years as executive director of advancement at Colorado State University College of Business and College of Agricultural Sciences before joining Northern Arizona University as Vice President for Advancement and Chief Financial Officer of the NAU Foundation. He also served as the director of development for the College of Engineering and Applied Science at the University of Colorado and director of development for the College of Natural and Health Sciences at the University of Northern Colorado, where he secured million-dollar gifts and implemented new programs and campaigns. Mr. Lobejko is a board member of the Winona State University Alumni Association and has a passion for entrepreneurship, serving as co-owner of a small business. His extensive fundraising and business skills contribute to the University's success in elevating postsecondary value in Arizona and beyond.

Dr. Jason Wilder was appointed Vice President for Research at the University in July 2021 and holds a faculty appointment as a Professor of Biology. Dr. Wilder has served in numerous leadership capacities since joining the University in 2008, including Director of the Biomedical Science degree program from 2008 to 2015, Chair of the Department of Biological Sciences from 2015 to 2019 and Dean of the College of the Environment, Forestry and Natural Sciences from 2019 to 2022. Dr. Wilder earned his undergraduate degree from Williams College (B.A. cum laude with Highest Honors in Biology) and his master's and doctorate from Princeton University (Ecology & Evolutionary Biology). Dr. Wilder completed his postdoctoral training at the University of Arizona with support from an NIH Ruth L. Kirschstein National Research Service Award Individual Fellowship. During his career at the University, Dr. Wilder has served as a Principal Investigator and Co-Principal Investigator on numerous impactful grants, including "The Partnership for Native American Cancer Prevention" currently funded at $6.8 million by the National Cancer Institute.

Faculty and Staff

The full-time faculty of the University was comprised of approximately 1160 persons as of fall semester 2025. An additional 473 persons were employed by the University in the areas of adjunct faculty, teaching associates, post-doctoral scholars and other related positions. More than 2,245 persons were employed on a full-time basis at that time in a variety of staff and administrative positions (including administrative faculty), while regular-status part-time staff employment was comprised of approximately 705 persons. The University's total payroll for fiscal year 2025 was approximately $340.7 million.

The Campuses

Main Campus in Flagstaff. The University's emphasis throughout its history has been the development of the humanistic traditions in the setting of a mid-size university. In keeping with this tradition, the University's administration has chosen a pattern of growth that will permit the accommodation of additional students and at the same time provide for the preservation of the identity and individuality of each student. The University campus consists of approximately 883 acres, with more than 177 major structures enclosing approximately 7.1 million gross square feet.

In an effort to accommodate a multitude of student needs, the University continued to upgrade its recreational, residential and academic facilities in the decade of the 2000's. Approximately 2.6 million square feet of campus facilities have been added since 2000 with numerous renovations and modernizations to existing facilities. A comprehensive plan was adopted in 2010, with an update in 2015, to guide physical facility development, and a new master planning effort began in 2021 and was completed in fall 2023. This plan, which was being generated through a cooperative effort among many University departments and organizations, focuses on the idea that the institution should be functional yet sensitive to a "human scale" philosophy. The idea of a "pedestrian campus" is being implemented through elimination of certain roads and the modification and construction of pedestrian walkways and bicycle paths. Additionally, surface parking is being pushed to the outer boundaries of campus while parking structures remain more central.

Some of the structures on campus include a 66,000 square foot Student Athlete High Performance Center, a 12,000 seat indoor athletic stadium, a 283,000 square foot health and recreational facility, a 123,000 square foot Aquatic and Tennis Center, a 211,000 square foot library, a 120,000 square foot College of Business, a 140,000 square foot Science and Health laboratory building, a 60,000 square foot Applied Research and Development building which achieved a platinum LEED rating, and the 112,000 square foot Student and Academic Services building which creates a centralized location where students will receive coordinated customer service between Financial Aid, Registrar and Student Accounts. Other notable buildings are the LEED Platinum International Pavilion and the LEED Gold Native American Cultural Center.

Northern Arizona University-Yuma Campus. Northern Arizona University-Yuma ("NAU-Yuma") is located on the campus of Arizona Western College ("AWC") in Yuma, Arizona. NAU-Yuma and AWC share facilities on the AWC campus and work together to expand higher education opportunities in the southwestern portion of the State. AWC offers lower division coursework while NAU-Yuma offers upper division coursework and graduate programs. Classes are currently offered by NAU-Yuma to complete degrees in fields such as nursing, education, mechanical engineering, business, criminal justice, psychology, sociology and Spanish.

Northern Arizona University-Yavapai Campus. Northern Arizona University-Yavapai Campus is located in Prescott Valley, Arizona. Northern Arizona University in Prescott Valley offers baccalaureate degrees that are relevant to the community, with affordable tuition, a very structured curriculum, focus on applied learning and real-world problem solving, and courses delivered in a blended format of in-person and online instruction. Currently, the leased facility, shared with the Town of Prescott Valley Recreation Department, houses two classrooms, administrative offices and a student advising and registration area.

Phoenix Bioscience Core Campus. The three Arizona public universities participate in a tri-university initiative in downtown Phoenix offering healthcare education and conducting research. The University and the University of Arizona share one building named the Health Sciences Education building for which each university contributed to construction costs and actively manages and supports ongoing operations. Most recently, the University invested in renovation and upgrades to its teaching laboratories that have helped increase programming and student enrollments in programs including physician assistant studies, physical therapy, occupational therapy and athletic training.

Cline Library and Collections

Cline Library. Cline Library provides access to more than 370,000 digital/electronic books, 280,000 government documents, 114,000 digital/electronic serials, 303,000 digital/electronic media items including full-length videos and albums, and 105 databases. The library's physical collections include more than 540,000 physical book titles, 11,000 physical serials, and 30,000 physical media items. In addition, Cline Library is a selective federal depository library. The library's local resources are enhanced by its document delivery (interlibrary loan) service, which allows users to request research materials from other libraries.

Special Collections and Archives Department. Special Collections and Archives strives to connect and engage the world with the history and culture of the Colorado Plateau and Northern Arizona University. Interdisciplinary in nature, the collections consist of more than 20 million unique items – including manuscripts, photographs, moving images, oral histories, books, maps and more – focused on the Colorado Plateau and Northern Arizona. More than 116,000 of these materials are available online through Cline Library's Digital Archives (http://cdm16748.contentdm.oclc.org/digital), where users around the world can access a growing selection of materials from a variety of collections. Additionally, Special Collections and Archives serves as the home of the institutional memory and records of Northern Arizona University from its inception in 1899 to present.

The materials found in Special Collections and Archives provide primary and secondary information to a wide variety of users, including scholars, authors, documentary film makers, faculty, students, artists, regional Indigenous community members, and the general research community. Subjects documented within the collections include but are not limited to environmental issues, Indigenous culture, regional politics, land use and development, forestry, water and water use, recreation, diversity on the Colorado Plateau, railroads, and Route 66. Collections of note include: Bruce Babbitt's presidential campaign papers; the exploration and history of the Grand Canyon contained in the notes and images of Emery Kolb, Lois Jotter Cutter, P.T. Reilly, Katie Lee, Eddie McKee, Georgie Clark, and Harvey Butchart; records from organizations such as the Arizona Lumber and Timber Company, Saginaw and Manistee Lumber Company, the Fred Harvey Company, and the Historic Route 66 Association of Arizona; the photographic collections of Josef Muench, Tad Nichols, Bill Belknap, Sue Bennett, and John Running; and perspectives on cultural interaction in materials from A.F. Whiting, Jo Mora, Florence Barker, Marie Olsen, and Leo Crane. Cline Library's Special Collections and Archives received the David Muench collection in 2022. David Muench, son of Josef Muench, has photographed some of the most breathtaking landscapes of the world, many around the Colorado Plateau, in a career spanning more than 70 years, and is considered one of the top ten American landscape photographers of the twentieth century.

Accreditation and Affiliations

The University is accredited by the Higher Learning Commission. The University's accreditation extends through 2027-2028. Professional programs in the University's various colleges, schools, divisions and departments are accredited by the appropriate national bodies. The University is affiliated with the American Council on Education, American Association of Colleges for Teacher Education, American Association of State Colleges and Universities, and many other national and international associations. A list of all affiliations and accreditations can be found at https://nau.edu/accreditation/

Degrees and Academic Organizations

The University supports 103 programs leading to a bachelor's degree, 71 programs leading to a master's degree and 21 programs leading to a doctoral degree. The University is organized into ten colleges and the Statewide Campuses Unit.

1) College of Arts and Letters
2) College of Education
3) Steve Sanghi College of Engineering
4) College of Health and Human Services
5) College of Nursing
6) College of Social and Behavioral Sciences
7) College of Environment, Forestry and Natural Sciences
8) Online, Statewide, and Education Innovation
9) The W.A. Franke College of Business
10) Graduate College and Professional Studies

Education programs in each of the colleges (with the exception of the Online, Statewide, Education Innovation College) are described below.

College of Arts and Letters

The College of Arts and Letters consists of academic disciplines that serve as the basis for other fields of study as well as those that focus on artistic performance. The College of Arts and Letters is comprised of various departments: English, History, Comparative Cultural Studies, Global Languages and Cultures, Philosophy, and Theatre, as well as the Kitt School of Music and the School of Art and Design. The college mission is to foster an affinity for inquiry and expression, preparing students of all backgrounds for fulfilling careers and informed civic engagement. Art, music and theatre students learn the value of professionalism and the acquisition of a solid technique and self-expression in the arts.

College of Education

The College of Education at the University seeks to prepare compassionate and competent professionals who are equipped with the knowledge and the skills to make positive differences for children, students, and adults in educational, behavioral health service settings, and communities who are committed to building empathetic, inclusive, and just environments. This preparation takes many forms: this college educates beginning teachers, STEM educators, provides graduate work for practicing educators and prepares counselors, school psychologists, administrators, and leaders in higher education. In addition, it engages in partnerships with schools and communities around the State, with particular attention to rural and Native American needs. These community partnerships focus upon the three important areas of recruiting and preparing local educators, assisting with programs designed to enhance student achievement and dropout prevention, and supporting the review and development of educational policy. Faculty members in the College of Education conduct research to expand knowledge about effective practices for teaching and learning. The College of Education has pioneered models of site-based teacher education and is a leader in technological and distance learning practices. The College of Education includes six academic departments, an extensive student services division, a statewide network of professional educators, and a division dedicated to community engagement.

Steve Sanghi College of Engineering

The Steve Sanghi College of Engineering ("SCE"), formally known as the College of Engineering, Informatics and Applied Sciences combines the University's departments of Civil and Environmental Engineering, Construction Management, Mechanical Engineering, Informatics, Computing and Cyber systems. Their mission is to prepare students for careers in civil and environmental engineering through rigorous technical education, advance knowledge to enhance societal welfare, and enhance the stature of the engineering profession through expert practice, leadership and service. SCE offers a broad range of undergraduate and graduate degree offerings, including an interdisciplinary PhD in informatics and computing. SCE's undergraduate engineering programs are accredited by the Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology, Incorporated and their Construction Management program is accredited by the American Council for Construction Education.

College of Health and Human Services

The College of Health and Human Services ("CHHS") includes the departments of Physical Therapy and Athletic Training, Communication Sciences and Disorders, Dental Hygiene, Health Sciences, Occupational Therapy, Physical Therapy and Athletic Training, and Physician Assistant Studies. Their mission is to prepare students to become competent health professionals while inspiring leaders in practice, scholarship, and service. They strive to improve the health and well-being of the diverse communities served. The college offers a variety of master's degrees including Athletic Training, Clinical Speech-Language Pathology, Physical Assistant Studies, and Public Health. For doctoral degrees, CHHS offers a Doctorate of Medical Science, Doctor of Occupational Therapy and Doctor of Physical Therapy.

College of Nursing

The College of Nursing prepares students to become and remain excellent nursing professionals and leaders. By integrating emerging healthcare trends into academic curricula and utilizing state-of-the-art facilities, the University seeks to ensure students' education leads to excellence in nursing practice. With a commitment to excellence, innovation, and active engagement in our communities, the University seeks to prepare nurses who are skilled, compassionate, and culturally competent. The College of Nursing offers Bachelor of Science in Nursing degrees for pre- and post-licensure students, with traditional, online, and accelerated pathways. Fully accredited by the Commission on Collegiate Nursing Education, the University's nursing programs are designed to prepare students for a fulfilling career as a registered nurse. Graduate degree offerings include a Master of Science in Nursing and a Doctor of Nursing Practice.

College of Social and Behavioral Sciences

Students and faculty in the College of Social and Behavioral Sciences ("SBS") seek to understand and influence the complexities of the social world around us. SBS comprises a variety of departments: Anthropology, Applied Indigenous Studies, Criminology and Criminal Justice, Ethnic Studies, Planning and Recreation, Politics and International Affairs, Psychological Studies, Sociology, Social Work, Women's and Gender Studies, as well as the School of Communication. SBS offers a variety of graduate and undergraduate degrees. It places a strong emphasis on applied research and many of the students in SBS programs participate in internships, both at the graduate and undergraduate levels. The programs in SBS are also highly interdisciplinary as reflected in their mission to collaborate in inquiry and practice to promote justice, diversity, equity, inclusion, sustainability, and human and community well-being as we build a shared sense of belonging. With student success as the central focus, with work that produces critical insights about human societies, behavior, and communication that inform innovative approaches to solving and increasing awareness of significant regional and global challenges.

College of Environment, Forestry, and Natural Sciences

The College of Environment, Forestry, and Natural Sciences ("CEFNS") is comprised of the following departments: Biological Sciences, Chemistry and Biochemistry, Mathematics and Statistics, Applied Physics and Material Science, and Astronomy and Planetary Sciences, as well as the School of Earth and Sustainability and the School of Forestry. CEFNS promotes undergraduate and graduate learning experiences that integrate science, sustained by a commitment to research, scholarship, and creative application of knowledge. CEFNS offers a number of undergraduate and graduate degrees including Doctorates in Astronomy, Applied Physics, Biology, Forestry, Earth Sciences, and Sustainability. In addition to offering forestry degrees at the bachelor, master and doctoral levels, CEFNS' undergraduate forestry degree is accredited by the Society of American Foresters. The Forestry program is nationally recognized and known for its innovations in forestry education, active research programs with particular strengths in forest ecology, health and restoration, and is located in the world's largest contiguous ponderosa pine forest. The college also houses a number of research centers and institutes where innovation starts with experimentation.

The W.A. Franke College of Business

The W.A. Franke College of Business, which includes the Schools of Hotel and Restaurant Management ("SHRM"), Management, Marketing, Information Systems, Economics, Finance and Accounting. It offers seven undergraduate business degree programs: Accountancy, Business Economics, Information Systems, Finance, Management, Hotel and Restaurant Management, Business Administration, and Marketing. The program's hallmarks of Engagement, Collaboration and Immersion form The Franke Experience. The W.A. Franke College of Business also offers a Master of Business Administration degree with an integrated core and cross-functional focus that emphasizes communication and team skills.

SHRM, located in the W.A. Franke College of Business, is a nationally recognized professional school whose mission is to prepare students for leadership responsibility in the many fields of hospitality. SHRM's curriculum and culture are designed to help students develop technical, professional, and people skills for an industry that is "high-tech" and "high-touch." Two majors are offered within the undergraduate degree: Hotel/Restaurant Management and International Hospitality Leadership. SHRM is committed to student-centered teaching balanced with faculty involvement in meaningful research. SHRM was one of the University's earliest developers of distance and on-line learning and has developed innovative partnership programs in the cities of Scottsdale and Tucson, Arizona, and on tribal lands to help build a professional workforce for one of the State's and America's leading economic sectors.

Graduate College

The NAU Graduate College supports all aspects of graduate education and provides robust professional development opportunities. The academic colleges offer 89 doctoral, master's and graduate certificate programs, including Ph.D. programs in Astronomy and Planetary Science, Informatics and Computing, and Bioengineering. A large and diverse population of over 4,900 students pursue graduate education at the University with over 1,700 students on the Flagstaff campus and over 3,200 enrolled in graduate courses online and across Arizona.

A more detailed description of the colleges can be found on the University's website at http://nau.edu/academic-departments/. A description of the Statewide Campuses programs can be found online at http://nau.edu/statewide-campuses.

Admission Policy

Undergraduate Admissions:

First-Year Applicants

Students are offered undergraduate admission to the University upon meeting certain criteria as outlined below:

Assured Admission – Students who meet the following qualifications will be offered undergraduate admission to the University:

- Aptitude: a cumulative grade point average ("GPA") of 2.75 or above in the 14 core courses as prescribed by the Board (http://nau.edu/Admissions/Getting-Started/Requirements/Courses/)

Delegated Admission – Students will be considered for undergraduate admission to the University if they meet the following qualifications:

- Aptitude: a cumulative GPA of 2.5 or above in the 16 core courses as prescribed by the Board
- Competencies: Lack no more than two of the 14 competencies required for assured admission, except not in both math and lab science -or- in the same subject area

The competencies that must be completed for each subject area are as follows:

English

Meet one of the following:

- 4 Years of high school English (composition/literacy-based) **-or-**
- ACT: 21+ English score **-or-**
- SAT: 580+ on the evidence-based reading and writing **-or-**
- One transferable three-credit college English composition course

Mathematics

Meet one of the following:

- 4 years of high school math courses, including one year each of Algebra I, geometry, Algebra II, and an advanced class for which Algebra II is a prerequisite **-or-**
- ACT: 24+ math score **-or-**
- SAT: 580+ math score **-or-**
- One transferable three-credit college math course for which at least intermediate algebra is a prerequisite

Laboratory Science

Meet one of the following:

- 3 years of high school laboratory science: one year each of biology, chemistry, earth science, or physics. An integrated science class may be substituted for one required course **-or-**
- Two years high school laboratory science (biology, chemistry, earth science or physics) plus one of the following test scores (test score may be used to satisfy one lab science unit other than high school credits earned) **-or-**
- ACT: 20+ science score **-or-**
- SAT: 600+ chemistry score, 590+ biology score, or 620+ physics score **-or-**
- Three transferable four-credit college lab sciences courses (One semester each of biology, chemistry, earth science, and physics). An integrated science or advanced level science class may be substituted for one required course

Social Science

Meet one of the following from each section:

- History/Social Studies
  - One year high school American History **-or-**
  - SAT II: 560+ American History/Social Studies score **-or-**
  - One transferable three-credit college American History course
- Social Science
  - One year high school social science (such as European history, world history, economics, sociology, geography, government, psychology or anthropology) **-or-**
  - SAT II: 580+ world history score **-or-**
  - One transferable three-credit college social science course

Fine Arts

Meet one of the following:

- 1 year or a two-semester combination of high school fine arts or Career and Technical Education ("CTE") **-or-**
- One transferable three-credit college fine arts course.
- Semesters of fine art and career and technical education cannot be combined

Second Language

Meet one of the following:

- 2 years of the same high school second language (foreign, Native American or sign language) **-or-**
- Attain minimum score on national standardized second/foreign language test (AP 3+, CLEP 50+, IB 4+) **-or-**
- Two transferable three- or four-credit, college-level courses in the same second language

Exceptions

Applicants may be exempt from the course requirements if they meet one of the following:

- **Are 22 years of age or older**
  - First year applicants 22 or older will be admitted with an overall high school GPA of 2.0+
- **Earned a GED (per official score report from the applicable state's department of education)**
  - 2002-2014: 500+ score
  - Post-2014: 680+ score with minimum 170 in each content area
- **Completed an associate's or higher level degree:**
  - Minimum 2.0 GPA from a regionally accredited post-secondary institution for Arizona residents
  - Completed the Arizona General Education Curriculum (minimum 2.0 GPA required)
- **Home-schooled**
  - The University evaluated transcript of high school coursework and ACT/SAT scores for scholarship consideration

Transfer Applicants

Offered admission to the University as a transfer student if:

- Completed the Arizona General Education Curriculum (AGEC), AGEC-B, AGEC-S, or California Intersegmental General Education Transfer Curriculum (IGETC) with a cumulative GPA of 2.5+

OR

- Completed an associate degree with a cumulative GPA of 2.0+

Considered for admission if:

- Completed 12-23 transferable credits and a core high school GPA of 2.0 or above (we will evaluate your high school coursework)

OR

- Completed 24 or more transferable credits with a cumulative college GPA of at least 2.00.

Graduate Admissions:

Admission to the University's graduate programs is open to qualified applicants who meet general requirements of an undergraduate degree from a regionally accredited institution and an undergraduate GPA requirement of 3.0. Exceptions to the GPA requirement are considered on an individual basis. Applications are also evaluated by individual graduate programs, which may have unique disciplinary requirements for admission. Information about individual programs can be found through the University website (nau.edu, degrees and programs tab). Additional information regarding graduate admissions at the University can be found at https://nau.edu/graduate-college/.

Student Enrollments

The table below sets forth the fall semester enrollments of the University for the past five years.

Northern Arizona University
Total Student Enrollment
(Headcount)

Fall Semester	Undergraduate Students	Graduate Students	Total Student Enrollment
2021	24,168	4,550	28,718
2022	23,207	4,883	28,090
2023	23,134	5,060	28,194
2024	22,991	5,477	28,468
2025	22,203	4,981	27,184

Source: Northern Arizona University, Office of Strategic Planning, Institutional Research, and Analytics.

The following tables set forth the University's undergraduate and graduate new student and transfer student application, admittance and enrollment figures for the fall terms of the last five years:

Northern Arizona University
Freshman Applications, Admissions and Enrollments

Fall Semester	Applications	Admissions	Enrollments
2021	42,872	33,592	5,297
2022	44,855	35,881	5,628
2023	37,806	34,384	5,508
2024	35,100	31,453	5,009
2025	39,674	35,537	4,570

Source: Northern Arizona University, Office of Strategic Planning, Institutional Research, and Analytics.

Northern Arizona University
Transfer Applications, Admissions and Enrollments

Fall Semester	Applications	Admissions	Enrollments
2021	4,168	2,993	1,933
2022	4,014	2,985	1,688
2023	3,610	3,527	1,614
2024	3,131	3,085	1,474
2025	3,092	3,033	1,493

Source: Northern Arizona University, Office of Strategic Planning, Institutional Research, and Analytics.

Northern Arizona University
Graduate Applications, Admissions and Enrollments

Fall Semester	Applications	Admissions	Enrollments
2021	6,858	2,670	1,694
2022	8,396	3,245	1,877
2023	14,277	4,785	1,869
2024	10,362	5,448	2,100
2025	8,353	4,101	1,759

Source: Northern Arizona University, Office of Strategic Planning, Institutional Research, and Analytics.

Degrees Conferred

The overall number of degrees conferred by the University for each of the last five years is shown below:

Northern Arizona University
Degrees Conferred

Academic Year	Bachelor Degrees	Advanced Degrees	Total Degrees Conferred
2021	6,155	1,532	7,687
2022	5,865	1,597	7,462
2023	5,264	1,875	7,139
2024	5,175	2,299	7,474
2025	5,197	2,355	7,552

Source: Northern Arizona University, Office of Strategic Planning, Institutional Research, and Analytics.

Activities and Associations

Student Services

A complement of comprehensive services is provided to University students in support of their academic experience on the Flagstaff campus. This includes: housing, food service, health care, personal counseling, career guidance and employment services, recreational activities, academic support services, including tutoring, both a math assistance and writing center, supplemental instruction and individual assistance for students; services for students with physical and learning disabilities, entertainment activities, Office of Indigenous student services, a multicultural student center, opportunities for membership in over 375 student organizations, leadership training and community service experiences.

Student Organizations

Associated Students. The Associated Students of Northern Arizona University ("ASNAU") is the undergraduate student government of the University. It is the official representative of the undergraduate Flagstaff Campus student body in matters of University governance and budgeting. ASNAU carries out its responsibilities through the ASNAU Executive Council, the Student Senate, the ASNAU Supreme Court, Student State Affairs, and University boards and committees.

ASNAU provides students with various direct, support and referral services that are designed to meet a wide variety of needs and interests. Services provided by ASNAU include legal and activity programs as well as funding for student organizations.

Through ASNAU, opportunities are available for students to develop individual leadership qualities and to supplement and complement formal education. Programs sponsored by ASNAU include Fall Fling, homecoming, a spring concert, student legal counsel, and late night hours at Cline Library.

Fraternities and Sororities. Eleven sororities and fourteen fraternities offer a range of opportunities for interested students. Programs are coordinated by the Interfraternity Council, College PanHellenic Council, and United Greek Council to foster communication between chapters, reward scholastic achievement, and promote University and community service projects.

Campus Organizations. At the University nearly 400 official student organizations provide opportunities for students to participate in a wide range of activities. These organizations include academic, religious, cultural, service, Greek, honorary, and special interest groups.

Research

The University is classified as a "High Research Doctoral Universities: High Research Activity" according to the current Carnegie classification system. As submitted in the Higher Education Research and Development Survey, the University's research expenditures for fiscal year 2025 were $100.1 million ($66.3 million in federal award expenditures). Total awards received for fiscal year 2025 were $55.6 million. The research strengths of the University are in microbiology and bioengineering, forestry, environmental sciences, health sciences, astronomy, and informatics and computing. The University has multiple National Institute of Health ("NIH") programs that work with Native American groups and support various areas of Native American health issues. Major federal funding agencies, in addition to NIH, include the National Science Foundation, Department of Education, Department of Defense, Homeland Security, Department of the Interior, and NASA.

Athletics

Intramurals, Club Sports and Recreation. The Competitive and Recreational Sports Programs serves nearly 3,000 University students annually, through approximately 25 intramural sports offerings and approximately 25 active sport clubs. The University's student-centered approach to programs creates an environment where participants may compete, meet new friends, relieve stress, and have fun. Activities range from lacrosse to dance, basketball to racquetball, and swimming to soccer– all built to ensure that no matter what a student's sporting interest may be, the University has something for everyone.

Intercollegiate Athletics. The Intercollegiate Athletics Department at the University conducts men's programs in five sports and women's programs in eight sports. The University is a member of the National Collegiate Athletic Association, Division I. Both men's and women's programs are conducted under NCAA rules and participate in NCAA championships.

Both the men's and women's athletic programs compete in the Big Sky Conference (women's swimming and diving competes in the Western Athletic Conference). Programs include football (men only), basketball, track and field, cross-country and tennis. In addition, athletic programs include swimming and diving, golf, soccer, and volleyball (women only).

FINANCIAL CONDITION OF THE UNIVERSITY

Introduction

The audited financial statements of the University are presented in Appendix B as "Audited Financial Statements of the University for the Fiscal Year Ended June 30, 2025."

The University maintains its accounts in accordance with generally accepted accounting principles of fund accounting for colleges and universities. Fund accounting requires a separation of assets and liabilities into various fund groups. The group designation of a particular asset or liability is determined by the source or use of, or restrictions upon, the respective item. Funds of the University are divided into Current Operating Funds, consisting of the General Operating Fund, Designated Fund, Auxiliary Enterprises Fund and Restricted Fund, and Non-Operating Funds consisting of the Student Loan Fund, Endowment Funds and Plant Funds.

The University's audited financial statements presented in Appendix B include three financial statements (1) the Statement of Net Position, (2) the Statement of Revenues, Expenses and Changes in Net Position, and (3) the Statement of Cash Flows. These statements were prepared in accordance with Governmental Accounting Standards Board's ("GASB") principles. GASB statements require that financial statements be presented on a consolidated basis to focus on the University as a whole, with resources classified for accounting and reporting purposes into three net asset categories (restricted, unrestricted and invested in capital assets). During the fiscal year ended June 30, 2004, the University implemented the provisions of GASB No. 39, which requires reporting as component units those organizations that raise and hold economic resources for the direct benefit of the University.

Information herein should be read in conjunction with the financial statements and accompanying Notes in Appendix B.

Combined University and Component Units

In reviewing and analyzing the overall financial status of the University, it is important to include the component units due to their significant assets and annual revenues used in support of the University and its students. It is also important to know whether the combined net assets of the University and its component units are increasing or decreasing; and to know the composition of the net assets in order to determine the discretion available by the University or its component units in the use of these funds. A high level summary of fiscal years 2023, 2024 and 2025 financial activity of the University and its component units on a combined basis follows (dollars in millions):

	2023			2024			2025		
	University	University Component Unit	Combined	University	University Component Unit	Combined	University	University Component Unit	Combined
Net assets at beginning of the year	$350.0	$213.6	$563.6	$404.6	$238.7	$643.3	$439.9	$257.4	$697.3
Increase/(decrease) in net assets	54.6	25.1	79.7	38.0	18.7	56.7	5.8	82.6	88.4
Net assets at end of year [a]	$404.6	$238.7	$643.3	$442.6	$257.4	$700.0	$445.6	$340.0	$785.7

[a] Numbers may not add due to rounding.

Source: Northern Arizona University, Comptroller's Office.

At the combined net assets (fund balance) level, there should be no significant accounting eliminations between the University and its component units. Eliminations would primarily be at the revenues and expenses, and assets and liabilities, levels.

In fiscal year 2025, the University had an increase of $5.8 million in net assets and the University's component units had an $82.6 million increase in net assets. On a combined basis of the University and its component units, there was an $88.4 million increase in net assets in fiscal year 2025, equating to approximately 10.4% of total University and component unit revenues.

End of the year net assets for fiscal years 2023, 2024 and 2025 consisted of the following (dollars in millions):

	2023			2024			2025		
	University	University Component Units	Combined	University	University Component Units	Combined	University	University Component Units	Combined
Invested in capital assets	$270.0		$270.0	$277.5		$277.5	$286.5		$286.5
Restricted net assets:									
Permanently restricted	23.5	161.6	185.1	24.6	178.3	202.9	25.7	$209.5	235.2
Temporarily restricted	72.3	63.0	135.4	105.0	67.5	172.5	112.5	63.0	175.5
Unrestricted net assets	38.8	14.0	52.8	35.5	11.6	47.0	20.9	67.5	88.4
Net assets at end of year [a]	$404.6	$238.7	$643.3	$442.6	$257.4	$700.0	$445.6	$340.0	$785.7

[a] Numbers may not add due to rounding.

Source: Northern Arizona University, Comptroller's Office.

Statement of Revenues, Expenses and Changes in Net Assets

The table below is a summary of the University's actual revenues, expenses, and changes in Net Assets for fiscal years 2021 through 2025.

NORTHERN ARIZONA UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30
(Thousands of dollars)

	Audited [(a)]				
	2021	**2022 [(b)]**	**2023**	**2024**	**2025**
OPERATING REVENUES					
Tuition & fees, net of scholarship allowance	$218,452	$200,933	$195,450	$201,626	$197,033
Government grants & contracts	40,695	42,237	49,313	59,571	65,181
Private grants & contracts	5,573	4,541	6,321	9,768	6,246
Auxiliary enterprises:					
Residential Life, net of scholarship allowance	28,753	38,533	43,797	48,076	48,604
Other auxiliaries	24,605	30,554	34,076	37,665	38,674
Other	15,043	18,516	23,221	27,945	33,949
Total operating revenues	$333,121	$335,315	$352,178	$384,651	$389,686
OPERATING EXPENSES					
Educational and general:					
Instruction	$146,350	$155,023	$174,993	$187,785	$192,733
Research	51,635	51,895	58,678	70,167	75,328
Public service	24,623	30,853	37,034	44,392	49,520
Academic support	38,880	40,281	46,400	48,536	55,452
Student services	56,163	56,525	54,320	57,697	56,060
Institutional support	71,831	79,975	84,430	93,802	96,274
Scholarships and fellowships	53,646	74,028	30,649	34,974	38,628
Operation and maintenance of plant	22,044	27,162	35,322	24,746	21,778
Auxiliary enterprises	34,258	42,733	50,317	59,242	63,463
Depreciation	50,059	51,353	53,568	56,829	58,277
Total operating expenses	$549,489	$609,827	$625,710	$678,170	$707,511
Operating income (loss)	***$(216,368)***	***$(274,513)***	***$(273,533)***	***$(293,519)***	***$(317,826)***
NONOPERATING REVENUES AND EXPENSES:					
State appropriations	$107,396	$138,737	$165,322	$144,555	$139,922
Share of state sales tax [(b)]	17,079	39,777	19,560	46,666	32,299
Government grants and contracts	119,622	146,393	96,224	104,216	107,032
Private, grants and gifts	13,259	14,294	15,343	24,880	29,470
Net Investment income/(loss)	15,765	(9,416)	13,044	20,657	21,197
Interest expense on capital asset related debt	(26,426)	(24,705)	(24,006)	(21,607)	(19,924)
Net loss on disposal of capital assets	(823)	(719)	(255)	(273)	(829)
Other nonoperating revenues/expenses	9,184	9,413	7,607	5,983	8,368
Total nonoperating revenues and expenses	$255,056	$313,775	$292,839	$325,078	$317,535
Income(loss) before other revenues, expenses, or gains	$38,687	$39,262	$19,306	$31,560	$(291)
OTHER REVENUES:					
Capital appropriations	$4,879	$5,040	$5,302	$5,303	$4,886
Capital grants & gifts	7,974	1,420	29,075	20	13
Additions to permanent endowments	943	906	917	1,141	1,150
Total other revenues	$13,796	$7,366	$35,294	$6,464	$6,049
Increase in net assets	$52,483	$46,628	$54,599	$38,023	$5,757
NET ASSETS:					
Net Assets at Beginning of Year	$250,898	$303,381	$350,009	$404,608	$439,881
Net Assets at End of Year	**$303,381**	**$350,009**	**$404,608**	**$442,631**	**$445,638**

(a) The University implemented GASB Statement No. 87 in fiscal year 2022 and GASB Statement No. 101 in fiscal year 2025. Prior year data has been restated.

(b) Reflects the University's share of sales tax revenues collected by the State that are distributed per law to the public universities in the State.

Source: Prepared from audited financial reports and University records by the University's Comptroller's Office. For the complete audited financial statements for fiscal year 2025, see Appendix B.

Tuition and Fees

Tuition and fee collections are a significant source of revenue to the University. These amounts are included both in current operating revenues and as described herein in System Revenues.

The following table summarizes tuition and registration fees for the fiscal years shown:

NORTHERN ARIZONA UNIVERSITY
SCHEDULE OF TUITION AND REGISTRATION FEES PER STUDENT

	Resident Tuition			
	Undergraduate		Graduate	
Fiscal Year	Full-Time (Per Semester)	Part-Time (Per Hour Registered)	Full-Time (Per Semester)	Part-Time (Per Hour Registered)
2021 [(a)]	$4,199	$450	$5,240	$520
2022 [(a)]	4,199	450	5,502	546
2023 [(b)]	4,346	363	5,695	565
2024 [(b)]	5,676	473	5,923	610
2025 [(b)]	5,844	487	6,160	635

	Nonresident Tuition			
	Undergraduate		Graduate	
Fiscal Year	Full-Time (Per Semester)	Part-Time (Per Hour Registered)	Full-Time (Per Semester)	Part-Time (Per Hour Registered)
2021 [(a)]	$11,312	$943	$12,854	$1,428
2022 [(a)]	11,312	943	13,497	1,500
2023 [(b)]	11,708	976	13,970	1,552
2024 [(b)]	13,800	1,150	14,669	1,630
2025 [(b)]	14,280	1,190	15,329	1,704

(a) Certain graduate and undergraduate programs assess differential tuition or program tuition. Additionally, all students pay mandatory fees such as a technology fee, financial aid trust fee, wellness fee, activity fee, Associated Students of Northern Arizona University fee, green fee and athletics fee. Resident students carrying seven or more hours pay full-time tuition. Nonresident undergraduate students carrying 12 or more hours pay full-time tuition. Resident graduate students pay full-time tuition at 7 hours or more. Nonresident graduates are full-time at nine hours.

(b) Certain graduate and undergraduate programs assess differential tuition or program tuition. Additionally, undergraduate students pay a tiered college fee; graduate students pay specific program-based fees; and all students pay mandatory fees such as a technology fee, financial aid trust fee, wellness fee, activity fee, Associated Students of Northern Arizona University fee, green fee and athletics fee. Undergraduate resident and non-resident students carrying twelve or more hours pay full-time tuition. Resident graduate students pay full-time tuition at 7 hours or more. Nonresident graduates are full-time at nine hours.

Source: Northern Arizona University, Comptroller's Office.

The following tables summarize registration fee and tuition revenue for the University for the fiscal years 2021 through 2025. Revenues are shown on a cash basis net of waivers for certain students on scholarships, faculty and staff members enrolled in courses, and certain dependents of faculty and staff members enrolled in courses.

NORTHERN ARIZONA UNIVERSITY
STUDENT REGISTRATION FEES AND TUITION
(Dollars in Thousands)

Fiscal	Resident		Nonresident		Total	
Year	Enrollment [a]	Tuition	Enrollment [a]	Tuition	Enrollment [a]	Tuition
2021	19,457	$86,462	10,112	$101,500	29,569	$187,962
2022	18,768	79,299	9,950	93,870	28,718	173,169
2023	18,503	77,512	9,587	90,587	28,090	168,100
2024	18,991	84,823	9,203	86,612	28,194	171,435
2025	18,975	89,394	9,493	77,404	28,468	166,798

[a] Fall semester enrollment.

Source: Northern Arizona University, Comptroller’s Office and Office of Strategic Planning, Institutional Research and Analytics.

NORTHERN ARIZONA UNIVERSITY
SUMMER SCHOOL & OTHER FEES [a]
(Dollars in Thousands)

Fiscal Year	Summer School & Other Fees
2021	$71,850
2022	64,375
2023	62,848
2024	66,734
2025	73,214

[a] Consists of summer school registration and other student related fees and charges not included in the tuition and registration fees columns shown in the preceding two tables. Other fees include fees for transcripts, graduation, late registration and other special fees.

Source: Northern Arizona University, Comptroller’s Office.

The State Budgeting and Appropriations Process

The State Constitution provides that the State Legislature shall appropriate moneys for the purpose of operating and maintaining all State universities. Such funds are derived from taxation, as well as from other sources as determined by the Legislature to insure the proper maintenance of the State universities. The direction and control of all moneys appropriated for the use and benefit of State universities is vested in the Board. Arizona Revised Statutes, Title 15, Chapter 13, sets forth the general powers of the Board, which include the expending of State funds for the support and maintenance of State universities, their buildings and grounds, and for any other purpose the Board deems expedient, if not inconsistent with provisions of any appropriations.

The University derives its financial support primarily from State appropriated general revenues, appropriated and retained tuition and fees, governmental and private grants and contracts, private gifts and income from the operation of auxiliary enterprises. The existing constitutional provisions relating to State support of educational institutions and the policies of the Board have ensured that the universities in the State have continued to be recipients of State appropriated general revenues.

The University prepares its annual budget in two steps. A budget consisting of State General Fund monies and a portion of tuition revenues collected by the University is submitted through the Board to the Governor's Office of Strategic Planning and Budgeting with a copy concurrently submitted to the State Legislature's Joint Legislative Budget Committee. The State Legislature and the Governor subsequently enact an appropriation of State General Fund monies in support of the University. While the approval of such appropriation is vested in the State Legislature and the Governor, once the appropriation has been enacted, the responsibility and authority for its allocation and expenditure is vested in the Board. Specifically, Section 35-173 of the Arizona Revised Statutes exempts State universities from the appropriation allocation and budget transfer process, thereby effectively converting the State's appropriation to a "lump sum" appropriation to the University. The remainder of the University's Annual Operating Budget, consisting of Auxiliary, Unrestricted and Restricted revenues and expenditures are approved solely by the Board.

State appropriated funds represent a significant percentage of the University's Current Operating Funds Revenues. In the five fiscal years 2021 through 2025, this funding has represented 16.7%, 19.6%, 22.6%, 18.2%, and 17.6% respectively, of the University's total revenues.

The table below indicates State appropriations to the University for the fiscal years 2021 through 2026.

NORTHERN ARIZONA UNIVERSITY
LEGISLATIVE APPROPRIATIONS [(a)]

Fiscal Year	Operations Appropriation	TGEN [(b)]	Research Infrastructure [(c)]	Capital Infrastructure	Total
2021	$97,232,200	$3,000,000	$4,879,500	$4,692,900	$109,804,600
2022	125,601,500	3,000,000	5,039,800	4,750,600	138,391,900
2023	151,004,400	3,000,000	5,301,500	4,845,600	164,151,500
2024	125,680,100	3,000,000	5,302,900	4,942,500	138,925,500
2025	121,367,500	3,000,000	4,885,500	5,041,400	134,294,400
2026	111,680,000	3,000,000	4,884,500	5,142,200	124,707,500

(a) Figures shown for fiscal years 2021 through 2025 are from audited financial information; fiscal year 2026 reflects the appropriation amount enacted by the State Legislature and signed by the Governor, which can be adjusted during the fiscal year by action of the State Legislature and the Governor.

(b) Reflects a pass-through appropriation to the Translational Genomics Research Institute ("TGEN"), a nonprofit medical research foundation that specializes in biotechnology.

(c) Reflects continuing appropriation as set forth in A.R.S. Section 15-1670. Such amounts can only be used by the Board on behalf of the University to pay lease payments securing certain certificates of participation financings undertaken by the Board on behalf of the University.

Source: Prepared from audited financial statements of the University and information from the Comptroller's Office and University Budget Office.

Various factors outside the control of the Board and the University may materially affect the funding levels from State appropriations and from the other sources referred to above. In addition, the State Legislature may change the process by which it makes appropriations for the University. No assurances can be given that the amount of State appropriations to the University will not be reduced by the State Legislature in the future or that any such reductions will not be substantial.

Receipts from Other Major Revenue Sources

A significant component of "System Revenues" is derived from a variety of revenue producing facilities and other activities, including enterprises which provide goods and services to the faculty, staff and students, such as the University Bookstore, and to the general public, such as sporting events.

The table below summarizes receipts from other major revenue sources for the most recent five fiscal years.

NORTHERN ARIZONA UNIVERSITY
RECEIPTS FROM OTHER MAJOR REVENUE SOURCES

	Audited				
	2021	**2022**	**2023**	**2024**	**2025**
Bookstore [(a)]	$698,100	$1,038,197	$782,191	$870,024	$829,524
Student Activity Centers	116,373	530,995	959,255	1,090,772	1,343,016
Housing Facilities [(b)]	36,087,307	48,120,390	53,050,231	59,061,005	59,030,858
Intercollegiate Athletics	2,523,522	3,979,464	4,389,893	4,635,526	5,050,836
Dining Halls [(c)]	9,993,872	9,002,076	9,246,274	11,313,756	11,082,031
Parking Services	4,423,631	6,474,848	6,786,603	6,860,942	7,123,055
Concession Operations	402,816	357,904	465,709	478,853	1,250,986
Skydome Programming	12,248	100,642	272,413	145,653	244,723
Health Center	2,339,008	2,538,744	2,443,907	2,941,371	2,682,912
Student Media Center	76,181	4,444	103,936	2,387	40,670
Indirect Cost Recovery	13,177,074	13,453,059	16,261,082	19,556,511	19,759,730
Investment Income	1,643,285	1,211,894	8,030,008	12,701,205	12,500,355
GRAND TOTAL	**$71,498,417**	**$86,812,657**	**$102,791,503**	**$119,658,005**	**$120,938,695**

(a) Revenues received under the contract are based on a percentage of System Revenues generated by bookstore operations.

(b) Excludes certain dormitory buildings whose revenues are pledged to payment of certain student housing bonds. See Note 5 to the audited financial statements in Appendix B.

(c) Year-to-year amounts reflect variable timing of cash flow payments from the food service provider to the University.

Source: Northern Arizona University, Comptroller's Office.

Gifts, Grants and Contracts

Gifts, grants and contracts are an important source of revenues to the University and direct revenues therefrom are reflected in the following table and in the audited financial statements. A significant portion of the University's research programs (including graduate student participation therein) is supported by Federal grants and contracts. Agreements are principally with Federal government agencies, but significant support of the University's research, laboratories, students and faculty also comes in the form of research and education agreements with state and local government agencies, and private foundations and corporations.

The following summarizes the University's receipts from gifts, grants and contracts during the fiscal years 2021 through 2025.

NORTHERN ARIZONA UNIVERSITY
SUMMARY OF GIFTS, GRANTS & CONTRACTS
UNIVERSITY WIDE [(a)]

Fiscal Year	Federal Grants & Contracts	Other Governmental Grants & Contracts [(b)]	Private Gifts, Grants & Contracts	Total Gifts, Grants & Contracts
2021	$123,087,992	$37,228,687	$18,831,999	$179,148,678
2022	174,428,496	14,201,138	18,835,344	207,464,978
2023	112,496,177	25,314,965	21,663,899	159,475,041
2024	120,719,720	43,067,149	34,647,961	198,434,830
2025	129,185,824	42,928,032	35,815,840	207,929,696

(a) See Appendix B "Audited Financial Statements of the University for Fiscal Year Ended June 30, 2025" for additional detailed information.
(b) Includes Pell Grants.

Source: Northern Arizona University, Comptroller's Office.

Factors and Events that Could Impact University Finances

There are a number of factors, both known and unknown, that could potentially impact the University and the University's financial position through the final maturity of the 2026 Bonds. Such factors include but are not limited to: changing demographics that affect student populations attending institutions of higher education; changes in technology and its possible impact on learning modalities and environments; the impacts of climate change, and particularly in northern Arizona such factors as drought, water availability and wildfire, on student populations and on operating expenses; pandemics, such as the COVID-19 pandemic, and the effects they may have on student populations and operating costs; the levels of State funding support provided the University; the cost to students of attending the University; geopolitical factors that may affect international student demand and populations; and the level of research funding provided by governmental agencies and private sector entities. To date, such factors have not had a material adverse impact on the University generally or the ability of the Board to pay debt service on its debt obligations when due; however, the future fiscal and operational impacts of any such factor, or a combination of one or more of these factors, on the University and its finances through the final maturity of the 2026 Bonds are difficult to predict and could be significant.

Federal Legislative and Executive Actions

Potential federal legislative and executive actions and initiatives could adversely impact the University, and the impact could be material. Such possible actions, many of which are subject to multiple judicial challenges and litigation, include but are not limited to: regulatory changes to programs administered by federal agencies including the National Institutes of Health ("NIH"), the Department of Education ("ED"), the Department of Health and Human Services, the Department of Homeland Security ("DHS"), the National Science Foundation ("NSF"), the Department of Defense ("DoD"), the Department of Energy ("DoE") and others; elimination of existing tax credits; cuts to federal spending on research, healthcare and other programs; reduced funding for financial aid programs; immigration policies that impact international student enrollment; and actions to enforce federal laws and regulations. By way of examples, four federal agencies (NIH, NSF, DoD and DoE) announced initiatives to limit indirect cost recovery rates to 15% on new and existing grants. Enforcement of these limits have been enjoined by federal courts. Two agencies (NIH and DoE) have pending appeals challenging these rulings; NSF filed an appeal that it subsequently dismissed, making the injunction permanent; and DoD's deadline to appeal has not yet passed. The research community in collaboration with government leaders has developed a new approach to indirect costs recovery (the Financial Accountability in Research or FAIR model) which is under discussion with the Federal administration. Any potential impact to the University will depend on the indirect costs recovery framework (flat rate cap or FAIR model) and specifics of any final Federal policy.

While the financial impact on the University resulting from the totality of potential developments at the federal level cannot be quantified at this time, any such developments may, directly or indirectly, have a material adverse effect on the current and future financial profile and operating performance of the University. In general, in the event of reduced federal grants and awards, the University would expect to reduce expenditures funded by such grants and awards to the extent of the reduction to mitigate the fiscal impact, but the timing and level of any such responsive measures cannot be fully determined at this time.

Changing Nature of Collegiate Athletics

In recent years, developments have occurred that may impact revenues and expenses for collegiate athletics. Such developments include, but are not limited to, the competitive landscape for collegiate athletics; conference realignments; changes to multimedia rights and market-place arrangements; federal and state legislation regarding name, image and likeness for collegiate athletes; and litigation, judicial action and legislation related to compensation of collegiate athletes. These impacts collectively or individually may have an adverse effect on the financial condition of the athletic department which is a component of the University's overall annual budget.

Cybersecurity

The University is committed to security, risk mitigation, and digital trust across the University community. The University recognizes that this extends across a complex and fast-moving ecosystem, with a deep reliance on technology systems. The complexity of cyber threats is ever evolving, including malware, phishing, hacking, and ransomware. Recently, industry has seen these threats reach across entire supply chains, where vulnerabilities in one system can laterally move in unanticipated ways to other systems. Because of this, the University treats information security as an effort that is deeply embedded across its campuses utilizing centralized IT services to exercise a unified approach to cybersecurity across the enterprise to help ensure the uniform execution of its Cybersecurity program, policy enforcement, and effective mitigation activities. Under the guidance of the Chief Information Officer, the university's Information Security Officer works to ensure that the University's efforts are focused and targeted with leaders and teams across the campuses to ensure the University's distributed network of technologists and data stewards have the support they need to protect the University's digital assets. While no assurance can be given that all threats will be without impact, the University's commitment to a pervasive effort across the University is designed to provide a proactive and resilient method in the University's security approach.

OTHER INDEBTEDNESS OF THE UNIVERSITY

The information that follows outlines other indebtedness of the University in addition to the Outstanding Senior Obligations and the Subordinate Obligations.

Certificates of Participation

The following table sets forth the lease-purchase certificate of participation financings of the University that are currently outstanding.

Certificates of Participation	Original Principal Amount	Dated	Outstanding Principal Amount
2024 Refunding Certificates	$26,395,000	06-06-24	$20,695,000
Total Certificates			**$20,695,000**

Other Indebtedness

In addition to the Senior Obligations, the Subordinate Obligations and the Certificates of Participation, the Board on behalf of the University has entered into additional indebtedness as described below.

In May 2016, the Board, acting for and on behalf of the University, entered into a ground lease and a lease agreement (the "2016 LLC Lease Agreement") with North Campus Facilities L.L.C., an Arizona limited liability company ("North Campus LLC"), the sole member of which is Northern Arizona Capital Facilities Finance Corporation ("NACFFC"), an Arizona non-profit corporation organized and operated for the purpose of financing, constructing and/or operating capital facilities for use by and for the benefit of the Board acting for and on behalf of the University. North Campus LLC issued tax-exempt lease revenue bonds currently outstanding in the principal amount of $6,525,000, the proceeds of which were applied to refund and pay the remaining outstanding principal amount of the Lease Revenue Bonds, Series 2006, which were originally issued by North Campus LLC to pay for costs to develop, construct and equip a conference center and parking garage on the University campus. The Board, acting for and on behalf of the University, is obligated, subject to annual appropriation, to make rental payments sufficient to pay debt service on the bonds and other related expenses, which average approximately $690,000 per year. While no source of funds is pledged to make the rental payments on the 2016 LLC Lease Agreement, the Board anticipates making such payments primarily from revenues received from the operations of the conference center and parking garage, which are part of the University's auxiliary enterprise revenues.

In March 2017, the Board, acting for and on behalf of the University, entered into a ground lease and a lease agreement (the "2017 LLC Lease Agreement") with Pine Ridge Village/Campus Heights L.L.C., an Arizona limited liability company ("Pine Ridge LLC"), the sole member of which is NACFFC. Pine Ridge LLC issued tax-exempt lease revenue bonds currently outstanding in the principal amount of $20,730,000, the proceeds of which were applied to refund and pay the remaining, outstanding principal amount of the Lease Revenue Bonds, Series 2008, which were issued to refund and pay the remaining outstanding principal amount of the Variable Rate Demand Revenue Bonds, Series 2005, which were originally issued by Pine Ridge LLC to finance two student housing projects on the Northern Arizona University campus. Additional bonds may be issued by Pine Ridge LLC to complete, acquire or construct improvements or additions to the student housing projects (as well as, from time to time, to refund any of Pine Ridge LLC's outstanding bonds). The Board, acting for and on behalf of the University, is obligated, subject to annual appropriation, to make rental payments pursuant to the 2017 LLC Lease Agreement sufficient to pay debt service on the bonds and other related expenses, which average approximately $2,900,000 per year. While no source of funds is pledged to make the rental payments on the 2017 LLC Lease Agreement, the Board anticipates making such payments primarily from student housing revenues from the projects, which are part of the University's auxiliary enterprise revenues.

In April 2020, the Board, acting for and on behalf of the University, entered into a ground lease and a lease agreement (the "2020 LLC Lease Agreement") with University Student Athletic Facilities L.L.C., an Arizona limited liability company ("USAF LLC"), the sole member of which is NACFFC. USAF LLC issued tax-exempt lease revenue bonds currently outstanding in the principal amount of $39,415,000, the proceeds of which were applied to design, develop, construct and equip a 72,000 square-foot Student Athlete High Performance Center on the University's campus in Flagstaff, Arizona. The Board, acting for and on behalf of the University, is obligated, subject to annual appropriation, to make rental payments pursuant to the 2020 LLC Lease Agreement sufficient to pay debt service on the bonds and other related expenses, which average approximately $2,700,000 per year. While no source of funds is pledged to make the rental payments on the 2020 LLC Lease Agreement, the Board anticipates making such payments primarily from student athletic facilities fees from the project, which are part of the University's auxiliary enterprise revenues.

In August 2024, the Board, acting for and on behalf of the University, entered into a ground lease and a lease agreement (the "2024 LLC Lease Agreement") with the Student and Academic Services L.L.C., an Arizona limited liability company ("SAS LLC"), the sole member of which is NACFFC. SAS LLC issued tax-exempt lease revenue bonds currently outstanding in the principal amount of $25,970,000, the proceeds of which were applied to refund and pay the remaining outstanding principal amount of the Lease Revenue Bonds, Series 2014, which were originally issued by SAS LLC to pay for costs to construct and equip a new Student and Academic Services Building on the University's campus in Flagstaff, Arizona. The Board, acting for and on behalf of the University, is obligated, subject to annual appropriation, to make rental payments beginning in fiscal year 2027 sufficient to pay debt service on the bonds, and other related expenses, which average approximately $2,128,000 per year. While no source of funds is pledged to make the rental payments on the 2024 LLC Lease Agreement, the Board anticipates making such payments primarily from Tuition and Other General Revenues of the University.

The Board has the authority to enter into other future agreements which entail similar financial obligations as those described above, but currently does not have plans to do so in the immediate future.

UNIVERSITY PENSION AND RETIREMENT PLANS

Retirement Benefits

Substantially all permanent employees of the University are required to be members of an authorized retirement program. Authorized programs include the following retirement plans: Arizona State Retirement System, TIAA/CREF Retirement Plan, Fidelity Investments Retirement Plan and Public Safety Personnel Retirement Plans.

In fiscal year 2025, the University contributed a total of approximately $21.0 million, net of forfeitures, to these programs. A brief description of the various retirement programs in which University employees participate is located in Note 10 – Pension Plans in the 2025 Audited Financial Statements in Appendix B and rate information is provided in a condensed format below.

The Arizona State Retirement System ("ASRS") is a cost-sharing, multiple employer defined benefit plan in which the University participates. The most recent annual reports for ASRS may be accessed at: https://www.azasrs.gov/content/annual-reports. For the year ended June 30, 2025, active plan members were required by statute to contribute at the actuarially determined rate of 12.27 percent (12.12 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll. The University was also required by statute to contribute at the actuarially determined rate of 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium, and 0.15 percent for long-term disability) of the active members' annual covered payroll. For Fiscal Year 2026, the rate, including retirement, long-term disability, and the health benefit supplement was adjusted to 12.00 percent for the University and to 12.00 percent for employees. In addition, for the year ended June 30, 2025, the University was required by statute to contribute at the actuarially determined rate of 10.19 percent (10.14 percent for retirement and 0.05 percent for long-term disability) of annual covered payroll of retired members who worked for the University in positions that would typically be filled by an employee who contributes to the ASRS. For Fiscal Year 2026, the rate, including retirement and long-term disability, was adjusted to 9.75 percent.

Enacted State legislation made changes to how the ASRS operates, effective July 1, 2011, which includes requiring employers to pay an alternative contribution rate for retired members of the ASRS that return to work, changing the age at which an employee can retire without penalty based upon years of service, limiting permanent increases in retirement benefits and establishing a study committee that will review the feasibility and cost to changing the current defined benefit plan to a defined contribution plan.

Governmental Accounting Standards Board ("GASB") - Statement Number 68, *Accounting and Financial Reporting for Pensions*, as amended by Statement Number 71, *Pension Transition For Contributions Made Subsequent to the Measurement Date*, and GASB Statement Number 82, *Pension Issues*, as well as Statement Number 78, *Pensions Provided through Certain Multiple- Employer Defined Benefit Pension Plans*, require the University to recognize a liability equal to the University's proportionate share of net pension liability, which is measured as the total pension liability less the amount of the pension plan's fiduciary net position. The total pension liability is determined by discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year end. For fiscal year 2025, the University reported a net pension liability of $187.9 million, which includes $3.4 million of reclassified optional retirement plan liability, $21.0 million of net deferred outflows, $22.2 million of incremental pension expense, and $20.9 million in unrestricted net position.

Health Care Benefits for Retired Employees

University employees, their spouses and survivors may be eligible for other postemployment benefits other than pensions ("OPEB") such as retiree health care benefits under health care programs provided through the State. Employees on long-term disability and their spouses may also qualify for retiree health care benefits through the State. It is expected that substantially all University employees that reach normal or early retirement age while working for the University will become eligible for such benefits. Currently, a retiree may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium available to all participants, whether retired or not, in the State's health care program. The University makes no payments for OPEB costs for such retirees. Even though the retirees are paying 100% of the insurance premiums, an implicit rate subsidy exists because the retirees are paying a lower premium than what would be paid if the insurance premiums were based on the retiree's age.

GASB Statement Number 75, A*ccounting and Financial Reporting for Postemployment Benefits Other than Pensions*, as amended by GASB Statement Number 85, *Omnibus 2017*, requires the University to recognize a liability equal to the University's proportionate share of the total OPEB liability. The State has commissioned actuarial valuations of the OPEB costs associated with the health care programs available to retirees through the State and has allocated the financial impacts to the State agencies having separately audited financial statements. In fiscal year 2025, the University reported a total OPEB liability of $12.8 million.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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Annual Comprehensive
FINANCIAL REPORT

Year Ended June 30, 2025

Included as an Enterprise Fund of the State of Arizona

NAU NORTHERN ARIZONA UNIVERSITY

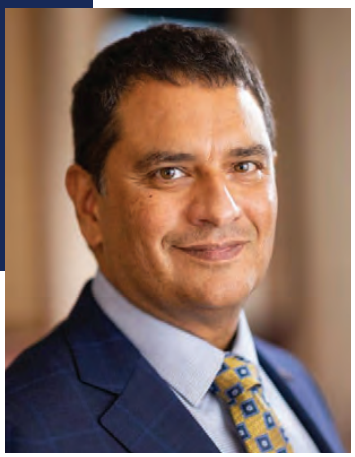
Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

Flagstaff, Arizona
Prepared by the Comptroller's Office
Included as an Enterprise Fund of the State of Arizona

Table of Contents

INTRODUCTORY SECTION



Founded in 1899, Northern Arizona University (NAU) has grown alongside the State of Arizona and stands today among the nation's preeminent engines of opportunity in higher education—providing every student the chance to realize their full potential and derive lifelong value from their college experience.

Today, NAU serves as an anchor institution for northern Arizona and the entire state, celebrating tremendous accomplishments that underscore the distinctive role our university plays in Arizona's educational ecosystem. Through a steadfast commitment to broadening access, propelling success, and ensuring post-graduation achievement, NAU serves as a student-first institution that meets statewide workforce needs across diverse sectors.

NAU's work is guided by our 2030 goals, which sharpen our focus on increasing access, promoting student achievement, and growing impact in Arizona and beyond.

Goal #1: Advanced educational attainment and career preparedness: NAU expands access to higher education, promotes student success, and prepares all students for post-graduation achievements.

- Over 12,500 first generation and lower-income students enrolled at NAU
- Over 85% of students continue their studies at or graduate from NAU
- More than 50,000 people earn an NAU credential

Goal #2: Enhance economic mobility and community impact: NAU fosters economic mobility for graduates and contributes positively to communities across Arizona and beyond.

- A majority of graduates are employed in Arizona three years after graduation.
- Over 8,600 graduated in Health and Behavioral healthcare fields to address Arizona's workforce needs.
- A sustained, strong reputation for strategic research and public service addressing key challenges in Arizona and beyond.

At a time when Arizona faces a shortfall of thousands of highly trained workers each year in a rapidly evolving knowledge economy, NAU is meeting this challenge head-on—determined to be the university for all Arizonans. We remain focused on serving the people of our state, strengthening the vitality of our workforce, and developing solutions to the most pressing issues of our time.

Ensuring that our students' education aligns with the needs of Arizona's workforce is a hallmark of NAU's success. We take pride in our commitment to producing 100% career-ready graduates, prepared to contribute meaningfully from day one.

In recent years, NAU has achieved record retention and graduation rates, earned the prestigious Carnegie R1 research designation in recognition of our scholarly and teaching excellence, and experienced exceptional growth in high-impact disciplines—particularly in the health professions essential to Arizona's future.

These achievements are sustained by a strong financial and operational foundation. Guided by a strategic finance philosophy, we prioritize investment in talented, mission-driven faculty and staff; maintain disciplined oversight; and pursue mission-aligned investment strategies that drive progress toward our 2030 goals and deliver measurable impact for Arizona's people, communities, and economy.

This foundation is bolstered by record levels of philanthropic support. Last fiscal year, NAU raised $68.8 million, surpassing our previous high by $15 million, and we are on track to record the five highest giving totals in our history over the last five years. This momentum reflects confidence in NAU's vision, leadership, and impact.

The successes highlighted here demonstrate a durable foundation rooted in our strategic priorities—one that positions us to continue advancing our mission and strengthening the institution for generations to come. Looking ahead, we remain focused on securing a resilient financial position that sustains our mission and expands our reach. In the year ahead, we will advance our work through intentional focus on elevating our core mission and tackling several signature initiatives, including building a new College of Nursing supported by the state's SPEED Bonding authority, pursuing other campus revitalization efforts, and leading the way in applied solutions for artificial intelligence as this transformative technology reshapes teaching, learning, and scholarship.

The future is bright for NAU. I look forward to all that we will achieve in 2025–26 and beyond as we continue to deepen our service to Arizona.

In partnership,

José Luis

José Luis Cruz Rivera
President

LETTER OF TRANSMITTAL

October 31, 2025

To President Cruz Rivera, Members of the Arizona Board of Regents, and friends of Northern Arizona University:

I respectfully submit the Northern Arizona University Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2025. This report includes the financial statements as well as other useful information that helps ensure the University's accountability to the public. Responsibility for the accuracy of the information and for the completeness and fairness of its presentation, including all disclosures, rests with the University's management. We believe the information is accurate in all material respects and fairly presents the University's financial position, revenues, expenses, and other changes in net position.

We believe our system of internal controls is sound and sufficient to disclose material deficiencies in controls to the auditors and the audit committee and to provide management with reasonable, although not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The University's ACFR is intended to fulfill the State of Arizona Transparency Law, Arizona Revised Statutes §41-725. Additionally, federal guidelines and certain bond covenants require the University's accounting and financial records be audited each year. The University's annual audit is performed by the Arizona Auditor General. The University's internal auditors perform fiscal, compliance, and performance audits. The reports resulting from these audits are shared with University management, the Arizona Board of Regents (ABOR), ABOR Audit Committee and the ABOR Finance, Capital and Resources Committee.

The ACFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting as established by the Governmental Accounting Standards Board (GASB) using the guidelines as recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The ACFR includes Management's Discussion and Analysis (MD&A), along with other required supplementary information and all disclosures necessary for the reader to gain a broad understanding of the University's financial position and results of operations for the year ended June 30, 2025. This letter of transmittal is designed to complement the MD&A.

The University is classified as a state instrumentality per Internal Revenue Code Section 115. Fiscal responsibility for the University remains with the State of Arizona. The University is considered a part of the reporting entity for the State's financial reporting purposes and is included in the State's ACFR. The accompanying financial statements present all funds belonging to the University and its component units.

The component units include the Northern Arizona University Foundation and Northern Arizona Capital Facilities Finance Corporation, LLC (NACFFC). The component units are non-profit, tax-exempt organizations. The Foundation is a discretely presented component unit. More information relating to the Foundation can be found in Notes 2 and 12 to the financial statements. NACFFC is a blended component unit, based on the nature and significance of its relationship to the University.

The University is responsible for planning, developing, and controlling its budget and expenses within authorized allocations in accordance with University, ABOR, state, and federal laws and regulations. ABOR approves the University's annual operating budget in accordance with ABOR policy 3-403. The budget includes the general purpose (state general funds and tuition and fees) budget and the local funds budget which consists of the designated, restricted, and auxiliary funds. The State Legislature reviews the University's local funds budget and adopts and appropriates the general-purpose budget through legislation. The University maintains budgetary controls to ensure compliance with provisions embodied in the annual appropriated budget. Project-length financial plans are adopted for capital projects.

Profile of the University

Founded in 1899, Northern Arizona University is a vibrant, active, supportive, and inclusive community. Our academic programs, research, public service, and creative endeavors enrich lives and create opportunities in Arizona and beyond. NAU is a fully accredited, four-year degree-granting institution of higher learning offering more than 150 combined undergraduate and graduate degree programs, all distinguished by an ongoing commitment to close student-faculty relationships. The University's fiscal year 2025 fall semester (Fall 2024) total enrollment was 28,468 students. Enrollment was comprised of 22,991 undergraduate and 5,477 graduate students. The University emphasizes undergraduate education while offering graduate programs leading to master's and doctorate degrees in selected fields. The University's 1,160 full-time faculty educate a diverse student population. Over 63% of the student body population identified themselves as female, and 46% of the student population represent ethnically diverse groups.

NAU is a high research university with its main campus located on a 480.5-acre site in Flagstaff, Arizona. NAU statewide sites are located throughout the state and online. Approximately 74% attend classes at Flagstaff campus; the remainder participate in NAU distance learning initiatives at statewide and worldwide campuses. Flagstaff is a culturally diverse city rich with natural beauty and history. Located on the Colorado Plateau in the heart of the largest contingent Ponderosa pine forest in the world, Flagstaff has an estimated 77,539 residents. Nestled at the base of the San Francisco Peaks at an elevation of 7,000 feet, Flagstaff welcomes nearly 6 million visitors every year who find a favorable climate with four-seasons, many outdoor recreation opportunities, and easy access to the Grand Canyon.

NAU's educational and economic impacts in the region and across the state are profound. NAU's Flagstaff Mountain Campus thrives year-round and is the largest employer in the Flagstaff area. The Flagstaff Mountain Campus is a prestigious high elevation sports training site. Flagstaff is located at a "perfect" training elevation suggested by sport science research, at which desired physiological adaptations and increases in aerobic and anaerobic performance are most likely to occur. NAU Athletics enjoyed a highly successful 2024-2025 athletic season, dominating the Big Sky Conference by sweeping both the Men's and Women's All-Sports Trophies. The Lumberjacks earned a remarkable eight Big Sky championships across track and field, cross country, and tennis, with several teams achieving multiple consecutive titles. Women's swimming and diving also secured their 12th consecutive Western Athletic Conference (WAC) championship. Beyond athletic achievements, NAU student-athletes excelled academically, with an average GPA of 3.45 in Spring 2025.

NAU aims to be the nation's preeminent engine of opportunity, vehicle of economic mobility, and driver of social impact in Arizona and beyond. NAU's high-quality academic programs, general studies curriculum, and teaching excellence of our faculty fosters students' knowledge and competencies necessary for professional success, informed civic engagement, lifelong learning, and the promotion of a more just and sustainable future. NAU's areas of distinctive and emerging excellence in research continue to advance knowledge and innovation to help solve issues of regional, national, and global relevance. NAU has achieved national prominence as a leader in several areas, including allied health professional education, environmental sustainability and Native American educational partnerships. The University is committed to student success, offering a myriad of student services and academic planning tools to help students graduate in four years.

Economic Outlook

The U.S. Census Bureau reports the 2024 population of Arizona was 7,582,384, continuing to rank 14th nationally. Up from 7,431,344 the prior year, Arizona experienced a population growth rate of 2.0%, an increase of 151,040 residents. Continued population growth, while moderating from previous years, remains a fundamental driver of the state's economic stability and creates sustained demand for higher education services.

Lower inward migration, softer labor demand, and a step down in income growth are collectively forecasted to slow real GDP growth into 2025. Despite this deceleration, Arizona's economy demonstrates resilience with Arizona seasonally adjusted unemployment rate remaining at 4.1% in July 2025, which continues to outperform the national average of 4.2%.

Arizona's demographic composition continues to present both opportunities and challenges for higher education. 21.3% of residents are under 18, while 19.3% are over 65 – highlighting a dual challenge of youth support and eldercare demand. The substantial youth population (over 1.6 million individuals under 18) represents a strong pipeline for higher education, though birth rates have fallen significantly since 2007, highlighting long-term enrollment pressures.

Arizona is projected to add 2.6 million residents during the 2025-2055 period. That translates into an average annual growth rate of 1.0% per year, which far outpaces the national projection of 0.2% per year. This sustained population growth provides a foundation for continued demand for higher education services, though at a more moderate pace than historically experienced.

Several risk factors cloud the economic outlook. Near-term recession risks remain elevated, driven by heightened economic uncertainty originating from changes in federal policy. Despite national and state-level economic headwinds, Arizona's fundamentals remain solid. The state's diversified economy, continued population growth, and strategic location position it well for long-term prosperity. NAU's role in developing human capital through education and research continues to be critical to the state's economic competitiveness and innovation capacity.

NAU's economic impact on Arizona remains substantial, generating an estimated $2.06 billion annually. More than 24,500 jobs throughout Arizona are supported by NAU's operations, research activities, and the spending of students, faculty, and staff. This represents approximately 0.8% of total statewide employment and underscores the University's role as a significant economic driver for the region.

Compared to prior fiscal year 2024, NAU's auxiliary revenues continued to increase with increased student demand for on campus university housing and parking. Increased campus activities, including Road Scholar program activities, along with increased investment income associated with continued high interest rates drove increases in other revenues categories. NAU expects these revenue categories to continue to trend favorably into the upcoming fiscal year 2026 offsetting potential reductions in state appropriations, grants and contracts and tuition and fee revenue. Operating costs for the University will continue to increase with current inflation expectations. Inflationary pressures are reflected in higher operating costs, including supplies, utilities, and labor, and result in reduced spending power. Ongoing review of resource allocations conducted throughout the University identify efficiencies enabling NAU's pursuit of strategic investment in NAU faculty, staff and students through salary base adjustments and managing medical insurance premium costs. Management has been able to manage inflationary pressures and invest in personnel through continued, proactive cost containment measures and an elevated level of scrutiny on expenses to preserve budgetary flexibility.

The University outlook for 2026 is positive with continuing growth in auxiliary and other revenues. The University prioritizes on-campus housing resources to promote students' immersion in campus life and foster a strong and mutually beneficial relationship with NAU's home community in Flagstaff. Through a strategic finance lens, NAU will focus efforts investing in impact, increasing revenue, and containing costs. NAU will continue to effectively utilize our physical, technological, and financial resources in support of our vision and mission.

NAU's commitment to the responsible use of environmental resources, innovative use of technology, and mission-driven financial investments and philanthropic activity are keys to NAU's ongoing stable financial performance. NAU is subject to similar potentially challenging economic variables affecting other financial entities and institutions, but we approach the coming year with optimism and resolve. With expectations for stable near-term statewide growth and prioritizing strategic initiatives that position us for long-term success, we anticipate the University's financial operations will continue trending favorably. Maintaining a strategic financial focus will position us with the fiscal health needed and operational structure required to remain a viable institution over the long term that extends beyond 2026.

Progress and Major Initiatives

The University continued its trajectory of transformational growth and recognition during fiscal year 2025, marked by historic achievements that position NAU for sustained excellence and impact. Our strategic initiatives have focused on building anti-fragile systems that not only withstand challenges but grow stronger through adversity.

In February 2025, NAU achieved the prestigious Carnegie Research 1 (R1) designation—the highest classification for research institutions in the United States. This historic milestone recognizes the transformative impact NAU faculty and researchers have in their fields, as well as the quality and scope of our graduate programs that contribute to growing the next generation of researchers and practitioners. The R1 designation reinforces our dedication to a student-centered approach and the teacher-scholar model that is at the heart of our institutional identity.

This achievement represents the ongoing targeted and strategic investment in research infrastructure, faculty development, and graduate program expansion. Our research expenditures reached record levels in FY25, with particular strength in our distinctive areas of excellence including wildfire science, health and allied health programs, climate adaptation, and environmental sustainability. Despite federal policy uncertainties affecting higher education, NAU maintained strong research expenditure performance while strategically adapting to changing funding landscapes. The university's approach emphasized building distinctive clusters of excellence aligned with state needs and emerging opportunities.

Building on President Cruz Rivera's "antifragility" framework for fiscal year 2026, NAU has adopted a comprehensive Strategic Finance 2.0 approach designed to create sustainable financial foundations while protecting our core mission. The University's antifragile approach—building systems that become stronger through challenge—positions the institution to thrive in an increasingly complex higher education environment. The initiative emphasizes disciplined, redesign-first approaches that prioritize eliminating non-mission-critical work rather than reducing personnel.

Key focus areas include:

- Strategic position management: Rather than implementing across-the-board hiring freezes, the University evaluates each vacancy against strategic priorities, reducing overall expenditures while maintaining investment in critical areas
- Controlled spending: Proactive cost containment measures preserve budgetary flexibility while maintaining operational excellence
- Revenue diversification: Implementation of innovative revenue-generating projects, including facility optimization initiatives and enhanced external partnerships

The University continues to adapt operations, revisit program offerings where appropriate, and further expand data-driven approaches. Diversification of revenue base and disciplined financial management lead to long-term financial sustainability and positions NAU to seize opportunities and tackle the many challenges facing institutions of higher education across the nation while maintaining its distinctive mission of serving Arizona and beyond.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northern Arizona University for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the twelfth consecutive year that NAU has achieved this prestigious award. To be awarded a Certificate of Achievement, NAU had to publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe our current fiscal year ACFR continues to meet the Certificate of Achievement in Excellence in Financial Reporting Program's requirements. We are submitting it to the GFOA to determine its eligibility for another certificate.

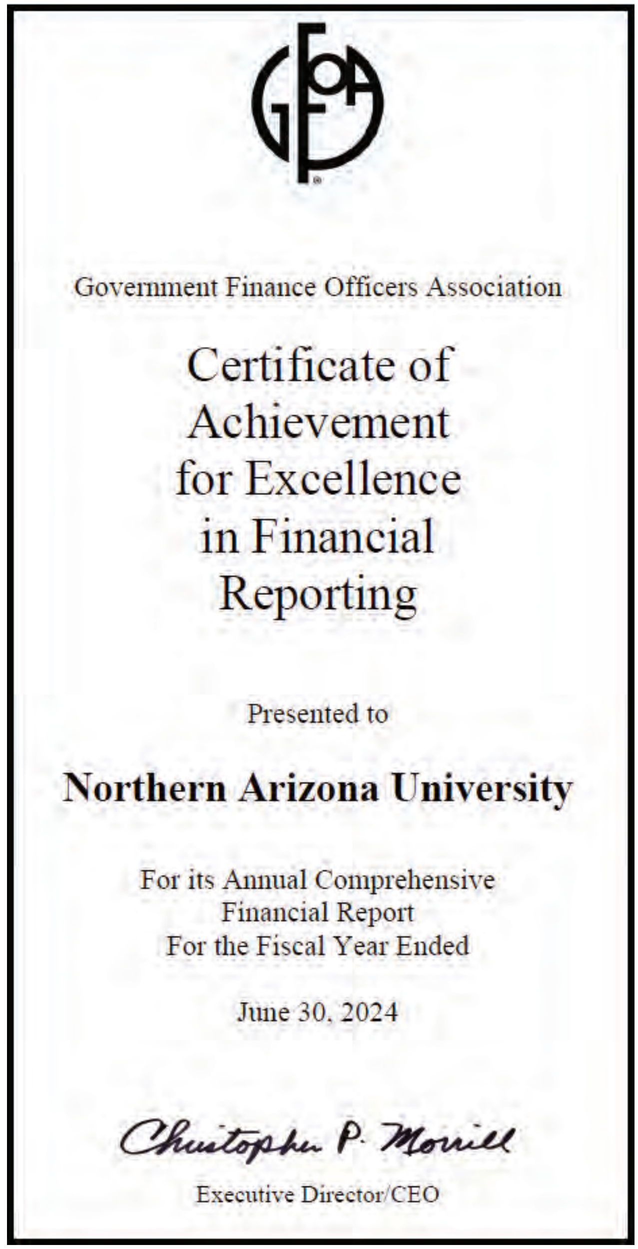
The preparation of this report in a timely manner would not have been possible without the skill, effort, and dedication of the entire staff of the Comptroller's Office, and other University administrators and staff. We wish to thank all departments for their assistance in providing the data necessary to prepare this report. In addition, the Arizona Auditor General provided invaluable assistance.

Respectfully Submitted,

Bjorn Flugstad

Chief Financial Officer

Senior Vice President – University Business Operations


Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Northern Arizona University

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

ARIZONA BOARD OF REGENTS

June 30, 2025

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Governor of Arizona

Honorable Tom Horne

Superintendent of Public Instruction

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Doug Goodyear

Chair, Scottsdale

Jessica Pacheco

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Regent, Flagstaff

Larry Edward Penley

Regent, Phoenix

Felipe Garcia

Student Regent, University of Arizona

Jadyn Fisher

Student Regent, Northern Arizona University

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June 30, 2025

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President

Brian Register

Chief of Staff

Bjorn Flugstad

Senior Vice President for University Operations

Karen Pugliesi

Executive Vice President and University Provost

Laurie Dickson

Vice President for University Strategy

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Ann Marie Chischilly

Vice President for Native American Initiatives

Uri Farkas

Vice President for Intercollegiate Athletics

Anika Olsen

Vice President of Enrollment Management and Marketing

Jason Wilder

Vice President for Research

Nick Lobejko

Vice President of Advancement & Foundation

Justin Mallett

Vice President for Inclusive Excellence

Jonathan S. Gagliardi

Vice President of Economic Mobility and Social Impact

Julie Mueller

Chief Economic Advisor to the President

Kimberly Ott

Associate Vice President of Communications

Michelle Parker

Vice President of Legal Affairs and General Counsel

Katy Yanez

Vice President, Government Affairs

NORTHERN ARIZONA UNIVERSITY
Office of the President

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José Luis Cruz Rivera
President

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Vice President for Research

Anika Olsen
Vice President of Enrollment Management & Marketing

Julie Muller
Chief Economic Advisor to the President

Justin Mallet
Vice President for Inclusive Excellence

Jonathan Gagliardi
VP Economic Mobility & Social Impact

Uri Farkas
Vice President for Intercollegiate Athletics

Kimberly Ott
Associate Vice President, Communications

Katy Yanez
Vice President of Executive Affairs & Partnerships

Margot Saltonstall
Vice President for Student Affairs

Michelle Parker
Vice President of Legal Affairs & General Counsel

ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

Melanie M. Chesney, Deputy Auditor General

Independent auditors' report

Members of the Arizona Legislature

Arizona Board of Regents

Report on the audit of the financial statements

Opinions

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Northern Arizona University as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of the University as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the other auditors' report.

Basis for opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The other auditors did not audit the discretely presented component unit's financial statements in accordance with *Government Auditing Standards*.

Emphasis of matter

As discussed in Note 1 to the financial statements, the University's financial statements are intended to present the financial position, the changes in financial position, and where applicable, cash flows of only those portions of the business-type activities, major fund, and aggregate discretely presented component units of the State of Arizona that are attributable to the transactions of the University. They do not purport to, and do not, present fairly the financial position of the State of Arizona as of June 30, 2025, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, for the year ended June 30, 2025, the University adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 16 through 25, schedule of the University's proportionate share of the net pension liability–Arizona State Retirement System on page 59, and schedule of University's pension contributions–Arizona State Retirement System on page 59 be presented to supplement the basic financial statements. Such information is management's responsibility and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standard*s, we will issue our report on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

October 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Northern Arizona University for the fiscal year ended June 30, 2025, with comparative information for the fiscal year ended June 30, 2024. Management has prepared the discussion and analysis to be read in conjunction with the transmittal letter, the financial statements and accompanying notes to the financial statements. The financial statements encompass the University and its discretely presented component unit. The MD&A focuses only on the University. Information relating to the discretely presented component unit can be found in its separately issued financial statements.

The University's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for public colleges and universities. The University's financial report includes the following financial statements: The Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These statements are presented on a consolidated basis to focus on the University as a whole.

Financial Statement Overview

Statement of Net Position

The Statement of Net Position (SNP) presents the financial position of the University at the end of the fiscal year. From the data presented, readers of the SNP are able to determine the assets available to continue the operations of the institution. They are also able to determine how much the University owes vendors, investors, and lending institutions. The SNP provides a picture of the net position and their availability for expenditure by the institution. The change in net position is one indicator of whether the financial condition of the University has improved or worsened during the fiscal year.

Condensed Statement of Net Position (dollars in thousands)

The following Condensed Statement of Net Position includes a comparison of the University's assets and deferred outflow of resources, liabilities and deferred inflow of resources, categorized into current and noncurrent components. The following table summarizes the University's Statement of Net Position (in thousands of dollars) on June 30, 2025, and on June 30, 2024.

Condensed Statement of Net Position	FY 2025	FY 2024	% Change
Assets:			
Current assets	$ 304,541	$ 330,559	(7.9%)
Capital assets, net	999,550	1,023,732	(2.4%)
Other non-current assets	127,391	107,490	18.5%
Total Assets	**$ 1,431,482**	**$ 1,461,781**	**(2.1%)**
Deferred Outflows of Resources	**$ 42,844**	**$ 31,222**	**37.2%**
Liabilities:			
Current liabilities	$ 106,061	$ 101,117	4.9%
Non-current liabilities	872,711	897,525	(2.8%)
Total Liabilities	**$ 978,772**	**$ 998,642**	**(2.0%)**
Deferred Inflows of Resources	**$ 49,916**	**$ 51,730**	**(3.5%)**
Net Position:			
Net investment in capital assets	$ 286,463	$ 277,524	3.2%
Restricted	138,267	129,652	6.6%
Unrestricted (deficit)	20,908	35,455	(41.0%)
Total Net Position	**$ 445,638**	**$ 442,631***	**0.7%**

* The University implemented GASB Statement No. 101 in fiscal year 2025; this resulted in the restatement of the University's fiscal year 2024 net position. Restatement is reflected in fiscal year 2025.

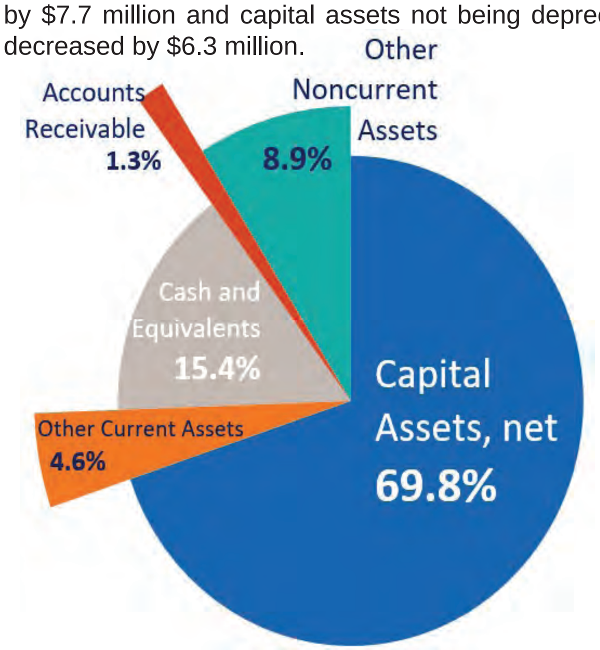
Total Assets

Assets are resources controlled by the University and are measured in current or fair value, except for capital assets, which are recorded at historical cost less accumulated depreciation and amortization. The following table and chart present total assets, in thousands of dollars and percentages.

Cash and Cash Equivalents	$	220,811	15.4%
Accounts Receivable		18,038	1.3%
Other Current Assets		65,692	4.6%
Capital Assets, net		999,550	69.8%
Other Noncurrent Assets		127,391	8.9%
Total Assets	**$**	**1,431,482**	**100%**

Total assets for the University decreased by $30.3 million compared to fiscal year 2024. The decrease is primarily attributable to depreciable and right-to-use assets becoming fully depreciated, amortized, disposed, or retired.

Total current assets decreased by $26 million resulting from the maturing and reinvestment of U.S. agency securities into similar noncurrent U.S. agency securities. Total Investments in U.S. Treasury and agency securities remained consistent with the prior fiscal year. Endowment investments increased $6.2 million primarily due to market gains and value adjustments. Depreciable/amortizable capital assets, net of depreciation and amortization, decreased $10.2 million, right-to-use assets decreased by $7.7 million and capital assets not being depreciated decreased by $6.3 million.

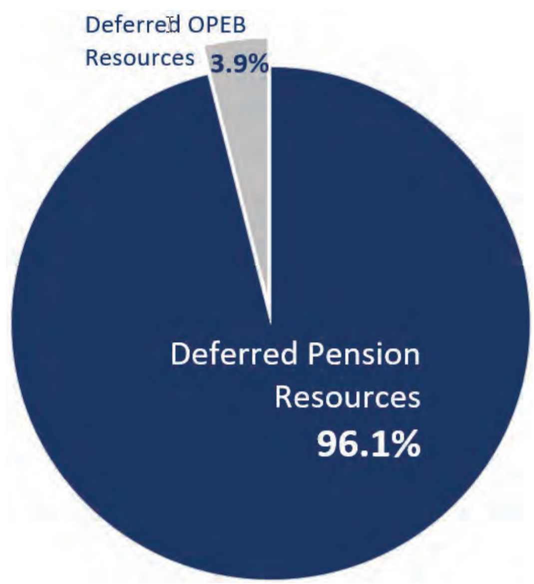


Total Deferred Outflows of Resources

Deferred outflows of resources are consumptions of the University's net position applicable to future reporting periods. The following table and chart present total deferred outflow of resources, in thousands of dollars and percent:

Deferred Pension Resources	$	41,176	96.1%
Deferred OPEB Resources		1,668	3.9%
Total Deferred Outflows	**$**	**42,844**	**100%**

Deferred outflows of resources increased by $11.6 million compared to fiscal year 2024, driven primarily by higher pension plan contributions totaling $16.7 million. In addition, debt refunding transactions eliminated $4.9 million in deferred loss and generated a $1.3 million deferred gain. Combined, these refunding activities produced a net favorable impact of $6.2 million to be recognized over the life of the refunding bonds. See Total Deferred Inflows of Resources on next page.

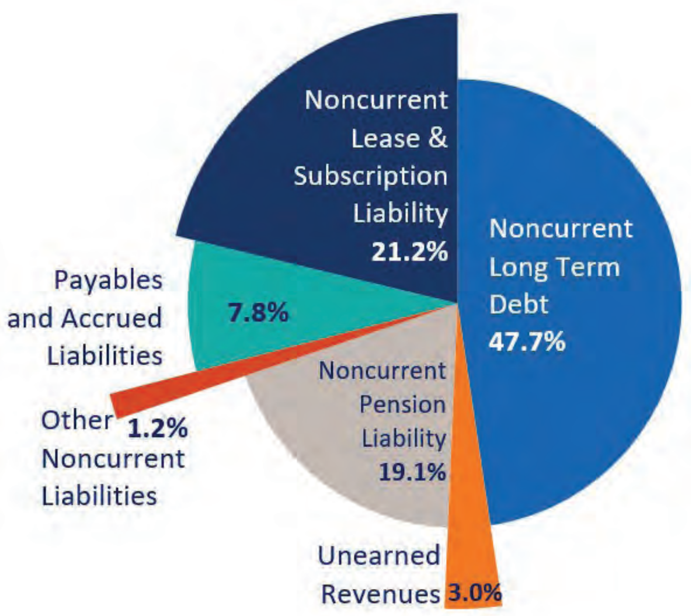


Total Liabilities

Liabilities are what the University owes to others or resources it has collected from others before it has provided services. The following table and chart indicate total liabilities, in thousands of dollars and percent:

Unearned Revenues	$	29,709	3.0%
Payables and Accrued Liabilities		76,352	7.8%
Noncurrent Pension Liability		186,925	19.1%
Noncurrent Long-Term Debt		466,412	47.7%
Noncurrent Lease & Subscription Liability		207,942	21.2%
Other Noncurrent Liabilities		11,432	1.2%
Total Liabilities	**$**	**978,772**	**100%**

Total liabilities for the University decreased by $19.9 million from fiscal year 2024. Noncurrent long-term debt decreased $35.7 million resulting from reductions in principal due to annual debt service payments and refundings. These decreases were partially offset by increases in other areas. Noncurrent net pension liability saw an increase of $12.3 million due to actuarial adjustments for the ASRS. Accrued compensated absences increased by $2.1 million due to the implementation of GASB Statement No. 101, Compensated Absences. Accounts payable increased by $3.3 million due to operational growth and increased grant revenue.

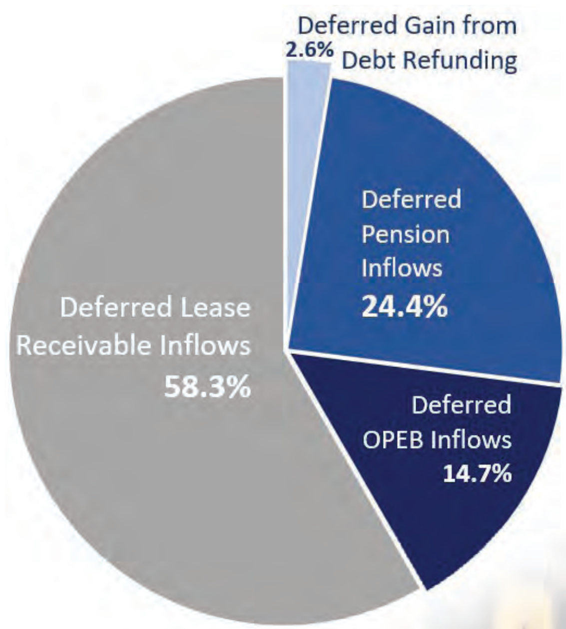


Total Deferred Inflows of Resources

Deferred inflows of resources are an acquisition of net position by the University that is applicable to future reporting periods. The following table and chart illustrate total deferred inflow of resources, in thousands of dollars:

Deferred Gain from Debt Refunding	$	1,284	2.6%
Deferred Pension Inflows		12,198	24.4%
Deferred OPEB Inflows		7,321	14.7%
Deferred Lease Receivable Inflows		29,113	58.3%
Total Deferred Inflows	**$**	**49,916**	**100%**

Deferred inflows of resources decreased $1.8 million due to actuarial adjustments provided by the ASRS and PSPRS regarding deferred pension inflows and deferred OPEB inflows. Debt refunding transactions created a $1.3 million deferred gain on debt refundings. See Note 10 for detailed information on deferred inflows related to pensions.

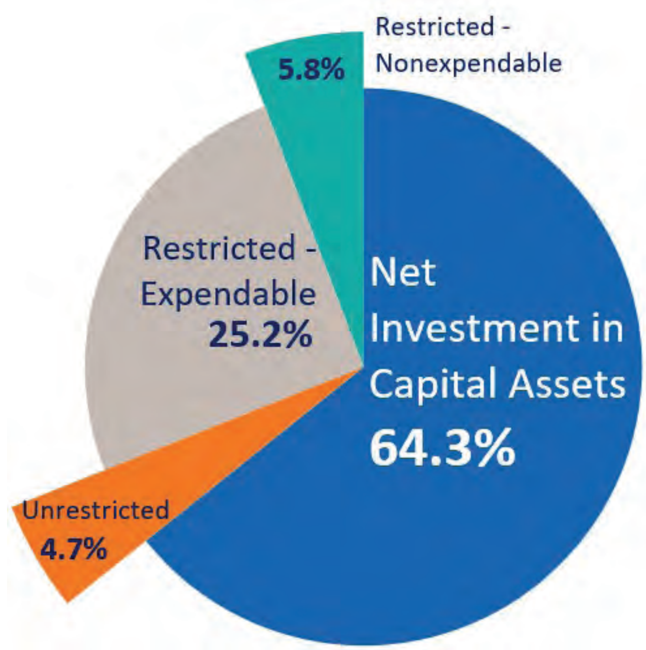


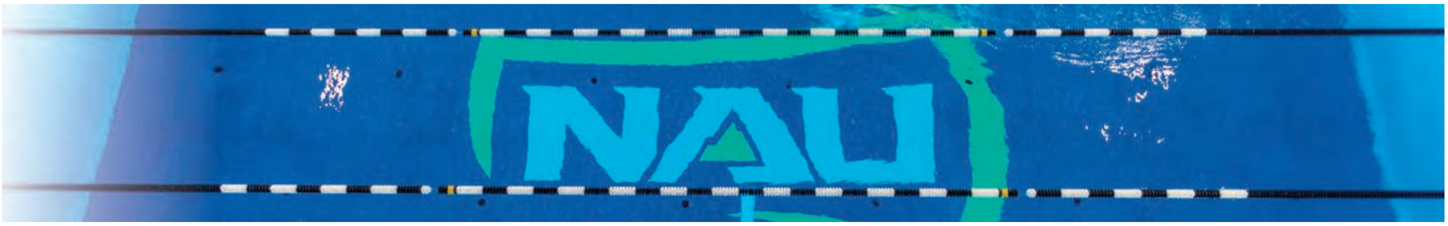
Total Net Position

Net position is divided into three major categories. The first category, net investment in capital assets, provides the institution's equity in property, plant, and equipment owned by the institution. The next category is restricted net position, which is divided into two categories, nonexpendable and expendable. Restricted nonexpendable net position primarily represents the University's permanent endowment funds received from donors for the purpose of creating permanent funding streams for specific programs or activities, including student loans. These funds are held in perpetuity and are not available for expenditure by the University. The earnings on these funds support the programs and activities as determined by donors. Expendable restricted net position is available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted net position is available to the institution for any lawful purpose of the institution. Although unrestricted net position is not subject to externally imposed stipulations, substantially all the University's unrestricted net position has been designated for various academic and research programs and initiatives.

Net Investment in Capital Assets	$	286,463	64.3%
Restricted - Nonexpendable		25,725	5.8%
Restricted - Expendable		112,542	25.2%
Unrestricted		20,908	4.7%
Total Net Position	**$**	**445,638**	**100%**

Net position represents the value of the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. The University's net position was $445.6 million on June 30, 2025, an increase of net assets of $3 million over the prior year.





Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the University's revenues earned and expenses incurred during fiscal year 2025, regardless of when cash was received or paid. Activities are reported as either operating or nonoperating. Generally, operating revenues are earned in exchange for providing goods and services. Operating expenses are incurred in the normal operation of the University, including a provision for depreciation and amortization on capital assets.

Certain revenue sources that the University relies on for operations, including state appropriations, non-capital grants and gifts, and net investment income are required by GASB Statement No. 35 to be classified as nonoperating revenues. Capital financing costs incurred are reported as nonoperating expenses.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

A comparison of the University's operations (in thousands of dollars) for the year ended June 30, 2025, and for the year ended June 30, 2024, is as follows:

	FY 2025	FY 2024	% Change
Operating revenues:			
Tuition and fees, net	$ 197,033	$ 201,626	(2.3%)
Grants and contracts	71,427	69,339	3.0%
Auxiliary enterprises, net	87,277	85,741	1.8%
Other	33,949	27,945	21.5%
Total operating revenues	**$ 389,686**	**$ 384,651**	**1.3%**
Operating expenses:			
Educational and general	$ 585,771	$ 562,099	4.2%
Auxiliary enterprises	63,463	59,242	7.1%
Depreciation and Amortization	58,277	56,829	2.5%
Total operating expenses	**$ 707,511**	**$ 678,170**	**4.3%**
Operating loss	**$ (317,825)**	**$ (293,519)**	**8.3%**
Nonoperating revenues (expenses):			
State appropriations	$ 139,922	$ 144,555	(3.2%)
Share of state sales tax revenues	32,299	46,666	(30.8%)
Grants,contracts, and gifts	136,502	129,097	5.7%
Net investment income	21,198	20,657	2.6%
Interest expense on debt	(19,924)	(21,607)	(7.8%)
Other nonoperating revenues and expenses	7,538	5,710	32.0%
Net nonoperating revenues	**$ 317,535**	**$ 325,078**	**(2.3%)**
Income(Loss) before capital and endowment additions	$ (290)	$ 31,560	(100.9%)
Capital appropriations	4,885	5,303	(7.9%)
Other capital and endowment additions	1,162	1,160	0.2%
Increase in net position	**$ 5,757**	**$ 38,023**	**(84.9%)**
Net position, beginning of year, as restated	***439,881**	**404,608**	**8.7%**
Net position, end of year	**$ 445,638**	**$ *442,631**	**0.7%**
Adjustment to and restatement of beginning net position		**(2,750)**	

* The University implemented GASB Statement No. 101 in fiscal year 2025; this resulted in the restatement of the University's fiscal year 2024 net position. Restatement is reflected in fiscal year 2025.

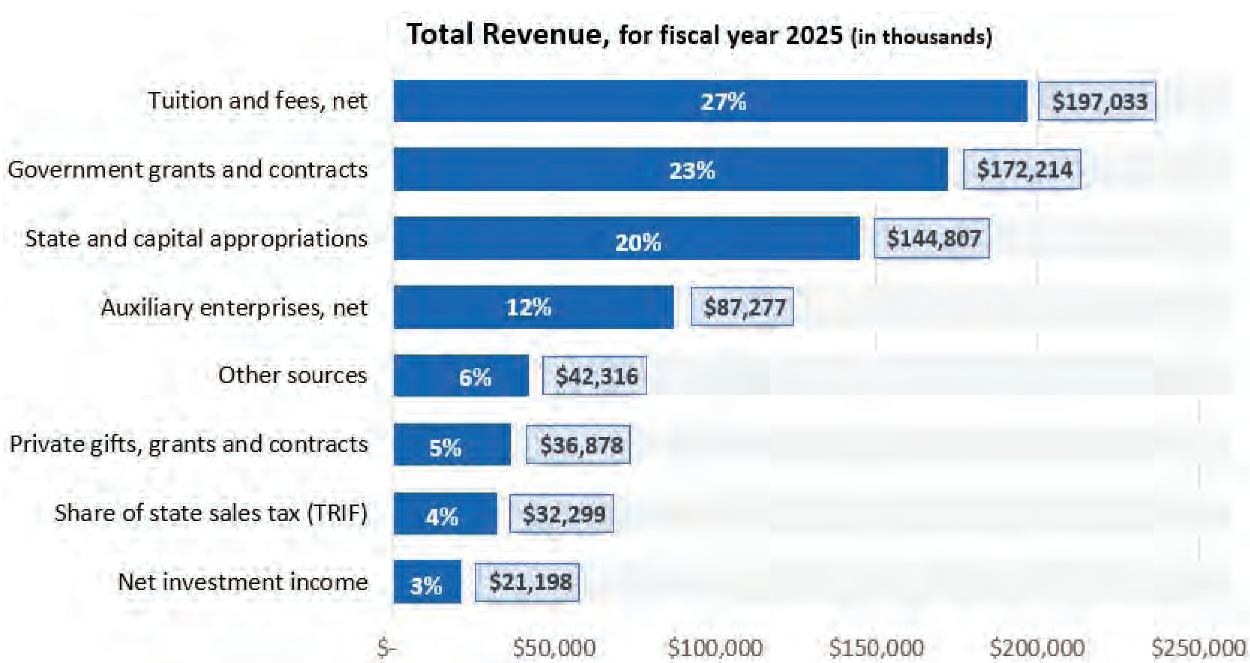
Operating Revenues

The operating revenues represent resources generated by the University in fulfilling its instruction, research, and public service missions. Student tuition and fees reported net of the scholarship allowance decreased by 2.3% due to decreases in enrollment and changes in enrollment mix. Revenues from operating government grants and contracts increased 3.0% over the prior year, primarily due to increased grant activity. The funding comes from contracts and grants awarded by federal and state agencies, foundations, non-profit organizations, corporations, and associations. Revenues vary from year to year for many reasons, including the availability of funding from sponsors and the commencement or closure of large projects.

Auxiliary enterprises include the revenues from student housing, student health services, dining operations, and parking and shuttle services. Auxiliary enterprises and other revenues increased 1.8% and 21.5% respectively, over the prior fiscal year, mainly due to increased student demand for on-campus university housing and parking, and a one-time insurance claim reimbursement.

Nonoperating Revenues

State appropriations, non-capital grants and gifts, and investment income are considered nonoperating because they were not generated by the University's principal, ongoing operations. State and capital appropriations were not generated by the University and are provided to aid in funding operating expenses. State and capital appropriations revenue totaled $144.8 million for fiscal year 2025, a decrease of 3.4% from the $149.9 million received during fiscal year 2024. The decrease was due to a $4.6 million reduction in state appropriation in fiscal year 2025. One-time Technology Resource Infrastructure Funding (TRIF) awards received in the prior year and not in current fiscal year resulted in a 30.8% decrease in Share of state sales tax revenue. TRIF funding, exclusive of one-time awards, is expected to maintain levels comparable with the last three fiscal years. Nonoperating government grants and contracts increased $2.8 million, reflective of growth in sponsored project activity, while nonoperating private grants and gifts, including expendable gifts, increased by $4.6 million from the prior fiscal year, demonstrating stronger donor support for the institution. Net investment income increased slightly by $0.5 million due to increased unrealized market gains and endowment market appreciation.



Operating Expenses

Operating expenses are reported by programmatic (functional) classification in the Statement of Revenues, Expenses, and Changes in Net Position and by natural classification in Note 9.

The University's operating expenses were $707.5 million for the fiscal year ended June 30, 2025. Overall, operating expenses increased 4.3% from the prior year. Salary and employee-related expenses, including compensated absences under GASB Statement No. 101, increased $25.0 million (6.0%) from fiscal year 2024, reflecting strategic investments in faculty, staff, and students through salary adjustments and management of medical insurance premium costs.

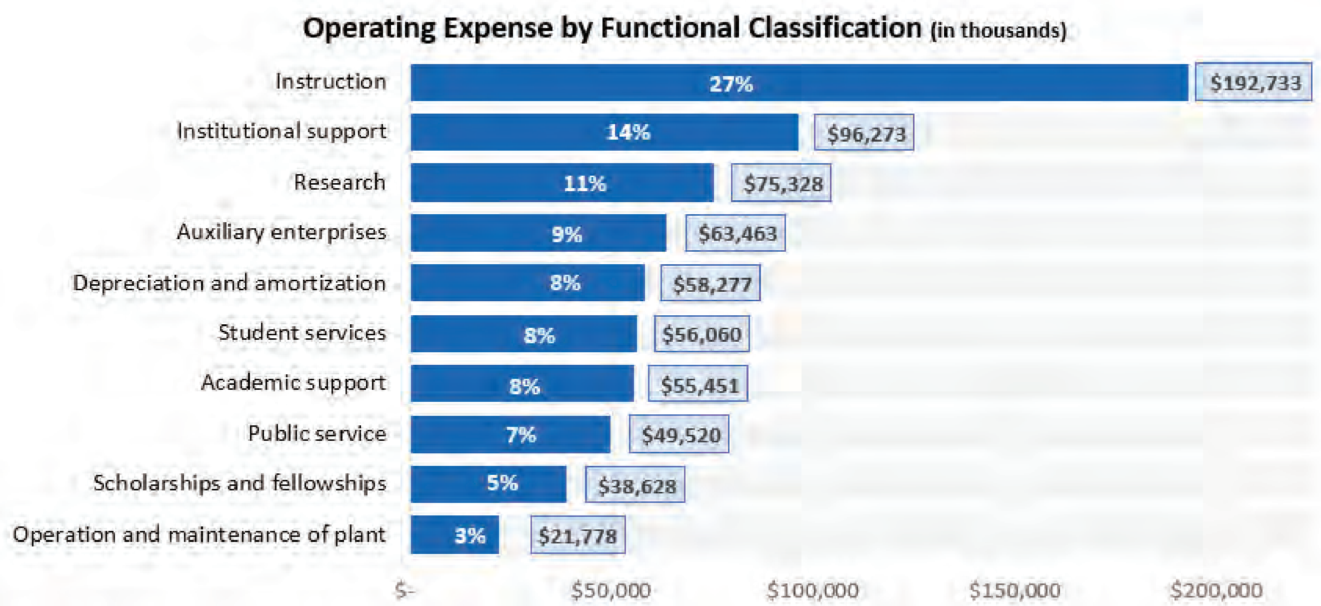
Operating Expenses by Natural Classification (dollars in thousands)

	FY 2025	FY 2024	%
Operating:			
Personal services and benefits	$ 441,452	$ 416,419	6.0%
Operations	169,154	169,949	(0.5%)
Scholarships	38,628	34,974	10.4%
Depreciation and amortization	58,277	56,828	2.5%
Total operating expenses	**$ 707,511**	**$ 678,170**	**4.3%**

The above and below tables illustrate the University's operating expenses by natural and functional classification:

Operating Expenses by Functional Classification (dollars in thousands)

	FY 2025	FY 2024	% Change
Operating:			
Instruction	$ 192,733	$ 187,785	2.6%
Research	75,328	70,167	7.4%
Public service	49,520	44,392	11.6%
Academic support	55,451	48,536	14.2%
Student services	56,060	57,697	(2.8%)
Institutional support	96,273	93,802	2.6%
Operation and maintenance of plant	21,778	24,746	(12.0%)
Scholarships and fellowships	38,628	34,974	10.4%
Auxiliary enterprises	63,463	59,242	7.1%
Depreciation and amortization	58,277	56,829	2.5%
Total operating expenses	**$ 707,511**	**$ 678,170**	**4.3%**



Combined Sources and Uses (dollars in millions)

	FY 2025			FY 2024			% Change
Sources							
Tuition and fees, net	$	197.0	26.8%	$	201.6	27.3%	(2.3%)
Government grants and contracts		172.2	23.5%		163.8	22.2%	5.1%
State and capital appropriations		144.8	19.7%		149.9	20.3%	(3.4%)
Auxiliary enterprises, net		87.3	11.9%		85.7	11.6%	1.9%
Share of state sales tax (TRIF)		32.3	4.4%		46.7	6.3%	(30.8%)
Private gifts, grants and contracts		36.9	5.0%		35.8	4.9%	3.1%
Other sources		42.3	5.8%		33.9	4.6%	24.8%
Net investment income		21.2	2.9%		20.6	2.8%	2.9%
Total sources	**$**	**734.0**	**100.0%**	**$**	**738.0**	**100.0%**	**(0.5%)**
Uses							
Instruction and academic support	$	248.2	34.1%	$	236.3	33.8%	5.0%
Student services and institutional support		152.3	20.9%		151.5	21.6%	0.5%
Research and public service		124.8	17.1%		114.6	16.4%	8.9%
Auxiliary enterprises		63.5	8.7%		59.2	8.5%	7.3%
Depreciation and amortization		58.2	8.0%		56.8	8.1%	2.5%
Scholarships and fellowships		38.6	5.3%		35.0	5.0%	10.3%
Operation and maintenance of plant		21.8	3.0%		24.7	3.5%	(11.7%)
Other uses		20.8	2.9%		21.9	3.1%	(5.0%)
Total uses	**$**	**728.2**	**100.0%**	**$**	**700.0**	**100.0%**	**4.0%**

Statement of Cash Flows

The Statement of Cash Flows provides additional information about the University's financial results by reporting the major sources and uses of cash and cash equivalents. Cash flows from operating activities present the net cash generated or used by the operating activities of the University. Due to the categorization of operating and nonoperating revenues and expenses by GASB, cash flows from operating expenses are typically a net cash use. Major operating funding sources include student tuition and fees, governmental grants and contracts, and auxiliary enterprise revenues. Operating expenses include employee salaries and benefits and vendor payments to suppliers. Net cash flows from non-capital financing activities are a major funding source for operating expenses and includes cash from state appropriations, financial aid grants, and private gifts. Cash flows from capital financing activities include all capital assets and related long-term debt activities, including proceeds from the issuance of debt, capital asset purchases, and principal and interest paid on long-term debt. Cash flows from investing activities show the net sources and uses of cash related to purchasing or selling investments and income earned on those investments. The following summarizes cash flows for fiscal years 2025 and 2024:

Cash Provided By (Used For), **(dollars in thousands)**		FY2025		FY2024
Operating activities	$	(265,838)	$	(238,373)
Non-capital financing activities		310,479		325,815
Capital financing activities		(74,804)		(74,996)
Investing activities		35,102		(3,108)
Net increase in cash and cash equivalents	**$**	**4,939**	**$**	**9,338**
Cash and cash equivalents, beginning of year		224,352		215,014
Cash and cash equivalents, end of year	**$**	**229,291**	**$**	**224,352**

Capital and Debt Analysis

The University is required by Arizona Revised Statutes §41-793 and Arizona Board of Regents (ABOR) policy 7-102 to prepare an annual Capital Improvement Plan (CIP). The CIP details the University's strategic plan on space and capital acquisition to meet short and long-term requirements. The projects included in the CIP concentrate on capital improvements that provide students, faculty, and staff with high quality, safe environments dedicated to academic and research endeavors. It outlines the current capital funding allocation for the University, specifically for building renewal, deferred maintenance, facility leases, and other critical construction projects. The CIP covers a three-year period and focuses on addressing space deficiencies in academic, research, student housing, and support service facilities. The CIP also outlines any plans to issue debt to finance capital acquisitions or construction to address space deficiencies. The CIP provides a summary of debt information including the debt ratio projection to comply with ABOR policy and state statutes. If a project requires debt financing, the University must submit a financing plan to ABOR for approval and submit the project and financing plan to the State Joint Committee on Capital Review (JCCR) for review. There were no significant capital projects during the current fiscal year. The University issued System Revenue bonds (SRBs), and Lease Revenue Bonds (LRBs) to advance-refund older, higher cost issues.

The University generally finances capital improvements and acquisitions through the issuance of System Revenue Bonds (SRBs) and Certificates of Participation (COPs). The amount of debt the University is able to issue is limited by a debt ratio of 8.0 percent as defined by State law Arizona Revised Statutes §15-1683, and ABOR policy 3-411. The debt ratio is determined by annual debt service on bonds and COPs as a percentage of total operating expenses and debt service. At June 30, 2025, the University's debt ratio was 3.73%. The University's credit ratings on its outstanding system revenue bonds are A1 by Moody's and A+ by Standard and Poor's.

In accordance with Arizona Revised Statutes §15-1670, NAU received $4.9 million in state appropriations for capital financing for research infrastructure projects. For more detailed information on capital asset activity and long-term debt activity please review the relevant disclosures in the Notes to the Financial Statements (Note 4 and Note 5).

Economic Outlook

The University maintains a solid enterprise profile characterized by its established institutional brand, ongoing annual fundraising activities, and strategic positioning as a comprehensive research university. Fall 2025 enrollment as of the 21-day census indicates a 4.5% decrease from 28,468 total students enrolled Fall 2024 to 27,184 total students enrolled Fall 2025. The University's state and capital appropriations budget for fiscal year 2026 is $125.3 million, a 4.7% decrease of $6.2 million from the $131.5 million received during fiscal year 2025. It is anticipated that the State will continue to take a conservative approach to State spending and budgeting in the fiscal periods to come. The University continuously evaluates strategic plans to identify programmatic and institutional adjustments necessary to serve as an engine of opportunity and driver of postsecondary value in Arizona and beyond. The Arizona Board of Regents and the three State universities are actively evaluating creative solutions to generate new revenues and contain costs in order to continue providing quality and affordable education.

Steadily increasing demand for on-campus housing has increased student housing occupancy resulting in strong, sustained revenue from auxiliary activities such as housing, dining, parking, and athletics. Respectively, housing revenue increased 1.8%, dining revenue increased 1.7%, parking revenue increased 5.3% and athletics revenue increased 10% from fiscal year 2024 to fiscal year 2025. Continued, favorable financial market performance was seen in fiscal year 2025 resulting in large investment gains and interest income.

Moody's Investors Services published its Sector In-Depth report on US Higher Education in March 2025. Moody's downgraded its outlook for the higher education sector from stable to negative due to federal policy changes creating uncertainty across the sector. Expense growth is expected to moderate as inflation cools, preventing further deterioration in operating performance for most of the higher education sector. Upgrading to a positive outlook would require revenue growth to significantly overtake expenses, supported by material strengthening across multiple sources including auxiliary revenue. A negative outlook will remain if federal policy pressures persist, revenues stagnate, and expense growth is not contained, leading to continued erosion in sector-wide operating performance.

The University continues to face pressure on its ability to manage expenses while maintaining the competitive salaries and benefits needed to attract top faculty and staff. Inflationary pressures, including the rising cost of labor, elevated commodity prices and increasing utility costs, are likely to push operating costs higher. NAU has successfully managed these increases through continued proactive cost containment measures, strategic position management through natural attrition, and ongoing operational efficiency improvements. The University maintains vigorous scrutiny of expenses while strategically investing in personnel compensation and professional development to preserve both budgetary flexibility and competitive positioning.

The University is ultimately subject to the same economic variables that affect other financial entities. Continued effective leadership and commitment to financial health will fortify the University as it continues to thrive. While it is not possible to predict future results, management believes that the University's financial position will remain stable. NAU's diversified revenue base, strategic financial planning approach, and proactive management provide a stable foundation. Near-term recession risks remain elevated due to economic and federal policy uncertainties. The University's commitment to operational flexibility and strategic resource allocation positions NAU with strength to navigate challenges while continuing to provide quality instruction, research, and public service to Arizona and beyond.

Statement of Net Position

June 30, 2025

Assets

Current assets:		
Cash and cash equivalents (Note 3)	$	220,810,618
Short term investments (Note 3)		30,038,600
Receivables (net of allowance for uncollectibles):		
Accounts receivable		18,038,066
Accrued interest		927,170
Endowment		25,154
Government grants and contracts		29,674,865
Student loans, current portion		948,794
Other assets		3,444,134
Inventories		633,247
Total Current Assets	$	304,540,648
Noncurrent assets:		
Restricted cash and cash equivalents held by trustee for capital projects (Note 3)	$	8,480,295
Long term investments (Note 3)		35,773,476
Student loans receivable, net of allowance		315,793
Endowment investments (Note 3)		51,714,235
Other postemployment benefits asset		1,177,096
Leases receivable		29,930,409
Capital assets, not being depreciated and amortized (Note 4)		65,437,563
Depreciable capital assets, net of depreciation and amortization (Note 4)		934,111,973
Total Noncurrent Assets	$	1,126,940,840
Total Assets	$	1,431,481,488

Deferred Outflows of Resources

Deferred outflows related to pensions (Note 10)	$	41,176,475
Deferred outflows related to OPEB		1,668,066
Total Deferred Outflows of Resources	$	42,844,541

Statement of Net Position (Continued)

Liabilities

Current liabilities:		
Accounts payable	$	15,452,787
Accrued payroll and employee benefits		12,539,656
Interest payable		3,824,546
Unearned revenues (Note 7)		29,708,940
Accrued compensated absences, current portion (Note 8)		809,921
Pension liability, current portion (Note 10)		940,536
Deposits held in custody for others		5,748,963
Current portion of lease and subscription liability (Note 5)		5,578,224
Current portion of long-term debt funded by:		
University operating revenues (Note 5)		21,821,304
State appropriations and other State monies (Note 5)		9,635,917
Total Current Liabilities	$	106,060,794
Noncurrent liabilities:		
Accrued compensated absences (Note 8)	$	11,065,755
Deposits held in custody for others		366,319
Pension liability (Note 10)		186,925,167
Lease and subscription liability (Note 5)		207,942,036
Long-term debt funded by:		
University operating revenues (Note 5)		375,496,345
State appropriations and other State monies (Note 5)		90,915,156
Total Noncurrent Liabilities	$	872,710,778
Total Liabilities	$	978,771,572

Deferred Inflows of Resources

Deferred inflows related to refunding of debt	$	1,284,409
Deferred inflows related to pensions (Note 10)		12,198,385
Deferred inflows related to OPEB		7,321,154
Deferred inflows related to leases		29,112,422
Total Deferred Inflows of Resources	$	49,916,370

Net Position

Net investment in capital assets	$	286,462,520
Restricted:		
Nonexpendable:		
Scholarships and fellowships		24,998,774
Student loans		726,543
Expendable:		
Scholarships and fellowships		25,941,137
Academic department uses		86,600,887
Unrestricted		20,908,226
Total Net Position	$	445,638,087

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2025

Operating Revenues

Tuition and fees (net of scholarship allowances of $209,869,498)	$	197,032,533
Government grants and contracts		65,181,436
Private grants and contracts		6,245,962
Auxiliary enterprises		
Residence life (net of scholarship allowances of $10,582,814)		48,603,693
Other auxiliaries		38,673,603
Other		33,948,504
Total operating revenues	$	389,685,731

Operating Expenses

Operating expenses (Note 9)		
Educational and general:		
Instruction	$	192,732,982
Research		75,327,736
Public service		49,519,818
Academic support		55,451,633
Student services		56,060,350
Institutional support		96,273,680
Operation and maintenance of plant		21,778,074
Scholarships and fellowships		38,627,651
Auxiliary enterprises		63,462,727
Depreciation and amortization (Note 4)		58,276,583
Total operating expenses	$	707,511,234
Operating loss	$	(317,825,503)

Statement of Revenues, Expenses, and Changes in Net Position
(Continued)

Nonoperating Revenues (Expenses)

State appropriations	$	139,921,748
Share of State sales tax - technology and research initiative funding		32,298,559
Government grants		107,032,421
Private grants and gifts		29,469,878
Net investment income		21,197,430
Interest expense on capital asset related debt		(19,923,748)
Net loss on disposal of capital assets		(829,290)
Other nonoperating revenues and expenses		8,367,688
Total nonoperating revenues and expenses	$	317,534,686
Gain / (Loss) before capital and endowment additions	$	(290,817)
Capital appropriations	$	4,885,500
Capital grants and gifts		13,000
Additions to permanent endowments		1,149,577
Total other revenues	$	6,048,077
Increase in net position	$	5,757,260

Net Position

Total net position, beginning of year	$	442,631,028
Adjustment to and restatement of beginning net position		(2,750,201)
Total net position, beginning of year, as restated	$	439,880,827
Total net position, end of year	$	445,638,087

See Notes to Financial Statements

Statement of Cash Flows

For the Year Ended June 30, 2025

Cash Flows from Operating Activities:

Tuition and fees	$	189,785,773
Grants and contracts		70,130,958
Payments to vendors and suppliers		(165,892,857)
Payments for employee wages and benefits		(440,230,952)
Payments for scholarships and fellowships		(38,627,651)
Loans issued to students		(6,591,302)
Collection on loans to students		6,729,093
Auxiliary enterprise receipts		87,983,350
Other receipts		30,572,267
Custodial receipts and disbursements:		
Private student loans and scholarships received		31,034,490
Private student loans and scholarships disbursed		(30,917,500)
Other custodial receipts		3,300,009
Other custodial disbursements		(3,113,306)
Net cash used for operating activities	$	(265,837,628)

Cash Flows from Noncapital Financing Activities:

State appropriations	$	139,921,748
Share of state sales tax receipts		32,298,559
Gifts and grants for other than capital purposes		137,006,576
Federal direct student lending received		124,940,282
Federal direct student lending disbursed		(124,837,822)
Financial aid trust funds		1,149,577
Net cash provided by non-capital financing activities	$	310,478,920

Cash Flows from Capital Financing Activities:

Capital appropriations	$	4,885,500
Capital commitment - State lottery revenue		7,990,074
Purchases of capital assets		(34,910,689)
Principal paid on capital debt and obligations		(33,177,504)
Interest paid on capital debt and obligations		(19,591,420)
Net cash used for capital financing activities	$	(74,804,039)

Statement of Cash Flows

(Continued)

Cash Flows from Investing Activities:

Proceeds from sales and maturities of investments	$	66,324,488
Interest on investments		13,786,620
Purchase of investments		(45,009,477)
Net cash used for investing activities	$	35,101,631
Net increase in cash and cash equivalents	$	4,938,884
Cash and cash equivalents - July 1, 2024		224,352,029
Cash and cash equivalents - June 30, 2025	$	229,290,913

Reconciliation of Operating Loss to Net Cash Used for Operating Activities:

Operating loss	$	(317,825,503)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation and amortization		58,276,583
Other nonoperating revenue/expense		377,614
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Receivables:		
Accounts receivable		(1,940,991)
Leases receivable		846,431
Government grants and contracts		(5,074,832)
Student loans		137,791
Inventories		(86,778)
Other assets		2,806,739
Accounts payable		3,348,396
Deposits held for others		(3,223,864)
Accrued payroll and employee benefits		1,844,683
Net pension and other post-employment benefits liability		11,601,144
Deferred outflows of resources related to pensions and other post-employment benefits		(16,500,834)
Deferred inflows of resources related to pensions and other post-employment benefits		(2,051,010)
Deferred inflows of resources related to leases		(1,046,497)
Unearned revenues		3,315,466
Accrued compensated absences		(642,166)
Net cash used for operating activities	$	(265,837,628)

Significant Noncash Transactions

Refinancing of long-term debt	$	55,602,366
Net intangible right-of-use lease and subscription asset changes		5,466,983

See Notes to Financial Statements

Statement of Financial Position - Component Unit

Northern Arizona University Foundation, Inc.

June 30, 2025

Assets		
Cash and cash equivalents	$	9,837,462
Promises to give, net		18,184,124
Bequests receivable		285,560
Interest and other receivables		59,312
Investments		356,926,381
Cash surrender value of life insurance		8,024,197
Assets held under split-interest agreements		3,184,425
Beneficial interest in perpetual trusts		3,983,594
Other assets and prepaids		306,517
Total assets	$	400,791,572
Liabilities		
Accounts payable and accrued liabilities	$	5,313,991
Assets held in custody for others		53,397,139
Due to Northern Arizona University		10,085
Liabilities under split-interest agreements		2,035,902
Total liabilities	$	60,757,117
Net Assets		
Without donor restrictions		
Board designated endowment	$	17,495,995
Undesignated		50,031,218
With donor restrictions		
Purpose restricted		272,507,242
Total net assets	$	340,034,455
Total Liabilities and Net Assets	$	400,791,572

See Notes to Financial Statements

Statement of Activities - Component Unit

Northern Arizona University Foundation, Inc.

For the Year Ended June 30, 2025

Revenue, Support, and Gains	Without Donor Restrictions	With Donor Restrictions	Total
Public contributions	$ -	$ 26,448,014	$ 26,448,014
Educational broadband service revenue	923,398	-	923,398
Change in cash surrender value of life insurance	-	100,556	100,556
Other income (loss) and support	3,597,959	678,705	4,276,664
Reclassification of donor intent	(1,592,020)	1,592,020	-
Net investment return	4,797,530	25,300,400	30,097,930
Gain on sale of broadband licenses	55,890,000	-	55,890,000
Change in beneficial interests in perpetural trusts	-	248,860	248,860
Change in value of split-interest agreements	179,768	-	179,768
Net assets released from restrictions	27,672,089	(27,672,089)	-
Total revenue, support, and gains	$ 91,468,724	$ 26,696,466	$ 118,165,190
Expenses and Losses			
Program expenses	$ 21,781,553	-	$ 21,781,553
Supporting services expense			
Management and general	3,531,184	-	3,531,184
Fundraising and development	10,205,428	-	10,205,428
Total supporting services expenses	$ 13,736,612	$ -	$ 13,736,612
Total expenses and losses	$ 35,518,165	$ -	$ 35,518,165
Change in net assets	$ 55,950,559	$ 26,696,466	$ 82,647,025
Net assets, Beginning of year	$ 11,576,654	$ 245,810,776	$ 257,387,430
Net assets, End of year	$ 67,527,213	$ 272,507,242	$ 340,034,455

See Notes to Financial Statements

Notes to the Financial Statements

Note 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

As required by generally accepted accounting principles (GAAP), the financial reporting entity includes both the primary government and all its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. Northern Arizona University is an integral part of the State of Arizona's Tri-University system, which is an enterprise fund in the State of Arizona's Annual Financial Report.

The financial statements are presented in accordance with GAAP applicable to governmental colleges and universities engaged in business-type activities as adopted by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements present all funds belonging to the University and its component units. The component units are either blended or discretely presented in the University's financial statements. The blended component unit, although legally separate, is in substance part of the University's operations. Therefore, it is reported as if it were part of the University. In addition, the financial statements include the financial position and activities of the University's discretely presented component unit as described in Notes 2 and 12. As a result, the financial statements have been modified to reflect the recognition of certain agreements.

Basis of Presentation

The accompanying financial statements are presented in accordance with GAAP as prescribed by the GASB. Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, the full scope of the University's activities is considered a single business-type activity and, accordingly, is reported within a single column in the basic financial statements.

The financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows.

- The Statement of Net Position provides information about the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Current liabilities are obligations that will be paid within one year of the statement date and current assets are those resources available to satisfy current liabilities. Net position is classified according to external donor restrictions or availability of assets to satisfy the University's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation and amortization, less any outstanding liabilities incurred to acquire or construct the assets. Nonexpendable restricted net position includes gifts that have been received for endowment purposes the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.
- The Statement of Revenues, Expenses, and Changes in Net Position provides information about the University's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and housing charges, in which each party receives and gives up essentially equal values, are considered operating revenues. Other revenues, such as state appropriations, and government grants, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues as defined by GASB Statement No. 35. Operating expenses include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses.
- The Statement of Cash Flows provides information about the University's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital financing, or investing activities.

Basis of Accounting

The financial statements of the University have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, in which the University receives (or gives) value without directly giving (or receiving) equal value in exchange, include state appropriations, certain grants, and donations. State appropriations are recognized as revenue in the year in which it is made available for use. Revenues are recorded, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection. All significant transactions resulting from internal activity have been eliminated.

Accounting Changes

For the year ended June 30, 2025, the University has implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This standard establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments. A compensated absence is leave for which employees may receive one or more (a) cash payments when the leave is used for time off; (b) other cash payments, such as payment for unused leave upon termination of employment; or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. The payment or settlement could occur during employment or upon termination of employment. The statement requires recognition of current and noncurrent liabilities for compensated absences in the financial statements for leave that has not been used and for leave that has been used but not yet paid or settled as of the date of the financial statements that management has determined is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Affected financial statement line items are as follows:

- Accrued compensated absences, current portion
- Accrued compensated absences
- Net position, beginning of year – as restated

The University applied these changes retroactively by restating beginning net position for the cumulative effect of the change on prior periods. Net position as of July 1, 2024, has been restated as follows:

Net position, as previously reported June 30, 2024	$ 442,631,028
Restatement of beginning net position	(2,750,201)
Net position, as restated July 1, 2024	**$ 439,880,827**

Revenues/Expenses

Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues, such as tuition and housing charges, in which each party receives and gives up essentially equal values, are considered operating revenues. Additionally, research grants and contracts are considered operating revenues. Other revenues, such as state appropriations, and non-research grants, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues as defined by GASB Statement No. 35. Operating expenses include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses.

Cash and Investments

For the Statement of Cash Flows, cash and cash equivalents are comprised of cash on hand, demand deposits, investments in the State Treasurer's Investment Pools 3, 4, and 5, cash and investments held by trustee, and only those highly liquid investments with a maturity of three months or less when purchased. All restricted cash and cash equivalents, including funds held by a bond trustee, are shown as noncurrent cash and cash equivalents. The University reports all investments at fair value. Fair value typically is the quoted market price for investments. Investment income/(loss) includes realized and unrealized gains and losses.

Receivables

Receivables consist of tuition and fees charged to students, accrued interest, amounts due from the federal, state, and local governments, private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants, and notes receivables from loans to students. Student loans, student receivables, and notes receivables are recorded net of an allowance for doubtful accounts. The other receivables are shown at book value with no provision for doubtful accounts considered necessary.

Scholarship Allowances

Student tuition and fees revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. A scholarship allowance is the difference between the stated charge for goods and services the University provides and the amount that the student or third parties making payments on the student's behalf pays. Accordingly, some types of student financial aid such as Pell grants and scholarships awarded by the University are considered scholarship allowances.

Leases

The University leases real estate and equipment and determines the classification of the lease at commencement of the contract. Leases that have a maximum possible term of 12 months or less are expensed based on the provisions of the contract. For all leases in excess of 12 months and that do not have mutual termination provisions, do not transfer the asset to the University at the term of the lease, and are an exchange or exchange-like transaction, the University recognizes an intangible right-to-use lease asset and a corresponding lease liability. The lease liability is measured at commencement of the lease based on the present value of the payments expected to be made. The intangible right-to-use lease asset is initially measured as the lease liability, plus payments made before lease commencement, plus direct costs incurred to place the asset into service, less any incentives received prior to commencement. Right-to-use lease assets are amortized on a straight-line basis over the shorter of the lease term or useful life of the asset unless the lease contains a purchase option that the University has determined is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgements include the determination of the discount rate to calculate the present value of lease payments, the lease term, and the lease payments. The University utilizes the rate implicit in the lease when it is readily determinable, otherwise the University has used professional judgement to determine the best estimate, generally derived from the incremental borrowing rate based on the University's most recent taxable debt issuance.

The University's threshold for lease accounting is for all leases where the present value of minimum lease payments is $5,000 or more for equipment and $100,000 or more for real estate.

For leases where the University is the lessor, the University recognizes lease receivables. The lease receivable is initially recorded as the present value of the future payments using the stated rate or if not readily determined, then at our incremental borrowing rate utilizing professional judgement. Over the lease term, the University recognizes revenue from interest income and the amortization of the deferred inflows of resources using the compound interest method.

During the fiscal year ended June 30, 2025, the University had $888,525 in current lease receivables (included in Accounts Receivable) and $29,930,409 in non-current lease receivables and recognized total lease-related revenues of $1,046,497.

Capital Assets and Special Collections

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value. The University maintains special collections for educational purposes and public exhibition. These special collections are not subject to disposal for financial gain or encumbrance. Accordingly, such collections are not capitalized for financial statement purposes but are inventoried for property control purposes. Additionally, the University maintains Art and Historical Collections which are not depreciated. These collections include the David Muench photography collection. Capital assets, other than land, construction in progress, and intangible assets with indefinite useful lives, are depreciated or amortized over their estimated useful lives using the straight-line method. Non-capital equipment and facility costs including repairs and maintenance are charged to operating expenses in the year in which the expense was incurred. The capitalization thresholds and estimated useful lives for capital assets of the University are as follows:

Asset Category	Capitalization Threshold	Estimated Useful Life (yrs)
Building improvements	$100 thousand	20
Buildings	All	40
Infrastructure	All	20-40
Land	All	N/A
Equipment:		
Machinery, vehicles, and other equipment	$5 thousand	5-15
Intangible assets (other than right-to-use):		
Computer software > $10 million	$10 million	10
Computer software < $10 million	$1 million	5
Other*	$100 thousand	*
Intangible right-to-use lease assets:		
Vehicles and equipment	$5 thousand	N/A
Buildings and Land	$100 thousand	N/A
Intangible right-to-use subscription assets:		
Subscription software	$1 million	N/A
Library books	All	10
Art and Historical Collections	$1 million	N/A

*Includes websites, non-software licenses and permits, patents, copyrights and trademarks, rights-of-way and easements, natural resource extraction rights, and other intangible assets. In general, the estimated useful life is the shorter of the legal or the estimated useful life.

Subscription-Based Information Technology Arrangements (SBITA)

The University recognizes subscription liabilities with an initial, individual value of $1 million or more. The University uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The University's estimated incremental borrowing rate is calculated as described below. Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

Restricted and Unrestricted Resources

Certain resources are reported as restricted assets because restrictions on asset use change the nature or normal understanding of the availability of the asset. Resources that are not available for current operations and are reported as restricted include resources restricted for the acquisition or construction of capital assets, resources legally segregated for the payment of principal and interest as required by debt covenants, unspent debt proceeds, sponsored research grants and contracts and gifts, and endowment and other restricted investments. The University's policy regarding whether to first apply restricted or unrestricted resources is made on a case-by-case basis. Restricted resources remain classified as such until spent.

Investment Income (Loss)

Net investment income or loss is composed of interest, dividends, and net changes in the fair value of applicable investments.

Credit Card Rebates

The University earned credit card rebates of $834,366 from Bank of America and JP Morgan for the year ended June 30, 2025.

Pension and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

Compensated absences are employee leave balances earned but not used at fiscal year end that University management has determined is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The University uses a last-in, first-out (LIFO) flows assumption and historical usage data to determine the compensated absences liability. Vacation leave and compensatory time benefits are accrued as a liability on the statement of net position and reported as an expense in the statement of revenues, expenses, and changes in net position.

Other employee leave including sick and sabbatical leave are not accrued as a liability due to the nature of accrual and usage rates, and conditions set forth in University policy.

Note 2 – Component Units

Component units can be defined as legally separate entities for which the University is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the University are such that exclusion would cause its financial statements to be misleading or incomplete. GASB Statement No. 14 – The Financial Reporting Entity and GASB Statement No. 61 – The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34 have set forth criteria to be considered in determining financial accountability. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion under GASB Statement No. 14, a financial benefit or burden relationship also would need to be present between the primary government and the organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, GASB Statement No. 61 clarifies the way that determination should be made and the types of relationships that generally should be considered in making that determination. GASB Statement No. 39 – Determining Whether Certain Organizations are Component Units – an amendment of GASB Statement No. 14, provides additional criteria for determining whether certain organizations are component units.

The financial statements of the University include the operations of the Northern Arizona University Foundation, Inc. (Foundation), a discretely presented component unit. The Foundation was incorporated as a legally separate not-for-profit corporation in the State of Arizona in January 1959 and operates exclusively for the benefit of Northern Arizona University. The Foundation receives gifts and bequests, administers those resources by investing in securities and property, and disburses payments to and on behalf of the University for advancement of its mission. The University does not control the timing or amount of receipts from the Foundation. The restricted resources of the Foundation can only be used by, or for the benefit of, the University or its constituents.

Consequently, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. In accordance with generally accepted accounting principles for public colleges and universities, only the Statement of Financial Position and the Statement of Activities of the discretely presented component unit are included in the University's financial statements.

Northern Arizona Capital Facilities Finance Corporation, LLC (NACFFC), although legally separate, is reported as if it is part of the University. NACFFC was incorporated in October 2001 as a legally separate not-for-profit corporation under the laws of the State of Arizona for the purpose of acquiring, developing, constructing, and operating student housing and other capital facilities and equipment for the use and benefit of the University's students. Because NACFFC's outstanding debt is expected to be repaid entirely with resources from the University, NACFFC's financial statements have been blended with those of the University in accordance with GASB Statement No. 61.

For financial reporting purposes, both the Foundation and NACFFC follow the Financial Accounting Standards Board (FASB) statements for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information included in the University's financial report. Accordingly, those financial statements have been reported on separate pages following the University's financial statements. Since NACFFC's financial results are blended with the University's financial results, adjustments were made to present NACFFC's financial results in accordance with the GASB reporting model. In addition, the University eliminated all duplicate financial transactions for reporting purposes.

The Foundation and NACFFC have a June 30 year-end. Complete financial statements as originally presented for the Foundation and NACFFC can be obtained from Northern Arizona University Comptroller's Office, P.O. Box 4069, Flagstaff, AZ 86011.

During the year ended June 30, 2025, the Foundation recognized expenses for scholarships to Northern Arizona University of $4,501,404 and grants and assistance to Northern Arizona University of $15,239,270.

Note 3 - Deposits and Investments

Arizona Revised Statutes (A.R.S.) §15-1668 requires that deposits of the University not covered by federal deposit insurance be secured by government bonds or by a safekeeping receipt of the institution accepting the deposit. A.R.S. §35-1207 requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. Further, the Arizona Board of Regents (ABOR) provides policy regarding deposits. Deposits can be made only at depository banks approved by ABOR. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the University's investments.

There is no statutory requirement that governs University investment activities. A.R.S. §15-1625 gives the ABOR jurisdiction and control over the Universities, and A.R.S. §15-1626 allows ABOR to authorize the Universities to adopt regulation, policies, rules, or measures as deemed necessary. ABOR investment policies require that the University invest its operating funds only in the State Treasurer's Local Government Investment Pool, collateralized time certificates of deposit and repurchase agreements, U.S. Treasury securities, federal agency securities, and investment grade corporate bonds. In addition, ABOR has authorized the University to establish an investment committee. The investment committee establishes investment policies and makes investment decisions. ABOR policies guide the investment committee decisions. The University's deposit and investment policies mirror that of the ABOR policies.

University policy states that restricted (gift) and endowment funds will be invested according to the conditions stipulated by the donor, but if no conditions are imposed, such funds may be invested under the direction of the investment committee in such a manner as to obtain the most favorable rate of return and income stability.

The bond indentures constitute the investment policy for University monies held with bond trustees. The bond indentures authorize the bond trustees to invest in obligations of, or guaranteed by, the federal government or any agency or instrumentality thereof, municipal obligations, collateralized certificates of deposit with federally insured banks, trust companies, savings and loan associations within the State of Arizona, or repurchase agreements.

Deposits

At June 30, 2025, the carrying amount of the University's deposits was $3,049,672 and the bank balance was $5,944,993. Beyond the requirements established by A.R.S. and ABOR, the University does not have a policy that specifically addresses custodial credit risk.

Investments

U.S. Treasury Notes and U.S. agency securities, include Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association securities.

Trust agreements between the University and the Northern Arizona University Foundation (Foundation), authorize the Foundation to invest certain University restricted (gift) and endowment monies. The Foundation Investment Pool invests in a variety of asset classes, including common stocks, fixed income, and international equity funds. The Foundation's Board of Directors appointed Investment Committee is responsible for oversight of the Pool in accordance with Foundation policies and procedures. The fair value of the University's position in the Pool is based on the University's proportionate share of the Pool and is not identified with specific investments. The University's ownership interest is recorded in the Foundation's records. As of June 30, 2025, the Foundation held $52,760,270 in custody for the University, including funds for the University's Arizona Financial Aid Trust Fund (AFAT) described below.

The AFAT was established in accordance with A.R.S. §15-1642 for the purpose of providing aid to students with verifiable financial need. The Foundation holds and manages the University's share of AFAT within its pool. The University's ownership interest is recorded in the Foundation's records. The fair value of the AFAT at June 30, 2025, was $41,882,595.

The University measures and categorizes its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines establish a three-tier hierarchy of inputs to valuation techniques used to measure fair value, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Inputs, other than quoted market prices included within Level 1, that are observable, either directly or indirectly;
- Level 3: Significant unobservable inputs.

The University's investments at June 30, 2025, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	As of June 30, 2025	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasury and agency securities	$ 65,055,629		$ 65,055,629	
Government money market mutual funds	8,480,295	$ 8,480,295		
Total investments by fair value level	$ 73,535,924	$ 8,480,295	$ 65,055,629	
Investment pools measured at fair value				
State Treasurer's investment pools 3, 4 & 5	$ 217,456,490			
NAU Foundation investment pool	52,760,270			
Total investment pools measured at fair value	$ 270,216,760			
Total investments	$ 343,752,684			

Investments categorized as Level 1 of the fair value hierarchy are valued using unadjusted prices quoted for identical assets in active, exchange and brokered markets for those securities. Investments categorized as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters on which can be directly observed.

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the University held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

Credit Risk

For its operating funds, University policy requires negotiable certificates of deposit; corporate bonds, debentures, and notes; banker acceptances; and State of Arizona bonds to carry a minimum rating of BBB or better from Standard and Poor's Rating Service, and Baa (Investment Grade) or better rating from Moody's Investors Service. There is no formal policy with regards to gift and endowment funds. Gift and endowment funds are held in the Foundation Investment Pool, which is not rated. At June 30, 2025, credit risk for the University's investments in debt securities was as follows:

Investment Type	Rating	Rating Agency	Amount
State Treasurer's investment pools 3 and 4	Not Rated		$ 19,681,689
State Treasurer's investment pool 5	AAAf/S1+	Standard and Poor's	197,774,801
Foundation investment pool	Not Rated		52,760,270
U.S. Agency Securities	AA+	Standard and Poor's	55,105,955
U.S. Treasury Securities	AA+	Standard and Poor's	9,949,674
Government money market mutual funds	AAAm	Standard and Poor's	8,480,295
Total			$ 343,752,684

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The University does not have a formal policy in regard to custodial credit risk. At June 30, 2025, the University had $65,055,629 of U.S. treasury and agency securities and $8,480,295 in Government money market mutual funds that were uninsured. The $65,055,629 is not registered in the University's name and held by the counterparty and the $8,480,295 is not registered in the University's name and held by the counterparty trustee.

Concentration of Credit Risk

University policy limits investments in a single issuer to 5 percent or less of the fair value of the total portfolio. However, securities issued or expressly guaranteed by the federal government are exempt from this provision. At June 30, 2025, the University had allowable investments in Federal Home Loan Mortgage Corporation securities of $20 million, or 5.82 percent of total investments which are current in nature.

Interest Rate Risk

University policy for its operating funds limits the maximum maturity of any fixed-rate or variable-rate security to five years from the settlement date of purchase. The endowment fund portfolio has no such limitation. The following chart presents the interest rate risk for the University's debt investments at June 30, 2025, utilizing the segmented time distribution method:

		Maturity	
Investment Type	**Fair Value**	**< 1 Year**	**1 - 5 Years**
State Treasurer Investment Pool 3	$ 10,499,888		$ 10,499,888
State Treasurer Investment Pool 4	9,181,802	$ 9,181,802	
State Treasurer Investment Pool 5	197,774,800	197,774,800	
U.S. Treasury and Agency securities*	65,055,629	30,038,600	35,017,029
Government money market mutual funds	8,480,295	8,480,295	
Total	$ 290,992,414	$ 245,475,497	$ 45,516,917

*At June 30, 2025, the University held $65,055,629, or 19 percent of investments, in U.S. treasury and agency securities, including the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association, which may be considered highly sensitive to interest rate fluctuations because borrower repayment terms may vary. The University's investments in U.S. treasury and agency securities are reported as having a maturity date of less than one year if they are expected to be called within one year.

A reconciliation of cash, deposits, and investments to amounts shown on the Statement of Net Position is as follows:

Cash, deposits, and investments:	
Cash on hand	$ 14,868
Cash and deposits in bank	3,049,672
Total investments	343,752,684
Total	$ 346,817,224

Statement of Net Position	
Cash and cash equivalents	$ 220,810,618
Short term investments	30,038,600
Restricted cash and cash equivalents held by trustee for capital projects	8,480,295
Long term investments	35,773,476
Endowment investments	51,714,235
Total	$ 346,817,224

Note 4 - Capital Assets

Capital asset activity for year ended June 30, 2025, is presented as follows:

	Balance 7/1/2024	Additions / Increases	Retirements / Decreases	Balance 6/30/2025
Land	$ 28,584,867			$ 28,584,867
Construction in progress:				
Real property	18,598,737	$ 88,531	$ 7,108,483	11,578,785
Intangible assets		677,484		677,484
Art and historical collection	24,596,427			24,596,427
Total non-depreciable/amortizable capital assets	$ 71,780,031	$ 766,015	$ 7,108,483	$ 65,437,563
Buildings and improvements	$ 1,201,547,288	$ 26,062,282	$ 106,489	$ 1,227,503,081
Infrastructure	171,652,510	3,700,732		175,353,242
Equipment	100,414,150	6,090,560	3,626,215	102,878,495
Intangible assets, other than right-to-use	13,164,185			13,164,185
Library materials	45,524,098	6,683	132,432	45,398,349
Total depreciable/amortizable capital assets	$ 1,532,302,231	$ 35,860,257	$ 3,865,136	$ 1,564,297,352
Less accumulated depreciation				
Buildings and improvements	$ 558,542,674	$ 33,602,164	$ 23,723	$ 592,121,115
Infrastructure	94,715,455	5,607,033		100,322,488
Equipment	74,676,007	5,856,668	2,884,834	77,647,841
Intangible assets, other than right-to-use	11,694,193	30,649		11,724,842
Library materials	45,181,580	109,589	132,065	45,159,104
Total accumulated depreciation/amortization	$ 784,809,909	$ 45,206,103	$ 3,040,622	$ 826,975,390
Total depreciable/amortizable capital assets, net	$ 747,492,322	$ (9,345,846)	$ 824,514	$ 737,321,962
Right-to-use assets				
Leased buildings	$ 213,306,685	$ 4,210,715	$ 4,643	$ 217,512,757
Leased equipment	4,317,265	867,440	40,451	5,144,254
Subscription assets	16,830,150	343,734		17,173,884
Total right-to-use assets	$ 234,454,100	$ 5,421,889	$ 45,094	$ 239,830,895
Less accumulated amortization				
Leased buildings	$ 22,298,117	$ 7,664,843		$ 29,962,960
Leased equipment	2,466,777	1,200,044	$ 24,331	3,642,490
Subscription assets	5,229,841	4,205,593		9,435,434
Total accumulated amortization	$ 29,994,735	$ 13,070,480	$ 24,331	$ 43,040,884
Intangible right-to-use assets, net	$ 204,459,365	$ (7,648,591)	$ 20,763	$ 196,790,011
Capital assets, net	**$ 1,023,731,718**	**$ (16,228,422)**	**$ 7,953,760**	**$ 999,549,536**

In addition to expenditures through June 30, 2025, it is estimated that $30 million will be required to complete projects under construction or planned for construction. Of that amount, $12 million is contractually encumbered.


Guests
EAST

Note 5 - Long-Term Debt, Lease Obligations and Subscription-Based Information Technology Arrangements (SBITAS)

A summary of changes in the long-term debt activity for the year ended June 30, 2025, is presented as follows:

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Current Portion
Revenue Bonds Payable	$ 328,775,000	$ 55,965,000	$ (74,590,000)	$ 310,150,000	$ 13,750,000
Direct Placement Revenue Bonds	137,805,000		(10,580,000)	127,225,000	10,910,000
Certificates of Participation	28,010,000		(3,770,000)	24,240,000	3,545,000
Subtotal long-term debt	$ 494,590,000	$ 55,965,000	$ (88,940,000)	$ 461,615,000	$ 28,205,000
Premiums on Sale of Debt	40,001,373	6,267,862	(10,015,513)	36,253,722	3,252,221
Total long-term debt	$ 534,591,373	$ 62,232,862	$ (98,955,513)	$ 497,868,722	$ 31,457,221

Revenue Bonds Payable and Certificates of Participation

The University's bonded debt consists of various issues of System Revenue, Lease Revenue, and Stimulus Plan for Economic and Educational Development (SPEED) Revenue bonds that are generally callable with interest payable semiannually. Bond Proceeds are used to pay for acquiring or constructing capital facilities, infrastructure, and for refunding obligations from previously issued bonds.

For all outstanding SPEED revenue bonds, up to 80% of the debt service payments are payable from the University's SPEED revenue bond account monies, which are derived from certain revenues of the Arizona State Lottery as defined by State Statute. To the extent SPEED revenue bond account monies are not sufficient to make debt service payments, the SPEED revenue bonds are secured by a pledge of certain gross revenues, such as student tuition and fees, but that pledge is subordinate to the pledge of those gross revenues for the University's system revenue bonds.

The University utilizes Certificates of Participation (COPs) and Lease Revenue Bonds (LRB) to acquire buildings, land, and infrastructure. COPs and LRBs are generally callable, with interest payable semiannually and are collateralized by the acquired assets. In the event of a default, the underlying asset value would be removed from the University's financial statements and the control of the assets would return to the trustee. COPs were used to build the Applied Research and Development building, the Science Lab Facility, and to renovate the Engineering building. LRBs purchased Pine Ridge Village, McKay Village, High Country Conference Center, the Student and Academic Services building, and the Student Athlete High Performance Center (SAHPC).

During the year ended June 30, 2025, the University issued Lease Revenue (LRB) bonds and System Revenue (SRB) bonds to advance-refund older, higher cost issues. Details of the refunding transactions are as follows:

	System Revenue Bonds	Lease Revenue Bonds
Amount of refunding bonds issued	$ 29,995,000	$ 25,970,000
Amount of bonds refunded	32,455,000	28,155,000
Reduction in debt service savings	3,040,267	2,624,665
Economic Gain (NPV savings)	2,943,690	2,494,810

The University refunded the 2014 Lease Revenue bonds and 2015 System Revenue bonds. The University used debt refunding proceeds to purchase securities that it placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. Refunded debt is considered defeased, and related liabilities are not included in the University's financial statements.

The University has pledged portions of its gross revenues towards the payment of debt related to system revenue bonds, system revenue refunding bonds, and SPEED revenue bonds outstanding at June 30, 2025. The bonds generally provide financing for various capital projects of the University. These pledged revenues include student tuition and fees, certain auxiliary enterprises revenue, investment income, and indirect cost recovery revenue. Pledged revenues do not include state appropriations, gifts, endowment income, or other restricted revenues. Pledged revenues have averaged $309.7 million for the prior five years. For fiscal year 2025, pledged revenues totaled $327.7 million of which approximately 10.59% ($34.7 million) was required to cover current year debt service.

Future annual principal and interest payments on the bonds are expected to require approximately 7.76% of pledged revenues. Future pledged revenues required to pay all remaining related debt service for the bonds through final maturity of June 1, 2044, is $458.1 million.

(in thousands)	Average Interest Rate	Final Maturity	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025
Revenue Bonds:						
2012 System Revenue	4.5%	6/1/2029	$ 3,820		$ (720)	$ 3,100
2015 System Revenue Refunding	5.0%	6/1/2037	35,105		(35,105)	-
2016 System Revenue and Refunding	4.9%	6/1/2038	27,580		(545)	27,035
2020AB System Revenue Refunding	4.4%	6/1/2044	111,120		(3,675)	107,445
2024 System Revenue Refunding	5.0%	6/1/2038	29,555			29,555
2025 System Revenue Refunding	3.4%	6/1/2037		$ 29,995		29,995
Subtotal - System Revenue Bonds			$ 207,180	$ 29,995	$ (40,045)	$ 197,130
Direct Placement Revenue Bonds:						
2017 System Revenue Refunding	2.9%	6/1/2034	31,485		(2,760)	28,725
2017A System Revenue	2.6%	6/1/2038	18,240		(1,095)	17,145
2021AB System Revenue Refunding	1.9%	6/1/2031	17,260		(2,575)	14,685
Subtotal - Direct Placement Bonds			$ 66,985	$ -	$ (6,430)	$ 60,555
2020 SPEED Revenue Refunding	3.6%	8/1/2043	65,020		(3,965)	61,055
2024 SPEED Revenue Refunding	5.0%	8/1/2042	28,420		(2,425)	25,995
Subtotal - SPEED Revenue Bonds			$ 93,440	$ -	$ (6,390)	$ 87,050
2014 Lease Revenue Student & Academic Services	5.0%	6/1/2044	28,155		(28,155)	-
2024 Lease Revenue Student & Academic Services	4.0%	6/1/2044		25,970		25,970
Subtotal - Lease Revenue Bonds			$ 28,155	$ 25,970	$ (28,155)	$ 25,970
Direct Placement Lease Revenue Bonds:						
2016 Lease Refunding North Campus	2.6%	6/1/2036	7,030		(505)	6,525
2017 Lease Refunding Pine Ridge/ Campus Heights	2.9%	6/1/2033	22,820		(2,090)	20,730
2020 Lease Revenue Student Athlete High Performance Center	2.8%	6/1/2044	40,970		(1,555)	39,415
Subtotal - Direct Lease Revenue Bonds			$ 70,820	$ -	$ (4,150)	$ 66,670
Subtotal: Revenue Bonds			$ 466,580	$ 55,965	$ (85,170)	$ 437,375
Certificates of Participation (COP's):						
2015 Refunding COP's	4.9%	9/1/2030	1,615		(1,615)	-
2024 Refunding COP's	5.0%	9/1/2031	26,395		(2,155)	24,240
Subtotal: COP's			$ 28,010	$ -	$ (3,770)	$ 24,240
Total Par Amount of Bonds and COP's			$ 494,590	$ 55,965	$ (88,940)	$ 461,615
Discounts/Premiums on Sale of Bonds and COPs			$ 40,001	$ 6,267	$ (10,015)	$ 36,253
Total Bonds and COP's Payable			$ 534,591	$ 62,232	$ (98,955)	$ 497,868

The following schedule details debt service requirements to maturity for System Revenue, Speed, and Lease Bonds and Certificates of Participation payable at June 30, 2025:

	System Revenue, Speed and Lease Bonds		Direct Placement System Revenue and Lease Bonds		Certificates of Participation	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 13,750,000	$ 14,399,963	$ 10,910,000	$ 3,440,620	$ 3,545,000	$ 1,123,375
2027	17,960,000	13,376,480	11,240,000	3,155,222	3,730,000	941,500
2028	19,275,000	12,495,758	11,565,000	2,860,873	3,930,000	750,000
2029	20,315,000	11,548,238	11,900,000	2,557,645	4,125,000	548,625
2030	21,345,000	10,549,614	12,280,000	2,245,333	4,345,000	336,875
2031-2035	99,420,000	38,470,894	42,930,000	6,786,508	4,565,000	114,125
2036-2040	84,505,000	16,438,536	16,300,000	2,618,410		
2041-2044	33,580,000	3,067,359	10,100,000	716,800		
Total	$ 310,150,000	$ 120,346,842	$ 127,225,000	$ 24,381,411	$ 24,240,000	$ 3,814,500

Leases and Subscription-based information technology arrangements (SBITAs)

The University has entered into leases with various entities for right-to-use equipment, vehicles, classroom, office and student housing purposes, and has entered into subscription-based information technology arrangements with other entities for various right-to-use software. A summary of changes in lease and subscription activity for the year ended June 30, 2025, is presented as follows:

	Balance 7/1/24	Additions	Remeasure-ments	Deductions	Balance 6/30/25	Current Portion
Lease Liabilities	$ 211,594,496	$ 5,004,769	$ 54,335	$ (6,027,402)	$ 210,626,198	$ 3,999,554
Subscription Liabilities	4,543,503	343,734	-	(1,993,175)	2,894,062	1,578,670
Total	**$ 216,137,999**	**$ 5,348,503**	**$ 54,335**	**$ (8,020,577)**	**$ 213,520,260**	**$ 5,578,224**

Leases

Statewide Campus Operations

The University maintains classroom and office space throughout 20+ statewide locations with various levels of operations. Many sites are located on community college campuses and other key locations that help meet the University goals of providing accessible educational opportunities statewide. Combined leased office and classroom space total approximately 85,100 square feet for significant sites. Lease terms are typically 5 years in duration, and future minimum lease payments for larger sites total approximately $13.4 million.

The following schedule details minimum lease payments to maturity for the University's leases payable at June 30, 2025:

Year ending June 30:	Principal	Interest	Total
2026	$ 3,999,555	$ 4,258,115	$ 8,257,670
2027	3,795,433	4,171,875	7,967,308
2028	3,748,526	4,093,475	7,842,001
2029	4,240,628	3,935,879	8,176,507
2030	3,969,884	3,810,938	7,780,822
2031-2035	19,444,752	17,464,427	36,909,179
2036-2040	21,950,363	15,483,995	37,434,358
2041-2045	30,393,576	13,003,105	43,396,681
2046-2050	40,666,238	9,642,409	50,308,647
2051-2055	53,119,381	5,202,129	58,321,510
2031-2057	25,297,862	553,718	25,851,580
Total	$ 210,626,198	$ 81,620,065	$ 292,246,263

Honors College

Located in the center of the University's main campus since 2019, the Honors College residence building houses over 700 students. The University operates the residence building under a 40-year sub lease with American Campus Communities, which constructed the building under a 40-year land lease with the University. Base lease payments increase 3% annually over the 40-year term and future minimum lease payments total approximately $275 million through June 2057.

Institute for Human Development

The University's Institute for Human Development (IHD) manages programs at two sites in the Phoenix metropolitan area that provide assistive technology services to individuals with disabilities and their families. The Arizona's Assistive Technology Act Program, or AzTAP, in located in central Phoenix. In fiscal year 2025, a new lease was executed for a site in the city of Mesa to house the Assistive Technology for Employment and Independence Program (ATEI). Together these programs lease space of approximately 7,000 square feet. Future minimum lease payments through January 2030 total approximately $762,500.

Subscription Software

The University has obtained the right to use software applications under the provisions of various subscription-based information technology arrangements (SBITAs). These include major systems that deliver solutions for learning management, student relations, administrative services, and data management and system processes. Based on the end date of the current contractual obligations, future minimum software subscription payments through June 2028 total approximately $3.1M.

The following schedule details minimum subscription payments to maturity for the University's subscription liabilities at June 30, 2025:

Year ending June 30:	Principal	Interest	Total
2026	$ 1,578,670	$ 110,890	$ 1,689,560
2027	1,258,438	50,997	1,309,435
2028	56,954	2,125	59,079
Total	$ 2,894,062	$ 164,012	$ 3,058,074

Note 6 – Self-Insurance Program

The University is exposed to various risks of loss related to torts; theft of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Arizona Revised Statutes §41-621 et seq. the University participates in a self-insurance program administered by the State of Arizona, Department of Administration, Risk Management Division. The State's Risk Management Program covers the University, subject to certain deductibles, for risks of loss related to such situations, and liability for acts or omissions of any nature while acting in authorized governmental or proprietary capacities and in the course and scope of employment or authorization, except as prescribed in A.R.S. §41-621. Loss risks not covered by the Risk Management Program and for which the University has no insurance coverage are losses resulting from contractual breaches and losses that arise out of and are directly attributable to an act of omission determined by a court to be a felony. From time to time, various claims and lawsuits associated with the normal conduct of University business are pending or may arise against the University.

The University has a Risk Management division that monitors and manages risk exposure. In the opinion of University management, any losses from the resolution of any other pending claims or litigation not covered by the Risk Management Program should not have a material effect on the University's financial statements. All estimated losses for unsettled claims and actions covered by the State's Risk Management Program are determined on an actuarial basis and are included in the State of Arizona's Annual Financial Report.

Note 7 – Unearned Revenue and Deposits

Unearned revenue consists primarily of amounts received for tuition and fees for future terms, as well as money from grants and sponsors that have not yet been earned under the terms of the agreement. It also includes amounts received in advance for auxiliary services such as student housing or advance ticket sales for events.

Unearned revenue and deposits as of June 30, 2025, consist of the following:

Current Unearned Revenue and Deposits		
Tuition and Fees	$	13,869,005
Unexpended cash advances received for sponsored projects		14,223,050
Auxiliary sales and services		1,589,197
Endowment		27,688
Total Unearned Revenue and Deposits	**$**	**29,708,940**

Note 8 - Accrued Compensated Absences

The University recognizes compensated absences for vacation leave and compensatory time. Employees may accumulate vacation up to 320 hours, with balances above this limit forfeited at year-end. Upon separation, employees are paid for accrued vacation up to 176 hours and for all time earned.

The University recognizes a liability for vacation leave that is more likely than not to be used, rather than only amounts payable at termination. Based on historical usage and forfeiture data, the liability is measured on vacation balances up to the 320-hour carryover limit, reduced for an average percentage of hours forfeited annually. Compensatory time is fully accrued and is used as paid leave or is paid out upon request or termination.

Accrued compensated absences for the year ended June 30, 2025, was as follows:

Accrued Compensation		
Beginning balance*	$	12,517,843
Additions		11,955,913
Reductions		(12,598,080)
Ending balance	$	11,875,676
Current portion	**$**	**809,921**

* The University implemented GASB Statement No. 101 in fiscal year 2025; this resulted in the restatement of the University's beginning balance accrued compensated absence liability.

Note 9 - Operating Expense by Natural Classification

The University's operating expenses presented in the Statement of Revenues, Expenses, and Changes in Net Position by natural and functional classification are summarized in the table below:

For the Year Ended June 30, 2025

	Personal Services and Benefits	Operations	Scholarships	Depreciation and Amortization	Total
Functional Classification:					
Educational and general					
Instruction	$ 169,400,334	$ 23,332,648			$ 192,732,982
Research	49,086,763	26,240,973			75,327,736
Public service	23,885,892	25,633,926			49,519,818
Academic support	44,612,148	10,839,485			55,451,633
Student services	35,061,110	20,999,240			56,060,350
Institutional support	70,027,051	26,246,629			96,273,680
Operation and maintenance of plant	3,274,584	18,503,490			21,778,074
Scholarships and Fellowships			$ 38,627,651		38,627,651
Auxiliary enterprises	46,104,643	17,358,084			63,462,727
Depreciation and amortization				$ 58,276,583	58,276,583
Total	**$ 441,452,525**	**$ 169,154,475**	**$ 38,627,651**	**$ 58,276,583**	**$ 707,511,234**

Note 10 – Pension Plans

The University participates in the Arizona State Retirement System (ASRS), a cost-sharing, multiple-employer defined benefit pension plan, and two defined contribution plans which are administered by independent insurance and annuity companies approved by ABOR. The University also contributes to the Public Safety Personnel Retirement System (PSPRS), a state administered multiple-employer defined benefit pension plan. Although the defined contribution plans and PSPRS net pension liabilities have been recorded at June 30, 2025, the defined contribution plans and PSPRS have not been further disclosed due to their relative insignificance to the University's financial statements. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

The University's net pension liability at June 30, 2025, was comprised of the following:

ASRS	$	184,886,192
PSPRS		(368,036)
Defined Contribution Pension Plans		3,347,547
Total net pension liability	$	187,865,703

Changes in the University's net pension liability during the fiscal year ended June 30, 2025, were as follows:

Beginning balance	$	175,358,727
Increases		49,997,742
Decreases		(37,490,766)
Ending balance	$	187,865,703
Current portion	$	940,536

Defined Benefit Plan

Plan Description

The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. Full benefit eligible classified staff are required to participate in this plan. Full benefit eligible University faculty, academic professionals, and administrative officers have the option to participate in the ASRS defined benefit plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS is a component unit of the State of Arizona.

Benefits Provided

The ASRS provides retirement and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial membership date: Before July 1, 2011	 On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80	30 years, age 55
	10 years, age 62	25 years, age 60
	5 years, age 50*	10 years, age 62
	any years, age 65	5 years, age 50*
		any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, statute required active ASRS members to contribute at the actuarially determined rate of 12.12 percent for retirement of the members' annual covered payroll, and statute required the University to contribute at the actuarially determined rate of 12.05 percent for retirement of the active members' annual covered payroll. In addition, the University was required by statute to contribute at the actuarially determined rate of 10.14 percent for retirement of annual covered payroll of retired members who worked for the University in positions that an employee who contributes to the ASRS would typically fill. The University's contributions to the pension plan for the year ended June 30, 2025, were $20,872,756.

Pension Liability

At June 30, 2025, the University reported a liability of $184,886,192 for its proportionate share of the ASRS's net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024.

The University's proportion of the net pension liability was based on the University's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The University's proportion measured as of June 30, 2024, was 1.16 percent and was an increase of .09 from its proportion measured as of June 30, 2023.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2025, the University recognized pension expense for ASRS of $21,713,260. At June 30, 2025, the University reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,320,174	$
Net difference between projected and actual earnings on pension plan investments		11,807,007
Changes in proportion and differences between University contributions and proportionate share of contributions	9,693,684	
University contributions subsequent to the measurement date	20,872,756	
Total	$ 40,886,614	$ 11,807,007

The $20,872,756 reported as deferred outflows of resources related to ASRS pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30		Pension Expense
2026	$	(266,747)
2027		13,629,065
2028		(2,988,742)
2029		(2,166,725)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9 - 8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the 5 year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Geometric Real Rate of Return
Public Equity	44%	4.48%
Credit	23%	4.40%
Interest Rate Sensitive	6%	-0.45%
Real estate	17%	6.05%
Private Equity	10%	6.11%
Total	100%	

Discount Rate

At June 30, 2024, the discount rate used to measure the ASRS total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate

The following table presents the University's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

University's proportionate share of the net pension liability		
1% decrease (6.0%)	$	283,098,566
Current discount rate (7.0%)		184,886,192
1% increase (8.0%)		103,034,753

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Pension Contributions Payable

The University's accrued payroll and employee benefits included $782,129 for outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2025.

Note 11 – Subsequent Events

The University has evaluated subsequent events and determined there have been no events that have occurred that would require adjustments to the University's financial statements. However, the University is actively evaluating options to issue new debt securities in the upcoming fiscal years to finance capital and deferred maintenance projects. As of the date these financial statements are issued, no formal approval or commitment has been secured. Prospective debt issuances will be determined based on ongoing assessments of market conditions and institutional financing needs.

Note 12 – Discretely Presented Component Unit Disclosures

A. Principal Activity and Significant Accounting Policies

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to permanent endowment, or other long-term purposes of the Foundation are excluded from this definition.

Promises to Give

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2025, the allowance was $372,125.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statement of financial position. Net investment return/(loss) is reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Investments of the net assets with donor restrictions and net assets without donor restrictions are pooled, except for certain assets that the board of directors or the donors have designated to be segregated and maintained separately.

Receivables and Credit Policy

Allowance for credit losses is determined based on historical experience, an assessment of economic conditions, and forecasts that affect the collectability. There was no allowance at June 30, 2025.

Cash Surrender Value of Life Insurance

The Foundation is the owner and beneficiary of six life insurance policies covering the lives of certain donors to the Foundation. The policies are recorded at their cash surrender value at the policy's anniversary date. Policy earnings and expenses are included in the accompanying consolidated statement of activities.

Educational Broadband Services License and Deferred Revenue

The Foundation has been granted several educational broadband services (EBS) licenses from the Federal Communications Commission (FCC), which have been fully amortized since the date of donation. Additionally, the Foundation has entered into an agreement to purchase EBS licenses with initial funding of $15,000,000 from an outside corporation. Under the agreement, the Foundation purchases EBS licenses and then subsequently leases the licenses to the outside corporation. The Foundation recognizes revenue at the time of purchase of an EBS license and recognizes rent revenue for the duration of the lease agreement. Any unspent proceeds from the initial funding are reflected as deferred revenue in the accompanying consolidated statement of financial position. The Foundation sold the EBS licenses during the year ended June 30, 2025, recognizing a gain on the sale of $55,890,000.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, board-designated endowments.

Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue from EBS leases, investment activities, management fees, other fees and charges, and non-contribution related revenue is recognized when earned. Revenue received in advance is recorded as deferred revenue in the accompanying consolidated statement of financial position. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Consequently, at June 30, 2025, contributions of approximately $7,698,000 for which no amounts have been received in advance have not been recognized in the accompanying consolidated statement of activities.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash and investments with financial institutions and investment brokerage firms believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds held at financial institutions. At June 30, 2025, $9,684,000 of the Foundation’s bank balance of $10,046,000 was uninsured. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates.

Investments are made by an investment manager whose performance is monitored by management and the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the board of directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

B. Endowments

The Foundation’s endowment (the Endowment) consists of approximately 999 individual funds established by donors to provide annual funding for specific activities and general operations. The Endowment also includes certain net assets without donor restrictions designated for quasi-endowment by the board of directors, and quasi-endowments set up by donors that are working to the level of required investment to qualify as an Endowment under the Foundation’s donor guidelines. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation’s board of directors has interpreted the Arizona Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2025, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of gifts and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts donated to the Endowment) and (b) accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

The Foundation had the following endowment net asset composition by type of fund as of June 30, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated quasi-endowment	$ 17,495,995		$ 17,495,995
Donor-restricted quasi-endowment		$ 14,505,141	14,505,141
Donor-restricted for permanent endowment			
Original donor-restricted gift amounts required to be maintained in perpetuity by donor		122,880,712	122,880,712
Accumulated investment gains		72,125,387	72,125,387
Total	$ 17,495,995	$ 209,511,240	$ 227,007,235

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2025, funds with original gift values of approximately $733,452, fair values of approximately $598,694, and deficiencies of approximately $134,758 are reported in net assets with donor restrictions.

C. Fair Value Measurements and Disclosures

Certain assets and liabilities are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset or liability. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

A significant portion of the Foundation’s investment assets are classified within Level 1 because they are comprised of common stock, money market funds, and open-end mutual funds with readily determinable fair values based on daily market prices or redemption values. Corporate bonds and certificates of deposit are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions. These are classified within Level 2.

The fair values of obligations under split-interest agreements are determined using present value techniques, actuarial tables, the fair values of trust investments as reported by the trustees or held by the Foundation, and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and liabilities. The fair values of beneficial interests in charitable and perpetual trusts are determined by management using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. These are considered to be Level 3 measurements. The fair value of the cash surrender value of life insurance is based on the amount to be paid if the policy is surrendered prior to the death of the insured as predetermined by the insurance companies.

The Foundation measures the fair value of assets held in custody for others based on a pooling of investments based on a net asset value per share of the pool. Since the fair value of the majority of the liability balance is based primarily upon the observable inputs used during the valuation of the assets but not based upon identical inputs for identical agency liabilities, a Level 2 classification has been assigned for the inputs used to determine the fair value of the majority of assets held in custody for others liability.

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2025:

		Fair Value Measurements at Report Date Using		
	Amount	Level 1	Level 2	Level 3
Assets				
Operating investments				
Mutual Fund				
Municipal Bond Mutual Fund	$ 56,308,180	$ 56,308,180		
Exchange Traded Funds	1,224,751	1,224,751		
Equity Mutual Funds	148,708,162	148,708,162		
International Bond Mutual Funds	16,789,903	16,789,903		
International Equity Mutual Funds	120,951,878	120,951,878		
Common Stock	6,740,732	6,740,732		
Corporate Bonds	184,324		$ 184,324	
Cash and Cash Equivalents	6,018,451	6,018,451		
Total	$ 356,926,381	$ 356,742,057	$ 184,324	
Cash surrender value of life insurance	$ 8,024,197			$ 8,024,197
Assets held under split-interest agreements				
Mutual Fund				
Corporate Bond Mutual Fund	$ 1,513,589	$ 1,513,589		
Equity Mutual Funds	1,636,571	1,636,571		
Alternative Investment Mutual Funds	14,936	14,936		
Money Market Funds	19,329	19,329		
Total	$ 3,184,425	$ 3,184,425		
Beneficial interests in				
Perpetual trusts	$ 3,983,594			$ 3,983,594

		Fair Value Measurements at Report Date Using		
	Amount	Level 1	Level 2	Level 3
Liabilities				
Assets held in custody for others	$ 53,397,139		$ 53,397,139	
Liabilities under split-interest agreements	$ 2,035,902			$ 2,035,902

D. Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2025:

Within one year	$ 4,821,516
In one to five years	12,177,658
Over five years	2,907,081
	$ 19,906,255
Less discount to present value at rates ranging from 0.07% to 4.36%	(1,350,006)
Less allowance for uncollectible promises to give	(372,125)
	$ 18,184,124

At June 30, 2025, two donors accounted for approximately 64% of gross promises to give.

E. Assets Held in Custody for Others

The Foundation maintains certain assets on behalf of others. The balances of assets held in custody for others consist of the following at June 30, 2025:

Cash	$ 1,758,580
Pledges receivable	500
Investments	50,789,517
Beneficial interest in perpetual trust	848,542
	$ 53,397,139
Assets held on behalf of:	
Northern Arizona University	$ 53,071,527
NAU Parents' Association	325,612
	$ 53,397,139

F. Related Party Transactions

Members of the Foundation's board of directors have made contributions and pledges to the Foundation in the current and prior years. At June 30, 2025, gross unconditional pledges receivable from these members totaled $8,690,833. During the year ended June 30, 2025, the Foundation recognized contribution revenue from these donors of $13,313,082.

During the year ended June 30, 2025, the Foundation recognized expenses for scholarships to Northern Arizona University of $4,501,404 and grants and assistance to Northern Arizona University of $15,239,270.

Required Supplementary Information

Schedule of University's Proportionate Share of Net Pension Liability
Arizona State Retirement System
June 30, 2025

Year Ended June 30, Reporting Fiscal Year (Measurement Date)	University's proportion of the net pension liability	University's proportionate share of the net pension liability	University's covered payroll (Measurement Date)	University's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025 / (2024)	1.16%	$ 184,886,192	$ 163,914,066	113%	76.93%
2024 / (2023)	1.07%	172,350,188	141,916,618	121%	75.47%
2023 / (2022)	1.06%	173,789,215	127,672,080	136%	74.26%
2022 / (2021)	1.06%	139,551,282	120,281,108	116%	78.58%
2021 / (2020)	1.12%	194,502,316	123,967,911	157%	69.33%
2020 / (2019)	1.17%	170,081,275	123,597,111	138%	73.24%
2019 / (2018)	1.17%	163,184,982	116,750,466	140%	73.40%
2018 / (2017)	1.14%	177,603,799	111,651,187	159%	69.92%
2017 / (2016)	1.14%	183,823,445	106,912,713	172%	67.06%
2016 / (2015)	1.13%	175,686,559	104,361,657	168%	68.35%

Schedule of University’s Pension Contributions
Arizona State Retirement System
June 30, 2025

Fiscal Year Ended	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2025	$ 20,872,756	$ 20,872,756		$ 174,779,260	11.94%
2024	19,465,337	19,465,337		163,914,066	11.88%
2023	16,836,281	16,836,281		141,916,618	11.86%
2022	15,276,308	15,276,308		127,672,080	11.97%
2021	13,972,217	13,972,217		120,281,108	11.62%
2020	14,158,925	14,158,925		123,967,911	11.42%
2019	13,793,782	13,793,782		123,597,111	11.16%
2018	12,679,186	12,679,186		116,750,466	10.86%
2017	11,988,535	11,988,535		111,651,187	10.74%
2016	11,554,333	11,554,333		106,912,713	10.81%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Net Position by Component

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Investment in Capital Assets	$286,463	$277,524	$269,975	$234,713	$262,474	$248,641	$245,903	$232,568	$269,240	$265,882
Restricted, Non-expendable	25,725	24,611	23,480	17,039	17,969	19,142	26,258	25,107	24,625	23,593
Restricted, Expendable	112,542	105,041	72,347	71,905	67,905	54,058	48,146	44,594	39,193	32,184
Unrestricted (deficit)	20,908	35,455	38,806	26,352	(40,935)	(70,943)	(60,756)	(59,530)	(45,408)	(39,221)
Total Net Position	**$445,638**	**$442,631**	**$404,608**	**$350,009**	**$307,413**	**$250,898**	**$259,551**	**$242,739**	**$287,650**	**$282,438**
Expressed as a percent of the total	%	%	%	%	%	%	%	%	%	%
Net Investment in Capital Assets	64.3	62.7	66.7	67.1	85.4	99.2	94.8	95.8	93.6	94.1
Restricted, Non-expendable	5.8	5.6	5.8	4.9	5.8	7.6	10.1	10.3	8.6	8.4
Restricted, Expendable	25.2	23.7	17.9	20.5	22.1	21.5	18.5	18.4	13.6	11.4
Unrestricted (deficit)	4.7	8.0	9.6	7.5	(13.3)	(28.3)	(23.4)	(24.5)	(15.8)	(13.9)
Total Net Position	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
% increase/(decrease) from prior year	%	%	%	%	%	%	%	%	%	%
Net Investment in Capital Assets	3.2	2.8	15.0	(10.6)	5.6	1.1	5.7	(13.6)	1.3	(0.8)
Restricted, Non-expendable	4.5	4.8	37.8	(5.2)	(6.1)	(27.1)	4.6	2.0	4.4	4.7
Restricted, Expendable	7.1	45.2	0.6	5.9	25.6	12.3	8.0	13.8	21.8	(1.3)
Unrestricted (deficit)	(41.0)	(8.6)	47.3	164.4	42.3	(16.8)	(2.1)	(31.1)	(15.8)	(22.4)
Total Net Position	**0.7**	**9.4**	**15.6**	**13.9**	**22.5**	**(3.3)**	**6.9**	**(15.6)**	**1.8**	**(3.0)**

Note: The University implemented GASB 75 in FY 2018, historical data has not been restated in the statistical section.

The University implemented GASB 87 in FY 2022, historical data has not been restated in the statistical section.

The University implemented GASB 96 in FY 2023, historical data has not been restated in the statistical section.

The University implemented GASB 101 in FY 2025, historical data has not been restated in the statistical section.

Operating Expenses by Natural Classification

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Personal Services	$340,688	$321,829	$293,953	$267,141	$251,970	$267,900	$260,390	$254,688	$243,537	$233,543
Benefits	111,326	103,954	94,556	89,006	87,732	92,137	89,195	86,550	82,172	78,687
Pensions and OPEB (1)	(10,562)	(9,364)	(11,201)	(16,860)	(3,923)	(2,487)	(15,094)	(2,521)	11,741	10,926
Personal Services and Benefits	441,452	416,419	377,308	339,287	335,779	357,550	334,491	338,717	337,450	323,156
Operations	169,154	169,949	164,186	145,159	117,181	142,004	140,987	136,563	130,446	119,182
Scholarships	38,628	34,974	30,648	74,028	53,646	46,946	39,857	38,658	35,290	31,485
Depreciation and Amortization (2)	58,277	56,828	53,568	51,353	42,055	45,239	42,822	42,830	41,538	37,964
Total Operating Expenses by Natural Classification	**$707,511**	**$678,170**	**$625,710**	**$609,827**	**$548,661**	**$591,739**	**$558,157**	**$556,768**	**$544,724**	**$511,787**
Expressed as a percent of the total	%	%	%	%	%	%	%	%	%	%
Personal Services	48.2	47.5	47.0	43.8	45.9	45.3	46.6	45.7	44.7	45.6
Benefits	15.7	15.3	15.1	14.6	16.0	15.6	16.0	15.6	15.1	15.4
Pensions and OPEB (1)	(1.5)	(1.4)	(1.8)	(2.8)	(0.7)	(0.4)	(2.7)	(0.4)	2.2	2.1
Personal Services and Benefits	62.4	61.4	60.3	55.6	61.2	60.5	59.9	60.9	62.0	63.1
Operations	23.9	25.1	26.2	23.8	21.4	24.0	25.3	24.5	23.9	23.3
Scholarships	5.5	5.1	4.9	12.1	9.8	7.9	7.1	6.9	6.5	6.2
Depreciation and Amortization (2)	8.2	8.4	8.6	8.5	7.6	7.6	7.7	7.7	7.6	7.4
Total Operating Expenses by Natural Classification	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
% increase (decrease) from prior year	%	%	%	%	%	%	%	%	%	%
Personal Services	5.9	9.5	10.0	6.0	(5.9)	2.9	2.2	4.6	4.3	0.2
Benefits	7.1	9.9	6.2	1.5	(4.8)	3.3	3.1	5.3	4.4	1.7
Pensions and OPEB (1)	(12.8)	16.4	33.6	(329.8)	(57.7)	83.5	(498.7)	121.5	(7.5)	(247.0)
Personal Services and Benefits	6.0	10.4	11.2	1.0	(6.1)	6.9	(1.2)	0.4	4.4	3.0
Operations	(0.5)	3.5	13.1	23.9	(17.5)	0.7	3.2	4.7	9.5	5.4
Scholarships	10.4	14.1	(58.6)	38.0	14.3	17.8	3.1	9.5	12.1	8.3
Depreciation and Amortization (2)	2.5	6.1	4.3	22.1	(7.0)	5.6	(0.0)	3.1	9.4	8.1
Total Operating Expenses by Natural Classification	**4.3**	**8.4**	**2.6**	**11.1**	**(7.3)**	**6.0**	**0.2**	**2.2**	**6.4**	**4.3**

(1) Implementation of GASB 45/75 (OPEB) and GASB 68 (Pensions) resulted in recognition of benefit-related operating expenses/revenue each

(2) Implementation of GASB 87 (Leases) resulted in recognition of lease assets, lease receivables, and corresponding lease liabilities, along with related amortization and interest expense or revenue each year.

(2) Implementation of GASB 96 (Subscription-Based Information Technology Arrangements) resulted in recognition of subscription assets, liabilities, and related amortization and interest expense each year.

Change in Net Position

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Operating Revenues										
Tuition and fees, net	$197,033	$201,626	$195,450	$200,933	$218,452	$233,911	$237,605	$236,790	$237,930	$217,047
Government Grants and contracts	65,181	59,571	49,313	42,237	40,695	38,514	35,287	29,818	25,802	22,772
Private grants and contracts	6,246	9,768	6,321	4,541	5,573	4,866	4,618	4,127	4,372	3,438
Residence Life, net	48,604	48,075	43,797	38,533	28,753	33,189	35,729	32,437	32,791	32,141
Other auxiliaries	38,674	37,666	34,076	30,554	24,605	24,917	29,850	34,042	27,656	24,745
Other revenues	33,948	27,945	23,220	18,516	14,913	19,438	24,931	22,362	23,110	21,577
Total Operating Revenues	**$389,686**	**$384,651**	**$352,177**	**$335,314**	**$332,991**	**$354,835**	**$368,020**	**$359,576**	**$351,661**	**$321,720**
Expenses										
Operating Expenses										
Instruction	$192,733	$187,785	$174,993	$155,023	$148,212	$171,180	$168,338	$174,245	$176,334	$169,385
Research	75,328	70,167	58,678	51,895	51,635	55,608	46,113	40,655	36,068	30,142
Public service	49,520	44,392	37,034	30,853	24,735	28,945	30,924	31,665	28,866	28,163
Academic support	55,452	48,536	46,400	40,281	38,880	36,939	38,445	39,482	41,074	40,506
Student services	56,060	57,697	54,320	56,525	56,192	69,409	57,210	55,138	54,246	53,834
Institutional support	96,273	93,802	84,430	79,975	71,831	70,740	62,202	64,158	59,238	52,447
Operation and maintenance of plant	21,778	24,746	35,322	27,162	22,648	23,368	27,456	29,031	31,003	29,790
Scholarships and fellowships	38,628	34,974	30,648	74,028	53,646	46,946	39,857	38,659	35,290	31,485
Auxiliary enterprises	63,462	59,242	50,317	42,733	38,827	43,365	44,790	40,905	41,067	38,071
Depreciation	58,277	56,829	53,568	51,353	42,055	45,239	42,822	42,830	41,538	37,964
Total Operating Expenses	**$707,511**	**$678,170**	**$625,710**	**$609,828**	**$548,661**	**$591,739**	**$558,157**	**$556,768**	**$544,724**	**$511,787**
Operating loss	**$(317,825)**	**$(293,519)**	**$(273,533)**	**$(274,514)**	**$(215,670)**	**$(236,904)**	**$(190,137)**	**$(197,192)**	**$(193,063)**	**$(190,067)**
Nonoperating Revenues (Expenses)										
State appropriations	$139,922	$144,555	$165,322	$138,737	$107,396	$113,523	$103,200	$99,716	$100,106	$94,633
Share of state tax - TRIF	32,299	46,666	19,560	39,777	17,079	16,943	15,844	14,339	13,752	13,827
Government grants	107,033	104,216	96,224	146,393	119,622	86,950	73,183	71,612	68,533	66,142
Private gifts and grants	29,470	24,880	15,343	14,294	13,259	14,550	14,175	14,460	14,050	13,093
Investment income/ (loss)	21,197	20,657	13,044	(9,416)	15,112	4,596	6,255	4,298	3,863	959
Interest on debt	(19,924)	(21,607)	(24,006)	(24,705)	(22,441)	(23,990)	(28,084)	(28,061)	(28,144)	(27,187)
Other nonoperating revenues, net	7,538	5,711	7,352	8,695	8,361	5,957	14,330	16,126	15,488	10,578
Net Nonoperating Revenues	**$317,535**	**$325,078**	**$292,839**	**$313,775**	**$258,388**	**$218,529**	**$198,903**	**$192,490**	**$187,648**	**$172,045**
Income/(loss) before other revenues, expenses, gains, or losses	**$(290)**	**$31,559**	**$19,306**	**$39,261**	**$42,718**	**$(18,375)**	**$8,766**	**$(4,702)**	**$(5,415)**	**$(18,022)**
Capital appropriations	$4,885	$5,303	$5,301	$5,040	$4,879	$5,900	$5,896	$5,897	$4,247	$5,493
Capital grants and gifts	13	20	29,075	1,420	7,974	2,870	1,164	3,321	5,474	3,010
Additions to permanent endowments	1,149	1,141	917	906	943	952	986	922	906	863
Increase/(Decrease) in Net Position	**$5,757**	**$38,023**	**$54,599**	**$46,627**	**$56,514**	**$(8,653)**	**$16,812**	**$5,438**	**$5,212**	**$(8,656)**
Total Revenues	$733,192	$737,799	$704,570	$681,879	$627,616	$607,076	$603,053	$590,267	$578,080	$530,318
Total Expenses	727,435	699,776	649,971	635,252	571,102	615,729	586,241	584,829	572,868	538,974
Increase/(Decrease) in Net Position	**$5,757**	**$38,023**	**$54,599**	**$46,627**	**$56,514**	**$(8,653)**	**$16,812**	**$5,438**	**$5,212**	**$(8,656)**

Change in Net Position (Continued)

(Expressed as a percent of Total Revenues / Total Expenses)

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues	%	%	%	%	%	%	%	%	%	%
Operating Revenues										
Tuition and fees, net	26.9	27.3	27.8	29.5	34.8	38.5	39.4	40.1	41.2	40.9
Government grants and contracts	8.9	8.1	7.0	6.2	6.5	6.3	5.9	5.1	4.5	4.3
Private grants and contracts	0.9	1.3	0.9	0.7	0.9	0.8	0.8	0.7	0.8	0.6
Residence life, net	6.5	6.5	6.2	5.6	4.6	5.5	5.9	5.5	5.7	6.1
Other auxiliaries	5.3	5.1	4.8	4.5	3.9	4.1	4.9	5.8	4.8	4.7
Other revenues	4.6	3.8	3.3	2.7	2.4	3.2	4.1	3.8	4.0	4.1
Total Operating Revenues	**53.1**	**52.1**	**50.0**	**49.2**	**53.1**	**58.4**	**61.0**	**61.0**	**61.0**	**60.7**
Expenses										
Operating Expenses										
Instruction	26.5	26.8	26.9	24.4	25.9	27.8	28.7	29.8	30.8	31.4
Research	10.4	10.0	9.0	8.2	9.0	9.0	7.9	7.0	6.3	5.6
Public service	6.8	6.3	5.7	4.9	4.3	4.7	5.3	5.4	5.0	5.2
Academic support	7.6	6.9	7.1	6.3	6.8	6.0	6.6	6.8	7.2	7.5
Student services	7.7	8.2	8.4	8.9	9.8	11.3	9.8	9.4	9.5	10.0
Institutional support	13.2	13.4	13.0	12.6	12.6	11.5	10.6	11.0	10.3	9.7
Operation and maintenance of plant	3.0	3.5	5.4	4.3	4.0	3.8	4.7	5.0	5.4	5.5
Scholarships and fellowships	5.3	5.0	4.7	11.7	9.4	7.6	6.8	6.6	6.2	5.8
Auxiliary enterprises	8.7	8.5	7.7	6.7	6.8	7.0	7.6	7.0	7.2	7.1
Depreciation and Amortization	8.0	8.1	8.2	8.1	7.4	7.3	7.3	7.3	7.3	7.0
Total Operating Expenses	**97.2**	**96.7**	**96.1**	**96.1**	**96.0**	**96.0**	**95.3**	**95.3**	**95.2**	**94.8**
Operating loss	**(43.3)**	**(39.8)**	**(38.8)**	**(40.3)**	**(34.3)**	**(39.0)**	**(31.5)**	**(33.4)**	**(33.4)**	**(35.8)**
Nonoperating Revenues (Expenses)										
State appropriations	19.1	19.6	23.5	20.3	17.1	18.7	17.1	16.9	17.3	17.8
Share of state tax - TRIF	4.4	6.3	2.8	5.8	2.7	2.8	2.6	2.4	2.4	2.6
Government grants	14.6	14.1	13.7	21.5	19.0	14.3	12.1	12.1	11.9	12.5
Private gifts	4.0	3.4	2.2	2.1	2.1	2.4	2.4	2.4	2.4	2.5
Investment income	2.9	2.8	1.9	(1.4)	2.4	0.8	1.0	0.7	0.7	0.2
Interest on debt	(2.7)	(3.1)	(3.7)	(3.9)	(3.9)	(3.9)	(4.8)	(4.8)	(4.9)	(5.0)
Other nonoperating revenues, net	1.0	0.8	1.0	1.3	1.3	1.0	2.4	2.7	2.7	2.0
Net Nonoperating Revenues	**43.3**	**43.9**	**41.4**	**45.7**	**40.7**	**36.1**	**32.8**	**32.4**	**32.5**	**32.6**
Income/(loss) before other revenues, expenses, gains, or losses	**(0.0)**	**4.1**	**2.6**	**5.4**	**6.4**	**(2.9)**	**1.3**	**(1.0)**	**(0.9)**	**(3.3)**
Capital appropriations	0.7	0.8	0.8	0.7	0.8	1.0	1.0	1.0	0.7	1.0
Capital grants	0.0	0.0	4.1	0.2	1.3	0.5	0.2	0.6	0.9	0.6
Additions to permanent endowments	0.2	0.3	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Increase/(Decrease) in Net Position	**0.8**	**5.2**	**7.6**	**6.8**	**9.0**	**(1.4)**	**2.8**	**0.9**	**0.9**	**(1.5)**

Change in Net Position (Continued)

(Percentage increase (decrease) from prior year)

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Operating Revenues										
Tuition and fees, net	(2.3)	3.2	(2.7)	(8.0)	(6.6)	(1.6)	0.3	(0.5)	9.6	5.6
Government grants and contracts	9.4	20.8	16.8	3.8	5.7	9.1	18.3	15.6	13.3	2.2
Private grants and contracts	(36.1)	54.5	39.2	(18.5)	14.5	5.4	11.9	(5.6)	27.2	23.1
Residence life, net	1.1	9.8	13.7	34.0	(13.4)	(7.1)	10.1	(1.1)	2.0	1.7
Other auxiliaries	2.7	10.5	11.5	24.2	(1.3)	(16.5)	(12.3)	23.1	11.8	5.6
Other revenues	21.5	20.3	25.4	24.2	(23.3)	(22.0)	11.5	(3.2)	7.1	(7.1)
Total Operating Revenues	**1.3**	**9.2**	**5.0**	**0.7**	**(6.2)**	**(3.6)**	**2.3**	**2.3**	**9.3**	**4.2**
Expenses										
Operating Expenses										
Instruction	2.6	7.3	12.9	4.6	(13.4)	1.7	(3.4)	(1.2)	4.1	1.4
Research	7.4	19.6	13.1	0.5	(7.1)	20.6	13.4	12.7	19.7	18.4
Public service	11.6	19.9	20.0	24.7	(14.5)	(6.4)	(2.3)	9.7	2.5	4.3
Academic support	14.2	4.6	15.2	3.6	5.3	(3.9)	(2.6)	(3.9)	1.4	12.0
Student services	(2.8)	6.2	(3.9)	0.6	(19.0)	21.3	3.8	1.6	0.8	7.0
Institutional support	2.6	11.1	5.6	11.3	1.5	13.7	(3.0)	8.3	12.9	(8.2)
Operation and maintenance of plant	(12.0)	(29.9)	30.0	19.9	(3.1)	(14.9)	(5.4)	(6.4)	4.1	15.6
Scholarships and fellowships	10.4	14.1	(58.6)	38.0	14.3	17.8	3.1	9.5	12.1	8.3
Auxiliary enterprises	7.1	17.7	17.7	10.1	(10.5)	(3.2)	9.5	(0.4)	7.9	1.0
Depreciation and Amortization	2.5	6.1	4.3	22.1	(7.0)	5.6	(0.0)	3.1	9.4	8.1
Total Operating Expenses	**4.3**	**8.4**	**2.6**	**11.1**	**(7.3)**	**6.0**	**0.2**	**2.2**	**6.4**	**4.3**
Operating loss	**8.3**	**7.3**	**(0.4)**	**27.3**	**(9.0)**	**24.6**	**(3.6)**	**2.1**	**1.6**	**4.4**
Nonoperating Revenues (Expenses)										
State appropriations	(3.2)	(12.6)	19.2	29.2	(5.4)	10.0	3.5	(0.4)	5.8	(15.5)
Share of state tax - TRIF	(30.8)	138.6	(50.8)	132.9	0.8	6.9	10.5	4.3	(0.5)	4.2
Government grants & contracts	2.7	8.3	(34.3)	22.4	37.6	18.8	2.2	4.5	3.6	10.9
Private gifts	18.4	62.2	7.3	7.8	(8.9)	2.6	(2.0)	2.9	7.3	0.5
Investment income	2.6	58.4	(238.5)	(162.3)	228.8	(26.5)	45.5	11.3	302.8	(45.8)
Interest on debt	(7.8)	(10.0)	(2.8)	10.1	(6.5)	(14.6)	0.1	(0.3)	3.5	19.6
Other nonoperating revenues, net	32.0	(22.3)	(15.4)	4.0	40.4	(58.4)	(11.1)	4.1	46.4	27.9
Net Nonoperating Revenues	**(2.3)**	**11.0**	**(6.7)**	**21.4**	**18.2**	**9.9**	**3.3**	**2.6**	**9.1**	**(7.2)**
Income/(loss) before other revenues, expenses, gains, or losses	**(100.9)**	**63.5**	**(50.8)**	**(8.1)**	**(332.5)**	**(309.6)**	**(286.4)**	**(13.2)**	**(70.0)**	**(644.6)**
Capital appropriations	(7.9)	0.0	5.2	3.3	(17.3)	0.1	(0.0)	38.9	(22.7)	(5.7)
Capital grants	(34.9)	(99.9)	1,947.5	(82.2)	177.8	146.6	(65.0)	(39.3)	81.9	4,916.7
Additions to permanent endowments	0.8	24.4	1.2	(3.9)	(0.9)	(3.4)	6.9	1.8	5.0	0.6
Increase/(Decrease) in Net Position	**(84.9)**	**(30.0)**	**16.5**	**(17.5)**	**753.1**	**(151.5)**	**209.2**	**4.3**	**160.2**	**(186.1)**


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NAU

Academic Year Tuition and Required Fees

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PLEDGE* Resident Undergraduate										
Northern Arizona University	$13,009	$12,652	$12,273	$11,896	$11,896	$11,896	$11,564	$11,059	$10,764	$10,358
Percent increase from prior year	2.8%	3.1%	3.2%	0.0%	0.0%	2.9%	4.6%	2.7%	3.9%	3.7%
PLEDGE* Non-Resident Undergraduate										
Northern Arizona University	$29,881	$28,900	$27,535	$26,642	$26,642	$26,516	$25,828	$24,841	$24,144	$23,348
Percent increase from prior year	3.4%	5.0%	3.4%	0.0%	0.5%	2.7%	4.0%	2.9%	3.4%	3.7%

* PLEDGE tuition rate means new freshman and transfer students will pay the same tuition rate for four years. The PLEDGE rate began in fall 2008-2009.

Resident Graduate										
Northern Arizona University	$13,641	$13,146	$12,639	$12,250	$11,726	$11,726	$10,970	$10,261	$9,990	$9,606
Percent increase from prior year	3.8%	4.0%	3.2%	4.5%	0.0%	6.9%	6.9%	2.7%	4.0%	4.8%
Non-Resident Graduate										
Northern Arizona University	$31,979	$30,638	$29,189	$28,240	$26,954	$25,730	$24,056	$22,609	$21,976	$21,244
Percent increase from prior year	4.4%	5.0%	3.4%	4.8%	4.8%	7.0%	6.4%	2.9%	3.4%	4.9%

Sources: ABOR History Tuition and Fees: ABOR Base Tuition and Fees

NAU's tuition rates are approved by the Arizona Board of Regents

Principal Revenue Sources

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tuition and Fees, net of scholarship allowance	**$197,033**	**$201,626**	**$195,450**	**$200,933**	**$218,452**	**$233,911**	**$237,605**	**$236,790**	**$237,930**	**$217,047**
Percent of total revenue	27%	27%	28%	29%	35%	39%	39%	40%	41%	41%
Percent increase/(decrease) from prior year	(2%)	3%	(3%)	(8%)	(7%)	(2%)	0%	0%	10%	6%
State of Arizona Government										
State appropriations	$139,922	$144,555	$165,322	$138,737	$107,396	$113,523	$103,200	$99,716	$100,106	$94,633
Technology and research initiatives funding	32,299	46,666	19,560	39,777	17,079	16,943	15,844	14,339	13,752	13,827
Capital appropriations	4,885	5,303	5,302	5,040	4,879	5,900	5,896	5,897	4,247	5,493
State grants and contracts	33,371	33,314	25,943	8,451	32,548	8,037	7,685	6,062	6,675	3,591
Arizona State Government	**$210,477**	**$229,838**	**$216,127**	**$192,005**	**$161,902**	**$144,403**	**$132,625**	**$126,014**	**$124,780**	**$117,544**
Percent of total revenue	29%	31%	31%	28%	26%	24%	22%	21%	22%	22%
Percent increase (decrease) from prior year	(8%)	6%	13%	19%	12%	9%	5%	1%	6%	(13%)
Federal Government										
Federal grants and contracts	$76,243	$76,017	$73,255	$133,500	$64,515	$66,836	$49,050	$45,199	$41,508	$39,773
Financial aid grants	52,942	44,703	39,241	40,929	42,625	45,530	46,908	46,062	42,881	41,587
Federal Government	**$129,185**	**$120,720**	**$112,496**	**$174,429**	**$107,140**	**$112,366**	**$95,958**	**$91,261**	**$84,389**	**$81,360**
Percent of total revenue	18%	16%	16%	26%	17%	19%	16%	15%	15%	15%
Percent increase/(decrease) from prior year	7%	7%	(36%)	63%	(5%)	17%	5%	8%	4%	8%
Total from principal revenue payers	**$536,695**	**$552,184**	**$524,073**	**$567,367**	**$487,494**	**$490,680**	**$466,188**	**$454,065**	**$447,099**	**$415,951**
Percent of total revenue	73%	75%	74%	83%	78%	81%	77%	77%	77%	78%
Percent increase/(decrease) from prior year	(3%)	5%	(8%)	16%	(1%)	5%	3%	2%	7%	0%

Long-Term Debt

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenue Bonds	$437,375	$466,580	$494,550	$516,295	$534,735	$531,805	$520,925	$537,980	$526,925	$536,420
Unamortized Premium	35,149	38,450	40,751	43,779	46,807	49,836	26,213	27,435	28,658	30,748
Net Revenue Bonds	**$472,524**	**$505,030**	**$535,301**	**$560,074**	**$581,542**	**$581,641**	**$547,138**	**$565,415**	**$555,583**	**$567,168**
Certificates of Participation (COPs)	$24,240	$28,010	$32,640	$36,220	$39,370	$42,210	$45,940	$49,550	$53,040	$54,985
Unamortized Premium	1,104	1,551	3,625	4,097	4,570	5,043	5,516	5,989	6,462	6,935
Net Certificates of Participation	**$25,344**	**$29,561**	**$36,265**	**$40,317**	**$43,940**	**$47,253**	**$51,456**	**$55,539**	**$59,502**	**$61,920**
Net System Revenue Bonds Payable	$472,524	$505,030	$535,301	$560,074	$581,542	$581,641	$547,138	$565,415	$555,583	$567,168
Net COPs Payable	25,344	29,561	36,265	40,317	43,940	47,253	51,456	55,539	59,502	61,920
Financed Purchases	-	-	-	5,455	6,827	25,720	27,767	15,138	14,729	15,773
Lease and Subscription Liabilities	213,520	216,138	215,262	205,452	-	-	-	-	-	-
Total	**$711,388**	**$750,729**	**$786,828**	**$811,298**	**$632,309**	**$654,614**	**$626,361**	**$636,092**	**$629,814**	**$644,861**
Long Term Debt (whole dollars)										
per Student FTE	$25,166	$27,384	$29,231	$29,912	$22,520	$22,437	$21,316	$21,545	$21,937	$23,557
per Dollar of State Appropriations and State Aid	$4.91	$5.01	$4.61	$5.64	$5.63	$5.48	$5.74	$6.02	$6.04	$6.44
per Dollar of Total Grants and Contracts	$3.88	$4.17	$4.64	$2.90	$3.43	$4.26	$5.12	$5.45	$5.72	$6.09

Data Used in Above Calculations

Total Student FTE	28,268	27,415	26,918	27,123	28,078	29,175	29,384	29,524	28,710	27,375
State Appropriations and State Capital Appropriations	$144,807	$149,858	$170,623	$143,777	$112,276	$119,423	$109,096	$105,613	$104,353	$100,126
Grants and Contracts	$183,276	$180,233	$169,479	$279,893	$184,137	$153,786	$122,233	$116,811	$110,041	$105,915

Summary of Ratios

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Summary of Composite Financial Index Ratios										
+ Primary Reserve Ratio	**0.35**	**0.30**	**0.28**	**0.26**	**0.17**	**0.10**	**0.13**	**0.13**	**0.13**	**0.09**
/ Strength Factor	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
= Ratio / Strength Factor	2.63	2.26	2.11	1.95	1.28	0.75	0.98	0.98	0.98	0.68
* Weighting Factor	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
= Ratio Subtotal	0.92	0.79	0.74	0.68	0.45	0.26	0.34	0.34	0.34	0.24
= Ratio 10.00 Cap Subtotal	0.92	0.79	0.74	0.68	0.45	0.26	0.34	0.34	0.34	0.24
+ Return on Net Assets Ratio	**1.3%**	**8.8%**	**14.1%**	**4.1%**	**22.4%**	**1.3%**	**5.8%**	**5.4%**	**7.4%**	**(1.5%)**
/ Strength Factor	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
= Ratio / Strength Factor	0.65	4.40	7.05	2.05	10.00	0.65	2.90	2.70	3.70	(0.75)
* Weighting Factor	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
= Ratio Subtotal	0.13	0.88	1.41	0.41	2.00	0.13	0.58	0.54	0.74	(0.15)
= Ratio 10.00 Cap Subtotal	0.13	0.88	1.41	0.41	2.00	0.13	0.58	0.54	0.74	(0.15)
+ Net Operating Revenues Ratio	**6.9%**	**3.9%**	**2.9%**	**6.1%**	**7.3%**	**(3.1%)**	**1.3%**	**(1.1%)**	**(0.9%)**	**(3.6%)**
/ Strength Factor	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
= Ratio / Strength Factor	5.31	3.00	2.23	4.69	5.62	(2.38)	1.00	(0.85)	(0.69)	(2.77)
* Weighting Factor	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
= Ratio Subtotal	0.53	0.30	0.22	0.47	0.56	(0.24)	0.10	(0.08)	(0.07)	(0.28)
= Ratio 10.00 Cap Subtotal	0.53	0.30	0.22	0.47	0.56	(0.24)	0.10	(0.08)	(0.07)	(0.28)
+ Viability Ratio	**0.5**	**0.4**	**0.3**	**0.3**	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
/ Strength Factor	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42
= Ratio / Strength Factor	1.27	0.98	0.79	0.67	0.39	0.24	0.24	0.24	0.24	0.24
* Weighting Factor	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
= Ratio Subtotal	0.45	0.34	0.28	0.24	0.13	0.08	0.08	0.08	0.08	0.08
= Ratio 10.00 Cap Subtotal	0.45	0.34	0.28	0.24	0.13	0.08	0.08	0.08	0.08	0.08
Composite Financial Index	**2.0**	**2.3**	**2.6**	**1.8**	**3.1**	**0.2**	**1.1**	**0.9**	**1.1**	**(0.1)**
Composite Financial Index w/10.00 Cap	**2.0**	**2.3**	**2.6**	**1.8**	**3.1**	**0.2**	**1.1**	**0.9**	**1.1**	**(0.1)**

The Composite Financial Index (CFI) provides a methodology for a single overall financial measurement of the institution's health based on the four core ratios. The CFI uses a reasonable weighting plan and allows a weakness or strength in a specific ratio to be offset by another ratio result, which provides a more balanced measure. The CFI provides a more holistic approach to understanding the financial health of the institution. The CFI scores are not intended to be precise measures; they are indicators of ranges of financial health that can be indicators of overall institutional well-being when combined with non-financial indicators. Ratio/Strength are capped at a maximum of 10 before the weighting factors are applied so that a higher CFI does not unduly mask a weakness in the ratio.

Summary of Ratios - (Continued)

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PRIMARY RESERVE RATIO										
Unrestricted Net Position	$20,908	$35,455	$38,806	$26,352	$(40,935)	$(70,943)	$(60,756)	$(59,530)	$(45,408)	$(39,221)
Unrestricted Net Assets - Component Units	67,527	11,577	13,983	13,738	10,961	7,251	7,760	8,814	10,403	10,055
Expendable Restricted Net Position	112,542	105,041	72,347	71,905	67,905	54,058	48,146	44,594	39,193	32,184
Temp. Restricted Net Assets - Component Units	62,996	67,501	63,049	58,204	63,705	71,546	85,038	81,573	69,074	49,179
Expendable Net Position/Assets	**$263,974**	**$219,574**	**$188,185**	**$170,199**	**$101,636**	**$61,912**	**$80,188**	**$75,451**	**$73,262**	**$52,197**
Operating Expenses	$707,511	$678,170	$625,710	$609,827	$548,661	$591,739	$558,157	$556,768	$544,724	$511,787
Nonoperating Expenses	19,924	21,607	24,006	24,705	22,441	23,990	28,084	28,061	28,144	27,187
Component Unit Total Expenses	35,518	28,624	21,533	18,190	25,096	16,523	15,079	14,220	13,085	13,186
Total Expenses	**$762,953**	**$728,401**	**$671,249**	**$652,722**	**$596,198**	**$632,252**	**$601,320**	**$599,049**	**$585,953**	**$552,160**
Expendable Net Position	$263,974	$219,574	$188,185	$170,199	$101,636	$61,912	$80,188	$75,451	$73,262	$52,197
Total Expenses	$762,953	$728,401	$671,249	$652,722	$596,198	$632,252	$601,320	$599,049	$585,953	$552,160
Ratio	**0.35**	**0.30**	**0.28**	**0.26**	**0.17**	**0.10**	**0.13**	**0.13**	**0.13**	**0.09**

Measures the financial strength of the institution by indicating how long the institution could function using its expendable reserves to cover operations should additional net assets not be available. A positive ratio and an increase in amount over time denotes strength.

RETURN ON NET ASSETS RATIO

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Change in Total Net Position	$5,758	$56,743	$79,459	$22,014	$99,722	$5,696	$24,016	$21,337	$30,862	$(6,331)
Total Net Position (Beginning of Year)	$439,881	$643,276	$563,563	$541,549	$445,858	$440,162	$416,146	$394,809	$414,296	$420,627
Ratio	**1.3%**	**8.8%**	**14.1%**	**4.1%**	**22.4%**	**1.3%**	**5.8%**	**5.4%**	**7.4%**	**(1.5%)**

Measures total economic return. While an increasing trend reflects strength, a decline may be appropriate and even warranted if it represents a strategy on the part of the institution to fulfill its mission.

NET OPERATING REVENUES RATIO

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Income/(Loss) Before Capital and Endowment Additions	$(290)	$31,559	$19,306	$39,262	$42,718	$(18,375)	$8,766	$(4,702)	$(5,415)	$(18,022)
Component Unit Change in Unrestricted Net Assets Before Extraordinary or Special items	$55,951	$(2,406)	245	2,776	3,710	(509)	(1,054)	(1,589)	348	(787)
Adjusted Income/(Loss) before Capital and Endowment Additions and Component Unit Change in Unrestricted Net Assets Before Extraordinary or Special items	$55,660	$29,153	$19,551	$42,038	$46,428	$(18,884)	$7,712	$(6,291)	$(5,067)	$(18,809)

Summary of Ratios - (Continued)

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Operating Revenues	$389,686	$384,651	$352,178	$335,315	$332,991	$354,835	$368,020	$359,576	$351,661	$321,720
State Appropriation and State related revenues	172,220	191,221	184,882	178,514	124,475	130,466	119,044	114,055	113,858	108,460
Non-capital Gifts and Grants, net	136,503	129,097	111,566	160,687	132,881	101,500	87,358	86,072	82,583	79,235
Investment Income (Loss), net	21,197	20,657	13,044	(9,416)	15,112	4,596	6,255	4,298	3,863	959
Component Units Total Unrestricted Revenue	91,469	26,218	21,777	24,558	28,806	16,013	14,025	12,631	13,433	12,399
Adjusted Net Operating Revenues	$811,074	$751,844	$683,447	$689,658	$634,265	$607,410	$594,702	$576,632	$565,398	$522,773
Adjusted Income/(Loss) Before Other Revenues, Expenses, Gains or Losses and Component Unit Change in Unrestricted Net Assets Before Extraordinary or Special Items	$55,660	$29,153	$19,551	$42,038	$46,428	$(18,884)	$7,712	$(6,291)	$(5,067)	$(18,809)
Adjusted Net Operating Revenues	$811,074	$751,844	$683,447	$689,658	$634,265	$607,410	$594,702	$576,632	$565,398	$522,773
Ratio	**6.9%**	**3.9%**	**2.9%**	**6.1%**	**7.3%**	**(3.1%)**	**1.3%**	**(1.1%)**	**(0.9%)**	**(3.6%)**

Measures whether the institution is living within available resources. A positive ratio and an increasing amount over time generally reflects strength.

VIABILITY RATIO

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Unrestricted Net Position	$20,908	$35,455	$38,806	$26,352	$(40,935)	$(70,943)	$(60,756)	$(59,530)	$(45,408)	$(39,221)
Unrestricted Net Assets - Component Units	67,527	11,577	13,983	13,738	10,961	7,251	7,760	8,814	10,403	10,055
Expendable Restricted Net Position/ Assets	112,542	105,041	72,347	71,905	67,905	54,058	48,146	44,594	39,193	32,184
Temporarily Restricted Net Assets - Component Units	62,996	67,501	63,049	58,204	63,705	71,546	85,038	81,573	69,074	49,179
Expendable Net Position	$263,973	$219,574	$188,185	$170,199	$101,636	$61,912	$80,188	$75,451	$73,262	$52,197
University LT Debt, net financed purchases with CUs	$497,869	$534,591	$571,565	$605,846	$632,311	$654,614	$626,361	$636,092	$629,813	$644,861
Component Units Long Term Debt	-	-	-	-	-	-	-	-	-	-
Total Adjusted University Debt	$497,869	$534,591	$571,565	$605,846	$632,311	$654,614	$626,361	$636,092	$629,813	$644,861
Expendable Net Position	$263,973	$219,574	$188,185	$170,199	$101,636	$61,912	$80,188	$75,451	$73,262	$52,197
Total Adjusted University Debt	$497,869	$534,591	$571,565	$605,846	$632,311	$654,614	$626,361	$636,092	$629,813	$644,861
Ratio	**0.53**	**0.41**	**0.33**	**0.28**	**0.16**	**0.09**	**0.13**	**0.12**	**0.12**	**0.08**

Measures the ability of the institution to cover its debt as of the balance sheet date, should the institution need to do so. A positive ratio of greater than 1:1 generally denotes strength.

Summary of Ratios - Other Ratios

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OPERATING MARGIN EXCLUDING GIFTS										
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	$(290)	$31,559	$19,306	$39,262	$42,718	$(18,375)	$8,766	$(4,702)	$(5,415)	$(18,022)
Adjusted Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	**$(290)**	**$31,559**	**$19,306**	**$39,262**	**$42,718**	**$(18,375)**	**$8,766**	**$(4,702)**	**$(5,415)**	**$(18,022)**
Total Operating Revenues	$389,686	$384,651	$352,178	$335,315	$332,991	$354,835	$368,020	$359,576	$351,661	$321,720
State appropriation and share of sales tax	172,220	191,221	184,882	178,514	124,475	130,466	119,044	114,055	113,858	108,460
Investment Income/(Loss), net	21,197	20,657	13,044	(9,416)	15,112	4,596	6,255	4,298	3,863	959
Adjusted Net Operating Revenues less Non-capital Gifts and Grants	**$583,103**	**$596,529**	**$550,104**	**$504,413**	**$472,578**	**$489,897**	**$493,319**	**$477,929**	**$469,382**	**$431,139**
Adjusted Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	$(290)	$31,559	$19,306	$39,262	$42,718	$(18,375)	$8,766	$(4,702)	$(5,415)	$(18,022)
Adjusted Net Operating Revenues less Non-capital Gifts and Grants	$583,103	$596,529	$550,104	$504,413	$472,578	$489,897	$493,319	$477,929	$469,382	$431,139
Ratio	**(0.0%)**	**5.3%**	**3.5%**	**7.8%**	**9.0%**	**(3.8%)**	**1.8%**	**(1.0%)**	**(1.2%)**	**(4.2%)**

A more restrictive measure of whether the institution is living within available resources. A positive ratio and an increasing amount over time generally reflects strength.

RESEARCH EXPENSES TO TOTAL OPERATING EXPENSES

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Expenses	$707,511	$678,170	$625,710	$609,827	$548,660	$591,739	$558,157	$556,768	$544,724	$511,787
Scholarships and Fellowships	(38,628)	(34,974)	(30,649)	(74,028)	(53,646)	(46,946)	(39,857)	(38,659)	(35,290)	(31,485)
Interest on Debt	19,924	21,607	24,006	24,705	22,441	23,990	28,084	28,061	28,144	27,187
Total Adjusted Operating Expenses	**$688,807**	**$664,803**	**$619,067**	**$560,504**	**$517,455**	**$568,783**	**$546,384**	**$546,170**	**$537,578**	**$507,489**
Research Expenses	$75,328	$70,167	$58,678	$51,895	$51,635	$55,608	$46,113	$40,655	$36,068	$30,142
Total Adjusted Operating Expenses	$688,807	$664,803	$619,067	$560,504	$517,455	$568,783	$546,384	$546,170	$537,578	$507,489
Ratio	**10.9%**	**10.6%**	**9.5%**	**9.3%**	**10.0%**	**9.8%**	**8.4%**	**7.4%**	**6.7%**	**5.9%**

Measures the institution’s research expense to the total operating expenses.

Summary of Ratios - Other Ratios (Continued)

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NET TUITION PER STUDENT										
Tuition and Fees, net	$197,033	$201,626	$195,450	$200,933	$218,452	$233,911	$237,605	$236,790	$237,930	$217,047
Financial Aid Grants	52,942	44,703	39,241	40,929	42,625	45,530	46,908	46,062	42,881	41,587
Scholarships and Fellowships	(38,628)	(34,974)	(30,649)	(74,028)	(53,646)	(46,946)	(39,857)	(38,659)	(35,290)	(31,485)
Net Tuition and Fees	$211,347	$211,355	$204,042	$167,834	$207,431	$232,495	$244,656	$244,193	$245,521	$227,149
Student FTE	28,268	27,415	26,918	27,123	28,078	29,175	29,384	29,524	28,710	27,375
Net Tuition per Student (whole dollars)	**$7,477**	**$7,709**	**$7,580**	**$6,188**	**$7,388**	**$7,969**	**$8,326**	**$8,271**	**$8,552**	**$8,298**

Measures the institution’s net student tuition and fees received per student.

STATE APPROPRIATIONS PER STUDENT										
State Appropriations	$139,922	$144,555	$165,322	$138,737	$107,396	$113,523	$103,200	$99,716	$100,106	$94,633
Capital State Appropriations	4,885	5,303	5,302	5,040	4,880	5,900	5,896	5,897	4,247	5,493
Adjusted State Appropriations	$144,807	$149,858	$170,624	$143,777	$112,276	$119,423	$109,096	$105,613	$104,353	$100,126
Student FTE	28,268	27,415	26,918	27,123	28,078	29,175	29,384	29,524	28,710	27,375
Adjusted State Appropriation per Student (whole dollars)	**$5,123**	**$5,466**	**$6,339**	**$5,301**	**$3,999**	**$4,093**	**$3,713**	**$3,577**	**$3,635**	**$3,658**

Measures the institution’s dependency on state appropriations.

Summary of Ratios - Debt Related Ratios

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENDABLE RESOURCES TO DEBT										
Unrestricted Net Position	$20,908	$35,455	$38,806	$26,352	$(40,935)	$(70,943)	$(60,756)	$(59,530)	$(45,408)	$(39,221)
Expendable Restricted Net Position	112,542	105,041	72,347	71,905	67,905	54,058	48,146	44,594	39,193	32,184
Expendable Net Position	$133,450	$140,496	$111,153	$98,257	$26,970	$(16,885)	$(12,610)	$(14,936)	$(6,215)	$(7,037)
Total Bonds, COPS, and Financed Purchases	$497,869	$534,591	$571,565	$605,846	$632,311	$654,614	$626,361	$636,092	$629,814	$644,861
Ratio	**(0.3)**	**(0.3)**	**(0.2)**	**(0.2)**	**-0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Measures the ability of the institution to cover its debt using expendable resources as of the statement of net position date.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL FINANCIAL RESOURCES TO DIRECT DEBT										
Unrestricted Net Position	$20,908	$35,455	$38,806	$26,352	$(40,935)	$(70,943)	$(60,756)	$(59,530)	$(45,408)	$(39,221)
Expendable Restricted Net Position	112,542	105,041	72,347	71,905	67,905	54,058	48,146	44,594	39,193	32,184
Non-expendable Restricted Net Position	25,725	24,610	23,481	17,039	17,969	19,142	26,258	25,107	24,625	23,593
Total Financial Resources	$159,175	$165,106	$134,634	$115,296	$44,939	$2,257	$13,648	$10,171	$18,410	$16,556
Total Bonds, COPS, and Financed Purchases	$497,869	$534,591	$571,565	$605,846	$632,311	$654,614	$626,361	$636,092	$629,814	$644,861
Ratio	**0.3**	**0.3**	**0.2**	**0.2**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

A broader measure of the ability of the institution to cover its debt as of the statement of net position date.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
DIRECT DEBT TO ADJUSTED CASH FLOW										
Net Cash Used by Operating Activities	$(265,838)	$(238,372)	$(241,002)	$(244,386)	$(174,717)	$(184,852)	$(163,438)	$(147,009)	$(135,026)	$(150,773)
State Appropriations	139,922	144,555	165,322	138,737	107,396	113,523	103,200	99,716	100,106	94,633
Share of State Sales Tax - TRIF	32,299	46,666	18,138	38,255	17,079	16,943	15,844	14,339	13,752	13,827
Non-capital Grants and Contracts, Gifts, Other	136,503	129,097	109,006	161,597	119,011	101,500	87,358	86,072	82,583	79,235
Adjusted Cash Flow from Operations	**$42,885**	**$81,946**	**$51,464**	**$94,203**	**$68,769**	**$47,114**	**$42,964**	**$53,118**	**$61,415**	**$36,922**
Total Bonds, COPS, and Financed Purchases	$497,869	$534,591	$571,565	$605,846	$632,311	$654,614	$626,361	$636,092	$629,814	$644,861
Adjusted Cash Flow from Operations	42,885	81,946	51,464	94,203	68,769	47,114	42,964	53,118	61,415	36,922
Ratio	**11.6**	**6.5**	**11.1**	**6.4**	**9.2**	**13.9**	**14.6**	**12.0**	**10.3**	**17.5**

Measures the financial strength of the institution by indicating how long (in years) the institution would take to repay the debt using the cash provided by its operations. A decreasing ratio over time denotes strength.

Summary of Ratios - Debt Related Ratios (Continued)

Fiscal Year Ended June 30, (Dollars in thousands)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
DEBT SERVICE TO OPERATIONS										
Interest and Fees Paid on Debt	$19,924	$21,607	$24,006	$24,705	$22,441	$23,990	$28,084	$28,061	$28,144	$27,187
Principal Paid on Debt	$116,969	$116,970	$30,780	22,963	40,158	24,212	24,051	18,193	88,795	46,400
Principal Paid from Refinancing Activities (1)	(89,660)	(89,660)	-	-	-	(206,340)	-	-	(73,005)	(33,680)
Debt Service	$47,233	$48,917	$54,786	$47,668	$62,599		$52,135	$46,254	$43,934	$39,907
Operating Expenses	$707,511	$678,170	$625,710	$609,828	$548,660	$591,739	$558,157	$556,768	$544,724	$511,787
Ratio	**6.7%**	**7.2%**	**8.8%**	**7.8%**	**11.4%**	**(26.7%)**	**9.3%**	**8.3%**	**8.1%**	**7.8%**

Measures the institution’s dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures.

(1) Obtained amount from refunding bonds official statements.

Debt Service Coverage for Senior Lien System Revenue Bonds

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tuition and Fees, net of scholarship allowance	$197,033	$201,626	$195,450	$200,933	$218,452	$233,911	$237,605	$236,790	$237,930	$217,047
Receipts from Other Major Revenue Sources (Facilities Revenues)	130,725	127,868	109,616	91,538	75,343	86,040	92,508	85,874	75,144	68,525
Net Revenues Available for Debt Service	**$327,758**	**$329,494**	**$305,066**	**$292,471**	**$293,795**	**$319,951**	**$330,113**	**$322,664**	**$313,074**	**$285,572**
Senior Lien Bonds Debt Service										
Interest on Debt	$10,805	$12,063	$12,487	$11,436	$11,403	$12,573	$15,569	$15,599	$15,738	$15,926
Principal Paid on Debt	$14,020	$12,033	11,525	8,650	8,320	10,290	9,305	7,140	8,445	6,500
Direct Payment - Build America Bonds	-	-	-	-	-	(1,418)	(2,162)	(2,204)	(2,245)	(2,247)
Senior Lien Bonds Debt Service Requirements	**$24,825**	**$24,096**	**$24,012**	**$20,086**	**$19,723**	**$21,445**	**$22,712**	**$20,535**	**$21,938**	**$20,179**
Coverage	**13.20**	**13.67**	**12.70**	**14.56**	**14.90**	**14.92**	**14.53**	**15.71**	**14.27**	**14.15**

Bond Resolution Covenant: The Gross Revenues of the University for each fiscal year will be at least 150% of the Maximum Annual Debt Service due in any fiscal year.

Subordinate Lien Bonds Debt Service										
Interest on Debt	$3,502	$4,042	$4,320	$3,704	$3,704	$5,239	$6,627	$6,871	$7,093	$7,223
Principal Paid on Debt	6,390	5,870	5,600	5,345	5,840	5,395	5,205	5,035	3,345	-
Direct Payment - Build America Bonds	-	-	-	-	(123)	(1,077)	(1,137)	(1,186)	(1,235)	(1,255)
Direct Payment - State Lottery Revenue	(7,990)	(8,039)	(8,043)	(8,044)	(8,047)	(8,128)	(8,858)	(8,866)	(7,590)	(4,900)
Subordinate Lien Bonds Debt Service Requirements	**$1,902**	**$1,873**	**$1,877**	**$1,005**	**$1,374**	**$1,429**	**$1,837**	**$1,854**	**$1,613**	**$1,068**
Combined Senior/Subordinate Lien Debt Service	**$26,727**	**$25,969**	**$25,889**	**$21,091**	**$21,097**	**$22,874**	**$24,549**	**$22,389**	**$23,551**	**$21,247**
Coverage	**12.26**	**12.69**	**11.78**	**13.87**	**13.93**	**13.99**	**13.45**	**14.41**	**13.29**	**13.44**

Debt Service assurance and SPEED Bond Resolution Covenant: The Gross Revenues of the University for each fiscal year will be at least 100% of the annual debt service due on all outstanding parity bonds and subordinate obligations.

Admissions, Enrollment, and Degrees Earned

Fall Enrollment of Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ADMISSIONS - FRESHMEN										
Applications	35,100	37,805	44,855	42,872	37,386	36,855	36,831	36,875	36,511	29,583
Accepted	31,453	34,383	35,881	33,592	30,523	31,313	30,428	29,812	28,495	22,739
Enrolled	4,975	5,473	5,575	5,297	5,217	5,455	5,869	5,900	5,607	5,218
Accepted as Percentage of Application	90%	91%	80%	78%	82%	85%	83%	81%	78%	77%
Enrolled as Percentage of Accepted	16%	16%	16%	16%	17%	17%	19%	20%	20%	23%
Average SAT scores - Total	1150	1155	1170	1165	1137	1136	1138	1124	1045	1050
Verbal/Evidence-Based Reading & Writing	590	590	590	590	572	572	574	568	523	520
Math	560	570	570	574	566	563	563	557	522	520
ENROLLMENT										
Student FTE	28,268	27,415	26,918	27,123	28,078	29,175	29,384	29,524	28,710	27,375
Student Headcount	28,468	28,194	28,090	28,718	29,569	30,736	31,073	31,057	30,368	29,031
Men (Headcount)	10,607	10,287	10,276	10,414	10,717	11,537	11,814	12,064	12,016	11,622
Percentage of Total	37.3%	36.5%	36.6%	36.3%	36.2%	37.5%	38.0%	38.8%	39.6%	40.0%
Women (Headcount)	17,813	17,907	17,814	18,304	18,852	19,199	19,259	18,993	18,352	17,409
Percentage of Total	62.6%	63.5%	63.4%	63.7%	63.8%	62.5%	62.0%	61.2%	60.4%	60.0%
Unknown (Headcount)	48	0	0	0	0	0	0	0	0	0
Percentage of Total	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
African American (Headcount)	863	836	841	900	985	1,019	1,070	1,067	1,007	946
Percentage of Total	3.0%	3.0%	3.0%	3.1%	3.3%	3.3%	3.4%	3.4%	3.3%	3.3%
Hispanic/Latino (Headcount)	7,113	6,964	6,960	7,047	7,378	7,395	7,236	7,118	6,635	6,036
Percentage of Total	25.0%	24.7%	24.8%	24.5%	25.0%	24.1%	23.3%	22.9%	21.8%	20.8%
White (Headcount)	14,253	14,899	15,351	15,955	16,262	16,942	17,452	17,957	17,982	17,645
Percentage of Total	50.1%	52.8%	54.6%	55.6%	55.0%	55.1%	56.2%	57.8%	59.2%	60.8%
Other (Headcount)	6,239	5,495	4,938	4,816	4,944	5,380	5,315	4,915	4,744	4,404
Percentage of Total	21.9%	19.5%	17.6%	16.8%	16.7%	17.5%	17.1%	15.8%	15.6%	15.2%
DEGREES EARNED										
Bachelor's	5,197	5,175	5,264	5,885	6,207	6,258	6,119	6,040	5,900	5,105
Master's	2,106	2,065	1,630	1,372	1,330	1,268	1,249	1,194	1,217	1,270
Doctoral	249	234	245	228	220	213	194	174	147	132
Total Degrees Earned	7,552	7,474	7,139	7,485	7,757	7,739	7,562	7,408	7,264	6,507

Source: Northern Arizona University - Institutional Research and Analysis

Demographic Data

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Arizona Population	7,582,384	7,431,344	7,359,197	7,276,316	7,421,401	7,278,717	7,171,646	7,016,270	6,931,071	6,829,397
Arizona Personal Income (in millions)	$506,625	$458,154	$417,021	$403,739	$363,274	$336,514	$313,042	$292,108	$278,925	$266,756
Arizona Per Capita Personal Income	$64,456	$61,652	$56,667	$55,487	$48,950	$46,233	$43,650	$41,633	$40,243	$39,060
Arizona Unemployment Rate	4.1%	3.8%	3.5%	3.5%	7.9%	4.5%	4.9%	4.9%	5.4%	6.0%

Sources: U.S. Bureau of Economic Analysis & Arizona Department of Administration

Principal Arizona Employers

	Calendar Year Ended December 31, 2024			Calendar Year Ended December 31, 2019		
Employer	Total Arizona Employment	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
Banner Health	40,373	1	1.1%	45,894	1	1.3%
State of Arizona	40,185	2	1.1%	37,040	2	1.0%
Amazon.com, Inc.	40,000	3	1.1%	15,000	7	0.4%
Wal-Mart Stores, Inc.	37,648	4	1.0%	33,619	3	1.0%
Fry’s Food Stores	21,000	5	0.6%	20,165	4	0.6%
Arizona State University	14,572	6	0.4%	14,889	8	0.4%
City of Phoenix	13,416	7	0.4%	14,821	9	0.4%
Wells Fargo	13,000	8	0.3%	16,700	5	0.5%
University of Arizona	12,300	9	0.3%	15,967	6	0.5%
Honor Health	12,238	10	0.3%			
Total	**244,732**		**6.4%**	**214,095**		**6.0%**

Sources: Phoenix Business Journal, Book of Lists 2024
Arizona Commerce Authority website, https://www.azcommerce.com/oeo/labor-market/unemployment/.

Faculty and Staff

Fall employment of fiscal year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FACULTY										
Full-time	1160	1,140	1,054	1,001	998	1,175	1,180	1,151	1,094	1,068
Part-time	473	492	554	541	481	607	625	593	569	553
Total Faculty	**1,633**	**1,632**	**1,608**	**1,542**	**1,479**	**1,782**	**1,805**	**1,744**	**1,663**	**1,621**
Percentage Tenured	43%	45%	47%	49%	53%	46%	47%	47%	49%	49%
STAFF										
Full-time	2,245	2,184	1,987	1,911	1,936	2,009	2,034	1,987	1,952	1,883
Part-time*	705	1,199	1,029	943	684	775	772	751	737	753
Total Staff	**2,950**	**3,383**	**3,016**	**2,854**	**2,620**	**2,784**	**2,806**	**2,738**	**2,689**	**2,636**
Total Faculty and Staff	**4,583**	**5,015**	**4,624**	**4,396**	**4,099**	**4,566**	**4,611**	**4,482**	**4,352**	**4,257**

*Part-time staff counts do not include temporary employees

Source: Northern Arizona University Institutional Research and Analysis

Percentage Tenured includes tenured and tenure track faculty.

Capital Assets

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Academic/Support Facilities	96	96	98	97	97	97	96	87	88	87
Auxiliary Facilities	79	79	79	79	79	71	71	39	38	38
Total	**175**	**175**	**177**	**176**	**176**	**168**	**167**	**126**	**126**	**125**

Does not include leased facilities.

Source: NAU - Capital Improvement Plan - Building Inventory Report Section

Credits

Content

Brad Miner

Associate Vice President & University Comptroller

Anton Ciochetti

Assistant Comptroller

Suzzanna Rodriguez

Assistant Comptroller

Kristi Markey

Manager, Accounting

Oriol Casé Rovira

Financial Planning and Reporting Analyst, Lead

Francine Dalgai

Accountant, Principal

Additional Contributions by

Financial Accounting Services staff

Financial Compliance, Analysis and Reporting staff

Contracts, Purchasing and Risk Management staff

Student and Departmental Account Services staff

Institutional Research and Analysis staff

Budget Office staff

President's Office

This annual comprehensive financial report is compiled and issued by:

Brad Miner – Associate Vice President for Financial Services & University Comptroller

Northern Arizona University

PO Box 4069

Flagstaff, AZ 86011

This report is also available online at https://nau.edu/Comptroller/Annual-Financial-Reports/

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Associate Vice President and Comptroller's Office

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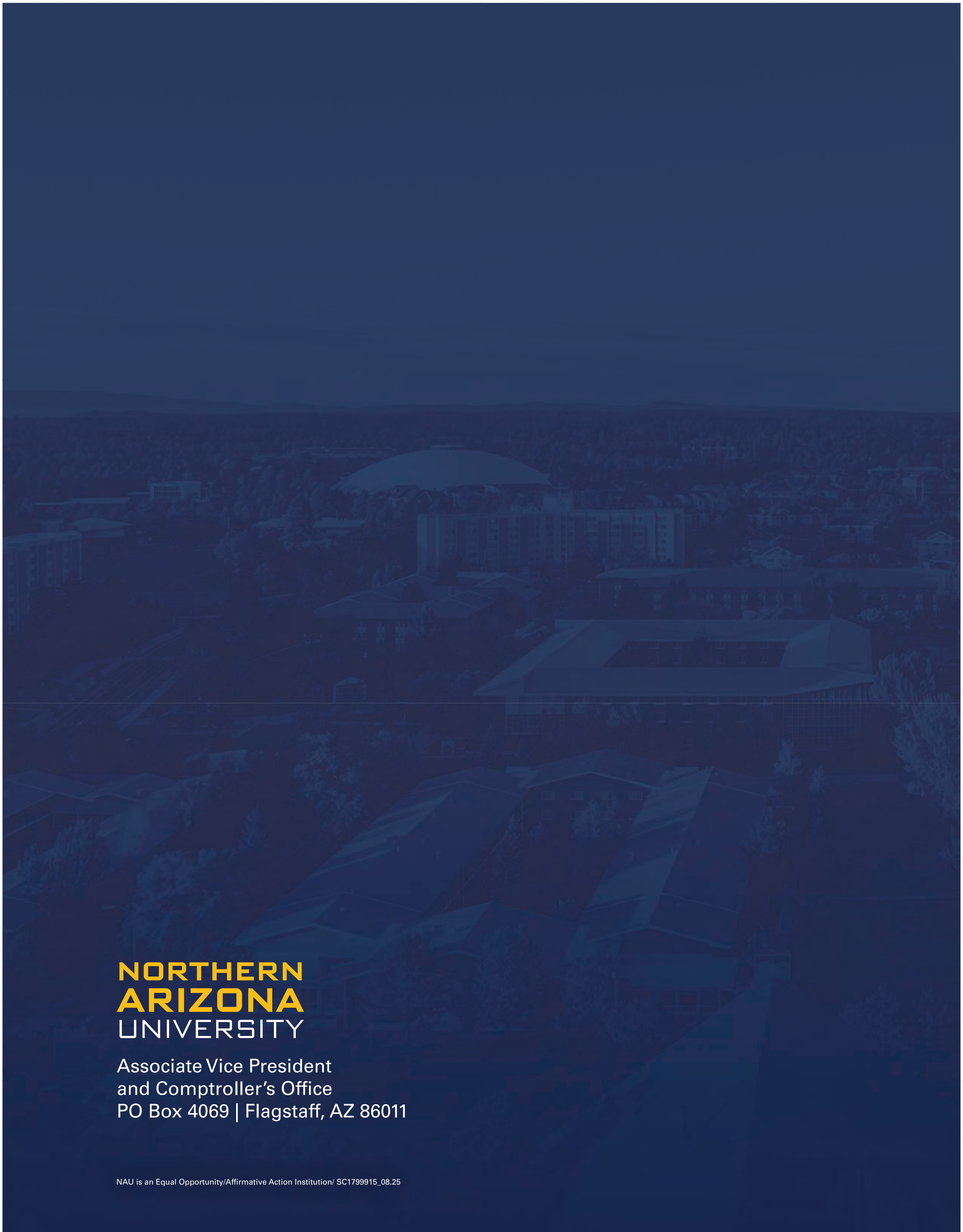

NORTHERN ARIZONA UNIVERSITY

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a brief summary of certain provisions of the Bond Resolution, as supplemented, and should not be considered a full statement thereof. It is qualified in its entirety by reference to the entire Bond Resolution.

DEFINITIONS

For the purpose of this summary, the following words and phrases have the following meanings:

"**1986 Resolution**" means the Third Supplemental Resolution of the Board adopted April 25, 1986, authorizing the issuance of the Northern Arizona University System Revenue Bonds, Series 1986.

"2011 Resolution" means the Twentieth Supplemental Resolution of the Board adopted September 22, 2011, authorizing the issuance of the 2012 Bonds.

"2012 Bonds" means the Northern Arizona University System Revenue Bonds, Series 2012, authorized by the 2011 Resolution.

"**2016 Bonds**" means the Northern Arizona University System Revenue and Refunding Bonds, Tax-Exempt Series 2016A and the Northern Arizona University System Revenue Bonds, Taxable Series 2016B, authorized by the 2016 Resolution.

"**2016 Resolution**" means the Twenty-Second Supplemental Resolution of the Board adopted on April 7, 2016, authorizing the issuance of the 2016 Bonds.

"**2017 Bonds**" means the Northern Arizona University System Revenue Bonds, Series 2017A, authorized by the 2017 Resolution.

"**2017 Refunding Bonds**" means the Northern Arizona University System Revenue Refunding Bonds, Series 2017, authorized by the Refunding Resolution.

"**2017 Resolution**" means the Twenty-Third Supplemental Resolution of the Board adopted on March 9, 2017, authorizing the issuance of the 2017 Bonds.

"**2020 Refunding Bonds**" means the Northern Arizona University System Revenue Refunding Bonds, Taxable Series 2020A and the Northern Arizona University System Revenue Refunding Bonds, Tax-Exempt Series 2020B, authorized by the Refunding Resolution.

"**2020 Refunding Supplemental Resolution**" means the supplemental resolution adopted by the Board on August 20, 2020, authorizing the issuance of the 2020 Taxable Refunding Bonds and the 2021 Refunding Bonds.

"**2020 Taxable Refunding Bonds**" means the Northern Arizona University System Revenue Refunding Bonds, Taxable Series 2020, authorized by the 2020 Refunding Supplemental Resolution.

"**2021 Refunding Bonds**" means the Northern Arizona University System Revenue Refunding Bonds, Tax-Exempt Series 2021, authorized by the 2020 Refunding Supplemental Resolution.

"**2024 Bonds**" means the Northern Arizona University System Revenue Refunding Bonds, Series 2024, authorized by the Refunding Resolution.

“**2025 Bonds**” means the Northern Arizona University System Revenue Refunding Bonds, Series 2025, authorized by the Refunding Resolution.

“**2026 Bonds**” means the Northern Arizona University System Revenue Refunding Bonds, Series 2026 authorized by the Refunding Resolution.

“**Assumed Interest Rate**” means, with respect to Variable Rate Indebtedness, 110% of the greater of (i) the rate per annum in effect at the end of a calendar month ending within the last 60 days, or if issued too recently for the foregoing to apply, the rate per annum which was in effect on the date of issuance, or (ii) the weighted average rate per annum for the most recent 12 full calendar months or such lesser period the obligations have been Outstanding. For computing the Maximum Annual Debt Service Requirement in connection with the issuance of Parity Bonds, the Assumed Interest Rate will not be less than the “25 Revenue Bond Index” published in The Bond Buyer, or any comparable successor index, as of the end of a calendar month ending within 60 days of the date of determination.

“**Board**” means the Arizona Board of Regents.

“**Bond**” **or** “**Bonds**” means any bond or bonds issued and outstanding pursuant to the Bond Resolution, including the 2012 Bonds, the 2016 Bonds, the 2017 Bonds, the 2020 Taxable Refunding Bonds, the 2021 Refunding Bonds, the System Revenue Refunding Bonds and any Parity Bonds hereafter issued.

“**Bond Resolution**” **or** “**Resolution**” means, collectively, the 1986 Resolution, as thereafter supplemented and amended, including by the 2011 Resolution, the Refunding Resolution, the 2016 Resolution, the 2017 Resolution, the 2020 Refunding Supplemental Resolution and any further supplement and amendment to the 1986 Resolution.

“**Credit Enhanced Indebtedness**” means (i) any series of Parity Bonds payment when due of the principal of and interest on which are fully secured by an irrevocable letter of credit, surety bond, insurance policy or other credit facility or arrangement pursuant to which the Board is obligated to reimburse the issuer thereof for advances made thereunder to pay such principal or interest, or (ii) any series of Parity Bonds, a feature of which is an option on the part of the holders thereof to tender, or a requirement that such holders tender, all or a portion of such Parity Bonds to the Board, or a trustee or other fiduciary for such holders, or another party, for payment of a purchase price or similar payment prior to their specified maturity or due date, if and to the extent that a party other than the Board has undertaken to provide the monies necessary for such payment.

“**Defeasance Obligations**” means

(i) Government Obligations;

(ii) Tax-exempt obligations provisions for all payments on which have been made by the irrevocable deposit of Government Obligations or securities described in clause (i) above, which will provide sufficient moneys to pay all amounts when due on the obligations;

(iii) Tax-exempt obligations timely payments on which have been insured by a policy of municipal bond insurance or surety bond and which are rated in the highest investment grade rating category by S&P or Moody’s; and

(iv) With respect to the 2012 Bonds, the 2020 Refunding Bonds, the 2024 Bonds the 2025 Bonds, and the 2026 Bonds, but only if such Bonds are insured by a policy of municipal bond insurance, only noncallable direct obligations of the United States of America and any other obligations approved by the issuer of such policy of municipal bond insurance.

“**Fiscal Year**” means the period commencing July 1 and ending June 30 of each succeeding calendar year, unless otherwise determined and designated by the Board.

“**Government Obligations**” means obligations issued or guaranteed by the United States of America or any department, agency or instrumentality thereof.

"**Gross Revenues**" means and includes (a) all tuition, registration, matriculation, laboratory, admission and other fees from students matriculated, registered or enrolled at and attending the University, and (b) all fees, rentals and other charges from students, faculty, staff members and others using or being served by, or having the right to use and to be served by any revenue producing facility, building, or project within the System of Building Facilities, including interest received on and profits realized from the sale of investments made from moneys from any revenue producing facility, building or project within the System of Building Facilities.

"**Maximum Annual Debt Service Requirement**" means the greatest amount required to be paid in any Fiscal Year for payment of principal of and interest on the Bonds; for the purposes of such computation, (i) Variable Rate Indebtedness will be treated as bearing interest at the Assumed Interest Rate, (ii) debt service on Credit Enhanced Indebtedness will include any periodic fees payable to the issuer of any liquidity or credit facility, and (iii) debt service on Credit Enhanced Indebtedness will not be based upon the terms of any reimbursement obligation to the issuer of any liquidity or credit facility except for payments actually required to be made pursuant to the reimbursement obligation as a result of the issuer's unreimbursed advances of funds thereunder.

"**Outstanding**", when used with reference to the Bonds means Bonds which are outstanding and unpaid, but such term shall not include Bonds (a) which have matured and for which moneys are on deposit with the proper paying agents, or are otherwise available, sufficient to pay all principal and interest thereof, or (b) provision for payment of which has been made by the Board by the deposit in an irrevocable trust or escrow of funds or Defeasance Obligations, the principal and interest of which will be sufficient to pay at maturity or at prior redemption all the principal, interest and premium, if any, of such Bonds.

"**Owner**" or "**Owners**" means the registered holder or holders of any Bond or Bonds.

"**Parity Bonds**" means and includes all Bonds hereinafter authorized, issued and Outstanding in accordance with the Bond Resolution, on a parity with the Outstanding 2012 Bonds, 2016 Bonds, 2017 Bonds, 2020 Taxable Refunding Bonds, 2021 Refunding Bonds and System Revenue Refunding Bonds.

"**Refunding Resolution**" means the Refunding Resolution of the Board adopted September 27, 2012, authorizing, among other things, the issuance of refunding system revenue bonds.

"**System of Building Facilities**" collectively means the projects, buildings, structures and facilities of the University including administrative offices, exhibition and lecture halls, classrooms, auditoriums, libraries infirmaries, laboratories, museums, observatories, gymnasiums, activity centers, off-street parking facilities, dining halls, stadiums, student unions and any and all other unencumbered buildings, structures and facilities including housing and any and all improvements thereto; and may also include the acquisition or construction of any building, structure or facility for the University authorized and designated to be in the System of Building Facilities by the Arizona Legislature, and/or the Board.

"**System Revenue Refunding Bonds**" means all of the Northern Arizona University System Revenue Refunding Bonds authorized by the Refunding Resolution, including the 2017 Refunding Bonds, the 2020 Refunding Bonds, the 2024 Bonds, the 2025 Bonds, and the 2026 Bonds.

"**Treasurer**" means the Treasurer duly appointed by the Board and his or her successors in office.

"**Trustee**" means U.S. Bank Trust Company, National Association or any successor appointed and acting in such capacity with respect to such bonds.

"**University**" means Northern Arizona University.

"**Variable Rate Indebtedness**" means any series of Bonds the rate of interest on which is not established at the time of issuance as one or more numerical rates applicable throughout the term thereof or for specified periods during the term thereof, so that at the time of issuance or at the time of any calculation with respect thereto the numerical rate of interest which will be in effect during all remaining portions of the term thereof cannot be determined.

PLEDGE

<u>Pledge and Application of Revenues</u>

The 2026 Bonds, together with the Outstanding 2012 Bonds, 2016 Bonds, 2017 Bonds, 2020 Taxable Refunding Bonds, 2021 Refunding Bonds, System Revenue Refunding Bonds and any Parity Bonds that may subsequently be issued and Outstanding, are payable from a pledge of, and secured by a first lien on, the Gross Revenues. The pledge of, and lien on, the Gross Revenues is irrevocably made and created for the payment of the principal of and interest on the Bonds, and to create and maintain the funds as specified in the Bond Resolution. None of the Bonds is entitled to priority or distinction one over the other in the application of the Gross Revenues pledged.

FLOW OF FUNDS

<u>Funds and Accounts</u>

The Bond Resolution provides that the Board is to maintain with the Trustee the following funds and accounts:

(a) *Revenue Fund.* The Treasurer is required to remit to the Trustee at the end of each six-month period, ending on each May 31 and November 30, for deposit into the Revenue Fund, the amounts of the Gross Revenues of the University as are available and necessary to maintain the funds and accounts established by the Bond Resolution and to make the payments required with respect to the Parity Bonds. To the extent sufficient amounts of the Gross Revenues of the University have been deposited with the Trustee to satisfy the requirements set forth above at the end of each six-month period, the remaining Gross Revenues of the University that have been collected in any period will be surplus revenues and will be available to the Board for any lawful purpose for the University.

(b) *Bond Fund.* The Treasurer is required to cause to be deposited in the Bond Fund all accrued interest and any premium received from the sale of any Parity Bonds. The Trustee is required to transfer from the Revenue Fund to the Bond Fund on or before each December 1 or June 1, an amount which, together with any moneys on deposit in the Bond Fund, is equal to the next interest payment on the Bonds plus an amount equal to one-half of the principal payment or payments coming due in the next Fiscal Year with respect to the Bonds.

<u>Surplus Revenues and Deficiencies</u>

After all required payments and transfers have been made and any deficiencies from any previous Fiscal Year have been remedied, the Trustee is required to transfer from the Revenue Fund amounts necessary to pay the fees of the Trustee and depository trustee for the Bonds. After all required payments and transfers have been made, all moneys remaining in the Revenue Fund on May 31 of each Fiscal Year in excess of amounts required to be transferred to the Bond Fund on the succeeding June 1 constitute surplus revenues and may be used by the Board for any lawful purpose for the University. If the moneys in the Revenue Fund are not sufficient to make the transfers described above, any deficiency is required to be made up from the first moneys thereafter received and available for transfers under the terms of the Bond Resolution, and the transfer of any sum or sums to said fund or accounts as may be necessary to make up any deficiency are required to be in addition to the then-current transfers required to be made pursuant to the Bond Resolution.

PARTICULAR COVENANTS WITH BONDHOLDERS

The Board has covenanted and agreed with the Owners of Bonds Outstanding from time to time as follows:

(1) <u>Title to the System of Building Facilities and the Project Sites.</u> It will retain title to the sites of the System of Building Facilities and it will not sell, lease, mortgage, pledge or otherwise dispose of or encumber the System of Building Facilities or the sites, or any part or facility necessary to the operation and use thereof, or voluntarily cause or permit to be created any debt, lien, pledge, assignment or any other charge against the Gross Revenues pledged under the Bond Resolution for the payment of any obligation ranking prior to the Bonds. The Board reserves the right to dispose of or remove any building or facility comprising a part of the System of Building Facilities, but only when

its disposition will not adversely affect the production of Gross Revenues to meet the requirements of the Bond Resolution.

(2) Operation of System of Building Facilities. It will maintain, preserve and keep the System of Building Facilities in good repair, working order and condition so that the System of Building Facilities will be available for maximum use and occupancy, and that it will continuously operate and manage the System of Building Facilities in an efficient manner and at economical cost.

(3) Rate Covenant. It will fix, revise from time to time, and collect (i) tuition, registration, matriculation, laboratory, and admission fees from students matriculated, registered or enrolled at and attending the University and (ii) fees, admissions, rentals and other charges received from students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, the System of Building Facilities, in an aggregate amount so that the Gross Revenues will be at least equal to 200% of the Maximum Annual Debt Service Requirement becoming due in any year on all Bonds then Outstanding, and sufficient at all times continually to operate and maintain the System of Building Facilities and provide moneys at the times and in the amounts as required by the Bond Resolution.

(4) Parietal Rules. The Board will require and adopt parietal rules and regulations designed to assure the maximum use of the System of Building Facilities until all of the Bonds have been fully paid. It will not permit any free use of the System of Building Facilities unless the Gross Revenues are adequate to meet all requirements of the Bond Resolution.

(5) Insurance. It will keep the System of Building Facilities, including furnishings, equipment and facilities continuously insured against loss or damage by fire and lightning, and boiler explosion, if applicable, in amounts as to maintain the System of Building Facilities with the exceptions and in a manner as to meet all requirements of the Bond Resolution.

(6) Audit Reports. There will be furnished to the Trustee, and to any holder of the Bonds upon written request, not more than 120 days after the close of each Fiscal Year copies of the audit reports prepared by a certified public accountant or firm of such accountants in accordance with generally accepted accounting principles.

(7) Equal Use and Occupancy. It will not discriminate in the use or occupancy of the System of Building Facilities because of race, color, creed or national origin.

(8) Pledge of Faith and Credit It pledges its full faith and credit to the punctual performance of all its duties and obligations with reference to the System of Building Facilities.

[(9) Bondholders Remedies. [_____________], as the insurer of the 2026 Bonds, is deemed to be the holder of all Outstanding 2026 Bonds and may, subject to the provisions of the Bond Resolution, by an action at law or in equity compel the Board to perform all duties imposed upon it by the Bond Resolution.]

INVESTMENT OF INCOME AND REVENUES

Moneys in any fund or account in excess of the amount necessary to meet expenditures are required to be invested by the Trustee. Investments are required to be made by the Trustee in accordance with instructions received from the Board. All obligations acquired with investments of moneys in any fund or account will be part of that fund or account. Investment income is required to be credited to and any loss thereon will be charged to that fund or account, except as otherwise provided.

The Board may not permit any of the proceeds of the Bonds or any other moneys of the Board to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bonds to be "arbitrage bonds."

The Trustee will not be liable for any depreciation in the value of any obligations in which moneys of the funds or accounts are invested or for any loss arising from any investment, except for its own negligence or default.

Moneys in any fund or account established or continued pursuant to the Bond Resolution, other than moneys which have been segregated and invested so as to render one or more series of Bonds no longer Outstanding, may be invested in any investment in which the Board may lawfully invest moneys, which mature or are redeemable, at the sole option of the holder, in amounts and on dates as may be necessary to provide moneys to make when due any payments required to be made from the fund or account.

DEFAULTS; CONCERNING THE TRUSTEE

Remedies

Upon the occurrence of any event of default on the part of the Board in failing to make required payments into the Bond Fund, as provided in the Bond Resolution, or in failing to pay principal of any Bonds at the time specified for payment or by required redemption, or in failing to pay interest on any Bonds on the date specified, or in failing to perform any of the covenants, conditions and agreements contained in the Bond Resolution and in the Bonds, which default continues for a period of thirty (30) days after notice has been given to the Board and the University by the Trustee specifying the default and requiring the same to be remedied, then the Trustee may, and upon the written request of the Owners of 25% of the principal amount of the Bonds then Outstanding (treating the insurer of any series of Bonds as the Owner of such Bonds for such purpose so long as it has not failed to comply with its payment obligations pursuant to its insurance policy with respect to such Bonds), the Trustee is required to, proceed to protect and enforce the rights of the Trustee and the holders of the Bonds by suit, action or proceeding in equity or at law.

Indemnity

The Trustee is under no obligation to institute any proceeding, or to take any steps in the enforcement of any rights and powers pursuant to the Bond Resolution, unless and until it has been indemnified to its satisfaction against any and all costs and expenses, outlays, counsel fees, and other disbursements. If any judgment, decree or recovery be obtained by the Trustee, payment of all sums due the Trustee will be a first charge against the amount of any recovery.

Removal and Resignation

The Trustee may be removed at any time by an instrument signed by the Owners of not less than 65% of the principal amount of the Bonds then Outstanding (treating the insurer of any series of Bonds as the Owner of such Bonds for such purpose so long as it has not failed to comply with its payment obligations in accordance with its insurance policy with respect to such Bonds). The Trustee may resign and become discharged from the trust. Written notice of any such resignation is required to be given to the Board and the University at least thirty (30) days before the resignation becomes effective, and the resignation is required to take effect upon the appointment and qualification of a new trustee if the new trustee is appointed and qualified before the time limited by the notice.

If the Trustee resigns or is removed, or becomes dissolved, or otherwise incapable of acting in accordance with the Bond Resolution, a successor Trustee may be appointed by the Owners of a majority in principal amount of the Parity Bonds then Outstanding (treating the insurer of any series of Bonds as the Owner of such Bonds for such purpose so long as it has not failed to comply with its payment obligations under its insurance policy with respect to such Bonds) by an instrument signed by such Owners and filed with the Secretary of the Board, provided that in case there is at any time a vacancy in the office of the Trustee, the Board is required promptly to appoint a Trustee to fill the vacancy until a new Trustee is appointed by the Owners of the Bonds.

Any successor Trustee appointed is required to be a trust company or bank having the powers of a trust company as to trusts, which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System and has an officially reported combined capital stock account, paid in surplus and undivided profits of not less than $45,000,000.

Limit on Right of Action of Bondholders

No Owner of any of the Bonds will have any right to institute any action, suit or proceeding in equity or in law for any remedy afforded by the Bond Resolution unless the Owner has made a written request of the Trustee and has afforded the Trustee reasonable opportunity either to proceed to exercise the powers granted by the Bond Resolution, or to institute the action, suit or proceeding in its or their name, and unless also there has been offered to the Trustee security and indemnity satisfactory to it against all costs, expenses and liability to be incurred.

Amendments

The Owners of 51% in principal amount of the Parity Bonds Outstanding (treating the insurer of any series of Bonds as the Owner of such Bonds for such purpose so long as it has not failed to comply with its payment obligations under its insurance policy with respect to such Bonds) may consent to and approve adoption by the Board of a resolution modifying or amending the Bond Resolution and, in addition, the Board may, without the consent of or notice to any of the Owners of the Bonds, adopt one or more resolutions modifying or amending the Bond Resolution for the following purposes: (a) to cure any ambiguity or formal defect or omission in the Bond Resolution or to correct or supplement any provision in the Bond Resolution which may be inconsistent with any other provision in the Bond Resolution, or to make any other provisions with respect to matters or questions arising pursuant to the Bond Resolution, provided the action will not, in the opinion of the Trustee, materially adversely affect the interests of the Owners of the Bonds; (b) to grant or confer upon the Owners of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon them; (c) to secure additional revenues or provide additional security or reserves for payment of the Bonds; (d) to comply with the requirements of any state or Federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder, (e) to provide for the appointment of a successor trustee; (f) to permit, (i) so long as lawful, the issuance of Bonds in book entry form not evidenced by physical certificates, or (ii) the issuance of Bonds in bearer form if, in the opinion of nationally recognized bond counsel received by the Board and the Trustee, such form will not cause the interest on any Bonds to become subject to Federal income taxes; and (g) to preserve the exemption of the interest income on the Bonds from Federal or State income taxes and to preserve the power of the Board to continue to issue bonds or other obligations (specifically not limited to the Bonds authorized by the Bond Resolution) the interest income on which is likewise exempt from Federal and State income taxes. The Trustee will not take the bond insurance policy with respect to any series of Bonds into account in determining whether the rights of the Owners of such series of Bonds are adversely affected.

Notwithstanding the foregoing, however, the Bond Resolution may not be modified or amended to: (a) change the maturity of any of the Bonds; (b) change the rate of interest borne by any of the Bonds; (c) reduce the principal amount of; or redemption premium payable on, the Bonds; (d) modify the terms of payment of the principal of, or the interest or redemption premiums on, any of the Bonds, or impose any conditions with respect to payment; (e) create any lien on or pledge of the Gross Revenues ranking prior to the lien thereon and pledge thereof created by the Bond Resolution; (f) create any preference or priority of any Bond or Bonds over any other Bond or Bonds of the several series of Bonds authorized by the Bond Resolution; (g) reduce the percentage of Bonds required for the approval of any amendatory resolution; or (h) affect the rights of the holders of not less than all of the Bonds then Outstanding.

Procedure

Whenever the Board proposes to amend or modify the Bond Resolution and the consent of Owners of the Bonds is required, notice of the proposed amendment will be mailed by registered or certified mail to each registered Owner of the Bonds, at the address shown on the bond register. If, within one year from the date of the mailing of said notice, there is filed in the office of the Secretary of the Board instruments executed by the Owners of the required principal amount of the Bonds then Outstanding (treating the insurer of any series of Bonds as the Owner of such Bonds for such purpose so long as it has not failed to comply with its payment obligations under its insurance policy with respect to such Bonds) specifically consent to and approve the adoption of the proposed amendment; the Board may adopt the amendatory resolution and it will become effective.

Effect

If the Owners of the required principal amount of the Bonds have consented to and approved the adoption thereof, no Owner of any Bond, whether or not the Owner has consented to or has revoked any consent, will have any right to object to the adoption of the amendatory resolution or to object to any of the terms or provisions contained therein or to the operation thereof or to enjoin or restrain the Board from taking any action pursuant to the provisions thereof.

Any consent given by the Owner of a Bond will be irrevocable for a period of six months from the date of the mailing of the notice and will be conclusive and binding upon all future Owners of the same Bond during the period. Consent may be revoked at any time after six months from the date of the mailing of the notice by the Owner who gave consent or by a successor in title by filing notice of the revocation with the Secretary of the Board, but the revocation will not be effective if the Owners of the required aggregate principal amount of the Bonds Outstanding prior to the attempted revocation consented to and approved the amendatory resolution.

DEFEASANCE

Provision for Payment of all Parity Bonds; Release of Bond Resolution

If any Bonds have become due and payable either at maturity or through prior redemption, or irrevocable instructions have been given by the Board to the Trustee with respect to prior redemption of all Bonds then subject to call for redemption, and the whole amount of the principal, interest and premium, if any, due and payable upon all of the Bonds then Outstanding have been transferred to and deposited with the Trustee; or if moneys or Defeasance Obligations, have been deposited and are held by the Trustee for that purpose, and the principal of and interest on which, when due, will provide sufficient moneys for payment and redemption of all Bonds, then the Bond Resolution will no longer be effective as to such Bonds, except for administering the payment of principal of, premium (if any) and interest on such Bonds from the source or sources made available therefor. All balances held by the Trustee and the Board in any fund or account not required to be used to secure unpaid Bonds are required to then revert to the Board free and clear of any claim by Trustee or the Owners of the Bonds, and thereafter the Board will not be required to transfer any Gross Revenues to the Trustee for the payment of the Bonds.

Providing for Payment of Parity Bonds

Any Bond of any series will be deemed to be paid when: (a) payment of the principal of and premium, if any, on such Bond plus interest thereon to the maturity or redemption date: (1) has been made or caused to be made in accordance with the terms thereof, or (2) has been provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for the payment, (i) moneys sufficient to make such payment, and/or (ii) Defeasance Obligations maturing as to principal and interest in the amounts and at times as will insure the availability of sufficient moneys to make the payment, and (b) all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds have been paid or provided for to the satisfaction of the Trustee.

At the time a Bond is deemed to be paid, the Bond will no longer be secured by or entitled to the benefits of the Bond Resolution, and will no longer be deemed to be Outstanding, except for the purposes of payment from the moneys or Defeasance Obligations held for that purpose.

No payment by any insurer or other guarantor or credit enhancer of principal of or interest on any Bond will result in a defeasance of the Bond Resolution with respect to that Bond.

APPENDIX D

FORM OF APPROVING LEGAL OPINION

[Closing Date]

Arizona Board of Regents
Phoenix, Arizona

Re: $26,035,000* Northern Arizona University System Revenue Refunding Bonds, Series 2026

Ladies and Gentlemen:

We are members of the Arizona Bar and have acted as Bond Counsel in connection with the authorization, issuance and sale, and the initial delivery on the date hereof, by the Arizona Board of Regents (the "*Board*") acting for and on behalf of Northern Arizona University (the "*University*") of $26,035,000* in aggregate principal amount of its Northern Arizona University System Revenue Refunding Bonds, Series 2026 (the "*2026 Bonds*"), dated [Closing Date], pursuant to the laws of the State of Arizona and a resolution adopted by the Board on April 25, 1986, as thereafter supplemented and amended, including by a supplemental resolution adopted by the Board on September 27, 2012 (collectively, the "*Bond Resolution*").

Capitalized terms used, and not otherwise defined, herein have the respective meanings set forth in the Bond Resolution.

In connection with our engagement, we have examined the law, the Bond Resolution and such certified proceedings and other documents and matters as we deemed necessary to render this opinion. We have assumed and have not verified (i) the genuineness of the signatures on all documents, the authenticity of documents submitted to us as originals and the conformity to the originals of documents submitted to us as copies, or (ii) the legal capacity of each individual signing the documents and the 2026 Bonds. As to questions of fact material to our opinion, we have relied upon and assumed compliance with the provisions of the documents and have assumed the accuracy of the certified proceedings and other certifications and representations of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, it is our opinion, and we herewith advise you, as follows:

1. The 2026 Bonds have been duly authorized, issued, sold and delivered by the Board and are valid and binding special obligations of the Board, payable, together with any bonds heretofore and hereafter issued and outstanding on a parity therewith, solely from and secured solely by a pledge of, a lien on and a security interest in the Gross Revenues (as defined in the Bond Resolution), consisting generally of student tuition and fees, and fees, rents and charges from the operation of the System of Building Facilities (as defined in the Bond Resolution) at the University.

2. Interest on the 2026 Bonds is excludable from gross income for federal income tax purposes under existing laws as enacted and construed on the date hereof. Interest on the 2026 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations, as provided in the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of computing the alternative minimum tax imposed on such corporations.

* Preliminary, subject to change.

The opinions set forth in paragraph 2, above, assume the accuracy of the certifications of the Board relating to the 2026 Bonds and are subject to the condition that the Board comply with all requirements of the Code, that must be satisfied in order for interest on the 2026 Bonds to be, or continue to be, excludable from the gross income of the owners thereof for federal income tax purposes. The Board has covenanted to comply with such requirements. Failure to comply with such requirements may cause the interest on the 2026 Bonds to be included in the gross income of the owners for federal income tax purposes retroactive to the date of issuance of the 2026 Bonds.

3. Interest on the 2026 Bonds is exempt from taxable income for State of Arizona tax purposes. Bond Counsel expresses no opinion regarding other state or local tax consequences arising with respect to the 2026 Bonds, including whether interest on the 2026 Bonds is exempt from taxation under the laws of any jurisdiction other than the State of Arizona.

Except as provided in paragraphs 2 and 3, Bond Counsel expresses no opinion regarding any other tax consequences of ownership or disposition of, or the accrual or receipt of interest on, the 2026 Bonds.

In addition to the tax consequences described above resulting from an investment in the 2026 Bonds, other federal, state and local tax consequences may result from an investment in the 2026 Bonds, as to which other tax consequences we express no opinion.

The foregoing opinions are qualified to the extent that rights and remedies of the Trustee and the holders of the 2026 Bonds, and the enforceability thereof, are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting the rights of creditors generally and general principles of equity.

Certain terms, requirements and procedures contained or referred to in the Bond Resolution may be changed and certain actions may be taken under the circumstances and subject to the terms and conditions set forth in the Bond Resolution. The opinions set forth above are qualified to the extent that we express no opinion as to whether, following any such change or the taking of any such action, interest on the 2026 Bonds will continue to be excludable from the gross income of the owners of the 2026 Bonds for federal income tax purposes.

The opinions set forth above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory or administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or any such events do occur. Our engagement with respect to the 2026 Bonds and the opinions set forth herein concludes with the delivery of this opinion, and we disclaim any obligation to update this letter.

This opinion is addressed to and is solely for the benefit of the Board and may not be relied upon by any other person without our express written consent.

The undersigned's engagement as Bond Counsel imposed no duty upon the undersigned (a) to undertake any due diligence investigation as to: (i) the adequacy of the security for the 2026 Bonds, (ii) the business or financial condition of the Board, or (iii) the veracity of any representations or certifications made by the Board on which we have relied, or (b) to prepare, file or monitor the filing of continuation statements. We have not undertaken any such investigation, and we assume no obligation to file continuation statements under the Uniform Commercial Code of any jurisdiction, or to advise you to do so.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

$26,035,000*
ARIZONA BOARD OF REGENTS
NORTHERN ARIZONA UNIVERSITY
SYSTEM REVENUE REFUNDING BONDS
SERIES 2026

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "*Disclosure Undertaking*") is executed and delivered by the Arizona Board of Regents (the "*Board*"), acting for and on behalf of Northern Arizona University (the "*University*"), in connection with the issuance by the Board of $26,035,000* principal amount of its Northern Arizona University System Revenue Refunding Bonds, Series 2026 (the "*2026 Bonds*"). The 2026 Bonds are being issued pursuant to a resolution adopted by the Board on April 25, 1986, as thereafter supplemented and amended, including by the resolution adopted by the Board on September 27, 2012 (the "*Bond Resolution*"). Certain terms are defined in Section 10 hereof.

The Board undertakes and agrees as follows:

1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Board for the benefit of the Bondholders and in order to assist each Participating Underwriter in complying with the Rule.

2. Annual Information and Audited Financial Statements. Subject to the provisions of Section 12 hereof, the Board agrees to provide or cause to be provided to the MSRB through its Electronic Municipal Market Access (EMMA) system at http://emma.msrb.org in a format required by the MSRB:

(a) Annual Information for the preceding Fiscal Year not later than the Filing Date for each Fiscal Year; and

(b) Audited Financial Statements for the preceding Fiscal Year not later than the later of the Filing Date for each Fiscal Year or promptly after becoming available to the Board.

Any or all of the items listed above may be included by specific reference to other documents; provided that if the document included by reference is not a final official statement, it must have been provided previously to the MSRB or the Securities and Exchange Commission, and if the document included by reference is a final official statement, it must be available from the MSRB.

3. Notice of Listed Events and Failure to Provide Annual Information. The Board agrees to provide or cause to be provided to the MSRB, in a timely manner:

* Preliminary, subject to change.

(a) notice of the occurrence of any of the Listed Events with respect to the 2026 Bonds within ten (10) business days of the occurrence of such Listed Event; and

(b) notice of its failure to provide or cause to be provided the Annual Information on or before the applicable Filing Date.

Notwithstanding the foregoing, notice of Listed Events consisting of bond calls or defeasances need not be given pursuant to this subsection any earlier than the date on which notice of the underlying event is given to the registered owners of affected 2026 Bonds pursuant to the Bond Resolution, and notice of the occurrence of a mandatory, scheduled redemption, not otherwise contingent upon the occurrence of an event, is not required if the terms of the redemption pursuant to which the redemption is to occur are set forth in detail in the Official Statement and the only open issue is which 2026 Bonds will be redeemed in the case of a partial redemption.

4. Termination of Reporting Obligation. The obligations of the Board pursuant to this Disclosure Undertaking will terminate at such time as no 2026 Bonds remain Outstanding (within the meaning of the Bond Resolution), all of the 2026 Bonds have been legally defeased, redeemed or paid in full or the Rule is no longer applicable to the 2026 Bonds. The Board will give prompt notice to the MSRB if this Section becomes applicable.

5. Dissemination Agent. The Board may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations pursuant to this Disclosure Undertaking, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent.

6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Board may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived; provided, however, that no amendment or waiver may take effect unless the following conditions are satisfied:

(a) the amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an "obligated person" (within the meaning of the Rule) with respect to the 2026 Bonds, or the type of business conducted;

(b) this Disclosure Undertaking, as amended or taking into account such waiver, would in the opinion of counsel of national reputation selected by the Board and experienced in bond or Federal securities law selected by the Board, have complied with the requirements of the Rule at the time of the original issuance of the 2026 Bonds, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver either (i) is approved by the registered owners of the 2026 Bonds in the same manner as provided in the Bond Resolution for amendments to the Bond Resolution with the consent of registered owners of the 2026 Bonds, or (ii) does not materially impair the interests of the Bondholders as determined by the opinion of counsel of national reputation experienced in bond or Federal securities law unaffiliated with the Board but which may be selected by the Board, or as determined by another party unaffiliated with the Board but which may be selected by the Board.

7. Additional Information. Nothing in this Disclosure Undertaking will be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Information or notice of the occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Board chooses to include any such other information in any Annual Information or notice of the occurrence of any Listed Event or any other event, in addition to that which is specifically required by this Disclosure Undertaking, the Board will have no obligation pursuant to this Disclosure Undertaking to update the information or include it in any future Annual Information or notice of the occurrence of any Listed Event.

8. Failure to Perform. Any Bondholder may enforce the Board's obligation to provide or cause to be provided information or notice pursuant to this Disclosure Undertaking by commencing an action for specific performance in a court of competent jurisdiction to compel the Board to provide or cause to be provided such

information or notice; provided, however, that as a condition precedent to commencing any such action, a Bondholder must first provide at least thirty (30) days prior written notice to the Board of its failure to perform, giving reasonable detail of such failure, following which notice the Board will have 30 days to perform. Failure by the Board to perform its obligations pursuant to this Disclosure Undertaking will not be deemed an event of default with respect to the 2026 Bonds or the Bond Resolution or any other agreement or document and the sole remedy pursuant to this Disclosure Undertaking in the event of any failure of the Board to comply with this Disclosure Undertaking will be an action to compel performance.

9. Beneficiaries. This Disclosure Undertaking is solely for the benefit of the Board and the Bondholders from time to time, and will create no rights in any other person or entity.

10. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Disclosure Undertaking, the following capitalized terms will have the following meanings:

(a) "*Annual Information*" means:

(1) quantitative financial information and operating data concerning the operations of the University of the type set forth in the Official Statement under the headings:

(i) Schedule of Historical Gross Revenues;

(ii) Receipts from Other Major Revenue Sources.

(2) unaudited annual Financial Statements of the University unless Audited Financial Statements are provided at the same time.

In addition to the information described above, (A) if any part of the Annual Information described in (i) can no longer be generated because the operations to which it relates have been materially changed or discontinued, the Board will include a statement to that effect as part of the Annual Information for the year in which the change or discontinuation occurs, and (B) the Annual Information for the year in which any amendment or waiver of a provision of this Disclosure Undertaking occurs will describe and explain the amendment or waiver, the reason for it and its impact on the type of information being provided, and if the amendment relates to the accounting principles to be followed in preparing financial statements, the Annual Information for the year in which the change is made will present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(b) "*Audited Financial Statements*" means audited annual Financial Statements of the University.

(c) "*Bondholder*" means a beneficial owner of a 2026 Bond, with beneficial ownership determined on a basis consistent with the provisions of Rule 13d-3 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, or, if those provisions do not adequately address the situation in question (in the opinion of counsel of national reputation experienced in bond or Federal securities law selected by the Board), with beneficial ownership determined on the basis of ownership for Federal income tax purposes. Any assertion of beneficial ownership must be established by evidence in writing with full documentary support filed with the Board.

(d) "*Filing Date*" means the first business day of the eighth month following the end of each Fiscal Year, beginning February 1, 2027.

(e) "*Financial Obligation*" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(f) "*Financial Statements*" means annual financial statements of the University prepared in conformity with generally accepted accounting principles as reflected in the governmental accounting standards promulgated from time to time by the Government Accounting Standards Board of the American Institute of Certified Public Accountants.

(g) "*Fiscal Year*" means each fiscal year of the University, commencing with the fiscal year that began July 1, 2025, and ends on June 30, 2026.

(h) "*Listed Events*" means any of the following events:

i) principal and interest payment delinquencies;

ii) non-payment related defaults, if material;

iii) unscheduled draws on debt service reserves reflecting financial difficulties*;

iv) unscheduled draws on credit enhancements reflecting financial difficulties;

v) substitution of credit or liquidity providers, or their failure to perform;

vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2026 Bonds, or other material events affecting the tax status of the 2026 Bonds;

vii) modifications to rights of holders of the 2026 Bonds, if material;

viii) bond calls, if material, and tender offers;

ix) defeasances;

x) release, substitution, or sale of property securing repayment of the 2026 Bonds, if material;

xi) rating changes;

xii) bankruptcy, insolvency, receivership or a similar event of the Board;

xiii) the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board other than in the ordinary course of business, the entry into a definitive agreement to undertake any such action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material;

xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

xv) the incurrence of a Financial Obligation of the Board, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Board, any of which affect security holders, if material; and

xvi) a default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Board, any of which reflect financial difficulties.

* As of the date of this Disclosure Undertaking, there exists no, and the Board has no obligation or intention to provide, obtain or maintain any, debt service reserves with respect to the 2026 Bonds.

(i) "*MSRB*" means the Municipal Securities Rulemaking Board.

(j) "*Official Statement*" means the final Official Statement dated [_______ __, 2026], with respect to the initial offering of the 2026 Bonds.

(k) "*Participating Underwriter*" means each broker, dealer, or municipal securities dealer acting as an underwriter in the primary offering of the 2026 Bonds, including Stifel, Nicolaus & Company, Incorporated and Morgan Stanley & Co. LLC.

(l) "*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, as applicable to the 2026 Bonds.

(m) "*State*" means the State of Arizona.

11. Governing Law; Forum. This Disclosure Undertaking will be governed by the law of the State. Any action to enforce this Disclosure Undertaking against the Board may be brought only in a State court located in Maricopa County, Arizona.

12. Budget Requirement. In accordance with the law of the State, no expenditures may be made by the Board in any Fiscal Year for a purpose not included in the budget, and no expenditure may be made or obligation or liability incurred or created by the Board in any Fiscal Year in excess of the amount specified for each purpose in the budget, for that Fiscal Year, except as otherwise provided by law, and the Board's undertaking in this Disclosure Undertaking is subject to this limitation of State law on expenditures by the Board for costs of performing its obligations in accordance with this Disclosure Undertaking. In the event of non-compliance by the Board with its covenants herein due to a failure to budget for and appropriate the necessary funds, the Board agrees to provide prompt notice of such fact to the MSRB.

Date: [Closing Date]

ARIZONA BOARD OF REGENTS, acting for and on behalf of NORTHERN ARIZONA UNIVERSITY

By: ______________________________________
Bjorn Flugstad
Senior Vice President for University Operations and Chief Financial Officer

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APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

THE INFORMATION PROVIDED UNDER THIS HEADING "BOOK-ENTRY-ONLY SYSTEM" HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE UNIVERSITY, THE BOARD, THE UNDERWRITERS, THE MUNICIPAL ADVISOR, THE TRUSTEE, OR ANY OF THEIR COUNSEL OR AGENTS AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

DTC will act as securities depository for the 2026 Bonds. The 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2026 Bond certificate will be issued for each maturity of the 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of : AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2026 Bonds, except in the event that use of the book-entry system for the 2026 Bonds is discontinued.

To facilitate subsequent transfers, all 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2026 Bond documents. For example, Beneficial Owners of 2026 Bonds may wish to ascertain that the nominee holding the 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2026 Bonds at any time by giving reasonable notice to the Board or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2026 Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2026 Bond certificates will be printed and delivered to DTC.

NONE OF THE UNIVERSITY, THE BOARD, THE UNDERWRITERS, THE MUNICIPAL ADVISOR, THE TRUSTEE OR THEIR COUNSEL OR AGENTS WILL HAVE RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (2) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2026 BONDS UNDER THE BOND RESOLUTION; (3) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2026 BONDS; (4) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE 2026 BONDS; (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF 2026 BONDS; OR (6) ANY OTHER MATTERS.

So long as Cede & Co. is the registered Owner of the 2026 Bonds, as nominee for DTC, references herein to "Owner" or registered Owners of the 2026 Bonds (other than under the caption "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such 2026 Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the University or the Trustee to DTC only.

ARIZONA BOARD OF REGENTS • NORTHERN ARIZONA UNIVERSITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2026

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Printed by: ImageMaster, LLC
www.imagemaster.com