

**University of Arkansas System**

**Little Rock, Arkansas**

**Basic Financial Statements  
and Other Reports**

**June 30, 2022**

LEGISLATIVE JOINT AUDITING COMMITTEE

---



UNIVERSITY OF ARKANSAS SYSTEM  
TABLE OF CONTENTS  
JUNE 30, 2022

Independent Auditor's Report  
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*  
Management Letter  
Management's Discussion and Analysis (Unaudited)

BASIC FINANCIAL STATEMENTS

	<u>Exhibit</u>
Statement of Net Position	A
University of Arkansas Foundation, Inc. – Statement of Financial Position	A-1
University of Arkansas Fayetteville Campus Foundation, Inc. – Statement of Financial Position	A-2
Statement of Revenues, Expenses, and Changes in Net Position	B
University of Arkansas Foundation, Inc. – Statement of Activities	B-1
University of Arkansas Fayetteville Campus Foundation, Inc. – Statement of Activities	B-2
Statement of Cash Flows – Direct Method	C
Notes to Financial Statements	

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the University's Proportionate Share of the Net Pension Liability – Pension Plans (Unaudited)
Schedule of the University's Contributions – Pension Plans (Unaudited)
Schedule of Changes in the University's Total Postemployment Benefits Other Than Pensions (OPEB) Liability and Related Ratios (Unaudited)
Notes to Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)

OTHER INFORMATION

	<u>Schedule</u>
Schedule of Selected Information for the Last Five Years (Unaudited)	1

SUPPLEMENTARY INFORMATION

	<u>Schedule</u>
Statement of Net Position by Campus	2
Statement of Revenues, Expenses, and Changes in Net Position by Campus	3
Statement of Cash Flows – Direct Method - by Campus	4

# Arkansas

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



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

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

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

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

University of Arkansas System  
Legislative Joint Auditing Committee

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University of Arkansas System (University), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University as of June 30, 2022, 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 Opinions***

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 did not audit the financial statements of the University of Arkansas for Medical Sciences, a unit of the System, whose statements reflect total assets and revenues constituting 34% and 53%, respectively, of the related combined totals. Additionally, we did not audit the financial statements of the University of Arkansas Foundation, Inc. and the University of Arkansas Fayetteville Campus Foundation, Inc., which represent 100% of the assets and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Arkansas for Medical Sciences, the University of Arkansas Foundation, Inc., and the University of Arkansas Fayetteville Campus Foundation, Inc., is based solely on the report of the other auditors. The financial statements of the University of Arkansas Foundation, Inc., and the University of Arkansas Fayetteville Campus Foundation, Inc. were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

##### ***Emphasis of Matter***

As discussed in Notes 1 and 23 to the financial statements, the University adopted Governmental Accounting Standards Board (GASB) Statement no. 87, *Leases*, during the year ended June 30, 2022. 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 University'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 University'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 University's ability to continue as a going concern for a reasonable period of time.

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

### ***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 9-19, 98-99, and 100-101 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 and other auditors 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Statement of Net Position by Campus (Schedule 2), the Statement of Revenues, Expenses, and Changes in Net Position by Campus (Schedule 3), the Statement of Cash Flows – Direct Method – by Campus (Schedule 4) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Net Position by Campus, the Statement of Revenues, Expenses, and Changes in Net Position by Campus, and the Statement of Cash Flows – Direct Method – by Campus are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the 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 December 13, 2022 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas  
December 13, 2022  
EDHE14122

# Arkansas

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



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

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

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

**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**

University of Arkansas System  
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the University of Arkansas System (University), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 13, 2022. Our report includes a reference to other auditors who audited the financial statements of the University of Arkansas for Medical Sciences, University of Arkansas Foundation, Inc., and University of Arkansas Fayetteville Campus Foundation, Inc., as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters associated with the University of Arkansas for Medical Sciences that are reported on separately by those auditors. The financial statements of the University of Arkansas Foundation, Inc., and the University of Arkansas Fayetteville Campus Foundation, Inc., were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the University of Arkansas Foundation, Inc., and University of Arkansas Fayetteville Campus Foundation, Inc., or that are reported on separately by those auditors who audited the financial statements of the University of Arkansas Foundation, Inc., and University of Arkansas Fayetteville Campus Foundation, Inc.

### **Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

We noted certain matters that we reported to management of the University in a separate letter dated December 13, 2022.

**Purpose of This Report**

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

ARKANSAS LEGISLATIVE AUDIT

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

Matt Fink, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
December 13, 2022

# Arkansas

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



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

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

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

### **MANAGEMENT LETTER**

University of Arkansas System  
Legislative Joint Auditing Committee

We would like to communicate the following items that came to our attention during this audit. The purpose of such comments 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. These matters were discussed previously with University officials during the course of our audit fieldwork and at the exit conference.

#### **UNIVERSITY OF ARKANSAS SYSTEM ADMINISTRATION**

Multiple campuses did not complete and submit campus-level financial statements to the System office timely. Based on the deadlines established by System administration, the campuses (except UAF and UAMS) were to provide financial statements and notes to the System office by September 2 (UAF's financial statements/notes and footnotes/management discussion and analysis were due to the System office by September 26 and October 7, respectively). The University of Arkansas at Fort Smith, University of Arkansas at Little Rock, and University of Arkansas – Pulaski Technical College campuses did not meet these deadlines. Additionally, the System office was unable to provide the consolidated report to ALA staff by the originally scheduled date of October 14, 2022, which caused additional delays to the audit process. The System office provided the consolidated financial statements on November 10, the schedules of Required Supplementary Information (RSI) on November 18, the Management's Discussion and Analysis (MD&A) on November 21, and notes on November 28.

#### **UNIVERSITY OF ARKANSAS DIVISION OF AGRICULTURE (UADA)**

1. The University of Arkansas System Internal Audit Department (IAD) conducted an audit regarding a loss of \$2,943 due to payroll identity theft for the period August 23, 2021 through September 7, 2021. The University of Arkansas Division of Agriculture (UADA) Associate Vice President for Finance and Administration initiated the investigation after discovering an employee's payroll direct deposit was not received. On August 23, 2021, the Payroll Services Specialist received an email from a personal email address, claiming to be an employee needing assistance in changing payroll direct deposit information. The Payroll Services Specialist replied to the email and sent a copy of the UADA electronic payment authorization form to be completed and returned. After receiving the completed form, the Payroll Services Specialist changed the direct deposit account information. On September 2, 2021, an employee discovered that she did not receive her August 31, 2021, payroll direct deposit and contacted the Associate Vice President for Finance and Administration. It was then discovered that the email the Payroll Services Specialist received was from a fraudulent account. The Payroll Manager was unsuccessful in recalling the payment, and as of report date, funds totaling \$2,943 have not been recovered.
2. The University of Arkansas System Internal Audit Department (IAD) conducted an audit of the supplier change management process after being notified by the University of Arkansas Division of Agriculture (UADA) Cooperative Extension Service (CES) of a potential loss of funds due to a fraudulent ACH payment. The UADA Finance Manager received a fraudulent email requesting bank information be changed for a vendor's ACH payment. After the change was made and the payment was issued, UADA received an email from the actual vendor regarding a payment notification that was received. The Cash Manager attempted to recall the transaction but was unsuccessful. UADA Management notified the bank of the fraudulent transaction and was told the funds could not be recovered due to the non-sufficient fund status of the receiving account. Due to control weaknesses in the supplier management process, UADA was unable to recover the \$80,244 that was disbursed to the fraudulent account.



### **UNIVERSITY OF ARKANSAS AT PINE BLUFF (UAPB)**

On December 22, 2021, the Associate Vice Chancellor of Finance and Administration (Associate Vice Chancellor) at the University of Arkansas at Pine Bluff discovered \$38,446 paid to unauthorized vendors for the period September 1, 2021 through December 14, 2021. Upon further review, payment documentation could not be located, and the vendor could not be verified through the Workday application. The Associate Vice Chancellor contacted University of Arkansas System Internal Audit Department (IAD) and also contacted the bank to dispute the transactions. The bank verified that the transactions were not processed using a UAPB employee's access. IAD determined that failure to reconcile bank statements resulted in the transactions not being detected timely and only \$744 being refunded by the bank. As of report date, the remaining \$37,702 had not been recovered.

### **UNIVERSITY OF ARKANSAS AT LITTLE ROCK (UALR)**

1. The University of Arkansas System Internal Audit Department (IAD) reviewed employee payroll data and determined 180 University of Arkansas at Little Rock (UALR) employees were issued payments after their employment termination dates. IAD reviewed employee profiles in the Workday application to determine the accuracy and legitimacy of these payments, and the review revealed 14 overpayments, totaling \$23,787, to 4 UALR employees. As of report date, UALR is still seeking repayment from the employees.

In addition, UALR staff notified IAD of a potential loss of funds relating to an employee overpayment. The overpayment of \$25,000 was the result of the employee being moved from a full-time visiting professor to a part-time adjunct professor in the Workday application, without the full-time position being terminated. This error allowed the employee to continue receiving payments for both positions. As of May 5, 2022, UALR had received full reimbursement from the employee.

2. The University of Arkansas System Internal Audit Department (IAD) conducted an audit regarding payroll transactions at the UALR for the period July 1, 2020 through June 30, 2021. While conducting a review to ensure all nine-month faculty were properly paid, the UALR Payroll Manager noted a Visiting Assistant Professor (Professor) was set up to receive payments for 12 months, instead of 9. Additional research revealed the Professor was terminated from employment on August 16, 2020, and overpaid \$44,633 from July 1, 2020 through May 15, 2021. Further procedures performed by IAD revealed an additional \$2,200 was garnished and paid to a creditor on behalf of the Professor after her employment termination, resulting in a total overpayment of \$46,833. As of December 2021, UALR had established a monthly repayment agreement with the Professor.

Furthermore, IAD reviewed electronic personnel action forms (EPAF) to verify that employees were paid accordingly. Using sampling techniques, IAD discovered two employees were overpaid \$1,412 and \$5,400, respectively. In addition, using data analysis to calculate the loss amount of the remaining EPAF's in the population, IAD estimated that an additional loss of \$17,723 may have occurred due to EPAF's not being processed correctly. Subsequent to IAD procedures, UALR staff determined that the actual loss was \$6,580, and repayment agreements were established to recoup the loss.

3. Review of selected expenditures revealed questionable travel-related payments totaling \$6,313 at the University of Arkansas at Little Rock. Specifically, the University paid travel costs of \$4,409 for a vendor, although the contract stated the vendor was responsible for these expenses. Additionally, the University paid travel costs totaling \$1,904 for two relatives of a staff member.

### **UNIVERSITY OF ARKANSAS, FAYETTEVILLE**

The University of Arkansas System Internal Audit Department (IAD) reviewed Workday Payroll business processes and internal controls to verify accuracy of selected financial information at the University of Arkansas, Fayetteville. A review of the Termination Details report identified 2,701 employment terminations in fiscal year 2021, including four terminated employees who received unearned payroll payments totaling \$14,190. In addition, IAD reviewed Account Receivable ledgers for salary overpayment invoices in BASIS, which was used prior to fiscal year 2021. This review revealed 88 terminated employees received overpayments totaling \$85,167 prior to fiscal year 2021. Furthermore, IAD identified 46 terminated employees in Workday who were overpaid \$93,226 in fiscal year 2021 and 9 employees who were overpaid \$15,679 in fiscal year 2022. After subsequent collections of \$49,323, the remaining loss totals \$144,749.

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, 2022, as reported to the Arkansas Division of Higher Education, to provide reasonable assurance that the data was properly reported. The enrollment data reported was as follows:

	<u>Summer II Term</u>	<u>Fall Term</u>	<u>Spring Term</u>	<u>Summer I Term</u>
	<u>2021</u>	<u>2021</u>	<u>2022</u>	<u>2022</u>
Student Headcount	8,903	60,128	54,473	16,136
Student Semester Credit Hours	35,404	694,689	627,400	76,068

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

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

ARKANSAS LEGISLATIVE AUDIT

*Matt Fink*

Matt Fink, CPA  
Deputy Legislative Auditor

Little Rock, Arkansas  
December 13, 2022

## UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis (UNAUDITED)

---

### ***Introduction***

The University of Arkansas System ("the University") is pleased to present its financial statements for the fiscal year ended June 30, 2022, with comparative statements for the fiscal years ended June 30, 2021 and 2020.

The University of Arkansas System ("the University"), which prior to 1969 consisted of the Fayetteville and the Medical Sciences campuses, was expanded in 1969 to include the Little Rock campus (formerly Little Rock University), in 1971 to include the Monticello campus (formerly Arkansas A&M College), in 1972 to include the Pine Bluff campus (formerly Arkansas AM&N College), in 1996 to include the Phillips campus (formerly Phillips County Community College) and the Hope campus (formerly Red River Technical College), and in 1998 to include the Batesville campus (formerly Gateway Technical College). On July 1, 2001, the University was expanded to include campuses in Morrilton (formerly Petit Jean College) and DeQueen (formerly Cossatot Community College). The Fort Smith campus (formerly Westark College) joined the University on January 1, 2002. Forest Echoes Technical Institute and Great Rivers Technical Institute merged with the Monticello campus on July 1, 2003. The Arkansas School for Mathematics, Sciences and the Arts, a residential high school, joined the University on January 1, 2004. On February 1, 2017, Pulaski Technical College and Rich Mountain Community College joined the University becoming the University of Arkansas-Pulaski Technical College and the University of Arkansas Community College at Rich Mountain. In addition to these campuses, the University includes the System Administration, whose

financial statements include eVersity and University of Arkansas Grantham, which was acquired in November 2021, and the following units that are included in the financial statements of the Fayetteville campus: Clinton School of Public Service, Division of Agriculture (Agricultural Experiment Station and the Cooperative Extension Service), Arkansas Archeological Survey, and Criminal Justice Institute.

All programs and activities of the University of Arkansas are governed by its ten-member Board of Trustees who are appointed by the Governor for ten-year terms, which has delegated to the President the administrative authority for all aspects of the University's operations. Administrative authority is further delegated to the Chancellors, the Vice President for Agriculture, the Dean of the Clinton School, the Director of the Criminal Justice Institute, the Director of the Arkansas Archeological Survey, and the Director of the Arkansas School for Mathematics, Sciences and the Arts, who have responsibility for the programs and activities of their respective campuses or state-wide operating division.

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

The University's financial statements are prepared in accordance with standards issued by the Governmental Accounting Standards Board (GASB). The financial statement presentation provides a comprehensive, entity-wide perspective of the University's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position, and cash flows. The financial statements included are the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, and the

## UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis (UNAUDITED)

---

Statements of Cash Flows. This discussion has been prepared by management and should be read in conjunction with the financial statements and notes following this section.

The University has identified two legally separate foundations, the University of Arkansas Foundation, Inc. and the University of Arkansas Fayetteville Campus Foundation, Inc., that meet the criteria set forth for component units. These foundations provide financial support for the objectives, purposes, and programs of the University. Although the University does not control the timing, purpose or amount received by these Foundations, the resources (and income thereon), they hold and invest are dedicated to the benefit of the University. Because these resources held by the foundations can only be used by, or for the benefit of, the University, and are deemed material, they are considered component units and are discretely presented in the financial statement report. Additional information about component units is provided in Note 1.

### ***Statements of Net Position***

The Statement of Net Position provides a fiscal snapshot of the University as of the end of the fiscal year. All assets (property that we own and what we are owed by others), deferred outflows of resources (consumption of net position by the University that is applicable to a future reporting period), liabilities (what we owe to others and have collected from others before we have provided the service), deferred inflows of resources (acquisition of net position by the

University that is applicable to a future reporting period), and net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) are reported in this statement. Assets and liabilities are presented in the order of their relative liquidity and are identified as current or noncurrent. Current assets are those assets that can be realized in the coming year, and current liabilities are expected to be paid within the next year. Noncurrent assets and liabilities are not expected to be realized as cash or paid in the subsequent year. Assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally measured using current values. One exception is capital assets, which are stated at historical cost less accumulated depreciation.

Net position is divided into three major categories. The first category, invested in capital assets, net of related debt, reflects the equity in property, plant and equipment owned by the University. The next category is restricted net position, which is divided into two subcategories, expendable and nonexpendable. The expendable category is available for expenditure by the University 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 corpus of nonexpendable restricted resources is only available for investment purposes. The final category is unrestricted net position which is available for any lawful purpose of the University.

**UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis  
(UNAUDITED)**

**Condensed Statements of Net Position**

	June 30, 2022	June 30, 2021	June 30, 2020
<b>ASSETS</b>			
Current assets	\$ 1,591,275,370	\$ 1,761,819,923	\$ 1,558,982,603
Capital assets, net	3,229,795,333	3,024,382,884	2,948,517,936
Other assets	733,319,661	581,324,706	481,550,346
Total Assets	<u>\$ 5,554,390,364</u>	<u>\$ 5,367,527,513</u>	<u>\$ 4,989,050,885</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 41,248,560</u>	<u>\$ 55,271,096</u>	<u>\$ 47,357,564</u>
<b>LIABILITIES</b>			
Current liabilities	\$ 463,694,008	\$ 497,675,458	\$ 463,682,148
Noncurrent liabilities	2,050,544,690	1,961,980,729	1,834,775,946
Total Liabilities	<u>\$ 2,514,238,698</u>	<u>\$ 2,459,656,187</u>	<u>\$ 2,298,458,094</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 61,915,517</u>	<u>\$ 35,133,166</u>	<u>\$ 32,868,726</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 1,514,117,223	\$ 1,484,710,808	\$ 1,497,976,702
Restricted			
Non-Expendable	114,449,418	108,310,863	86,833,488
Expendable	297,130,567	285,857,586	269,135,487
Unrestricted	1,093,787,501	1,049,129,999	851,135,952
Total Net Position	<u>\$ 3,019,484,709</u>	<u>\$ 2,928,009,256</u>	<u>\$ 2,705,081,629</u>

The University's total assets increased \$186.9 million, or 3.5%. Cash and cash equivalents decreased \$161.7 million, and investments increased by \$70.7 million. Cash and cash equivalents decreased \$120.3 million at UAMS, \$33.8 million at UAF, \$19.1 million at UAFS and by \$17 million at UALR net a \$28.5M increase across the remaining campuses. UAF increased investments \$59.1 million, UAFS increased investments \$19.7 million, and UALR increased \$22.7 million net of a decrease of \$22.4 million at UAMS. Deposits held in trust increased by \$15.6 million of which UAMS increased by \$24 million which is related to bond proceeds offset by UAF's decrease of \$7.9 million. Patient accounts receivable at UAMS increased \$44.1 million, while Accounts Receivable decreased \$26.7 million. Student accounts receivable increased by

\$6.9 million, while Grants and contracts decreased by \$17.0 million and non-student accounts decreased by \$17.0 million. The increase of \$205.4 million in Capital assets relates to GASB 87 (*Leases*) adjustments of \$7.3 million, additions of \$427.6 million net of depreciation expense of \$221.7 million offset by a decrease for assets disposed of \$7.7 million. Fayetteville had an increase in capital asset additions of \$112.4 million including construction in progress increases of \$77.5 million with \$152.5 million placed into service. At UAF, the Studio and Design Center, Anthony Timberlands Center for Design & Material Innovation, Brough Commons Retail Shops Renovation, I3R Research Facility, Fine Arts Restoration, MUSiC National Research Fabrication Facility Mullins Library Renovation and Windgate Galleries Student Success

**UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis  
(UNAUDITED)**

---

Center, the Windgate Art & Design District Buildings, Mullins Library Renovations are in progress. UAMS had an increase in capital asset additions of \$264 million including construction in progress increases of \$119.2 million with \$102.4 million moved into service. Progress at UAMS continues on the expansion of radiology oncology and new proton therapy center, a new orthopaedic and spine hospital as well as the implementation costs of Workday, the new ERP software for the UA System.

Deferred outflows of resources consist of deferred amounts on refinancing of debt and deferred amounts related to pensions and other post-employment benefits (OPEB). Overall, deferred outflows decreased \$14 million, or (25.4%). Deferred outflows related to OPEBs decreased \$1.9 million while pension decreased \$6.5 million. The amortization of the debt refunding, net of additions, was \$5.6 million.

Total liabilities increased \$54.6 million, or 2.2%. Accounts payable and other accrued liabilities decreased \$24.8 million with UAMS decreasing \$24.5 million and UAF \$8.5 million. The liability for bonds, notes, leases and installment contracts increased \$175 million (see Note 10). Netted in that amount, UAMS issued \$134.2 million of new bonded debt with a premium of \$21.5 million, UAF executed a refunding of bonds resulting in additions of \$175.6 million offset by redemptions of previously issued bonds. UAMS issued notes payable totaling \$15.7 million. UAFS financed improvements for the Bakery District Leasehold totaling \$417 thousand. The additional debt is offset by a total of \$292 million in repayments and refundings of bonds during fiscal 2022. The UAMS liability for estimated third party payor settlements decreased by

\$61.1 million with repayments of the advances from CMS. Unearned revenues, deposits and other increased \$17.3 million with most of that being UAF athletic ticket sales and related fees and unearned student revenues for summer session and fall semester and UAMS student tuition and fees related predominantly to future fiscal years and amounts received from grant and contract sponsors that have not yet been earned under the terms of the agreements. Compensated absences decreased \$1.9 million. The UA Health Plan experienced an overall plan loss ratio of 91% compared to a loss ratio of 94% in the previous fiscal year (Note 14).

Deferred inflows of resources increased by \$26.8 million in total with pension plans increasing \$21.8 million as a result of actuarially determined amounts. In addition, deferred inflows-other increased \$8.5 million primarily related to the lessor requirement of \$7.8 million at UAF with the adoption of GASB 87.

The increase in net position was \$91.5 million, or 3.1%. The increase is the result of 2022 revenues, expenses and changes in net position. Net investments in capital assets increased \$29.4 million. Restricted net position, expendable and non-expendable, increased \$17.4 million. Unrestricted net position increased \$44.7 million. In total, UAF contributed \$44.4 and UASYS added \$24 million. These increases were offset by increases and decreases at the remaining campuses. Although unrestricted net position is not subject to externally imposed restrictions, the majority of the University's unrestricted net position is subject to internal designations to meet various specific commitments. These commitments include reserves established for future capital projects, other academic or research priorities;

**UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis  
(UNAUDITED)**

working capital for self-supporting auxiliary enterprises; and reserves for the continued recognition of OPEB and pension obligations.

***Statements of Revenues, Expenses and Changes in Net Position***

Changes in total net position, as presented on the Statements of Net Position, is based on the activity presented in the Statements of Revenues, Expenses and Changes in Net Position. The statements present the revenues earned by the University, both operating and non-operating, and the expenses incurred by the University, both operating and non-operating, and any other revenues,

expenses, gains and losses received or spent by the University. Operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for operating revenues and to carry out the mission of the University. Non-operating revenues are revenues received for which goods and services are not provided. In accordance with GASB standards, significant recurring sources of University revenue such as state appropriations, gifts, investment income and certain grants and contracts are reported as non-operating revenues.

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	Year Ended		
	June 30, 2022	June 30, 2021	June 30, 2020
Operating revenues			
Student tuition and fees	\$ 395,594,545	\$ 393,886,555	\$ 406,312,706
Net patient services	1,334,667,000	1,344,980,000	1,215,037,000
Grants and contracts	452,951,749	380,138,762	335,124,725
Auxiliary enterprises	251,769,963	194,747,632	215,347,558
Other	330,867,221	321,780,255	277,197,491
Total operating revenues	2,765,850,478	2,635,533,204	2,449,019,480
Operating expenses			
Compensation and benefits	1,931,932,469	1,889,494,573	1,816,566,258
Supplies and services	1,113,851,320	937,358,635	908,182,573
Other	532,528,023	489,140,646	478,600,099
Total operating expenses	3,578,311,812	3,315,993,854	3,203,348,930
Operating Loss	(812,461,334)	(680,460,650)	(754,329,450)
Non-operating revenues and expenses			
State appropriations	512,628,121	482,450,404	487,654,627
Grants	303,612,155	273,735,809	198,973,689
Gifts	117,073,996	99,308,260	110,371,383
Other revenue	(26,494,412)	90,908,573	48,395,249
Non-operating expenses	(54,743,029)	(56,243,875)	(57,609,251)
Non-operating income	852,076,831	890,159,171	787,785,697
Income before other revenues and expenses	39,615,497	209,698,521	33,456,247
Other revenues and expenses			
Capital grants and gifts	53,183,888	11,546,319	42,681,960
Other, net	7,070,463	1,682,787	8,991,976
Other revenues and expenses	60,254,351	13,229,106	51,673,936
Increase in Net Position	99,869,848	222,927,627	85,130,183
Net Position, beginning of year	2,928,009,256	2,705,081,629	2,619,951,446
GASB 87 Leases	558,735		
Other	(8,953,130)		-
Net Position, beginning of year, as restated	2,919,614,861	2,705,081,629	2,619,951,446
Net Position, end of year	\$ 3,019,484,709	\$ 2,928,009,256	\$ 2,705,081,629



## UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis (UNAUDITED)

---

The 2022 operating loss of \$812.5 million highlights the University's dependence on non-operating revenues, including state appropriations, to meet the costs of operations and provide funds for the acquisition of capital assets.

Operating revenues increased \$130.3 million, or 4.9%. Net student tuition and fees increased \$1.7 million, with UAF experiencing an increase of \$3.7 million. The rest of the campuses experienced small increases and decreases in net student tuition and fee revenue. While gross patient revenue increased for UAMS, net patient services decreased \$10.3 million or 0.8% due to an increase in patient services contractual allowances. Grants and contracts increased \$72.8 million, of which UAF increased \$5.2 million and UAMS increased \$65.5 million. Auxiliary revenues increased \$57 million due to campuses with Athletics, housing and food services making a complete return of on-campus activity with the limitations on gatherings due to COVID-19 being lifted. Other operating revenue increased \$9.1 million.

Total operating expenses increased \$262.3 million, or 7.9%. Compensation and benefits increased \$42.4 million, or 2.3%, over the previous year. The cost of supplies and services increased \$176.5 million, UAF and UAMS increased \$76.4 million and \$56.2 million, respectively. Increases are also attributed to the acquisition of UAG (\$20.4 million), return of operating at full capacity, increased cost due to operating in a pandemic environment and inflation. Scholarships and fellowships increased \$24.4 million due primarily to an increase at UAF of \$8.9 million. Depreciation increased \$20.4 million with UAMS accounting for \$11.1 million of the increase and UAF had a decrease of \$6.8

million. The remaining change was spread throughout the campuses. The insurance plan expenses decreased \$1.4 million due to lower claims in the current year.

Net non-operating revenues decreased by \$38.1 million, or 4.3%. State appropriations increased \$30.2 million with UAMS increase net of Medicaid match of \$12.3 million largely driven by funding for the Cancer Institute to aid in gaining NCI designation. UAF also had an increase of \$12.5 million. The remaining change was spread throughout the campuses. Federal grants increased \$33.3 million primarily due to a \$19.8 million increase in CARES Act funding related to student aid coupled with a \$13.5 million increase related to the acquisition of UAG. Campuses were not immune to the challenging investment environment seen across the country and is reporting overall investment losses. Investment income decreased \$117.7 million with UAMS accounting for \$44.1 million and UAF, \$60.8 million.

Other changes in net position increased \$47.0 million, or 355.5%. Capital grants and gifts increased \$41.6 million with \$41.4 million of the increase related to UAF.

Gifts reported reflect only a portion of the gifts available to the University. Most gifts for the benefit of the University are made to the University of Arkansas Foundation, whose financial information is presented in Note 1.

### *Statements of Cash Flows*

The Statement of Cash Flows provides information about the cash activity of the University during the year. The statement is divided into five parts. The first part shows the net cash used by the operating



**UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis  
(UNAUDITED)**

activities of the institution. The second section reflects cash flows from non-capital financing activities. The third section deals with cash flows from capital and related activities, such as the acquisition and construction of capital assets and proceeds from, and payment of, capital asset debt. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and investment income received from these activities. The fifth section, not shown in the condensed statement below, reconciles the net cash used by operating activities to the net operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position. This statement aids in the assessment of the University's ability to meet obligations as they become due, the need for external

financing, and the ability to generate future cash flow.

Similar to the operating loss on the Statement of Revenues, Expenses, and Changes in Net Position, net cash used in operating activities does not reflect all resources available to the University because generally accepted accounting principles require state appropriations, gifts and grants to be reported as nonoperating financing activities. The net cash provided by the combination of operating and noncapital financing activities is a better depiction of the results achieved for the year. The net cash for 2022 is \$257.8 million, a decrease of \$71.3 million from the prior year. The changes are explained in the discussion in relation to the Statements of Revenues, Expenses and Changes in Net Position.

**Condensed Statements of Cash Flows**

	Year Ended		
	June 30, 2022	June 30, 2021	June 30, 2020
Cash provided (used) by:			
Operating activities	\$ (700,539,344)	\$ (536,685,507)	\$ (455,052,811)
Noncapital financing activities	958,290,016	865,741,232	801,277,513
Net cash	257,750,672	329,055,725	346,224,702
Capital and related financing activities	(275,488,199)	(166,036,628)	(20,936,296)
Investing activities	(143,983,770)	(59,436,931)	(179,272,709)
Net change in cash	(161,721,297)	103,582,166	146,015,697
Cash, beginning of year	725,230,284	621,648,118	475,632,421
Cash, end of year	\$ 563,508,987	\$ 725,230,284	\$ 621,648,118

Purchases of capital assets and repayments of long-term debt and related interest and fees exceeded debt proceeds, capital grants and gifts, and insurance proceeds during 2022 which was consistent with the previous years. Purchases of investments exceeded the proceeds from sales and maturities of investments and investment earnings in the current year which was also consistent with prior years. The University shifted cash to investments during the year as has been done in

previous years. The overall cash position declined by \$161.7 million for the year ended June 30, 2022.

***Capital Assets and Long-Term Debt Activity***

At June 30, 2022, the University had \$3.2 billion of capitalized assets, net of accumulated depreciation of \$3.3 billion. Capital additions in 2022 totaled \$427.6 million which was offset by depreciation of \$221.7 million, \$7.7 million of

## UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis (UNAUDITED)

---

transfers and deletions and \$7.3 million related to GASB 87 adjustments, resulted in a net increase in capital assets of \$205.4 million.

New debt issued for bonds, notes, leases and installment contracts with GASB 87 related adjustments offset by payments of principal was a net increase of \$175.0 million for 2022. The University issued a total of \$331.3 million in bonds for all campuses, with repayments, including refundings, of \$258.6 million. More detailed information about debt activity was discussed previously and is presented in Note 10.

### *Economic Outlook*

The University's net position increased \$91.5 million for 2022. Moody's last reaffirmed the University's rating of Aa2 with a stable outlook on October 12, 2022. One of the University's greatest strengths is the diverse stream of revenue which funds its operations, including tuition, patient services revenue, state appropriations, investment income, grants and contracts, and support from individuals, foundations, and corporations. The 2022 fiscal year remains impacted by the pandemic. It continues to be a struggle for our medical center, but through a number of protective measures, we have stabilized inpatient services revenue in fiscal 2022. As the effects of the COVID-19 pandemic eased, campuses have been able to return to a primarily traditional face-to-face format with safety precautions in place and as a result, operating revenues experienced a rebound to more normal performance. Because the Fayetteville campus and the Medical Sciences campus account for 73.8% of total consolidated net position and 89.9% of consolidated operating

revenues, the discussion below is centered on these two campuses.

### **UAMS**

UAMS closed fiscal year 2022 with a decrease in net position of \$31.8 million, compared to the balanced budget for the period. The balanced budget for FY22 assumed an increase in patient volumes to pre-pandemic levels along with the return of the ability to perform at a near-normal level of surgical cases, previously constrained in the pandemic. Ultimately, clinical volumes proved to be better than anticipated and FY22 grant revenue surpassed budget; however, these positive budget variances were more than offset by significant increases over prior year in contract labor and supply cost.

The FY 2023 budget for UAMS includes the impact of the startup and anticipated opening of The Orthopaedic & Spine Hospital (TOSH) in May 2023. The projected financial impact of TOSH on the FY 2023 budget is a deficit of \$7.88 million. Excluding the impact of the TOSH opening, the overall FY 2023 UAMS budget is balanced. Budgeted operating revenues are expected to increase by \$85.6 million over the FY22 budget. Tuition revenue is projected to increase slightly over the FY22 budget. Increases are also expected in net patient service revenue. In addition to the opening of The Orthopaedic and Spine Hospital in May 2023, UAMS Health is projecting growth in key strategic areas including the development of advanced cardiology services, site expansions of cancer clinical care and new locations for urology and radiology imaging services. Increases are also budgeted in other operating revenue due to the retail and specialty pharmacy programs which have seen consistent growth. Finally grants and contracts revenue are projected to see

## UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis (UNAUDITED)

---

an increase from the FY22 budget. FY23 operating expenses are budgeted to increase \$106.8 million over the FY22 budget. The increase in overall spending is mainly due to increases in compensation and benefits, medical supplies, and drugs and medicine. Non-operating revenue for FY23 includes an increase of \$14.5M in State Appropriations, largely driven by funding for the Cancer Institute to aid in gaining NCI designation. Investment income is also projected to be \$1.8M over the FY22 budget. Interest on capital is increased by \$2.3M related to the recent bond issues.

The financial results for the first two months of FY23 have been less than budget by \$2.0M. Through August, UAMS realized a decrease in net position of \$2.0 million, versus a balanced budgeted. Patient volumes have been less than projected but expenses have flexed with volume. Nonoperating revenue, including Appropriations and Gift Revenue, is less than projected for the first two months, but is expected to increase in the coming months. UAMS continues to focus on its efforts around resource optimization, with projects underway to drive efficiencies in processes that increase revenue and reduce expense.

In summary, the economic outlook for UAMS is stable. However, it will require a continuing commitment to flex expenses with volume, to improve the performance and cost efficiency of operations, to manage within budget limits, and to carefully evaluate the financial opportunities and risks ahead.

### **UAF**

As the effects of the COVID-19 pandemic eased, the University returned to a primarily traditional face-to-face

format with safety precautions in place. Individual students were able to request in writing not to attend a face-to-face lecture but were able to return to classes face-to-face at any time. Capacity limits were removed for housing and attendance at athletic events.

As a result, Auxiliary revenues experienced a rebound to more normal performance results and, in many cases, exceeded pre-pandemic levels.

University operations for Fall 2022 are substantially similar to pre-pandemic operations.

During fiscal year 2022, the University received approximately \$23.3 million in funds from the multiple congressional acts of the federal government. This amount was recovered primarily as allowable lost revenue resulting from the effects of the pandemic.

Financial and political support from state government remains a critical element to the continued financial health of the University. In 2022, the total general revenue distribution from the State increased to \$218.8 million from the \$212.9 million reported in 2021. The forecast for 2023 indicates general revenue and Educational Excellence Trust Fund distributions from the State may increase 2.9%. If State revenue continues to be as strong as the State has reported in early 2022, management will continue to institute both internal and external efforts to maximize the state resources available while seeking ways to minimize the risk of state funding levels not keeping pace with growth.

In 2017, The Arkansas Legislature enacted Act 148 which adopted a productivity-based funding model for most state-supported higher education

## UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis (UNAUDITED)

---

institutions. As provided in the Act, the Arkansas Division of Higher Education developed a productivity-based funding model with measures for effectiveness, affordability, and efficiency. That model was first used to determine funding recommendations for the 2018-19 academic year and resulted in a small increase in University funding based on those measures. The University does not anticipate material changes in its funding level over the short term based on this funding policy.

The University continues to seek ways to manage the cost of attendance so that it remains affordable while achieving revenue support necessary to offer a high-quality university experience. Diverse revenue resources, including state appropriations, tuition, and fees (net of scholarship allowance), private support, and sponsored grants and contracts all contribute to support the mission of teaching, research, and service. For the 2022-2023 academic year, enrollment and state appropriations are anticipated to exceed budget. Tuition and mandatory fee increases of approximately 7.5% for undergrad and graduate students were necessary in 2023 to maintain the facilities, faculty and other support needed to fulfill our mission.

The University's last capital campaign, Campaign Arkansas, completed on June 30, 2020. Since the completion of that campaign, the University has continued to see positive momentum with philanthropic support. Fiscal year 2022 saw the largest fundraising year at the University outside a capital campaign with a total of \$138.6 million raised. The University's endowment reached an all-time high of \$1.68 billion on June 30, 2021, however, due to challenging market conditions in fiscal year 2022, the

endowment balance as of June 30, 2022 is approximately \$1.47 billion.

Preliminary figures indicate that the University enrolled 30,936 students for the Fall 2022 semester while setting new records for retention and graduation rates. University enrollment has increased 22.1%, or 5,595 students over the past ten years. Enrollment has now exceeded 30,000 for the first time ever and the Fall 2022 term has seen the largest incoming freshman class in the history of the University. Preliminary numbers are indicating another very strong incoming freshman class for the Fall 2023 semester as well. Considering the uncertainty brought on by the COVID-19 pandemic, the growth experienced in fiscal year 2022 and expected in fiscal year 2023 on top of two years of very stable enrollment numbers is very exciting and illustrates the continuing strength of the University. Due to our strong net position, high level of liquidity, indications of stable State support, continuing high levels of philanthropic support, a positive enrollment outlook, and our conservative budgeting approach to the 2022-23 fiscal year, we have a high level of confidence that the University will maintain its strong position.

### All Campuses

Financial support from state government for all campuses remains a critical element to the continued financial health of the University. Arkansas appears to have a healthy economy even as we encounter the uncertainties of our future due to the pandemic, as general revenue forecasts have been very positive, and the state budget remains balanced. As a result of these and other economic challenges, enrollment in higher education may remain flat or decrease at most campuses as has been the case this fall, so

**UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis  
(UNAUDITED)**

---

management will continue to budget conservatively and to emphasize cost containment.

Preliminary data shows that the number of enrolled students (headcount) has

increased from the fall semester of 2021 to the fall semester of 2022, from 59,041 to 59,426. The number of full-time equivalent students has also increased from 48,808 to 49,098.

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Statement of Net Position**  
**June 30, 2022**

Exhibit A

	<u>June 30, 2022</u>
<b>ASSETS</b>	
<b>Current</b>	
Cash and cash equivalents (Note 4)	\$ 546,225,604
Investments (Note 4)	547,231,962
Accounts receivable, net of allowances of \$31,120,576 (Note 6)	217,176,479
Patient accounts receivable, net of allowances of \$301,289,000	193,438,000
Inventories	40,317,987
Deposits and funds held in trust by others	6,661,817
Notes receivable, net of allowances of \$240,000	3,276,952
Other assets	36,946,569
Total current assets	<u>1,591,275,370</u>
<b>Non-Current</b>	
Cash and cash equivalents (Note 4)	17,283,383
Investments (Note 4)	431,733,552
Notes receivable, net of allowance of \$3,606,406	12,282,638
Deposits and funds held in trust by others	235,545,451
Other non-current assets	36,474,637
Capital assets, net of depreciation of \$3,342,094,692 (Note 7)	3,229,795,333
Total non-current assets	<u>3,963,114,994</u>
<b>TOTAL ASSETS</b>	<u>5,554,390,364</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Debt refunding	19,734,691
Other postemployment benefits	12,365,000
Pensions	9,148,869
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>41,248,560</u>
<b>LIABILITIES</b>	
<b>Current</b>	
Accounts payable and other accrued liabilities (Note 6)	210,036,454
Unearned revenue	63,634,802
Funds held in trust for others	17,854,673
Liability for future insurance claims (Note 14)	14,509,500
Estimated third party payor settlements	29,042,000
Compensated absences payable - current portion (Note 9)	8,829,528
Liability for other postemployment benefits - current portion (Note 16)	2,596,000
Bonds, notes, leases and installment contracts payable - current portion (Note 10)	117,191,051
Total current liabilities	<u>463,694,008</u>
<b>Non-Current</b>	
Unearned revenues, deposits and other	2,648,799
Refundable federal advance - Perkins loans	9,081,994
Compensated absences payable (Note 9)	105,273,707
Liability for other postemployment benefits (Note 16)	77,722,000
Liability for pensions (Note 15)	18,421,251
Bonds, notes, leases and installment contracts payable (Note 10)	1,837,396,939
Total non-current liabilities	<u>2,050,544,690</u>
<b>TOTAL LIABILITIES</b>	<u>2,514,238,698</u>

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Statement of Net Position**  
**June 30, 2022**

Exhibit A

	<u>June 30, 2022</u>
DEFERRED INFLOWS OF RESOURCES	
Other postemployment benefits	\$ 8,900,000
Pensions	37,417,857
Other	<u>15,597,660</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>61,915,517</u>
NET POSITION	
Net Investment in Capital Assets	1,514,117,223
Restricted	
Non-Expendable	
Scholarships and fellowships	12,721,714
Research	19,469,116
Other	82,258,588
Expendable	
Scholarships and fellowships	56,596,897
Research	79,966,902
Public service	36,923,095
Capital projects	88,626,108
Other	35,017,565
Unrestricted	<u>1,093,787,501</u>
TOTAL NET POSITION	<u>\$ 3,019,484,709</u>

*See accompanying notes.*

**THE UNIVERSITY OF ARKANSAS FOUNDATION, INC.**  
**Consolidated Statements of Financial Position**  
**June 30, 2022 and 2021**

Exhibit A-1

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Contributions receivable, net	\$ 157,629,415	\$ 215,510,198
Interest receivable	2,018,610	1,561,134
Investments, at fair value	1,732,937,016	1,871,514,209
Cash value of life insurance	1,526,723	1,375,367
Land	30,000	31,425
Total assets	<u>\$1,894,141,764</u>	<u>\$ 2,089,992,333</u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 17,675,084	\$ 9,383,700
Annuity obligations	15,402,382	18,676,711
Total liabilities	<u>33,077,466</u>	<u>28,060,411</u>
Net assets:		
Without donor restrictions	139,129,115	142,638,166
With donor restrictions	1,721,935,183	1,919,293,756
Total net assets	<u>1,861,064,298</u>	<u>2,061,931,922</u>
Total liabilities and net assets	<u>\$1,894,141,764</u>	<u>\$ 2,089,992,333</u>



**THE UNIVERSITY OF ARKANSAS  
FAYETTEVILLE CAMPUS FOUNDATION, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2022 and 2021**

Exhibit A-2

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Investments	\$ 643,525,694	\$ 748,157,500
	<u>643,525,694</u>	<u>748,157,500</u>
 <b>Liabilities and Net Assets</b>		
Accounts Payable	\$ 575,734	\$ 1,562,542
	<u>575,734</u>	<u>1,562,542</u>
Net Assets with donor restrictions	642,949,960	746,594,958
Total liabilities and net assets	<u>\$ 643,525,694</u>	<u>\$ 748,157,500</u>

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For The Year Ended June 30, 2022**

Exhibit B

	<b>Year Ended June 30, 2022</b>
Operating Revenues	
Student tuition & fees, net of scholarship allowances of \$208,852,989	\$ 395,594,545
Patient services, net of contractual allowances of \$2,375,239,000	1,334,667,000
Federal and county appropriations	15,215,030
Federal grants and contracts	266,704,223
State and local grants and contracts	78,359,930
Non-governmental grants and contracts	107,887,596
Sales and services of educational departments	68,964,399
Insurance plan	72,938,824
Auxiliary enterprises	
Athletics, net of scholarship allowances of \$4,163,077	130,847,774
Housing/food service, net of scholarship allowances of \$21,988,626	95,861,235
Bookstore, net of scholarship allowances of \$741,616	3,808,997
Other auxiliary enterprises, net of scholarship allowances of \$567,711	21,251,957
Other operating revenues	173,748,968
Total operating revenues	<u>2,765,850,478</u>
Operating Expenses	
Compensation and benefits	1,931,932,469
Supplies and services	1,113,851,320
Scholarships and fellowships	118,429,073
Insurance plan	192,354,975
Depreciation	221,743,975
Total operating expenses	<u>3,578,311,812</u>
Operating loss	<u>(812,461,334)</u>
Non-Operating Revenues (Expenses)	
State appropriations, net of Medicaid match payments of \$61,987,000	512,628,121
Property and sales tax	13,553,591
Federal grants	258,554,089
State and local grants	44,727,659
Non-governmental grants	330,407
Gifts	117,073,996
Investment income (net)	(48,716,058)
Interest and fees on capital asset-related debt	(54,501,636)
Gain/loss on disposal of assets	(241,393)
Other	8,668,055
Net non-operating revenues	<u>852,076,831</u>
Income before other revenues and expenses	<u>39,615,497</u>
Other Changes in Net Position	
Capital appropriations	3,986,814
Capital grants and gifts	53,183,888
Adjustments to prior year revenues and expenses	1,415,775
Other	1,667,874
Total other revenues and expenses	<u>60,254,351</u>
Increase in net position	99,869,848
Net Position, beginning of year, as originally reported	2,928,009,256
GASB 87 Leases	558,735
Other	(8,953,130)
Net Position, beginning of year, restated	<u>2,919,614,861</u>
Net Position, end of year	<u>\$ 3,019,484,709</u>

See accompanying notes.

**THE UNIVERSITY OF ARKANSAS FOUNDATION, INC.**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2022 and 2021**

Exhibit B-1

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	TOTAL	Without Donor Restrictions	With Donor Restrictions	TOTAL
Revenues, gains and other Support:						
Contributions	\$ 11,610,272	\$ 59,017,036	\$ 70,627,308	\$ 12,605,336	\$ 253,753,566	\$ 266,358,902
Interest and dividends	886,275	4,316,915	5,203,190	521,035	3,122,674	3,643,709
Net realized and unrealized gains on investments	8,520,387	(186,981,388)	(178,461,001)	34,442,559	421,600,501	456,043,060
Net assets released from restrictions	72,164,729	(72,164,729)		50,894,210	(50,894,210)	
Total revenues, gains and other support	93,181,663	(195,812,166)	(102,630,503)	98,463,140	627,582,531	726,045,671
Expenses and losses:						
Program services:						
University System support	87,330,180		87,330,180	65,352,945		65,352,945
Supporting services:						
Management and general	1,601,721		1,601,721	1,786,125		1,786,125
Advancement and development	7,715,166		7,715,166	5,625,426		5,625,426
Change in value of split-interest agreements	1,963	(62,544)	(60,581)	165,521	2,441,630	2,607,151
Provision for loss on uncollectible contributions	41,684	1,608,951	1,650,635	24,588	14,165	38,753
Total supporting services	9,360,534	1,546,407	10,906,941	7,601,660	2,455,795	10,057,455
Total expenses and losses	96,690,714	1,546,407	98,237,121	72,954,605	2,455,795	75,410,400
Change in net assets	(3,509,051)	(197,358,573)	(200,867,624)	25,508,535	625,126,736	650,635,271
Net assets, beginning of year	142,638,166	1,919,293,756	2,061,931,922	117,129,631	1,294,167,020	1,411,296,651
Net assets, end of year	\$ 139,129,115	\$ 1,721,935,183	\$ 1,861,064,298	\$ 142,638,166	\$ 1,919,293,756	\$ 2,061,931,922

**THE UNIVERSITY OF ARKANSAS FAYETTEVILLE CAMPUS FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2022 and 2021**

Exhibit B-2

	<b>Year Ended June 30, 2022</b>			<b>Year Ended June 30, 2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>TOTAL</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>TOTAL</b>
Revenues, gains and other support:						
Interest and dividends		\$ 1,990,228	\$ 1,990,228		\$ 1,105,303	\$ 1,105,303
Net realized and unrealized gains on investments		(83,216,904)	(83,216,904)		204,772,197	204,772,197
Net assets released from restrictions	\$ 22,418,322	(22,418,322)	-	\$ 22,780,270	(22,780,270)	
Total revenues, gains (losses) and other support	22,418,322	(103,644,998)	(81,226,676)	22,780,270	183,097,230	205,877,500
Expenses and Losses:						
Program services:						
Fayetteville campus support	22,418,322		22,418,322	22,780,270		22,780,270
Change in Net Assets	-	(103,644,998)	(103,644,998)	-	183,097,230	183,097,230
Net assets, beginning of year	-	746,594,958	746,594,958	-	563,497,728	563,497,728
Net assets, end of year	\$ -	\$ 642,949,960	\$ 642,949,960	\$ -	\$ 746,594,958	\$ 746,594,958

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Statement of Cash Flows - Direct Method**  
**For The Year Ended June 30, 2022**

Exhibit C

	Year Ended June 30, 2022
Cash Flows from Operating Activities	
Student tuition and fees (net of scholarships)	\$ 390,700,098
Patient and insurance payments	1,242,145,000
Federal and county appropriations	12,880,266
Grants and contracts	472,544,043
Collection of loans and interest	4,271,142
Insurance plan receipts	73,188,048
Auxiliary enterprise revenues:	
Athletics	134,768,639
Housing and food service	95,406,491
Bookstore	3,614,765
Other auxiliary enterprises	20,856,252
Payments to employees	(1,706,976,714)
Payments of employee benefits	(270,365,564)
Payments to suppliers	(1,100,808,680)
Loans issued to students	(3,448,500)
Scholarships and fellowships	(118,588,383)
Payments of insurance plan expenses	(194,700,453)
Other	243,974,206
Net cash used by operating activities	<u>(700,539,344)</u>
Cash Flows from Noncapital Financing Activities	
State appropriations	516,699,121
Property and sales tax	13,447,554
Gifts and grants for other than capital purposes	423,957,897
Repayment of loans	(75,000)
Direct Lending, Plus and FFEL loan receipts	235,828,201
Direct Lending, Plus and FFEL loan payments	(238,933,671)
Other agency funds - net	6,558,205
Refunds to grantors	(934)
Other noncapital receipts (payments)	808,643
Net cash provided by noncapital financing activities	<u>958,290,016</u>
Cash Flows from Capital and Related Financing Activities	
Distributions from debt proceeds	206,269,096
Capital appropriations	3,792,902
Capital grants and gifts	11,999,199
Proceeds from sale of capital assets	358,463
Purchases of capital assets	(334,696,868)
Payment of capital related principal on debt	(108,096,676)
Payment of capital related interest and fees	(56,843,804)
Insurance proceeds	1,728,030
Payments to/from trustee for reserve	1,459
Net cash used by capital and related financing activities	<u>(275,488,199)</u>
Cash Flows from Investing Activities	
Proceeds from sales and maturities of investments	352,440,431
Investment income (net of fees)	1,891,015
Purchases of investments	(498,315,216)
Net cash used by investing activities	<u>(143,983,770)</u>
Net increase in cash	(161,721,297)
Cash, beginning of the year	725,230,284
Cash, end of year	<u>\$ 563,508,987</u>

See accompanying notes.

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Statement of Cash Flows - Direct Method - Continued**  
**For The Year Ended June 30, 2022**

Exhibit C

	Year Ended June 30, 2022
Reconciliation of net operating loss to net cash used by operating activities:	
Operating loss	\$ (812,461,334)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation expense	221,743,975
Other miscellaneous operating receipts	7,199,617
Adjustment to cash for amounts in transit within the system	(2,943,590)
Change in assets and liabilities:	
Receivables, net	(25,694,873)
Inventories	865,066
Prepaid expenses and other assets	3,947,577
Accounts payable and other accrued liabilities	(34,036,112)
Unearned revenue	16,364,221
Liability for future insurance claims	(2,201,100)
Loans to students and employees	654,138
Refundable federal advance	(1,693,922)
Compensated absences	(1,934,970)
OPEB liability	2,321,000
Pension related	(9,534,577)
Other	(63,134,460)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b>\$ (700,539,344)</b>
Non-Cash Transactions	
Capital Gifts	\$ 2,041,148
Fixed assets acquired by incurring capital lease obligations	9,927,953
Capital outlay & maintenance paid directly from proceeds of debt	4,435,703
Payment of bond proceeds/premium/accrued interest/debt service reserve directly into deposits with trustees/escrow	174,873,086
Payment of bond issuance costs and underwriter's discounts directly from bond proceeds and/or debt service reserve	786,485
Payment of principal & interest on long-term debt from deposits with trustees	624,922
Interest earned on deposits with trustees	21,887
Loss on disposal of assets	179,328
Value of goods received from sponsorship agreements with vendors	3,781,153
Note Proceeds used to directly pay bond interest and principal	8,729,576
Land swap (book value)	212,045
Change in capital assets acquired in year-end accounts payable	4,998,000

See accompanying notes.

**Note 1: Summary of Significant Accounting Policies**

The financial statements for the University of Arkansas (“the University”) have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying notes to the financial statements are an integral part of the financial statements.

The following acronyms are used for the various campuses and divisions of the University as reported in the financial statements: UAF (University of Arkansas, Fayetteville, including the Division of Agriculture (UADA), which includes the Agricultural Experiment Station and Cooperative Extension Service, Arkansas Archeological Survey (AAS), Criminal Justice Institute (CJI), and Clinton School of Public Service), UAFS (University of Arkansas at Fort Smith), UALR (University of Arkansas at Little Rock), UAMS (University of Arkansas for Medical Sciences), UAM (University of Arkansas at Monticello), UAPB (University of Arkansas at Pine Bluff), CCCUA (Cossatot Community College of the University of Arkansas), PCCUA (Phillips Community College of the University of Arkansas), UACCB (University of Arkansas Community College at Batesville), UACCHT (University of Arkansas Community College at Hope-Texarkana), UACCM (University of Arkansas Community College at Morrilton), University of Arkansas-Pulaski Technical College (UAPTC), University of Arkansas Community College at Rich Mountain (UACCRM), ASMSA (Arkansas School for Mathematics, Sciences and the Arts), and SYSTEM (University of Arkansas System Administration, including the University of Arkansas System eVersity and University of Arkansas Grantham [UAG]).

***Basis of Presentation and Measurement Focus***

For financial reporting purposes, the University is considered a special-purpose government engaged in business-type activities. Accordingly, the University’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the period in which they are incurred, if measurable, including depreciation.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows, deferred outflows, revenues and expenses at the date of the financial statements. Significant estimates affecting the financial statements include the determination of allowances for uncollectible accounts, patient services-related contractual adjustments and third-party payor settlements, and various investment risks and fair market valuations. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

Cash and cash equivalents include short-term, highly liquid investments that are readily convertible to cash and have a maturity at acquisition of three months or less.

***Investments***

Investments and funds held in trust by others of marketable securities are reported at fair value as established by major securities markets. The fair value of venture capital and other investments is based on the most current information reported to the University by the respective investment managers. Changes in unrealized gain (loss) on the carrying value are reported as a component of investment income on the statement of revenues, expenses and changes in net position.

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Accounts Receivable***

Receivables that represent charges due the University from various student fees, room and board, student fines, patient care services, and other charges are stated at estimated net realizable values; that is, the gross amount of the receivable is reduced by allowances for estimated uncollectible accounts and refunds or discounts. Receivables can also include unreimbursed expenses relating to research contracts with federal, state, and private agencies.

***Patient Accounts Receivable***

Patient accounts receivable are shown net of contractual allowances and an allowance for doubtful accounts. Credit balances representing refunds due are reported as accounts payable. The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental care coverage and other collection indicators.

***Inventories***

Inventories are valued at the lower of cost or market, with cost generally being determined on a first-in, first-out (FIFO) or average-cost basis.

***Capital Assets***

Capital assets consisting of land, buildings, improvements, furniture, equipment, intangible assets, and construction in progress, are stated at cost or acquisition value at date of gift. Library holdings are generally valued using average prices for library acquisitions. If material, in previous years, interest on borrowings to finance facilities was capitalized during construction, net of any investment income earned through the temporary investment of project borrowings. Interest is no longer capitalized in accordance with Governmental Accounting Standards Board Statement No. 89. The University's capitalization policy includes all furniture, fixtures and equipment with a unit cost of \$5,000 or more and an estimated useful life of one year or more. Intangible assets are capitalized when the cost is \$500,000 or more for purchased software, \$1,000,000 or more for internally developed software, or \$250,000 or more for easements, land use rights, trademarks and copyrights, and patents.

Livestock is maintained primarily for research purposes with any other benefits derived from the operations considered as incidental to the primary mission of the University. The inventory value placed on the animals is determined by utilizing current market prices and breeding and research intangibles.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets -- generally 15-30 years for buildings, 15-20 years for infrastructure and land improvements, 3-10 years for equipment, 10 years for library holdings, and the applicable term for capital leases.

UAMS bases its estimated useful lives on guidelines established by the American Hospital Association (AHA) which may differ slightly from those shown above for the other campuses.

***Deferred Outflows of Resources***

Deferred outflows of resources represent a decrease of net position that applies to future periods; therefore, these items will not be recognized as an expense or expenditure until that period.



**Note 1: Summary of Significant Accounting Policies (Continued)**

***Compensated Absences***

Vested or accumulated vacation and sick leave of University employees are recorded as an expense and liability as the benefits are earned. Amounts recorded include salary expense as well as salary-related payments (e.g., FICA taxes, retirement, etc.). No liability is recorded for nonvested accumulated rights to receive sick leave benefits. The current portion of compensated absences is determined using the average balance paid annually in the prior two-year period.

***Unearned Revenue***

Unearned revenue consists primarily of student tuition and fees and athletic ticket sales related to future fiscal years, and amounts received from grant and contract sponsors that have not yet been earned under the terms of the agreements.

***Deferred Inflows of Resources***

Deferred inflows of resources represent an increase of net position that applies to future periods; therefore, these items will not be recognized as revenue until that period.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arkansas Public Employees Retirement System and the Arkansas Teacher Retirement System (the respective Systems) and additions to/deductions from the respective System's fiduciary net position have been determined on the same basis as they are reported by the respective Systems. 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.

***Net Position***

The University's net position is classified as follows:

- *Net investment in capital assets* - Capital assets, net of accumulated depreciation and outstanding principal balances of debt obligations related to those capital assets. However, unexpended debt proceeds at year-end are reported as net position restricted for capital projects.
- *Restricted:*
  - Non-expendable – Portion subject to externally-imposed stipulations that they be maintained permanently by the University. Such assets include the University's permanent endowment funds.
  - Expendable – Portion whose use by the University is subject to externally-imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time. There is no formal policy requiring restricted net position to be used either before or after unrestricted net position is used for the same purpose. Responsible officials determine at the time funds are expended to use any unrestricted net position that may be available.
- *Unrestricted* – Portion that is not subject to externally imposed stipulations. This portion may be designated for specific purposes by management or the Board of Trustees or may be otherwise limited by contractual agreements with outside parties.

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Classification of Revenues***

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

- *Operating Revenue* – includes activities that have the characteristics of exchange transactions, such as student tuition and fees (net of scholarship discounts and allowances), patient services (net of contractual agreements), most federal, state, and local grants and contracts, revenues associated with auxiliary enterprises (net of scholarship discounts and allowances), interest on institutional student loans, and the University's self-funded insurance plans.
- *Non-Operating Revenue* – includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, state appropriations, interest on debt, and investment income.

***Scholarship Discounts and Allowances***

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

***Net Patient Services Revenue***

Patient care revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Retroactive adjustments arising under reimbursement agreements with third-party payors are accrued on an estimated basis in the period in which the related services are rendered and adjusted as final settlements are determined.

***Charity Care***

UAMS provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because UAMS does not pursue collection of amounts determined to qualify as charity care, these amounts are accounted for as a reduction of patient services revenue at the time the services are rendered.

***Grants and Contracts***

The University has been awarded grants and contracts for operations for which the moneys have not been received or expended. These awards have not been reflected in the financial statements but represent commitments of sponsors to provide funds for specific research and training projects.

Federal research grants and contracts normally provide for the recovery of direct and indirect costs, subject to adjustment based upon review by the granting agencies. The University recognizes revenue associated with direct costs as the related costs are incurred. The recovery of indirect costs is recorded at predetermined rates negotiated with the federal government.

**Note 1: Summary of Significant Accounting Policies (Continued)**

***State Appropriations***

State appropriations are reported as non-operating revenue, net of the Medicaid match payments required under various contracts between UAMS and the Arkansas Department of Human Services. The match payments were \$61,987,000 for the fiscal year ended June 30, 2022.

***Component Units***

In fiscal year 2022, there were two qualifying foundations determined to be component units for the University of Arkansas System: The University of Arkansas Foundation, Inc. and the University of Arkansas Fayetteville Campus Foundation, Inc. Although the University does not control the timing, or amount, of receipts from either of these foundations, the majority of resources or income thereon, which the foundations hold and invest, is restricted to the activities of the University by the donors. Because these restricted resources held by the foundations can be used only by, or for the benefit of, the University, and their individual net assets are considered as having met the financial accountability criteria by management, these two foundations are considered component units and are discretely presented in the University's financial statements.

The University of Arkansas Foundation, Inc. is a separate not-for-profit organization, which operates for charitable educational purposes, including the administration and investment of gifts and other amounts received directly or indirectly for the benefit of the University of Arkansas. The Board of Directors has twenty-eight members, four of which are current or previous members of the Board of Trustees of the University of Arkansas. During the years ended June 30, 2022 and 2021, the Foundation distributed \$94,208,388 and \$70,275,302, respectively, to or on behalf of the University. Complete financial statements for the Foundation can be obtained from the administrative office at *535 Research Center Boulevard, Suite 120, Fayetteville, AR 72701*.

The University of Arkansas Fayetteville Campus Foundation, Inc. is a not-for-profit charitable organization which was established by the Walton Family Charitable Support Foundation, Inc., for the exclusive benefit of the University of Arkansas, Fayetteville campus. The Foundation was established on March 11, 2003, and exists primarily to support the Honors College, the Graduate School, and the University's library. The Board of Trustees of the Foundation is made up of seven members, including three members who are also employees of the University. During the years ended June 30, 2022 and 2021, the Foundation distributed \$22,418,322 and \$22,780,270, respectively, to or on behalf of the University. Complete financial statements for the Foundation can be obtained from the administrative office at *535 Research Center Boulevard, Suite 120, Fayetteville, AR 72701*.

***Encumbrances***

Encumbrances representing commitments and outstanding purchase orders for goods and services not received as of the last day of the fiscal year are not reported as expenses or included in liabilities in the accompanying financial statements.

**Note 1: Summary of Significant Accounting Policies (Continued)**

***New Accounting Pronouncements***

The GASB issued the following statements, which became effective for the fiscal years identified below. In fiscal year 2020, the GASB issued Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which became effective immediately and delayed the implementation dates as indicated on the applicable statements below.

For the year ended June 30, 2022:

- Statement No. 87, *Leases*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*
- Statement No. 98, *The Annual Comprehensive Financial Report*
- Statement No. 99, *Omnibus 2022, the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63*

Management has determined that the Statements No. 92, 93, 97, 98 and 99 did not materially impact the System. Statement No. 87 established standards of accounting and financial reporting for leases. As a result, beginning net position, as reported on the Statement of Revenues, Expenses and Changes in Net Position, was increased by \$558,735. Details of the effect implementing this statement are discussed in detail in Footnote 23.

For the year ending June 30, 2023:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022, the requirements in paragraphs 11-25 related to leases, PPPs, and SBITA*

For the year ending June 30, 2024:

- Statement No. 99, *Omnibus 2022, the requirements in paragraphs 4-10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53*
- Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*

Management has not yet determined the effects of these statements on the University's financial statements.

## Note 2: Reporting Entity

The University of Arkansas System, which prior to 1969 consisted of the Fayetteville and Medical Sciences campuses, was expanded in 1969 to include the Little Rock campus (formerly Little Rock University), in 1971 to include the Monticello campus (formerly Arkansas A&M College), in 1972 to include the Pine Bluff campus (formerly Arkansas AM&N College), in 1996 to include the Phillips campus (formerly Phillips County Community College), and the Hope campus (formerly Red River Technical College), and in 1998 to include the Batesville campus (formerly Gateway Technical College). On July 1, 2001, the University was expanded to include campuses in Morrilton (formerly Petit Jean College) and DeQueen (formerly Cossatot Community College). The Fort Smith campus (formerly Westark College) joined the University on January 1, 2002. Forest Echoes Technical Institute in Crossett and Great Rivers Technical Institute in McGehee merged with the Monticello campus on July 1, 2003. The Arkansas School for Mathematics, Sciences and the Arts, a residential high school, joined the University on January 1, 2004. On February 1, 2017, Pulaski Technical College and Rich Mountain Community College became the sixth and seventh two-year colleges to join the UA System. In addition to these campuses, the University includes the System Administration, whose financial statements include eVersity and the University of Arkansas Grantham (acquired on November 1, 2021 and formerly Grantham University), and the following units that are included in the financial statements of the Fayetteville campus: Clinton School of Public Service, Division of Agriculture (Agricultural Experiment Station and the Cooperative Extension Service), Arkansas Archeological Survey, and the Criminal Justice Institute.

On August 30, 2021, the University entered into an Asset Purchase Agreement to acquire the assets and assume certain liabilities (consisting primarily of service and vendor contracts, any liabilities to students, and office lease obligations) of Grantham University ("Grantham"), a for-profit online institution of higher education with approximately 4,000 active students and more than 60 degree programs. The acquisition was closed on November 1, 2021 with a net transfer to the sellers of \$890,797 due to amounts receivable from the Department of Defense. Grantham was founded in 1951 to serve World War II veteran educational needs. It began offering exclusively online programs in the late 1990s. Grantham has maintained a focus on military students, and current or past service members currently make up approximately 67% of Grantham's student body. Grantham is accredited through the Distance Education Accrediting Commission, the Accrediting Board of Engineering and Technology, the Commission of Collegiate Nursing Education, the Accrediting Commission for Education in Nursing, and the International Accreditation Council for Business Education. Grantham joined the System as the "University of Arkansas – Grantham."

All programs and activities of the University of Arkansas System are governed by its Board of Trustees, which has been accorded constitutional status for the exercise of its powers and authority by Amendment 33 to the Arkansas Constitution. The Board of Trustees has delegated to the President the administrative authority for all aspects of the University's operations. Administrative authority is further delegated to the Chancellors, the Vice President for Agriculture, the Dean of the Clinton School, the Director of the CJI, the Director of AAS, and the Director of ASMSA, who have responsibility for the programs and activities of their respective campuses or state-wide operating division.

**Note 2: Reporting Entity (Continued)**

The financial reporting entity consists of (a) the primary government; (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Under the provisions of this statement, the University is an institution of higher education of the State of Arkansas (primary government).

**Note 3: Net Patient Services Revenue and Charity Care**

Patient care operations are included in the accompanying financial statements under accounting principles generally followed by governmental colleges and universities. Patient accounts receivable at June 30, 2022, are recorded net of an allowance for doubtful accounts of \$301,289,000.

Net patient services revenue for the year ended June 30, 2022, is as follows:

<b>GROSS PATIENT REVENUE</b>	<b>2022</b>
Gross patient revenue	3,709,906,000
Less: patient services contractual allowances	(2,320,457,000)
Less: provision for bad debt	(54,782,000)
<b>TOTAL</b>	<u><b>\$ 1,334,667,000</b></u>

UAMS provided approximately \$ 45,030,000 in charity care, based on established rates, during the year ended June 30, 2022. Because UAMS does not pursue collection of amounts determined to qualify as charity care, they are not included in gross patient revenue above. Net patient services revenue for the year ended June 30, 2022, includes approximately \$58,151,000 from the Medicaid program representing payments relating to Upper Payment Limit and Disproportionate Share reimbursements. These payments are available to state-operated teaching hospitals under Medicaid regulations. Net patient services revenue for the year ended June 30, 2022 includes approximately \$40,462,000 of net revenue from the Supplemental Medicaid program.

The Hospital, Faculty Group Practice (FGP), and Regional Campuses have agreements with governmental and other third-party payors that provide for reimbursement at amounts different from their established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the billings at established rates for services and amounts reimbursed by third-party payors. A summary of the basis of reimbursement with significant third-party payors is as follows:



**Note 3: Net Patient Services Revenue and Charity Care (Continued)**

***Hospital:***

Medicare – Inpatient acute care services rendered to program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Some transplantation services are paid based upon a cost reimbursement methodology. Outpatient services are paid based on a prospective payment system where services are classified into groups called Ambulatory Payment Classifications (APC). Services in each APC are similar clinically and in terms of the resources they require. The Hospital is paid for cost-reimbursable items at a tentative rate with final settlement determined after submission of an annual cost report by the Hospital and audit by the Medicare fiscal intermediary. As of June 30, 2022, the Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2017.

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon a cost-reimbursement methodology. The Hospital is paid at a tentative rate with final settlement determined after submission of an annual cost report by the Hospital and audits by the Medicaid audit contractor. The Hospital is required to pay the federal match for the difference in reimbursement between the Tax Equity and Fiscal Responsibility Act inpatient rate and full cost. For outpatient services, the Hospital is required to pay the federal match for the difference reimbursed between the outpatient prospective rates and full cost. As of June 30, 2022, the Hospital's Medicaid cost reports have been audited by the Medicaid audit contractor through June 30, 2013.

***FGP and Regional Campuses:***

Services rendered to both Medicare and Medicaid program beneficiaries are reimbursed on prospectively determined rates per unit of service.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Management believes that UAMS is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

The Hospital, FGP, and Regional Campuses have agreements with certain commercial insurance carriers and preferred provider organizations, which include prospectively determined rates per discharge, discounts from established charges, and prospectively determined per diem rates.

Additionally, UAMS has agreements to provide healthcare professionals to independent healthcare providers at contractually determined rates. These providers are responsible for billing and collecting from patients and third-party payors, as applicable, for the services provided by UAMS staff supplied by these contracts.

**Note 4: Cash, Cash Equivalents and Investments**

A.C.A. §19-4-805 authorizes institutions of higher learning to determine the depositories and nature of investments of any of their cash funds which are not currently needed for operating purposes.

***Cash and Cash Equivalents***

Cash deposits are carried at cost. The following schedule reconciles the amount of deposits to the statement of net position at June 30, 2022:

<b>Cash and Cash Equivalents</b>	
Cash deposits at year end	\$ 560,079,362
cash held on deposit in state treasury	7,325,710
cash equivalents	229,479,186
cash on hand	276,218
Less: cash/cash equiv shown as deposits held in trust on SNP	(233,709,475)
adjustment for deposits in transit within the system	57,986
<b>TOTAL</b>	<b><u>\$ 563,508,987</u></b>

Deposits are exposed to custodial risk if they are not covered by depository insurance (FDIC) and are uncollateralized. At June 30, 2022, \$359,319 of the University's bank balances related to a Certificate of Deposit at a local bank were exposed to custodial credit risk.

***Investments***

Investments are reported at fair value, which, for reporting purposes, is market value. The following is a summary of the University's investments held at June 30, 2022:

<b>Investment Type</b>	<b>Fair Value</b>
Mutual & Money Market Funds	\$ 251,187,935
Corporate & Municipal Bonds	96,262,974
External Investment Pool	203,045,670
Short-term Investment Fund Pool	253,117,160
Certificate of Deposits	15,031,582
U.S. Treasury & Government Sponsored Agencies	363,158,352
Commercial Paper	18,360,467
Other	14,157,727
Sub-Total	1,214,321,867
-shown as cash/cash equiv on Stmt of Net Position	(226,858,560)
-shown as deposits held in trust on Stmt of Net Position	(8,497,793)
Investments as reported on Stmt of Net Position	<b><u>\$ 978,965,514</u></b>

The University is required to provide investment risk disclosures for all invested funds. Interest rate risk is the risk that changes if interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The following tables show these risks for the University's funds outside the external investment pool and short-term investment fund pool.



**Note 4: Cash, Cash Equivalents and Investments (Continued)**

Investment Type	Fair Value	Interest Rate Risk			
		Investment Maturities (in years)			
		Less than 1	1 to 5	over 5	More than 10
Commercial Paper	\$ 18,360,467	\$ 18,360,467	\$ -	\$ -	\$ -
Bonds	90,158,636	4,130,897	78,776,370	7,215,977	35,392
U.S. Treasury & Agency Securities	363,220,784	100,779,654	237,895,302	24,542,595	3,233
			-	-	-
Totals	\$ 471,739,887	\$ 123,271,018	\$ 316,671,672	\$ 31,758,572	\$ 38,625

Investment Type	Fair Value	Credit Risk				
		AAA	AA	A	B & below	Not Rated
Mutual Funds	\$ 6,540,960	\$ 417,560	\$ -	\$ 759,295	\$ -	\$ 5,364,105
Commercial Paper	18,360,467	18,355,849	-	-	-	4,618
Bonds	90,158,636	20,000,533	68,748,675	20,120	95,383	1,293,925
		-	-	-	-	-
Totals	\$ 115,060,063	\$ 38,773,942	\$ 68,748,675	\$ 779,415	\$ 95,383	\$ 6,662,648

**External Investment Pool**

In 1997, the University of Arkansas and the University of Arkansas Foundation established an external investment pool. This arrangement commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio. Subsequent to its establishment, other entities have joined including the Walton Arts Foundation in 1998, the Fayetteville Campus Foundation in 2003, the University of Arkansas Community College at Hope Foundation in 2007, the Razorback Foundation in 2012, and the University of Arkansas Technology Development Foundation in 2016.

The external investment pool is exempt from registration with the Securities and Exchange Commission. The University of Arkansas Board of Trustees and the University of Arkansas Foundation Board of Trustees were the sponsors of this investment pool and were responsible for operation and oversight for the pool. All participation in this investment pool is voluntary.

In January 2010, the University of Arkansas Investment Committee approved an agreement which delegated authority to the UA Foundation to manage University funds held in the Pool. The agreement included delegation of all responsibility for all investment guidelines and performance objectives for accounts within the Pool. The agreement also delegated to the UA Foundation authority for further delegation of portfolio implementation decisions to one or more investment managers. In January 2010, the UA Foundation entered into such an agreement with Cambridge Associates, LLC.

In 2018, the UA Foundation revised their investment policies to only allow endowed monies to be maintained in the investment pool. In response to the change, the UA System Investment Committee approved an agreement with Wilmington Trust to create a short-term investment pool for non-endowed investments. PFM Asset Management LLC was selected through a request for proposals to act as an investment advisor for the UA System for this pool designated as the Short-Term Investment Fund, or STIF (see below for additional information).

**Note 4: Cash, Cash Equivalents and Investments (Continued)**

At June 30, 2022, four campuses and one division (UAF, Division of Agriculture, UALR, UAMS, and UAM) and six foundations participated in the Pool, whose net assets totaled \$2,642,260,089. The Pool was combined with 7.68% of the net assets owned by the University of Arkansas and external portions as follows: 65.72% by the University of Arkansas Foundation, 24.74% by the Fayetteville Campus Foundation, 0.67% by the Walton Arts Foundation, 0.13% by the University of Arkansas Community College at Hope Foundation, 0.03% by the University of Arkansas Technical Development Foundation, and 1.01% by the Razorback Foundation. The following tables contain information on the risk disclosures of the Pool.

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL**  
**Statement of Invested Assets**  
**June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>
<b>Equities</b>	<b>\$ 467,943,257</b>
Common Stock	133,070,936
Funds - Common Stock	334,872,321
<b>Fixed Income</b>	<b>192,732,970</b>
Government Bonds	160,818,383
Corporate Bonds	96,092
Funds - Corporate Bond	31,818,476
Government Mortgage Backed Securities	19
<b>Venture Capital and Partnerships</b>	<b>1,099,284,259</b>
Partnerships	1,099,284,259
<b>Hedge Fund</b>	<b>512,613,345</b>
Hedge Equity	512,613,345
<b>All Other</b>	<b>396,447</b>
Recoverable Taxes	396,447
<b>Cash/Cash Equivalents</b>	<b>369,289,811</b>
Funds - Short Term Investments	364,324,618
Cash	298,291
Invested Cash	4,666,902
<b>TOTAL</b>	<b>\$ 2,642,260,089</b>

\*Includes accrued income

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL**  
**Credit Risk - S&P Quality Ratings**  
**June 30, 2022**

<b>Investment Type &amp; Fair Value*</b>	<b>Fair Value*</b>	<b>Not Rated or Not Available</b>	<b>US Govn Guaranteed</b>
Corporate Bonds	\$ 96,092	\$ 96,092	
Funds - Corporate Bond	31,777,464	31,777,464	
Funds - Short Term Investment	364,070,414	364,070,414	
Government Bonds	160,296,349		160,296,349
Government Mortgage Backed Securities	19		19
Total	\$ 556,240,338	\$ 395,943,970	\$ 160,296,368

**Note 4: Cash, Cash Equivalents and Investments (Continued)**

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL**

Years to Maturity  
June 30, 2022

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Less than 1</b>	<b>1+ to 6</b>	<b>6+ to 10</b>	<b>10+</b>	<b>Maturity not Determined</b>
Corporate Bonds	\$ 96,092				\$ 96,092	
Funds - Corporate Bond	31,777,464					\$ 31,777,464
Funds - Short Term Investment	364,070,414					364,070,414
Government Bonds	160,296,349		\$ 20,200,361	\$ 140,095,988		
Government Mortgage Backed Securities	19			19		
<b>Total</b>	<b>\$ 556,240,338</b>	<b>\$ -</b>	<b>\$ 20,200,361</b>	<b>\$ 140,096,007</b>	<b>\$ 96,092</b>	<b>\$ 395,847,878</b>

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL**

**Interest Rate Sensitivity - Effective Duration**

June 30, 2022

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Effective Duration</b>
Corporate Bonds	\$ 96,092	N/A
Funds - Corporate Bonds	31,777,464	N/A
Funds - Short Term Investment	364,070,414	N/A
Government Bonds	160,296,349	8.02
Government Mortgage Backed Securities	19	2.08
<b>Total</b>	<b>\$ 556,240,338</b>	

\*Does not include accrued income

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL**

**Foreign Currency Risk By Investment Type**

June 30, 2022

<b>Currency By Investment and Fair Value*</b>	<b>Cash</b>	<b>Equity</b>	<b>Other Assets</b>
AUSTRALIAN DOLLAR	\$ 1,341,303		
BRITISH POUND STERLING	(3,319,796)	\$ 6,651,022	
CANADIAN DOLLAR	2,229,308	64,445	
CHINESE YUAN RENMINBI	(2,510,856)		
DANISH KRONE		247,830	\$ 9,458
EURO	(6,634,861)	14,782,292	241,331
HK OFFSHORE CHINESE YUAN RENMINBI	(398,878)		
HONG KONG DOLLAR		1,011,386	
JAPANESE YEN	(696,956)	5,209,830	
NORWEGIAN KRONE	140,730		
SINGAPORE DOLLAR	127,120		
SWEDISH KRONA	476,741	106	
SWISS FRANC	(4,782,969)	6,625,311	142,226
<b>Total</b>	<b>\$ (14,029,114)</b>	<b>\$ 34,592,222</b>	<b>\$ 393,015</b>

\*Includes accrued income

**Note 4: Cash, Cash Equivalents and Investments (Continued)**

Short-Term Investment Fund Pool

This pool was created for campuses to invest funds on a short-term basis so that the funds would be accessible within a short period to them as needed. There are six campuses or divisions currently invested in the STIF. The breakdown by campus or division at June 30, 2022 is as follows: System-17.89%, UALR-23.41%, UAMS-5.18%, UAM-2.37%, PCCUA-2.17%, UACCM-2.53%, and the Division of Agriculture-46.44%. The following tables contain information on the risk disclosures of the STIF.

**UNIVERSITY OF ARKANSAS SYSTEM  
Short Term Investment Fund  
Statement of Invested Assets  
June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>
<b>Fixed Income</b>	<b>\$ 88,221,006</b>
International Developed Bonds	19,450,689
Corporate Bonds	14,945,045
U.S. Government Agency Bonds	17,479,106
U.S. Treasury Bonds	36,346,166
<b>Cash/Cash Equivalents</b>	<b>54,682,706</b>
Certificates of Deposit	29,453,895
Commercial Paper	25,040,466
Money Market Funds	188,345
<b>TOTAL</b>	<b>\$ 142,903,712</b>

\*includes accrued income

**UNIVERSITY OF ARKANSAS SYSTEM  
Short-Term Investment Fund  
Credit Risk  
June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>B &amp; Below</b>	<b>Not Rated</b>
International Developed Bonds	\$ 19,358,975		\$ 2,996,954	\$16,362,021		
Corporate Bonds	14,854,291		3,611,100	10,246,421	996,770	
U.S. Government Agency Bonds	17,461,137		15,941,215			\$ 1,519,922
U.S. Treasury Bonds	36,318,759	\$ 30,707,491				5,611,268
Total	<u>\$ 87,993,162</u>	<u>\$ 30,707,491</u>	<u>\$ 22,549,269</u>	<u>\$26,608,442</u>	<u>\$ 996,770</u>	<u>\$ 7,131,190</u>

\*Does not include accrued income

**Note 4: Cash, Cash Equivalents and Investments (Continued)**

**UNIVERSITY OF ARKANSAS SYSTEM  
Short-Term Investment Fund  
Interest Rate Risk - Investment Maturities (in Years)  
June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Less than 1</b>	<b>1 to 3</b>	<b>Over 3</b>
International Developed Bonds	\$ 19,358,975	\$ 12,433,141	\$ 6,925,834	\$ -
Corporate Bonds	14,854,291	8,086,167	6,768,124	-
U.S. Government Agency Bonds	17,461,137	7,922,958	9,538,179	-
U.S. Treasury Bonds	36,318,759	7,182,257	29,136,502	-
Total	<u>\$ 87,993,162</u>	<u>\$ 35,624,523</u>	<u>\$ 52,368,639</u>	<u>\$ -</u>

**UNIVERSITY OF ARKANSAS SYSTEM  
Short-Term Investment Fund  
Interest Rate Sensitivity - Effective Duration  
June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Effective Duration</b>
International Developed Bonds	\$ 19,358,975	0.72
Corporate Bonds	14,854,291	0.85
U.S. Government Agency Bonds	17,461,137	0.85
U.S. Treasury Bonds	36,318,759	1.06
Total	<u>\$ 87,993,162</u>	

\*Does not include accrued income

**Extended Fixed-Income Investment Fund and Intermediate Term Growth Fund**

In September 2021, the UA System Investment Committee approved an agreement with Wilmington Trust to expand the external investment pool with the following additional tiers and funds for investing: Extended Fixed-Income Investment Fund (Tier 2) and Intermediate Term Growth Fund (Tier 3).

The Extended Fixed-Income Investment Fund (Tier 2) seeks to provide long-term capital appreciation through the investment of high-quality bonds. The Fund expects to maintain an average duration, under normal circumstances, of not more than three years. The Intermediate Term Growth Fund (Tier 3) seeks to provide long-term capital appreciation through the investment of diversified portfolio of stocks and bonds. The Fund's investment objectives are based on a long-term investment horizon of five years or longer. The following tables contain information on the risk disclosures for the Extended Fixed-Income Investment and Intermediate Term Growth Funds.

**Note 4: Cash, Cash Equivalents and Investments (Continued)**

**UNIVERSITY OF ARKANSAS SYSTEM  
Extended Fixed Income Fund  
Statement of Invested Assets  
June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>
<b>Fixed Income</b>	<b>\$ 25,751,686</b>
International Developed Bonds	357,203
Corporate Bonds	3,803,445
U.S. Treasury Bonds	21,591,038
<b>Cash/Cash Equivalents</b>	<b>78,540</b>
Money Market Funds	78,540
<b>TOTAL</b>	<b>\$ 25,830,226</b>

\*includes accrued income

**UNIVERSITY OF ARKANSAS SYSTEM  
Extended Fixed Income Fund  
Credit Risk  
June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>B &amp; Below</b>	<b>Not Rated</b>
International Developed Bonds	\$ 356,398		\$ 89,118	\$ 267,280		
Corporate Bonds	3,781,506	120,134	561,479	2,540,078	559,815	
U.S. Treasury Bonds	21,562,606	\$ 19,140,206				2,422,400
<b>Total</b>	<b>\$ 25,700,510</b>	<b>\$ 19,260,340</b>	<b>\$ 650,597</b>	<b>\$ 2,807,358</b>	<b>\$ 559,815</b>	<b>\$ 2,422,400</b>

\*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM  
Extended Fixed Income Fund  
Interest Rate Risk - Investment Maturities (in Years)  
June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Less than 1</b>	<b>1 to 3</b>	<b>3 to 5</b>	<b>5 to 7</b>	<b>Over 7</b>
International Developed Bonds	\$ 356,398		\$ 213,012	\$ 143,386		
Corporate Bonds	3,781,506		1,290,127	2,163,400	327,979	
U.S. Treasury Bonds	21,562,606	2,378,283	11,954,385	7,229,938		
<b>Total</b>	<b>\$ 25,700,510</b>	<b>\$ 2,378,283</b>	<b>\$ 13,457,524</b>	<b>\$ 9,536,724</b>	<b>\$ 327,979</b>	<b>\$ -</b>

\*Does not include accrued income

**Note 4: Cash, Cash Equivalents and Investments (Continued)**

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Extended Fixed Income Fund**  
**Interest Rate Sensitivity - Effective Duration**  
**June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Effective Duration</b>
International Developed Bonds	\$ 356,398	2.58
Corporate Bonds	3,781,506	3.19
U.S. Treasury Bonds	21,562,606	2.25
<b>Total</b>	<b>\$ 25,700,510</b>	

\*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Intermediate Term Growth Fund**  
**Statement of Invested Assets**  
**June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>
<b>Equities</b>	<b>\$ 48,933,931</b>
International Blend	4,815,626
International Developed	4,757,520
Global Equity	1,110,293
Preferred Stock	1,199,495
U.S. Large/Mid-Cap	34,408,995
U.S. Small-Cap	2,642,002
<b>Fixed Income</b>	<b>21,259,107</b>
International Fixed Income Funds	7,506,162
Bank Loan and Leverage Loan Funds	1,667,306
Bond Funds	10,714,054
Municipal Bonds	1,371,585
<b>Real Assets</b>	<b>8,073,212</b>
Commodities	4,552,169
U.S. REIT Funds	3,521,043
<b>Cash/Cash Equivalents</b>	<b>6,117,252</b>
Money Market Funds	6,117,252
<b>TOTAL</b>	<b>\$ 84,383,502</b>

\*includes accrued income

**Note 4: Cash, Cash Equivalents and Investments (Continued)**

**UNIVERSITY OF ARKANSAS SYSTEM  
Intermediate Term Growth Fund  
Credit Risk  
June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>B &amp; Below</b>	<b>Not Rated</b>
International Fixed Income Funds	\$ 7,506,162					\$ 7,506,162
Bank Loan and Leverage Loan Funds	1,667,306					1,667,306
Bond Funds	10,714,054					10,714,054
Municipal Bonds	1,296,585					1,296,585
<b>Total</b>	<b>\$ 21,184,107</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,184,107</b>

\*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM  
Intermediate Term Growth Fund  
Interest Rate Risk - Investment Maturities (in Years)  
June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Over 10</b>	<b>Maturity Not Determined</b>
International Fixed Income Funds	\$ 7,506,162		\$ 7,506,162
Bank Loan and Leverage Loan Funds	1,667,306		1,667,306
Bond Funds			10,714,054
Municipal Bonds	1,296,585	1,296,585	
<b>Total</b>	<b>\$ 21,184,107</b>	<b>\$ 1,296,585</b>	<b>\$ 19,887,522</b>

\*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM  
Intermediate Term Growth Fund  
Interest Rate Sensitivity - Effective Duration  
June 30, 2022**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Effective Duration</b>
International Fixed Income Funds	\$ 7,506,162	N/A
Bank Loan and Leverage Loan Funds	1,667,306	N/A
Bond Funds	10,714,054	N/A
Municipal Bonds	1,296,585	6.68
<b>Total</b>	<b>\$ 21,184,107</b>	

\*Does not include accrued income



**Note 4: Cash, Cash Equivalents and Investments (Continued)**

Endowment Funds

A.C.A. § 28-69-804 states, “Subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution.

The University does not have a uniform policy addressing the authorization and spending of investment income. Such policies have been established at the applicable campuses and include spending rates averaged over a specified period and compliance with donor restrictions. The computation of net appreciation on investments of donor-restricted endowments that are available for expenditure at June 30, 2022, is as follows:

Total Endowment	\$ 191,799,444
Less: Funds treated as endowment	(57,973,655)
Less: Non-expendable portion of endowment	(70,681,119)
Available for Expenditure	<u>\$ 63,144,670</u>

**Note 5: Fair Value Measurement**

The University’s fair value hierarchy that prioritizes the inputs to valuation techniques gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

An individual investment’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the University. The University considers observable data to be market data, which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of that investment and does not necessarily correspond to the University’s perceived risk of that investment.

The three levels of the fair value hierarchy are as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the University has the ability to access at the measurement date. Publicly traded equity securities and mutual funds are the primary investments included in Level 1 and are valued at the individual security’s closing market price.

**Note 5: Fair Value Measurement (Continued)**

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Observable inputs are those that reflect the assumptions market participants would use in pricing the asset developed based on market data obtained from independent sources. These types of sources would include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, models or other valuation methodologies. Level 2 investments include U.S. and international government debt securities valued at market corroborated prices and certain equity and fixed income investments in commingled investment vehicles reported at net asset value derived from the market prices of security holdings.

Level 3: Inputs that are unobservable. Unobserved inputs are those that reflect the University's own assumptions about what market participants would use in pricing the asset developed based on the best information available. These types of sources would include investment manager pricing for private equities, hedge funds and certain limited partnerships. Limited partner interests in private equity and other partnerships and hedge fund investments are included in Level 3 and are valued using the individual investment manager's reported estimates of fair value developed in accordance with reasonable valuation policies.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth, by level within the valuation hierarchy, University invested funds, including amounts reported as deposits with bond trustees on the Statement of Net Position, at June 30, 2022:

**Note 5: Fair Value Measurement (Continued)**

Summary of Investments by Fair Value Level				
Investment by fair value level	Level 1	Level 2	Level 3	Total
<b>Equity Securities:</b>				
US	\$ 484,407	\$ 1,103,962	\$ 379	\$ 1,588,748
International	-	-	-	-
<b>Fixed Income Securities:</b>				
US Government Debt	39,932,991	324,455,524	-	364,388,515
Other Debt Securities	737,047	114,954,828	-	115,691,875
<b>Commingled Funds:</b>				
US Equity	94,184	1,848,145	-	1,942,329
International Equity	26,306	157,905	-	184,211
US Government Bonds	502,492	421,608	-	924,100
Non-US Government Bonds	35,138	-	-	35,138
Corporate Bonds	64,697	682,642	-	747,339
<b>Exchange Traded Funds:</b>				
Equity	612,000	-	-	612,000
Fixed Income	176,000	-	-	176,000
<b>Other Partnerships:</b>				
US (j)	12,513,000	-	-	12,513,000
International (k)	-	-	-	-
<b>Non-marketable alternatives</b>	-	-	14,000,000	14,000,000
<b>Marketable alternatives</b>	-	1	650,000	650,001
<b>Certificates of Deposit</b>	8,085,382	5,507,021	-	13,592,403
<b>Money markets and short-term investments</b>	10,939,196	25,622	-	10,964,818
<b>Total investments by fair value level</b>	<b>\$ 74,202,840</b>	<b>\$ 449,157,258</b>	<b>\$ 14,650,379</b>	<b>538,010,477</b>
<b>Investments measured at NAV (net asset value)</b>				
External Investment Pool - Total Return Pool - UA Foundation				203,045,670
Short-Term Investment Fund Pool - UA System				142,241,934
Extended Fixed Income Pool - UA System				25,830,226
Intermediate-Term Investment Fund Pool - UA System				78,335,000
<b>Total investments by NAV</b>				<b>449,452,830</b>
<b>TOTAL INVESTMENTS</b>				<b>\$ 987,463,307</b>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a funds accounting technique or are provided by time deposit custodians. Securities classified in Level 3 are valued using par value on the face of the investments.

**Investments Measured at the NAV at June 30, 2022:**

	Fair Value	Redemption Frequency	Redemption Notice Period
External Investment Pool - UA Foundation Total Return Pool (1)	\$ 203,045,670	Daily	7 - 30 days
Short-Term Investment Fund Pool - UA System (2)	142,241,934	Daily	0-3 days
Intermediate-Term Investment Fund Pool - UA System (3)	25,830,226	End of Month	2-30 days
Extended Fixed Income Pool - UA System (4)	78,335,000	End of Month	2-30 days
<b>Total Investments measured at the NAV</b>	<b>\$ 449,452,830</b>		

**Note 5: Fair Value Measurement (Continued)**

- (1) This type includes investments in a broadly diversified external investment pool. Pooled investments include allocations to global equities, hedge funds, bonds, natural resources and real estate. The assets in the pool are accounted for at fair value determined according to the principles of the Financial Accounting Standards Board. A one-week notice is required for redemptions over \$1 million. There is also a requirement for 30 days written notice if total withdrawals will exceed \$25 million in any 30-day period.
  
- (2) This type includes investments in a short-term investment pool comprised of fixed income investments with a duration of two years or less. The pooled investments are allocated primarily to treasuries, government agency bonds, corporate bonds, commercial paper, negotiable certificates of deposit, and money-market funds. The assets in the STIF are accounted for at fair value determined according to the principles of the Financial Accounting Standards Board. A three-day notice is requested for redemptions of any amount.
  
- (3) This type includes investments in a short-term investment pool comprised of fixed income investments with a duration of three years or less. The pooled investments are allocated primarily international developed bonds, government agency bonds, corporate bonds, and money-market funds. The assets in the STIF are accounted for at fair value determined according to the principles of the Financial Accounting Standards Board. A two-day notice prior to month-end is requested for redemptions of any amount.
  
- (4) This type includes a diversified portfolio of stocks and bonds investments with a duration of five years or longer. The pooled investments are allocated primarily to equities, bonds, natural resources, real estate, and money-market funds. The assets in the pool are accounted for at fair value determined according to the principles of the Financial Accounting Standards Board. A two-day notice prior to month-end is requested for redemptions of any amount.

**Note 6: Disaggregation of Accounts Receivable and Accounts Payable**

Current accounts receivable balances, net of allowances, at June 30, 2022, as shown on the Statements of Net Position, consist of the following:

<b>ACCOUNTS RECEIVABLE</b>	<b>June 30, 2022</b>
Student accounts	\$ 25,071,358
Non-student accounts	95,331,817
Grants and contracts	90,552,609
Property and sales taxes	1,624,118
Other	4,596,577
Total	<u>\$217,176,479</u>

**Note 6: Disaggregation of Accounts Receivable and Accounts Payable (Continued)**

Current accounts payable balances at June 30, 2022, as shown on the Statements of Net Position, consist of the following:

<b>ACCOUNTS PAYABLE</b>	<b>June 30, 2022</b>
Trade related	\$ 61,355,948
Payroll related	53,104,042
Interest	6,684,509
Other	88,891,955
<b>Total</b>	<b>\$210,036,454</b>

**Note 7: Capital Assets**

The following table includes changes in capital assets for the year ended June 30, 2022:

<b>CAPITAL ASSETS</b>	<b>June 30, 2021</b>				<b>June 30, 2022</b>
	<b>Balance</b>	<b>Additions</b>	<b>Transfers</b>	<b>Deletions</b>	<b>Balance</b>
Land	\$ 120,950,394	\$ 21,973,365	\$ 666,800	\$ 309,439	\$ 143,281,120
Library Holdings	160,374,230	6,821,152		3,023,890	164,171,492
Construction in progress	269,811,115	218,382,961	(265,343,692)		222,850,384
Improvements and infrastructure	370,837,699	978,191	10,180,142		381,996,032
Buildings	4,193,956,571	5,865,546	256,352,125	1,234,199	4,454,940,043
Equipment	723,875,592	55,972,183	(211,213)	26,100,692	753,535,870
Intangibles - Software	178,181,126	40,648	30,843,669		209,065,443
Intangibles - Software in development	49,427,398	22,743,200	(30,843,669)	2,047,000	39,279,929
Intangibles - Leasehold improvements	6,912,819	1,467,492	2,642,918		11,023,229
Intangibles - Radio License	67,809				67,809
Right to Use Buildings	45,368,073	81,116,508	(4,628,000)		121,856,581
Right to Use Equipment	45,073,485	11,955,984	(522,000)	3,289,000	53,218,469
Right to Use Improvements/Infrastructure	12,014,603	100,000			12,114,603
Other	3,458,558	168,543	862,920	1,000	4,489,021
<b>Total Capital Assets</b>	<b>6,180,309,472</b>	<b>427,585,773</b>	<b>-</b>	<b>36,005,220</b>	<b>6,571,890,025</b>
Less accumulated depreciation:					
Library Holdings	139,874,244	4,045,329		2,998,069	140,921,504
Improvements and infrastructure	207,565,463	15,160,715	(1,668,021)		221,058,157
Buildings	1,989,341,367	136,979,491	3,495,383	694,926	2,129,121,315
Equipment	605,415,930	37,574,273	186,295	21,335,635	621,840,863
Intangibles - Software	148,841,010	11,635,330	58,193	892	160,533,641
Intangibles - Leasehold improvements	5,605,514	348,510	1,679,155		7,633,179
Right to Use Buildings	21,684,000	9,607,308	(3,514,000)		27,777,308
Right to Use Equipment	30,266,000	5,719,320	(199,000)	3,284,000	32,502,320
Right to Use Improvements/Infrastructure	-	605,423			605,423
Other	70,711	68,276	(38,005)		100,982
<b>Total Accum Depreciation</b>	<b>3,148,664,239</b>	<b>221,743,975</b>	<b>-</b>	<b>28,313,522</b>	<b>3,342,094,692</b>
<b>Capital Assets, Net</b>	<b>\$ 3,031,645,233</b>	<b>\$ 205,841,798</b>	<b>\$ -</b>	<b>\$ 7,691,698</b>	<b>\$ 3,229,795,333</b>

The June 30, 2021 Balance was restated due to the adoption of GASB Statement No. 87.

Library holdings, including old and rare books, valued at \$ 1,244,000 at June 30, 2022, held by the Medical Sciences Campus, are not included in the above chart or in the accompanying Statements of Net Position.

**Note 8: Short-Term Borrowing**

GASB Statement No. 38, Certain Financial Statement Note Disclosures, states that governments should provide details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end. The University had the following short-term debt activity and outstanding balance as of June 30, 2022:

<b>Short-Term Borrowing</b>	<b>June 30, 2021</b>			<b>June 30, 2022</b>		<b>June 30, 2022</b>	
<b>Description</b>	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b>	<b>Unused Portion of ST</b>	<b>Borrowing</b>	
Line of Credit	\$ -	\$ 2,950,000	\$ 2,950,000	\$ -	\$	8,000,000	
ERP Note-Regions	-	-	-	-		-	
Other (specify)	-	-	-	-		-	
<b>TOTALS</b>	<b>\$ -</b>	<b>\$ 2,950,000</b>	<b>\$ 2,950,000</b>	<b>\$ -</b>	<b>\$</b>	<b>8,000,000</b>	

**Note 9: Compensated Absences**

Employees accrue and accumulate annual and sick leave in accordance with policies established by the Board of Trustees. The University accrues the dollar value of leave benefits in accordance with generally accepted accounting principles which require accrual of salary-related payments directly and incrementally associated with compensated absences, such as employer's share of social security taxes, as well as applicable salary expenses. These leave benefits are payable upon retirement, termination, or death of employees, up to the maximum allowed.

Full-time, non-classified employees accrue annual leave at the rate of fifteen hours per month and full-time classified employees accrue at a variable rate (from eight to fifteen hours per month) depending upon the number of years of employment in state government. Employees who are less than full-time, but are at least 50% time, accrue annual leave at prorated amounts. Under the University's policy, an employee may carry accrued annual leave forward from one calendar year to another, up to a maximum of 240 hours (30 working days). Classified employees who meet the conditions to be considered retirees at the time of termination of employment, are entitled to a partial payment of accumulated, unused sick leave in accordance with the provisions of Arkansas Code Annotated (A.C.A.) § 21-4-501. In accordance with A.C.A. § 21-4-505, two-year institutions may, at their discretion, provide to non-classified employees the same compensation for accumulated unused sick leave provided to classified employees. The Code also allows four-year institutions the same option. In no event shall an employee receive a sick leave amount upon separation that exceeds \$7,500.

**Note 9: Compensated Absences (Continued)**

Changes in compensated absences are shown below:

<b>COMPENSATED ABSENCES</b>					
Campus	Balance 6/30/21	Additions	Reductions	Balance 6/30/22	Current Portion
UAF	\$ 23,361,311	\$ 22,989,128	\$ 22,915,365	\$ 23,435,074	\$ 2,248,489
UAFS	1,626,251	264,336	389,598	1,500,989	252,591
UALR	4,447,184	509,075	686,233	4,270,026	455,782
UAMS	78,832,000	6,299,000	9,628,000	75,503,000	5,159,000
UAM	1,190,554	964,184	978,380	1,176,358	120,759
UAPB	2,652,120	3,586,913	2,212,534	4,026,499	232,211
SYSTEM	966,775	2,430,874	2,229,779	1,167,870	69,864
CCCUA	295,835	298,440	317,316	276,959	14,178
PCCUA	504,917	427,375	424,385	507,907	31,129
UACCB	304,092	568,881	536,018	336,955	36,761
UACCHT	384,361	372,024	356,182	400,203	27,378
UACCM	378,629	341,886	321,733	398,782	31,238
UAPTC	689,453	714,035	725,657	677,831	92,323
UACCRM	272,381	155,180	137,037	290,524	41,734
ASMSA	146,216	149,106	161,064	134,258	16,091
<b>TOTAL</b>	<b>\$ 116,052,079</b>	<b>\$ 40,070,437</b>	<b>\$ 42,019,281</b>	<b>\$ 114,103,235</b>	<b>\$ 8,829,528</b>

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable**

The retirement of some bond issues is secured by a specific pledge of certain gross revenues, surplus revenues and specific fees. Separate accounting is not required for these facilities under the provisions of the debt instruments; accordingly, segment reporting is not required for financial reporting purposes. A summary of long-term debt by campus is shown below. Total debt of \$1,960,126,409 shown in these schedules, which is related to bonds, notes, leases and installment contracts, differs from the amount of \$1,954,587,990 shown on the Statement of Net Position. This is due to an elimination entry of \$5,538,419 to account for two loans between UA campuses (see Note 19).

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

UNIVERSITY OF ARKANSAS FAYETTEVILLE						
Issue	Maturity	Interest	Amount	Maturities to	Outstanding	
Date	Date	Rate	Issued	Year-End	Year-End	
6/29/2011	11/1/2040	2.00% to 5.00%	\$ 101,225,000	\$ 101,225,000	-	
6/29/2011	11/1/2022	3.00% to 5.00%	8,895,000	8,195,000	700,000	
4/17/2012	11/1/2032	1.00% to 5.00%	56,965,000	56,965,000	-	
9/13/2012	11/1/2042	2.00% to 5.00%	60,540,000	60,540,000	-	
5/16/2013	11/1/2042	1.00% to 5.00%	54,450,000	54,450,000	-	
5/16/2013	9/15/2027	1.00% to 5.00%	30,355,000	15,405,000	14,950,000	
6/30/2014	11/1/2043	2.00% to 5.00%	24,730,000	24,730,000	-	
6/30/2014	11/1/2043	0.85% to 4.50%	5,020,000	825,000	4,195,000	
2/12/2015	11/1/2036	2.00% to 5.00%	70,360,000	70,360,000	-	
2/12/2015	9/15/2022	2.00% to 5.00%	14,180,000	13,525,000	655,000	
8/27/2015	11/1/2045	1.02% to 4.40%	7,510,000	940,000	6,570,000	
8/27/2015	11/1/2021	2.00% to 5.00%	36,675,000	36,675,000	-	
4/5/2016	11/1/2046	3.00% to 5.00%	93,590,000	13,720,000	79,870,000	
4/5/2016	11/1/2028	0.87% to 3.25%	15,280,000	6,485,000	8,795,000	
10/19/2016	9/15/2036	5.00%	24,845,000	-	24,845,000	
10/19/2016	9/15/2034	1.192% to 3.388%	90,000,000	9,605,000	80,395,000	
8/17/2017	11/1/2047	2.00% to 5.00%	95,805,000	6,175,000	89,630,000	
7/26/2018	11/1/2048	5.00%	20,385,000	945,000	19,440,000	
7/26/2018	11/1/2038	2.65% to 4.00%	6,560,000	720,000	5,840,000	
8/22/2019	11/1/2049	4.00% to 5.00%	59,655,000	2,895,000	56,760,000	
8/22/2019	9/15/2034	5.00%	24,900,000	1,255,000	23,645,000	
11/5/2019	11/1/2042	1.762% to 3.401%	139,220,000	2,745,000	136,475,000	
12/1/2021	11/1/2043	0.371% to 2.685%	175,645,000	-	175,645,000	
7/31/2015	7/1/2023	1.97%	4,935,766	4,021,997	913,769	
7/31/2015	11/19/2023	1.99%	16,969,012	13,775,238	3,193,774	
7/31/2015	1/8/2023	1.95%	6,844,590	6,115,194	729,396	
8/18/2021	8/15/2031	1.23%	10,840,896	768,720	10,072,176	
9/11/2020	9/15/2028	1.38%	4,727,000	-	4,727,000	
9/11/2020	9/15/2028	1.81%	13,937,000	-	13,937,000	
11/1/1992	5/1/2022	5.50%	3,000,000	3,000,000	-	
5/1/2005	11/1/2034	2.00% to 5.00%	1,604,883	1,042,042	562,841	
11/1/2018	10/1/2023	3.38%	4,811,399	3,817,699	993,700	
7/1/2019	6/1/2024	3.46%	544,922	323,475	221,447	
2/1/2019	6/1/2024	3.75%	705,145	413,588	291,557	
3/1/2019	6/1/2024	3.72%	795,562	467,741	327,821	
1/18/2018	2/1/2022	1.21% to 1.32%	485,364	485,364	-	
10/1/2018	7/1/2025	14.59%	24,891	8,177	16,714	
10/31/2019	9/30/2022	6.00%	92,388	84,073	8,315	
7/1/2019	7/1/2025	2.74%	619,417	251,188	368,229	
6/1/2019	5/28/2024	1.68% - 10.12%	38,205	33,855	4,350	
Various	Various	Various	6,539,719	1,039,303	5,500,416	
Various	Various	Various	891,016	276,065	614,951	
Various	Various	Various	350,000	350,000	-	
	Net unamortized premium/discount		114,997,383	64,846,349	50,151,034	
TOTALS			\$ 1,410,544,558	\$ 589,500,068	\$ 821,044,490	



**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

**UNIVERSITY OF ARKANSAS AT FORT SMITH**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
6/29/2010	12/1/2021	2.0%-4.0%	\$ 29,895,000	\$ 29,895,000	\$ -
6/5/2014	12/1/2031	2.0%-3.5%	5,295,000	2,010,000	3,285,000
6/26/2014	6/1/2039	2.0%-5.0%	10,930,000	2,365,000	8,565,000
10/20/2016	12/1/2034	2.0%-5.0%	19,500,000	2,465,000	17,035,000
10/20/2020	12/1/2030	0.353%-1.884%	10,715,000	2,815,000	7,900,000
10/20/2020	12/1/2035	4.0%-5.0%	5,765,000	605,000	5,160,000
2/29/2012	1/1/2022	0.0%	2,166,500	2,166,500	-
1/1/2022	1/1/2042	0.77%	416,647	10,458	406,189
1/1/2022	1/1/2062	0.77%	7,721,837	47,632	7,674,205
Net unamortized premium/discount			3,930,238	312,791	3,617,447
<b>TOTALS</b>			<b>\$ 96,335,222</b>	<b>\$ 42,692,381</b>	<b>\$ 53,642,841</b>

**UNIVERSITY OF ARKANSAS AT LITTLE ROCK**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
4/26/2012	5/1/2037	2.0%-5.0%	\$ 14,880,000	\$ 14,880,000	\$ -
9/19/2012	12/1/2029	1.0%-5.0%	13,850,000	13,070,000	780,000
4/24/2013	12/1/2024	1.0%-5.0%	10,770,000	7,555,000	3,215,000
4/24/2013	12/1/2024	.530%-2.884%	6,530,000	4,745,000	1,785,000
8/1/2013	10/1/2030	2.0%-5.0%	28,740,000	10,735,000	18,005,000
2/24/2016	10/1/2029	2.0%-5.0%	22,475,000	6,570,000	15,905,000
4/6/2016	10/1/2034	2.0%-5.0%	24,490,000	5,585,000	18,905,000
9/19/2017	10/1/2037	2.0%-5.0%	6,510,000	900,000	5,610,000
10/20/2020	10/1/2036	.439%-2.532%	18,795,000	340,000	18,455,000
1/11/2017	1/1/2027	0.00%	2,000,000	1,000,000	1,000,000
4/29/2020	1/1/2030	0.00%	633,792	200,000	433,792
4/1/2022	3/31/2027	2.69%	231,984	11,360	220,624
1/1/2021	1/1/2026	0.01%	139,380	139,380	-
Net unamortized premium/discount			14,167,687	7,980,496	6,187,191
<b>TOTALS</b>			<b>\$ 164,212,843</b>	<b>\$ 73,711,236</b>	<b>\$ 90,501,607</b>

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
5/14/2013	11/1/2034	1.0%-5.0%	\$ 112,665,000	\$ 30,595,000	\$ 82,070,000
12/17/2014	3/1/2036	2.0%-5.0%	86,035,000	15,635,000	70,400,000
10/24/2019	3/1/2032	5.0%	48,615,000	-	48,615,000
10/24/2019	3/1/2042	2.906%-3.45%	97,470,000	-	97,470,000
10/28/2020	12/1/2030	5.00%	24,325,000	4,125,000	20,200,000
4/20/2021	12/1/2045	5.00%	95,295,000	-	95,295,000
4/20/2021	12/1/2041	2.714%-3.097%	41,845,000	-	41,845,000
2/15/2022	7/1/2051	3.0% - 5.0%	27,555,000	-	27,555,000
2/15/2022	7/1/2029	0.85%-2.23%	4,835,000	-	4,835,000
4/20/2022	4/1/2052	5.00%	93,665,000	-	93,665,000
4/20/2022	4/1/2029	3.135 to 3.433%	8,140,000	-	8,140,000
Various	Various	Various	49,707,000	16,052,000	33,655,000
Various	Various	Various	111,167,000	26,899,000	84,268,000
Net unamortized premium/discount			91,026,000	16,315,000	74,711,000
<b>TOTALS</b>			<b>\$ 892,345,000</b>	<b>\$ 109,621,000</b>	<b>\$ 782,724,000</b>

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

**UNIVERSITY OF ARKANSAS AT MONTICELLO**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
12/1/2012	10/1/2037	2.5%-4.0%	\$ 8,650,000	\$ 2,410,000	\$ 6,240,000
3/30/2017	12/1/2041	5.0%	11,270,000		11,270,000
3/30/2017	12/1/2023	1.94%-2.99%	1,765,000	1,050,000	715,000
10/1/2020	12/1/2035	4.00%-5.00%	5,185,000		5,185,000
10/1/2020	10/1/2037	.487%-2.568%	7,035,000	110,000	6,925,000
Net unamortized premium/discount			3,397,152	727,811	2,669,341
TOTALS			\$ 37,302,152	\$ 4,297,811	\$ 33,004,341

**UNIVERSITY OF ARKANSAS AT PINE BLUFF**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
6/1/2014	12/1/2035	2.0%-5.0%	\$ 15,160,000	\$ 2,710,000	\$ 12,450,000
12/15/2016	1/1/2035	2.51%	17,245,359	2,795,787	14,449,572
12/15/2016	2/1/2023	3.78%	2,808,029	2,223,802	584,227
Net unamortized premium/discount			1,105,422	401,972	703,450
TOTALS			\$ 36,318,810	\$ 8,131,561	\$ 28,187,249

**UNIVERSITY OF ARKANSAS SYSTEM ADMINISTRATION**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
11/17/2014	11/17/2024	0.22%	\$ 500,000	348,845	\$ 151,155
4/1/2016	4/1/2036	1.75%	2,487,749		2,487,749
12/1/2016	12/1/2036	1.75%	2,487,749		2,487,749
10/26/2018	11/1/2028	3.00%	27,000,000	4,579,981	22,420,019
11/1/2021	8/31/2024	2.69%	4,043,524	902,180	3,141,344
11/1/2021	8/31/2024	2.69%	321,548	73,471	248,077
TOTALS			\$ 36,840,570	\$ 5,904,477	\$ 30,936,093

**COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
1/25/2008	3/30/2023	2.91%	\$ 2,000,000	\$ 1,976,050	\$ 23,950
6/13/2013	5/1/2035	1.0%-5.0%	3,930,000	1,205,000	2,725,000
6/23/2021	6/22/2024	2.69%	35,469	17,982	17,487
Net unamortized premium/discount			141,059	58,146	82,913
TOTALS			\$ 6,106,528	\$ 3,257,178	\$ 2,849,350

**PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
4/22/2015	12/1/2038	2.0% - 4.0%	\$ 11,270,000	\$ 2,430,000	\$ 8,840,000
Net unamortized premium/discount			272,074	82,389	189,685
TOTALS			\$ 11,542,074	\$ 2,512,389	\$ 9,029,685

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

**UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
10/1/2016	10/1/2026	0.68%	\$ 2,000,000	\$ 983,059	\$ 1,016,941
Net unamortized premium/discount					-
TOTALS			\$ 2,000,000	\$ 983,059	\$ 1,016,941

**UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
3/27/2012	4/1/2022	0.20%	\$ 1,100,000	\$ 1,100,000	\$ -
6/1/2013	10/1/2038	1.00% - 3.625%	2,590,000	680,000	1,910,000
5/1/2021	5/1/2031	0.18%	2,923,000	289,940	2,633,060
5/6/2021	5/6/2041	2.15%	4,800,000	194,658	4,605,342
Net unamortized premium/discount			111,731	110,495	1,236
TOTALS			\$ 11,524,731	\$ 2,375,093	\$ 9,149,638

**UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
6/16/2010	5/1/2022	2.0% - 3.5%	\$ 2,030,000	\$ 2,030,000	\$ -
2/23/2016	5/1/2046	2.0-5.0%	10,000,000	840,000	9,160,000
6/1/2020	5/31/2025	2.69%	277,261	64,811	212,450
Net unamortized premium/discount			975,148	208,573	766,575
TOTALS			\$ 13,282,409	\$ 3,143,384	\$ 10,139,025

**UNIVERSITY OF ARKANSAS-PULASKI TECHNICAL COLLEGE**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
7/1/2015	9/1/2036	2.00% - 5.00%	\$ 25,875,000	\$ 5,735,000	\$ 20,140,000
11/5/2019	9/1/2040	1.796% - 3.452%	56,685,000	3,375,000	53,310,000
Net unamortized premium/discount			477,055		477,055
TOTALS			\$ 83,037,055	\$ 9,110,000	\$ 73,927,055

**UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
8/15/2012	4/1/2042	1.0% - 4.15%	\$ 4,830,000	\$ 1,095,000	\$ 3,735,000
12/6/2017	9/25/2022	2.0%	825,000	103,274	721,726
7/15/2019	6/30/2024	2.6% - 4.15%	54,440	30,878	23,562
7/25/2019	4/1/2049	3% - 5%	8,250,000	525,000	7,725,000
Net unamortized premium/discount			1,004,587	35,781	968,806
TOTALS			\$ 14,964,027	\$ 1,789,933	\$ 13,174,094

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

**ARKANSAS SCHOOL FOR MATHEMATICS, SCIENCES AND THE ARTS**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
4/1/2020	3/31/2030	2.5%	\$ 1,000,000	\$ 200,000	\$ 800,000
Net unamortized premium/discount					
TOTALS			\$ 1,000,000	\$ 200,000	\$ 800,000

***Schedule of Changes in Debt***

**BONDS**

Campus	Balance 6-30-21	Additions	Reductions	Balance 6-30-22	Current Portion
UAF	\$ 745,950,000	\$ 175,645,000	\$ 193,185,000	\$ 728,410,000	\$ 39,440,000
Net unamortized prem/disc	74,024,895	-	23,873,861	50,151,034	2,888,900
UAFS	47,800,000	-	5,855,000	41,945,000	3,275,000
Net unamortized prem/disc	3,930,238	-	312,791	3,617,447	273,986
UALR	90,205,000	-	7,545,000	82,660,000	7,885,000
Net unamortized prem/disc	6,857,046	-	669,855	6,187,191	669,856
UAMS	471,390,000	134,195,000	15,495,000	590,090,000	14,325,000
Net unamortized prem/disc	59,246,000	21,501,000	6,036,000	74,711,000	-
UAM	31,095,000	-	760,000	30,335,000	7,035,000
Net unamortized prem/disc	2,837,239	-	167,898	2,669,341	304,194
UAPB	13,080,000	-	630,000	12,450,000	655,000
Net unamortized prem/disc	753,698	-	50,248	703,450	50,246
CCCUA	2,885,000	-	160,000	2,725,000	170,000
Net unamortized prem/disc	89,373	-	6,460	82,913	6,461
PCCUA	9,220,000	-	380,000	8,840,000	395,000
Net unamortized prem/disc	201,181	-	11,496	189,685	11,496
UACCB	-	-	-	-	-
Net unamortized prem/disc	-	-	-	-	-
UACCHT	1,995,000	-	85,000	1,910,000	85,000
Net unamortized prem/disc	1,312	-	76	1,236	76
UACCM	9,575,000	-	415,000	9,160,000	230,000
Net unamortized prem/disc	799,080	-	32,505	766,575	32,505
UAPTC	75,990,000	-	2,540,000	73,450,000	2,595,000
Net unamortized prem/disc	508,859	-	31,804	477,055	31,804
UACCRM	11,745,000	-	285,000	11,460,000	290,000
Net unamortized prem/disc	1,004,587	-	35,781	968,806	35,781
TOTAL	\$ 1,661,183,508	\$ 331,341,000	\$ 258,563,775	\$ 1,733,960,733	\$ 80,685,305

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

***Schedule of Changes in Debt (Continued)***

<b>NOTES</b>					
Campus	Balance 6-30-21	Additions	Reductions	Balance 6-30-22	Current Portion
UAF	\$ 13,394,676	\$ 8,729,576	\$ 1,286,913	\$ 20,837,339	\$ 1,192,568
UAFS	216,650	416,647	227,108	406,189	19,423
UALR	1,733,792		300,000	1,433,792	300,000
UAMS	21,578,000	15,714,000	3,637,000	33,655,000	8,664,000
UAM				-	
SYSTEM	30,670,978		3,124,306	27,546,672	3,377,352
CCCUA	185,399		161,449	23,950	23,950
UACCB	1,216,227		199,286	1,016,941	200,641
UACCHT	7,833,992		595,590	7,238,402	489,306
UACCM				-	
UACCRM	791,294		46,006	745,288	27,896
ASMSA	900,000		100,000	800,000	100,000
<b>TOTAL</b>	<b>\$ 78,521,008</b>	<b>\$ 24,860,223</b>	<b>\$ 9,677,658</b>	<b>\$ 93,703,573</b>	<b>\$ 14,395,136</b>

<b>LEASES</b>					
Campus	Balance 6-30-21	Additions	Reductions	Balance 6-30-22	Current Portion
UAF	\$ 6,901,089	\$ 879,646	\$ 1,665,368	\$ 6,115,367	\$ 1,526,475
UAFS		7,721,837	47,632	7,674,205	83,860
UALR	125,442	231,984	136,802	220,624	44,136
UAMS	19,240,000	79,813,000	14,785,000	84,268,000	12,674,000
UAPB				-	
SYSTEM		4,365,072	975,651	3,389,421	1,522,318
CCCUA	26,479		8,992	17,487	
PCCUA				-	
UACCM		277,261	64,811	212,450	68,462
<b>TOTAL</b>	<b>\$ 26,293,010</b>	<b>\$ 93,288,800</b>	<b>\$ 17,684,256</b>	<b>\$ 101,897,554</b>	<b>\$ 15,919,251</b>

<b>INSTALLMENT CONTRACTS</b>					
Campus	Balance 6-30-21	Additions	Reductions	Balance 6-30-22	Current Portion
UAF	\$ 9,433,910	\$ 10,840,896	\$ 4,744,056	\$ 15,530,750	\$ 4,963,049
UAPB	16,387,284		1,353,485	15,033,799	1,418,422
	<b>\$ 25,821,194</b>	<b>\$ 10,840,896</b>	<b>\$ 6,097,541</b>	<b>\$ 30,564,549</b>	<b>\$ 6,381,471</b>

The current portion shown above for bonds, notes, leases, and installment contracts differs from the statement of net position by \$190,112 which is the current portion of elimination entries related to intercompany debt (see Note 19).

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

***Future Principal and Interest Payments***

Total long-term debt principal and interest payments are shown below. Interest payments for variable rate debt have been calculated using the rate in effect at the financial statement date, though actual rates will vary. Total debt of \$1,960,126,409 shown in these schedules, which is related to bonds, notes, leases and installment contracts, differs from the amount of \$1,954,587,990 shown on the Statement of Net Position. This is due to an elimination entry of \$5,538,419 to account for two loans between UA campuses (see Note 19).

<b>FUTURE PRINCIPAL AND INTEREST PAYMENTS ON BONDS PAYABLE</b>			
<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 76,385,000	\$ 60,022,074	\$ 136,407,074
2024	67,450,000	58,068,733	125,518,733
2025	69,390,000	55,810,458	125,200,458
2026	71,670,000	53,438,256	125,108,256
2027	74,215,000	52,032,518	126,247,518
2028-2032	379,730,000	211,673,696	591,403,696
2033-2037	372,505,000	139,627,793	512,132,793
2038-2042	254,175,000	79,679,215	333,854,215
2043-2047	177,945,000	32,225,897	210,170,897
2048-2052	49,970,000	5,990,750	55,960,750
Thereafter	-	-	-
Subtotal	1,593,435,000	748,569,390	2,342,004,390
+ Net unamortized premiums/discounts	140,525,733	-	140,525,733
<b>GRAND TOTALS</b>	<b>\$ 1,733,960,733</b>	<b>\$ 748,569,390</b>	<b>\$ 2,482,530,123</b>

<b>FUTURE PRINCIPAL AND INTEREST PAYMENTS ON NOTES PAYABLE</b>			
<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 15,100,384	\$ 2,038,326	\$ 17,138,710
2024	10,637,272	1,729,464	12,366,736
2025	14,259,698	1,410,394	15,670,092
2026	12,553,326	1,087,127	13,640,453
2027	12,430,361	801,105	13,231,466
2028-2032	24,210,809	1,451,574	25,662,383
2033-2037	3,283,187	306,315	3,589,502
2038-2042	1,228,536	63,154	1,291,690
<b>TOTALS</b>	<b>\$ 93,703,573</b>	<b>\$ 8,887,459</b>	<b>\$ 102,591,032</b>

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

***Future Principal and Interest Payments (Continued)***

<b>FUTURE PRINCIPAL AND INTEREST PAYMENTS ON LEASES</b>			
Year Ended June 30,	Principal	Interest	Total
2023	\$ 15,927,878	\$ 2,280,591	\$ 18,208,469
2024	14,941,708	1,962,701	16,904,409
2025	11,505,604	1,558,238	13,063,842
2026	9,445,455	1,297,500	10,742,955
2027	6,069,188	1,092,983	7,162,171
2028-2032	19,302,535	3,672,166	22,974,701
2033-2037	12,818,914	1,617,922	14,436,836
2038-2042	6,576,706	495,864	7,072,570
2043-2047	1,160,305	183,354	1,343,659
2048-2052	1,246,878	136,534	1,383,412
Thereafter	2,902,383	84,982	2,987,365
<b>TOTALS</b>	<b>\$ 101,897,554</b>	<b>\$ 14,382,835</b>	<b>\$ 116,280,389</b>

<b>FUTURE PRINCIPAL AND INTEREST PAYMENTS ON INSTALLMENT CONTRACTS</b>			
Year Ended June 30,	Principal	Interest	Total
2023	\$ 6,381,471	\$ 591,055	\$ 6,972,526
2024	3,449,965	462,641	3,912,606
2025	1,992,731	407,882	2,400,613
2026	2,049,113	370,652	2,419,765
2027	2,112,729	332,588	2,445,317
2028-2032	10,739,551	1,041,864	11,781,415
2033-2037	3,838,989	159,693	3,998,682
<b>TOTALS</b>	<b>\$ 30,564,549</b>	<b>\$ 3,366,375</b>	<b>\$ 33,930,924</b>

***Capitalization of Right to Use Assets held under Leases***

The capitalized value of capital assets held under leases totaled \$126,304,602 at June 30, 2022. The present value of the net minimum lease payments is as follows:

	Cost	Accumulated Depreciation	Net
Improvements/Infrastructure	\$ 12,114,603	\$ 605,423	\$ 11,509,180
Buildings	121,856,581	27,777,308	94,079,273
Equipment	53,218,469	32,502,320	20,716,149
		<b>TOTAL</b>	<b>\$ 126,304,602</b>
Total Minimum Lease Payments			\$ 116,280,389
Less: Amount representing interest			14,382,835
Total Present Value of Net Minimum Lease Payments			<b>\$ 101,897,554</b>

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

***Pledged Revenues***

For purposes of extinguishing the University's long-term debt issues, certain revenues have been pledged as security. The following is a summary of the gross revenues collected during the fiscal year ended June 30, 2022, that are pledged:

<b>BOND SERIES</b>	<b>REVENUE SOURCE</b>	<b>FY22 REVENUE</b>
<b>UNIVERSITY OF ARKANSAS FAYETTEVILLE</b>		
Series 2011B Various Facilities	Campus Pledge	\$ 462,094,065
Series 2014B Various Facilities		
Series 2015B Various Facilities		
Series 2016A Various Facilities		
Series 2016B Various Facilities		
Series 2017 Various Facilities		
Series 2018A Various Facilities		
Series 2018B Various Facilities		
Series 2019A Various Facilities		
Series 2019B Various Facilities		
Series 2021A Various Facilities		
Maturity dates range from November 2022 through November 2049		\$ 462,094,065
	FY22 Principal and Interest	48,431,467
	% of Revenues Pledged	10.48%
	Remaining Principal & Interest	\$ 832,641,752
Series 2013 Athletic Facilities	Men's Athletics	\$ 115,205,766
Series 2015 Athletic Facilities		
Series 2016A Athletic Facilities		
Series 2016B Athletic Facilities		
Series 2019A Athletic Facilities		
Maturity dates range from September 2022 through September 2036		\$ 115,205,766
	FY22 Principal and Interest	\$ 5,479,861
	% of Revenues Pledged	4.76%
	Remaining Principal & Interest	\$ 187,862,240
<b>UNIVERSITY OF ARKANSAS AT FORT SMITH</b>		
Series 2014A Student Fee Revenue	Student Fees	\$ 34,917,537
Series 2014B Student Fee Revenue		
Series 2016 Refunding		
Series 2020A Revenue Bonds		
Series 2020B Revenue Bonds		
Maturity dates range from December 2030 through June 2039		\$ 34,917,537
	FY22 Principal and Interest	\$ 7,484,481
	% of Revenue Pledge	21.43%
	Remaining Principal & Interest	\$ 53,484,375



**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

<b>UNIVERSITY OF ARKANSAS AT LITTLE ROCK</b>			
Series 2013A Revenue Refunding	Student Fees	\$	65,015,172
Series 2013B Taxable Revenue Refunding			
Series 2013 Student Fee Revenue Capital			
Series 2016, Student Fee Revenue Refunding			
Series 2017, Student Fee Revenue			
Series 2020 Various Facilities Refunding Taxable			
		\$	65,015,172
Maturity dates range from December 2024 through October 2037			
	FY22 Principal and Interest	\$	7,675,046
	% of Revenue Pledge		11.81%
	Remaining Principal & Interest	\$	74,790,031
Series 2012B Student Housing Refunding	Auxiliaries	\$	12,924,156
Series 2016 Auxiliary Enterprises Revenue			
		\$	12,924,156
Maturity dates range from May 2022 through October 2034			
	FY22 Principal and Interest	\$	3,167,181
	% of Revenue Pledge		24.51%
	Remaining Principal & Interest	\$	25,231,472

<b>UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES</b>			
Series 2013 Various Facilities	Clinical and Patient Revenue	\$	1,051,707,100
Series 2014 Various Facilities			
Series 2019 A Various Facilities			
Series 2019 B Various Facilities			
Series 2020A Various Facilities			
Series 2021A Various Facilities			
Series 2021B Various Facilities			
Series 2022A Various Facilities			
Series 2022B Various Facilities			
		\$	1,051,707,100
Maturity dates range from April 2029 through April 2052			
	FY22 Principal and Interest	\$	29,706,000
	% of Revenue Pledge		2.82%
	Remaining Principal & Interest	\$	907,707,000
Series 2022A Parking	Parking Fees	\$	3,727,500
Series 2022B Parking			
		\$	3,727,500
Maturity dates range from July 2029 through July 2051			
	FY22 Principal and Interest	\$	586,000
	% of Revenue Pledge		15.72%
	Remaining Principal & Interest	\$	52,738,000

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

<b>UNIVERSITY OF ARKANSAS AT MONTICELLO</b>			
Series 2017B Taxable Various Facilities	Student Fees	\$	23,477,886
Series 2017A Tax-Exempt Various	Sales and Services		
Series 2020A Taxable Various Facilities	Auxiliary Enterprises		
Series 2020B Tax Exempt Various Facilities			
		\$	<u>23,477,886</u>
Maturity dates range from December 2023 through December 2041			
	FY22 Principal and Interest	\$	1,742,707
	% of Revenue Pledge		7.42%
	Remaining Principal & Interest	\$	34,248,599
Series 2012 Auxiliary Facilities	Auxiliary Enterprises	\$	5,515,602
		\$	<u>5,515,602</u>
Maturity date is October 2037			
	FY22 Principal and Interest	\$	512,979
	% of Revenue Pledge		9.30%
	Remaining Principal & Interest	\$	6,452,979

<b>UNIVERSITY OF ARKANSAS AT PINE BLUFF</b>			
Series 2014A Various Facilities	Student Tuition and Fees	\$	37,285,920
	Auxiliary Revenues		
		\$	<u>37,285,920</u>
Maturity date is December 2035			
	FY22 Principal and Interest	\$	1,168,694
	% of Revenue Pledge		3.13%
	Remaining Principal & Interest	\$	16,246,341

<b>COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS</b>			
Series 2013	Student Fees	\$	3,696,214
Maturity date is May 2035			
	FY22 Principal and Interest	\$	266,788
	% of Revenue Pledge		7.22%
	Remaining Principal & Interest	\$	3,441,006

<b>PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS</b>			
Series 2015 Refunding	Student Fees	\$	2,508,177
Maturity date is December 2038			
	FY22 Principal and Interest	\$	680,756
	% of Revenue Pledge		27.14%
	Remaining Principal & Interest	\$	11,579,184

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

<b>UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA</b>			
Series 2013 Student Fee Refunding	Student Fees	\$	2,765,156
		\$	2,765,156
Maturity date is October 2038			
	FY22 Principal and Interest	\$	152,450
	% of Revenue Pledge		5.51%
	Remaining Principal & Interest	\$	2,562,156

<b>UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON</b>			
Series 2010 Student Fee Refunding	Student Fees	\$	5,847,589
Series 2016 Student Fee		\$	5,847,589
Maturity dates are May 2022 through May 2046			
	FY22 Principal and Interest	\$	608,225
	% of Revenue Pledge		10.40%
	Remaining Principal & Interest	\$	14,630,375

<b>UNIVERSITY OF ARKANSAS PULASKI TECHNICAL COLLEGE</b>			
Series 2015 Student Tuition and Fee Refunding	Student Tuition and Fees	\$	20,541,821
Series 2019 Student Tuition and Fee		\$	20,541,821
Maturity dates are September 2036 through September 2040			
	FY22 Principal and Interest	\$	5,011,967
	% of Revenue Pledge		24.40%
	Remaining Principal & Interest	\$	100,349,258

<b>UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN</b>			
Series 2019 Various Facilities Revenue	Student Tuition and Fees and Sales and Services	\$	2,736,571
		\$	2,736,571
Maturity date is April 2049			
	FY22 Principal and Interest	\$	488,200
	% of Revenue Pledge		17.84%
	Remaining Principal & Interest	\$	12,577,850
Series 2012 Refunding and Capital Improvement	Property Taxes	\$	495,803
Maturity date is April 2042			
	FY22 Principal and Interest	\$	272,968
	% of Revenue Pledge		55.06%
	Remaining Principal & Interest	\$	5,461,473

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)*****New Bonds Payable and Refundings***

*For the year ended June 30, 2022:*

On August 9, 2021, the remaining proceeds of \$8,729,576 from the taxable note for the **University of Arkansas, Fayetteville campus**, executed in September 2020 with Regions Bank were distributed to the appropriate bond trustee accounts to pay principal and interest on the 2021 refund bond maturities. In September 2020, \$5,207,424 of the total taxable loan was delivered at the time of closing to pay principal and interest on the 2020 refunded taxable bond maturities and associated costs of issuance. The total taxable loan in the amount of \$13,937,000 is for seven years with an interest rate of 1.81%. The refunding of the second advance resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$378,467. This difference, reported in the accompanying financial statements as a reduction to Deferred outflows of resources, will be amortized through the fiscal year 2029.

On August 18, 2021, the University executed an installment contract loan agreement with Regions Bank in the amount of \$10,840,896. The financing is intended to pay costs associated with a project intended to install certain energy conservation and facility improvements across the **University of Arkansas, Fayetteville campus**, as well as costs of issuance of the loan. The loan began amortizing immediately for a term of ten years at a rate of 1.23% with a final maturity for the loan is August 15, 2031. Debt service on the loan is supported by guaranteed energy savings resulting from the implementation of the energy conservation measures. Proceeds net of issuance costs totaling \$10,815,896 were received by the University on August 20, 2021.

On December 1, 2021, the University issued \$175,645,000 in Various Facility Revenue Bonds (Fayetteville Campus), Taxable Refunding Series 2021. The bonds, with an interest rate of 0.371% to 2.685%, were issued to accomplish the taxable advance refunding of Various Facility Revenue Bonds (**Fayetteville Campus**), Refunding Series 2012A, Various Facility Revenue Bonds (Fayetteville Campus), Series 2013A, Various Facility Revenue Bonds (Fayetteville Campus), Series 2014A, and Various Facility Revenue Bonds (Fayetteville Campus), Refunding Series 2015A, as well as pay the cost of issuing the bonds. Net bond proceeds and premiums of \$174,873,086 were deposited in an escrow account to retire \$42,630,000 of outstanding Refunding Series 2012A, \$43,545,000 of outstanding Series 2013A, \$21,050,000 of outstanding Series 2014A and \$51,375,000 of outstanding Refunding Series 2015A. The combined refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,360,084. This difference, reported in the accompanying financial statements as Deferred outflows of resources, will be amortized through the fiscal year 2044. The University completed the refunding to reduce its total debt service payments over the next 23 years by \$21,264,818 and to obtain an economic gain of \$17,915,240. As of June 30, 2022, the escrow account balance was \$164,341,637.

On February 15, 2022, the University closed the Parking Revenue Bonds, (**UAMS Campus**) Tax Exempt Series 2022A with a principal amount of \$27,555,000 and coupon rates of 3%-5%. Proceeds from this sale were used to refund the Parking Revenue Bonds, (UAMS Campus) Series 2011A totaling \$5,585,729, finance a portion of the new parking deck on the east side of campus, capital improvements related to Parking Deck 4, other expenditures related to the UAMS parking infrastructure, and pay costs of issuance. The University completed the refunding to reduce its total debt service payments by \$751,00, net present value. The escrow account advance refunded all maturities on the call date of February 15, 2022.

**Note 10: Bonds, Notes, Leases and Installment Contracts Payable (Continued)**

***New Bonds Payable and Refundings (Continued)***

On February 15, 2022, the University closed the Parking Revenue Bonds, **(UAMS Campus)** Taxable Series 2022B with a principal amount of \$4,835,000 and a coupon rates of 0.85%-2.23%. Proceeds from this sale were used for a new parking deck on the east side of the campus.

On April 20, 2022, the University closed the Various Facilities Revenue Bonds, **(UAMS Campus)** Tax Exempt Series 2022A with a principal amount of \$93,665,000 with a coupon rate of 5%. Proceeds from this sale will be used for the construction of the Northwest Arkansas UAMS Orthopaedics and Sports Medicine Facility and other capital improvements along with the costs of issuance.

On April 20, 2022, the University closed the Various Facilities Revenue Bonds, **(UAMS Campus)** Taxable Series 2022B with a principal amount of \$8,140,000 with various interest rates of 3.135%-3.433%. Proceeds from this sale will be used for certain capital improvements, including particularly, without limitation, the acquisition of real property in Rogers, Arkansas for future expansion and planning purposes along with the costs of issuance.

**Note 11: Commitments**

The University has contracted for the construction and renovations of several facilities. At June 30, 2022, the estimated remaining costs to complete these facilities are shown below.

<b>Campus</b>	<b>Contract Balance</b>
UAF	\$ 58,654,065
UALR	3,001,067
UAMS	105,035,690
UAM	968,881
UAPB	5,232,557
PCCUA	509,002
UACCHT	4,130,631
ASMSA	1,147,192
	<u>\$ 178,679,085</u>

**Note 12: Income Taxes**

The University is tax exempt under the Internal Revenue Code except for tax on unrelated business income. The University had no significant unrelated business income for the year ended June 30, 2022. It is also exempt from state income taxes under Arkansas law. Accordingly, no provision for income taxes is made in the financial statements.

**Note 13: Risk Management**

The University of Arkansas Risk Management Program provides insurance coverage for all campuses within the University of Arkansas System. The role of the System Office is to analyze and recommend insurance coverage, but it is ultimately a campus decision on specific coverage requirements.

**Note 13: Risk Management (Continued)**

Property coverage was provided through Travelers' Insurance Company. The University had limited property losses during the year with one open claim potentially exceeding the deductible limit. Premiums will exceed claims paid for the year.

Auto coverage, through Cypress Insurance, a Berkshire Hathaway company, has a physical damage deductible of \$1,000 and provides coverage against liability losses up to \$1,000,000 per occurrence.

The Medical Sciences campus separately maintains malpractice insurance for certain employees under a claims-made policy.

The University does not purchase general liability, errors or admissions, or tort immunity for claims arising from third-party losses on University property as the University of Arkansas has sovereign immunity against such claims. Claims against the University for such losses are conducted before the State Claims Commission. In such cases where the University enters into a lease agreement to hold a function at a location not owned by the University or for special events, general liability coverage may be purchased for such functions.

The University maintains worker's compensation coverage through the State of Arkansas program. Premiums are paid through payroll and are based on a formula calculated by the Arkansas Department of Finance and Administration. The types of benefits and expenditures that are paid include the following: medical expenses, hospital expenses, death benefits, disability and claimant's attorney fees.

Additionally, the University participates in the State of Arkansas Fidelity Bond Program for claims of employee dishonesty. This program has a limit of \$300,000 recovery per occurrence with a \$2,500 deductible. Premiums are paid annually via a fund transfer from state appropriations to the Arkansas Department of Finance and Administration.

Exclusive of property insurance coverage, there have been no reductions in insurance coverage from the prior fiscal year. For FY 22, the per claim deductible for property insurance was increased to \$2.5M and the aggregate annual coverage limit was reduced to \$500M.

**Note 14: Employee Benefits**

***Insurance Plans***

The Board of Trustees of the University of Arkansas System sponsors self-funded health (including prescription coverage) and dental benefit plans for University employees and their eligible dependents. All campuses participate in the health and dental plans. The plans are also offered to employees of the University of Arkansas Winthrop Rockefeller Institute, the University of Arkansas Foundation, Inc., the Razorback Foundation, Inc., the Walton Arts Center Council, Inc., and the University of Arkansas Technology Development Foundation.

**Note 14: Employee Benefits (Continued)**

At June 30, 2022, a total of 17,476 active employees, former employees, and pre-65 retirees were participants in the health plan. As of June 30, 2022, there were three health plan design offerings: the Classic Plan, the Premier Plan and the Health Savings Plan. Within the System subsidy guidelines, each campus makes its contribution determination based on budget considerations. A total of 19,395 active employees, former employees, and retirees were participants in the dental plan as of June 30, 2022. Campus subsidies for dental vary from 0% to 100% by campus and by enrollment tier. Retirees, and former employees, through COBRA, participate on a fully contributory basis in the health and dental plans. Medicare-eligible retirees are not eligible to continue in the University's health plan but may elect a fully-insured Medicare Advantage Plan which includes Part D drug coverage.

The University health and dental plans are accounted for on the accrual basis. The System administration estimates the medical, pharmacy and dental claims liability to be \$14,509,500 at June 30, 2022. This liability is established for incurred but not paid (IBNP) claims, and includes a related accrual for claim adjustment expenses, which are expenses incurred in the ultimate settlement of the claim. The claims and claims adjustment accrual for health, pharmacy and dental is based on the calculation prepared by Segal Consulting.

The System administration purchases specific reinsurance to reduce its exposure to large claims. In a fiscal year, after paying claims of more than \$1,400,000 for any one covered individual, the University pays an aggregating specific deductible of \$375,000, on the first claim exceeding \$1,400,000 in paid claims, before being reimbursed from the reinsurance company. The plan has not purchased any annuity contracts on behalf of claimants. If needed, the University would make arrangements through its reinsurance carrier.

The funding levels for the Plan were established based upon anticipated year-end loss ratios of 100%. As of June 30, 2022, the loss ratio for the health plan was 91% and the loss ratio for the dental plan was 95%.

The System administration retains and accounts for all of the risk financing associated with the self-insurance plan's activities in accordance with GAAP.



**Note 14: Employee Benefits (Continued)**

<b>Reconciliation of Changes in the Liability for Future Insurance Claims</b>	
	<b>FY22</b>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 16,710,600
<b>Incurred claims and claim adjustment expenses:</b>	
Provision for insured events of the current year	173,790,440
Adjustment in provision for insured events of prior years	<u>193,660</u>
Total incurred claims and claim adjustment expenses	173,984,100
<b>Payments:</b>	
Claims and claim adjustment expenses attributable to insured events of the current year	159,280,940
Claims and claim adjustment expenses attributable to insured events of prior years	<u>16,904,260</u>
Total Payments	176,185,200
<b>Total unpaid claims and claim adjustment expenses at end of year</b>	<b><u><u>\$ 14,509,500</u></u></b>

The liability for future insurance claims includes health, pharmacy and dental incurred but not paid (IBNP) claims/claim adjustment expenses only.

***Retirement Plans***

Over ninety-seven percent of all employees of the University participate in the University of Arkansas Retirement Program (URP). The URP is a defined contribution 403(b) and 457(b) program as defined by the Internal Revenue Service Code. The authority under which the URP's benefits provisions are established or amended is through the President of the University through the Board of Trustees. Arkansas Code Annotated authorizes participation in the plan. Active recordkeeper/vendors to the URP include Teachers Insurance Annuity Association (TIAA) and Fidelity Investments.

The URP is a contributory plan with the required employee contribution and the University matching contribution, within IRS match limits. That contribution formula requires an employer base contribution equal to 5% of an employee's eligible salary to their TIAA or Fidelity Investments retirement account, allocated between the two companies according to the employee's choice, with a required employee contribution of 5%.

The University makes a one-for-one contribution for employee contributions in excess of 5%, with a maximum total University contribution of 10% of eligible salary up to the IRS match limit, which at June 30, 2022, was \$30,500. Employee contributions in excess of 10% are allowed by the plans in accordance with Internal Revenue Service regulations, but the University does not match these additional contributions.

All benefits attributable to plan contributions made by the participant are immediately vested in the participant, and contributions made by the University are cliff vested upon completion of two consecutive years of URP participation. The University's TIAA and Fidelity contributions for the fiscal year 2022 were \$119,948,605. The participants' contributions for the fiscal year 2022 were \$150,660,194.



**Note 14: Employee Benefits (Continued)**

Other than a small number of employees enrolled in federal retirement programs due to their position and funding, the remaining benefits eligible employees of the University participate in one of the two State-sponsored defined benefit retirement plans which are closed to new University participant enrollment. Current University employees who are participants in the Arkansas Public Employees Retirement System (APERS) or the Arkansas Teachers Retirement System (ATRS) can continue in that participation. Current University employees who are current APERS or ATRS participants and who transfer without a break in service between University System campuses may continue in APERS participation.

APERS is a cost-sharing multiple employer defined benefit pension plan administered by the State of Arkansas. The University's required contribution rate was an amount equal to 15.32% of eligible salary in fiscal year 2022. Those employees hired after July 1, 2005, must be contributory unless they had prior service as a state employee. Employees hired before that date may be contributory. The University's contributions for the fiscal year 2022 were \$3,849,462. Participants' contributions for the fiscal year 2022 were \$1,008,044, respectively. The annual required contribution amounts and the percentage contributed are determined by the annual actuarial valuation as set forth in Arkansas Code. APERS issues a publicly available financial report, which may be obtained by writing: APERS, One Union National Plaza, 124 W. Capitol, 5<sup>th</sup> Floor, Little Rock, AR 72201.

ATRS is a cost-sharing multi-employer defined benefit pension plan. The University contributed an amount equal to 14.75% of all covered employees' salaries in fiscal year 2022. Under certain conditions, covered employees may voluntarily contribute 6% of their salary. The University's contribution for the fiscal year 2022 were \$1,262,489. Participants' contributions for the fiscal years 2022 were \$437,225. The annual required contribution amounts and the percentage contributed are determined by the annual actuarial valuation as set forth in Arkansas Code. ATRS issues a publicly available financial report, which may be obtained by writing: ATRS, 1400 W. 3<sup>rd</sup> Street, Little Rock, AR 72201.

The University has, from time to time, negotiated voluntary early retirement agreements with faculty and staff which may include the provision of a stipend and healthcare or other benefits for future periods. The amount of liability established for these type agreements was \$200,052 at June 30, 2022.

**Note 15: Defined Benefit Pension Plans**

***Arkansas Public Employees Retirement System (APERS)***

**Plan Description**

APERS is a cost-sharing, multiple-employer, defined benefit pension plan administered by the State of Arkansas. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The costs of administering the plan are paid out of investment earnings. The general administration and responsibility for the proper operation of the System is vested in the nine members of the Board of Trustees of the Arkansas Public Employees Retirement System (the Board). Membership includes three state and three non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of the State, the Treasurer of the State and the Director of the Department of Finance and Administration. APERS issues a publicly available financial report that can be obtained at <http://www.apers.org/publications>.

**Note 15: Defined Benefit Pension Plans (Continued)*****Arkansas Public Employees Retirement System (APERS)(Continued)*****Benefits Provided**

Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapter 4 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability and death benefits. Retirement benefits are determined as a percentage of the member's highest 3-year average compensation times the member's years of service. The 93<sup>rd</sup> State of Arkansas General Assembly, in Act 370, amended the law concerning the number of years used in the computation of the final average compensation (FAC) to five years for members first hired on or after July 1, 2022. Members hired prior to July 1, 2022 have their FAC computed using their highest 3-year average compensation. The percentage used is based upon whether a member is contributory or noncontributory as follows:

Contributory, prior to 7/1/2001	2.11%
Contributory, prior to 7/1/2005	2.07%
Contributory, 7/1/2005 – 6/30/2007	2.03%
Contributory, on or after 7/1/2007	2.00%
Non-Contributory, prior to 7/1/2007	1.75%
Non-Contributory	1.72%

Members are eligible for full retirement benefits under the following conditions:

- at age 65 with 5 years of service,
- at any age with 28 years credited service.

Members may retire with a reduced benefit at age 55 with at least 5 years of actual service at age 55, or at any age with 25 years of service. The plan also provides disability and survivor benefits.

Effective July 1, 2016, new employees of the University are no longer eligible to participate in the Arkansas Public Employees Retirement System (APERS). Existing APERS participants are allowed to continue APERS participation.

**Contributions**

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered. Members who began service prior to July 1, 2005, who elected to remain in the non-contributory plan, are not required to make contributions to APERS. Members who began service on or after July 1, 2005, are required to participate in the contributory plan and contribute 5% of their salaries. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan. The University contributed 15.32% of applicable compensation for the fiscal year ended June 30, 2022.

**Note 15: Defined Benefit Pension Plans (Continued)**

***Arkansas Public Employees Retirement System (APERS)(Continued)***

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions**

At June 30, 2022, the University reported a liability of \$10,591,455 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The university's proportion of the net pension liability was based on the university's share of contributions to the pension plan relative to the total contributions of all participating employers. At June 30, 2022, the university's proportion was 1.378%, which was a decrease of 0.049% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the University recognized pension expense of \$(5,454,810). At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>APERS</b>	<b>Deferred outflows</b>	<b>Deferred inflows</b>
Diff - expected & actual experience	\$ 242,406	\$ (679,288)
Changes of assumptions	-	(74,194)
Net difference in projected/actual earnings	-	(18,592,052)
Changes in proportion	1,017,954	(6,846,998)
University contributions subsequent to measure	3,849,462	-
	<u>\$ 5,109,822</u>	<u>\$ (26,192,532)</u>

Deferred outflows of resources of \$3,849,462 related to pensions resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the financial statements as follows:

2023	\$ (8,231,680)
2024	(6,059,171)
2025	(4,998,893)
2026	(5,642,428)
2027	
Thereafter	
	<u>\$ (24,932,172)</u>

**Note 15: Defined Benefit Pension Plans (Continued)****Arkansas Public Employees Retirement System (APERS)(Continued)****Actuarial Assumptions**

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	4-year smoothed market; 25% corridor
Investment Rate of Return*	7.15%
Salary Increases	3.25% – 9.85% including inflation
Wage Inflation	3.25%
Post-retirement cost-of-living increases	3% Annual Compounded Increase
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality Table	Based on RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017.
Average Service Life of All Members	3.9676

\*Net of investment and administrative expenses.

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 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 2021 to 2030 were based upon capital market assumptions provided by the plan's investment consultant. For each major asset class included in the plan's current asset allocation as of June 30, 2021, these best estimates are summarized in the following table:

Asset Class	Current Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37%	6.22%
International Equity	24	6.69
Real Assets	16	4.81
Absolute Return	5	3.05
Domestic Fixed	18	0.57
Total	100%	

The total real rate of return expected is 4.93% with the actuary's price inflation assumption of 2.50% resulting in a Net Expected Rate of Return of 7.43%.

**Note 15: Defined Benefit Pension Plans (Continued)*****Arkansas Public Employees Retirement System (APERS)(Continued)*****Discount Rate**

A single discount rate of 7.15% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.15%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the University's proportionate share of the net pension liability using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a single discount rate that is 1%-point lower (6.15%) and 1%-point higher (8.15%) than the current rate:

Sensitivity of Discount Rate		
1% Decrease	Discount Rate	1% Increase
6.15%	7.15%	8.15%
\$ 31,683,985	\$ 10,591,455	\$ (6,827,466)

**Pension Plan Fiduciary Net Position**

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

***Arkansas Teacher Retirement System (ATRS)*****Plan Description**

ATRS is a cost-sharing, multiple-employer, defined benefit pension plan administered by the State of Arkansas. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 266 of 1937. The costs of administering the plan are paid out of investment earnings. The general administration and responsibility for the proper operation of the System is vested in the fifteen members of the Board of Trustees of the Arkansas Teacher Retirement System (the Board). Membership includes eleven members who are elected and consist of seven active members of ATRS with at least five years of actual service, three retired members receiving an annuity from ATRS, and one active or retired member from a minority racial ethnic group. There are also four ex officio members, including the State Bank Commissioner, the Treasurer of the State, the Auditor of the State and the Commissioner of Education. ATRS issues a publicly available financial report that can be obtained at <https://www.artrs.gov/publications>.

**Note 15: Defined Benefit Pension Plans (Continued)*****Arkansas Teacher Retirement System (ATRS) (Continued)*****Benefits Provided**

Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapter 7 and may only be amended by the Arkansas General Assembly. ATRS provides retirement, disability and death benefits. Retirement benefits are determined as a percentage of the member's highest 3-year average compensation times the member's years of service. The percentage used is based upon whether a member is contributory or noncontributory as follows:

Contributory, 10 years or more of service	2.15%
Contributory, less than 10 years of service through 6/30/2018	2.15%
Contributory, less than 10 years of service after 7/1/2018	1.75%
Non-Contributory, 10 years or more of service through 6/30/2019	1.39%
Non-Contributory, 10 years or more of service beginning 7/1/2019	1.25%
Non-Contributory, less than 10 years of service through 6/30/2018	1.39%
Non-Contributory, less than 10 years of service after 7/1/2018	1.00%

Members are eligible to retire with a full benefit under the following conditions:

- at age 60 with 5 years of actual or reciprocal service,
- at any age with 28 years credited service.

Members with 25 years of actual or reciprocal service who have not attained age 60 may retire with a reduced benefit.

Members are eligible for disability benefits with 5 years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Survivor benefits are payable to qualified survivors upon the death of an active member with 5 years of service. The monthly benefit paid to eligible spouse survivors is computed as if the member had retired and elected the Joint & 100% Survivor option. 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. The amount for contributory members will be up to \$10,000 and up to \$6,667 for noncontributory members. A cost-of-living adjustment of 3% of the current benefit is added each year.

Effective July 1, 2011, new employees of the University are no longer eligible to participate in the Arkansas Teacher Retirement System (ATRS). Existing ATRS participants are allowed to continue ATRS participation.

**Contributions**

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 7. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered. ATRS has contributory and noncontributory plans. Employers are required to contribute at a rate established by the Board of ATRS based on an actuary's determination of a rate required to fund the plan. The University contributed 14.75% of applicable compensation for the fiscal year ended June 30, 2022.

**Note 15: Defined Benefit Pension Plans (Continued)**

***Arkansas Teacher Retirement System (ATRS) (Continued)***

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions**

At June 30, 2022, the University reported a liability of \$7,829,796 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the University's share of contributions to the pension plan relative to the total contributions of all participating employers. At June 30, 2022, the University's proportion was 0.283%, which was a decrease of 0.036% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the University recognized pension expense of \$(1,573,138). At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>ATRS</b>	<b>Deferred outflows</b>	<b>Deferred inflows</b>
Diff - expected & actual experience	\$ 398,369	\$ (67,684)
Changes of assumptions	2,359,138	-
Net difference in projected/actual earnings	-	(6,486,963)
Changes in proportion	19,048	(4,670,678)
University contributions subsequent to measure	1,262,490	-
	<u>\$ 4,039,045</u>	<u>\$ (11,225,325)</u>

Deferred outflows of resources related to pensions of \$1,262,490 resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the financial statements as follows:

	2023	\$ (2,569,949)
	2024	(2,038,656)
	2025	(1,747,376)
	2026	(2,145,603)
	2027	52,813
Thereafter		-
		<u>\$ (8,448,770)</u>



**Note 15: Defined Benefit Pension Plans (Continued)*****Arkansas Teacher Retirement System (ATRS) (Continued)*****Actuarial Assumptions**

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Amortization Period	30 years
Asset Valuation Method	4-year smoothed market for funding purposes; 20% corridor
Wage Inflation	2.75%
Salary Increases	2.75 – 7.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study for the period July 1, 2015 – June 30, 2020.
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 improvements using projection scale MP-2020 from 2010: Healthy Annuitant: Male-105% Female-105% Disabled Annuitant: Male-104% Female-104% Employee Mortality: Male-100% Female-100%

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 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 included in the pension plan's target asset allocation as of June 30, 2021, these best estimates are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Total Equity	53%	4.8%
Fixed Income	15	0.4
Alternatives	5	3.8
Real Assets	15	4.7
Private Equity	12	6.5
Cash Equivalents	0	-0.2
Total	100%	



**Note 15: Defined Benefit Pension Plans (Continued)*****Arkansas Teacher Retirement System (ATRS) (Continued)*****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 6.75% and 14.75% of active member payroll, respectively. Although not all members contribute, the member and employer rates are scheduled to increase by 0.25% increments ending in fiscal year 2023. The ultimate member and employer rates will be 7% and 15%, 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 the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the University's proportionate share of the net pension liability using the discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1%-point lower (6.25%) or 1%-point higher (8.25%):

Sensitivity of Discount Rate		
1% Decrease	Discount Rate	1% Increase
6.25%	7.25%	8.25%
\$ 16,381,474	\$ 7,829,796	\$ 734,155

**Pension Plan Fiduciary Net Position**

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

**Note 16: Other Postemployment Benefits (OPEB)**

The University offers postemployment health (including prescription drugs) and dental benefits, along with life insurance (\$10,000 available coverage), to eligible retirees. Employees retiring on or after January 1, 2021, will not be eligible for life insurance coverage. Health and dental benefits are provided in the University's self-funded plan sponsored by the Board of Trustees of the University of Arkansas System for current and pre-65 retired employees. The plan is considered a single-employer, defined benefit plan. The System Administration manages and administers the plan. Although benefits are also provided under the University's plan for the employees of the University of Arkansas Foundation, Inc., the University of Arkansas Winthrop Rockefeller Institute, the Walton Arts Center Foundation, Inc., the Razorback Foundation, Inc., and the University of Arkansas Technology Development Foundation, no postemployment benefit is accrued by the University for these private entities. Financial activities of the plan are reported in the accompanying consolidated financial report. No assets are accumulated in a trust. Retirees pay 100% of premiums for all campuses with the following exceptions:

UACCRM, who paid 83% of the premium for single coverage for a closed group of employees through 1/1/19, but none of the premium for a spouse or unmarried dependent. Employees who retire currently and since December 31, 2018, will pay 100% of premiums for single and spouse coverage.

Employer costs are funded on a pay-as-you-go basis for all campuses. Retirees qualify for postemployment benefits as follows:

Employees must have a combination of age and years of service of at least 70 with at least 10 years of coverage under the plan. Retirees may cover spouses and eligible dependent children. Surviving spouses can continue coverage after retiree's death.

Retirees pay 100% of the fully insured premium directly to United Healthcare. As a result, no liabilities for Medicare eligible retiree benefits are included in this valuation.

***Employees Covered by Benefit Terms***

At June 30, 2022, the following employees were covered by the benefit terms:

<b>Employees covered by Benefit Terms</b>	<b>Medical</b>	<b>Life</b>
Inactive employees or beneficiaries currently receiving benefit payments	338	2,058
Active employees	19,101	
<b>Total Employees covered by Benefit Terms</b>	<b>19,439</b>	<b>2,058</b>

***Total OPEB Liability***

Total OPEB liability as of June 30, 2022 was \$80,318,000, determined by actuarial valuations as of July 1, 2021, rolled forward.

**Note 16: Other Postemployment Benefits (OPEB) (Continued)**

***Summary of Key Actuarial Methods and Assumptions***

Valuation date	July 1, 2021 valuation for the year ended June 30, 2022
Valuation year	Census data collected as of February 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years rolling
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	2.16%
Rate of salary increase for amortization	4.00%
Medical inflation rate	6.50% grading to 3.12% over 19 years
Pharmacy inflation rate	7.50% grading to 3.12% over 19 years
Retiree contribution inflation rate	6.77% grading to 3.12% over 19 years

The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2020 was 2.21%, the unfunded rate determined as of June 30, 2020 based on the Bond Buyer 20-year-Bond GO Index. The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2021 was 2.16%, the unfunded rate determined as of June 30, 2021 based on the Bond Buyer 20-year-Bond GO Index.

***Mortality Rates:***

Healthy	Pub-2010 Teachers Headcount weighted Mortality Tables for employees, contingent annuitants, and healthy retirees projected generationally using projection scale MP-2021 from base year 2010.
Disabled	Pub-2010 Teachers Headcount weighted Mortality Tables for disabled retirees projected generationally using projection scale MP-2021 from base year 2010.

***General Overview of the Valuation Methodology***

The Entry Age Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this method, the normal cost rate is the percentage of pay contribution which would be sufficient to fund the Plan benefits if it were paid from each member's entry into the Plan until termination or retirement. The unfunded liability is amortized over a rolling 30-year period. The amortization method is a level percentage of pay.

The claims costs were developed from the active premium rates for the period July 1, 2020 to June 30, 2021. 67.9% of the premium was assumed to be for medical, 25.4% for pharmacy, and 6.7% for expenses. The claims costs and contributions were trended by the 2021 rates in the economic section to bring them to the fiscal year July 1, 2021 to June 30, 2022.

**Note 16: Other Postemployment Benefits (OPEB) (Continued)**

***General Overview of the Valuation Methodology (Continued)***

The dental rates are set to match projected costs. Based on a comparison of the recent dental claims plus fees, the dental rates are set at a level sufficient to cover projected costs. Retirees pay 100% of the budget rate for coverage. Therefore, the cost for dental coverage was excluded from this valuation.

***Changes in Actuarial Assumptions and Methods since the Prior Valuation***

The claim costs and trends were updated to reflect changes in benefits and experience and our expectation for the future costs. The initial retiree contribution was adjusted to reflect current contribution rates.

The discount rate changed from 2.21% to 2.16%.

The report does not reflect future changes in benefits, penalties, taxes (including future excise taxes), or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010, related legislation, or regulations. It does reflect all ACA costs to date.

***Changes in the Total OPEB Liability***

The table below shows the changes in the total OPEB liability (TOL) during the measurement period ended on June 30, 2022.

	2022
<b>Balances at 6/30/2020 (Reporting Date 6/30/2021)</b>	<b>\$ 76,603,000</b>
Changes for the year:	
Service cost	4,891,000
Interest (includes interest on service cost)	1,776,000
Changes of benefit terms	-
Differences between expected and actual experience	(971,000)
Changes of assumptions	398,000
Benefit payments, including refunds of member contributions	(2,379,000)
<b>Net changes in total OPEB liability</b>	<b>3,715,000</b>
<b>Balances at 6/30/2021 (Reporting Date 6/30/2022)</b>	<b>\$ 80,318,000</b>

During the measurement year, the TOL increased by approximately 3.7 million. The service cost, changes in assumptions and interest cost increased the TOL by approximately \$6.7 million while benefit payments decreased the TOL by approximately \$2.4 million.

The discount rate changed from 2.21% to 2.16% between June 30, 2020 and June 30, 2021.

**Note 16: Other Postemployment Benefits (OPEB) (Continued)**

***Sensitivity of the Total OPEB Liability***

Changes in the discount rate affect the measurement of the TOL. Lower discount rates produce a higher TOL and higher discount rates produce a lower TOL. The table below shows the sensitivity of the TOL to the discount rate.

<b>Sensitivity of Total OPEB Liability to Changes in Discount Rate</b>		
1%	Discount	1%
Decrease	Rate	Increase
1.16%	2.16%	3.16%
\$87,890,000	\$80,318,000	\$73,548,000

Changes in the healthcare trends affect the measurement of the TOL. Lower healthcare trends produce a lower TOL and higher healthcare trends produce a higher TOL. The table below shows the sensitivity of the TOL to the healthcare trends.

<b>Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates</b>		
1%	Healthcare	1%
Decrease	Trend	Increase
\$73,019,000	\$80,318,000	\$88,863,000

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2022, the University recognized OPEB expense of \$4,747,000. At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,177,000	\$ 6,782,000
Changes in assumptions	7,593,000	2,118,000
Contributions subsequent to the measurement date	2,595,000	
<b>Total</b>	<b>\$ 12,365,000</b>	<b>\$ 8,900,000</b>

The \$2,595,000 reported as deferred outflows of resources resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the financial statements as follows:

**Year ended June 30:**

2023	\$ (1,052,000)
2024	650,000
2025	1,010,000
2026	410,000
2027	(108,000)
Thereafter	(40,000)

**Note 17: Functional Classifications of Operating Expenses**

The following is a reconciliation of the natural classifications as presented in the statement of revenues, expenses, and changes in net position to the functional classifications for fiscal year 2022:

Functional Classifications	Natural Classifications					
	Compensation & Benefits	Supplies & Services	Scholarships & Fellowships	Insurance	Depreciation	TOTAL
Instruction	\$ 401,466,477	\$ 68,487,552	\$ -	\$ -	\$ -	\$ 469,954,029
Research	209,920,321	118,643,375	-	-	-	328,563,696
Public Service	84,448,221	44,202,839	-	-	-	128,651,060
Academic Support	113,295,409	35,252,456	-	-	-	148,547,865
Student Services	56,514,820	30,697,270	19,673	-	-	87,231,763
Institutional Support	173,456,935	78,963,496	-	-	-	252,420,431
Scholarships/Fellowship	2,445,074	2,061,818	115,341,480	-	-	119,848,372
Plant Operations	70,888,395	103,709,501	-	-	-	174,597,896
Auxiliary Enterprises	85,506,500	126,828,013	3,067,920	-	-	215,402,433
Depreciation	-	-	-	-	221,743,975	221,743,975
Patient Care	732,350,317	502,988,000	-	-	-	1,235,338,317
Other	1,640,000	2,017,000	-	-	-	3,657,000
Insurance expenses	-	-	-	192,354,975	-	192,354,975
<b>TOTAL</b>	<b>\$ 1,931,932,469</b>	<b>\$ 1,113,851,320</b>	<b>\$ 118,429,073</b>	<b>\$ 192,354,975</b>	<b>\$ 221,743,975</b>	<b>\$ 3,578,311,812</b>

**Note 18: Other Organizations**

There are several entities, in addition to those identified as component units in Note 1, which are related to the University. The purposes of these organizations are varied, but all were established to benefit the University, or its students, faculty and staff in some manner.

*The Razorback Foundation, Inc.* was incorporated on October 17, 1980, for the sole purpose of supporting intercollegiate athletics at the Fayetteville campus. Audited financial statements for the year ended June 30, 2022, are presented below in summary form and include the accounts of its wholly owned subsidiaries, Sports Shows, Inc., Cato Springs Road LLC, TSSD LLC, and Hog Wild Productions, LLC.

**THE RAZORBACK FOUNDATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2022**

Assets	
Cash and investments	\$ 60,029,188
Other assets	23,515,992
Total Assets	<u>\$ 83,545,180</u>
Liabilities and Net Assets	
Liabilities	\$ 352,787
Net Assets	83,192,393
Total Liabilities and Net Assets	<u>\$ 83,545,180</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2022**

Income and Other Additions	\$ 30,099,684
Expenditures and Other Deductions	(19,152,073)
Total Increase in Net Assets	<u>\$ 10,947,611</u>

**Note 18: Other Organizations (Continued)**

*Arkansas Alumni Association, Inc.* was incorporated in 1960 for the purpose of providing various services to the members, consisting of graduates, former students and friends, in connection with the promotion and furtherance of the Fayetteville campus. Audited financial statements for the year ended June 30, 2022, are presented below in summary form.

**ARKANSAS ALUMNI ASSOCIATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2022**

Assets	
Cash and investments	\$ 5,036,541
Other assets	<u>11,832,080</u>
Total Assets	<u>\$ 16,868,621</u>
Liabilities and Net Assets	
Liabilities	\$ 1,462,496
Net Assets	<u>15,406,125</u>
Total Liabilities and Net Assets	<u>\$ 16,868,621</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2022**

Income and Other Additions	\$ 2,239,243
Expenditures and Other Deductions	<u>(3,599,652)</u>
Total Decrease in Net Assets	<u>\$ (1,360,409)</u>

*Arkansas 4-H Foundation, Inc.* was incorporated in 1951. The purposes and objectives of the Foundation are exclusively educational. The Foundation was formed to encourage and support such purposes that will meet the needs and advance the interests of 4-H youth programs throughout the State of Arkansas. Audited financial statements for the year ended June 30, 2022, are presented below in summary form.

**ARKANSAS 4-H FOUNDATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2022**

Assets	
Cash and investments	\$ 5,409,056
Other assets	<u>3,911,304</u>
Total Assets	<u>\$ 9,320,360</u>
Liabilities and Net Assets	
Liabilities	\$ 190,993
Net Assets	<u>9,129,367</u>
Total Liabilities and Net Assets	<u>\$ 9,320,360</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2022**

Income and Other Additions	\$ 1,368,724
Expenditures and Other Deductions	<u>(1,977,562)</u>
Total Decrease in Net Assets	<u>\$ (608,838)</u>

**Note 18: Other Organizations (Continued)**

*University of Arkansas Technology Development Foundation* was incorporated in May 2003 and is considered a supporting organization of the Fayetteville campus. Its mission is to stimulate a knowledge-based economy in the state of Arkansas through partnerships that lead to new opportunities for learning and discovery, build and retain a knowledge-based workforce, and spawn the development of new technologies that enrich the economic base of Arkansas. Audited financial statements for the year ended June 30, 2022, are presented below in summary form.

**UNIVERSITY OF ARKANSAS TECHNOLOGY  
DEVELOPMENT FOUNDATION  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2022**

Assets	
Cash and investments	\$ 3,247,713
Other assets	15,133,023
Total Assets	<u>\$ 18,380,736</u>
Liabilities and Net Assets	
Liabilities	\$ 11,757,073
Net Assets	6,623,663
Total Liabilities and Net Assets	<u>\$ 18,380,736</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2022**

Income and Other Additions	\$ 3,111,228
Expenditures and Other Deductions	(3,061,400)
Total Increase in Net Assets	<u>\$ 49,828</u>

*University of Arkansas Fort Smith Foundation, Inc.* operates as a nonprofit corporation whose primary activity is providing support to the Fort Smith campus. Audited financial statements for the year ended June 30, 2021, are presented below in summary form.

**UNIVERSITY OF ARKANSAS FORT SMITH  
FOUNDATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2021**

Assets	
Cash and investments	\$ 131,170,540
Other assets	407,318
Total Assets	<u>\$ 131,577,858</u>
Liabilities and Net Assets	
Liabilities	\$ 882,282
Net Assets	130,695,576
Total Liabilities and Net Assets	<u>\$ 131,577,858</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2021**

Income and Other Additions	\$ 35,398,501
Expenditures and Other Deductions	(4,269,890)
Total Increase in Net Assets	<u>\$ 31,128,611</u>



**Note 18: Other Organizations (Continued)**

*The University of Arkansas at Little Rock Alumni Association* is utilized to receive and disburse funds obtained from gifts, activity fees and receipts from special projects. The Association operates as a nonprofit benevolent corporation for charitable educational purposes. The assets of the Association are held by The University of Arkansas Foundation, Inc.

*Trojan Athletic Foundation, Inc.* is a non-profit entity established to support the athletic department at the Little Rock campus. Audited financial statements for the year ended June 30, 2022, are presented below in summary form.

**TROJAN ATHLETIC FOUNDATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2022**

Assets		
Cash	\$	248,820
Other Assets		64,508
Total Assets	\$	<u>313,328</u>
Liabilities and Net Assets		
Liabilities	\$	27,410
Net Assets		285,918
Total Liabilities and Net Assets	\$	<u>313,328</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2022**

Income and Other Additions	\$	319,870
Expenditures and Other Deductions		(237,384)
Total Increase in Net Assets	\$	<u>82,486</u>

*University of Arkansas at Pine Bluff/AM&N Alumni Association, Inc.* was organized to foster and promote the general welfare and growth of the University of Arkansas at Pine Bluff. Unaudited financial statements for the year ended December 31, 2021, are presented below in summary form.

**UAPB/AM&N ALUMNI ASSOCIATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION-  
UNAUDITED  
As of December 31, 2021**

Assets		
Cash & investments	\$	764,677
Other assets		58,113
Total Assets	\$	<u>822,790</u>
Liabilities and Net Assets		
Liabilities	\$	99,630
Net Assets		723,160
Total Liabilities and Net Assets	\$	<u>822,790</u>

**CONDENSED STATEMENT OF ACTIVITIES-UNAUDITED  
FY Ended December 31, 2021**

Income and Other Additions	\$	269,252
Expenditures and Other Deductions		(120,087)
Total Increase in Net Assets	\$	<u>149,165</u>

**Note 18: Other Organizations (Continued)**

*University of Arkansas at Pine Bluff Scholarship Endowment Fund* was created to provide scholarships to a culturally diverse student population at the University of Arkansas at Pine Bluff. Financial information include in the Form 990 for the year ended December 31, 2021, are presented below in summary form.

**UNIVERSITY OF ARKANSAS-PINE BLUFF  
SCHOLARSHIP ENDOWMENT FUND  
PER FORM 990  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of December 31, 2021**

Assets		
	Cash & investments	\$ 5,621,353
	Total Assets	<u>\$ 5,621,353</u>
Liabilities & Net Assets		
	Liabilities	\$ -
	Net Assets	<u>5,621,353</u>
	Total Liabilities & Net Assets	<u>\$ 5,621,353</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended December 31, 2021**

Income and Other Additions	\$ 700,821
Expenditures and Other Deductions	<u>(260,544)</u>
Total Increase in Net Assets	<u>\$ 440,277</u>

*Cossatot Community College of the University of Arkansas Foundation, Inc.* was rolled into the University of Arkansas Foundation effective July 1, 2020.

*Phillips Community College Foundation* was rolled into the University of Arkansas Foundation effective January 1, 2020.

**Note 18: Other Organizations (Continued)**

*University of Arkansas Community College at Hope Foundation, Inc.* operates for the sole benefit of the Hope campus. Audited financial statements for the year ended June 30, 2021, are presented below in summary form.

**UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE  
AT HOPE FOUNDATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2021**

Assets		
	Cash and investments	\$ 3,904,369
	Other Assets	346,801
	Total Assets	<u>\$ 4,251,170</u>
Liabilities and Net Assets		
	Liabilities	\$ 36,498
	Net Assets	4,214,672
	Total Liabilities and Net Assets	<u>\$ 4,251,170</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2021**

Income and Other Additions	\$ 1,448,342
Expenditures and Other Deductions	(347,587)
Total Increase in Net Assets	<u>\$ 1,100,755</u>

*Rich Mountain Community College Foundation, Inc.* operates for the sole benefit of the Rich Mountain campus. Audited financial statements for the year ended June 30, 2021, are presented below in summary form.

**RICH MOUNTAIN COMMUNITY COLLEGE  
FOUNDATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2021**

Assets		
	Cash and investments	\$ 4,054,637
	Other assets	2,514,615
	Total Assets	<u>\$ 6,569,252</u>
Liabilities and Net Assets		
	Liabilities	\$ -
	Net Assets	6,569,252
	Total Liabilities and Net Assets	<u>\$ 6,569,252</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2021**

Income and Other Additions	\$ 1,413,404
Expenditures and Other Deductions	(238,136)
Total Increase in Net Assets	<u>\$ 1,175,268</u>

**Note 18: Other Organizations (Continued)**

*University of Arkansas Winthrop Rockefeller Institute* (prior to June 11, 2012, known as the University of Arkansas Winthrop Rockefeller Center d/b/a/ Winthrop Rockefeller Institute) is an educational conference center incorporated in January 2005. The Institute’s mission is to provide extended learning for youth and adults and conferences focused on enriching and informing Arkansas leaders. Audited financial statements for the year ended June 30, 2021, are presented below in summary form.

**UNIVERSITY OF ARKANSAS WINTHROP  
ROCKEFELLER CENTER, INC.  
CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION  
As of June 30, 2021**

Assets	
Cash and investments	\$ 147,984,954
Receivables	660,871
Other	67,300
Property and Equipment, Net	<u>23,189,515</u>
Total Assets	<u><u>\$ 171,902,640</u></u>
Liabilities and Net Assets	
Liabilities	\$ 1,458,985
Net Assets	<u>170,443,655</u>
Total Liabilities and Net Assets	<u><u>\$ 171,902,640</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF  
ACTIVITIES  
FY Ended June 30, 2021**

Income and Other Additions	\$ 42,441,750
Expenditures and Other Deductions	<u>(6,103,759)</u>
Total Increase in Net Assets	<u><u>\$ 36,337,991</u></u>

**Note 18: Other Organizations (Continued)**

***Delta Student Housing, Inc.*** (Delta) is a nonprofit corporation organized in Arkansas. Delta was created for the purpose of facilitating the financing for construction of student housing facilities on the various campuses of the University. Unaudited financial statements for the year ended June 30, 2022, are presented below in summary form.

**DELTA STUDENT HOUSING, INC.  
UNAUDITED CONDENSED STATEMENT OF  
FINANCIAL POSITION  
As of June 30, 2022**

Assets		
Cash	\$	13,655
Property and equipment		-
Total Assets	\$	<u>13,655</u>
Liabilities and Net Assets		
Liabilities	\$	-
Net Assets		<u>13,655</u>
Total Liabilities and Net Assets	\$	<u>13,655</u>

**UNAUDITED CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2022**

Income and Other Additions	\$	18,501
Expenditures and Other Deductions		<u>(19,283)</u>
Total Decrease in Net Assets	\$	<u>(782)</u>

**Note 19: Elimination of Inter-Company Transactions**

The consolidated financial statements were prepared from financial statements submitted by each campus and the System Administration of the University. The inclusion of inter-company transactions in the consolidated financial statements is not considered materially significant to distort the amounts presented in the consolidated financial statements with the following exceptions, which were eliminated.

***FY22 - Statement of Net Position***

An elimination entry was made to reduce accounts receivable and accounts payable by \$22,601,585, which represent amounts owed by the campuses to the System Administration for insurance premiums and campus billings for services rendered, amounts owed between campuses, and interest due from a System Administration loan for eVersity from the campuses.

**Note 19: Elimination of Inter-Company Transactions (Continued)**

Three loans between University entities were eliminated to reduce assets and liabilities: (1) \$562,841 (current portion \$31,753) to reflect a loan from UAMS to UAF, and (2) \$4,975,498 (current portion \$158,359) to reflect a loan from the campuses to eVersity and (3) inter-institutional loans between the System Administration and 11 campuses to assist in financing the ERP implementation costs. The following schedule details the balance of the loans at June 30, 2022 which were eliminated against current and long-term debt (current portion \$1,580,360) and Other non-current assets:

Campus	Balance at June 30, 2022
UAFS	\$ 693,021
UALR	1,999,293
UAM	498,937
UAMS	15,361,080
UAPB	723,430
PCCUA	254,036
UACCB	127,753
UACCHT	130,300
UAPTC	454,613
UACCRM	79,496
ASMSA	131,224
	<hr/>
	\$ 20,453,183

In addition, an elimination entry in the amount of \$1,080,985 was made to increase accounts payable and decrease notes payable so the that payables and receivables between UAMS and the System Administration would agree for the inter-institutional ERP loan due to the timing of the June 2022 payment.

***FY22 - Statement of Revenues, Expenses, and Changes in Net Position***

As explained in Note 14, the System Administration administers the self-funded insurance programs for the University. Insurance premiums remitted to the System Administration by the campuses are shown as insurance revenues, and insurance claims paid are shown as insurance expenditures on the System Administration's financial statements. The premiums expensed by the campuses are recorded as part of compensation and benefits. An elimination entry was made to reduce insurance revenue and compensation/benefits expenditures in the amount of \$141,104,487.

An elimination entry was made for billings by System Administration to the campuses for services rendered to reduce operating sales and services revenue and operating supplies/services expense in the amount of \$4,214,955. An elimination entry for services provided among campuses in the amount of \$855,440. These amounts decreased operating sales and services, other operating revenues and operating supplies/services.

An elimination entry for the System Administration's interest expense for a loan from the campuses was made to decrease other non-operating revenues (expenses) and investment income in the amount of \$87,071. An elimination entry for the System Administration's interest income for the loans referred to above with 11 campuses was made to decrease interest expense and investment income in the amount of \$658,798.

**Note 19: Elimination of Inter-Company Transactions (Continued)**

***FY22 - Statements of Cash Flows***

The effects of the elimination entries described above to the statement of net position and the statement of revenues, expenses and changes in net position are also reflected in the statement of cash flows.

**Note 20: Joint Endeavor**

In 1987, the University of Arkansas and the City of Fayetteville engaged in a joint endeavor to operate the Walton Arts Center. Funds were pooled from each entity to provide for the construction and operation of the center. The University of Arkansas/City of Fayetteville Arts Foundation, Inc., now called the Walton Arts Center Foundation, Inc., was established to administer this project and its funds. Activities of the foundation were managed by nine directors - three appointed by the University, three by the City of Fayetteville, and three recommended by the Foundation that were approved by the mayor and chancellor.

The Walton Arts Center Council, Inc. was formed to construct, operate, manage, and maintain the Arts Center in Fayetteville, Arkansas, in accordance with the Interlocal Cooperation Agreement between the City of Fayetteville and the University of Arkansas. The ownership of the Arts Center facilities, including land, is held equally by the City and the University. The Arts Center Council was required to submit an annual budget to both the City and the University for approval. The Board of Trustees of The Arts Center Council was comprised of five members appointed by the University, five members appointed by the City, and ten members appointed at large, all of whom served as volunteers.

On August 14, 2014, the governing documents establishing and defining the joint endeavor between the City of Fayetteville and the University of Arkansas to operate the Walton Arts Center were revised to ensure clarity and flexibility to allow the Walton Arts Center to meet the arts and entertainment needs of all residents of Northwest Arkansas with a multi-venue system, while at the same time confirming support of the original partnership. Revisions were made to the respective Articles of Incorporation of the Walton Arts Center Foundation, Inc. and the Walton Arts Center Council, Inc. to clarify the purpose of each entity to encompass multiple venues in the Northwest Arkansas region; to allow the Walton Family Foundation to appoint nine additional directors to the Board of Directors of the Arts Center Council while ensuring that the City and University maintain their proportionate number of directors on the Board; to return the City of Fayetteville's initial payment of \$1.5 million to the Foundation back to the City for the City's use in the construction of a parking facility adjacent to the Walton Arts Center or as otherwise determined by the Fayetteville City Council; and with consent by the University to expend the institution's initial payment of \$1.5 million to the Foundation to help defray the construction costs of the proposed enlargement and enhancement of the Walton Arts Center located in Fayetteville, Arkansas. To date, the University's funds placed in the endowment have not been spent. Accordingly, the relationship of the University and Walton Arts Center Foundation, Inc, remains unchanged. In the event the funds are expended, as provided in the revised agreement, the Walton Arts Center Foundation, Inc. would no longer be an agent for the University nor would the University have the right of appointment of Walton Arts Center Foundation, Inc. directors.

**Note 20: Joint Endeavor (Continued)**

An Amended and Restated Interlocal Cooperation Agreement was also executed that permits the Walton Arts Center to conduct business as a separate, free-standing non-profit corporation; that budget and operational oversight rests exclusively with the Walton Arts Center Council and confirms the Walton Arts Center is no longer an agent of the University or the City, nor restricted to the terms of the original agreement; and affirms the Walton Arts Center must comply with the terms of a new lease agreement executed by the University, City of Fayetteville and the Walton Arts Center Council.

The lease agreement extends the term to twenty-five years and recognizes the changed scope of the Walton Arts Center. The lease also provides assurances regarding the on-going quality and type of performances at the Walton Arts Center in Fayetteville.

**Note 21: Related Parties**

The Provost and Executive Vice Chancellor for Academic and Student Affairs was a member of the Board of Directors of Arvest Bank, Fayetteville, one of the autonomous community-oriented banks which comprise Arvest Bank Group, Inc., based in Bentonville, Arkansas, up until his appointment as Interim Chancellor in August 2021. There were no additional significant related party transactions other than those with component units discussed in Note 1.

**Note 22: Contingencies**

The University has been named as defendant in several lawsuits. It is the opinion of management and its legal counsel that these matters will be resolved without material adverse effect on the future operations or financial position of the University.

Immunity provisions in Arkansas law prohibit suits for damages against the Board of Trustees of the University of Arkansas System (UA Board) in Arkansas state courts. In addition, Arkansas law provides that state employees are “immune from suit, except to the extent they may be covered by liability insurance, for damages for acts or omissions, other than malicious acts or omissions, occurring within the course and scope of their employment.” Therefore, employees of the University of Arkansas for Medical Sciences (UAMS) acting in good faith in the course and scope of their employment may be sued in state courts, but only to the extent of maintained insurance coverage. UAMS maintains malpractice insurance for certain employees under a claims-made policy. Premiums are accrued based on estimated claims, with the final premium amount determined based on actual claims experience. The cost of this policy is included in supplies and other expenses. UAMS incurred costs of \$4,497,000 for this insurance during the year ended June 30, 2022. A party may bring an action against the University through the Arkansas State Claims Commission (the Claims Commission). The Claims Commission may award a claim of up to \$15,000 without further review or appropriation. Awards that the Claims Commission makes in excess of \$15,000 must be approved and appropriated by the Arkansas State Legislature. Appropriations of this type, if any, reduce appropriations from the state to the University in the period in which the claim is appropriated.



**Note 22: Contingencies (Continued)**

In the fiscal year ended June 30, 2006, the Arkansas Development Finance Authority (the Authority) issued \$36,775,000 in Tobacco Settlement Revenue Bonds. The Authority made the proceeds of the bonds available to the UA Board to fund an expansion to the Arkansas Cancer Research Center, now known as the Winthrop P. Rockefeller Cancer Institute, which is on the campus of UAMS. The bonds have an approximate yield to maturity of 4.77% to 5.10% and principal and accumulated interest are payable beginning in 2021 through 2031 for \$22,158,000 of serial bonds and beginning in 2036 through 2046 for \$14,617,000 of term bonds.

Funds received from the Arkansas Tobacco Settlement Funds Act of 2000 are pledged for debt service and are the primary source of payment for the bonds. In accordance with a Loan Agreement dated June 1, 2006, between the UA Board and the Authority, the UA Board will be required to make debt service payments on the Series 2006 bond issue in the event of a shortfall in tobacco settlement revenues. However, no such payments will be made unless the debt service revenues are insufficient to make such payments. Management believes the debt service revenues will be sufficient to service the entire principal and interest due. The *Global Insights USA, Inc.* report, prepared in August 2006, on the *Forecast of U.S. Cigarette Consumption (2004-2046)* indicated that tobacco consumption in 2046 is expected to decline by 54% from the 2003 level. For fiscal year 2003, Arkansas received \$60,067,457 from the Tobacco Settlement Fund. Using the 54% decline from above, Arkansas should receive approximately \$27.6 million in 2046 with the first \$5 million dedicated to pay the debt service on this bond issue.

If debt service revenues had been considered insufficient at June 30, 2022, the University would have incurred a liability of \$72,902,000 related to the issue. This amount includes drawdown of funds related to the project, issuance costs, discounts, accreted interest, and other expenses related to the issue. The revenues pledged by UAMS to secure the Loan Agreement consist of inpatient service fees and fees collected from other ancillary, therapeutic, and diagnostic services provided within the walls of the hospital but exclude physician-generated revenues, State appropriations, and revenues restricted for other purposes.

**Note 23: Restatements**

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

The University adopted GASB Statement No. 87, Leases in fiscal year 2022. GASB Statement No. 87 establishes a single model for lease accounting based on the foundation principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Beginning in fiscal year 2022, the University started recognizing intangible “right to use” leased assets equal to the present value of the lease payments. This increase in assets is offset by a corresponding increase in lease liability for certain of its leases that were previously reported as operating leases under the previous accounting standards. Prior to GASB 87 operating leases were expensed as payments were made.

**Note 23: Restatements (Continued)**

As a result of GASB 87, leased assets, in fiscal year 2022, are reported separately as right-to-use buildings, equipment, improvements and infrastructure. Leases were recognized and measured using the facts and circumstances that existed at the beginning of fiscal year 2022. The present value of the leased assets are calculated using the term of the lease and the incremental borrowing rate for the university at the beginning of the lease. The lease terms vary according to the conditions of the individual leases.

Beginning net position, as reported on the Statement of Revenues, Expenses and Changes in Net Position, was restated due to the implementation of GASB Statement 87, as amended. As a result, Net Position – beginning of the year was increased by \$558,735 to reflect the net effect of recognizing the University’s total right-to use assets and lease receivables offset by lease payables and deferred inflows of resources attributable to the year ended June 30, 2021.

Beginning net position, as reported on the Statement of Revenues, Expenses and Changes in Net Position, has also been restated for the year ended June 30, 2021 to adjust prior year grant revenue and receivables for the University of Arkansas, Fayetteville due to overstatement in the amount of \$8,953,130.

***Statement of Net Position***

The net effect of these restatements was an overall decrease to total net position of \$8,394,395. The net adjustment is reflected in the net position amounts reported as of June 30, 2021 for Net Investment in Capital Assets, Expendable, Research and Expendable, Public Service. The Statement of Cash Flows was also restated to reflect the changes.

	As Reported June 30, 2021	Net Adjustemnt	Restated June 30, 2021
<b>ASSETS</b>			
Current			
Accounts receivable, net of allowances	\$ 243,839,715	\$ (8,042,928)	\$ 235,796,787
Non-Current			
Other non-current assets	5,451,427	7,896,807	13,348,234
Capital assets, net of depreciation	3,024,382,884	7,262,349	3,031,645,233
<b>LIABILITIES</b>			
Current			
Bonds, notes, leases and installment contracts payable	89,826,582	1,329,885	91,156,467
Non-Current			
Bonds, notes, leases and installment contracts payable	1,689,720,174	5,373,729	1,695,093,903
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Other	7,146,000	8,807,009	15,953,009
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,484,710,808	558,735	1,485,269,543
Expendable			
Research	75,600,439	(6,965,620)	68,634,819
Public service	34,828,794	(1,987,510)	32,841,284

**Note 24: Subsequent Events**

On August 25, 2022, the University issued \$16,655,000 in Various Facilities Revenue Bonds, (UAPB Campus) Series 2022, with various interest rates of 4.00% - 5.00%. Proceeds from this sale will be used to finance a portion of the costs of certain capital improvements, including the acquisition, construction, equipping, and furnishing of a student center (the “Student Center Facility”) and the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for UAPB (collectively, the “Project”) and to pay costs of issuance of the Bonds.

On November 9, 2022, the University issued \$72,655,000 in Various Facility Revenue Bonds (Fayetteville Campus), Series 2022A, with interest rates of between 4.00% and 5.25%. The bonds were issued to provide funds to finance various construction and renovation projects on the University campus and were issued on a tax-exempt basis. Projects include (a) the acquisition, construction, furnishing, and equipping of the Anthony Timberlands Center for Design and Materials Innovation; (b) the renovation, restoration, acquisition, construction, improvement, furnishing, and equipping of the Fine Arts Center; (c) the renovation, acquisition, construction, improvement, furnishing, and equipping of the first and second floors of Mullins Library; (d) the acquisition, construction, furnishing, and equipping of the Windgate Studio and Design Center; and (e) the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for the University of Arkansas, Fayetteville.

On November 9, 2022, the University issued \$4,025,000 in Various Facility Revenue Bonds (Fayetteville Campus), Taxable Series 2022B, with interest rates of between 4.70% and 5.28%. The bonds were issued to provide funds to finance various construction and renovation projects on the University campus and were issued on a taxable basis. Projects include the acquisition, construction, installation, and equipping of a roof replacement for the Engineering Research Center and the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for the University of Arkansas, Fayetteville.

**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2022  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**Employee Benefits**

Schedule of University's Proportional Share of the Net Pension Liability Arkansas Public Employees Retirement System Last Eight Fiscal Years*					
	2022	2021	2020	2019	2018
University's proportion of net pension liability	1.378%	1.427%	1.656%	2.008%	2.198%
University's proportionate share of net pension liability	\$ 10,591,455	\$ 40,877,027	\$ 39,944,209	\$ 44,294,023	\$ 56,807,517
University's covered payroll**	26,989,144	29,263,785	32,838,844	36,710,317	\$ 40,658,901
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	39.24%	139.68%	121.64%	120.66%	139.72%
Plan fiduciary net position as a percentage of the total pension liability	93.57%	75.38%	78.55%	79.59%	75.65%

	2017	2016	2015
University's proportion of net pension liability	2.202%	1.659%	1.462%
University's proportionate share of net pension liability	\$ 52,660,632	\$ 30,550,726	\$ 20,737,110
University's covered payroll**	39,968,417	29,241,762	24,610,760
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	131.76%	104.48%	84.26%
Plan fiduciary net position as a percentage of the total pension liability	75.50%	80.39%	84.15%

\*Information is presented for those years for which it is available until a full 10-year trend is compiled.  
The amounts presented for each fiscal year were determined as of June 30 of the previous year.  
\*\*Includes Pulaski Technical College and Rich Mountain Community College for fiscal years beginning 2017.

Schedule of University Contributions Arkansas Public Employees Retirement System Last Eight Fiscal Years*					
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 3,849,462	\$ 4,135,494	\$ 4,474,936	\$ 5,079,699	\$ 5,446,489
Contributions in relation to the contractually required contribution	(3,849,462)	(4,135,494)	(4,474,936)	(5,079,699)	(5,446,489)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 25,041,258	\$ 26,989,144	\$ 29,263,785	\$ 32,838,844	\$ 36,710,317
Contributions as a percentage of covered-employee payroll	15.37%	15.32%	15.29%	15.47%	14.84%

	2017	2016	2015
Contractually required contribution	\$ 5,847,656	\$ 5,122,338	\$ 4,316,084
Contributions in relation to the contractually required contribution	(5,847,656)	(5,122,338)	(4,316,084)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 40,658,901	\$ 35,350,993	\$ 29,241,762
Contributions as a percentage of covered-employee payroll	14.38%	14.49%	14.76%

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

**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2022  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

<b>Schedule of University's Proportional Share of the Net Pension Liability Arkansas Teacher Retirement System Last Eight Fiscal Years*</b>					
	2022	2021	2020	2019	2018
University's proportion of net pension liability	0.283%	0.319%	0.372%	0.447%	0.540%
University's proportionate share of net pension liability	\$ 7,829,796	\$ 18,079,806	\$ 15,527,796	\$ 16,258,099	\$ 22,688,366
University's covered payroll**	9,232,685	10,026,138	11,429,162	13,540,283	15,932,158
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	84.81%	180.33%	135.86%	120.07%	142.41%
Plan fiduciary net position as a percentage of the total pension liability	88.58%	74.91%	80.96%	82.78%	79.48%

	2017	2016	2015
University's proportion of net pension liability	0.589%	0.395%	0.437%
University's proportionate share of net pension liability	\$ 26,000,421	\$ 12,850,498	\$ 11,467,444
University's covered payroll**	17,474,936	11,516,407	11,527,065
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	148.79%	111.58%	99.48%
Plan fiduciary net position as a percentage of the total pension liability	76.75%	82.20%	84.98%

\*Information is presented for those years for which it is available until a full 10-year trend is compiled.  
The amounts presented for each fiscal year were determined as of June 30 of the previous year.  
\*\*Includes Pulaski Technical College and Rich Mountain Community College for fiscal years beginning 2017.

<b>Schedule of University Contributions Arkansas Teacher Retirement System Last Eight Fiscal Years*</b>					
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 1,262,489	\$ 1,335,201	\$ 1,416,960	\$ 1,616,340	\$ 1,899,208
Contributions in relation to the contractually required contribution	(1,262,489)	(1,335,201)	(1,416,960)	(1,616,340)	(1,899,208)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	8,554,563	9,232,685	10,026,138	11,429,162	13,540,283
Contributions as a percentage of covered-employee payroll	14.76%	14.46%	14.13%	14.14%	14.03%

	2017	2016	2015
Contractually required contribution	\$ 2,210,329	\$ 1,448,084	\$ 1,612,297
Contributions in relation to the contractually required contribution	(2,210,329)	(1,448,084)	(1,612,297)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
University's covered-employee payroll	15,932,158	10,392,131	11,516,407
Contributions as a percentage of covered-employee payroll	13.87%	13.93%	14.00%

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

**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2022  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**Other Postemployment Benefits**

***Summary of Key Actuarial Methods and Assumptions***

Valuation date	July 1, 2021 valuation for the year ended June 30, 2022
Valuation year	Census data collected as of February 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years rolling
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	2.16%
Rate of salary increase for amortization	4.00%
Medical inflation rate	6.50% grading to 3.12% over 19 years
Pharmacy inflation rate	7.50% grading to 3.12% over 19 years
Retiree contribution inflation rate	6.77% grading to 3.12% over 19 years

The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2020 was 2.21%, the unfunded rate determined as of June 30, 2020 based on the Bond Buyer 20-year-Bond GO Index. The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2021 was 2.16%, the unfunded rate determined as of June 30, 2021 based on the Bond Buyer 20-year-Bond GO Index.

***Mortality Rates:***

Healthy	Pub-2010 Teachers Headcount weighted Mortality Tables for employees, contingent annuitants, and healthy retirees projected generationally using projection scale MP-2021 from base year 2010.
Disabled	Pub-2010 Teachers Headcount weighted Mortality Tables for disabled retirees projected generationally using projection scale MP-2021 from base year 2010.

**Schedule of Changes in Total OPEB Liability and Related Ratios**

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service cost	\$ 4,891,000	\$ 4,510,000	\$ 4,026,000	\$ 3,952,830	\$ 4,589,055
Interest (includes interest on service cost)	1,776,000	2,736,000	2,831,000	2,568,932	2,320,787
Changes of benefit terms	-	(10,108,000)	-	832,130	
Differences between expected and actual experience	(971,000)	(2,196,000)	(3,245,428)	(3,266,590)	
Changes of assumptions	398,000	9,159,000	3,132,000	(690,230)	(13,904,426)
Benefit payments, including refunds of member contributions	(2,379,000)	(2,245,000)	(2,180,000)	(2,018,583)	(2,109,079)
Net change in total OPEB liability	<b>3,715,000</b>	<b>1,856,000</b>	<b>4,563,572</b>	<b>1,378,489</b>	<b>(9,103,663)</b>
<b>Total OPEB liability - beginning</b>	<b>76,603,000</b>	<b>74,747,000</b>	<b>70,183,428</b>	<b>68,804,939</b>	<b>77,908,602</b>
<b>Total OPEB liability - ending</b>	<b>\$ 80,318,000</b>	<b>\$ 76,603,000</b>	<b>\$ 74,747,000</b>	<b>\$ 70,183,428</b>	<b>\$ 68,804,939</b>
Covered employee payroll	\$ 1,455,294,000	\$ 1,351,363,000	\$ 1,328,526,000	\$ 1,309,045,000	\$ 1,320,436,000

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

<b>Total OPEB liability as a percentage of covered employee payroll</b>	<b>5.52%</b>	<b>5.67%</b>	<b>5.63%</b>	<b>5.36%</b>	<b>5.21%</b>
-------------------------------------------------------------------------	--------------	--------------	--------------	--------------	--------------

**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2022  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

---

**Notes to Schedule:**

No assets for the Plan are accumulated in a trust.

***Change of Assumptions:***

During the measurement year, the total OPEB Liability (TOL) increased by approximately \$3.7 million. The service cost and interest cost increased the TOL by approximately \$6.7 million while benefit payments decreased the TOL by approximately \$2.4 million.

The discount rate changed from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021 and the mortality assumption was updated as of June 30, 2021. The combined impact of these assumption changes increased the TOL by approximately \$0.4 million. This loss will be amortized over the average expected remaining service life of all active and inactive members of the Plan. The actual experience decreased the TOL by \$1.0 million due to changes in population, which will be amortized over the average expected remaining service life of all active and inactive members of the Plan.

The mortality assumption was changed from RP-2014 projected generationally using MP-2014 to Pub-2010 Teachers projected generationally using MP-2021 from base year 2010.

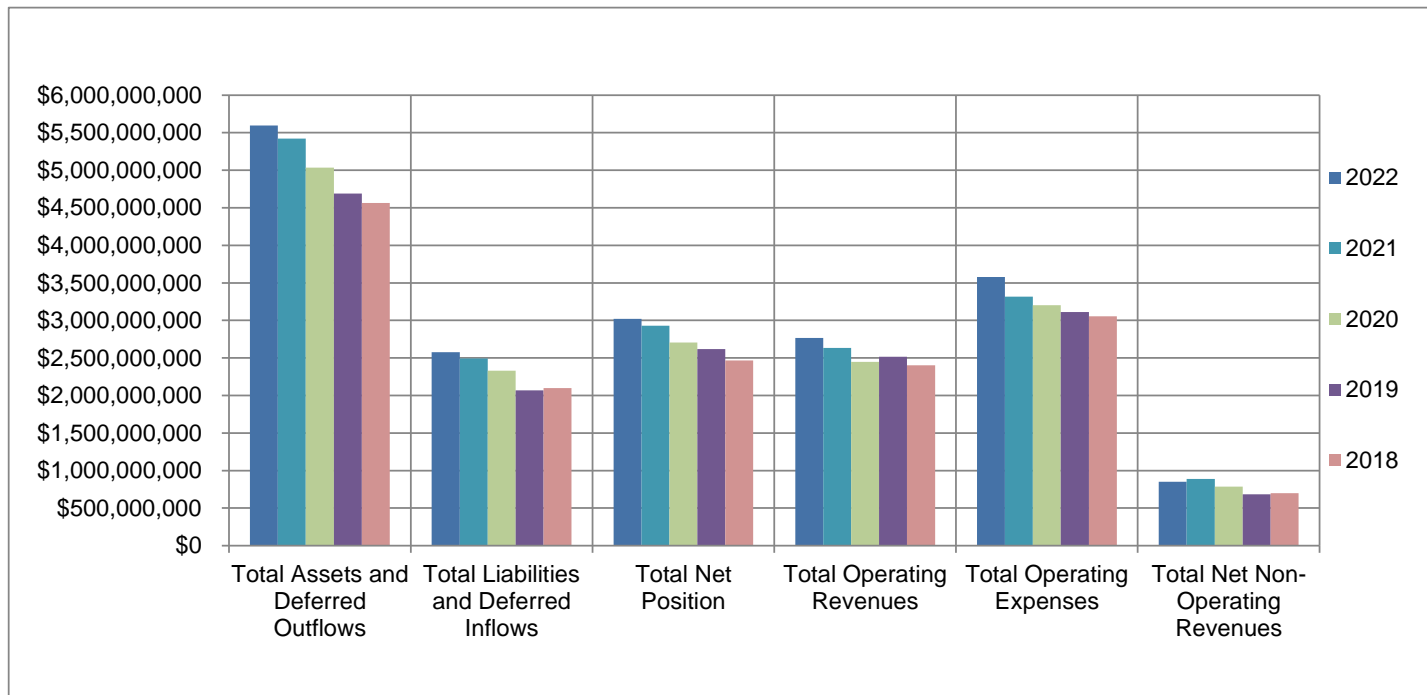
***Change of Benefits:***

There were no benefit changes during 2022.

UNIVERSITY OF ARKANSAS SYSTEM  
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS  
FOR THE YEAR ENDED JUNE 30, 2022  
(Unaudited)

Schedule 1

	Year Ended June 30,				
	2022	2021	2020	2019	2018
Total Assets and Deferred Outflows	\$ 5,595,638,924	\$ 5,422,798,609	\$ 5,036,408,449	\$ 4,689,079,046	\$ 4,565,502,386
Total Liabilities and Deferred Inflows	2,576,154,215	2,494,789,353	2,331,326,820	2,069,127,600	2,099,470,644
Total Net Position	3,019,484,709	2,928,009,256	2,705,081,629	2,619,951,446	2,466,031,742
Total Operating Revenues	2,765,850,478	2,635,533,204	2,449,019,480	2,515,551,666	2,402,175,285
Total Operating Expenses	3,578,311,812	3,315,993,854	3,203,348,930	3,110,751,025	3,054,817,976
Total Net Non-Operating Revenues	852,076,831	890,159,171	787,785,697	685,718,222	699,762,500
Total Other Revenues, Expenses, Gains or Losses	60,254,351	13,229,106	51,673,936	63,400,841	92,108,226





**UNIVERSITY OF ARKANSAS SYSTEM**  
**Statement of Net Position by Campus**  
**At June 30, 2022**

Schedule 2

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM	CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Elimination (See Note 19)	TOTAL
ASSETS																	
Current																	
Cash and cash equivalents	\$ 137,871,091	\$ 25,059,637	\$ 14,881,622	\$ 194,125,000	\$ 13,567,661	\$ 25,770,729	\$ 33,835,482	\$ 4,421,159	\$ 14,441,866	\$ 3,858,446	\$ 13,929,401	\$ 7,274,138	\$ 43,819,018	\$ 2,805,700	\$ 10,506,668	\$ 57,986	\$ 546,225,604
Investments	418,675,424	23,279,938	47,978,060	13,845,000	2,204,928		25,571,997	861,538	3,462,077		2,261,481	3,621,764	5,469,755				547,231,962
Accounts receivable	92,731,393	6,351,900	24,544,461	55,993,000	5,985,383	15,506,609	27,718,328	1,883,699	1,787,471	1,577,200	1,784,217	818,221	2,389,858	579,355	126,969	(22,601,585)	217,176,479
Patient accounts receivable				193,438,000													193,438,000
Inventories	8,305,639		151,208	29,443,000	401,238	26,716		95,981	56,355	196,458	1,250,874			390,518			40,317,987
Deposits and funds held in trust by others	100,388		142,434		6,344,430				33					74,532			6,661,817
Notes receivable	2,494,705			814,000											936	(32,689)	3,276,952
Other assets	22,332,600	325,305	581,708	10,873,000	396,156	621,239	1,059,418	187,559	7,923	380,998		2,299	31,245	54,371	92,748		36,946,569
Total current assets	682,511,240	55,016,780	88,279,493	498,531,000	28,899,796	41,925,293	88,185,225	7,449,936	19,755,725	6,013,102	19,225,973	11,716,422	51,709,876	3,904,476	10,727,321	(22,576,288)	1,591,275,370
Non-Current																	
Cash and cash equivalents					5,817,339	10,173,784		1,161,302				130,958					17,283,383
Investments	173,740,683	5,825,897	50,865,281	161,153,000	4,667,520	5,220,049	25,908,934	184,070		2,200,000			908,835	1,059,283			431,733,552
Notes receivable	6,157,831	149,458	386,750	10,272,000	79,089	464,192		36,878	89,936	48,846	32,788	42,060			28,460	(5,505,650)	12,282,638
Deposits and funds held in trust by others	254,739	62,433	2,060,364	233,145,000								3,233					235,545,451
Other non-current assets	35,704,454						21,004,163						219,203			(20,453,183)	36,474,637
Capital assets	1,545,982,343	130,291,550	196,463,155	986,306,000	46,371,158	105,001,056	6,620,924	11,215,112	19,673,923	13,060,795	25,949,065	22,389,502	79,983,894	17,557,941	22,928,915		3,229,795,333
Total non-current assets	1,761,840,050	136,329,338	249,775,550	1,390,876,000	56,935,106	120,859,081	53,534,021	12,597,362	19,763,859	15,309,641	25,981,853	22,565,753	81,131,614	18,617,224	22,957,375	(25,958,833)	3,963,114,994
TOTAL ASSETS	2,444,351,290	191,346,118	338,055,043	1,889,407,000	85,834,902	162,784,374	141,719,246	20,047,298	39,519,584	21,322,743	45,207,826	34,282,175	132,841,490	22,521,700	33,684,696	(48,535,121)	5,554,390,364
DEFERRED OUTFLOWS OF RESOURCES																	
Debt refunding	6,305,948	2,057,395	2,606,799	3,530,000		189,474		65,324	710,695		125,379		4,143,677				19,734,691
Other postemployment benefits	5,110,000	293,000	810,000	4,533,000	251,000	469,000	78,000	76,000	125,000	60,000		114,000	282,000	83,000	25,000		12,365,000
Pensions	1,618,298	249,161	689,744	1,798,000	437,584	122,835	152,066	414,776	128,329	475,526	289,002	532,285	1,611,426	384,495	245,342		9,148,869
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,034,246	2,599,556	4,106,543	9,861,000	688,584	781,309	230,066	556,100	964,024	535,526	470,381	646,285	6,037,103	467,495	270,342		41,248,560
LIABILITIES																	
Current																	
Accounts payable and other accrued liabilities	53,179,775	4,533,645	7,355,080	146,117,000	1,925,935	4,298,631	6,145,473	547,438	1,042,026	345,536	1,033,590	863,701	2,511,131	844,112	755,995	(21,462,614)	210,036,454
Unearned revenue, deposits and other	42,437,546	493,564	5,856,098	11,629,000	47,653	70,879	1,882,850	341,170	356,925	12,167	133,528	140,846	175,973	54,593	2,010		63,634,802
Funds held in trust for others	4,925,273	242,196	1,006,795	8,168,000	174,574	2,792,990	128,902	56,873	35,625	19,168	23,061	71,815	140,562	27,434	41,405		17,854,673
Liability for future insurance claims							14,509,500										14,509,500
Estimated third party payor settlements				29,042,000													29,042,000
Compensated absences payable - current portion	2,248,489	252,591	455,782	5,159,000	120,759	232,211	69,864	14,178	31,129	36,761	27,378	31,238	92,323	41,734	16,091		8,829,528
Liability for other postemployment benefits - current portion	824,000	100,000	182,000	1,110,000	80,000	65,000	19,000	11,000	45,000	10,000	10,000	28,000	81,000	30,000	1,000		2,596,000
Bonds, notes, leases and installment contracts payable - current	50,010,992	3,749,080	9,181,166	36,810,000	7,339,194	2,123,668	4,899,670	200,411	442,350	200,641	574,382	330,967	2,626,804	353,677	118,521	(1,770,472)	117,191,051
Total current liabilities	153,626,075	9,371,076	24,036,921	238,035,000	9,688,115	9,583,379	27,655,259	1,171,070	1,953,055	624,273	1,801,939	1,466,567	5,627,793	1,351,550	935,022	(23,233,086)	463,694,008
Non-Current																	
Unearned revenues, deposits and other	2,395,122		192,858	31,000		29,819											2,648,799
Refundable federal advance - Perkins loans	7,147,158			1,911,000	23,836												9,081,994
Compensated absences payable	21,186,585	1,248,398	3,814,244	70,344,000	1,055,599	3,794,288	1,098,006	262,781	476,778	300,194	372,825	367,544	585,508	248,790	118,167		105,273,707
Liability for other post employment benefits	24,455,000	1,787,000	6,004,000	34,945,000	1,698,000	3,089,000	545,000	552,000	994,000	459,000	373,000	776,000	1,280,000	531,000	234,000		77,722,000
Liability for pensions	3,395,965	552,014	1,771,682	2,773,000	911,439	245,131	348,652	822,207	288,482	940,756	691,276	1,082,409	3,342,938	805,043	450,257		18,421,251
Bonds, notes, leases, installment contracts payable	771,033,498	50,586,782	83,319,734	762,347,000	26,164,084	26,787,011	26,036,423	2,648,939	8,841,371	944,053	8,714,541	9,808,058	71,754,864	12,899,913	812,703	(25,302,035)	1,837,396,939
Total non-current liabilities	829,613,328	54,174,194	95,102,518	872,351,000	29,852,958	33,945,249	28,028,081	4,285,927	10,600,631	2,644,003	10,151,642	12,034,011	76,963,310	14,484,746	1,615,127	(25,302,035)	2,050,544,690
TOTAL LIABILITIES	983,239,403	63,545,270	119,139,439	1,110,386,000	39,541,073	43,528,628	55,683,340	5,456,997	12,553,686	3,268,276	11,953,581	13,500,578	82,591,103	15,836,296	2,550,149	(48,535,121)	2,514,238,698
DEFERRED INFLOWS OF RESOURCES																	
Other postemployment benefits	1,783,000	104,000	910,000	3,759,000	227,000	372,000	47,000	161,000	270,000	49,000	329,000	148,000	456,000	243,000	42,000		8,900,000
Pensions	7,210,185	1,467,075	4,473,869	7,105,000	1,623,409	432,396	651,915	1,353,326	614,853	1,411,404	1,493,195	1,651,177	6,256,270	1,121,225	552,558		37,417,857
Other	7,781,921			6,917,000		898,739					-						15,597,660
TOTAL DEFERRED INFLOWS OF RESOURCES	16,775,106	1,571,075	5,383,869	17,781,000	1,850,409	804,396	1,597,654	1,514,326	884,853	1,460,404	1,822,195	1,799,177	6,712,270	1,364,225	594,558		61,915,517
NET POSITION																	
Net Investment in Capital Assets	721,837,717	77,540,140	109,535,730	419,295,000	19,706,016	72,517,262	3,080,348	8,431,086	11,354,933	11,929,114	17,368,257	11,856,141	7,917,195	3,227,457	18,520,827		1,514,117,223
Restricted																	
Non-Expendable																	
Scholarships and fellowships	9,407,310	278,058	1,637,090	394,000	56,017			75,000					874,239				12,721,714
Research	18,739,659		407,898		321,559												19,469,116
Other	18,246,728	29,047	9,003,876	47,572,000	2,696	7,404,241											82,258,588
Expendable																	
Scholarships and fellowships	22,141,750	194,875	423,365	29,745,000	474,448	2,815,509		25,127	247,937			483,465	34,596	10,825			56,596,897
Research	57,800,394	9,373	5,136,972	13,208,000	2,458,598	1,353,565											79,966,902
Public service	31,711,796	52,031	3,527,888		1,631,380												36,923,095
Capital projects	63,598,179	235,325		8,848,000	5,917,453	4,925,187		1,161,302	3,121,929					49,422	769,311		88,626,108
Other	14,601,492	3,195,693	6,318,352	426,000	133,282	6,351,841		411,122		295,963			3,198,186	9,263	76,371		35,017,565
Unrestricted	499,286,002	47,294,787	81,647,107	251,613,000	16,061,935	22,233,674	81,587,970	3,528,438	12,320,270	4,904,512	14,534,174	7,289,099	37,551,004	2,491,707	11,443,822		1,093,787,501
TOTAL NET POSITION	\$1,457,371,027	\$ 128,829,329	\$ 217,638,278	\$ 771,101,000	\$ 45,132,004	\$ 119,232,659	\$ 84,668,318	\$ 13,632,075	\$ 27,045,069	\$ 17,129,589	\$ 31,902,431	\$ 19,628,705	\$ 49,575,220	\$ 5,788,674	\$ 30,810,331		\$3,019,484,700

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Statement of Revenues, Expenses, and Changes in Net Position by Campus**  
**For the Year Ended June 30, 2022**

Schedule 3

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM	CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Elimination (Note 19)	TOTAL
<b>Operating Revenues</b>																	
Student tuition & fees, net of scholarship allowances	\$ 255,331,306	\$ 12,916,795	\$ 34,991,481	\$ 47,784,000	\$ 8,718,499	\$ 10,270,231	\$ 10,399,954	\$ 1,526,283	\$ 168,319	\$ 741,203	\$ 688,189	\$ 2,470,463	\$ 9,224,188	\$ 363,634		\$	395,594,545
Patient services, net of contractual allowances				1,334,667,000													1,334,667,000
Federal and county appropriations	13,560,030			1,655,000													15,215,030
Federal grants and contracts	86,487,805	2,075,148	21,870,541	125,794,000	1,879,328	18,125,363		1,566,244	1,842,464	762,296	1,422,718	637,159	2,008,321	2,232,836			266,704,223
State and local grants and contracts	17,684,507	2,087,169	7,660,894	34,237,000	1,207,499	4,594,867		1,674,775	1,090,189	1,757,760	1,150,846	1,478,800	1,989,047	1,194,222	\$ 552,355		78,359,930
Non-governmental grants and contracts	17,636,396	115,396	1,891,785	86,852,000	262,954	436,440		43,394	6,404	181,868	9,722	144,352	77,800	221,390	7,695		107,887,596
Sales and services of educational departments	26,245,297	307,746	966,040	39,158,000	251,888	127,354	5,040,422	105,529	135,105	46,430	172,526	223,907	361,096	38,014		\$ (4,214,955)	68,964,399
Insurance plan							214,043,311									(141,104,487)	72,938,824
Auxiliary enterprises																	
Athletics, net of scholarship allowances	125,807,171	30,303	2,000,641		590,036	2,406,832		7,466							5,325		130,847,774
Housing/food service, net of scholarship allowances	74,354,109	3,165,086	4,017,095	7,569,000	1,410,052	4,383,003		143,402		85,377					734,111		95,861,235
Bookstore, net of scholarship allowances	2,211,647	257,391	239,700		102,695	30		94,115		105,222					251,878		3,808,997
Other auxiliary enterprises, net of scholarship allowances	15,661,683	186,867	888,123	3,698,000	573,273	162,259			26,517	9,761			237,138		42,121		21,251,957
Other operating revenues	17,312,249	274,454	1,189,903	151,918,000	283,171	2,432,089	276,535	50,597	141,845	70,686	25,899	131,254	272,225	(28,098)	253,599	(855,440)	173,248,968
Total operating revenues	652,292,200	21,416,355	75,716,203	1,833,332,000	15,279,595	42,938,468	229,760,222	5,211,805	3,420,604	3,780,712	3,752,564	5,085,935	14,211,936	5,013,312	813,649	(146,174,882)	2,765,850,478
<b>Operating Expenses</b>																	
Compensation and benefits	550,974,730	40,611,552	102,345,434	1,219,460,000	26,861,000	47,242,369	9,566,163	8,747,529	10,440,164	7,164,745	7,670,385	10,332,876	20,256,789	6,161,895	5,201,325	(141,104,487)	1,931,932,469
Supplies and services	287,678,479	22,174,731	48,565,126	650,324,000	11,140,816	30,001,867	21,917,694	4,726,229	5,130,164	4,744,230	4,134,644	4,820,866	15,422,202	4,607,123	3,533,544	(5,070,395)	1,113,851,320
Scholarships and fellowships	48,769,413	9,074,340	10,923,528	3,225,000	8,892,792	7,289,049	1,627,969	2,564,574	2,167,323	3,270,021	3,137,311	4,830,397	11,628,008	1,029,348			118,429,073
Insurance plan							192,354,975										192,354,975
Depreciation	94,796,517	8,616,207	15,379,704	76,704,000	4,128,033	8,135,331	1,423,583	863,460	1,209,185	1,099,185	1,538,890	1,668,256	4,717,344	865,191	599,089		221,743,975
Total operating expenses	982,219,139	80,476,830	177,213,792	1,949,713,000	51,022,641	92,668,616	226,890,384	16,901,792	18,946,836	16,278,181	16,481,230	21,652,395	52,024,343	12,663,557	9,333,958	(146,174,882)	3,578,311,812
Operating income (loss)	(329,926,939)	(59,060,475)	(101,497,589)	(116,381,000)	(35,743,246)	(49,730,148)	2,869,838	(11,689,987)	(15,526,232)	(12,497,469)	(12,728,666)	(16,566,460)	(37,812,407)	(7,650,245)	(8,520,309)		(812,461,334)
<b>Non-Operating Revenues (Expenses)</b>																	
State appropriations, net of Medicaid match payments	229,720,207	25,150,911	69,601,187	68,119,000	19,681,906	29,039,314	5,588,117	4,941,383	10,804,550	5,059,035	6,975,907	6,639,765	16,739,820	3,752,219	10,814,800		512,628,121
Property and sales tax		4,096,482						1,778,689	2,582,689	1,877,142	1,796,267	926,519		495,803			13,553,591
Federal grants	68,111,289	24,774,562	25,263,049	36,760,000	15,496,585	13,982,473	14,869,910	4,950,617	4,941,740	6,264,242	5,843,877	8,226,568	25,149,321	3,919,856			258,554,089
State and local grants	30,833,611	4,274,413	4,146,028		1,527,448	1,053,125		409,864	114,363	282,060	259,618	550,459	1,025,281	251,389			44,727,659
Non-governmental grants	13,202						96,098	97,877				97,216		26,014			330,407
Gifts	83,835,006	2,998,283	9,470,279	15,126,000	2,746,218	2,046,639	141,195	112,636	178,213	30,952		43,396	205,122	33,000	107,057		117,073,996
Investment income (net)	(24,940,333)	(212,950)	(2,221,648)	(19,574,000)	(62,756)	(737,589)	(426,703)	65,631	(49,249)	43,244	15,576	76,220	38,267	14,041	2,060	(745,869)	(48,716,058)
Interest and fees on capital asset-related debt	(24,766,869)	(1,623,123)	(2,830,257)	(18,813,000)	(1,034,284)	(973,560)	(812,883)	(108,441)	(337,646)	(12,124)	(183,950)	(372,746)	(2,722,589)	(542,711)	(26,251)	658,798	(54,501,636)
Gain (loss) on disposal of assets	185,627		(157,614)	(208,000)	(41,426)		1,500	(21,827)						460	(113)		(241,393)
Other	7,069,948	192,735	715,449		44,534		348,292	8,729		11,464				189,833		87,071	8,668,055
Net non-operating revenues	370,061,688	59,651,313	103,986,473	81,410,000	38,358,225	44,410,402	19,805,526	12,235,158	18,234,660	13,556,015	14,804,511	16,090,181	40,461,236	8,113,890	10,897,553		852,076,831
Income/Loss before other revenues and expenses	40,134,749	590,838	2,488,884	(34,971,000)	2,614,979	(5,319,746)	22,675,364	545,171	2,708,428	1,058,546	2,075,845	(476,279)	2,648,829	463,645	2,377,244		39,615,497
<b>Other Changes in Net Position</b>																	
Capital appropriations	1,434,819	621,558				1,600,000		330,437									3,986,814
Capital grants and gifts	49,426,023			3,147,000	74,187				284,974		200,000	45,000	6,704				53,183,888
Adjustments to prior year revenues and expenses		(37,544)	(10,689)		7,438	580,307	641,037						104,982	130,244			1,415,775
Other	136,577					(2,229)			1,533,526								1,667,874
Total other revenues and expenses	50,997,419	584,014	(10,689)	3,147,000	81,625	2,178,078	641,037	330,437	1,818,500		200,000	45,000	111,686	130,244			60,254,351
Increase (decrease) in net position	91,132,168	1,174,852	2,478,195	(31,824,000)	2,696,604	(3,141,668)	23,316,401	875,608	4,526,928	1,058,546	2,275,845	(431,279)	2,760,515	593,889	2,377,244		99,869,848
Net Position, beginning of year	1,374,642,244	127,654,477	215,160,083	802,925,000	42,435,400	122,374,327	61,351,917	12,747,477	22,518,141	16,071,043	29,626,586	20,059,984	46,814,705	5,194,785	28,433,087		2,928,009,256
Cumulative effect of GASB No. 87 adoption	549,745							8,990									558,735
Other Adjustments	(8,953,130)																(8,953,130)
Net Position, beginning of year, restated	\$ 1,366,238,859	\$ 127,654,477	\$ 215,160,083	\$ 802,925,000	\$ 42,435,400	\$ 122,374,327	\$ 61,351,917	\$ 12,756,467	\$ 22,518,141	\$ 16,071,043	\$ 29,626,586	\$ 20,059,984	\$ 46,814,705	\$ 5,194,785	\$ 28,433,087		\$ 2,919,614,861
Net Position, end of year	\$ 1,457,371,027	\$ 128,829,329	\$ 217,638,278	\$ 771,101,000	\$ 45,132,004	\$ 119,232,659	\$ 84,668,318	\$ 13,632,075	\$ 27,045,069	\$ 17,129,589	\$ 31,902,431	\$ 19,628,705	\$ 49,575,220	\$ 5,788,674	\$ 30,810,331		\$ 3,019,484,709

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Statement of Cash Flows - Direct Method - By Campus**  
**For the Year Ended June 30, 2022**

Schedule 4

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM	CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Eliminations (Note 19)	TOTAL
<b>Cash Flows from Operating Activities</b>																	
Student tuition and fees (net of scholarships)	\$ 253,952,876	\$ 13,218,331	\$31,703,804	\$ 47,917,000	\$ 7,512,824	\$ 8,511,662	\$ 10,202,653	\$ 1,626,488	\$ 163,186	\$ 802,945	\$ 834,853	\$ 2,947,831	\$ 10,712,212	\$ 593,433		\$	390,700,098
Patient and insurance payments				1,242,145,000													1,242,145,000
Federal and county appropriations	12,880,266																12,880,266
Grants and contracts	135,288,464	1,143,744	37,976,357	254,075,000	2,962,864	20,193,409		2,903,065	2,753,050	2,199,440	2,740,366	2,729,996	3,250,572	3,765,550	\$ 562,166		472,544,043
Collection of loans and interest	(54,862)			4,326,000	4												4,271,142
Insurance plan receipts							214,194,410									\$ (141,006,362)	73,188,048
Auxiliary enterprise revenues:																	
Athletics	130,042,635	30,303	1,712,720		562,878	2,407,312		7,466							5,325		134,768,639
Housing and food service	74,028,299	3,165,086	3,942,312	7,574,000	1,350,533	4,383,371		143,402		85,377					734,111		95,406,491
Bookstore	2,029,146	257,391	211,129		117,393	307		94,115	28,382	105,222	282,664		237,138		251,878		3,614,765
Other auxiliary enterprises	15,350,002	187,140	868,905	3,626,000	580,449	162,259			9,761	29,615			42,121				20,856,252
Payments to employees	(439,664,571)	(32,332,132)	(83,986,262)	(1,025,285,000)	(21,269,550)	(35,023,324)	(7,566,096)	(6,993,011)	(8,862,639)	(5,704,939)	(6,399,263)	(8,203,347)	(16,570,709)	(4,978,571)	(4,137,300)		(1,706,976,714)
Payment of employee benefits	(119,190,814)	(8,241,276)	(20,430,257)	(228,726,000)	(5,606,648)	(9,567,622)	(1,723,620)	(2,065,104)	(2,227,077)	(1,891,550)	(1,897,949)	(2,516,270)	(4,609,928)	(1,486,724)	(1,191,087)	141,006,362	(270,365,564)
Payments to suppliers	(287,714,830)	(20,827,736)	(47,292,097)	(641,126,000)	(10,276,031)	(28,381,514)	(20,377,956)	(4,846,825)	(4,522,220)	(4,868,001)	(4,284,439)	(4,719,220)	(15,671,832)	(4,480,825)	(3,086,570)	1,667,416	(1,100,808,680)
Loans issued to students	(29,500)			(3,419,000)													(3,448,500)
Scholarships and fellowships	(48,744,962)	(9,074,340)	(10,923,528)	(3,225,000)	(9,121,794)	(7,289,049)	(1,627,969)	(2,564,574)	(2,122,082)	(3,270,021)	(3,137,311)	(4,830,397)	(11,628,008)	(1,029,348)			(118,588,383)
Payments of insurance plan expenses							(194,640,837)			(59,616)							(194,700,453)
Other receipts and payments	53,609,580	2,720,807	2,418,372	182,683,000	886,371	2,490,094	1,765,346	138,341	242,073	175,896	198,425	349,255	633,320	9,545	264,787	(4,611,006)	243,974,206
Net cash used by operating activities	(218,218,271)	(49,752,682)	(83,798,545)	(159,435,000)	(32,300,707)	(42,113,095)	225,931	(11,556,637)	(14,537,566)	(12,395,632)	(11,662,654)	(14,242,152)	(33,605,114)	(6,615,626)	(7,588,004)	(2,943,590)	(700,539,344)
<b>Cash Flows from Noncapital Financing Activities</b>																	
State appropriations	229,720,207	25,150,911	69,601,187	72,190,000	19,681,906	29,039,314	5,588,117	4,941,383	10,804,550	5,059,035	6,975,907	6,639,765	16,739,820	3,752,219	10,814,800		516,699,121
Property and sales tax		4,096,482						1,714,193	2,571,085	1,877,142	1,796,267	919,160		473,225			13,447,554
Gifts and grants for other than capital purposes	178,626,757	32,062,582	38,759,316	51,885,000	22,604,391	22,778,030	14,368,066	5,472,674	5,149,637	6,512,659	6,200,710	8,820,422	26,405,738	4,204,245	107,670		423,957,897
Repayment of loans				(75,000)													(75,000)
Direct Lending, Plus and FFEL loan receipts	127,375,653	15,919,557	42,502,240		10,416,637	10,490,935	16,921,759			685,025		1,231,911	10,284,484				235,828,201
Direct Lending, Plus and FFEL loan payments	(129,321,451)	(15,959,553)	(42,507,554)		(11,336,904)	(10,641,097)	(16,965,692)			(685,025)		(1,231,911)	(10,284,484)				(238,933,671)
Other agency funds - net	1,664,838		116,823	4,760,000	(72,002)	118,387	77,491	3,032	21,377	4,123	(34,042)	(88,205)	5,910	(1,582)	(17,945)		6,558,205
Refunds to grantors														(934)			(934)
Intercompany debt payments/receipts							(87,500)									87,500	0
Other noncapital receipts (payments)		155,173	-			451,241				11,462				190,767			808,643
Net cash provided (used) by noncapital financing activities	408,066,004	61,425,152	108,472,012	128,760,000	41,294,028	51,785,569	20,353,482	12,131,282	18,546,649	13,464,421	14,938,842	16,291,142	43,151,468	8,617,940	10,904,525	87,500	958,290,016
<b>Cash Flows from Capital and Related Financing Activities</b>																	
Distributions from debt proceeds	18,669,119		491,358	187,107,000								1,619					206,269,096
Capital appropriations	1,434,819	621,558				1,600,000		136,525									3,792,902
Capital grants and gifts	8,322,963	531		3,147,000	37,027				284,974			200,000	6,704				11,999,199
Proceeds from sale of capital assets	401,120		(157,614)		3,836		1,500	109,621									358,463
Purchases of capital assets	(105,694,000)	(3,956,003)	(6,388,060)	(189,239,000)	(2,595,328)	(6,407,259)	(4,747,869)	(615,975)	(1,111,174)	(689,398)	(4,124,663)	(1,426,616)	(2,889,334)	(356,273)	(4,455,916)		(334,696,868)
Payment of capital related principal on debt	(33,726,338)	(6,003,768)	(7,726,418)	(51,663,000)	(470,000)	(1,983,485)	(4,077,648)	(327,880)	(398,714)	(195,628)	(667,910)	(380,326)	(3,028,779)	(364,134)	(84,224)	3,001,576	(108,096,676)
Payments of capital related interest and fees	(28,750,155)	(1,393,344)	(3,204,232)	(17,823,000)	(984,177)	(1,010,274)	(843,958)	(109,369)	(306,068)	(12,473)	(177,642)	(402,494)	(2,035,392)	(423,773)	(26,251)	658,798	(56,843,804)
Insurance proceeds			194,504						1,533,526								1,728,030
Payments to/from trustee for reserve													(61)	1,520			1,459
Net cash provided (used) by capital & related financing act	(139,342,472)	(10,731,026)	(16,790,462)	(68,471,000)	(4,008,642)	(7,801,018)	(9,667,975)	(807,078)	2,544	(897,499)	(4,770,215)	(2,207,817)	(7,946,862)	(1,142,660)	(4,566,391)	3,660,374	(275,488,199)
<b>Cash Flows from Investing Activities</b>																	
Proceeds from sales and maturities of investments	46,706,008	7,017,129		260,650,000	2,730,528	676,589	31,887,299			2,199,404			573,474				352,440,431
Investment income (net of fees)	(27,253)	(222,129)	(2,221,648)	5,499,000	16,869	14,055	(734,352)	50,187	30,437	43,244	15,193	119,342	38,267	14,041	2,060	(746,298)	1,891,015
Purchases of investments	(131,000,000)	(26,795,000)	(22,676,697)	(287,307,000)	-	(988,160)	(27,326,965)			(2,200,000)	(8,219)			(13,175)			(498,315,216)
Net cash provided (used) by investing activities	(84,321,245)	(20,000,000)	(24,898,345)	(21,158,000)	2,747,397	(297,516)	3,825,982	50,187	30,437	42,648	6,974	119,342	611,741	866	2,060	(746,298)	(143,983,770)
Net increase/decrease in cash	(33,815,984)	(19,058,556)	(17,015,340)	(120,304,000)	7,732,076	1,573,940	14,737,420	(182,246)	4,042,064	213,938	(1,487,053)	(39,485)	2,211,233	860,520	(1,247,810)	57,986	(161,721,297)
Cash, beginning of the year	171,687,075	44,118,193	31,896,962	314,429,000	11,652,924	34,370,573	19,098,062	5,764,707	10,399,802	3,644,508	15,416,454	7,444,581	41,607,785	1,945,180	11,754,478		725,230,284
Cash, end of year	\$ 137,871,091	\$ 25,059,637	14,881,622	\$ 194,125,000	\$ 19,385,000	35,944,513	\$ 33,835,482	\$ 5,582,461	\$ 14,441,866	\$ 3,858,446	\$ 13,929,401	\$ 7,405,096	\$ 43,819,018	\$ 2,805,700	\$ 10,506,668	\$ 57,986	\$ 563,508,987

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Statement of Cash Flows - Direct Method - Continued - By Campus**  
**For the Year Ended June 30, 2022**

Schedule 4

Reconciliation of net operating revenue (loss) to net cash provided (used) by operating activities:

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM	CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Eliminations	TOTAL
Operating revenue (loss)	\$ (329,926,939)	\$ (59,060,475)	\$ (101,497,589)	\$ (116,381,000)	\$ (35,743,246)	\$ (49,730,148)	\$ 2,869,838	\$ (11,689,987)	\$ (15,526,232)	\$ (12,497,469)	\$ (12,728,666)	\$ (16,566,460)	\$ (37,812,407)	\$ (7,650,245)	\$ (8,520,309)		\$ (812,461,334)
Adjustments to reconcile net revenue (loss) to net cash provided (used) by operating activities:																	
Depreciation expense	94,796,517	8,616,207	15,379,704	76,704,000	4,128,033	8,135,331	1,423,583	863,460	1,209,185	1,099,185	1,538,890	1,668,256	4,717,344	865,191	599,089		221,743,975
Other miscellaneous operating receipts	7,199,617																7,199,617
Adjustment to cash for amounts in transit within the system																\$ (2,943,590)	(2,943,590)
Change in assets and liabilities:																	
Receivables, net	8,990,957	(1,312,716)	2,734,408	(28,266,000)	(85,133)	(5,032,549)	(3,968,062)	(369,075)	(193,027)	(439,284)	160,562	914,377	957,269	240,665	(27,265)		(25,694,873)
Inventories	(1,338,278)		(31,901)	2,412,000	(39,885)	(10,720)		9,796	6,517	12,377	(68,764)			(86,076)			865,066
Prepaid expenses and other assets	2,039,174	141,727	(27,234)	2,341,000	(61,256)	(595,838)	573,630	(178,727)	1,189	(314,670)		978	9,202	(991)	19,393		3,947,577
Accounts payable and other accrued liabilities	(7,184,391)	2,875,283	(276,385)	(36,707,000)	25,475	3,759,459	1,322,316	106,642	465,759	185,020	(178,972)	155,633	654,802	300,024	460,223		(34,036,112)
Unearned revenue	9,898,351	(377,891)	1,872,521	5,693,000	(34,113)	(28,344)	(493,157)	70,147	14,116	(106,046)	122,409	4,218	(288,125)	15,315	1,820		16,364,221
Liability for future insurance claims							(2,201,100)										(2,201,100)
Loans to students and employees	654,138																654,138
Refundable federal advance	(1,693,922)																(1,693,922)
Compensated absences	73,763	(125,262)	(177,158)	(3,329,000)	(14,196)	1,374,379	201,095	(18,875)	16,861	32,864	15,842	20,153	(11,622)	18,144	(11,958)		(1,934,970)
OPEB liability	794,000	109,000	35,000	1,552,000	8,000	142,000	(49,000)	32,000	(281,000)	20,000	(9,000)	(14,000)	9,000	(6,000)	(21,000)		2,321,000
Pension related	(2,521,258)	(604,194)	(1,757,035)		(484,386)	(110,578)	143,924	(382,018)	(250,934)	(387,609)	(514,955)	(425,307)	(1,840,577)	(311,653)	(87,997)		(9,534,577)
Other		(14,361)	(52,876)	(63,454,000)		(16,087)	402,864										(63,134,460)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (218,218,271)</b>	<b>\$ (49,752,682)</b>	<b>\$ (83,798,545)</b>	<b>\$ (159,435,000)</b>	<b>\$ (32,300,707)</b>	<b>\$ (42,113,095)</b>	<b>\$ 225,931</b>	<b>\$ (11,556,637)</b>	<b>\$ (14,537,566)</b>	<b>\$ (12,395,632)</b>	<b>\$ (11,662,654)</b>	<b>\$ (14,242,152)</b>	<b>\$ (33,605,114)</b>	<b>\$ (6,615,626)</b>	<b>\$ (7,588,004)</b>	<b>\$ (2,943,590)</b>	<b>\$ (700,539,344)</b>
Non-Cash Transactions																	
Capital gifts	\$ 1,721,961				\$ 74,187						\$ 200,000	\$ 45,000					\$ 2,041,148
Fixed assets acquired by incurring capital lease obligations	879,647	\$ 7,721,837		\$ 1,291,000				\$ 35,469									9,927,953
Capital outlay & maintenance paid directly from proceeds of debt			\$ 309,584						\$ 38,309		4,087,810						4,435,703
Payment of bond proceeds/premium/accrued interest/debt service reerve directly into deposits with trustees/escrow	174,873,086																174,873,086
Payment of bond issuance costs/underwriters' discount directly from bond proceeds and/or debt service reserves	786,485																786,485
Payment of principal & interest on long-term debt from deposits with trustees	10,602		675		510,729				2			102,914					624,922
Interest earned on deposits with trustees	881	211	6,985		8,900				33			4,877					21,887
Loss on disposal of assets			157,614					21,827							\$ (113)		179,328
Value of goods received from sponsorship agreements with vendors	3,781,153																3,781,153
Note Proceeds used to directly pay bond interest and principal	8,729,576																8,729,576
Land swap (book value)	212,045																212,045
Change in capital assets acquired in year-end accounts payable				4,998,000													4,998,000