University of Central Arkansas

Conway, Arkansas

Basic Financial Statements
and Other Reports

June 30, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE

UNIVERSITY OF CENTRAL ARKANSAS
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University of Central Arkansas
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 discretely presented component unit of the University of Central Arkansas (University), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report 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 discretely presented component unit of the University as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We did not audit the financial statements of the University of Central Arkansas Foundation, Inc., which represents 100% of the assets and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Central Arkansas Foundation, Inc., is based solely on the report of the other auditors. The financial statements of the University of Central Arkansas Foundation, Inc. were not audited in accordance with *Government Auditing Standards.* We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 16 to the financial statements, in 2022 the University adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Comparative Information

We have previously audited the University's 2021 financial statements, and we expressed unmodified opinions on the respective financial statements of the business-type activities and the discretely presented component unit in our report dated May 5, 2022. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2021, 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 8-16, 72-73, and 74-75 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2023 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

Roger A. Norman

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

Little Rock, Arkansas
June 14, 2023
EDHE16522

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 Central Arkansas
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the University of Central Arkansas (University), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated June 14, 2023. Our report includes a reference to other auditors who audited the financial statements of the University of Central Arkansas Foundation, Inc., as described in our report on the University's financial statements. The financial statements of the University of Central Arkansas Foundation, Inc. were not audited in accordance with *Government Auditing Standards,* and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the University of Central Arkansas Foundation, Inc. or that are reported on separately by those auditors who audited the financial statements of the University of Central Arkansas Foundation, Inc..

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below in the Audit Finding section of this report that we consider to be a material weakness.

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.*

500 WOODLANE STREET, SUITE 172 • LITTLE ROCK, ARKANSAS 72201-1099 • PHONE: (501) 683-8600 • FAX: (501) 683-8605
www.arklegaudit.gov

AUDIT FINDING

Material Weakness

Financial Statements are the responsibility of the University's management and should be presented fairly in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The University's internal control system did not detect or prevent material misstatements in the financial statements. The financial statements were subsequently corrected by University personnel during audit fieldwork. Key errors included:

Comparative Statement of Net Position

1. Noncurrent cash and cash equivalents was overstated and current cash and cash equivalents was understated by $462,330.
2. Calculation errors related to the implementation of GASB Statement No. 87, Leases resulted in the following misstatements:
    - Noncurrent leases receivable was understated by $385,044.
    - Deferred inflows of resources related to leases was understated by $528,409.
3. Due to various misstatements, the unrestricted net position was understated by a net amount of $120,957.

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

1. Multiple misclassifications resulted in operating expenses (supplies and services) being overstated by $252,419.

Comparative Statement of Cash Flows

1. Cash Flows from Operating Activities was overstated by $252,419 and Cash Flows from Capital and Related Financing Activities were understated by $252,419.

Notes to the Financial Statements

1. The Disaggregation of Receivable and Payable Balances note disclosure (Note 4) was understated by $174,661 due to the omission of leases payable.
2. In the Capital Assets note disclosure (Note 6), net capital assets was understated by $414,409 due to various errors.
3. In the Noncurrent Liabilities note disclosure (Note 10), pension liability was overstated by $9,596,725. This error also led to a misstatement in pension liability reductions.
4. In the GASB 87 – Leases note disclosure (Note 16), leases receivable was understated by $388,325, leases liabilities was overstated by $206,650, deferred inflows of resources was understated by $528,409, and lease assets were overstated by $279,077.

We recommend the University implement stronger internal controls to prevent and detect future material misstatements in the Financial Statements and Notes to the Financial Statements.

> Management Response: Management agrees with the recommendation to the overstatement of noncurrent cash of $462,330, the miscalculation in the operating expenditures of $252,419, the error in the note disclosure (Note 10) in the pension liability of $9,596,725, and the miscalculation of the implementation of GASB 87 leases that resulted in misstatements in the financial statements and note disclosures.
>
> Stronger internal controls will be reinstated. Due to short staffing, the University could not complete the tie-out document normally completed at the end of our financial document preparation phase. Management plans to have this document completed for the upcoming fiscal year. This will provide a more in-depth review of the financial statements and supporting note disclosures.

University's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the finding identified in our audit and described previously. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
June 14, 2023

Arkansas

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

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

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

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

University of Central Arkansas
Legislative Joint Auditing Committee

STUDENT ENROLLMENT DATA – In accordance with Ark. Code Ann. § 6-60-209, we performed tests of the student enrollment data for the year ended June 30, 2022, as reported to the Arkansas Division of Higher Education, to provide reasonable assurance that the data was properly reported. The enrollment data reported was as follows:

	Summer II Term 2021	Fall Term 2021	Spring Term 2022	Summer I Term 2022
Student Headcount	2,125	10,105	9,055	2,550
Student Semester Credit Hours	8,158	125,273	109,767	10,866

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

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

ARKANSAS LEGISLATIVE AUDIT

Matt Fink

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
June 14, 2023

Overview of the Financial Statements and Financial Analysis

The University of Central Arkansas is pleased to present its financial statements for the fiscal year ending June 30, 2022. There are three financial statements presented: *The Statement of Net Position*; the *Statement of Revenues, Expenses, and Changes in Net Position*; and the *Statement of Cash Flows*.

This discussion and analysis of the University's financial statements provides an overview of its financial activities for the year.

Statement of Net Position

The *Statement of Net Position* presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the University as of June 30, 2022. The purpose of this statement is to present to the readers a fiscal snapshot of the year-end balances that were a result of the transactions posted during the fiscal year from July 1, 2021, through June 30, 2022. This statement also serves as a starting point for transactions that will occur for the next fiscal period. The assets and liabilities are broken down into current and noncurrent sections to provide information relative to the time required in converting noncash assets to cash or to cash equivalents or that may require the use of cash. The net position is the difference between assets and deferred outflows and liabilities and deferred inflows. The *Notes to the Financial Statements* explain the differences between current and noncurrent assets and liabilities.

Readers of the *Statement of Net Position* are able to determine the assets available to continue the operations of the Institution and how much the Institution owes vendors, lending institutions, and investors in the bonds of the University.

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

Statement of Net Position (continued)

Statement of Net Position
June 30, 2022

	Year Ended June 30		Increase/	Percent
Assets:	2022	2021	Decrease	Change
Current assets	$ 47,020,063	$ 72,260,663	$ (25,240,600)	-35%
Capital assets, net	240,597,599	231,591,858	9,005,741	4%
Other assets	83,172,710	75,667,794	7,504,916	10%
Total Assets	370,790,372	379,520,315	(8,729,943)	-2%
Deferred Outflows of Resources	8,985,080	12,162,105	(3,177,025)	-26%
Liabilities:				
Current liabilities	24,096,819	23,421,436	675,383	3%
Non-current liabilities	233,035,637	260,867,923	(27,832,286)	-11%
Total Liabilities	257,132,456	284,289,359	(27,156,903)	-10%
Deferred Inflows of Resources	17,654,945	5,702,967	11,951,978	210%
Net Position:				
Invested in capital assets, net	25,357,704	26,832,846	(1,475,142)	-5%
Restricted-nonexpendable	3,722,903	3,247,793	475,110	15%
Restricted-expendable	26,263,228	30,089,080	(3,825,852)	-13%
Unrestricted	49,644,216	41,520,375	8,123,841	20%
Total Net Position	$ 104,988,051	$ 101,690,094	$ 3,297,957	3%

A review of the *Statement of Net Position* reveals that total assets decreased by $8.73 million or 2%. Funds held in trust related to bonded capital projects decreased $17.97 million, offset by increased capital assets of $9 million, net $8.97 million. In addition, accounts receivable, excluding lease and capital gifts receivable, increased $1.54 million primarily due to the University utilizing Higher Education Emergency Relief Funds (HEERF) to offset student debt in the prior fiscal. This also includes a decrease of $0.20 million in the student loans receivable due to the wind-down of the Perkins loan program. Meanwhile, cash increased $20.43 million due to positive net operations and revenue recovery via Higher Education Emergency Relief Funds (HEERF). While investments made a slight decrease of $0.80 million due to weaker returns on endowment investments, capital gifts receivable decreased by $20.64 million, primarily related to the Windgate Performing Arts Center. Lease receivables increased by $0.05 million due to the University renewing lease agreements, and other assets decreased $0.35 million, primarily due to a normal decrease in inventories. The University maintained consistent or increasing revenues and was able to increase its cash reserves, and continued to utilize debt financing for capital asset purchases.

Statement of Net Position (continued)

Total liabilities decreased by $27.16 million or 10%. Bonds and notes payable decreased by $8.55 million due to the payment of principal via regular payments, and interest payable decreased $0.06 million. Refundable federal advances decreased $0.36 million due to wind-down of the Perkins loan program. Accounts payable increased by $1.20 million primarily due to timing of invoicing during ongoing construction projects.

Meanwhile, installment purchase agreement decreased $0.06 million. Pension and other postemployment benefit liabilities decreased $18.49 million due to changes in actuarial valuations. Other various liabilities decreased by a total of $0.83 million. This included an increase in lease payables of $.006 million, a decrease in compensated absences of $.03 million, a decrease in unearned revenue of $.19 million, a decrease of $.22 million of the annuity payable, and a decrease in deposits and funds held in trust for others of $.40 million.

Total deferred outflows decreased by $3.18 million or 26%. Costs related to debt refunding decreased by $0.25 million due to amortization. Deferred outflows related to pension costs decreased by $2.85 million, and deferred outflows related to OPEB decreased by $0.07 million, both due to changes in actuarial valuations.

Total deferred inflows increased by $11.95 million or 209%. Inflows related to pension costs increased by $11.04 million, and inflows related to OPEB increased by $0.90 million, both due to changes in actuarial valuations. Inflows related to leases increased by $0.01 million due to the on-going payments of lease agreements.

The aggregate of all changes results in an increase in Total Net Position of $3.3 million or 3%.

While the 2021-22 comparisons are important indicators of activity during the year under audit, it is important to look at some of the operating and non-operating categories over time. One of the important measures of an institution's fiscal stability is how operating revenues compare to operating expenses. Public institutions will normally not have an excess of operating revenues over operating expenses because state appropriations, federal and some state student grants are considered non-operating revenues under accounting principles generally accepted in the United States of America.

Statement of Revenues, Expenses and Changes in Net Position

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

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

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

Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

	Year Ended June 30			
	2022	Restated 2021	Increase/ Decrease	Percent Change
Operating revenues	$ 91,018,392	$ 86,650,566	$ 4,367,826	5%
Operating expenses	(203,736,443)	(195,756,607)	(7,979,836)	4%
Operating loss	(112,718,051)	(109,106,041)	(3,612,010)	3%
Nonoperating revenues less expenses	116,100,290	110,869,582	5,230,708	5%
Income (loss) before other revenues, expenses, gains or losses	3,382,239	1,763,541	1,618,698	92%
Other revenues, expenses, gains or losses	(84,282)	1,927,013	(2,011,295)	-104%
Increase(Decrease) in net position	3,297,957	3,690,554	(392,597)	-11%
Net position at beginning of year	101,690,094	97,999,540	3,690,554	4%
Net position at end of year	$ 104,988,051	$ 101,690,094	$ 3,297,957	3%

The *Statement of Revenues, Expenses and Changes in Net Position* reflects an increase in net position at the end of the year of $3.3 million or 3%.

The financial statement shows that operating revenues increased by $4.37 million, or 5%. The University's small increase in tuition and fee rates was offset by decreased annualized FTE (see charts on page 15), as well as certain adjusted fee structures due to the COVID-19 pandemic, resulting in an increase of $1.14 million. Total auxiliary revenue also increased by $3.74 million and other sales and services increased $0.37 million as programs continue to recover from the COVID-19 pandemic. Meanwhile, operating grants increased $0.65 million and other operating revenues, primarily related to wind-down of the Perkins loan program, decreased $1.54 million.

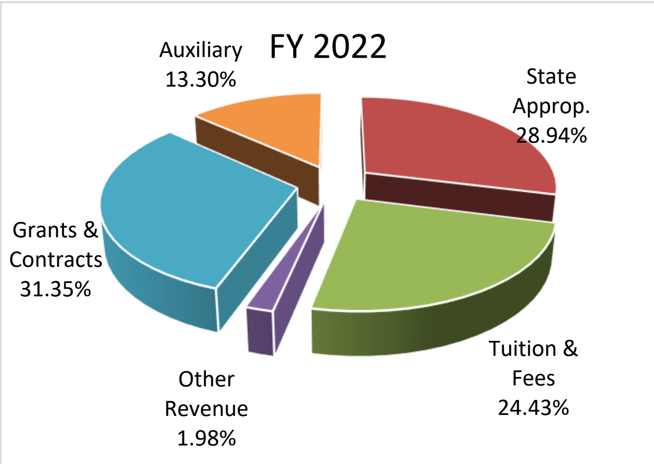
Operating expenditures increased by $7.98 million or 4%. Scholarships increased $1.05 million, primarily related to HEERF student aid funds allocated to students. Depreciation and amortization increased $0.60 million as multiple major assets were capitalized during the year and the addition of lease assets. Supplies and services increased slightly by $8.11 million. This is offset by decreased compensation and benefits of $1.78 million resulting from voluntary early retirement incentives and resource optimization initiatives.

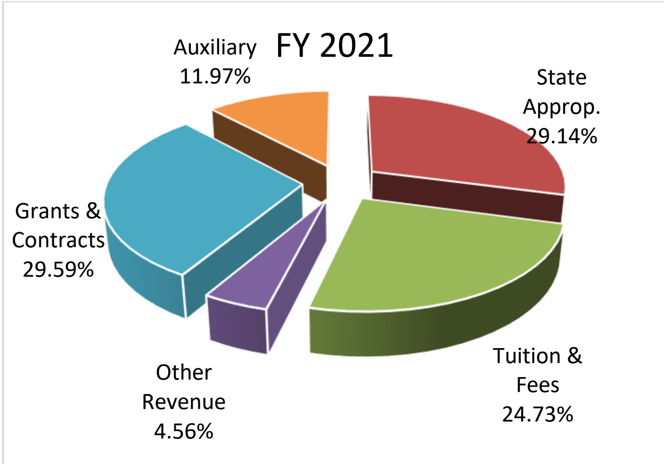
Statement of Revenues, Expenses and Changes in Net Position (continued)

Non-operating revenues less expenses increased $5.23 million, or 5%. Non-operating grant and contract revenue increased by $5.34 million. State appropriations increased $1.66 million and investment income decreased $2.01 million. In addition, interest expense decreased $0.19 million due to refunding to take advantage of lower interest rates. Other changes total $0.05 million.

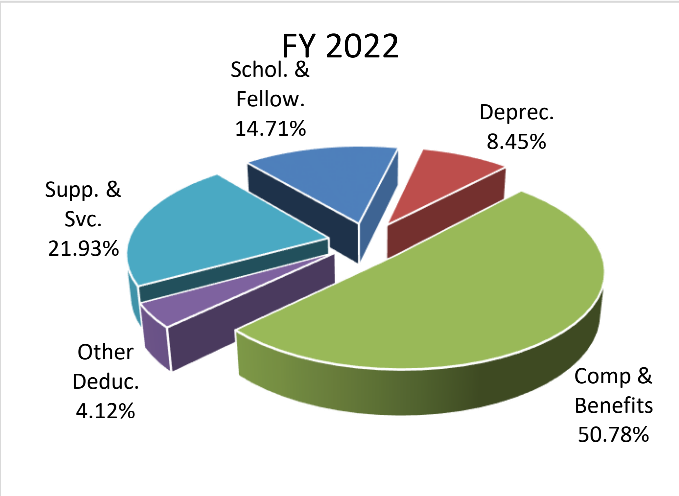
Other revenues, expenses, gains or losses decreased $2.01 million. The majority of the change is capital gifts, primarily related to the Windgate Center for Performing Arts, which decreased $2.69 million, and capital grants, which decreased $0.06 million.

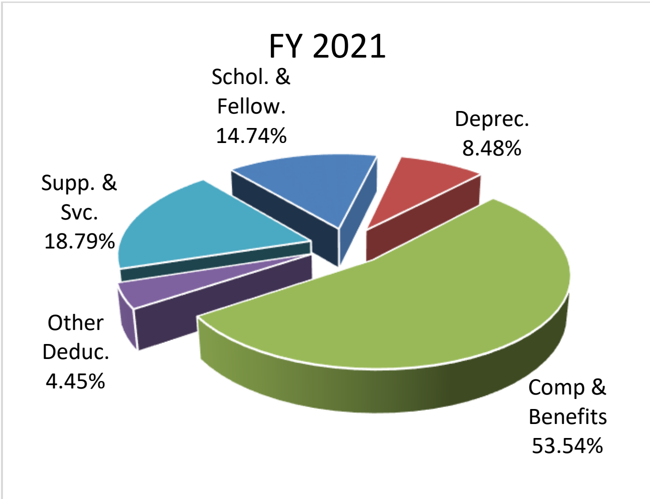
UNIVERSITY OF CENTRAL ARKANSAS
REVENUE ANALYSIS





UNIVERSITY OF CENTRAL ARKANSAS
EXPENDITURE ANALYSIS





Statement of Cash Flows

The *Statement of Cash Flows* presents detailed information about the cash activity of the Institution during the year. The statement is divided into the following five sections:

- The *Operating Cash Flows* section provides details of the operating cash flows and the net cash used by operating activities of the Institution.
- The *Non-capital Financing Activities* section reflects cash received and spent for non-operating financing activities.
- The *Capital and Related Financing Activities* section provides specific information on the cash used for the acquisition and construction of capital and related items.
- The *Cash Flows from Investing Activities* section indicates the purchases, proceeds, and interest received from investing activities.
- The last section reconciles the net cash used to the operating income or loss reflected on the *Statement of Revenues, Expenses, and Changes in Net Position.*

Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

Cash Flow Statement

	Year Ended June 30			
			Increase/	Percent
Cash provided(used) by:	2022	2021	Decrease	Change
Operating activities	$ (99,944,362)	$ (90,951,671)	$ (8,992,691)	10%
Non-capital financing activities	122,761,980	116,005,057	6,756,923	6%
Capital and related financing activitie	(3,378,789)	(16,897,349)	13,518,560	-80%
Investing activities	990,144	485,957	504,187	104%
Net Change in Cash	20,428,973	8,641,994	11,786,979	136%
Cash, beginning of year	84,600,062	75,958,068	8,641,994	11%
Cash, end of year	$ 105,029,035	$ 84,600,062	$ 20,428,973	24%

Capital Assets and Debt Administration

The University continued to make major capital investments in buildings and in construction in progress during Fiscal Year 2021-22. The following are some of the significant additions:

Funded By Bonds, Grants and Other Sources:

Capital Assets & Debt Administration

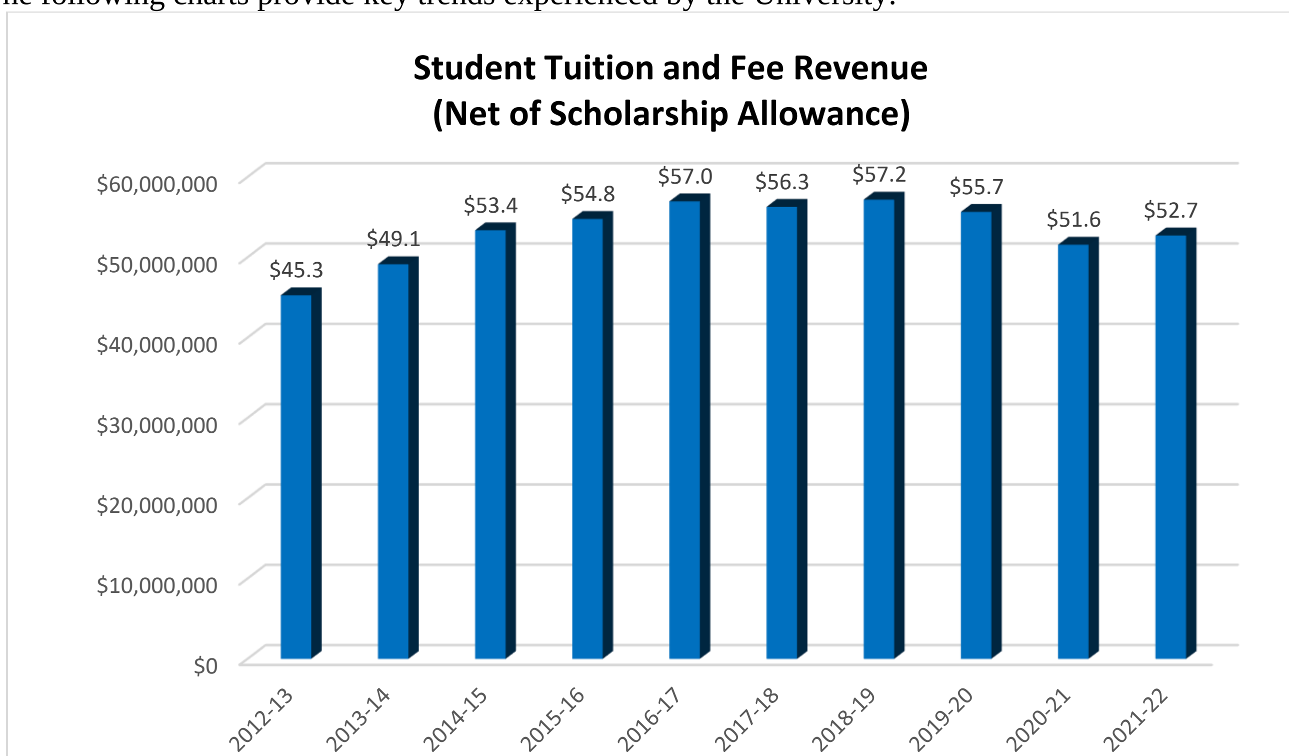
Academic and other E & G projects	$ 25,401,976
Housing and other Auxiliaries	4,246,491
Infrastructure/Technology & Property	4,878,969
	$ 34,527,436

For additional information concerning Capital Assets and Debt Administration, see Notes 6, 11, 13, and 15 in the *Notes to the Financial Statements*.

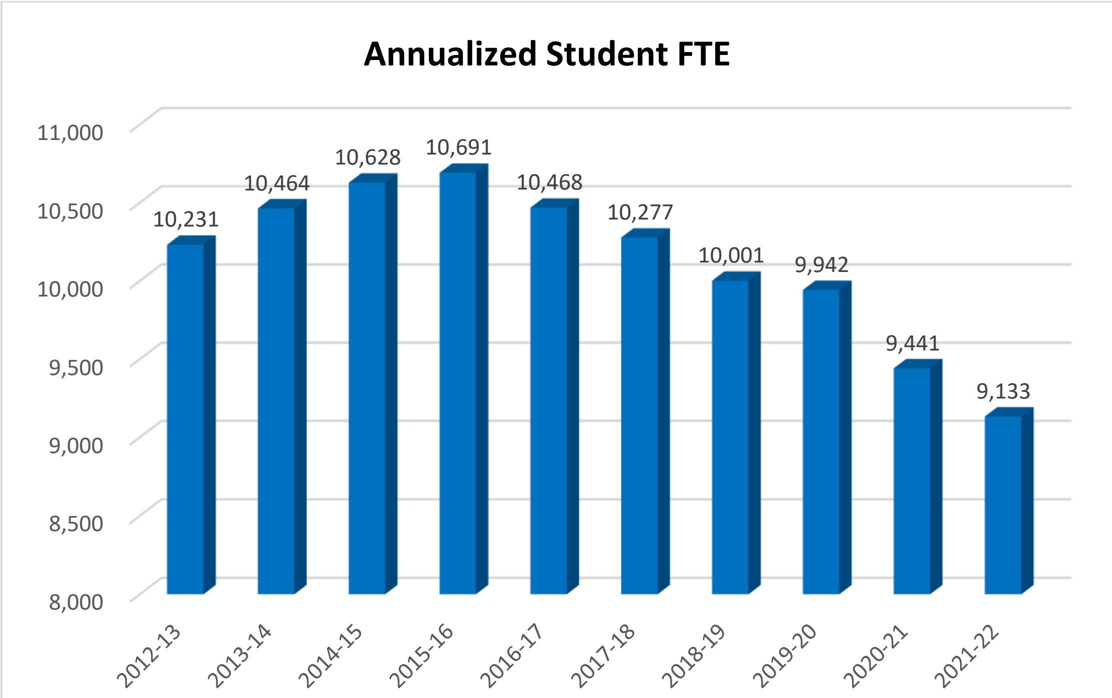
Economic Outlook

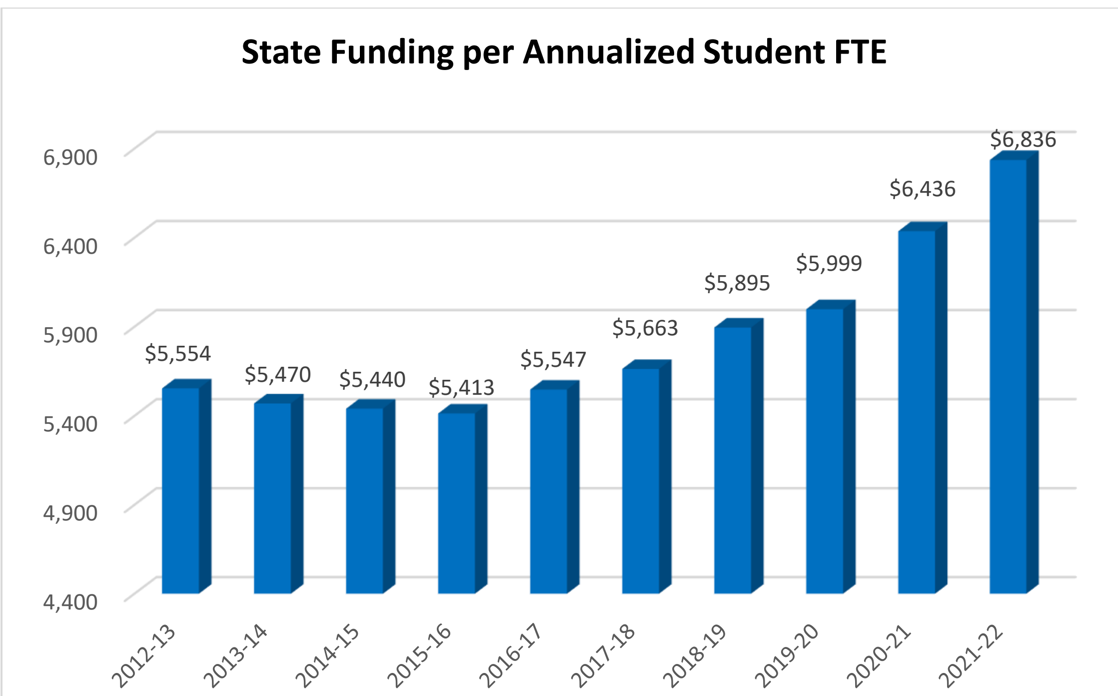
Indicators such as cash reserves, fund balances and ratio analyses all show positive trends and are consistent with the upward movement of net assets.

The following charts provide key trends experienced by the University:



Economic Outlook (continued)





The University is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the current financial position or results of operations during the fiscal year beyond those that have already been discussed, or that may be discussed in this portion of the report.

Economic Outlook (continued)

The overall funding provided by the State remains relatively stable. The University continues to monitor spending in all areas while placing an emphasis on building and maintaining unrestricted cash reserves and operating fund balances. Indicators point to continued optimism in revenue generation. These include stable state funding, stable enrollment, and stable demand for housing and food service.

In 2015, the Arkansas Department of Higher Education began the process of developing a plan to move from enrollment-based funding to outcomes-based funding. On July 29, 2016, Dr. Brett Powell, then Director of the Arkansas Department of Higher Education, issued the following statement:

> *"Outcomes-based funding represents a fundamental shift in the way we think about how the state invests in higher education. Instead of an enrollment-centered formula, this model focuses on program completions and, as a result, it emphasizes success and incentivizes institutional leaders to prioritize the types of activities that lead to successful students."*

In February 2017, the Arkansas General Assembly passed legislation adopting a productivity-based funding model for the state-supported institutions of higher education. The first year under the new formula was 2018-2019. The University of Central Arkansas administration feels it is positioned to continue performing well under the new model.

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered the Arkansas Department of Health to act to prevent the spread of coronavirus disease 2019 (COVID-19). The financial impact of COVID-19 to the University is described in detail in the *Notes to the Financial Statements*, although the final impact is uncertain as of the audit report date.

Beyond the current issues related to COVID-19, the administration is closely monitoring state revenues to be ready to take steps to react to any revision state officials might make in the official revenue forecast. Further revisions in the state's official revenue forecast could result in state agencies, including institutions of higher education, being authorized to spend at a reduced level in future periods. This is the same challenge faced by all public institutions and agencies, as well as all private colleges and universities in the nation.

The Moody's Investors Service rating for the 2022 bond issues was Aa2 with a stable outlook.

Terri Canino

Terri Canino
Interim Vice President for Finance and Administration

Exhibit A

UNIVERSITY OF CENTRAL ARKANSAS
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2022

	2021-2022	RESTATED 2020-2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 38,339,087	$ 43,940,302
Accounts receivable-state	192,500	139,006
Accounts receivable-other, net of allowances of $1,363,743 & $2,194,949	5,482,050	3,795,541
Lease receivable	74,509	56,926
Student loans receivable	276,607	500,143
Prepaid expenses	1,320,938	1,719,949
Capital gifts receivable	171,355	20,733,695
Inventories	383,877	552,390
Bond issuance costs (prepaid insurance)	779,140	822,711
Total Current Assets	**47,020,063**	**72,260,663**
Noncurrent Assets		
Cash and cash equivalents	66,689,948	40,659,760
Deposits with trustees	3,652,220	21,617,745
Investments	8,219,506	9,020,432
Prepaid expenses	1,172,008	912,626
Lease receivable	1,741,468	1,707,311
Capital gifts receivable	-	79,067
Endowment investments in real estate	-	300,000
Student loans receivable	1,697,560	1,670,853
Lease assets, net of accumulated amortization of $394,411 & $181,829	171,924	166,812
Capital assets, net of accumulated depreciation & amortization of $262,282,466 & $246,451,376	240,425,675	231,125,046
Total Noncurrent Assets	**323,770,309**	**307,259,652**
TOTAL ASSETS	**370,790,372**	**379,520,315**
DEFERRED OUTFLOWS OF RESOURCES		
Debt refunding costs	3,567,219	3,819,470
Pensions	4,847,216	7,699,869
OPEB	570,645	642,766
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**8,985,080**	**12,162,105**
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	5,812,823	3,590,147
Accounts payable-payroll	4,113,148	5,029,318
Accrued interest payable	1,794,522	1,853,554
Bonds payable, current portion-net	8,637,311	8,357,311
Installment Purchase Agreement	195,680	126,158
Leases payable, current portion	124,315	137,930
Compensated absences	518,891	570,918
Unearned revenue	1,985,649	2,329,499
Annuity payable	-	62,500
OPEB Liability	407,755	335,655
Deposits and funds held in trust for others	506,725	1,028,446
Total Current Liabilities	**24,096,819**	**23,421,436**

Exhibit A

UNIVERSITY OF CENTRAL ARKANSAS
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2022

	2021-2022	RESTATED 2020-2021
Noncurrent Liabilities:		
Accounts payable-payroll	$ 1,199,712	$ 1,304,112
Bonds payable, long term portion-net	203,943,667	212,580,978
Notes payable, long term portion-net	1,310,158	1,502,681
Installment Purchase Agreement	6,571,276	6,703,175
Leases payable, long term portion	50,346	30,669
Compensated absences	3,529,775	3,509,897
Unearned revenue	180,000	28,750
Annuity payable	-	160,343
OPEB liability	2,982,133	3,774,444
Deposits and funds held in trust for others	1,533,703	1,408,692
Pension liability	9,980,015	27,751,020
Refundable federal advances	1,754,852	2,113,162
Total Noncurrent Liabilities	**233,035,637**	**260,867,923**
TOTAL LIABILITIES	**257,132,456**	**284,289,359**
DEFERRED INFLOWS OF RESOURCES		
Pensions	14,443,941	3,400,642
OPEB	1,482,343	584,160
Leases	1,728,661	1,718,165
TOTAL DEFERRED INFLOWS OF RESOURCES	**17,654,945**	**5,702,967**
NET POSITION		
Net investment in capital assets	$ 25,357,704	$ 26,832,846
Restricted for:		
Non-Expendable		
Loans	352,868	470,916
Other	3,370,035	2,776,877
Expendable	26,263,228	30,089,080
Unrestricted	49,644,216	41,520,375
TOTAL NET POSITION	**$ 104,988,051**	**$ 101,690,094**

See accompanying summary of significant accounting policies and notes to financial statements.

Exhibit A-1

UNIVERSITY OF CENTRAL ARKANSAS FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 3,232,970	$ 1,794,106
Investments	53,113,094	78,531,250
Contributions receivable, net	8,997,994	8,111,927
Investment in direct financing lease, net	7,356,745	7,413,613
Property and equipment, net	3,601,592	3,751,449
TOTAL ASSETS	$ 76,302,395	$ 99,602,345
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 13,883	$ 6,517
Accrued interest	57,246	57,246
Long term debt, net	2,682,046	2,780,431
Obligations under annuity agreements	59,613	70,422
Amount held for University	8,219,507	28,400,432
Total Liabilities	11,032,295	31,315,048
Net Assets		
Without donor restrictions	11,739,236	12,925,010
With donor restrictions	53,530,864	55,362,287
Total Net Assets	65,270,100	68,287,297
TOTAL LIABILITIES AND NET ASSETS	$ 76,302,395	$ 99,602,345

Exhibit B

UNIVERSITY OF CENTRAL ARKANSAS
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022

	2021-2022	RESTATED 2020-2021
Operating Revenues:		
Student tuition & fees (net of scholarship allowances of $32,744,547 & $33,576,320)	$ 52,716,751	$ 51,572,246
Federal grants and contracts	4,099,885	3,315,407
State and local grants and contracts	1,267,013	1,105,452
Non-governmental grants and contracts	1,733,628	2,027,310
Sales & services of educational departments	1,286,873	912,743
Auxiliary Enterprises		
Athletics (net of scholarship allowances of $1,951,577 & $1,974,525)	5,526,152	5,115,327
Housing (net of scholarship allowances of $6,776,603 & $5,919,871)	12,996,208	10,934,007
Food Service (net of scholarship allowances of $3,511,633 & $3,050,324)	6,291,614	5,079,756
Student Center (net of scholarship allowances of $391,047 & $418,754)	644,562	664,018
Recreational Facilities (net of scholarship allowances of $891,315 & $947,875)	1,507,558	1,486,324
Other Auxiliary Enterprises (net of scholarship allowances of $742,624 & $787,017)	1,730,073	1,675,667
Other Operating Revenues	1,218,075	2,762,309
Total Operating Revenues	**91,018,392**	**86,650,566**
Operating Expenses:		
Compensation and benefits	107,909,705	109,690,864
Supplies and services	46,608,870	38,495,228
Scholarships and fellowships	31,250,341	30,200,489
Depreciation and Amortization	17,967,527	17,370,026
Total Operating Expenses	**203,736,443**	**195,756,607**
Operating Loss	**(112,718,051)**	**(109,106,041)**
Non-operating Revenues (Expenses):		
State appropriations	62,431,339	60,766,794
Federal grants and contracts	39,930,841	33,449,760
State and local grants and contracts	13,354,793	15,414,638
Non-governmental grants and contracts	7,249,001	6,332,457
Gifts	502,118	520,660
Investment income (net of investment expense of $0 & $79,079)	318,949	2,331,524
Interest expense and trustee fees	(7,725,332)	(7,917,205)
Disposal of capital assets (net of accumulated depreciation of $758,284 & $1,914,577)	(39,164)	(20,726)
Payments to foundation for scholarships	(126,760)	(222,444)
Other income	204,505	214,124
Net Non-operating Revenues (Expenses)	**116,100,290**	**110,869,582**
Income Before Other Revenues, Expenses, Gains or Losses	**3,382,239**	**1,763,541**
Other Revenues, Expenses, Gains or Losses		
Capital gifts	127,517	2,814,291
Capital grants and contracts		63,157
Payments of mandatory fees to agency funds	(863,289)	(900,105)
Other additions (deductions), net	651,490	(50,330)
Total Other Revenues, Expenses, Gains or Losses	**(84,282)**	**1,927,013**
Increase (Decrease) in Net Position	**3,297,957**	**3,690,554**
Net Position - Beginning of Year as Originally Reported	**101,665,400**	**97,999,540**
Restatement of Prior Year Balance	**24,694**	
Net Position - Beginning of Year	**101,690,094**	**97,999,540**
Net Position - End of Year	**$ 104,988,051**	**$ 101,690,094**

See accompanying summary of significant accounting policies and notes to the financial statements.

Exhibit B-1

UNIVERSITY OF CENTRAL ARKANSAS FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restriction	**With Donor Restriction**	**Total**	**Without Donor Restriction**	**With Donor Restriction**	**Total**
SUPPORT, REVENUE, GAINS(LOSSES), AND RECLASSIFICATIONS						
Contributions and grants	$ 3,677,293	$ 5,326,327	$ 9,003,620	$ 3,554,421	$ 5,246,915	$ 8,801,336
Contributions of nonfinancial assets	124,541	0	124,541	99,695	0	99,695
Special events	320,794	27,283	348,077	331,579	1,765	333,344
Membership dues and sponsorships	1,054,246	39,118	1,093,364	890,307	32,973	923,280
Lease income	293,197	0	293,197	274,541	0	274,541
Royalty income	22,321	0	22,321	13,737	0	13,737
Investment return	(1,616,454)	(3,863,999)	(5,480,453)	3,158,495	6,403,376	9,561,871
Change in fair value of annuity obligations	(1,992)	0	(1,992)	(51,381)	0	(51,381)
Net assets released from restrictions	3,360,152	(3,360,152)	0	2,030,986	(2,030,986)	0
Total Support, Revenue, Gains (Losses) and Reclassifications	7,234,098	(1,831,423)	5,402,675	10,302,380	9,654,043	19,956,423
EXPENSES						
Program services	7,766,118	0	7,766,118	6,093,443	0	6,093,443
Management and general	539,414	0	539,414	368,711	0	368,711
Fundraising	114,340	0	114,340	11,098	0	11,098
Total Expenses	8,419,872	0	8,419,872	6,473,252	0	6,473,252
CHANGE IN NET ASSETS	(1,185,774)	(1,831,423)	(3,017,197)	3,829,128	9,654,043	13,483,171
NET ASSETS, BEGINNING OF YEAR	12,925,010	55,362,287	68,287,297	9,095,882	45,708,244	54,804,126
NET ASSETS, END OF YEAR	$ 11,739,236	$ 53,530,864	$ 65,270,100	$ 12,925,010	$ 55,362,287	$ 68,287,297

Exhibit C

UNIVERSITY OF CENTRAL ARKANSAS
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022

	2021-2022	RESTATED 2020-2021
Cash Flows from Operating Activities		
Student tuition and fees (net of scholarships)	$ 51,604,863	$ 52,116,331
Grants and contracts	6,875,800	6,364,277
Collection of loans & interest to students	(409,056)	(798,668)
Auxiliary Enterprise revenues:		
Athletics	5,798,545	5,171,571
Housing	12,658,049	11,108,645
Food Service	6,174,163	5,792,614
Student Center	637,720	681,202
Recreational Facilities	1,501,448	1,493,184
Other auxiliary enterprises	1,664,062	1,649,997
Other receipts	1,929,097	1,584,433
Payments to employees/benefits	(112,587,384)	(109,388,427)
Payments to suppliers	(44,541,328)	(36,526,341)
Payments for scholarships and fellowships	(31,250,341)	(30,200,489)
Net cash used by operating activities	**(99,944,362)**	**(90,951,671)**
Cash Flows from Non-capital Financing Activities		
State appropriations	62,382,565	60,766,122
Private gifts	484,419	500,370
Federal grants and contracts	40,435,641	33,462,273
State, local, and private grants and contracts	20,609,772	21,756,234
Direct lending receipts	40,068,071	40,875,338
Direct lending payments	(40,141,135)	(40,732,627)
Other agency funds - net	(151,564)	339,952
Annuity payments	(62,500)	(62,500)
Payment of mandatory fees to agency funds	(863,289)	(900,105)
Net cash provided by non-capital financing activities	**122,761,980**	**116,005,057**
Cash Flows from Capital and Related Financing Activities		
Distributions from trustee of bond proceeds and interest earnings	17,606,716	29,650,928
Capital grants and gifts	20,650,457	1,335,449
Proceeds from sale of capital assets	20,079	21,555
Purchases of capital assets	(25,923,724)	(33,258,645)
Payments to trustee for bond principal	(8,070,000)	(6,240,000)
Payments to debt holders for principal other than for bonds	(254,900)	(305,666)
Payments to trustee for interest and fees	(7,055,132)	(5,761,336)
Payments to debt holders for interest and fees other than for bonds	(220,875)	(396,834)
Payments to trustee other than for principal, interest, and fees	32,137	(1,892,363)
Principal paid on leases payable	(211,631)	(180,042)
Interest paid on leases payable	(7,251)	(6,694)
Proceeds from insurance for capital assets	55,335	136,299
Net cash used by capital and related financing activities	**(3,378,789)**	**(16,897,349)**
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	1,139,826	80,705
Purchase of investments	(465,661)	(1,930,864)
Interest on investments (net of fees)	315,979	2,336,116
Net cash provided by investing activities	**990,144**	**485,957**
Net increase in cash	**20,428,973**	**8,641,994**
Cash - Beginning of Year	**84,600,062**	**75,958,068**
Cash - End of Year	**$ 105,029,035**	**$ 84,600,062**

See accompanying summary of significant accounting policies and notes to the financial statements.

Exhibit C

UNIVERSITY OF CENTRAL ARKANSAS
COMPARATIVE STATEMENT OF CASH FLOWS - Continued
FOR THE YEARS ENDED JUNE 30, 2022

Reconciliation of net operating revenues (loss) to net cash provided (used) by operating activities:	**2021-2022**	**RESTATED 2020-2021**
Operating Loss	$ (112,718,051)	$ (109,106,041)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	17,967,527	17,370,026
Change in assets and liabilities:		
Receivables, net	(1,513,375)	3,891,420
Inventories	168,513	(204,967)
Deposits with others	28,463	35,363
Prepaid expenses and other assets	106,851	(304,987)
Accounts payable	208,729	(706,837)
Unearned revenue	(177,600)	190,902
Refundable federal advances	(358,310)	(3,188,371)
Compensated absences	(32,149)	(238,842)
Pension liability	(3,875,053)	967,359
Other postemployment benefits liability	250,093	343,304
NET CASH USED BY OPERATING ACTIVITIES	**$ (99,944,362)**	**$ (90,951,671)**

Noncash Transactions		
Capital Gifts	$ 118,467	$ 1,155,970
Fixed assets acquired by incurring lease obligations		6,950,000
Bond proceeds/premiums/accrued interest deposited directly with trustees/escrow fund		67,622,459
Bond issuance costs and discounts paid from trustees/escrow fund		314,794
Bond issuance costs and discounts paid directly from bond proceeds		740,447
Amortization of bond premium	291,038	284,600
Amortization of bond discount	3,727	3,020
Amortization of bond refunding gain/loss	252,251	237,735
Amortization of bond issuance costs (prepaid insurance)	43,571	40,773
Interest earned on reserve accounts held by trustee	75	1,042
Value of trade-in of capital assets		9,225
Loss on disposal of certain capital assets	39,164	20,726
Payments by Foundation for scholarships	126,760	222,444
Direct supplies purchases, State of Arkansas	-	166,356
Unearned revenue from skybox purchase	85,000	85,000
Right to use leased assets (less amortization)	171,924	166,812

See accompanying summary of significant accounting policies and notes to financial statements.

UNIVERSITY OF CENTRAL ARKANSAS FOUNDATION, INC. Exhibit C-1

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change In Net Assets	$ (3,017,197)	$ 13,483,171
Adjustments to Reconcile Change in Total Net Assets to Net Cash (Used for) Provided by Operating Activities		
Depreciation	149,857	31,586
Amortization of debt issuance costs	1,748	1,748
Net depreciation (appreciation) in fair value of investments	7,251,942	(8,701,196)
Change in fair value of annuity obligations	1,992	51,381
Changes in operating assets and liabilities:		
Contributions receivable	(886,067)	18,672,000
Investment in direct financing lease	(169,732)	(169,732)
Accounts payable	7,366	(1,158,625)
Accrued interest	0	57,246
Obligations under annuity agreements	(12,801)	(12,800)
Amounts held for University	(20,180,925)	163,937
Net Cash (Used for) Provided by Operating Activities	(16,853,817)	22,418,716
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments received on direct financing lease	226,600	453,450
Purchase of property and equipment	0	(2,686,039)
Proceeds from sale and maturity of investments	28,737,211	22,582,918
Purchases of investments	(10,570,997)	(45,130,573)
Net Cash Provided by (Used for) Investing Activities	18,392,814	(24,780,244)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long term debt	0	1,115,922
Debt issuance costs	0	(8,739)
Principal payments on long term debt	(100,133)	(58,580)
Net Cash (Used for) Provided by Financing Activities	(100,133)	1,048,603
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,438,864	(1,312,925)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,794,106	3,107,031
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,232,970	$ 1,794,106
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Non-cash Investing and Financing Activity		
Property and equipment transferred to investment in direct financing lease	$ 0	$ 7,697,331

NOTE 1: Reporting Entity:

The University of Central Arkansas was established as the Arkansas State Normal School by the General Assembly of Arkansas on May 14, 1907. On September 21, 1908, the Arkansas State Normal School was formally opened for instruction.

The name of the institution was changed from Arkansas State Normal School to Arkansas State Teachers College by the General Assembly of Arkansas in 1925; and by Legislative enactment, the Board of Trustees was given authority to grant appropriate degrees. To reflect the present multi-purpose nature of the Agency, the name was changed to State College of Arkansas by Act 5 of the 1967 Legislature. The Legislature changed the name of the institution to the University of Central Arkansas by Act 3 of 1975.

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

The University of Central Arkansas is governed by a Board of Trustees appointed by the Governor of the state of Arkansas. The state of Arkansas allocates and allots funds to each state agency separately and requires that the funds be maintained accordingly. The state of Arkansas maintains the state allocated funds in the state treasury accounts with a specific fund designated for use by the University.

The University is an institution of higher education of the state of Arkansas.

Accounts of the University of Central Arkansas Foundation, Inc. are presented in a discrete separate presentation following the University's financial statements as required by GASB Statement no. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement no. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34* based on the following criteria:

Legally separate - The Foundation is legally separate from the state and/or the University based on the Articles of Incorporation, organization by-laws, and mission statement.

Non-appointment of voting majority - The state and the University do not appoint any members to the board of the University of Central Arkansas Foundation, Inc.

Fiscal Dependence - The Foundation has total autonomy with respect to the assets held, the ability to issue bonded debt, and the ability to determine its budget without the approval of the state and/or the University. The Foundation is not financially accountable to the University.

Complete financial statements for the University of Central Arkansas Foundation, Inc. may be obtained from the UCA Foundation at 201 Donaghey, Buffalo Alumni Hall, Conway, AR 72035.

NOTE 2: Summary of Significant Accounting Policies:

Financial Statement Presentation: In June 1999, GASB issued Statement no. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This was followed by GASB Statement no. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* in November 1999. As an institution of higher education of the state of Arkansas, the University is also required to adopt GASB Statements no. 34 and no. 35. This was amended by GASB Statement no. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement no. 65, *Items Previously Reported as Assets or Liabilities.* These statements require a comprehensive, entity-wide perspective of the University's assets, liabilities, deferred outflows/inflows, net position, revenues, expenses, changes in net position, and cash flows, and replace the fund-group perspective previously required.

In March 2003, GASB issued Statement no. 40, *Deposit and Investment Risk Disclosures.* This statement was an amendment of GASB Statement No. 3 to limit required custodial credit risk disclosures. It also required certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates, as well as deposit and investment policies related to the risks identified in the statement.

The University adopted GASB Statement no. 68, *Accounting and Financial Reporting for Pensions*, during fiscal year 2014-15. This statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through certain trusts. Please refer to note 17 for additional information.

The University adopted GASB Statement no. 72, *Fair Value Measurement and Application*, during fiscal year 2015-16. This statement provides guidance for determining a fair value measurement for financial reporting purposes, and for applying fair value to certain investments and disclosures related to all fair value measurements. Please refer to note 3 for additional information.

The University adopted GASB Statement no. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the fiscal year ended June 30, 2018. This statement replaces the requirements of GASB Statements no. 43 and no. 45, which were adopted in the fiscal years ended June 30, 2007 and June 30, 2008, respectively. The new statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures related to other post-retirement benefits (OPEB). Please refer to note 21 for additional information.

The University adopted GASB Statement no. 84, *Fiduciary Activities*, effective for the fiscal year ended June 30, 2021. The new statement establishes specific criteria for state and local governments for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Management has determined that Statement no. 84 did not materially impact the University.

NOTE 2: Summary of Significant Accounting Policies: (Continued)

Financial Statement Presentation: (Continued)

The University adopted GASB Statement no. 87, *Leases,* effective for the fiscal year ended June 30, 2021. In June 2017, GASB issued Statement No. 87, Leases, which provided guidance regarding lease accounting. It establishes a single model for lease accounting based on the foundational principle that a lease is financing the right to use an underlying asset. It requires the University to recognize lease liabilities and the intangible right to-use lease assets as lessee, and leases receivable and deferred inflows of resources as lessor. The provisions of the statement were effective for fiscal years beginning after December 15, 2019 (fiscal year 2021). Due to the COVID-19 pandemic, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, extending the provisions of this statement by 18 months to fiscal year 2022. Please see Note 16 Leases for additional details.

Basis of Accounting: For financial reporting purposes, the University is considered a special–purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting requires recognition of revenues when earned and expenses when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

In March 2009 issued GASB Statement no. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.* In December 2010, GASB issued Statement no. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* These statements brought the authoritative accounting and financial reporting literature together in one place, with the guidance modified as necessary. GASB Statement no. 56 was effective upon issuance and GASB Statement no. 62 was effective for the year ended June 30, 2013. In June 2015, GASB issued Statement no. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* This statement was effective for the year ended June 30, 2016 and established the order of priority of pronouncements and other sources of accounting and financial reporting guidance that should be applied. The University will ensure accuracy of reporting in accordance with the guidelines discussed in these statements.

Cash Equivalents: For purposes of the *Statement of Cash Flows*, the University considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. These include demand deposits and cash on deposit with the State Treasury.

Investments: The University states its investments at fair market value in accordance with GASB Statement no. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment* Pools. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the *Statement of Revenues, Expenses and Changes in Net Position.*

GASB Statement no. 52, *Land and Other Real Estate Held as Investments by Endowments*, aims to improve the quality of financial reporting by requiring state and local government endowments to report their land and other real estate investments at fair value, with changes in fair value reported in investment income; previously, the assets were stated at their historical cost. The University has previously adopted this policy and land and real estate investments are reported at their fair value.

NOTE 2: Summary of Significant Accounting Policies: (Continued)

Investments: (Continued)

GASB Statement no. 53, *Accounting and Financial Reporting for Derivative Instruments*, was issued in June 2008. The requirements of this statement are effective for financial statements for periods after June 15, 2009. This statement requires that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, are to be reported at fair value instead of the typical historical prices. This statement was further amended by GASB Statement no. 64 *Derivative Instruments*: *Application of Hedge Accounting Termination Provisions.* As of June 30, 2022, the University had no funds invested in derivative instruments.

GASB Statement no. 72, *Fair Value Measurement and Application*, was issued in February 2015. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. This statement requires investments to be measured at fair value, and specifically defines an investment "as security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash." The statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. The University has adopted this policy and applicable investments are reported at their fair value in note 3.

Accounts Receivable: Accounts receivable consist of tuition and fee charges to students and of auxiliary enterprise services provided to the students, faculty, and staff. Accounts receivable also include amounts due from federal, state and local governments, and/or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. The University determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the University's previous loss history, and the condition of the general economy and the industry as a whole. The University writes off specific accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts. Accounts receivable were reduced by an allowance of $1,363,743 and $2,194,949 on June 30, 2022 and June 30, 2021, respectively.

Capital Gifts Receivable: Capital gifts receivable are valued at amount pledged.

Inventories: Inventories are valued at cost, as determined on a first-in, first-out basis.

Noncurrent Investments: Investments of the endowment and annuity funds are classified as noncurrent assets in the Statement of Net Position.

It is the University's policy to report all endowment funds, including those administered by other parties for investment purposes, as investments in the financial statements.

NOTE 2: Summary of Significant Accounting Policies: (Continued)

Capital Assets: Capital assets are recorded at cost on the date of acquisition, or at acquisition value on the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of $5,000 or more and with an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value, adapt to a new or different use, and/or better, restore, or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets:

Asset Classification	Estimated Life (Years)
Furniture	10
Computer, Printers, etc.	5
Electrical-Mechanical	10
Maintenance	10
Fine Arts Equipment	10
Athletic and Recreational	5
Scientific	10
Transportation	10
Media Equipment	5
Library Holdings	10*
Library CD Rom Holdings	10*
Field Service	10
Audio Visual Holdings	10
Buildings, E&G, Instruc, Aux	30
Houses	20
Residence Halls	15
Infrastructure	10/20

*Note: Prior to fiscal year 2014-15, library holdings were depreciated over 15 years. A change to depreciate these items over 10 years was made in 2014-2015 fiscal year for items purchased in current and future fiscal periods. Items added prior to the 2014-15 year will continue to be depreciated over 15 years.

The University previously capitalized interest expense involving qualifying assets, if material. The amount of interest cost capitalized was interest cost on borrowings netted against any interest earned on temporary investments of the proceeds of those borrowings from the date of borrowing until the specified qualifying assets acquired with those borrowings were ready for their intended use. GASB Statement no. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, was issued by GASB in June 2018. The University elected to adopt the Statement early, making it effective prospectively for the year ended June 30, 2019. For the year ended June 30, 2019 and periods ending thereafter, the University will no longer capitalize interest expense.

NOTE 2: Summary of Significant Accounting Policies: (Continued)

Capital Assets: (Continued)

GASB Statement no. 51, *Accounting and Financial Reporting for Intangible Assets*, was issued by GASB in June 2007. The statement requires that all intangible assets not specifically excluded by its provisions be classified as capital assets. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2009, but when applied, the requirements are applied retroactively.

The University has adopted the following capitalization policy for future intangible assets:

Intangible Asset	Capitalization Threshold		Amortization (years)
Internally developed Software	$	1,000,000	10
Purchased Software		500,000	5
Easements, land use, trademarks, copyrights & patents		250,000	15-20*

*Patents are amortized over 20 years.

At the time of adoption, the University reclassified certain assets that were previously classified as Infrastructure to Intangible Assets. The accumulated depreciation and annual depreciation expense after adoption was also reclassified to amortization. However, the University continued to amortize these assets over the original useful life of 20 years.

Deferred Outflows of Resources: Deferred outflows include the deferred gains and losses on debt refinancing (debt refunding) and certain transactions related to pensions.

Unearned Revenues: Unearned revenues include amounts received for tuition and fees and for certain auxiliary activities prior to the end of the fiscal year but related to a subsequent accounting period.

Compensated Absences: Employee vacation, sick leave, and compensatory time are accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued vacation, comp, and/or sick leave payable in the *Statement of Net Position*, and as a component of the compensation and benefit expense in the *Statement of Revenues, Expenses and Changes in Net Position*.

Determination of the current liability portion for vacation, sick leave, and compensatory time pay is based on the average of the last two fiscal years' actual experience for those employees who have terminated their services.

During the regular session of 2005, the Legislature of the State of Arkansas passed Act 1288 which became effective for the fiscal year 2005-2006. This allowed for compensation to be paid at the time of retirement or death for accrued sick leave, based upon the guidelines listed below. Prior to fiscal year 2011, this applied only to classified positions. Effective June 1, 2011, this now applies to both classified and non-classified employees. The amount paid is not to exceed $7,500.

NOTE 2: Summary of Significant Accounting Policies: (Continued)

Compensated Absences: (Continued)

Number of days (hours) accumulated (rounded to nearest day)	% of Days		% of Daily Salary
50 days (400 hours) through 59 days (472 hours)	50%	X	50%
60 days (480 hours) through 69 days (552 hours)	60%	X	60%
70 days (560 hours) through 79 days (632 hours)	70%	X	70%
80 days (640 hours) or more	80%	X	80%

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

In 2007, GASB issued Statement no. 50, *Pension Disclosures – an Amendment of GASB Statements no. 25 and 27*. The statement requires defined benefit pension plans and sole and agent employers to present additional note disclosures on the funded status of the plan, the aggregate actuarial cost method, and a reference to link the funded status disclosure to the notes to the financial statement. A disclosure should be made of the legal or contractual maximum contribution rates and if an actuarial assumption is different for successive years then the initial and the ultimate rates should be disclosed. The University does not maintain a defined benefit pension plan since those are State of Arkansas plans.

See Note 18 for additional information regarding Pensions.

Noncurrent Liabilities: Noncurrent liabilities include (1) principal amounts of bonds and notes payable, with contractual maturities greater than one year, and (2) accrued compensated absences and other liabilities that will not be paid within the next fiscal year.

Deferred Inflows of Resources: Deferred inflows include certain transactions related to pensions and other postemployment benefits.

NOTE 2: Summary of Significant Accounting Policies: (Continued)

Net Position: The University's net position is classified as follows:

Net Investment in Capital Assets– This represents the University's total investment in capital assets, net of outstanding debt related to those capital assets.

Restricted-non-expendable – This includes endowment and similar type funds in which donors or other outside sources have stipulated certain amounts to be retained in perpetuity.

Restricted-expendable – This includes resources the University is legally and contractually obligated to use in accordance with restrictions imposed by third parties.

Unrestricted – This represents resources derived from student tuition and fees, state appropriations, sales and services of educational departments, and auxiliary enterprises. These sources may be used at the discretion of the Board of Trustees to meet current expenses for a variety of purposes. When an expense is incurred that can be paid using either restricted or unrestricted sources, the University's policy is first to apply the expense toward the unrestricted resources, and then toward the restricted resources.

Income Taxes: The University is tax exempt from state income taxes under Arkansas law. It is also tax exempt under Internal Revenue Service Code (Section 115(1)), except for unrelated business income tax. No provision for this tax is made in the financial statements due to materiality.

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

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and (3) other receipts, which include sales and services of educational activities.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating by GASB Statement no. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement no. 34, such as state appropriations, investment income, and grants received for student financial assistance.

Scholarship Discounts and Allowances: Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the *Statement of Revenues, Expenses and Changes in Net Position*. Scholarship discounts are the difference between the stated charge for goods and services provided by the University and the amount that is paid by the students and/or third parties making payment on behalf of the students.

Refundable Federal Advances: For reporting purposes, the University has shown the federal portion of the Perkins Loan Program fund balance as a noncurrent liability on the Statement of Net Position. The amount refundable to the Federal government upon cessation of the program was $1,754,852 and $2,113,162 as of June 30, 2022 and June 30, 2021, respectively.

NOTE 2: Summary of Significant Accounting Policies: (Continued)

Pollution Remediation: In 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement establishes standards for accounting and financial reporting for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. There were no outstanding pollution remediation issues at June 30, 2022 or June 30, 2021 and therefore, there was no impact on the financial statements.

NOTE 3: Cash, Cash Equivalents, and Investments:

The University uses commercial banks for its daily cash deposits, and these are carried at cost.

Deposits are exposed to custodial risk if they are not covered by depository insurance (FDIC) and are uncollateralized or collateralized with securities held by the pledging institution, not in the University's name. All University deposits in commercial banks were either insured or collateralized by securities held by third parties in the University's name or a letter of credit at June 30, 2022.

At June 30, 2022, the University's deposits with trustees totaled $3,652,220 and were invested as follows:

- Federated Government Obligations Fund 395, a money market treasury fund rated AAAm by Standard & Poor's and Aaa-mf by Moody's Investors Service consisting of U.S. Treasuries, government agency securities and repurchase agreements. The weighted average maturity was 16 days.
- Federated Treasury Obligations Fund 068, a money market treasury fund rated AAAm by Standard & Poor's and Aaa-mf by Moody's Investors Service consisting of short-term repurchase agreements and U.S. Treasuries. The weighted average maturity was 10 days.

NOTE 3: Cash, Cash Equivalents, and Investments: (Continued)

The commercial bank deposits noted below do not include cash on hand in the amount of $17,055.

Statement of Cash/Invested Assets	
TOTAL PLAN	**JUNE 30, 2022**
Cash Equivalent/Investment Type	**Fair Value**
Commercial Bank Deposits	**$105,011,514**
Insured (FDIC)	500,000
Uninsured, Collateralized	104,511,514
Cash in State Treasury	**$ 466**
Deposits with Trustees*	**$ 3,652,220**
Bank of the Ozarks	
Federated Government Obligations Fund 395	12
Federated Treasury Obligation IS Fund 68	3,652,208
UCA Foundation, Inc.	**$ 8,219,506**
Stephens Inc.-STIB Fund-Cash	89,470
Stephens Inc.-Equities	6,068,824
Stephens Inc.-Fixed Income	2,061,212

Note: Holdings in Stephens Incorporated Trust's Equity Funds are not regulated by GASB Statement No. 40.

*The University's Deposits with Trustees were invested as detailed below:

DEPOSITS WITH TRUSTEES			**June 30, 2022**
Fund Name	**Fair Value**	**Moody's**	**S & P**
Federated Government Obligations #395	12	Aaa-mf	AAAm
Federated Treasury Obligations Fund #068	3,652,208	Aaa-mf	AAAm

Note: The Weighted Average Maturity for the fund 395 and 68 was 16 days and 10 days, respectively.

The Federated Government Obligations Fund #395 and Federated Treasury Obligations Fund #068 were valued using quoted market prices (Level 1 inputs).

NOTE 3: Cash, Cash Equivalents, and Investments: (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University of Central Arkansas's investments summarized by credit risk, as defined by GASB Statement no. 40, are displayed below:

Credit Risk-S & P Quality Ratings					
TOTAL PLAN				**JUNE 30, 2022**	
Investment Type	**Fair Value**	**NR***	**AAA**	**A/AA**	**BBB/A**
Fixed Income	**2,061,212**				
Vanguard ST Corp Bond	314,191	314,191			
Invesco Variable Rate Preferred	206,079				206,079
Ishares 1-3 years Treasury Bond ETF	332,236		332,236		
Ishares Barclays Short Term Corp	696,478				696,478
Ishares Intermediate Credit	466,178				466,178
Goldman Sachs Access Corp Bond Fund	46,050				46,050

***No Rating**

Credit Risk Concentration			
TOTAL PLAN			**JUNE 30, 2022**
	Issuer Name	**Fair Value**	**% of Assets**
	NONE		

Effective June 30, 2005, the University was required under GASB Statement no. 40 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. The investments of the University of Central Arkansas summarized by interest risk are displayed below:

Interest Rate Risk Effective Duration (yrs)				
TOTAL PLAN			**JUNE 30, 2022**	
Investment Type	**Fair Value**	**1 - 5**	**6 - 10**	**25+**
Stephens Trust-Fixed Income	2,061,212	1,548,984	512,228	-

Investments are recorded at fair value. The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The University has the following recurring fair value measurements as of June 30, 2022:

- Corporate securities of $7,008,485 are valued using quoted market prices (Level 1 inputs).
- The valuation method for investments measured at the net asset value (NAV) per share, totaling $1,211,021 is presented on the following table:

Investment Type	Fair Value	Redemption Frequency
Money Market Funds	89,470	N/A
Mutual equity	526,030	Monthly; Quarterly
Mutual bond	595,521	Monthly
Total investments at NAV	**$1,211,021**	

NOTE 4: Disaggregation of Receivable and Payable Balances:

Accounts receivable consisted of the following at June 30, 2022:

Student tuition and fees	$ 2,972,922	
Auxiliary enterprises	364,520	
Loans	1,974,167	
State of Arkansas	192,500	
UCA Foundation	171,355	*
Federal and private grants and contracts	1,165,891	
Leases	1,815,977	
Other	978,717	
Totals	$ 9,636,049	

*Note: Windgate Performing Arts building consists of $171,355

Accounts payable consisted of the following at June 30, 2022:

Vendor accounts	$ 5,812,823
Payroll	5,312,860
Accrued interest	1,794,522
Lease	174,661
Totals	$ 13,094,866

NOTE 5: Inventories:

Inventories consisted of the following at June 30, 2022:

Maintenance	$ 301,645
Postage	39,747
Housing	21,267
Central Duplicating	652
Technology Learning Center	3,316
Laptop Grant	17,250
Totals	$ 383,877

NOTE 6: Capital Assets:

Capital assets are stated as follows at cost or, if contributed, at acquisition value on the date of gift:

INVESTMENT IN CAPITAL ASSETS

	July 1, 2021 Balance*	Additions	Deductions	June 30, 2022 Balance
Capital Assets not Being Depreciated				
Land	$ 18,952,293	$ 39,900	$ -	$ 18,992,193
Construction in Progress	12,433,048	21,719,796	1,869,955	32,282,889
Works of Art	18,960	5,000		23,960
Archives	777,232			777,232
Total Capital Assets not Being Depreciated	32,181,533	21,764,696	1,869,955	52,076,274
Other Capital Assets				
Infrastructure	34,924,533	1,972,287		36,896,820
Buildings	357,765,678	2,357,401	19,893	360,103,186
Furniture and Equipment	22,544,668	1,366,388	543,814	23,367,242
Intangibles	5,290,741			5,290,741
Library Holdings	25,169,269	1,203,922	1,399,313	24,973,878
Leases	348,641	217,694		566,335
Total Other Capital Assets	446,043,530	7,117,692	1,963,020	451,198,202
Less Accumulated Depr & Amort for:				
Intangibles	3,853,310	264,537		4,117,847
Infrastructure	20,777,049	1,261,918		22,038,967
Buildings	188,265,064	13,080,292	497	201,344,859
Furniture and equipment	16,087,769	1,671,520	524,045	17,235,244
Library holdings	17,468,184	1,476,678	1,399,313	17,545,549
Leases	181,829	212,582		394,411
Total Accumulated Depreciation:	246,633,205	17,967,527	1,923,855	262,676,877
Total Other Capital Assets, net	199,410,325	(10,849,835)	39,165	188,521,325
Capital Assets Summary:				
Capital Assets not being depreciated	32,181,533	21,764,696	1,869,955	52,076,274
Other capital assets, at cost	446,043,530	7,117,692	1,963,020	451,198,202
Less: Accumulated Depreciation	246,633,205	17,967,527	1,923,855	262,676,877
Total Other Capital Assets, net	199,410,325	(10,849,835)	39,165	188,521,325
Capital Assets, net	$ 231,591,858	$ 10,914,861	$ 1,909,120	$ 240,597,599

*July 1, 2021 Balance is Restated. See Note 27 for additional detail

NOTE 7: Student Loans Receivable:

Student loans made through the Federal Perkins Loan Program comprise substantially all of the loans receivable at June 30, 2022. Under this program, the federal government provided a federal capital contribution to the University which the University matched at 33%. The University has not received a federal capital contribution since 2006.

Prior to September 30, 2017, the University provided low interest (5%) loans to eligible students. The authority for schools to make new Perkins Loans ended on this date with final disbursements allowed through June 30, 2018. Under certain conditions the loans can be forgiven at annual rates of 15% to 30% of the original balance up to the maximum of 50% to 100%. On forgiven loans, the University receives a percentage of the original forgiven loan as reimbursement from the federal government. The last reimbursement the University received from this fund was during the 2009-2010 fiscal year.

As the University determines the loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The University is not obligated to repay the federal portion of the uncollected student loans.

The University began the liquidation process on July 26, 2021 for the Perkins Loan program.

NOTE 8: Deferred Outflows and Inflows of Resources:

In March 2012, the GASB issued *GASB Statement No. 65 – Items Previously Reported as Assets or Liabilities* (GASB 65), effective for periods beginning after December 15, 2012. GASB 65 requires the reclassification of certain items on the Statement of Net Position to new categories: Deferred Inflows or Resources, and Deferred Outflows of Resources.

Deferred outflows of resources consist of unamortized debt refunding costs of $3,567,219, outflows related to pensions of $4,847,216, and outflows related to other postemployment benefits of $570,645.

Deferred inflows of resources consist of inflows related to pensions of $14,443,941, inflows to other postemployment benefits of $1,482,343, and inflows related to leases of $1,728,661 at June 30, 2022.

NOTE 9: Unearned Revenue:

Unearned revenue consists of the following at June 30, 2022:

Prepaid tuition and fees	$1,393,082
Academic Outreach fees	109,535
Other deferred income	663,032
Totals	$2,165,649

NOTE 10: Noncurrent Liabilities:

A summary of noncurrent liabilities as of June 30, 2022, follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion	Noncurrent Portion
Bonds payable						
Bonds	$ 215,000,000	$ -	$ 8,070,000	$ 206,930,000	$ 8,350,000	$ 198,580,000
Bond Premium	6,009,212	-	291,037	5,718,175	291,038	5,427,137
Bond Discount	(70,923)	-	(3,726)	(67,197)	(3,727)	(63,470)
Total bonds payable	220,938,289	-	8,357,311	212,580,978	8,637,311	203,943,667
Other Liabilities:						
Annuity agreement*	222,843	-	222,843	-	-	-
Accrued compensated absences	4,080,815	4,181,884	4,214,033	4,048,666	518,891	3,529,775
Installment Purchase Agreement	6,829,333	-	62,377	6,766,956	195,680	6,571,276
Leases	168,599	217,020	210,958	174,661	124,315	50,346
Note Payable	1,502,681	-	192,523	1,310,158	-	1,310,158
OPEB liability	4,110,099	-	720,211	3,389,888	407,755	2,982,133
Refundable federal advances	2,113,162	-	358,310	1,754,852	-	1,754,852
Unearned revenue	2,358,249	2,136,899	2,329,499	2,165,649	1,985,649	180,000
Deposits and funds held in trust	2,437,138	288,743,120	289,139,830	2,040,428	506,725	1,533,703
Pension Liability	27,751,020	-	17,771,005	9,980,015	-	9,980,015
Total other liabilities	51,573,939	295,278,923	315,221,589	31,631,273	3,739,015	27,892,258
Total	$ 272,512,228	$ 295,278,923	$ 323,578,900	$ 244,212,251	$ 12,376,326	$ 231,835,925

*Agreement completed as final surviving spouse passed away 5/30/22

Additional information regarding bonds payable is included in note 11.
Additional information regarding the note payable is included in note 13.
Additional information regarding the annuity agreement is included in note 14.
Additional information regarding the installment purchase agreement payable is included in note 15.
Additional information regarding the leases payable is included in note 16.
Additional information regarding the pension liability is included in note 18.
Additional information regarding the OPEB liability is included in note 22.

NOTE 11: Bonds Payable:

A summary of the principal and interest payments due on all bonds payable follows:

Fiscal Year	Total Principal	Interest	Total Payments
2023	8,350,000	7,053,969	15,403,969
2024	8,720,000	6,754,961	15,474,961
2025	8,715,000	6,445,630	15,160,630
2026	8,970,000	6,131,865	15,101,865
2027	8,270,000	5,810,850	14,080,850
2028-2032	40,590,000	25,119,304	65,709,304
2033-2037	45,740,000	17,674,528	63,414,528
2038-2042	41,605,000	10,048,060	51,653,060
2043-2047	26,600,000	3,931,261	30,531,261
2048-2050	9,370,000	394,350	9,764,350
Total Bonds	206,930,000	89,364,778	296,294,778
Net prem/disc	**5,650,978**		**5,650,978**
Totals	$ 212,580,978	$ 89,364,778	$ 301,945,756

NOTE 11: Bonds Payable: (Continued)

The amount of interest due for fiscal year 2022 includes a total accrued interest payable of $1,630,863.

A summary of changes in bonds payable per bond issue follows:

Date of Issue	Date of Maturity	Interest Rate	Amount Issued	Debt O/S June 30, 2022	Maturities as of June 30, 2022
2006B	2026	5.40-6.125	4,180,000	1,265,000	2,915,000
2006C	2026	5.40-6.125	4,180,000	1,265,000	2,915,000
2010A	2023	2.00-3.25	4,065,000	725,000	3,340,000
2012A	2041	1.00-4.00	15,500,000	9,395,000	6,105,000
2015A	2044	2.50-4.00	14,000,000	13,950,000	50,000
2015B	2025	3.00-3.50	3,500,000	1,540,000	1,960,000
2015 AuxRef	2034	2.95	6,915,000	3,800,000	3,115,000
2015 StuRef	2036	2.00-4.00	18,245,000	13,025,000	5,220,000
2017A	2046	3.00-5.00	27,460,000	21,945,000	5,515,000
2017B	2029	3.00-5.00	3,795,000	2,920,000	875,000
2019A	2048	3.80 - 5.00	33,615,000	33,615,000	-
2019B	2029	2.88 - 3.72	11,555,000	8,495,000	3,060,000
2019C	2048	3.00 - 5.00	12,145,000	11,850,000	295,000
2020A	2049	3.00 - 5.00	20,000,000	19,625,000	375,000
2020B	2043	2.375-3.00	29,840,000	29,840,000	-
2020C	2031	0.991-2.328	13,365,000	12,595,000	770,000
2020D	2033	2.000-3.000	9,530,000	8,950,000	580,000
2020E	2043	0.551-3.150	12,515,000	12,130,000	385,000
Total Bonds			244,405,000	206,930,000	37,475,000
Net unamortized premium/discount			**6,748,050**	**5,650,978**	**1,097,072**
Totals			$ 251,153,050	$ 212,580,978	$ 38,572,072

The University did maintain Housing System Reserves as required by bond covenants aggregating $4,844,499 in 2022.

NOTE 12: Sales and Pledges of Receivables and Future Revenues:

The University has pledged future Student Fee revenue to repay $97,105,000 in Student Fee revenue bonds. Proceeds from the bonds provided financing for construction, renovation, and implementation of Educational and General facilities and projects, and the refunding of existing Student Fee debt issues. The bonds are payable from pledged Student Fee revenues and are payable through 2026 to 2049. Pledged revenues are gross tuition and fees less Educational and General scholarships. Annual principal and interest payments on the bonds are expected to require approximately 8.37% of gross revenues and 11.60% of pledged revenues. The total principal and interest remaining to be paid on the bonds is $144,170,938. Principal and interest paid for the current year was $7,078,621. Gross revenues and pledged revenues were $84,598,009 and $61,010,069, respectively.

NOTE 12: Sales and Pledges of Receivables and Future Revenues: (Continued)

The University has pledged future Housing System revenue to repay $91,720,000 in Housing System revenue bonds. Proceeds from the bonds provided financing for the construction of University student housing and the refunding of existing Housing System debt issues. The bonds are payable from Housing System revenues and are payable through 2025 to 2048. Pledged revenues are gross housing system revenues less gross housing system expenses. Annual principal and interest payments on the bonds are expected to require approximately 20.38% of gross revenues and 49.21% of pledged revenues. The total principal and interest remaining to be paid on the bonds is $127,892,044. Principal and interest paid for the current year was $6,140,494. Gross revenues and pledged revenues were $30,126,460 and $12,477,859, respectively.

The University has pledged future Other Auxiliary revenue to repay $18,105,000 in Other Auxiliary revenue bonds. Proceeds from the bonds provided financing for the construction and renovation of existing Other Auxiliary debt issues. The bonds are payable from Other Auxiliary revenues and are payable through 2023 to 2041. Pledged revenues are the same as gross revenues. Annual principal and interest payments on the bonds are expected to require approximately 15.57% of gross and pledged revenues. The total principal and interest remaining to be paid on the bonds is $24,231,796. Principal and interest paid for the current year was $2,178,603. Gross and pledged revenues were $13,995,983.

NOTE 13: Note Payable:

On May 28, 2013, the University entered into an agreement with First Security Bank for a loan of $2,810,072. The proceeds were used to purchase the 5th Floor Sky Boxes at Bear Hall and the Weight Room addition on the indoor practice facility from the UCA Foundation, Inc. The term of the loan is fifteen years with interest-only due on a monthly basis, based upon the debt outstanding at a fixed rate of 3.94%. No principal payments are required until the end of the loan. Voluntary principal payments of $192,523 and interest of $56,528 were paid as of June 30, 2022. The principal outstanding at June 30, 2022 was $1,310,158. The total principal and interest remaining to be paid on the note is $1,622,317, including $2,151 in accrued interest as of June 30, 2022.

Fiscal Year	Total Principal	Interest	Total Payments
2023		52,337	52,337
2024		52,481	52,481
2025		52,337	52,337
2026		52,337	52,337
2027		52,337	52,337
2028	1,310,158	50,330	1,360,488
Totals	$ 1,310,158	$ 312,159	$ 1,622,317

NOTE 14: Annuity Payable:

The University entered into a trust agreement for land and housing facilities located in Conway, Arkansas, on September 1, 1992, with Doyle W. and Eleanor F. Baldridge. The property consisted of apartments located at 229 and 232 Elizabeth and 2003 and 2005 Bruce, and land adjacent to the buildings. The total acreage is approximately 2.09. The property was appraised at $766,000. The property was appraised again in fiscal year 2011 and the value was $740,000. The apartments and buildings were demolished in 2015. The current value of the endowment investment in real estate is $300,000. The annuity payment terms remain the same. Mrs. Baldridge passed away in 2020. The life annuity to be received annually by Mr. Baldridge is $62,500.

On Monday, May 30, 2022, Mr. Baldridge passed away. With no surviving spouse, this completes the Annuity agreement that was in place. The University removed the liability from the University's financials. The property was transferred to Investment in Plant, where all other properties are recorded in order to dissolve the annuity fund.

NOTE 15: Installment Purchase Agreement:

A memorandum of understanding was signed on July 15, 2019, between the University and the University of Central Arkansas Foundation, Inc. (the Foundation) to construct housing facilities known as Greek Village Phase II. UCA was responsible for expenses related to site preparation, while the Foundation was responsible for expenses related to construction of the facilities. The facilities are owned by the Foundation and financed to the University, with the University assuming ownership of the buildings at the end of the finance term.

On June 1, 2019, a ground lease agreement between the University and the Foundation was finalized for the Foundation to lease land owned by the University for the purpose of construction of Greek Village Phase II. The Foundation agreed to pay $1 per annum to the University, for the lease term of June 1, 2019 through June 30, 2050. Payment of $31 for the entire lease term was received March 4, 2021.

On July 16, 2019, an installment purchase agreement between the University and the Foundation was finalized for the University to lease the housing facilities from July 1, 2019 through June 30, 2050. Beginning July 1, 2020, the University agreed to pay $226,725 on a bi-annual basis until July 1, 2024, at which time the payment decreases to $211,136 on a bi-annual basis until January 1, 2050.

The facilities were capitalized at a total cost of $8,343,286 during the year ended June 30, 2021. Depreciation expense of $252,229 for the facilities was recorded during the year ended June 30, 2022. Accumulated depreciation is $252,229 as of June 30, 2022.

NOTE 15: Installment Purchase Agreement: (Continued)

Principal and interest paid during the year ended June 30, 2022 were $62,377 and $164,347, respectively. The principal outstanding at June 30, 2022 was $6,766,956. The total principal and interest remaining to be paid on the lease is $12,112,689, including $161,509 in accrued interest as of June 30, 2022.

Fiscal Year	Total Principal	Interest	Total Payments
2023	195,680	484,495	680,175
2024	137,902	315,548	453,450
2025	134,264	288,008	422,272
2026	140,373	281,899	422,272
2027	146,761	275,510	422,271
2028-2050	6,011,976	3,700,273	9,712,249
Totals	$ 6,766,956	$ 5,345,733	$ 12,112,689

NOTE 16: GASB 87-Leases:

GASB Statement No. 87 was adopted on July 1, 2021 resulting in recognition of leases receivable of $1,815,977 and deferred inflows of resources of $1,728,661 for lessor contracts, which were reported at present value using the Federal Bank prime rate unless otherwise noted in the contract; and lease assets of $566,335 and lease liabilities of $174,661 for lessee contracts, which were reported at present value using the Federal Bank prime rate unless otherwise noted in the contract as of July 1, 2021.

For details regarding the restatement of the fiscal year 2020-2021 comparative financials, please see note 27.

For fiscal year ended 6/30/21

Lease Description	Role	Classification	Right-To-Use Lease Asset	Accumulated Amortization
UCA Downtown	Lessee	Building	43,872	30,968
2125 College(Event Space)	Lessee	Building	57,561	53,134
501 Woodlane (LR)	Lessee	Building	8,039	8,039
Buffalo Alumni Hall	Lessee	Building	239,169	89,688
			348,641	181,829

NOTE 16: GASB 87-Leases: (Continued)

For fiscal year ended 6/30/22

Lease Description	Role	Classification	Right-To-Use Lease Asset	Accumulated Amortization
UCA Downtown	Lessee	Building	43,872	43,872
UCA Downtown	Lessee	Building	93,883	18,255
2125 College(Event Space)	Lessee	Building	57,561	57,561
2125 College(Event Space)	Lessee	Building	107,856	49,434
501 Woodlane II (LR)	Lessee	Building	15,955	7,977
501 Woodlane I (LR)	Lessee	Building	8,039	8,039
Buffalo Alumni Hall	Lessee	Building	239,169	209,273
			566,335	394,411

Fiscal Year	**Principal**	**Interest**	**Total**
2021	180,043	6,693	186,736
2022	211,631	7,250	218,881
2023	124,315	3,484	127,799
2024	36,652	1,025	37,677
2025	13,694	111	13,805
Total	$ 566,335	$ 18,563	$ 584,898

NOTE 17: Commitments:

The University was contractually obligated for the following at June 30, 2022:

Project Name	Estimated Completion Date	Contract Balance
Fine & Performing Arts Bldg	December 2022	$ 10,444,566
McAlister Roof Replacement & AQC	January 2023	1,040,677
Food Services Renovation	December 2022	740,199
Student Success Renovation & AQC	August 2023	696,525
Doyne Renovation	October 2022	442,118
Conway, Hughes & AR Halls Windows	December 2022	364,862
Chiller Plant	August 2022	204,522
Arkansas Hall Renovation	August 2022	182,088
Mobile Credentials	December 2022	158,766
College Square Projects	December 2022	144,081
District Cooling	December 2022	124,688
Major Maint -EG/Campus Constr Proj	June 2023	122,851
Card Access Upgrades	June 2023	119,155
Bear Village Renovations	June 2023	99,341
Insurance Recovery	June 2023	95,384
Renovation of Schichtl	August 2023	87,565
Snow Fine Arts Renovation	August 2023	84,865
Greek Village Renovation	October 2022	44,620
Stone Dam Creek Bridge Match	June 2023	41,719
Stadium Park Renovation	June 2023	34,200
Misc. Housing Projects	June 2023	30,059
Parking Lots R&R	August 2022	12,500
Lewis Sci Center Equipment	August 2022	10,140
Farris Center Lighting & AQC	December 2022	8,500
Short/Denney Hall Renov	September 2022	5,000
E&G Roof Repairs	July 2022	3,909
Emergency Event PPE	November 2022	3,500
		$ 15,346,400

NOTE 18: Retirement and Pension Plans:

The University provides eligible employees the opportunity to participate in an alternate retirement plan, TIAA, two defined benefit plans, the Arkansas Teachers Retirement System and Arkansas Public Employees Retirement System, and three supplemental Retirement Account options with TIAA.

NOTE 18: Retirement and Pension Plans: (Continued)

Alternate Retirement Plan: The plan is administered by Teachers' Insurance and Annuity Association (TIAA).

Plan Description: The University's Alternate Plan through TIAA is a defined contribution plan. The plan is a 403 (b) program as defined by Internal Revenue Service Code of 1986 as amended. TIAA is an insurance company offering participants a traditional annuity with guaranteed principal and a specific interest rate plus the opportunity for additional growth through dividends and a variable annuity. Arkansas Code Annotated authorized participation in the plan.

Funding Policy: The Alternate Plan is a contributory plan in which members must contribute at least 6% of their earnings to the plan. The University contributes an amount equal to 10% of earnings for members.

Schedule of Employer and Employee Contributions

Fiscal Year Ended	Employer Annual Contributions	Employee Annual Contributions
June 30, 2020	$ 6,211,297	$ 4,265,777
June 30, 2021	$ 6,019,393	$ 4,099,698
June 30, 2022	$ 6,223,397	$ 4,179,303

Arkansas Teacher Retirement System:

Plan Description: The University contributes to the Arkansas Teacher Retirement (ATRS), a cost-sharing multiple-employer defined benefit pension plan. ATRS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Teacher Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for ATRS. That report may be obtained by writing to Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, Arkansas 72201 or by calling 501-682-1517. The report is also available on the ATRS website, www.atrs.gov.

Benefits Provided: 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 non-contributory, as follows:

Contributory	2.15%
Non-Contributory	1.39%

Members are eligible to retire with a full benefit under the following conditions: (1) at age 60 with five years of actual or reciprocal service, or (2) 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.

NOTE 18: Retirement and Pension Plans: (Continued)

Arkansas Teacher Retirement System: (Continued)

Members are eligible for disability benefits with five 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 five years of service. The monthly benefit paid to eligible spouse survivors is computed as if the member had retired and elected the 100% Survivor Annuity 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 non-contributory members. A cost-of-living adjustment of 3% of the current benefit is added each year.

Effective July 1, 2011, new employees of the University are no longer eligible to participate in ATRS unless the new employee has 5 years of vested service with ATRS prior to becoming hired at the University. Existing University employees which enrolled in ATRS are allowed to continue participation.

Funding Policy: ATRS has contributory and non-contributory plans. The contributory plan has been in effect since the beginning of ATRS. The non-contributory plan became available July 1, 1986. Act 81 of 1999, effective July 1, 1999, requires all new members to be contributory and allowed active members as of July 1, 1999, until July 1, 2000, to make an irrevocable choice to be contributory or non-contributory. Act 93 of 2007 allows any non-contributory member to make an irrevocable election to become contributory on July 1 of each fiscal year.

Contributory members are required by code to contribute 6.75% of their salary. Each participating employer is required by code to contribute at a rate established by the Board of Trustees, based on the annual actuarial valuation. Prior to July 1, 2019, the University contributed 14% for the ATRS Plan members. The fiscal year 2020, 2021 and 2022 employer rates were 14.25%, 14.50% and 14.75%, respectively.

Schedule of Employer Contributions for ATRS

Fiscal Year Ended	Employer Annual Contributions	Employee Annual Contributions
June 30, 2020	$ 1,107,714	$ 475,774
June 30, 2021	$ 1,113,261	$ 489,786
June 30, 2022	$ 1,163,330	$ 525,789

Prior to July 1, 2019, the University contributed 14% for the ATRS T-Drop Plan members. The fiscal year 2020, 2021 and 2022 employer rates were 14.25%, 14.50% and 14.75%, respectively.

Schedule of Employer Contributions for ATRS T-Drop

Fiscal Year Ended	Employer Annual Contributions
June 30, 2020	$ 55,022
June 30, 2021	$ 61,032
June 30, 2022	$ 65,612

NOTE 18: Retirement and Pension Plans: (Continued)

Arkansas Teacher Retirement System: (Continued)

At June 30, 2022, the University reported a liability of $6,880,362 for its proportionate share of ATRS's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was based on the University's contributions received by ATRS during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of ATRS's participating employers. At June 30, 2021, the University's proportion was 0.248%.

For the year ended June 30, 2022, the University recognized pension expense of $8,328.

At June 30, 2022, the University reported its proportionate share of ATRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Deferred Outflows and Deferred Inflows - June 30, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 350,064	$ 59,477
Changes in actuarial assumptions	2,073,071	
Difference between employer contributions and proportionate share		1,098,092
Difference between projected and actual investment earnings	-	5,700,360
Total	**$ 2,423,135**	**$ 6,857,929**

The $1,228,942 reported as deferred outflows of resources related to pensions resulting from University contributions to ATRS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to ATRS pensions will be recognized in pension expense as follows:

Amortization of Deferred Outflows/Inflows

Fiscal Year Ended	Pension Expense Amount
2023	(1,039,531)
2024	(833,514)
2025	(992,246)
2026	(1,653,223)
Thereafter	83,720
Total	**$ (4,434,794)**

NOTE 18: Retirement and Pension Plans: (Continued)

Arkansas Teacher Retirement System: (Continued)

Actuarial Assumptions

The total liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Wage Inflation Rate	2.75%
Salary increases	2.75-7.75%
Investment rate of return	7.25%

Mortality rates were based on the Pub-2010 Healthy Retired, General Disabled, and General Employee Mortality for males and females.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2021, these best estimates are summarized in the following table:

Asset Target Allocation

Asset Allocation	Target Allocation	Long-Term Expected Real Rate of Return
Total Equity	53.00%	4.8%
Fixed Income	15.00%	0.4%
Alternatives	5.00%	3.8%
Real Assets	15.00%	4.7%
Private Equity	12.00%	6.5%
Cash Equivalents	0.00%	-0.2%
Total	**100.00%**	

NOTE 18: Retirement and Pension Plans: (Continued)

Arkansas Teacher Retirement System: (Continued)

Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability based on the expected rate of return on pension plan investments. The current member and employer contribution rates are 6.50% and 14.50% of active member payroll, respectively. Although not all members contribute, the member and employer rates are scheduled to increase by 0.25% increments ending in Fiscal Year 2023. The ultimate member and employer rates will be 7% and 15%, respectively. The projection of cash flows used to determine this single discount rate assumed that member and employer contributions will be made in accordance with this schedule. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of the Net Pension Liability to the Single Discount Rate

1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
$ 14,395,071	$ 6,880,362	$ 645,132

Arkansas Public Employees Retirement System:

Plan Description*:* The University contributes to the Arkansas Public Employees Retirement System (APERS), a cost-sharing multiple-employer defined benefit pension plan. Employees may elect coverage under APERS as a qualified retirement system. APERS, administered by a Board of Trustees, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and can be amended only by the Arkansas General Assembly. The Arkansas Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS. That report may be obtained by writing to Arkansas Public Employees Retirement System, 124 W. Capitol, Suite 400, Little Rock, Arkansas 72201-3704 or by calling 1-800-682-7377. The report is also available on the APERS website, www.apers.org.

NOTE 18: Retirement and Pension Plans: (Continued)

Arkansas Public Employees Retirement System: (Continued)

Benefits Provided: 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 percentage used is based upon whether a member is contributory or non-contributory as follows:

Contributory, prior to 7/1/05	2.07%
Contributory, on or after 7/1/05 but prior to 7/1/107	2.03%
Contributory, on or after 7/1/07	2.00%
Non-Contributory	1.72%

Members are eligible to retire with a full benefit under the following conditions: (1) at age 65 with five years of service; (2) at any age with 28 years of service; (3) at age 60 with 20 years of actual service if under the old contributory plan (prior to 7/1/05); or (4) at age 55 with 35 years of service for elected or public safety officials. Members may retire with a reduced benefit at age 55 with at least five years of actual service or at any age with 25 years of service.

Members are eligible for disability benefits with five years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Death benefits are paid to a surviving spouse as if the member had five years of service and the monthly benefit is computed as if the member had retired and elected the Joint and 75% Survivor option. A cost-of-living adjustment of 3% of the current benefit is added each year.

Effective September 1, 2016, the University eliminated the option for benefits-eligible employees who start work on or after September 1, 2016, to select the Arkansas Public Retirement System (APERS) as part of the University's retirement program.

Funding Policy: APERS has contributory and non-contributory plans. Members are required to contribute 5% of their salary. Each participating employer is required by code to contribute at a rate established by the Board of Trustees of APERS, based on the annual actuarial valuation. For the fiscal year 2022, the current statutory employer rate was 15.32% of the annual covered payroll.

Schedule of Employer Contributions for APERS

Fiscal Year Ended	Employer Annual Contributions	Employee Annual Contributions
June 30, 2020	$ 1,260,933	$ 252,366
June 30, 2021	$ 1,136,336	$ 237,102
June 30, 2022	$ 1,043,521	$ 222,880

The University contributes 15.32% for the APERS Drop Plan members.

NOTE 18: Retirement and Pension Plans: (Continued)

Arkansas Public Employees Retirement System: (Continued)

Schedule of Employer Contributions for APERS Drop

Fiscal Year Ended	Employer Annual Contributions	
June 30, 2020	$	96,142
June 30, 2021	$	97,519
June 30, 2022	$	80,373
	$	274,034

On June 30, 2022, the University reported a liability of $3,099,653 for its proportionate share of APERS's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was based on the University's contributions received by APERS during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of APERS's participating employers. On June 30, 2021, the University's proportion was 0.403%.

For the year ending June 30, 2022, the University recognized a negative pension expense of $1,530,545.

On June 30, 2022, the University reported its proportionate share of APERS's deferred outflows of resources and deferred inflows of resources from the following sources:

Deferred Outflows and Deferred Inflows - June 30, 2022

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Difference between expected and actual economic experience	$	70,941	$	(198,793)
Changes in actuarial assumptions				(21,712)
Difference between employer contributions and proportionate share		304		(1,924,563)
Difference between projected and actual investment earnings				(5,440,944)
Total	**$**	**71,245**	**$**	**(7,586,012)**

NOTE 18: Retirement and Pension Plans: (Continued)

Arkansas Public Employees Retirement System: (Continued)

The $1,123,894 reported as deferred outflows of resources related to pensions resulting from University contributions to APERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to APERS pensions will be recognized in pension expense as follows:

Amortization of Deferred Outflows/Inflows

Fiscal Year Ended		Pension Expense Amount
2023		(2,310,509)
2024		(1,870,780)
2025		(1,682,318)
2026		(1,651,160)
Thereafter		-
Total	**$**	**(7,514,767)**

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level of Percent of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	4-year smoothed market; 25% corridor
Actuarial Assumptions:	
Investment Rate of Return	7.15%
Salary Increases	3.25-9.85%, including inflation
Inflation Rate	3.25% wage, 2.50% price
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality Table	Based on RP-2006 Healthy Annuitant benefit weighted generational mortality table for males and females. Mortality rates are multiplied by 135% for males and 125% for females, adjusted for fully generational mortality improvements using Scale MP-2017.
Average Service Life of All Members	3.9676

NOTE 18: Retirement and Pension Plans: (Continued)

Arkansas Public Employees Retirement System: (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected price inflation. Best estimates of arithmetic real rates of return for the 10-year period from 2021 – 2030 were based upon critical market assumptions provided by the plan's investment consultant. Each major asset class included in the plan's target asset allocation as of June 30, 2021, is summarized in the table below:

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

Discount Rate

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

The following presents the University's proportionate share of the net pension liability using the current discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher.

Sensitivity of the Net Pension Liability to the Single Discount Rate

1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
$ 9,272,283	$ 3,099,653	$ (1,998,051)

NOTE 18: Retirement and Pension Plans: (Continued)

Supplemental Retirement Accounts

Plan Description: The University provides all employees with the voluntary option of participating in a supplemental account with TIAA. In addition, employees have the option of participating in a Roth plan offered through TIAA.

The University previously provided all employees with the voluntary option of participating in a supplemental account with VALIC. Effective November 30, 2018, the University eliminated the option for employees to contribute to VALIC through payroll.

The vendors provide or provided contracts to the participants upon participation and all contributions are the property of the participants.

Funding Policy: Participants' contributions are tax-sheltered, except for the TIAA Roth plan, and contribution limits are based upon annual pre-tax calculations. The University makes no contributions to supplemental accounts.

Schedule of Annual Employee Contributions for Supplemental Retirement Accounts:

Fiscal Year Ended	TIAA Pre-Tax	TIAA Roth	TIAA-457
June 30, 2020	$ 1,048,948	$ 204,619	$ 53,620
June 30, 2021	$ 1,214,680	$ 260,177	$ 75,450
June 30, 2022	$ 1,224,872	$ 359,343	$ 80,150

Voluntary Employee Retirement Incentive Plan

At the meeting of the UCA Board of Trustees on October 11, 2019, approval was given for a Voluntary Employee Retirement Incentive plan. Employees who were age 60 or older and had at least 10 years of continuous, full-time employment at the University as of December 31, 2019 were eligible to participate in the plan. Those who elected to participate received 25% of their base salary as of December 31, 2019, along with 1% of their base salary for each year of continuous service, up to a maximum of 50% of the employee's base salary as of December 31, 2019. Payments were made as contributions to TIAA accounts. The effective retirement date for staff and 12-month faculty in the program was December 31, 2019; the effective retirement date for nine-month faculty was May 31, 2020. Total payments of $1,194,055 to a total of 49 eligible employees were made related to the plan. Payments of $566,221 were made in the fiscal year ending June 30, 2020; additional payments of $627,834 were made in the fiscal year ending June 30, 2021.

NOTE 18: Retirement and Pension Plans: (Continued)

Supplemental Retirement Accounts (Continued)

Voluntary Employee Retirement Incentive Plan (Continued)

At the meeting of the UCA Board of Trustees on November 6, 2020, approval was given for a Voluntary Employee Retirement Incentive plan. Employees who were age 59.5 or older and had at least 10 years of total full-time employment at the University as of December 31, 2020, were eligible to participate in the plan. Those who elected to participate received 10% of their base salary as of December 31, 2019, along with 0.5% of their base salary for each year of continuous service, up to a maximum of 20% of the employee's base salary as of December 31, 2020. Payments were and will be made as contributions to TIAA accounts. The effective retirement date for participants in the program was either January 15, 2021, or May 15, 2021. Total payments of $313,477 to a total of 29 eligible employees will be made related to the plan. Payments of $139,918 were made in the fiscal year ending June 30, 2021; additional payments of $173,559 were made in the fiscal year ending June 30, 2022.

Additional payments related to the Voluntary Employee Retirement Incentive Plan are discussed in Note 20.

Funding Policy: Contributions are tax-sheltered, and contribution limits are based upon annual pre-tax calculations.

Schedule of Annual Employer Contributions for Supplemental Retirement Accounts related to Voluntary Employment Retirement Incentive Plan

Fiscal Year Ended	TIAA	
June 30, 2020	$	566,221
June 30, 2021	$	767,752
June 30, 2022	$	173,559

NOTE 19: Claims and Judgments/Contingencies:

The following claims and potential judgments/contingencies existed as of June 30, 2022, and subsequently.

Equal Employment Opportunity Commission (EEOC) Complaints

A former employee filed an EEOC complaint on May 29, 2018, alleging unlawful termination based on race, sex, and pregnancy. The University is contesting the allegations and filed a response on July 10, 2018. The EEOC issued its right-to-sue letter on August 31, 2018. The former employee has not filed and served a suit as of the date of the financial statements.

A former employee filed an EEOC complaint on February 28, 2020, alleging denial of a reasonable accommodation and discharge because of a disability. The University contested the allegations and filed a response to the EEOC complaint on March 20, 2020. The EEOC issued its notice of rights letter on August 27, 2020. The former employee has not filed and served a suit as of the date of the financial statements.

NOTE 19: Claims and Judgments/Contingencies: (Continued)

Equal Employment Opportunity Commission (EEOC) Complaints (Continued)

A former part-time employee filed an EEOC complaint in July 2020 alleging that she was discharged and harassed based on race. The complaint was dismissed on the basis that her charge was not filed timely with EEOC. The EEOC issued its right-to-sue letter on December 21, 2020. The employee filed a complaint in the United States District Court, Eastern District of Arkansas, on April 12, 2021, alleging employment discrimination on the basis of race and disability. The court dismissed the case on April 20, 2021, for failure to timely file. The employee filed a petition in October 2021 in the United States Supreme Court, which was subsequently denied by the Court in December 2021. The employee also filed a claim with the Arkansas Claims Commission in July 2020 seeking payment for two hours of work allegedly performed in October 2019. In January 2021, the Claims Commission awarded the employee $37 for one hour of pay and $2.22 in interest. The employee filed an appeal with the Arkansas General Assembly, and the decision of the Commission was accepted.

A former employee filed an EEOC complaint on November 2, 2021, alleging constructive discharge based on racial discrimination. The University is contesting the allegations and filed a response on November 19, 2021. The EEOC has not provided a final decision related to the complaint as of the date of the financial statements.

A former employee filed an EEOC complaint on February 17, 2022, alleging unlawful termination based on disability and age. The University is contesting the allegations and filed a response on March 15, 2022. The EEOC issued its notice of rights letter on August 22, 2022. The former employee has not filed and served a suit as of the date of the financial statements.

A current employee filed an EEOC complaint on March 21, 2023, alleging discrimination based on race and disability. The University contested the allegations and filed a response on April 26, 2023. The EEOC has not provided a final decision related to the complaint as of the date of the financial statements.

Petition for Declaratory Judgement

A person filed a petition for declaratory judgment on July 2, 2020, seeking to invalidate a gift deed transferring approximately five acres of land in Perry County from the Rosenwald Community to the Board of Trustees of UCA. The person alleges that the Rosenwald Community did not properly transfer the five acres of land. The person seeks to invalidate the transfer, but there are no allegations of wrongdoing on the part of the university. The Attorney General's office is representing the University. The University contested the allegations and filed a response to the petition on August 10, 2020. The Court set aside the deed on July 5, 2022.

NOTE 20: Related Party Transactions:

UCA/CRHS Healthcare Education Foundation, Inc.

UCA/CRHS Healthcare Education Foundation, Inc. is a non-profit entity created for the purpose of building and maintaining a healthcare education facility to be used by the University's Department of Nursing as well as the Conway Regional Health System (CRHS) for training and education of its nursing staff. A 50-year ground lease began on January 1, 2012, and an application for 501(c)(3) status was filed with the Internal Revenue Service in September 2011.

In fiscal year 2013, it was determined that this entity will only collaborate on programming related to the Department of Nursing and on programming benefitting the public.

Rev. Cornell Maltbia is a member of the UCA Board of Trustees, and is also a member of the CRHS Board of Directors.

Dr. Michael Stanton was appointed to the UCA Board of Trustees by Arkansas Governor Asa Hutchinson for a seven-year term beginning January 15, 2022. Dr. Stanton is the chief of staff at Conway Regional Health Systems. The University has previously entered into contracts with CRHS to provide billing services for its on-campus clinics.

Wideworld

It was discovered in August 2011 that the University had been paying amounts due to Wideworld, a graphic design company, owned by the spouse of a University employee. Paulette Walter, an assistant professor in the department of Mass Communication/Theatre, was the contact person in the vendor file for Wideworld. Ms. Walter admitted to working for the company, but stated that she did not own it.

An advisory opinion was sought and received by Ms. Walter which was dated October 19, 2011 from Richard Weiss, the Director of the Department of Finance and Administration. He stated that, in his opinion, no conflict of interest existed in this instance since Ms. Walter had no participation in the procurement process that led to her husband's company being hired to perform the work, nor was there a breach of the contemporaneous employment prohibition. Based upon this opinion, the University is not prohibited from contracting with Wideworld. The opinion did stress that she have no current or future involvement in procurement actions involving Wideworld and she must perform her part-time consulting duties on her own time and not while on state time and without the use of any of the University's equipment or supplies to perform this work.

Lease of 1105 Oak

At the meeting of the UCA Board of Trustees on August 21, 2015, approval was given to lease space owned by Robert Adcock, Jr. for the purpose of establishing a physical presence for the University in downtown Conway, Arkansas. The lease term was for three years beginning December 1, 2015, starting at $2,500 per month for the first year and increasing by 2% annually. The lease was renewed as of December 1, 2018, for an additional three years. The lease was again renewed for three years as of December 1, 2021. The Arkansas Department of Finance & Administration prepared the lease and signed as agent for UCA.

On December 23, 2015, the Governor of Arkansas, Mr. Asa Hutchinson, appointed Mr. Adcock to the UCA Board of Trustees. His term began January 15, 2016.

NOTE 20: Related Party Transactions: (Continued)

Centennial Bank/Investment Contract

On July 1, 2017, the University began a contract with Centennial Bank to provide a short term investment vehicle for University funds. Centennial Bank is owned by Home Bancshares, Inc. The contract was for one year, with an option to renew annually for up to seven years total, and was subsequently renewed on July 1, 2018, July 1, 2019, July 1, 2020, and July 1, 2021. A Request for Proposals was issued related to this contract on February 21, 2017, and an evaluation committee recommended Centennial Bank out of four proposals submitted. The Board of Trustees authorized the contract at its May 12, 2017 meeting, with trustees Robert Adcock, Jr., Kay Hinkle, and Brad Lacy abstaining from the vote.

Mr. Adcock is on the Home Bancshares Board of Directors and holds a minority ownership stake. Mrs. Hinkle's spouse, James Hinkle, is on the Home Bancshares board of directors and holds a minority ownership stake. Mr. Lacy is a shareholder in Home Bancshares. Mr. Lacy's UCA Board term ended January 15, 2019.

In addition, former University Board of Trustees member Randy Sims is a Bank Officer for Centennial Bank, with a minority ownership stake, and Vice Chairman of the Home Bancshares Board of Directors.

Conductor

On July 28, 2015, the University of Central Arkansas entered into a contract with Startup Junkie Consulting, for the period August 24, 2015 to June 30, 2016, with an option for extensions to June 30, 2020, to evaluate University programs in innovation and entrepreneurship and to develop start-up opportunities for the UCA community via an initiative called Conductor. The contract was later amended, in September 2016, to run from October 1, 2016 to September 30, 2019, at a contracted amount of $1.378 million. The contract was again amended, in April 2019, to run from October 1, 2019 to June 30, 2022, at a contracted amount of $1.306 million. A contract renewal is currently being prepared by management. The details are not known at this time.

The contract is part of a larger public-private partnership between the University, Startup Junkie Consulting, and the Community Venture Foundation (collectively, the Central Arkansas Venture Team) to deliver mentoring, counseling, training, capital readiness, and technical assistance to startups, small business, and emerging investors in Central Arkansas, via an initiative called Conductor. The initiative was announced November 26, 2016.

Blue Cross Blue Shield / USAble

The University entered into multiple contracts with Blue Cross/Blue Shield and USAble Corporation on January 1, 2010 to provide dental insurance, life insurance, and long-term disability insurance. All contracts were for one year, with an option to renew annually up to seven years total, and were subsequently renewed on January 1, 2017 with similar terms.

Curtis Barnett was appointed to the UCA Board of Trustees by Arkansas Governor Asa Hutchinson for a seven-year term beginning January 15, 2020. Mr. Barnett is the current president and chief executive officer for Arkansas Blue Cross and Blue Shield, and was president and CEO of USAble Corporation from 2008 to 2016.

NOTE 20: Related Party Transactions: (Continued)

Oxford American

For several years, the University has had a contractual relationship with the Oxford American Literary Project, Inc. (OA). The OA publishes a magazine known as *The Oxford American*. Pursuant to an earlier agreement, the University provided annual operating support to the OA in the amount of $50,000 and provided the OA with two offices in Old Main on the University's campus.

A memorandum of understanding was signed on October 12, 2012, between the University and Oxford American. The agreement obligated the University to continue providing two offices to house the editorial staff with reasonable accommodations and an approximate $50,000 annual operating budget for purchases in compliance with University purchasing requirements and periodic University review. An addendum to the memorandum of understanding was executed on October 28, 2014, modifying parts of the October 12, 2012 agreement.

A second addendum was signed on October 24, 2018, between the University and Oxford American. The agreement replaced the original memorandum, and obligates the University to provide one office to house the editorial staff with reasonable accommodations and an approximate $40,000 annual operating budget for purchases in compliance with University purchasing requirements and periodic University review; $11,000 annual operating budget for a graduate assistant; and an additional $24,000 for various other programs.

A third addendum to the memorandum of understanding was executed on June 6, 2019. The addendum modified parts of the October 24, 2018 agreement. This agreement states that the third addendum modifies and amends the Second Addendum, effective October 24, 2018 as follows: $90,000 per year to fund the contributing author and artist series curated and presented by OA and related to the author series and residency programs. The funds may come from either UCA or the University of Central Arkansas Foundation. The parties agree that UCA shall, from time-to-time, review such expenditures of the OA under this provision to ensure that such expenditures are consistent with the operation of the OA and its relationship with UCA.

NOTE 21: Natural Classifications with Functional Classifications:

The University operating expenses by functional classification were as follows:

Year Ended June 30, 2022
Natural Classification

Functional Classification	Personal Services	Scholarships	Supplies	Depreciation	TOTAL
Instruction	$ 58,397,949		$ 5,754,429		$ 64,152,378
Research	3,047,375		1,043,097		4,090,472
Public service	1,634,354		1,822,454		3,456,808
Academic support	7,470,006		4,018,829		11,488,835
Student services	5,496,958		1,736,356		7,233,314
Institutional support	11,534,116		5,642,598		17,176,714
Operation of plant	8,188,626		6,790,198		14,978,824
Scholarships		$ 26,022,779			26,022,779
Auxiliary enterprises	12,140,321	5,227,562	19,800,909		37,168,792
Depreciation				$ 17,967,527	17,967,527
	$ 107,909,705	$ 31,250,341	$ 46,608,870	$ 17,967,527	$ 203,736,443

NOTE 22: Other Postemployment Benefits (OPEB):

The University adopted GASB Statement no. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective with the fiscal year ended June 30, 2018. This statement replaces the requirements of GASB Statements no. 43 and no. 45, which were adopted in the fiscal years ended June 30, 2007 and June 30, 2008, respectively. The new statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures related to other post-retirement benefits (OPEB).

The University offers postemployment benefits through the University's Retiree Benefits Plan (the Plan) to all employees who officially retire from the University and meet certain requirements. Full-time employees are eligible for the postemployment benefits if they have completed 10 or more years of continuous benefits-eligible employment at UCA or at an Arkansas public higher education institution or state agency and who are age 59 ½ or older or full-time employees who have completed 28 or more years of benefits-eligible employment at UCA or at an Arkansas public higher education institution or state agency at any age shall be eligible for basic benefits-eligible retirement. As an additional requirement, the last five years of employment must be completed at UCA.

Qualified retirees shall be eligible to continue participation in health, dental, and life insurance plans. The Plan is considered to be a single-employer plan and consists of health, dental, and life insurance benefits. Life insurance coverage can continue until members' age 80, depending on classification. The authority under which the Plan's benefit provisions are established or amended is the Board of Trustees. The Plan does not issue a stand-alone financial report. For inquires relating to the Plan, please contact the University of Central Arkansas Human Resources Department, Wingo Hall, Suite 106, 201 Donaghey Avenue, Conway, Arkansas, 72035.

Retirees may purchase health insurance for themselves and their eligible dependents. The retiree will pay the difference between the University's contribution and the cost of the plan as selected by the retiree. For those employees retiring prior to January 1, 2009, the University's maximum monthly contribution for a single plan is $283 and the University's maximum monthly contribution for a family plan is $400. For those employees retiring after December 31, 2008, the retiree will pay the difference between the University's contribution of $150 per month and the cost of the full premium based on their enrollment status (single, family, etc.). At the members' age 65, health insurance coverage for retirees and their dependents will cease.

Current retirees or those in phased retirement as of June 30, 2008 who reach age 65 after December 31, 2008 are granted a stipend for supplemental medical insurance of $73 per month from members' age 65 to 70.

Retirees may purchase dental insurance for themselves and their eligible dependents. The retiree will pay the difference between the University's contribution and the cost of the plan as selected by the retiree. For those employees retiring prior to January 1, 2010, the University's maximum monthly contribution is the lesser of $25 or the current year's monthly premium for single coverage. Employees retiring after December 31, 2009 may purchase dental insurance for themselves and their eligible dependents by payment of the full premium. At the members' age 65, dental insurance coverage for retirees and their dependents will cease.

NOTE 22: Other Postemployment Benefits (OPEB): (Continued)

Retirees may purchase life insurance through the University plan if they are in one of the two following classifications. Class 4 contains retired employees hired prior to January 1, 1999. These retirees are provided with $15,000 of life insurance. For those who retired prior to January 1, 2009, the retiree will pay the difference between the University's contribution of $10.00 and the cost of the plan. For those who retired on or after January 1, 2009, the retiree will pay the full cost of the plan. Class 5 is a closed class of retirees who had already retired or met certain requirements as of December 31, 1998. These retirees are provided with coverage equal to the coverage provided when the retiree retired at no cost to retiree. At age 65, coverage is reduced to 65% at no cost to retiree. At age 70, coverage remains at 65% and is provided at 100% cost to the retiree. At age 80, life insurance coverage for retirees will cease.

Participants included in the actuarial valuation include active employees and retirees who are eligible to participate in the Plan upon retirement and their spouses, if spousal coverage is currently elected. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	129
Inactive employees entitled to but not yet receiving payments	0
Active employees	1,284
	1,413

The University's total OPEB liability of $3,389,888 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

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

Actuarial Assumptions and Other Inputs:

The estimation of the retiree benefit obligation is generally based on per participant contributions developed from recent periods for which claims experience is available. The University provided actual per participant premiums for 2022. The amounts contributed by the University will not change in future years.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Calculations are based on the types of benefits provided under the terms of the Plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

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

NOTE 22: Other Postemployment Benefits (OPEB): (Continued)

Actuarial Assumptions and Other Inputs: (Continued)

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation year	July 1, 2021 – June 30, 2022
Discount Rate	3.54% per annum; the plan is not funded in an irrevocable trust maintained by the University, as plan sponsor.
Inflation	3.0% per annum
Mortality	RP-2014 Mortality Table with Improvement Scale MP-2021
Marriage assumptions	Three-year spousal age difference with females assumed three years younger than males. Assumed for active employee spousal coverage, as well as for any retired members for whom spousal dates of birth were not provided.
Assumed Utilization	25% of eligible future retirees are assumed to elect plan benefits.
Active Participation Rate	Active members are assumed to elect the same retiree medical coverage as they elected while active.

Termination (Sample Rates per 1,000 Members)

Age	Male	Female
25	46.0	48.4
30	39.4	44.0
35	32.0	31.0
40	27.0	22.0
45	20.8	20.0
50	16.2	17.0
55	15.0	15.0
60	15.0	15.0
65	15.0	15.0
70	15.0	15.0
75	N/A	N/A

In addition, a select and ultimate assumption that total termination in the first year is 32%, in the second year is 15%, in the third year is 11%, in the fourth year is 7.5%, and 5% in the fifth year.

NOTE 22: Other Postemployment Benefits (OPEB): (Continued)

Actuarial Assumptions and Other Inputs: (Continued)

Retirement Rates — Percentage of eligible members at age shown who retire during the year.

Age	Percentage Male	Percentage Female
48-49	0%	50%
50	2	13
51	2	10
52	3	9
53-54	4	9
55	6	9
56	9	12
57	9	10
58	9	11
59	9	14
60-61	100	14
62	100	28
63-64	100	17
65	100	27
66-74	100	30
75 & older	100	100

Changes in assumptions — The discount rate has been increased to reflect the movement in interest rates. The mortality table was changed to reflect recent improvements in mortality. Finally, the annual inflation rate assumption has been increased to reflect both observed increases in the CPI and in expected higher levels of inflation in the valuation year and thereafter.

Actuarial cost method — Entry age normal actuarial cost method, market value

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	$ 4,110,099
Changes for the year:	
Service cost	313,251
Interest	82,907
Differences between expected and actual experience	(657,852)
Change in actuarial assumptions	(409,733)
Employer contributions	(48,784)
Net changes	$ (720,211)
Balance at June 30, 2022	**$ 3,389,888**

NOTE 22: Other Postemployment Benefits (OPEB): (Continued)

The following presents the total OPEB liability for the University using the current discount rate of 3.54%, as well as what the University's total liability would be if it were calculated using a discount rate that is 1% lower and 1% higher than the current assumed rate:

Sensitivity of the Net OPEB Liability to the Discount Rate

1% Decrease	Current Rate	1% Increase
$ 3,666,273	$ 3,389,888	$ 3,139,663

The following presents the total OPEB liability for the University using the medical trend rates, as well as what the University's total liability would be if it were calculated using trend rates that are 1% lower and 1% higher than the current assumed rates:

Sensitivity of the Net OPEB Liability to the Medical Trend Rates

1% Decrease	Current Rates	1% Increase
$ 3,086,055	$ 3,389,888	$ 3,744,302

OPEB Expense and Deferred Outflows & Inflows of Resources

For the year ended June 30, 2022, the University recognized OPEB expense of $298,877.

Service cost	$	313,251
Interest on TOL = 2.09% x $4,110,099 - 2.09%X 0.5 x $286,551		82,907
Amortization of inflows		(169,402)
Amortization of outflows		72,121
OPEB Expense	**$**	**298,877**

At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows and Deferred Inflows - June 30, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 264,823	$ 790,730
Changes in actuarial assumptions	305,822	691,613
Total	**$ 570,645**	**$ 1,482,343**

NOTE 22: Other Postemployment Benefits (OPEB): (Continued)

OPEB Expense and Deferred Outflows & Inflows of Resources (Continued)

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

Amortization of Deferred Outflows/Inflows

Fiscal Year Ended		OPEB Expense
2023		(97,281)
2024		(97,281)
2025		(97,281)
2026		(97,281)
2027		(97,281)
Thereafter		(425,293)
Total	**$**	**(911,698)**

Voluntary Employee Retirement Incentive Plan

At the meeting of the UCA Board of Trustees on November 6, 2020, approval was given for a Voluntary Employee Retirement Incentive plan. Additional information regarding eligibility for the program is included in Note 18.

Those who elected to participate received a $300 per month contribution into a health reimbursement arrangement (HRA) for 36 months beginning the month following the effective retirement date. Contributions totaling $189,000 were made during the year ended June 30, 2022. Estimated total contributions related to the program will be $313,200. Unpaid contributions totaling $188,100 are included in accounts payable-payroll at June 30, 2022.

NOTE 23: Gap Plan-Self Insured:

The University began a Gap Plan in January 2006. The Gap Plan is designed to offset the employee's health insurance deductible applied from the UCA group health insurance.

The University offers two group health insurance plans, the Point of Service (POS) and the High Deductible plan, to all benefits-eligible employees. The annual deductible for the POS plan increased in January 2017 from $1,000 to $1,500 for individual coverage. The POS plan has a cap of 2 deductibles per calendar year for coverage tiers different than individual coverage. The annual deductible for the High Deductible plan remains $2,000 for individual coverage. The High Deductible plan has a $4,000 annual deductible per calendar year for coverage tiers different than individual coverage. The deductible is the employee's financial responsibility to medical providers. Employees with individual coverage are eligible for a gap reimbursement of $500 and coverage tiers different than individual coverage are eligible for a reimbursement of $1,000 per calendar year after the full deductible has been applied to the health insurance claims.

NOTE 23: Gap Plan-Self Insured:

The University offers the self-insured Gap Plan to the employees who have elected to participate in the group health insurance and may choose individual, employee/spouse, employee/child(ren), or family coverage. However, no family member will be covered by the Gap Plan if not covered by the group health plan. The University contributes monthly to the gap plan as follows:

$16.55 - single coverage
$20.12 - employee/spouse or employee/child(ren) coverage
$30.76 - family coverage

The employee contributes $10 monthly to the Gap Plan for employee/spouse, employee/child(ren), and family coverage.

Schedule of Contributions

Fiscal Year Ended		Employer Contributions		Employee Contributions
June 30, 2020	$	288,060	$	41,690
June 30, 2021	$	281,546	$	41,691
June 30, 2022	$	281,856	$	43,049

Schedule of Claims

Fiscal Year Ended		Claims Reimbursed
June 30, 2020	$	76,383
June 30, 2021	$	65,971
June 30, 2022	$	70,087

During the fiscal year ended June 30, 2022, 1,168 employees elected Gap Plan coverage.

NOTE 24: Risk Management:

The University is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In that regard, the University carries the following policies:

The University carries an Errors and Omissions policy covering Trustees and Officers. The policy limits are $1,000,000 each claim and $2,000,000 aggregate. The University pays an annual premium for this coverage.

The University carries Excess Auto liability coverage on the fleet of vehicles covered under the state policy. The liability limit is $4,000,000 for each occurrence and $4,000,000 aggregate. The University pays an annual premium for this coverage.

The University carries a Professional Liability insurance policy for students in a clinical environment. The liability limits are $2,000,000 each claim and $5,000,000 aggregate. The University pays an annual premium for this coverage.

NOTE 24: Risk Management: (Continued)

The University pays individual Professional Liability policies for Nurse Practitioners. The liability limits for full time Nurse Practitioners $1,000,000 each claim and $6,000,000 aggregate. The liability limits for part-time Nurse Practitioners are $1,000,000 each claim and $3,000,000 aggregate. The University pays an annual premium for this coverage.

The University pays a portion of the premium for liability coverage for the physician on campus. The liability limits are $1,000,000 each claim and $3,000,000 aggregate. The University pays the premium annually.

The University pays individual liability policies for Athletic Trainers. The liability limits are $1,000,000 each claim and $3,000,000 aggregate. The University pays an annual premium for this coverage.

The University carries a liability policy on College Square Independent Living Facility. The limits for this policy are $1,000,000 each claim and $3,000,000 aggregate. The University pays an annual premium for this coverage.

The University is self-insured for all athletic medical claims. The University has an agreement with Occunet which contracts with Medical providers for services. A third party administrator pays all claims up to $90,000. The University pays a premium for services to Occunet.

The University carries a liability insurance policy on the fifth floor skyboxes for Bear Hall. The liability policy is $5,000,000 aggregate limit and $5,000,000 for each occurrence.

For worker's compensation purposes, the University of Central Arkansas participates in the State of Arkansas' self-insured program for state agencies and public colleges and universities. This program is administered by the Arkansas Public Employees Claims Division. In its administrative capacity, the Division is responsible for managing claims, and where appropriate, negotiating settlements thereof.

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

The University carries insurance for the Postal Station. The insurance is a Commercial Surety Bond and the University pays an annual premium for this insurance.

The University participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through_fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $300,000 with a $2,500 deductible. Premiums are contributed annually.

The University carries a liability insurance policy on 1107 Oak Street UCA Downtown. The liability limits are $1,000.000 each occurrence and $2,000,000 aggregate. The University pays an annual premium for this coverage.

NOTE 24: Risk Management: (Continued)

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

NOTE 25: Endowment and Annuity Funds:

The University has donor-restricted endowment and annuity funds. Such funds include investments reported at fair value. The endowment and annuity net position at June 30, 2022 were $8,874,056. Of this amount, $3,370,035 was reported as restricted – nonexpendable other and the remaining $5,504,021 was reported as restricted – expendable.

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 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."

It is the University's general policy to limit annual expenses to actual income generated by the fund assets.

NOTE 26: COVID-19 Impact:

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-03 declaring an emergency and ordered the Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID-19).

In the fiscal year ended June 30, 2020, the University issued refunds totaling $2,788,648 related to closures of housing and food service facilities. Of this amount, $54,923 was included in accounts payable and accrued liabilities on the Statement of Net Position at June 30, 2020. Additional refunds totaling $53,377 were issued in the fiscal year ended June 30, 2021.

On March 23, 2020, the University was informed of expected reductions in state appropriations for the fiscal year ending June 30, 2020, totaling $2,906,828 in FY20. On June 30, 2020, this funding was restored, and the funds were included in cash and cash equivalents on the Statement of Net Position at June 30, 2020.

The University applied for and was allocated $9,604,924 in relief from the Higher Education Emergency Relief Fund as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress in March 2020. At least half ($4,802,462) of these funds were required to be provided as emergency financial aid grants to students. Additional CARES funds totaling $475,012 were allocated to the University in April 2020.

For the fiscal year ended June 30, 2021 and June 30, 2020, the University provided emergency financial aid grants to students totaling $2,246,627 and $2,734,070, respectively; reimbursed the University for allowed COVID-related expenditures totaling $1,890,157 and $2,734,070, respectively; reimbursed the University for lost revenue totaling $5,479 and $469,533, respectively, and recorded CARES funds totaling $4,142,264 and $5,937,672, respectively, in nonoperating revenue.

NOTE 26: COVID-19 Impact: (Continued)

The University was allocated $15,456,600 in relief from the Higher Education Relief Fund II as part of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) which was signed into law in December 2020. $4,802,462 of these funds were required to be provided as emergency financial aid grants to students. Additional CRRSAA funds totaling $656,525 were subsequently allocated to the University.

For the fiscal year ended June 30, 2021, the University provided emergency financial aid grants to students totaling $6,056,162; provided additional student aid totaling $700,753; reimbursed the University for allowed COVID-related expenditures totaling $458,834; reimbursed the University for lost revenue totaling $4,253,864, and recorded CRRSAA funds totaling $11,469,613 in nonoperating revenue. The final use of the remaining funds has not been yet determined.

For the fiscal year ended June 30, 2022, the University has provided emergency financial aid grants to students totaling $996,098; reimbursed the University for allowed COVID-related expenditures totaling $46,837; reimbursed the University for lost revenue totaling $3,600,577.

The University was allocated $26,933,734 in relief from the Higher Education Relief Fund III as part of the American Rescue Plan Act (ARP) which was signed into law in March 2021. $13,544,120 of these funds were required to be provided as emergency financial grants to students. As of June 30, 2022, the University provided emergency financial aid grants to students totaling $12,012,440; reimburse the University for lost revenue total $5,545,640; and allowed COVID-related expenditures totaling $1,664. The final use of the remaining funds is expected to reimburse the University for COVID-19 related HVAC Air Quality upgrades totaling approximately $7,842,310. Additional ARP funds totaling $1,189,717 were subsequently allocated to the University and reimbursed the University for lost revenue totaling $1,189,717.

Additional funds totaling $977,366 received and administered by the State of Arkansas related to the CARES Act were allocated to the University in June 2020. Of this amount, $811,010 was used to reimburse the University for allowed COVID-related expenditures. The remaining $166,356 was used by the State of Arkansas for direct purchases of COVID-related supplies on behalf of the University.

The University also received an allocation of $135,202 from the Arkansas Department of Health to reimburse expenditures related to COVID-19 testing, and $15,770 from the Arkansas Department of Human Services to supplement cleaning expenses and additional labor costs for the UCA Child Study Center.

The remaining extent of the impact of COVID-19 on our financial statements for future reporting periods will depend on certain developments, including the duration and speed of the outbreak and revenue collections, all of which are uncertain and cannot be predicted. The total financial impact of COVID-19 to the University is uncertain as of the audit report date.

NOTE 27: Prior Period Restatement:

GASB 87- Leases:

The University implemented GASB 87 for leases for the fiscal year 2020-2021.

The University currently leases land and building space needed for the support of the University mission and for public service. Rental of land and building space is not the principal ongoing operation for the University. For the fiscal year ending June 30, 2021, the Comparative Statement of Net Position and Comparative Statement of Revenues, Expenses, and Changes in Net Positions have been restated to recognize $46,072 in lease revenue. This includes a lease receivable of $1,764,237 and a deferred inflow of $1,718,165.

The University is also the lessee and is leasing building space. The University paid reoccurring structured payments for the accounting period. For the period ending June 30, 2021, the University established a Right-to-Use lease asset, net of accumulated amortization, of $166,812 with a lease liability of $168,599. This resulted in a change of net position on the Statement of Net Position of $1,787.

NOTE 28: Impairment Capital Assets

Physical Damage-Office Building with Fire Damage

A fire began in Burdick Hall on the evening of May 4, 2022, which caused extensive damage to the building. The fire was contained to the first floor, but there is significant smoke damage throughout the building. Burdick Hall was constructed in 1974 at a cost of $1,766,766. The University completed three upgrades to the building; in 2012 for $195,123, in 2015 for $14,735, and in 2018 for $33,622, which brings the total historical cost of the building to $2,010,246. The accumulated depreciation for Burdick Hall is $1,661,462, making the carrying value $348,784.

The cost of replacement, demolition, and insurance settlement has not been determined at this time. Due to unknown amounts, an impairment loss or gain could not be determined for the fiscal year ending June 30, 2022.

UNIVERSITY OF CENTRAL ARKANSAS
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
JUNE 30, 2022

Summary of Key Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation year	July 1, 2021 – June 30, 2022
Discount Rate	3.54% per annum; the plan is not funded in an irrevocable trust maintained by the University, as plan sponsor.
Inflation	3.0% per annum
Mortality	RP-2014 Mortality Table with Improvement Scale MP-2021
Marriage assumptions	Three-year spousal age difference with females assumed three years younger than males. Assumed for active employee spousal coverage, as well as for any retired members for whom spousal dates of birth were not provided.
Assumed Utilization	25% of eligible future retirees are assumed to elect plan benefits.
Active Participation Rate	Active members are assumed to elect the same retiree medical coverage as they elected while active.

Termination (Sample Rates per 1,000 Members)

Age	Male	Female
25	46.0	48.4
30	39.4	44.0
35	32.0	31.0
40	27.0	22.0
45	20.8	20.0
50	16.2	17.0
55	15.0	15.0
60	15.0	15.0
65	15.0	15.0
70	15.0	15.0
75	N/A	N/A

In addition, a select and ultimate assumption that total termination in the first year is 32%, in the second year is 15%, in the third year is 11%, in the fourth year is 7.5%, and 5% in the fifth year.

Retirement Rates	Percentage of eligible members at age shown who retire during the year.

UNIVERSITY OF CENTRAL ARKANSAS
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
JUNE 30, 2022

	Percentage	
Age	Male	Female
48-49	0%	50%
50	2	13
51	2	10
52	3	9
53-54	4	9
55	6	9
56	9	12
57	9	10
58	9	11
59	9	14
60-61	100	14
62	100	28
63-64	100	17
65	100	27
66-74	100	30
75 & older	100	100

The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2022 was 3.54%; the unfunded rate was determined as of June 30, 2022.

Schedule of Changes in the University's Total OPEB Liability & Related Ratios for the Last 10 Years*

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 313,251	$ 325,828	$ 254,476	$ 204,142	$ 198,196
Interest	82,907	81,669	106,428	86,403	85,477
Differences between expected and actual experience	(657,852)	(108,333)	(3,203)	407,203	(191,456)
Change in actuarial assumptions	(409,733)	42,433	369,137	(491,601)	-
Benefit payments	(48,784)	(65,488)	(56,053)	(49,473)	(61,357)
Net change in total OPEB liability	$ (720,211)	$ 276,109	$ 670,785	$ 156,674	$ 30,860
TOTAL OPEB Liability - beginning	$ 4,110,099	$ 3,833,990	$ 3,163,205	$ 3,006,531	$ 2,975,671
TOTAL OPEB Liability - ending	**$ 3,389,888**	**$ 4,110,099**	**$ 3,833,990**	**$ 3,163,205**	**$ 3,006,531**
Covered employee payroll	$ 77,893,955	$ 77,340,849	$ 78,962,848	$ 79,580,251	$ 82,107,164
Total OPEB liability as a percentage of covered employee payroll	**4.35%**	**5.31%**	**4.86%**	**3.97%**	**3.66%**

*Fiscal year 2018 was the 1st year of implementation, therefore only five years are shown.

Notes to Schedule

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

Changes in assumptions — The discount rate has been increased to reflect the movement in interest rates. The mortality table was changed to reflect recent improvements in mortality. Finally, the annual inflation rate assumption has been increased to reflect both observed increases in the CPI and in expected higher levels of inflation in the valuation year and after.

Actuarial cost method — Entry age normal actuarial cost method, market value

UNIVERSITY OF CENTRAL ARKANSAS
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLANS
JUNE 30, 2022

Prepared for Arkansas Teacher Retirement System (ATRS), a Cost Sharing Defined Benefit Pension Plan, As of June 30, 2022
Last 10 Years***

Schedule of the University's Proportional Share of the Net Pension Liability

Schedule of the University's Proportional Share of the Net Pension Liability	2022**	2021**	2020**	2019**	2018**	2017**	2016**	2015**
Proportion of the net pension liability	0.248%	0.261%	0.276%	0.279%	0.299%	0.329%	0.344%	0.363%
Proportionate share of the net pension liability	$6,880,362	$14,750,548	$11,493,327	$10,136,245	$12,559,018	$14,509,308	$11,209,952	$9,537,668
Covered payroll*	$8,098,572	$8,159,551	$8,479,700	$8,445,728	$8,855,321	$9,639,942	$10,083,793	$10,357,175
Proportionate share of the net pension liability as a percentage of covered payroll	84.96%	180.78%	135.54%	120.02%	141.82%	150.51%	111.17%	92.09%
Plan fiduciary net position as a percentage of the total pension liability	88.58%	74.91%	80.96%	82.78%	79.48%	76.75%	82.20%	84.98%

*Covered payroll figures for 2016, 2017, and 2018 have been restated.
**The amounts presented for each fiscal year were determined as of June 30 of the previous year.
***Fiscal year 2022 was the 8th year of implementation, therefore only eight years are shown.

Schedule of Contributions

Schedule of Contributions	2022**	2021**	2020**	2019**	2018**	2017**	2016**	2015**
Contractually required contribution (actuarially determined)	$1,228,942	$1,174,293	$1,162,736	$1,187,158	$1,182,402	$1,239,745	$1,349,592	$1,411,731
Contributions in relation to the actuarially determined contributions	(1,228,942)	(1,174,293)	(1,162,736)	(1,187,158)	(1,182,402)	(1,239,745)	(1,349,592)	(1,411,731)
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0
Covered payroll*	$8,331,810	$8,098,572	$8,159,551	$8,479,700	$8,445,728	$8,855,321	$9,639,942	$10,083,793
Contributions as a percentage of covered payroll	14.75%	14.50%	14.25%	14.00%	14.00%	14.00%	14.00%	14.00%

***Fiscal year 2022 was the 8th year of implementation, therefore only eight years are shown.

UNIVERSITY OF CENTRAL ARKANSAS
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLANS
JUNE 30, 2022

Prepared for Arkansas Public Employees Retirement System (APERS), a Cost Sharing Defined Benefit Pension Plan, As of June 30, 2021
Last 10 Years***

Schedule of the University's Proportional Share of the Net Pension Liability

Schedule of the University's Proportional Share of the Net Pension Liability	2022**	2021**	2020**	2019**	2018**	2017**	2016**	2015**
Proportion of the net pension liability	0.403%	0.454%	0.503%	0.561%	0.620%	0.634%	0.607%	0.585%
Proportionate share of the net pension liability	$3,099,653	$13,000,472	$12,139,799	$12,385,719	$16,028,022	$15,150,795	$11,172,397	$8,307,056
Covered payroll*	$8,053,884	$8,858,198	$9,629,413	$10,698,276	$11,215,648	$11,480,269	$10,765,820	$10,417,763
Proportionate share of the net pension liability as a percentage of covered payroll	38.49%	146.76%	126.07%	115.77%	142.91%	131.97%	103.78%	79.74%
Plan fiduciary net position as a percentage of the total pension liability	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%	84.15%

*Covered payroll figures for 2016, 2017, and 2018 have been restated.
**The amounts presented for each fiscal year were determined as of June 30 of the previous year.
***Fiscal year 2022 was the 8th year of implementation, therefore only eight years are shown.

Schedule of Contributions

Schedule of Contributions	2022**	2021**	2020**	2019**	2018**	2017**	2016**	2015**
Contractually required contribution (actuarially determined)	$1,123,894	$1,233,855	$1,357,076	$1,475,226	$1,551,250	$1,626,269	$1,664,639	$1,589,035
Contributions in relation to the actuarially determined contributions	(1,123,894)	(1,233,855)	(1,357,076)	(1,475,226)	(1,551,250)	(1,626,269)	(1,664,639)	(1,589,035)
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0
Covered payroll*	$7,336,123	$8,053,884	$8,858,198	$9,629,413	$10,698,276	$11,215,648	$11,480,269	$10,765,820
Contributions as a percentage of covered payroll	15.32%	15.32%	15.32%	15.32%	14.50%	14.50%	14.50%	14.76%

***Fiscal year 2022 was the 8th year of implementation, therefore only eight years are shown.

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

Schedule 1

	Year Ended June 30,				
	2022	2021	2020	2019	2018
Total Assets and Deferred Outflows	$ 379,775,452	$ 391,682,420	$ 387,325,496	$ 355,382,806	$ 312,621,451
Total Liabilities and Deferred Inflows	274,787,401	289,992,326	289,399,860	273,609,999	221,867,385
Total Net Position	104,988,051	101,690,094	97,925,636	81,772,807	90,754,066
Total Operating Revenues	91,018,392	86,650,566	92,787,107	97,387,543	95,843,817
Total Operating Expenses	203,736,443	195,756,607	195,284,090	200,710,232	193,777,395
Total Net Non-Operating Revenues	116,100,290	110,869,582	98,418,563	95,384,329	93,922,903
Total Other Revenues, Expenses, Gains or Losses	(84,282)	1,927,013	20,219,662	(1,042,899)	(794,254)