

**Southern Arkansas University**

**Magnolia, Arkansas**

**Basic Financial Statements  
and Other Reports**

**June 30, 2021**

LEGISLATIVE JOINT AUDITING COMMITTEE

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SOUTHERN ARKANSAS UNIVERSITY  
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# Arkansas

**Sen. Ronald Caldwell**  
Senate Chair  
**Sen. Gary Stubblefield**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
**Rep. Nelda Speaks**  
House Vice Chair

**Roger A. Norman, JD, CPA, CFE, CFF**  
Legislative Auditor

## **LEGISLATIVE JOINT AUDITING COMMITTEE** **ARKANSAS LEGISLATIVE AUDIT**

### **INDEPENDENT AUDITOR'S REPORT**

Southern Arkansas University  
Legislative Joint Auditing Committee

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Southern Arkansas University (University), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Southern Arkansas University Foundation, Inc. or the Southern Arkansas University Alumni Association, Inc., which represents 100% of the assets and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Southern Arkansas University Foundation, Inc. and the Southern Arkansas University Alumni Association, Inc. is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Southern Arkansas University Foundation, Inc. and the Southern Arkansas University Alumni Association, Inc. were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, certain information pertaining to postemployment benefits other than pensions, and certain information pertaining to pensions on pages 6-13, 55, and 56-57 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Schedule of Selected Information for the Last Five Years (Schedule 1) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Selected Information for the Last Five Years has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022 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. 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.

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF  
Legislative Auditor

Little Rock, Arkansas  
October 27, 2022  
EDHE10521

# Arkansas

**Sen. Ronald Caldwell**  
Senate Chair  
**Sen. Gary Stubblefield**  
Senate Vice Chair



**Rep. Richard Womack**  
House Chair  
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Legislative Auditor

## **LEGISLATIVE JOINT AUDITING COMMITTEE** **ARKANSAS LEGISLATIVE AUDIT**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

### **INDEPENDENT AUDITOR'S REPORT**

Southern Arkansas University  
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Southern Arkansas University (University), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 27, 2022. Our report includes a reference to other auditors who audited the financial statements of the Southern Arkansas University Foundation, Inc. and the Southern Arkansas University Alumni Association, Inc., as described in our report on the University's financial statements. The financial statements of the Southern Arkansas University Foundation, Inc. and the Southern Arkansas University Alumni Association, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Southern Arkansas University Foundation, Inc. and the Southern Arkansas University Alumni Association, Inc. or that are reported on separately by those auditors who audited the financial statements of the Southern Arkansas University Foundation, Inc. and the Southern Arkansas University Alumni Association, Inc.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to management of the University in a separate letter dated October 27, 2022.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in dark ink that reads "Matt Fink". The signature is written in a cursive, slightly slanted style.

Matt Fink, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
October 27, 2022

# Arkansas

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## LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

### MANAGEMENT LETTER

Southern Arkansas University  
Legislative Joint Auditing Committee

**STUDENT ENROLLMENT DATA** – In accordance with Ark. Code Ann. § 6-60-209, we performed tests of the student enrollment data for the year ended June 30, 2021, as reported to the Arkansas Division of Higher Education, to provide reasonable assurance that the data was properly reported. The enrollment data reported was as follows:

	<u>Summer II Term</u>	<u>Fall Term</u>	<u>Spring Term</u>	<u>Summer I Term</u>
	<u>2020</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>
Student Headcount	1,025	4,432	4,008	1,425
Student Semester				
Credit Hours	4,166	53,489	47,032	6,306

During our review, nothing came to our attention that would cause us to believe that the student enrollment data was not substantially correct.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the governing board, University management, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in cursive script that reads "Matt Fink".

Matt Fink, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
October 27, 2022

# **SOUTHERN ARKANSAS UNIVERSITY**

## ***Management's Discussion and Analysis (Unaudited)***

### ***Overview of the Financial Statements and Financial Analysis***

Southern Arkansas University is pleased to present its financial statements for the fiscal year ended June 30, 2021, with fiscal year ended June 30, 2020 data presented for comparative purposes. This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year ended June 30, 2021, as required by GASB. There are three financial statements presented: Statement of Net Position; the Statement of Revenue, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

### ***Statement of Net Position***

*The Statement of Net Position* presents the assets, deferred resources, liabilities, and net position of the University as of June 30, 2021. This statement presents to the readers a fiscal snapshot of the year-end balances that were a result of the transactions posted during the fiscal year from July 1, 2020 through June 30, 2021.

This statement also serves as a starting point for transactions that will occur for the next fiscal period. The assets and liabilities are broken down into current and non-current sections to provide information relative to the time required in converting non-cash assets to cash or cash equivalents or that may require the use of cash. The deferred resources indicate the amortized debt defeasance, pension resources, and other post-employment benefits. The net position is the difference between assets, deferred resources, and liabilities. The readers of the *Statement of Net Position* are able to determine the assets available to continue the operations of the institution and how much the institution owes vendors, lending institutions and investors for the bonds of the University.

Net Position is divided in three major categories. *Invested in capital assets, net of related debt*, provides the institution's equity in property, plant and equipment owned by the institution. *Restricted net position*, which is divided into two categories, nonexpendable and expendable. The corpus of the nonexpendable restricted resources is only available for investment purposes. Expendable restricted assets are available for expenditure by the institution but must be spent for purposes as determined by donors and /or external entities that have placed time or purpose restrictions on the use of the assets. *Unrestricted net position* is available to the institution for any lawful purpose of the institution.



# SOUTHERN ARKANSAS UNIVERSITY

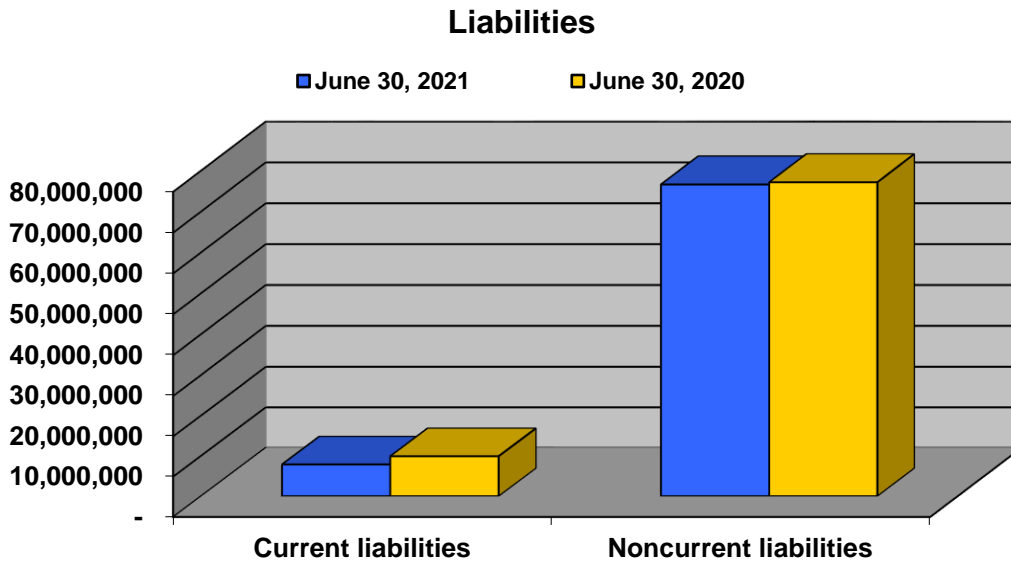
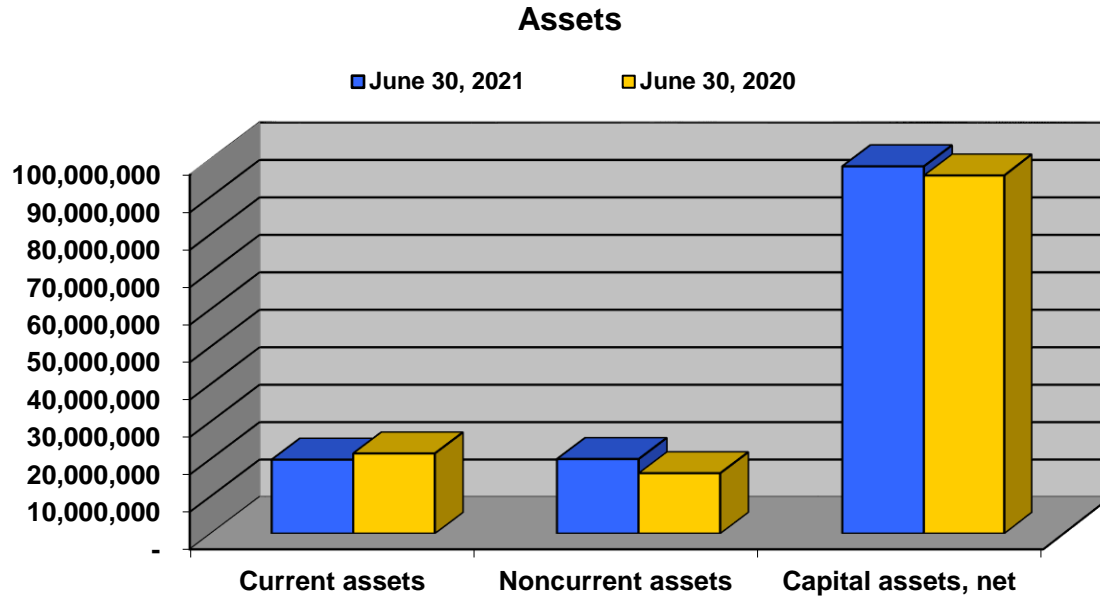
## Management's Discussion and Analysis (Unaudited)

### Statement of Net Position (Continued)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Assets:</b>		
Current assets	\$ 19,781,589	\$ 21,444,911
Noncurrent assets	19,952,643	16,153,114
Capital assets, net	<u>98,100,579</u>	<u>95,648,999</u>
<b>Total Assets</b>	<u>137,834,811</u>	<u>133,247,024</u>
 <b>Deferred Outflows of Resources:</b>		
Pensions and OPEB	2,788,689	2,295,654
Deferral on debt defeasance	<u>873,706</u>	<u>784,250</u>
<b>Total Deferred Outflows of Resources</b>	<u>3,662,395</u>	<u>3,079,904</u>
 <b>Liabilities:</b>		
Current liabilities	7,858,444	9,905,574
Noncurrent liabilities	<u>76,635,289</u>	<u>77,177,371</u>
<b>Total Liabilities</b>	<u>84,493,733</u>	<u>87,082,945</u>
 <b>Deferred Inflows of Resources:</b>		
Pensions and OPEB	<u>1,546,502</u>	<u>1,635,040</u>
<b>Total Deferred Inflows of Resources</b>	<u>1,546,502</u>	<u>1,635,040</u>
 <b>Net Position:</b>		
Invested in capital assets, net	33,538,770	32,147,622
Restricted-expendable	292,627	682,963
Restricted-nonexpendable	5,699,011	4,657,725
Unrestricted	<u>15,926,753</u>	<u>10,120,633</u>
<b>Total Net Position</b>	<u>\$ 55,456,971</u>	<u>\$ 47,608,943</u>

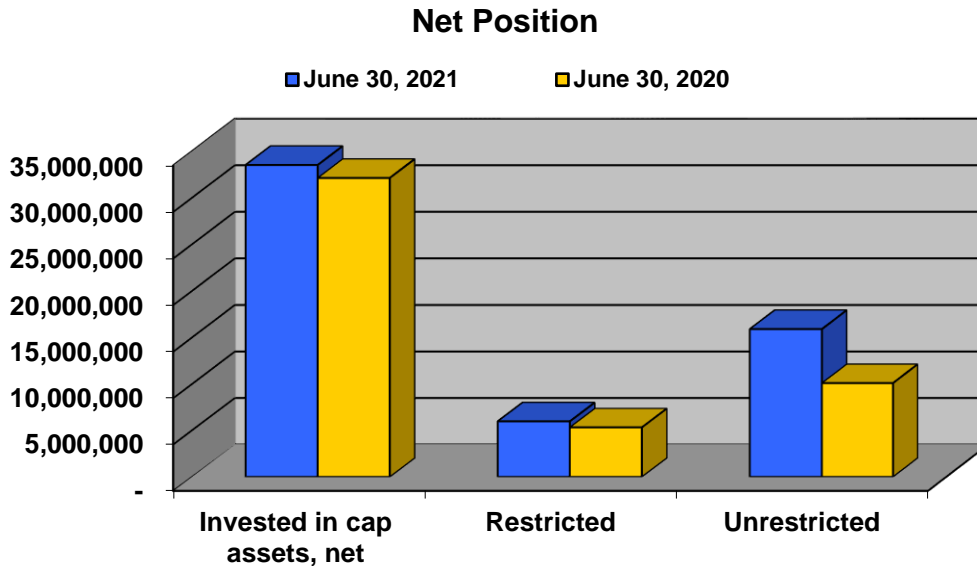
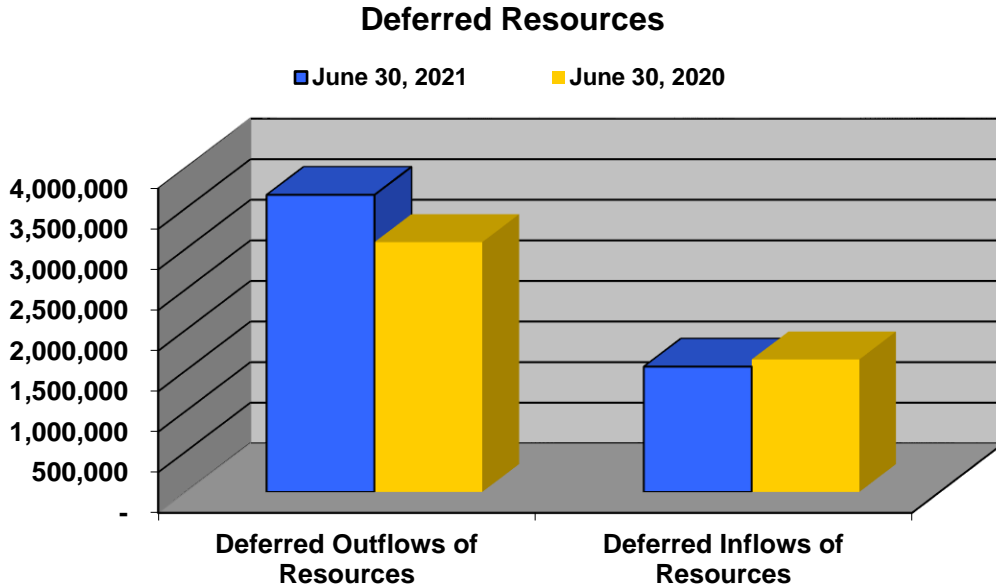
**SOUTHERN ARKANSAS UNIVERSITY**  
**Management's Discussion and Analysis (Unaudited)**

**Statement of Net Position (Continued)**



**SOUTHERN ARKANSAS UNIVERSITY**  
**Management's Discussion and Analysis (Unaudited)**

**Statement of Net Position (Continued)**



A review of the *Statement of Net Position* shows the total assets of the University increased by \$4,587,787. Cash and cash equivalents, both current and noncurrent, increased by \$835,712. Accounts receivable increased by \$3,029,042 due to the timing Pell and HEERF draws and receipts. Capital assets increased by \$2,451,580 with the completion and capitalization of two buildings and two capital improvements. These projects were funded with deposits with trustee, which showed a decreased of \$2,425,248. Endowment investments increased by \$774,693. Other categories decreased by \$77,992.

Total deferred outflows of resources increased by \$582,491. Outflows related to pensions increased by \$522,988; and outflows related to other post-employment benefits decreased \$29,953. These items reflect the change in actuarial values from the prior year. The remaining category of outflows related to debt defeasance increased by \$89,456.

# SOUTHERN ARKANSAS UNIVERSITY

## *Management's Discussion and Analysis (Unaudited)*

### **Statement of Net Position (Continued)**

Total liabilities decreased by \$2,589,212. Accounts payable, both current and noncurrent, showed a decreased of \$101,299. Debt payable decreased by \$969,577 with the 2020 refunding bond savings. Unearned revenue decreased by \$1,154,228 due to the timing of HEERF funds. Deposits held in custody for others decreased by \$1,690,209 in compliance with GASB 84. The current actuarial reports resulted in an increase in OPEB liability of \$307,178 and an increase in net pension liability of \$973,703. Other categories increased by \$81,508.

Total deferred inflows of resources decreased by \$88,538. Outflows related to pensions decreased by \$116,581 and outflows related to other post-employment benefits increased by \$28,043. Both items reflect the change in actuarial values from the prior year.

The increase in total assets of \$4,587,787 and the increase in deferred outflows of resources of \$582,491 are combined with the decrease in total liabilities of \$2,589,212 and the decrease in deferred inflows of resources of \$88,538 to reflect an overall increase in total net position of \$7,848,028.

### **Statement of Revenues, Expenses, and Changes in Net Position**

The changes in total net position as presented on the *Statement of Net Position* are based on the activity presented in the *Statement of Revenues, Expenses, and Changes in Net Position*. The purpose of the statement is to present the revenues received by the institution, both operating and non-operating, and the expenses paid by the institution, operating and non-operating, and any other revenue, expenses, gains and losses received or spent by the institution.

The operating revenues are generally received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce goods and services in return for the operating revenues, and to carry out the mission of the institution. Non-operating revenues are revenues received for which goods and services are not provided. For example, the Governmental Accounting and Standards Board (GASB) considers state appropriations as non-operating revenues because the revenue is provided by the legislature to the institution without the legislature directly receiving commensurate goods and services.

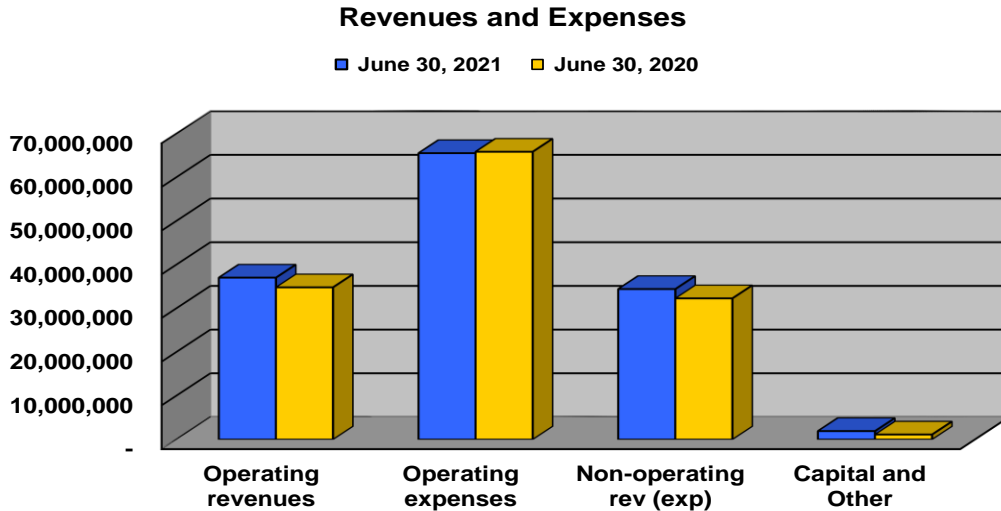
### **Statement of Revenues, Expenses, and Changes in Net Position**

	<b><u>For the Year Ended</u></b>	
	<b><u>June 30, 2021</u></b>	<b><u>June 30, 2020</u></b>
Operating revenues	\$ 37,041,646	\$ 34,819,685
Operating expenses	<u>65,536,288</u>	<u>66,607,400</u>
Operating loss	(28,494,642)	(31,787,715)
Non-operating revenues (expenses)	<u>34,424,021</u>	<u>32,298,195</u>
Income (loss) before other revenues, expenses, gains or losses	5,932,379	510,480
Capital appropriations	125,762	721,320
Capital gifts and grants	1,582,095	405,412
Donated assets	<u>210,792</u>	<u>5,350</u>
Net increase (decrease) in net position	7,848,028	1,642,562
Net position at beginning of year, as restated	<u>47,608,943</u>	<u>45,966,381</u>
Net position at end of year	<u>\$ 55,456,971</u>	<u>\$ 47,608,943</u>

# **SOUTHERN ARKANSAS UNIVERSITY**

## **Management's Discussion and Analysis (Unaudited)**

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



A review of the *Statement of Revenues, Expenses, and Changes in Net Position* will reveal the effects of revenues and expenses on the net position at the end of the year. Highlighted information presented on the statement is as follows:

- ◆ Net tuition and fees increased by \$2,723,832. Undergraduate tuition showed no change from the prior year. Undergraduate out of state tuition increased by 5% and graduate tuition increased by 1.5%. There was no change in mandatory fees.
- ◆ Net auxiliary housing and food service showed a decrease of \$1,043,981 due to lower residential occupancy during the pandemic. Residence hall rates increased by 3.5% and board rates increased by 3% from the prior fiscal year.
- ◆ Federal grants and contract revenue, both current and noncurrent, increased by \$1,673,330, primarily due to the timing of HEERF funds received.
- ◆ Personal services decreased by \$2,244,032 as unfilled positions were frozen or restructured to assist with pandemic budget planning.
- ◆ Supplies and other services increased by \$626,525 with the reductions exceeding the increases in fixed and contractual budget items.
- ◆ Scholarships and fellowships increased by \$597,552. Scholarships impact the students' ability to fund higher education expenses and is increasingly becoming a determining factor in the decision to pursue a university degree.
- ◆ Investment income increased by \$1,121,249, primarily due to fluctuations in interest earned in the university's endowment funds.
- ◆ State appropriations decreased by \$317,805 due to the performance-based funding model for higher education.
- ◆ Capital appropriations decreased by \$595,558. Capital gifts and grants increased by \$1,176,683. These changes are due to the one-time nature of general improvement funds and gifts awarded.
- ◆ Donated assets reported for the fiscal year resulted in an increase of \$205,442.
- ◆ Changes in other categories showed an increase of \$143,882 primarily due to the changes in state grants and contracts.

# SOUTHERN ARKANSAS UNIVERSITY

## Management's Discussion and Analysis (Unaudited)

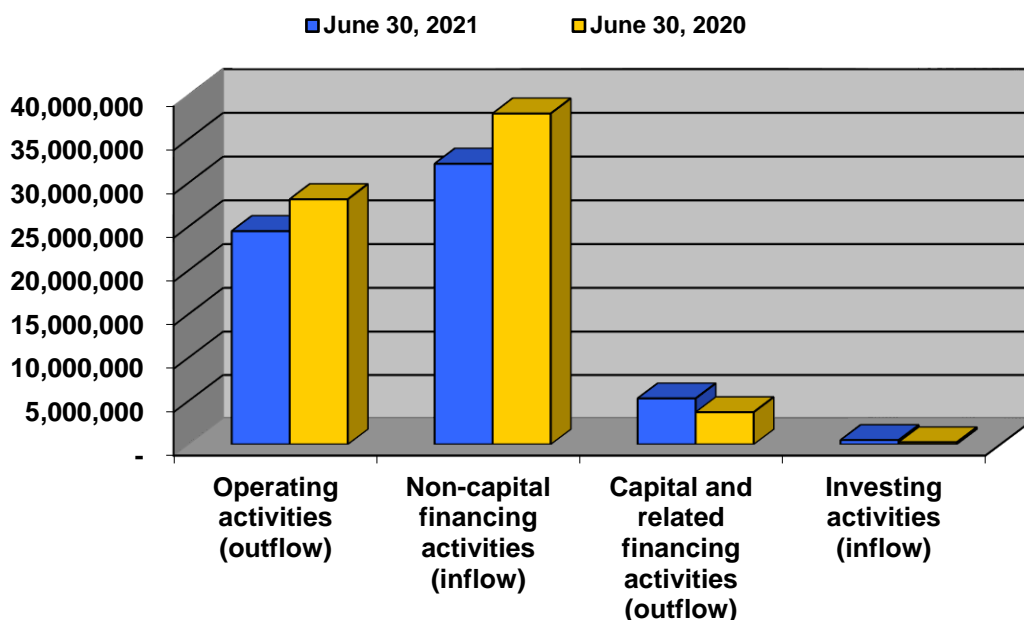
### Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five sections. *Operating Cash Flows* provides detail of the operating cash flows and the net cash used by operating activities of the institution. *Non-capital financing activities* reflect cash received and spent for non-operating financing activities. *Capital and related financing activities* provide specific information on the cash used for the acquisition and construction of capital and related items. *Cash flows from investing activities* indicate the purchases, proceeds, and interest received from investing activities. The last section reconciles the net cash used to the operating income or loss reflected on the *Statement of Revenues, Expenses, and Changes in Net Position*.

### Statement of Cash Flows

	<u>For the Year Ended</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Cash provided (used) by:		
Operating activities	\$ (24,491,442)	\$ (28,135,826)
Non-capital financing activities	32,191,906	37,928,626
Capital and related financing activities	(5,305,979)	(3,723,368)
Investing activities	<u>502,788</u>	<u>249,842</u>
Net change in cash	2,897,273	6,319,274
Cash, beginning of year	<u>20,332,326</u>	<u>16,074,613</u>
Cash, end of year	<u>\$ 23,229,599</u>	<u>\$ 22,393,887</u>

### Cash Flows



# **SOUTHERN ARKANSAS UNIVERSITY**

## **Management's Discussion and Analysis (Unaudited)**

### **Capital Assets and Debt Administration**

The University had \$98,100,579 invested in capital assets, net of accumulated depreciation of \$80,313,529 at June 30, 2021. Depreciation expense totals \$3,482,907 for the current fiscal year. Details of these assets, net of accumulated depreciation, are shown below.

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Land and mineral rights	\$ 2,033,244	\$ 2,033,244
Construction in progress	4,148,112	1,399,007
Infrastructure and other improvements	16,993,938	16,910,292
Buildings	72,339,722	72,719,269
Equipment	982,011	851,863
Livestock	26,275	27,275
Library holdings	1,360,707	1,467,558
Intangible assets	<u>216,570</u>	<u>240,491</u>
Total	<u>\$98,100,579</u>	<u>\$95,648,999</u>

Major capital building additions for the year include expenditures for the Poultry Complex in the amount of \$392,992 and the Band Hall expansion in the amount of \$1,395,168. Expenditures for major capital improvements were made to support network infrastructure. Projects completed during the year totaled \$923,864.

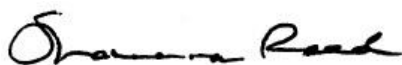
The University had a total of \$66,535,478 in bonds, lease-purchases, notes, and loans payable at June 30, 2021. Principal payments on debt during the year totaled \$1,507,073 and interest and other charges totaled \$2,339,303. Additional information concerning the University's Capital Assets and Debt Administration is presented in Notes 9, 12, 13, 14, 15, 16, and 17 to the Financial Statements.

### **Economic Outlook**

Following the national emergency declaration issued on March 13, 2020, the university entered the budget year conservatively to help mitigate enrollment variables. The fiscal year showed improvements in pandemic knowledge, the release of federal assistance funds, and the release of previously blocked state appropriations. The University task force continued to disseminate safety information and to implement safety protocols. Due these preventative measures, the university was able to resume hybrid and in-person courses and re-opened its residence halls.

The University will continue to budget conservatively in the coming years due to potential enrollment declines caused by unemployment, inflation, college going rates, birth rates, and other external factors. The elements of the performance-based funding model continue to be areas of focus for the university in attempts to address the needs outlined by the state.

The University's overall financial position remains stable. Our small campus, excellent facilities, and quality education continues to be highlighted in our region. The University's commitment to continuous improvement is shown in its innovative academic programs and student support. The accredited Doctor of Education in Rural and Diverse Educational Leadership will begin its second cohort in the coming year. In addition, continued fundraising efforts seek to infuse resources into academic areas, student scholarship support, and securing the future of the university.



Shawana Reed  
Vice President for Finance

**SOUTHERN ARKANSAS UNIVERSITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

Exhibit A

	<b>For the Year Ended June 30, 2021</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 10,802,679
Accounts receivable, net of allowances of \$424,288	8,230,921
Notes and student loans receivable, net	46,893
Inventories	130,577
Prepaid expenses	341,621
Prepaid bond insurance, net	228,898
Total current assets	<u>19,781,589</u>
Noncurrent assets:	
Cash and cash equivalents	12,426,920
Endowment investments	4,870,850
Deposits with Trustee	2,154,000
Accrued interest receivable	202
Notes and student loans receivable, net	500,671
Capital Assets, net of accumulated depreciation of \$80,313,529	98,100,579
Total noncurrent assets	<u>118,053,222</u>
Total assets	<u>137,834,811</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	2,070,002
Deferral on debt defeasance, net of accumulated amortization costs of \$188,697	873,706
Other post employment benefits	718,687
	<u>3,662,395</u>
<b>LIABILITIES</b>	
Current liabilities: (Amount due within 1 year)	
Accounts payable and accrued liabilities	1,865,036
Bonds, certificates of indebtedness, notes and leases payable	2,079,173
Bonds, certificates of indebtedness, notes and leases interest payable	691,717
Compensated absences payable	108,153
Other post employment benefits (OPEB)	120,960
Unearned revenue	1,988,106
Deposits/assets held in custody for others	954,005
Bond discount	(4,472)
Bond premium	55,766
Total current liabilities	<u>7,858,444</u>
Noncurrent liabilities: (Amounts due in more than 1 year)	
Bonds, certificates of indebtedness, notes and leases payable	64,456,305
Compensated absences payable	1,175,736
Refundable Advances	206,551
Other post employment benefits (OPEB)	3,131,629
Bond discount, net of accumulated amortization costs of \$18,618	(91,479)
Bond premium, net of accumulated amortization costs of \$86,720	818,201
Net Pension Liability	6,938,346
Total noncurrent liabilities	<u>76,635,289</u>
Total liabilities	<u>84,493,733</u>



**SOUTHERN ARKANSAS UNIVERSITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

Exhibit A

	<b>For the Year Ended June 30, 2021</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	\$ 949,026
Other post employment benefits (OPEB)	597,476
	<u>1,546,502</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	33,538,770
Restricted for:	
Nonexpendable:	
Scholarships and fellowships	298,705
Endowments and other	5,020,062
Loans	380,244
Expendable:	
Capital projects	2
Debt Service	4,914
Other	287,711
Unrestricted	15,926,563
Total net position	<u>\$ 55,456,971</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHERN ARKANSAS UNIVERSITY FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2020**

Exhibit A-1

	<b>ASSETS</b>	<b>2020</b>
<b>Assets</b>		
Cash and Cash Equivalents		\$ 4,832,160
Accrued Investment Earnings		114,040
Unconditional Promises to Give		1,308,459
Prepaid Expenses		6,373
Investments		46,291,673
<b>Total Assets</b>		<b>\$ 52,552,705</b>
	<b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities</b>		
Accounts Payable		\$ 923,014
Annuities Payable		77,163
Total Liabilities		\$ 1,000,177
<b>Net Assets</b>		
Without Donor Restrictions		260,343
With Donor Restrictions		51,292,185
Total Net Assets		\$ 51,552,528
<b>Total Liabilities and Net Assets</b>		<b>\$ 52,552,705</b>

## SOUTHERN ARKANSAS UNIVERSITY ALUMNI ASSOCIATION, INC.

Exhibit A-2

## STATEMENT OF FINANCIAL POSITION

June 30, 2021

	ASSETS	2021
<b>Current Assets</b>		
Cash On Hand in Banks	\$	638,193
Total Current Assets		638,193
<b>Restricted Assets</b>		
Cash On Hand and Equivalents		1,087,783
Total Restricted Assets		1,087,783
<b>Property</b>		
Buildings		22,127,419
Accumulated Depreciation		(2,744,930)
New Buildings		19,382,489
<b>Other Assets</b>		
Bond Discount		317,973
Total Other Assets		317,973
<b>Total Assets</b>	<b>\$</b>	<b>21,426,438</b>
<b>LIABILITIES AND DEFERRED RESOURCES</b>		
<b>Current Liabilities</b>		
Accrued Interest, Bond, and Note Payable	\$	76,616
Bonds Payable		530,000
Total Current Liabilities		606,616
<b>Non-Current Liabilities</b>		
Bonds Payable-Net of Current Portion		23,075,000
Bonds Premium		137,496
Total Non-Current Liabilities		23,212,496
<b>Total Liabilities</b>	<b>\$</b>	<b>23,819,112</b>
<b>Net Position</b>		
Restricted Net Position		1,087,783
Unrestricted Net Position		(3,480,457)
Total Net Position		(2,392,674)
<b>Total Liabilities and Net Position</b>	<b>\$</b>	<b>21,426,438</b>

**SOUTHERN ARKANSAS UNIVERSITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>For the Year Ended June 30, 2021</b>
<b>REVENUES</b>	
Operating Revenues:	
Student tuition and fees (net of scholarship allowances of \$16,271,316)	\$ 21,413,555
Federal grants and contracts	2,650,439
State and local grants and contracts	617,945
Non-governmental grants and contracts	2,389,764
Sales and services of educational departments	153,196
Auxiliary enterprises:	
Athletics	80,666
Housing and food service (net of scholarship allowances of \$3,323,489)	8,847,857
Bookstore	191,451
Health services	3,377
Student activities	4,872
Other	128,882
Other operating revenues	559,642
Total operating revenues	<u>37,041,646</u>
<b>EXPENSES</b>	
Operating expenses:	
Personal services	36,406,804
Supplies and other services	19,747,846
Scholarships and fellowships	5,898,731
Depreciation/amortization	3,482,907
Total operating expenses	<u>65,536,288</u>
Operating income (loss)	<u>(28,494,642)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
State appropriations	18,657,621
Federal grants	12,449,435
State grants	3,631,784
Non-governmental gifts and grants	737,442
Investment income (net of investment expense of \$48,793)	1,302,096
Interest on capital (asset related debt)	(2,432,351)
Gain/(Loss) on disposal of net assets	153,941
Other nonoperating revenues	72,984
Amortization of bond discount and deferral on debt defeasance	(62,125)
Amortization of bond premium	54,333
Bond issuance cost	(141,139)
Net nonoperating revenues	<u>34,424,021</u>
Income before other revenues, expenses, gains/losses	5,929,379
Capital appropriations	125,762
Capital gifts and grants	1,582,095
Donated assets	210,792
Net increase (decrease) in net position	<u>7,848,028</u>
<b>NET POSITION</b>	
Net position -- beginning of year	47,608,943
Net position -- end of year	<u>\$ 55,456,971</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHERN ARKANSAS UNIVERSITY FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2020

Exhibit B-1

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions	\$ 17,959	\$ 1,932,753	\$ 1,950,712
Contributions -Services	199,760		199,760.00
Contributions -In kind		192,686	192,686
Investment Income (Loss)		4,687,365	4,687,365
Net Assets Released from Restrictions	1,972,407	(1,972,407)	
Total Revenue and Support	<u>\$ 2,190,126</u>	<u>\$ 4,840,397</u>	<u>\$ 7,030,523</u>
<b>Expenses</b>			
Grants and Allocations	\$ 2,015,305		\$ 2,015,305
Annuities	6,132		6,132
Awards and Promotions	62,222		62,222
Conferences, Meetings, and Lectures	0		0
Bad Debts	0		0
General and Administrative	338,825		338,825
Total Expenses	<u>\$ 2,422,484</u>		<u>\$ 2,422,484</u>
Increase (Decrease) in Net Assets	\$ (232,358)	\$ 4,840,397	\$ 4,608,039
Net Assets at the Beginning of the Year	492,701	46,451,788	46,944,489
<b>Net Assets at the End of the Year</b>	<u><b>\$ 260,343</b></u>	<u><b>\$ 51,292,185</b></u>	<u><b>\$ 51,552,528</b></u>

**SOUTHERN ARKANSAS UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION**  
**For the Year Ended June 30, 2021**

Exhibit B-2

	<u>2021</u>
<b>Operating Revenue</b>	
Rentals - Resident Halls	\$ 1,423,651
Contributions - Debt Service	359,130
Contributions - Other Services	179,732
Total Revenues	<u>1,962,513</u>
 <b>Operating Expenses</b>	
Salaries, Wages and Fringe Benefits	252,787
Supplies and Services - Resident Halls	1,333
Accounting and Professional Fees	11,875
Utilities and Insurance	281,992
Interest on Bonds	924,589
Amortization of Bond Discount	11,562
Paying Agent Fees	9,089
Depreciation - Buildings	737,581
Total Expenses	<u>2,230,808</u>
 Operating Income or (Loss)	 (268,295)
 <b>Non-Operating Revenues (Expenses)</b>	
Interest Income	15,586
Bond Premium Amortization	5,392
Total Non-Operating Revenues (Expenses)	<u>20,978</u>
 Net Income or (Loss)	 (247,317)
 Net Position Beginning of the Year	 <u>(2,145,357)</u>
 <b>Net Position, End of the Year</b>	 <b><u>\$ (2,392,674)</u></b>

**SOUTHERN ARKANSAS UNIVERSITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Exhibit C

	<b>For the Year Ended June 30, 2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
INFLOWS:	
Tuition and fees (net of scholarships)	\$ 20,726,977
Federal grants and contracts	2,812,193
State grants and contracts	307,314
Non-governmental grants and contracts	2,325,528
Sales and services of educational departments	153,196
Collection of loans and interest to students	43,931
Auxiliary enterprise revenues:	
Athletics	80,666
Housing and food service (net of scholarships)	8,563,847
Bookstore	219,725
Health services	3,377
Student activities	4,997
Other	128,882
Other receipts	551,664
OUTFLOWS:	
Payments to suppliers	(19,125,950)
Payments to employees	(28,494,321)
Payments of employee benefits	(7,128,917)
Scholarships and fellowships	(5,576,340)
Loans issued to students	(88,211)
	<hr/>
Net cash provided (used) by operating activities	\$ (24,491,442)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
INFLOWS:	
State appropriations	18,657,621
Federal grants	8,858,242
State grants	3,631,784
Non-governmental gifts and grants	737,442
Direct lending and plus funds(inflows)	21,867,100
Direct lending and plus funds(outflows)	(21,867,100)
Other agency funds (net of outflows)	306,817
	<hr/>
Net cash flows provided by noncapital financing activities	32,191,906
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
INFLOWS:	
Distributions from trustee	2,678,069
Capital appropriations	125,762
Capital gifts and grants	1,110,033
Proceeds from sale of capital assets	154,533
OUTFLOWS:	
Purchases of capital assets	(5,528,000)
Payments to trustees for principal	(980,000)
Principal paid on non-bonded debt	(527,073)
Payments to trustees for interest and paying agent fees	(2,188,408)
Interest and paying agent fees on non-bonded debt	(150,895)
	<hr/>
Net cash used by capital and related financing activities	(5,305,979)

**SOUTHERN ARKANSAS UNIVERSITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

Exhibit C

	<b>For the Year Ended June 30, 2021</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
INFLOWS:	
Proceeds from the sales and maturities of investments	\$ 1,808,825
Investment income (net of fees)	258,371
OUTFLOWS:	
Purchase of investments	<u>(1,564,408)</u>
Net cash provided (used) by investing activities	<u>502,788</u>
Net increase (decrease) in cash	\$ 2,897,273
Cash and cash equivalents -- beginning of year	22,393,887
Restatement - GASB 84	(2,061,561)
Cash and cash equivalents -- end of year	<u><u>\$ 23,229,599</u></u>
<b>Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ (28,494,642)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	3,482,907
Change in assets and liabilities:	
Receivables, net	(776,169)
Inventories	4,789
Prepaid expenses	23,461
Other assets	38,039
Accounts payable	271,972
Deferred revenue	184,093
Deposits/assets held in custody for others	64,534
Compensated absences	21,065
Other post employment benefits	365,174
Refundable Advance	(10,799)
Pensions	<u>334,134</u>
Net cash provided (used) by operating activities	<u><u>\$ (24,491,442)</u></u>
<b>NONCASH TRANSACTIONS</b>	
Buildings/Equipment -- donated	210,792
Net unrealized gain (loss) on investments	1,019,110
Bond issuance costs	(130,610)
Bond premiums/discounts	70,186
Bond proceeds to trustee for new debt service reserve	514,156
Debt service reserve to trustee to satisfy bond refunding	259,103
Distribution from trustee to satisfy bond refunding	7,003,202

The accompanying notes are an integral part of these financial statements.



**SOUTHERN ARKANSAS UNIVERSITY FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2020**

Exhibit C-1

	<u><b>2020</b></u>
<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 4,608,039
Adjustments to reconcile change in net assets to net cash from operating activities:	
In kind contributions	(192,686)
Contributions restricted for long term investment	(745,437)
Net realized/unrealized (gain) loss on investments	(3,735,424)
Changes in:	
Unconditional promises to give	868,874
Accounts payable	35,045
Net Cash Used by Operating Activities	<u>838,411</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of investments	(2,479,826)
Proceeds from sale of investments	2,625,230
Net Cash Used by Investing Activities	<u>145,404</u>
<b>Cash Flows from Financing Activities</b>	
Proceeds from contributions restricted for long term investments	745,437
Payment on note principal	
Payments of annuity obligations	(12,535)
Net Cash Provided by Financing Activities	<u>732,902</u>
Net Change in Cash	1,716,717
Cash, beginning of the year	<u>3,115,443</u>
<b>Cash, end of the year</b>	<u><b>\$ 4,832,160</b></u>

## SOUTHERN ARKANSAS UNIVERSITY ALUMNI ASSOCIATION, INC.

Exhibit C-2

## STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2021

	<u>2021</u>
<b>Cash Flows Provided from Operating Activities</b>	
Rentals - Resident Halls	\$ 1,423,651
Contributions - Debt Service	299,823
Contributions - Salaries and Fringe Benefits	190,861
Salaries and Wages	(250,421)
Supplies	(1,333)
Accounting and Professional Fees	(11,875)
Utilities and Insurance	(281,992)
	<u>\$ 1,368,714</u>
<b>Cash Flows from Financing Activities</b>	
Payment to Trustee for Principal on Bonds	(520,000)
Payment to Trustee for Interest and Fees on Bonds	(935,130)
Payment to SAU Reimburse Non-Capital Expenses	(11,129)
	<u>\$ (1,466,259)</u>
<b>Cash Flows from Investment Activities</b>	
Interest Earned on Investment	15,586
	<u>15,586</u>
Net Increase in Cash and Cash Equivalents	(81,959)
Cash and Cash Equivalents Beginning of the Year	<u>1,807,935</u>
<b>Cash and Cash Equivalents End of the Year</b>	<u><u>\$ 1,725,976</u></u>

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

NOTE 1: REPORTING ENTITY

Southern Arkansas University

Southern Arkansas University, formerly State Agricultural and Mechanical College, was established by an act of the Arkansas Legislature in 1909 as a district agricultural school for Southwest Arkansas. Southern Arkansas University is an institution of higher education of the State of Arkansas.

The Vice President for Academic Affairs administers the Academic program of Southern Arkansas University. The program includes the following four (4) colleges: College of Business Administration, College of Education, College of Liberal and Performing Arts, and the College of Science and Engineering, plus the School of Graduate Studies.

Southern Arkansas University is fully accredited by the Higher Learning Commission (HLC); the Council for the Accreditation of Educator Preparation (CAEP); AACSB International; the National Association of Schools of Music (NASM); the Accreditation Commission for Education in Nursing, Inc. (ACEN); Commissions on Accreditation of Athletic Training Education (CAATE); the National Alliance of Concurrent Enrollment Partnerships (NACEP); and the Council on Social Work Education (CSWE).

Southern Arkansas University is one of two campuses of the Southern Arkansas University system. A five (5) member Board of Trustees governs the Southern Arkansas University system. The Governor appoints board members.

Component Units

In May 2002, the Governmental Accounting Standards Board (GASB) issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which amends GASB No. 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with a primary government. Under the standard, which became effective with fiscal year ended June 30, 2004, a component unit must be a legally separate tax-exempt entity whose economic resources are held for the direct benefit of the University. Discrete presentation of the University's component units are contained in its financial presentation.

The Southern Arkansas University Foundation, Inc (Foundation) is considered a component unit of the University. The Foundation is a 501(c)3 not for profit corporation that primarily acts as a fund-raising organization to supplement the resources that are available to the University and its programs. During the year ended June 30, 2021, the Foundation made earnings distributions of \$1,719,574 to the University for both restricted and unrestricted purposes.

The Southern Arkansas University Alumni Association, Inc. (Association) is considered a component unit of the University. The Association is a 501(c)3 not for profit corporation that primarily seeks to foster the ongoing support of the University's alumni and friends. In October 2015, the Alumni Association initiated a housing project for the benefit of the University wherein bonds were issued by the Housing Facility's Board of Magnolia, Arkansas. During the year ended June 30, 2021, the University's housing project made revenue transfers of \$1,472,137 for debt service obligations and pledges to continue payments in the event of a revenue shortfall. The manage and maintain agreement designates the University responsible for all other operational and managerial expenses related to the residence halls. In exchange for the arrangement, the University will pay the Association \$25,000 a year for five years, for a total of \$125,000, plus actual expenses for accountant services relating to the Student Housing Project and any other direct expenses.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* followed in November 1999. As an institution of higher education of the State of Arkansas, Southern Arkansas University was required to implement GASB Statement No. 35 at the same time the State of Arkansas implemented GASB Statement No. 34, which was the year ended June 30, 2002. The financial statement presentation required by GASB Statements No. 34 and No. 35 provides a comprehensive, entity-wide perspective of the University's assets, liabilities, net position, revenues, expenses, changes in net position, cash flows, and replaces the fund-group perspective previously required. In July 2011, the GASB amended these reporting requirements with Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The amended statement provides the standards for the presentation of deferred outflows and inflows of resources as items distinct from asset or liabilities within the Statement of Net Position.

Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Cash Equivalents

The University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Additionally, funds maintained by the State of Arkansas on behalf of the University are considered to be cash equivalents.

Investments

The University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. Effective fiscal year 2016, GASB No. 72 revised the definition of investments and as a result, funds commonly held in US Treasury Bills and other government obligations are recorded at fair market value.

Accounts Receivable

Accounts receivable consists primarily of charges due the University from various educational activities, student fees and room and board. Accounts receivable also includes unreimbursed expenses relating to grants and contracts with federal, state and private agencies and reimbursements not received. Beginning in the fiscal year ended June 30, 2013, accounts receivable are recorded net of estimated uncollectible amounts. Previously, the University utilized the direct write-off method for uncollectible student accounts.

Inventories

Inventories are valued at cost with cost being generally determined on a first-in, first-out basis.

Noncurrent Cash and Investments

Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, purchase capital or other noncurrent assets are classified as noncurrent assets in the Statement of Net Position. Cash, cash equivalents, and investments relating to University endowments are also reflected as noncurrent assets in the Statement of Net Position.

**SOUTHERN ARKANSAS UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Deposits with Trustee

Deposits with trustees include cash and investments held in debt service reserve and capital project accounts.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. Livestock is recorded at estimated fair value. Equipment recorded prior to July 1, 2011 includes all items with a unit cost of \$2,500 or more. Equipment recorded after that date adheres to the \$5,000 capitalization threshold to be in accordance with state guidelines. All capitalized items have an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. The University also received donated assets in the amount of \$210,792 reflected on the Statement of Revenues, Expenses, and Changes in Net Position. Intangible assets include the University trademark, web domain, and internally developed computer software.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets in accordance with the following schedule:

<u>Classification</u>	<u>Estimated Life (years)</u>
Buildings	50
Buildings Improvements	30
Intangible assets	5-20
Infrastructure and other improvements	10-40
Library holdings	15
Equipment (non-office)	5-20
Office furnishings	20
Other office equipment	20
Buses	6
Motor Vehicles	6
Computer equipment	non specified

No depreciation is recorded for livestock, construction in progress, land or land improvements, and certain intangible assets. Additionally, no salvage or residual value is used in the depreciation computation.

Unearned Revenues

Unearned revenues include amounts received for tuition and fees, certain auxiliary activities, Southern Arkansas University Foundation, Inc. distributions, and various grants prior to the end of the fiscal year, but are related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Encumbrances

Encumbrances are defined as commitments related to unperformed contracts for goods or services. Southern Arkansas University does not record encumbrances in its accounting system and none are recorded in the accompanying financial statements.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences Payable

Employees accrue and accumulate annual leave in accordance with policies established by the Board of Trustees. Full-time, non-classified, University employees accrue leave at a variable rate (from 12 to 15 hours per month), classified employees at a variable rate (from 8 to 15 hours per month), depending upon the number of years employed in state government. Under the University's policy, an employee may carry accrued leave forward from one fiscal year to another, up to a maximum of 240 hours (30 working days). Employees who terminate their employment are entitled to payment for all accumulated annual leave, up to the maximum allowed. The amount accrued is calculated using an average of the actual amount expended in the preceding five fiscal years.

Classified employees, who meet the conditions to be considered retirees at the time of termination of employment, are entitled to a partial payment of accumulated, unused sick leave in accordance with the provisions of Arkansas Code Annotated § 21-4-501. A classified employee who has accumulated at least fifty (50) days, but less than sixty (60) days of sick leave upon retirement shall receive an amount equal to fifty percent (50%) of the number of accrued sick leave days (rounded to the nearest day) times fifty percent (50%) of the employee's daily salary. A classified employee who has accumulated at least sixty (60) days, but less than seventy (70) days of sick leave upon retirement shall receive an amount equal to sixty percent (60%) of the number of accrued sick leave days (rounded to the nearest day) times sixty percent (60%) of the employee's daily salary. A classified employee who has accumulated at least seventy (70) days, but less than eighty (80) days of sick leave upon retirement shall receive an amount equal to seventy percent (70%) of the number of accrued sick leave days (rounded to the nearest day) times seventy percent (70%) of the employee's daily salary. A classified employee that has accumulated at least eighty (80) or more days of sick leave upon retirement shall receive an amount equal to eighty percent (80%) of the number of accrued sick leave days (rounded to the nearest day) times eighty percent (80%) of the employee's daily salary. In no event shall an employee receive a sick leave incentive amount that exceeds \$7,500.

The University accrues the dollar value of leave benefits which are payable upon retirement, termination, or death of its employees. The projected amount of this liability considered to be payable within one year at June 30, 2021 is \$108,153. This amount was calculated using an average of the actual amount expended in the preceding five fiscal years. The projected amount considered to be payable in excess of one year is \$1,175,736 at June 30, 2021. Certain employees who leave University employment are not paid for accrued sick leave.

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of revenue bonds payable, certificates of indebtedness payable, notes payable and capital leases payable with contractual maturities greater than one year, (2) estimated amounts for accrued compensated absences, described above, that will not be paid within the next fiscal year, (3) other postemployment benefits, (4) net pension liability, and (5) refundable advances associated with the Federal Perkins Loan program.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

The University's net position is classified as follows:

- 1) *Net investment in capital assets* – This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- 2) *Restricted net position – nonexpendable* – Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.
- 3) *Restricted net position – expendable* – Restricted expendable net position includes resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.
- 4) *Unrestricted net position* – Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's normal policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues according to the following criteria in compliance with GASB Statement No. 34:

- 1) *Operating revenues* – Operating revenues include activities that have the characteristics of exchange transactions, such as (a) student tuition and fees, net of scholarship discounts and allowances, (b) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (c) most federal, state and local grants and contracts and non-government grants and contracts, and (d) sales and services of educational departments.
- 2) *Nonoperating revenues* – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts, grants and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance. Scholarship discounts and allowances eliminate the double counting of revenue by the University.

Income Taxes

The University is tax exempt under the Internal Revenue Service Code. It is also exempt from state income taxes under Arkansas law. Accordingly, no provision for income taxes is made in the financial statements.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3: PUBLIC FUND DEPOSITS AND INVESTMENTS**

The University's depository accounts are listed below. All deposits are carried at cost and the University does not have a deposit policy.

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 631,435	\$ 631,435
Collateralized:		
Collateral held by the pledging bank or pledging bank's trust department in the University's name	24,949,058	21,470,129
Collateral held by the pledging bank, its trust Department, or other designee not in the University's name	1,767,851	1,767,851
Uncollateralized	<u>118,699</u>	<u>                    </u>
 Total Deposits	 <u>\$ 27,467,043</u>	 <u>\$ 23,869,415</u>

The above deposits do not include cash held on deposit in the state treasury, cash on hand, and cash equivalents in the amounts of \$858,959 and \$31,245, and \$364,490 at June 30, 2021, respectively. Cash equivalents primarily consisted of the short-term Goldman Sachs Governmental Money Market account. The above total deposits include cash and certificates of deposit of \$2,149,286 reported as deposits with trustees.

At June 30, 2021, \$3,342,852 on deposit in a University bank account was held in a custodial capacity for the Southern Arkansas University Foundation, Inc. These amounts were not included in the University's Statement of Net Position for 2021 for GASB 84 reporting purposes. The Southern Arkansas University Foundation, Inc. financial statements include the amount, which is held by the University in this custodial capacity in its assets and net assets.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of failure of a depository financial institution, the University will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The University does not have a deposit policy for custodial credit risk. As of June 30, 2021, \$1,767,851 of the University's bank balance of \$23,869,415 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the University's name	<u>\$ 1,767,851</u>
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Goldman Sachs Financial Square Government Money Market Account

The University had \$364,490 invested in the Goldman Sachs Governmental Money Market account at June 30, 2021.

Credit risk – The Goldman Sachs Governmental Money Market account consists of securities issued or guaranteed by the U.S. money market securities such as high-quality commercial paper and other short-term obligations.



**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3: PUBLIC FUND DEPOSITS AND INVESTMENTS (CONTINUED)**

Investments measured at Fair Value

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1: Quoted prices (unadjusted) for identical investments in active markets that a government can access at the measurement date.

Level 2: Inputs-other than quoted prices included within Level 1 – that are observable for an investment, either directly or indirectly.

Level 3: Unobservable inputs for an investment. This uses the best information available, which might include the government's own data.

Deposits with Trustee

At June 30, 2021, the University's deposits with trustees of \$2,154,000 consisted of cash of \$381,435, Federated Trust for U.S. Treasury Obligations of \$4,714, and non-negotiable certificates of deposits of \$1,767,851. These funds are obligated for specific capital improvement projects and debt reserves for the University's bond issues.

Federated Trust for U.S. Treasury Obligations

This fund operates as a "government money market fund" as defined in or interpreted under Rule 2a-7 under the Investment Company Act of 1940, as amended. Under normal conditions, this fund will invest its assets so that at least 80% of its net assets are invested in government securities and/or repurchase agreements that are collateralized fully by government securities.

Investments Measured at the NAV

Calculation of Net Asset Value – The Fund attempts to stabilize the NAV of its Shares at \$1.00 by valuing the portfolio securities using the amortized cost method. In addition, for regulatory purposes, the Fund calculates a market-based NAV per Share on a periodic basis. The Fund cannot guarantee that its NAV will always remain at \$1.00 per Share. The Fund does not charge a front-end sales charge. Shares can be purchased, redeemed or exchanged any day the NYSE is open.

<u>Security Description</u>	<u>Fair Value</u>
Repurchase Agreements	\$ 2,074
U.S. Treasury	<u>2,640</u>
Total Investments measured at NAV	\$ 4,714

1. *Government Agencies and U.S. Treasury – Fixed-Income Securities.* Fixed-income securities pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principle or may be adjusted periodically. In addition, the issuer of a fixed-income security must repay the principal amount of the security, normally within a specified time. Fixed-Income securities provide more regular income than equity securities. However, the returns on fixed-income securities are limited and normally do not increase the issuer's earnings. This limits the potential appreciation of fixed-income securities as compared to equity securities.

A security's yield measures the annual income earned on a security as a percentage of its price. A security's yield will increase or decrease depending upon whether it costs less (a "discount") or more (a "premium") than the principal amounts. If the issuer may redeem the security before its scheduled maturity, the price and yield on a discount or premium security may change based upon the probability of an early redemption. Securities with higher risks generally have higher yields.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3: PUBLIC FUND DEPOSITS AND INVESTMENTS (CONTINUED)**

The following describes the types of fixed-income securities in which the Fund principally invests:

U.S. Treasury Securities – are direct obligations of the federal government of the United States.

Government Securities – are issued or guaranteed by a federal agency or instrumentally acting under federal authority. Some government securities, including those by issued by Ginnie Mae, are supported by the full faith and credit of the United States and are guaranteed only as to the timely payment of interest and principal.

Other government securities receive support through federal subsidies, loans, or other benefits, but are not backed by the full faith and credit of the United States. For example, the U.S. Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System, Freddie Mac and Fannie Mae in support of such obligations.

Some government agency securities have no explicit financial support, and are supported only by the credit of the applicable agency, instrumentality or corporation. The U.S. government has provided financial support to Freddie Mac and Fannie Mae, but here is no assurance that it will support these or other agencies in the future.

Callable Securities – are certain U.S. Treasury or government securities in which the Fund invests are callable at the option of the issuer. Callable securities are subject to call risks.

**2. Repurchase Agreements.** Repurchase agreements are transactions in which the Fund buys a security from a dealer or bank and agrees to sell the security back at a mutually agreed-upon time and price. The repurchase price exceeds the sale price, reflecting the Fund's return on the transaction. This return is unrelated to the interest rate on the underlying security. The Fund will enter into repurchase agreements only with banks and other recognized financial institutions, such as securities dealers, deemed creditworthy by the Adviser.

The Fund's custodian or subcustodian will take possession of the securities subject to repurchase agreements. The Adviser or subcustodian will monitor the value of the underlying security each day to ensure that the value of the security always equals or exceeds the repurchase price.

Repurchase agreements are subject to credit risks.

**Endowment Investments**

At June 30, 2021, the University's endowment investments consisted of mutual bond funds of \$50,149, mutual equity funds of \$3,809,071, foreign bond of \$135,522, U.S. agencies of \$852,928, and mineral interest of \$23,180.

<u>Investments by Fair Value Level</u>	<u>6/30/21</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Agency Securities:				
Maturity:				
Less than 1 year	\$ 166,112	\$ 166,112		
1 to 5 years	457,996	457,996		
6 to 10 years	99,914	99,914		
More than 10 years	128,906	128,906		
Total U.S. Agency Securities	852,928	852,928		
Foreign Bond with a call option	135,522		\$ 135,522	
Mineral Interest	23,180			\$ 23,180
Total Investments at Fair Value	\$1,011,630	\$ 852,928	\$ 135,522	\$ 23,180

<u>Investments at Net Asset Value</u>	<u>6/30/21</u>
Mutual Equity Funds	\$3,809,071

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3: PUBLIC FUND DEPOSITS AND INVESTMENTS (CONTINUED)**

Credit risk – As of June 30, 2021, the mutual bond funds were each rated two to four stars by Morningstar. The U.S. agencies Federal Farm Credit Banks were rated AA+/A-1+ by S&P and Aaa/P-1 by Moody's. The U.S. agencies Federal Home Loan Banks were rated AA+/A-1+ by S&P and Aaa/P-1 by Moody's. The mutual equity funds have an average four-star rating by Morningstar. The investment in mineral interests is unrated.

Interest rate risk – The U.S. agencies had an estimated weighted average maturity of 5.44 years at June 30, 2021. The University does not have an investment policy that would limit operating investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk – The University does not limit the amount of operating funds invested in any one issuer. Thirteen percent of the University's investments were in the Federal Home Loan Bank (FHLB) and three percent in the Federal Farm Credit Bank (FFCB).

Foreign Currency Risk – The foreign bond investment of \$135,522 was from Quebec Province (Canadian Dollar currency) with a maturity date of August 25, 2021. The foreign bond had a rating of AA- by S&P and Aa2/P-1 by Moody's.

**NOTE 4: ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2021:

Student tuition and fees, net of allowance of \$424,288	\$ 2,610,660
Auxiliary enterprises and other operating activities	1,840,990
Federal, state, and non-governmental grants and contracts	3,658,958
Other	<u>120,313</u>
Total	<u>\$ 8,230,921</u>

**NOTE 5: INVENTORIES**

Inventories consisted of the following at June 30, 2021:

Physical plant	\$ 115,584
Communications center	9,506
Post office	<u>5,487</u>
Total	<u>\$ 130,577</u>

**NOTE 6: PREPAID EXPENSES**

Prepaid expenses consisted of the following at June 30, 2021:

Service, supplies, and maintenance contracts	\$ 248,378
Scholarships	<u>93,243</u>
Total	<u>\$ 341,621</u>

**SOUTHERN ARKANSAS UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7: NOTES AND STUDENT LOANS RECEIVABLE**

Student loans made through the Federal Perkins Loan Program (the Program) comprise substantially all of the loans receivable at June 30, 2021. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100%, if the participant complies with certain provisions. The federal government reimburses the University for amounts cancelled under these provisions. The student loans receivable has been split to indicate the current amount of \$46,893 and the non-current amount of \$500,671.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2021, the allowance for uncollectible loans was approximately \$2,206,490.

**NOTE 8: COLLECTIONS**

The University has an art collection donated by Dr. Bud Dickson, which is not capitalized. This collection adheres to the University's policy to (a) maintain for public exhibition, education, or research; (b) protect, keep unencumbered, care for, and preserve; and (c) require proceeds from their sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations, if purchased, rather than be capitalized.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 9: CAPITAL ASSETS**

Following are the changes in capital assets for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Transfers	Deductions	Balance June 30, 2021
Capital assets not being depreciated:					
Land and mineral rights	\$ 2,033,244				\$ 2,033,244
Construction in progress	1,399,007	\$ 4,537,266	\$ (1,788,161)		4,148,112
Livestock for educational purposes	27,275			\$ 1,000	26,275
Intangible—(trademark and web domain)	26,895				26,895
Total capital assets not being depreciated	<u>\$ 3,486,421</u>	<u>\$ 4,537,266</u>	<u>\$ (1,788,161)</u>	<u>\$ 1,000</u>	<u>\$ 6,234,526</u>
Other capital assets:					
Infrastructure and other improvements	\$ 25,258,063	\$ 923,864	\$ -		\$ 26,181,927
Buildings	127,091,078		1,788,161		128,879,239
Equipment	7,048,229	406,041		\$ 2,547	7,451,723
Library holdings	9,136,578	68,316		18,579	9,186,315
Intangible—(computer software)	480,378				480,378
Total other capital assets	<u>169,014,326</u>	<u>1,398,221</u>	<u>1,788,161</u>	<u>21,126</u>	<u>172,179,582</u>
Less accumulated depreciation / amortization:					
Infrastructure and other improvements	8,347,771	840,218			9,187,989
Buildings	54,371,809	2,167,708		-	56,539,517
Equipment	6,196,366	275,893		2,547	6,469,712
Library holdings	7,669,020	175,167		18,579	7,825,608
Intangible—(computer software)	266,782	23,921			290,703
Total accumulated depreciation / amortization	<u>76,851,748</u>	<u>3,482,907</u>	<u>-</u>	<u>21,126</u>	<u>80,313,529</u>
Other capital assets, net	<u>\$ 92,162,578</u>	<u>\$ (2,084,686)</u>	<u>\$ 1,788,161</u>	<u>\$ -</u>	<u>\$ 91,866,053</u>
Capital Assets Summary:					
Capital assets not being depreciated / amortized	\$ 3,486,421	\$ 4,537,266	\$ (1,788,161)	\$ 1,000	\$ 6,234,526
Other capital assets, at cost	169,014,326	1,398,221	1,788,161	21,126	172,179,582
Total cost of capital assets	<u>172,500,747</u>	<u>5,935,487</u>	<u>-</u>	<u>22,126</u>	<u>178,414,108</u>
Less accumulated depreciation / amortization	<u>76,851,748</u>	<u>3,482,907</u>	<u>-</u>	<u>21,126</u>	<u>80,313,529</u>
Capital Assets, net	<u>\$ 95,648,999</u>	<u>\$ 2,452,580</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 98,100,579</u>

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10: ACCOUNTS PAYABLE**

Accounts payable consisted of the following at June 30, 2021:

Vendors	\$ 971,943
Capital assets / construction	271,308
Salaries and benefits	349,214
Health claims	<u>272,571</u>
Total	<u>\$ 1,865,036</u>

**NOTE 11: UNEARNED REVENUE**

Unearned revenue consisted of the following at June 30, 2021:

Prepaid tuition and fees	\$ 1,816,654
Grants and contracts	<u>171,452</u>
Total	<u>\$ 1,988,106</u>

**NOTE 12: LONG-TERM LIABILITIES**

The changes in long-term liabilities are as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Current Portion
Bonds payable	\$ 65,670,000	\$ 7,580,000	\$ 8,120,000	*\$ 65,130,000	\$ 1,720,000
Bond discount	(153,247)	-	(57,296)	(95,951)	(4,472)
Bond premium	858,114	70,186	54,333	873,967	55,766
Capital leases	231,972	97,496	164,453	165,015	96,305
Certificates of indebtedness	121,426	-	113,586	7,840	7,840
Notes payable	1,481,657	-	249,034	1,232,623	255,028
Compensated absences payable	1,262,824	1,348,387	1,327,322	1,283,889	108,153
Total	<u>\$ 69,472,746</u>	<u>\$ 9,096,069</u>	<u>\$ 9,971,432</u>	<u>\$ 68,597,383</u>	<u>\$ 2,238,620</u>

- Includes \$7,140,000 early retirement of debt from refunding bonds – See Note 30.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 12: LONG-TERM LIABILITIES (CONTINUED)**

A summary of long-term debt is as follows:

<u>Date of Issue</u>	<u>Date of Final Maturity (fiscal year)</u>	<u>Rate of Interest</u>	<u>Amount Authorized and Issued</u>	<u>Debt Outstanding June 30, 2021</u>	<u>Maturities to June 30, 2021</u>
01/23/12	2022	0%	\$ 574,679	\$ 7,840	\$ 566,839
02/16/16	2039	1 - 4%	9,135,000	7,370,000	1,765,000
11/30/16	2041	1.5-3.625%	6,465,000	6,150,000	315,000
06/01/17	2029	3.55%	552,517	343,523	208,994
03/14/17	2047	2.125-4.25%	8,000,000	7,325,000	675,000
07/01/17	2022	1.178-2.441%	224,049	48,340	175,709
11/01/17	2023	0.174%	145,402	36,827	108,575
06/12/18	2048	3.125-4%	17,050,000	16,420,000	630,000
06/12/18	2048	3.875-4%	7,675,000	7,675,000	
07/27/18	2026	4.25%	1,400,000	867,225	532,775
09/26/19	2039	2.75-4%	5,600,000	5,600,000	
09/26/19	2034	3-4%	7,010,000	7,010,000	
10/22/19	2025	0%	35,000	21,875	13,125
07/01/20	2025	2.671%	97,496	79,848	17,648
11/19/20	2045	2-3%	7,580,000	7,580,000	
<b>Total</b>			<b>\$ 71,544,143</b>	<b>\$ 66,535,478</b>	<b>\$ 5,008,665</b>

Total long-term debt principal and interest payments are as follows:

<u>Year Ended</u>	<u>Bonds</u>			<u>Direct Borrowings</u>		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,720,000	\$ 2,304,028	\$ 4,024,028	\$ 359,173	\$ 51,561	\$ 410,734
2023	2,135,000	2,252,551	4,387,551	290,442	37,865	328,307
2024	2,205,000	2,181,905	4,386,905	289,950	25,967	315,917
2025	2,265,000	2,107,914	4,372,914	295,434	13,744	309,178
2026	2,355,000	2,030,920	4,385,920	60,364	5,437	65,801
2027-2031	12,940,000	8,953,398	21,893,398	110,115	7,676	117,791
2032-2036	14,100,000	6,723,038	20,823,038			
2037-2041	13,670,000	4,122,138	17,792,138			
2042-2046	10,045,000	1,942,663	11,987,663			
2047-2048	3,695,000	215,110	3,910,110			
<b>Totals</b>	<b>\$ 65,130,000</b>	<b>\$ 32,833,665</b>	<b>\$ 97,963,665</b>	<b>\$ 1,405,478</b>	<b>\$ 142,250</b>	<b>\$ 1,547,728</b>

The retirement of bond issues is secured by a specific pledge of certain gross revenues, surplus revenues and specific fees. Debt service payments on bonds, including fees of \$22,834, amounted to \$3,261,449 for the fiscal year ended June 30, 2021. Debt service payments on capital leases amounted to \$259,204 for the fiscal year ended June 30, 2021. Debt service payments on the certificate of indebtedness amounted to \$113,586 for the fiscal year ended June 30, 2021. Debt Service payments on loans/notes payable amounted to \$305,185 for the fiscal year ended June 30, 2021.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 13: BONDS PAYABLE AND PLEDGED REVENUES**

A. Bonds payable consisted of the following at June 30, 2021:

Auxiliary Enterprises Revenue Secured Refunding Bonds, Series 2016 A, issued in the original amount of \$9,135,000 and maturing in varying amounts to June 1, 2039, with variable interest rates from 1% to 4%.	\$ 7,370,000
Student Fee Secured Refunding Bonds, Series 2016 B, issued in the original amount of \$6,465,000 and maturing in varying amounts to October 01, 2040, with variable interest rates from 1.5% to 3.625%	6,150,000
Auxiliary Enterprises Revenue Secured Capital Improvements Bonds, Series 2017, issued in the original amount of \$8,000,000 and maturing in varying amounts to March 1, 2047, with variable interest rates from 2.125% to 4.25%	7,325,000
Student Fee Secured Capital Improvement and Refunding Bonds, Series 2018 A, issued in the original amount of \$17,050,000 and maturing in varying amounts to March 01, 2048, with variable interest rates from 3% to 4%	16,420,000
Auxiliary Enterprises Revenue Secured Capital Improvements and Refunding Bonds, Series 2018 B, issued in the original amount of \$7,675,000 and maturing in varying amounts to March 01, 2048, with variable interest rates from 3.875% to 4%	7,675,000
Student Fee Secured Refunding Bonds, Series 2019 A, issued in the original amount of \$5,600,000 and maturing in varying amounts to March 01, 2039, with variable interest rates from 2.75% to 4%	5,600,000
Auxiliary Enterprises Revenue Secured Refunding Bonds, Series 2019 B, issued in the original amount of \$7,010,000 and maturing in varying amounts to March 01, 2034, with variable interest rates from 3% to 4%	7,010,000
Student Fee Secured Refunding Bonds, Series 2020, issued in the original amount of \$7,580,000 and maturing in varying amounts to March 01, 2045, with variable interest rates from 2% to 3%	7,580,000
	<hr/>
	<u><u>\$ 65,130,000</u></u>



**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

NOTE 13: BONDS PAYABLE AND PLEDGED REVENUES (CONTINUED)

B. Pledged Revenues consisted of the following at June 30, 2021:

Date of Issue	Maturity Date	Purpose of Debt	Remaining Principal + Interest	FY 21 Principal + Interest	Revenue Source	FY 21 Revenue	% of Rev Pledged in FY 21
2016A Series	2039	Bond Refunding 2010	10,218,991	567,181	Auxiliary Enterprises Revenue	12,580,594	4.51%
2016B Series	2041	Bond Refunding 2011	8,423,262	422,324	Student Fees	37,684,871	1.12%
2017 Series	2047	Eichenberger/ Burns-Harsh Halls	12,005,700	460,531	Auxiliary Enterprises Revenue	12,580,594	3.66%
2018A Series	2048	Cross Hall, Band Hall and Bond Refunding 2007	26,927,150	893,160	Student Fees	37,684,871	2.37%
2018B Series	2048	Residence Hall Repairs and Bond Refunding 2005B, 2012,2013C	14,102,856	304,288	Auxiliary Enterprises Revenue	12,580,594	2.42%
2019A Series	2039	Bond Refunding 2013A	7,367,750	184,100	Student Fees	37,684,871	0.49%
2019B Series	2034	Bond Refunding 2014	8,827,050	248,550	Auxiliary Enterprises Revenue	12,580,594	1.98%
2020 Series	2045	Bond Refunding 2013B,2015	10,090,906	125,434	Student Fees	37,684,871	0.33%

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14: CAPITAL LEASES**

Capital leases consisted of the following at June 30, 2021:

<u>Class of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Equip/Disk Space (Dell)	\$ 224,049	\$ 59,746	\$ 164,303
Residence Hall WIFI/Expand/Firewalls (Dell)	145,402	35,543	109,859
Vnware Vcenter Servers	97,496	6,478	91,018
	<u>\$ 466,947</u>	<u>\$ 101,767</u>	<u>\$ 365,180</u>

	<u>June 30, 2021</u>
Total Minimum Lease Payments	\$ 175,797
Less: Amount Representing Interest	10,782
Total Present Value of Net Minimum Lease Payments	<u>\$ 165,015</u>

**NOTE 15: NOTES PAYABLE**

Notes payable consisted of the following at June 30, 2021:

Loan payable to Farmers Bank and Trust for the purchase of the University Court Apartments, in the total amount of \$552,517 with varying payments and an interest rate of 3.55%	\$ 343,523
Loan payable to Farmers Bank and Trust for the purchase of the Mulerider Pointe Apartments, in the total amount of \$1,400,000 with varying payments and an interest rate of 4.25%	867,225
Loan payable to Arkansas Trap Shooting Federation for providing funding in the amount of \$35,000 to purchase trap equipment	<u>21,875</u>
	<u><u>\$ 1,232,623</u></u>

**NOTE 16: CERTIFICATES OF INDEBTEDNESS PAYABLE**

Certificates of indebtedness payable consisted of the following at June 30, 2021:

Certificate of indebtedness to Arkansas Building Authority for various campus improvements for the total amount of \$596,673. Of this amount, \$574,679 has been issued to date with no additional funds issued during the fiscal year. Semi-annual payments are \$29,834 and no interest is being paid.	<u><u>\$ 7,840</u></u>
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**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 17: COMMITMENTS**

The University was contractually obligated for the following at June 30, 2021:

<u>Construction Contracts</u>	<u>Estimated Completion Date</u>	<u>Contract Balance</u>
<u>Project Name</u>		
Baseball Development Facility Geo Surfaces	unknown	\$ 233,210
Education Building Expansion Ideal Construction	08/01/21	175,429
Indoor Practice Facility Geo Surfaces	12/31/21	691,827
Regional Construction		41,639
Sidewalks Jcon, Inc.	12/31/21	69,243
Tennis, Golf Hut Jackson Brown Palculict	12/31/22	6,500
Bussey Hall Restoration CADM Architecture	08/01/21	3,849
Moser Construction		97,250
Track Geo Surfaces	12/31/21	131,800
Total		<u>\$ 1,450,747</u>

**NOTE 18: RETIREMENT PLANS**

Alternative Retirement Program

Plan description: The Alternative Retirement Program, a defined contribution plan, includes Teachers Insurance Annuity Association – College Retirement Equities Fund (TIAA-CREF) and Fidelity Investments. The program includes a 403(b) Retirement Annuity program (RA), a 403(b) Supplemental Retirement Annuity program (SRA), and 457(b) program as defined by Internal Revenue Service Code of 1986 as amended, and is administered by TIAA-CREF and Fidelity Investments. TIAA is an insurance company offering participants a traditional annuity with guaranteed principal and a specific interest rate plus the opportunity for additional growth through dividends. CREF is an investment company which offers a variable annuity. Arkansas Code Annotated authorizes participation in the plan.

Funding Policy: The Optional Retirement Programs are contributory. Members in the 403(b) RA programs select a contribution level of 4, 5, 6, 7, or 8% of earnings to the plan and Southern Arkansas University follows a matching schedule, which ranges from 6% to 10% for contributory members. Southern Arkansas University's and participants' contributions for the year ended June 30, 2021 were \$1,341,702 and \$1,402,036, respectively. Southern Arkansas University does not contribute to the 403(b) SRA or the 457(b) program.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 18: RETIREMENT PLANS (CONTINUED)**

Arkansas Teacher Retirement System

Plan Description: Southern Arkansas University contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing multiple-employer defined benefit pension plan. ATRS is only available to current employees who elected this option prior to July 1, 2012 and to new employees who were members with their previous employer. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The pension plan's fiduciary net position has been determined on the same basis as reported by ATRS. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 1-800-666-2877.

Benefits Provided: Members are considered vested with 5 or more years of service and are eligible for full retirement benefits at age 60. Upon reaching eligibility for retirement, members receive lifetime, monthly annuity benefits from ATRS based on age and service. Such annuity benefits are calculated with years of service multiplied by the 3 highest years of salary, adjusted by the appropriate multiplier for contributory/ noncontributory plans. Early retirees receive a reduced annuity. Disability benefits are awarded to members with 5 actual years of service and are calculated using the aforementioned age and service formula. Lump sum death benefits are awarded to the qualified survivor(s) of active or retired members with 10 actual years of service. Other survivor benefits are awarded to the qualified survivors(s) of active members with 5 actual years of service. A cost of living adjustment is payable annually on July 1 to retirees, certain survivors, and beneficiaries who received monthly benefits for the previous 12 months.

Funding Policy: ATRS has contributory and non-contributory plans. Contributory members are required by State law to contribute 6.50% of their salaries. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 14.50%. Southern Arkansas University's contributions to ATRS for the years ended June 30, 2021, 2020, and 2019 were \$373,259, \$342,914, and \$371,293, respectively, equal to the required contributions for each year.

Pensions Liability, Expense, and Deferred Resources: For the year ended June 30, 2021, Southern Arkansas University recorded .0769% as its proportionate share of the total ATRS pension liability, which totaled \$4,355,662. The pension liability was determined by an actuarial valuation as measured on June 30, 2020. The University's proportion of the net pension liability was based on current contributions of all participating employers. For the year ended June 30, 2021, the University recognized a pension expense of \$632,099 and deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 57,742	\$ 35,130
Net difference between projected and actual investment earnings on pension plan investments	715,994	
Changes of Assumption	283,415	
Changes in University's proportion and differences between the University's contributions and proportionate share of the University's contributions	68,404	581,681
Contributions subsequent to the measurement date	373,259	
Total	<u>\$ 1,498,814</u>	<u>\$ 616,811</u>

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

NOTE 18: RETIREMENT PLANS (CONTINUED)

Arkansas Teacher Retirement System (Continued)

\$373,259 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 89,126
2023	156,246
2024	153,587
2025	129,929
2026	(20,144)
Thereafter	0

Actuarial Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	Level Percentage of Payroll, closed
<b>Remaining Amortization Period</b>	28 years
<b>Wage Inflation</b>	2.75%
<b>Salary Increases</b>	2.75% to 7.75% including inflation
<b>Investment Rate of Return</b>	7.50%
<b>Mortality Table</b>	Based on the RP-2014 mortality table for males and females adjusted using projection scale MP-2017 from 2006
<b>Asset Valuation Method</b>	4-year closed period; 20% corridor
<b>Post-Retirement Cost-of-Living Increases</b>	3% Simple
<b>Retirement Age</b>	Actuarial experience study for the period July 1, 2010 – June 30, 2015

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE 18: RETIREMENT PLANS (CONTINUED)

Arkansas Teacher Retirement System (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses 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 and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Total Equity	53%	5.2%
Fixed Income	15%	-0.1%
Alternatives	5%	3.5%
Real Assets	15%	5.1%
Private Equity	12%	7.2%
Cash Equivalents	0%	-1.0%
Total	100%	

Single Discount Rate: A single discount rate of 7.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.5%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be 14.25% of payroll. Based on these 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 Proportionate share of the Net Pension Liability to Changes in the Discount Rate: The following presents the University's proportionate share of the net pension liability using the discount rate of 7.5%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1.0% Decrease 6.5%	Current Discount 7.5%	1.0% Increase 8.5%
Net Pension Liability	\$ 6,481,016	\$ 4,355,662	\$ 2,593,024

Pension Plan Fiduciary Net Position:

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

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 18: RETIREMENT PLANS (CONTINUED)**

Arkansas Public Employees Retirement System

Plan description: Southern Arkansas University contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan. APERS is only available to current employees who elected this option prior to July 1, 2012 and to new employees who were members with their previous employer. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The pension plan's fiduciary net position has been determined on the same basis as reported by APERS. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, One Union National Plaza, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201 or by calling 1-800-682-7377.

Benefits Provided: Members are considered eligible for full retirement benefits under the following conditions: (1) at age 65 with 5 years of service, (2) at any age with 28 years of actual service, or (3) at age 60 with 20 years of actual service (prior to July 1, 2005). Upon reaching eligibility for retirement, members receive lifetime, monthly annuity benefits from APERS based on age and service. Such annuity benefits are calculated with years of service multiplied by the 3 highest years of salary, adjusted by the appropriate multiplier for contributory/ noncontributory plans. Early retirees receive a reduced annuity. Disability benefits are awarded to members with 5 years of service and are computed based on service and pay at disability. Death benefits are paid to a surviving spouse as if the member had 5 years of service and the monthly benefit is computed as if the member had retired and elected the Joint & 75% Survivor option. A cost of living adjustment of 3% of the current benefit is added each year.

Funding Policy: APERS has contributory and non-contributory plans. Contributory members are required by State law to contribute 5% of their salaries. Each participating employer is required by State law to contribute at a rate established by the Board of Trustees, based on the annual actuarial valuation. The current statutory employer rate is 15.32% of annual covered payroll. Southern Arkansas University's contributions to APERS for the years ended June 30, 2021, 2020, and 2019 were \$231,151, \$269,598, and \$288,364, respectively, equal to the required contributions for each year.

Pensions Liability, Expense, and Deferred Resources: For the year ended June 30, 2021, Southern Arkansas University recorded .0902% as its proportionate share of the total APERS pension liability, which totaled \$2,582,684. The pension liability was determined by an actuarial valuation as measured on June 30, 2020. The University's proportion of the net pension liability was based on current contributions of all participating employers. For the year ended June 30, 2021, the University recognized pension expense of \$306,445 and total deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,286	\$ 1,710
Changes in assumption	32,359	44,251
Changes in University's proportion and differences between the University's contributions and proportionate share of the University's contributions	111	286,254
Net difference between projected and actual investment earnings on pension plan investments	273,281	
Contributions subsequent to the measurement date	231,151	
Total	\$ 571,188	\$ 332,215

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE 18: RETIREMENT PLANS (CONTINUED)

Arkansas Public Employees Retirement System (Continued)

\$231,151 reported as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (108,441)
2023	(20,001)
2024	57,631
2025	78,633
Thereafter	0

Actuarial Assumptions: A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	Level of Percent of Payroll, closed
<b>Wage Inflation</b>	3.25%
<b>Post-Retirement Cost-of-Living Increases</b>	3% Annual Compounded Increase
<b>Salary Increases</b>	3.25% to 9.85% including inflation
<b>Investment Rate of Return</b>	7.15%
<b>Mortality</b>	Based on RP-2006 weighted generational mortality tables for healthy annuitant, disability, or employee death in service, as applicable. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2017.
<b>Asset Valuation Method</b>	Phase-in of differences between actual and assumed market rates of return
<b>Average Service Life of All Members</b>	4.0486

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses 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 and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	37.0%	6.22%
International Equity	24.0%	6.69%
Real Assets	16.0%	4.81%
Absolute Return	5.0%	3.05%
Domestic fixed	18.0%	0.57%
Total	100%	



**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 18: RETIREMENT PLANS (CONTINUED)**

Arkansas Public Employees Retirement System (Continued)

Assumption Changes: Economic assumptions were updated in the June 30, 2020, valuation to a 7.15% investment return assumption and a 3.25% wage inflation assumption.

Single Discount Rate: A single discount rate of 7.15% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.15%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the University's proportionate share of the net pension liability using the discount rate of 7.15%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1.0% Decrease 6.15%	Current Discount 7.15%	1.0% Increase 8.15%
Net Pension Liability	\$ 3,933,619	\$ 2,582,684	\$ 1,467,857

Pension Plan Fiduciary Net Position:

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

**NOTE 19: SELF INSURANCE PROGRAM**

Southern Arkansas University has established a benefit health plan established by Blue Advantage for employees and their eligible dependents. At June 30, 2021, approximately 806 active employees, their dependents and retirees were participating in the program. For employee, employee/spouse, employee/children, and family plans, the University pays approximately 98%, 75%, 78%, and 75%, respectively, based on a tiered salary chart. The University pays 98% for retiree plans until the retiree is eligible for Medicare.

<u>Unpaid Claims Liability</u>	<u>FY 2021</u>
Unpaid Claims, 07-01-20	\$ 150,294
Incurred claims during current year	2,276,663
Current year claims paid	2,039,645
Prior year claims paid	150,294
Total payments	2,189,939
Unpaid Claims, 06-30-21	237,018
15% margin assumption	35,553
Estimated Claims, 06-30-21	\$ 272,571

The health claims liability is calculated in accordance with the Development (or Lag) Method outlined in Actuarial Standard of Practice No. 5, using the historical pattern of claim payments as the continued assumption. The liability also assumes a 15% explicit margin above a best estimate liability. Based on Blue Advantage calculations, the University estimates its medical claims liability to be \$272,571.

The University purchases specific reinsurance to reduce its exposure to large claims. IAT was chosen as the reinsurance carrier. Under the specific arrangement, the reinsurance carrier pays for claims for covered members that exceed the \$150,000 specified deductible and the \$50,000 aggregate specific deductible.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 20: OTHER POST EMPLOYMENT BENEFITS (OPEB)**

The University offers post-employment health care and life insurance benefits to all employees who officially retire from the University and meet certain age- and service-related requirements. Health care benefits are offered through Southern Arkansas University's partially self-funded health plan which is administered by Blue Advantage Administrators of Arkansas acting as the third-party administrator. Eligibility for benefits begins upon retirement at or after age 55 with at least 10 years of service. Participants who retire between the ages of 55 and 61 with fewer than 15 years of service or fewer than 75 "points" (age plus years of service) will receive access to group rates only (SAU does not pay for the coverage). For participants who retire after age 55 with 15 years of service and 75 "points", SAU pays for the coverage at the same rates as eligible active employees. For participants who retire at or after age 62 with 10 years of service, SAU pays for the coverage at the same rates as eligible active employees. Medical coverage ceases at members' age 65 or Medicare Eligibility.

For eligible retired employees who retired prior to July 1, 2014, the University pays the premium cost for employee only coverage. In addition, the University pays the first \$250 towards coverage for dependents. The retiree pays the remaining cost of dependent coverage, to the extent that it exceeds \$250. For eligible retired employees who will retire after June 30, 2014, Southern Arkansas University pays a maximum of \$504 of the premium cost for employee only or dependent coverage. For fiscal year 2021, the University paid retiree health coverage cost directly to the health insurance fund in the amount of \$2,423.

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payment	20
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	419
	<u>439</u>

Expenditures for postretirement health care benefits are recognized monthly and financed on a pay-as-you-go basis. The University funds approximately 85% of the postretirement healthcare premiums, which totaled \$18,193 for the fiscal year ended June 30, 2021. The retirees are responsible for funding the remaining 15% of the healthcare premiums.

The Plan is considered a single-employer plan and consists of hospital benefits, major medical benefits, life insurance benefits and a prescription drug program. The health care benefits cover medical and hospitalization costs for retirees and their dependents. If the retiree is eligible for Medicare, University coverage is secondary. The authority under which the Plan's benefit provisions are established or amended is the University President. Recommendations for modifications are brought to the President by the Fringe Benefits Committee. Any amendments to the plan are brought to the President by the Fringe Benefits Committee and approved by the President.

The Plan does not issue a stand-alone financial report. For inquiries relating to the Plan, please contact Southern Arkansas University Office of Financial Services, 100 East University MSC 9403, Magnolia AR 71753. The required schedule of funding progress contained in the Required Supplemental Information immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Schedule of Net OPEB Liability:**

Total OPEB liability (TOL) at 06/30/2021	\$3,252,589
Net position at end of year	<u>0</u>
Net OPEB liability (NOL) at 06/30/2021	\$3,252,589
Net position as a percentage of TOL	0%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement no. 75.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 20: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Sensitivities:**

The following shows TOL and NOL using the current discount rate of 2.09%, as well as what the plan's TOL and NOL would be if it were calculated using a discount rate that is 1% lower and 1% higher than the current assumed rate:

	1% Lower Rate	Current Rate	1% Higher Rate
TOL	\$3,542,369	\$3,252,589	\$2,989,269
Net position	0	0	0
NOL at 06/30/2021	\$3,542,369	\$3,252,589	\$2,989,269

The following shows TOL and NOL using the healthcare cost trend rates, as well as what the plan's TOL and NOL would be if it were calculated using trend rates that are 1% lower and 1% higher than the current assumed rates:

	1% Lower Rate	Current Rate	1% Higher Rate
TOL	\$2,904,880	\$3,252,589	\$3,667,267
Net position	0	0	0
NOL at 06/30/2021	\$2,904,880	\$3,252,589	\$3,667,267

**Additional Disclosure Information:**

NOL at 06/30/2020	\$2,945,411
Service cost	296,002
Interest on TOL	62,554
Difference between expected and actual experience, inclusive of any benefit changes and assumptions	(48,955)
Employer contributions	(2,423)
NOL at 06/30/2021	<u>\$3,252,589</u>

At June 30, 2021, the University has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actuarial experience	\$ (508,879)	\$430,535
Changes in assumption	(88,597)	288,152
Net difference between projected and actual earnings on OPEB assets	0	0
Total	<u>\$ (597,476)</u>	<u>\$718,687</u>

The University reported no additional deferred outflows of resources resulting from contributions subsequent to the measurement date, but chose a measurement date that coincides with the fiscal year end of June 30, 2021. Other amounts reported at June 30, 2021 for deferred outflows/inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below:

FYE	Balance
2022	9,141
2023	9,141
2024	9,141
2025	9,141
2026	9,141
Thereafter	75,506

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

NOTE 20: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

**OPEB Expense:**

OPEB Expense for the fiscal year ending June 30, 2021

1. Service cost (one-year cost for active participants)	\$296,002
2. Interest on TOL = 2.21% x 2,945,411 – 2.21% x 0.5 x \$229,788	62,554
3. Expected return on net position	N/A
4. Amortization of Inflows	(53,791)
5. Amortization of outflows	62,932
6. OPEB expense (sum of above items)	<u>\$367,697</u>

**General Overview of the Valuation Methodology**

The estimation of the retiree healthcare benefit obligation is generally based on per participant contributions developed from recent periods for which claims experience is available. The University provided actual per-participant premiums for 2021.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the Plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective. Actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

<b>Valuation Year</b>	July 1, 2020 – June 30, 2021
<b>Date of Census Data</b>	June 30, 2021
<b>Discount Rate</b>	2.09%
<b>Inflation Rate</b>	2.0%
<b>Mortality Rate</b>	RP-2014 Mortality Table with Improvement Scale MP-2020
<b>Inflation (Trend Rates)</b>	7% in year 1, and then decreasing by one-half percentage point per year to an ultimate of 4.0% in year 7 and thereafter.
<b>Assumed Utilization</b>	50% of eligible future retirees are assumed to elect plan benefits
<b>Spouse Age Difference</b>	Husbands are assumed to be three years older than wives for current and future retirees who are married.
<b>Participation Rates</b>	Active employees are assumed to elect the same postretirement health insurance coverage upon retirement.
<b>Actuarial Cost Method</b>	Liabilities and normal costs under GASB 74/75 shown in this report have been computed using the Entry Age Normal actuarial cost method

**Retiree Premiums**

<b>Health (monthly rate)</b>	<b>Employee Cost</b>	<b>Employer Cost</b>	<b>Total</b>
Employee	\$ 0	\$ 504.00	\$ 504.00

**Life Insurance Premiums**

<b>Life (monthly rate)</b>	<b>Employee Cost</b>	<b>Employer Cost</b>	<b>Total</b>
Employee	Based on age	\$ 0	Based on age

**Administrative Expenses**

The per capita costs for fiscal year beginning July 1, 2020 include \$36.95 per contract per month.

**SOUTHERN ARKANSAS UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 20: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Retirement Rates**

Employees are assumed to retire according to the following schedule:

<b>Age</b>	<b>Retirement Rate (less than 28 years of service)</b>	<b>Retirement Rate (28 or more years of service)</b>
48 – 49	0%	50%
50	2%	13%
51	2%	10%
52	3%	9%
53-54	4%	9%
55	6%	9%
56	9%	12%
57	9%	10%
58	9%	11%
59	9%	14%
60-61	100%	14%
62	100%	28%
63 - 64	100%	17%
65	100%	27%
66 - 74	100%	30%
75 and older	100%	100%

**Sample Withdrawal and Disability Rates**

Employees are assumed to terminate or become disabled according to the following schedule (number per 1000 members):

<b>Age</b>	<b>Terminate Rate (Male)</b>	<b>Terminate Rate (Female)</b>
25	46.0	48.4
30	39.4	44.0
35	32.0	31.0
40	27.0	22.0
45	20.8	20.0
50	16.2	17.0
55	15.0	15.0
60	15.0	15.0
65	15.0	15.0
70	15.0	15.0

**NOTE 21: RELATED ORGANIZATIONS**

Southern Arkansas University is one of two campuses of the Southern Arkansas University system. The financial statements do not include the assets, liabilities, net position, and changes in net position, relating to the Southern Arkansas University Tech campus.

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 22: OTHER COMMITMENTS**

The University contracts with Aramark Educational Services, LLC (Aramark) to provide meals to students and catering services to the University. In October 2016, Aramark make a financial commitment to the University in the amount of \$2,150,000 to be used towards the expansion of the existing dining facility, which was substantially complete in August 2017. The financial commitment from Aramark shall be amortized on a straight-line basis over a period of 15 years. Upon termination of this agreement by either Aramark or the University prior to the complete amortization of the financial agreement, the University would be required to reimburse Aramark for the unamortized balance on the date of termination or expiration of the contract. The balance of the financial commitment to the University as of June 30, 2021 is \$1,435,607.

**NOTE 23: PRIVATIZED HOUSING AGREEMENT**

The University entered into a privatized housing arrangement containing a ground lease agreement with the SAU Alumni Association in October 2015 and expanded in July 2018. The Housing Facilities Board of Magnolia, Arkansas issued bonds to fund the construction of the projects. The obligation for payment of the bonds was based on the revenue generated by the projects. The University entered into a manage and maintain agreement with the Alumni Association. The University is responsible under the agreement to pay any expenses of the project if there was a revenue shortfall. These types of expenses included utilities, maintenance, management costs, etc.

**NOTE 24: CLASSIFICATION OF EXPENDITURES**

The University has utilized the natural classifications of expenses rather than the functional classification of expenses as allowed by GASB Statements No. 34 and No. 35. A comparison of the two classifications is as follows for the year ended June 30, 2021:

	Personal Services	Scholarships and Fellowships	Supplies and Other Services	Depreciation	Total
Instruction	\$ 17,041,774		\$ 922,649		\$ 17,964,423
Research	237,331		2,174		239,505
Public Service	2,582,981		228,804		2,811,785
Academic Support	2,281,305		572,998		2,854,303
Student Services	4,317,400		2,060,011		6,377,411
Institutional Support	5,083,814		2,539,894		7,623,708
Operation and Maintenance of Scholarships and Fellowships	1,602,040		5,047,520		6,649,560
		\$ 5,898,731			5,898,731
Auxiliary Enterprises	3,260,159		8,331,922		11,592,081
Other			41,874		41,874
Depreciation				\$ 3,482,907	3,482,907
	<u>\$ 36,406,804</u>	<u>\$ 5,898,731</u>	<u>\$ 19,747,846</u>	<u>\$ 3,482,907</u>	<u>\$ 65,536,288</u>

**SOUTHERN ARKANSAS UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 25: ENDOWMENT FUNDS**

The University has donor-restricted endowments funds. Investment income on the amount endowed is restricted for scholarships and other purposes. Endowment funds are maintained as cash or cash equivalents and investments. Investments reported at fair value include U. S. Government obligations, mutual bond funds, mutual equity funds, and other managed investments. The endowment net position at June 30, 2021 was \$5,318,767 and reported as restricted-nonexpendable.

State law allows a governing board to expend a portion of the net appreciation in the fair value of the assets over the historic dollar value of the fund unless the applicable gift document states otherwise. State law stipulates that such expenses are to be for the purpose for which the endowment funds were established.

It is the University's policy for annual expenses from the endowment funds to be limited to the actual income generated by the endowment fund assets, unless the gift document states otherwise.

**NOTE 26: RISK MANAGEMENT**

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The University carries commercial insurance for board liability and student athletes. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

The University participates in the Arkansas Public Employees Claims Division – Workers' Compensation Program under the Arkansas Department of Insurance. The program is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Division is responsible for monitoring, negotiating and settling claims that have been filed on behalf of and against the University. The University usually contributes annually to this program.

Additionally, the University participates in the Arkansas Multi-Agency Insurance Trust (AMAIT) for insurance coverage for property and vehicles. In its administrative capacity, AMAIT is responsible for monitoring, negotiating and settling claims that have been filed against its members. The University pays annual premiums for buildings, contents, and vehicles.

The University participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to \$300,000 with a \$2,500 deductible. Premiums for coverage are paid by the Chief Fiscal Officer of the State of Arkansas from funds withheld from the University's funds.

**NOTE 27: POLLUTION REMEDIATION OBLIGATIONS**

In 2006, GASB issued Statement no. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. GASB Statement no. 49 establishes standards for accounting and financial reporting for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. Management has determined to begin recognizing a liability at the time that an obligating event exists. At this time no obligation exists.

**NOTE 28: LAND AND OTHER REAL ESTATE HELD AS INVESTMENTS BY ENDOWMENTS**

In 2007, GASB issued Statement no. 52, *Land and Other Real Estate Held as Investments by Endowments*. GASB Statement no. 52 establishes consistent standards for the reporting of land and real estate held as investments by essentially similar entities. At this time the University has no real estate or land held as investments.

**NOTE 29: RELATED PARTY TRANSACTIONS**

Mr. Monty Harrington is a member of the Board of Trustees of Southern Arkansas University. Mr. Harrington is President of Farmers Bank & Trust in which the University has a majority of its deposits.

**SOUTHERN ARKANSAS UNIVERSITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 30: DEBT REFUNDING**

On November 19, 2020, the University issued Student Fee Refunding bonds of \$7,580,000 with interest rates of 2 to 3%. The proceeds were utilized to refund \$680,000 and \$6,460,000 of outstanding bonds dated March 1, 2013 and April 1, 2015, with interest rates of 1.5% to 4.1% and 1% to 4.125%, respectively. Unamortized bond discount of \$52,705 was adjusted in the net carrying amount of old debt. Bond proceeds of \$7,003,202 (after consideration of the premium of \$70,186) and debt service reserves of \$259,103 were deposited with an escrow agent to refund the bonds. The bonds were called for redemption on December 1, 2020. Proceeds of \$514,156 were deposited into the debt service reserve fund as required by the bond indenture. The remaining net proceeds (after payment of bond issuance costs of \$62,390 and deduction of the bond discount of \$68,220) of \$2,218 were deposited with the trustee for future resolution.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$200,714, reported as a deferred outflow on the Statement of Net Position. This difference is being amortized through the year 2045. Total savings of \$535,546, resulted from the bond issue, with no new funding. Debt obligations to the University were not extended.

**NOTE 31: SUBSEQUENT EVENTS**

No Subsequent Events at this time.

**NOTE 32: GASB 84 RESTATEMENT**

The University has restated its fiscal year beginning cash and cash equivalents in accordance with GASB no. 84, Fiduciary Activities. GASB no. 84 states if restatement of all prior periods presented is not practical, the cumulative effect of applying this statement, if any, should be reported as a restatement of beginning net position for the earliest period restated. The University has chosen to restate the FY 21 beginning cash and cash equivalents, there was no effect on the University's net position.

This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom fiduciary relationship exists. The adoption of GASB no. 84 had the following impact on the financial statements for the year ended June 30, 2021:

FY 20 Ending Cash and Cash Equivalents	\$22,393,887
FY 21 Beginning Cash and Cash Equivalents	\$20,332,326



**SOUTHERN ARKANSAS UNIVERSITY**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**JUNE 30, 2021**

OTHER POST EMPLOYMENT BENEFITS (OPEB) – Schedule of Changes in Total OPEB Liability (TOL)

<b>TOL:</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	296,002	240,529	155,767	159,527
Interest cost	62,554	85,934	55,816	59,843
Difference between expected and actual experience	(81,934)	(202,037)	545,960	(359,729)
Changes in assumption	32,979	301,666	(112,351)	(1,210)
Benefit changes				
Benefit payments	(2,423)	(30,016)	(30,462)	(16,197)
Net change	307,178	396,076	614,730	(157,766)
Beginning of year TOL	2,945,411	2,549,335	1,934,605	2,092,371
End of year TOL = (a)	3,252,589	2,945,411	2,549,335	1,934,605

<b>Net Position:</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Employer contributions				
Net investment income				
Benefit payments				
Administrative expenses				
Other				
Net change	0	0	0	0
Beginning of year net position	0	0	0	0
End of year net position = (b)	0	0	0	0
TOL = (a) - (b)	3,252,589	2,945,411	2,549,335	1,934,605
Net position as a percentage of TOL	0%	0%	0%	0%
Actual contributions paid into plan trust	0	0	0	0
Covered employee payroll	23,674,133	23,901,814	24,821,770	23,815,457
Net OPEB Liability as % of covered payroll	13.74%	12.32%	10.27%	8.12%

\*The amounts presented were determined as of June 30, 2021.

Note: Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

\*No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement no. 75.

**SOUTHERN ARKANSAS UNIVERSITY**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**JUNE 30, 2021**

PENSION PLANS – Schedule of the University's Proportionate Share of the Net Pension Liability

Arkansas Teacher Retirement System

	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Plan net pension liability - End of year	5,660,881,938	4,171,365,050	3,638,962,119	4,203,863,874	4,411,442,759	3,256,909,830	2,625,006,279
Proportion of the net pension liability	0.0769%	0.0861%	0.1001%	0.0969%	0.0958%	0.0935%	0.0993%
Proportionate share of net pension liability	4,355,662	3,591,661	3,641,944	4,073,808	4,225,903	3,045,991	2,605,513
University covered employee payroll	2,407,317	2,652,088	3,034,541	2,864,765	2,806,637	2,716,298	2,852,303
Proportionate share of the net pension liability as a percentage of covered payroll	180.93%	135.43%	120.02%	142.20%	150.57%	112.14%	91.35%
Plan fiduciary net position as a percentage of the total pension liability	74.91%	80.96%	82.78%	79.48%	76.75%	82.20%	84.98%

Arkansas Public Employee Retirement System

	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Plan net pension liability - End of year	2,863,584,487	2,412,528,795	2,205,935,052	2,584,140,475	2,391,348,072	1,841,733,371	1,418,912,236
Proportion of the net pension liability	0.0902%	0.0984%	0.1076%	0.1141%	0.1166%	0.1232%	0.1210%
Proportionate share of net pension liability	2,582,684	2,372,982	2,374,228	2,949,023	2,789,190	2,268,780	1,717,071
University covered employee payroll	1,759,773	1,882,271	2,016,002	2,056,796	2,113,254	2,189,353	2,135,931
Proportionate share of the net pension liability as a percentage of covered payroll	146.76%	126.07%	117.77%	143.38%	131.99%	103.63%	80.39%
Plan fiduciary net position as a percentage of the total pension liability	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%	84.15%

\*The amounts presented were determined as of June 30<sup>th</sup> of the previous year.

Note: Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

**SOUTHERN ARKANSAS UNIVERSITY**  
**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**JUNE 30, 2021**

PENSION PLANS – Schedule of University Contributions

Arkansas Teacher Retirement System

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	373,259	342,914	371,293	424,495	402,121	393,222	381,773
Contributions in relation to contractually required contribution	373,259	342,914	371,293	424,495	402,121	393,222	381,773
Contribution deficiency (excess)	0	0	0	0	0	0	0
University covered employee payroll	2,574,196	2,407,317	2,652,088	3,034,541	2,864,765	2,806,637	2,716,298
Contributions as a percentage of covered-employee payroll	14.50%	14.24%	14.00%	13.99%	14.04%	14.01%	14.05%

Arkansas Public Employee Retirement System

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	231,151	269,598	288,364	297,352	298,235	307,826	322,601
Contributions in relation to contractually required contribution	231,151	269,598	288,364	297,352	298,235	307,826	322,601
Contribution deficiency (excess)	0	0	0	0	0	0	0
University covered employee payroll	1,508,816	1,759,773	1,882,271	2,016,002	2,056,796	2,113,254	2,189,353
Contributions as a percentage of covered-employee payroll	15.32%	15.32%	15.32%	14.75%	14.50%	14.57%	14.73%

Note: Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

SOUTHERN ARKANSAS UNIVERSITY  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS  
FOR THE YEAR ENDED JUNE 30, 2021  
(Unaudited)

Schedule 1

	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets and Deferred Outflows	\$ 141,497,206	\$ 136,326,928	\$ 136,019,816	\$ 157,295,707	\$ 137,828,789
Total Liabilities and Deferred Inflows	86,040,235	88,717,985	90,036,119	107,648,103	84,368,588
Total Net Position	55,456,971	47,608,943	45,983,697	49,647,604	53,460,201
Total Operating Revenues	37,041,646	34,819,685	33,270,354	34,164,691	37,340,307
Total Operating Expenses	65,536,288	66,607,400	66,791,811	66,210,444	62,300,060
Total Net Non-Operating Revenues	34,424,021	32,298,195	28,974,010	27,581,045	26,889,527
Total Other Revenues, Expenses, Gains or Losses	1,918,649	1,132,082	883,540	1,085,448	3,553,098

