

University of Arkansas System

Little Rock, Arkansas

**Basic Financial Statements
and Other Reports**

June 30, 2025

LEGISLATIVE JOINT AUDITING COMMITTEE



UNIVERSITY OF ARKANSAS SYSTEM
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Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
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, 2025, 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, 2025, 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.

We did not audit the financial statements of the University of Arkansas for Medical Sciences (UAMS), a unit of the System, whose statements reflect total assets and revenues constituting 30% and 54%, respectively, of the related combined totals. Additionally, we did not audit the financial statements of the University of Arkansas Foundation, Inc. (Foundation) and the University of Arkansas Fayetteville Campus Foundation, Inc. (UAF Campus Foundation) 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 UAMS, the Foundation, and the UAF Campus Foundation, is based solely on the report of the other auditors. The financial statements of the Foundation and the UAF Campus Foundation were not audited in accordance with *Government Auditing Standards*.

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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

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.

Report on Comparative Information

The financial statements include partial prior-year comparative information, which has been derived from a complete set of financial statements. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2024, from which such partial information was derived. We have previously audited the University's 2024 financial statements, and we expressed unmodified opinions on the respective financial statements of the business-type activities and the aggregate discretely presented component units in our report dated December 4, 2024. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, certain information pertaining to postemployment benefits other than pensions, and certain information pertaining to pensions on pages 8-17, 117-120, and 115-116 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 Schedule of Net Position by Campus (Schedule 2), the Schedule of Revenues, Expenses, and Changes in Net Position by Campus (Schedule 3), the Schedule 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 Schedule of Net Position by Campus, the Schedule of Revenues, Expenses, and Changes in Net Position by Campus, and the Schedule 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 10, 2025 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



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
December 10, 2025
EDHE14125

Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
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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 (*Government Auditing Standards*), 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, 2025, 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 10, 2025. Our report includes a reference to other auditors who audited the financial statements of the University of Arkansas for Medical Sciences (UAMS), the University of Arkansas Foundation, Inc. (Foundation), and the University of Arkansas Fayetteville Campus Foundation, Inc. (UAF Campus Foundation), 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 UAMS that are reported on separately by those auditors. The financial statements of the Foundation and the UAF Campus Foundation 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 Foundation and the UAF Campus Foundation or that are reported on separately by those auditors who audited the financial statements of the Foundation and the UAF Campus Foundation.

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 or significant deficiencies 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 10, 2025.

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



Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
December 10, 2025

Arkansas



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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 AT PINE BLUFF (UAPB)

The University of Arkansas System Internal Audit Department (IAD) conducted an audit of purchases from vendors and the invoicing process at the University of Arkansas at Pine Bluff (UAPB) for the year ended June 30, 2024. On December 4, 2024, IAD was notified of unauthorized purchases made in the UAPB Facility Management Department. The Assistant Director of Facility Management and the Fiscal Support Manager began reviewing purchases and invoices and determined the Storeroom Supervisor was using the former Fiscal Support Analyst's information to place unauthorized orders at Grainger, an industrial supply vendor. IAD reviewed the work conducted by UAPB staff and expanded the review period to June 1, 2023 through December 31, 2024. Of the invoices UAPB identified as unauthorized, IAD confirmed \$14,676 and identified an additional \$22,699. Due to a breakdown in internal controls for vendor purchases and invoice processing, UAPB suffered a loss of \$37,375 in unauthorized purchases from Grainger. On December 2, 2024, UAPB terminated the employment of the individual responsible for the purchases.

UNIVERSITY OF ARKANSAS EAST ARKANSAS COMMUNITY COLLEGE (UA-EACC)

The University of Arkansas System Internal Audit Department (IAD) conducted an audit of the University of Arkansas East Arkansas Community College (UA-EACC) after UA-EACC management notified IAD of 39 students identified as being involved in a fraud scheme regarding their Free Application for Federal Student Aid (FAFSA) and submitting falsified transcripts to the college. IAD reviewed the student account activity report provided by UA-EACC management for all 39 students and verified that seven students were awarded financial aid totaling \$20,657 that was returned to the awarding agency; the students' accounts were adjusted for the amount of aid returned. Additionally, IAD verified that five of these seven students were issued account refunds totaling \$2,547 prior to the identification of the falsified transcripts.

During IAD review of student account activity, it was noted that 39 students had a balance consisting of unpaid tuition and fees totaling \$63,842. IAD determined the total loss to UA-EACC due to unpaid tuition and fees, and refunds issued to students, totals \$66,389. As of report date, these funds have not been recovered.

UNIVERSITY OF ARKANSAS FAYETTEVILLE (UAF)

The University of Arkansas System Internal Audit Department (IAD) conducted an audit of the University of Arkansas at Fayetteville (UAF) Veterans Upward Bound (VUB) Program for the period July 1, 2020 through June 30, 2025. On February 11, 2025, UAF notified IAD of a potential misappropriation of funds related to unallowable charges made to the VUB grant program. IAD review revealed the following unallowable transactions totaling \$8,536:

- \$3,171 paid to a VUB Administrative Analyst for hours worked when it appears she was attending in-person class during the hours recorded.
- \$1,817 paid to a VUB Administrative Analyst for hours worked when it appears she was attending in-person class during the hours recorded. In addition, she had undocumented leave that was not recorded in the Workday record-keeping system.
- \$1,799 for a portion of a storage unit for personal use by the VUB Director (\$1,749) and VUB Assistant Director (\$50).
- \$981 paid for personal purchases on the VUB Assistant Director’s Purchasing Card.
- \$570 paid to the VUB Assistant Director for leave noted on a manual timesheet that was not recorded in Workday.
- \$198 paid for personal purchases on the VUB Director’s Purchasing and Travel Card.

Of the \$8,536 in unallowable transactions, UAF has recovered \$6,719, leaving \$1,817 outstanding. On June 12, 2025, UAF formally notified the U.S. Department of Education of its intention to terminate its participation in the VUB program, effective June 30, 2025.

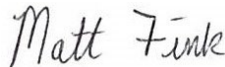
STUDENT ENROLLMENT DATA – In accordance with Ark. Code Ann. § 6-60-209, we performed tests of the student enrollment data for the year ended June 30, 2025, as reported to the Arkansas Division of Higher Education, to provide reasonable assurance that the data was properly reported. The enrollment data reported was as follows:

	<u>Summer II Term</u> <u>2024</u>	<u>Fall Term</u> <u>2024</u>	<u>Spring Term</u> <u>2025</u>	<u>Summer I Term</u> <u>2025</u>
Student Headcount	10,587	70,034	65,279	19,441
Student Semester Credit Hours	43,693	818,493	762,306	92,517

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, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
December 10, 2025

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, 2025, with comparative statements for the fiscal year ended June 30, 2024.

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. On November 21, 2025, East Arkansas Community

College officially joined the University, becoming the University of Arkansas East Arkansas Community College. In addition to these campuses, the University includes the System Administration, whose financial statements include 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

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

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 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, 2025	June 30, 2024	June 30, 2023
ASSETS			
Current assets	\$ 1,783,992,333	\$ 1,740,453,034	\$ 1,554,916,733
Capital assets, net	3,541,721,499	3,452,198,480	3,379,056,006
Other assets	667,120,094	651,952,599	745,212,257
Total Assets	<u>\$ 5,992,833,926</u>	<u>\$ 5,844,604,113</u>	<u>\$ 5,679,184,996</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 26,271,245</u>	<u>\$ 36,459,349</u>	<u>\$ 43,224,591</u>
LIABILITIES			
Current liabilities	\$ 490,953,894	\$ 477,595,825	\$ 422,797,626
Noncurrent liabilities	2,051,235,716	2,100,584,540	2,142,313,982
Total Liabilities	<u>\$ 2,542,189,610</u>	<u>\$ 2,578,180,365</u>	<u>\$ 2,565,111,608</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 108,902,515</u>	<u>\$ 96,506,656</u>	<u>\$ 84,631,328</u>
NET POSITION			
Net Investment in Capital Assets	\$ 1,712,599,605	\$ 1,612,633,016	\$ 1,578,867,669
Restricted			
Non-Expendable	127,357,979	121,329,742	115,577,635
Expendable	311,931,307	320,989,808	302,260,634
Unrestricted	1,216,124,155	1,151,423,875	1,075,960,713
Total Net Position	<u>\$ 3,368,013,046</u>	<u>\$ 3,206,376,441</u>	<u>\$ 3,072,666,651</u>

The University's total assets increased \$148.2 million, or 2.5%. Cash and cash equivalents decreased \$89.1 million offset by an increase in investments of \$131.7 million. Of the cash decrease, UAF contributed \$64.2 million, UAMS \$30.5 million, and UAPTC \$17.3 million. These reductions were partially offset by a \$15.8 million increase at UALR and a \$23.5 million increase related to the East Arkansas Community College (EACC) merger, with the remaining campuses reflecting a net decrease of \$16.4 million. UAF increased investments by \$112.8 million, UAPTC by \$18.1 million, and UAMS by \$12.2 million. These gains were partially offset by a \$18.5 million decrease at UALR, with the remaining campuses contributing a net increase of \$7.1 million. Deposits held in trust decreased by \$24.0 million of which UAF

decreased by \$24.7 million and UAPB by \$7.2 million, while UAMS and UACCM reported increases of \$6.6 million and \$1.3 million, respectively. These changes are primarily related to bond proceeds restricted for specific construction projects. The remaining campuses contributed a net increase of approximately \$0.01 million. Patient accounts receivable at UAMS increased \$32.6 million and Accounts Receivable, net of allowances, decreased by \$19.6 million. Student accounts receivable increased by \$8.2 million, whereas grants and contracts decreased by \$15.6 million and non-student accounts decreased by \$5.6 million. The increase of \$89.5 million in Capital assets relates to additions of \$352.9 million, net of depreciation expense of \$275.1 million, and offset by \$9.6 million in asset

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

disposals. The increase also includes \$21.3 million in assets related to the merger of EACC. UAF reported capital asset additions of \$221.6 million, including \$148.5 million in construction in progress, with \$192.6 million placed into service during the year. At UAF, ongoing construction and new projects in 2025 include Anthony Timberlands Center for Design & Material Innovation, Arkansas Union Interior Fit Out for Student Organizations, Fine Arts Restoration, HPER Second Floor Renovation, MUSiC National Research Fabrication Facility, Maple Hill Central Residence Hall, Maple Hill North Residence Hall, Nano Clean Room Fit-Out, North Chilled Water Plant Modernization, Windgate Galleries, and Yocum Hall Renovation. UAMS reported capital asset additions of \$54.5 million, including \$17.1 million in construction in progress, with \$11.5 million placed into service during the year. Progress at UAMS continues for the Northwest Arkansas Orthopaedic and Sports Medicine Facility and the Vivarium First Floor Renovation.

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 \$10.2 million, or 27.9%. Deferred outflows related to OPEBs decreased \$2.8 million while pension decreased \$4.4 million. The decrease in amortization of the debt refunding, net of additions, was \$3.0 million.

Total liabilities decreased \$36.0 million, or 1.4%. Accounts payable and other accrued liabilities decreased by \$2.4 million with UAMS decreasing \$2.4 million and UAF decreasing \$2.1 million. The liability for bonds, notes, leases and

installment contracts decreased \$37.6 million (see Note 10). Netted in that amount, UAF issued \$102.1 million of new bonded debt with a net premium of \$13.7 million, UAFS issued \$7.2 million of new bonded debt with a net premium of \$0.9 million, UAMS issued \$59.2 million of new bonded debt with a net premium of \$5.4 million and UACCM issued \$10.2 million of new bonded debt with a net premium of \$0.9 million. UAMS issued notes payable totaling \$23.6 million and UALR issued notes payable totaling \$0.3 million. In addition, UAF, UAMS, and UACCM executed leases of \$22.8 million, \$5.8 million, and \$0.4 million, respectively. Other changes include a \$0.5 million increase in installment contracts and a \$3.8 million increase related to Subscription-Based Information Technology Arrangements (SBITA). The increase also includes \$5.4 million in bond, leases and installment contract liabilities related to the EACC merger. These additions were offset by \$299.8 million in repayments during fiscal 2025. Unearned revenues, deposits and other increased \$11.5 million primarily related to deferred student charges and unearned athletic related revenue. Compensated absences increased \$6.2 million. The funding levels for the UA Health Plan were established based upon anticipated year-end loss ratios of 100%. As of June 30, 2025, the loss ratio for the health plan was 99% and the loss ratio for the dental plan was 100% (Note 14).

Deferred inflows of resources increased by \$12.4 million in total with pension plans increasing \$0.5 million as a result of actuarially determined amounts. In addition, deferred inflows-other increased \$7.2 million, primarily due to the recognition of lease receivables, split-

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interest agreements at UAMS, and a tax-exempt refunding bond issuance at UAF.

The increase in net position was \$161.6 million, or 5.0%. The increase is the result of 2025 revenues, expenses and changes in net position. Net investments in capital assets increased \$100.0 million. Restricted net position, expendable and non-expendable, decreased \$3.0 million. Unrestricted net position increased \$64.7 million. In total, UAF increased \$123.4 million, while UAMS decreased \$6.1 million. These changes 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; 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.

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

	Year Ended		
	June 30, 2025	June 30, 2024	June 30, 2023
Operating revenues			
Student tuition and fees	\$ 467,705,698	\$ 443,643,138	\$ 419,446,446
Net patient services	1,543,440,000	1,447,793,000	1,325,665,000
Grants and contracts	595,234,186	556,754,958	534,163,370
Auxiliary enterprises	306,904,065	274,726,176	269,652,731
Other	490,800,517	407,297,645	367,202,495
Total operating revenues	3,404,084,466	3,130,214,917	2,916,130,042
Operating expenses			
Compensation and benefits	2,308,430,841	2,150,134,107	2,046,782,066
Supplies and services	1,415,868,583	1,267,606,019	1,233,597,778
Other	585,421,426	573,909,791	535,962,131
Total operating expenses	4,309,720,850	3,991,649,917	3,816,341,975
Operating Loss	(905,636,384)	(861,435,000)	(900,211,933)
Non-operating revenues and expenses			
State appropriations	536,032,190	528,679,499	532,901,085
Grants	214,751,729	175,902,351	200,717,934
Gifts	201,218,355	181,156,843	146,840,596
Other revenue	111,300,655	118,559,572	73,852,539
Non-operating expenses	(62,295,368)	(62,035,377)	(52,897,800)
Non-operating income	1,001,007,561	942,262,888	901,414,354
Income before other revenues and expenses	95,371,177	80,827,888	1,202,421
Other revenues and expenses			
Capital grants and gifts	30,416,043	50,817,675	44,651,821
Other, net	(1,880,858)	2,064,227	3,653,586
Other revenues and expenses	28,535,185	52,881,902	48,305,407
Increase in Net Position	123,906,362	133,709,790	49,507,828
Net Position, beginning of year	3,206,376,441	3,072,666,651	3,019,484,709
Merger with EACC (Note 24)	37,728,191		
Cumulative effect of GASB No. 94 and 96 adoption	-	-	4,194,796
Cumulative effect of GASB No. 87 adoption	-	-	-
Other	2,052	-	(520,682)
Net Position, beginning of year, as restated	3,244,106,684	3,072,666,651	3,023,158,823
Net Position, end of year	\$ 3,368,013,046	\$ 3,206,376,441	\$ 3,072,666,651

The 2025 operating loss of \$905.6 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 \$273.9 million, or 8.8%. Net student tuition and fees increased \$24.1 million, with UAF experiencing an increase of \$20.4 million. The rest of the campuses experienced small increases and decreases in net student tuition and fee revenue. Net patient services increased

\$95.6 million or 6.6% for UAMS. Grants and contracts increased \$38.5 million, with UAF and UAMS contributing \$16.3 and \$15 million, respectively. Auxiliary revenues increased \$32.2 million. Other operating revenue increased \$75.0 million, driven primarily by UAMS, which contributed \$75.2 million to the increase due to higher pharmacy revenue. The remaining campuses experienced small increases and decreases.

Total operating expenses increased \$318.1 million, or 8.0%. Compensation and benefits increased \$158.3 million, or

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7.4%, over the previous year. The cost of supplies and services increased \$148.3 million, with UAMS and UAF accounting for \$118.6 million and \$35.3 million of the increase, respectively. At UAMS, the increase was primarily driven by higher cost for medical supplies and drugs required for patient care. At UAF, the increases were mainly attributed to increases in auxiliary expenses and federal grants and contract expenses, reflecting growth in research awards. Scholarships and fellowships increased \$9.5 million. Depreciation increased \$0.2 million. The insurance plan expenses increased \$1.8 million due primarily to increased claims expenses in the health plan. Expenses are tied to an increase in catastrophic claims, utilization and increases in pharmacy expenses.

Net non-operating revenues increased by \$58.7 million, or 6.2%. State appropriations increased \$7.4 million, primarily related to the merger with EACC. Federal grants increased \$28.8 million, driven primarily by higher Pell Grant disbursements and the drawdown of remaining federal CARES Act funds. Investment income decreased \$3.7 million.

Other changes in net position decreased by \$24.3 million, or 46.0%, primarily due to a \$20.4 million decline in capital grants and gifts.

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.

Economic Outlook

The University's net position increased \$123.9 million for 2025. Moody's last reaffirmed the University's rating of Aa2 with a stable outlook on October 30, 2025. 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 2025 fiscal year continued to present financial and operational challenges, driven by rising costs in key areas such as labor, medical supplies, and technology. While inflationary pressures have moderated compared to prior years, cost escalation remains a concern, particularly for our medical center. UAMS remains committed to implementing process efficiencies that strengthen revenue generation and reduce operating costs. Because the Fayetteville and Medical Sciences campuses represent 73.5% of the consolidated net position and 90.7% of consolidated operating revenues, the discussion below centers on these two campuses.

UAMS

UAMS closed fiscal year 2025 with a decrease in net position of \$6,105,000, compared to the budgeted increase of \$3,779,000. Prior year results included a one-time 340B remedy of \$33,400,000. Excluding this one-time event, the fiscal year 2025 results represent a year-over-year improvement of \$27,149,000. Over the past year, UAMS implemented several initiatives that have resulted in improved financial performance. This work will continue into fiscal year 2026. As such, the fiscal year 2026 projection is a balanced budget.

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Budgeted operating revenues are expected to increase by \$104,758,000, or 4.6% over fiscal year 2025. The UAMS Health fiscal year 2026 budget assumes a 5.2% increase in operating revenue as a result of volume growth in both inpatient and outpatient services in addition to revenue cycle improvements. The College of Medicine is projecting estimated growth at 4.5%.

Fiscal year 2026 operating expenses are budgeted to increase \$85,874,000 over fiscal year 2025. The increase in overall spending is due to increases in compensation and benefits along with increased cost of medical supplies and drugs and medicine across UAMS.

Nonoperating revenue for fiscal year 2026 includes an increase of \$2,531,000 in State Appropriations (net of Medicaid Match). NCI spending is expected to be more than fiscal year 2025, primarily due to large capital expenditures budgeted in fiscal year 2026. Investment income is budgeted at \$7,518,000 for fiscal year 2026 which only represents interest and realized income. UAMS does not budget unrealized market gains or losses. Interest on capital of \$23,691,000 is budgeted for fiscal year 2026 which is consistent with prior year.

The financial results for the first two months of fiscal year 2026 have been better than budget by \$878,000. Through August, UAMS realized a decrease in net position of \$1,831,000, versus a budgeted decrease of \$2,709,000. Patient volumes in all areas have been greater than projected. Overall, operating revenue was less than budget by 1.0%, and operating expenses were also less than budget by 0.6%. This resulted in operating income being \$1,194,000 less than budget; however, positive variances in nonoperating revenue and capital grant

and gift revenue more than offset.

UAMS's overall financial performance depends on the margin it generates from the clinical enterprise to subsidize its other mission areas of research and education. However, the healthcare industry continues to experience significant financial challenges. To address these challenges, UAMS continues to identify areas where it can become more efficient with its resources. For fiscal year 2026, UAMS has identified initiatives aimed at increasing revenue as well as reducing costs. UAMS believes these efforts will continue to improve its financial performance and expects to end the fiscal year within its budget.

UAF

Financial and political support from state government remains a critical element to the continued financial health of the University. In 2025, the total general revenue distribution from the State increased to \$231.1 million from the \$230.2 million reported in 2024. The forecast for 2026 indicates general revenue and Educational Excellence Trust Fund distributions may increase 0.77%. Management will continue to pursue both internal and external opportunities to maximize 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 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

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was first used to determine funding recommendations for the 2018-2019 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 sources, 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 2025-2026 academic year, enrollment and state appropriations are anticipated to exceed budget. Tuition and mandatory fee increase of 3.9% for undergraduate resident students and 5.2% for undergraduate non-resident students were necessary in 2026 to maintain the facilities, faculty, and other support needed to fulfill our mission.

The University continues to see strong philanthropic support. The University's overall endowment balance increased 8.9% to \$1.81 billion as of June 30, 2025.

The University of Arkansas concluded fiscal year 2025 by raising \$254.7 million with \$132.8 million directed to the Land of Opportunity Scholarship campaign. This outstanding support from alumni, friends, and stakeholders positions the university to reach new milestones and achievements that advance the University's land-grant mission and strategic priorities. During fiscal year 2025, private gift support provided funding for the establishment of 104 new endowed funds and 86 new student

scholarships, awards and fellowships. In fiscal year 2025, donors directed \$148.5 million dollars to the University's endowment.

Preliminary figures indicate that the University enrolled 34,175 students for the Fall 2025 semester. This represents an overall increase of 1.7% over the previous year. This includes a record number of Arkansans totaling 16,600 students. The University also continues to set new records for retention and graduation rates. As the following charts indicate, University enrollment has increased 25.7%, or by 6,981 students, over the past 10 years. For the first time, enrollment exceeded 34,000, and the Fall 2025 term enrolled the second largest incoming freshman class in University history. The number of incoming freshmen, 6,974, is up from the previous year. Preliminary numbers indicate another strong incoming freshman class for the Fall 2026 semester as well. The applicant growth experienced in 2025 and expected in 2026 combined with five years of very stable enrollment numbers illustrates the continuing strength and value proposition of the University.

In 2023, the University of Arkansas launched its "150 Forward" strategic planning process, a reflection of having concluded its sesquicentennial celebration and forward momentum into the future. This campuswide collaborative effort has mapped out where the University is as a land-grant institution and aligned the entire campus to three critical pillars: student success, research excellence, and employer of choice initiatives.

Due to our strong net position as discussed above, high level of liquidity, indications of stable state support, continuing high levels of philanthropic

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support, and a positive enrollment outlook. The University has a high level of confidence that it will maintain its strong financial position in the future.

All Campuses

Financial support from state government for all campuses remains a critical element to the continued financial health of the University. Arkansas continues to demonstrate economic stability, with general revenue collections exceeding forecasts and a balanced state budget. While these conditions are favorable, higher education faces ongoing challenges at both the state and federal

levels, including shifting demographics, evolving workforce needs, and uncertainties in funding and regulatory environments.

Preliminary data show that enrollment trends for the University of Arkansas System have improved, with headcount rising from 65,287 in Fall 2024 to 67,163 in Fall 2025, and full-time equivalent enrollment increasing from 54,491 to 55,963. Despite this growth, management will continue to budget conservatively and emphasize cost containment to navigate these broader pressures and maintain long-term financial sustainability.

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Net Position
June 30, 2025
with comparative figures at June 30, 2024, as restated

Exhibit A

	June 30, 2025	June 30, 2024
ASSETS		
Current		
Cash and cash equivalents (Note 4)	\$ 331,753,182	\$ 430,111,811
Investments (Note 4)	749,016,257	667,155,180
Accounts receivable, net of allowances of \$46,217,617 and \$48,864,997 (Note 6)	244,783,626	263,981,045
Patient accounts receivable, net of allowances of \$286,341,000 and \$297,586,000	288,717,000	256,130,000
Inventories	45,623,906	43,682,483
Deposits and funds held in trust by others	20,422,881	26,296,267
Notes receivable, net of allowances of \$396,000 and \$396,000	1,492,106	1,645,887
Other assets	102,183,375	51,450,361
Total current assets	1,783,992,333	1,740,453,034
Non-Current		
Cash and cash equivalents (Note 4)	19,192,499	9,945,885
Investments (Note 4)	460,869,270	410,997,792
Accounts receivable, net of allowances of \$0 and \$0	58,783,935	59,178,000
Notes receivable, net of allowance of \$3,680,000 and \$3,926,000	16,465,861	9,725,327
Deposits and funds held in trust by others	111,644,127	129,819,004
Other non-current assets	164,402	32,286,591
Capital assets, net of depreciation of \$3,960,810,141 and \$3,703,088,763 (Note 7)	3,541,721,499	3,452,198,480
Total non-current assets	4,208,841,593	4,104,151,079
TOTAL ASSETS	\$ 5,992,833,926	\$ 5,844,604,113
DEFERRED OUTFLOWS OF RESOURCES		
Debt refunding	\$ 13,155,960	\$ 16,139,736
Other postemployment benefits	3,755,593	6,526,000
Pensions	9,359,692	13,793,613
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 26,271,245	\$ 36,459,349
LIABILITIES		
Current		
Accounts payable and other accrued liabilities (Note 6)	\$ 234,757,637	\$ 237,170,956
Unearned revenue	82,694,691	72,683,609
Funds held in trust for others	6,860,175	8,691,164
Liability for future insurance claims (Note 14)	22,237,500	23,431,000
Compensated absences payable - current portion (Note 9)	12,272,272	8,978,563
Liability for other postemployment benefits - current portion (Note 16)	2,180,083	2,243,000
Bonds, notes, leases and installment contracts payable - current portion (Note 10)	129,951,536	124,397,533
Total current liabilities	490,953,894	477,595,825
Non-Current		
Unearned revenues, deposits and other	7,589,143	6,122,377
Refundable federal advance - Perkins loans	2,633,000	3,508,000
Compensated absences payable (Note 9)	108,688,763	105,761,643
Liability for other postemployment benefits (Note 16)	68,601,370	72,978,000
Liability for pensions (Note 15)	35,957,468	41,300,750
Bonds, notes, leases and installment contracts payable (Note 10)	1,827,765,972	1,870,913,770
Total non-current liabilities	2,051,235,716	2,100,584,540
TOTAL LIABILITIES	\$ 2,542,189,610	\$ 2,578,180,365

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Net Position
June 30, 2025
with comparative figures at June 30, 2024, as restated

Exhibit A

	June 30, 2025	June 30, 2024
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits	\$ 16,953,011	\$ 12,231,000
Pensions	8,748,452	8,278,624
Other	83,201,052	75,997,032
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 108,902,515	\$ 96,506,656
NET POSITION		
Net Investment in Capital Assets	\$ 1,712,599,605	\$ 1,612,633,016
Restricted		
Non-Expendable		
Scholarships and fellowships	32,147,135	18,070,651
Research	41,202,706	47,428,304
Other	54,008,138	55,830,787
Expendable		
Scholarships and fellowships	37,761,667	43,564,072
Research	83,566,533	89,381,474
Public service	21,440,835	30,162,993
Capital projects	63,187,922	78,266,508
Other	105,974,350	79,614,761
Unrestricted	1,216,124,155	1,151,423,875
TOTAL NET POSITION	\$ 3,368,013,046	\$ 3,206,376,441

See accompanying notes.

UNIVERSITY OF ARKANSAS FOUNDATION, INC.
Consolidated Statements of Financial Position
June 30, 2025 and 2024

Exhibit A-1

	2025	2024
ASSETS		
Contributions receivable, net	\$ 40,100,971	\$ 57,243,208
Interest receivable	7,504,060	8,634,648
Investments, at fair value	2,201,034,467	2,020,030,101
Cash value of life insurance	1,793,553	1,705,940
TOTAL ASSETS	\$ 2,250,433,051	\$ 2,087,613,897
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 4,980,222	\$ 6,239,075
Annuity obligations	10,355,202	12,989,264
TOTAL LIABILITIES	15,335,424	19,228,339
 NET ASSETS		
Without donor restrictions	187,785,058	170,213,556
With donor restrictions	2,047,312,569	1,898,172,002
TOTAL NET ASSETS	2,235,097,627	2,068,385,558
TOTAL LIABILITIES AND NET ASSETS	\$ 2,250,433,051	\$ 2,087,613,897

**UNIVERSITY OF ARKANSAS
 FAYETTEVILLE CAMPUS FOUNDATION, INC.
 Statements of Financial Position
 June 30, 2025 and 2024**

Exhibit A-2

	2025	2024
ASSETS		
Investments	\$ 753,609,197	\$ 708,325,282
LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 361,108	\$ 435,846
Net Assets with donor restrictions	753,248,089	707,889,436
TOTAL LIABILITIES & NET ASSETS	\$ 753,609,197	\$ 708,325,282

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Revenues, Expenses, and Changes in Net Position
For The Year Ended June 30, 2025
with comparative figures for 2024, as restated

Exhibit B

	Year Ended	Year Ended
	June 30, 2025	June 30, 2024
Operating Revenues		
Student tuition & fees, net of scholarship allowances of \$244,727,224 and \$222,320,441	\$ 467,705,698	\$ 443,643,138
Patient services, net of contractual allowances of \$3,197,855,000 and \$2,805,556,000	1,543,440,000	1,447,793,000
Federal and county appropriations	17,750,000	14,281,000
Federal grants and contracts	365,777,278	342,059,340
State and local grants and contracts	71,364,499	71,617,437
Non-governmental grants and contracts	158,092,409	143,078,181
Sales and services of educational departments	83,289,181	80,024,598
Insurance plan	82,244,523	80,488,949
Auxiliary enterprises		
Athletics, net of scholarship allowances of \$4,390,175 and \$3,205,946	156,188,147	135,848,495
Housing/food service, net of scholarship allowances of \$30,434,601 and \$25,312,823	122,973,304	112,563,183
Bookstore, net of scholarship allowances of \$451,483 and \$471,998	3,635,035	3,730,686
Other auxiliary enterprises, net of scholarship allowances of \$929,124 and \$774,686	24,107,579	22,583,812
Other operating revenues	307,516,813	232,503,098
Total operating revenues	<u>3,404,084,466</u>	<u>3,130,214,917</u>
Operating Expenses		
Compensation and benefits	2,308,430,841	2,150,134,107
Supplies and services	1,415,868,583	1,267,606,019
Scholarships and fellowships	77,314,823	67,824,041
Insurance plan	233,039,699	231,222,807
Depreciation	275,066,904	274,862,943
Total operating expenses	<u>4,309,720,850</u>	<u>3,991,649,917</u>
Operating loss	<u>(905,636,384)</u>	<u>(861,435,000)</u>
Non-Operating Revenues (Expenses)		
State appropriations, net of Medicaid match payments of \$75,206,000 and \$66,623,000	536,032,190	528,679,499
Property and sales tax	10,616,153	9,946,318
Federal grants	155,029,107	126,233,086
State and local grants	58,329,269	47,952,694
Non-governmental grants	1,393,353	1,716,571
Gifts	201,218,355	181,156,843
Investment income (net)	93,156,041	96,829,221
Interest and fees on capital asset-related debt	(62,759,492)	(62,660,627)
Gain/loss on disposal of assets	464,124	625,250
Other	7,528,461	11,784,033
Net non-operating revenues	<u>1,001,007,561</u>	<u>942,262,888</u>
Income before other revenues and expenses	<u>95,371,177</u>	<u>80,827,888</u>
Other Changes in Net Position		
Capital appropriations	11,142,000	1,635,434
Capital grants and gifts	30,416,043	50,817,675
Adjustments to prior year revenues and expenses	(13,022,858)	(413,701)
Extraordinary item-impairment gain on flood damage, net		842,101
Other		393
Total other revenues and expenses	<u>28,535,185</u>	<u>52,881,902</u>
Increase in net position	123,906,362	133,709,790
Net Position, beginning of year, as originally reported	3,206,376,441	3,072,666,651
Merger with EACC (Note 24)	37,728,191	
Other	2,052	
Net Position, beginning of year, restated	<u>\$ 3,244,106,684</u>	<u>\$ 3,072,666,651</u>
Net Position, end of year	<u>\$ 3,368,013,046</u>	<u>\$ 3,206,376,441</u>

See accompanying notes.

UNIVERSITY OF ARKANSAS FOUNDATION, INC.
Consolidated Statements of Activities
Years Ended June 30, 2025 and 2024

Exhibit B-1

	Year Ended June 30, 2025			Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	TOTAL	Without Donor Restrictions	With Donor Restrictions	TOTAL
Revenues, Gains and Other Support:						
Contributions	\$ 9,133,587	\$ 83,602,057	\$ 92,735,644	\$ 11,202,726	\$ 61,418,455	\$ 72,621,181
Interest and dividends	18,690,214	12,721,150	31,411,364	19,341,024	12,853,138	32,194,162
Net realized and unrealized gains on investments	23,251,414	155,750,310	179,001,724	23,752,685	148,080,048	171,832,733
Net assets released from restrictions	104,511,227	(104,511,227)	-	104,968,474	(104,968,474)	-
Total revenues, gains and other support	155,586,442	147,562,290	303,148,732	159,264,909	117,383,167	276,648,076
Expenses and Losses:						
Program services:						
University System support	122,839,038		122,839,038	124,837,904		124,837,904
Supporting services:						
Management and general	2,991,158		2,991,158	2,726,702		2,726,702
Advancement and development	12,207,150		12,207,150	12,019,374		12,019,374
Change in value of split-interest agreements	(54,888)	(2,029,180)	(2,084,068)	1,731	(403,781)	(402,050)
Provision for loss (recovery) on uncollectible contributions	32,482	450,903	483,385	177,200	622,814	800,014
Total supporting services	15,175,902	(1,578,277)	13,597,625	14,925,007	219,033	15,144,040
Total expenses and losses	138,014,940	(1,578,277)	136,436,663	139,762,911	219,033	139,981,944
Change in Net Assets	17,571,502	149,140,567	166,712,069	19,501,998	117,164,134	136,666,132
Net Assets, beginning of year	170,213,556	1,898,172,002	2,068,385,558	150,711,558	1,781,007,868	1,931,719,426
Net Assets, end of year	\$ 187,785,058	\$ 2,047,312,569	\$ 2,235,097,627	\$ 170,213,556	\$ 1,898,172,002	\$ 2,068,385,558

UNIVERSITY OF ARKANSAS FAYETTEVILLE CAMPUS FOUNDATION, INC.
Statements of Activities
Years Ended June 30, 2025 and 2024

Exhibit B-2

	<u>Year Ended June 30, 2025</u>			<u>Year Ended June 30, 2024</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTAL</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>TOTAL</u>
Revenues, Gains and Other Support:						
Interest and dividends		\$ 4,681,358	\$ 4,681,358		\$ 4,471,271	\$ 4,471,271
Net realized and unrealized gains on investments		69,683,290	69,683,290		68,310,906	68,310,906
Net assets released from restrictions	\$ 29,005,995	(29,005,995)	-	\$ 27,300,954	(27,300,954)	-
Total revenues, gains and other support	<u>29,005,995</u>	<u>45,358,653</u>	<u>74,364,648</u>	<u>27,300,954</u>	<u>45,481,223</u>	<u>72,782,177</u>
Expenses and Losses:						
Program services:						
Fayetteville campus support	<u>29,005,995</u>		<u>29,005,995</u>	<u>27,300,954</u>		<u>27,300,954</u>
Change in Net Assets	-	45,358,653	45,358,653	-	45,481,223	45,481,223
Net Assets, beginning of year	-	707,889,436	707,889,436	-	662,408,213	662,408,213
Net Assets, end of year	<u>\$ -</u>	<u>\$ 753,248,089</u>	<u>\$ 753,248,089</u>	<u>\$ -</u>	<u>\$ 707,889,436</u>	<u>\$ 707,889,436</u>

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Cash Flows - Direct Method
For The Year Ended June 30, 2025
with comparative figures for 2024, as restated

Exhibit C

	Year Ended June 30, 2025	Year Ended June 30, 2024
Cash Flows from Operating Activities		
Student tuition and fees (net of scholarships)	\$ 474,521,064	\$ 443,021,787
Patient and insurance payments	1,510,853,000	1,394,791,000
Federal and county appropriations	17,383,000	14,376,000
Grants and contracts	604,665,362	574,033,410
Collection of loans and interest	(123,896)	140,000
Insurance plan receipts	85,258,769	75,947,217
Auxiliary enterprise revenues:		
Athletics	147,295,254	146,457,722
Housing and food service	124,727,377	112,565,225
Bookstore	4,920,756	3,907,731
Other auxiliary enterprises	24,109,904	21,971,590
Payments to employees	(2,012,634,899)	(1,874,778,065)
Payments of employee benefits	(289,449,037)	(273,246,032)
Payments to suppliers	(1,417,662,906)	(1,260,284,001)
Loans issued to students	(7,190,000)	(93,000)
Scholarships and fellowships	(76,856,968)	(68,061,622)
Payments of insurance plan expenses	(234,291,840)	(226,630,314)
Other	404,545,432	307,139,805
Net cash used by operating activities	<u>(639,929,628)</u>	<u>(608,741,547)</u>
Cash Flows from Noncapital Financing Activities		
State appropriations	536,030,305	528,671,926
Property and sales tax	10,651,299	9,866,818
Gifts and grants for other than capital purposes	419,101,490	364,282,195
Repayment of loans	(411,000)	756,000
Direct Lending, Plus and FFEL loan receipts	272,008,452	272,453,093
Direct Lending, Plus and FFEL loan payments	(273,997,850)	(266,331,757)
Other agency funds - net	(5,537,546)	(2,257,003)
Refunds to grantors	-	(2,236)
Intercompany debt payments/receipts	(636,033)	(160,263)
Other noncapital receipts (payments)	599,677	445,339
Net cash provided by noncapital financing activities	<u>957,808,794</u>	<u>907,724,112</u>
Cash Flows from Capital and Related Financing Activities		
Distributions from debt proceeds	92,843,273	192,418,401
Capital appropriations	11,142,000	1,613,801
Capital grants and gifts	33,802,298	45,460,746
Proceeds from sale of capital assets	1,768,409	1,703,861
Purchases of capital assets	(327,889,210)	(310,731,917)
Payment of capital related principal on debt	(125,470,428)	(220,931,182)
Payment of capital related interest and fees	(67,970,495)	(70,366,158)
Insurance proceeds	(2,355,903)	712,621
Payments to/from trustee for reserve	(14,473)	(927,768)
Other capital receipts (payments)	1,408,445	637,000
Net cash used by capital and related financing activities	<u>(382,736,084)</u>	<u>(360,410,595)</u>
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	417,821,346	445,250,816
Investment income (net of fees)	13,020,276	50,455,257
Purchases of investments	(476,628,115)	(379,221,333)
Net cash used by investing activities	<u>(45,786,493)</u>	<u>116,484,740</u>
Net increase (decrease) in cash	(110,643,411)	55,056,710
Cash, beginning of the year	440,057,696	385,000,986
Merger with UAEACC	21,531,396	
Cash, beginning of the year, restated	<u>461,589,092</u>	<u>385,000,986</u>
Cash, end of year	<u>\$ 350,945,681</u>	<u>\$ 440,057,696</u>

See accompanying notes.

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Cash Flows - Direct Method - Continued
For The Year Ended June 30, 2025
with comparative figures for 2024, as restated

Exhibit C

	Year Ended June 30, 2025	Year Ended June 30, 2024
Reconciliation of net operating loss to net cash used by operating activities:		
Operating loss	\$ (905,636,384)	\$ (861,435,000)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Depreciation expense	275,066,904	274,862,943
Other miscellaneous operating receipts	(4,953,268)	9,958,346
Adjustment to cash for amounts in transit within the system	1,306,279	(287,681)
Change in assets and liabilities:		
Receivables, net	(18,049,301)	(51,424,909)
Inventories	(1,748,764)	755,038
Prepaid expenses and other assets	(3,075,573)	(24,629,604)
Accounts payable and other accrued liabilities	5,073,067	32,821,539
Unearned revenue	11,306,364	9,590,548
Liability for future insurance claims	(1,193,500)	4,557,400
Loans to students and employees	503,654	971,820
Refundable federal advance	(875,000)	(1,054,630)
Compensated absences	5,698,777	(2,048,622)
OPEB liability	(1,281,995)	3,862,000
Pension related	(5,011,052)	(2,156,031)
Other	2,940,164	(3,084,704)
NET CASH USED BY OPERATING ACTIVITIES	\$ (639,929,628)	\$ (608,741,547)
Non-Cash Transactions		
Capital Gifts	\$ 203,490	\$ 2,178,270
Fixed assets acquired by incurring capital lease, SBITA, installment contract obligations	37,941,650	62,292,195
Capital outlay & maintenance paid directly from proceeds of debt	8,756,504	611,410
Payment of bond proceeds/premium/accrued interest/debt service reserve directly into deposits with trustees/escrow	52,755,094	161,779,386
Payment of bond and note issuance costs and underwriter's discounts directly from bond proceeds and/or debt service reserve	1,086,681	1,102,731
Payment of principal & interest on long-term debt from deposits with trustees	534,767	73,071
Interest earned on deposits with trustees	2,447,893	5,185,218
Loss on disposal of assets	1,035,307	806,545
Valuation adjustment to capital assets		20,130,000
Value of goods received from sponsorship agreements with vendors	4,157,000	4,080,000
Lease Receivable acquired through non-cash transactions		6,728,000

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), UAPTC (University of Arkansas-Pulaski Technical College), UACCRM (University of Arkansas Community College at Rich Mountain), ASMSA (Arkansas School for Mathematics, Sciences and the Arts), UAEACC (University of Arkansas East Arkansas Community College), and SYSTEM (University of Arkansas System Administration, including the 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 to 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 is 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 at the date of acquisition, or acquisition value at date of donation if acquired by gift. Library holdings are generally valued using average prices for library acquisitions. 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 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made to the subscription-based information technology arrangement (SBITA) vendor at the commencement of the SBITA term, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

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.

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 three-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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 monies 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.

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 \$75,206,000 and \$66,623,000 for the fiscal years ended June 30, 2025, and 2024, respectively.

Component Units

In fiscal year 2025, 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Component Units (Continued)

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, 2025 and 2024, the Foundation distributed \$135,046,188 and \$136,857,278, 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 Foundation, Inc. reports under the requirements of the Not-for Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. As such, certain revenue recognition criteria and presentation features differ from GASB revenue recognition criteria and presentation. No modifications have been made to the Foundation's financial information in the University's financial statements.

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, 2025 and 2024, the Foundation distributed \$29,005,995 and \$27,300,954, 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. reports under the requirements of the Not-for Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. As such, certain revenue recognition criteria and presentation features differ from GASB revenue recognition criteria and presentation. No modifications have been made to the Foundation's financial information in the University's financial statements.

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.

For the year ending June 30, 2025:

- Statement No. 101, Compensated Absences
- Statement No. 102, Certain Risk Disclosures

Management has determined that Statements No. 101 and 102 did not materially impact the System.

For the year ending June 30, 2026:

- Statement No. 103, Financial Reporting Model Improvements
- Statement No. 104, Disclosure of Certain Capital Assets

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. The University of Arkansas East Arkansas Community College joined the UA System on November 21, 2024. In addition to these campuses, the University includes the System Administration, whose financial statements include 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.

Note 2: Reporting Entity (Continued)

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.

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, 2025 and 2024 are recorded net of an allowance for doubtful accounts of \$286,341,000 and \$297,586,000, respectively.

Net patient services revenue for the years ended June 30, 2025 and 2024, are as follows:

<u>GROSS PATIENT REVENUE</u>	<u>2025</u>	<u>2024</u>
Gross patient revenue	\$ 4,741,295,000	4,253,349,000
Less: patient services contractual allowances	(3,118,378,000)	(2,747,687,000)
Less: provision for bad debt	(79,477,000)	(57,869,000)
TOTAL	<u>\$ 1,543,440,000</u>	<u>\$ 1,447,793,000</u>

UAMS provided approximately \$20,083,000 and \$26,181,000 in charity care, based on established rates, during the years ended June 30, 2025 and 2024, respectively. UAMS determined that certain contractual adjustments were being reflected as charity-related adjustments in 2024 and has updated the amount to reflect actual charity care provided. Because UAMS does not pursue collection of amounts determined to qualify as charity care, they are not included in gross patient revenue above.

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

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:

Hospital:

Medicare – Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors. Transplantation services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates. The Hospital is reimbursed for certain services at tentative rates, with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor.

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 all Medicaid funds received. Net patient service revenue for the years ended June 30, 2025 and 2024 includes approximately \$48,010,000 and \$43,605,000, respectively, 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.

Other – Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

FGP and Regional Campuses:

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

The FGP and Regional Programs have payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations that provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily 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 3: Net Patient Services Revenue and Charity Care (Continued)

FGP and Regional Campuses: (Continued)

Approximately 52% and 53% of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2025 and 2024, respectively. 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. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

One Big Beautiful Bill Act:

On July 3, 2025, the United States Congress enacted the One Big Beautiful Bill Act (OBBBA), a comprehensive budget reconciliation law introducing significant changes to federal healthcare programs, tax policy, and energy-related incentives. The legislation includes substantial reductions in Medicaid funding, modifications to provider tax structures, and new eligibility and cost-sharing requirements for Medicaid beneficiaries.

According to the Congressional Budget Office and the American Hospital Association, these provisions are projected to reduce federal Medicaid spending by nearly \$1 trillion over 10 years and may result in the loss of Medicaid or marketplace coverage for approximately 11.8 million individuals. Key provisions impacting healthcare providers include:

- A freeze and phased reduction in provider taxes and state-directed payments (SDP), with estimated reductions in hospital payments totaling approximately \$340 billion over 10 years.
- Implementation of Medicaid work requirements and cost-sharing obligations for certain adult beneficiaries.
- Restrictions on Medicaid and Medicare eligibility for specific non-citizen populations.
- Elimination or modification of several tax credits and deductions related to clean energy and nonprofit institutions.

The OBBBA had no impact on the results of operations and financial condition as of and for the years ended June 30, 2025 and 2024. UAMS is currently evaluating what impact the OBBBA will have on the financial results, cash flows, and financial position for future periods.

Future regulatory developments and economic effects stemming from the OBBBA or other legislation remain uncertain and could have a material adverse impact on the Organization's results of operations and financial condition.

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, 2025:

<u>Cash and Cash Equivalents</u>	
Cash deposits at year end	\$ 292,384,504
cash held on deposit in state treasury	23,281,248
cash equivalents	142,822,336
cash on hand	212,945
Less: cash/cash equiv shown as deposits held in trust on SNP	(109,061,631)
adjustment for deposits in transit within the system	1,306,279
TOTAL	<u>\$ 350,945,681</u>

Deposits are exposed to custodial risk if they are not covered by depository insurance (FDIC) and are uncollateralized. At June 30, 2025, none of the University’s bank balances 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, 2025:

<u>Investment Type</u>	<u>Fair Value</u>
Mutual & Money Market Funds	\$ 290,301,626
Corporate & Municipal Bonds	153,872,717
External Investment Pool	240,556,403
Short-term Investment Fund Pool	177,468,557
Certificate of Deposits	122,833,964
U.S. Treasury & Government Sponsored Agencies	377,878,940
Commercial Paper	491,000
Other	12,235,489
Sub-Total	<u>1,375,638,696</u>
-shown as cash/cash equiv on Stmt of Net Position	(142,747,792)
-shown as deposits held in trust on Stmt of Net Position	<u>(23,005,377)</u>
Investments as reported on Stmt of Net Position	<u>\$ 1,209,885,527</u>

The University is required to provide investment risk disclosures for all invested funds. Interest rate risk is the risk that changes in 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)

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	\$ 491,000	\$ 491,000	\$ -	\$ -	\$ -
Bonds	153,872,717	41,245,890	109,341,766	3,253,000	32,061
U.S. Treasury & Agency Securities	366,749,682	71,286,111	240,080,700	54,093,000	1,289,871
Totals	\$ 521,113,399	\$ 113,023,001	\$ 349,422,466	\$ 57,346,000	\$ 1,321,932

Investment Type	Fair Value	Credit Risk				
		AAA	AA	A	B & below	Not Rated
Mutual Funds	\$ 164,410,399	\$ 48,237,000	\$ -	\$ -	\$ -	\$ 116,173,399
Commercial Paper	491,000	-	-	-	-	491,000
Bonds	153,872,717	63,199,000	90,503,000	68,291	70,365	32,061
Totals	\$ 318,774,116	\$ 111,436,000	\$90,503,000	\$ 68,291	\$ 70,365	\$ 116,696,460

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)

Investments (Continued)

External Investment Pool (Continued)

At June 30, 2025, four campuses and one division (UAF, Division of Agriculture, UALR, UAMS, and UAM) and six foundations participated in the Pool, whose net assets totaled \$3,195,070,597. The Pool was combined with 7.53% of the net assets owned by the University of Arkansas and external portions as follows: 67.25% by the University of Arkansas Foundation, 23.10% by the Fayetteville Campus Foundation, 0.64% by the Walton Arts Foundation, 0.13% by the University of Arkansas Community College at Hope Foundation, 0.04% by the University of Arkansas Technical Development Foundation, and 1.31% 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, 2025**

<u>Investment Type</u>	<u>Fair Value*</u>
Equities	\$ 550,890,345
Common Stock	38,252,733
Funds - Common Stock	512,637,612
Fixed Income	234,390,648
Government Bonds	234,301,512
Corporate Bonds	89,129
Government Mortgage Backed Securities	7
Venture Capital and Partnerships	1,081,210,868
Partnerships	1,081,210,868
Hedge Fund	841,771,753
Hedge Equity	841,771,753
All Other	280,125
Recoverable Taxes	280,125
Cash/Cash Equivalents	486,526,858
Short Term Bills and Notes	293,367,441
Funds - Short Term Investment	193,230,562
Cash	(71,145)
TOTAL	\$ 3,195,070,597

*Includes accrued income

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

Investments (Continued)

External Investment Pool (Continued)

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL
Credit Risk
June 30, 2025**

Investment Type & Fair Value*	Fair Value*	Not Rated or Not Available	US Govn Guaranteed
Corporate Bonds	\$ 89,129	\$ 89,129	
Funds - Short Term Investment	192,526,732	192,526,732	
Government Bonds	233,038,555		\$ 233,038,555
Government Mortgage Backed Securities	7		7
Short Term Bills and Notes	293,367,441		293,367,441
Total	\$ 719,021,864	\$ 192,615,861	\$ 526,406,003

*Does not include accrued income

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL
Years to Maturity
June 30, 2025**

Investment Type	Fair Value*	Less than 1	1+ to 6	6+ to 10	10+	Maturity not Determined
Corporate Bonds	\$ 89,129				\$ 89,129	
Funds - Short Term Investment	192,526,732					\$ 192,526,732
Government Bonds	233,038,555			\$ 233,038,555		
Government Mortgage Backed Securities	7		\$ 7			
Short Term Bills and Notes	293,367,441	\$ 293,367,441				
Total	\$ 719,021,864	\$ 293,367,441	\$ 7	\$ 233,038,555	\$ 89,129	\$ 192,526,732

*Does not include accrued income

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL
Interest Rate Sensitivity - Effective Duration
June 30, 2025**

Investment Type	Fair Value*	Effective Duration
Corporate Bonds	\$ 89,129	N/A
Funds - Short Term Investment	192,526,732	N/A
Government Bonds	233,038,555	7.95
Government Mortgage Backed Securities	7	1.13
Short Term Bills and Notes	293,367,441	0.54
Total	\$ 719,021,864	

*Does not include accrued income

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

Investments (Continued)

External Investment Pool (Continued)

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL
Foreign Currency Risk By Investment Type
June 30, 2025**

<u>Currency By Investment and Fair Value:</u>	<u>Cash</u>	<u>Equity</u>	<u>Other Assets</u>
BRITISH POUND STERLING		\$ 681	
DANISH KRONE			\$ 2,070
EURO	\$ 114,096		176,558
HONG KONG DOLLAR		5,486	
JAPANESE YEN			2,930
SWEDISH KRONA		114	
SWISS FRANC	47,255		98,567
Total	\$ 161,351	\$ 6,281	\$ 280,125

*Includes accrued income

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, 2025 is as follows: System-25.01%, UAMS-46.42%, UALR-8.60%, UAM-0.68%, PCCUA-2.39%, and the Division of Agriculture-16.90%. 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, 2025**

<u>Investment Type</u>	<u>Fair Value*</u>
Fixed Income	\$ 76,078,809
International Developed Bonds	11,126,120
Corporate Bonds	16,524,334
U.S. Treasury Bonds	48,428,355
Cash/Cash Equivalents	70,899,810
Certificates of Deposit	18,925,824
Commercial Paper	42,928,955
Money Market Funds	1,668,678
U.S. Treasury Bills	7,376,353
TOTAL	\$ 146,978,619

*includes accrued income

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

Investments (Continued)

Short-Term Investment Fund Pool (Continued)

**UNIVERSITY OF ARKANSAS SYSTEM
Short-Term Investment Fund
Credit Risk
June 30, 2025**

Investment Type	Fair Value*	AAA	AA	A	B & Below	Not Rated
International Developed Bonds	\$ 11,046,077		\$ 4,719,629	\$ 6,326,448		
Corporate Bonds	16,307,714	565,460	2,419,928	13,322,326		
U.S. Treasury Bonds	47,997,649		43,175,949			4,821,700
Total	\$ 75,351,440	\$ 565,460	\$ 50,315,506	\$19,648,774	\$ -	\$ 4,821,700

*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM
Short-Term Investment Fund
Interest Rate Risk - Investment Maturities (in Years)
June 30, 2025**

Investment Type	Fair Value*	Less than 1	1 to 3	Over 3
International Developed Bonds	\$ 11,046,077	\$ 881,567	\$ 10,164,510	
Corporate Bonds	16,307,714	6,895,680	9,412,034	
U.S. Treasury Bonds	47,997,649	18,568,877	29,428,772	
Total	\$ 75,351,440	\$ 26,346,124	\$ 49,005,316	\$ -

*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM
Short-Term Investment Fund
Interest Rate Sensitivity - Effective Duration
June 30, 2025**

Investment Type	Fair Value*	Effective Duration
International Developed Bonds	\$ 11,046,077	1.41
Corporate Bonds	16,307,714	0.83
U.S. Treasury Bonds	47,997,649	1.15
Total	\$ 75,351,440	

*Does not include accrued income

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

Investments (Continued)

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.

**UNIVERSITY OF ARKANSAS SYSTEM
Extended Fixed Income Fund
Statement of Invested Assets
June 30, 2025**

<u>Investment Type</u>	<u>Fair Value*</u>
Fixed Income	\$ 28,739,890
International Developed Bonds	1,026,738
Corporate Bonds	9,489,533
U.S. Government Agency Bonds	836,788
U.S. Treasury Bonds	17,386,831
Cash/Cash Equivalents	560,375
Money Market Funds	560,375
TOTAL	<u>\$ 29,300,265</u>

*includes accrued income

**UNIVERSITY OF ARKANSAS SYSTEM
Extended Fixed Income Fund
Credit Risk
June 30, 2025**

<u>Investment Type</u>	<u>Fair Value*</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>B & Below</u>	<u>Not Rated</u>
International Developed Bonds	\$ 1,017,311		\$ 348,626	\$ 668,685		
Corporate Bonds	9,315,751	\$ 163,548	2,527,842	6,263,225	361,136	
U.S. Government Agency Bonds	832,662		832,662			
U.S. Treasury Bonds	17,305,853		16,487,895	63,563		754,395
Total	<u>\$ 28,471,577</u>	<u>\$ 163,548</u>	<u>\$ 20,197,025</u>	<u>\$ 6,995,473</u>	<u>\$ 361,136</u>	<u>\$ 754,395</u>

*Does not include accrued income

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

Investments (Continued)

Extended Fixed-Income Investment Fund and Intermediate Term Growth Fund (Continued)

**UNIVERSITY OF ARKANSAS SYSTEM
Extended Fixed Income Fund
Interest Rate Risk - Investment Maturities (in Years)
June 30, 2025**

Investment Type	Fair Value*	Less than 1	1 to 3	3 to 5	5 to 7	Over 7
International Developed Bonds	\$ 1,017,311	\$ 129,900	\$ 538,785	\$ 348,626		
Corporate Bonds	9,379,314	321,284	5,169,769	3,888,261		
U.S. Government Agency Bonds	832,662		204,850	627,812		
U.S. Treasury Bonds	17,242,290	-	9,800,139	7,442,151		
Total	\$ 28,471,577	\$ 451,184	\$ 15,713,543	\$12,306,850	\$ -	\$ -

*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM
Extended Fixed Income Fund
Interest Rate Sensitivity - Effective Duration
June 30, 2025**

Investment Type	Fair Value*	Effective Duration
International Developed Bonds	\$ 1,017,311	1.91
Corporate Bonds	9,379,314	2.38
U.S. Government Agency Bonds	832,662	2.38
U.S. Treasury Bonds	17,242,290	2.63
Total	\$ 28,471,577	

*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM
Intermediate Term Growth Fund
Statement of Invested Assets
June 30, 2025**

Investment Type	Fair Value*
Fixed Income	\$ 822,153
International Fixed Income Funds	4,565
Bond Funds	4,483
Municipal Bonds	813,105
Cash/Cash Equivalents	367,043
Money Market Funds	367,043
TOTAL	\$ 1,189,196

*includes accrued income

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

Investments (Continued)

Extended Fixed-Income Investment Fund and Intermediate Term Growth Fund (Continued)

**UNIVERSITY OF ARKANSAS SYSTEM
Intermediate Term Growth Fund
Credit Risk
June 30, 2025**

Investment Type	Fair Value*	AAA	AA	A	B & Below	Not Rated
Municipal Bonds	\$ 738,105					\$ 738,105
Total	\$ 738,105	\$ -	\$ -	\$ -	\$ -	\$ 738,105

*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM
Intermediate Term Growth Fund
Interest Rate Risk - Investment Maturities (in Years)
June 30, 2025**

Investment Type	Fair Value*	Over 10	Maturity Not Determined
Municipal Bonds	\$ 738,105	\$ 738,105	
Total	\$ 738,105	\$ 738,105	\$ -

*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM
Intermediate Term Growth Fund
Interest Rate Sensitivity - Effective Duration
June 30, 2025**

Investment Type	Fair Value*	Effective Duration
Municipal Bonds	\$ 738,105	3.88
Total	\$ 738,105	

*Does not include accrued income

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

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 were available for expenditure at June 30, 2025 and 2024, is as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Total Endowment	\$ 240,645,080	\$ 218,760,065
Less: Funds treated as endowment	(43,127,989)	(37,608,770)
Less: Non-expendable portion of endowment	<u>(109,978,025)</u>	<u>(102,917,839)</u>
Available for Expenditure	<u>\$ 87,539,066</u>	<u>\$ 78,233,456</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.

Note 5: Fair Value Measurement (Continued)

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, 2025:

Summary of Investments by Fair Value Level				
Investment by fair value level	Level 1	Level 2	Level 3	Total
<i>Equity Securities:</i>				
US	\$ 429,271	\$ 609,218	\$ 379	\$ 1,038,868
International	-	90,621	-	90,621
<i>Fixed Income Securities:</i>				
US Government Debt	78,325,355	271,379,000	-	349,704,355
Other Debt Securities	187,656	266,439,177	-	266,626,833
<i>Commingled Funds:</i>				
US Equity	1,147,181	3,120,370	-	4,267,551
International Equity	116,000	274,130	-	390,130
US Government Bonds	48,279,872	858,491	-	49,138,363
Non-US Government Bonds	2,000	32,061	-	34,061
Corporate Bonds	150,000	11,000	-	161,000
<i>Exchange Traded Funds:</i>				
Equity	14,000	-	-	14,000
Fixed Income	27,000	-	-	27,000
<i>Other Partnerships:</i>				
US (j)	-	-	1,946,000	1,946,000
International (k)	-	-	-	-
<i>Non-marketable alternatives</i>	-	-	8,742,000	8,742,000
<i>Marketable alternatives</i>	-	-	-	-
<i>Certificates of Deposit</i>	106,822	-	-	106,822
<i>Money markets and short-term investments</i>	11,124,374	27,000	-	11,151,374
Total investments by fair value level	\$ 139,909,531	\$ 542,841,068	\$ 10,688,379	693,438,978
<i>Investments measured at NAV (net asset value)</i>				
<i>External Investment Pool - Total Return Pool - UA Foundation</i>				240,556,403
<i>Short-Term Investment Fund Pool - UA System</i>				146,979,494
<i>Extended Fixed Income Pool - UA System</i>				29,300,265
<i>Intermediate-Term Investment Fund Pool - UA System</i>				1,188,798
Total investments by NAV				418,024,960
Certificates of Deposit reported at cost				121,426,966
TOTAL INVESTMENTS				\$ 1,232,890,904

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.

Note 5: Fair Value Measurement (Continued)

Investments Measured at the NAV at June 30, 2025:

	Fair Value	Redemption Frequency	Redemption Notice Period
External Investment Pool - UA Foundation Total Return Pool (1)	\$ 240,556,403	Daily	7 - 30 days
Short-Term Investment Fund Pool - UA System (2)	146,979,494	Daily	0-3 days
Extended Fixed Income Pool - UA System (3)	29,300,265	End of Month	2-30 days
Intermediate-Term Investment Fund Pool - UA System (4)	1,188,798	End of Month	2-30 days
Total Investments measured at the NAV	<u>\$ 418,024,960</u>		

- (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, 2025 and 2024, as shown on the Statements of Net Position, consist of the following:

<u>ACCOUNTS RECEIVABLE</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Student accounts	\$ 37,599,932	\$ 29,426,744
Non-student accounts	92,652,494	98,201,622
Grants and contracts	96,013,885	111,573,546
Property and sales taxes	2,159,737	2,077,078
Pledges	1,215,000	2,118,000
Leases	1,185,652	1,688,795
Other	13,956,926	18,895,260
Total	<u>\$244,783,626</u>	<u>\$ 263,981,045</u>

Non-current accounts receivable balances, net of allowances, at June 30, 2025 and 2024, as shown on the Statements of Net Position, consist of the following:

<u>ACCOUNTS RECEIVABLE</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Property and sales taxes	\$ 341,335	
Pledges	4,327,000	\$ 4,564,000
Leases	53,651,067	54,614,000
Other	464,533	
Total	<u>\$ 58,783,935</u>	<u>\$ 59,178,000</u>

Current accounts payable balances at June 30, 2025 and 2024, as shown on the Statements of Net Position, consist of the following:

<u>ACCOUNTS PAYABLE</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Trade related	\$152,484,525	\$ 155,653,497
Payroll related	62,683,142	56,977,283
Interest	14,619,486	14,486,689
Other	4,970,484	10,053,487
Total	<u>\$234,757,637</u>	<u>\$ 237,170,956</u>

Note 7: Capital Assets

The following table includes changes in capital assets for the year ended June 30, 2025:

CAPITAL ASSETS	June 30, 2024				June 30, 2025
	Balance	Additions	Transfers	Deletions	Balance
Land	\$ 149,976,918	\$ 4,070,752	\$ -	\$ 144,000	\$ 153,903,670
Library Holdings	147,361,743	7,951,227	-	763,758	154,549,212
Construction in progress	292,562,488	225,797,561	(229,879,047)	855,055	287,625,947
Improvements and infrastructure	427,900,213	2,206,086	19,485,135	1,045	449,590,389
Buildings	4,853,552,159	5,870,980	207,303,105	4,072,876	5,062,653,368
Equipment	813,713,662	59,730,089	(772,864)	21,235,667	851,435,220
Intangibles - Software	112,149,127	-	-	40,649	112,108,478
Intangibles - Software in development	501,228	176,329	(176,329)	-	501,228
Intangibles - Leasehold improvements	11,132,410	4,000	1,790,000	145,492	12,780,918
Intangibles - Radio License	67,809	-	-	67,809	-
Right to Use Land	-	-	-	-	-
Right to Use CIP	-	-	-	-	-
Right to Use Buildings	211,421,294	30,738,897	-	16,865,763	225,294,428
Right to Use Equipment	62,406,596	501,000	-	5,245,000	57,662,596
Right to Use Improvements/Infrastructure	12,430,000	106,000	-	-	12,536,000
Right to Use Software (SBITA)	100,052,495	14,547,487	-	891,299	113,708,683
Right to Use Other	-	-	-	-	-
Other	4,842,903	1,152,600	2,250,000	64,000	8,181,503
Total Capital Assets	7,200,071,045	352,853,008	-	50,392,413	7,502,531,640
Less accumulated depreciation:					
Library Holdings	119,867,098	4,619,616	-	763,329	123,723,385
Improvements and infrastructure	253,934,601	16,998,382	6,390	-	270,939,373
Buildings	2,441,578,714	153,535,706	-	978,394	2,594,136,026
Equipment	644,444,011	46,050,483	(6,390)	19,376,865	671,111,239
Intangibles - Software	109,331,690	1,332,326	-	39,808	110,624,208
Intangibles - Leasehold improvements	8,230,248	557,650	-	145,493	8,642,405
Intangibles - Radio License	-	-	-	-	-
Right to Use Land	-	-	-	-	-
Right to Use Buildings	68,453,660	23,469,875	-	14,512,764	77,410,771
Right to Use Equipment	44,096,056	6,988,683	-	4,962,000	46,122,739
Right to Use Improvements/Infrastructure	3,758,000	1,334,000	-	-	5,092,000
Right to Use Software (SBITA)	32,728,719	20,173,183	-	2,889	52,899,013
Right to Use Other	-	-	-	-	-
Other	101,982	7,000	-	-	108,982
Total Accum Depreciation	3,726,524,779	275,066,904	-	40,781,542	3,960,810,141
Capital Assets, Net	\$ 3,473,546,266	\$ 77,786,104	\$ -	\$ 9,610,871	\$ 3,541,721,499

* The beginning balance at June 30, 2024, above, includes capital assets and accumulated depreciation for UAEACC of \$44,783,802 and \$23,436,016, respectively, which are not reflected in the Statement of Net Position due to the merger being effective on November 21, 2024.

Library holdings, including old and rare books, valued at \$1,704,000 at June 30, 2025, held by the Medical Sciences Campus, are not included in the above chart or in the accompanying Statements of Net Position.

UNIVERSITY OF ARKANSAS SYSTEM – Notes to Consolidated Financial Statements FY2025

Note 7: Capital Assets (Continued)

The following table includes changes in capital assets for the year ended June 30, 2024:

CAPITAL ASSETS	June 30, 2023				June 30, 2024	
	Balance	Additions	Transfers	Deletions	Balance	
Land	\$ 139,956,631	\$ 9,283,198	\$ -	\$ 62,000	\$ 149,177,829	
Library Holdings	150,150,603	7,541,248	-	11,489,424	146,202,427	
Construction in progress	171,122,856	232,739,223	(110,776,487)	536,141	292,549,451	
Improvements and infrastructure	395,302,731	1,926,157	28,366,018	288,974	425,305,932	
Buildings	4,739,286,185	6,213,095	76,599,413	929,512	4,821,169,181	
Equipment	761,866,725	55,006,249	7,683,056	17,106,433	807,449,597	
Intangibles - Software	179,422,033	-	-	68,475,400	110,946,633	
Intangibles - Software in development	3,070,262	77,762	(1,584,000)	1,062,796	501,228	
Intangibles - Leasehold improvements	11,023,229	109,181	-	-	11,132,410	
Intangibles - Radio License	67,809	-	-	-	67,809	
Right to Use Land	-	-	-	-	-	
Right to Use CIP	288,000	-	(288,000)	-	-	
Right to Use Buildings	187,974,836	45,446,025	-	22,300,000	211,120,861	
Right to Use Equipment	55,199,503	10,169,984	-	3,031,000	62,338,487	
Right to Use Improvements/Infrastruc	12,114,603	315,397	-	-	12,430,000	
Right to Use Software (SBITA)	94,741,886	7,680,796	-	2,370,187	100,052,495	
Right to Use Other	-	-	-	-	-	
Other	4,844,455	312,448	-	314,000	4,842,903	
Total Capital Assets	6,906,432,347	376,820,763	-	127,965,867	7,155,287,243	
Less accumulated depreciation:						
Library Holdings	126,108,254	4,177,973	-	11,486,947	118,799,280	
Improvements and infrastructure	236,531,903	15,756,235	-	41,085	252,247,053	
Buildings	2,276,672,059	146,086,190	-	(3,716,747)	2,426,474,996	
Equipment	607,509,142	47,545,623	-	14,896,521	640,158,244	
Intangibles - Software	168,397,913	8,377,686	-	68,476,000	108,299,599	
Intangibles - Leasehold improvements	7,846,894	383,354	-	-	8,230,248	
Intangibles - Radio License	-	-	-	-	-	
Right to Use Land	-	-	-	-	-	
Right to Use Buildings	45,479,538	25,322,130	-	2,556,000	68,245,668	
Right to Use Equipment	38,957,750	8,777,224	-	3,690,000	44,044,974	
Right to Use Improvements/Infrastruc	2,433,051	1,324,949	-	-	3,758,000	
Right to Use Software (SBITA)	17,338,855	17,110,579	-	1,720,715	32,728,719	
Right to Use Other	-	-	-	-	-	
Other	100,982	1,000	-	-	101,982	
Total AccumDepreciation	3,527,376,341	274,862,943	-	99,150,521	3,703,088,763	
Capital Assets, Net	\$ 3,379,056,006	\$ 101,957,820	\$ -	\$ 28,815,346	\$ 3,452,198,480	

Library holdings, including old and rare books, valued at \$ 1,702,050 at June 30, 2024, 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 no short-term debt activity during the fiscal year, nor is there any outstanding balance of short-term debt as of June 30, 2025.

The University had the following short-term debt activity and outstanding balance as of June 30, 2024:

Short-Term Borrowing	June 30, 2023			June 30, 2024		June 30, 2024
Description	Balance	Additions	Reductions	Balance	Unused Portion of ST	Borrowing
Line of Credit	\$ -	\$ 750,000	\$ 750,000	\$ -	\$ -	\$ -
ERP Note-Regions	-	-	-	-	-	-
Other (specify)	-	-	-	-	-	-
TOTALS	\$ -	\$ 750,000	\$ 750,000	\$ -	\$ -	\$ -

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.

Effective July 1, 2023, the University transitioned classified positions to non-classified roles. In accordance with the policy established by the Board of Trustees, the portion of the sick leave accrued as a classified employee will no longer be paid out upon any retirement, effective on or after July 1, 2023, for those employees whose roles transitioned from classified to non-classified.

Note 9: Compensated Absences (Continued)

Changes in compensated absences are shown below:

COMPENSATED ABSENCES					
Campus	Balance 6/30/24	Additions	Reductions	Balance 6/30/25	Current Portion
UAF	\$ 24,239,000	\$ 32,821,000	\$ 30,607,000	\$ 26,453,000	\$ 2,849,000
UAFS	1,563,465	2,206,763	1,951,149	1,819,079	230,697
UALR	4,166,688	485,510	107,124	4,545,074	603,045
UAMS	75,980,000	72,616,000	70,425,000	78,171,000	7,569,000
UAM	1,215,167	1,124,422	1,043,050	1,296,539	92,840
UAPB	2,544,575	2,858,032	2,865,433	2,537,174	190,392
SYSTEM	1,825,228	2,644,402	2,357,877	2,111,753	231,154
CCCUA	298,752	369,820	286,062	382,510	37,069
PCCUA	487,031	461,268	410,630	537,669	87,060
UACCB	386,734	420,686	448,660	358,760	41,928
UACCHT	429,204	374,433	416,141	387,496	37,738
UACCM	399,863	461,813	437,512	424,164	49,646
UAPTC	710,312	833,065	725,945	817,432	106,313
UACCRM	316,108	175,688	190,898	300,898	36,606
UAEACC	522,052	342,464	251,649	612,867	74,971
ASMSA	178,079	233,729	206,188	205,620	34,813
TOTAL	\$ 115,262,258	\$ 118,429,095	\$ 112,730,318	\$ 120,961,035	\$ 12,272,272

The beginning balance at June 30, 2024, shown above includes the \$522,052 balance of compensated absences for UAEACC, which merged with the University in November 2024.

COMPENSATED ABSENCES					
Campus	Balance 6/30/23	Additions	Reductions	Balance 6/30/24	Current Portion
UAF	\$ 23,427,636	\$ 24,892,000	\$ 24,080,636	\$ 24,239,000	\$ 2,495,000
UAFS	1,512,921	1,691,456	1,640,912	1,563,465	200,593
UALR	4,193,102	297,794	324,208	4,166,688	352,656
UAMS	79,733,000	72,725,000	76,478,000	75,980,000	5,159,000
UAM	1,155,067	343,464	283,364	1,215,167	74,768
UAPB	2,576,819	2,311,977	2,344,221	2,544,575	213,860
SYSTEM	1,231,634	2,079,449	1,485,855	1,825,228	135,545
CCCUA	264,273	356,372	321,893	298,752	17,062
PCCUA	485,514	487,540	486,023	487,031	51,696
UACCB	364,294	462,149	439,709	386,734	38,299
UACCHT	399,052	411,584	381,432	429,204	34,998
UACCM	370,049	366,343	336,529	399,863	7,782
UAPTC	606,137	789,861	685,686	710,312	124,131
UACCRM	277,886	221,653	183,431	316,108	50,244
ASMSA	191,444	166,846	180,211	178,079	22,929
TOTAL	\$ 116,788,828	\$ 107,603,488	\$ 109,652,110	\$ 114,740,206	\$ 8,978,563

Note 10: Bonds, Notes, Leases, Installment Contracts, and Subscription 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 \$1,962,662,763 shown in these schedules, which is related to bonds, notes, leases and installment contracts, differs from the amount of \$1,957,717,508 shown on the Statement of Net Position. This is due to an elimination entry of \$4,945,255 to account for two loans between UA campuses (see Note 19).

UNIVERSITY OF ARKANSAS FAYETTEVILLE

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
6/30/2014	11/1/2043	0.85% to 4.50%	\$ 5,020,000	\$ 1,205,000	\$ 3,815,000
8/27/2015	11/1/2045	1.02% to 4.40%	7,510,000	1,475,000	6,035,000
4/5/2016	11/1/2046	3.00% to 5.00%	93,590,000	45,610,000	47,980,000
4/5/2016	11/1/2028	0.87% to 3.25%	15,280,000	10,045,000	5,235,000
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	27,170,000	62,830,000
8/1/2017	11/1/2047	2.00% to 5.00%	95,805,000	51,095,000	44,710,000
7/26/2018	11/1/2048	5.00%	20,385,000	2,050,000	18,335,000
7/26/2018	11/1/2038	2.65% to 4.00%	6,560,000	1,505,000	5,055,000
8/22/2019	11/1/2049	4.00% to 5.00%	59,655,000	7,805,000	51,850,000
8/22/2019	9/15/2034	5.00%	24,900,000	5,435,000	19,465,000
11/5/2019	11/1/2042	1.762% to 3.401%	139,220,000	48,830,000	90,390,000
12/1/2021	11/1/2043	0.371% to 2.685%	175,645,000	99,265,000	76,380,000
11/9/2022	11/1/2052	4.00% to 5.25%	72,655,000	2,265,000	70,390,000
11/9/2022	11/1/2032	4.70% to 5.28%	4,025,000	655,000	3,370,000
8/3/2023	9/15/2027	5.00%	10,260,000	2,225,000	8,035,000
8/17/2023	11/1/2053	4.75% to 5.47%	62,335,000	905,000	61,430,000
8/17/2023	11/1/2044	5.00%	60,075,000	1,295,000	58,780,000
8/28/2024	11/1/2054	5.00%	29,845,000	-	29,845,000
8/28/2024	11/1/2045	4.00% to 5.00%	72,295,000	-	72,295,000
5/1/2005	11/1/2034	2.00% to 5.00%	1,605,000	1,142,000	463,000
7/1/2019	7/1/2025	2.74%	619,000	523,000	96,000
9/11/2020	9/15/2028	1.38%	4,727,000	345,000	4,382,000
9/11/2020	9/15/2028	1.81%	13,937,000	3,349,000	10,588,000
10/1/2018	7/1/2025	9.46%	25,000	25,000	-
8/18/2021	8/15/2031	1.23%	10,841,000	3,911,000	6,930,000
7/1/2024	6/30/2027	3.81%	39,000	13,000	26,000
6/1/2025	5/31/2029	3.04%	76,000	18,000	58,000
Various	Various	Various	59,911,000	23,827,000	36,084,000
Various	Various	Various	1,319,000	316,000	1,003,000
Various	Various	Various	315,000	206,000	109,000
Various	Various	Various	12,801,000	6,233,000	6,568,000
	Net unamortized premium/discount		88,094,000	30,069,000	58,025,000
TOTALS			\$ 1,264,214,000	\$ 378,812,000	\$ 885,402,000

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

UNIVERSITY OF ARKANSAS AT FORT SMITH

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
6/5/2014	12/1/2031	2-3.5%	\$ 5,295,000	\$ 5,295,000	\$ -
6/26/2014	6/1/2039	2-5%	10,930,000	10,930,000	-
10/20/2016	12/1/2034	2-5%	19,500,000	5,625,000	13,875,000
10/20/2020	12/1/2030	0.353-1.884%	10,715,000	6,295,000	4,420,000
10/20/2020	12/1/2035	4-5%	5,765,000	1,435,000	4,330,000
9/11/2024	6/1/2039	5%	7,170,000	435,000	6,735,000
1/1/2022	1/1/2042	0.77%	416,647	69,180	347,467
1/1/2022	1/1/2062	0.77%	7,721,837	301,161	7,420,676
7/1/2022	4/25/2028	2.23%	515,215	305,871	209,344
7/1/2023	11/30/2029	4.49%	727,052	243,953	483,099
4/25/2025	4/24/2028	3.34%	29,436	10,137	19,299
	Net unamortized premium/discount		4,801,180	1,640,620	3,160,560
	TOTALS		\$ 73,586,367	\$ 32,585,922	\$ 41,000,445

UNIVERSITY OF ARKANSAS AT LITTLE ROCK

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
4/24/2013	12/1/2024	1%-5%	\$ 10,770,000	\$ 10,770,000	\$ -
4/24/2013	12/1/2024	0.530%-2.884%	6,530,000	6,530,000	-
2/24/2016	10/1/2029	2%-5%	22,475,000	11,915,000	10,560,000
4/6/2016	10/1/2034	2%-5%	24,490,000	8,975,000	15,515,000
9/19/2017	10/1/2037	2%-5%	6,510,000	1,665,000	4,845,000
10/20/2020	10/1/2036	0.439%-2.532%	18,795,000	4,485,000	14,310,000
8/1/2023	10/1/2030	5.00%	13,765,000	1,305,000	12,460,000
1/11/2017	1/1/2027	0.000%	2,000,000	1,600,000	400,000
4/29/2020	1/1/2030	0.00%	928,385	500,000	428,385
4/1/2022	3/31/2027	2.69%	231,984	147,409	84,575
7/1/2022	4/24/2028	2.23%	1,309,917	786,034	523,883
7/1/2023	11/30/2029	4.49%	1,054,942	352,098	702,844
9/1/2024	8/31/2029	2.978%	188,261	37,636	150,625
9/1/2024	10/14/2026	2.978%	139,844	70,356	69,488
4/25/2025	4/24/2028	3.34%	73,662	25,365	48,297
	Net unamortized premium/discount		15,368,863	10,912,302	4,456,561
	TOTALS		\$ 124,630,858	\$ 60,076,200	\$ 64,554,658

UNIVERSITY OF ARKANSAS SYSTEM – Notes to Consolidated Financial Statements FY2025

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

UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
12/17/2014	3/1/2036	2.0% - 5.0%	\$ 86,035,000	\$ 86,035,000	\$ -
10/24/2019	3/1/2032	5.0%	48,615,000	11,010,000	37,605,000
10/24/2019	3/1/2042	2.906% - 3.45%	97,470,000	-	97,470,000
10/28/2020	12/1/2030	5.0%	24,325,000	9,875,000	14,450,000
4/20/2021	12/1/2045	5.0%	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	975,000	26,580,000
2/15/2022	7/1/2029	.85 - 2.23%	4,835,000	1,830,000	3,005,000
4/20/2022	4/1/2052	5%	93,665,000	-	93,665,000
4/20/2022	4/1/2029	3.14 - 3.43%	8,140,000	-	8,140,000
8/1/2023	11/1/2034	5.0%	64,630,000	4,020,000	60,610,000
1/30/2025	9/1/2035	5.0%	59,230,000	-	59,230,000
various	various	various	96,950,000	48,970,000	47,980,000
various	various	various	131,901,000	16,577,000	115,324,000
various	various	various	9,392,000	4,243,000	5,149,000
	Net unamortized premium/discount		68,524,000	11,326,000	57,198,000
	TOTALS		\$ 958,407,000	\$ 194,861,000	\$ 763,546,000

UNIVERSITY OF ARKANSAS AT MONTICELLO

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
3/30/2017	12/1/2041	5.0%	\$ 11,270,000	\$ 430,000	\$ 10,840,000
10/1/2020	10/1/2035	4%-5%	5,185,000	635,000	4,550,000
10/1/2020	10/1/2037	.487%-2.568%	7,035,000	1,290,000	5,745,000
7/1/2022	4/25/2028	2.23%	384,938	229,584	155,354
8/1/2022	7/31/2026	2.69%	109,034	79,768	29,266
7/1/2023	11/30/2029	4.492%	371,366	121,858	249,508
4/25/2025	4/24/2028	3.341%	21,844	7,522	14,322
9/1/2024	10/14/2026	2.978%	33,295	16,751	16,544
9/1/2024	8/31/2029	2.978%	60,385	12,796	47,589
	Net unamortized premium/discount		3,397,152	1,348,892	2,048,260
	TOTALS		\$ 27,868,014	\$ 4,172,171	\$ 23,695,843

UNIVERSITY OF ARKANSAS AT PINE BLUFF

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
6/1/2014	12/1/2035	2%-5%	\$ 15,160,000	\$ 4,760,000	\$ 10,400,000
12/15/2016	1/1/2035	2.51%	17,245,359	5,435,565	11,809,794
8/11/2022	12/1/2052	4-5%	16,655,000	-	16,655,000
7/1/2023	11/30/2029	4.49%	363,088	117,216	245,872
7/1/2022	4/25/2028	2.23%	591,327	350,981	240,346
4/25/2025	4/24/2028	3.34%	33,794	11,637	22,157
9/1/2024	8/31/2029	2.98%	60,385	12,796	47,589
9/1/2024	10/14/2026	2.98%	33,295	16,751	16,544
	Net unamortized premium/discount		2,348,825	670,143	1,678,682
	TOTALS		\$ 52,491,073	\$ 11,375,089	\$ 41,115,984

UNIVERSITY OF ARKANSAS SYSTEM – Notes to Consolidated Financial Statements FY2025

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

UNIVERSITY OF ARKANSAS SYSTEM ADMINISTRATION

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
11/17/2014	11/17/2024	0.22%	\$ 500,000	\$ 500,000	\$ -
10/26/2018	11/1/2028	3.00%	27,000,000	14,380,152	12,619,848
7/1/2022	4/25/2028	2.23%	92,528	50,032	42,496
4/25/2025	4/24/2028	3.34%	5,976	2,058	3,918
11/1/2021	8/31/2024	2.69%	4,043,524	4,043,524	-
11/1/2021	8/31/2024	2.69%	321,548	321,548	-
7/1/2023	11/30/2029	4.49%	710,821	231,073	479,748
7/1/2022	4/25/2028	2.23%	141,949	69,496	72,453
7/1/2022	1/31/2027	2.23%	2,571,909	1,595,206	976,703
4/25/2025	4/25/2028	3.34%	10,187	3,508	6,679
4/1/2016	4/1/2036	1.75%	2,487,749	334,493	2,153,256
12/1/2016	12/1/2036	1.75%	2,487,749	158,359	2,329,390
TOTALS			\$ 40,373,940	\$ 21,689,449	\$ 18,684,491

COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
6/13/2013	5/1/2035	1.0% -5.0%	\$ 3,930,000	\$ 1,735,000	\$ 2,195,000
7/1/2022	4/25/2028	2.23%	144,015	82,860	61,155
7/1/2023	11/30/2029	4.492%	158,814	50,247	108,567
4/25/2025	4/24/2028	3.341%	8,619	2,968	5,651
Net unamortized premium/discount			141,059	77,529	63,530
TOTALS			\$ 4,382,507	\$ 1,948,604	\$ 2,433,903

PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
4/22/2015	12/1/2038	2.0% - 4.0%	\$ 11,270,000	\$ 3,650,000	\$ 7,620,000
7/1/2022	4/24/2028	2.23%	174,075	105,455	68,620
7/1/2023	11/30/2029	4.49%	142,633	46,346	96,287
4/25/2025	4/25/2028	3.34%	9,647	3,322	6,325
Net unamortized premium/discount			272,074	116,877	155,197
TOTALS			\$ 11,868,429	\$ 3,922,000	\$ 7,946,429

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
10/1/2016	10/1/2026	0.68%	\$ 2,000,000	\$ 1,589,084	\$ 410,916
7/1/2023	11/30/2029	4.49%	136,371	46,265	90,106
7/1/2022	4/25/2028	2.23%	117,048	68,282	48,766
4/25/2025	4/28/2028	3.34%	6,856	2,361	4,495
9/1/2024	8/31/2029	2.98%	8,881	1,882	6,999
Net unamortized premium/discount					-
TOTALS			\$ 2,269,156	\$ 1,707,874	\$ 561,282

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
6/1/2013	10/1/2038	1%-3.65%	\$ 2,590,000	\$ 950,000	\$ 1,640,000
5/1/2021	5/1/2031	0.18%	2,923,000	1,162,896	1,760,104
5/6/2021	5/6/2041	2.15%	4,800,000	803,842	3,996,158
7/1/2022	4/25/2028	2.23%	126,874	75,322	51,552
7/1/2023	11/30/2029	4.49%	129,313	44,991	84,322
4/25/2025	4/24/2028	3.34%	7,248	2,496	4,752
	Net unamortized premium/discount		111,731	110,723	1,008
	TOTALS		\$ 10,688,166	\$ 3,150,270	\$ 7,537,896

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
2/23/2016	5/1/2046	2.0-5.0%	\$ 10,000,000	\$ 1,560,000	\$ 8,440,000
6/1/2020	5/31/2025	2.69%	277,261	277,261	-
6/1/2025	6/30/2030	4.00%	335,897	-	335,897
7/1/2023	11/30/2029	4.49%	223,866	74,392	149,474
7/1/2022	4/24/2028	2.23%	166,859	96,497	70,362
11/5/2024	5/1/2051	5.00%	10,215,000		10,215,000
4/25/2025	4/24/2028	3.34%	9,894	3,407	6,487
	Net unamortized premium/discount		1,912,428	331,082	1,581,346
	TOTALS		\$ 23,141,205	\$ 2,342,639	\$ 20,798,566

UNIVERSITY OF ARKANSAS-PULASKI TECHNICAL COLLEGE

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
7/1/2015	9/1/2036	2.00% - 5.00%	\$ 25,875,000	\$ 8,400,000	\$ 17,475,000
11/5/2019	9/1/2040	1.796% - 3.452%	56,685,000	8,685,000	48,000,000
7/1/2023	11/30/2029	4.49%	564,607	190,379	374,228
7/1/2022	4/25/2028	2.23%	335,351	198,110	137,241
4/25/2025	4/24/2028	3.34%	19,297	6,645	12,652
	Net unamortized premium/discount		381,644		381,644
	TOTALS		\$ 83,860,899	\$ 17,480,134	\$ 66,380,765

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
8/15/2012	4/1/2042	1.0% - 4.15%	\$ 4,830,000	\$ 1,505,000	\$ 3,325,000
7/25/2019	4/1/2049	3% - 5%	8,250,000	1,035,000	7,215,000
7/1/2022	4/25/2028	2.23%	98,260	55,677	42,583
9/25/2022	9/25/2027	2.00%	685,909	73,868	612,041
11/1/2022	10/1/2042	1.00%	1,189,000	145,140	1,043,860
7/1/2023	11/30/2029	4.49%	81,226	20,966	60,260
4/25/2025	4/24/2028	3.34%	5,988	2,062	3,926
10/6/2024	10/6/2030	6.21%	328,199	38,850	289,349
	Net unamortized premium/discount		897,242	35,781	861,461
	TOTALS		\$ 16,365,824	\$ 2,912,344	\$ 13,453,480

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

UNIVERSITY OF ARKANSAS EAST ARKANSAS COMMUNITY COLLEGE					
Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
6/24/2021	3/1/2040	1.125-2.250%	\$ 3,115,000	\$ 395,000	\$ 2,720,000
3/25/2020	3/25/2040	2.43%	2,661,577	379,705	2,281,872
7/1/2020	6/1/2025	3.25%	68,109	68,109	-
11/1/2020	10/1/2025	3.25%	300,433	275,860	24,573
Net unamortized premium/discount			(9,283)	(1,954)	(7,329)
TOTALS			\$ 6,135,836	\$ 1,116,720	\$ 5,019,116

ARKANSAS SCHOOL FOR MATHEMATICS, SCIENCES AND THE ARTS					
Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
4/1/2020	3/1/2030	2.5%	\$ 1,000,000	\$ 500,000	\$ 500,000
7/1/2022	4/25/2028	2.2%	72,397	43,226	29,171
4/25/2025	4/24/2028	3.3%	4,146	1,412	2,734
Net unamortized premium/discount					
TOTALS			\$ 1,076,543	\$ 544,638	\$ 531,905

Schedule of Changes in Debt

Campus	BONDS			Balance 6-30-25	Current Portion
	Balance 6-30-24	Additions	Reductions		
UAF	\$ 783,440,000	\$ 102,140,000	\$ 124,510,000	\$ 761,070,000	\$ 37,910,000
Net unamortized prem/disc	51,046,000	13,685,000	6,706,000	58,025,000	3,619,000
UAFS	35,305,000	7,170,000	13,115,000	29,360,000	2,525,000
Net unamortized prem/disc	3,069,475	870,942	779,857	3,160,560	298,228
UALR	65,710,000		8,020,000	57,690,000	6,970,000
Net unamortized prem/disc	5,194,103		737,542	4,456,561	737,541
UAMS	552,720,000	59,230,000	74,055,000	537,895,000	17,110,000
Net unamortized prem/disc	63,125,000	5,399,000	11,326,000	57,198,000	
UAM	22,235,000		1,100,000	21,135,000	1,135,000
Net unamortized prem/disc	2,206,704		158,444	2,048,260	158,444
UAPB	27,770,000		715,000	27,055,000	750,000
Net unamortized prem/disc	1,770,375		91,693	1,678,682	91,693
CCCUA	2,380,000		185,000	2,195,000	190,000
Net unamortized prem/disc	69,991		6,461	63,530	6,461
PCCUA	8,040,000		420,000	7,620,000	435,000
Net unamortized prem/disc	166,693		11,496	155,197	11,496
UACCB	-			-	-
Net unamortized prem/disc	-			-	-
UACCHT	1,735,000		95,000	1,640,000	90,000
Net unamortized prem/disc	1,084		76	1,008	76
UACCM	8,690,000	10,215,000	250,000	18,655,000	255,000
Net unamortized prem/disc	701,564	937,281	57,499	1,581,346	69,997
UAPTC	68,195,000		2,720,000	65,475,000	3,110,000
Net unamortized prem/disc	413,447		31,803	381,644	31,803
UACCRM	10,860,000		320,000	10,540,000	335,000
Net unamortized prem/disc	897,242		35,781	861,461	35,781
UAEACC	2,875,000		155,000	2,720,000	160,000
Net unamortized prem/disc	(7,817)		(488)	(7,329)	(489)
TOTAL	\$ 1,718,608,861	\$ 199,647,223	\$ 245,602,164	\$ 1,672,653,920	\$ 76,035,031

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

NOTES

Campus	Balance 6-30-24	Additions	Reductions	Balance 6-30-25	Current Portion
UAF	\$ 19,351,000		\$ 3,822,000	\$ 15,529,000	\$ 3,834,000
UAFS	367,192		19,725	347,467	19,877
UALR	833,792	\$ 294,593	300,000	828,385	300,000
UAMS	33,730,000	23,600,000	9,350,000	47,980,000	9,099,000
SYSTEM	20,695,771		3,593,277	17,102,494	3,825,575
UACCB	614,295		203,379	410,916	204,762
UACCHT	6,255,252		498,990	5,756,262	503,974
UACCRM	650,173		38,132	612,041	38,046
ASMSA	600,000		100,000	500,000	100,000
TOTAL	\$ 83,097,475	\$ 23,894,593	\$ 17,925,503	\$ 89,066,565	\$ 17,925,234

LEASES

Campus	Balance 6-30-24	Additions	Reductions	Balance 6-30-25	Current Portion
UAF	\$ 24,658,000	\$ 22,842,000	\$ 10,304,000	\$ 37,196,000	\$ 12,799,000
UAFS	7,505,837		85,161	7,420,676	85,819
UALR	131,149		46,574	84,575	47,842
UAMS	126,062,000	5,839,000	16,577,000	115,324,000	14,184,000
UAM	56,908		27,642	29,266	29,266
SYSTEM	273,490	-	273,490	-	-
UACCM	70,982	335,897	70,982	335,897	59,033
UAEACC	114,536		89,963	24,573	24,573
TOTAL	\$ 158,872,902	\$ 29,016,897	\$ 27,474,812	\$ 160,414,987	\$ 27,229,533

INSTALLMENT CONTRACTS

Campus	Balance 6-30-24	Additions	Reductions	Balance 6-30-25	Current Portion
UAF	\$ 7,997,000	\$ 115,000	\$ 1,098,000	\$ 7,014,000	\$ 1,105,000
UAPB	12,736,072		926,278	11,809,794	975,184
UACCRM	1,098,741	328,199	93,731	1,333,209	96,696
UAEACC	2,369,733		87,861	2,281,872	94,365
TOTAL	\$ 24,201,546	\$ 443,199	\$ 2,205,870	\$ 22,438,875	\$ 2,271,245

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

Campus	SBITAs			Balance 6-30-25	Current Portion
	Balance 6-30-24	Additions	Reductions		
UAF	\$ 7,126,000	\$ 1,879,000	\$ 2,437,000	\$ 6,568,000	\$ 2,470,000
UAFS	899,195	29,436	216,889	711,742	224,319
UALR	1,633,663	401,767	540,293	1,495,137	548,530
UAMS	5,919,000	1,159,000	1,929,000	5,149,000	1,973,000
UAM	534,501	115,524	166,708	483,317	169,277
UAPB	675,102	127,474	230,068	572,508	214,327
SYSTEM	2,318,489	16,163	752,655	1,581,997	783,141
CCCUA	224,100	8,619	57,346	175,373	58,362
PCCUA	219,130	9,647	57,545	171,232	59,229
UACCB	182,139	15,737	47,510	150,366	48,760
UACCHT	179,228	4,753	43,355	140,626	47,259
UACCM	288,340	9,894	71,911	226,323	73,578
UAPTC	659,566	19,297	154,742	524,121	160,309
UACCRM	136,598		29,829	106,769	36,869
ASMSA	43,290	4,146	15,531	31,905	15,779
TOTAL	\$ 21,038,341	\$ 3,800,457	\$ 6,750,382	\$ 18,088,416	\$ 6,882,739

The beginning balance at June 30, 2024, shown above includes the \$5,351,452 balance of long-term debt and other obligations for UAEACC, which merged with the University in November 2024.

The current portion shown above for bonds, notes, leases, installment contracts and subscription arrangements differs from the statement of net position by \$392,246 which is the current portion of elimination entries related to intercompany debt (see Note 19).

Note 10: Bonds, Notes, Leases, Installment Contracts, and Subscription 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 \$1,962,662,763 shown in these schedules, which is related to bonds, notes, leases and installment contracts, differs from the amount of \$1,957,717,508 shown on the Statement of Net Position. This is due to an elimination entry of \$4,945,255 to account for two loans between UA campuses (see Note 19).

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON BONDS PAYABLE			
Year Ended June 30,	Principal	Interest	Total
2026	\$ 70,975,000	\$ 64,538,590	\$ 135,513,590
2027	71,695,000	61,867,404	133,562,404
2028	75,455,000	58,981,818	134,436,818
2029	75,515,000	56,070,974	131,585,974
2030	77,890,000	53,183,803	131,073,803
2031-2035	402,020,000	216,665,634	618,685,634
2036-2040	325,290,000	137,288,756	462,578,756
2041-2045	247,150,000	78,900,487	326,050,487
2046-2050	140,035,000	29,326,125	169,361,125
2051-2055	57,025,000	5,201,698	62,226,698
2056-2060	-	-	-
Thereafter	-	-	-
	1,543,050,000	762,025,289	2,305,075,289
+ Net unamortized premiums/discounts	129,603,920	-	129,603,920
GRAND TOTAL	\$ 1,672,653,920	\$ 762,025,289	\$ 2,434,679,209

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON NOTES PAYABLE			
Year Ended June 30,	Principal	Interest	Total
2026	\$ 17,925,234	\$ 3,049,309	\$ 20,974,543
2027	15,888,605	2,528,544	18,417,149
2028	14,088,483	2,158,025	16,246,508
2029	11,899,029	1,757,241	13,656,270
2030	13,630,525	1,082,329	14,712,854
2031-2035	14,258,911	772,314	15,031,225
2036-2040	1,321,036	37,811	1,358,847
2041-2045	54,741	539	55,280
2046-2050	-	-	-
2051-2055	-	-	-
2056-2060	-	-	-
Thereafter	-	-	-
TOTAL	\$ 89,066,564	\$ 11,386,112	\$ 100,452,676

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

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON LEASES

Year Ended June 30,	Principal	Interest	Total
2026	\$ 27,229,533	\$ 5,417,084	\$ 32,646,617
2027	19,110,562	4,563,405	23,673,967
2028	15,057,940	3,954,584	19,012,524
2029	13,958,263	3,400,879	17,359,142
2030	8,367,358	2,960,890	11,328,248
2031-2035	30,575,754	11,278,677	41,854,431
2036-2040	12,712,840	7,315,857	20,028,697
2041-2045	8,862,478	5,349,027	14,211,505
2046-2050	8,930,190	3,693,169	12,623,359
2051-2055	9,237,119	1,831,476	11,068,595
2056-2060	5,878,759	305,395	6,184,154
Thereafter	494,191	3,015	497,206
TOTAL	\$ 160,414,987	\$ 50,073,458	\$ 210,488,445

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON INSTALLMENT CONTRACTS

Year Ended June 30,	Principal	Interest	Total
2026	\$ 2,271,245	\$ 458,006	\$ 2,729,251
2027	2,346,064	412,795	2,758,859
2028	2,410,426	365,966	2,776,392
2029	2,470,428	318,445	2,788,873
2030	2,552,170	269,161	2,821,331
2031-2035	8,930,642	598,479	9,529,121
2036-2040	1,306,627	90,797	1,397,424
2041-2045	151,273	1,835	153,108
2046-2050	-	-	-
2051-2055	-	-	-
2056-2060	-	-	-
Thereafter	-	-	-
TOTAL	\$ 22,438,875	\$ 2,515,484	\$ 24,954,359

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON SUBSCRIPTIONS

Year Ended June 30,	Principal	Interest	Total
2026	\$ 6,882,739	\$ 424,703	\$ 7,307,442
2027	6,716,959	235,385	6,952,344
2028	1,916,309	87,672	2,003,981
2029	2,572,409	22,555	2,594,964
2030	-	-	-
2031-2035	-	-	-
2036-2040	-	-	-
2041-2045	-	-	-
2046-2050	-	-	-
2051-2055	-	-	-
2056-2060	-	-	-
Thereafter	-	-	-
TOTAL	\$ 18,088,416	\$ 770,315	\$ 18,858,731

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

Capitalization of Right to Use Assets held under Lease and Subscription Payables

The capitalized value of capital assets held under leases and subscription arrangements total \$227,677,184 at June 30, 2025. The present value of the net minimum payments are as follows:

	Cost	Accumulated Depreciation	Net
Improve/Infrastructure	12,536,000	5,092,000	7,444,000
Buildings	225,294,428	77,410,771	147,883,657
Equipment	57,662,596	46,122,739	11,539,857
Software (SBITA)	113,708,683	52,899,013	60,809,670
		TOTAL	\$ 227,677,184
Total Minimum Lease and SBITA Payments			\$ 229,347,176
Less: Amount representing interest			50,843,773
Total Present Value of Net Minimum Lease and SBITA Payments			\$ 178,503,403

Note 10: Bonds, Notes, Leases, Installment Contracts, and Subscription 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, 2025, that are pledged:

UNIVERSITY OF ARKANSAS FAYETTEVILLE			
Series 2014B Various Facilities	Campus Pledge	\$	584,555,000
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			
Series 2022A Various Facilities			
Series 2022B Various Facilities			
Series 2023A Various Facilities			
Series 2023B Various Facilities			
Series 2024A Various Facilities			
Series 2024B Various Facilities			
Maturity dates range from November 2028 through November 2054		\$	584,555,000
	FY25 Principal and Interest	\$	54,677,000
	% of Revenues Pledged		9.35%
	Remaining Principal & Interest	\$	995,582,000
Series 2016A Athletic Facilities	Men's Athletics	\$	152,565,000
Series 2016B Athletic Facilities			
2019A Athletic Facilities			
Series 2023 Athletic Facilities			
Maturity dates range from September 2027 through September 2036		\$	152,565,000
	FY25 Principal and Interest	\$	14,341,000
	% of Revenues Pledged		9.40%
	Remaining Principal & Interest	\$	143,568,000

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

UNIVERSITY OF ARKANSAS AT FORT SMITH			
Series 2014A Student Fee Revenue	Student Fees	\$	48,558,007
Series 2014B Student Fee Revenue			
Series 2016 Refunding			
Series 2020A Revenue Bonds			
Series 2020B Revenue Bonds			
Series 2024 Refunding			
Maturity dates range from December 2030 through June 2039		\$	48,558,007
	FY25 Principal and Interest	\$	6,419,333
	% of Revenue Pledge		13.22%
	Remaining Principal & Interest	\$	36,466,057
UNIVERSITY OF ARKANSAS AT LITTLE ROCK			
Series 2013A Revenue Refunding	Student Fees	\$	63,899,053
Series 2013B Taxable Revenue Refunding			
Series 2016, Student Fee Revenue Refunding			
Series 2017, Student Fee Revenue			
		\$	63,899,053
Maturity dates range from December 2024 through October 2037			
	FY25 Principal and Interest	\$	4,635,771
	% of Revenue Pledge		7.25%
	Remaining Principal & Interest	\$	18,418,100
Series 2020 Various Facilities Refunding Taxable	Student Fees	\$	79,773,642
Series 2023 Various Facilities Refunding	Sales and Services Auxiliary Enterprises		
		\$	79,773,642
Maturity dates range from October 2030 through October 2036			
	FY25 Principal and Interest	\$	3,890,698
	% of Revenue Pledge		4.88%
	Remaining Principal & Interest	\$	30,251,184
Series 2016 Auxiliary Enterprises Revenue	Auxiliaries	\$	14,618,895
		\$	14,618,895
Maturity date October 2034			
	FY25 Principal and Interest	\$	1,876,406
	% of Revenue Pledge		12.84%
	Remaining Principal & Interest	\$	18,801,078

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

UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES			
Series 2013 Various Facilities	Clinical and Patient Revenue	\$	1,162,387,478
Series 2014 Various Facilities			
Series 2019A Various Facilities			
Series 2019B Various Facilities			
Series 2020A Various Facilities			
Series 2021A Various Facilities			
Series 2021B Various Facilities			
Series 2022A Various Facilities			
Series 2022B Various Facilities			
Series 2023A Various Facilities			
Series 2025 Various Facilities			
		\$	1,162,387,478
Maturity dates range from April 2029 through April 2052			
	FY25 Principal and Interest	\$	30,599,000
	% of Revenue Pledge		2.63%
	Remaining Principal & Interest	\$	792,006,000
Series 2022A Parking	Parking Fees	\$	3,732,300
Series 2022B Parking			
		\$	3,732,300
Maturity dates range from July 2029 through April 2052			
	FY25 Principal and Interest	\$	2,071,000
	% of Revenue Pledge		55.49%
	Remaining Principal & Interest	\$	46,517,000
UNIVERSITY OF ARKANSAS AT MONTICELLO			
Series 2017A Tax-Exempt Various	Student Fees	\$	26,793,035
Series 2020A Taxable Various Facilities	Sales and Services		
Series 2020B Tax Exempt Various Facilities	Auxiliary Enterprises		
		\$	26,793,035
Maturity dates range from December 2035 through December 2041			
	FY25 Principal and Interest	\$	1,987,754
	% of Revenue Pledge		7.42%
	Remaining Principal & Interest	\$	28,522,498
UNIVERSITY OF ARKANSAS AT PINE BLUFF			
Series 2014A Various Facilities	Student Tuition and Fees	\$	36,206,755
Series 2022 Various Facilities	Auxiliary Revenues		
		\$	36,206,755
Maturity dates from December 2035 through December 2052			
	FY25 Principal and Interest	\$	1,932,419
	% of Revenue Pledge		5.34%
	Remaining Principal & Interest	\$	44,966,634

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

COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS			
Series 2013	Student Fees	\$	3,856,098
Maturity date is May 2035			
	FY25 Principal and Interest	\$	266,287
	% of Revenue Pledge		6.91%
	Remaining Principal & Interest	\$	2,644,194

PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS			
Series 2015 Refunding	Student Fees	\$	2,370,596
Maturity date is December 2038			
	FY25 Principal and Interest	\$	680,806
	% of Revenue Pledge		28.72%
	Remaining Principal & Interest	\$	9,538,039

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA			
Series 2013 Student Fee Refunding	Student Fees	\$	3,424,072
		\$	3,424,072
Maturity date is October 2038			
	FY25 Principal and Interest	\$	146,562
	% of Revenue Pledge		4.28%
	Remaining Principal & Interest	\$	2,105,256

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON			
Series 2016 Student Fee	Student Fees	\$	7,011,093
Series 2024 Bonds			
		\$	7,011,093
Maturity date is May 2051			
	FY25 Principal and Interest	\$	860,325
	% of Revenue Pledge		12.27%
	Remaining Principal & Interest	\$	31,428,350

UNIVERSITY OF ARKANSAS PULASKI TECHNICAL COLLEGE			
Series 2015 Student Tuition and Fee Refunding	Student Tuition and Fees	\$	24,532,344
Series 2019 Student Tuition and Fee Refunding			
		\$	24,532,344
Maturity dates are September 2036 through September 2040			
	FY25 Principal and Interest	\$	5,011,865
	% of Revenue Pledge		20.43%
	Remaining Principal & Interest	\$	85,313,177

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN			
Series 2019 Various Facilities Revenue	Student Tuition and Fees and Sales and Services	\$	3,575,883
		\$	3,575,883
Maturity date is April 2049			
	FY25 Principal and Interest	\$	488,950
	% of Revenue Pledge		13.67%
	Remaining Principal & Interest	\$	11,116,000
Series 2012 Refunding and Capital Improvement			
Maturity date is April 2042	Property Taxes	\$	570,141
	FY25 Principal and Interest	\$	272,028
	% of Revenue Pledge		47.71%
	Remaining Principal & Interest	\$	4,643,984

UNIVERSITY OF ARKANSAS EAST ARKANSAS COMMUNITY COLLEGE			
Series 2021 Refunding	Property Taxes	\$	461,426
Maturity date is March 2040			
	FY25 Principal and Interest	\$	209,200
	% of Revenue Pledge		45.34%
	Remaining Principal & Interest	\$	3,187,738

New Bonds Payable and Refundings

For the year ended June 30, 2025:

On August 28, 2024, the University issued \$29,845,000 in Various Facility Revenue Bonds (Fayetteville Campus), Series 2024A, with interest rates of 5.00%. Bond proceeds and premiums of \$3,336,000 were issued to finance costs of certain capital improvements on or for the campus of the Fayetteville Campus including, without limitation, (a) the renovation, acquisition, construction, furnishing, and equipping the Health, Physical Education, and Recreation Building; (b) the acquisition of property for expansion purposes and other purposes of the Fayetteville Campus; and (c) the acquisition of construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for University of Arkansas, Fayetteville.

On July 29, 2024, an Invitation to Tender Bonds for Purchase was released inviting owners of the following (collectively referred to herein as the Invited Bonds) to tender such bonds for purchase by the Board.

- Various Facility Revenue Bonds (Fayetteville Campus) Refunding and Improvement Series 2016A (the Series 2016A Bonds)
- Various Facility Revenue Bonds (Fayetteville Campus), Series 2017 (the Series 2017 Bonds)
- Various Facility Revenue Bonds (Fayetteville Campus), Taxable Refunding Series 2019B (the Series 2019B Bonds)
- Various Facility Revenue Bonds (Fayetteville Campus), Taxable Refunding Series 2021 (the Series 2021 Bonds)

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

New Bonds Payable and Refundings (Continued)

On August 28, 2024, the University issued \$72,295,000 in Various Facility Revenue Bonds (Fayetteville Campus), Refunding Series 2024B, with interest rates between 4.00% and 5.00%. The proceeds of the Series 2024B Bonds premiums of \$10,349,000 were used to accomplish the current refunding of certain portions of the Invited Bonds that are validly tendered for purchase (the “Purchased Bonds”) and to pay costs of issuance of the Series 2024B Bonds and costs of accomplishing the refunding and purchase of the Purchased Bonds. The amount outstanding of the Invited Bonds, amount refunded upon issuance of the Series 2024B Bonds, and respective interest rates prior to refunding are as follows:

Invited Bonds	Amount Outstanding	Tendered Amount	Interest Rate Range
Series 2016A Bonds	\$53,650,000	\$2,560,000	3.00% to 5.00%
Series 2017 Bonds	\$65,365,000	\$18,750,000	5.00%
Series 2019B Bonds	\$112,250,000	\$16,250,000	2.256% to 3.401%
Series 2021 Bonds	\$135,420,000	\$49,050,000	1.127% to 2.685%

A total of \$81,959,000 was deposited into the Series 2024B Purchase Account used to purchase for a purchase price of \$81,959,000 for the tendered bonds. On the closing date, a transferred proceeds penalty associated with the Series 2021 Bonds of \$87,000 was remitted to the IRS. The combined refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$7,293,000. This difference will be amortized through the fiscal year 2046. The university completed the refunding to reduce its total debt service payments over the next 22 years by \$6,789,000 and to obtain an economic gain of \$4,458,000.

On September 11, 2024, the Board of Trustees of the University of Arkansas issued the Refunding Series 2024 Revenue Bonds (the 2024 Bonds) on behalf of the University of Arkansas at Fort Smith (UAFS). The 2024 Bonds consist of Student Fee Revenue Bonds in the original amount of \$7,170,000, with a premium of \$870,942, which bear interest at 5.00%. The 2024 Bonds are payable in annual installments through June 2039. Proceeds from the issuance of the bonds were used to current refund Student Fee Revenue Bonds, Series 2014B.

On November 5, 2024, the Board of Trustees of the University of Arkansas issued Series 2024 Revenue Bonds (the 2024 Bonds) on behalf of the University of Arkansas Community College at Morrilton (UACCM). The 2024 Bonds consist of Student Fee Revenue Bonds in the original amount of \$10,215,000, with a premium of \$937,280, which bear interest at 5.00%. The 2024 Bonds are payable in annual installments through May 2051. Proceeds from the issuance of the bonds will be used to finance certain capital improvements, to fund capitalized interest, and to pay costs of issuance.

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

New Bonds Payable and Refundings (Continued)

On January 30, 2025, the Board of Trustees of the University of Arkansas issued the Refunding Series 2025 (the 2025 Bonds) on behalf of the University of Arkansas for Medical Sciences (UAMS). The Series 2025 revenue bonds payable consist of Various Facilities Revenue Bonds (2025 Bonds) in the original amount of \$59,230,000, with a premium of \$5,398,500 which bear interest at 5.00%. The 2025 Bonds are payable in annual installments including mandatory sinking fund redemption from September 2025 through September 2035. Interest is paid semiannually. All of the 2025 Bonds still outstanding may be redeemed at UAMS' option on or after March 1, 2035. The redemption price is 100% of the principal amount thereof plus accrued interest to the date of redemption.

Proceeds from the issuance of the 2025 Bonds were used to current refund the 2014 Bonds. UAMS has pledged revenues attributable to in-patient services and other ancillary, therapeutic, and diagnostic services provided within the walls of the Hospital, excluding physician-generated revenues, all state appropriations, and restricted revenues to repay the Various Facilities Revenue Bonds. The bonds are payable solely from pledged revenues. Annual principal and interest payments on the bonds are expected to require less than 1.00% of pledged revenues.

For the year ended June 30, 2024:

On August 3, 2023, the University issued \$10,260,000 in Athletic Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2023, with an interest rate of 5.00%. The proceeds of the bonds will be used to refund the Board's Athletic Facilities Revenue Bonds (Fayetteville Campus), Series 2013A (except for the September 15, 2023 maturity thereof), and to pay costs of issuance. Net bond proceeds and premiums of \$10,649,438 from Series 2023 was deposited into an escrow account to retire the bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,021,484. This difference, reported in the accompanying financial statements as Deferred outflows of resources, will be amortized through fiscal year 2028. The University completed the refunding to reduce its total debt service payments over the next five years by \$406,275 and to obtain a net present value economic gain of \$399,900.

On August 17, 2023, the University issued \$62,335,000 in Various Facility Revenue Bonds (Fayetteville Campus), Taxable Series 2023A, with interest rates between 4.751% and 5.467%. The bonds were issued to finance costs of certain capital improvements on or for the campus of the Fayetteville Campus including, without limitation, (a) the acquisition, construction, furnishing, and equipping of the Institute for Integrative and Innovative Research (I3R), (b) the acquisition, construction, furnishing, and equipping of the Multi-User Silicon Carbide Research and Fabrication Facility (MUSiC), and (c) the acquisition of construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for University of Arkansas, Fayetteville.

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

New Bonds Payable and Refundings (Continued)

On July 7, 2023, an Invitation to Tender Bonds for Purchase was released inviting owners of the following (collectively referred to herein as the Invited Bonds) to tender such bonds for purchase by the Board.

- Various Facility Revenue Bonds (Fayetteville Campus) Refunding and Improvement Series 2016A (the Series 2016A Bonds)
- Various Facility Revenue Bonds (Fayetteville Campus), Series 2017 (the Series 2017 Bonds)
- Various Facility Revenue Bonds (Fayetteville Campus), Taxable Refunding Series 2019B (the Series 2019B Bonds)
- Various Facility Revenue Bonds (Fayetteville Campus), Taxable Refunding Series 2021 (the Series 2021 Bonds)

On August 17, 2023, the University issued \$60,075,000 in Various Facility Revenue Bonds (Fayetteville Campus), Refunding Series 2023B, with an interest rate of 5.00%. The proceeds of the Series 2023B Bonds were used to accomplish the current refunding of certain portions of the Invited Bonds that are validly tendered for purchase (the “Purchased Bonds”) and to pay costs of issuance of the Series 2023B Bonds and costs of accomplishing the refunding and purchase of the Purchased Bonds. The amount outstanding of the Invited Bonds, amount refunded upon issuance of the Series 2023B Bonds, and respective interest rates prior to refunding are as follows:

Invited Bonds	Amount Outstanding	Tendered Amount	Interest Rate Range
Series 2016A Bonds	\$77,055,000	\$20,450,000	5.00%
Series 2017 Bonds	\$87,910,000	\$20,735,000	5.00%
Series 2019B Bonds	\$131,080,000	\$13,330,000	2.256% to 2.850%
Series 2021 Bonds	\$160,350,000	\$13,340,000	0.863% to 2.685%

A total of \$68,698,689 was deposited into the escrow account upon closing. The purchase price to retire the bonds was funded with net bond proceeds and premiums from the Series 2023B Bonds of \$67,923,060 and a contribution from the University of \$775,629 representing the interest on the retired bonds accrued to the closing date of the Series 2023B Bonds. The combined refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,951,439. This difference, reported in the accompanying financial statements as Deferred outflows of resources, will be amortized through the fiscal year 2045. The University completed the refunding to reduce its total debt service payments over the next twenty-two years by \$7,035,998 and to obtain an economic gain of \$4,818,148.

On August 3, 2023, the Board of Trustees of the University of Arkansas issued the Series 2023 Revenue Bonds (the 2023 Bonds) on behalf of UAMS. The 2023 Bonds consist of Various Facilities Revenue Bonds in the original amount of \$64,630,000, with a premium of \$8,923,760, which bear interest at 5.00%. The 2023 Bonds are payable in annual installments through November 2034. Proceeds from the issuance of the bonds were used to current refund Various Facilities Revenue Refunding Bonds, Series 2013.

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

New Bonds Payable and Refundings (Continued)

On August 3, 2023, the Board of Trustees of the University of Arkansas issued the Series 2023 Revenue Bonds (the 2023 Bonds) on behalf of UALR. The 2023 Bonds consist of Various Facilities Revenue Bonds in the original amount of \$13,765,000 with a premium of \$1,201,176, which bear interest at 5.00%. The 2023 Bonds are payable in annual installments through October 2030. Proceeds from the issuance of the bonds were used to current refund the Student Fee Revenue Capital Improvement Bonds, Series 2013C.

Note 11: Commitments

The University has contracted for the construction and renovations of several facilities. At June 30, 2025, the estimated remaining costs to complete these facilities are shown below.

Campus	Contract Balance
UAF	\$ 86,920,496
UAFS	7,710,545
UALR	691,485
UAMS	34,928,000
UAM	12,477,882
UAPB	28,425,414
SYSTEM	258,918
UACCB	3,267,990
UACCM	2,941,289
UAPTC	999,998
UACCRM	11,889,707
	<u>\$ 190,511,724</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, 2025. 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 the specific levels of coverage to be bound.

In July 2022, the University entered the Arkansas Multi Agency Insurance Trust (AMAIT) property insurance program of the Arkansas Insurance Department. With that program the per claim deductible is \$250,000 (\$100,000 available to smaller campuses) and the University has access to the staff and property risk expertise of the Insurance Department. The University had limited property losses during the year.

Note 13: Risk Management (Continued)

The University also participates in the Arkansas Insurance Department Cyber Liability Insurance program. The policy addresses business interruption, data recovery, security and privacy, regulatory proceedings, and other aspects of cyber risks.

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 clinical 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, for associated business projects, or for special events, general liability coverage may be purchased specific to that event or project.

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. There have been no reductions in insurance coverage from the prior fiscal year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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.

At June 30, 2025, a total of 18,235 active employees, former employees, and pre-65 retirees were participants in the health plan. As of June 30, 2025, 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 20,434 active employees, former employees, and retirees were participants in the dental plan as of June 30, 2025. 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.

Note 14: Employee Benefits (Continued)

Insurance Plans (Continued)

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 \$22,237,500 at June 30, 2025. 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 \$1,750,000 for any one covered individual, the University pays an aggregating specific deductible of \$626,250, on the first claim exceeding \$1,750,000 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, 2025, the loss ratio for the health plan was 99% and the loss ratio for the dental plan was 100%.

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

Reconciliation of Changes in the Liability for Future Insurance Claims		
	FY25	FY24
Unpaid claims and claim adjustment expenses at beginning of year	\$ 23,431,000	\$ 18,873,600
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current year	216,214,500	206,722,000
Adjustment in provision for insured events of prior years	(7,538,000)	4,220,400
Total incurred claims and claim adjustment expenses	<u>208,676,500</u>	<u>210,942,400</u>
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current year	193,977,000	183,291,000
Claims and claim adjustment expenses attributable to insured events of prior years	15,893,000	23,094,000
Total Payments	<u>209,870,000</u>	<u>206,385,000</u>
Total unpaid claims and claim adjustment expenses at end of year	<u>\$ 22,237,500</u>	<u>\$ 23,431,000</u>

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

Note 14: Employee Benefits (Continued)

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, 2025, was \$35,000. 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 years 2025 and 2024 were \$139,722,021 and \$141,651,958, respectively. The participants' contributions for the fiscal years 2025 and 2024 were \$174,617,031 and \$153,772,504, respectively.

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 2025. 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 years 2025 and 2024 were \$ 3,978,250 and \$3,461,867, respectively. Participants' contributions for the fiscal years 2025 and 2024 were \$1,200,321 and \$1,087,645, 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, 5th Floor, Little Rock, AR 72201.

Note 14: Employee Benefits (Continued)

Retirement Plans (Continued)

ATRS is a cost-sharing multi-employer defined benefit pension plan. The University contributed an amount equal to 15.00% of all covered employees’ salaries in fiscal year 2025. Under certain conditions, covered employees may voluntarily contribute 7% of their salary. The University’s contributions for the fiscal years 2025 and 2024 were \$1,163,683 and \$1,097,118, respectively. Participants’ contributions for the fiscal years 2025 and 2024 were \$411,956 and \$387,706, respectively. 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. 3rd 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 \$71,005 at June 30, 2025.

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 thirteen member Board of Trustees of the Arkansas Public Employees’ Retirement System (the Board). Membership includes five state and five non-state employees, and three ex-officio trustees, including the Auditor of State, Treasurer of State, and the Director of the Department of Finance and Administration. Six members are appointed by the Governor, two are appointed by the President Pro Tempore, and two are appointed by the Speaker of the House of Representatives. APERS issues a publicly available financial report that can be obtained at <http://www.apers.org/publications>.

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 93rd 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%

Note 15: Defined Benefit Pension Plans (Continued)

Arkansas Public Employees Retirement System (APERS) (Continued)

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 5.75% 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, 2025.

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

At June 30, 2025, the University reported a liability of \$26,941,755 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2025, the university's proportion was 1.083%, which was an increase of 0.062% from its proportion measured as of June 30, 2024.

Note 15: Defined Benefit Pension Plans (Continued)

Arkansas Public Employees Retirement System (APERS) (Continued)

For the year ended June 30, 2025, the University recognized pension expense of \$2,003,020. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

APERS	Deferred outflows	Deferred inflows
Diff - expected & actual experience	\$ 1,045,520	\$ (1,101,489)
Changes of assumptions	938,882	-
Net difference in projected/actual earnings	781,548	-
Changes in proportion	722,845	(3,635,872)
University contributions subsequent to measure	3,978,250	-
	<u>\$ 7,467,045</u>	<u>\$ (4,737,361)</u>

Deferred outflows of resources of \$3,978,250 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, 2026. 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:

2026	\$ (2,144,375)
2027	2,907,050
2028	(1,365,760)
2029	(645,481)
2030	
Thereafter	
	<u>\$ (1,248,566)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Discount Rate	7.00%
Wage Inflation Rate	3.25%
Investment Rate of Return*	7.00%
Salary Increases	3.25% – 11.00% including inflation
Mortality Table	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 114% and 132% of the PubG-2010 Amount-Weighted Below-Median Income General Retiree Mortality tables, for males and females, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2021 mortality improvement scale to the above described tables.
Average Service Life of All Members	3.6281

*Net of investment and administrative expenses.

Note 15: Defined Benefit Pension Plans (Continued)

Arkansas Public Employees Retirement System (APERS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return 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 2024 to 2033 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, 2024, these best estimates are summarized in the following table:

Asset Class	Current Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	39.00%	5.03%
International Equity	17.00	6.34
Real Assets	16.00	4.51
Private Equity	5.00	9.00
Hedge Funds	2.00	3.63
Domestic Fixed	21.00	3.38
Total	100.00%	

Discount Rate

A single discount rate of 7.00% 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 7.00%. 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 7.00%, as well as what the net pension liability would be if it were calculated using a single discount rate that is 1%-point lower (6.00%) and 1%-point higher (8.00%) than the current rate:

Sensitivity of Discount Rate		
1% Decrease	Discount Rate	1% Increase
6.00%	7.00%	8.00%
\$ 45,970,872	\$ 26,941,755	\$ 11,252,075

Pension Plan Fiduciary Net Position

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

Note 15: Defined Benefit Pension Plans (Continued)

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>.

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.

Note 15: Defined Benefit Pension Plans (Continued)

Arkansas Teacher Retirement System (ATRS) (Continued)

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 15.00% of applicable compensation for the fiscal year ended June 30, 2025.

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

At June 30, 2025, the University reported a liability of \$9,015,713 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2025, the University's proportion was 0.211%, which was a decrease of 0.011% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the University recognized pension expense of \$(369,874). At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ATRS	Deferred outflows	Deferred inflows
Diff - expected & actual experience	\$ 262,938	\$ (6,330)
Changes of assumptions	437,997	-
Net difference in projected/actual earnings	-	(995,677)
Changes in proportion	28,029	(3,009,084)
University contributions subsequent to measure	1,163,683	-
	<u>\$ 1,892,647</u>	<u>\$ (4,011,091)</u>

Note 15: Defined Benefit Pension Plans (Continued)

Arkansas Teacher Retirement System (ATRS) (Continued)

Deferred outflows of resources related to pensions of \$1,163,683 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, 2026. 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:

2026	\$	(1,753,916)
2027		59,594
2028		(938,486)
2029		(649,319)
2030		
Thereafter		
	\$	<u>(3,282,127)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Discount Rate	7.25%
Wage Inflation Rate	2.75%; includes 2.50% price inflation and 0.25% general economic improvement
Salary Increases	2.75 – 5.75%
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%

Note 15: Defined Benefit Pension Plans (Continued)

Arkansas Teacher Retirement System (ATRS) (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the 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, 2024, these best estimates are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	48.00%	4.70%
Fixed Income	20.00	2.40
Alternatives	5.00	4.50
Real Assets	15.00	4.60
Private Equity	12.00	6.90
Cash Equivalents	0.00	1.80
Total	100%	

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability based on the expected rate of return on pension plan investments. The current member and employer contribution rates are 7% and 15% of active member payroll, respectively. The projection of cash flows used to determine this single discount rate assumed that member and employer contributions will be made in accordance with this schedule. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of 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%
\$ 16,033,756	\$ 9,015,713	\$ 3,197,823

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)

University of Arkansas System

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:

UAPTC, a closed group of retirees pay 0% of the active premium for single coverage but are responsible for the total cost of the insurance premium for spouse and any unmarried dependents. Retirees who retired after 2/1/17 pay 100% of premiums for single coverage 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.

Effective January 1, 2017, employees are also eligible for retirement benefits upon attaining age 65 if they have completed five (5) or more consecutive years of continuous coverage under the Plan.

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.

At June 30, 2025, the following employees were covered by the benefit terms:

Employees covered by Benefit Terms	Medical	Life
Inactive employees or beneficiaries currently receiving benefit payments	251	1,682
Active employees	19,921	
Total Employees covered by Benefit Terms	20,172	1,682

Total OPEB Liability

Total OPEB liability as of June 30, 2025 was \$69,987,000, determined by actuarial valuations as of July 1, 2024, rolled forward.

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

University of Arkansas System (Continued)

Summary of Key Actuarial Methods and Assumptions

Valuation date	July 1, 2024 valuation for the year ended June 30, 2025
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	3.93%
Rate of salary increase for amortization	4.00%
Medical inflation rate	7.00% FYB 2025 grading to 3.73% over 20 years
Pharmacy inflation rate	12.00% FYB 2025 grading to 3.73% over 20 years
Retiree contribution inflation rate	9.10% FYB 2025 grading to 3.73% over 20 years

The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2023 was 3.65%, the unfunded rate determined as of June 30, 2023 based on the Bond Buyer 20-Bond GO Index. The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2024 was 3.93%, the unfunded rate determined as of June 30, 2024 based on the Bond Buyer 20-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.

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

University of Arkansas System (Continued)

The claims costs were developed from the active premium rates for the period July 1, 2024 to June 30, 2025. 73.8% of the premium was assumed to be for medical, 22.2% for pharmacy, and 4.0% for expenses based on information provided by University of Arkansas System. This information indicated that the expected claims would be 101.1% of the premiums for the fiscal year per the IBNP analysis letter from Segal dated February 24, 2025.

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 3.65% to 3.93%.

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, 2025.

	<u>2025</u>
Balances at 6/30/2023 (Reporting Date 6/30/2024)	\$ 75,221,000
Changes for the year:	
Service cost	5,031,000
Interest (includes interest on service cost)	2,890,000
Changes of benefit terms	-
Differences between expected and actual experience	(2,433,000)
Changes of assumptions	(8,522,000)
Benefit payments, including refunds of member contributions	(2,200,000)
Net changes in total OPEB liability	(5,234,000)
Balances at 6/30/2024 (Reporting Date 6/30/2025)	\$ 69,987,000

During the measurement year, the TOL decreased by approximately \$5.2 million. The service cost and interest cost increased the TOL by approximately \$7.9 million while benefit payments decreased the TOL by approximately \$2.2 million.

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

University of Arkansas System (Continued)

The discount rate changed from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. In addition, claim costs and trends were updated to reflect changes in benefits and experience and our expectation of future cost. Combined, these assumption changes resulted in a gain of \$8.5 million. This gain 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 \$2.4 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.

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.

Sensitivity of Total OPEB Liability to Changes in Discount Rate		
1% Decrease	Discount Rate	1% Increase
2.93%	3.93%	4.93%
\$76,529,000	\$69,987,000	\$64,117,000

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.

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates		
1% Decrease	Healthcare Trend	1% Increase
\$63,392,000	\$69,987,000	\$77,685,000

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

For the year ended June 30, 2025, the University recognized OPEB expense of \$4,103,000. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$954,000	\$5,013,000
Changes in assumptions	634,000	11,617,000
Contributions subsequent to the measurement date	2,073,000	
Total	\$ 3,661,000	\$ 16,630,000

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

University of Arkansas System (Continued)

The \$2,073,000 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, 2026. 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:	
2026	\$ (4,416,000)
2027	(4,888,000)
2028	(2,648,000)
2029	(2,161,000)
2030	(501,000)
Thereafter	(428,000)

University of Arkansas East Arkansas Community College

University of Arkansas East Arkansas Community College (UAEACC) will transition to the University of Arkansas System Health Plan on January 1, 2028, therefore, the OPEB information for UAEACC is being presented separately.

UAEACC provides postemployment healthcare benefits to all permanent full-time employees through Blue Advantage Administrators of Arkansas, a component of the multiple employer defined benefit healthcare plan administered by the Arkansas Higher Education Consortium (AHEC) and managed by JTS Financial. To be eligible, an employee must retire directly from active employment of the college, be at least age sixty with at least ten years of service or be at least age 55 and meet the “Rule of 70” criteria (age plus years of service equals 70). The College has the authority to affiliate with AHEC and establish by policy the defined benefits and amount remitted by the employer to AHEC. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. Expenditures for post-retirement health care benefits are paid as they come due and there is no actuarially determined College payment requirement to the Plan.

East Arkansas Community College pays 59 to 100 percent of the health insurance premium depending upon the requirements above until the retiree reaches age 65 or becomes eligible for Medicare. After that, the retiree can continue coverage but must pay the same premium as an active employee. Eligible employees may elect single or family coverage; however, the retiree will be entirely responsible for the total cost of the insurance premium for the spouse and for any unmarried dependents.

At June 30, 2025, the following employees were covered by the benefit terms:

Employees covered by Benefit Terms	Medical	Life
Inactive employees or beneficiaries currently receiving benefit payments	4	
Active employees	131	
Total Employees covered by Benefit Terms	135	-

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

University of Arkansas East Arkansas Community College (Continued)

Total OPEB Liability

Total OPEB liability as of June 30, 2025, was \$720,869, determined by actuarial valuations as of June 30, 2025.

Summary of Key Actuarial Methods and Assumptions

Valuation date	June 30, 2025
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar over 30 years from July 1, 2017
Remaining amortization period	22 years rolling
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	0.00%
Assumed Inflation	3.00% per year
Assumed single discount rate	4.81
Rate of medical inflation	8.00% next year, 7.50% the following year, 7.00% the third year, 6.50% the fourth year, with the rate decreasing by 0.5% each year, to an ultimate rate of 5.0%

The assumed discount rate was increased from 4.21% at 7/1/2024 to 4.81% at 7/1/2025, as required by GASB 75. For the purpose of this valuation, the expected rate of return on OPEB program investments is 4.81%; the municipal bond rate is 4.81%; the resulting single discount rate is 4.81%.

Mortality Rates:

Pre-Retirement	Pub-T 2010 Mortality Table (headcount basis), projected generationally with Scale MP 2019.
Post-Retirement	Pub-T 2010 Mortality Table (headcount basis), projected generationally with Scale MP 2019.

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

University of Arkansas East Arkansas Community College (Continued)

Medical Plan	Arkansas Higher Education Consortium Benefits Trust
Deductible:	Basic - \$3,000 individual/\$6,000 family Core - \$2,000 individual/\$4,000 family Enhanced - \$1,000 individual/\$2,000 family Twice the above amounts for out-of-network
Out of Pocket Limit:	Basic - \$6,000 individual/\$12,000 family Core - \$6,000 individual/\$12,000 family Enhanced - \$4,500 individual/\$9,000 family No limit for out-of-network claims.
Copayment:	Basic - \$20 primary care physician, \$50 specialist Core - \$20 primary care physician, \$50 specialist Enhanced - \$20 primary care physician, \$50 specialist
Coinsurance:	Generally 20% in-network, 40% out-of-network

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, 2025.

	2025
Balances at 6/30/2024 (Reporting Date 6/30/2024)	\$ 812,184
Changes for the year:	
Service cost	55,281
Interest (includes interest on service cost)	30,687
Changes of benefit terms	-
Differences between expected and actual experience	(27,765)
Changes of assumptions	(32,119)
Benefit payments, including refunds of member contributions	(12,960)
Net changes in total OPEB liability	13,124
Balances at 6/30/2024 (Reporting Date 6/30/2024)	812,184
Total OPEB Liability - Ending (AHEC)	720,869
Total OPEB Liability - Ending (State)	73,584
Balances at 6/30/2025 (Reporting Date 6/30/2025)	\$ 794,453

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

Arkansas State Employee Health Insurance Plan

Two (2) employees participated in the Arkansas State Employee Health Insurance Plan (administered by the Arkansas Department of Finance and Administration Employee Benefits Division), a single-employer defined benefit healthcare plan. Each year as employees retire, resign or choose to change from the state plan, this number is adjusted to represent a more accurate number of employees participating in the State plan. The College’s OPEB liability identified above represents a pro-rata share of the FY25 statewide liability which was actuarially determined in accordance with the parameters of GASB statement no. 75. The College’s pro-rata share of the FY25 statewide OPEB liability was 0.000060254. Additionally, Deferred Outflows of Resources and Deferred Inflows of Resources totaling \$11,559 and \$24,018, respectively are related to Arkansas State Employee Insurance Plan and included in the statements. Required information, including actuarial data, of the statewide liability is disclosed in the Arkansas Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2025.

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.

Sensitivity of Total OPEB Liability to Changes in Discount Rate		
1% Decrease	Discount Rate	1% Increase
3.81%	4.81%	5.81%
\$775,317	\$720,869	\$670,927

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.

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates		
1% Decrease	Healthcare Trend	1% Increase
\$642,298	\$720,869	\$816,218

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

Arkansas State Employee Health Insurance Plan (Continued)

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

For the year ended June 30, 2025, the University recognized OPEB expense of \$72,872. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$57,356	\$115,539
Changes in assumptions	25,678	116,795
Contributions subsequent to the measurement date	-	
Total	\$ 83,034	\$ 232,334

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:	
2026	\$ (13,096)
2027	(13,092)
2028	(13,697)
2029	(14,510)
2030	(26,099)
Thereafter	(68,806)

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 2025:

Functional Classifications	Natural Classifications					
	Compensation & Benefits	Supplies & Services	Scholarships & Fellowships	Insurance	Depreciation	TOTAL
Instruction	\$ 472,898,975	\$ 75,105,173	\$ 358,282	\$ -	\$ -	\$ 548,362,430
Research	230,222,632	122,678,836	1,250	-	-	352,902,718
Public Service	114,561,845	77,496,184	-	-	-	192,058,029
Academic Support	123,951,034	37,297,554	49,207	-	-	161,297,795
Student Services	85,084,305	44,227,697	193,123	-	-	129,505,125
Institutional Support	218,484,214	55,120,301	36,985	-	-	273,641,500
Scholarships/Fellowship	1,528,264	1,927,665	69,206,956	-	-	72,662,885
Plant Operations	66,508,070	134,538,967	-	-	-	201,047,037
Auxiliary Enterprises	107,636,890	163,111,839	7,469,020	-	-	278,217,749
Depreciation	-	-	-	-	275,066,904	275,066,904
Patient Care	876,149,588	703,101,000	-	-	-	1,579,250,588
Other	11,405,024	1,263,367	-	-	-	12,668,391
Insurance expenses	-	-	-	233,039,699	-	233,039,699
TOTAL	\$ 2,308,430,841	\$ 1,415,868,583	\$ 77,314,823	\$ 233,039,699	\$ 275,066,904	\$ 4,309,720,850

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 2024:

Functional Classifications	Natural Classifications					
	Compensation & Benefits	Supplies & Services	Scholarships & Fellowships	Insurance	Depreciation	TOTAL
Instruction	\$ 440,623,172	\$ 70,767,060	\$ 9,587	\$ -	\$ -	\$ 511,399,819
Research	226,844,508	117,634,602	-	-	-	344,479,110
Public Service	106,275,323	65,330,519	-	-	-	171,605,842
Academic Support	117,811,654	34,282,732	-	-	-	152,094,386
Student Services	74,341,769	45,838,625	18,091	-	-	120,198,485
Institutional Support	216,588,809	61,799,430	-	-	-	278,388,239
Scholarships/Fellowship	715,015	2,325,000	64,747,676	-	-	67,787,691
Plant Operations	69,851,894	137,032,153	-	-	-	206,884,047
Auxiliary Enterprises	97,127,463	143,435,339	3,048,687	-	-	243,611,489
Depreciation	-	-	-	-	274,862,943	274,862,943
Patient Care	799,708,655	588,893,000	-	-	-	1,388,601,655
Other	245,845	267,559	-	-	-	513,404
Insurance expenses	-	-	-	231,222,807	-	231,222,807
TOTAL	\$ 2,150,134,107	\$ 1,267,606,019	\$ 67,824,041	\$ 231,222,807	\$ 274,862,943	\$ 3,991,649,917

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 following financial information for the other organizations is based on the latest information available.

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, 2025, 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, 2025**

Assets	
Cash and investments	\$ 83,786,602
Other assets	33,295,311
Total Assets	<u>\$ 117,081,913</u>
Liabilities and Net Assets	
Liabilities	\$ 376,316
Net Assets	116,705,597
Total Liabilities and Net Assets	<u>\$ 117,081,913</u>

**CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2025**

Income and Other Additions	\$ 66,430,782
Expenditures and Other Deductions	<u>(41,383,164)</u>
Total Increase in Net Assets	<u>\$ 25,047,618</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, 2025, are presented below in summary form.

**ARKANSAS ALUMNI ASSOCIATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2025**

Assets	
Cash and investments	\$ 6,912,508
Other assets	<u>15,220,648</u>
Total Assets	<u>\$ 22,133,156</u>
Liabilities and Net Assets	
Liabilities	\$ 1,507,663
Net Assets	<u>20,625,493</u>
Total Liabilities and Net Assets	<u>\$ 22,133,156</u>

**CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2025**

Income and Other Additions	\$ 6,212,520
Expenditures and Other Deductions	<u>(4,171,653)</u>
Total Increase in Net Assets	<u>\$ 2,040,867</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, 2025, are presented below in summary form.

**ARKANSAS 4-H FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2025**

Assets	
Cash and investments	\$ 6,573,375
Other assets	<u>4,253,861</u>
Total Assets	<u>\$ 10,827,236</u>
Liabilities and Net Assets	
Liabilities	\$ 198,121
Net Assets	<u>10,629,115</u>
Total Liabilities and Net Assets	<u>\$ 10,827,236</u>

**CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2025**

Income and Other Additions	\$ 3,341,144
Expenditures and Other Deductions	<u>(2,861,550)</u>
Total Increase in Net Assets	<u>\$ 479,594</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, 2025, are presented below in summary form.

**UNIVERSITY OF ARKANSAS TECHNOLOGY
DEVELOPMENT FOUNDATION
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2025**

Assets	
Cash and investments	\$ 4,750,823
Other assets	<u>13,640,964</u>
Total Assets	<u>\$ 18,391,787</u>
Liabilities and Net Assets	
Liabilities	\$ 10,714,869
Net Assets	<u>7,676,918</u>
Total Liabilities and Net Assets	<u>\$ 18,391,787</u>

**CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2025**

Income and Other Additions	\$ 4,047,762
Expenditures and Other Deductions	<u>(3,744,764)</u>
Total Increase in Net Assets	<u>\$ 302,998</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, 2024, are presented below in summary form.

**UNIVERSITY OF ARKANSAS FORT SMITH
FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2024**

Assets	
Cash and investments	\$ 147,579,862
Other assets	<u>131,769</u>
Total Assets	<u>\$ 147,711,631</u>
Liabilities and Net Assets	
Liabilities	\$ 508,647
Net Assets	<u>147,202,984</u>
Total Liabilities and Net Assets	<u>\$ 147,711,631</u>

**CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2024**

Income and Other Additions	\$ 19,301,722
Expenditures and Other Deductions	<u>(6,381,818)</u>
Total Increase in Net Assets	<u>\$ 12,919,904</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, 2024, are presented below in summary form.

**TROJAN ATHLETIC FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2024**

Assets	
Cash	\$ 239,278
Other Assets	68,300
Total Assets	<u>\$ 307,578</u>
Liabilities and Net Assets	
Liabilities	\$ 42,217
Net Assets	265,361
Total Liabilities and Net Assets	<u>\$ 307,578</u>

**CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2024**

Income and Other Additions	\$ 264,864
Expenditures and Other Deductions	<u>(229,939)</u>
Total Increase in Net Assets	<u>\$ 34,925</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, 2024, are presented below in summary form.

**UAPB/AM&N ALUMNI ASSOCIATION, INC.
PER FORM 990
CONDENSED STATEMENT OF FINANCIAL POSITION
As of December 31, 2024**

Assets	
Cash & investments	\$ 1,094,346
Other assets	48,048
Total Assets	<u>\$ 1,142,394</u>
Liabilities and Net Assets	
Liabilities	\$ 63,778
Net Assets	1,078,616
Total Liabilities and Net Assets	<u>\$ 1,142,394</u>

**CONDENSED STATEMENT OF ACTIVITIES-UNAUDITED
FY Ended December 31, 2024**

Income and Other Additions	\$ 441,419
Expenditures and Other Deductions	<u>(227,698)</u>
Total Increase in Net Assets	<u>\$ 213,721</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 included in the Form 990 for the year ended December 31, 2023, 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, 2023**

Assets	
Cash & investments	\$ 5,983,226
Total Assets	<u>\$ 5,983,226</u>
Liabilities & Net Assets	
Liabilities	
Net Assets	\$ 5,983,226
Total Liabilities & Net Assets	<u>\$ 5,983,226</u>

**CONDENSED STATEMENT OF ACTIVITIES
FY Ended December 31, 2023**

Income and Other Additions	\$ 534,371
Expenditures and Other Deductions	<u>(392,631)</u>
Total Increase in Net Assets	<u>\$ 141,740</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 December 31, 2023, are presented below in summary form.

**UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE
AT HOPE FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of December 31, 2023**

Assets	
Cash and investments	\$ 649,327
Other Assets	3,889,033
Total Assets	<u>\$ 4,538,360</u>
Liabilities and Net Assets	
Liabilities	\$ -
Net Assets	4,538,360
Total Liabilities and Net Assets	<u>\$ 4,538,360</u>

**CONDENSED STATEMENT OF ACTIVITIES
FY Ended December 31, 2023**

Income and Other Additions	\$ 913,242
Expenditures and Other Deductions	(385,572)
Total Increase in Net Assets	<u>\$ 527,670</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, 2023, are presented below in summary form.

**UNIVERSITY OF ARKANSAS RICH MOUNTAIN
FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2023**

Assets	
Cash and investments	\$ 3,834,501
Other assets	2,202,627
Total Assets	<u>\$ 6,037,128</u>
Liabilities and Net Assets	
Liabilities	
Net Assets	\$ 6,037,128
Total Liabilities and Net Assets	<u>\$ 6,037,128</u>

**CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2023**

Income and Other Additions	\$ 329,972
Expenditures and Other Deductions	(343,934)
Total Decrease in Net Assets	<u>\$ (13,962)</u>

Note 18: Other Organizations (Continued)

East Arkansas Community College Foundation, Inc. was founded in 1969 with a mission to enhance resources for the benefit and advancement of East Arkansas Community College; to encourage and assist its students, faculty and staff; and to build community awareness of the purposes of EACC. Financial information included in the Form 990 for the year ended June 30, 2024, is presented below in summary form.

**EAST ARKANSAS COMMUNITY COLLEGE
PER FORM 990
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2024**

Assets	
Cash and investments	\$ 606,092
Other assets	
Total Assets	<u>\$ 606,092</u>
Liabilities and Net Assets	
Liabilities	
Net Assets	<u>\$ 606,092</u>
Total Liabilities and Net Assets	<u>\$ 606,092</u>

**CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2024**

Income and Other Additions	\$ 119,383
Expenditures and Other Deductions	<u>(38,042)</u>
Total Increase in Net Assets	<u>\$ 81,341</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, 2024, are presented below in summary form.

**UNIVERSITY OF ARKANSAS WINTHROP
ROCKEFELLER CENTER, INC.
CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
As of June 30, 2024**

Assets	
Cash and investments	\$149,794,477
Receivables	445,197
Other	96,939
Property and Equipment, Net	<u>21,587,455</u>
Total Assets	<u><u>\$171,924,068</u></u>
Liabilities and Net Assets	
Liabilities	\$ 564,404
Net Assets	<u>171,359,664</u>
Total Liabilities and Net Assets	<u><u>\$171,924,068</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF
ACTIVITIES
FY Ended June 30, 2024**

Income and Other Additions	\$ 18,973,900
Expenditures and Other Deductions	<u>(7,712,085)</u>
Total Increase in Net Assets	<u><u>\$ 11,261,815</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. Audited financial statements for the year ended June 30, 2025, are presented below in summary form.

DELTA STUDENT HOUSING, INC.

CONDENSED STATEMENT OF FINANCIAL POSITION

As of June 30, 2025

Assets	
Cash	\$ 512,263
Property and equipment	9,154,820
Total Assets	<u>\$ 9,667,083</u>
Liabilities and Net Assets	
Liabilities	\$ 8,743,374
Net Assets	923,709
Total Liabilities and Net Assets	<u>\$ 9,667,083</u>

CONDENSED STATEMENT OF ACTIVITIES

FY Ended June 30, 2025

Income and Other Additions	\$ 459,219
Expenditures and Other Deductions	(713,925)
Total Decrease in Net Assets	<u>\$ (254,706)</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.

For the year ended June 30, 2025:

FY25 - Statement of Net Position

An elimination entry was made to increase cash \$1,306,279 and reduce accounts receivable and accounts payable by \$21,427,564 and \$20,121,285, respectively. These adjustments 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) \$462,542 (current portion \$36,896) to reflect a loan from UAMS to UAF, and (2) \$4,482,645 (current portion \$355,350) 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, 2025 which were eliminated against current and non-current long-term debt (current portion \$3,428,941) and Other non-current assets:

<u>Campus</u>	<u>Balance at June 30,2025</u>
UAFS	\$ 390,326
UALR	1,126,049
UAM	281,013
UAMS	9,891,067
UAPB	407,453
PCCUA	143,079
UACCB	71,954
UACCHT	73,389
UAPTC	256,049
UACCRM	44,774
ASMSA	73,909
Total	<u>\$ 12,759,062</u>

FY25 - 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 \$147,896,602.

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 \$7,013,360. An elimination entry for services provided among campuses in the amount of \$1,553,922. 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 \$40,764. 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 \$474,787.

FY25 - 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 19: Elimination of Inter-Company Transactions (Continued)

For the year ended June 30, 2024:

FY24 - Statement of Net Position

An elimination entry was made to reduce accounts receivable and accounts payable by \$19,454,588, 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.

Three loans between University entities were eliminated to reduce assets and liabilities: (1) \$497,656 (current portion \$35,113) to reflect a loan from UAMS to UAF, and (2) \$4,658,780 (current portion \$177,002) 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, 2024 which were eliminated against current and non-current long-term debt (current portion \$3,305,845) and Other non-current assets:

Campus	Balance at June 30,2024
UAFS	\$ 494,343
UALR	1,426,129
UAM	355,900
UAMS	12,526,931
UAPB	516,035
PCCUA	181,208
UACCB	91,129
UACCHT	92,946
UAPTC	324,283
UACCRM	56,706
ASMSA	93,604
	<hr/>
	\$ 16,159,214

FY24 - 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 \$142,897,452.

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 \$4,897,393. An elimination entry for services provided among campuses in the amount of \$1,974,188. These amounts decreased operating sales and services, other operating revenues and operating supplies/services.

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

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 \$43,536. 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 \$577,791.

FY24 - 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 Chancellor for the Rich Mountain campus is a member of the Board of Directors of Union Bank of Mena based in Mena, AR. At June 30, 2025, bank and certificate of deposit balances held at Union Bank of Mena for the Rich Mountain campus totaled \$2,655,175 (book balances shown on the statement of net position for the campus total \$2,473,378). Union Bank of Mena also serves as the note holder for a note payable shown on the statement of net position for the campus at June 30, 2025 at a balance of \$612,041.

Note 22: Restatements

For the year ended June 30, 2025:

Statement of Revenues, Expenses, and Changes in Net Position

Beginning net position, as reported on the Statement of Revenues, Expenses and Changes in Net Position, was restated due to the merger with East Arkansas Community College (EACC). As a result, Net Position – beginning of the year was increased by \$37,728,191 to reflect the net position of EACC for the year ended June 30, 2024. In addition, the beginning net position of UAPB was adjusted \$2,052 to reflect the correct beginning balance of fund balance and funds held in trust for others.

Statement of Cash Flows -Direct Method

Beginning cash, as reported on the Statement of Cash Flows, was restated due to the merger with East Arkansas Community College. As a result, Net Position – beginning of the year was increased by \$21,531,396 to reflect the cash of EACC for the year ended June 30, 2024.

For the year ended June 30, 2024:

The University made certain immaterial revisions to the 2023 financial statements for the proper recognition of a lease receivable and the corresponding deferred inflows of resources and within the reconciliation of operating loss to net cash used in operating activities. In addition, a non-current accounts receivable line item was added to the Statement on Net Position (SNP) presentation to reclassify pledge and lease receivables from other non-current assets to non-current accounts receivable and to align with the presentation of these line items in the current asset section of the SNP. These revisions did not have a material impact or change the net position.

Note 22: Restatements (Continued)

Statement of Net Position

	As Reported June 30, 2023	Net Adjustment	Restated June 30, 2023
ASSETS			
Current			
Accounts receivable, net of allowances	\$ 267,434,895	\$ 34,000	\$ 267,468,895
Non-Current			
Accounts receivable, net of allowances		56,220,633	56,220,633
Other non-current assets	34,055,375	(15,454,633)	18,600,742
DEFERRED INFLOWS OF RESOURCES			
Other	16,734,947	40,800,000	57,534,947

Statement of Cash Flows -Direct Method-Continued

	As Reported June 30, 2023	Net Adjustment	Restated June 30, 2023
NON-CASH TRANSACTIONS			
Lease Receivable acquired through non-cash transactions	\$ -	40,800,000	\$ 40,800,000

Note 23: 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. 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 23: Contingencies (Continued)

In fiscal year 2006, the Arkansas Development Finance Authority (Authority) issued \$36,775,000 in Tobacco Settlement Revenue Bonds. The Authority has 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. The bonds have an approximate yield to maturity of 4.77% to 5.10%, and principal and accumulated interest are payable 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, which represent the State of Arkansas' portion of approximately \$10 billion of damages to be paid by tobacco companies over an indefinite time period, are pledged for debt service (Debt Service Revenues) 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, UAMS 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) indicates tobacco consumption by 2046 is expected to decline by 54% from the 2003 level. For fiscal year 2003, Arkansas received \$360,067,000 from the Tobacco Settlement Fund. Using the 54% decline from above, Arkansas should receive approximately \$27,600,000 in 2046 with the first \$5,000,000 dedicated to pay the debt service on the above bond issue. Arkansas received approximately \$42,046,000 and \$44,594,000 from the Tobacco Settlement Fund during the years ended June 30, 2025 and 2024, respectively.

If debt service revenues had been considered insufficient, UAMS would have incurred a liability equal to the shortfall amount. Total future debt service at June 30, 2025 and 2024 was approximately \$68,110,000 and \$69,782,000, respectively. 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 (a) physician-generated revenues, (b) state appropriations, and (c) revenues restricted for other purposes.

The University of Arkansas at Fayetteville (UAF) has entered into a unified revenue agreement with Eventellect. Under the agreement, both parties seek to meet annual revenue goals for athletic ticket sales. The agreement calls for the parties to share revenue after the revenue goals are met and Eventellect has recouped their initial marketing and advertising investment of \$6,000,000 (“Eventellect Marketing Expenditure”) and a .65% annual service fee for sales strategies and resources (e.g., management, software, secondary market consultation, etc.) of the parties' unified sales revenue. The University has partially protected ticket sales in this agreement in the event annual revenue goals are not met as Eventellect is required to pay fifty percent (50%) of the shortfall as an annual revenue deficit. As of June 30, 2025, Eventellect continues to seek recovery of a remaining balance of \$4,195,887 from its initial marketing and advertising investment (the Eventellect Marketing Expenditure) that is only recovered when the revenue goals are exceeded or the University breaches or terminates the agreement prior to expiration.

Note 23: Contingencies (Continued)

For the purposes of financial reporting, the University includes Arkansas Research and Education Optical Network. Arkansas Research and Education Optical Network ("ARE-ON") is an unincorporated membership consortium with a mission of promoting, developing, and applying leading technologies to support and enhance research, education, public safety, health care, and economic development in the State. The University of Arkansas System is a member of ARE-ON, and certain of ARE-ON's administrative processes are supported by the System.

An information technology company and a financial institution filed a claim in the Arkansas Claims Commission against the System seeking \$7,275,000 plus interest and fees for alleged breach of two June 2020 contracts between ARE-ON and the information technology company. The contracts were for security software and monitoring services to be offered by ARE-ON to its member institutions, including the System. The information technology company alleges that the System is a party to the contract. The System has denied that it is liable to the claimants. The Arkansas Claims Commission is holding the claim against the System in abeyance while the information technology company and the financial institution pursue their claims against ARE-ON in Arkansas state court. The Arkansas Attorney General, on behalf of ARE-ON, filed a motion to dismiss, and a hearing on the motion was held on November 18, 2025. The court ruled that ARE-ON is a state entity and, therefore, a monetary claim against ARE-ON may only be pursued in the Claims Commission. The System estimates that its maximum liability is approximately \$8,000,000.

Note 24: Merger

On March 13, 2024, The Board of Trustees of the University of Arkansas and the Board of Trustees of East Arkansas Community College ("EACC"), a two-year community college located in Forrest City, St. Francis County, Arkansas in the eastern part of the State, entered into an Agreement of Merger and Plan of Transition (the "EACC Agreement"). Pursuant to the EACC Agreement, EACC will become a campus of the System and will be known as the University of Arkansas East Arkansas Community College. The merger was approved, and confirmation of continued accreditation was received from the Higher Learning Commission of the North Central Association on November 4, 2024. The certificate of merger was signed on November 21, 2024 by the Board of Trustees of the University of Arkansas and the Board of Trustees of East Arkansas Community College ("EACC").

Note 24: Merger (Continued)

**UNIVERSITY OF ARKANSAS EAST ARKANSAS COMMUNITY COLLEGE
Condensed Statement of Net Position
June 30, 2024**

	<u>June 30, 2024</u>
Assets	
Cash and investments	\$ 23,987,281
Receivables	2,723,600
Prepaid expenses and other	38,989
Deposits and funds held in trust by others	194,456
Property and Equipment	<u>21,347,786</u>
Total Assets	<u>\$ 48,292,112</u>
 Deferred Outflows of Resources	 <u>\$ 2,120,322</u>
Liabilities	
Current	
Accounts payable and other accrued liabilities	\$ 318,350
Other liabilities	233,969
Compensated absences	522,052
Other postemployment benefits	812,184
Liability for pensions	4,395,205
Long-term debt and other obligations	<u>5,351,452</u>
Total Liabilities	<u>\$ 11,633,212</u>
 Deferred Inflows of Resources	 <u>\$ 1,051,031</u>
Net Position	
Net Investment in capital Assets	\$ 16,084,620
Restricted: non-expendable	152,552
Restricted: expendable	1,449,014
Unrestricted	<u>20,042,005</u>
TOTAL NET POSITION	<u>\$ 37,728,191</u>

Note 24: Merger (Continued)

**UNIVERSITY OF ARKANSAS EAST ARKANSAS COMMUNITY COLLEGE
Condensed Statement of Revenues, Expenses and Changes in Net Position
June 30, 2024**

Operating loss	
Operating Revenues	\$ 4,634,341
Operating Expenses	<u>(15,966,572)</u>
Operating Loss	<u>\$ (11,332,231)</u>
Non-operating revenues (expenses)	
State appropriations	\$ 10,794,690
Property and sales tax	411,251
Federal, state, and other grants	1,851,788
Interest and fees on capital asset-related debt	<u>(122,832)</u>
Other, net	<u>387,633</u>
Net non-operating revenues	<u>\$ 13,322,530</u>
Income before other revenues	1,990,299
Total other revenues and expenses	
Increase (decrease) in net position	<u>\$ 1,990,299</u>

Note 25: Subsequent Events

Merger

The Board and the Board of Trustees of North Arkansas College ("NAC"), a two-year community college located in Harrison, Boone County, Arkansas in the north-central part of the State, have entered into an Agreement of Merger and Plan of Transition dated as of July 24, 2025 (the "NAC Agreement"). Pursuant to the NAC Agreement, it is contemplated that NAC will become a campus of the System and will be known as North Arkansas College of the University of Arkansas. The merger will not become effective until approval and confirmation of continued accreditation is received from the Higher Learning Commission of the North Central Association. The System anticipates that this approval and confirmation will be considered in March 2026, with the merger to become effective in mid-2026.

Solar Services Agreement

On August 21, 2024, the Board of Trustees of the University of Arkansas executed an amended long-term solar services agreement (the "Solar Agreement") with Scenic Hill Solar XXXVI, LLC ("Scenic Hill"), under which the System has agreed to purchase, for an agreed-upon rate of \$0.05495 per kilowatt-hour (kWh), the entire output of solar energy facilities to be constructed and installed by Scenic Hill for a term of 25 years from the date that the solar energy facilities are placed in service. The power purchased under the Solar Agreement is anticipated to provide a significant portion of the needs of the entire System and its campuses, assuming current electricity usage. The Board is not a party to, or a guarantor of, the financing arrangements obtained and being obtained by Scenic Hill for the construction and installation of the solar energy facilities. The Board anticipates that over the course of the Solar Agreement the System and its campuses will recognize significant savings over the amount that would have been spent on electricity through traditional arrangements.

Note 25: Subsequent Events (Continued)

Bond Issues

The following bond issuances officially closed on November 25, 2025:

On November 6, 2025, the Board of Trustees of the University of Arkansas authorized and priced the Refunding Series 2025 Various Facilities Revenue Bonds (the 2025 Bonds) on behalf of the University of Arkansas at Pine Bluff (UAPB). The 2025 Bonds were issued in the original amount of \$8,995,000 with a premium of \$986,301, which bear interest at 5.00%. The 2025 Bonds are payable in annual installments through December 2035, while interest is paid semiannually. The proceeds of the Bonds will be used to current refund the portion of the Board's Various Facilities Revenue Refunding Bonds (Pine Bluff Campus), Series 2014A maturing after December 1, 2025 (the "Refunded Series 2014 Bonds"), and to pay costs of issuance.

On November 13, 2025, the Board of Trustees of the University of Arkansas authorized and priced the Refunding Series 2025 Student Tuition and Fee Revenue Bonds (the 2025 Bonds) on behalf of the University of Arkansas Pulaski Technical College (UAPTC). The 2025 Bonds were issued in the original amount of \$12,760,000 with a premium of \$1,347,066, which bear interest at 5.00%. The 2025 Bonds are payable in annual installments through September 2036, while interest is paid semiannually. The proceeds of the Bonds will be used to provide a portion of the funds necessary to current refund the Board of Trustees of Pulaski Technical College Student Tuition and Fee Refunding Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), and to pay costs of issuance of the Bonds.

**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2025
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

Employee Benefits

Schedule of University's Proportional Share of the Net Pension Liability Arkansas Public Employees Retirement System Last Ten Fiscal Years					
	2025	2024	2023	2022	2021
University's proportion of net pension liability	1.083%	1.021%	1.160%	1.378%	1.427%
University's proportionate share of net pension liability	\$ 26,941,755	\$ 29,758,901	\$ 31,287,627	\$ 10,591,455	\$ 40,877,027
University's covered payroll**	22,649,803	22,467,769	25,041,258	26,989,144	29,263,785
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	118.95%	132.45%	124.94%	39.24%	139.68%
Plan fiduciary net position as a percentage of the total pension liability	81.61%	77.94%	78.31%	93.57%	75.38%

	2020	2019	2018	2017	2016
University's proportion of net pension liability	1.656%	2.008%	2.198%	2.202%	1.659%
University's proportionate share of net pension liability	\$ 39,944,209	\$ 44,294,023	\$ 56,807,517	\$ 52,660,632	\$ 30,550,726
University's covered payroll**	32,838,844	36,710,317	40,658,901	39,968,417	29,241,762
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	121.64%	120.66%	139.72%	131.76%	104.48%
Plan fiduciary net position as a percentage of the total pension liability	78.55%	79.59%	75.65%	75.50%	80.39%

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.
***Includes East Arkansas Community College for fiscal years beginning 2025.

Schedule of University Contributions Arkansas Public Employees Retirement System Last Ten Fiscal Years					
	2025	2024	2023	2022	2021
Contractually required contribution	\$ 3,978,250	\$ 3,461,867	\$ 3,508,778	\$ 3,849,462	\$ 4,135,494
Contributions in relation to the contractually required contribution	(3,978,250)	(3,461,867)	(3,508,778)	(3,849,462)	(4,135,494)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 25,689,774	\$ 22,649,803	\$ 22,467,769	\$ 25,041,258	\$ 26,989,144
Contributions as a percentage of covered-employee payroll	15.49%	15.28%	15.62%	15.37%	15.32%

	2020	2019	2018	2017	2016
Contractually required contribution	\$ 4,474,936	\$ 5,079,699	\$ 5,446,489	\$ 5,847,656	\$ 5,122,338
Contributions in relation to the contractually required contribution	(4,474,936)	(5,079,699)	(5,446,489)	(5,847,656)	(5,122,338)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	\$ 29,263,785	\$ 32,838,844	\$ 36,710,317	\$ 40,658,901	\$ 35,350,993
Contributions as a percentage of covered-employee payroll	15.29%	15.47%	14.84%	14.38%	14.49%

**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2025
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

Schedule of University's Proportional Share of the Net Pension Liability Arkansas Teacher Retirement System Last Ten Fiscal Years					
	2025	2024	2023	2022	2021
University's proportion of net pension liability	0.211%	0.222%	0.242%	0.283%	0.319%
University's proportionate share of net pension liability	\$ 9,015,713	\$ 11,541,849	\$ 12,777,998	\$ 7,829,796	\$ 18,079,806
University's covered payroll**	\$ 7,317,932	\$ 8,055,500	\$ 8,554,563	\$ 9,232,685	\$ 10,026,138
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	123.20%	143.28%	149.37%	84.81%	180.33%
Plan fiduciary net position as a percentage of the total pension liability	83.93%	79.94%	78.85%	88.58%	74.91%
	2020	2019	2018	2017	2016
University's proportion of net pension liability	0.372%	0.447%	0.540%	0.589%	0.395%
University's proportionate share of net pension liability	\$ 15,527,796	\$ 16,258,099	\$ 22,688,366	\$ 26,000,421	\$ 12,850,498
University's covered payroll**	\$ 11,429,162	\$ 13,540,283	\$ 15,932,158	\$ 17,474,936	\$ 11,516,407
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	135.86%	120.07%	142.41%	148.79%	111.58%
Plan fiduciary net position as a percentage of the total pension liability	80.96%	82.78%	79.48%	76.75%	82.20%
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.					
***Includes East Arkansas Community College for fiscal years beginning 2025.					

Schedule of University Contributions Arkansas Teacher Retirement System Last Ten Fiscal Years					
	2025	2024	2023	2022	2021
Contractually required contribution	\$ 1,163,683	\$ 1,097,118	\$ 1,223,605	\$ 1,262,490	\$ 1,335,201
Contributions in relation to the contractually required contribution	(1,163,683)	(1,097,118)	(1,223,605)	(1,262,490)	(1,335,201)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	7,589,707	7,317,932	8,055,500	8,554,563	9,232,685
Contributions as a percentage of covered-employee payroll	15.33%	14.99%	15.19%	14.76%	14.46%
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,416,960	\$ 1,616,340	\$ 1,899,208	\$ 2,210,329	\$ 1,448,084
Contributions in relation to the contractually required contribution	(1,416,960)	(1,616,340)	(1,899,208)	(2,210,329)	(1,448,084)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered-employee payroll	10,026,138	11,429,162	13,540,283	15,932,158	10,392,131
Contributions as a percentage of covered-employee payroll	14.13%	14.14%	14.03%	13.87%	13.93%

**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2025
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

Other Postemployment Benefits

University of Arkansas System

Summary of Key Actuarial Methods and Assumptions

Valuation date	July 1, 2024 valuation for the year ended June 30, 2025
Valuation year	Census data collected as of February 2025
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	3.93%
Rate of salary increase for amortization	4.00%
Medical inflation rate	7.00% grading to 3.73% over 20 years
Pharmacy inflation rate	12.00% grading to 3.73% over 20 years
Retiree contribution inflation rate	9.10% grading to 3.73% over 20 years

The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2023 was 3.65%, the unfunded rate determined as of June 30, 2023 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, 2024 was 3.93%, the unfunded rate determined as of June 30, 2024 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.

**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2025
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

Total OPEB Liability	2025	2024	2023	2022
Service cost	\$ 5,031,000	\$ 4,579,000	\$ 5,244,000	\$ 4,891,000
Interest (includes interest on service cost)	2,890,000	2,630,000	1,818,000	1,776,000
Changes of benefit terms		30,000		
Differences between expected and actual experience	(2,433,000)	132,000	(4,434,000)	(971,000)
Changes of assumptions	(8,522,000)	(743,000)	(9,569,000)	398,000
Benefit payments, including refunds of member contributions	(2,200,000)	(2,189,000)	(2,595,000)	(2,379,000)
Net change in total OPEB liability	(5,234,000)	4,439,000	(9,536,000)	3,715,000
Total OPEB liability - beginning	75,221,000	70,782,000	80,318,000	76,603,000
Total OPEB liability - ending	\$ 69,987,000	\$ 75,221,000	\$ 70,782,000	\$ 80,318,000
Covered employee payroll	\$ 1,731,690,000	\$ 1,668,004,000	\$ 1,592,376,000	\$ 1,455,294,000

Total OPEB liability as a percentage of covered employee payroll	4.04%	4.51%	4.45%	5.52%
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Total OPEB Liability	2021	2020	2019	2018
Service cost	\$ 4,510,000	\$ 4,026,000	\$ 3,952,830	\$ 4,589,055
Interest (includes interest on service cost)	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	(2,196,000)	(3,245,428)	(3,266,590)	
Changes of assumptions	9,159,000	3,132,000	(690,230)	(13,904,426)
Benefit payments, including refunds of member contributions	(2,245,000)	(2,180,000)	(2,018,583)	(2,109,079)
Net change in total OPEB liability	1,856,000	4,563,572	1,378,489	(9,103,663)
Total OPEB liability - beginning	74,747,000	70,183,428	68,804,939	77,908,602
Total OPEB liability - ending	\$ 76,603,000	\$ 74,747,000	\$ 70,183,428	\$ 68,804,939
Covered employee payroll	\$ 1,351,363,000	\$ 1,328,526,000	\$ 1,309,045,000	\$ 1,320,436,000

Total OPEB liability as a percentage of covered employee payroll	5.67%	5.63%	5.36%	5.21%
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*Information is presented for those years for which it is available until a full 10-year trend is compiled.

Notes to Schedule:

No assets for the Plan are accumulated in a trust.

Change of Assumptions:

During the measurement year, the TOL decreased by approximately \$5.2 million. The service cost and interest cost increased the TOL by approximately \$7.9 million while benefit payments decreased the TOL by approximately \$2.2 million.

The discount rate changed from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. In addition, claim costs and trends were updated to reflect changes in benefits and experience and our expectation of future cost. Combined, these assumption changes resulted in a gain of \$8.5 million. This gain 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 \$2.4 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.

**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2025
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

University of Arkansas East Arkansas Community College

Summary of Key Actuarial Methods and Assumptions

Valuation date	June 30, 2025
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar over 30 years from July 1, 2017
Remaining amortization period	22 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	0.00%
Assumed Inflation	3.00% per year
Assumed single discount rate	4.81%
Medical inflation rate	8.00% next year, 7.50% the following year, 7.00% the third year, 6.50% the fourth year, with the rate decreasing by 0.5% each year, to an ultimate rate of 5.0%

Mortality Rates:

Pre-Retirement	Pub-T 2010 Mortality Table (headcount basis), projected generationally with Scale MP 2019.
Post-Retirement	Pub-T 2010 Mortality Table (headcount basis), projected generationally with Scale MP-2019 was used.

**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2025
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

Total OPEB Liability	2025	2024	2023	2022
Service cost	\$ 55,281	\$ 50,988	\$ 49,141	\$ 55,835
Interest (includes interest on service cost)	30,687	31,604	30,232	17,775
Changes of benefit terms				
Differences between expected and actual experience	(27,765)	(97,636)	(17,774)	35,139
Changes of assumptions	(32,119)	(4,142)	(2,124)	(138,474)
Benefit payments, including refunds of member contributions	(12,960)	(25,620)	(43,029)	(43,244)
Net change in total OPEB liability	13,124	(44,806)	16,446	(72,969)
Total OPEB liability - beginning	812,184	864,572	885,142	1,116,858
Total OPEB Liability - Ending (AHEC)	720,869	707,745	752,551	736,105
Total OPEB Liability - Ending (State)	73,584	104,439	112,021	149,037
Total OPEB liability - ending	\$ 794,453	\$ 812,184	\$ 864,572	\$ 885,142
Covered employee payroll	\$ 6,899,046	\$ 6,393,550	\$ 6,361,430	\$ 5,925,948
Total OPEB liability as a percentage of covered employee payroll	11.52%	12.70%	13.59%	14.94%

Total OPEB Liability	2021	2020	2019	2018
Service cost	\$ 51,625	\$ 42,100	\$ 40,847	\$ 39,879
Interest (includes interest on service cost)	20,188	17,059	16,927	16,472
Changes of benefit terms				
Differences between expected and actual experience		90,687		
Changes of assumptions	23,891	25,213	8,121	6,024
Benefit payments, including refunds of member contributions	(39,564)	(25,030)	(21,161)	(21,036)
Net change in total OPEB liability	56,140	150,029	44,734	41,339
Total OPEB liability - beginning	1,358,488	1,378,705	3,603,349	516,832
Total OPEB Liability - Ending (AHEC)	809,074	752,934	602,905	558,171
Total OPEB Liability - Ending (State)	307,784	605,554	775,800	3,045,178
Total OPEB liability - ending	\$ 1,116,858	\$ 1,358,488	\$ 1,378,705	\$ 3,603,349
Covered employee payroll	\$ 5,996,479	\$ 6,449,819	\$ 5,016,256	\$ 6,612,661
Total OPEB liability as a percentage of covered employee payroll	18.63%	21.06%	27.48%	54.49%

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

Notes to Schedule:

No assets for the Plan are accumulated in a trust.

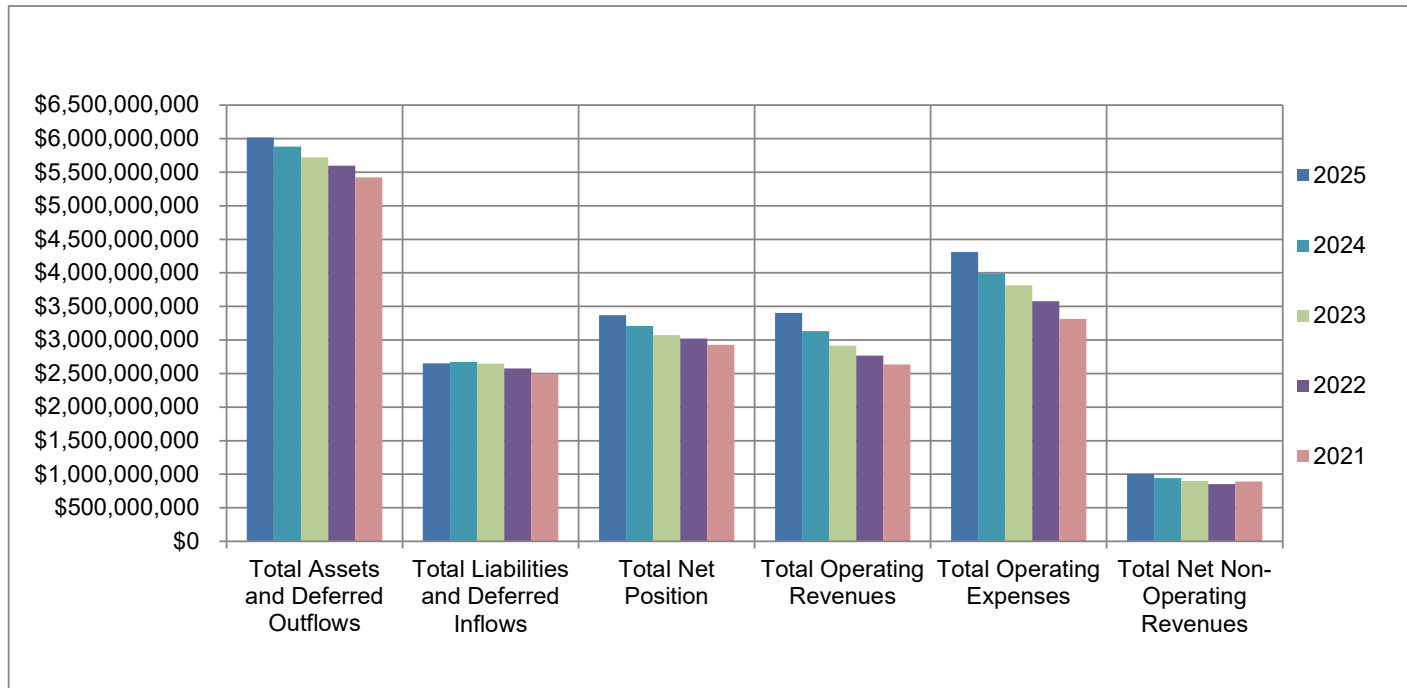
Change of Assumptions:

The assumed discount rate was increased from 4.21% at 7/1/2024 to 4.81% at 7/1/2025, as required by GASB 75.

UNIVERSITY OF ARKANSAS SYSTEM
 SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS
 FOR THE YEAR ENDED JUNE 30, 2025
 (Unaudited)

Schedule 1

	Year Ended June 30,				
	2025	2024	2023	2022	2021
Total Assets and Deferred Outflows	\$ 6,019,105,171	\$ 5,881,063,462	\$ 5,722,409,587	\$ 5,595,638,924	\$ 5,422,798,609
Total Liabilities and Deferred Inflows	2,651,092,125	2,674,687,021	2,649,742,936	2,576,154,215	2,494,789,353
Total Net Position	3,368,013,046	3,206,376,441	3,072,666,651	3,019,484,709	2,928,009,256
Total Operating Revenues	3,404,084,466	3,130,214,917	2,916,130,042	2,765,850,478	2,635,533,204
Total Operating Expenses	4,309,720,850	3,991,649,917	3,816,341,975	3,578,311,812	3,315,993,854
Total Net Non-Operating Revenues	1,001,007,561	942,262,888	901,414,354	852,076,831	890,159,171
Total Other Revenues, Expenses, Gains or Losses	28,535,185	52,881,902	48,305,407	60,254,351	13,229,106



UNIVERSITY OF ARKANSAS SYSTEM
Schedule of Net Position by Campus
At June 30, 2025

Schedule 2

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM	CCCUA	PCCUA	UACCB	UACCHT	UACCM
ASSETS												
Current												
Cash and cash equivalents	\$ 106,246,000	\$ 15,954,840	\$ 48,178,025	\$ 28,004,000	\$ 24,857,872	\$ 5,371,130	\$ 33,492,394	\$ 2,052,047	\$ 10,473,768	\$ 4,477,493	\$ 5,547,357	\$ 7,052,753
Investments	595,679,000	17,409,011	39,754,928	282,543	282,543	36,746,763	1,079,571	3,998,010			7,737,632	
Accounts receivable	82,902,000	2,194,521	22,665,141	97,185,000	6,599,320	13,813,106	25,852,683	2,281,754	2,078,710	1,319,921	925,663	1,397,464
Patient accounts receivable				288,717,000								
Inventories	8,055,000		91,785	35,943,000	336,400	31,828		87,481	49,706	52,024	401,399	
Deposits and funds held in trust by others	8,485,000		2,410	-		11,859,861			344			
Notes receivable	827,000	10,674	27,622	962,000					6,423			
Other assets	46,903,000	5,830,209	7,969,752	21,082,000	2,973,653	3,749,192	2,901,247	1,162,443	940,646	1,118,416	934,519	1,731,547
Total current assets	849,097,000	41,399,255	118,689,663	471,893,000	35,049,788	34,825,117	98,993,087	6,663,296	17,547,607	6,967,854	15,546,570	10,181,764
Non-Current												
Cash and cash equivalents					5,242,232	1,483,010		1,666,476				32,695
Investments	200,165,000	15,674,758	29,159,517	168,868,000	4,861,797	7,415,625	28,771,783	642,280		2,305,416		
Accounts receivable	11,662,000			46,148,000								
Notes receivable	3,786,000	123,979	320,818	16,123,000	49,357	418,211		33,225	74,604	46,322	29,540	37,894
Deposits and funds held in trust by others	13,204,000	37,653	747,644	96,328,000								1,278,724
Other non-current assets							12,759,062					
Capital assets	1,785,431,000	119,851,727	177,967,867	1,027,403,000	51,530,171	126,015,798	3,411,285	10,383,972	23,769,049	14,376,172	28,243,632	34,745,966
Total non-current assets	2,014,248,000	135,688,117	208,195,846	1,354,870,000	61,683,557	135,332,644	44,942,130	12,725,953	23,843,653	16,727,910	28,273,172	36,095,279
TOTAL ASSETS	\$ 2,863,345,000	\$ 177,087,372	\$ 326,885,509	\$ 1,826,763,000	\$ 96,733,345	\$ 170,157,761	\$ 143,935,217	\$ 19,389,249	\$ 41,391,260	\$ 23,695,764	\$ 43,819,742	\$ 46,277,043
DEFERRED OUTFLOWS OF RESOURCES												
Debt refunding	\$ 5,229,000	\$ 1,475,810	\$ 1,743,022	\$ 286,000		\$ 148,873		\$ 50,054	\$ 581,477		\$ 102,232	
Other postemployment benefits	1,460,000	183,000	365,000	1,022,000	50,000	117,000	27,000	57,000	44,000	30,000	37,000	41,000
Pensions	2,131,000	240,298	872,591	1,265,000	373,978	179,095	195,316	298,742	75,984	349,839	270,588	388,570
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 8,820,000	\$ 1,899,108	\$ 2,980,613	\$ 2,573,000	\$ 423,978	\$ 444,968	\$ 222,316	\$ 405,796	\$ 701,461	\$ 379,839	\$ 409,820	\$ 429,570
LIABILITIES												
Current												
Accounts payable and other accrued liabilities	\$ 78,314,000	\$ 2,441,517	\$ 8,322,442	\$ 141,098,000	\$ 2,508,571	\$ 8,027,204	\$ 4,554,933	\$ 517,991	\$ 717,253	\$ 465,566	\$ 934,713	\$ 1,566,817
Unearned revenue, deposits and other	55,598,000	740,395	11,188,643	9,406,000	43,573	16,440	1,689,735	259,090	355,304	122,630	276,870	590,314
Funds held in trust for others	4,029,000	419,985	(1,278,299)	596,000	171,897	2,445,488		54,576	(9,344)	25,242	(51,675)	31,932
Liability for future insurance claims							22,237,500					
Compensated absences payable - current portion	2,849,000	230,697	603,045	7,569,000	92,840	190,392	231,154	37,069	87,600	41,928	37,738	49,646
Liability for other postemployment benefits - current portion	633,000	72,000	193,000	922,000	38,000	51,000	18,000	8,000	34,000	20,000	20,000	24,000
Bonds, notes, leases and installment contracts payable - current	61,737,000	3,260,510	8,913,368	45,084,000	1,491,987	2,143,178	4,608,716	254,823	545,045	273,296	661,477	457,608
Total current liabilities	203,160,000	7,165,104	27,942,199	204,675,000	4,346,868	12,873,702	33,340,038	1,131,549	1,729,318	948,662	1,859,123	2,720,317
Non-Current												
Unearned revenues, deposits and other	7,482,000		107,143									
Refundable federal advance - Perkins loans	2,633,000											
Compensated absences payable	23,604,000	1,588,382	3,942,029	70,602,000	1,203,699	2,346,782	1,880,599	345,441	450,609	316,832	349,758	374,518
Liability for other post employment benefits	21,261,000	1,554,000	5,231,000	30,999,000	1,374,000	2,314,000	617,000	547,000	778,000	397,000	363,000	616,000
Liability for pensions	8,044,000	1,009,754	3,396,453	5,231,000	1,699,192	641,109	702,390	1,233,611	354,361	1,468,216	1,040,452	1,726,220
Bonds, notes, leases, installment contracts payable	823,665,000	38,130,261	56,767,339	728,353,000	22,484,869	39,380,259	14,075,775	2,179,080	7,544,463	359,939	6,949,807	20,340,958
Total non-current liabilities	886,689,000	42,282,397	69,443,964	835,185,000	26,761,760	44,682,150	17,275,764	4,305,132	9,127,433	2,541,987	8,703,017	23,057,696
TOTAL LIABILITIES	\$ 1,089,849,000	\$ 49,447,501	\$ 97,386,163	\$ 1,039,860,000	\$ 31,108,628	\$ 57,555,852	\$ 50,615,802	\$ 5,436,681	\$ 10,856,751	\$ 3,490,649	\$ 10,562,140	\$ 25,778,013
DEFERRED INFLOWS OF RESOURCES												
Other postemployment benefits	\$ 4,167,000	\$ 677,000	\$ 1,265,000	\$ 7,189,000	\$ 375,000	\$ 834,000	\$ 132,000	\$ 243,000	\$ 160,000	\$ 96,000	\$ 270,000	\$ 221,000
Pensions	1,161,000	237,237	1,014,762	1,459,000	347,326	76,871	59,434	317,452	202,790	406,332	302,403	294,187
Other	20,459,000	235,514	202,898	62,094,000								
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 25,787,000	\$ 1,149,751	\$ 2,482,660	\$ 70,742,000	\$ 722,326	\$ 910,871	\$ 191,434	\$ 560,452	\$ 362,790	\$ 502,332	\$ 572,403	\$ 515,187
NET POSITION												
Net Investment in Capital Assets	\$ 919,799,000	\$ 84,703,124	\$ 118,130,357	\$ 345,822,000	\$ 30,488,868	\$ 77,977,959	\$ 1,951,006	\$ 9,054,989	\$ 17,160,397	\$ 13,360,650	\$ 18,376,187	\$ 16,112,292
Restricted												
Non-Expendable												
Scholarships and fellowships	11,874,000	356,823	5,245,012	13,243,000	56,017			75,000				
Research	19,402,000		205,146	21,274,000	321,560							
Other	16,816,000	7,000	7,722,514	20,457,000		9,005,624						
Expendable												
Scholarships and fellowships	27,136,000	579,957	785,796	2,187,000	635,761	5,280,037		135,846	357,192			264,387
Research	51,839,000	141,041	147,521	24,307,000	2,798,136	4,333,835						
Public service	16,411,000	983,176	159,144	(3,606,000)		7,493,515						
Capital projects	40,882,000	89,814		(1,037,000)	16,977,703	1,090,814		1,666,476	3,284,712			
Other	37,784,000	2,102,586	17,633,093	39,223,000	222,929	3,578,262		452,264		48,610		
Unrestricted	614,586,000	39,425,707	79,968,716	256,864,000	13,825,395	3,375,960	91,399,291	2,413,337	10,070,879	6,673,362	14,718,832	4,036,734
TOTAL NET POSITION	\$ 1,756,529,000	\$ 128,389,228	\$ 229,997,299	\$ 718,734,000	\$ 65,326,369	\$ 112,136,006	\$ 93,350,297	\$ 13,797,912	\$ 30,873,180	\$ 20,082,622	\$ 33,095,019	\$ 20,413,413

UNIVERSITY OF ARKANSAS SYSTEM
Schedule of Net Position by Campus
At June 30, 2025

Schedule 2

	UAPTC	UACCRM	UAEACC	ASMSA	(See Note 19)	TOTAL
ASSETS						
Current						
Cash and cash equivalents	\$ 13,665,083	\$ 1,150,599	\$ 12,736,898	\$ 11,186,644	\$ 1,306,279	\$ 331,753,182
Investments	44,699,128		1,629,671			749,016,257
Accounts receivable	3,930,445	788,543	2,096,213	180,706	(21,427,564)	244,783,626
Patient accounts receivable						288,717,000
Inventories		340,448	234,835			45,623,906
Deposits and funds held in trust by others		75,266				20,422,881
Notes receivable		-		2,099	(343,712)	1,492,106
Other assets	4,037,776	735,897	37,623	75,455		102,183,375
Total current assets	66,332,432	3,090,753	16,735,240	11,444,904	(20,464,997)	1,783,992,333
Non-Current						
Cash and cash equivalents			10,768,086			19,192,499
Investments	1,336,844	1,322,779	345,471			460,869,270
Accounts receivable			973,935			58,783,935
Notes receivable				24,386	(4,601,475)	16,465,861
Deposits and funds held in trust by others	48,106					111,644,127
Other non-current assets	164,402				(12,759,062)	164,402
Capital assets	71,969,144	18,534,136	20,257,655	27,830,925		3,541,721,499
Total non-current assets	73,518,496	19,856,915	32,345,147	27,855,311	(17,360,537)	4,208,841,593
TOTAL ASSETS	\$ 139,850,928	\$ 22,947,668	\$ 49,080,387	\$ 39,300,215	\$ (37,825,534)	\$ 5,992,833,926
DEFERRED OUTFLOWS OF RESOURCES						
Debt refunding	\$ 3,456,726		\$ 82,766			\$ 13,155,960
Other postemployment benefits	142,000	\$ 66,000	94,593	\$ 20,000		3,755,593
Pensions	942,902	246,583	1,421,479	107,727		9,359,692
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 4,541,628	\$ 312,583	\$ 1,598,838	\$ 127,727		\$ 26,271,245
LIABILITIES						
Current						
Accounts payable and other accrued liabilities	\$ 3,634,667	\$ 983,653	\$ 389,225	\$ 402,370	\$ (20,121,285)	\$ 234,757,637
Unearned revenue, deposits and other	2,170,342	182,226	48,132	6,997		82,694,691
Funds held in trust for others	232,927	39,524	106,833	46,089		6,860,175
Liability for future insurance claims						22,237,500
Compensated absences payable - current portion	106,313	36,606	74,971	34,813		12,272,272
Liability for other postemployment benefits - current portion	81,000	25,000	59,083	2,000		2,180,083
Bonds, notes, leases and installment contracts payable - current	3,372,479	554,697	278,449	136,090	(3,821,187)	129,951,536
Total current liabilities	9,597,728	1,821,706	956,693	628,359	(23,942,472)	490,953,894
Non-Current						
Unearned revenues, deposits and other						7,589,143
Refundable federal advance - Perkins loans						2,633,000
Compensated absences payable	711,119	264,292	537,896	170,807		108,688,763
Liability for other post employment benefits	1,014,000	559,000	735,370	242,000		68,601,370
Liability for pensions	4,137,786	1,068,405	3,717,048	487,471		35,957,468
Bonds, notes, leases, installment contracts payable	63,264,336	12,943,557	4,740,667	469,724	(13,883,062)	1,827,765,972
Total non-current liabilities	69,127,241	14,835,254	9,730,981	1,370,002	(13,883,062)	2,051,235,716
TOTAL LIABILITIES	\$ 78,724,969	\$ 16,656,960	\$ 10,687,674	\$ 1,998,361	\$ (37,825,534)	\$ 2,542,189,610
DEFERRED INFLOWS OF RESOURCES						
Other postemployment benefits	\$ 664,000	\$ 265,000	\$ 323,011	\$ 72,000		\$ 16,953,011
Pensions	1,564,164	399,345	676,008	230,141		8,748,452
Other			209,640			83,201,052
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 2,228,164	\$ 664,345	\$ 1,208,659	\$ 302,141		\$ 108,902,515
NET POSITION						
Net Investment in Capital Assets	\$ 9,791,416	\$ 5,673,882	\$ 15,345,879	\$ 28,851,599		\$ 1,712,599,605
Restricted						
Non-Expendable						
Scholarships and fellowships	1,144,724		152,559			32,147,135
Research						41,202,706
Other						54,008,138
Expendable						
Scholarships and fellowships	192,120		207,571			37,761,667
Research						83,566,533
Public service						21,440,835
Capital projects			233,403			63,187,922
Other	3,009,264	75,266	1,365,754	479,322		105,974,350
Unrestricted	49,301,899	189,798	21,477,726	7,796,519		1,216,124,155
TOTAL NET POSITION	\$ 63,439,423	\$ 5,938,946	\$ 38,782,892	\$ 37,127,440	\$ -	\$ 3,368,013,046

UNIVERSITY OF ARKANSAS SYSTEM
Schedule of Revenues, Expenses, and Changes in Net Position by Campus
For the Year Ended June 30, 2025

Schedule 3

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM	CCCUA	PCCUA
Operating Revenues									
Student tuition & fees, net of scholarship allowances	\$ 318,574,000	\$ 13,136,374	\$ 31,643,252	\$ 51,416,000	\$ 8,274,869	\$ 12,176,968	\$ 10,808,584	\$ 1,615,923	\$ 773,640
Patient services, net of contractual allowances				1,543,440,000					
Federal and county appropriations	17,750,000								
Federal grants and contracts	141,824,000	2,848,176	34,390,300	150,771,000	1,339,247	16,992,843		2,819,486	2,440,020
State and local grants and contracts	11,915,000	1,832,243	3,730,105	35,461,000	2,180,378	1,748,410		2,508,409	1,047,219
Non-governmental grants and contracts	20,599,000	337,677	901,609	133,250,000	208,423	1,259,562		90,756	4,500
Sales and services of educational departments	31,798,000	558,327	1,255,694	45,823,000	347,364	213,464	7,978,872	147,912	243,015
Insurance plan							230,141,125		
Auxiliary enterprises									
Athletics, net of scholarship allowances	152,147,000	40,706	1,118,206		424,856	2,358,558		89,215	9,606
Housing/food service, net of scholarship allowances	96,769,000	3,767,110	5,672,192	10,582,000	1,737,410	2,001,629		308,719	23,870
Bookstore, net of scholarship allowances	1,519,000	155,402	349,479	1,000	37,409	8,307		82,105	242,493
Other auxiliary enterprises, net of scholarship allowances	18,759,000	166,034	745,214	3,648,000	503,796	37,936			119,149
Other operating revenues	13,114,000	895,470	2,069,224	289,612,000	303,323	1,201,139	76,062	76,857	37,277
Total operating revenues	824,768,000	23,737,519	81,875,275	2,264,004,000	15,357,075	37,998,816	249,004,643	7,739,382	4,940,789
Operating Expenses									
Compensation and benefits	683,208,000	42,931,982	110,376,213	1,421,740,000	28,495,790	45,314,140	24,287,385	10,580,382	11,367,685
Supplies and services	376,105,000	22,806,358	58,327,626	853,925,000	13,791,402	37,195,273	7,183,184	5,493,459	6,129,639
Scholarships and fellowships	34,380,000	3,992,337	9,052,617	842,000	4,362,580	4,566,444	1,353,148	1,247,380	2,159,256
Insurance plan							233,039,699		
Depreciation	118,846,000	8,490,630	16,403,377	98,124,000	4,659,324	8,518,044	1,612,569	1,187,708	1,668,808
Total operating expenses	1,212,539,000	78,221,307	194,159,833	2,374,631,000	51,309,096	95,593,901	267,475,985	18,508,929	21,325,388
Operating income (loss)	(387,771,000)	(54,483,788)	(112,284,558)	(110,627,000)	(35,952,021)	(57,595,085)	(18,471,342)	(10,769,547)	(16,384,599)
Non-Operating Revenues (Expenses)									
State appropriations, net of Medicaid match payments	236,239,000	26,262,156	70,649,164	68,347,000	20,807,466	30,736,482	4,459,881	5,108,592	10,654,678
Property and sales tax			25					1,786,868	2,802,568
Federal grants	39,643,000	14,795,665	18,439,951		8,904,573	21,506,783	13,935,954	2,452,662	2,795,321
State and local grants	40,529,000	5,573,978	4,382,207		2,157,554	1,087,535		597,592	185,764
Non-governmental grants	23,000		1,170,305			10,638		32,932	
Gifts	128,330,000	8,733,473	18,164,927	38,746,000	2,462,060	2,932,032	444,640	147,990	228,457
Investment income (net)	52,898,000	2,286,718	6,091,853	20,356,000	1,822,755	1,527,817	4,798,135	228,151	267,613
Interest and fees on capital asset-related debt	(28,666,000)	(1,082,836)	(1,836,005)	(24,507,000)	(764,304)	(1,487,142)	(461,581)	(72,765)	(301,897)
Gain (loss) on disposal of assets	1,243,000	(767,859)	(5,670)		82,025		(39,297)	(36,761)	(3,436)
Other	7,413,000	143,754	30,816	(534,000)	62,650	52,578	125,313	11,329	33,541
Net non-operating revenues	477,652,000	55,945,049	117,087,573	102,408,000	35,534,779	56,366,723	23,263,045	10,256,590	16,662,609
Income/Loss before other revenues and expenses	89,881,000	1,461,261	4,803,015	(8,219,000)	(417,242)	(1,228,362)	4,791,703	(512,957)	278,010
Other Changes in Net Position									
Capital appropriations	8,142,000					3,000,000			
Capital grants and gifts	25,369,000			2,114,000	2,254,454	(29,167)			165,162
Adjustments to prior year revenues and expenses		(365,303)	(6,999)		(50,620)	(12,180,268)			
Total other revenues and expenses	33,511,000	(365,303)	(6,999)	2,114,000	2,203,834	(9,209,435)			165,162
Increase (decrease) in net position	123,392,000	1,095,958	4,796,016	(6,105,000)	1,786,592	(10,437,797)	4,791,703	(512,957)	443,172
Net Position, beginning of year	1,633,137,000	127,293,270	225,201,283	724,839,000	63,539,777	122,571,751	88,558,594	14,310,869	30,430,008
Other Adjustments						2,052			
Net Position, beginning of year, restated	\$ 1,633,137,000	\$ 127,293,270	\$ 225,201,283	\$ 724,839,000	\$ 63,539,777	\$ 122,573,803	\$ 88,558,594	\$ 14,310,869	\$ 30,430,008
Net Position, end of year	\$ 1,756,529,000	\$ 128,389,228	\$ 229,997,299	\$ 718,734,000	\$ 65,326,369	\$ 112,136,006	\$ 93,350,297	\$ 13,797,912	\$ 30,873,180

UNIVERSITY OF ARKANSAS SYSTEM
Schedule of Revenues, Expenses, and Changes in Net Position by Campus
For the Year Ended June 30, 2025

Schedule 3

	UACCB	UACCHT	UACCM	UAPTC	UACCRM	UAEACC	ASMSA	(Note 19)	TOTAL
Operating Revenues									
Student tuition & fees, net of scholarship allowances	\$ 1,626,063	\$ 578,770	\$ 4,669,639	\$ 9,500,318	\$ 1,018,118	\$ 1,893,180			\$ 467,705,698
Patient services, net of contractual allowances									1,543,440,000
Federal and county appropriations									17,750,000
Federal grants and contracts	1,371,593	1,361,038	3,229,882	1,970,065	3,229,020	1,110,621	\$ 79,987		365,777,278
State and local grants and contracts	1,019,313	1,114,245	2,035,593	4,590,966	599,084	951,279	631,255		71,364,499
Non-governmental grants and contracts		718,319	46,608	520,280	135,155		20,520		158,092,409
Sales and services of educational departments	167,485	281,453	428,611	981,465	71,879		6,000	\$ (7,013,360)	83,289,181
Insurance plan								(147,896,602)	82,244,523
Auxiliary enterprises									
Athletics, net of scholarship allowances									156,188,147
Housing/food service, net of scholarship allowances	134,052			448,195	1,404,295	124,832			122,973,304
Bookstore, net of scholarship allowances	67,549	337,342		197,652	549,578	87,719			3,635,035
Other auxiliary enterprises, net of scholarship allowances	9,658	43,208		75,584					24,107,579
Other operating revenues	90,721	78,501	126,663	154,041	297,647	682,499	255,311	(1,553,922)	307,516,813
Total operating revenues	4,486,434	4,512,876	10,536,996	18,438,566	7,304,776	4,850,130	993,073	(156,463,884)	3,404,084,466
Operating Expenses									
Compensation and benefits	8,541,528	9,023,025	12,055,486	24,778,418	6,966,486	10,046,386	6,614,537	(147,896,602)	2,308,430,841
Supplies and services	3,908,517	4,149,334	4,295,787	17,986,944	4,238,243	4,392,162	4,507,937	(8,567,282)	1,415,868,583
Scholarships and fellowships	1,946,323	1,139,833	4,603,041	5,418,176	988,118	1,263,570			77,314,823
Insurance plan									233,039,699
Depreciation	1,296,240	2,098,230	2,193,539	5,570,395	1,677,932	1,682,828	1,037,280		275,066,904
Total operating expenses	15,692,608	16,410,422	23,147,853	53,753,933	13,870,779	17,384,946	12,159,754	(156,463,884)	4,309,720,850
Operating income (loss)	(11,206,174)	(11,897,546)	(12,610,857)	(35,315,367)	(6,566,003)	(12,534,816)	(11,166,681)	-	(905,636,384)
Non-Operating Revenues (Expenses)									
State appropriations, net of Medicaid match payments	5,273,356	6,606,424	6,380,644	17,039,282	3,872,495	10,765,952	12,829,618		536,032,190
Property and sales tax	1,972,406	1,942,485	1,067,574		582,801	461,426			10,616,153
Federal grants	3,739,341	2,350,127	5,137,409	17,145,687	2,355,273	1,827,361			155,029,107
State and local grants	564,888	363,777	888,962	691,570	1,036,302	270,140			58,329,269
Non-governmental grants	74,635	81,843							1,393,353
Gifts	105,252		127,756	520,258	43,500	160,100	71,910		201,218,355
Investment income (net)	169,094	344,847	498,298	2,162,383	30,381	160,985	28,562	(515,551)	93,156,041
Interest and fees on capital asset-related debt	(9,420)	(169,359)	(646,590)	(2,529,320)	(562,205)	(120,053)	(17,802)	474,787	(62,759,492)
Gain (loss) on disposal of assets				(7,878)					464,124
Other	14,727	108	(117,044)	385,056	(230,512)	63,606	32,775	40,764	7,528,461
Net non-operating revenues	11,904,279	11,520,252	13,337,009	35,407,038	7,128,035	13,589,517	12,945,063	-	1,001,007,561
Income/Loss before other revenues and expenses	698,105	(377,294)	726,152	91,671	562,032	1,054,701	1,778,382		95,371,177
Other Changes in Net Position									
Capital appropriations									11,142,000
Capital grants and gifts		10,000	292,594				240,000		30,416,043
Adjustments to prior year revenues and expenses	(4,155)	(392,592)			(22,921)				(13,022,858)
Total other revenues and expenses	(4,155)	(382,592)	292,594		(22,921)		240,000		28,535,185
Increase (decrease) in net position	693,950	(759,886)	1,018,746	91,671	539,111	1,054,701	2,018,382		123,906,362
Net Position, beginning of year	19,388,672	33,854,905	19,394,667	63,347,752	5,399,835	37,728,191	35,109,058		3,244,104,632
Other Adjustments									2,052
Net Position, beginning of year, restated	\$ 19,388,672	\$ 33,854,905	\$ 19,394,667	\$ 63,347,752	\$ 5,399,835	\$ 37,728,191	35,109,058		\$ 3,244,106,684
Net Position, end of year	\$ 20,082,622	\$ 33,095,019	\$ 20,413,413	\$ 63,439,423	\$ 5,938,946	\$ 38,782,892	37,127,440	\$ -	\$ 3,368,013,046

UNIVERSITY OF ARKANSAS SYSTEM
Schedule of Cash Flows - Direct Method - by Campus
For the Year Ended June 30, 2025

Schedule 4

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM	CCCUA	PCCUA
Cash Flows from Operating Activities									
Student tuition and fees (net of scholarships)	\$ 317,120,000	\$ 13,488,005	\$ 33,665,389	\$ 57,396,000	\$ 7,534,277	\$ 12,141,938	\$ 11,647,724	\$ 1,648,022	\$ 618,692
Patient and insurance payments				1,510,853,000					
Federal and county appropriations	17,383,000								
Grants and contracts	183,634,000	5,665,634	38,280,563	318,013,000	3,391,278	22,016,194		5,299,910	3,404,231
Collection of loans and interest	(138,000)		11,903						
Insurance plan receipts							233,073,189		
Auxiliary enterprise revenues:									
Athletics	143,420,000	40,706	940,633		456,536	2,358,558		69,215	9,606
Housing and food service	98,615,000	3,786,402	5,672,192	10,598,000	1,610,221	2,001,629		308,689	23,870
Bookstore	2,864,000	155,402	320,908	1,000	48,876	8,307		82,105	242,493
Other auxiliary enterprises	18,691,000	148,229	918,710	3,641,000	521,143	37,936			119,149
Payments to employees	(547,887,000)	(34,332,107)	(89,682,180)	(1,181,999,000)	(22,560,477)	(36,795,794)	(19,463,714)	(8,445,132)	(9,190,216)
Payment of employee benefits	(127,642,000)	(8,433,749)	(21,525,347)	(236,310,000)	(5,897,358)	(12,582,078)	(4,376,090)	(2,123,412)	(2,329,426)
Payments to suppliers	(377,048,000)	(23,165,504)	(61,729,960)	(860,328,000)	(12,368,435)	(29,362,122)	(8,795,545)	(5,619,969)	(6,334,736)
Loans issued to students	(226,000)			(6,964,000)					
Scholarships and fellowships	(33,922,000)	(3,992,337)	(9,052,617)	(842,000)	(4,348,422)	(4,566,444)	(1,353,148)	(1,247,380)	(2,173,559)
Payments of insurance plan expenses							(234,291,840)		
Other receipts and payments	55,445,000	2,029,667	5,115,022	338,055,000	650,687	1,607,197	6,661,335	252,792	191,963
Net cash used by operating activities	\$ (249,691,000)	\$ (44,609,652)	\$ (97,064,784)	\$ (47,886,000)	\$ (30,961,674)	\$ (43,134,679)	\$ (16,898,089)	\$ (9,775,160)	\$ (15,417,933)
Cash Flows from Noncapital Financing Activities									
State appropriations	\$ 236,239,000	\$ 26,262,156	\$ 70,649,164	\$ 68,347,000	\$ 20,807,466	\$ 30,736,481	\$ 4,459,881	\$ 5,108,592	\$ 10,652,794
Property and sales tax			25					1,786,868	2,828,024
Gifts and grants for other than capital purposes	212,205,000	29,103,116	42,174,680	38,124,000	13,460,477	25,536,988	14,372,930	3,253,573	3,381,807
Repayment of loans				(411,000)					
Direct Lending, Plus and FFEL loan receipts	162,673,000	10,437,191	35,435,379		13,067,507	9,065,611	18,384,460		
Direct Lending, Plus and FFEL loan payments	(162,600,000)	(10,437,191)	(37,666,729)		(13,012,118)	(8,951,177)	(18,384,414)		
Other agency funds - net	(67,000)	77,504	(24,773)	(4,667,000)	41,427	(444,827)		2,020	660
Intercompany debt payments/receipts		5,291				(421,308)	(262,086)	1,306	
Other noncapital receipts (payments)		(112,466)	21,968			52,578	234,274		
Net cash provided (used) by noncapital financing activities	\$ 448,450,000	\$ 55,335,601	\$ 110,589,714	\$ 101,393,000	\$ 34,364,759	\$ 55,574,346	\$ 18,805,045	\$ 10,152,359	\$ 16,863,285
Cash Flows from Capital and Related Financing Activities									
Distributions from debt proceeds	\$ 59,633,000		\$ (37,899)	\$ 23,600,000					
Capital appropriations	8,142,000					3,000,000			
Capital grants and gifts	29,040,000			2,114,000	1,969,309	(29,167)			165,162
Proceeds from sale of capital assets	1,496,000		(5,670)		226,025		8,929	43,125	
Purchases of capital assets	(211,134,000)	(7,788,095)	(11,327,666)	(41,150,000)	(9,756,784)	(18,846,906)	(556,640)	(1,291,151)	(4,287,884)
Payment of principal on capital debt and other obligations	(55,562,000)	(6,341,356)	(8,510,588)	(45,487,000)	(1,294,350)	(1,852,453)	(4,427,125)	(233,728)	(517,523)
Payment of interest on capital debt and other obligations	(32,412,000)	(549,658)	(2,483,996)	(25,409,000)	(926,432)	(1,567,308)	(482,651)	(91,856)	(274,679)
Insurance proceeds			1,850						
Payments to/from trustee for reserve									
Other capital receipts (payments)		(109,085)		1,460,000			3,400,152		
Net cash provided (used) by capital & related financing act	\$ (200,797,000)	\$ (14,788,194)	\$ (22,363,969)	\$ (84,872,000)	\$ (9,782,232)	\$ (19,295,834)	\$ (2,057,335)	\$ (1,573,610)	\$ (4,914,924)
Cash Flows from Investing Activities									
Proceeds from sales and maturities of investments	\$ 218,582,000		\$ 85,587,065	\$ 70,512,000	\$ 15,463	\$ 1,065,625			
Investment income (net of fees)	4,393,000	2,286,718	322,983	(4,672,000)	1,510,224	1,527,817	4,798,135	147,355	33,423
Purchases of investments	(285,131,000)	(1,430,017)	(61,312,588)	(64,998,000)		(2,544,873)	(3,546,577)		
Net cash provided (used) by investing activities	\$ (62,156,000)	\$ 856,701	\$ 24,597,460	\$ 842,000	\$ 1,525,687	\$ 48,569	\$ 1,251,558	\$ 147,355	\$ 33,423
Net increase/decrease in cash	\$ (64,194,000)	\$ (3,205,544)	\$ 15,758,421	\$ (30,523,000)	\$ (4,853,460)	\$ (6,807,598)	\$ 1,101,179	\$ (1,049,056)	\$ (3,436,149)
Cash, beginning of the year	170,440,000	19,160,384	32,419,604	58,527,000	34,953,564	13,661,738	32,391,215	4,767,579	13,909,917
Merger with UAEACC									
Cash, beginning of the year, restated	170,440,000	19,160,384	32,419,604	58,527,000	34,953,564	13,661,738	32,391,215	4,767,579	13,909,917
Cash, end of year	\$ 106,246,000	\$ 15,954,840	\$ 48,178,025	\$ 28,004,000	\$ 30,100,104	\$ 6,854,140	\$ 33,492,394	\$ 3,718,523	\$ 10,473,768

UNIVERSITY OF ARKANSAS SYSTEM
Schedule of Cash Flows - Direct Method - by Campus
For the Year Ended June 30, 2025

Schedule 4

	UACCB	UACCHT	UACCM	UAPTC	UACCRM	UAEACC	ASMSA	(Note 19)	TOTAL
Cash Flows from Operating Activities									
Student tuition and fees (net of scholarships)	\$ 1,481,490	\$ 745,365	\$ 4,714,397	\$ 9,868,918	\$ 1,020,632	\$ 1,430,215			\$ 474,521,064
Patient and insurance payments									1,510,853,000
Federal and county appropriations									17,383,000
Grants and contracts	2,368,778	2,989,063	4,789,568	7,491,751	4,214,767	2,440,505	\$ 666,120		604,665,362
Collection of loans and interest		1,161					1,040		(123,896)
Insurance plan receipts								\$ (147,814,420)	85,258,769
Auxiliary enterprise revenues:									
Athletics									147,295,254
Housing and food service	134,052			448,195	1,404,295	124,832			124,727,377
Bookstore	67,549	337,342		197,652	549,578	45,544			4,920,756
Other auxiliary enterprises	9,913			24,638	(1,814)				24,109,904
Payments to employees	(6,844,352)	(7,140,861)	(9,455,069)	(20,570,076)	(5,510,220)	(7,433,465)	(5,325,236)		(2,012,634,899)
Payment of employee benefits	(1,825,360)	(1,696,366)	(2,616,044)	(4,577,917)	(1,489,048)	(2,483,044)	(1,356,218)	147,814,420	(289,449,037)
Payments to suppliers	(3,839,126)	(3,667,903)	(4,210,659)	(17,902,806)	(4,080,620)	(4,073,815)	(4,746,550)	9,610,844	(1,417,662,906)
Loans issued to students									(7,190,000)
Scholarships and fellowships	(1,946,323)	(1,139,833)	(4,603,041)	(5,418,176)	(988,118)	(1,263,570)			(76,856,968)
Payments of insurance plan expenses									(234,291,840)
Other receipts and payments	64,764	457,130	516,749	1,225,086	250,845	92,639	234,121	(8,304,565)	404,545,432
Net cash used by operating activities	\$ (10,328,615)	\$ (9,114,902)	\$ (10,864,099)	\$ (29,212,735)	\$ (4,629,703)	\$ (11,120,159)	\$ (10,526,723)	\$ 1,306,279	\$ (639,929,628)
Cash Flows from Noncapital Financing Activities									
State appropriations	\$ 5,273,356	\$ 6,606,424	\$ 6,380,644	\$ 17,039,282	\$ 3,872,495	\$ 10,765,952	\$ 12,829,618		\$ 536,030,305
Property and sales tax	1,972,406	1,942,485	1,134,885		570,141	416,465			10,651,299
Gifts and grants for other than capital purposes	4,486,615	2,795,746	6,154,128	18,351,602	3,352,371	2,257,601	90,856		419,101,490
Repayment of loans									(411,000)
Direct Lending, Plus and FFEL loan receipts	1,202,930		2,291,575	19,284,102	2,250	164,447			272,008,452
Direct Lending, Plus and FFEL loan payments	(1,202,930)		(2,291,575)	(19,284,102)		(167,614)			(273,997,850)
Other agency funds - net	13,197	(439,461)	(52,764)	106,529	(99,455)	(2,795)	19,192		(5,537,546)
Intercompany debt payments/receipts								\$ 40,764	(636,033)
Other noncapital receipts (payments)				403,323					599,677
Net cash provided (used) by noncapital financing activities	\$ 11,745,574	\$ 10,905,194	\$ 13,616,893	\$ 35,900,736	\$ 7,697,802	\$ 13,434,056	\$ 12,939,666	\$ 40,764	\$ 957,808,794
Cash Flows from Capital and Related Financing Activities									
Distributions from debt proceeds			\$ 9,648,628		\$ (456)				\$ 92,843,273
Capital appropriations									11,142,000
Capital grants and gifts		\$ 10,000	292,594		400		\$ 240,000		33,802,298
Proceeds from sale of capital assets									1,768,409
Purchases of capital assets	\$ (2,498,161)	(890,505)	(13,988,983)	(18,267)	(1,971,043)	(592,697)	(1,790,428)		(327,889,210)
Payment of principal on capital debt and other obligations	(254,326)	(652,224)	(392,892)	(2,715,686)	(165,424)	(332,824)	(131,081)	\$ 3,400,152	(125,470,428)
Payment of interest on capital debt and other obligations	(12,342)	(161,457)	(372,046)	(2,923,679)	(646,267)	(114,047)	(17,864)	474,787	(67,970,495)
Insurance proceeds				(2,357,753)					(2,355,903)
Payments to/from trustee for reserve				(14,473)					(14,473)
Other capital receipts (payments)						57,530		(3,400,152)	1,408,445
Net cash provided (used) by capital & related financing act	\$ (2,764,829)	\$ (1,694,186)	\$ (4,812,699)	\$ (8,029,858)	\$ (2,782,790)	\$ (982,038)	\$ (1,699,373)	\$ 474,787	\$ (382,736,084)
Cash Flows from Investing Activities									
Proceeds from sales and maturities of investments	\$ 500,000		\$ 2,667,651	\$ 38,026,155	\$ (227,229)	\$ 1,092,616			\$ 417,821,346
Investment income (net of fees)	169,094	\$ 344,847	291,920	2,162,383	30,381	160,985	\$ 28,562	\$ (515,551)	13,020,276
Purchases of investments	(551,436)	(338,524)		(56,163,228)		(611,872)			(476,628,115)
Net cash provided (used) by investing activities	\$ 117,658	\$ 6,323	\$ 2,959,571	\$ (15,974,690)	\$ (196,848)	\$ 641,729	\$ 28,562	\$ (515,551)	\$ (45,786,493)
Net increase/decrease in cash	\$ (1,230,212)	\$ 102,429	\$ 899,666	\$ (17,316,547)	\$ 88,461	\$ 1,973,588	\$ 742,132	\$ 1,306,279	\$ (110,643,411)
Cash, beginning of the year	5,707,705	5,444,928	6,185,782	30,981,630	1,062,138		10,444,512		440,057,696
Merger with UAEACC						21,531,396			21,531,396
Cash, beginning of the year, restated	5,707,705	5,444,928	6,185,782	30,981,630	1,062,138	21,531,396	10,444,512	-	461,589,092
Cash, end of year	\$ 4,477,493	\$ 5,547,357	\$ 7,085,448	\$ 13,665,083	\$ 1,150,599	\$ 23,504,984	\$ 11,186,644	\$ 1,306,279	\$ 350,945,681

UNIVERSITY OF ARKANSAS SYSTEM
Schedule of Cash Flows - Direct Method - Continued - by Campus
For the Year Ended June 30, 2025

Schedule 4

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM	CCCUA	PCCUA
Reconciliation of net operating revenue (loss) to net cash provided (used) by operating activities:									
Operating revenue (loss)	\$ (387,771,000)	\$ (54,483,788)	\$ (112,284,558)	\$ (110,627,000)	\$ (35,952,021)	\$ (57,595,085)	\$ (18,471,342)	\$ (10,769,547)	\$ (16,384,599)
Adjustments to reconcile net revenue (loss) to net cash provided (used) by operating activities:									
Depreciation expense	118,846,000	8,490,630	16,403,377	98,124,000	4,659,324	8,518,044	1,612,569	1,187,708	1,668,808
Other miscellaneous operating receipts	7,227,000					(12,180,268)			
Adjustment to cash for amounts in transit within the system									
Change in assets and liabilities:									
Receivables, net	(1,140,000)	1,187,184	(1,169,437)	(30,664,000)	350,502	14,286,904	2,366,798	(147,265)	(372,469)
Inventories	(294,000)		14,856	(1,375,000)	(49,417)			(6,055)	3,941
Prepaid expenses and other assets	53,000	(14,961)	208,926	(4,080,000)	(80,860)	(632,764)	1,389,130	52,071	(27,448)
Accounts payable and other accrued liabilities	5,982,000	(285,292)	(1,055,256)	(2,507,000)	136,003	4,571,909	(3,200,911)	(19,241)	(190,259)
Unearned revenue	5,344,000	269,175	991,641	2,443,000	(7,442)	(39,775)	204,798	(45,222)	(11,903)
Liability for future insurance claims							(1,193,500)		
Loans to students and employees	433,000								
Refundable federal advance	(875,000)								
Compensated absences	2,214,000	255,613	378,386	2,191,000	81,372	(7,400)	286,526	83,758	50,638
OPEB liability	787,000	135,000	75,000	(2,346,000)	(10,000)	(60,000)	95,000	34,000	(52,000)
Pension related	(497,000)	(163,213)	(627,689)	(2,055,000)	(89,135)	3,756	81,977	(145,367)	(102,642)
Other			(30)	3,010,000			(69,134)		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (249,691,000)	\$ (44,609,652)	\$ (97,064,784)	\$ (47,886,000)	\$ (30,961,674)	\$ (43,134,679)	\$ (16,898,089)	\$ (9,775,160)	\$ (15,417,933)
Non-Cash Transactions									
Capital gifts	\$ 6,000	\$ 101,791			\$ 95,699				
Fixed assets acquired by incurring capital lease, SBITA, installment contract obligations	24,837,000	29,436	\$ 401,767	\$ 12,008,000	115,524	\$ 127,474	\$ 5,975	\$ 8,619	\$ 9,647
Capital outlay & maintenance paid directly from proceeds of debt						8,756,504			
Payment of bond proceeds/premium/accrued interest/debt service reerve directly into deposits with trustees/escrow	33,638,000	7,964,814							
Payment of bond and note issuance costs and underwriter's discounts from bond proceeds and/or debt service reserves	855,000	114,637							
Payment of principal & interest on long-term debt from deposits with trustees	266,000		17,310		14				
Interest earned on deposits with trustees	2,243,000	10,889	52,799		10				344
Loss on disposal of assets	253,000	767,859	5,670				(39,297)	36,761	3,436
Value of goods received from sponsorship agreements with vendors	4,157,000								

UNIVERSITY OF ARKANSAS SYSTEM
Schedule of Cash Flows - Direct Method - Continued - by Campus
For the Year Ended June 30, 2025

Schedule 4

	UACCB	UACCHT	UACCM	UAPTC	UACCRM	UAEACC	ASMSA	Eliminations	TOTAL
Reconciliation of net operating revenue (loss) to net cash provided (used) by operating activities:									
Operating revenue (loss)	\$ (11,206,174)	\$ (11,897,546)	\$ (12,610,857)	\$ (35,315,367)	\$ (6,566,003)	\$ (12,534,816)	\$ (11,166,681)		\$ (905,636,384)
Adjustments to reconcile net revenue (loss) to net cash provided (used) by operating activities:									
Depreciation expense	1,296,240	2,098,230	2,193,539	5,570,395	1,677,932	1,682,828	1,037,280		275,066,904
Other miscellaneous operating receipts									(4,953,268)
Adjustment to cash for amounts in transit within the system								\$ 1,306,279	1,306,279
Change in assets and liabilities:									
Receivables, net	(388,465)	(66,988)	(567,649)	(1,548,004)	263,425	(353,703)	(86,134)		(18,049,301)
Inventories	2,093	(12,080)			9,074	(42,176)			(1,748,764)
Prepaid expenses and other assets	3,491		46,043	12,206	(1,071)	1,366	(4,702)		(3,075,573)
Accounts payable and other accrued liabilities	83,610	865,989	92,344	729,201	33,908	72,673	(236,611)		5,073,067
Unearned revenue	(7,914)	171,589	61,314	2,037,239		(76,209)	(27,927)		11,306,364
Liability for future insurance claims									(1,193,500)
Loans to students and employees					70,654				503,654
Refundable federal advance									(875,000)
Compensated absences	(27,974)	(41,708)	24,301	107,120	(15,210)	90,815	27,540		5,698,777
OPEB liability	5,000	(21,000)	12,000	52,000	24,000	(21,995)	10,000		(1,281,995)
Pension related	(88,522)	(209,675)	(115,134)	(857,525)	(126,412)	61,058	(80,529)		(5,011,052)
Other		(1,713)					1,041		2,940,164
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (10,328,615)	\$ (9,114,902)	\$ (10,864,099)	\$ (29,212,735)	\$ (4,629,703)	\$ (11,120,159)	\$ (10,526,723)	\$ 1,306,279	\$ (639,929,628)
Non-Cash Transactions									
Capital gifts									\$ 203,490
Fixed assets acquired by incurring capital lease, SBITA, installment contract obligations	\$ 15,738	\$ 7,248	\$ 345,791	\$ 19,297	\$ 5,988		\$ 4,146		37,941,650
Capital outlay & maintenance paid directly from proceeds of debt									8,756,504
Payment of bond proceeds/premium/accrued interest/debt service reerve directly into deposits with trustees/escrow									52,755,094
Payment of bond and note issuance costs and underwriter's discounts from bond proceeds and/or debt service reserves									1,086,681
Payment of principal & interest on long-term debt from deposits with trustees									534,767
Interest earned on deposits with trustees									2,447,893
Loss on disposal of assets					7,878				1,035,307
Value of goods received from sponsorship agreements with vendors									4,157,000