Arizona State University

2026

Annual Comprehensive Financial Report



An Enterprise Fund of the State of Arizona.

Year Ended June 30, 2026

Arizona State University



Annual Comprehensive Financial Report

Year Ended June 30, 2026

An Enterprise Fund of the State of Arizona

Prepared by the ASU Financial Services Office


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Arizona State University

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Empowering change agents in support of sustainable food systems through hands on learning and community connection.
Garden Commons

Introductory Section

Message from President Michael Crow



Arizona State University remains a model of accessibility and inclusion, inspiring students to transform society as a New American University.

A robust endowment, transformational gifts and use-inspired research drive tangible benefits locally, nationally and internationally. Forward-thinking policies help students thrive, creating pathways for individual success as ASU welcomes a diverse student population. This year's achievements bring these aspirations to life.

ASU's national rankings reflect our sustained commitment to innovation, backed by a curriculum and culture that encourage students and faculty to develop creative, entrepreneurial solutions. An unprecedented $1 billion in research funding strengthens our purpose and impact. Expansive research capabilities attract leading faculty and give students firsthand experience that advances their careers and inspires the next generation of entrepreneurs.

The ASU Foundation for A New American University manages an endowment of more than $2 billion. Payouts generate a dependable revenue stream for the people, programs and promises that define ASU, providing lasting support for students, faculty, research and university initiatives for generations to come.

ASU graduate John Shufeldt, who holds a medical degree, a law degree and a Master of Business Administration, revolutionized access to health care as the founder of providers such as NextCare, MeMD and Tribal Care. He gave ASU $100 million to create the John Shufeldt School of Medicine and Medical Engineering.

The Shufeldt School, with primary clinical affiliate HonorHealth, trains students to integrate medicine, engineering, technology and the humanities into health care leadership focused on innovation and problem-solving. The class of 2030 comprises 36 students who will earn two degrees in four years, completing a medical degree and a Master of Science in medical engineering. The students will use AI, data science and other advanced tools to connect with patients and improve care.

The Rob Walton School of Conservation Futures reflects our commitment to developing practical solutions for urgent environmental challenges. Walton launched the school with his $115 million gift, the largest in ASU's history. The gift also supports three named professorships in research, education and professional development, plus a scholarship fund that offers full and partial financial support.

These investments coincided with strong results in U.S. News & World Report's 2026 Best Graduate Programs rankings. Twenty-seven ASU programs ranked among the nation's top 25, including 11 from the Watts College of Public Service and Community Solutions. Two programs ranked No. 1 nationally: the JD program in legal writing at the Sandra Day O'Connor College of Law, and the local government management program at Watts College.

During the 2025–26 academic year, ASU reached a milestone by welcoming more than 203,700 students for the first time in its history. This achievement represents more than two decades of work redefining what a public university can accomplish and whom it serves. The College of Liberal Arts and Sciences, ASU's largest college, shows this evolution in action, adding 15 new degrees this year alone to meet the demands of a changing workforce.

Today's learners want education that supports their career goals, fits family responsibilities and prepares them for fast-changing industries. ASU has responded by expanding far beyond the traditional campus to meet the shifting needs of students and society. ASU reaches learners wherever they live through online courses, while continuing to invest in campuses that offer vibrant learning communities and personal connections.

Together, these achievements reflect a university willing to reimagine what higher education can accomplish. As ASU grows in impact and ambition, it remains rooted in one enduring purpose: our graduates will design and deliver a meaningful future.

Sincerely,

Michael Crow

Michael M. Crow
President
Arizona State University



October 30, 2026

To President Crow, Members of the Arizona Board of Regents and Citizens of Arizona:

Enclosed is the *Arizona State University Annual Comprehensive Financial Report* (ACFR) for the year ended June 30, 2026. The report includes the annual financial statements, Management's Discussion and Analysis (MD&A) and supplemental information to assist the reader in clearly understanding the University's financial activities and outcomes.

Arizona State University (ASU) management is responsible for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls that was established for this purpose. University management has implemented a system of internal controls that is robust and sufficient to prevent material misstatements and to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition. Because the cost of a control should not exceed the benefits that can be derived from it, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

The University's internal auditors also perform fiscal, compliance, information technology and operational audits. University Audit and Advisory Services prepares an annual audit plan based on ASU's Enterprise Risk Assessment model. The audit plan is approved by the University President and the Arizona Board of Regents Audit Committee.

State law, federal guidelines, and certain bond covenants require that the University's accounting and financial records be audited each year. The University's annual audit is performed by the Arizona Auditor General. The reports resulting from the audit are shared with University management and the Arizona Board of Regents (ABOR). The audit of the University's federal assistance programs is performed by the Arizona Auditor General. For the year ended June 30, 2026, the Arizona Auditor General has issued an unmodified opinion on Arizona State University's financial statements, the most favorable outcome possible. The independent auditors' report is displayed at the front of the financial section.

ASU remains committed to effective resource planning and sound financial management as it pursues excellence in instruction, research and public service. We have prepared Management's Discussion and Analysis to provide a narrative introduction, overview and analysis of the basic financial statements, as well as information regarding the University's financial position and the results of operations for the year ended June 30, 2026. The MD&A immediately follows the independent auditors' report, complements this letter of transmittal and should be read in conjunction with it.

Profile of the University

ASU was founded in 1885 as the Territorial Normal School by an act of the Thirteenth Territorial Legislature, in response to the growing demand for teachers and leaders in the region. In 1958, after a series of name changes, the citizens of Arizona voted in favor of a ballot initiative to change the name of the institution to Arizona State University. ASU today is composed of four campuses in the metropolitan Phoenix area, centers in both Los Angeles and Washington, D.C., ASU Online, and programs and locations available across Arizona and around the world.

ASU's charter, mission and goals demonstrate leadership in both academic outcomes and accessibility and affordability. ASU strives to establish national standing in the academic quality and impact of all ASU colleges and schools; to establish ASU as a global center for interdisciplinary research, discovery and development; and to enhance our local impact and social embeddedness. These aspirations provide the framework for ASU's continued development as a leading, global research university.

ASU offers more than 850 undergraduate and graduate degree programs and concentrations led by expert faculty from highly ranked colleges and schools. Each distinctive academic program exemplifies the hallmark of ASU – an exceptional education inspired by vision, scholarship and creativity. ASU is accredited by the North Central Association's Higher Learning Commission.

The Arizona Board of Regents, a constitutionally-created body corporate, governs Arizona State University, as well as the state's other two public universities. ABOR is composed of twelve members, including appointed, ex-officio and student regents. The Governor of Arizona appoints and the Arizona Senate confirms the eight appointed regents to staggered, eight-year terms as voting members of ABOR. The Governor and Superintendent of Public Instruction serve as ex-officio, voting members while they hold office. Two student regents serve staggered two-year terms, the first year as a nonvoting board member and the second year as a voting member.

The University is considered a part of the reporting entity for the State of Arizona financial reporting purposes and is included in the State of Arizona *Annual Comprehensive Financial Report*. Governmental Accounting Standards Board (GASB) Codification Section 2100: *Defining the Financial Reporting Entity*, and Section 2600: *Reporting Entity and Component Unit Presentation and Disclosure*, provides criteria for whether certain organizations should be reported as component units based on the nature and significance of their relationship to the related entity. Based on this criteria, the financial reporting entity for ASU's financial statements is comprised of the University and ten component units. The University's financial statements and the financial statements for the University's four blended component units, the Bermuda Institute of Ocean Sciences, the Thunderbird School of Global Management, California College of ASU and the ASU Athletic Facilities District, are prepared in accordance with GASB reporting requirements. Separate financial statements for the University's six discretely presented component units are compiled in accordance with GASB Statement Nos. 39 and 61, and include ASU Enterprise Partners; Arizona Capital Facilities Finance Corporation (ACFFC); ASU Alumni Association; Arizona State University Research Park, Inc.; ASU Preparatory Academy,

Inc. and Sun Angel Foundation. These component units are non-profit, tax-exempt organizations and are discretely presented based on the nature and significance of their relationships to the University.

The University is responsible for planning, developing and controlling budgets within authorized allocations in accordance with University, ABOR, state and federal policies. The University submits its annual operating budget to ABOR for approval. The state legislature reviews the University's local funds budget and adopts and appropriates the general-purpose funds budget through legislation. University colleges and departments utilize financial reports to review financial transactions and monitor budgets. The University also provides quarterly financial reporting to the Arizona Board of Regents. The report includes a comparison of budget to actual revenue and expenses, projections for revenues, expenses and net position for the fiscal year end with variance explanations and an estimate of the University's monthly liquidity.

Economic Condition

The following economic summary is based on the Arizona Office of Economic Opportunity Employment Projections, released on March 5, 2026, and data compiled by the JPMorgan Chase Economic Outlook Center at the ASU W.P. Carey School of Business.

At a national level, the US economy continues to expand at a solid but moderating pace amid elevated uncertainty. Real GDP growth increased at an annualized rate of 2.1 percent in the first quarter of 2026 and slowed to 1.5 percent in the second quarter. The Federal Reserve raised the target range for the federal funds rate by 25 basis points in September 2026 to 3.75 – 4.00 percent, the first increase since 2023, and signaled the possibility of additional tightening later in the calendar year to address elevated inflation concerns. Significant risks to long-term economic growth persist, including geopolitical tensions, ongoing federal deficits and energy-price shocks. Overall, the national economic outlook remains cautiously constructive, with median Federal Reserve FOMC projections pointing to real GDP growth of roughly 2.3 percent for 2026.

According to the U.S. Bureau of Labor Statistics, the national labor market remains relatively stable. Employee hiring and retention remains a significant challenge across all industries, particularly within the higher education sector. The national unemployment rate as of August 2026 stood at 4.1 percent, reflecting a stable job market with continued demand for workers especially in the technology and health care sectors. The Arizona unemployment rate of 4.9 percent as of August 2026 is above the national average. In its March 2026 forecast, the Arizona Office of Economic Opportunity is forecasting modest gains in Arizona nonfarm employment, with over 45,000 new nonfarm jobs (0.7 percent annualized growth) expected from Q2 2025 through Q2 2027. Job growth is expected to continue across ten of Arizona's twelve job super-sectors with the health care and social assistance super-sector expected to add the largest number of jobs at approximately 7,200 (annualized growth rate of 0.6 percent) and the leisure and hospitality super-sector is expected to add approximately 5,700 jobs (0.7 percent annualized). Educational services and information technology are the super-sectors projected to record losses of approximately 3,300 jobs (-0.7 percent annualized) and 700 jobs (-0.7 percent annualized), respectively.

The University's economic outlook remains constructive and differentiated, even as the broader higher-education sector confronts a sharper set of headwinds than in recent years. Nationally, higher education institutions face a combination of pressures that have intensified since 2025: steep declines in new international student enrollment driven by tightened visa processing, travel restrictions and policy uncertainty; federal research funding freezes, terminations, and slower research proposal processing times; stagnant or declining state support on a per-student basis; and the onset of longer-term demographic decline in traditional-age domestic students are all headwinds that large public R1 institutions face heading into the Fall of 2026.

Arizona State University is structurally better-positioned than most peers to navigate this environment. Its scale – more than 200,000 students, with online enrollment exceeding 119,000 and continuing to set records – provides pricing power, operational flexibility and the ability to serve non-traditional, military-connected and lifetime learners who are less sensitive to the aforementioned pressures that traditional on-campus and international students are experiencing. The same ASU faculty teach both campus and online courses, and degrees carry identical credentials, allowing ASU to expand its high-margin digital and lifetime learning offerings without diluting academic quality. National Science Foundation HERD survey research expenses continue to surpass $1 billion, supporting federal and industry-sponsored work, tech transfers, startups and partnerships that all support diversified revenue streams that are less dependent on enrollment volatility. The University's near-term strategy emphasizes acceleration of scalable online and non-degree pathways aligned with workforce demand, deeper industry and commercialization partnerships that leverage its research enterprise and continued investment in access and retention initiatives that convert enrollment scale into sustainable net revenue are current management priorities. These embedded advantages – modality diversification, research momentum, and operational scale – position the University to maintain financial resilience and mission delivery.

Planning and Initiatives

The ASU Public Enterprise, comprised of the University, affiliated entities and other related partners, continues to evolve and demonstrate new possibilities in line with its design aspirations. The public enterprise approach to higher education constitutes an animating purpose of social transformation, knowledge generation at society-impacting scale, the fundamental assumption of faculty as knowledge entrepreneurs and demonstration of measurable economic and social progress metrics while generating and employing diverse funding mechanisms to support the enterprise.

With the ASU Charter as its guiding principle, Arizona State University has become the national leader in enabling academic excellence and accessibility at scale. ASU remains committed to ongoing institutional redesign to reach the next iteration of the public research university while simultaneously taking fundamental responsibility for the communities we serve. As part of its long-term strategic planning, the University aspires to be the leading global center for interdisciplinary research, discovery and development.

Major milestones of the past year highlight the variety of accomplishments of the University and include the following:

- In September 2026, the Arizona State University endowment surpassed $2 billion in market value of assets for the first time. A combination of generous donors, strong investment performance and continued philanthropic support drove the milestone. The endowment is managed by the Investment Committee of the ASU Foundation for a New American University and remains a critical component of the University's diversified revenue-generating portfolio. From July 1, 2025 through June 30, 2026, more than 126,000 individual, corporate and foundation donors made a gift to the ASU Foundation, generating more than $470.3 million in new gifts and commitments to fund scholarships, research and university initiatives.

- In May 2026, the University was named one of the three inaugural research partners at Applied Materials' new EPIC Center in Silicon Valley – the largest-ever U.S. investment in advanced semiconductor equipment research and development. The EPIC (Equipment and Process Innovation and Commercialization) Center is designed to accelerate the path from early-stage research to full-scale manufacturing by enabling close collaboration between academic researchers and Applied Materials scientists and engineers on advanced materials, novel processes, device technologies, and chip architectures critical to next-generation AI chips.

- The University was named a partner in the new national Foundry School initiative announced by the White House in September 2026. The Foundry School initiative, a U.S. Department of State program developed in partnership with the U.S. Department of Labor, brings together eight leading universities – ASU, Stanford, Georgia Tech, Ohio State, Penn State, Kansas, Vanderbilt and Washington University in St. Louis – to prepare the next generation of entrepreneurs, engineers, technicians, and industrial leaders for advanced manufacturing. The curriculum features sessions taught by founders and CEO's from manufacturing enterprises in the United States, Korea, Japan, Taiwan and India. The initiative aims to help close a projected national shortfall of roughly 3.8 million skilled manufacturing workers by 2033 and supports broader efforts to strengthen domestic production capacity in semiconductors, defense, energy and related sectors.

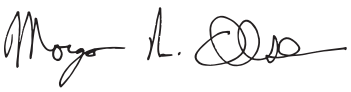
- In September 2026, the University formally opened ASU London, a new independent, U.K.-degree-awarding higher education provider founded by ASU and located on the Clerkenwell campus of City St George's, University of London. The institution was launched with approximately 320 students enrolled in six undergraduate programs taught by U.K.-based faculty in collaboration with faculty from ASU's Ira A. Fulton Schools of Engineering and W.P. Carey School of Business. Students can complete a three-year U.K. bachelor's degree in London, enabling them to earn two international degrees in as little as four years while gaining experience across two leader higher-education systems. The launch builds on the earlier TEDI-London engineering partnership and reflects ASU's broader strategy of expanding global pathways and challenge-based learning models.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the University for its ACFR for the fiscal year ended June 30, 2025. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To receive a Certificate of Achievement, a report issuer must publish an easily readable and efficiently organized ACFR and must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. The University will submit its ACFR for the fiscal year ended June 30, 2026 to the GFOA and anticipates this year's report will continue to meet the Certificate of Achievement Program's requirements.

Preparation of this ACFR in a timely manner would not have been possible without the coordinated efforts of the Financial Services Office and other University administrators, faculty and staff. In addition, the Arizona Auditor General provided invaluable assistance. The contributions of all these parties are gratefully acknowledged.

Sincerely,



Morgan R. Olsen
Executive Vice President, Treasurer and Chief Financial Officer
Arizona State University

Cautionary Note Regarding Forward-Looking Statements

Certain information provided by the University, including written as outlined above or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995.

All statements, other than statements of historical facts, which address activities, events or developments that the University expects or anticipates will or may occur in the future contain forward-looking information. In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions.

The University does not undertake to update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking information.

ASU is a comprehensive public research university, measured not by whom it excludes, but by whom it includes and how they succeed; advancing research and discovery of public value; and assuming fundamental responsibility for the economic, social, cultural and overall health of the communities it serves.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Arizona State University

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morrill

Executive Director/CEO

ASU Executive Administration



Michael M. Crow
President, Arizona State University
and CEO, ASU Public Enterprise



Nancy Gonzales
Executive vice president
and university provost, ASU
Academic Enterprise



Sally C. Morton
Executive vice president, ASU
Knowledge Enterprise



Morgan R. Olsen
Executive vice president,
treasurer and chief financial
officer



Chris Howard
Executive vice president
and chief operating officer



Sherine Gabriel
Executive vice president, ASU
Health



Lisa S. Loo
Senior vice president and
general counsel



James W. O'Brien
Senior vice president
and chief of staff



James A. Rund
Senior vice president,
Educational Outreach and
Student Services



Christine K. Wilkinson
Senior vice president
and Secretary of the University



Patrick Kenney
Executive vice provost, ASU
Academic Enterprise and dean

Arizona Board of Regents

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Regent



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Steve Peru
Regent



Dr. Michele Halyard
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Felipe Garcia
Student Regent
University of Arizona

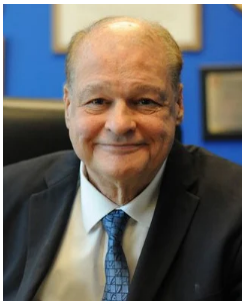


Aydin-Kane Vo
Student Regent
Arizona State University

Ex-Officio Members



Katie Hobbs
Governor of Arizona



Tom Horne
Arizona Superintendent of
Public Instruction


EMERGENCY
#1 in the U.S. for
legal master's gradu

Financial Section

ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

Independent auditors' report

Members of the Arizona State Legislature

The 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 aggregate discretely presented component units of Arizona State University (University) as of and for the year ended June 30, 2026, 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 reports 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 aggregate discretely presented component units of the University as of June 30, 2026, 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 Bermuda Institute of Ocean Sciences (BIOS), the Thunderbird School of Global Management (TSGM), the California College of ASU (CC-ASU), the ASU Athletic Facilities District (AFD), and the aggregate discretely presented component units, which account for the following percentages of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, and expenses of the opinion units affected:

Opinion Unit	Assets and deferred outflows	Liabilities and deferred inflows	Revenues	Expenses
Business-type activities—BIOS	0.51%	0.04%	0.40%	0.48%
Business-type activities—TSGM	0.12%	0.03%	0.10%	0.12%
Business-type activities—CC-ASU	0.01%	0.02%	0.08%	0.05%
Business-type activities—AFD	0.00%	0.00%	0.06%	0.07%
Discretely presented component units	100%	100%	100%	100%

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Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for BIOS, TSGM, CC-ASU, AFD, or the aggregate discretely presented component units, is based solely on the other auditors' reports.

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 aggregate discretely presented component units' financial statements, except for the ASU Preparatory Academy, Inc., in accordance with *Government Auditing Standards*.

Emphasis of matters

As discussed in Note A 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, 2026, 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 A to the financial statements, for the year ended June 30, 2026, the University adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements*. 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 20 through 28, schedule of the University's proportionate share of the net pension liability—Arizona State Retirement System and schedule of the University's proportionate share of the total OPEB liability—Arizona Department of Administration OPEB plan on page 68, and schedule of University pension contributions—Arizona State Retirement System on page 69 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.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The combining statements on pages 72 and 73 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 Standards*, 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 30, 2026

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Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) provides readers of Arizona State University's financial statements an understanding of the financial position and revenue and expense activities for the year ended June 30, 2026. This discussion has been prepared by University management and should be read in conjunction with the financial statements and accompanying notes to the financial statements.

Overview of the Financial Statements

Arizona State University (ASU, University) is a knowledge enterprise committed to knowledge creation, innovation and meaningful impact to the communities it serves. The University is comprised of an educational network of more than 850 accredited undergraduate majors, highly ranked graduate degrees and concentrations. ASU's Fall 2025 enrollment was over 160,000 students comprised of nearly 125,000 undergraduate students and 35,000 graduate students, including over 81,000 students participating in ASU's online degree programs. The University is classified as an instrumentality of the State of Arizona and is included as an enterprise fund for financial reporting purposes in the State's Annual Comprehensive Financial Report.

The University's financial report includes three basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. Financial information for FY 2025 is included in MD&A to illustrate increases and decreases in comparison to FY 2026 data. The financial statements and accompanying notes along with MD&A have been prepared in accordance with generally accepted accounting principles as defined by the Governmental Accounting Standards Board (GASB) for public colleges and universities.

The University's financial statements encompass the University and its four blended component units and six discretely presented component units based on the nature and significance of their relationships to the University. MD&A focuses only on the University and blended component units, unless otherwise stated. Information on the component units can be found in the component units' Statement of Financial Position and Statement of Activities, as well as *Note B - ASU Component Units*, *Note N – Summary Financial Information for ASU Component Units*, and Combining Statements of the nonmajor discretely presented component units.

Financial Summary and Detailed Analysis of Financial Position and Results of Operations

The University strengthened its financial foundation in FY 2026 with a $381 million increase in net position compared to a $243 million increase in FY 2025. This represents the 21st straight year in which ASU reported an increase in net position. At June 30, 2026, the University had total assets of almost $7.9 billion and net position of over $2.9 billion. Overall, FY 2026 funding sources and uses increased at five percent and two percent, respectively from FY 2025.

Tuition and fees are ASU's primary revenue source (50 percent), with grants and contracts, state appropriations, financial aid grants and auxiliary enterprise activities also providing significant funding sources to the University. $1.9 billion was spent on instruction and academic support related expenses in FY 2026, representing nearly one-half of the University's total expenses and a three percent increase over FY 2025. Scholarships and fellowships combined with student services expenses was the second largest expense category with $663 million in FY 2026 expenses, while research combined with public service expenses were $646 million, with the categories reflecting a six percent increase and no significant change over FY 2025, respectively.

Statement of Net Position

The Statement of Net Position presents the financial position of the University at the end of the fiscal year and reports all assets, deferred outflows, liabilities and deferred inflows, and segregates assets and liabilities into current and non-current categories. Assets are resources controlled by ASU that can be used to support its mission and goals. A deferred outflow of resources is a use of net position that is applicable to future reporting periods. Liabilities are obligations of the University. A deferred inflow of resources is the acquisition of net position that is applicable to future periods.

The change in net position (assets plus deferred outflows of resources less liabilities less deferred inflows of resources) between years is one indicator of whether the overall financial condition of the University has improved or worsened during the fiscal year.



A summary comparison of the University's financial position as of June 30, 2026 and June 30, 2025 follows.

Condensed Summary of Net Position *(Dollars in millions)*		
	FY 2026	FY 2025
Assets		
Current assets	$ 965.9	$ 972.4
Noncurrent assets	2,521.9	2,100.9
Noncurrent capital assets, net	4,374.3	4,339.6
Total assets	**$ 7,862.1**	**$ 7,412.9**
Deferred outflows of resources	**$ 207.7**	**$ 214.0**
Liabilities		
Current liabilities	$ 1,087.3	$ 1,129.0
Noncurrent liabilities	906.2	916.6
Noncurrent long-term obligations	2,770.9	2,697.8
Total liabilities	**$ 4,764.4**	**$ 4,743.4**
Deferred inflows of resources	**$ 384.0**	**$ 343.1**
Net position		
Net investment in capital assets	$ 1,437.6	$ 1,419.0
Restricted:		
Nonexpendable	128.3	120.2
Expendable	277.9	223.4
Unrestricted	1,077.6	777.8
Total net position	**$ 2,921.4**	**$ 2,540.4**

Total assets at June 30, 2026 of almost $7.9 billion reflect a six percent increase from June 30, 2025. Current assets are used to support operations and include cash and cash equivalents, short-term investments and accounts receivable. Current assets decreased $6 million between years primarily due to decreases in cash and cash equivalents and short term investments, partially offset by increases in current accounts receivable. Cash and cash equivalents decreased $86 million and short-term investments decreased $6 million as the University strategically invested available cash balances in longer-term durations to maximize investment returns while maintaining reasonable liquidity to fund short-term obligations. Accounts receivable increased $92 million between years due to growth in student tuition and fee billings of $43 million primarily related to summer session tuition revenues and increases in sponsored research activities that were billed and submitted to sponsors for approval of $46 million before amounts could be drawn at June 30, 2026.

Noncurrent assets increased $456 million between years primarily due to a $287 million increase in noncurrent investments, $65 million increase in restricted cash and cash equivalents, $61 million increase in endowment investments, $35 million increase in net capital assets and a $7 million increase in OPEB assets. Other investments increased due to portfolio balancing efforts to conform with ASU's overall investment strategy and to ensure maximum, yet prudent, returns on the University's operating liquidity. ASU's endowment investments increased primarily due to market realized and unrealized gains in investments. ASU's endowment investments are managed by the ASU Foundation for a New American University. The increase in net capital assets is attributable to the completion of major capital projects including Interdisciplinary Science and Technology Building (ISTB) 12, the home of the Ira A. Fulton Schools of Engineering School of Manufacturing Systems and Networks, and various significant utility projects on the Tempe and Polytechnic campuses, partially offset by a decrease in net lease and subscription activities. Restricted cash and cash equivalents increased due to the issuance of the 2025AB System Revenue and Refunding Bonds, the 2026A System Revenue and Refunding Bonds and the 2026A SPEED Revenue Bonds. These issuances included new money funding for capital project expenses associated with the new ASU Health building, a portion of ISTB 12 as well as bundles associated with multiple utility projects, research lab and academic classroom renovations, infrastructure, deferred maintenance, and IT infrastructure projects.

Deferred outflows of resources decreased $6 million between years primary due to a decrease in unamortized losses associated with prior year debt refundings as well as off-setting impacts in pensions and OPEB-related activities as a result of actuarial differences between expected and actual experience for active and retired employees.

Total liabilities increased $21 million for the year ended June 30, 2026 to almost $4.8 billion, with current liabilities decreasing $42 million between years primarily due to decreases in accounts payable and funds held for others, partially offset by increases in unearned revenues. Accounts payable decreased $34 million primarily due to timing of payments associated with payroll-related and capital projects accrued liabilities at year end. Funds held for others decreased $8 million as Arizona Board of Regents custodial accounts distributed carryover TRIF proceeds to the three Arizona public universities prior to June 30, 2026. Unearned revenues increased $11 million due to an increase in fixed-price grant awards and their corresponding grant revenues being received prior to all grant obligations being fulfilled resulting in the recognition of revenue in future periods.

Noncurrent liabilities and long-term obligations increased $63 million between years with long-term debt increasing by $90 million and pension liabilities increasing $20 million, partially offset by decreases in the University's proportionate share of its OPEB liabilities by $31 million, noncurrent lease liabilities decreasing $6 million, and subscription liabilities decreasing $10 million. Long-term debt increased due to new debt service principal payments on the issuances described above. Pension liabilities increased due to increases in actuarially-determined liabilities exceeding the expected growth in pension plan

assets. OPEB liabilities decreased due to an increase in the actuarial discount rate and noted differences between participants' expected and actual experience for the total OPEB liability. Noncurrent lease and subscription liabilities decreased as the University did not execute any significant new lease or subscription agreements during the fiscal year.

Deferred inflows of resources increased $41 million between years due to unamortized gains on the University's FY 2026 refunding debt issuances and increased pensions and other postemployment benefits-related actuarial changes in assumptions in the measurement of the plan liabilities to be recognized in future periods.

Net position increased $381 million between years to over $2.9 billion. ASU's increase in net position over the last ten years has averaged $175 million annually, allowing the University to accumulate unrestricted net position sufficient to absorb the reductions to net position related to accounting treatments for its pension plans, OPEB liabilities and compensated absences and still retain positive unrestricted net position to support strategic initiatives. Net position is reported as follows:

- Net investment in capital assets represents the University's investment in capital assets such as equipment, buildings, land, infrastructure, right-to-use lease assets and subscription assets, net of accumulated depreciation/amortization and outstanding debt obligations related to those capital assets.
- Restricted-nonexpendable net position primarily represents the University's permanent endowment funds received from donors for the purpose of creating enduring funding streams for specific programs or activities. 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.
- Restricted-expendable net position is the resources which the University is legally or contractually obligated to spend in accordance with restrictions placed by donors, grantors or other external parties to be used for debt service, academic and department uses, scholarships and fellowships, capital projects, and other postemployment benefits.
- Unrestricted net position is composed of all other funds available to the University for purposes related to its mission. Unrestricted net position is typically designated or committed for specific academic programs, research initiatives, strategic investments or capital projects.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the University's operating results for the fiscal year. A positive increase in net position would typically indicate the financial condition of the University has improved over the prior year. The University is presenting modified FY 2025 information categorically to align with its implementation of GASB Statement No. 103, *Financial Reporting Model Improvements*, in FY 2026 for MD&A narrative purposes.

A summary comparison of the University's activities for FY 2026 and FY 2025 follows.

Condensed Summary of Revenues, Expenses, and Changes in Net Position *(Dollars in millions)*

	FY 2026	FY 2025 (as modified)
Operating revenues		
Tuition and fees, net	$ 2,327.0	$ 2,184.5
Research grants and contracts	710.9	708.9
Financial aid grants	318.4	314.7
Auxiliary enterprises, net	280.4	284.8
Other operating revenues	167.2	151.2
Total operating revenues	$ 3,803.9	$ 3,644.1
Operating expenses	**4,185.3**	**4,087.0**
Operating loss	**$ (381.4)**	**$ (442.9)**
Noncapital subsidies		
State appropriations	$ 385.7	$ 381.8
Other noncapital subsidies	265.7	220.5
Total Noncapital subsidies	$ 651.4	$ 602.3
Operating loss and noncapital subsidies	**$ 270.0**	**$ 159.4**
Nonoperating revenues/(expenses)		
Nonoperating revenues	$ 218.2	$ 195.2
Nonoperating expenses	(107.2)	(111.8)
Net nonoperating revenues	$ 111.0	$ 83.4
Increase in net position	**$ 381.0**	**$ 242.8**
Net position at beginning of year	2,540.4	2,297.6
Net position at end of year	**$ 2,921.4**	**$ 2,540.4**

Operating Revenues

Operating revenues represent resources generated by the University to fulfill its core instruction, research, and public service missions. Student tuition and fees, research grants and contracts, financial aid grants and auxiliary enterprise activities are the primary operating revenues of the University.

Operating revenues increased $160 million, or four percent, to $3.8 billion in FY 2026 with the most significant increases occurring in net tuition and fees. The $143 million increase in net tuition and fee revenues is primarily the result of a five percent increase in headcount enrollment, inclusive of overall online enrollment growth of 12 percent and increased tuition rates of three percent for immersion resident students and five percent for non-resident and international students. Online undergraduate tuition for all cohorts increased one percent and non-resident graduate student tuition increased five percent and included various increases in college fees.

Expenses

Expenses are categorized as operating, subsidies or nonoperating per GASB. The University reports operating expenses by functional category (instruction, research, etc.) in the Statement of Revenues, Expenses, and Changes in Net Position and displays expenses by their natural classification (personal services and benefits, supplies and services, scholarships and fellowships and depreciation/amortization) in *Note J – Operating Expenses by Natural Classification*.

Operating Expenses

Operating expenses increased $98 million, or two percent, with the increase largely reflecting growth in instruction and academic support and scholarships and fellowships. Instruction and academic support increased $55 million due to increased enrollment and corresponding instructional and programmatic demands related to delivery of online instruction. Scholarships and fellowships and student services increased $35 million due to increased institutional investments in financial aid for incoming first year students, directed primarily at resident undergraduate immersion students.

University operating expenses by natural classification increased $45 million in employee benefits costs due to increases in employer contributions for health insurance premiums for both Preferred Provider Organization and High Deductible Health Plans, and $17 million in non-personnel related expenses, primarily for additional technological investments to deploy online instruction and to support research activities. Personal services between years was relatively unchanged due to targeted management efforts to implement position controls which back-filled only essential personnel in response to market-related uncertainties and grants and contracts-related instabilities.

Noncapital Subsidies

Certain non-exchange resources are classified as noncapital subsidies and represent either resources received or resources provided to another party for which the University does not provide goods or services in return, and that directly or indirectly keep current or future tuition, fees, or other charges lower than they otherwise would be. Classification of items as noncapital subsidies is driven by the provider's intent and restrictions, not by how the recipient ultimately spends the resources.

Key revenue sources that are classified as noncapital subsidies include state appropriations, current-use private gifts, Technology and Research Initiative Funds (TRIF), federal subsidy grants and other state subsidies which include the AZ Promise plan allocations, Arizona Teachers

Combined Sources and Uses *(Dollars in millions)*

	FY 2026	Percent Total	FY 2025 (as modified)	Percent Total	Percentage Change
Sources					
Tuition and fees, net	$ 2,327.0	50%	$ 2,184.5	49%	7%
Grants and contracts	773.7	17%	732.5	17%	6%
State appropriations (includes capital appropriations)	448.3	9%	444.5	10%	1%
Financial aid grants	318.4	7%	314.7	7%	1%
Auxiliary enterprises, net	280.4	6%	284.8	6%	(2)%
Private and capital gifts	137.3	3%	115.3	3%	19%
Educational departments sales and services	135.6	3%	124.9	3%	9%
Share of state sales tax (TRIF)	48.2	1%	54.3	1%	(11)%
Other sources	204.5	4%	186.1	4%	10%
Total sources	**$ 4,673.4**	**100%**	**$ 4,441.6**	**100%**	**5%**
Uses					
Instruction and academic support	$ 1,927.0	45%	$ 1,871.8	45%	3%
Research and public service	646.0	15%	648.3	15%	0%
Scholarships and fellowships and student services	662.6	16%	627.7	15%	6%
Institutional support and operation of plant	423.5	10%	427.8	10%	(1)%
Auxiliary enterprises	275.9	6%	264.1	6%	5%
Depreciation and amortization	250.2	6%	247.3	6%	1%
Interest on debt and other expenses	107.2	2%	111.8	3%	(4)%
Total uses	**$ 4,292.4**	**100%**	**$ 4,198.8**	**100%**	**2%**

Academy allocations, and other state subsidies which are provided to the University for which the University does not provide goods or services. Total state appropriations provided to the University for FY 2026 were in line with prior year amounts. Current-use private gifts increased $19 million due to increased philanthropic activity and utilization of proceeds across the University, especially related to AZPBS and Sun Devil Athletics. Federal subsidy grants increased $32 million due to one-time ARPA funding provided in August 2025 to the University which was utilized for incremental student financial aid.

Nonoperating Revenues and Expenses

Net nonoperating revenues and expenses increased $28 million between years, primarily due to a $9 million increase in capital commitments, a $7 million increase in capital grants, a $3 million increase in net investment returns, a $3 million increase in capital gifts, a $8 million decrease in interest expense, partially offset by a $4 million increase in other financing costs and losses on disposal of capital assets. The increase in capital commitments relates to current year receipts from HonorHealth, the University's clinical partner, associated with ASU Health and the John Shufeldt School of Medicine and Medical Engineering. Net investment returns increased between years due to realized and unrealized market gains on operating and endowment investments and increases in interest earnings on operating fund investments. Capital grants increased $7 million related to two large grant-funded capital projects, the McCain Center and the Applied Materials Macrotechnology Works projects.

Statement of Cash Flows

A summary comparison of cash flows for the University's FY 2026 and FY 2025 activities follows.

Condensed Summary of Cash Flows *(Dollars in millions)*

	FY 2026	FY 2025
Cash provided by/(used for):		
Operating activities	$ (541.6)	$ (462.4)
Noncapital financing activities	961.2	994.1
Capital and related financing activities	(242.1)	(493.2)
Investing activities	(197.8)	(110.4)
Net increase/(decrease) in cash and cash equivalents	**$ (20.3)**	**$ (71.9)**
Cash and cash equivalents at beginning of year	574.0	645.9
Cash and cash equivalents at end of year	**$ 553.7**	**$ 574.0**

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 presents the net cash generated or used by the operating activities of the University. Due to the categorization of operating, noncapital subsidies and nonoperating revenues and expenses by GASB, cash flows from operating activities are typically a net cash use. Major operating funding sources include student tuition and fees, research grants and contracts and auxiliary enterprises revenues. Operating expenses include employee salaries and benefits, vendor payments for services and supplies and student aid outflows. Cash flows from operations decreased between years due to additional cash outflows for scholarship activities. Net cash flows from noncapital financing activities is a major funding source for operating expenses and includes cash from state appropriations, nonoperating grants and contracts, 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 capital and related financing activities increased between years due to the issuance of three major new money financings described below. 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. Cash flows from investing activities decreased between years due to the University investing operating resources into longer term investment positions to maximize returns.

Significant Capital Assets and Long-Term Financing Activity

The University is required by state statute and Arizona Board of Regents policy to prepare an annual Capital Improvement Plan (CIP). The CIP details the University's four-year strategic plan for space utilization and anticipated capital investments to enable the success of current and future students. The CIP outlines plans to issue debt to finance capital acquisitions or construction to address academic, research and student programming needs.

The University's capital assets, net of accumulated depreciation/amortization and including significant additions and deletions, increased by $35 million in FY 2026, a one percent increase over FY 2025, particularly due to the completion of ISTB 12 and various Tempe campus utilities projects, equipment acquisitions and nominal new subscription and leasing activities. Additional information about the University's capital assets is presented in *Note D – Capital Assets.* Additional information about the University's new lease and subscription arrangements is presented in *Note G – Leases and Subscription-Based Information Technology Arrangements*.

Significant FY 2026 new capital projects, recorded as additions to construction in progress, included:

- **ASU Health Building.** This project will construct an approximately 190,000 gross-square-foot (GSF), multi-level facility that will serve as headquarters for

ASU Health. The facility will be within the Phoenix Bioscience Core in Downtown Phoenix. The building will include approximately 20,100 GSF for academic and teaching spaces, 5,300 GSF for group-based applied labs, 43,700 GSF of space for simulation, clinical skills, anatomy and standardized patient training and over 43,000 GSF of medical suites, a health observatory, library, student-dedicated spaces, administrative, engagement and building support services.

- **Desert Financial Arena Renovations.** This project will renovate the concourses, building systems, security, spectator and athlete facilities at Desert Financial Arena. The renovations will aim to modernize the venue, elevate fan and athlete experiences and improve accessibility, safety and operational efficiency. The renovation will enhance the facility's functionality, align with market trends and maximize community engagement and revenue generation.

A summary of the University's outstanding debt including average interest rates, final maturity and outstanding balances for its bonds, certificates of participation and financed purchases, is presented in *Note E – Long-Term Debt*. Information about the University's long-term financing activities related to leases and subscription arrangements is presented in *Note G – Leases and Subscription-Based Information Technology Arrangements*. In September 2025, the University issued $316 million in system revenue and refunding bonds to fund the various bundled projects, utility projects, a portion of the ISTB 12 building and refunding bonds for various series of the 2015A/B, 2015D, and 2016A bonds. In February 2026, the University issued the 2026A SPEED Revenue Bonds, $62 million, and 2026A System Revenue Bonds, $264 million, to fund various bundled projects, utility projects, the new ASU Health building in Downtown Phoenix, and refunding bonds associated with 2016B/C series.

ASU's current system revenue bond ratings are Aa2 by Moody's Investor Services and AA by Standard and Poor's with a stable outlook.

ASU's Component Units

ASU has blended financial activity for four of its component units, the Bermuda Institute of Ocean Sciences, the Thunderbird School of Global Management (TSGM), California College of ASU and the ASU Athletic Facilities District.

For its discretely presented component units, the University presents the financial statements on separate pages from the University's basic financial statements. These component units are reported in distinct financial statements due to their use of different financial reporting models than the University and to emphasize their financial and legal separation from the University. ASU component units that are discretely presented in these statements include: ASU Enterprise Partners (ASUEP); Arizona Capital Facilities Finance Corporation (ACFFC); ASU Alumni Association; Arizona State University Research Park, Inc.; Sun Angel Foundation; and ASU Preparatory Academy, Inc. Even though these component units support the University, they are not subsidiaries of the University and the University is not financially obligated for their ongoing activities or liabilities.

For more information on these component units, please refer to *Note B – ASU Component Units* and *Note N – Summary Financial Information for ASU Component Units*.

Condensed Summary of Financial Position for ASU Discretely Presented Component Units *(Dollars in millions)*

	FY 2026	FY 2025
Assets		
Cash and investments	$ 2,653.8	$ 2,306.4
Capital assets, net	101.8	109.2
Receivables, net	483.7	450.0
Other assets	73.7	58.4
Total assets	**$ 3,313.0**	**$ 2,924.0**
Liabilities		
Long-term debt	$ 195.6	$ 209.7
Other liabilities	668.4	589.2
Total liabilities	**$ 864.0**	**$ 798.9**
Net assets		
Without Donor Restrictions	$ 421.0	$ 376.6
With Donor Restrictions	2,028.0	1,748.5
Total net assets	**$ 2,449.0**	**$ 2,125.1**

Condensed Summary of Activities for ASU Discretely Presented Component Units *(Dollars in millions)*

	FY 2026	FY 2025
Revenues		
Contributions	$ 324.0	$ 378.6
Other revenues	471.5	346.2
Total revenues	**$ 795.5**	**$ 724.8**
Expenses		
Payments to the benefit of ASU	$ 217.4	$ 202.2
Other expenses	253.1	242.9
Total expenses	**$ 470.5**	**$ 445.1**
Other losses	(1.1)	(9.5)
Increase in net assets	$ 323.9	$ 270.2
Net assets at beginning of year, previously reported	$ 2,125.1	$ 1,862.3
Correction of error		(7.4)
Net assets at beginning of year, as corrected	2,125.1	1,854.9
Net assets at end of year	**$ 2,449.0**	**$ 2,125.1**

Combined ASU and ASU Component Units - The ASU Public Enterprise

The ASU Public Enterprise reflects the financial activity of the University and its discretely presented component units and resulted in an increase in net position/net assets of $705 million for FY 2026, including a $381 million increase for the University and its blended component units and a $324 million increase for the discretely presented component units. Revenues for the discretely presented components units increased $71 million, or 10 percent, between years primarily due to a $110 million increase in net investment returns, a $12 million increase in sales and services and rental revenues, partially offset by a decrease in contributions of $55 million. Expenses for the component units increased by $17 million, or four percent, between years with an increase in payments to benefit ASU of $15 million. Payments to benefit ASU include: gift transfers from the ASU Foundation, payments to vendors on behalf of the University, scholarship fund transfers and rent payments to the University from the discretely-presented component units.

ASU Public Enterprise revenues are presented as gross amounts, excluding the impact of scholarship allowances, which are presented as operating expenses of the ASU Public Enterprise. Financial impacts of transactions between the University and its discretely presented component units during the fiscal years presented are not eliminated in this presentation and are presented consistent with the amounts reported in the audited financial statements for each entity.

Statement of Revenues, Expenses, and Changes in Net Position and Component Units Statement of Activities *(Dollars in millions)*

	FY 2026			FY 2025 (as modified)		
	ASU	ASU Component Units	Total	ASU	ASU Component Units	Total
Operating, nonoperating and capital-related revenues, gross	$ 5,405.5	$ 795.5	$ 6,201.0	$ 5,155.8	$ 724.8	$ 5,880.6
Operating and nonoperating expenses, including scholarship allowances	5,024.5	471.6	5,496.1	4,913.0	454.6	5,367.6
Increase in net position/net assets	$ 381.0	$ 323.9	$ 704.9	$ 242.8	$ 270.2	$ 513.0
Net position/net assets at beginning of year, previously reported	$ 2,540.4	$ 2,125.1	$ 4,665.5	$ 2,297.6	$ 1,862.3	$ 4,159.9
Correction of error					(7.4)	(7.4)
Net position/net assets at beginning of year, as corrected	$ 2,540.4	$ 2,125.1	$ 4,665.5	$ 2,297.6	$ 1,854.9	$ 4,152.5
Net position/net assets at end of year	**$ 2,921.4**	**$ 2,449.0**	**$ 5,370.4**	**$ 2,540.4**	**$ 2,125.1**	**$ 4,665.5**

The net position increase for the ASU Public Enterprise at June 30, 2026 of $705 million included a $344 million increase in the University and its component units unrestricted net position/net assets without donor restrictions, $19 million increase in net investment in capital assets and a $342 million increase in restricted net position. The University's discretely presented component units unrestricted net assets increased by $44 million while temporarily restricted and permanently restricted component units net assets increased by $220 million and $60 million, respectively. Restricted net position/net assets for the ASU Public Enterprise represent balances that must be spent in compliance with donor or grantor specifications.

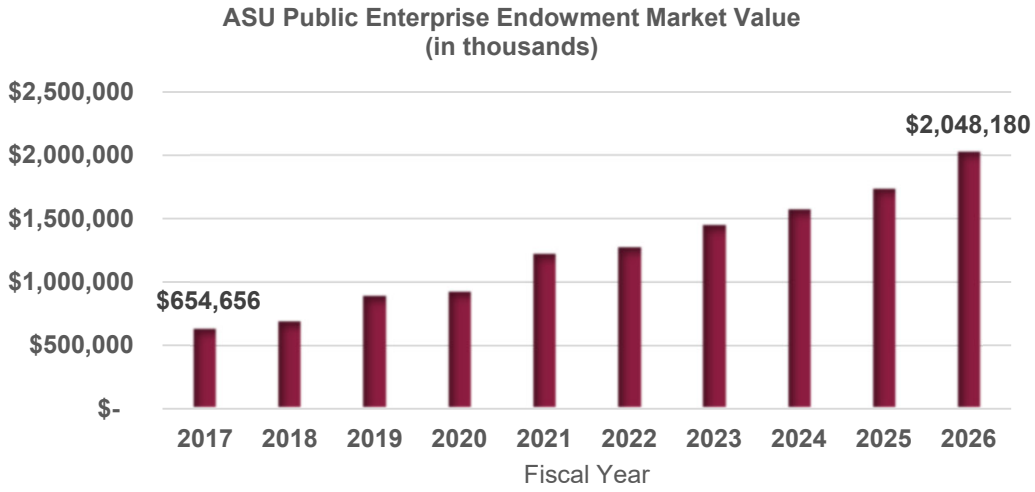
End of the Year Net Position of ASU and Net Assets of ASU Component Units on a Combined Basis *(Dollars in millions)*

	FY 2026			FY 2025		
	ASU	ASU Component Units	Combined	ASU	ASU Component Units	Combined
Net investment in capital assets	$ 1,437.6		$ 1,437.6	$ 1,419.0		$ 1,419.0
Unrestricted net position/net assets without donor restrictions	1,077.6	$ 421.0	1,498.6	777.8	$ 376.6	1,154.4
Restricted net position/net assets with donor restrictions:						
Expendable/Temporarily	277.9	1,069.4	1,347.3	223.4	849.5	1,072.9
Nonexpendable/Permanently	128.3	958.6	1,086.9	120.2	899.0	1,019.2
Net position/net assets at end of year	**$ 2,921.4**	**$ 2,449.0**	**$ 5,370.4**	**$ 2,540.4**	**$ 2,125.1**	**$ 4,665.5**

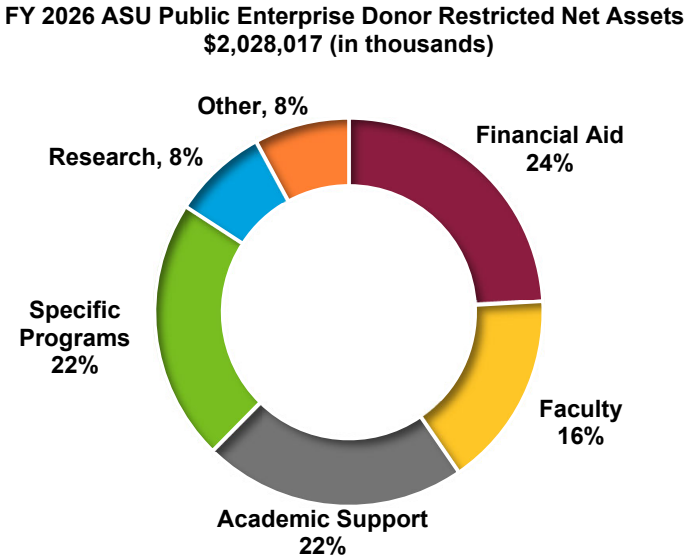
ASU Public Enterprise Endowment and Donor Restricted Assets

The National Association of College and University Business Officers (NACUBO) partners with Commonfund to publish the NACUBO Commonfund Study of Endowments (NCSE) survey. This survey counts the ASU endowment value for the entire ASU Public Enterprise, including assets held by the ASU Foundation, as well as other ASU affiliates. Endowment gifts are intended to be held in perpetuity with a portion of the income each year made available to spend on University needs. The ASU Foundation invests the endowment funds under the direction of the Investment Committee of the Board of Directors and under the management of an outsourced chief investment officer, currently BlackRock, in collaboration with the ASUEP Investment Office. The endowment investment performance is compared to the performance of the benchmark, which is a custom formulated passive index reflecting a similar asset allocation.

The ASU Public Enterprise Endowment increased from $1.7 billion in FY 2025 to over $2.0 billion in FY 2026, driven by significant current year development activities and favorable market conditions at June 30, 2026. The ASU Enterprise Endowment has grown by 213 percent over the past ten years with a compound annual growth rate of over 12 percent.



ASU Public Enterprise donor restricted assets include temporarily and permanently restricted net assets that support the University's Charter and are either subject to expenditure for specific purposes, subject to the endowment spending policy or required to be maintained in perpetuity. Temporarily restricted net assets at a public university represent resources whose use is limited by donor-imposed stipulations that expire either with the passage of time or upon the fulfillment of a specific purpose, such as scholarships or capital projects. Permanently restricted net assets consist of donor-restricted endowments or similar gifts in which the principal must be maintained intact in perpetuity, while only the related earnings may typically be spent according to the donor's terms. As of June 30, 2026, donor restricted net assets support the following activities:



Currently Known Facts, Decisions, or Conditions

Arizona State University remains financially sound, supported by a diversified revenue portfolio, sustained scale across campus immersion and campus digital modalities, successful philanthropic campaign, accelerating research volumes, and an experienced management leadership team. The University's enrollment trajectory for Fall 2026 remains robust with a projected total enrollment of over 158,000 students across its campus immersion and digital immersion educational modalities. This represents a slight decline of less than one percent from Fall 2025, attributed almost entirely to nationwide trends including visa-related delays and denials affecting admitted international students. Retention rates among persisting populations continue to perform well relative to national averages for large R1 public research universities supported by University investments in targeted interventions such as personalized advising and first-generation student success programs.

In establishing its FY 2027 budget, the University prioritized revenue diversification, strategic resource deployment, affordability, targeted institutional student aid, research competitiveness, public investment and long-term financial resilience. Reflecting these priorities, the budget assumes only modest growth in enrollment and associated tuition and fees revenues, anticipates a slight decline in public investment, includes increases in the University's commitment to financial aid, assumes controlled growth in operational expenses and emphasizes enhanced philanthropic support.

For the upcoming 2026-27 academic year, the University honored its tuition pledge to Arizona undergraduate and graduate residents who are in campus immersion programs which caps an annual increase of three percent or less, consistent with the multi-year tuition setting structure enacted by the Arizona Board of Regents.

Recent recognition for ASU's innovation and educational efforts from external sources include:

- #1 university in the U.S. for innovation, for all twelve years the ranking has existed; *(U.S. News and World Report, 2016-2027)*
- #1 in the U.S. and top 10 in the world for global impact in research, outreach and stewardship, for the seventh year in a row; *(Times Higher Education, 2020-2026)*
- #1 in the U.S. and #2 in the world for sustainable practices for the fourth year in a row; *(Sustainability Tracking, Assessment & Rating System, 2023-2026)*
- #1 public university in the U.S. chosen by international students for the fifth straight year; *(Institute of International Education, 2021-2025)* and #3 in the U.S. for first-year experiences among public universities; (*U.S. News & World Report, 2026)*
- #1 in the U.S. for interactive multimedia and emerging technology programs; (*Broadcast Education Association, 2026)*
- #2 in the U.S. for employability among public universities for the fourth year in a row; *(Global Employability University Ranking and Survey, 2023-2026)*
- Top 10 in the U.S. for 2025 Best Colleges for Your Tuition (and Tax) Dollars; *(Washington Monthly, 2025)*

Large R1 public research universities confront escalating challenges in FY 2027, including intensified competition and uncertainty around federal research funding, state-level constraints on public investment, domestic demographic shifts impacting traditional student enrollments, inflation-driven cost pressures, infrastructure demands, and significant declines in international student enrollment. Universities also continue to face growing competition with private industry for top faculty and staff in a competitive national labor market. Despite these industry-wide challenges, ASU's competitive advantages rest on unmatched scale across educational modalities, a research enterprise exceeding $1 billion annually, a diversified revenue base anchored by strong philanthropy, an endowment now surpassing $2 billion, and sustained No. 1 rankings in innovation and stability. These strengths – anchored in ASU's New American University model of high-margin online and lifelong-learning pathways, industry partnerships, and socially-embedded access – position the University to navigate industry-specific challenges, growing public skepticism about the value of higher education, and broader economic headwinds while continuing to advance its Charter.




FIRST GENERATION

Statement of Net Position

June 30, 2026 *(Dollars in thousands)*

Assets		
Current Assets:		
Cash and cash equivalents (Note C)	$	256,917
Short-term investments (Note C)		112,380
Accounts receivable, net (Note A)		581,607
Lease receivables (Note G)		5,423
Other assets		9,556
Total Current Assets	$	965,883
Noncurrent Assets:		
Restricted cash and cash equivalents (Note C)	$	296,778
Endowment investments (Note C)		548,416
Other investments (Note C)		1,539,926
Lease receivables (Note G)		101,048
Other postemployment benefits asset (Note L)		33,108
Other assets		2,569
Capital assets, net (Note D)		4,374,334
Total Noncurrent Assets	$	6,896,179
Total Assets	**$**	**7,862,062**
Deferred Outflows of Resources		
Interest rate swap (Note F)	$	2,007
Unamortized loss on refunding debt		6,399
Pensions related (Note K) and other postemployment benefits (Note L)		199,297
Total Deferred Outflows of Resources	**$**	**207,703**
Liabilities		
Current Liabilities:		
Accounts payable and accrued liabilities	$	144,834
Current portion of compensated absences (Note I)		30,990
Unearned revenues (Note H)		524,660
Funds held for others		17,988
Current portion of other postemployment benefits liability (Note L)		4,243
Current portion of lease and subscription liabilities (Note G)		33,719
Current portion of long-term debt (Note E)		330,828
Total Current Liabilities	$	1,087,262
Noncurrent Liabilities:		
Compensated absences (Note I)	$	60,256
Other liabilities		31,084
Derivative instrument - Interest rate swap (Note F)		2,007
Net pension (Note K) and other postemployment benefits liability (Note L)		812,816
Lease and subscription liabilities (Note G)		288,003
Long-term debt (Note E)		2,482,919
Total Noncurrent Liabilities	$	3,677,085
Total Liabilities	**$**	**4,764,347**
Deferred Inflows of Resources		
Unamortized gain on refunding debt	$	27,461
Pensions related (Note K) and other postemployment benefits (Note L)		253,130
Leases		103,390
Total Deferred Inflows of Resources	**$**	**383,981**
Net Position		
Net investment in capital assets	$	1,437,617
Restricted (Total of $406,240):		
Nonexpendable:		
Student aid		110,481
Academic department uses		17,851
Expendable:		
Student aid		107,136
Academic department uses		134,526
Other postemployment benefits		23,694
Debt service		12,552
Unrestricted		1,077,580
Total Net Position	**$**	**2,921,437**

See Notes to Financial Statements.

Statement of Financial Position

June 30, 2026 *(Dollars in thousands)*

	ASU Enterprise Partners	ACFFC	ASU Preparatory Academy, Inc.	Nonmajor Component Units	Total
Assets					
Cash and cash equivalents	$ 14,603	$ 11,899	$ 39,623	$ 17,812	$ 83,937
Pledges receivables, net	350,523			18,111	368,634
Other receivables, net	20,163	1,397	4,521	89,005	115,086
Investments in securities	2,469,980	8,521		25,609	2,504,110
Other investments	65,735				65,735
Other assets	24,565	10	3,178	2,496	30,249
Net investment in direct financing leases	12,115	8,247			20,362
Operating lease – right-to-use asset			23,098		23,098
Property and equipment, net	9,320	69,528	17,317	5,672	101,837
Total Assets	**$ 2,967,004**	**$ 99,602**	**$ 87,737**	**$ 158,705**	**$ 3,313,048**
Liabilities					
Accounts payable and accrued liabilities	$ 24,563	$ 11,537	$ 12,399	$ 1,101	$ 49,600
Deferred revenue			392	12,200	12,592
ASU endowment trust liability	532,758				532,758
Other liabilities	45,806			4,340	50,146
Lease liabilities			23,351	6	23,357
Long-term debt	60,769	134,812			195,581
Total Liabilities	**$ 663,896**	**$ 146,349**	**$ 36,142**	**$ 17,647**	**$ 864,034**
Net Assets					
Without Donor Restrictions	$ 301,768	$ (46,747)	$ 51,536	$ 114,440	$ 420,997
With Donor Restrictions	2,001,340		59	26,618	2,028,017
Total Net Assets (Deficit)	**$ 2,303,108**	**$ (46,747)**	**$ 51,595**	**$ 141,058**	**$ 2,449,014**

See Notes to Financial Statements.

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2026 *(Dollars in thousands)*

Operating Revenues		
Student tuition and fees, net of scholarship allowances of $708,139	$	2,326,998
Research grants and contracts, including $455,091 in federal funding, $64,374 in state funding and $188,736 in nongovernmental funding		710,834
Financial aid grants, including $318,069 in federal funding		318,418
Sales and services -		
Auxiliary enterprises, net of scholarship allowances of $23,928		280,430
Educational departments		135,666
Other revenues		31,507
Total Operating Revenues	$	3,803,853
Operating Expenses (Note J)		
Educational and general -		
Instruction	$	1,346,116
Research		583,386
Public service		62,606
Academic support		580,916
Student services		255,707
Institutional support		269,367
Operation and maintenance of plant		154,105
Scholarships and fellowships		406,945
Auxiliary enterprises		275,885
Depreciation and amortization		250,228
Total Operating Expenses	$	4,185,261
Operating Loss	$	(381,408)
Noncapital Subsidies		
State appropriations	$	385,650
Share of state sales tax - technology and research initiatives fund		48,169
Private gifts		132,360
Federal subsidy grants		49,600
State subsidies		35,596
Total Noncapital Subsidies	$	651,375
Operating Loss and Noncapital Subsidies	$	269,967
Nonoperating Revenues (Expenses)		
Net investment return	$	144,385
Capital state appropriation		27,021
Capital commitment - Arizona Lottery revenues - $15,184		26,767
Capital grants		13,271
Capital private gifts		4,931
Additions to permanent endowments		1,916
Interest expense		(95,998)
Other nonoperating expenses		(11,178)
Net Nonoperating Revenues	$	111,115
Increase in Net Position	$	381,082
Net Position at Beginning of Year		2,540,355
Net Position at End of Year	**$**	**2,921,437**

See Notes to Financial Statements.

Statement of Activities

Year ended June 30, 2026 *(Dollars in thousands)*

	ASU Enterprise Partners	ACFFC	ASU Preparatory Academy, Inc.	Nonmajor Component Units	Total
Revenues					
Contributions	$ 297,643		$ 2,670	$ 23,737	$ 324,050
Rental revenues	2,724	$ 18,021		14,545	35,290
Sales and services	55,952	12,412	18,227	1,519	88,110
Net investment return	234,819	497		3,670	238,986
Grants and aid			87,870		87,870
Other revenues	6,126	1,488	11,595	2,014	21,223
Total Revenues	$ 597,264	$ 32,418	$ 120,362	$ 45,485	$ 795,529
Expenses					
Payments to the benefit of ASU -					
Cash donation transfers to ASU	$ 161,175			$ 12,092	$ 173,267
Vendor payments	13,556				13,556
Scholarship fund transfers to ASU	16,469				16,469
Rent payments to ASU		$ 7,302		6,813	14,115
Management and general	81,392	10,486	$ 109,900	7,449	209,227
Interest expense	759	5,762			6,521
Depreciation/amortization	1,030	7,473	5,543	413	14,459
Other expenses	18,971	43	1,202	2,713	22,929
Total Expenses	$ 293,352	$ 31,066	$ 116,645	$ 29,480	$ 470,543
Increase in Net Assets before Loss	303,912	1,352	3,717	16,005	324,986
Loss of uncollectible pledges				(1,087)	(1,087)
Increase in Net Assets after Loss	303,912	1,352	3,717	14,918	323,899
Net Assets (Deficit), Beginning of Year	1,999,196	(48,099)	47,878	126,140	2,125,115
Net Assets (Deficit), End of Year	**$ 2,303,108**	**$ (46,747)**	**$ 51,595**	**$ 141,058**	**$ 2,449,014**

See Notes to Financial Statements.

Statement of Cash Flows

Year ended June 30, 2026 *(Dollars in thousands)*

Cash Flows from Operating Activities		
Student tuition and fees	$	2,244,433
Research grants and contracts		653,567
Sales and services of auxiliary enterprises		273,055
Sales and services of educational activities		141,513
Payments for employees' salaries and benefits		(2,177,980)
Payments to vendors for supplies and services		(1,279,752)
Payments for scholarships and fellowships		(426,789)
Funds held for others received		517,212
Funds held for others disbursed		(505,462)
Other receipts		18,563
Net cash used for operating activities	**$**	**(541,640)**
Cash Flows from Noncapital Financing Activities		
State appropriations	$	385,650
Share of state sales tax - technology and research initiatives fund		34,400
Grants and contracts		318,898
Private gifts for other than capital purposes		137,689
Direct lending program receipts		883,958
Direct lending program disbursements		(886,448)
Federal subsidy grants		49,600
Other state and local subsidies		35,551
Additions (private gifts) to permanent endowment		1,916
Net cash provided by noncapital financing activities	**$**	**961,214**
Cash Flows from Capital and Related Financing Activities		
Capital appropriations, including Research and University Capital Infrastructure	$	27,021
Capital commitments - federal subsidy		30,697
Capital gifts and grants		6,977
Proceeds from issuance of capital debt		249,974
Purchases of capital assets		(290,032)
Principal paid on capital debt, leases and subscriptions		(141,280)
Interest paid on capital debt, leases and subscriptions		(125,513)
Net cash used for capital and related financing activities	**$**	**(242,156)**
Cash Flows from Investing Activities		
Purchases of investments, net		(293,584)
Interest received on investments		95,820
Net cash used by investing activities	**$**	**(197,764)**
Net decrease in cash and cash equivalents		**(20,346)**
Cash and cash equivalents at beginning of year		574,041
Cash and cash equivalents at end of year	**$**	**553,695**
Reconciliation of Cash and Cash Equivalents Balances		
Current assets:		
Cash and cash equivalents	$	256,917
Noncurrent assets:		
Restricted cash and cash equivalents		296,778
Cash and cash equivalents at end of year	**$**	**553,695**

Reconciliation of Operating Loss to Net Cash used for Operating Activities

Operating loss	$	(381,408)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation and amortization		250,228
Financial aid grants and contracts		(318,418)
Miscellaneous nonoperating revenue		2,168
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Net pension and other postemployment benefits liability		(18,205)
Other postemployment benefits asset		(7,352)
Deferred outflows of resources related to pensions and other postemployment benefits		(2,043)
Deferred inflows of resources related to pensions and other postemployment benefits		16,903
Receivables, net		(90,467)
Accounts payable and accrued liabilities		(15,105)
Unearned revenues		24,872
Compensated absences		(978)
Funds held for others		(8,364)
Other assets		6,529
Net cash used for operating activities	**$**	**(541,640)**

Significant Noncash Transactions

Refinancing of long-term debt	465,077
Unrealized gain on endowment investments	36,165
Amortization of bond premiums	25,738
Net lease and subscription liability additions/deletions	(19,269)
Unrealized loss on operating investments	(20,889)
Net intangible right-to-use lease and subscription asset additions/deletions	(29,522)

See Notes to Financial Statements.


Walter Cronkite School of Journalism
and Mass Communication

June 30, 2026

Note A - Basis of Presentation and Significant Accounting Policies

The accounting policies of Arizona State University (ASU, University) conform to U.S. generally accepted accounting principles applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB).

Reporting Entity

Arizona State University is one of the largest public research universities in the United States under a single administration. Located on four campuses across metropolitan Phoenix, ASU had fall 2025 enrollment of 160,084 students. The accompanying statements of the University include the activity of the Tempe campus, West campus (located in northwest Phoenix adjacent to Glendale), Polytechnic campus (located in Mesa) and the Downtown Phoenix campus, and the University's online degree programs, as well as its component units. Information on component units can be found in *Note B - ASU Component Units* and *Note N - Summary Financial Information for ASU Component Units*.

For financial reporting purposes, the University's portion of the statements includes those funds directly controlled by the University. Control by the University is determined on the basis of financial accountability. The University is classified as a state instrumentality. Fiscal responsibility for the University remains with the State of Arizona and the University is reported as an enterprise fund in the State of Arizona's *Annual Comprehensive Financial Report*.

ASU's Basis of Presentation and Accounting

The accompanying financial statements of the University include a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows, each of which provide a comprehensive, entity-wide perspective of the University. The statement of net position provides information about the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University at the end of the fiscal year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions, or availability of assets to satisfy the University's obligations. The statement of revenues, expenses, and changes in net position provides information about the University's financial activities during the fiscal year. Revenues and expenses are classified as either operating or nonoperating items. Operating revenues and expenses are those other than nonoperating items. Nonoperating revenues and expenses include subsidies received and provided, contributions to permanent and term endowments, financing-related revenues and expenses, gains and losses from the disposal of capital assets and inventory, and investment income and expenses. Noncapital subsidies (resources provided or obtained without a corresponding exchange of goods or services that are not required to be used for capital purposes), are reported separately after operating income (loss), resulting in a required subtotal for operating income (loss) and noncapital subsidies. Other nonoperating items, including capital subsidies, follow that subtotal. Unusual or infrequent items, if any, are reported separately. 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 operating, noncapital financing, capital and related financing, or investing activities.

For financial reporting purposes under GASB, the University is considered a public institution engaged only in business-type activities. Accordingly, the University's financial statements have been presented under the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus emphasizes the long-term effects of operations on overall net resources (i.e., total assets, total deferred outflows of resources, total liabilities, and total deferred inflows of resources). The statement of revenues, expenses, and changes in net position prepared using the economic resources measurement focus includes only transactions and events that increase or decrease net position during the year. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred, or benefit has been received. All significant intra-university transactions have been eliminated.

The following new GASB Statement was effective for the current year:

GASB Statement No. 103, *Financial Reporting Model Improvements*, establishes new accounting and financial reporting requirements – or modifies existing requirements – related to (1) management's discussion and analysis (MD&A); (2) unusual or infrequent items; (3) presentation of the statement of revenues, expenses, and changes in net position (4) information about major component units in the basic financial statements; and (5) financial trends information in the statistical section. Amounts have not been restated in the University's statistical information 10-year schedules in conformity with GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Summary of Significant Accounting Policies

Cash and cash equivalents. In accordance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, all highly liquid investments with an original maturity of three months or less, are considered to be cash and cash equivalents. Funds invested in money market funds or through the State Treasurer's Local Government Investment Pool are also considered cash equivalents. In accordance with GASB, all restricted cash and cash equivalents, including funds held by a bond trustee, are shown as noncurrent cash and cash equivalents.

Endowment Spending Rate Policy. Arizona state law permits the University to expend the entire net appreciation of endowment fund investments. When determining the spending rate for endowment funds, the University administration considers long and short-term needs, total investment return and price level trends and general economic conditions. For FY 2026, the spending rate utilized the constant growth formula which increases spending distributions by the trailing one-year inflation rate (as measured by CPI-U, Consumer Price Index for all Urban Consumers) mid-fiscal year, as long as distributions do not exceed 4.25 percent or fall below 3.25 percent of the trailing 12-quarter average market value of each endowment fund. The inflation rate used was 2.7 percent for FY 2026.

Investments. Short-term, endowment, and other investments are stated at fair value at June 30, 2026. Fair value typically is the quoted market price for investments. Investment returns include interest and dividend earnings, as well as realized and unrealized gains and losses on investments.

Accounts receivable. Total accounts receivable at June 30, 2026 were $581.6 million. Included in the receivables balance are $278.7 million related to tuition and fee payments due from students and others making payments on behalf of students. Additionally, there are $243.5 million in receivables from grant and contract sponsors primarily related to the advancement of resources prior to the obligation of expenses and associated deliverables made pursuant to the University's grants, $13.1 million in accrued interest income, $10.8 million in financial aid donor-selected receipts and $5.3 million in Sun Devil Athletics ticket-related gifts and sponsorship revenues, $4.2 million related to room and board charges and $26.0 million in other receivables.

Other postemployment benefits (OPEB) asset. A net OPEB asset is reported when the fair value of plan assets exceeds the total actuarial OPEB liability. Contributions to the OPEB plan subsequent to the measurement date are reported as deferred outflows of resources. Information about the various plans fiduciary net position are obtained from the respective plans financial reports.

Capital assets. Capital assets are recorded at cost at the date of acquisition. Capital assets that are gifted to the University are recorded at acquisition value at the date of donation. The University's capitalization policy includes all equipment, works of art and historical treasures with a unit cost of $10,000 or more. In addition, all equipment under a unit cost of $10,000 purchased in bulk for a newly constructed, acquired, or leased facility to become initially operational is also capitalized on a vintage concept basis and depreciated over five years. All library resources acquired for use in University libraries are capitalized as a collection. Intangible subscription right-to-use assets and other intangible assets with a unit price of $5,000,000 or more are subject to subscription accounting or are capitalized, respectively. Intangible right-to-use lease assets of $500,000 or more are subject to lease accounting. New construction, as well as renovations to buildings, infrastructure, and land acquisitions and improvements that have a project cost of at least $100,000 are capitalized. Non-capital equipment and facility costs, routine repairs, and maintenance are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for non-research buildings and infrastructure, 10 to 50 years for research buildings, 10 years for library resources, 7 years for intangible assets, and 5 to 12 years for equipment. Intangible right-to-use lease and subscription assets are amortized on a straight-line basis over the shorter of the lease/subscription term or useful life of the underlying 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. For additional information, please see *Note D - Capital Assets* and *Note G – Leases and Subscription-Based Information Technology Arrangements*. The University does not depreciate works of art and historical treasures that are considered inexhaustible and are held for exhibition, education, research, and public service.

The University utilizes the componentized depreciation method for all pre-FY 2025 new construction and capital improvements related to its research buildings, which is consistent with the method used for government cost-reimbursement purposes. Under the componentized depreciation method, building costs are segregated into component categories with useful lives ranging from 10 to 50 years, and depreciated on a straight-line method basis. Beginning in FY 2025, the University ceased the componentized depreciation method for new construction of research facilities and improvements to existing research facilities.

Compensated absences. Compensated absences are employee vacation leave balances earned but not used at fiscal year end and sick leave balances earned but not used at fiscal year end for leave that is more likely than not to be used in future periods. Vacation leave and sick leave 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.

Unearned revenues. Unearned revenues consist primarily of student tuition and fees and sponsored grants activities related to the ensuing year. Also included are amounts received from athletic and cultural events which have not yet been earned.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position

and additions to or deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

Other postemployment benefits (OPEB) liability. For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the OPEB plans and additions to or deductions from have been determined on the same basis as they are reported by the plans.

Leases and subscription-based information technology arrangements.

Leases

The University, as lessee, leases real estate and equipment and determines the classification of the lease at commencement of the contract. For leases that have a maximum possible term of 12 months or less at commencement, assuming all possible lease extensions contemplated in a given lease, the University recognizes an outflow of resources 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 termination of the lease, and are exchange or exchange-like transactions, 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 future minimum lease payments expected to be made. The lease liability is reduced by the principal portion of the payments made with a corresponding interest expense component. The intangible right-to-use lease asset is initially measured at the value of the lease liability, plus any payments made prior to lease commencement plus direct costs incurred to place the asset into service, less any incentives received prior to commencement.

Key estimates and judgements include the determination of the discount rate used to calculate the present value of the 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 employs 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, as both the lessee and lessor, is for all leases where the present value of the minimum lease payments is $500,000 or more for both equipment and real property.

The University, as lessor, leases real estate and equipment to third parties and determines the classification of the lease at commencement of the contract. For leases where the University is the lessor, a lease receivable and deferred inflow of resources is recognized at the inception of the lease. The lease receivable is recorded at the present value of the future payments using the stated rate in the lease or, if not readily determined, at the University's incremental borrowing rate utilizing professional judgment as described above. Over the lease term, the University recognizes revenue from interest income and the amortization of the deferred inflow of resources on a straight-line basis.

Subscription-based information technology arrangements (SBITA)

The University's threshold for SBITA accounting, is for all subscriptions where the present value of the minimum subscription payments is $5,000,000 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 using the same methodology as for leases. In addition to recording an intangible subscription right-to-use asset and corresponding subscription liability, certain subscription implementation costs are included in the value of the subscription right-to-use assets and amortized over the remaining subscription term.

Net investment return. Net investment return is composed of interest, dividends, and net changes in the fair value of applicable investments associated with realized and unrealized gains and losses.

Derivative instrument - Interest rate swap. In accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the University records the hedging derivative instrument on the statement of net position by presenting a liability for the fair value of the derivative instrument at fiscal year end and a deferred outflow of resources.



Net position. The University's net position is classified based on the following three categories:

- Net investment in capital assets: includes capital assets, net of accumulated depreciation, amortization and outstanding principal balances of debt, lease and subscription obligations attributable to the acquisition, construction, or improvement of those assets.
- Restricted:
    - Nonexpendable – gifts that have been received for endowment purposes, the corpus of which cannot be expended.
    - Expendable – gifts, grants, contracts, earnings on endowments, expendable gifts that have been received for endowment purposes and other resources that have been externally restricted for specific purposes.
- Unrestricted: all other resources, including those designated by management for specific purposes. Substantially all unrestricted resources are internally designated for academic and research programs, strategic investments and capital projects.

When an expense is incurred that can be paid from either restricted or unrestricted resources, the University's policy is to allow the department incurring the expense to determine the appropriate funding source. Factors used by departments to determine which resources to use include relative priorities of the department in accordance with the University's strategic initiatives, externally imposed matching requirements of certain restricted funds, and any pertinent lapsing provisions of the available restricted or unrestricted funding resources. Major capital purchases are regularly split-funded from multiple restricted and unrestricted funding sources.

Revenues/Expenses. Revenues and expenses are classified as operating or nonoperating. Operating revenues generally result from exchange and exchange-like transactions and include all revenues that do not meet the definition of nonoperating, in accordance with GASB Statement No. 103, *Financial Reporting Model Improvements*. Accordingly, revenues derived from tuition and auxiliary charges are considered to be operating revenues. In addition, all sponsored and non-sponsored grants and contracts, unless they meet the definition of a subsidy, are considered operating revenues because of the exchange and exchange-like nature of these activities (i.e., funding is provided to acquire property or activity for the government's direct benefit). Financial aid grants, primarily Pell financial aid grants, are similarly classified as operating revenues. Nonoperating revenues are classified as either noncapital subsidies or nonoperating. State appropriations, Technology and Research Initiatives Funds (share of state sales taxes), current-use private gifts, federal subsidy grants and other state subsidies are considered to be noncapital subsidies as: 1) the University does not provide goods or services to the provider and, 2) these amounts either directly or indirectly keep the University's current or future fees and charges lower than they would be otherwise. Net investment income, additions to permanent endowments, and capital-related appropriations, commitments, grants and gifts are considered to be nonoperating revenues.

Operating expenses are those incurred in conducting the primary programs and services of the University. Operating expenses, in accordance with GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34*, include salaries, wages, benefits, supplies, services, and depreciation and amortization of capital assets, irrespective as to whether the funding source associated with these expenses are operating or nonoperating revenues. Other expenses, such as interest expense on debt, leases and subscriptions as well as financing-related issuance charges, are considered to be nonoperating expenses.

Scholarship allowances. Student tuition and fee revenues and other student related auxiliary revenues are reported net of scholarship allowances in the statement of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for services provided by the University, and the amount that is paid by the students (and/or third parties making payments on a student's behalf). To the extent that revenues from programs such as Pell grants and University funded scholarships are used to satisfy tuition and fees, and other student charges, the University has recorded a scholarship allowance.

Not included in scholarship allowances is $37.5 million in faculty and staff tuition waivers that are recorded as program expenses on the statement of revenues, expenses, and changes in net position and as personal services and benefits expenses, in *Note J - Operating Expenses by Natural Classification*.

Share of state sales tax - technology and research initiative fund (TRIF). As the governing board of the three state universities, the Arizona Board of Regents (ABOR) administers the portion of the Education 2000 (Proposition 301) sales tax which funds the universities' TRIF initiatives. ABOR receives funding requests from each university and determines the amount and duration of awards. The Governor and the Legislature receive an annual report from ABOR which includes a detailed set of performance measures used to determine the overall effectiveness of each TRIF funded initiative.

Other state subsidies. The University receives various revenues either directly from the State of Arizona or indirectly through the Arizona Board of Regents that meet the definition of a subsidy which include Arizona Teacher's Academy and AZ Promise revenues, Eminent Scholar revenues, collegiate plate and other revenues.

Note B - ASU Component Units

ASU's component units are separate legal entities controlled and governed by independent boards of directors whose goals are to support the University or have a close affiliation with the University. Even though these organizations support the University or have a close affiliation with the University, they are not subsidiaries of the University and, with the exception of the Bermuda Institute of Ocean Sciences, the Thunderbird School of Global Management, the ASU Athletic Facilities District and California College of ASU, they are neither directly nor indirectly controlled by the University. The University does not have ownership of the financial and capital resources or assets of the component units and does not have the authority to mortgage, pledge, or encumber the assets of these organizations.

Component units can be defined as legally separate entities for which the University is considered to be financially accountable. 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 are nevertheless included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 61 clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making that determination. GASB Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*, amends the blending requirements for component units that are incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should also be considered component units, with discrete presentation. These criteria are (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the University, its component units, or its constituents; (2) the University or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the University, or its component units, is entitled to, or has the ability to otherwise access, are significant to the University.

Financial statements of these component unit organizations are audited by independent auditors. All of the component units except for the Bermuda Institute of Ocean Sciences have a fiscal year end of June 30, 2026. The Bermuda Institute of Ocean Sciences operates on a calendar year and has a fiscal year end of December 31, 2025. Because the University's discretely presented component units use a non-governmental generally accepted accounting principles (GAAP) reporting model, the University has chosen to present the discretely presented component units' financial information on pages following the University's basic financial statements. To obtain individual audited financial statements for any of the University's component units, please contact ASU Financial Services at (480) 965-3601.

Blended Component Units

Bermuda Institute of Ocean Sciences

The Bermuda Institute of Ocean Sciences (BIOS), a New York nonprofit corporation, is reported as a blended component unit and included in the University's financial statements. BIOS primarily exists to benefit the University by providing an Atlantic Ocean hub for research and instructional activities. BIOS holds assets that are material to its overall financial position, primarily the BIOS campus and its research boat fleet, which are all controlled and managed by the University and used to support the University's research and academic programs.

Thunderbird School of Global Management

The Thunderbird School of Global Management (TSGM), an Arizona nonprofit corporation, is reported as a blended component unit and included in the University's financial statements. TSGM primarily exists to benefit the University by providing a platform for global education programming. Effective July 1, 2026, governance of TSGM and its remaining domestic and international holdings transferred from ASU and were absorbed into a disregarded entity of ASU Enterprise Partners, Enterprise Collaboratory at ASU and subsidiaries (ECASU). As part of this transition, TSGM was converted to an Arizona limited liability company with ECASU as the sole corporate member of TSGM. This transition simplifies TSGM's legal and corporate governance structure and provides a more efficient framework for managing and aligning TSGM's foreign operations with all other ASU Enterprise foreign operations currently managed by ECASU. Consequently, FY 2026 will be the final year that TSGM's financial statements will be blended with the University's financial statements.

ASU Athletic Facilities District

The ASU Athletic Facilities District (AFD), a single university athletic facilities district, is reported as a blended component unit and included in the University's financial statements. The AFD is formed pursuant to the provisions of Arizona Revised Statutes (A.R.S.) Title

48, Chapter 26 and Maricopa County Resolution No. C-20-12-017-M-00. The AFD supports the University's efforts to construct, reconstruct, finance, furnish, maintain and improve intercollegiate athletic facilities located on ASU's property, including utilities, roads, parking areas or buildings necessary for full use of the athletic facilities. The AFD resides within the Novus Innovation Corridor.

California College of ASU

California College of ASU (CC-ASU), a California nonprofit corporation, is reported as a blended component unit and included in the University's financial statements. CC-ASU is a higher education learning community that promotes creativity, innovation and growth through instruction and collaboration with programs that provide a challenging liberal arts education. Effective December 19, 2025, CC-ASU ceased its educational programs pursuant to action of its Board of Trustees. Since that date, CC-ASU's activities have been limited to the administration of remaining assets, liabilities and other wind-down of operational matters. Consequently, FY 2026 will be the final year that CC-ASU's financial statements will be blended with the University's financial statements.

Discretely Presented Component Units

Arizona State University's discretely presented component units, all Arizona nonprofit corporations, include three major component units, ASU Enterprise Partners (ASUEP), the Arizona Capital Facilities Finance Corporation (ACFFC) and ASU Preparatory Academy Inc. (ASU Prep) and several smaller component units listed below. The University has determined that ASUEP, ACFFC and ASU Prep are major component units based on an evaluation of (1) services provided by the component unit to the University are such that separate reporting as a major component unit is considered to be essential to financial statement users, (2) significant transactions with the University, or (3) significant financial benefit or burden relationship with the University.

A description of the University's discretely presented component units and the basis for including each as a component unit in the University's financial report follows.

- ASU Enterprise Partners - disburses resources at the discretion of its independent board of directors, in accordance with donor directions and ASU Enterprise Partners policy. The majority of assets held by the ASU Enterprise Partners are endowments restricted for donor specified programs and purposes, the principal of which may not be spent. The directors of the ASU Enterprise Partners make all decisions regarding the ASU Enterprise Partners business affairs, including distributions made to the University. Affiliates of ASUEP include: Arizona State University Foundation for a New American University (ASU Foundation), ASU Research Enterprise, Enterprise Collaboratory at ASU and Subsidiaries (formally known as Research Collaboratory at ASU), ASU Enterprise Partners Outreach Hub, Skysong Innovations, University Realty LLC and NEWSWELL.
- ASU Alumni Association - receives funds primarily through donations, dues, and affinity partners, which are used to promote the welfare of the University and its alumni.
- Sun Angel Foundation - receives funds primarily through donations and contributes funds to the University in support of various athletic programs.

The three component units above meet all of the criteria for a legally separate, tax-exempt organization to be reported discretely as a component unit. The economic resources held by these component units are for the direct benefit of the University and the University has the ability to access their economic resources and the economic resources of these component units are significant to the University.

- Arizona Capital Facilities Finance Corporation - provides facilities for use by students of the University or the University itself.
- Arizona State University Research Park, Inc. (Park) - manages a research park to promote and support research activities, in coordination with the University.

Per GASB Statement No. 14, as amended by GASB Statement No. 61, a fiscal dependency and financial benefit/burden exists between the University and these two component units. ACFFC and the Park do not meet the blending requirements since each component unit has a separate board of directors, services provided by the component units do not exclusively benefit the University and the total debt outstanding of the component units is not expected to be paid entirely or almost entirely with University resources.

- ASU Preparatory Academy, Inc. - prepares Arizona K-12 students for success with a university-embedded academic program that empowers them to complete college, compete globally and contribute to their communities. The University is able to impose its will on the entity and the University appoints the voting majority of its board. Additionally, a fiscal dependency and financial benefit/burden exists between the University and ASU Prep. ASU Prep does not meet the blending requirements in GASB Statement No. 14, as amended by GASB Statement No. 61.

For financial reporting purposes at the University level, only the discretely presented component units' statement of financial position and statement of activities are included in the University's financial statements as required by generally accepted accounting principles for public colleges and universities.

Note C - Cash and Investments

General

The following discussion addresses the University's deposits and investments, including deposit and investment risk disclosures, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3*, and the fair value measurement of investment assets, as required by GASB Statement No. 72, *Fair Value Measurement and Application*.

Included in the University's deposits and investments are $296.8 million in unspent proceeds from debt issuances for capital projects and current year debt service funds held in trust and invested with a trustee, $256.9 million in cash and cash equivalents, and $1,652.3 million in short-term and other investments. In addition, of $548.4 million in endowment funds, $532.7 million is managed by the ASU Foundation and $15.7 million is part of the Bermuda Institute of Ocean Sciences (BIOS), Inc. endowment. The funds managed by the ASU Foundation, an Arizona nonprofit corporation, are held in pooled endowment funds under a service contract with the ASU Foundation and invested in the ASU Foundation Long Term Investment Pool and the Sustainable Responsible Impact Pool (Pool).

The ASU Foundation is responsible for oversight, establishment of investment policies, and management of the Pool. The ASU endowment assets managed by the ASU Foundation are tracked separately in the ASU Foundation financial system. The ASU Foundation owns the assets of the Pool. The University has an interest in the Pool, which is considered an external investment to the University. ASU endowment assets share proportionally in Pool activity. The Pool invests in a variety of asset classes, including common stocks, fixed-income, foreign investments, private equity and hedge funds. The ASU Foundation Endowment Pool is not registered with the Securities and Exchange Commission as an investment company.

The ASU Foundation Investment Committee, appointed by the Board of Directors, includes members of the ASU Foundation Board of Directors and is responsible for oversight of the Pool in accordance with the policies of the ASU Foundation and ASU Enterprise Partners. The fair value of the University's position in the Pool is based on the University's proportionate share of the Pool, which is marked-to-market monthly. For additional information refer to *Note N - Summary Financial Information for ASU Component Units*.

The University also participates in the Arizona Financial Aid Trust, which was established by the Arizona Board of Regents (ABOR) and is funded by the Arizona State Legislature and student fees.

Statutory and Board of Regents' Policies

For non-endowment (operating) funds, Arizona Revised Statutes (Statutes) requires deposits of the University not covered by federal deposit insurance to be secured through participation in the State of Arizona Collateral Pool. The Pool is administered by the State Treasurer's Office which holds pledged collateral of at least 102 percent of uninsured public deposits in eligible depositories. ABOR has policy guidelines regarding deposits. The Statutes do not specifically address investment policy of the universities. ABOR investment policies require that each university arrange for the safekeeping of securities by a bank or other financial institution approved by ABOR. ABOR and University investment policies are consistent with the Arizona State Treasurer's statutory authority and investment policy. Investment of capital project funds is governed by the financing indenture requirements. ABOR policy dictates that endowment funds be invested under the direction of an investment committee designated by the president of each university.

The Arizona State University Investment Committee is responsible for advising on the definition, development, and implementation of investment objectives, policies, and restrictions. If a donor restricts the investment of a donation, ABOR policy requires that the University invest the funds separately as directed by the donor.

ABOR policy addresses limits on concentration of credit risk and interest rate risk, but neither ABOR policy nor the Statutes include any specific requirements regarding foreign currency risk for investments of the universities.

The State of Arizona Board of Investment provides oversight for the State of Arizona Treasurer's pools. The fair value of a participant's portion in the pool approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments.

Deposit and Investment Risk

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of a counterparty, the University would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. University policy for its operating funds requires collateralization of repurchase agreements. Beyond this requirement and those established by Statute or by ABOR, the University's investment policy does not specifically address custodial credit risk. As of June 30, 2026, the University had $97.0 million of U.S. agency securities held by an outside party that were uninsured and not registered in the University's name.

Credit Risk. ABOR policy requires that negotiable certificates of deposit, corporate bonds, debentures and notes, bankers acceptances and State of Arizona bonds carry a minimum BBB or better rating from Standard and Poor's Rating Service or Baa or better rating from Moody's Investors Service at the time of purchase and that the investment be sold in an orderly manner or held until maturity without further investments being made if it falls below this credit rating; and that commercial paper

Credit Quality Rating for Investments at June 30, 2026 *(Dollars in thousands)*							
			Standard and Poor's				
Investment Description	Fair Value	Not Rated	AAA/AAAm/ AAAf	A-1+/SP-1+ AA	A-1/SP-1 A	BBB	BB
Corporate bonds	$ 744,179	$ 27,970	$ 3,324	$ 19,080	$ 315,929	$ 373,783	$ 4,093
Money market mutual funds	511,395		511,395				
Asset backed securities	193,136	75,190	115,842		541	1,563	
Federal agency securities	96,965			94,700	2,265		
Mortgage backed securities	72,411	44,691	17,075	689	4,023	5,933	
Municipal bonds	17,466	3,373	60	8,811	5,222		
State of Arizona LGIP (Pool 5)	1,898		1,898				
Total	**$ 1,637,450**	**$ 151,224**	**$ 649,594**	**$ 123,280**	**$ 327,980**	**$ 381,279**	**$ 4,093**

be rated by at least two nationally recognized statistical rating organizations (NRSROs) and be of the two highest rating categories for short-term obligations of at least two of the NRSROs. Capital projects and debt service funds are invested by the trustee in accordance with each financing indenture, which generally limit investments to United States Treasury securities, Federal agency securities, certificates of deposit (minimum rating of P-1/A-1), commercial paper (minimum rating of P-1/A-1+), and money market funds rated AAAm or better and invested in short-term debt securities.

The University does not have a formal policy that specifically addresses credit risk for endowment funds. Endowment funds managed by the ASU Foundation are invested in an unrated external investment pool subject to the ASU Enterprise Partners investment policy. The ASU Foundation Investment Committee directs investments in the Pool and manages the credit risk associated with the Pool by following the credit quality and guideline restrictions stated in the ASU Foundation investment policy.

Concentration of Credit Risk. Other than United States Treasury securities and Federal agency securities, which can represent greater than five percent of total investments, University policy limits investment in a single issuer to five percent or less of the fair value of the total portfolio. Except for those issuers allowed by policy, the University does not have an investment in any single issuer that exceeds five percent of the total portfolio. As of June 30, 2026, the University had investments in United States Treasuries of $510.1 million or 18.4 percent of total investments.

Foreign Currency Risk. Non-endowment funds may not be invested in foreign-denominated securities. The University has no non-endowment investments exposed to foreign currency risk. The endowment funds managed by the ASU Foundation are invested in an external investment pool, which include U.S. dollar denominated foreign investments.

Interest Rate Risk. ABOR and University policies do not limit the maturity of investments held by the operating and endowment funds, however, the operating fund investment policy includes guidelines addressing diversification and liquidity. There are no maturity limits on investments in capital project and debt service funds. The funds are invested per the financing indentures to coincide with capital spending needs, which are typically less than three years, and debt service requirements. Certificates of deposit and commercial paper have maximum maturities of 360 days and 270 days, respectively.

Interest Rate Risk for Investments at June 30, 2026 - utilizing the weighted average maturity method *(Dollars in thousands)*		
Investment Description	Fair Value	Weighted Average Maturity (Years)
Corporate bonds	$ 744,179	3.4
Money market mutual funds	511,395	0.1
Asset backed securities	193,136	6.2
Federal agency securities	96,965	16.7
Mortgage backed securities	72,411	22.9
Municipal bonds	17,466	2.4
State of Arizona LGIP (Pool 5)	1,898	0.1
Subtotal, before U.S. Treasury securities	$ 1,637,450	
U.S. Treasury securities	510,064	3.2
Total	**$ 2,147,514**	



Fair Value of Investment Assets

The University measures and categorizes its investments using the 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 that are accessible at the measurement date;
- Level 2 - Inputs, other than quoted market prices included in Level 1, that are observable, either directly or indirectly;
- Level 3 - Prices or valuations that require inputs that are significant to the fair value measurement and unobservable.

Investments Classified in Fair Value Hierarchy. 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. Investments categorized as Level 3 of the fair value hierarchy are valued using various methods. Real estate is valued by using the income approach to measuring fair value which discounts expected future cash flows to a present value. With the income approach, the fair value measurement reflects current market expectations regarding future cash flows.

Other Investments at Fair Value. The fair value of a participant's portion in the State of Arizona LGIP (Pool 5) approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares held.

The fair value of the University's position in the ASU Foundation Endowment Pool is based on the University's proportionate share of the Pool, which is marked-to-market monthly.

University Investments Measured at Fair Value at June 30, 2026 *(Dollars in thousands)*

Investments Classified in Fair Value Hierarchy	As of 06/30/2026	Hierarchy Fair Value		
		Level 1	Level 2	Level 3
Corporate bonds	$ 744,179		$ 744,179	
Money market mutual funds	511,395	$ 193,356	318,039	
U.S. Treasury securities	510,064	510,064		
Asset backed securities	193,136		193,136	
Federal agency securities	96,965		96,965	
Real estate	78,792			$ 78,792
Mortgage backed securities	72,411		72,411	
Municipal bonds	17,466		17,466	
Total Investments Classified in Fair Value Hierarchy	**$ 2,224,408**	**$ 703,420**	**$ 1,442,196**	**$ 78,792**
Other Investments at Fair Value				
State of Arizona LGIP (Pool 5)	$ 1,898			
ASU Foundation Endowment Pool (ASU Portion)	532,758			
ASU BIOS Endowment Funds	15,658			
Total Other Investments at Fair Value	**$ 550,314**			
Total University Investments at Fair Value	**$ 2,774,722**			

Reconciliation to Statement of Net Position

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

Cash, Deposits and Investments *(Dollars in thousands)*

Cash on hand	$ 48
Deposits in bank	4,046
Net checks in transit	(24,399)
Investments	2,774,722
Total	**$ 2,754,417**

Statement of Net Position *(Dollars in thousands)*

Cash and cash equivalents	$ 256,917
Short-term investments	112,380
Restricted cash and cash equivalents	296,778
Endowment investments	548,416
Long-term investments	1,539,926
Total	**$ 2,754,417**

Note D - Capital Assets

Construction in progress represents expenses for approved capital projects which are generally funded with system revenue bonds. It is estimated $125.4 million in additional expenses will be required to complete the approved projects under construction at June 30, 2026. Construction in progress encumbrances committed through purchase orders at June 30, 2026, totaled $82.2 million.

Capital asset activity for the year ended June 30, 2026 follows:

Capital asset activity for the year ended June 30, 2026 *(Dollars in thousands)*

	Balance 07/1/2025	Additions/ Increases	Transfers/ Reclasses	Retirements/ Decreases	Balance 06/30/2026
Non-depreciated capital assets					
Land and land improvements	$ 155,901	$ (824)			$ 155,077
Construction in progress:					
Buildings	288,785	106,788	$ (268,431)		127,142
Works of art and historical treasures	29,269	2,097			31,366
Total non-depreciated capital assets	$ 473,955	$ 108,061	$ (268,431)		$ 313,585
Depreciable capital assets					
Infrastructure	$ 352,379	$ 25,763	$ 7,877	$ (82)	$ 385,937
Buildings	4,808,753	75,831	260,554	(27,270)	5,117,868
Equipment	761,908	52,631		(11,208)	803,331
Library books	146,279	13,939		(12,877)	147,341
Intangible capital assets:					
Software	48,984				48,984
Total depreciable capital assets	6,118,303	168,164	268,431	(51,437)	6,503,461
Less accumulated depreciation					
Infrastructure	(109,591)	(9,243)		33	(118,801)
Buildings	(1,853,666)	(136,045)		19,551	(1,970,160)
Equipment	(504,761)	(45,793)		10,651	(539,903)
Library books	(77,824)	(12,546)		12,877	(77,493)
Intangible capital assets:					
Software	(48,984)				(48,984)
Total accumulated depreciation	(2,594,826)	(203,627)		43,112	(2,755,341)
Depreciated capital assets, net	$ 3,523,477	$ (35,463)	$ 268,431	$ (8,325)	$ 3,748,120
Capital assets, net excluding intangible right-to use lease and subscription assets	**$ 3,997,432**	**$ 72,598**	**$ -**	**$ (8,325)**	**$ 4,061,705**
Intangible right-to-use lease assets, net (Note G)					**$ 234,592**
Intangible right-to-use subscription assets, net (Note G)					**$ 78,037**
Total capital assets, net as reported in Statement of Net Position					**$ 4,374,334**

Note E - Long-Term Debt

As of June 30, 2026 the University had issued a combination of fixed and variable rate bonds, fixed rate certificates of participation (COPs), direct placements and financed purchases, of which $2.8 billion is outstanding. The University's long-term obligations generally are structured with semi-annual interest payments and call options at a prescribed date.

Bonds, Certificates of Participation and Financed Purchases Payable at June 30, 2026 *(Dollars in thousands)*

	Average Interest Rate	Final Maturity	Balance 07/01/2025	Additions	Reductions	Balance 06/30/2026	Current Portion
Bonds:							
2008A/B Variable Rate Demand System Revenue Refunding Bonds	2.65%	07/01/34	$ 56,720		$ (4,510)	$ 52,210	$ 52,210
2012B System Revenue and Refunding Bonds	3.39%	07/01/28	1,900		(450)	1,450	465
2013B System Revenue and Refunding Bonds	2.16%	07/01/25	1,350		(1,350)		
2015A/B System Revenue and Refunding Bonds	3.35%	07/01/46	244,190		(197,910)	46,280	
2015D System Revenue Bonds	3.67%	07/01/46	88,090		(88,090)		
2016A System Revenue Refunding Bonds	2.29%	07/01/31	16,830		(16,830)		
2016B/C System Revenue Bonds	3.25%	07/01/47	196,640		(190,525)	6,115	6,115
2017B/C System Revenue and Refunding Bonds	3.38%	07/01/43	130,185		(3,615)	126,570	5,180
2019A/B System Revenue Bonds	3.32%	07/01/49	183,025		(3,490)	179,535	3,925
2020A/B/C System Revenue Bonds	2.84%	07/01/50	179,370		(1,505)	177,865	4,990
2021A/B/C System Revenue and Refunding Bonds	2.43%	07/01/53	253,495		(16,840)	236,655	14,030
2021 SPEED Revenue Refunding Bonds	0.96%	08/01/31	26,940		(3,640)	23,300	3,815
2022A/B/C System Revenue Bonds	3.69%	07/01/53	169,440		(2,325)	167,115	2,405
2023A/B/C System Revenue Bonds	3.96%	07/01/53	186,220		(4,650)	181,570	4,865
2024A/B/C System Revenue and Refunding Bonds	4.14%	07/01/54	382,865		(7,905)	374,960	10,910
2024 SPEED Revenue and Refunding Bonds	4.10%	08/01/54	151,485		(3,475)	148,010	5,270
2025A/B System Revenue and Refunding Bonds	3.65%	07/01/46		$ 316,330		316,330	18,325
2025C Variable Rate Demand System Revenue Bonds	2.70%	07/01/55	154,345			154,345	154,345
2026A System Revenue and Refunding Bonds	3.37%	07/01/47		264,015		264,015	
2026A SPEED Revenue Bonds	4.35%	08/01/56		61,750		61,750	
Subtotal: Par Amount of Bonds			$ 2,423,090	$ 642,095	$ (547,110)	$ 2,518,075	$ 286,850
Certificates of Participation (COPs):							
2006 Certificates of Participation	4.53%	06/01/31	$ 5,420		$ (810)	$ 4,610	$ 840
2013A Refunding Certificates of Participation	3.15%	09/01/26	9,005		(4,390)	4,615	4,615
Subtotal: Par Amount of COPs			$ 14,425		$ (5,200)	$ 9,225	$ 5,455
Direct Placements:							
2014A Refunding Certificates of Participation	3.05%	09/01/30	$ 58,820		$ (5,990)	$ 52,830	$ 6,175
2017 Refunding Certificates of Participation	1.87%	07/01/26	7,300		(3,620)	3,680	3,680
Subtotal: Par Amount of Direct Placements			$ 66,120		$ (9,610)	$ 56,510	$ 9,855
Financed Purchases:							
Fulton Center	2.45%	06/15/34	$ 13,385		$ (1,270)	$ 12,115	$ 1,310
Hassayampa Academic Village	3.24%	06/10/39	8,600		(353)	8,247	386
Nursing and Health Innovation	4.84%	03/01/36	6,470		(625)	5,845	625
Subtotal: Financed Purchases			$ 28,455		$ (2,248)	$ 26,207	$ 2,321
Total Par Amount of Bonds, COPs and Financed Purchases			$ 2,532,090	$ 642,095	$ (564,168)	$ 2,610,017	$ 304,481
Premium/(Discount) on Sale of Bonds and COPs			196,125	33,338	(25,733)	203,730	26,347
Total Bonds/COPs/Financed Purchases Payable			**$ 2,728,215**	**$ 675,433**	**$ (589,901)**	**$ 2,813,747**	**$ 330,828**

The University has pledged gross revenues as defined in the bond indentures towards the payment of debt related to various senior lien system revenue bonds and system revenue refunding bonds, as well as subordinate lien SPEED revenue bonds and SPEED revenue refunding bonds, outstanding at June 30, 2026. These bonds are primarily for new academic and research facilities, academic and laboratory renovations, and technology and infrastructure improvements. The pledged revenues include student tuition and fees, certain auxiliary enterprise revenue, net investment income, and indirect cost recovery revenue. Pledged revenues do not include state appropriations, gifts, endowment income, or other restricted revenues. For the year ended June 30, 2026, pledged revenues totaled $2.95 billion of which 5.9 percent ($174.4 million) was required to cover debt service payments.

System Revenue Bonds

In September 2025, the University issued $316.3 million of system revenue and refunding bonds, Series 2025A and 2025B, with an average maturity of 7.7 years and an average interest rate of 3.65 percent. The bonds were issued to fund the construction and improvements to the Tempe District Utility Plant, Research Laboratory Renovations, Academic and Classroom Renovations, Buildings and Infrastructure Enhancements and Modifications, Polytechnic Campus Utility Expansion, Tempe Campus West Quadrant Utility Expansion, IT Infrastructure, and Interdisciplinary Science Technology Building projects, and to refund Series 2015A, Series 2015B, Series 2015D, and Series 2016A system revenue bonds totaling $93.8 million, $84.1 million, $84.8 million and $11.7 million, respectively. The refunding resulted in a net reduction of $9.1 million between the carrying costs of the old debt to the acquisition costs of the new debt. This reduction is reported on the statement of net position as a deferred outflow of resources and is amortized on a straight-line basis annually as a component of interest expense. The refunded debt is considered defeased and related liabilities are not included in the University's financial statements. The issuance of the refunding bonds, with an average maturity of 8.3 years and an average interest rate of 3.7 percent, resulted in a $21.7 million reduction in future debt service payments with an economic gain of $21.2 million based on present value savings.

In April 2026, the University issued $264.0 million of system revenue and refunding bonds, Series 2026A, with an average maturity of 11.6 years and an average interest rate of 3.37 percent. The bonds were issued to fund the construction and improvements to the Academic and Classroom Renovations, Building and Infrastructure Enhancements and Modifications, IT Infrastructure, Polytechnic Chilled Water Expansion, and Research Laboratory Renovations projects, and to refund Series 2016B and Series 2016C system revenue bonds totaling $108.0 million and $76.7 million, respectively. The refunding resulted in a net reduction of $18.6 million between the carrying costs of the old debt to the acquisition costs of the new debt. This reduction is reported on the statement of net position as a deferred outflow of resources and is amortized on a straight-line basis annually as a component of interest expense. The refunded debt is considered defeased and related liabilities are not included in the University's financial statements. The issuance of the refunding bonds, with an average maturity of 13.1 years and an average interest rate of 3.59 percent, resulted in a $24.5 million reduction in future debt service payments with an economic gain of $23.0 million based on present value savings.

Variable Rate Demand System Revenue Bonds

The University has two series of variable rate demand system revenue refunding bonds outstanding, Series 2008A and Series 2008B, totaling $52.2 million with final maturities of July 1, 2034. The University has one series of variable demand system revenue bonds outstanding, Series 2025C, totaling $154.3 million with a final maturity of July 1, 2055. The interest rates in effect on June 30, 2026, were 2.65 percent for the Series 2008A and 2008B bonds and 2.70 percent for the Series 2025C bonds.

The University's variable rate demand bonds have demand features which allow bondholders to "put" the debt back to the University. The variable rate bonds are subject to purchase by the University on demand from bondholders, at a price equal to principal plus accrued interest, with seven days' notice by the bondholder to the remarketing agent.

As of May 4, 2016 the University executed a self-liquidity facility agreement to provide liquidity if variable rate demand bonds are "put" back to the University by bondholders and not resold by the remarketing agent. Self-liquidity is provided by the Arizona Board of Regents, from cash and investments of the University.

It is the University's intent to repay its variable rate demand bonds in accordance with the maturities set forth in the official statements. However, in accordance with GASB Interpretation No. 1, *Demand Bonds Issued by State and Local Government Entities*, in the absence of a "take out" agreement to convert those "put" bonds that cannot be resold by the remarketing agent into some other form of long-term obligation, the University has classified the principal balances outstanding on the Series 2008A, 2008B, and 2025C variable rate demand bonds as current liabilities.

SPEED Revenue Bonds

In June 2008, the State of Arizona Legislature approved the Stimulus Plan for Economic and Educational Development (SPEED) which provides Arizona universities with capital improvement funds for critical construction and deferred maintenance projects. SPEED projects are debt financed

with revenue bonds and repaid primarily with Arizona Lottery revenues. Specifically, up to 80 percent of SPEED debt service is paid from Arizona Lottery revenues, with the balance being the responsibility of the University as evidenced by the subordinated pledge of University revenues.

In February 2026, the University issued $61.8 million in SPEED revenue bonds, Series 2026A, with an average maturity of 19.5 years and an average interest rate of 4.35 percent. The bonds were issued to fund construction of the new ASU Health headquarters building.

Certificates of Participation

The University has two series of Certificates of Participation (COPs) not issued as Direct Placements, the Series 2006 COPs and the 2013A Refunding COPs. The University utilizes COPs to acquire buildings, equipment, and land. COPs are generally callable and collateralized by the acquired asset which is subject to a leasehold interest by the trustee. In the event of a default, the underlying asset value would be removed from the University's financial statements.

Direct Placements

The University has two series of direct placement Certificates of Participation (COPs), the Series 2014A Refunding COPs and the 2017 Refunding COPs. These direct placement COPs were issued with similar terms to the University's other COPs with no acceleration or priority provisions.

Financed Purchases

In October 2003, the University entered into a 30-year financed purchase agreement with ASUF, LLC, an Arizona limited liability company, of which the sole member is the University Realty LLC, an Arizona limited liability company, whose sole member is ASU Enterprise Partners, an Arizona nonprofit corporation and component unit of the University, to occupy four floors of office space in the Fulton Center and the related parking structure on the Tempe campus.

In July 2005, the University entered into a 34-year financed purchase agreement with McAllister Academic Village, LLC, an Arizona limited liability company, whose sole member is the Arizona Capital Facilities Finance Corporation (ACFFC), to utilize the nonresidential portion of the McAllister Academic Village (MAV) on the Tempe campus, which operates under the name of Hassayampa Academic Village. ACFFC has overall responsibility for the residential portion, comprising approximately 92 percent of the facility, with the University maintaining the nonresidential portion of the facility.

In November 2008, the University committed to an intergovernmental agreement with the City of Phoenix related to construction of the fourth and fifth floors of the Nursing and Health Innovation building at the University's Downtown Phoenix campus.

Future Payments

Future pledged revenues required to pay all remaining debt service for the University's senior and subordinate revenue bonds through final maturity of August 1, 2056 total $3.8 billion. In addition to a senior pledge of revenues for ASU system revenue bonds, the University has pledged the same revenues on a subordinated basis to secure the ASU SPEED revenue bonds.

Securities and cash held by the trustee and restricted for debt service on bonds and COPs at June 30, 2026 totaled $137.8 million and $3.7 million, respectively. Payment

Bonds, Certificates of Participation and Financed Purchases Payable at June 30, 2026 *(Dollars in thousands)*

	Bonds			Certificates of Participation		Direct Placements		Financed Purchases	
FY	Principal	Interest	Net Payments on Swap Agreement	Principal	Interest	Principal	Interest	Principal	Interest
2027	$ 85,040	$ 111,392	$ 586	$ 5,455	$ 243	$ 9,855	$ 1,435	$ 2,321	$ 816
2028	102,845	106,718	525	885	166	11,145	1,125	2,426	757
2029	104,300	101,907	460	920	126	11,485	781	2,538	693
2030	100,770	97,265	392	960	85	11,830	426	2,512	625
2031	108,465	92,238	322	1,005	42	12,195	61	2,628	555
2032-2036	573,365	381,370	502					11,233	1,609
2037-2041	615,690	238,774						2,549	253
2042-2046	482,930	114,675							
2047-2051	212,345	45,941							
2052-2056	128,500	10,154							
2057-2061	3,825	16							
Total	**$ 2,518,075**	**$ 1,300,450**	**$ 2,787**	**$ 9,225**	**$ 662**	**$ 56,510**	**$ 3,828**	**$ 26,207**	**$ 5,308**

commitments to investors, including interest, for bonds, COPs and financed purchases, using the interest rates in effect at June 30, 2026 for variable rate issues, are as follows:

Funding responsibility for June 30, 2026 outstanding debt and financed purchases *(Dollars in thousands)*			
	Current Portion	**Noncurrent Portion**	**Total**
From Arizona State University operating revenues	$ 294,450	$ 2,024,030	$ 2,318,480
From State of Arizona appropriations and other State monies	36,378	458,889	495,267
Total	**$ 330,828**	**$ 2,482,919**	**$ 2,813,747**

Subsequent Events

In July 2026, the University issued $61.8 million of SPEED bonds, with a subordinate revenue pledge, to finance a capital project.

In August 2026, the University issued $123.5 million of senior system revenue bonds to finance capital projects.

As of the report date, the Arizona Board of Regents has authorized the University to issue additional parity bond proceeds of $218.9 million. Pending additional Board authorizations, the University plans to issue parity bonds in the spring of 2027 to finance capital projects of approximately $253.9 million.

Note F - Interest Rate Swap Agreement

Effective January 1, 2007, the University entered into a $103 million notional amount swap agreement (hedging derivative instrument) expiring on July 1, 2034, in conjunction with the 2008 variable rate demand system revenue refunding bonds (2008 Bonds). The outstanding $51.9 million notional amount at June 30, 2026 is not exchanged; it is only the basis on which swap payments are calculated and it decreases as principal payments are made on the 2008 Bonds. The intention of the swap is to effectively convert the variable rate interest on the 2008 Bonds to a synthetic fixed rate. Under the terms of the swap agreement, the University makes monthly payments to the counterparty at a fixed rate of 3.91 percent and receives monthly payments from the counterparty based on weekly Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index rates. At June 30, 2026, the weekly SIFMA rate was 2.67 percent and the synthetic fixed interest rate on the bonds was:

Interest Rate Swap:	**Terms**	**Rates (%)**
Fixed payment to counterparty	Fixed	3.91
Variable payment from counterparty	SIFMA	(2.67)
Net interest rate swap payment		1.24
Variable rate bond coupon payment	Set by Agent	2.65
Synthetic fixed interest rate on bonds		3.89

The University continues to pay interest to the bondholders at the variable rate provided by the bonds. However, during the term of the swap agreement, the University effectively pays a fixed rate on the debt. If the swap counterparty defaults or if the swap is terminated, the University will revert to paying a variable rate. A termination of the swap agreement may result in the University making or receiving a termination payment.

The University is exposed to interest rate risk on the swap based on the SIFMA-indexed variable payment received from the swap counterparty, but it is offset by the variable interest rate paid to bondholders. The swap exposes the University to basis risk should the weekly SIFMA rate paid by the counterparty fall below the weekly interest rate due on the bonds. As of June 30, 2026, the University was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the University would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was rated AA by Fitch, A+ by Standard & Poor's and Aa2 by Moody's Investor Services as of July 1, 2026.

Based on current ratings, the counterparty was not required to provide collateral. In the event a rating downgrade occurs, the counterparty may be required to provide collateral if the University's overall exposure exceeds predetermined levels. Collateral may be held by the University or a third party custodian.

As of June 30, 2026, the swap had a fair value of $(2.0) million, which represents the cost to the University to terminate the swap. The June 30, 2025 fair value was $(2.7) million. The fair value was developed by an independent third party, with no vested interest in the transaction, using the zero coupon discounting method. This method calculates the future payments required by the swap, assuming the current forward rates implied by the U.S. Treasury yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current U.S. Treasury yield curve for a hypothetical zero-coupon rate bond due on the date of each future net swap settlement. In accordance with GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, the fair value of the University's hedging derivative instrument is reported on the statement of net position as a deferred outflow of resources and a liability (derivative instrument).

Note G - Leases and Subscription-Based Information Technology Arrangements

University as Lessee

The University has entered into leases with various entities for classroom, office, research and student housing and activity space. The following leases constitute significant right-to-use lease assets and corresponding lease liabilities for the University:

Brickyard. In July 2004, the University entered into a 25 year master lease of the Brickyard, owned by the ASUF Brickyard, LLC, an Arizona limited liability company, of which the sole member is University Reality, LLC, an Arizona limited liability company, whose sole member is ASU Enterprise Partners. The majority of the facility is being used by the University for classrooms, offices and research areas, with the remaining portion being leased by the University to various firms for retail and restaurant operations. In June 2025, the University extended the lease for an additional 10 year term through July 2044.

SkySong. In June 2006, the University entered into a 15 year lease, for approximately 80,000 square feet of office space within a development known as SkySong. The University's use of the leased space focuses on supporting entrepreneurial activities and interdisciplinary research programs in engineering-related fields and education technology. The University has since entered into multiple extensions and subsequent leases within the SkySong development for an additional 72,212 square feet of office space for similar uses.

Herald Examiner Building. In August 2018, the University entered into a 12 year lease for 85,118 square feet of office space known as Herald Examiner Building located in Downtown Los Angeles to create the ASU California Center. The century-old former newspaper headquarters provides educational, community engagement and other programming space for the Herberger Institute, the Walter Cronkite School of Journalism and Mass Communication and other University programs. In May 2024, the lease was amended to provide for two 10-year options and one two-year eleven months option and extends the University's use of the facility through May 2055.

Phoenix Biomedical Building (Wexford). In December 2018, the University entered into a 15 year lease for 113,615 square feet of the Wexford facility. Wexford is the first public-private development effort between the city of Phoenix, the University and Wexford Science and Technology and serves as a global center for interdisciplinary research, discovery and development. The University portion of the facility houses academic research and clinical space.

Ascentris-224. In March 2019, the University entered into a 10 year lease with Ryan University Realty, LLC for 169,223 square feet of office and ground floor retail space located within the Novus Innovation Corridor. The University utilizes the property for general office, administrative and educational purposes including classrooms and collaborative spaces.

ASU Barrett and O'Connor Washington Center. In December 2014, the University entered into a 20 year lease for a multi-use office building in Washington, D.C. The center expands ASU's presence in the nation's capital, spurring innovative national engagements and partnerships and provides one-of-a-kind learning, teaching and research opportunities for students and faculty members.

Intangible right-to-use lease assets activity for the year ended June 2026 is summarized as follows:

Intangible right-to-use lease assets for the year ended June 30, 2026 *(Dollars in thousands)*

	Balance 07/1/2025	Additions	Remeasure-ments	Deductions	Balance 06/30/2026
Right-to-use lease assets					
Real estate	$ 362,020	$ 5,732	$ 6,218	$ (611)	$ 373,359
Total right-to-use lease assets	$ 362,020	$ 5,732	$ 6,218	$ (611)	$ 373,359
Less accumulated amortization					
Real estate	$ (116,276)	$ (23,102)		$ 611	$ (138,767)
Total accumulated amortization	$ (116,276)	$ (23,102)		$ 611	$ (138,767)
Total intangible right-to-use lease assets, net	**$ 245,744**	**$ (17,370)**	**$ 6,218**	**$ -**	**$ 234,592**

Lease liability activity for the year ended June 30, 2026 is summarized as follows:

Lease Liabilities at June 30, 2026 *(Dollars in thousands)*						
	Balance 07/1/2025	Additions	Remeasure-ments	Deductions	Balance 06/30/2026	Current Portion
Total	$ 266,759	$ 5,732	$ 6,080	$ (17,214)	$ 261,357	$ 18,462

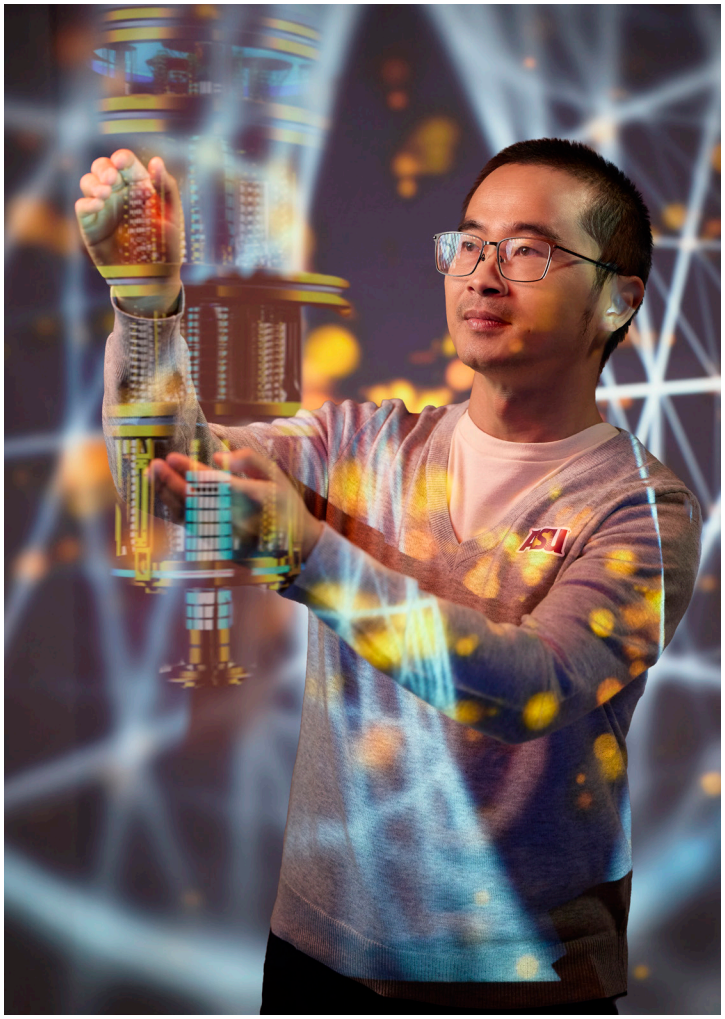
Future annual lease payments are as follows:

Future Annual Lease Payments at June 30, 2026 *(Dollars in thousands)*			
Year ending June 30:	**Principal**	**Interest**	**Total**
2027	$ 18,462	$ 11,170	$ 29,632
2028	17,768	10,651	28,419
2029	18,208	10,107	28,315
2030	16,004	9,536	25,540
2031	15,761	8,983	24,744
2032-2036	56,034	37,242	93,276
2037-2041	22,708	29,829	52,537
2042-2046	33,785	21,746	55,531
2047-2051	26,885	13,475	40,360
2052-2056	31,510	4,430	35,940
2057-2061	393	861	1,254
2062-2066	381	1,039	1,420
2067-2071	369	1,237	1,606
2072-2076	357	1,460	1,817
2077-2081	346	1,710	2,056
2082-2086	335	1,991	2,326
2087-2091	324	2,307	2,631
2092-2096	314	2,663	2,977
2097-2101	304	3,064	3,368
2102-2106	294	3,517	3,811
2107-2111	285	4,027	4,312
2112-2116	276	4,602	4,878
2117-2121	254	4,970	5,224
Total	**$ 261,357**	**$ 190,617**	**$ 451,974**

University as Lessor

The University is lessor for various noncancellable leases of real estate and equipment. Lease-related receivables and revenue recognized for the year ended June 30, 2026 are as follows:

Lease-related receivables and revenue recognized for the year ended June 30, 2026 *(Dollars in thousands)*	
Current lease receivables	$ 5,423
Noncurrent lease receivables	101,048
Lease revenue	$ 6,068
Interest revenue	2,735



Subscription-Based Information Technology Arrangements

The University has entered into subscription arrangements with various entities for its use of information technology assets. The following subscription arrangements constitute significant right-to-use subscription assets with corresponding subscription liabilities for the University:

Workday. In January 2021, the University entered into a ten year master subscription arrangement with Workday to host and update its Human Capital Management (HCM) system and extend its utilization of the Workday Financial Management System (FMS). Workday HCM is the University's core human capital management, recruiting, workforce planning, time tracking, scheduling and employee learning systems. The subscription agreement term is November 2022 through November 2032. In May 2026, the University entered into a discrete seven year subscription arrangement with Workday for the Strategic Sourcing Enterprise and Contract Lifecycle Management modules to enhance the University's supply chain and procurement functions. The subscription term ends in November 2032.

Salesforce. In July 2024, the University entered into a five year agreement with Salesforce as its preferred platform for student service and recruitment of future learners. The subscription arrangement term is July 2024 through July 2029.

Amazon Web Services. In November 2021, the University entered into a five year arrangement with Amazon Web Services (AWS) to utilize AWS cloud computing, data storage, analytics, and security services. The subscription agreement term is December 2021 through November 2026.

Instructure. In July 2024, the University entered into a five year agreement with Instructure as its preferred learning platform, Canvas. The subscription arrangement term is July 2024 through July 2029.

Zoom. In January 2022, the University entered into a five year agreement with Zoom as its preferred virtual communications partner and platform. The subscription arrangement term is January 2022 through August 2027.

Intangible subscription right-to-use assets activity for the year ended June 2026 is summarized as follows:

Intangible subscription right-to-use assets for the year ended June 30, 2026 *(Dollars in thousands)*

	Balance 07/1/2025	Additions	Remeasure-ments	Deductions	Balance 06/30/2026
Subscription assets	$ 145,872	$ 5,129			$ 151,001
Total subscription assets	$ 145,872	$ 5,129			$ 151,001
Less accumulated amortization					
Subscription assets	$ (49,465)	$ (23,499)			$ (72,964)
Total accumulated amortization	$ (49,465)	$ (23,499)			$ (72,964)
Total subscription right-to-use assets, net	$ 96,407	$ (18,370)			$ 78,037

Subscription liabilities activity for the year ended June 30, 2026 is summarized as follows:

Subscription Liabilities at June 30, 2026 *(Dollars in thousands)*

	Balance 07/1/2025	Additions	Remeasure-ments	Deductions	Balance 06/30/2026	Current Portion
Total	$ 74,232	$ 5,129		$ (18,996)	$ 60,365	$ 15,257

The following schedule details minimum subscription payments to maturity for the University's subscription liabilities at June 30, 2026:

Future Annual Subscription Payments at June 30, 2026 *(Dollars in thousands)*

Year ending June 30:	Principal	Interest	Total
2027	$ 15,257	$ 2,909	$ 18,166
2028	13,866	2,174	16,040
2029	13,322	1,498	14,820
2030	5,380	851	6,231
2031	5,949	596	6,545
2032	6,591	314	6,905
Total	**$ 60,365**	**$ 8,342**	**$ 68,707**

Note H - Unearned Revenue and Deposits

Unearned revenue consists primarily of amounts received from grants and contract sponsors that have not yet been earned under the terms of the agreements as well as tuition and fees received in advance, primarily from summer session revenues. Unearned revenue also includes amounts received in advance of an event or delivery of goods or services, such as advance ticket sales for Gammage Broadway Series events and Sun Devil Athletics sporting events. Unearned revenue and deposits (in thousands) at June 30, 2026, consisted of the following:

Current Unearned Revenue and Deposits at June 30, 2026 *(Dollars in thousands)*	
Unexpended cash advances received for research grants and contracts	$ 366,306
Tuition and fees	122,566
Auxiliary sales and services	33,837
Other unearned revenue	1,674
Deposits	277
Total current unearned revenue and deposits	**$ 524,660**

Note I - Compensated Absences

The University has recorded a liability for accruals of vacation leave earned, but not used at fiscal year end. At fiscal year end the University accrued up to the maximum 22 days allowed by University policy for which an employee can be paid upon termination of employment. Additionally, the University recognizes a liability for sick leave earned, but not used at fiscal year end for leave that is more likely than not to be used in future periods.

Changes in accrued compensated absences for the year ended June 30, 2026 consisted of the following (Dollars in thousands):

Beginning balance	$ 92,321
Net decrease	(1,075)
Ending balance	$ 91,246
Current portion	$ 30,990

Note J - Operating Expenses by Natural Classification

Operating expenses by functional and natural classification for the year ended June 30, 2026, are summarized as follows (Dollars in thousands):

	Year ended June 30, 2026				
	Personal Services and Benefits	**Supplies and Services**	**Student Aid**	**Depreciation**	**Total**
Instruction	$ 965,390	$ 380,726			$ 1,346,116
Research	320,670	262,716			583,386
Public service	36,658	25,948			62,606
Academic support	416,313	164,603			580,916
Student services	150,942	104,765			255,707
Institutional support	173,131	96,236			269,367
Operation and maintenance of plant	34,811	119,294			154,105
Scholarships and fellowships			$ 406,945		406,945
Auxiliary enterprises	118,587	157,298			275,885
Depreciation				$ 250,228	250,228
Total Operating Expenses	**$ 2,216,502**	**$ 1,311,586**	**$ 406,945**	**$ 250,228**	**$ 4,185,261**

Note K - Retirement 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 described on page 57. The University also contributes to the Public Safety Personnel Retirement System (PSPRS), which is comprised of a state administered agent multiple-employer defined benefit pension plan and a defined contribution plan. Although a PSPRS net pension liability has been recorded at June 30, 2026, PSPRS has not been further disclosed due to its relative insignificance to the University's financial statements.

The University's net pension liability at June 30, 2026, was comprised of the following (Dollars in thousands):

ASRS	$ 673,560
PSPRS	1,599
Defined contribution pension plans	42,984
Total net pension liability	$ 718,143

Changes in the University's net pension liability during the fiscal year ended June 30, 2026, were as follows (Dollars in thousands):

Beginning balance	$ 698,552
Increases	229,843
Decreases	(210,252)
Ending balance	$ 718,143

Defined Benefit Plan

Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. Certain eligible staff categories are required and eligible University faculty and other staff categories 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. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. That report may be obtained by visiting www.azasrs.gov.

Benefits Provided. The ASRS provides retirement and survivor 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 survivor benefit is determined by the retirement benefit option chosen. 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. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as shown in the table below.

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, 2026, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.86 percent of the members' annual covered payroll, and the University was required by statute to contribute at the actuarially determined rate of 11.83 percent of the active members' annual covered payroll. In addition, the University was required by statute to contribute at the actuarially determined rate of 9.72 percent 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. The University's contributions to the pension plan for the year ended June 30, 2026, were $75.2 million.

Pension Liability. At June 30, 2026, the University reported a liability of $673.6 million for its proportionate share of the ASRS' net pension liability. The net pension liability (NPL) was measured as of June 30, 2025. 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, 2024, to the measurement date of June 30, 2025.

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, 2025. The University's proportion measured as of June 30, 2025 was 4.338 percent which was an increase of 0.22 from its proportion measured as of June 30, 2024.

	Retirement Initial Membership Date	
Years of service and age required to receive benefit	**Before July 1, 2011**	**On or after July 1, 2011**
	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

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2026, the University recognized pension expense for ASRS of $76.3 million. At June 30, 2026, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (Dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 44,825	
Changes of actuarial assumptions or other inputs	9,682	
Changes in proportion and differences between University contributions and proportionate share of contributions	34,605	
Net difference between projected and actual earnings on pension plan investments		$ 53,383
University contributions subsequent to the measurement date	75,192	
Total	**$ 164,304**	**$ 53,383**

The $75.2 million 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, 2027. 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. (Dollars in thousands, positive amount indicates an increase in pension expense):

Year ending June 30,	
2027	$ 64,926
2028	5,267
2029	(21,300)
2030	(13,164)

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

Actuarial valuation date	June 30, 2024
Actuarial roll forward date	June 30, 2025
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	3.0% - 8.4%
Inflation	2.4%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2024, including increasing the inflation rate from 2.3 percent to 2.4 percent and incremental adjustments in projected salary increases.

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 Expected Real Rate of Return
Public equity	44%	4.48%
Credit	23%	4.40%
Private equity	10%	6.11%
Interest rate sensitive	6%	(0.45)%
Real estate	17%	6.05%
Total	**100%**	

Discount Rate. At June 30, 2025, 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 (Dollars in thousands):

	University's proportionate share of the NPL
1% decrease (6.0%)	$ 1,065,958
Current discount rate (7.0%)	673,560
1% increase (8.0%)	346,634

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 reported accrued payroll and employee benefits of $2.0 million for outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2026.

Defined Contribution Plans

Plan Description. In accordance with A.R.S. section 15-1628, University faculty and most University staff have the option to participate in defined contribution pension plans. For the year ended June 30, 2026, plans offered by TIAA and Fidelity Investments Tax-Exempt Services Company (Fidelity) were approved by the Arizona Board of Regents. Benefits under these plans depend solely on the contributed amounts and the returns earned on investments of those contributions. Contributions made by members vest immediately; University contributions vest after five years of full-time employment. Non-vested contributions held by the University earn interest. Member and University contributions and associated returns earned on investments may be withdrawn upon termination of employment, death, or retirement. The distribution of member contributions and associated investment earnings are made in accordance with the member's contract with the applicable insurance and annuity companies.

Funding Policy. The Arizona State Legislature establishes the contribution rates for active plan members and the University. The Arizona Revised Statutes define the authority under which benefit terms are established or may be amended. For the year ended June 30, 2026, plan members and the University were each required by statute to contribute an amount equal to 7 percent of a member's compensation.

Pension Liability. At June 30, 2026, the University reported a liability of $43.0 million, of which $41.7 million is non-vested defined contributions. If individuals terminate employment prior to vesting, any non-vested University contributions are retained by the University.

Pension Expense. For the year ended June 30, 2026, the University recognized pension expense for Defined Contribution Plans of $44.4 million, which excludes $3.0 million in forfeitures.

Pension Contributions Payable. The University's accrued payroll and employee benefits included $1.3 million of outstanding pension contribution amounts payable to TIAA and Fidelity for the year ended June 30, 2026.

Note L - Other Postemployment Benefits (OPEB)

Other postemployment benefits provided as part of University employment include the Arizona Department of Administration sponsored single-employer defined benefit postemployment plan as well as the ASRS sponsored cost-sharing, multi-employer defined benefit plan for the Long-Term Disability and the Health Benefit Supplement Fund. University public safety personnel participate in the Public Safety Personnel Retirement System (PSPRS). PSPRS administers an agent multi-employer defined benefit health insurance premium benefit plan. Although the ASRS and PSPRS plans have been recorded at June 30, 2026, these plans have not been further disclosed due to their relative insignificance to the University's financial statements.

The University's OPEB liability at June 30, 2026, was $98.9 million. Changes in the University's OPEB liability during the fiscal year ended June 30, 2026, were as follows (Dollars in thousands):

Beginning balance (as restated)	$ 131,385
Increases	18,945
Decreases	(51,414)
Ending balance	$ 98,916
Current portion	$ 4,243

The University's net OPEB asset at June 30, 2026, was $33.1 million. Changes in the University's OPEB asset during the fiscal year ended June 30, 2026, were as follows (Dollars in thousands):

Beginning balance (as restated)	$ 25,646
Increases	7,922
Decreases	(460)
Ending balance	$ 33,108

Beginning balances for the net OPEB asset and net OPEB liability have been restated as the ASRS LTD plan was previously reported as a net liability and is now a net asset.

Single-Employer Plan

Plan Description. The Arizona Department of Administration (ADOA) administers a single-employer defined benefit postemployment plan (ADOA Plan) that provides medical and accident benefits to retired state employees and their dependents, including University employees and their dependents. For financial reporting purposes, the University presents its proportionate share of the ADOA Plan total liability and the related note disclosures similar to a multi-employer plan.

Title 38, Chapter 4 of the A.R.S. assigns the authority to establish and amend the benefit provisions of the ADOA Plan to the Arizona State Legislature. The ADOA pays the medical costs incurred by retired employees, net of related premiums that are paid entirely by the retiree or on behalf of the retiree. These premium rates are based on a blend of active employee and retiree experience, resulting in a contribution basis that is lower than the expected claim costs for retirees, creating an implicit subsidization of retirees by the ADOA Plan. A portion of the ADOA Plan's implicit rate subsidy represents an obligation of the University for its proportionate share of the total OPEB liability.

Funding Policy and Contributions. The ADOA's current funding policy is pay-as-you-go for OPEB benefits. There are no dedicated assets at this time to offset the actuarial accrued liability.

Benefits Provided. The ADOA provides medical and accident benefits to retired University employees and their dependents. The ADOA pays the medical costs incurred by retired employees who choose to participate in the plan minus a specified premium amount which is paid for entirely by the retiree or on behalf of the retiree. Premium rates are based on a blend of active employee and retiree experience, resulting in a contribution basis which is lower than the expected claim costs for retirees only, which results in an implicit subsidization of retirees by the University. Dental and vision benefits are also available, but are not valued as there is no implicit subsidization in the retiree rates.

OPEB Liability. At June 30, 2026, the University reported a liability of $98.9 million for its proportionate share of the ADOA total OPEB liability. The total OPEB liability was measured as of June 30, 2025 and was determined using an actuarial valuation as of June 30, 2025. The University's proportion of the total OPEB 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, 2025.

The total OPEB liability as of June 30, 2026 reflects the following change in benefit terms and actuarial assumptions:

- The discount rate increased to 5.20 percent, up from 3.97 percent, due to changes in the tax-exempt municipal bond index rate.

The University's proportion measured as of June 30, 2025 was 20.84 percent.

OPEB Expense and Deferred Outflow/Inflows of Resources. For the year ended June 30, 2026, the University recognized a negative ADOA OPEB expense of $(3.9) million. At June 30, 2026, the University reported deferred outflows of resources and inflows of resources related to OPEB from the following sources (Dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
University benefit payments subsequent to the measurement date	$ 3,160	
Changes of assumptions or other inputs	13,215	$ 49,793
Difference between expected and actual experience in the Total OPEB Liability	13,126	137,405
Total	**$ 29,501**	**$ 187,198**

The $3.2 million reported as deferred outflows of resources related to ADOA OPEB resulting from University benefit payments subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ADOA OPEB will be recognized in pension expense as follows (Dollars in thousands):

Year ending June 30,	
2027	$ (29,809)
2028	(37,189)
2029	(34,450)
2030	(27,157)
2031	(19,012)
Thereafter	(13,240)

Actuarial Assumptions. Projections of ADOA Plan benefits for financial reporting purposes include the types of benefits provided at the time of each valuation and the pattern of sharing of cost between the employer and the ADOA Plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations. Actuarial assumptions used in the June 30, 2025 valuation were based on the results of the Arizona State Retirement System (ASRS) Actuarial Experience Study covering a 5-year period from July 1, 2015 to June 30, 2020.

The ADOA Plan's actuarial methods and significant assumptions for the most recent actuarial valuation are as follows:

Actuarial valuation date	June 30, 2025
Actuarial cost method	Entry-Age Normal
Projected salary increases	0.00% - 6.00% varying by years of service
Healthcare cost trend rates:	
Medical (pre-Medicare)	8.00% graded to 4.25%
Medical (post-Medicare)	4.90% graded to 4.25%
Administrative costs	None
Discount rate	5.20%
Mortality rates:	Level dollar, open
Employees	Pub-2010 General Employee Mortality Table projected generationally from 2010 utilizing Ultimate MP scales
Healthy retirees and beneficiaries	2017 State Retirees of Arizona Mortality Tables projected generationally from 2017
Disabled retirees	Pub-2010 Disabled Retiree Mortality Tables projected generationally from 2010 utilizing Ultimate MP scales

Discount Rate. The discount rate used to measure the total OPEB liability was 5.20 percent which was set based on the Bond Buyer "20-Bond GO (General Obligation) Index" as of the measurement date.

Sensitivity of the University's Proportionate Share of the ADOA total OPEB liability to Changes in the Discount Rate. The following table presents the University's proportionate share of the total OPEB liability calculated when using the discount rate of 5.20 percent, as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.20 percent) or 1 percentage point higher (6.20 percent) than the current rate (Dollars in thousands):

	University's proportionate share of the total OPEB liability
1% decrease (4.20%)	$ 111,395
Current discount rate (5.20%)	98,916
1% increase (6.20%)	88,405

The following table presents the University's proportionate share of the total OPEB liability calculated when using the current healthcare cost trend rate as well as what the University's proportionate share of the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current trend rates (Dollars in thousands):

	University's proportionate share of the total OPEB liability
1% decrease in trend rates	$ 85,446
Current rate trends	98,916
1% increase in trend rates	115,567

Note M - Insurance Programs and Other Claims

Risk Management Insurance. Pursuant to A.R.S. section 41-621, the University participates in a self-insurance program administered by the State of Arizona, Department of Administration, Risk Management Section. The State's Risk Management Program covers the University, subject to certain deductibles, for risks of loss related to such situations as theft, damage and destruction of property, buildings, and equipment; errors and omissions; injuries to employees; natural disasters; 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. section 41-621. Loss risks not covered by the Risk Management Section and where the University has no insurance coverage are losses arising from contractual breaches and losses that arise out of and are directly attributable to an act or 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.

In the opinion of University management, any losses from the resolution of any other pending claims or litigation not covered by the Risk Management Section should not have a material effect on the University's financial statements. Also, in accordance with the disclosure requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, all estimated losses for unsettled claims and actions of the State are determined on an actuarial basis and are included in the State of Arizona *Annual Comprehensive Financial Report*.

Note N - Summary Financial Information for ASU Component Units

Arizona State University's discretely presented component units are comprised of three major component units, ASU Enterprise Partners (ASUEP), Arizona Capital Facilities Finance Corporation (ACFFC) and ASU Preparatory Academy, Inc. (ASU Prep) and several smaller component units consisting of the ASU Alumni Association, Arizona State University Research Park, Inc. and Sun Angel Foundation. For additional information refer to *Note B – ASU Component Units.*

Summary of Significant Accounting Policies

Basis of presentation. The component unit financial statements have been prepared on the accrual basis of accounting according to generally accepted accounting principles (GAAP). Information regarding their financial position and activities is reported according to two classes of net assets: without donor restrictions and with donor restrictions.

Income taxes. All of ASU's component units, except ACFFC, qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, therefore, there is no provision for income taxes. In addition, they qualify for the charitable contribution deduction and have been classified as organizations that are not private foundations. Any income determined to be unrelated business taxable income would be taxable. ACFFC is classified as a Section 501(c)(4) organization, a tax-exempt organization but not qualified for the charitable contribution deduction.

Use of estimates. The preparation of the component units' financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions. Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished), with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the Statement of Activities as net assets released from restrictions.

Pledges Receivable

ASUEP pledges receivable (unconditional promises to give) are recorded at their net realizable value, which is net of a discount and loss allowance. Pledges are discounted using the applicable risk free rate at the date the pledge was recognized. The discount rates range from 0.6 percent to 6.0 percent. An allowance for uncollectible pledges is estimated based on the ASUEP's collection history and is recorded as a reduction to contribution support revenue and an increase in the allowance for uncollectible pledges.

The Sun Angel Foundation's pledges receivable are recorded at their net realizable value using discount rates ranging from 0.6 percent to 5.4 percent for the year ended June 30, 2026.

Members of the ASUEP's Board of Directors and Board of Trustees have made contributions and pledges to ASUEP in the current and prior years. At June 30, 2026, net unconditional pledges receivable from these members included approximately $755 thousand. The ASUEP had

Pledges receivable consist of *(Dollars in thousands)*

	ASU Enterprise Partners	Sun Angel Foundation	Total
Gross pledges receivable	$ 437,960	$ 28,812	$ 466,772
Present value discount	(37,035)	(841)	(37,876)
Allowance for uncollectible pledges	(50,402)	(9,860)	(60,262)
Net pledges receivable	**$ 350,523**	**$ 18,111**	**$ 368,634**

Gross pledges are receivable as follows *(Dollars in thousands)*

	ASU Enterprise Partners	Sun Angel Foundation	Total
Receivable in one year	$ 148,999	$ 17,340	$ 166,339
Receivable in two to five years	222,960	11,415	234,375
Receivable after five years	66,001	57	66,058
Total gross pledges to be received	**$ 437,960**	**$ 28,812**	**$ 466,772**

conditional pledges receivable totaling $72.9 million at June 30, 2026; none are included in pledges receivable. Conditional pledges receivable are recorded when the conditions are substantially met.

Investments

ASUEP investments are recorded at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. This guidance maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs that market participants would use in pricing the asset or liability are based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. 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 of which can be directly observed.

Level 3 - Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs included in the determination of fair value are not observable and require significant management judgment or estimation.

ASUEP reports investments in accordance with Accounting Standards Codification sections 32X, *Investments* and 820, *Fair Value Measurement*. The fair values of publicly traded securities are based on quoted market prices and exchange rates, if applicable. The fair values of nonmarketable securities are based on valuations provided by external investment managers.

ASUEP exercises due diligence in assessing the policies, procedures and controls implemented by external investment managers. Investment income is recorded on an accrual basis, and purchases and sales of investment securities are reflected on a trade-date basis. Realized gains and losses are calculated using the average cost for securities sold. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility.

ASUEP spending policy for the consolidated investment pools follows the objectives of the investment policy and establishes the amount made available for spending in the endowment pools.

- The current spending policy is based on a constant growth formula, in which the amount available for spending is based on the prior year spending amount plus an inflation factor (2.7 percent), collared by a cap and floor of 4.25 percent and 3.25 percent, respectively, of a 12-quarter moving average calculated mid-fiscal year.
- In the event the current market value of the endowment is less than the historical gift value, spending will continue, unless the gift agreement does not permit spending in this circumstance.

ASUEP has ownership of certain cash and cash equivalents that are not in the possession of ASUEP but are held, along with other marketable securities, by outside investment managers for the benefit of the ASUEP. Although these cash and cash equivalents are readily available to ASUEP, it is the intent of ASUEP to hold these cash and cash equivalents for investment purposes and, accordingly, these cash and cash equivalents are classified as investment assets in the accompanying combined financial statements.

Investments, in general, are exposed to various risks, such as interest rate, credit and market. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near term could materially affect account balances and the amounts reported in the accompanying consolidated financial statements.



Investment Summary

Investments consist of *(Dollars in thousands)*	ASU Enterprise Partners	ACFFC	Other Component Units	Total
Money market funds and cash equivalents	$ 55,215	$ 8,521		$ 63,736
Global equities	850,084			850,084
Global fixed income	434,305			434,305
Diversifying strategies	310,373			310,373
Real assets	129,549			129,549
Private capital	690,454			690,454
Other securities			$ 25,609	25,609
Other investments	65,735			65,735
Total investments	**$ 2,535,715**	**$ 8,521**	**$ 25,609**	**$ 2,569,845**

ASU Enterprise Partners Fair Value of Financial Instruments and Fair Value Measurements

(Dollars in thousands)	Net Asset Value	Level 1	Level 2	Level 3
Assets at fair value (recurring basis)				
Global equities	$ 263,280	$ 586,804		
Global fixed income	46,365	382,678	$ 5,263	
Diversifying strategies	308,529	160		$ 1,683
Real assets	59,703	985		68,861
Private capital	447,125	7,631		235,698
Cash and cash equivalents		55,215		
Total investments at fair value	$ 1,125,002	$ 1,033,473	$ 5,263	$ 306,242
Charitable trust receivable				833
Land and buildings held for investment				65,735
Assets with limited use		10,807		
Assets held under split-interest agreements		10,292		
Total assets at fair value		$ 21,099		$ 66,568
Liabilities at fair value (recurring basis)				
Assets held for other entities				$ 572,460
Unrealized swap liability			$ 1,339	
Total liabilities at fair value			$ 1,339	$ 572,460

Direct Financing Lease Agreements

ASU Enterprise Partners. ASUEP leases a portion of the Fulton Center building (ASUEP headquarters) to the University under a direct financing lease. At the end of the lease, ASUEP will gift their portion of the building to the University and the University will receive title to the building. ASUEP net investment in this direct financing lease at June 30, 2026 is $12.1 million.

Arizona Capital Facilities Finance Corporation (ACFFC). Pursuant to a University lease agreement, dated July 1, 2005, McAllister Academic Village, LLC, a wholly-owned subsidiary of ACFFC, leases its interest in the non-residential portion of Hassayampa Academic Village (Hassayampa, HAV) to the University which consists of the academic, tutorial, retail and food service facilities. The lease was amended effective July 1, 2016 to change the annual renewal period through June 30, 2039 to correspond with the maturity of the Hassayampa 2016 Bonds. Any right, title or interest of Hassayampa in and to the academic portions of the Hassayampa Project will pass to the University without further cost upon the payment in full of the Hassayampa 2016 Bonds. Lease payments are based on the fixed interest rates determined by the Hassayampa 2016 Bonds maturity schedules. ACFFC's net investment in the McAllister (HAV) direct financing lease is $8.2 million at June 30, 2026.

Contingent Agreements

The University entered into a contingent funding agreement which allows the University to contribute funding to the extent a funding shortfall occurs during the fiscal year. The

agreement for Hassayampa Academic Village (ACFFC) allows the University to fund deficiencies for debt service and operating expense shortfalls. To date no support has been provided.

Power Plant Agreements

Sun Devil Energy Center. In November 2004, the University entered into a privatized/third party agreement with ACFFC for the construction and operation by a third party energy management firm of a co-generation power plant on the University's Tempe campus with the power plant providing to the University a portion of its energy (electrical, chilled water and steam) needs. In June 2018, $23.6 million in additional Tax-Exempt Revenue Bonds were issued by Sun Devil Energy Center LLC to add a second turbine to the existing facility in order to meet the university's heating, cooling and electric generating needs for the new Biodesign C facility and future research facilities. The contract with ACFFC is effective through 2038, along with the related ground lease, and calls for minimum annual energy purchase obligations on the part of the University of approximately $10.8 million to cover ACFFC's fixed management services and capital costs. Additional billing amounts will be based on a pass through to the University of the service provider's variable costs, primarily natural gas.

Polytechnic Central Plant. In December 2008, the University entered into a privatized/third party agreement with ACFFC for the construction and operation by a third party energy management firm of a central plant on the University's Polytechnic campus to provide chilled water and emergency power for certain buildings on that campus. In October 2017, Energy Center LLC issued $11.3 million in Tax-Exempt Revenue Refunding Bonds (Energy Center 2017 Bonds). The proceeds of the Energy Center 2017 Bonds were used to refund and redeem $10.5 million of the Energy Center 2008 Bonds for savings. The contract with ACFFC is effective through 2028, along with the related ground lease, and calls for minimum annual purchase obligations by the University of approximately $1.3 million to cover ACFFC's fixed management services and capital costs. Additional billing amounts will be based on a pass through to the University of the service provider's variable costs, primarily electricity.

ASU Foundation Endowment and Net Asset Classification

Management of the ASUEP's endowment is governed by laws in the State of Arizona created under the Arizona Management of Charitable Funds Act (MCFA). The ASUEP has interpreted the statute as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the ASUEP classifies as with donor restrictions net assets: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. From time to time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level required to be held in perpetuity. For these funds, the change in value is shown as with donor restrictions net investment return and is reported in with donor restrictions net assets category. Included in the ASUEP's endowment are the investment assets of the ASU Trust, the Bermuda Institute of Ocean Sciences (BIOS), a blended component unit, and the ASU Alumni Association (Alumni), a discretely-presented component unit, held and maintained under separate investment services agreements. ASUEP has recorded a liability at fair value to the ASU Trust, BIOS and Alumni endowment investments.

ASUEP endowment is invested in the Long Term Investment Pool (LTIP) and the Sustainable Responsible Impact Pool (SRIP). ASUEP investment policies for the LTIP and SRIP are reviewed periodically. The long-term financial objectives of the pools are to produce a relatively predictable and stable payout stream that increases over time at least as fast as the general rate of inflation and to preserve inter-generational equity by achieving growth of the pools at a rate that at least keeps pace with the general rate of inflation, net of spending.



ASU Enterprise Partners Endowment and Net Asset Classifications

ASU Enterprise Partners endowments by net asset category *(Dollars in thousands)*	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowments		$ 1,177,774	$ 1,177,774
Quasi-endowments		205,854	205,854
Board-designated endowments	$ 66,096		66,096
Total funds	**$ 66,096**	**$ 1,383,628**	**$ 1,449,724**

Changes in endowment net assets *(Dollars in thousands)*	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2025	$ 60,800	$ 1,672,111	$ 1,732,911
Contributions and other additions	3,969	84,390	88,359
Investment return:			
Interest and dividends	189	39,893	40,082
Net realized and unrealized gains	1,138	201,842	202,980
Total investment return	1,327	241,735	243,062
Appropriation for expenditure		(63,426)	(63,426)
Reclassification of donor intent		20,721	20,721
Liability due to other entities		(571,903)	(571,903)
Endowment net assets, June 30, 2026	**$ 66,096**	**$ 1,383,628**	**$ 1,449,724**

Property and Equipment

Property and equipment consist of *(Dollars in thousands)*	ASU Enterprise Partners	ACFFC	ASU Preparatory Academy Inc.	Other Component Units	Total
Cost or donated value:					
Construction in progress		$ 235	$ 1,572		$ 1,807
Buildings and improvements	$ 19,182	196,953		$ 399	216,534
Furniture, fixtures, and equipment	7,382	3,883	1,269	40	12,574
Leasehold improvements			3,117	18,144	21,261
Software			27,697		27,697
Total cost or donated value	26,564	201,071	33,655	18,583	279,873
Accumulated depreciation	(17,244)	(131,543)	(16,338)	(12,911)	(178,036)
Net property and equipment	**$ 9,320**	**$ 69,528**	**$ 17,317**	**$ 5,672**	**$ 101,837**

Bonds and Obligations under Direct Financing Leases

Bonds payable consist of *(Dollars in thousands)*	Final Maturity	ASU Enterprise Partners	ACFFC	Total
Series 2018 Tax-Exempt Revenue Bonds (Sun Devil Energy Center)	2038		$ 17,040	$ 17,040
Series 2017 Tax-Exempt Lease Revenue Refunding Bonds (ASU Energy Center)	2028		3,590	3,590
Series 2016 Tax-Exempt Revenue Refunding Bonds (Hassayampa Academic Village)	2039		100,350	100,350
Series 2014A Tax-Exempt Lease Revenue Bonds (DC Project)	2035	$ 21,275		21,275
Series 2014A Revenue Refunding Bonds (Fulton)	2034	22,640		22,640
Series 2008 Variable Rate Demand Revenue Refunding Bonds (Sun Devil Energy Center)	2030		14,170	14,170
Series 2004A Variable Rate Revenue Bonds (Brickyard)	2034	17,500		17,500
Unamortized loan costs			(892)	(892)
Deferred Cost of Refunding			(9,755)	(9,755)
Unamortized bond premium (discount)		(646)	10,309	9,663
		$ 60,769	**$ 134,812**	**$ 195,581**

The following schedule reflects future principal payment commitments to investors:

Future principal commitments consist of *(Dollars in thousands)*	ASU Enterprise Partners	ACFFC	Total
Year Ending June 30,			
2027	$ 5,470	$ 8,915	$ 14,385
2028	5,700	9,490	15,190
2029	5,960	10,100	16,060
2030	6,230	9,485	15,715
2031	6,505	10,130	16,635
Thereafter	30,904	86,692	117,596
	$ 60,769	**$ 134,812**	**$ 195,581**



Subsequent Event

In August 2026, ACFFC issued a conditional notice of refunding for its outstanding Hassayampa Series 2016 Bonds. The completion of the refunding is strictly contingent upon the successful closing and settlement of proposed Series 2026 Refunding Bonds.


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Required Supplementary Information

Pension and Other Postemployment Benefits Liability

Schedule of the University's Proportionate Share of the Net Pension Liability
Arizona State Retirement System
(Dollars in thousands)

	Reporting Fiscal Year (Measurement Date)									
	2026 (2025)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
University's proportion of the net pension liability	4.34%	4.12%	3.90%	3.80%	3.90%	3.82%	3.82%	3.67%	3.48%	3.39%
University's proportionate share of the net pension liability	$ 673,560	$ 658,652	$ 630,379	$ 620,853	$ 512,172	$ 662,381	$ 555,246	$ 511,370	$ 542,354	$ 546,672
University's covered payroll (trailing)	$ 624,063	$ 576,858	$ 510,005	$ 453,911	$ 439,041	$ 418,542	$ 402,882	$ 365,389	$ 340,502	$ 318,111
University's proportionate share of the net pension liability as a percentage of its covered payroll	107.93%	114.18%	123.60%	136.78%	116.66%	158.26%	137.82%	139.95%	159.28%	171.85%
Plan fiduciary net position as a percentage of the total pension liability	78.78%	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%

Schedule of the University's Proportionate Share of the Total OPEB Liability
Arizona Department of Administration OPEB Plan
(Dollars in thousands)

	Reporting Fiscal Year (Measurement Date)								
	2026 (2025)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
University's proportion of the total OPEB liability	20.84%	21.67%	21.67%	20.38%	20.38%	19.87%	19.87%	16.16%	15.95%
University's proportionate share of the total OPEB liability	$ 98,916	$ 131,385	$ 119,351	$ 200,271	$ 244,247	$ 313,792	$ 252,852	$ 140,836	$ 134,500
Actuarially-determined University's covered payroll	$1,241,434	$1,152,544	$1,120,062	$ 938,155	$ 911,715	$ 874,270	$ 851,285	$ 731,068	$ 711,848
University's proportionate share of the total OPEB liability as a percentage of its covered payroll	8.0%	11.4%	10.7%	21.4%	26.8%	35.9%	29.7%	19.3%	18.9%

Schedule of University Pension Contributions Arizona State Retirement System *(Dollars in thousands)*										
	2026	**2025** [1] *(as restated)*	**2024** [1] *(as restated)*	**2023** [1] *(as restated)*	**2022** [1] *(as restated)*	**2021** [1] *(as restated)*	**2020** [1] *(as restated)*	**2019** [1] *(as restated)*	**2018** [1] *(as restated)*	**2017** [1] *(as restated)*
Statutorily required contribution	$ 75,192	$ 75,038	$ 69,232	$ 60,617	$ 54,381	$ 51,050	$ 47,844	$ 44,992	$ 39,726	$ 36,607
University's contributions in relation to the statutorily required contribution	$ 75,192	$ 75,038	$ 69,232	$ 60,617	$ 54,381	51,050	47,844	44,992	39,726	36,607
University's contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
University's covered payroll	$ 637,283	$ 624,063	$ 576,858	$ 510,005	$ 453,911	$ 439,041	$ 418,542	$ 402,882	$ 365,389	$ 340,502
University's contributions as a percentage of covered payroll	11.80%	12.02%	12.00%	11.89%	11.98%	11.63%	11.43%	11.17%	10.87%	10.75%

[1] University contributions are based on the employer contributions in the University's records. Each year there is an immaterial difference between employer pension contributions ASRS recognized and the employer contributions in the University's records due to timing differences. Prior year University contributions have been restated using the employer contributions ASRS recognized.



Supplementary Information

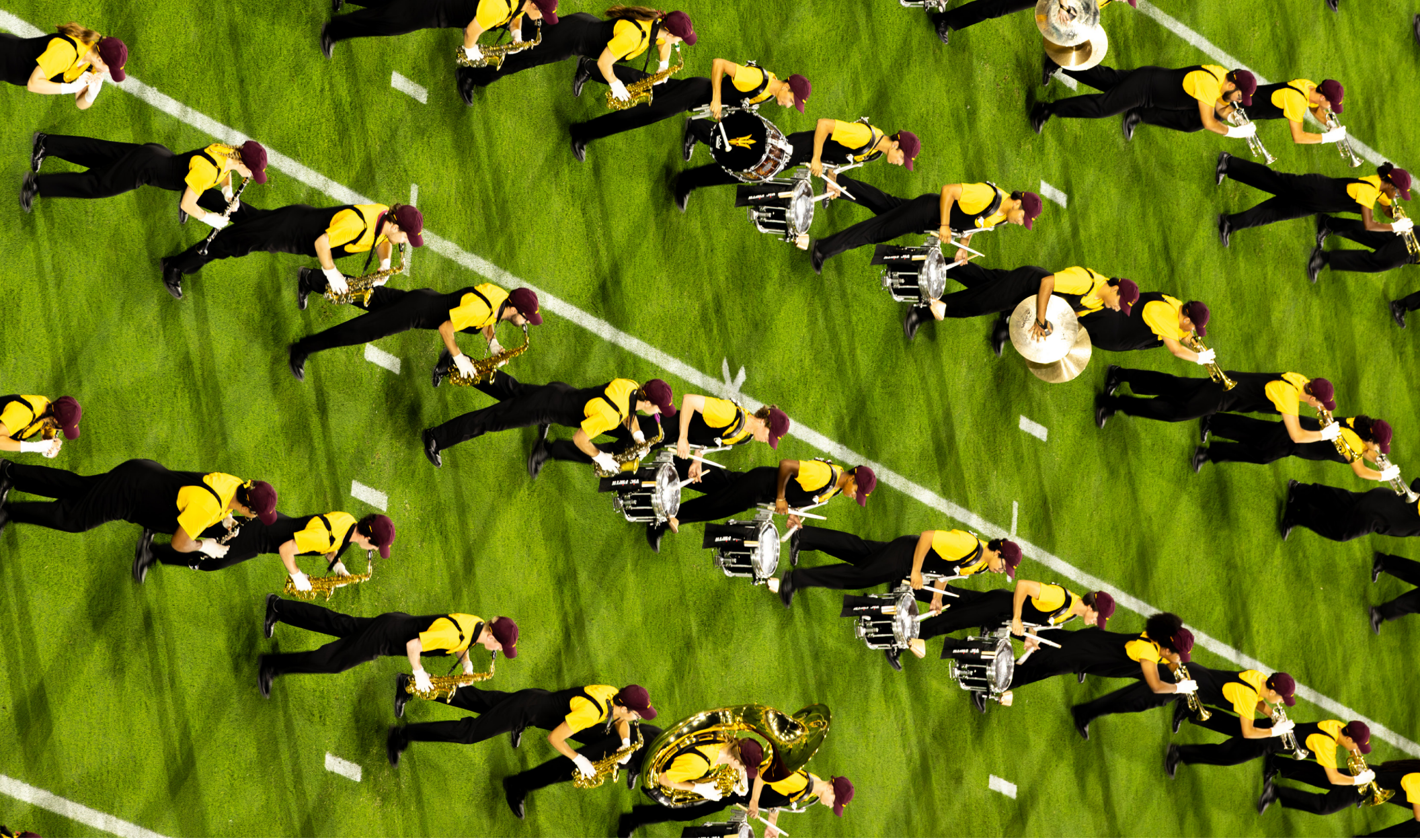
Nonmajor Discretely Presented Component Units

Nonmajor Component Units Combining Statement of Financial Position June 30, 2026 *(Dollars in thousands)*				
	ASU Alumni Association	Arizona State University Research Park, Inc.	Sun Angel Foundation	Total
Assets				
Cash and cash equivalents	$ 673	$ 5,862	$ 11,277	$ 17,812
Pledges receivables, net			18,111	18,111
Other receivables, net	179	78,181	10,645	89,005
Investments in securities	25,609			25,609
Other assets	312	2,168	16	2,496
Property and equipment, net		5,672		5,672
Total Assets	$ 26,773	$ 91,883	$ 40,049	$ 158,705
Liabilities				
Accounts payable and accrued liabilities	$ 134	$ 562	$ 405	$ 1,101
Deferred revenue	163	12,037		12,200
Other liabilities	27	4,313		4,340
Lease liabilities	6			6
Total Liabilities	$ 330	$ 16,912	$ 405	$ 17,647
Net Assets				
Without Donor Restrictions	$ 26,359	$ 74,971	$ 13,110	$ 114,440
With Donor Restrictions	84		26,534	26,618
Total Net Assets	**$ 26,443**	**$ 74,971**	**$ 39,644**	**$ 141,058**

Nonmajor Component Units
Combining Statement of Activities
Year ended June 30, 2026
(Dollars in thousands)

	ASU Alumni Association	Arizona State University Research Park, Inc.	Sun Angel Foundation	Total
Revenues				
Contributions	$ 1,515		$ 22,222	$ 23,737
Rental revenues		$ 14,545		14,545
Sales and services	1,624		(105)	1,519
Net investment return	3,292	160	218	3,670
Other revenues	175	87	1,752	2,014
Total Revenues	$ 6,606	$ 14,792	$ 24,087	$ 45,485
Expenses				
Payments to the benefit of ASU -				
Cash donation transfers to ASU			$ 12,092	$ 12,092
Rent payments to ASU		$ 6,813		6,813
Management and general	$ 4,220	1,554	1,675	7,449
Depreciation/amortization	5	408		413
Other expenses	82	150	2,481	2,713
Total Expenses	$ 4,307	$ 8,925	$ 16,248	$ 29,480
Increase in Net Assets, before Loss	2,299	5,867	7,839	16,005
Loss of uncollectible pledges			(1,087)	(1,087)
Increase in Net Assets after Loss	2,299	5,867	6,752	14,918
Net Assets, Beginning of Year	24,144	69,104	32,892	126,140
Net Assets, End of Year	**$ 26,443**	**$ 74,971**	**$ 39,644**	**$ 141,058**





Statistical Section

Narrative to the Statistical Section

Financial Trends 77

These schedules contain trend information to help the reader understand how the University's financial performance has changed over time.

- Net Position by Component
- Net Position
- Net Position Adjusted for Pensions and Other Postemployment Benefits
- Changes in Net Position
- Operating Expenses by Natural Classification
- Combined Sources and Uses

Revenue Capacity 88

These schedules contain information to help the reader assess the University's revenue sources.

- Principal Revenue Sources
- Academic Year Tuition and Required Fees

Composite Financial Index 90

These schedules present information used to determine the Composite Financial Index which is a measurement of the Institution's financial health based on four core ratios.

- Summary of Composite Financial Index Ratios
- Primary Reserve Ratio
- Return Net Position/Net Asset Ratio
- Net Operating Revenues Ratio
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Financing Capacity 93

These schedules present information to help the reader assess the University's current level of outstanding debt.

- Summary of Ratios
- Debt Coverage for Senior and Subordinate Lien Bonds
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Demographic and Economic Information 97

These schedules contain demographic and economic indicators to help the reader understand the environment in which the University's financial activities take place.

- Demographic Data
- Admissions, Enrollment, and Degrees Earned
- Principal Employers

Operating Information 101

These schedules contain service and infrastructure data to help the reader understand how the University's financial information relates to the activities it performs.

- Faculty and Staff
- Capital Assets

Net Position by Component										
Fiscal year ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
(Dollars in thousands)										
Net investment in capital assets [1]	$ 1,437,617	$ 1,418,962	$ 1,340,722	$ 1,205,931	$ 1,147,404	$ 1,107,148	$ 1,042,673	$ 985,149	$ 956,220	$ 852,262
Restricted, Nonexpendable	128,332	120,156	114,261	109,039	104,729	91,623	87,497	84,714	78,813	74,102
Restricted, Expendable	277,908	223,393	216,436	209,011	203,211	175,937	127,614	118,626	119,410	124,703
Unrestricted [1] [2]	1,077,580	777,844	626,157	579,506	437,294	235,307	104,279	166,899	115,542	282,765
Total Net Position	**$ 2,921,437**	**$ 2,540,355**	**$ 2,297,576**	**$ 2,103,487**	**$ 1,892,638**	**$ 1,610,015**	**$ 1,362,063**	**$1,355,388**	**$ 1,269,985**	**$ 1,333,832**
Expressed as a percent of the total										
	%	%	%	%	%	%	%	%	%	%
Net investment in capital assets	49.2	55.9	58.3	57.3	60.6	68.8	76.6	72.7	75.3	63.9
Restricted, Nonexpendable	4.4	4.7	5.0	5.2	5.5	5.7	6.4	6.3	6.2	5.6
Restricted, Expendable	9.5	8.8	9.4	9.9	10.8	10.9	9.4	8.8	9.4	9.3
Unrestricted	36.9	30.6	27.3	27.6	23.1	14.6	7.6	12.2	9.1	21.2
Total Net Position	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Percentage increase/(decrease) from prior year										
	%	%	%	%	%	%	%	%	%	%
Net investment in capital assets	1.3	5.8	11.2	5.1	3.6	6.2	5.8	3.0	12.2	9.4
Restricted, Nonexpendable	6.8	5.2	4.8	4.1	14.3	4.7	3.3	7.5	6.4	5.0
Restricted, Expendable	24.4	3.2	3.6	2.9	15.5	37.9	7.6	(0.7)	(4.2)	5.7
Unrestricted	38.5	24.2	8.1	32.5	85.8	125.7	(37.5)	44.4	(59.1)	11.4
Total Net Position	**15.0**	**10.6**	**9.2**	**11.1**	**17.6**	**18.2**	**0.5**	**6.7**	**(4.8)**	**9.2**

[1] Balances prior to FY 2022 have not been adjusted for the implementation of GASB Statement No. 87, *Leases*. Balances prior to FY 2023 have not been adjusted for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
[2] Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other then Pensions,* as amended by GASB Statement No. 85, *Omnibus 2017*. Balances prior to FY 2024 have not been adjusted for the implementation of GASB Statement No. 101, *Compensated Absences.*

Net Position

Statement of Net Position[1] *(Dollars in thousands)*										
June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Assets										
Current Assets										
Cash and cash equivalents	$ 256,917	$ 342,664	$ 289,698	$ 319,140	$ 354,327	$ 370,630	$ 272,636	$ 239,203	$ 78,147	$ 167,188
Short-term investments	112,380	118,378	53,623	109,136	87,153	48,819	89,712	70,908	43,789	45,739
Accounts receivables, net	581,607	489,224	462,251	386,671	350,201	341,511	240,862	238,119	134,045	143,601
Lease receivables	5,423	5,104	5,124	4,602	3,527					
Other assets	9,556	16,992	18,710	20,677	18,167	12,149	12,664	5,714	2,623	4,282
Total Current Assets	**$ 965,883**	**$ 972,362**	**$ 829,406**	**$ 840,226**	**$ 813,375**	**$ 773,109**	**$ 615,874**	**$ 553,944**	**$ 258,604**	**$ 360,810**
Noncurrent Assets										
Restricted cash and cash equivalents	$ 296,778	$ 231,377	$ 356,171	$ 248,325	$ 207,879	$ 243,260	$ 273,773	$ 280,166	$ 215,942	$ 298,730
Endowment investments	548,416	486,859	459,444	420,061	401,426	371,178	256,932	250,356	137,372	130,118
Other investments	1,539,926	1,252,810	1,092,270	1,004,250	856,615	672,140	594,531	595,537	814,098	732,745
Lease receivables	101,048	101,244	102,735	73,773	60,103					
Other postemployment benefits asset	33,108	25,756	21,743							
Other assets	2,569	2,874	2,935	5,932	8,085	5,637	6,592	8,181	8,780	10,891
Capital assets, net	4,374,334	4,339,583	4,087,901	3,798,093	3,604,752	3,227,901	2,949,115	2,749,258	2,634,819	2,433,826
Total Noncurrent Assets	**$ 6,896,179**	**$ 6,440,503**	**$ 6,123,199**	**$ 5,550,434**	**$ 5,138,860**	**$ 4,520,116**	**$ 4,080,943**	**$ 3,883,498**	**$ 3,811,011**	**$ 3,606,310**
Total Assets	**$ 7,862,062**	**$ 7,412,865**	**$ 6,952,605**	**$ 6,390,660**	**$ 5,952,235**	**$ 5,293,225**	**$ 4,696,817**	**$ 4,437,442**	**$ 4,069,615**	**$ 3,967,120**
Deferred Outflows of Resources										
Interest rate swap	$ 2,007	$ 2,675	$ 2,397	$ 2,901	$ 5,842	$ 15,058	$ 20,107	$ 15,298	$ 11,043	$ 15,379
Unamortized loss on refunding debt	6,399	14,122	17,087	17,655	19,672	21,650	27,536	29,594	31,968	30,449
Pensions related and other postemployment benefits [1]	199,297	197,254	171,875	186,541	240,575	250,317	185,322	115,338	103,546	138,215
Total Deferred Outflows of Resources	**$ 207,703**	**$ 214,051**	**$ 191,359**	**$ 207,097**	**$ 266,089**	**$ 287,025**	**$ 232,965**	**$ 160,230**	**$ 146,557**	**$ 184,043**
Liabilities										
Current Liabilities										
Accounts payable and accrued liabilities	$ 144,834	$ 178,771	$ 139,132	$ 146,610	$ 182,654	$ 259,009	$ 208,749	$ 187,417	$ 149,666	$ 127,029
Compensated absences [1]	30,990	32,892	29,752	6,688	6,033	5,528	4,844	3,919	3,723	3,286
Unearned revenues	524,660	513,985	407,266	378,133	295,152	244,487	196,674	167,545	78,192	65,619
Funds held for others	17,988	26,358	27,691	32,070	20,412	15,871	13,338	19,961	17,898	23,350
Current other postemployment benefits liability [1]	4,243	5,561								
Current portion of lease and subscription liabilities [1]	33,719	36,260	31,999	36,285	22,132					
Current portion of long-term debt	330,828	335,136	183,414	172,753	171,655	172,197	168,432	165,240	158,716	153,132
Total Current Liabilities	**$ 1,087,262**	**$ 1,128,963**	**$ 819,254**	**$ 772,539**	**$ 698,038**	**$ 697,092**	**$ 592,037**	**$ 544,082**	**$ 408,195**	**$ 372,416**
Noncurrent Liabilities										
Compensated absences [1]	$ 60,256	$ 59,429	$ 55,137	$ 46,497	$ 42,455	$ 44,388	$ 41,093	$ 33,352	$ 31,570	$ 28,772
Other liabilities	31,084	30,056	28,664	28,935	23,696	19,557	17,496	10,819	11,614	2,577
Derivative instrument - Interest rate swap	2,007	2,675	2,397	2,901	5,842	15,058	20,107	15,298	11,043	15,379
Net pension and other postemployment benefits liability [1]	812,816	824,486	784,482	831,945	787,549	1,029,747	860,875	700,057	719,592	631,938
Lease and subscription liabilities [1]	288,003	304,731	271,750	249,975	219,448					
Long-term debt	2,482,919	2,393,079	2,517,149	2,295,175	2,193,845	2,133,253	1,967,018	1,835,792	1,690,670	1,697,622
Total Noncurrent Liabilities	**$ 3,677,085**	**$ 3,614,456**	**$ 3,659,579**	**$ 3,455,428**	**$ 3,272,835**	**$ 3,242,003**	**$ 2,906,589**	**$ 2,595,318**	**$ 2,464,489**	**$ 2,376,288**
Total Liabilities	**$ 4,764,347**	**$ 4,743,419**	**$ 4,478,833**	**$ 4,227,967**	**$ 3,970,873**	**$ 3,939,095**	**$ 3,498,626**	**$ 3,139,400**	**$ 2,872,684**	**$ 2,748,704**
Deferred Inflows of Resources										
Unamortized gain on refunding debt	$ 27,461	$ 2,558	$ 2,824	$ 1,808	$ 2,013	$ 2,218	$ 1,607	$ 1,761	$ 1,894	$ 1,116
Pensions related and other postemployment benefits [1]	253,130	236,227	259,510	187,067	289,380	28,922	67,486	101,123	71,609	67,511
Leases	103,390	104,357	105,221	77,428	63,420					
Total Deferred Inflows of Resources	**$ 383,981**	**$ 343,142**	**$ 367,555**	**$ 266,303**	**$ 354,813**	**$ 31,140**	**$ 69,093**	**$ 102,884**	**$ 73,503**	**$ 68,627**
Net Position										
Net investment in capital assets [1]	$ 1,437,617	$ 1,418,962	$ 1,340,722	$ 1,205,931	$ 1,147,404	$ 1,107,148	$ 1,042,673	$ 985,149	$ 956,220	$ 852,262
Restricted										
Nonexpendable:										
Student aid	110,481	102,948	97,130	91,936	87,652	84,722	80,741	77,959	72,059	67,365
Academic department uses	17,851	17,208	17,131	17,103	17,077	6,901	6,756	6,755	6,754	6,737
Expendable:										
Student aid	107,136	90,921	92,217	81,367	81,345	71,208	36,071	33,821	33,024	40,962
Academic department uses	134,526	123,222	116,917	120,088	115,207	95,788	84,548	78,112	79,868	77,450
Other postemployment benefits	23,694									
Capital projects and debt service	12,552	9,250	7,302	7,556	6,659	8,941	6,995	6,693	6,518	6,291
Unrestricted [1]	1,077,580	777,844	626,157	579,506	437,294	235,307	104,279	166,899	115,542	282,765
Total Net Position	**$ 2,921,437**	**$ 2,540,355**	**$ 2,297,576**	**$ 2,103,487**	**$ 1,892,638**	**$ 1,610,015**	**$ 1,362,063**	**$ 1,355,388**	**$ 1,269,985**	**$ 1,333,832**

[1] Balances prior to FY 2024 have not been adjusted for the implementation of GASB compensated absences standards. Balances prior to FY 2023 have not been adjusted for the implementation of GASB SBITA standards. Balances prior to FY 2022 have not been adjusted for the implementation of GASB lease standards. Balances prior to FY 2018 have not been adjusted for the implementation of GASB OPEB standards.

Statement of Net Position – Adjusted for Pensions and Other Postemployment Benefits[1] *(Dollars in thousands)*										
June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Assets										
Current Assets										
Cash and cash equivalents	$ 256,917	$ 342,664	$ 289,698	$ 319,140	$ 354,327	$ 370,630	$ 272,636	$ 239,203	$ 78,147	$ 167,188
Short-term investments	112,380	118,378	53,623	109,136	87,153	48,819	89,712	70,908	43,789	45,739
Accounts receivables, net	581,607	489,224	462,251	386,671	350,201	341,511	240,862	238,119	134,045	143,601
Lease receivables	5,423	5,104	5,124	4,602	3,527					
Other assets	9,556	16,992	18,710	20,677	18,167	12,149	12,664	5,714	2,623	4,282
Total Current Assets	**$ 965,883**	**$ 972,362**	**$ 829,406**	**$ 840,226**	**$ 813,375**	**$ 773,109**	**$ 615,874**	**$ 553,944**	**$ 258,604**	**$ 360,810**
Noncurrent Assets										
Restricted cash and cash equivalents	$ 296,778	$ 231,377	$ 356,171	$ 248,325	$ 207,879	$ 243,260	$ 273,773	$ 280,166	$ 215,942	$ 298,730
Endowment investments	548,416	486,859	459,444	420,061	401,426	371,178	256,932	250,356	137,372	130,118
Other investments	1,539,926	1,252,810	1,092,270	1,004,250	856,615	672,140	594,531	595,537	814,098	732,745
Lease receivables	101,048	101,244	102,735	73,773	60,103					
Other assets	2,569	2,874	2,935	5,932	8,085	5,637	6,592	8,181	8,780	10,891
Capital assets, net	4,374,334	4,339,583	4,087,901	3,798,093	3,604,752	3,227,901	2,949,115	2,749,258	2,634,819	2,433,826
Total Noncurrent Assets	**$ 6,863,071**	**$ 6,414,747**	**$ 6,101,456**	**$ 5,550,434**	**$ 5,138,860**	**$ 4,520,116**	**$ 4,080,943**	**$ 3,883,498**	**$ 3,811,011**	**$ 3,606,310**
Total Assets	**$ 7,828,954**	**$ 7,387,109**	**$ 6,930,862**	**$ 6,390,660**	**$ 5,952,235**	**$ 5,293,225**	**$ 4,696,817**	**$ 4,437,442**	**$ 4,069,615**	**$ 3,967,120**
Deferred Outflows of Resources										
Interest rate swap	$ 2,007	$ 2,675	$ 2,397	$ 2,901	$ 5,842	$ 15,058	$ 20,107	$ 15,298	$ 11,043	$ 15,379
Unamortized loss on refunding debt	6,399	14,122	17,087	17,655	19,672	21,650	27,536	29,594	31,968	30,449
Total Deferred Outflows of Resources	**$ 8,406**	**$ 16,797**	**$ 19,484**	**$ 20,556**	**$ 25,514**	**$ 36,708**	**$ 47,643**	**$ 44,892**	**$ 43,011**	**$ 45,828**
Liabilities										
Current Liabilities										
Accounts payable and accrued liabilities	$ 161,219	$ 190,286	$ 151,946	$ 159,424	$ 194,577	$ 270,284	$ 219,696	$ 196,100	$ 157,300	$ 136,679
Compensated absences [2]	30,990	32,892	29,752	6,688	6,033	5,528	4,844	3,919	3,723	3,286
Unearned revenues	524,660	513,985	407,266	378,133	295,152	244,487	196,674	167,545	78,192	65,619
Funds held for others	17,988	26,358	27,691	32,070	20,412	15,871	13,338	19,961	17,898	23,350
Current portion of lease and subscription liabilities	33,719	36,260	31,999	36,285	22,132					
Current portion of long-term debt	330,828	335,136	183,414	172,753	171,655	172,197	168,432	165,240	158,716	153,132
Total Current Liabilities	**$ 1,099,404**	**$ 1,134,917**	**$ 832,068**	**$ 785,353**	**$ 709,961**	**$ 708,367**	**$ 602,984**	**$ 552,765**	**$ 415,829**	**$ 382,066**
Noncurrent Liabilities										
Compensated absences [2]	$ 60,256	$ 59,429	$ 55,137	$ 46,497	$ 42,455	$ 44,388	$ 41,093	$ 33,352	$ 31,570	$ 28,772
Other liabilities	57,684	56,309	48,944	46,586	40,377	36,126	34,490	28,786	27,427	17,229
Derivative instrument - Interest rate swap	2,007	2,675	2,397	2,901	5,842	15,058	20,107	15,298	11,043	15,379
Lease and subscription liabilities	288,003	304,731	271,750	249,975	219,448					
Long-term debt	2,482,919	2,393,079	2,517,149	2,295,175	2,193,845	2,133,253	1,967,018	1,835,792	1,690,670	1,697,622
Total Noncurrent Liabilities	**$ 2,890,869**	**$ 2,816,223**	**$ 2,895,377**	**$ 2,641,134**	**$ 2,501,967**	**$ 2,228,825**	**$ 2,062,708**	**$ 1,913,228**	**$ 1,760,710**	**$ 1,759,002**
Total Liabilities	**$ 3,990,273**	**$ 3,951,140**	**$ 3,727,445**	**$ 3,426,487**	**$ 3,211,928**	**$ 2,937,192**	**$ 2,665,692**	**$ 2,465,993**	**$ 2,176,539**	**$ 2,141,068**
Deferred Inflows of Resources										
Unamortized gain on refunding debt	$ 27,461	$ 2,558	$ 2,824	$ 1,808	$ 2,013	$ 2,218	$ 1,607	$ 1,761	$ 1,894	$ 1,116
Leases	103,390	104,357	105,221	77,428	63,420					
Total Deferred Inflows of Resources	**$ 130,851**	**$ 106,915**	**$ 108,045**	**$ 79,236**	**$ 65,433**	**$ 2,218**	**$ 1,607**	**$ 1,761**	**$ 1,894**	**$ 1,116**
Net Position										
Net investment in capital assets [2]	$ 1,437,617	$ 1,418,962	$ 1,340,722	$ 1,205,931	$ 1,147,404	$ 1,107,148	$ 1,042,673	$ 985,149	$ 956,220	$ 852,262
Restricted										
Nonexpendable:										
Student aid	110,481	102,948	97,130	91,936	87,652	84,722	80,741	77,959	72,059	67,365
Academic department uses	17,851	17,208	17,131	17,103	17,077	6,901	6,756	6,755	6,754	6,737
Expendable:										
Student aid	107,136	90,921	92,217	81,367	81,345	71,208	36,071	33,821	33,024	40,962
Academic department uses	134,526	123,222	116,917	120,088	115,207	95,788	84,548	78,112	79,868	77,450
Capital projects and debt service	12,552	9,250	7,302	7,556	6,659	8,941	6,995	6,693	6,518	6,291
Unrestricted [1] [2]	1,896,073	1,583,340	1,443,437	1,381,512	1,245,044	1,015,815	819,377	826,091	779,750	819,697
Total Net Position	**$ 3,716,236**	**$ 3,345,851**	**$ 3,114,856**	**$ 2,905,493**	**$ 2,700,388**	**$ 2,390,523**	**$ 2,077,161**	**$ 2,014,580**	**$1,934,193**	**$ 1,870,764**

[1] All balances have been adjusted to remove the impact of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, as amended by GASB Statement No. 85, Omnibus 2017*.
[2] Balances prior to FY 2022 have not been adjusted for the implementation of GASB Statement No. 87, *Leases*. Balances prior to FY 2023 have not been adjusted for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Balances prior to FY 2024 have not been adjusted for the implementation of GASB Statement No. 101, *Compensated Absences*.

Changes in Net Position

Changes in Net Position *(Dollars in thousands)*	
Fiscal Year Ended June 30,	**2026**
Revenues	
Operating Revenues	
Student tuition and fees, net	$ 2,326,998
Research grants and contracts	710,834
Financial aid grants	318,418
Sales and services	
Auxiliary enterprises	280,430
Educational departments	135,666
Other revenues [1]	31,507
Total Operating Revenues	**$ 3,803,853**
Expenses	
Operating Expenses	
Educational and general	
Instruction	$ 1,346,116
Research	583,386
Public service	62,606
Academic support	580,916
Student services	255,707
Institutional support	269,367
Operation and maintenance of plant	154,105
Scholarships and fellowships	406,945
Auxiliary enterprises	275,885
Depreciation	250,228
Total Operating Expenses	**$ 4,185,261**
Operating Loss	**$ (381,408)**
Noncapital Subsidies	
State appropriations	$ 385,650
Share of state tax - TRIF	48,169
Private gifts	132,360
Federal subsidy grants	49,600
State subsidies	35,596
Total Noncapital Subsidies	**$ 651,375**
Operating Income and Noncapital Subsidies	**$ 269,967**
Nonoperating Revenues (Expenses)	
Net investment return (loss)	$ 144,385
Capital state appropriations	27,021
Capital commitments - Arizona Lottery revenues	26,767
Capital grants	13,271
Capital private gifts	4,931
Additions to permanent endowments	1,916
Interest on debt	(95,998)
Other revenues (expenses)	(11,178)
Net Nonoperating Revenues	**$ 111,115**
Income (loss) before other revenues, expenses, gains, or losses	**$ 381,082**
Increase in Net Position	**$ 381,082**
Total Revenues	$ 4,673,519
Total Expenses	$ 4,292,437
Increase in Net Position	**$ 381,082**

[1] In compliance with Arizona Revised Statute 35-391, the University discloses the following: For FY 2026, the University received credit card rebates in the amount of $2.0 million from Bank of America and $0.5 million from Commerce Bank.

Changes in Net Position *(Dollars in thousands)*									
Fiscal Year Ended June 30,	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Revenues									
Operating Revenues									
Student tuition and fees, net	$ 2,184,492	$ 2,028,283	$ 1,889,421	$ 1,689,832	$ 1,598,180	$ 1,550,581	$ 1,423,052	$ 1,323,268	$ 1,250,828
Research grants and contracts	632,618	520,276	472,219	416,703	364,375	365,498	344,128	313,558	271,730
Sales and services									
Auxiliary enterprises	284,433	250,411	253,898	243,554	124,080	170,182	183,534	166,057	161,797
Educational departments	111,331	108,220	108,130	103,957	93,279	72,451	78,508	94,158	81,543
Other revenues	28,060	23,713	28,420	37,918	40,872	21,884	19,347	18,745	16,326
Total Operating Revenues	**$ 3,240,934**	**$ 2,930,903**	**$ 2,752,088**	**$ 2,491,964**	**$ 2,220,786**	**$ 2,180,596**	**$ 2,048,569**	**$ 1,915,786**	**$ 1,782,224**
Expenses									
Operating Expenses									
Educational and general									
Instruction	$ 1,290,006	$ 1,249,919	$ 1,208,272	$ 1,076,407	$ 1,053,721	$ 1,016,720	$ 961,580	$ 881,696	$ 810,656
Research	566,856	497,893	456,087	414,259	384,431	359,936	323,623	297,448	267,303
Public service	74,042	65,213	51,536	47,842	100,908	38,415	36,140	37,524	35,378
Academic support	560,417	529,589	458,764	396,339	392,787	371,378	304,645	299,208	294,706
Student services	245,899	232,229	218,958	176,664	159,384	166,131	151,295	136,125	123,377
Institutional support	256,316	249,379	236,475	212,285	201,507	188,937	171,016	159,109	152,226
Operation and maintenance of plant	166,617	166,685	141,919	116,116	105,823	113,640	122,567	119,349	116,456
Scholarships and fellowships	374,650	328,277	290,776	293,349	300,202	292,914	247,194	211,811	187,124
Auxiliary enterprises	261,104	237,058	245,144	225,493	184,771	191,862	179,578	175,130	154,794
Depreciation	247,337	231,719	220,984	201,287	152,440	143,587	137,064	132,814	123,705
Total Operating Expenses	**$ 4,043,244**	**$ 3,787,961**	**$ 3,528,915**	**$ 3,160,041**	**$ 3,035,974**	**$ 2,883,520**	**$2,634,702**	**$ 2,450,214**	**$ 2,265,725**
Operating Loss	**$ (802,310)**	**$ (857,058)**	**$ (776,827)**	**$ (668,077)**	**$ (815,188)**	**$ (702,924)**	**$ (586,133)**	**$ (534,428)**	**$ (483,501)**
Nonoperating Revenues (Expenses)									
State appropriations	$ 406,463	$ 423,778	$ 405,040	$ 385,527	$ 306,346	$ 323,332	$ 303,370	$ 306,778	$ 296,913
Share of state tax - TRIF	54,346	42,221	35,663	44,600	36,833	34,075	34,604	32,540	31,326
Financial aid grants	314,693	244,649	216,672	200,843	198,432	186,818	168,230	152,500	128,474
Grants and contracts	93,622	158,227	130,826	256,969	379,817	71,623	57,365	58,624	56,233
Private gifts	112,887	109,185	97,428	76,602	76,335	76,803	82,731	75,791	74,282
Financial aid trust funds [1]									16,019
Net investment return (loss)	141,644	126,086	60,214	(58,838)	75,808	44,756	60,603	12,778	23,038
Interest on debt	(104,213)	(90,472)	(84,048)	(76,122)	(67,838)	(65,342)	(63,413)	(61,903)	(69,135)
Other revenues (expenses)	(27,954)	(14,635)	4,633	(7,102)	(16,573)	(15,982)	(22,341)	(8,590)	(7,610)
Net Nonoperating Revenues	**$ 991,488**	**$ 999,039**	**$ 866,428**	**$ 822,479**	**$ 989,160**	**$ 656,083**	**$ 621,149**	**$ 568,518**	**$ 549,540**
Income (loss) before other revenues, expenses, gains, or losses	**$ 189,178**	**$ 141,981**	**$ 89,601**	**$ 154,402**	**$ 173,972**	**$ (46,841)**	**$ 35,016**	**$ 34,090**	**$ 66,039**
Capital appropriations	$ 26,790	$ 26,508	$ 80,246	$ 25,985	$ 25,840	$ 25,622	$ 25,406	$ 13,479	$ 11,190
Capital commitments	18,095	7,887	15,032	30,122	9,054	9,537	9,532	9,540	15,421
Capital grants	6,225	11,685	391	5,120	13,223	1,165	62	109	320
Capital private gifts	2,384	6,023	4,627	28,290	3,561	17,022	14,961	5,822	6,390
Additions to permanent endowments	107	5	6	27	1,348	170	426	34	13
Gain on the sale of real property					20,954				
Increase in Net Position	**$ 242,779**	**$ 194,089**	**$ 189,903**	**$ 243,946**	**$ 247,952**	**$ 6,675**	**$ 85,403**	**$ 63,074**	**$ 99,373**
Total Revenues	$ 4,418,190	$ 4,087,157	$ 3,802,866	$ 3,487,211	$ 3,368,337	$ 2,971,519	$2,805,859	$ 2,583,781	$ 2,441,843
Total Expenses	$ 4,175,411	$ 3,893,068	$ 3,612,963	$ 3,243,265	$ 3,120,385	$ 2,964,844	$2,720,456	$ 2,520,707	$ 2,342,470
Increase in Net Position	**$ 242,779**	**$ 194,089**	**$ 189,903**	**$ 243,946**	**$ 247,952**	**$ 6,675**	**$ 85,403**	**$ 63,074**	**$ 99,373**

[1] Balances prior to FY 2018 presented Financial Aid Trust funds as a nonoperating revenue source. In FY 2018 Financial Aid Trust fund activities were included in student tuition and fees, net and state appropriations.

Changes in Net Position *(continued)*

Changes in Net Position (Expressed as a percent of Total Revenues / Total Expenses)	
Fiscal Year Ended June 30,	**2026**
	%
Revenues	
Operating Revenues	
Student tuition and fees, net	49.8
Research grants and contracts	15.2
Financial aid grants	6.8
Sales and services	
Auxiliary enterprises	6.0
Educational departments	2.9
Other revenues	0.7
Total Operating Revenues	**81.4**
Expenses	
Operating Expenses	
Educational and general	
Instruction	*31.5*
Research	*13.6*
Public service	*1.5*
Academic support	*13.5*
Student services	*6.0*
Institutional support	*6.3*
Operation and maintenance of plant	*3.6*
Scholarships and fellowships	*9.5*
Auxiliary enterprises	*6.4*
Depreciation	*5.8*
Total Operating Expenses	**89.6**
Operating Loss	**(8.2)**
Noncapital Subsidies	
State appropriations	8.3
Share of state tax - TRIF	1.0
Private gifts	2.8
Federal subsidy grants	1.1
State subsidies	0.8
Total Noncapital Subsidies	**13.9**
Operating Income and Noncapital Subsidies	**5.8**
Nonoperating Revenues (Expenses)	
Net investment return	3.1
Capital state appropriations	0.6
Capital commitments - Arizona Lottery revenues	0.6
Capital grants	0.3
Capital private gifts	0.1
Additions to permanent endowments	0.0
Interest on debt	*2.1*
Other revenues (expenses)	*0.2*
Net Nonoperating Revenues	**2.4**
Income (loss) before other revenues, expenses, gains, or losses	**8.2**
Increase in Net Position	**8.2**

Percent of Total Expense is italicized.

Changes in Net Position (Expressed as a percent of Total Revenues / Total Expenses)									
Fiscal Year Ended June 30,	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
	%	%	%	%	%	%	%	%	%
Revenues									
Operating Revenues									
Student tuition and fees, net	49.5	49.6	49.7	48.5	47.4	52.2	50.7	51.2	51.2
Research grants and contracts	14.4	12.8	12.5	11.9	10.8	12.3	12.3	12.1	11.1
Sales and services									
Auxiliary enterprises	6.4	6.1	6.7	7.0	3.7	5.7	6.5	6.4	6.6
Educational departments	2.5	2.6	2.8	3.0	2.8	2.5	2.8	3.7	3.4
Other revenues	0.6	0.6	0.7	1.1	1.2	0.7	0.7	0.7	0.7
Total Operating Revenues	**73.4**	**71.7**	**72.4**	**71.5**	**65.9**	**73.4**	**73.0**	**74.1**	**73.0**
Expenses									
Operating Expenses									
Educational and general									
Instruction	*30.9*	*32.1*	*33.5*	*33.3*	*33.8*	*34.3*	*35.3*	*35.0*	*34.6*
Research	*13.6*	*12.7*	*12.6*	*12.8*	*12.3*	*12.1*	*11.9*	*11.8*	*11.4*
Public service	*1.8*	*1.7*	*1.4*	*1.5*	*3.2*	*1.3*	*1.3*	*1.5*	*1.5*
Academic support	*13.4*	*13.6*	*12.7*	*12.2*	*12.6*	*12.5*	*11.2*	*11.9*	*12.6*
Student services	*5.9*	*6.0*	*6.1*	*5.4*	*5.1*	*5.6*	*5.6*	*5.4*	*5.3*
Institutional support	*6.1*	*6.4*	*6.5*	*6.5*	*6.5*	*6.4*	*6.3*	*6.3*	*6.5*
Operation and maintenance of plant	*4.0*	*4.3*	*3.9*	*3.6*	*3.4*	*3.8*	*4.5*	*4.7*	*5.0*
Scholarships and fellowships	*9.0*	*8.4*	*8.0*	*9.0*	*9.6*	*9.9*	*9.1*	*8.4*	*8.0*
Auxiliary enterprises	*6.3*	*6.1*	*6.9*	*7.0*	*5.9*	*6.6*	*6.6*	*6.9*	*6.6*
Depreciation	*5.9*	*6.0*	*6.1*	*6.2*	*4.9*	*4.8*	*5.0*	*5.3*	*5.3*
Total Operating Expenses	**91.6**	**92.7**	**92.8**	**90.7**	**90.1**	**97.3**	**93.9**	**94.8**	**92.8**
Operating Loss	**(18.2)**	**(21.0)**	**(20.4)**	**(19.2)**	**(24.2)**	**(23.6)**	**(20.9)**	**(20.7)**	**(19.8)**
Nonoperating Revenues (Expenses)									
State appropriations	9.2	10.4	10.8	11.1	9.1	10.9	11.0	11.9	12.2
Share of state tax - TRIF	1.2	1.0	0.9	1.3	1.1	1.1	1.2	1.3	1.3
Financial aid grants	7.1	6.0	5.8	5.8	5.9	6.3	6.0	5.9	5.3
Grants and contracts	2.1	3.9	3.4	7.4	11.3	2.4	2.0	2.3	2.3
Private gifts	2.6	2.7	2.6	2.2	2.3	2.6	2.9	2.9	3.0
Financial aid trust funds [1]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
Net investment return (loss)	3.2	3.1	1.6	(1.8)	2.3	1.5	2.2	0.5	0.9
Interest on debt	*2.5*	*2.3*	*2.3*	*2.3*	*2.2*	*2.2*	*2.4*	*2.5*	*2.9*
Other revenues (expenses)	*0.6*	*0.4*	*0.0*	*0.2*	*0.5*	*0.5*	*0.8*	*0.3*	*0.3*
Net Nonoperating Revenues	**22.3**	**24.4**	**22.8**	**23.5**	**29.3**	**22.1**	**22.1**	**22.0**	**22.5**
Income (loss) before other revenues, expenses, gains, or losses	**4.1**	**3.4**	**2.4**	**4.3**	**5.1**	**(1.5)**	**1.2**	**1.3**	**2.7**
Capital appropriations	0.6	0.6	2.0	0.7	0.8	0.9	0.9	0.5	0.5
Capital commitment	0.4	0.2	0.4	0.9	0.3	0.3	0.3	0.4	0.6
Capital grants	0.1	0.3	0.0	0.1	0.4	0.0	0.0	0.0	0.0
Capital private gifts	0.1	0.1	0.1	0.8	0.1	0.6	0.5	0.2	0.3
Additions to permanent endowments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gain on the sale of real property	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Increase in Net Position	**5.3**	**4.6**	**4.9**	**6.8**	**7.2**	**0.3**	**2.9**	**2.4**	**4.1**

[1] Balances prior to FY 2018 presented Financial Aid Trust funds as a nonoperating revenue source. In FY 2018 Financial Aid Trust fund activities were included in student tuition and fees, net and state appropriations.

Percent of Total Expense is italicized.

Changes in Net Position *(continued)*

Changes in Net Position (Percentage increase (decrease) from prior year)	
Fiscal Year Ended June 30,	**2026**
	%
Revenues	
Operating Revenues	
Student tuition and fees, net	6.5
Research grants and contracts	0.3
Financial aid grants	1.2
Sales and services	
Auxiliary enterprises	(1.5)
Educational departments	8.6
Other revenues	20.0
Total Operating Revenues	4.4
Expenses	
Operating Expenses	
Educational and general	
Instruction	3.2
Research	1.7
Public service	(16.4)
Academic support	2.5
Student services	2.8
Institutional support	3.9
Operation and maintenance of plant	(8.6)
Scholarships and fellowships	7.4
Auxiliary enterprises	4.5
Depreciation	1.2
Total Operating Expenses	2.4
Operating Loss	(13.9)
Noncapital Subsidies	
State appropriations	1.0
Share of state tax - TRIF	(11.4)
Private gifts	17.2
Federal subsidy grants	185.5
State subsidies	(0.7)
Total Noncapital Subsidies	**8.1**
Operating Income and Noncapital Subsidies	**69.4**
Nonoperating Revenues (Expenses)	
Net investment return	1.9
Capital state appropriations	0.9
Capital commitments - Arizona Lottery revenues	47.9
Capital grants	113.2
Capital private gifts	106.8
Additions to permanent endowments	1,690.7
Interest on debt	(7.9)
Other expenses	46.8
Net Nonoperating Revenues	33.2
Income (loss) before other revenues, expenses, gains, or losses	57.0
Increase (Decrease) in Net Position	57.0

Changes in Net Position (Percentage increase (decrease) from prior year)									
Fiscal Year Ended June 30,	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
	%	%	%	%	%	%	%	%	%
Revenues									
Operating Revenues									
Student tuition and fees, net	7.7	7.3	11.8	5.7	3.1	9.0	7.5	5.8	8.1
Research grants and contracts	21.6	10.2	13.3	14.4	(0.3)	6.2	9.7	15.4	7.3
Sales and services									
Auxiliary enterprises	13.6	(1.4)	4.2	96.3	(27.1)	(7.3)	10.5	2.6	8.1
Educational departments	2.9	0.1	4.0	11.4	28.7	(7.7)	(16.6)	15.5	17.3
Other revenues	18.3	(16.6)	(25.0)	(7.2)	86.8	13.1	3.2	14.8	13.5
Total Operating Revenues	10.6	6.5	10.4	12.2	1.8	6.4	6.9	7.4	8.4
Expenses									
Operating Expenses									
Educational and general									
Instruction	3.2	3.4	12.3	2.2	3.6	5.7	9.1	8.8	8.1
Research	13.9	9.2	10.1	7.8	6.8	11.2	8.8	11.3	2.4
Public service	13.5	26.5	7.7	(52.6)	162.7	6.3	(3.7)	6.1	(3.9)
Academic support	5.8	15.4	15.8	0.9	5.8	21.9	1.8	1.5	11.0
Student services	5.9	6.1	23.9	10.8	(4.1)	9.8	11.1	10.3	11.1
Institutional support	2.8	5.5	11.4	5.3	6.7	10.5	7.5	4.5	(1.9)
Operation and maintenance of plant	0.0	17.5	22.2	9.7	(6.9)	(7.3)	2.7	2.5	7.4
Scholarships and fellowships	14.1	12.9	(0.9)	(2.3)	2.5	18.5	16.7	13.2	22.5
Auxiliary enterprises	10.1	(3.3)	8.7	22.0	(3.7)	6.8	2.5	13.1	4.9
Depreciation	6.7	4.9	9.8	32.0	6.2	4.8	3.2	7.4	6.3
Total Operating Expenses	6.7	7.3	11.7	4.1	5.3	9.4	7.5	8.1	7.7
Operating Loss	(6.4)	10.3	16.3	(18.0)	16.0	19.9	9.7	10.5	5.1
Nonoperating Revenues (Expenses)									
State appropriations	(4.1)	4.6	5.1	25.8	(5.3)	6.6	(1.1)	3.3	5.5
Share of state tax - TRIF	28.7	18.4	(20.0)	21.1	8.1	(1.5)	6.3	3.9	0.8
Financial aid grants	28.6	12.9	7.9	1.2	6.2	11.0	10.3	18.7	3.5
Grants and contracts	(40.8)	20.9	(49.1)	(32.3)	430.3	24.9	(2.1)	4.3	(0.9)
Private gifts	3.4	12.1	27.2	0.3	(0.6)	(7.2)	9.2	2.0	(25.4)
Financial aid trust funds [1]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(100.0)	8.0
Net investment return (loss)	12.3	109.4	(202.3)	(177.6)	69.4	(26.1)	374.3	(44.5)	145.6
Interest on debt	15.2	7.6	10.4	12.2	3.8	3.0	2.4	(10.5)	15.3
Other expenses	91.0	(415.9)	(165.2)	(57.1)	3.7	(28.5)	160.1	12.9	(52.6)
Net Nonoperating Revenues	(0.8)	15.3	5.3	(16.9)	50.8	5.6	9.3	3.5	1.5
Income (loss) before other revenues, expenses, gains, or losses	33.2	58.5	(42.0)	(11.2)	(471.4)	(233.8)	2.7	(48.4)	(18.5)
Capital appropriations	1.1	(67.0)	208.8	0.6	0.9	0.9	88.5	20.5	(2.0)
Capital commitment	129.4	(47.5)	(50.1)	232.7	(5.1)	0.1	(0.1)	(38.1)	61.7
Capital grants	(46.7)	2,888.5	(92.4)	(61.3)	1,035.0	1,779.0	(43.1)	(65.9)	n/a
Capital private gifts	(60.4)	30.2	(83.6)	694.4	(79.1)	13.8	157.0	(8.9)	29.5
Additions to permanent endowments	2,040.0	(16.7)	(77.8)	(98.0)	692.9	(60.1)	1,152.9	161.5	(99.2)
Gain on the sale of real property	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Increase (Decrease) in Net Position	25.1	2.2	(22.2)	(1.6)	3,614.6	(92.2)	35.4	(36.5)	(8.4)

[1] Balances prior to FY 2018 presented Financial Aid Trust funds as a nonoperating revenue source. In FY 2018 Financial Aid Trust fund activities were included in student tuition and fees, net and state appropriations.

Operating Expenses by Natural Classification

Operating Expenses by Natural Classification										
Fiscal year ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
(Dollars in thousands)										
Personal services [2]	$ 1,649,405	$ 1,650,690	$ 1,579,319	$ 1,420,014	$ 1,265,232	$ 1,192,165	$ 1,166,804	$ 1,090,068	$1,019,332	$ 949,189
Benefits [2]	577,794	532,551	496,261	460,506	389,209	386,644	380,162	357,601	343,363	309,033
Pensions and OPEB [1]	(10,697)	(11,782)	15,274	17,821	27,242	65,410	55,906	(5,016)	355	33,458
Personal services and benefits	2,216,502	2,171,459	2,090,854	1,898,341	1,681,683	1,644,219	1,602,872	1,442,653	1,363,050	1,291,680
Supplies and services	1,311,586	1,249,798	1,137,111	1,118,814	983,722	939,113	844,147	807,791	742,539	663,216
Student aid, net scholarship allowance	406,945	374,650	328,277	290,776	293,349	300,202	292,914	247,194	211,811	187,124
Depreciation	250,228	247,337	231,719	220,984	201,287	152,440	143,587	137,064	132,814	123,705
Total Operating Expenses by Natural Classification	**$ 4,185,261**	**$ 4,043,244**	**$ 3,787,961**	**$ 3,528,915**	**$ 3,160,041**	**$ 3,035,974**	**$ 2,883,520**	**$ 2,634,702**	**$2,450,214**	**$2,265,725**
Expressed as a percent of the total										
	%	%	%	%	%	%	%	%	%	%
Personal services [2]	39.5	40.8	41.7	40.3	40.0	39.3	40.5	41.4	41.6	41.9
Benefits [2]	13.8	13.2	13.1	13.0	12.3	12.7	13.2	13.6	14.0	13.6
Pensions and OPEB [1]	(0.3)	(0.3)	0.4	0.5	0.9	2.2	1.9	(0.2)	0.0	1.5
Personal services and benefits	53.0	53.7	55.2	53.8	53.2	54.2	55.6	54.8	55.6	57.0
Supplies and services	31.3	30.9	30.0	31.7	31.1	30.9	29.2	30.6	30.3	29.2
Student aid, net scholarship allowance	9.7	9.3	8.7	8.2	9.3	9.9	10.2	9.4	8.7	8.3
Depreciation	6.0	6.1	6.1	6.3	6.4	5.0	5.0	5.2	5.4	5.5
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**
Percentage increase/(decrease) from prior year										
	%	%	%	%	%	%	%	%	%	%
Personal services [2]	(0.1)	4.5	11.2	12.2	6.1	2.2	7.0	6.9	7.4	6.8
Benefits [2]	8.5	7.3	7.8	18.3	0.7	1.7	6.3	4.1	11.1	3.6
Pensions and OPEB [1]	(9.2)	(177.1)	(14.3)	(34.6)	(58.4)	17.0	1,214.6	(1,513.0)	(98.9)	13.0
Personal services and benefits	2.1	3.9	10.1	12.9	2.3	2.6	11.1	5.8	5.5	6.2
Supplies and services	4.9	9.9	1.6	13.7	4.8	11.2	4.5	8.8	12.0	10.3
Student aid, net scholarship allowance	8.6	14.1	12.9	(0.9)	(2.3)	2.5	18.5	16.7	11.8	10.0
Depreciation	1.2	6.7	4.9	9.8	32.0	6.2	4.8	3.2	7.4	6.3
Total Operating Expenses by Natural Classification	**3.5**	**6.7**	**7.3**	**11.7**	**4.1**	**5.3**	**9.4**	**7.5**	**8.0**	**7.7**
Scholarship allowance	$ 732,067	$ 714,160	$ 648,442	$ 625,165	$ 608,241	$ 550,959	$ 485,621	$ 422,858	$ 389,890	$ 349,989

[1] Implementations of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 75, *Other Postemployment Benefits* and GASB Statement No. 68, *Pensions*, resulted in recognition of benefit-related operating expenses each year. The impact of these implementations has been presented separately for comparability purposes.

[2] Balances prior to FY 2024 have not been adjusted for the implementation of GASB Statement No. 101, *Compensated Absences.*

Combined Sources and Uses *(Dollars in millions)*										
Fiscal Year Ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Sources										
Student Tuition and Fees, net	$ 2,327.0	$ 2,184.5	$ 2,028.3	$ 1,889.4	$ 1,689.8	$ 1,598.2	$ 1,550.6	$ 1,423.1	$ 1,323.3	$ 1,250.8
Gross Tuition and Fees	*3,035.1*	*2,873.9*	*2,655.8*	*2,492.8*	*2,276.3*	*2,134.3*	*2,013.3*	*1,825.6*	*1,697.4*	*1,585.4*
Scholarship Allowance	*708.1*	*689.4*	*627.5*	*603.4*	*586.5*	*536.1*	*462.7*	*402.5*	*374.1*	*334.6*
State Appropriation	448.3	433.3	450.3	485.3	411.5	332.2	348.9	328.8	320.3	308.1
Capital Appropriation	*27.0*	*26.8*	*26.5*	*80.2*	*26.0*	*25.8*	*25.6*	*25.4*	*13.5*	*11.2*
Grants and Contracts	773.7	732.5	690.2	603.5	678.8	757.4	423.2	401.5	372.3	328.3
Federally Funded	*455.1*	*525.4*	*484.2*	*413.4*	*593.6*	*489.1*	*301.1*	*304.5*	*262.0*	*238.3*
Financial Aid Grants	318.4	314.7	244.7	216.7	200.8	198.4	186.8	168.2	152.5	128.5
Federally Funded	*318.1*	*314.5*	*243.9*	*216.3*	*200.5*	*198.1*	*186.5*	*167.9*	*152.2*	*128.2*
Auxiliary Enterprises, net	280.4	284.4	250.4	253.9	243.6	124.1	170.2	183.5	166.1	161.8
Private and Capital Gifts	137.3	115.3	115.2	102.0	104.9	79.9	93.8	97.7	81.6	80.7
Capital Gifts	*4.9*	*2.4*	*6.0*	*4.6*	*28.3*	*3.6*	*17.0*	*15.0*	*5.8*	*6.4*
Sales and Services	135.6	111.3	108.2	108.1	104.0	93.3	72.5	78.5	94.1	81.5
Technology and Research Initiatives Funds (TRIF)	48.2	54.3	42.2	35.7	44.6	36.8	34.1	34.6	32.5	31.3
Other Sources	204.5	187.9	157.7	108.3	9.2	148.0	91.5	89.9	41.1	70.8
Total Sources	**$ 4,673.4**	**$ 4,418.2**	**$ 4,087.2**	**$ 3,802.9**	**$ 3,487.2**	**$ 3,368.3**	**$ 2,971.6**	**$ 2,805.8**	**$ 2,583.8**	**$ 2,441.8**
Uses										
Instruction	$ 1,346.1	$ 1,290.0	$ 1,249.9	$ 1,208.3	$ 1,076.5	$ 1,053.7	$ 1,016.7	$ 961.6	$ 881.7	$ 810.6
Organized Research	583.4	566.9	497.9	456.1	414.3	384.4	360.0	323.6	297.5	267.3
Public Service	62.6	74.0	65.2	51.5	47.8	100.9	38.4	36.1	37.5	35.4
Academic Support	580.9	560.4	529.6	458.7	396.3	392.8	371.4	304.6	299.2	294.7
Student Services	255.7	245.9	232.2	219.0	176.7	159.4	166.1	151.2	136.1	123.4
Institutional Support	269.4	256.3	249.4	236.5	212.3	201.5	189.0	171.0	159.1	152.2
Operation and Maintenance of Plant	154.1	166.6	166.7	141.9	116.1	105.8	113.6	122.6	119.4	116.5
Scholarships and Fellowships	406.9	374.7	328.3	290.7	293.3	300.2	292.9	247.2	211.8	187.1
Auxiliary Enterprises	275.9	261.1	237.1	245.2	225.5	184.8	191.9	179.6	175.1	154.8
Depreciation	250.2	247.3	231.7	221.0	201.3	152.5	143.6	137.1	132.8	123.7
Academic and Research Buildings	*136.0*	*131.9*	*125.7*	*120.0*	*112.9*	*100.0*	*93.8*	*84.9*	*80.6*	*73.8*
Other Expenses	107.2	132.2	105.1	84.1	83.2	84.4	81.3	85.8	70.5	76.7
Total Uses	**$ 4,292.4**	**$ 4,175.4**	**$ 3,893.1**	**$ 3,613.0**	**$ 3,243.3**	**$ 3,120.4**	**$ 2,964.9**	**$ 2,720.4**	**$ 2,520.7**	**$ 2,342.4**

Principal Revenue Sources

Principal Revenue Sources *(Dollars in thousands)*										
Fiscal year ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Tuition and Fees, net of scholarship allowance	**$ 2,326,998**	**$ 2,184,492**	**$ 2,028,283**	**$ 1,889,421**	**$ 1,689,832**	**$ 1,598,180**	**$ 1,550,581**	**$1,423,052**	**$1,323,268**	**$1,250,828**
percent of total revenue	50%	49%	50%	50%	48%	47%	52%	51%	51%	51%
percent increase from prior year	7%	8%	7%	12%	6%	3%	9%	8%	6%	8%
State of Arizona Government										
State appropriations	$ 385,650	$ 406,463	$ 423,778	$ 405,040	$ 385,527	$ 306,346	$ 323,332	$ 303,370	$ 306,778	$ 296,913
Technology and research initiative fund	48,169	54,346	42,221	35,663	44,600	36,833	34,075	34,604	32,540	31,326
Capital appropriations and capital commitments	42,205	40,915	34,395	89,174	34,910	34,894	35,159	34,938	24,434	20,731
State grants and contracts	64,374	30,084	47,793	29,751	38,028	132,062	9,675	14,529	11,640	12,328
Financial aid trust fund						5,986	5,986	5,986	5,989	5,899
Capital grants		4,246	45		152	195				
State of Arizona Government	**$ 540,398**	**$ 536,054**	**$ 548,232**	**$ 559,628**	**$ 503,217**	**$ 516,316**	**$ 408,227**	**$ 393,427**	**$ 381,381**	**$ 367,197**
percent of total revenue	12%	12%	13%	15%	14%	15%	14%	14%	15%	15%
percent increase (decrease) from prior year	1%	(2%)	(2%)	11%	(3%)	26%	4%	3%	4%	6%
Federal Government										
Federal grants and contracts	$ 455,091	$ 525,429	$ 484,250	$ 413,391	$ 529,468	$ 489,070	$ 316,277	$ 304,503	$ 262,007	$ 238,293
Financial aid grants	318,418	314,693	244,298	216,322	200,504	198,120	186,504	167,931	152,238	128,207
Capital grants	13,271	1,979	11,433	299	4,968	12,630				
Federal Government	**$ 786,780**	**$ 842,101**	**$ 739,981**	**$ 630,012**	**$ 734,940**	**$ 699,820**	**$ 502,781**	**$ 472,434**	**$ 414,245**	**$ 366,500**
percent of total revenue	17%	19%	18%	17%	21%	21%	17%	17%	16%	15%
percent increase (decrease) from prior year	(7%)	14%	17%	(14%)	5%	39%	6%	14%	13%	0%
Total from principal revenue sources	**$ 3,654,176**	**$ 3,562,647**	**$ 3,316,496**	**$ 3,079,061**	**$ 2,927,989**	**$ 2,814,316**	**$ 2,461,589**	**$2,288,913**	**$2,118,894**	**$1,984,525**
percent of total revenue	78%	81%	81%	81%	84%	84%	83%	82%	82%	81%
percent increase from prior year	3%	7%	8%	5%	4%	14%	8%	8%	7%	6%

Academic Year Tuition and Required Fees										
Fiscal year ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
RESIDENT UNDERGRADUATE										
Arizona State University [1]	$12,975	$12,223	$12,051	$11,618	$11,348	$11,338	$11,338	$10,822	$10,792	$10,640
percent increase from prior year	6.2%	1.4%	3.7%	2.4%	0.1%	0.0%	4.8%	0.3%	1.4%	1.5%
ABOR Peers Average	Information	$14,578	$14,171	$13,731	$13,171	$12,865	$12,942	$12,671	$12,481	$12,166
percent increase from prior year	Unavailable	2.9%	3.2%	4.3%	2.4%	(0.6)%	2.1%	1.5%	2.6%	1.3%
NON-RESIDENT UNDERGRADUATE										
Arizona State University [1]	$35,167	$33,139	$32,193	$30,592	$29,438	$29,428	$29,428	$28,336	$27,372	$26,470
percent increase from prior year	6.1%	2.9%	5.2%	3.9%	0.0%	0.0%	3.9%	3.5%	3.4%	4.0%
ABOR Peers Average	Information	$40,050	$38,835	$37,655	$36,042	$35,309	$35,567	$34,527	$33,421	$32,159
percent increase from prior year	Unavailable	3.1%	3.1%	4.5%	2.1%	(0.7)%	3.0%	3.3%	3.9%	3.5%
RESIDENT GRADUATE										
Arizona State University	$14,383	$13,587	$13,389	$12,914	$12,608	$12,608	$12,608	$12,134	$11,938	$11,776
percent increase from prior year	5.9%	1.5%	3.7%	2.4%	0.0%	0.0%	3.9%	1.6%	1.4%	1.3%
ABOR Peers Average	Information	$17,382	$17,045	$16,525	$16,063	$15,643	$15,729	$15,212	$14,886	$14,540
percent increase from prior year	Unavailable	2.0%	3.1%	2.9%	2.7%	(0.5)%	3.4%	2.2%	2.4%	2.2%
NON-RESIDENT GRADUATE										
Arizona State University	$38,528	$36,344	$33,556	$33,556	$32,288	$32,288	$32,288	$30,926	$29,874	$28,882
percent increase from prior year	6.0%	8.3%	0.0%	3.9%	0.0%	0.0%	4.4%	3.5%	3.4%	4.0%
ABOR Peers Average	Information	$34,802	$34,285	$33,233	$32,446	$31,396	$31,804	$30,874	$30,184	$29,367
percent increase from prior year	Unavailable	1.5%	3.2%	2.4%	3.3%	(1.3)%	3.0%	2.3%	2.8%	2.4%

Sources: Integrated Postsecondary Education Data System (IPEDS), Arizona State University Fact Book, and Office of Institutional Analysis

[1] For FY 2020, class fees, technology fees and tuition surcharges were eliminated for undergraduate students and were replaced with undergraduate college fees.

ASU's tuition rates are approved by the Arizona Board of Regents (ABOR).

ABOR Peers Average comparisons do not include ASU.

Note: Data is not finalized per IPEDS. FY 2026 peer tuition data unavailable from IPEDS at the time of publishing.

Composite Financial Index

Summary of Composite Financial Index Ratios[1]										
Fiscal year ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
COMPOSITE FINANCIAL INDEX										
+ Primary Reserve Ratio	**0.60**	**0.48**	**0.45**	**0.45**	**0.43**	**0.35**	**0.24**	**0.28**	**0.25**	**0.32**
/ Strength Factor	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133
= Ratio / Strength Factor	4.49	3.62	3.38	3.38	3.23	2.63	1.80	2.08	1.89	2.41
* Weighting Factor	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
= Ratio Subtotal	1.57	1.27	1.18	1.18	1.13	0.92	0.63	0.73	0.66	0.84
+ Return on Net Position/Net Assets	**15.1%**	**12.4%**	**8.8%**	**9.8%**	**13.4%**	**19.8%**	**2.1%**	**11.6%**	**6.3%**	**9.2%**
/ 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	7.56	6.18	4.39	4.90	6.70	9.90	1.06	5.81	3.15	4.60
* Weighting Factor	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
= Ratio Subtotal	1.51	1.24	0.88	0.98	1.34	1.98	0.21	1.16	0.63	0.92
+ Net Operating Revenues Ratio	**8.3%**	**5.0%**	**3.8%**	**2.6%**	**6.6%**	**6.5%**	**(1.3)%**	**3.3%**	**0.9%**	**4.1%**
/ 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	6.40	3.85	2.92	2.01	5.10	5.00	(1.00)	2.51	0.69	3.15
* Weighting Factor	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
= Ratio Subtotal	0.64	0.38	0.29	0.20	0.51	0.50	(0.10)	0.25	0.07	0.32
+ Viability Ratio	**0.95**	**0.76**	**0.67**	**0.67**	**0.59**	**0.47**	**0.33**	**0.37**	**0.33**	**0.39**
/ Strength Factor	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417
= Ratio / Strength Factor	2.28	1.83	1.62	1.61	1.41	1.13	0.79	0.88	0.73	0.94
* Weighting Factor	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
= Ratio Subtotal	0.80	0.64	0.57	0.56	0.50	0.39	0.28	0.31	0.26	0.33
Composite Financial Index	**4.52**	**3.53**	**2.92**	**2.92**	**3.48**	**3.79**	**1.02**	**2.45**	**1.62**	**2.41**

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.

Composite Financial Index calculation includes component unit information. Detail of ratio calculations are on the following pages.

[1] Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other then Pensions,* as amended by GASB Statement No. 85, *Omnibus 2017.* Balances prior to FY 2022 have not been adjusted for the implementation of GASB Statement No. 87, *Leases.* Balances prior to FY 2023 have not been adjusted for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* Balances prior to FY 2024 have not been adjusted for the implementation of GASB Statement No. 101, *Compensated Absences.*

Detail of Composite Financial Index Ratios[1] *(Dollars in thousands)*										
Fiscal Year Ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017[2]**
PRIMARY RESERVE RATIO										
Unrestricted Net Position	$ 1,077,580	$ 777,844	$ 626,157	$ 579,506	$ 437,294	$ 235,307	$ 104,279	$ 166,899	$ 115,542	$ 282,765
Without Donor Restrictions - Unrestricted Net Assets - Component Units	420,997	376,598	332,122	303,248	286,211	187,364	123,335	119,675	44,688	54,955
Expendable Restricted Net Position	277,908	223,393	216,436	209,011	203,211	175,937	127,614	118,626	119,410	124,703
With Donor Restrictions - Temporarily Restricted Net Assets - Component Units	1,069,412	849,518	777,373	714,347	610,393	592,746	427,888	421,912	408,384	363,620
Expendable Net Position/ Net Assets	**$ 2,845,897**	**$ 2,227,353**	**$ 1,952,088**	**$ 1,806,112**	**$ 1,537,109**	**$ 1,191,354**	**$ 783,116**	**$ 827,112**	**$ 688,024**	**$ 826,043**
Operating Expenses	$ 4,185,261	$ 4,043,244	$ 3,787,961	$ 3,528,915	$ 3,160,041	$ 3,035,974	$ 2,883,520	$ 2,634,702	$2,450,214	$2,265,725
Nonoperating Expenses	107,176	104,213	90,472	84,048	83,224	84,411	81,324	85,754	70,493	76,745
Component Unit Total Expenses	470,543	445,116	452,295	403,737	350,770	323,676	303,974	283,224	252,963	228,083
Total Expenses	**$ 4,762,980**	**$ 4,592,573**	**$ 4,330,728**	**$ 4,016,700**	**$ 3,594,035**	**$ 3,444,061**	**$ 3,268,818**	**$ 3,003,680**	**$2,773,670**	**$2,570,553**
Expendable Net Position/ Net Assets	$ 2,845,897	$ 2,227,353	$ 1,952,088	$ 1,806,112	$ 1,537,109	$ 1,191,354	$ 783,116	$ 827,112	$ 688,024	$ 826,043
Total Expenses	$ 4,762,980	$ 4,592,573	$ 4,330,728	$ 4,016,700	$ 3,594,035	$ 3,444,061	$ 3,268,818	$ 3,003,680	$2,773,670	$2,570,553
Ratio	**0.60**	**0.48**	**0.45**	**0.45**	**0.43**	**0.35**	**0.24**	**0.28**	**0.25**	**0.32**
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 position not be available. A positive ratio and an increase in the ratio over time denotes strength.										
RETURN ON NET POSITION/NET ASSETS RATIO										
Change in Total Net Position/ Net Assets	$ 704,981	$ 512,998	$ 336,114	$ 341,498	$ 408,159	$ 497,548	$ 52,103	$ 256,838	$ 131,399	$ 185,017
Total Net Position/Net Assets (Beginning of Year)	$ 4,665,470	$ 4,152,472	$ 3,823,749	$ 3,482,251	$ 3,053,146	$ 2,516,921	$ 2,464,818	$2,207,980	$2,076,581	$2,018,485
Ratio	**15.1%**	**12.4%**	**8.8%**	**9.8%**	**13.4%**	**19.8%**	**2.1%**	**11.6%**	**6.3%**	**9.2%**
Return on Net Position/Net Assets Ratio calculation includes component unit information.										
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.										

[1] Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other then Pensions,* as amended by GASB Statement No. 85, *Omnibus 2017*. Balances prior to FY 2022 have not been adjusted for the implementation of GASB Statement No. 87, *Leases*. Balances prior to FY 2023 have not been adjusted for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Balances prior to FY 2024 have not been adjusted for the implementation of GASB Statement No. 101, *Compensated Absences.*

[2] The FY 2017 Return on Net Position/Net Assets ratio has been restated to adjust for the impact of the ASUEP restructure transfer.

Composite Financial Index *(continued)*

Detail of Composite Financial Index Ratios[1] *(Dollars in thousands)*										
Fiscal Year Ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
NET OPERATING REVENUES RATIO										
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	$ 381,082	$ 189,178	$ 141,981	$ 89,601	$ 154,402	$ 173,972	$ (46,841)	$ 35,016	$ 34,090	$ 66,039
Component Units Change in Unrestricted Net Assets Before Extraordinary or Special Items	44,407	54,214	29,677	18,119	99,825	64,616	3,837	65,965	(9,501)	44,861
Adjusted Income (Loss) Before Other Revenues, Expenses, Gains or Losses and Component Units Change in Unrestricted Net Assets Before Extraordinary or Special Items	**$ 425,489**	**$ 243,392**	**$ 171,658**	**$ 107,720**	**$ 254,227**	**$ 238,588**	**$ (43,004)**	**$ 100,981**	**$ 24,589**	**$ 110,900**
Total Operating Revenues	$ 3,803,853	$ 3,240,934	$ 2,930,903	$ 2,752,088	$ 2,491,964	$ 2,220,786	$ 2,180,596	$ 2,048,569	$ 1,915,786	$ 1,782,224
State Appropriations and State Related Revenues	433,819	460,809	465,999	440,703	430,127	343,179	357,407	337,974	339,318	328,239
Non-capital Gifts and Grants, net	217,556	521,202	512,061	444,926	534,414	654,584	335,244	308,326	286,915	258,989
Financial aid trust										16,019
Investment Income (Loss), net	144,385	141,644	126,086	60,214	(58,838)	75,808	44,756	60,603	12,778	23,038
Component Units Total Unrestricted Revenue	514,950	499,330	481,972	421,856	450,594	388,292	307,811	349,189	243,462	272,944
Adjusted Net Operating Revenue	**$ 5,114,563**	**$ 4,863,919**	**$ 4,517,021**	**$ 4,119,787**	**$ 3,848,261**	**$ 3,682,649**	**$ 3,225,814**	**$ 3,104,661**	**$ 2,798,259**	**$ 2,681,453**
Adjusted Income (Loss) Before Other Revenues, Expenses, Gains or Losses and Component Units Change in Unrestricted Net Assets Before Extraordinary or Special Items	$ 425,489	$ 243,392	$ 171,658	$ 107,720	$ 254,227	$ 238,588	$ (43,004)	$ 100,981	$ 24,589	$ 110,900
Adjusted Net Operating Revenue	$ 5,114,563	$ 4,863,919	$ 4,517,021	$ 4,119,787	$ 3,848,261	$ 3,682,649	$ 3,225,814	$ 3,104,661	$ 2,798,259	$ 2,681,453
Ratio	**8.3%**	**5.0%**	**3.8%**	**2.6%**	**6.6%**	**6.5%**	**(1.3)%**	**3.3%**	**0.9%**	**4.1%**
Measures whether the institution is living within available resources. A positive ratio and an increase in the ratio over time, generally 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.										
VIABILITY RATIO										
Unrestricted Net Position	$ 1,077,580	$ 777,844	$ 626,157	$ 579,506	$ 437,294	$ 235,307	$ 104,279	$ 166,899	$ 115,542	$ 282,765
Without Donor Restrictions - Unrestricted Net Assets - Component Units	420,997	376,598	332,122	303,248	286,211	187,364	123,335	119,675	44,688	54,955
Expendable Restricted Net Position	277,908	223,393	216,436	209,011	203,211	175,937	127,614	118,626	119,410	124,703
With Donor Restrictions - Temporarily Restricted Net Assets - Component Units	1,069,412	849,518	777,373	714,347	610,393	592,746	427,888	421,912	408,384	363,620
Expendable Net Position/Net Assets	**$ 2,845,897**	**$ 2,227,353**	**$ 1,952,088**	**$ 1,806,112**	**$ 1,537,109**	**$ 1,191,354**	**$ 783,116**	**$ 827,112**	**$ 688,024**	**$ 826,043**
University Long-Term Debt, net financed purchases with Component Units	$ 2,795,392	$ 2,708,905	$ 2,679,439	$ 2,425,148	$ 2,322,303	$ 2,241,062	$ 2,071,885	$ 1,928,622	$ 1,768,827	$ 1,771,961
Component Unit Long-Term Debt	195,581	209,716	219,719	258,114	280,940	298,250	316,614	333,784	347,987	340,602
Total Adjusted University Debt	**$ 2,990,973**	**$ 2,918,621**	**$ 2,899,158**	**$ 2,683,262**	**$ 2,603,243**	**$ 2,539,312**	**$ 2,388,499**	**$ 2,262,406**	**$ 2,116,814**	**$ 2,112,563**
Expendable Net Position/Net Assets	$ 2,845,897	$ 2,227,353	$ 1,952,088	$ 1,806,112	$ 1,537,109	$ 1,191,354	$ 783,116	$ 827,112	$ 688,024	$ 826,043
Total Adjusted University Debt	$ 2,990,973	$ 2,918,621	$ 2,899,158	$ 2,683,262	$ 2,603,243	$ 2,539,312	$ 2,388,499	$ 2,262,406	$ 2,116,814	$ 2,112,563
Ratio	**0.95**	**0.76**	**0.67**	**0.67**	**0.59**	**0.47**	**0.33**	**0.37**	**0.33**	**0.39**
Measures the ability of the institution to cover its debt as of the statement of net position date, should the institution need to do so.										

[1] Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other then Pensions,* as amended by GASB Statement No. 85, *Omnibus 2017.* Balances prior to FY 2022 have not been adjusted for the implementation of GASB Statement No. 87, *Leases.* Balances prior to FY 2023 have not been adjusted for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* Balances prior to FY 2024 have not been adjusted for the implementation of GASB Statement No. 101, *Compensated Absences.*

Summary of Ratios[1] *(Dollars in thousands)*

Fiscal Year Ended June 30,	2026	2025 (as restated)	2024 (as restated)	2023 (as restated)	2022 (as restated)	2021 (as restated)	2020 (as restated)	2019 (as restated)	2018 (as restated)	2017 (as restated)
EXPENDABLE RESOURCES TO FINANCINGS										
Unrestricted Net Position [3]	$ 1,077,580	$ 777,844	$ 626,157	$ 579,506	$ 437,294	$ 235,307	$ 104,279	$ 166,899	$ 115,542	$ 282,765
Expendable Restricted Net Position	277,908	223,393	216,436	209,011	203,211	175,937	127,614	118,626	119,410	124,703
Expendable Net Position	**$ 1,355,488**	**$ 1,001,237**	**$ 842,593**	**$ 788,517**	**$ 640,505**	**$ 411,244**	**$ 231,893**	**$ 285,525**	**$ 234,952**	**$ 407,468**
Expendable Net Position	$ 1,355,488	$ 1,001,237	$ 842,593	$ 788,517	$ 640,505	$ 411,244	$ 231,893	$ 285,525	$ 234,952	$ 407,468
Total Bonds, COPS, Financed Purchases, Leases and Subscriptions	$ 3,135,469	$ 3,069,206	$3,004,312	$2,754,188	$2,607,080	$2,305,450	$2,135,450	$2,001,032	$1,849,386	$1,850,754
Ratio	**0.4**	**0.3**	**0.3**	**0.3**	**0.2**	**0.2**	**0.1**	**0.1**	**0.1**	**0.2**
Measures the ability of the institution to cover its debt using expendable resources as of the balance sheet date, should the institution need to do so.										
TOTAL RESOURCES TO FINANCINGS										
Unrestricted Net Position [3]	$ 1,077,580	$ 777,844	$ 626,157	$ 579,506	$ 437,294	$ 235,307	$ 104,279	$ 166,899	$ 115,542	$ 282,765
Expendable Restricted Net Position	277,908	223,393	216,436	209,011	203,211	175,937	127,614	118,626	119,410	124,703
Nonexpendable Restricted Net Position	128,332	120,156	114,261	109,039	104,729	91,623	87,497	84,714	78,813	74,102
Total Financial Resources	**$ 1,483,820**	**$ 1,121,393**	**$ 956,854**	**$ 897,556**	**$ 745,234**	**$ 502,867**	**$ 319,390**	**$ 370,239**	**$ 313,765**	**$ 481,570**
Total Financial Resources	$ 1,483,820	$ 1,121,393	$ 956,854	$ 897,556	$ 745,234	$ 502,867	$ 319,390	$ 370,239	$ 313,765	$ 481,570
Total Bonds, COPS, Financed Purchases, Leases and Subscriptions	$ 3,135,469	$ 3,069,206	$3,004,312	$2,754,188	$2,607,080	$2,305,450	$2,135,450	$2,001,032	$1,849,386	$1,850,754
Ratio	**0.5**	**0.4**	**0.3**	**0.3**	**0.3**	**0.2**	**0.2**	**0.2**	**0.2**	**0.3**
A broader measure of the ability of the institution to cover its debt as of the balance sheet date, should the institution need to do so.										
FINANCINGS TO ADJUSTED CASH FLOW										
Net Cash Used for Operating Activities	$ (541,640)	$ (462,353)	$(655,833)	$(511,762)	$(555,787)	$(536,209)	$(465,853)	$(439,627)	$ (384,847)	$ (320,901)
State Appropriations, Federal Stabilization Funds, and CARES Act Reimbursements	385,650	406,463	423,778	405,040	385,527	306,346	323,332	303,370	306,778	296,913
Share of State Sales Tax - TRIF	48,169	54,346	42,221	35,663	44,600	36,833	34,075	34,604	32,540	31,326
Non-capital Grants and Contracts, Gifts, Other [3]	535,974	521,202	512,061	444,926	534,414	654,584	335,244	308,326	286,915	275,008
Adjusted Cash Flow from Operations	**$ 428,153**	**$ 519,658**	**$ 322,227**	**$ 373,867**	**$ 408,754**	**$ 461,554**	**$ 226,798**	**$ 206,673**	**$ 241,386**	**$ 282,346**
Total Bonds, COPS, Financed Purchases, Leases and Subscriptions	$3,135,469	$3,069,206	$3,004,312	$2,754,188	$2,607,080	$2,305,450	$2,135,450	$2,001,032	$1,849,386	$1,850,754
Adjusted Cash Flow from Operations	$ 428,153	$ 519,658	$ 322,227	$ 373,867	$ 408,754	$ 461,554	$ 226,798	$ 206,673	$ 241,386	$ 282,346
Ratio	**7.3**	**5.9**	**9.3**	**7.4**	**6.4**	**5.0**	**9.4**	**9.7**	**7.7**	**6.6**
[1] Includes financial aid grants, grants and contracts, private gifts, and financial aid trust funds.										
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.										
DEBT SERVICE TO OPERATIONS										
Interest Paid on Long-Term Debt [1]	$ 110,107	$ 105,034	$ 100,999	$ 96,185	$ 91,568	$ 79,942	$ 79,475	$ 77,914	$ 71,411	$ 69,502
Principal Paid on Long-Term Debt [1]	564,168	101,206	321,880	83,243	77,983	166,497	70,261	62,161	252,076	62,596
Principal Paid from Refinancing Activities [2]	(459,170)		(214,440)			(91,570)			(196,830)	(1,153)
Debt Service	**$ 215,105**	**$ 206,240**	**$ 208,439**	**$ 179,428**	**$ 169,551**	**$ 154,869**	**$ 149,736**	**$ 140,075**	**$ 126,657**	**$ 130,945**
Debt Service	$ 215,105	$ 206,240	$ 208,439	$ 179,428	$ 169,551	$ 154,869	$ 149,736	$ 140,075	$ 126,657	$ 130,945
Operating Expenses [3]	$4,185,261	$4,043,244	$3,787,961	$3,528,915	$3,160,041	$3,035,974	$2,883,520	$2,634,702	$2,450,214	$2,265,725
Ratio	**5.1%**	**5.1%**	**5.5%**	**5.1%**	**5.4%**	**5.1%**	**5.2%**	**5.3%**	**5.2%**	**5.8%**
[1] Obtained from Statement of Cash Flows and refunding bonds official statements, adjusted to remove principal and interest on lease and subscription activities.										
[2] Obtained amount from refunding bonds official statements.										
Measures the institution's dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures. The ratio measures the relative cost of debt to overall expenses and a declining trend is generally desirable, however the ratio can increase during times of specific funding activity to support the institution's strategic mission.										

[3] Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other then Pensions,* as amended by GASB Statement No. 85, *Omnibus 2017*. Balances prior to FY 2022 have not been adjusted for the implementation of GASB Statement No. 87, *Leases*. Balances prior to FY 2023 have not been adjusted for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Balances prior to FY 2024 have not been adjusted for the implementation of GASB Statement No. 101, *Compensated Absences.*

Summary of Ratios *(continued)*

Summary of Ratios *(Dollars in thousands)*										
Fiscal Year Ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
RESEARCH EXPENSES TO TOTAL OPERATING EXPENSES										
Operating Expenses [1]	$ 4,185,261	$ 4,043,244	$ 3,787,961	$ 3,528,915	$ 3,160,041	$ 3,035,974	$ 2,883,520	$ 2,634,702	$ 2,450,214	$ 2,265,725
Scholarships and Fellowships	(406,945)	(374,650)	(328,277)	(290,776)	(293,349)	(300,202)	(292,914)	(247,194)	(211,811)	(187,124)
Interest on Debt	95,998	104,213	90,472	84,048	76,122	67,838	65,342	63,413	61,903	69,135
Total Adjusted Operating Expenses	**$ 3,874,314**	**$ 3,772,807**	**$ 3,550,156**	**$ 3,322,187**	**$ 2,942,814**	**$ 2,803,610**	**$ 2,655,948**	**$ 2,450,921**	**$ 2,300,306**	**$ 2,147,736**
Research Expenses	$ 583,386	$ 566,856	$ 497,893	$ 456,087	$ 414,259	$ 384,431	$ 359,936	$ 323,623	$ 297,448	$ 267,303
Total Adjusted Operating Expenses	$ 3,874,314	$ 3,772,807	$ 3,550,156	$ 3,322,187	$ 2,942,814	$ 2,803,610	$ 2,655,948	$ 2,450,921	$ 2,300,306	$ 2,147,736
Ratio	**15.1%**	**15.0%**	**14.0%**	**13.7%**	**14.1%**	**13.7%**	**13.6%**	**13.2%**	**12.9%**	**12.4%**
Measures the institution's research expense to the total operating expenses.										
NET TUITION PER STUDENT										
Student Tuition and Fees, net	$ 2,326,998	$ 2,184,492	$ 2,028,283	$ 1,889,421	$ 1,689,832	$ 1,598,180	$ 1,550,581	$ 1,423,052	$ 1,323,268	$ 1,250,828
Financial Aid Grants	318,418	314,693	244,649	216,672	200,843	198,432	186,818	168,230	152,500	128,474
Scholarships and Fellowships	(406,945)	(374,650)	(328,277)	(290,776)	(293,349)	(300,202)	(292,914)	(247,194)	(211,811)	(187,124)
Net Tuition and Fees	**$ 2,238,471**	**$ 2,124,535**	**$ 1,944,655**	**$ 1,815,317**	**$ 1,597,326**	**$ 1,496,410**	**$ 1,444,485**	**$ 1,344,088**	**$ 1,263,957**	**$ 1,192,178**
Net Tuition and Fees	$ 2,238,471	$ 2,124,535	$ 1,944,655	$ 1,815,317	$ 1,597,326	$ 1,496,410	$ 1,444,485	$ 1,344,088	$ 1,263,957	$ 1,192,178
Student FTE	142,458	136,665	130,059	127,198	121,770	117,005	110,548	103,654	97,950	94,077
Net Tuition per Student (whole dollars)	**$ 15,713**	**$ 15,546**	**$ 14,952**	**$ 14,272**	**$ 13,118**	**$ 12,789**	**$ 13,067**	**$ 12,967**	**$ 12,904**	**$ 12,672**
Measures the institution's net student tuition and fees received per student.										
STATE APPROPRIATIONS PER STUDENT										
State Appropriations	$ 385,650	$ 406,463	$ 423,778	$ 405,040	$ 385,527	$ 306,346	$ 323,332	$ 303,370	$ 306,778	$ 296,913
Capital State Appropriations	27,021	26,790	26,508	80,246	25,985	25,840	25,622	25,406	13,479	11,190
Adjusted State Appropriations	**$ 412,671**	**$ 433,253**	**$ 450,286**	**$ 485,286**	**$ 411,512**	**$ 332,186**	**$ 348,954**	**$ 328,776**	**$ 320,257**	**$ 308,103**
Adjusted State Appropriations	$ 412,671	$ 433,253	$ 450,286	$ 485,286	$ 411,512	$ 332,186	$ 348,954	$ 328,776	$ 320,257	$ 308,103
Student FTE	142,458	136,665	130,059	127,198	121,770	117,005	110,548	103,654	97,950	94,077
Adjusted State Appropriations per Student (whole dollars)	**$ 2,897**	**$ 3,170**	**$ 3,462**	**$ 3,815**	**$ 3,379**	**$ 2,839**	**$ 3,157**	**$ 3,172**	**$ 3,270**	**$ 3,275**
Measures the institution's dependency on state appropriations.										

[1] Balances prior to FY 2018 have not been adjusted for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other then Pensions,* as amended by GASB Statement No. 85, *Omnibus 2017.* Balances prior to FY 2022 have not been adjusted for the implementation of GASB Statement No. 87, *Leases.* Balances prior to FY 2023 have not been adjusted for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* Balances prior to FY 2024 have not been adjusted for the implementation of GASB Statement No. 101, *Compensated Absences.*

Debt Coverage for Senior and Subordinate Lien Bonds

Summary of Ratios *(Dollars in thousands)*

Fiscal Year Ended June 30,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Bond Resolution Covenant. The Board has covenanted in the Bond Resolution to fix, revise and collect tuition, registration, matriculation, health services, laboratory, and admission fees from students matriculated, registered or enrolled at or attending the University, and to fix, revise and collect 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 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 on all outstanding senior lien bonds and sufficient at all times to continually operate and maintain the System of Building Facilities and to make necessary deposits at the times and in the amounts specified in the Bond Resolution.										
Bond Resolution Requirement. Pursuant to the Bond Resolution, the Board may issue additional Parity Bonds if the Gross Revenues of the University for the fiscal year preceding the issuance of such Parity Bonds are at least equal to 300% of the Maximum Annual Debt Service on all Outstanding Parity Bonds and the Parity Bonds proposed to be issued.										
REVENUES AVAILABLE FOR DEBT SERVICE										
Tuition and Fees, net of scholarship allowance	$ 2,326,998	$ 2,184,492	$ 2,028,283	$ 1,889,421	$ 1,689,833	$ 1,598,180	$ 1,550,581	$ 1,423,051	$ 1,312,313	$ 1,250,828
Receipts from Other Major Revenue Sources (Facilities Revenue)	626,260	606,524	537,058	506,201	466,350	330,044	349,050	358,231	335,309	304,859
Net Revenues Available for Debt Service	**$ 2,953,258**	**$ 2,791,016**	**$ 2,565,341**	**$ 2,395,622**	**$ 2,156,183**	**$ 1,928,224**	**$ 1,899,631**	**$ 1,781,282**	**$ 1,647,622**	**$ 1,555,687**
SENIOR LIEN MAXIMUM BONDS DEBT SERVICE										
Interest on Debt	$ 54,039	$ 98,545	$ 93,914	$ 84,167	$ 75,267	$ 67,685	$ 60,598	$ 58,683	$ 54,954	$ 53,077
Principal Paid on Debt	162,895	90,330	90,330	87,895	83,030	80,625	70,990	61,425	53,455	51,555
Senior Lien Bonds Debt Service Requirement [1]	**$ 216,934**	**$ 188,875**	**$ 184,244**	**$ 172,062**	**$ 158,297**	**$ 148,310**	**$ 131,588**	**$ 120,108**	**$ 108,409**	**$ 104,632**
Coverage	**13.61**	**14.78**	**13.92**	**13.92**	**13.62**	**13.00**	**14.44**	**14.83**	**15.20**	**14.87**
SPEED Bond Resolution Rate Covenant. The Board has further covenanted in the bond resolution for the Board's SPEED Revenue Bonds to fix, revise and collect student tuition and fees revenues and facilities revenues in an aggregate amount so that System Revenues of the University in any fiscal year will be at least equal to 100% of (i) the annual debt service due on all Outstanding Senior Obligations and Subordinate Obligations in such fiscal year and (ii) the expense of operating and maintaining the System of Building Facilities.										
SENIOR LIEN BONDS MAXIMUM ANNUAL DEBT SERVICE										
Interest on Debt	$ 54,039	$ 98,545	$ 93,914	$ 84,167	$ 75,267	$ 67,685	$ 60,598	$ 58,683	$ 54,954	$ 53,077
Principal Paid on Debt	162,895	90,330	90,330	87,895	83,030	80,625	70,990	61,425	53,455	51,555
Senior Lien Bonds Debt Service Requirement	**$ 216,934**	**$ 188,875**	**$ 184,244**	**$ 172,062**	**$ 158,297**	**$ 148,310**	**$ 131,588**	**$ 120,108**	**$ 108,409**	**$ 104,632**
SUBORDINATE LIEN BONDS MAXIMUM ANNUAL DEBT SERVICE										
Interest on Debt	$ 11,199	$ 8,111	$ 8,111	$ 3,595	$ 3,595	$ 3,595	$ 3,836	$ 4,640	$ 5,374	$ 5,374
Principal Paid on Debt	10,485	9,555	9,555	7,550	7,550	7,550	8,335	7,630	6,970	6,970
Subordinate Lien Bonds Debt Service Requirements	**$ 21,684**	**$ 17,666**	**$ 17,666**	**$ 11,145**	**$ 11,145**	**$ 11,145**	**$ 12,171**	**$ 12,270**	**$ 12,344**	**$ 12,344**
Combined Senior/Subordinate Lien Debt Service [1]	**$ 238,618**	**$ 206,541**	**$ 201,910**	**$ 183,207**	**$ 169,442**	**$ 159,455**	**$ 143,759**	**$ 132,378**	**$ 120,753**	**$ 116,976**
Coverage	**12.38**	**13.51**	**12.71**	**13.08**	**12.73**	**12.09**	**13.21**	**13.46**	**13.64**	**13.30**

[1] Presents actual annual debt service through final bond maturity for the year with the highest debt service.

Long-Term Financing

Long-Term Financing *(Dollars in thousands)*

Fiscal year ended June 30,	2026	2025 (as restated)	2024 (as restated)	2023 (as restated)	2022 (as restated)	2021	2020	2019	2018	2017
Bonds	$ 2,518,075	$ 2,423,090	$ 2,352,720	$ 2,103,045	$ 1,979,575	$ 1,865,550	$ 1,691,205	$ 1,556,810	$ 1,404,350	$ 1,392,795
Unamortized Premium	203,640	195,862	221,052	200,459	203,619	209,133	191,967	170,948	150,794	144,377
Net Bonds	**$ 2,721,715**	**$ 2,618,952**	**$ 2,573,772**	**$ 2,303,504**	**$ 2,183,194**	**$ 2,074,683**	**$ 1,883,172**	**$ 1,727,758**	**$ 1,555,144**	**$ 1,537,172**
Certificates of Participation	$ 65,735	$ 80,545	$ 95,620	$ 110,085	$ 123,955	$ 140,905	$ 157,265	$ 173,075	$ 188,325	$ 202,290
Unamortized Premium	90	263	560	988	1,557	2,280	3,074	3,869	4,666	6,470
Net Certificates of Participation	**$ 65,825**	**$ 80,808**	**$ 96,180**	**$ 111,073**	**$ 125,512**	**$ 143,185**	**$ 160,339**	**$ 176,944**	**$ 192,991**	**$ 208,760**
Total Bonds Payable	$ 2,721,715	$ 2,618,952	$ 2,573,772	$ 2,303,504	$ 2,183,194	$ 2,074,683	$ 1,883,172	$ 1,727,758	$ 1,555,144	$ 1,537,172
COPS Payable	65,825	80,808	96,180	111,073	125,512	143,185	160,339	176,944	192,991	208,760
Financed Purchase Obligations Payable	26,207	28,455	30,611	53,351	56,794	87,582	91,939	96,330	101,251	104,822
Lease Liabilities Payable	261,357	266,759	250,137	222,630	241,580					
Subscription Liabilities Payable	60,365	74,232	53,612	63,630						
Total	**$ 3,135,469**	**$ 3,069,206**	**$ 3,004,312**	**$ 2,754,188**	**$ 2,607,080**	**$ 2,305,450**	**$ 2,135,450**	**$ 2,001,032**	**$ 1,849,386**	**$ 1,850,754**
Long-Term Financing										
per Student FTE *(whole dollars)*	$ 22,010	$ 22,458	$ 23,100	$ 21,653	$ 21,410	$ 19,704	$ 19,317	$ 19,305	$ 18,881	$ 19,673
per Dollar of State Appropriations and State Capital Appropriations	$ 7.60	$ 7.08	$ 6.67	$ 5.68	$ 6.34	$ 6.94	$ 6.12	$ 6.09	$ 5.77	$ 6.01
per Dollar of Total Grants and Contracts	$ 4.05	$ 4.19	$ 4.35	$ 4.56	$ 3.84	$ 3.04	$ 4.87	$ 4.98	$ 4.97	$ 5.64
Data Used in Above Calculations										
Total Student FTE	142,458	136,665	130,059	127,198	121,770	117,005	110,548	103,654	97,950	94,077
State Appropriations and State Capital Appropriations	$ 412,671	$ 433,253	$ 450,286	$ 485,286	$ 411,512	$ 332,186	$ 348,954	$ 328,776	$ 320,257	$ 308,103
Grants and Contracts	$ 773,705	$ 732,465	$ 690,188	$ 603,436	$ 678,792	$ 757,415	$ 438,286	$ 401,555	$ 372,291	$ 328,283

Student FTE based on fall enrollment of the fiscal year.

Demographic Data										
Fiscal Year Ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Arizona Population	7,651,561	7,632,104	7,475,346	7,423,454	7,276,316	7,421,401	7,278,717	7,171,646	7,016,270	6,931,071
Arizona Personal Income *(in millions)*	533,531	506,625	471,753	436,527	395,111	363,274	335,243	313,040	292,108	278,925
Arizona Per Capita Personal Income	69,728	66,381	63,108	58,804	54,301	48,950	46,058	43,650	41,633	40,243
Arizona Unemployment Rate	4.90%	4.10%	3.30%	3.50%	4.90%	7.90%	4.70%	4.80%	4.90%	5.30%

Sources: U.S. Bureau of Economic Analysis and Arizona Office of Economic Opportunity.

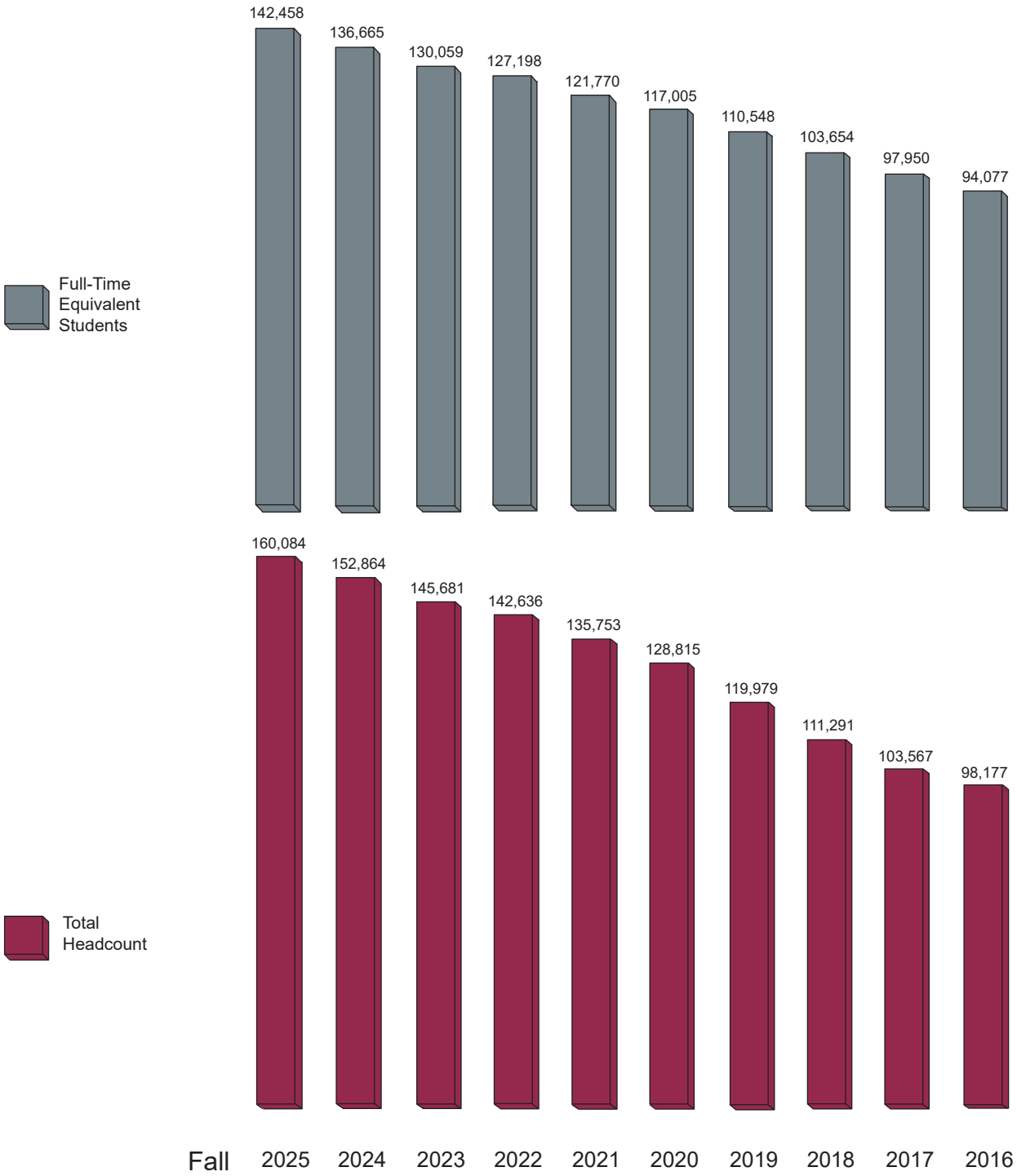
Admissions, Enrollment, and Degrees Earned

Admissions, Enrollment, and Degrees Earned *(21st Day Fall Enrollment)*										
Fall enrollment of fiscal year	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
ADMISSIONS - FIRST-YEAR										
Applications [1]	79,964	79,720	77,103	77,213	68,588	59,075	57,576	45,327	44,613	42,396
Accepted	68,183	69,619	67,381	67,171	59,233	51,325	47,151	36,856	34,712	32,653
Enrolled	17,419	17,269	17,141	18,124	16,830	15,161	15,606	13,974	12,337	12,119
Accepted as Percentage of Application	85%	87%	87%	87%	86%	87%	82%	81%	78%	77%
Enrolled as Percentage of Accepted	26%	25%	25%	27%	28%	30%	33%	38%	36%	37%
Average SAT scores - Total [2]	1207	1218	1227	1225	1227	1199	1210	1210	1194	1184
Evidence-based reading and writing	610	612	613	610	612	598	603	603	598	594
Math	599	608	615	616	616	602	608	608	599	591
ENROLLMENT										
Student FTE	142,458	136,665	130,059	127,198	121,770	117,005	110,548	103,654	97,950	94,077
Student Headcount	160,084	152,864	145,681	142,636	135,753	128,815	119,979	111,291	103,567	98,177
African American (Headcount)	11,060	9,419	8,283	8,026	7,770	7,342	6,404	5,695	5,152	4,785
Percentage of Total	6.9%	6.2%	5.7%	5.6%	5.7%	5.7%	5.3%	5.1%	5.0%	4.9%
White (Headcount)	66,555	65,711	65,538	66,172	66,035	64,958	61,656	58,749	55,000	52,531
Percentage of Total	41.6%	43.0%	45.0%	46.4%	48.6%	50.4%	51.4%	52.8%	53.1%	53.5%
Other (Headcount)	82,469	77,734	71,860	68,438	61,948	56,515	51,919	46,847	43,415	40,861
Percentage of Total	51.5%	50.8%	49.3%	48.0%	45.7%	43.9%	43.3%	42.1%	41.9%	41.6%
DEGREES EARNED										
Associate's	65	19	4	-	-	-	-	-	-	-
Bachelor’s	26,053	25,268	23,678	23,579	23,139	22,067	20,308	19,340	18,178	16,450
Master’s	14,227	12,401	12,390	11,312	9,640	8,829	8,074	7,149	6,828	6,008
Doctoral	910	779	730	703	684	701	755	714	692	677
Professional	206	290	290	259	274	283	252	282	276	199
Total Degrees Earned	**41,461**	**38,757**	**37,092**	**35,853**	**33,737**	**31,880**	**29,389**	**27,485**	**25,974**	**23,334**

[1] Beginning fall 2019, the University began accepting the Common App for first time freshman applications.

[2] SAT scores for all years have been adjusted to be comparable to scores on the redesigned test that began in March 2016.

Student information based on fall enrollment of the fiscal year and degree information includes all graduations during fiscal year.



Enrollment *(Fall Enrollment)*										
Fall enrollment of fiscal year	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
ENROLLMENT (Headcount)										
Undergraduate	124,760	119,685	114,490	112,177	107,431	103,617	96,727	89,898	83,551	79,447
Graduate	35,324	33,179	31,191	30,459	28,322	25,198	23,252	21,393	20,016	18,730
Resident (Arizona)	63,473	61,337	59,493	59,078	59,954	59,472	57,552	54,861	53,158	51,438
Non-Resident	96,611	91,527	86,188	83,558	75,799	69,343	62,427	56,430	50,409	46,739

Principal Employers

Principal Employers						
	Calendar Year Ended December 31, 2025			Calendar Year Ended December 31, 2016		
Employer	Total Arizona Employees	Rank	Percentage of Total State Employment	Full-Time Equivalent Employees	Rank	Percentage of Total State Employment
Banner Health	48,869	1	1.28%	40,226	2	1.24%
Amazon.com	40,000	2	1.05%			
State of Arizona	39,733	3	1.04%	42,687	1	1.32%
Walmart Inc.	37,979	4	1.00%	34,350	3	1.06%
Arizona State University	35,754	5	0.94%	12,488	9	0.39%
University of Arizona	22,391	6	0.59%	14,521	6	0.45%
Fry's Food Stores	20,000	7	0.53%	18,870	4	0.58%
HonorHealth	16,969	8	0.45%			
Dignity Health	14,676	9	0.39%			
City of Phoenix	14,452	10	0.38%	14,421	7	0.44%
Wells Fargo				14,860	5	0.46%
U.S. Postal Service				13,509	8	0.42%
Intel Corp.				11,000	10	0.34%
	290,823		7.65%	216,932		6.70%

Sources: Phoenix Business Journal, Book of Lists 2025 and Arizona State University CAFR 2017 for employers: Arizona Commerce Authority website, https://www.azcommerce.com/oeo/labor-market/unemployment/.

Faculty and Staff										
Fall employment of fiscal year	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
FACULTY										
Full-time	4,018	4,053	3,915	3,871	3,772	3,632	3,595	3,483	3,367	3,225
Part-time	467	423	410	363	317	304	320	291	310	330
Total Faculty	**4,485**	**4,476**	**4,325**	**4,234**	**4,089**	**3,936**	**3,915**	**3,774**	**3,677**	**3,555**
Percentage Tenured	49.0%	49.6%	50.1%	51.2%	51.8%	52.7%	52.9%	54.5%	55.0%	55.4%
STAFF										
Full-time	9,503	9,744	9,276	8,433	7,867	7,988	7,889	7,551	7,189	6,734
Part-time	5,591	5,303	5,389	5,527	5,334	4,797	4,925	4,819	4,519	4,414
Total Staff	**15,094**	**15,047**	**14,665**	**13,960**	**13,201**	**12,785**	**12,814**	**12,370**	**11,708**	**11,148**
Total Faculty and Staff	**19,579**	**19,523**	**18,990**	**18,194**	**17,290**	**16,721**	**16,729**	**16,144**	**15,385**	**14,703**

Sources: Arizona State University Fact Book and Institutional Analysis.

Percentage Tenured includes tenured and tenure track faculty.

Capital Assets

Capital Assets										
Fiscal Year Ended June 30,	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
CAPITAL ASSETS *(Number of Facilities)*										
Academic/Support Facilities	225	227	227	226	230	227	226	227	249	251
Auxiliary Facilities	147	155	155	155	152	151	148	149	159	164
Total	**372**	**382**	**382**	**381**	**382**	**378**	**374**	**376**	**408**	**415**

Source: Arizona State University Capital Improvement Plans

Right. ASU students stand on top of A Mountain on the Tempe campus.















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Photography by:
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Compiled and edited by the ASU Financial Services Office.

Printed in the U.S.

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