

**ARKANSAS STATE
UNIVERSITY**

Popular Annual Financial Report

For the Year Ended June 30, 2025

JONESBORO, AR

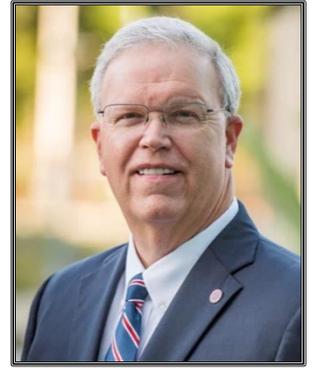


TABLE OF CONTENTS

Letter from the Vice Chancellor for Finance and Administration and CFO	1
University Overview	2
Tuition and Fees	3
Enrollment	3
Degrees and Certificates	4
GFOA Awards for Financial Reporting	5
Financial Review and Highlights	6
Statement of Net Position	6
Sources of Funds	8
Uses of Funds	10



LETTER FROM THE **VICE CHANCELLOR FOR FINANCE AND ADMINISTRATION AND CHIEF FINANCIAL OFFICER**



I am pleased to share A-State’s first Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2025. This supports our efforts to ensure transparency and understandability in our financial reporting and to demonstrate good stewardship of the resources entrusted to our university.

The report summarizes and highlights key information about A-State included in the ASU System’s Annual Comprehensive Financial Report (ACFR). While Arkansas State University is part of the Arkansas State University System, this report focuses specifically on A-State as the flagship campus of the ASU System.

A-State is rising and strategically investing in our future. This PAFR presents the positive trends we’re experiencing and the exciting opportunities and innovations we’re pursuing. I hope you’ll find it engaging and useful, and I welcome your comments and inquiries.

Best Regards,

A handwritten signature in blue ink that reads "Russ Hannah". The signature is fluid and cursive, with the first name "Russ" and last name "Hannah" clearly legible.

Russ Hannah Ed.D., CPA, CGMA, CGFM
Vice Chancellor for Finance and Administration
Chief Financial Officer



University Overview

Arkansas State University developed from an agricultural school founded on April 1, 1909 by Act 100 of the 37th Arkansas General Assembly. It was created as one of four Arkansas high schools to teach agriculture, horticulture, and the art of textile manufacturing. Today, the university grants bachelor's, master's, and doctoral degrees through its various colleges.



Educating Leaders. Enriching Lives.

A Legacy of Impact

For more than a century, Arkansas State University has been a force for progress in Northeast Arkansas, the Delta, and beyond. From our roots as an agricultural training school to our place as Arkansas' second-largest university, A-State has always looked forward. A-State blends a strong tradition of student-focused instruction with growing national research impact. We're home to Arkansas' first osteopathic medical school and will be the state's first public vet school with the opening of our College of Veterinary Medicine in 2026. Today, we continue to lead as a hub for innovation and growth in the Mid-South.

AT A GLANCE

18,000+
Students Enrolled

150+
Degree Programs

110,000+
Alumni Worldwide

A Thriving College Town in the Heart of Northeast Arkansas

Located on the scenic rise of Crowley's Ridge, Jonesboro is a unique and beautiful place to live, study, and grow.

A recent economic impact study performed by an outside party stated that A-State had a **\$2.4 billion** economic impact in fiscal year 2023 on the state of Arkansas. For every **\$1** invested by the State of Arkansas, **\$7.10** is returned to the State as a result of A-State's combined operations and alumni economic impact.



Tuition and Fees

ANNUAL TUITION AND FEES FOR FISCAL YEARS 2023 - 2025					
	2025	2024	2023	DOLLAR INCREASE (DECREASE) FROM 2024 TO 2025	PERCENT INCREASE (DECREASE) FROM 2024 TO 2025
<u>Undergraduate*</u>					
Resident	\$ 10,100	\$ 9,680	\$ 9,310	\$ 420	4.3%
Nonresident	18,140	17,270	16,630	870	5.0%
<u>Graduate**</u>					
Resident	7,322	6,980	6,980	342	4.9%
Nonresident	13,028	12,416	12,416	612	4.9%

*Undergraduate rates are based on a 15 hour load
 **Graduate rates are based on a 9 hour load

Enrollment

TOTAL ENROLLMENT				
(Fall Semesters)				
	2025	2024	2023	PERCENT INCREASE (DECREASE) FROM 2024 TO 2025
<u>Headcount</u>				
Undergraduate	15,726	14,032	13,190	12.1%
Graduate	9,985	8,760	8,201	14.0%
Total	<u>25,711</u>	<u>22,792</u>	<u>21,391</u>	26.1%
<u>Full-Time</u>				
Equivalent (FTE)	9,484	8,668	8,277	9.4%

Enrollment continues to increase each fall. Additionally Spring enrollment in 2025 soared with a headcount of a record 16,073 students – a 10% increase over Spring 2024.

Degrees and Certificates

DEGREES AND CERTIFICATES AWARDED

(Academic Years)

	2024	2023	2022
Certificate of Proficiency	103	147	132
Associate	1,099	610	699
Bachelor's	1,752	1,763	1,717
Graduate Certificate	135	114	95
Master's	1,681	1,672	1,744
Specialist	536	497	649
Doctoral	217	78	77
Total	<u>5,523</u>	<u>4,881</u>	<u>5,113</u>



GFOA Awards for Financial Reporting

This Popular Annual Financial Report (PAFR) is formatted as an easy-to follow version of the University's Annual Comprehensive Financial Report (ACFR) that is published each year. The Annual Comprehensive Financial Report is a detailed account of the financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) using the format specified by the Government Accounting Standards Board (GASB). The ACFR also includes financial disclosures, management's discussion and analysis, and the component units of the Arkansas State University (ASU) System: Arkansas State University System Foundation, Red Wolves Foundation, and Henderson State University Foundation.

The ACFR is published based on the Arkansas State University System's financial report and corresponding audit. The Arkansas State University System consists of two universities and five two-year colleges. A-State is the flagship of the Arkansas State University System. *This PAFR provides a breakout of the System's largest campus; the other campuses and the Foundations are not included in this report.*

The complete fiscal year 2025 Annual Comprehensive Financial Report may be found at: <https://www.astate.edu/about/campus-offices/finance-and-administration/index.html>

This is the first PAFR for A-State. The ASU System ACFR has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the GFOA of the United States and Canada. The Certificate of Achievement is the highest form of recognition for excellence in state and local government reporting. The ASU System has received this award annually since fiscal year 2012.



Financial Review and Highlights

The following is an overview of the University’s financial operations for the fiscal year ended June 30, 2025. The information contained within this PAFR is derived from financial information contained within the ACFRs for the fiscal years ended June 30, 2025, June 30, 2024, and June 30, 2023. The ACFR is audited by Arkansas Legislative Audit. The fiscal year 2025 ACFR has received an unmodified opinion. This means the auditors have determined the ACFR is presented fairly and free from material misstatement.

Statement of Net Position

The University’s financial position in 2025 continues to remain strong, with total assets of \$511.2 million, total liabilities of \$186.8 million, and a total net position of \$313.0 million.

Total assets and deferred outflows of resources increased by \$42.2 million from 2024 to 2025. Liabilities and deferred inflows of resources increased by \$32.5 million. Net position increased by \$9.7 million. The construction of the College of Veterinary Medicine and Windgate Hall of Art and Innovation were the major reasons for the increases.

The following condensed information from A-State’s Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University.

NET POSITION			
<i>(Dollars in thousands)</i>			
	2025	2024	2023
Assets			
Current assets	\$ 70,152	\$ 66,491	\$ 64,158
Noncurrent assets:			
Capital assets, net	333,936	317,887	327,012
Other noncurrent	107,126	83,246	94,955
Total noncurrent assets	<u>441,062</u>	<u>401,133</u>	<u>421,967</u>
TOTAL ASSETS	<u>511,214</u>	<u>467,624</u>	<u>486,125</u>
Deferred Outflows of Resources	<u>4,529</u>	<u>5,874</u>	<u>7,174</u>
Liabilities			
Current liabilities	40,682	34,538	32,012
Noncurrent liabilities	<u>146,133</u>	<u>117,734</u>	<u>126,648</u>
TOTAL LIABILITIES	<u>186,815</u>	<u>152,272</u>	<u>158,660</u>
Deferred Inflows of Resources	<u>15,953</u>	<u>17,962</u>	<u>19,944</u>
Net Position			
Net investment in capital assets	227,983	215,395	215,003
Restricted, nonexpendable	16,515	15,300	14,689
Restricted, expendable	2,718	1,554	1,745
Unrestricted	<u>65,759</u>	<u>71,015</u>	<u>83,258</u>
TOTAL NET POSITION	<u>\$ 312,975</u>	<u>\$ 303,264</u>	<u>\$ 314,695</u>

CURRENT ASSETS represent cash and other resources that are expected to be converted into cash with one year. This includes cash, cash equivalents, receivables, and other assets.

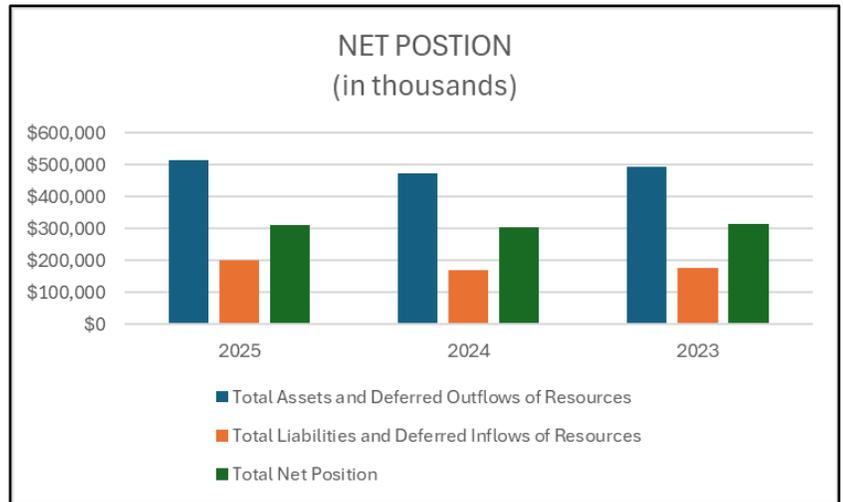
NONCURRENT ASSETS represent assets not easily convertible to cash within one year, cash that is either restricted by an outside source, or cash that will be used for items other than operating expenses (such as capital improvements). This category also includes long-term investments, capital assets, and other long-term assets.

DEFERRED OUTFLOWS OF RESOURCES represent a consumption of net position, similar to prepaid expenses, that applies to a future period and will not be recognized as an outflow of resources (expense) until that time.

CURRENT LIABILITIES represent financial obligations that are due within a short period of time, usually no longer than a year. This includes accounts payable and accrued liabilities, unearned revenue, portions of debt due within a year, and other short-term liabilities.

NONCURRENT LIABILITIES represent financial obligations not expected to be satisfied within one year. This includes portions of debt due in more than one year, net pension liability, and other long-term liabilities.

DEFERRED INFLOWS OF RESOURCES represent an acquisition of net position that applies to a future period and will not be recognized until that time.



NET POSITION represents the difference between the total of assets plus deferred outflows of resources and the total of liabilities plus deferred inflows of resources. Net position is classified into the following categories:

NET INVESTMENT IN CAPITAL ASSETS represents the total investment in capital assets less the outstanding debt obligations related to those assets.

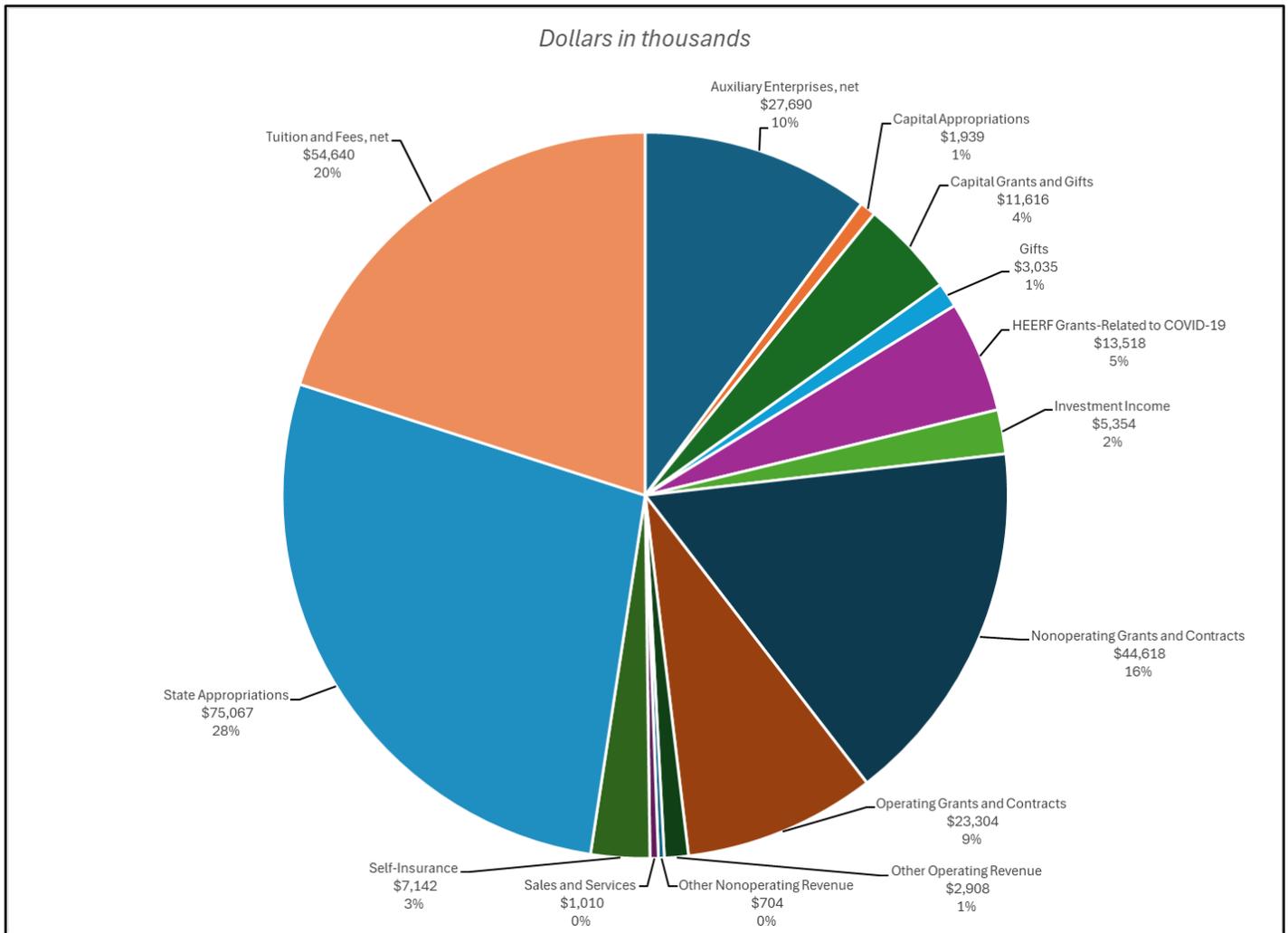
RESTRICTED, EXPENDABLE represents resources which can be spent in accordance with restrictions imposed by external parties.

RESTRICTED, NONEXPENABLE represents funds that donors or other external parties have stipulated must remain invested and cannot be spent.

UNRESTRICTED represents resources unrelated to capital and not externally restricted. These resources may be expended in the general and educational operations of the University and in furtherance of its mission.

Sources of Funds for Fiscal Year 2025

TOTAL OPERATING AND NONOPERATING REVENUES **\$272,544,643**



The majority of the University’s revenue sources are state appropriations, net tuition and fees, and non-operating grants and contracts.

OPERATING REVENUES result from activities that have characteristics of exchange transactions. The University receives payment in exchange for providing services or products to students or other constituencies. Tuition and fees (net of scholarship discounts and allowances), auxiliary enterprises (net of scholarship discounts and allowances), and most federal, state, local and private grants are the main categories of operating revenues for the University.

NONOPERATING REVENUES are those revenues that result from nonexchange transactions or from activities specifically defined as nonoperating by the GASB. Examples of nonoperating revenues include state appropriations, certain grants and contracts, gifts, and investment income.

SOURCES OF FUNDS FOR FISCAL YEARS 2023 - 2025

(Dollars in thousands)

	2025	2024	2023	DOLLAR INCREASE (DECREASE) FROM 2024 TO 2025	PERCENT INCREASE (DECREASE) FROM 2024 TO 2025
Operating Revenues					
Tuition and Fees, net	\$ 54,640	\$ 52,125	\$ 50,641	\$ 2,515	4.8%
Operating Grants and Contracts	23,304	21,187	20,077	2,117	10.0%
Sales and Services	1,010	937	1,149	73	7.8%
Auxiliary Enterprises, net	27,690	26,883	23,788	807	3.0%
Self-Insurance	7,142	6,910	6,882	232	3.4%
Other Operating Revenue	2,908	3,141	3,055	(233)	-7.4%
TOTAL OPERATING REVENUES	116,694	111,183	105,592	5,511	21.5%
Nonoperating Revenues					
State Appropriations	75,067	75,651	74,949	(584)	-0.8%
Nonoperating Grants and Contracts	44,618	33,325	28,875	11,293	33.9%
HEERF Grants-Related to COVID-19	13,518	10,372	10,060	3,146	30.3%
Gifts	3,035	2,888	2,844	147	5.1%
Investment Income	5,354	4,363	3,710	991	22.7%
Capital Appropriations	1,939	139	-	1,800	1295.0%
Capital Grants and Gifts	11,616	1,140	4,113	10,476	918.9%
Other Nonoperating Revenue	704	937	4,116	(233)	-24.9%
TOTAL NONOPERATING REVENUES	155,851	128,815	128,667	27,036	2280.3%
TOTAL SOURCES OF FUNDS	\$ 272,545	\$ 239,998	\$ 234,259	\$ 32,547	2301.8%

Operating Revenue increased about 5% from fiscal year 2024 to fiscal year 2025. Some of the explanations for the increase are listed below. The corresponding effect on the financial statements are shown in red.

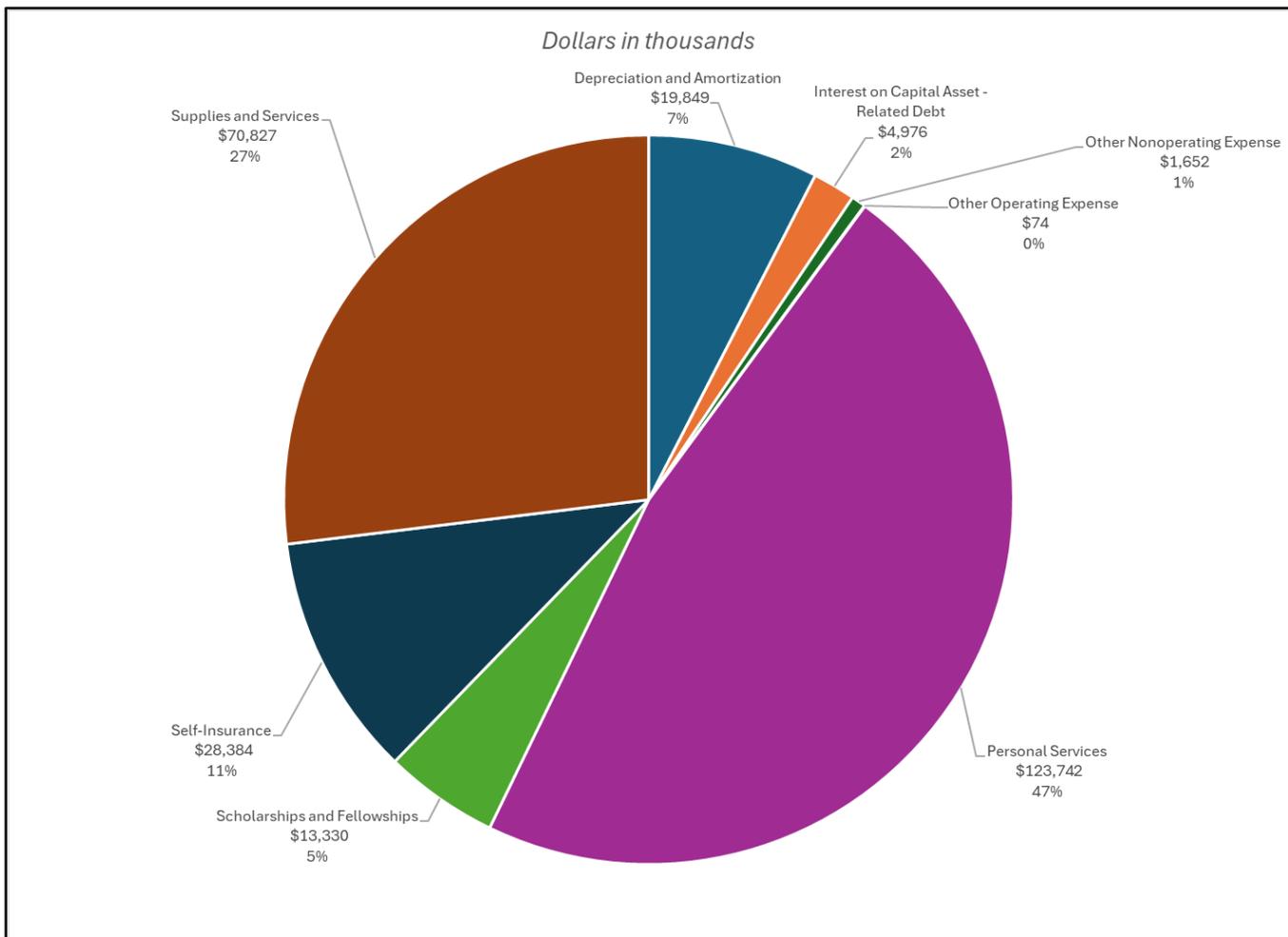
- Increase in enrollment (**Tuition and Fees; Auxiliary Enterprises**)
- Increase in the number of grants awarded; more focus on research grants (**Operating Grants and Contracts**)
- Increase in the employee portion for health insurance (**Self-Insurance**)
- Decrease in the fees received from the Queretaro campus (**Other Operating Revenue**)

Nonoperating Revenue increased by a little over \$27 million from fiscal year 2024 to fiscal year 2025. Some of the explanations for the increase with the corresponding effect were:

- Increase in Pell funds for students; increase in enrollment (**Nonoperating Grants and Contracts**)
- Awarded a \$31.2 million grant from Arkansas Department of Human Services (**HEERF Grants-Related to COVID-19**)
- Received \$1.8 million for the Southern Tenant Farmers Grain Bin project (**Capital Appropriations**)
- Began construction of the Windgate Hall of Art and Innovation (**Capital Grants and Gifts**)

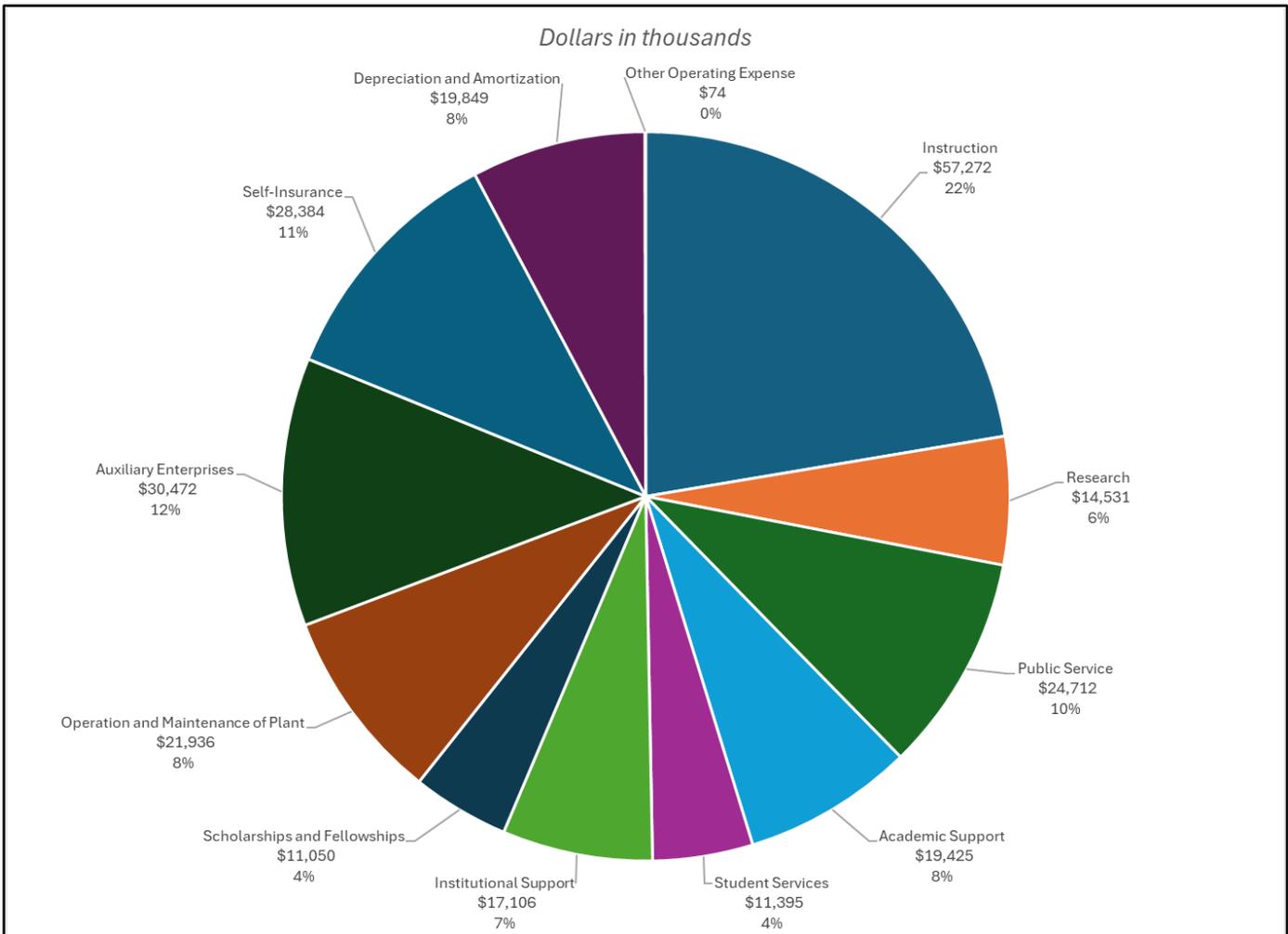
Uses of Funds for Fiscal Year 2025

TOTAL OPERATING AND NONOPERATING EXPENSES **\$262,834,131**



From the above chart, operating expenses account for about 97% of total expenses. Operating expenses can be classified in either natural categories (as shown above) or in functional categories (as displayed on the next page).

- Nearly half of the expenses relate to personal services (salaries, wages, and fringe benefits).
- Supplies and services include items such as computers, office supplies, postage, and travel.
- Self-insurance is the campus's health insurance coverage. A-State manages the insurance plan for the entire Arkansas State University System and the amount reflected is for all campuses.
- Although depreciation and amortization is a non-cash expense; the amount remains significant to the campus based on the amount of buildings, improvements, equipment, and other capital assets owned by A-State.
- Scholarships and fellowships include both institutional scholarships awarded by the University, as well as scholarships funded through federal, state, or private funds.
- Interest on capital asset – related debt includes interest expense on assets, such as buildings, that have been funded through the issuance of debt.



GASB functional classification groups expenses by purpose (as shown above) rather than only what the funds were used for (salaries, supplies, etc.). This helps users see why the expense was incurred where the previous chart showed what the expense was. The display of both functional and natural classifications provides fundamental data into the expenses of the University.

Key functional areas include core services (instruction, research, public service) and administrative/support functions (academic support, institutional support, student services).

Examples of functional categories used at A-State include:

Instruction – Teaching and academic activities

Research – Activities sponsored by external agencies or internal funds

Public Service – Community outreach and non-instructional activities

Academic Support – Libraries, academic administration, and other support for academic programs

Student Services – Admissions, financial aid, and student life

Institutional Support – General administration, executive, and fiscal operations

Operation and Maintenance of Plant – Costs related to facilities

Scholarships and Fellowships – Aid to Students

Auxiliary Enterprises – Self supporting units such as athletics, housing, and food services

USES OF FUNDS FOR FISCAL YEARS 2023 - 2025

(Dollars in thousands)

	2025	2024	2023	DOLLAR INCREASE (DECREASE) FROM 2024 TO 2025	PERCENT INCREASE (DECREASE) FROM 2024 TO 2025
Operating Expenses					
Personal Services	\$ 123,742	\$ 120,717	\$ 108,485	\$ 3,025	2.5%
Scholarships and Fellowships	13,330	10,781	8,926	2,549	23.6%
Supplies and Services	70,827	68,821	64,697	2,006	2.9%
Self-Insurance	28,384	27,229	24,695	1,155	4.2%
Depreciation and Amortization	19,849	18,205	17,459	1,644	9.0%
Other Operating Expense	74	263	130	(189)	-71.9%
TOTAL OPERATING EXPENSES	256,206	246,016	224,392	10,190	-29.5%
Nonoperating Expenses					
Interest on Capital Asset - Related Debt	4,976	3,934	4,182	1,042	26.5%
Other Nonoperating Expense	1,652	1,478	4,946	174	11.8%
TOTAL NONOPERATING EXPENSES	6,628	5,412	9,128	1,216	38.3%
TOTAL USES OF FUNDS	\$ 262,834	\$ 251,428	\$ 233,520	\$ 11,406	8.7%

Total Expenses increased about 9% from fiscal year 2024 to fiscal year 2025. Some of the explanations for the increase are listed below.

- Personal Services increased due to faculty promotions, a 2% merit raise for faculty and non-classified employees, and a 10% increase in graduate assistant stipends. Additionally, A-State offered an optional voluntary retirement incentive program in 2024 which added \$687,000 in expense for fiscal year 2025.
- Scholarships and Fellowships increased due to the increase in enrollment. Both institutional and external (federal/state) scholarships and fellowships increased.
- While several areas with A-State experienced lower Supplies and Services costs; a few had significantly higher increases. Expenses related to auxiliaries increased by \$3.5 million; additionally, there was an increase of \$1.7 million in restricted funds (grants and contracts).
- Although pharmaceutical expenses related to Self-Insurance decreased; both medical claims and administration fees rose during 2025.
- The increase in Depreciation and Amortization is a result of new assets being added that began depreciating. This cost will increase again as new buildings, such as the College of Veterinary Medicine are completed and begin depreciating.
- Interest on Capital Asset – Related Debt grew due to the issuance of debt for the College of Veterinary Medicine. Additionally, A-State entered into three new subscription-based information technology agreements which included a portion of interest expense.