

Southern Arkansas University Tech

East Camden, Arkansas

**Basic Financial Statements
and Other Reports**

June 30, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE



SOUTHERN ARKANSAS UNIVERSITY TECH
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Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Southern Arkansas University Tech
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Disclaimer of and Unmodified Opinions

We have audited the financial statements of the business-type activities of Southern Arkansas University Tech (College), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2023, and the related notes to the financial statements. We were not engaged to audit the financial statements of the discretely presented component unit. These financial statements collectively comprise the College's basic financial statements as listed in the table of contents.

Disclaimer of Opinion on the Discretely Presented Component Unit

We do not express an opinion on the accompanying financial statements of the discretely presented component unit of the College. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the Discretely Presented Component Unit section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the discretely presented component unit.

Unmodified Opinion on the Business-Type Activities

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the College as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Disclaimer of Opinion on the Discretely Presented Component Unit

The financial statements of Southern Arkansas University Tech Foundation, Inc. (Foundation) have not been audited, and we were not engaged to audit the Foundation financial statements as part of our audit of the College's basic financial statements. The Foundation's financial activities are included in the College's basic financial statements as a discretely presented component unit and represent 100% of the assets and revenues of the College's discretely presented component unit.

Basis for Unmodified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2023 the College adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Report on Comparative Information

We have previously audited the College's 2022 financial statements, and we expressed an unmodified opinion on the respective financial statements of the business-type activities in our report dated November 27, 2023. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 7-14, 48-49, and 50-55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Selected Information for the Last Five Years (Schedule 1) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 on our consideration of the College'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 College'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 College's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
October 31, 2024
EDHE11523

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair



Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
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 Tech
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 of Southern Arkansas University Tech (College), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2024. We were not engaged to audit the financial statements of the Southern Arkansas University Tech Foundation, Inc. (Foundation), a discretely presented component unit of the College. These financial statements collectively comprise the College's basic financial statements. Our report disclaims an opinion on the financial statements of the Foundation, a discretely presented component unit, because those financial statements were not audited, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College'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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 College'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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College'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 College in a separate letter dated October 31, 2024.

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 College'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ARKANSAS LEGISLATIVE AUDIT



Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 31, 2024

Arkansas



Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair

Rep. Jimmy Gazaway
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LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

Southern Arkansas University Tech
Legislative Joint Auditing Committee

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. This matter was discussed previously with College officials during the course of our audit fieldwork and at the exit conference.

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, 2023, as reported to the Arkansas Division of Higher Education (ADHE), to provide reasonable assurance that the data was properly reported. The enrollment data reported was as follows:

	<u>Summer II Term</u> <u>2022</u>	<u>Fall Term</u> <u>2022</u>	<u>Spring Term</u> <u>2023</u>	<u>Summer I Term</u> <u>2023</u>
Student Headcount	105	943	918	267
Student Semester Credit Hours	446	9,716	9,145	2,050

From a sample of 61 student course withdrawals from the end-of term file submitted to ADHE, we noted 5 students were not properly withdrawn from 7 courses prior to the census date.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the governing board, College 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

Handwritten signature of Matt Fink in cursive.

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
October 31, 2024

Southern Arkansas University Tech

Management's Discussion and Analysis (Unaudited)

Overview of the Financial Statements and Financial Analysis

Southern Arkansas University Tech presents its financial statements for fiscal year ended June 30, 2023, with comparative data presented for fiscal year ended June 30, 2022. The Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and, the Statement of Cash Flows are the three financial statements that are presented. This discussion and analysis of Southern Arkansas University Tech's financial statements provides an overview of its financial activities for the current year.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the College as of the end of the fiscal year. This financial statement reflects the College's financial position at a moment in time, the last day of its fiscal year which is June 30, 2023.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to meet existing obligations and continue the operations of the institution. They are also able to determine how much the institution owes to vendors and lending institutions. Finally, the Statement of Net Position provides a picture of the net position (assets and deferred outflows minus liabilities and deferred inflows) and their availability for expenditure by the institution.

Net position is divided into three major categories. The first category, invested in capital assets, net of debt, provides the institution's equity in property, plant and equipment owned by the institution. The next asset category is restricted net position, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Southern Arkansas University Tech does not have nonexpendable restricted net position. Expendable restricted net position is available for expenditure by the institution but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted position is available to the institution for any lawful purpose of the institution.

Southern Arkansas University Tech

Management's Discussion and Analysis (Unaudited)

Statement of Net Position (Continued)

Statement of Net Position

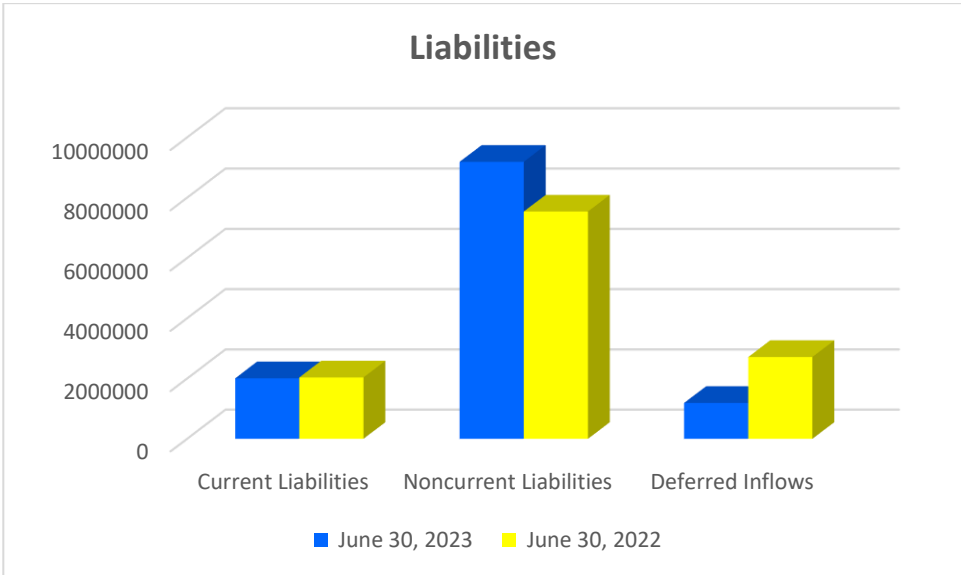
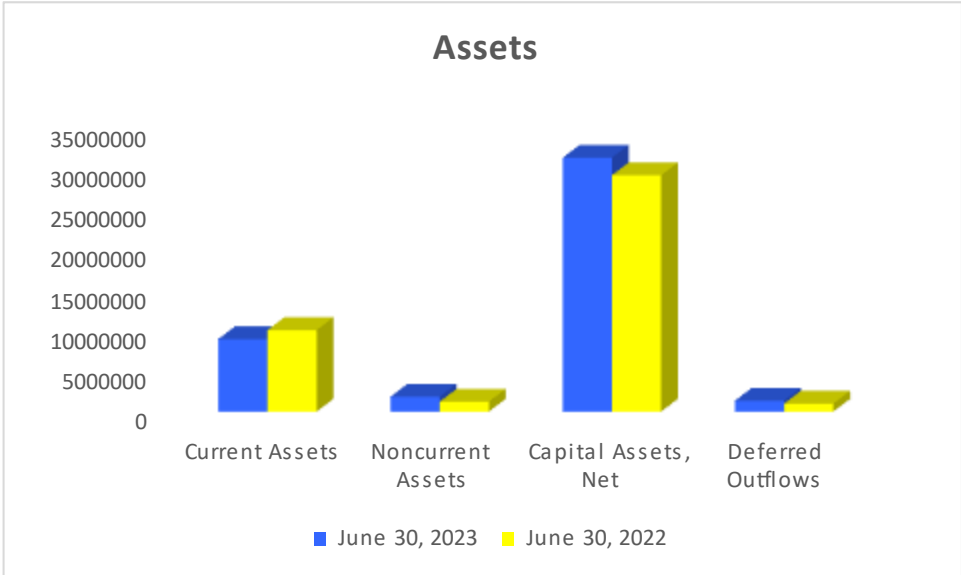
	<u>2023</u>	<u>2022</u>
Assets and Deferred Outflows of Resources		
Current assets	\$ 8,939,148	\$ 10,050,354
Capital assets, net	31,312,891	29,145,726
Other assets	1,832,798	1,219,631
Deferred Outflows of Resources	<u>1,339,914</u>	<u>983,938</u>
Total Assets and Deferred Outflows of Resources	<u>43,424,751</u>	<u>41,399,649</u>
Liabilities and Deferred Inflows of Resources		
Current Liabilities	2,004,165	2,037,471
Noncurrent Liabilities	9,195,703	7,541,259
Deferred Inflow of Resources	<u>1,190,821</u>	<u>2,714,812</u>
Total Liabilities and Deferred Inflows of Resources	<u>12,390,689</u>	<u>12,293,542</u>
Net Position		
Invested in capital assets, net		
of debt	26,142,471	23,820,223
Restricted - expendable	866,926	1,237,580
Unrestricted	<u>4,024,665</u>	<u>4,048,304</u>
Total Net Position	<u>\$ 31,034,062</u>	<u>\$ 29,106,107</u>

The summary above shows several large variances in line items from 2022 to 2023. Current assets decreased by \$1,111,206, capital assets, net of depreciation increased by \$2,167,165, Noncurrent liabilities increased \$1,654,444, deferred inflow of resources decreased by \$1,523,991, and Investment in capital assets net of debt increased by \$2,322,248. Construction projects that were underway, some completed during the year, caused most of the increase in capital assets net of accumulated depreciation as well as the increase in the investment in capital assets, net of debt. The spending for these projects along with the purchase of other assets contributed to a decrease in current cash of \$1,515,725 from the previous year. The increase in noncurrent liabilities and decrease in deferred inflow of resources were related to pension valuations by the actuaries for the Arkansas Teacher Retirement System and the Arkansas Public Employee Retirement System.

Southern Arkansas University Tech

Management's Discussion and Analysis (Unaudited)

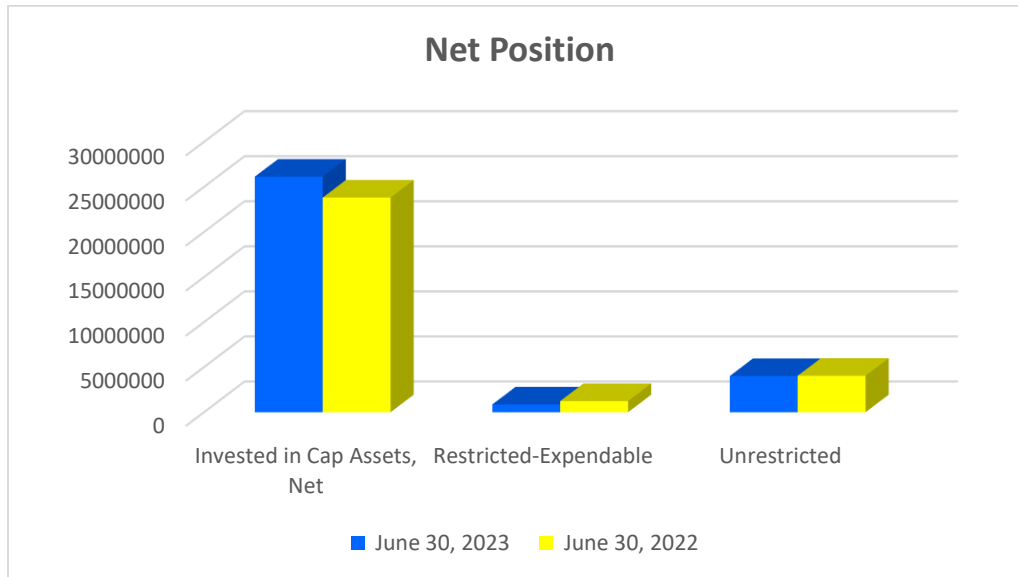
Statement of Net Position (Continued)



Southern Arkansas University Tech

Management's Discussion and Analysis (Unaudited)

Statement of Net Position (Continued)



Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statement of Net Position is 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 revenues, expenses, gains and losses received or spent by the institution.

Generally speaking operating revenues are 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 the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Nonoperating revenues are revenues received for which goods and services are not provided. For example state appropriations are nonoperating because they are provided by the Legislature to the institution without the Legislature directly receiving commensurate goods and services for those revenues.

Southern Arkansas University Tech

Management's Discussion and Analysis (Unaudited)

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

Statement of Revenues, Expenses and Changes in Net Position

	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 6,917,312	\$ 5,816,972
Operating expenses	<u>19,970,928</u>	<u>19,099,948</u>
Operating loss	(13,053,616)	(13,282,976)
Nonoperating revenues and expenses	<u>13,079,511</u>	<u>14,502,463</u>
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	25,895	1,219,487
Other revenues, expenses, gains or losses	<u>1,902,060</u>	<u>884,681</u>
Increase (Decrease) in Net Position	1,927,955	2,104,168
Net Position at Beginning of Year	<u>29,106,107</u>	<u>27,001,939</u>
Net Position at End of Year	<u><u>\$ 31,034,062</u></u>	<u><u>\$ 29,106,107</u></u>

Some of the highlights of the information presented on the Statement of Revenues, Expenses and Changes in Net Position are as follows:

**Tuition and Fees Net of Scholarship Allowance totaled \$2,164,064 or 31.28% of Total Operating Revenues. There was an increase of \$278,010 in Tuition and Fees Net of Scholarship Allowance from June 30, 2022 to June 30, 2023.

**Federal, State and Private Grants and Contracts totaled \$3,857,482 or 55.77% of Total Operating Revenues. There was a increase of \$929,922 in Federal, State and Private Grants and Contracts from June 30, 2022 to June 30, 2023.

**Personal Services expense totaled \$10,000,147 or 50.07% of Total Operating Expenses and increased by \$507,548 from the year ended June 30, 2022.

**Scholarships and Fellowships expenses totaled \$1,424,468 or 7.13% of Total Operating Expenses and decreased \$891,712 from the year ended June 30, 2022.

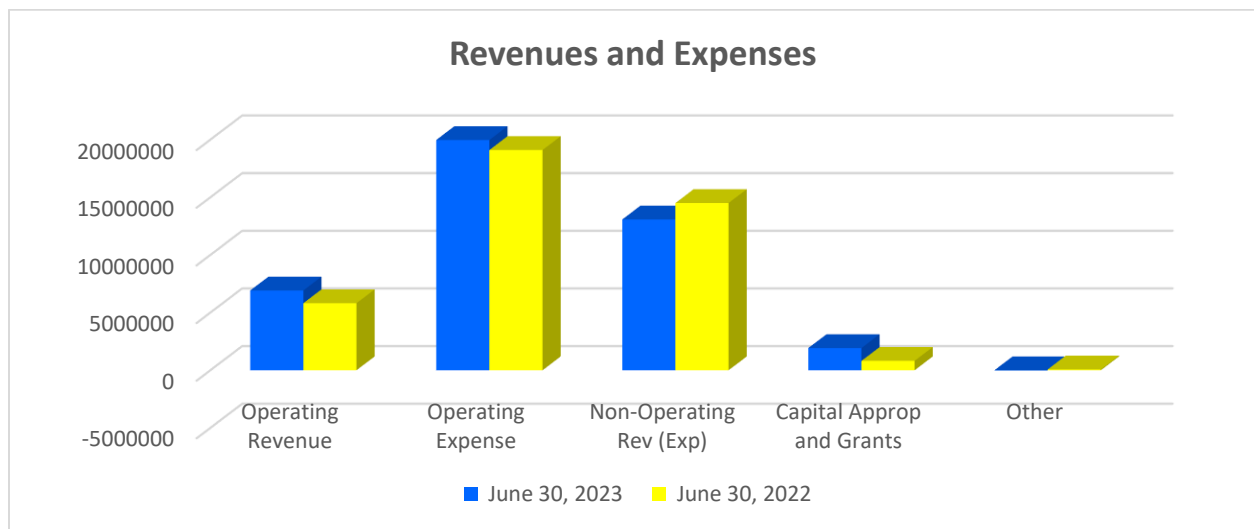
Southern Arkansas University Tech

Management's Discussion and Analysis (Unaudited)

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

**Supplies and Services totaled \$6,647,693 or 33.29% of Total Operating Expenses and increased \$1,117,253 from the year ended June 30, 2022.

**State appropriations of \$8,103,401 and Federal Grants of \$3,933,903 accounted for the largest portion of Non-Operating Revenues and almost made up for the operating loss of (\$13,053,616).



Capital Asset and Debt Administration

Southern Arkansas University Tech had \$31,312,891 in capital assets net of \$30,118,218 accumulated depreciation as of June 30, 2023. Renovation of the Shumaker Barracks that started in 21/22 is still in process as of year end. HVAC upgrades to the Tech Engineering Building and Shumaker Hall and Gym were completed during the 22/23 fiscal year. An old burn building used at the Arkansas Fire Training Academy was disposed of in 22/23 and a new one was constructed during the year. Land improvements included the completion of the baseball field as well as the paving of a parking lot across from the Tech Engineering Building. Principal payments on capital debt during the year were \$150,000 and interest payments were \$162,806.

For additional information concerning Capital Assets and Debt Administration, see Notes 4, 5, and 6 in the notes to the financial statements.

Southern Arkansas University Tech

Management's Discussion and Analysis (Unaudited)

Economic Outlook

Over the past several fiscal years, the College has taken a very conservative approach to spending due to the flat level in general revenue funding, the reduction in cash flows due to enrollment declines, and the most recent pandemic. Even though the College's overall fund balance is sound and the financial ratios continue to improve, close oversight of all spending as well as revenue generation is still critical. Special emphasis will continue to be placed on student enrollment trends and retention. Necessary budget adjustments will be made to keep spending in alignment with cash flow. College leadership will continue to review academic programs and administrative services and identify opportunities to consolidate and reduce administrative operational costs. Moreover, operational efficiencies and cost containment will continue to drive the conversation among campus leaders.

Additionally, the college administration continues to discuss strategies in an effort to help mitigate the effects of the enrollment downturn and the impact the downturn has had on cash flow. Economists predict a continued enrollment decline over the next decade. High school graduating classes will continue to shrink in size along with the local population. Both of these predictions will have a major negative impact on college resources. The college must become more proactive in creating and developing programs that will result in increased enrollment.

Beginning in November 2023, the college will officially upgrade its ERP System of Jenzabar PX to Jenzabar One. This has been a 2- year journey of preparation, training, and implementation. The functionality of this new system will allow for easier access to data and reports, streamlined operational practices, and better overall management of the college's student services, fiscal, and administrative departments.

Beginning in the 2023-2024 Academic Year, the college will fill its two most critical roles: Chancellor (CEO) and Vice Chancellor for Finance & Administration (CFO). The College's new leadership team along with the Vice Chancellor of Academics and the Vice Chancellor for Student Services will continue to endorse principles of sound fiscal management and will continue to be responsible stewards of the available resources.

Southern Arkansas University Tech

Management's Discussion and Analysis (Unaudited)

Economic Outlook (Continued)

Overall, the College's internal controls and fiscal management continue to be very sound. The College is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during this fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.

Gaye Manning

Vice Chancellor for Finance/Administration

SOUTHERN ARKANSAS UNIVERSITY TECH
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2023

Exhibit A

	June 30, 2023	June 30, 2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,434,654	\$ 7,950,379
Accounts receivable (less allowances of \$130,472 and \$117,702)	295,288	152,693
Other receivables (less allowances of \$166 and \$146)	1,798,762	1,243,902
Inventories	9,547	6,982
Prepaid expenses	400,897	696,398
Total Current Assets	8,939,148	10,050,354
Noncurrent Assets:		
Unrestricted cash and cash equivalents	1,392,801	812,589
Restricted cash and cash equivalents	439,772	407,042
Deposits with trustee	225	-
Capital assets (net of accumulated depreciation of \$30,118,218 and \$29,169,813)	31,312,891	29,145,726
Total Noncurrent Assets	33,145,689	30,365,357
TOTAL ASSETS	42,084,837	40,415,711
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	973,317	580,775
Other postemployment benefits (OPEB)	264,237	295,553
Deferral of debt defeasance (net of accumulated amortization of \$22,747 and \$27,996)	102,360	107,610
Total deferred outflows of resources	1,339,914	983,938
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	43,424,751	41,399,649
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	611,309	1,080,540
Bonds and leases payable	391,238	253,147
Compensated absences	70,983	66,326
Other postemployment benefits (OPEB)	155,098	190,055
Advances	594,847	303,875
Funds held in trust for others	169,287	137,432
Other liabilities	11,403	6,096
Total Current Liabilities	2,004,165	2,037,471
Noncurrent Liabilities:		
Bonds and leases payable	4,617,869	4,530,512
Compensated absences	372,090	365,792
Other postemployment benefits (OPEB)	1,565,620	1,414,362
Net Pension Liability	2,640,124	1,230,593
Total Noncurrent Liabilities	9,195,703	7,541,259
TOTAL LIABILITIES	11,199,868	9,578,730
DEFERRED INFLOWS OF RESOURCES		
Pensions	815,836	2,259,130
Other postemployment benefits (OPEB)	374,985	416,689
Leases	-	38,993
Total deferred inflows of resources	1,190,821	2,714,812
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	12,390,689	12,293,542

SOUTHERN ARKANSAS UNIVERSITY TECH
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2023

Exhibit A

	June 30, 2023	June 30, 2022
NET POSITION		
Net investment in capital assets	\$ 26,142,471	\$ 23,820,223
Restricted for:		
Expendable:		
Capital projects	364,701	582,746
Other	502,225	654,834
Unrestricted	4,024,665	4,048,304
TOTAL NET POSITION	\$ 31,034,062	\$ 29,106,107

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

SOUTHERN ARKANSAS UNIVERSITY TECH FOUNDATION
STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
JUNE 30, 2023 and 2022

Exhibit A-1

	June 30, 2023	June 30, 2022
ASSETS		
Current Assets:		
Unrestricted		
Cash and Cash Equivalents	\$ 52,264	\$ 34,548
Restricted		
Cash and Cash Equivalents	84,208	165,804
Total Current Assets	136,472	200,352
Investments		
Unrestricted		
Investments, at fair value	163,822	159,005
Restricted		
Investments, at fair value	1,034,509	992,658
Total Investments	1,198,331	1,151,663
Property and Equipment		
Buildings	2,719,387	2,719,387
Equipment	11,278	11,278
Accumulated Depreciation	(645,810)	(639,834)
Net Property and Equipment	2,084,855	2,090,831
Total Assets	\$ 3,419,658	\$ 3,442,846
LIABILITIES & NET POSITION		
Liabilities		
Current Liabilities		
Current Portion of Long-term Debt	\$ 118,036	\$ 113,459
Long-term Liabilities		
Long-term Debt	1,646,692	1,774,133
Total Liabilities	1,764,728	1,887,592
Net Position		
Without Donor Restrictions	536,213	396,792
With Donor Restrictions	1,118,717	1,158,462
Total Net Position	1,654,930	1,555,254
Total Liabilities & Net Position	\$ 3,419,658	\$ 3,442,846

SOUTHERN ARKANSAS UNIVERSITY TECH
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit B

	June 30, 2023	June 30, 2022
OPERATING REVENUES		
Student tuition and fees (net of scholarship allowances of \$3,005,585 and \$2,754,648)	\$ 2,164,064	\$ 1,886,054
Federal grants and contracts	1,614,261	1,299,387
State and local grants and contracts	2,243,221	1,628,173
Sales and services of educational departments	35,923	83,402
Auxiliary enterprises:		
Athletics (net of scholarship allowances of \$100,515 and \$105,154)	100,274	82,172
Residence life (net of scholarship allowances of \$139,404 and \$159,225)	338,071	253,095
Other operating revenues	421,498	584,689
TOTAL OPERATING REVENUES	6,917,312	5,816,972
OPERATING EXPENSES		
Personal services	10,000,147	9,492,599
Scholarships and fellowships	1,424,468	2,316,180
Supplies and services	6,647,693	5,530,440
Depreciation	1,898,620	1,760,729
TOTAL OPERATING EXPENSES	19,970,928	19,099,948
OPERATING INCOME (LOSS)	(13,053,616)	(13,282,976)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	8,103,401	8,280,321
Federal grants	3,933,903	5,863,608
State grants	649,976	478,449
Investment income	315,484	13,530
Interest on capital asset - related debt	(173,575)	(175,388)
Gain or loss on disposal of capital assets	217,963	(28,710)
Amortization of bond discount & deferral on debt defeasance	(7,118)	(7,118)
Rental Income	39,477	54,623
Other revenue	-	23,148
NET NON-OPERATING REVENUES (EXPENSES)	13,079,511	14,502,463
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	25,895	1,219,487
Capital appropriations	1,792,424	419,710
Capital grants and gifts	130,609	394,836
Adjustments to prior year revenues and expenses	(20,973)	70,135
INCREASE (DECREASE) IN NET POSITION	1,927,955	2,104,168
NET POSITION - BEGINNING OF YEAR	29,106,107	27,001,939
NET POSITION - END OF YEAR	\$ 31,034,062	\$ 29,106,107

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

**SOUTHERN ARKANSAS UNIVERSITY TECH FOUNDATION
STATEMENTS OF ACTIVITIES (UNAUDITED)
FOR THE YEARS ENDED JUNE 30, 2023 and 2022**

Exhibit B-1

For the year ended June 30, 2023

	Unrestricted	Permanently Restricted	Total
Public Support and Revenues			
Contributions	\$ 2,553	\$ 71,930	\$ 74,483
Special events and fundraising	44,909	50,753	95,662
Investment Income	536	31,726	32,262
Rental Income, net	136,752	-	136,752
Net Assets Released from Restrictions	75,926	(75,926)	-
Total Public Support and Revenues	260,676	78,483	339,159
Operating Expenses			
Program services			
Grants and allocations	111,760	10,607	122,367
Total program expenses	111,760	10,607	122,367
Supporting Services			
Management and general	9,495	-	9,495
Special events and fundraising	-	139,138	139,138
Total supporting services expenses	9,495	139,138	148,633
Total Expenses	121,255	149,745	271,000
Operating Income (Loss)	139,421	(71,262)	68,159
Non-operating Activities			
Net realized gains (losses) on investments	-	14,587	14,587
Net unrealized gains (losses) on investments	-	16,930	16,930
Non operating income (expense), net	-	31,517	31,517
Increase (Decrease) in Net Assets	139,421	(39,745)	99,676
Net Assets at the Beginning of the Year	396,792	1,158,462	1,555,254
Net Assets at the End of the Year	\$ 536,213	\$ 1,118,717	\$ 1,654,930

For the year ended June 30, 2022

	Unrestricted	Permanently Restricted	Total
Public Support and Revenues			
Contributions	\$ 15,845	\$ 138,831	\$ 154,676
Special events and fundraising	1,200	-	1,200
Investment Income	834	25,827	26,661
Rental Income, net	(3,035)	-	(3,035)
Net Assets Released from Restrictions	48,025	(48,025)	-
Total Public Support and Revenues	62,869	116,633	179,502
Operating Expenses			
Program services			
Grants and allocations	60,460	-	60,460
Total program expenses	60,460	-	60,460
Supporting Services			
Management and general	7,176	-	7,176
Special events and fundraising	-	-	-
Total supporting services expenses	7,176	-	7,176
Total Expenses	67,636	-	67,636
Operating Income (Loss)	(4,767)	116,633	111,866
Non-operating Activities			
Net realized gains (losses) on investments	-	26,819	26,819
Net unrealized gains (losses) on investments	-	(138,403)	(138,403)
Non operating income (expense), net	-	(111,584)	(111,584)
Increase (Decrease) in Net Assets	(4,767)	5,049	282
Net Assets at the Beginning of the Year	401,559	1,153,413	1,554,972
Net Assets at the End of the Year	\$ 396,792	\$ 1,158,462	\$ 1,555,254

**SOUTHERN ARKANSAS UNIVERSITY TECH
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

Exhibit C

	June 30 2023	June 30 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Student tuition and fees	\$ 2,055,192	\$ 1,873,793
Grants and contracts	3,273,723	2,199,905
Sales and services of educational departments	33,325	84,077
Auxiliary enterprises revenues:		
Athletics	99,886	79,289
Residence life	327,771	263,625
Other receipts	400,150	694,740
Payments to employees	(7,751,149)	(7,658,401)
Payments for employee benefits	(2,588,729)	(2,452,793)
Payments to suppliers	(7,037,176)	(5,212,351)
Scholarships and fellowships	(1,433,643)	(2,284,804)
Net cash provided (used) by operating activities	(12,620,650)	(12,412,920)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	8,103,401	8,280,321
Grants	4,855,895	5,919,539
Direct loan and plus loan receipts	684,003	624,787
Direct loan and plus loan payments	(716,975)	(624,787)
Other agency funds - net	36,155	19,458
Net cash provided (used) by noncapital financing activities	12,962,479	14,219,318
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	1,792,424	419,710
Capital gift and grants	-	387,871
Proceeds from sale of capital assets	506,831	
Proceeds from lessees	40,100	54,000
Sale of Timber	-	23,149
Purchases of capital assets	(3,412,665)	(1,443,482)
Payment to trustee for principal	(150,000)	(150,000)
Payment to trustee for interest and fees	(164,016)	(167,646)
Payment to lessors for principal	(155,758)	(503,818)
Payment to lessors for interest and fees	(10,392)	(7,989)
Net cash provided (used) by capital and related financing activities	(1,553,476)	(1,388,205)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments (net of fees)	308,864	13,493
Net increase (decrease) in cash and cash equivalents	(902,783)	431,686
Cash and cash equivalents - beginning of year	9,170,010	8,738,324
Cash and cash equivalents - end of year	\$ 8,267,227	\$ 9,170,010

**SOUTHERN ARKANSAS UNIVERSITY TECH
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

Exhibit C

	June 30 2023	June 30 2022
Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (13,053,616)	\$ (13,282,976)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	1,898,620	1,760,729
Miscellaneous items	(15,666)	70,823
Change in assets and liabilities:		
Receivables, net	(1,098,523)	(444,126)
Inventories	(2,565)	274
Prepaid expenses	(106,888)	231,769
Accounts payable	(292,829)	121,757
Compensated absences	10,955	(44,957)
Other postemployment benefits (OPEB)	116,301	37,667
Advances received	364,554	(210,378)
Funds held in trust for others	(4,300)	1,798
Pensions	1,409,531	(2,754,060)
Deferred inflows	(1,484,998)	1,807,097
Deferred outflows	(361,226)	291,663
Net cash provided (used) by operating activities	\$ (12,620,650)	\$ (12,412,920)
NONCASH TRANSACTIONS		
Donated Capital Asset	\$ 130,609	\$ 6,965
Right-to-use assets acquired by leases	931,688	318,446

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

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: Summary of Significant Accounting Policies

Reporting Entity

Southern Arkansas University Tech is one of two campuses of the Southern Arkansas University System. The East Camden Campus operates under the policies and supervision of the Board of Trustees of the Southern Arkansas University System, a five member group. The Board is the level of government that has governing responsibility over all activities related to higher education that come under Southern Arkansas University and its East Camden Campus. The College receives funding from local, state, and federal government sources and must comply with requirements of these funding source entities. The Board of Trustees is not included in any other governmental "reporting entity" since board members are appointed by the Governor of the State and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

Component Unit – Southern Arkansas University Tech Foundation

The Southern Arkansas University Tech Foundation, Inc. (the Foundation) is an Arkansas not for profit corporation, qualified as 501(c)(3) organization under the Internal Revenue Service Code, supporting Southern Arkansas University Tech (the College). The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The Board of Directors of the Foundation is made up of 14 members. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the College by donors. Because these restricted resources held by the Foundation may only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College under the guidelines established by Governmental Accounting Standards Board Statement no. 39, *Determining Whether Certain Organizations Are Component Units*. Accordingly, the financial statements of the Foundation are discretely presented in the College's financial statements in accordance with the provisions of GASB Statement no. 39.

During the year ended June 30, 2023, the Foundation distributed \$122,367 to the College for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Finance Office, Southern Arkansas University Tech, PO Box 3499, Camden, AR 71711.

The Foundation's financial information in the College's financial statements has been presented on the accrual basis of accounting in accordance with generally accepted accounting principles. No modifications have been made to the Foundation's financial information in the College's financial statements.

Financial Statement Presentation

In June 1999, the Governmental Accounting Standards Board (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 this in November 1999. The financial statement presentation required by GASB No. 34 and No. 35, as amended, provides a comprehensive, entity-wide perspective of the College's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position, and cash flows, and replaces the fund-group perspective previously required.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

Capital Assets and Depreciation

Land, buildings, improvements and infrastructure, equipment, library holdings, and construction in progress are reported at cost or estimated historical cost if actual data is not available. Donated capital assets are reported at acquisition value when received. The College follows the State guidelines for equipment capitalization. The capitalization threshold for intangible assets is \$1,000,000.

Depreciation is computed using the straight-line method over the estimated lives of the assets, generally 30 years for buildings, 20 years for infrastructure and land improvements, 15 years for library holdings, and 5 to 15 years for equipment. A half year of depreciation is taken in the year the asset is placed in service and a half year of depreciation is taken in the year of disposition.

Leases

GASB 87 became effective July 1, 2021, and required recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The leases were recognized based on the facts and circumstances that existed as of the implementation date of July 1, 2021.

As the lessee, Southern Arkansas University Tech had several lease contracts for computers and copy machines. Lease contracts for computers are generally for 36 months with payments due every 3 months. Copy machine contracts range from 1 to 4 years with payments due monthly. There is also a postage machine lease that was for 60 months with payments due every 3 months. The college adopted a policy in the 22/23 year to establish a threshold of \$25,000 for the capitalization of such leases.

As the lessor, the College leased radio tower space to 2 companies, with terms that last from 1 to 2 years and require monthly payments. Southern Arkansas University Tech leased building space at the Ross Center for a 2 year term with payment due monthly, but sold the building at the end of that term. The College received \$38,993 in lease revenue and \$484 in interest, for a total of \$39,477 from the 3 leases as of June 30, 2023.

Subscription-Based Information Technology Arrangements

GASB 96 became effective July 1, 2022, and established standards of accounting and financial reporting for subscription-based information technology arrangements (SBITA). GASB 96 defines a SBITA, establishes that a SBITA would result in a right-to-use IT subscription asset and a corresponding liability, provides capitalization criteria, and requires a new note disclosure. In fiscal year 2023, an intangible right-to-use asset and corresponding liability were recognized at the commencement of the subscription term, which is the date the subscription asset was placed into service. Additional information is included in Notes 4 and 5.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

Operating and Nonoperating Revenues

Southern Arkansas University Tech has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating Revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and (3) most federal, state, and local grants and contracts.

Non-operating Revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, such as state appropriations, Pell Grants, and investment income.

Cash Equivalents

For purposes of the statement of cash flows, the College 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.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprises provided to students, faculty, and staff. Accounts receivable also includes amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts.

Inventories

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

Advances

Advances include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period.

Compensated Absences Payable

Employees accrue and accumulate annual leave in accordance with policies established by the Board of Trustees. Full-time employees accrue annual leave at a variable rate (from 8 to 15 hours per month) depending upon the number of years employed in state government and whether the employee is classified or non-classified. An employee may carry accrued leave forward from one calendar 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. Classified employees with at least 50 days of accumulated sick leave are entitled to payment of accumulated sick leave. The College accrues the dollar value of sick leave benefits which are payable upon retirement or death of its classified employees.

SOUTHERN ARKANSAS UNIVERSITY TECH
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of revenue bonds and leases payable with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and related matching costs that will not be paid within the next fiscal year, (3) the net OPEB obligation, and (4) the net pension liability.

Pensions

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Arkansas Teacher Retirement System (ATRS) and Arkansas Public Employees Retirement System (APERS) and additions to and deductions from ATRS and APERS fiduciary net positions have been determined on the same basis as they are reported by ATRS and APERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Restricted/Unrestricted Resources

The College has no formal policy addressing which resources to use when both restricted and unrestricted net assets are available for the same purpose. College personnel decide which resources to use at the time expenses are incurred.

NOTE 2: Public Fund Deposits and Investments

Cash deposits are carried at cost. Southern Arkansas University Tech's cash deposits at year-end are shown below:

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 8,142,436	\$ 8,559,206

The above deposits include demand deposits with trustees of \$225, but do not include cash on deposit in the state treasury, cash on hand, or interagency cash in transit in the amounts of \$1, \$850, \$124,165, respectively.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of the failure of a depository financial institution, the College 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 College does not have a formal deposit policy for custodial credit risk. At June 30, 2023, the College was enrolled in an insured cash sweep program that provides FDIC coverage of all of SAU Tech's deposits. Cash deposits are moved into various banks in amounts not to exceed the FDIC coverage for each bank. There was no custodial credit risk to the College.

NOTE 3: Income Taxes

Southern Arkansas University Tech is tax exempt under 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 TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: Capital Assets

Following are the changes in capital assets for the year ended June 30, 2023:

	Balance		Transfers	Retirements	Balance
	July 1, 2022	Additions			June 30, 2023
Capital assets not being depreciated					
Land and improvements	\$ 1,490,893			\$ (73,855)	\$ 1,417,038
Construction in Process	1,561,117	\$ 2,564,390	\$ (2,051,776)		2,073,731
Total capital assets not being depreciated	\$ 3,052,010	\$ 2,564,390	\$ (2,051,776)	\$ (73,855)	\$ 3,490,769
Other capital assets					
Improvements and infrastructure	\$ 1,366,848	\$ 71,508	\$ 293,491	\$ (245,429)	\$ 1,486,418
Buildings	46,007,502	494,586	1,758,285	(700,535)	47,559,838
Equipment	7,116,400	281,406		(40,297)	7,357,509
Library holdings	454,333	11,074		(88,255)	377,152
Right-to-Use Assets-equipment leases	318,446	155,425		(90,711)	383,160
Right-to-Use Assets-SBITAs		776,263			776,263
Total other capital assets	55,263,529	1,790,262	2,051,776	(1,165,227)	57,940,340
Less accumulated depreciation for					
Improvements and infrastructure	(896,539)	(66,675)		165,333	(797,881)
Buildings	(22,874,374)	(1,123,593)		565,618	(23,432,349)
Equipment	(5,012,214)	(460,094)		40,298	(5,432,010)
Library holdings	(286,939)	(25,685)		88,255	(224,369)
Right-to-Use Assets-equipment leases	(99,747)	(157,884)		90,711	(166,920)
Right-to-Use Assets-SBITAs		(64,689)			(64,689)
Total accumulated depreciation	(29,169,813)	(1,898,620)	-	950,215	(30,118,218)
Other capital assets, net	\$ 26,093,716	\$ (108,358)	\$ 2,051,776	\$ (215,012)	\$ 27,822,122
Capital Asset Summary:					
Capital assets not being depreciated	\$ 3,052,010	\$ 2,564,390	\$ (2,051,776)	\$ (73,855)	\$ 3,490,769
Other capital assets, at cost	55,263,529	1,790,262	2,051,776	(1,165,227)	57,940,340
Total cost of capital assets	58,315,539	4,354,652		(1,239,082)	61,431,109
Less accumulated depreciation	(29,169,813)	(1,898,620)		950,215	(30,118,218)
Capital Assets, net	\$ 29,145,726	\$ 2,456,032		\$ (288,867)	\$ 31,312,891

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5: Long-Term Liabilities

Debt payments on bonds amounted to \$312,806 for the fiscal year ended June 30, 2023.

A summary of long-term liabilities is as follows:

Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized and Issued	Debt Outstanding June 30, 2023	Maturities To June 30, 2023
2/6/2018	9/1/2042	4.5%	\$ 865,000	\$ 765,000	\$ 100,000
2/6/2018	9/1/2042	1.7% - 3.85%	4,310,000	3,690,000	620,000
		Unamortized discount	<u>(46,575)</u>	<u>(36,450)</u>	<u>(10,125)</u>
Totals			<u>\$ 5,128,425</u>	<u>\$ 4,418,550</u>	<u>\$ 709,875</u>

The changes in long-term liabilities are as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts due within one year
Revenue bonds payable	\$ 4,605,000		\$ 150,000	\$ 4,455,000	\$ 160,000
Bond discount	(38,319)		(1,869)	(36,450)	(1,869)
Leases payable	216,978	\$ 155,424	155,758	216,644	113,029
SBITA payable		373,913		373,913	120,078
Compensated absences	432,118	417,941	406,986	443,073	70,983
Totals	<u>\$ 5,215,777</u>	<u>\$ 947,278</u>	<u>\$ 710,875</u>	<u>\$ 5,452,180</u>	<u>\$ 462,221</u>

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5: Long-Term Liabilities (Continued)

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

Year ended June 30,	Principal	Interest	Total
2024	\$ 160,000	\$ 159,884	\$ 319,884
2025	165,000	155,184	320,184
2026	170,000	150,354	320,354
2027	175,000	145,000	320,000
2028	180,000	139,075	319,075
2029-2033	985,000	597,572	1,582,572
2034-2038	1,195,000	397,656	1,592,656
2039-2043	1,425,000	144,865	1,569,865
Totals	<u>\$ 4,455,000</u>	<u>\$ 1,889,590</u>	<u>\$ 6,344,590</u>

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

Year ended June 30,	Principal	Interest	Total
2024	\$ 113,029	\$ 6,563	\$ 119,592
2025	88,106	2,593	90,699
2026	15,509	207	15,716
Totals	<u>\$ 216,644</u>	<u>\$ 9,363</u>	<u>\$ 226,007</u>

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

Year ended June 30,	Principal	Interest	Total
2024	120,079	14,022	134,101
2025	124,581	9,519	134,100
2026	129,253	4,847	134,100
Totals	<u>\$ 373,913</u>	<u>\$ 28,388</u>	<u>\$ 402,301</u>

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6: Bonds Payable and Pledged Revenues

Student Fee Secured Refunding Bonds, Series 2018-A, issued in the original amount of \$4,310,000 and maturing in varying amounts to September 1, 2042, with variable interest rates from 1.7% to 3.85% \$3,690,000

Student Fee Secured Refunding Bonds, Series 2018-B, issued in the original amount of \$865,000 and maturing in varying amounts to September 1, 2042, with an interest rate of 4.5% 765,000

\$4,455,000

Pledged Revenues consisted of the following at June 30, 2023:

Bond Issue	Maturity Date	Purpose of Debt	Remaining Principal & Interest	FY 23 Principal & Interest	Revenue Source	FY23 Revenue	% of Rev Pledged in FY23
2018-A Series	2042	Student Center Construction	\$5,184,602	\$ 258,231	Student Fees	\$5,169,649	5.00%
2018-B Series	2042	Student Center Construction	\$1,159,988	\$ 54,575	Student Fees	\$5,169,649	1.06%

NOTE 7: Commitments

The College was contractually obligated for the following at June 30, 2023:

Construction Contracts

<u>Project Name</u>	<u>Estimated Completion Date</u>	<u>Contract Balance</u>
Shumaker Barracks Restoration Diversified Construction & Design	October 2023	\$ 457,156
CADM Architect-All projects	October 2023	160,211
Total		<u>\$ 617,367</u>

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8: Defined Contribution Retirement Plans

Teachers Insurance and Annuity Association (TIAA)

Plan Description. The College participates in TIAA, a defined contribution plan. The plan is a 403(b) program as defined by Internal Revenue Service Code of 1986 as amended, and is administered by TIAA. TIAA is an insurance company offering participants a traditional annuity with guaranteed principle and a specific interest rate plus the opportunity for additional growth through dividends. Variable annuities are also offered. Arkansas law authorizes participation in the plan.

Funding Policy. TIAA is a contributory plan. Members select a contribution rate that is at minimum 6% of earnings, but contributions can be up to the IRS dollar limit, which was \$22,500 in 2023. The College contributes 10% of earnings to the plan. The participants' and College's contributions for the year ended June 30, 2023, were \$311,089 and \$516,094, respectively.

Lincoln Financial Group Retirement Plan

Plan Description. The College contributes to the Lincoln Financial Group Retirement Plan, a defined contribution plan. The plan is a 403(b) program as defined by Internal Revenue Service Code of 1986 as amended, and is administered by Lincoln National. The administrator provides insurance policies and annuity contracts, which become the property of the participant, when issued.

Funding Policy. The participants' contributions are tax-sheltered and must be at least 6% of earnings, but contributions can be up to the IRS dollar limit, which was \$22,500 in 2023. The College's contribution rate is 10%. Participants become vested after one year. The participants' and the College's contributions for the year ended June 30, 2023, were \$2,453 and \$2,453, respectively.

Southern Arkansas University Tech Defined Contribution Retirement Plan

Plan Description. The College contributes to the Southern Arkansas University Tech Retirement Plan, a defined contribution plan. The plan is a 403(b) program as defined by the Internal Revenue Service Code of 1986 as amended, and is administered by VALIC. The administrator provides insurance policies and annuity contracts, which become the property of the participant, when issued.

Funding Policy. The participant's contributions are tax-sheltered and must be at least 6% of earnings, but contributions can be up to the IRS dollar limit, which was \$22,500 in 2023. The College's contribution rate is 10%. Participants become vested after one year. The participants' and the College's contributions for the year ended June 30, 2023, were \$5,437 and \$5,437, respectively.

NOTE 9: Defined Benefit Retirement Plans

General Information. Eligible employees of Southern Arkansas University Tech are provided with pensions through the Arkansas Teacher Retirement System (ATRS), administered by the Arkansas Teacher Retirement System board of trustees, and Arkansas Public Employees Retirement System (APERS), administered by the Arkansas Public Employees Retirement System board of trustees. ATRS and APERS are cost-sharing multiple-employer defined benefit plans. Benefit provisions and contribution provisions are established and amended by Arkansas Code Title 24.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Each plan issues a publicly available financial report, which may be obtained by contacting the appropriate plan:

Arkansas Teacher Retirement System 1400 West Third Street Little Rock, AR 72201 (501) 682-1517 https://www.artrs.gov/publications	Arkansas Public Employees Retirement System 124 W. Capitol, Suite 400 Little Rock, AR 72201-3704 (501) 682-7800 http://www.apers.org/annualreports/index.php
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Arkansas Teacher Retirement System

Summary of Significant Accounting Policies. For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arkansas Teacher Retirement System (ATRS) and additions to and deductions from ATRS fiduciary net position have been determined on the same basis as reported by ATRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits provided. ATRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Members are eligible for full retirement benefits at age 60 with five or more years of actual or reciprocal service or at any age with 28 or more years of credited service. Members with 25 years of actual or reciprocal service who have not attained age 60 may receive an annuity reduced by 10/12 of 1% multiplied by the number of months by which the early retirement precedes the earlier of (1) completion of 28 years of credited service or (2) attainment of age 60. The normal retirement benefit, paid monthly, is determined based on (1) the member's final average salary and (2) the number of years of service. Disability benefits are payable to members who are vested and demonstrate total and permanent incapacity to perform the duties of their position while in active employment. The disability annuity is computed in the same manner as the age and service annuity. Survivor benefits are payable to qualified survivors upon the death of an active, vested member. Eligible spouse survivors receive an annuity based on the member's years of service credit prior to their death, and minor child survivors receive a percentage of the member's highest salary earned. ATRS also provides a lump sum death benefit for active and retired members, with 10 years of actual service. A cost of living adjustment (COLA) is payable on July 1 of each year to retirees, certain survivors, and annuity beneficiaries who received monthly benefits for the previous 12 months. The COLA is calculated by multiplying 100% of the member's base retirement annuity by 3%.

Contributions. The funding policy of ATRS provides for periodic employer contributions at statutorily established rates based on annual actuarial valuations. For the fiscal year ended June 30, 2023, the employer contribution rate was 15.00% of covered payroll. Contributions to ATRS from Southern Arkansas University Tech were \$119,489 for the year ended June 30, 2023.

ATRS has contributory and non-contributory plans. The contributory plan has been in effect since the beginning of the plan. Contributory members of ATRS contribute 7% of their gross wages. The noncontributory plan began July 1, 1986. Effective July 1, 1999, all new members, including any former active members, were automatically enrolled as noncontributory members. Active members as of July 1, 1999, were allowed to make an irrevocable choice between the contributory or noncontributory plans. Employee contributions are refundable if covered employment terminates before a monthly benefit is payable.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Arkansas Teacher Retirement System (Continued)

Pension liability. At June 30, 2023, Southern Arkansas University Tech's proportionate share of the net pension liability was \$1,428,625. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The college's proportion of the collective net pension liability was .0271% and was based on the colleges' proportionate share of contributions.

Pension expense. For the year ended June 30, 2023, Southern Arkansas University Tech recognized a reduction of pension expense of \$166,497. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,536	\$ 3,075
Net difference between projected and actual investment earnings on pension plan investments	209,098	
Changes of Assumptions	148,234	
Changes in proportion and differences between employer contributions and proportionate share of contributions		514,732
Contributions subsequent to the measurement date	119,489	
	\$ 504,357	\$ 517,807

\$119,489 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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:	
2024	\$(90,582)
2025	(74,762)
2026	(108,201)
2027	140,606

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Arkansas Teacher Retirement System (Continued)

Actuarial Assumptions - The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Wage inflation rate	2.75%
Salary increases	2.75 – 7.75%
Investment rate of return	7.25% compounded annually

Mortality table: Pub-2010 Healthy Retired, General Disabled Retiree, and General Employee Mortality weighted tables were used for males and females. Mortality rates were adjusted for future mortality.

Table	Scaling Factor	
	Males	Females
Healthy Retirees	105%	105%
Disabled Retirees	104%	104%
Active Members	100%	100%

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

Investment Rate of Return - 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 expense and inflation) are developed for each major 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 were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary.

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

Asset Allocation	Target Allocation	Long-Term Expected Real Rate of Return
Total Equity	53.00%	5.30%
Fixed Income	15.00%	1.30%
Alternatives	5.00%	4.80%
Real Assets	15.00%	4.00%
Private Equity	12.00%	7.60%
Cash Equivalents	0.00%	0.50%
	100.00%	

SOUTHERN ARKANSAS UNIVERSITY TECH
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Arkansas Teacher Retirement System (Continued)

Single Discount Rate – A single discount rate of 7.25% was used to measure the total pension liability based on the expected rate of return on pension plan investments. The current member and employer contribution rates are 7.00% and 15.00% of active member payroll, respectively. The projection of cash flows used to determine this single discount rate assumed that member and employer contributions will be made in accordance with this schedule. 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 College’s proportionate share of the net pension liability to changes in the discount rate - The following presents the College’s proportionate share of the plan’s net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher.

	1% Decrease	Current Rate	1% Increase
	6.25%	7.25%	8.25%
Net Pension Liability	\$ 2,271,052	\$ 1,428,625	\$ 729,716

Arkansas Public Employees Retirement System

Summary of Significant Accounting Policies. For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arkansas Public Employees Retirement System (APERS) and additions to and deductions from APERS fiduciary net position have been determined on the same basis as reported by APERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits provided. APERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The normal retirement benefit, paid on a monthly basis, is determined based on (1) the member’s final average compensation (an average of the highest 36 month’s earnings) and (2) the number of years of credited service. Retiree benefit increases are calculated each year on July 1 for the following 12 months. The re-determined amount is the amount of the benefit payable as of the immediately preceding July 1, increased by 3%. Members are eligible for full retirement benefits (1) at any age with 28 years of credited service; (2) at age 65 with five years of actual service, except for members of the General Assembly who must have 10 years of actual service if the member only has service as a member of the General Assembly; or (3) at age 55 with 35 years of credited service as an elected official or public safety member. Members are eligible for reduced benefits (1) at any age with at least 25 years but less than 28 years of actual service; or (2) at age 55 with five years of actual service. Members who are defined as a public safety member are eligible for a reduced benefit with five years of actual service if the member is within 10 years of normal retirement age.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Arkansas Public Employees Retirement System (Continued)

Contributions. Contribution provisions applicable to the participating employers are established by the APERS' Board of Trustees and should be based on an independent actuary's determination of the rate required to fund the plan. The General Assembly and certain agencies employing individuals in public safety positions must also remit additional amounts. For the fiscal year ended June 30, 2023, the employer contribution rate was 15.32% of covered payroll. Contributions to APERS from Southern Arkansas University Tech were \$132,378 for the year ended June 30, 2023.

APERS consists of both a contributory and a non-contributory plan. The contributory plan has been in effect since the beginning of the plan and is available to all persons who became members prior to January 1, 1978. The noncontributory plan was created by Act 793 of 1977 and was effective January 1, 1978. It automatically applied to all members hired from January 1, 1978, to June 30, 2005. Act 2084 of 2005 requires that, beginning July 1, 2005, all new hires become contributory members and are required to contribute 5% of their earnings to APERS. Other noncontributory members were given the opportunity to become contributory if they so elected by December 31, 2005.

During a member's participation in the APERS deferred retirement option plan (DROP), the employer continues to make contributions and the employee ceases to make contributions.

Pension liability. At June 30, 2023, Southern Arkansas University Tech's proportionate share of the net pension liability was \$1,136,324. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The college's proportion of the collective net pension liability was .0421% and was based on the colleges' proportionate share of contributions.

Pension expense. For the year ended June 30, 2023, Southern Arkansas University Tech recognized a reduction of pension expense of \$22,818. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,276	\$ 13,719
Net difference between projected and actual investment earnings on pension plan investments	239,709	
Changes of Assumptions		
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,471	278,481
Contributions subsequent to the measurement date	132,378	
	<u>\$ 402,834</u>	<u>\$ 292,200</u>

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Arkansas Public Employees Retirement System (Continued)

\$132,378 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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:	
2024	\$ (67,175)
2025	(81,852)
2026	(39,888)
2027	167,171

Actuarial Assumptions. The total pension liability, net pension liability, and certain sensitivity information was determined by an actuarial valuation as of June 30, 2022. The significant assumptions used in the valuation and adopted by the APERS Board of Trustees, were as follows:

Actuarial cost method	Entry Age Normal
Discount rate	7.15%
Wage inflation rate	3.25%
Salary increases	3.25% - 9.85%
Investment rate of return	7.15%

Mortality rates were based on the 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.

All other actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2017 and were applied to all prior periods included in the measurement.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Arkansas Public Employees 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage and by adding expected price inflation. Best estimates of arithmetic real rates of return for the 10-year period from 2020 to 2029 were based upon capital market assumptions provided by plan's investment consultant. For each major asset class included in the plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

Asset Allocation	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37.00%	6.22%
International Equity	24.00%	6.69%
Real Assets	16.00%	4.81%
Absolute Return	5.00%	3.05%
Domestic Fixed	18.00%	0.57%
Total	100.00%	

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 Net Pension Liability to Changes in the discount rate - The following presents the plan's net pension liability, calculated using a single discount rate of 7.15%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher.

	1% Decrease	Current Rate	1% Increase
	6.15%	7.15%	8.15%
Net Pension Liability	\$ 1,806,548	\$ 1,136,324	\$ 582,995

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Arkansas Local Police and Fire Retirement System

The Arkansas Local Police and Fire Retirement System is a cost-sharing multiple-employer defined benefit pension plan.

Summary of Significant Accounting Policies. For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arkansas Local Police and Fire Retirement System (LOPFI) and additions to and deductions from LOPFI fiduciary net position have been determined on the same basis as reported by LOPFI. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits provided:

Benefit Program 1: Pension benefits to a member with five or more years (10 or more years for members hired on or after July 1, 2013) of credited service in force who has attained his normal retirement age consist of an annuity equal to the following:

- a. For each year of paid service resulting from employment in a position not also covered by Social Security, 2.94% of his final average pay; plus
- b. For each year of paid service resulting from employment in a position also covered by Social Security, 1.94% of his final average pay. In addition, if such member is retiring and if such member's age at retirement is younger than Social Security's minimum age for an unreduced retirement benefit, then such member receives a temporary annuity equal to 1% of his final average pay for each such year of paid service. Such temporary annuity terminates at the end of the calendar month in which the earliest of the following events occur: such member's death; or his attainment of such Social Security minimum age for unreduced benefits.
- c. In no event will the total of a. plus b. exceed, at time of retirement, 100% of such final average pay; plus
- d. Effective July 1, 2022, for each year of volunteer service, \$7.61 per month, to a maximum of \$304.40 monthly.
- e. Before the date that the first payment of his annuity becomes due, but not thereafter, a member may elect in writing to receive his annuity as a life annuity or he may elect to have his life annuity reduced but not any temporary annuity which may be payable, and nominate a beneficiary in accordance with the provisions of one of four options. If a member does not elect an option, their annuity shall be paid to him or her as a life annuity.

Benefit Program 2: For each year of paid service rendered on or after the election date of Benefit Program 2 and resulting from employment in a position not also covered by Social Security, 3.28% of his or her final average pay, plus for each year of paid service rendered on or after the election date of Benefit Program 2 and resulting from employment in a position also covered by Social Security, 2.94% of his or her final average pay.

A member will receive disability benefits computed in the same manner as normal retirement benefits if the member has five or more years of credited service (or 10 years of actual service if hired on or after July 1, 2013) and terminates employment because of becoming totally and permanently disabled from non-duty related causes. If the disability is determined to be duty related, a benefit is 65% of the member's final average pay. Prior to that date, the benefit was computed as if the member had completed 25 years of service.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Arkansas Local Police and Fire Retirement System (Continued)

Deferred Retirement Option Plan (DROP): During 1993, the Arkansas General Assembly passed legislation (Acts 757 and 1004) allowing paid policemen and firefighters to elect to continue working for a period of 10 years past normal retirement age if a member of a local plan. In 2003, the Arkansas General Assembly passed legislation (Act 1734) affording paid members of LOPFI the same opportunity to continue working past normal retirement age with the maximum term being seven years.

This DROP is only available to participants having at least 20 years of paid service. In addition, Act 829 of 2015 allows up to 36 months of actual LOPFI volunteer service credit to be used toward DROP eligibility. The DROP member continues his payroll withholding, the employee's contribution is credited according to law to the defined benefit pension plan and the DROP, and the monthly benefits that would have been payable had the member elected to cease employment and receive a service retirement shall be paid into a separate DROP account.

Contributions.

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by Social Security. The different employee contribution rates are:

- a. Paid service not covered by Social Security: 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- b. Paid service also covered by Social Security: 2.5% of gross pay beginning July 1, 2009; no employee contributions prior to that date
- c. Paid service-benefit program 2: 8.5% of gross pay beginning July 1, 2009; 6% prior to that date
- d. Volunteer service: no employee contribution

The employer contribution rate is adjusted automatically every year to reflect changes in the composition of the employee group and other factors which affect cost. Contributions are determined on an actuarial basis in order to ensure that the individual system employers can honor their benefit commitments to covered employees. The individual entry age actuarial cost method of valuation is used in determining normal cost

For the fiscal year ended June 30, 2023 the employer contribution rate was 23.72% of covered payroll. Contributions to LOPFI from Southern Arkansas University Tech were \$5,946 for the year ended June 30, 2023.

Pension liability. At June 30, 2023, Southern Arkansas University Tech's proportionate share of the net pension liability was \$75,175. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The college's proportion of the collective net pension liability was .00704% and was based on the colleges' proportionate share of contributions.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Arkansas Local Police and Fire Retirement System (Continued)

Pension expense. For the year ended June 30, 2023, Southern Arkansas University Tech recognized pension expense of \$20,824. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,942	
Net difference between projected and actual investment earnings on pension plan investments	18,299	
Changes of Assumptions	820	\$ 5,829
Changes in proportion and differences between employer contributions and proportionate share of contributions	36,119	
Contributions subsequent to the measurement date	5,946	
	\$ 66,126	\$ 5,829

\$5,946 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of pension expense as follows:

Year ended June 30:	
2024	\$ 17,148
2025	18,732
2026	9,818
2027	8,653

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans (Continued)

Arkansas Local Police and Fire Retirement System (Continued)

Actuarial Assumptions. The total pension liability, net pension liability, and certain sensitivity information was determined by an actuarial valuation as of December 31, 2022. The significant assumptions used in the valuation and adopted by the LOPFI Board of Trustees, were as follows:

Wage Inflation	3.00%
Price Inflation	2.25%
Investment rate of return	7.25%
Actuarial cost method	Entry age normal

Mortality rates were based on the Pub-2010 Amount-Weighted mortality tables for healthy annuitant, disability, or employee death in service, as applicable. The table for healthy annuitants was set forward one year for males and two years for females, and the tables were adjusted for fully generational mortality improvements using Scale MP-2020.

The economic actuarial assumptions used in the December 31, 2022, calculation were based on the results of an experience study covering the period from January 1, 2017 through December 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Asset Allocation	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Stock - Large Cap	21.00%	4.05%
U.S. Stock - Small Cap	21.00%	4.65%
International Equity	9.00%	5.27%
Emerging Markets	9.00%	7.49%
U.S. Corporate Bonds	25.00%	-0.35%
Real Estate	5.00%	3.76%
Private Equity	10.00%	9.10%
Total	100.00%	

Single Discount Rate – The single discount rate used to measure the total pension liability was 7.25% for the year ended December 31, 2022. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. 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 of pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9: Defined Benefit Retirement Plans- Arkansas Local Police and Fire Retirement System (Continued)

Arkansas Local Police and Fire Retirement System (Continued)

Sensitivity of the Net Pension Liability to Changes in the discount rate - The following presents the plan's net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher.

	1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 111,940	\$ 75,175	\$ 45,424

NOTE 10: Other Post Retirement Benefits

Plan description. The College contributes to the Blue Choice Point of Service Plan, a single-employer defined benefit plan administered by Health Advantage. The administrator provides health insurance benefits to retired employees who have had ten years of continuous service and who are at least 55 years of age. A retiree from age 55-61 may remain a member of the health insurance group until age 65 at the cost to the retiree. The college will pay the health insurance premium for retirees aged 62 to 65 and will also pay the premium for retirees whose age (55 to 65) plus years of service total 75 or more.

Benefit terms. The plan is financed on a pay-as-you-go basis. Participating retirees from age 55-61 are required to contribute \$545.87 per month to remain a member of the health insurance group until the age of 65. Depending on the retirees' last annual salary, the College contributes from a range of \$525.87 to \$540.87 per month to the health plan of participating new retirees that are age 62-64 and to the health plan of participating new retirees whose age (55-64) plus years of service (minimum 15) total 75 or more. To continue dependent, spousal, or family coverage for any of the options, the participating retiree is required to contribute an additional \$262.21, \$644.26, or \$960.61, respectively. The College Chancellor is the authority under which the plan's benefit provisions are established or amended. Recommendations for modifications and amendments to the plan are brought to the Chancellor by the Vice Chancellor of Finance and Administration, discussed by the Vice Chancellor's Council, and approved by the Chancellor.

Employees covered by benefit terms. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	13
Active employees	<u>143</u>
	156

Contributions. The College Chancellor is the authority under which the plan's contribution requirements of the College and employees are established or amended. The Chancellor approves rates determined through contractual negotiations with Health Advantage. For the year ended June 30, 2023, the average contribution rate was 1.12% percent of covered-employee payroll.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10: Other Post Retirement Benefits (Continued)

OPEB Liability. At June 30, 2023, Southern Arkansas University Tech's total OPEB liability was \$1,720,718. The net OPEB liability was measured as of June 30, 2023, and was determined based on a "roll-forward" of the June 30, 2022, actuarial valuation.

OPEB expense and deferred outflows. For the year ended June 30, 2023, Southern Arkansas University Tech recognized OPEB expense of \$177,810. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 196,257	\$ 134,034
Changes of Assumptions	67,980	240,951
	\$ 264,237	\$ 374,985

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Inflow of Resources
2024	(14,563)
2025	(14,563)
2026	(14,563)
2027	(14,563)
2028	(14,563)
Thereafter	(37,933)
Total	(110,748)

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement no. 75.
(Per GASB 75 Paragraph 165 (d).

Actuarial assumptions. The OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date:

Actuarial cost method	Entry Age Normal Method
Discount rate	3.13% at 6/30/2017 2.98% at 6/30/2018 2.79% at 6/30/2019 2.66% at 6/20/2020 2.18% at 6/30/2021 4.09% at 6/30/2022 4.13% at 6/30/2023

SOUTHERN ARKANSAS UNIVERSITY TECH
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023

NOTE 10: Other Post Retirement Benefits (Continued)

Actuarial assumptions (Continued)

Inflation rate 3.00%

Healthcare cost trend rates 8% next year, 7.5% the second year, 7% the third year, 6.5% the fourth year with the rate decreasing by .5% each year, to an ultimate rate of 5%, then 4.75% thereafter.

Mortality rates were based on the Pub-T 2010 Mortality Table (headcount basis), projected generationally with Scale MP 2019. The life expectancy according to this table is as follows:

<u>Age</u>	<u>Males</u> <u>2030</u>	<u>Males</u> <u>2040</u>	<u>Females</u> <u>2030</u>	<u>Females</u> <u>2040</u>
55	33.39	34.21	35.91	36.67
65	23.38	24.15	25.69	26.42
75	14.55	15.20	16.41	17.05

Single Discount Rate. The discount rate used to measure the total OPEB liability was 4.13%. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be projected and compared to the obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required. The single discount rate is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. For the purpose of this evaluation, the expected rate of return on OPEB program investments is 4.13%; the municipal bond rate is 4.13%; the resulting single discount rate is 4.13%.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10: Other Post Retirement Benefits (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at 06/30/2022	\$1,604,417
Changes for the year:	
Service cost	125,653
Interest	66,720
differences between expected and actual experience	0
Employer contributions	0
Employee contributions	0
Net investment income	0
Benefits and refunds	(71,897)
Admin expenses	0
Assumption change	(4,175)
Net changes	116,301
Balances at 06/30/2023	\$1,720,718

Sensitivity of the Total OPEB liability to changes in the discount rate. The following presents the Total OPEB liability of Southern Arkansas University Tech, calculated using a single discount rate of 4.13%, as well as what the Total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher:

	1% Decrease 3.13%	Discount Rate 4.13%	1% Increase 5.13%
Total OPEB liability (asset)	\$ 1,830,472	\$ 1,720,718	\$ 1,618,191

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the College, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher:

	1% Decrease in HCCTR	Assumed HCCTR	1% Increase in HCCTR
Total OPEB liability (asset)	\$ 1,546,728	\$ 1,720,718	\$ 1,929,689

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11: Natural Classifications By Function

The College's operating expenses by functional classifications were as follows:

	Personal services	Scholarships and fellowships	Supplies and services	Depreciation	Total
Instruction	\$ 5,193,174		\$ 1,970,556		\$ 7,163,730
Public service	2,571		1,229		3,800
Academic support	881,742		460,194		1,341,936
Student services	1,163,887		1,418,770		2,582,657
Institutional support	1,848,832		836,000		2,684,832
Scholarships and fellowships		\$ 1,424,468			1,424,468
Operations and maintenance of plant	639,811		1,346,951		1,986,762
Auxiliary enterprises	270,130		613,993		884,123
Depreciation				\$ 1,898,620	1,898,620
Total	\$ 10,000,147	\$ 1,424,468	\$ 6,647,693	\$ 1,898,620	\$ 19,970,928

NOTE 12: Disaggregation of Receivable and Payable Balances

Accounts receivable from students were \$425,760 at June 30, 2023. This amount was reduced by an allowance for doubtful accounts of \$130,472.

Other receivables of \$1,798,928 at June 30, 2023 consisted of \$502,126 from state sources, \$922,409 from the federal government, and \$374,393 from miscellaneous sources. The other receivables amount was reduced by an allowance for doubtful accounts of \$166.

The June 30, 2023 accounts payable and accrued liabilities of \$611,309 consisted of \$377,306 due to vendors, \$134,399 for salaries and fringe benefits, \$55,406 accrued for interest payable on long term debt, \$19,927 payable to other state agencies and \$24,271 due to others.

NOTE 13: Risk Management

The College 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 College carries a professional liability insurance policy for Fire Training Academy Emergency Medical Training Students. The liability limits are \$1,000,000 each claim and \$5,000,000 aggregate. The College pays an annual premium for this coverage

The College carries a professional liability insurance policy for nursing students. The liability limits are \$1,000,000 each claim and \$3,000,000 aggregate. The College pays an annual premium for this coverage.

SOUTHERN ARKANSAS UNIVERSITY TECH
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13: Risk Management (Continued)

The College 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 College. The College contributes quarterly to this program.

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

The College 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. The Department of Finance and Administration withholds the premium from the College’s State Treasury Funds.

Settled claims have not exceeded the commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

NOTE 14: Related Party Transaction

Mr. Monty Harrington is a member of the Board of Trustees of the Southern Arkansas University System through January 13, 2028. Mr. Harrington is the Magnolia market president of Farmers Bank & Trust. In July 2013, the College deposited substantially all of its operational deposits into the Farmers Bank & Trust.

SOUTHERN ARKANSAS UNIVERSITY TECH
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
June 30, 2023

Other Postemployment Benefits (OPEB)

Schedule of Changes in the Employers' Total OPEB Liability and Related Ratios

Fiscal year ending June 30,	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 125,653	\$ 120,328	\$ 112,466	\$ 110,666	\$ 107,712	\$ 105,426	
Interest	66,720	34,732	38,708	42,650	41,723	40,083	
Benefit changes	0	0	0	0	0	0	
Difference between actual & expected experience	0	239,869	0	(210,626)	0	0	
Assumption changes	(4,175)	(289,858)	45,094	29,976	17,542	13,086	
Benefit payments	(71,897)	(67,404)	(56,934)	(37,166)	(42,600)	(37,871)	
Net change in Total OPEB liability	116,301	37,667	139,334	(64,500)	124,377	120,724	
Total OPEB liability-beginning	1,604,417	1,566,750	1,427,416	1,491,916	1,367,539	1,246,815	
Total OPEB liability-ending	<u>\$ 1,720,718</u>	<u>\$ 1,604,417</u>	<u>\$ 1,566,750</u>	<u>\$ 1,427,416</u>	<u>\$ 1,491,916</u>	<u>\$ 1,367,539</u>	<u>\$ 1,246,815</u>
Plan Fiduciary Net Position							
Contributions-employee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions-employer	71,897	67,404	56,934	37,166	42,600	37,871	25,998
Net investment income	0	0	0	0	0	0	0
Benefit payments	(71,897)	(67,404)	(56,934)	(37,166)	(42,600)	(37,871)	(25,998)
Administrative expense	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Net changes in plan net position	0	0	0	0	0	0	0
Plan fiduciary net position-beginning	0	0	0	0	0	0	0
Plan fiduciary net position-ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total OPEB Liability-Ending	<u>\$ 1,720,718</u>	<u>\$ 1,604,417</u>	<u>\$ 1,566,750</u>	<u>\$ 1,427,416</u>	<u>\$ 1,491,916</u>	<u>\$ 1,367,539</u>	<u>\$ 1,246,815</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 6,428,416	\$ 6,562,337	\$ 6,203,459	\$ 6,064,336	\$ 5,922,817	\$ 6,070,897	\$ 6,194,441
Total OPEB liability as a percentage of covered employee payroll	26.77%	24.45%	25.26%	23.54%	25.19%	22.53%	20.13%

Notes to schedule:

Changes of assumptions. The assumed single discount rate was changed from 3.13% to 2.98% at 6/30/2018, 2.79% at 6/30/2019, 2.66% at 6/30/2020 (and PubG-T mortality added), 2.18% at 6/30/2021, 4.09% at 6/30/2022, 4.13% at 6/30/2023.

Information is presented for those years for which it is available until a full 10-year trend is compiled.

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

SOUTHERN ARKANSAS UNIVERSITY TECH
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 June 30, 2023

Other Postemployment Benefits (OPEB)

Schedule of Sponsor Contributions - OPEB

Plan year ending June 30	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 227,297	\$ 199,058	\$ 186,274	\$ 187,096	\$ 177,774	\$ 169,130
Contributions in relation to the actuarially determined contribution	71,897	67,404	56,934	37,166	42,600	37,871
Contribution deficiency (excess)	155,400	131,654	129,340	149,930	135,174	131,259
Covered employee payroll	\$ 6,428,416	\$ 6,562,337	\$ 6,203,459	\$ 6,064,336	\$ 5,922,817	\$ 6,070,897
Contributions as a percentage of covered employee payroll	1.12%	1.03%	0.92%	0.61%	0.72%	0.62%

Notes to schedule:

Valuation date:	Actuarially determined contributions are calculated as of June 30 after the valuation date.
Mortality:	PUB-T with MP 2019 (RP 2014 before 2020).
Actuarial cost method:	Entry age normal
Amortization method:	Level dollar over 30 years from July 1, 2017
Remaining amortization period:	25 years
Asset valuation method:	Market Value
Assumed inflation:	3.00% per year
Assumed single discount rate:	3.13% at 6/30/2017; 2.98% at 6/30/2018; 2.79% at 6/30/2019; 2.66% at 6/30/2020; 2.18% at 6/30/2021, 4.09% at 6/30/2022, 4.13% at 6/30/2023.
Assumed retirement age:	Retirements were assumed at the following rates:

Age	Retirement rate per 100 members
55 to 59	5
60	15
61	14
62	25
63	15
64	15
65	35
66	30
67	30
68	30
69	100

Note to Schedule: Information is presented for those years for which it is available until a full 10-year trend is compiled.

SOUTHERN ARKANSAS UNIVERSITY TECH
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 June 30, 2023

**Schedule of Southern Arkansas University Tech's Proportionate Share of the
 Net Pension Liability**

Arkansas Teacher Retirement System Pension Plan

FY Ending June 30,	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered employee payroll	Proportionate share of the net pension liability as a % of covered payroll	Plan fiduciary net position as a % of the total pension liability
2023	0.0271%	\$ 1,428,625	\$ 920,262	155.24%	78.85%
2022	0.0302%	835,457	987,374	84.61%	88.58%
2021	0.0391%	2,214,433	1,224,955	180.78%	74.91%
2020	0.0452%	1,885,082	1,380,574	136.54%	80.96%
2019	0.0521%	1,897,433	1,580,717	120.04%	82.78%
2018	0.0569%	2,392,158	1,686,602	141.83%	79.48%
2017	0.0628%	2,771,130	1,851,766	149.65%	76.75%
2016	0.0727%	2,366,954	2,133,934	110.92%	82.20%
2015	0.0811%	2,129,237	2,344,862	90.80%	84.98%

*The amounts presented were determined as of June 30 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 TECH
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 June 30, 2023

**Schedule of Southern Arkansas University Tech's Proportionate Share of the
 Net Pension Liability**

Arkansas Public Employees Retirement System Pension Plan

FY Ending June 30,	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered employee payroll	Proportionate share of the net pension liability as a % of covered payroll	Plan fiduciary net position as a % of the total pension liability
2023	0.0421%	\$ 1,136,324	\$ 890,866	127.55%	78.31%
2022	0.0514%	395,136	1,032,587	38.27%	93.57%
2021	0.0618%	1,770,220	1,116,521	158.55%	75.38%
2020	0.0612%	1,477,534	1,171,182	126.16%	78.55%
2019	0.0618%	1,362,136	1,254,546	108.58%	79.59%
2018	0.0845%	2,183,637	1,526,710	143.03%	75.65%
2017	0.0897%	2,145,904	1,601,894	133.96%	75.50%
2016	0.0904%	1,665,220	1,615,030	103.11%	80.39%
2015	0.0981%	1,391,338	1,734,233	80.23%	84.15%

*The amounts presented were determined as of June 30 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 TECH
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 June 30, 2023

**Schedule of Southern Arkansas University Tech's Proportionate Share of the
 Net Pension Liability**

Arkansas Local Police and Fire Retirement System

FY Ending June 30,	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered employee payroll	Proportionate share of the net pension liability as a % of covered payroll	Plan fiduciary net position as a % of the total pension liability
2023	0.0070%	\$ 75,175	\$ 29,203	257.42%	69.20%

*The amounts presented were determined as of December 31 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 TECH
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 June 30, 2023

Schedule of Southern Arkansas University Tech Contributions

Arkansas Teacher Retirement System Pension Plan

FY Ending June 30,	Contractually required contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a % of covered employee payroll
2023	\$ 119,489	\$ 119,489	0	\$ 796,589	15.00%
2022	135,739	135,739	0	920,262	14.75%
2021	143,169	143,169	0	987,374	14.50%
2020	174,556	174,556	0	1,224,955	14.25%
2019	194,712	194,712	0	1,380,574	14.10%
2018	221,337	221,337	0	1,580,717	14.00%
2017	236,125	236,125	0	1,686,602	14.00%
2016	259,248	259,248	0	1,851,766	14.00%
2015	297,939	297,939	0	2,133,934	13.96%

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

SOUTHERN ARKANSAS UNIVERSITY TECH
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 June 30, 2023

Schedule of Southern Arkansas University Tech Contributions

Arkansas Public Employees Retirement System Pension Plan

FY Ending June 30,	Contractually required contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a % of covered employee payroll
2023	\$ 132,378	\$ 132,378	0	\$ 869,952	15.22%
2022	134,954	134,954	0	890,866	15.15%
2021	157,227	157,227	0	1,032,587	15.23%
2020	170,542	170,542	0	1,116,521	15.27%
2019	179,393	179,393	0	1,171,182	15.32%
2018	185,004	185,004	0	1,254,546	14.75%
2017	220,832	220,832	0	1,526,710	14.46%
2016	232,275	232,275	0	1,601,894	14.50%
2015	236,396	236,396	0	1,615,030	14.64%

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

SOUTHERN ARKANSAS UNIVERSITY TECH
 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
 June 30, 2023

Schedule of Southern Arkansas University Tech Contributions

Arkansas Local Police and Fire Retirement System

FY Ending June 30,	Contractually required contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a % of covered employee payroll
2023	\$ 5,946	\$ 5,946	0 \$	25,067	23.72%

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

SOUTHERN ARKANSAS UNIVERSITY TECH
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS
 FOR THE YEAR ENDED JUNE 30, 2023
 (Unaudited)

Schedule 1

	Year Ended June 30,				
	2023	2022	2021	2020	2019
Total Assets and Deferred Outflows	\$ 43,424,751	\$ 41,399,649	\$ 39,634,076	\$ 34,882,511	\$ 27,905,365
Total Liabilities and Deferred Inflows	12,390,689	12,293,542	12,632,137	13,047,597	12,299,411
Total Net Position	31,034,062	29,106,107	27,001,939	21,834,914	15,605,954
Total Operating Revenues	6,917,312	5,816,972	5,307,529	5,696,301	6,101,557
Total Operating Expenses	19,970,928	19,099,948	17,247,878	15,547,025	16,054,982
Total Net Non-Operating Revenues	13,079,511	14,502,463	11,491,896	10,739,253	10,400,112
Total Other Revenues, Expenses, Gains or Losses	1,902,060	884,681	5,615,478	5,340,431	1,089,722

