



# Consolidated financial statements

UNIVERSITY OF ARKANSAS SYSTEM

2021



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December 20, 2021

Board of Trustees and  
President Donald R. Bobbitt:

It is my pleasure to transmit to you the Audited Financial Statements of the University of Arkansas System for the fiscal year ended June 30, 2021. The data presented, including the Management's Discussion and Analysis, Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows, are presented on a consolidated basis and include all components of the System: UAF (University of Arkansas, Fayetteville, including the Division of Agriculture, Arkansas Archeological Survey, Criminal Justice Institute, and Clinton School of Public Service), UAFS (University of Arkansas at Fort Smith), UALR (University of Arkansas at Little Rock), UAMS (University of Arkansas for Medical Sciences), UAM (University of Arkansas at Monticello), UAPB (University of Arkansas at Pine Bluff), CCCUA (Cossatot Community College of the University of Arkansas), PCCUA (Phillips Community College of the University of Arkansas), UACCB (University of Arkansas Community College at Batesville), UACCHT (University of Arkansas Community College at Hope-Texarkana), UACCM (University of Arkansas Community College at Morrilton), UAPTC (University of Arkansas Pulaski Technical College), UACCRM (University of Arkansas Community College at Rich Mountain), ASMSA (Arkansas School for Mathematics, Sciences and the Arts), and SYSTEM (University of Arkansas System Administration, including University of Arkansas System eVersity).

These statements were prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements used to prepare the consolidated report, except for the Medical Sciences campus and the discretely presented component units, were audited by Arkansas Legislative Audit. The financial statements from the Medical Sciences campus were audited by KPMG LLP. The consolidated financial statements received an unmodified audit opinion.

Sincerely,

A handwritten signature in black ink, reading 'Gina T. Terry'.

Gina T. Terry, CPA, CGMA  
Vice President for Finance and Chief Financial Officer





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

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

University of Arkansas System  
Legislative Joint Auditing Committee

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

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

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the University of Arkansas for Medical Sciences, a unit of the System, whose statements reflect total assets and revenues constituting 34% and 54%, respectively, of the related combined totals. Additionally, we did not audit the financial statements of the University of Arkansas Foundation, Inc., and the University of Arkansas Fayetteville Campus Foundation, Inc., which represent 100% of the assets and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Arkansas for Medical Sciences, University of Arkansas Foundation, Inc., and University of Arkansas Fayetteville Campus Foundation, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the University of Arkansas Foundation, Inc., and the University of Arkansas Fayetteville Campus Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinions***

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

## **Other Matters**

### *Prior Year Comparative Information*

We have previously audited the University's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the business-type activities and the aggregate discretely presented component units in our report dated November 17, 2020. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2020, 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 pensions, and certain information pertaining to postemployment benefits other than pensions on pages 8-19 and 98-100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Schedule of Selected Information for the Last Five Years (Schedule 1), the Statement of Net Position by Campus (Schedule 2), the Statement of Revenues, Expenses, and Changes in Net Position by Campus (Schedule 3), the Statement of Cash Flows – Direct Method – by Campus (Schedule 4) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Statement of Net Position by Campus, the Statement of Revenues, Expenses, and Changes in Net Position by Campus, and the Statement of Cash Flows – Direct Method – by Campus are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Net Position by Campus, the Statement of Revenues, Expenses, and Changes in Net Position by Campus, and the Statement of Cash Flows – Direct Method – by Campus are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



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

Little Rock, Arkansas  
December 7, 2021  
EDHE14121





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

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## ***Introduction***

The University of Arkansas System ("the University") is pleased to present its financial statements for the fiscal year ended June 30, 2021, with comparative statements for the fiscal years ended June 30, 2020 and 2019.

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

the System Administration, whose financial statements include eVersity, and the following units that are included in the financial statements of the Fayetteville campus: Clinton School of Public Service, Division of Agriculture (Agricultural Experiment Station and the Cooperative Extension Service), Arkansas Archeological Survey, and Criminal Justice Institute.

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

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

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

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

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

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

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

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

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

Net position is divided into three major categories. The first category, invested in capital assets, net of related debt, reflects the equity in property, plant and equipment owned by the University. The next category is restricted net position, which is divided into two subcategories, expendable and nonexpendable. The expendable category is available for expenditure by the University but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The corpus of nonexpendable restricted resources is only available for investment purposes. The final category is unrestricted net position which is available for any lawful purpose of the University.

**UNIVERSITY OF ARKANSAS SYSTEM: Management's Discussion and Analysis  
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**Condensed Statements of Net Position**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>ASSETS</b>			
Current assets	\$ 1,761,819,923	\$ 1,558,982,603	\$ 1,374,995,901
Capital assets, net	3,024,382,884	2,948,517,936	2,942,849,940
Other assets	581,324,706	481,550,346	321,856,512
Total Assets	<u>\$ 5,367,527,513</u>	<u>\$ 4,989,050,885</u>	<u>\$ 4,639,702,353</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 55,271,096</u>	<u>\$ 47,357,564</u>	<u>\$ 49,376,693</u>
<b>LIABILITIES</b>			
Current liabilities	\$ 497,675,458	\$ 463,682,148	\$ 383,767,844
Noncurrent liabilities	1,961,980,729	1,834,775,946	1,652,008,610
Total Liabilities	<u>\$ 2,459,656,187</u>	<u>\$ 2,298,458,094</u>	<u>\$ 2,035,776,454</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 35,133,166</u>	<u>\$ 32,868,726</u>	<u>\$ 33,351,146</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 1,484,710,808	\$ 1,497,976,702	\$ 1,499,325,092
Restricted			
Non-Expendable	108,310,863	86,833,488	84,931,511
Expendable	285,857,586	269,135,487	269,775,956
Unrestricted	1,049,129,999	851,135,952	765,918,887
Total Net Position	<u>\$ 2,928,009,256</u>	<u>\$ 2,705,081,629</u>	<u>\$ 2,619,951,446</u>

The University's total assets increased \$378.5 million, or 7.6%. Cash and cash equivalents increased \$103.6 million, and investments increased by \$60.8 million. Cash and cash equivalents increased \$31.5 million at UAMS, \$23.6 million at UAF, \$26.0 million at UAFS and by \$10.2 million at UACCHT. UAF increased investments \$41.9 million, UAMS increased investments \$28.7 million, UALR increased \$4.5 million, and UASYS increased by \$8.4 million net of a decrease of \$27.2 million at UAFS. Deposits held in trust increased by \$17.8 million of which UAMS increased by \$69.3 million which is related to bond proceeds offset by UAF's decrease of \$57.1 million. Patient accounts receivable at UAMS increased \$27.6 million, while Accounts Receivable increased \$94.3 million. Student accounts

receivable decreased by \$1.5 million, net of the UAMS credits owed to students, while Grants and contracts increased by \$68.5 million and non-student accounts increased by \$25.3 million. The increase of \$75.9 million in Capital assets relates to additions of \$289.4 million net of depreciation expense of \$201.4 million offset by a decrease for assets disposed of \$12.2 million. Fayetteville had an increase in capital asset additions of \$136.3 million. Construction in progress increased by \$114.7 million of which \$33.1 million were placed into service. At UAF, the Student Success Center, the Windgate Art & Design District Buildings, Mullins Library Renovation, the Anthony Timberlands Center for Design & Material Innovation, the Institute for Integrative & Innovation Research and baseball and track athletic



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facilities are in progress. UAMS had an increase in capital asset additions of \$123.0 million including construction in progress increases of \$85.4 million of which \$8.7 million moved into service. Progress at UAMS continues on the Energy Savings Project, the Surgical Hospital and Radiation Oncology Buildings as well as the implementation costs of Workday, the new ERP software for the UA System.

Deferred outflows of resources consist of deferred amounts on refinancing of debt and deferred amounts related to pensions and other post-employment benefits (OPEB). Overall, deferred outflows increased \$7.9 million, or (16.7%). Deferred outflows related to OPEBs increased \$8.9 million while pension increased \$2.3 million. The amortization of the debt refunding, net of additions, was \$3.3 million.

Total liabilities increased \$161.2million, or 7.0%. Accounts payable and other accrued liabilities increased \$59.7 million with UAMS increasing \$47.3 million and UAF \$12.7 million. The liability for bonds, notes, capital leases and installment contracts increased \$93.4 million (see Note 10). Netted in that amount, UAMS issued \$159.1 million of new bonded debt with a premium of \$31.2 million, UAFS, UALR, UAM all executed refundings of bonds resulting in additions of \$50.3 million offset by redemptions of previously issued bonds. UAF issued notes payable totaling \$9.9 million related to Athletics in order to pay maturities of bonds in the Fall of 2020. UACCHT financed construction of an energy savings project and a new workforce center in Texarkana through two notes totaling \$7.7 million. The additional debt is offset by a total of \$166.9 million in repayments and

refundings of bonds during fiscal 2021. The UAMS liability for estimated third party payor settlements decreased by \$43.8 million with repayments of the advances from CMS. Unearned revenues, deposits and other increased \$15.1 million with most of that being UAF for athletic ticket sales since those were limited in the prior year due to COVID-19 restrictions. Compensated absences increased \$11.8 million primarily at UAMS for the allowance of carryover of leave related to healthcare workers during COVID-19. The UA Health Plan experienced an overall plan loss ratio of 94% compared to a loss ratio of 104% in the previous fiscal year (Note 14).

Deferred inflows of resources increased by \$2.3 million in total with pension plans decreasing \$2.1 million as a result of actuarially determined amounts. In addition, deferred inflows-other increased \$4.4 million mostly related to irrevocable split interest agreements increasing \$3.1 million at UAMS.

The increase in net position was \$222.9 million, or 8.3%. The increase is the result of 2021 revenues, expenses and changes in net position. Net investments in capital assets decreased \$13.3 million. Restricted net position, expendable and non-expendable, increased \$38.2 million. Unrestricted net position increased \$198.0 million. In total, UAF contributed \$99.3 million, UAMS added \$61.5 million, UALR added \$22.1 million and UASYS added \$14.1 million. These increases were offset by increases and decreases at the remaining campuses. Although unrestricted net position is not subject to externally imposed restrictions, the majority of the University's unrestricted net position is subject to internal designations to meet various specific commitments. These

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

commitments include reserves established for future capital projects, other academic or research priorities; working capital for self-supporting auxiliary enterprises; and reserves for the continued recognition of OPEB and pension obligations.

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

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

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

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

	Year Ended		
	June 30, 2021	June 30, 2020	June 30, 2019
Operating revenues			
Student tuition and fees	\$ 393,886,555	\$ 406,312,706	\$ 403,004,046
Net patient services	1,344,980,000	1,215,037,000	1,301,036,000
Grants and contracts	380,138,762	335,124,725	329,385,879
Auxiliary enterprises	194,747,632	215,347,558	231,172,972
Other	321,780,255	277,197,491	250,952,769
Total operating revenues	2,635,533,204	2,449,019,480	2,515,551,666
Operating expenses			
Compensation and benefits	1,889,494,573	1,816,566,258	1,744,315,450
Supplies and services	937,358,635	908,182,573	913,937,918
Other	489,140,646	478,600,099	452,497,657
Total operating expenses	3,315,993,854	3,203,348,930	3,110,751,025
Operating Loss	(680,460,650)	(754,329,450)	(595,199,359)
Non-operating revenues and expenses			
State appropriations	482,450,404	487,654,627	434,202,736
Grants	273,735,809	198,973,689	150,237,502
Gifts	99,308,260	110,371,383	108,246,024
Other revenue	90,908,573	48,395,249	51,573,141
Non-operating expenses	(56,243,875)	(57,609,251)	(58,541,181)
Non-operating income	890,159,171	787,785,697	685,718,222
Income before other revenues and expenses	209,698,521	33,456,247	90,518,863
Other revenues and expenses			
Capital grants and gifts	11,546,319	42,681,960	62,034,926
Other, net	1,682,787	8,991,976	1,365,915
Other revenues and expenses	13,229,106	51,673,936	63,400,841
Increase in Net Position	222,927,627	85,130,183	153,919,704
Net Position, beginning of year	2,705,081,629	2,619,951,446	2,466,031,742
Net Position, end of year	\$ 2,928,009,256	\$ 2,705,081,629	\$ 2,619,951,446

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The 2021 operating loss of \$680.5 million highlights the University's dependence on non-operating revenues, including state appropriations, to meet the costs of operations and provide funds for the acquisition of capital assets.

Operating revenues increased \$186.5 million, or 7.6%. Net student tuition and fees decreased \$12.4 million, with UALR experiencing a decrease of \$8.3 million. The rest of the campuses experienced small increases and decreases in net student tuition and fee revenue. Net patient services increased \$129.9 million or 10.7% at UAMS as a result of increases in inpatient and outpatient volumes compared to last year when the pandemic caused the shutdown of non-emergent care at hospitals in the state which affected three months of fiscal year 2020. Grants and contracts increased \$45.0 million, of which UAMS increased \$36.0 million and UAF increased \$6.2 million. Auxiliary revenues decreased \$20.6 million due to campuses with Athletics, housing and food services impacted by the limitations on gatherings due to COVID-19. Other operating revenue increased \$44.6 million, attributed to UAMS's increase for specialty and retail pharmacy activity of \$29.7 million and UAF increase of \$5.2 million.

Total operating expenses increased \$112.6 million, or 3.5%. Compensation and benefits increased \$72.9 million, or 4.0%, over the previous year. UAMS increased \$86.9 million for increased staffing for the pandemic, as well as increases in compensation related to pressures on staffing. This increase is offset by decreases at a number of other campuses. The cost of supplies and services increased \$29.2 million, UAF decreased \$42.9 million due to travel

being discontinued for the year, while UAMS increased \$63.2 million as a result of increases in medical supplies, drugs and medicines for patient care. There were additional increases at other campuses. Scholarships and fellowships increased \$18.2 million due primarily to an increase at UAF of \$12.5 million. Depreciation decreased \$5.2 million with UAF accounting for \$2.5 million of the decrease while UAMS had a decrease of \$1.6 million. The remaining change was spread throughout the campuses. The insurance plan expenses decreased \$2.5 million due to lower claims in the current year.

Net non-operating revenues increased by \$102.4 million, or 13.0%. State appropriations decreased \$5.2 million at UAMS primarily due to an increase in the Medicaid match payments of \$7.6 million and a decrease in gross state appropriations of \$2.1 million for a total of \$9.7 million offset by an increase at UAF of \$2.7 million and other campuses. Federal grants increased \$75.5 million due to the receipt of federal funds through the CARES Act for direct student aid at all traditional campuses, and at UAMS, \$46.4 million to offset losses in patient revenues. Investment income increased \$40.4 million with UAMS accounting for \$17.2 million and UAF, \$19.7 million.

Other changes in net position decreased \$38.4 million, or 74.4%. Capital grants and gifts decreased \$31.1 million with \$24.8 million of the decrease related to UAF and \$4.5 million at UAMS.

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



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

## *Statements of Cash Flows*

The Statement of Cash Flows provides information about the cash activity of the University during the year. The statement is divided into five parts. The first part shows the net cash used by the operating activities of the institution. The second section reflects cash flows from non-capital financing activities. The third section deals with cash flows from capital and related activities, such as the acquisition and construction of capital assets and proceeds from, and payment of, capital asset debt. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and investment income received from these activities. The fifth section, not shown in the condensed statement below, reconciles the net cash used by operating activities to the net operating income or loss reflected on the Statement of Revenues, Expenses and

Changes in Net Position. This statement aids in the assessment of the University's ability to meet obligations as they become due, the need for external financing, and the ability to generate future cash flow.

Similar to the operating loss on the Statement of Revenues, Expenses, and Changes in Net Position, net cash used in operating activities does not reflect all resources available to the University because generally accepted accounting principles require state appropriations, gifts and grants to be reported as nonoperating financing activities. The net cash provided by the combination of operating and noncapital financing activities is a better depiction of the results achieved for the year. The net cash for 2021 is \$329.1 million, a decrease of \$17.2 million from the prior year. The changes are explained in the discussion in relation to the Statements of Revenues, Expenses and Changes in Net Position.

### Condensed Statements of Cash Flows

	Year Ended		
	June 30, 2021	June 30, 2020	June 30, 2019
Cash provided (used) by:			
Operating activities	\$ (536,685,507)	\$ (455,052,811)	\$ (355,322,445)
Noncapital financing activities	865,741,232	801,277,513	706,509,051
Net cash	329,055,725	346,224,702	351,186,606
Capital and related financing activities	(166,036,628)	(20,936,296)	(262,704,490)
Investing activities	(59,436,931)	(179,272,709)	(61,203,448)
Net change in cash	103,582,166	146,015,697	27,278,668
Cash, beginning of year	621,648,118	475,632,421	448,353,753
Cash, end of year	\$ 725,230,284	\$ 621,648,118	\$ 475,632,421

Purchases of capital assets and repayments of long-term debt and related interest and fees exceeded debt proceeds, capital grants and gifts, and insurance proceeds during 2021 which was consistent with the previous years. Purchases of investments exceeded the proceeds from sales and maturities of investments and investment earnings in

the current year which was also consistent with prior years. The University shifted cash to investments during the year as has been done in previous years. The overall cash position improved by \$103.6 million for the year ended June 30, 2021.

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

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

At June 30, 2021, the University had \$3.0 billion of capitalized assets, net of accumulated depreciation of \$3.2 billion. Capital additions in 2021 totaled \$289.4 million which was offset by depreciation of \$201.4 million, and \$12.2 million of transfers and deletions, resulted in a net increase in capital assets of \$75.9 million.

New debt issued for bonds, notes, capital leases and installment contracts offset by payments of principal was a net increase of \$93.4 million for 2021. The University issued a total of \$240.6 million in bonds for all campuses, with repayments, including refundings, of \$146.4 million. More detailed information about debt activity was discussed previously and is presented in Note 10.

### ***Economic Outlook***

The University's net position increased \$222.9 million for 2021. Moody's last reaffirmed the University's rating of Aa2 with a stable outlook on November 2, 2021. One of the University's greatest strengths is the diverse stream of revenue which funds its operations, including tuition, patient services revenue, state appropriations, investment income, grants and contracts, and support from individuals, foundations, and corporations. The 2021 fiscal year was impacted significantly by the pandemic. It continues to be a struggle for our campuses and the medical center, but through a number of protective measures, we have continued face-to-face classes as an option for students and have rebounded in patient services revenue in fiscal 2021. Because the Fayetteville campus and the Medical Sciences campus account for 74.4% of total consolidated

net position and 89.7% of consolidated operating revenues, the discussion below is centered on these two campuses.

### **UAMS**

UAMS closed fiscal year 2021 with an increase in net position of \$61.5 million, exceeding the budgeted loss of \$45.6M for the period. This amount includes \$46.4 million in CARES Act funds that were not budgeted and are largely related to lost revenues in FY20. Additionally, investment income was \$21.4 million better than budget due to market value improvements on investments, primarily endowments. These two items make up \$67.7 million of the positive variance. Further, the FY21 budget assumed COVID-19 would continue to impact UAMS's financial performance at the same level of FY20 through the first quarter of FY21. As a result, budgeted volumes and related revenues and expenses were reduced in anticipation of the ongoing impact. Ultimately, clinical volumes and financial performance proved to be much better than anticipated.

UAMS has projected a balanced budget for FY22. Clinical volumes are projected to return to pre-pandemic levels. Growth in key strategic areas is also expected. Increases over the FY21 budget are also projected in retail and specialty pharmacy programs which have seen consistent growth and have been unimpacted by COVID-19. Funding for NCI designation for the Cancer Center will result in increased State Appropriations in FY22. Further, increases in investment income and grants and contract revenue are also included. FY22 operating expenses are projected to increase, primarily in compensation and benefits, medical supplies, and drugs and medicine

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

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expense. Interest on capital is also increasing related to the FY19 and FY21 bond issues.

The financial results for the first two months of FY22 have been less than budget by \$1.6M. Through August, UAMS realized a decrease in net position of \$5.3 million, versus a budgeted decrease of \$3.7 million. Patient volumes have been less than projected due to the state's third COVID surge, as well as, a critical renovation on an inpatient unit which caused several beds to be unavailable for approximately six weeks. At the same time, UAMS has continued to see increased cost related to the pandemic, primarily in compensation and benefits as well as drugs and medicine expense. However, in recent weeks, the number of COVID cases in the state has been on the decline and UAMS believes it will still be able to achieve its budgeted goal for FY22. UAMS continues to focus on its efforts around resource optimization, with projects underway to drive efficiencies in processes that increase revenue and reduce expense. Additional measures including a hiring pause or a freeze on discretionary spending, which have proven to be effective in the past, can also be deployed if needed.

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

### UAF

The onset and spread of the COVID-19 virus pandemic throughout the country and around the world has created a

significant level of disruption to the Fayetteville campus and has altered just about every aspect of campus life. The virus resulted in a rapid transformation in the campus's operating environment in FY20. The pandemic has, and will continue to, present a great deal of challenge and uncertainty in the campus's operations throughout fiscal 2021 and potentially beyond. For the reasons outlined below, we believe that the Fayetteville campus is well positioned to absorb any potential future uncertainty.

In the face of this uncertainty, the campus has maintained its conservative fiscal approach for fiscal 2022 with respect to budgeting overall and in particular to State Appropriations. To date the state funding forecast has remained stable, however, the campus continues to rely on its conservative projections of fiscal support from the State for fiscal 2022. The Fayetteville campus was allocated over \$15.5 million in Federal CARES Act funding in response to the COVID-19 pandemic. In line with federal requirements, half of this funding was provided directly as aid to the campus's students, while the remainder was used to cover costs associated with significant changes to the delivery of instruction due to the pandemic.

With the signing of the Coronavirus Response and Relief Supplemental Appropriations Act on December 27, 2020, the Fayetteville campus was provided an additional \$23.9 million in funding in response to the pandemic. Again, in line with federal requirements, an additional \$7.7 million of the total was allocated for supplemental emergency grants to students with the remainder to cover institutional costs directly associated with the pandemic.



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Finally, through the American Rescue Plan Act of 2021, which was signed into law in March 2021, the Fayetteville campus was allocated \$42.3 million as a third response to the pandemic. Of this third allocation, \$21.2 million was intended for supplemental emergency grants to students in line with federal requirements, with the remainder available to cover institutional costs and lost revenue directly attributable to the pandemic.

Collectively, the funding received across all three Acts is known as the Higher Education Emergency Relief Fund. As of the September 30, 2021 federal reporting date, the Fayetteville campus has expended \$42.2 million in qualifying expenses, including lost revenue, of the institutional allocations and \$16.7 million as supplemental emergency grants directly to the campus's students.

The COVID-19 pandemic has had an impact on Auxiliary revenue at the Fayetteville campus due to the fact that normal summer programs that generate Auxiliary revenue for University Housing and Dining did not take place in 2020, including summer camps, in-person student orientation, and regular summer housing for students living on campus. Additionally, the student housing occupancy rate for the Fall of 2020 was significantly lower than historical occupancy rates. The Fayetteville campus's University Housing used vacant rooms for self-isolation and quarantine purposes as needed.

For FY21, the Fayetteville campus's University Housing has returned to full capacity, which will return revenue generation to normal levels, and should

directly drive additional campus dining revenue as well.

For the Spring 2020 semester, the Fayetteville campus's Athletics revenue was affected by the suspension of the baseball season, and the cancellation of the NCAA basketball tournaments. In 2021, athletic ticket revenues were impacted due to limitations on game attendance to approximately 20 percent of capacity. To combat the effects of the impacts on revenue, Athletics took a proactive approach by refinancing long-term debt issues as discussed in Note 10, and taken other actions aimed at cutting costs and improving operational efficiency. In addition, the Fayetteville campus Athletics received additional distributions from the Southeastern Conference as part of its efforts to help support member institutions. This additional disbursement was used to offset revenue losses attributable to measures taken to lessen impacts of the pandemic.

For FY21, Fayetteville campus Athletic events' attendance has returned to normal levels which will result in normal levels of athletic ticket revenue generation.

Financial and political support from state government remains a critical element to the continued financial health of the Fayetteville campus. In 2021, the total general revenue distribution from the State increased to \$212.9 million from the \$209.3 million reported in 2020. The forecast for 2022 indicate general revenue and Educational Excellence Trust Fund distributions from the State may increase 2.8%. If State revenue continues to be as strong as the State has reported in early 2022, Fayetteville campus management will continue to institute both internal and external efforts

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to maximize the state resources available, while seeking ways to minimize the risk of state funding levels not keeping pace with growth.

In 2017, The Arkansas Legislature enacted Act 148 which adopted a productivity-based funding model for most state-supported higher education institutions. As provided in the Act, the Arkansas Department of Higher Education developed a productivity-based funding model with measures for effectiveness, affordability, and efficiency. That model was first used to determine funding recommendations for the 2018-19 academic year and resulted in a small increase in the Fayetteville campus's funding based on those measures. The campus does not anticipate material changes in its funding level over the short term based on this funding policy.

The Fayetteville campus continues to seek ways to manage the cost of attendance so that it remains affordable while achieving revenue support necessary to offer a high-quality university experience. Diverse revenue resources, including state appropriations, tuition, and fees (net of scholarship allowance), private support and sponsored grants and contracts all contribute to support the mission of teaching, research, and service. Given the impact of the COVID-19 Pandemic, and in an effort to help control costs, no tuition or mandatory fee increases were implemented for the 2020-21 academic year at the Fayetteville campus. For the 2021-2022 academic year, enrollment and state appropriations are anticipated to exceed budget. The Fayetteville campus tuition and mandatory fee increases of approximately 2.0% for undergrad and graduate students were necessary in 2022

to maintain the facilities, faculty and other support needed to fulfill their mission.

The Fayetteville campus completed its capital campaign, Campaign Arkansas, on June 30, 2020, raising \$1.449 billion toward a goal of \$1.25 billion. This was the largest fundraising campaign in their history. The campaign concluded with a \$194.7 million gift from the Walton Family Charitable Support Foundation to establish the Institute for Integrative and Innovative Research. The campus also set records for number of donors and number of gifts during Campaign Arkansas.

The momentum of the capital campaign for the Fayetteville campus continued into fiscal year 2021 with \$105 million in new commitments and \$146 million in cash totals. Fiscal year 2022 is off to a tremendous start with \$51.3 million in new commitments as of October 23, 2021, compared to \$29.2 million in fiscal year 2021 at the same time period. The campus received a \$30 million commitment from the Windgate Foundation for Phase 2 of the Windgate Art and Design District building construction as well as a \$5.1 million commitment to the campus's University Libraries from an anonymous donor. Currently, the campus has a pledge commitment of \$10 million to name the new student success center. The Fayetteville campus endowment reached an all-time high of \$1.68 billion on June 30, 2021. Their endowment totaled \$1.21 billion on June 30, 2020.

Preliminary figures indicate that the Fayetteville campus enrolled 29,068 students for the Fall 2021 semester while setting new records for retention and graduation rates. As the charts below indicate, campus enrollment has

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

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increased 18.8%, or 4,531 students over the past ten years. Enrollment has now topped 29,000 for the first time ever, and the Fall 2021 term has seen the largest incoming freshman class in the history of the Fayetteville campus. Preliminary numbers for the campus are indicating another very strong incoming freshman class for the Fall 2022 semester as well. Considering the uncertainty brought on by the COVID 19 pandemic, the growth coming in FY2022 on top of two years of very stable enrollment numbers is very exciting and illustrates the continuing strength of the Fayetteville campus.

Due to the Fayetteville campus's strong net position, high level of liquidity, indications of stable State support, continuing high levels of philanthropic support, a positive enrollment outlook and our conservative budgeting approach to the 2021-22 fiscal year, we have a high level of confidence that the Fayetteville campus will withstand this pandemic and emerge from it in a strong position.

### All Campuses

Financial support from state government for all campuses remains a critical

element to the continued financial health of the University. For fiscal 2021, State appropriations were cut for all campuses, divisions and units of the University by 5% of the portion from the Revenue Stabilization Act but reinstated the last day of the fiscal year. Arkansas appears to have a healthy economy even as we encounter the uncertainties of our future due to the pandemic, as general revenue forecasts have been very positive, and the state budget remains balanced. As a result of these and other economic challenges, enrollment in higher education may remain flat or decrease at most campuses as has been the case this fall, so management will continue to budget conservatively and to emphasize cost containment.

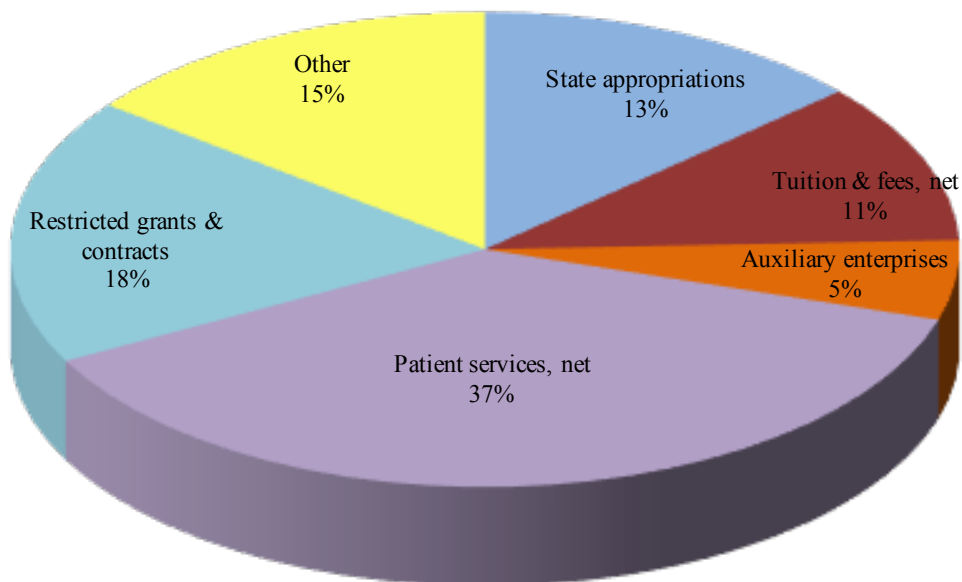
Preliminary data shows that the number of enrolled students (headcount) has decreased from the fall semester of 2020 to the fall semester of 2021, from 63,581 to 59,041. A change in the headcount numbers is due to being reported by the Arkansas Division of Higher Education excluding high school students who are concurrently enrolled. The number of full-time equivalent students has also decreased from 50,248 to 48,808.



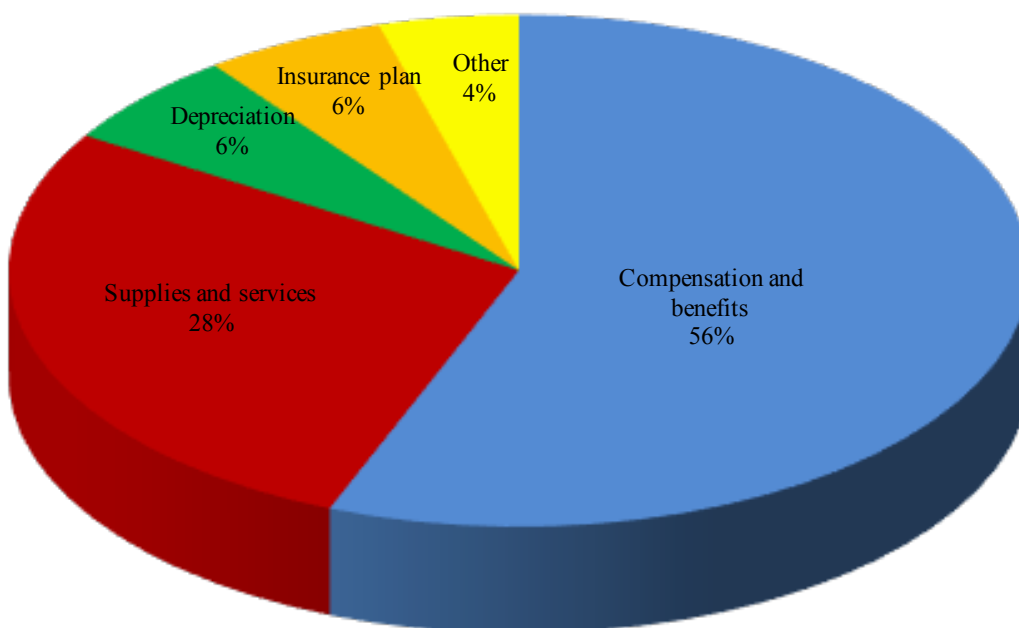




## 2021 Revenues \$3.595 Billion



## 2021 Expenses \$3.372 Billion





## FIVE YEAR SUMMARY OF KEY STUDENT DATA

Enrollment					
Fall Semester	2021*	2020	2019	2018	2017
Undergraduate Students (Headcount)**	49,669	54,355	56,809	58,307	60,283
Graduate Students (Headcount)**	9,372	9,226	9,066	9,217	9,385
Total	59,041	63,581	65,875	67,524	69,668
Undergraduate Students (FTE)	42,334	43,785	45,620	46,898	47,700
Graduate Students (FTE)	6,474	6,463	6,792	6,293	6,332
Total	48,808	50,248	52,412	53,191	54,032

Degrees Awarded					
Fiscal Year Ended June 30,	2021	2020	2019	2018	2017
Certificates	3,932	4,586	4,495	3,333	4,007
Associate	2,638	2,942	3,203	2,425	2,965
Baccalaureate	8,250	8,358	8,088	7,837	7,654
Post-Baccalaureate	424	381	353	292	168
Master's	2,088	2,052	2,037	2,029	2,097
Doctoral	289	283	273	282	249
First Professional	609	556	546	535	548
Total	18,230	19,158	18,995	16,733	17,688

\*Preliminary Data Reported by ADHE.

\*\*2021 and 2020 no longer include High School Concurrent Headcount enrollment.



# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS SYSTEM Statement of Net Position June 30, 2021 with comparative figures at June 30, 2020

	June 30, 2021	June 30, 2020
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (Note 4)	\$ 705,993,716	\$ 596,157,895
Investments (Note 4)	586,654,939	616,466,613
Accounts receivable, net of allowances of \$20,847,795 and \$25,451,839 (Note 6)	243,839,715	149,543,090
Patient accounts receivable, net of allowances of \$287,912,000 and \$300,555,000	149,358,000	121,748,000
Inventories	41,183,054	34,421,501
Deposits and funds held in trust by others	4,667,724	5,258,862
Notes receivable, net of allowances of \$228,000 and \$192,000	5,145,337	5,092,701
Other assets	24,977,438	30,293,941
Total current assets	<u>1,761,819,923</u>	<u>1,558,982,603</u>
<b>Non-Current</b>		
Cash and cash equivalents (Note 4)	19,236,568	25,490,223
Investments (Note 4)	321,577,816	230,936,736
Notes receivable, net of allowance of \$3,365,753 and \$3,948,413	13,164,568	15,590,245
Deposits and funds held in trust by others	221,894,327	203,518,820
Other non-current assets	5,451,427	6,014,322
Capital assets, net of depreciation of \$3,158,198,361 and \$2,974,885,390 (Note 7)	3,024,382,884	2,948,517,936
Total non-current assets	<u>3,605,707,590</u>	<u>3,430,068,282</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 5,367,527,513</b></u>	<u><b>\$ 4,989,050,885</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Debt refunding	\$ 25,336,099	\$ 28,593,419
Other postemployment benefits	14,277,000	5,358,000
Pensions	15,657,997	13,406,145
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$ 55,271,096</b></u>	<u><b>\$ 47,357,564</b></u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and other accrued liabilities (Note 6)	\$ 234,786,700	\$ 175,087,319
Unearned revenue	45,432,482	33,470,529
Funds held in trust for others	11,234,363	4,614,995
Liability for future insurance claims (Note 14)	16,710,600	17,684,300
Estimated third party payor settlements	90,169,000	133,981,000
Compensated absences payable - current portion (Note 9)	7,136,731	7,406,762
Liability for other postemployment benefits - current portion (Note 16)	2,379,000	2,266,000
Bonds, notes, capital leases and installment contracts payable - current portion (Note 10)	89,826,582	89,171,243
Total current liabilities	<u>497,675,458</u>	<u>463,682,148</u>
<b>Non-Current</b>		
Long term liability for payroll taxes	15,885,000	
Unearned revenues, deposits and other	3,503,458	382,682
Refundable federal advance - Perkins loans	10,775,916	12,626,914
Compensated absences payable (Note 9)	108,915,348	96,877,790
Liability for other postemployment benefits (Note 16)	74,224,000	72,481,000
Liability for pensions (Note 15)	58,956,833	55,472,005
Bonds, notes, capital leases and installment contracts payable (Note 10)	1,689,720,174	1,596,935,555
Total non-current liabilities	<u>1,961,980,729</u>	<u>1,834,775,946</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 2,459,656,187</b></u>	<u><b>\$ 2,298,458,094</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Other postemployment benefits	\$ 12,375,000	\$ 12,408,000
Pensions	15,612,166	17,674,726
Other	7,146,000	2,786,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>\$ 35,133,166</b></u>	<u><b>\$ 32,868,726</b></u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 1,484,710,808	\$ 1,497,976,702
Restricted		
Non-Expendable		
Scholarships and fellowships	13,559,135	14,076,415
Research	8,277,566	6,205,405
Other	86,474,162	66,551,668
Expendable		
Scholarships and fellowships	57,807,088	50,765,000
Research	75,600,439	57,478,429
Public service	34,828,794	15,849,659
Capital projects	72,773,563	110,918,544
Other	44,847,702	34,123,855
Unrestricted	1,049,129,999	851,135,952
<b>TOTAL NET POSITION</b>	<u><b>\$ 2,928,009,256</b></u>	<u><b>\$ 2,705,081,629</b></u>

See accompanying notes.

# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS SYSTEM Statement of Revenues, Expenses, and Changes in Net Position For The Year Ended June 30, 2021 with comparative figures for 2020

	Year Ended June 30, 2021	Year Ended June 30, 2020
Operating Revenues		
Student tuition & fees, net of scholarship allowances of \$186,409,854 and \$180,926,184	\$ 393,886,555	\$ 406,312,706
Patient services, net of contractual allowances of \$2,047,386,000 and \$1,956,936,000	1,344,980,000	1,215,037,000
Federal and county appropriations	14,677,645	17,386,531
Federal grants and contracts	236,322,506	211,576,228
State and local grants and contracts	88,180,136	74,623,130
Non-governmental grants and contracts	55,636,120	48,925,367
Sales and services of educational departments	61,056,572	58,076,871
Insurance plan	68,427,288	58,582,103
Auxiliary enterprises		
Athletics, net of scholarship allowances of \$2,152,516 and \$2,961,617	113,088,045	107,799,994
Housing/food service, net of scholarship allowances of \$22,515,490 and \$27,555,300	64,787,739	80,491,862
Bookstore, net of scholarship allowances of \$751,622 and \$697,170	3,039,243	10,676,014
Other auxiliary enterprises, net of scholarship allowances of \$552,447 and \$630,376	13,832,605	16,379,688
Other operating revenues	177,618,750	143,151,986
Total operating revenues	2,635,533,204	2,449,019,480
Operating Expenses		
Compensation and benefits	1,889,494,573	1,816,566,258
Supplies and services	937,358,635	908,182,573
Scholarships and fellowships	93,985,185	75,751,792
Insurance plan	193,786,948	196,303,903
Depreciation	201,368,513	206,544,404
Total operating expenses	3,315,993,854	3,203,348,930
Operating loss	(680,460,650)	(754,329,450)
Non-Operating Revenues (Expenses)		
State appropriations, net of Medicaid match payments of \$59,747,000 and \$52,127,000	482,450,404	487,654,627
Property and sales tax	15,530,892	14,477,798
Federal grants	225,242,235	149,694,131
State and local grants	48,328,944	48,031,850
Non-governmental grants	164,630	1,247,708
Gifts	99,308,260	110,371,383
Investment income (net)	69,026,975	28,583,041
Interest and fees on capital asset-related debt	(55,369,420)	(56,654,017)
Gain/loss on disposal of assets	(874,455)	(955,234)
Other	6,350,706	5,334,410
Net non-operating revenues	890,159,171	787,785,697
Income before other revenues and expenses	209,698,521	33,456,247
Other Changes in Net Position		
Capital appropriations	1,412,742	4,428,706
Capital grants and gifts	11,546,319	42,681,960
Adjustments to prior year revenues and expenses	336,054	(228,514)
Extraordinary item-impairment gain on flood damage, net	138,515	333,400
Other	(204,524)	4,458,384
Total other revenues and expenses	13,229,106	51,673,936
Increase in net position	222,927,627	85,130,183
Net Position, beginning of year	2,705,081,629	2,619,951,446
Net Position, end of year	\$ 2,928,009,256	\$ 2,705,081,629

See accompanying notes.

# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS SYSTEM Statement of Cash Flows - Direct Method For The Year Ended June 30, 2021 with comparative figures for 2020

	Year Ended June 30, 2021	Year Ended June 30, 2020
Cash Flows from Operating Activities		
Student tuition and fees (net of scholarships)	\$ 391,225,456	\$ 403,440,900
Patient and insurance payments	1,267,730,000	1,334,067,000
Federal and county appropriations	13,054,789	14,269,925
Grants and contracts	327,825,908	325,291,045
Collection of loans and interest	1,675,585	6,890,413
Insurance plan receipts	67,602,076	59,085,359
Auxiliary enterprise revenues:		
Athletics	122,199,470	98,610,461
Housing and food service	68,087,978	80,699,342
Bookstore	3,691,382	9,320,341
Other auxiliary enterprises	13,599,103	16,757,726
Payments to employees	(1,621,198,935)	(1,561,313,217)
Payments of employee benefits	(210,497,877)	(233,064,316)
Payments to suppliers	(932,359,546)	(924,304,244)
Loans issued to students	(1,738,200)	(4,355,619)
Scholarships and fellowships	(91,270,979)	(75,531,093)
Payments of insurance plan expenses	(194,655,632)	(196,849,186)
Other	238,343,915	191,932,352
Net cash used by operating activities	(536,685,507)	(455,052,811)
Cash Flows from Noncapital Financing Activities		
State appropriations	481,998,484	482,308,716
Property and sales tax	15,383,185	14,479,673
Gifts and grants for other than capital purposes	362,557,613	303,017,775
Repayment of loans	1,078,000	737,000
Direct Lending, Plus and FFEL loan receipts	218,683,585	241,766,727
Direct Lending, Plus and FFEL loan payments	(219,016,144)	(240,768,186)
Other agency funds - net	5,065,200	(264,192)
Refunds to grantors	(8,691)	-
Net cash provided by noncapital financing activities	865,741,232	801,277,513
Cash Flows from Capital and Related Financing Activities		
Distributions from debt proceeds	263,829,246	226,376,051
Capital appropriations	1,626,344	4,244,887
Capital grants and gifts	20,374,994	38,345,366
Proceeds from sale of capital assets	2,037,147	6,206,655
Purchases of capital assets	(291,863,920)	(179,919,806)
Payment of capital related principal on debt	(109,362,037)	(84,322,720)
Payment of capital related interest and fees	(55,047,336)	(37,358,581)
Insurance proceeds	1,498,767	6,016,840
Payments to/from trustee for reserve	870,167	(524,988)
Net cash used by capital and related financing activities	(166,036,628)	(20,936,296)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	408,385,127	173,358,812
Investment income (net of fees)	7,302,337	8,927,097
Purchases of investments	(475,124,395)	(361,558,618)
Net cash used by investing activities	(59,436,931)	(179,272,709)
Net increase in cash	103,582,166	146,015,697
Cash, beginning of the year	621,648,118	475,632,421
Cash, end of year	\$ 725,230,284	\$ 621,648,118

See accompanying notes.

# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS SYSTEM Statement of Cash Flows - Direct Method - Continued For The Year Ended June 30, 2021 with comparative figures for 2020

	Year Ended June 30, 2021	Year Ended June 30, 2020
Reconciliation of net operating loss to net cash used by operating activities:		
Operating loss	\$ (680,460,650)	\$ (754,329,450)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Depreciation expense	201,368,513	206,544,404
Other miscellaneous operating receipts	5,755,042	6,382,181
Adjustment to cash for amounts in transit within the system	(2,662,043)	(1,558,240)
Change in assets and liabilities:		
Receivables, net	(98,943,401)	1,158,728
Inventories	(6,761,552)	(1,297,907)
Prepaid expenses and other assets	(7,397,414)	2,984,768
Accounts payable and other accrued liabilities	62,925,987	(15,074,552)
Long term liability for payroll taxes	15,885,000	
Unearned revenue	14,305,025	(12,496,019)
Liability for future insurance claims	(973,700)	(570,500)
Loans to students and employees	1,738,096	2,814,902
Refundable federal advance	(1,851,002)	(3,709,221)
Compensated absences	11,767,526	12,135,094
OPEB liability	(3,389,000)	2,880,653
Pension related	(362,583)	(214,260)
Other	(47,629,351)	99,296,608
NET CASH USED BY OPERATING ACTIVITIES	\$ (536,685,507)	\$ (455,052,811)
Non-Cash Transactions		
Capital Gifts	\$ 3,007,303	\$ 20,990,136
Fixed assets acquired by incurring capital lease obligations	1,291,000	22,287,000
Capital outlay & maintenance paid directly from proceeds of debt	2,260,509	10,176,414
Payment of bond proceeds/premium/accrued interest/debt service reserve directly into deposits with trustees/escrow	50,026,319	324,733,353
Payment of bond issuance costs and underwriter's discounts directly from bond proceeds and/or debt service reserve	500,372	1,439,357
Payment of principal & interest on long-term debt from deposits with	10,013,534	7,317,379
Interest earned on deposits with trustees	674,753	3,097,975
Loss on disposal of assets	1,025,773	7,273,630
Valuation adjustment to capital assets	1,186,108	(34,939)
Value of goods received from sponsorship agreements with vendors	3,373,627	3,503,323
Note Proceeds used to directly pay bond interest and principal	9,890,760	

See accompanying notes.



**UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021****UNIVERSITY OF ARKANSAS FOUNDATION, INC.  
Consolidated Statements of Financial Position  
June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Contributions receivable, net	\$ 215,510,198	\$ 61,908,066
Interest receivable	1,561,134	885,667
Investments, at fair value	1,871,514,209	1,365,656,164
Cash value of life insurance	1,375,367	1,314,689
Land	31,425	348,425
<b>TOTAL ASSETS</b>	<b>\$ 2,089,992,333</b>	<b>\$ 1,430,113,011</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 9,383,700	\$ 4,146,007
Annuity obligations	18,676,711	14,670,353
<b>TOTAL LIABILITIES</b>	<b>28,060,411</b>	<b>18,816,360</b>
<b>NET ASSETS</b>		
Without donor restrictions	142,638,166	117,129,631
With donor restrictions	1,919,293,756	1,294,167,020
<b>TOTAL NET ASSETS</b>	<b>2,061,931,922</b>	<b>1,411,296,651</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,089,992,333</b>	<b>\$ 1,430,113,011</b>

**UNIVERSITY OF ARKANSAS  
FAYETTEVILLE CAMPUS FOUNDATION, INC.  
Statements of Financial Position  
June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Contribution receivable, net	\$ -	\$ 4,780,000
Investments	748,157,500	560,054,472
<b>TOTAL ASSETS</b>	<b>\$ 748,157,500</b>	<b>\$ 564,834,472</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable	\$ 1,562,542	\$ 1,336,744
Net Assets with donor restrictions	746,594,958	563,497,728
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 748,157,500</b>	<b>\$ 564,834,472</b>

**UNIVERSITY OF ARKANSAS FOUNDATION, INC.**
**Consolidated Statements of Activities**
**Years Ended June 30, 2021 and 2020**

	Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	TOTAL
Revenues, Gains and Other Support:			
Contributions	\$ 12,605,336	\$ 253,753,566	\$ 266,358,902
Interest and dividends	521,035	3,122,674	3,643,709
Net realized and unrealized gains on investments	34,442,559	421,600,501	456,043,060
Net assets reclassifications, including released from or satisfaction of restrictions	50,894,210	(50,894,210)	-
Total revenues, gains and other support	98,463,140	627,582,531	726,045,671
Expenses and Losses:			
Program services:			
University System support	65,352,945	-	65,352,945
Supporting services:			
Management and general	1,786,125	-	1,786,125
Fundraising	5,625,426	-	5,625,426
Change in value of split-interest agreements	165,521	2,441,630	2,607,151
Provision for loss (recovery) on uncollectible contributions	24,588	14,165	38,753
Total supporting services	7,601,660	2,455,795	10,057,455
Total expenses and losses	72,954,605	2,455,795	75,410,400
Change in Net Assets	25,508,535	625,126,736	650,635,271
Net Assets, beginning of year	117,129,631	1,294,167,020	1,411,296,651
Net Assets, end of year	\$ 142,638,166	\$ 1,919,293,756	\$ 2,061,931,922

# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

Year Ended June 30, 2020					
Without Donor Restrictions		With Donor Restrictions		TOTAL	
\$	10,798,581	\$	81,633,734	\$	92,432,315
	3,242,527		5,233,112		8,475,639
	11,989,165		12,741,719		24,730,884
	48,293,571		(48,293,571)		-
	74,323,844		51,314,994		125,638,838
	66,614,918		-		66,614,918
	1,975,745		-		1,975,745
	6,551,200		-		6,551,200
	(57,608)		238,969		181,361
	2,330		92,151		94,481
	8,471,667		331,120		8,802,787
	75,086,585		331,120		75,417,705
	(762,741)		50,983,874		50,221,133
	117,892,372		1,243,183,146		1,361,075,518
\$	117,129,631	\$	1,294,167,020	\$	1,411,296,651

# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS FAYETTEVILLE CAMPUS FOUNDATION, INC.

### Statements of Activities

Years Ended June 30, 2021 and 2020

	Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	TOTAL
Revenues, Gains and Other Support:			
Contribution	\$ -	\$ -	\$ -
Interest and dividends		1,105,303	1,105,303
Net realized and unrealized gains on investments		204,772,197	204,772,197
Net assets released from restrictions	22,780,270	(22,780,270)	-
Total revenues, gains and other support	22,780,270	183,097,230	205,877,500
Expenses and Losses:			
Program services:			
Fayetteville campus support	22,780,270	-	22,780,270
Total program services	22,780,270	-	22,780,270
Change in Net Assets	-	183,097,230	183,097,230
Net Assets, beginning of year	-	563,497,728	563,497,728
Net Assets, end of year	\$ -	\$ 746,594,958	\$ 746,594,958





# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

**Year Ended June 30, 2020**

Without Donor Restrictions	With Donor Restrictions	TOTAL
\$ -	\$ 171,450	\$ 171,450
	3,561,648	3,561,648
	7,909,565	7,909,565
23,387,910	(23,387,910)	-
23,387,910	(11,745,247)	11,642,663
<hr/>		
23,387,910	-	23,387,910
23,387,910	-	23,387,910
<hr/>		
-	(11,745,247)	(11,745,247)
-	575,242,975	575,242,975
<hr/>		
\$ -	\$ 563,497,728	\$ 563,497,728





# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS SYSTEM Statement of Net Position by Campus At June 30, 2021

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM
<b>ASSETS</b>							
<b>Current</b>							
Cash and cash equivalents	\$ 171,687,075	\$ 44,118,193	\$ 31,896,962	\$ 314,429,000	\$ 7,407,345	\$ 21,019,997	\$ 19,098,062
Investments	348,971,731	2,221,937	45,884,028	113,926,000	3,435,251	-	56,041,264
Accounts receivable	99,812,894	4,993,553	27,286,798	75,879,000	7,826,173	16,169,853	18,479,518
Patient accounts receivable				149,358,000			
Inventories	6,967,361		119,307	31,855,000	361,353	15,996	
Deposits and funds held in trust by others	4,245,729		345,937		5		
Notes receivable	2,425,547		30,848	2,750,000			
Other assets	11,188,365	467,033	554,475	11,752,000	312,315	25,401	159,972
Total current assets	645,298,702	51,800,716	106,118,355	699,949,000	19,342,442	37,231,247	93,778,816
<b>Non-Current</b>							
Cash and cash equivalents					4,245,579	13,350,576	
Investments	184,294,966	7,144,165	30,282,616	83,444,000	6,256,247	5,656,737	
Notes receivable	7,617,128	149,458	355,902	9,723,000	79,090	467,577	
Deposits and funds held in trust by others	3,961,913	62,221	1,714,426	209,187,000	6,846,257		
Other non-current assets	5,451,427		-				17,450,600
Capital assets	1,525,888,590	127,229,917	205,454,799	799,163,000	47,724,163	106,148,821	3,930,551
Total non-current assets	1,727,214,024	134,585,761	237,807,743	1,101,517,000	65,151,336	125,623,711	21,381,151
<b>TOTAL ASSETS</b>	<b>\$ 2,372,512,726</b>	<b>\$ 186,386,477</b>	<b>\$ 343,926,098</b>	<b>\$ 1,801,466,000</b>	<b>\$ 84,493,778</b>	<b>\$ 162,854,958</b>	<b>\$ 115,159,967</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Debt refunding	\$ 10,626,042	\$ 2,299,687	\$ 2,895,485	\$ 3,977,000		\$ 203,008	
Other postemployment benefits	5,804,000	216,000	955,000	5,394,000	279,000	570,000	\$ 96,000
Pensions	3,247,054	518,053	1,627,353	2,322,000	759,231	243,369	209,573
Other							
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 19,677,096</b>	<b>\$ 3,033,740</b>	<b>\$ 5,477,838</b>	<b>\$ 11,693,000</b>	<b>\$ 1,038,231</b>	<b>\$ 1,016,377</b>	<b>\$ 305,573</b>
<b>LIABILITIES</b>							
<b>Current</b>							
Accounts payable and other accrued liabilities	\$ 61,663,720	\$ 1,671,175	\$ 7,610,734	\$ 170,616,000	\$ 1,766,315	\$ 539,172	\$ 4,007,411
Unearned revenue, deposits and other	32,539,195	871,455	4,164,159	5,936,000	81,766	99,223	165,709
Funds held in trust for others	3,265,550	281,892	681,228	3,410,000	246,827	2,825,515	
Liability for future insurance claims							16,710,600
Estimated third party payor settlements				90,169,000			
Refundable federal advance - current portion							
Compensated absences payable - current portion	1,938,208	213,072	410,556	3,963,000	92,928	199,849	41,482
Liability for other postemployment benefits - current portion	747,000	65,000	189,000	1,008,000	63,000	57,000	20,000
Bonds, notes, capital leases and installment contracts payable - current	44,740,229	6,384,441	8,542,732	20,515,000	927,898	2,033,732	3,124,306
Total current liabilities	144,893,902	9,487,035	21,398,409	295,617,000	3,178,734	5,754,491	24,069,508
<b>Non-Current</b>							
Long term liability for payroll taxes				15,885,000			
Unearned revenues, deposits and other	3,131,123		297,179	30,000		45,156	
Refundable federal advance - Perkins loans	8,841,080			1,911,000	23,836		
Compensated absences payable	21,423,103	1,413,179	4,036,628	74,869,000	1,097,626	2,452,271	925,293
Liability for other post employment benefits	23,017,000	1,548,000	5,826,000	33,495,000	1,621,000	3,068,000	565,000
Liability for pensions	12,466,943	2,054,945	7,026,639	9,159,000	2,724,493	863,224	752,230
Bonds, notes, capital leases, installment contracts payable	798,287,206	46,233,351	92,354,442	563,385,000	33,493,532	28,908,451	27,546,672
Total non-current liabilities	867,166,455	51,249,475	109,540,888	698,734,000	38,960,487	35,337,102	29,789,195
<b>TOTAL LIABILITIES</b>	<b>\$ 1,012,060,357</b>	<b>\$ 60,736,510</b>	<b>\$ 131,139,297</b>	<b>\$ 994,351,000</b>	<b>\$ 42,139,221</b>	<b>\$ 41,091,593</b>	<b>\$ 53,858,703</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Other postemployment benefits	3,198,000	192,000	1,191,000	4,831,000	341,000	360,000	\$ 93,000
Pensions	2,289,221	837,230	1,913,556	3,906,000	616,388	45,415	161,920
Other				7,146,000			
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 5,487,221</b>	<b>\$ 1,029,230</b>	<b>\$ 3,104,556</b>	<b>\$ 15,883,000</b>	<b>\$ 957,388</b>	<b>\$ 405,415</b>	<b>\$ 254,920</b>
<b>NET POSITION</b>							
Net Investment in Capital Assets	\$ 687,450,722	\$ 76,911,812	\$ 103,250,743	\$ 423,450,000	\$ 20,638,182	\$ 75,150,077	\$ 3,729,232
<b>Restricted</b>							
<b>Non-Expendable</b>							
Scholarships and fellowships	9,260,293	277,400	2,541,069	394,000	56,017		
Research	7,739,659		216,348		321,559		
Other	17,754,092	7,000	10,217,548	50,351,000	2,692	8,141,830	
<b>Expendable</b>							
Scholarships and fellowships	23,757,307	224,358	862,338	29,530,000	508,953	1,790,105	
Research	59,315,679		574,188	12,408,000	2,745,585	556,987	
Public service	27,527,910	30,705	6,499,301			770,878	
Capital projects	57,693,386	235,325		363,000	3,986,381	6,313,143	
Other	29,247,882	3,310,350	6,585,915	391,000	672,869	1,666,138	
Unrestricted	454,895,314	46,657,527	84,412,633	286,038,000	13,503,162	27,985,169	57,622,685
<b>TOTAL NET POSITION</b>	<b>\$ 1,374,642,244</b>	<b>\$ 127,654,477</b>	<b>\$ 215,160,083</b>	<b>\$ 802,925,000</b>	<b>\$ 42,435,400</b>	<b>\$ 122,374,327</b>	<b>\$ 61,351,917</b>

See accompanying notes.

# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Elimination (See Note 19)	TOTAL
\$ 4,650,891	\$ 10,399,802	\$ 3,644,508	\$ 15,416,454	\$ 7,417,984	\$ 41,107,785	\$ 1,945,180	\$ 11,754,478	\$	705,993,716
847,415	3,522,484	-	2,253,262	3,669,763	5,881,804	-	-		586,654,939
1,344,930	1,498,161	1,067,566	1,945,115	1,725,239	3,347,128	797,442	99,704	\$ (18,433,359)	243,839,715
									149,358,000
105,777	62,872	208,836	1,182,110			304,442			41,183,054
	1					76,052			4,667,724
						-		(61,058)	5,145,337
8,832	9,112	71,486		3,277	259,649	53,380	112,141	-	24,977,438
6,957,845	15,492,432	4,992,396	20,796,941	12,816,263	50,596,366	3,176,496	11,966,323	(18,494,417)	1,761,819,923
1,113,816				26,597	500,000				19,236,568
182,717		2,200,000			1,070,260	1,046,108			321,577,816
36,878	89,936	48,846	32,788	42,060			29,396	(5,507,491)	13,164,568
				102,889	19,621			(17,450,600)	221,894,327
									5,451,427
11,558,576	19,760,154	13,470,583	22,899,326	22,308,882	81,706,922	18,066,399	19,072,201		3,024,382,884
12,891,987	19,850,090	15,719,429	22,932,114	22,480,428	83,296,803	19,112,507	19,101,597	(22,958,091)	3,605,707,590
\$ 19,849,832	\$ 35,342,522	\$ 20,711,825	\$ 43,729,055	\$ 35,296,691	\$ 133,893,169	\$ 22,289,003	\$ 31,067,920	\$ (41,452,508)	\$ 5,367,527,513
\$ 70,414	\$ 753,767		\$ 133,095	\$ 1,944	4,372,660	\$ 2,997		\$	25,336,099
87,000	177,000	\$ 68,000	76,000	136,000	302,000	87,000	\$ 30,000		14,277,000
693,102	270,000	747,801	600,404	809,484	2,678,241	604,154	328,178		15,657,997
									-
\$ 850,516	\$ 1,200,767	\$ 815,801	\$ 809,499	\$ 947,428	\$ 7,352,901	\$ 694,151	\$ 358,178	\$ -	\$ 55,271,096
\$ 441,906	\$ 552,093	\$ 160,866	\$ 750,724	\$ 710,612	1,875,170	\$ 558,389	\$ 295,772	\$ (18,433,359)	\$ 234,786,700
462,639	342,809	118,213	11,119	136,628	464,098	39,279	190		45,432,482
53,842	14,249	15,045	57,103	160,094	134,652	29,016	59,350		11,234,363
									16,710,600
									90,169,000
									-
14,792	30,910	32,916	32,842	43,088	71,559	23,735	27,794		7,136,731
11,000	59,000	5,000	24,000	28,000	77,000	25,000	1,000		2,379,000
327,910	417,814	199,286	680,666	447,505	2,571,804	389,458	118,216	(1,594,415)	89,826,582
1,312,089	1,416,875	531,326	1,556,454	1,525,927	5,194,283	1,064,877	502,322	(20,027,774)	497,675,458
									15,885,000
									3,503,458
									10,775,916
281,043	474,007	271,176	351,519	335,541	617,894	248,646	118,422		108,915,348
504,000	1,042,000	447,000	345,000	738,000	1,258,000	534,000	216,000		74,224,000
2,425,781	1,011,430	2,610,061	2,484,713	2,733,205	9,583,321	2,071,273	989,575		58,956,833
2,831,862	9,255,326	1,141,037	9,276,167	9,926,575	74,361,588	13,228,266	915,433	(21,424,734)	1,689,720,174
6,042,686	11,782,763	4,469,274	12,457,399	13,733,321	85,820,803	16,082,185	2,239,430	(21,424,734)	1,961,980,729
\$ 7,354,775	\$ 13,199,638	\$ 5,000,600	\$ 14,013,853	\$ 15,259,248	\$ 91,015,086	\$ 17,147,062	\$ 2,741,752	\$ (41,452,508)	\$ 2,459,656,187
\$ 188,000	\$ 541,000	\$ 54,000	\$ 372,000	\$ 222,000	\$ 493,000	\$ 255,000	\$ 44,000	\$	12,375,000
410,096	284,510	401,983	526,115	702,887	2,923,279	386,307	207,259		15,612,166
									7,146,000
\$ 598,096	\$ 825,510	\$ 455,983	\$ 898,115	\$ 924,887	\$ 3,416,279	\$ 641,307	\$ 251,259	\$ -	\$ 35,133,166
\$ 8,018,233	\$ 10,709,810	\$ 12,130,260	\$ 20,661,419	\$ 11,827,770	\$ 9,580,724	\$ 2,957,274	\$ 18,244,550		\$ 1,484,710,808
83,461					946,895				13,559,135
									8,277,566
									86,474,162
	294,179		86,500	501,076	123,365	128,907			57,807,088
									75,600,439
									34,828,794
1,113,358	1,131,726					34,452	1,902,792		72,773,563
98,295		686,935			2,060,509	34,802	93,007		44,847,702
3,434,130	10,382,426	3,253,848	8,878,667	7,731,138	34,103,212	2,039,350	8,192,738		1,049,129,999
12,747,477	22,518,141	16,071,043	29,626,586	20,059,984	46,814,705	5,194,785	28,433,087	\$ -	\$ 2,928,009,256

# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS SYSTEM Statement of Revenues, Expenses, and Changes in Net Position by Campus For the Year Ended June 30, 2021

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM
<b>Operating Revenues</b>							
Student tuition & fees, net of scholarship allowances	\$ 251,638,655	\$ 14,021,409	\$ 36,531,851	\$ 49,819,000	\$ 10,799,728	\$ 9,140,164	\$ 1,789,424
Patient services, net of contractual allowances				1,344,980,000			
Federal and county appropriations	13,009,645			1,668,000			
Federal grants and contracts	73,420,062	2,263,459	22,735,206	109,474,000	1,295,711	16,878,073	
State and local grants and contracts	20,298,666	1,844,641	8,381,687	46,143,000	1,349,378	2,060,595	
Non-governmental grants and contracts	22,860,829	2,516,904	2,623,711	25,806,000	1,016,301	332,706	
Sales and services of educational departments	19,391,946	159,243	565,498	38,993,000	506,008	156,779	5,027,972
Insurance plan							207,209,175
Auxiliary enterprises							
Athletics, net of scholarship allowances	107,281,179	29,871	4,150,195	-	614,345	1,004,215	
Housing/food service, net of scholarship allowances	45,401,767	2,227,345	4,990,053	6,199,000	2,013,895	3,413,989	
Bookstore, net of scholarship allowances	1,356,927	271,749	188,308		203,178	578	
Other auxiliary enterprises, net of scholarship allowances	9,684,016	107,021	734,678	2,657,000	575,667	55,212	
Other operating revenues	14,975,466	452,825	1,044,861	157,961,000	480,769	1,880,802	
Total operating revenues	579,319,158	23,894,467	81,946,048	1,783,700,000	18,854,980	34,923,113	214,026,571
<b>Operating Expenses</b>							
Compensation and benefits	537,518,637	41,248,322	104,433,091	1,190,195,000	25,864,133	41,800,368	8,966,219
Supplies and services	211,293,714	19,570,476	40,230,470	594,150,000	12,351,116	26,432,992	1,569,976
Scholarships and fellowships	39,824,877	5,649,421	12,885,882	1,362,000	6,935,002	6,825,080	977,706
Insurance plan							193,786,948
Depreciation	88,018,257	7,457,257	16,129,721	65,598,000	4,092,424	8,170,952	257,724
Total operating expenses	876,655,485	73,925,476	173,679,164	1,851,305,000	49,242,675	83,229,392	205,558,573
Operating income (loss)	(297,336,327)	(50,031,009)	(91,733,116)	(67,605,000)	(30,387,695)	(48,306,279)	8,467,998
<b>Non-Operating Revenues (Expenses)</b>							
State appropriations, net of Medicaid match payments	217,257,710	24,220,292	67,556,807	55,830,000	19,282,565	29,159,169	4,016,329
Property and sales tax		7,246,839	-	-	-	-	-
Federal grants	51,540,708	17,177,126	31,102,178	46,365,000	12,431,065	19,702,032	1,350,628
State and local grants	30,659,158	5,417,922	5,014,714	-	2,004,532	1,871,761	7,080
Non-governmental grants	29,012		-	-	-	-	32,133
Gifts	74,813,467	6,000	8,786,703	14,347,000	270,025	590,905	94,927
Investment income (net)	35,832,123	106,604	4,634,461	24,504,000	2,184,769	656,216	907,017
Interest and fees on capital asset-related debt	(28,126,526)	(1,586,012)	(3,707,052)	(14,608,000)	(1,456,869)	(997,457)	(895,106)
Gain (loss) on disposal of assets	221,774	(878,251)	-	(321,000)	245,450	(141,701)	-
Other	5,544,573	(155,488)	884,179		(119,675)		75,723
Net non-operating revenues	387,771,999	51,555,032	114,271,990	126,117,000	34,841,862	50,840,925	5,588,731
Income/Loss before other revenues and expenses	90,435,672	1,524,023	22,538,874	58,512,000	4,454,167	2,534,646	14,056,729
<b>Other Changes in Net Position</b>							
Capital appropriations	983,846	280,095	-	-	26,703	-	-
Capital grants and gifts	8,043,572		13,600	2,961,000	336,054	-	-
Adjustments to prior year revenues and expenses			-	-	-	-	-
Extraordinary item-impairment gain on flood damage, net		138,515	-	-	-	-	-
Other	(114,297)	324,072	(501,677)	(1,000)	(4)	(215,093)	-
Total other revenues and expenses	8,913,121	742,682	(488,077)	2,960,000	362,753	(215,093)	-
Increase (decrease) in net position	99,348,793	2,266,705	22,050,797	61,472,000	4,816,920	2,319,553	14,056,729
Net Position, beginning of year	1,275,293,451	125,387,772	193,109,286	741,453,000	37,618,480	120,054,774	47,295,188
Net Position, end of year	\$ 1,374,642,244	\$ 127,654,477	\$ 215,160,083	\$ 802,925,000	\$ 42,435,400	\$ 122,374,327	\$ 61,351,917

See accompanying notes.



# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Elimination (Note 19)	TOTAL
\$ 2,030,516	\$ 874,758	\$ 1,181,052	\$ 1,129,668	\$ 2,863,222	\$ 11,240,390	\$ 826,718			\$ 393,886,555
									1,344,980,000
									14,677,645
1,076,290	1,927,251	993,673	1,340,282	608,851	1,975,537	2,334,111			236,322,506
999,198	1,110,640	743,000	1,129,304	1,358,144	1,551,985	593,544	\$ 616,354		88,180,136
47,640	40,990	29,440		160,469		200,630	500		55,636,120
94,097	24,427	78,927	88,251	208,582	136,838	11,578	8,500	\$ (4,395,074)	61,056,572
								(138,781,887)	68,427,288
2,379						5,861			113,088,045
39,470		71,412				430,808			64,787,739
119,478	32,502	224,561	354,688			287,274			3,039,243
	(1,327)	20,338							13,832,605
145,184	151,075	45,511	116,179	166,172	464,436	147,582	171,282	(584,394)	177,618,750
4,554,252	4,160,316	3,387,914	4,158,372	5,365,440	15,369,186	4,838,106	796,636	(143,761,355)	2,635,533,204
8,250,117	10,346,608	7,910,754	7,769,857	10,506,293	22,225,613	6,095,952	5,145,496	(138,781,887)	1,889,494,573
3,035,906	3,944,256	3,649,361	3,672,306	3,886,535	11,112,138	4,028,607	3,410,250	(4,979,468)	937,358,635
1,961,721	2,577,509	1,987,197	2,585,065	3,202,088	6,456,896	754,741			93,985,185
									193,786,948
814,825	1,223,368	778,870	1,459,664	1,520,340	4,402,899	858,421	585,791		201,368,513
14,062,569	18,091,741	14,326,182	15,486,892	19,115,256	44,197,546	11,737,721	9,141,537	(143,761,355)	3,315,993,854
(9,508,317)	(13,931,425)	(10,938,268)	(11,328,520)	(13,749,816)	(28,828,360)	(6,899,615)	(8,344,901)	-	(680,460,650)
4,826,427	10,486,053	4,924,663	6,947,570	6,695,675	17,686,419	3,887,870	9,672,855		482,450,404
1,352,403	2,080,969	1,765,284	1,709,171	891,469		484,757			15,530,892
3,732,119	3,909,900	3,715,640	4,920,375	9,038,705	17,652,191	2,504,568	100,000		225,242,235
466,928	140,646	396,639	299,293	632,691	1,059,044	358,536			48,328,944
			103,485						164,630
239,151				37,973	30,000	54,000	38,109		99,308,260
79,946	110,158	47,170	20,880	67,206	388,728	12,399	3,512	(528,214)	69,026,975
(120,844)	(353,071)	(12,595)	(100,864)	(381,837)	(2,962,551)	(474,146)	(27,633)	441,143	(55,369,420)
							(727)		(874,455)
16,000			184			(7,026)	25,165	87,071	6,350,706
10,592,130	16,374,655	10,836,801	13,900,094	16,981,882	33,853,831	6,820,958	9,811,281	-	890,159,171
1,083,813	2,443,230	(101,467)	2,571,574	3,232,066	5,025,471	(78,657)	1,466,380	-	209,698,521
6,088	480,150				15,500	142,713	5,794		1,412,742
									11,546,319
									336,054
									138,515
									(204,524)
	304,772	(1,297)							
6,088	784,922	(1,297)	-	-	15,500	148,507	-	-	13,229,106
1,089,901	3,228,152	(102,764)	2,571,574	3,232,066	5,040,971	69,850	1,466,380	-	222,927,627
11,657,576	19,289,989	16,173,807	27,055,012	16,827,918	41,773,734	5,124,935	26,966,707		2,705,081,629
\$ 12,747,477	\$ 22,518,141	\$ 16,071,043	\$ 29,626,586	\$ 20,059,984	\$ 46,814,705	\$ 5,194,785	\$ 28,433,087	\$ -	\$ 2,928,009,256





# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS SYSTEM Statement of Cash Flows - Direct Method - By Campus For the Year Ended June 30, 2021

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM
Cash Flows from Operating Activities							
Student tuition and fees (net of scholarships)	\$ 250,896,581	\$ 13,479,978	\$ 35,983,252	\$ 49,515,000	\$ 10,759,008	\$ 9,357,128	\$ 1,806,598
Patient and insurance payments				1,267,730,000			
Federal and county appropriations	13,054,789						
Grants and contracts	84,548,031	6,053,323	16,306,383	177,951,000	3,324,838	21,317,183	
Collection of loans and interest	426,581			1,249,000	4		
Insurance plan receipts							204,978,377
Auxiliary enterprise revenues:							
Athletics	116,367,432	29,871	4,150,195		613,963	1,029,769	
Housing and food service	48,198,405	2,480,488	4,990,628	6,178,000	2,256,919	3,413,984	
Bookstore	1,802,560	263,373	359,737		247,793	318	
Other auxiliary enterprises	9,556,606	187,989	548,492	2,647,000	584,793	55,212	
Payments to employees	(425,331,678)	(33,354,410)	(84,380,538)	(954,767,000)	(20,580,338)	(34,367,934)	(6,820,907)
Payment of employee benefits	(109,346,194)	(8,592,608)	(20,767,709)	(175,789,000)	(5,742,803)	(7,874,269)	(1,748,565)
Payments to suppliers	(207,400,884)	(19,784,265)	(37,427,881)	(591,155,000)	(12,012,213)	(28,692,179)	(1,646,229)
Loans issued to students	(11,200)			(1,727,000)			
Scholarships and fellowships	(40,126,419)	(5,649,421)	(9,881,535)	(1,451,000)	(6,793,920)	(6,825,080)	(977,706)
Payments of insurance plan expenses							(194,655,632)
Other receipts and payments	36,476,984	834,345	1,488,331	194,984,000	838,396	2,088,767	4,488,909
Net cash used by operating activities	(220,888,406)	(44,051,337)	(88,630,645)	(24,635,000)	(26,503,560)	(40,497,101)	5,424,845
Cash Flows from Noncapital Financing Activities							
State appropriations	217,257,710	24,220,292	67,556,807	55,260,000	19,282,565	29,159,169	4,016,329
Property and sales tax		7,108,689					
Gifts and grants for other than capital purposes	155,628,337	22,729,086	44,965,866	60,626,000	12,939,115	14,901,542	1,509,768
Repayment of loans				1,078,000			
Direct Lending, Plus and FFEL loan receipts	119,663,025	13,762,923	46,088,755		11,163,279	12,387,494	2,200,101
Direct Lending, Plus and FFEL loan payments	(119,657,708)	(13,751,114)	(46,092,595)		(11,726,046)	(12,217,889)	(2,200,101)
Other agency funds - net	1,648,344	(996,032)	372,089	3,196,000	90,064	511,378	163,223
Refunds to grantors							
Intercompany debt payments/receipts							62,500
Net cash provided (used) by noncapital financing activities	374,539,708	53,073,844	112,890,922	120,160,000	31,748,977	44,741,694	5,751,820
Cash Flows from Capital and Related Financing Activities							
Distributions from debt proceeds	57,339,884		141,508	197,978,000		646,854	
Capital appropriations	983,846	299,785	-				
Capital grants and gifts	16,854,037	39,605	13,600	2,961,000			
Property taxes - capital allocation							
Proceeds from sale of capital assets	1,513,567				523,580		
Purchases of capital assets	(137,103,752)	(2,825,430)	(4,706,936)	(123,589,000)	(1,409,750)	(7,264,405)	(6,514,891)
Payment of capital related principal on debt	(30,680,073)	(6,394,265)	(8,834,102)	(57,223,000)	(635,000)	(2,008,032)	(1,555,893)
Payments of capital related interest and fees	(32,581,837)	(1,661,775)	(1,930,557)	(12,504,000)	(962,396)	(1,034,169)	(816,264)
Insurance proceeds		138,515	821,908		217,572		
Payments to/from trustee for reserve							
Net cash provided (used) by capital & related financing act	(123,674,328)	(10,403,565)	(14,494,579)	7,623,000	(2,265,994)	(9,659,752)	(8,887,048)
Cash Flows from Investing Activities							
Proceeds from sales and maturities of investments	169,811,724	36,487,689		200,189,000		1,260,350	5,000
Investment income (net of fees)	(90,244)	212,493	4,634,461	1,424,000	122,050	31,009	879,014
Purchases of investments	(176,068,593)	(9,329,902)	(4,513,830)	(273,267,000)	(350,000)	(2,500,720)	(8,357,433)
Net cash provided (used) by investing activities	(6,347,113)	27,370,280	120,631	(71,654,000)	(227,950)	(1,209,361)	(7,473,419)
Net increase/decrease in cash	23,629,861	25,989,222	9,886,329	31,494,000	2,751,473	(6,624,520)	(5,183,802)
Cash, beginning of the year	148,057,214	18,128,971	22,010,633	282,935,000	8,901,451	40,995,093	24,281,864
Cash, end of year	\$ 171,687,075	\$ 44,118,193	\$ 31,896,962	\$ 314,429,000	\$ 11,652,924	\$ 34,370,573	\$ 19,098,062

See accompanying notes.





# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Eliminations (Note 19)	TOTAL
\$ 2,192,999	\$ 1,034,554	\$ 1,148,543	\$ 1,077,183	\$ 2,786,128	\$ 10,455,193	\$ 733,311		\$	391,225,456
									1,267,730,000
1,825,149	3,421,211	1,753,549	2,123,076	2,145,444	3,389,823	3,075,488	\$ 591,410		13,054,789
								\$ (137,376,301)	327,825,908
									1,675,585
									67,602,076
2,379						5,861			122,199,470
39,470		71,476				458,608			68,087,978
119,478	31,840	224,321	354,688			287,274			3,691,382
	(1,327)	20,338							13,599,103
(6,473,440)	(8,728,500)	(5,900,189)	(5,960,531)	(8,137,618)	(17,665,297)	(4,705,346)	(4,025,209)		(1,621,198,935)
(1,841,018)	(1,897,660)	(1,939,944)	(1,900,196)	(2,348,917)	(5,451,849)	(1,475,064)	(1,158,382)	137,376,301	(210,497,877)
(3,042,831)	(4,056,764)	(3,413,892)	(3,616,035)	(3,912,022)	(11,252,329)	(3,770,116)	(3,350,436)	2,173,530	(932,359,546)
									(1,738,200)
(1,961,721)	(2,618,189)	(1,987,197)	(2,585,066)	(3,202,088)	(6,456,896)	(754,741)			(91,270,979)
									(194,655,632)
221,750	176,358	130,916	211,538	367,003	601,274	69,571	201,346	(4,835,573)	238,343,915
(8,917,785)	(12,638,477)	(9,892,079)	(10,295,343)	(12,302,070)	(26,380,081)	(6,075,154)	(7,741,271)	(2,662,043)	(536,685,507)
4,826,427	10,604,133	4,924,663	6,947,570	6,695,675	17,686,419	3,887,870	9,672,855		481,998,484
1,472,542	2,124,833	1,754,082	1,561,687	883,652		477,700			15,383,185
4,501,765	3,869,894	4,330,603	5,324,819	9,434,369	18,741,235	2,917,105	138,109		362,557,613
									1,078,000
		1,053,930		1,467,507	10,896,571				218,683,585
		(1,006,613)		(1,467,507)	(10,896,571)				(219,016,144)
6,138	(4,702)	1,018	(42,468)	117,882	(2,601)	6,687	(1,820)		5,065,200
			(1,665)			(7,026)			(8,691)
							(150,000)	87,500	-
10,806,872	16,594,158	11,057,683	13,789,943	17,131,578	36,425,053	7,282,336	9,659,144	87,500	865,741,232
			7,723,000						263,829,246
200,000						142,713			1,626,344
	485,458				15,500	5,794			20,374,994
									-
(137,788)	(2,069,275)	(154,644)	(730,324)	(596,832)	(1,302,101)	(3,092,896)	(365,896)		2,037,147
(313,196)	(429,773)	(244,716)	(415,850)	(445,725)	(2,388,353)	(342,383)	(104,364)	2,652,688	(291,863,920)
(121,743)	(322,547)	(12,941)	(59,861)	(410,665)	(2,567,753)	(474,338)	(27,633)	441,143	(109,362,037)
16,000	304,772								(55,047,336)
									1,498,767
						870,167			870,167
(356,727)	(2,031,365)	(412,301)	6,516,965	(1,453,222)	(6,242,707)	(2,890,943)	(497,893)	3,093,831	(166,036,628)
		500,000	131,364						408,385,127
60,994	12,843	47,420	20,482	63,168	391,933	12,399	8,958	(528,643)	7,302,337
		(500,000)			(229,125)	(7,792)			(475,124,395)
60,994	12,843	47,420	151,846	63,168	162,808	4,607	8,958	(528,643)	(59,436,931)
1,593,354	1,937,159	800,723	10,163,411	3,439,454	3,965,073	(1,679,154)	1,428,938	(9,355)	103,582,166
4,171,353	8,462,643	2,843,785	5,253,043	4,005,127	37,642,712	3,624,334	10,325,540	9,355	621,648,118
\$ 5,764,707	\$ 10,399,802	\$ 3,644,508	\$ 15,416,454	\$ 7,444,581	\$ 41,607,785	\$ 1,945,180	\$ 11,754,478	\$ -	\$ 725,230,284



# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS SYSTEM Statement of Cash Flows - Direct Method - Continued - By Campus For the Year Ended June 30, 2021

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM
Reconciliation of net operating revenue (loss) to net cash provided (used) by operating activities:							
Operating revenue (loss)	\$ (297,336,327)	\$ (50,031,009)	\$ (91,733,116)	\$ (67,605,000)	\$ (30,387,695)	\$ (48,306,279)	\$ 8,467,998
Adjustments to reconcile net revenue (loss) to net cash provided (used) by operating activities:							
Depreciation expense	88,018,257	7,457,257	16,129,721	65,598,000	4,092,424	8,170,952	257,724
Other miscellaneous operating receipts	5,755,042						
Adjustment to cash for amounts in transit within the system							
Change in assets and liabilities:							
Receivables, net	(30,999,445)	(540,947)	(16,522,079)	(48,434,000)	(379,536)	2,281,461	(2,565,484)
Inventories	(2,158,865)	16,367	102,468	(4,622,000)	16,654	8,182	-
Prepaid expenses and other assets	(3,894,661)	(245,057)	61,750	(3,468,000)	206,165	(8,813)	(132,792)
Accounts payable and other accrued liabilities	10,632,388	(792,000)	2,142,339	51,804,000	268,073	(1,784,267)	190,064
Long term liability for payroll taxes				15,885,000			
Unearned revenue	10,860,888	257,675	2,021,121	767,000	(30,420)	43,537	(187,202)
Liability for future insurance claims							(973,700)
Loans to students and employees	1,738,096						
Refundable federal advance	(1,851,002)						
Compensated absences	695,042	(54,314)	80,043	11,921,000	(63,344)	(590,764)	80,739
OPEB liability	(2,409,000)	68,000	(653,000)	1,110,000	(189,000)	(355,000)	22,000
Pension related	61,181	(187,309)	(259,892)		(36,881)	56,849	265,498
Other				(47,591,000)		(12,959)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (220,888,406)	\$ (44,051,337)	\$ (88,630,645)	\$ (24,635,000)	\$ (26,503,560)	\$ (40,497,101)	\$ 5,424,845
Non-Cash Transactions							
Capital gifts		\$ 6,000	\$ 13,600	2,961,000	\$ 26,703		
Fixed assets acquired by incurring capital lease obligations				1,291,000			
Capital outlay & maintenance paid directly from proceeds of debt			1,075,272				
Payment of bond proceeds/premium/acrued interest/debt service reeve directly into deposits with trustees/escrow		17,868,145	18,631,363		13,526,811		
Payment of bond issuance costs/underwriters' discount directly from bond proceeds and/or debt service reserves	43,664	155,942	163,637		137,129		
Payment of principal & interest on long-term debt from deposits with trustees	132		233		6,636,487		
Interest earned on deposits with trustees	192,494	29	7,236		4,730		
Loss on disposal of assets		563,799		321,000		\$ 141,701	
Valuation adjustments to capital assets--increase (decrease)		1,186,108					
Value of goods received from sponsorship agreements with vendors	3,373,627						
Fixed assets transferred to another state agency							
Note Proceeds used to directly pay bond interest and principal	9,890,760						

See accompanying notes.



# UNIVERSITY OF ARKANSAS SYSTEM: Consolidated Financial Statements FY2021

CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Eliminations	TOTAL
\$ (9,508,317)	\$ (13,931,425)	\$ (10,938,268)	\$ (11,328,520)	\$ (13,749,816)	\$ (28,828,360)	\$ (6,899,615)	\$ (8,344,901)		\$ (680,460,650)
814,825	1,223,368	778,870	1,459,664	1,520,340	4,402,899	858,421	585,791		201,368,513
								\$ (2,662,043)	5,755,042
									(2,662,043)
(114,181)	411,642	80,050	(411,614)	(143,803)	(1,542,849)	(92,176)	29,560		(98,943,401)
24,347	(1,942)	32,337	(120,324)	46,103		(104,879)			(6,761,552)
3,803	(915)	36,711		72,462	(1,717)	(11,683)	(14,667)		(7,397,414)
53,668	62,251	(27,900)	241,917	18,577	(234,969)	265,434	86,412		62,925,987
									15,885,000
(41,779)	52,663	104,090	11,119	127,327	338,846	13,600	(33,440)		14,305,025
									(973,700)
									1,738,096
									(1,851,002)
(50,963)	16,698	15,824	(34,104)	14,720	(259,001)	6,466	(10,516)		11,767,526
(120,000)	(398,000)	(27,000)	(146,000)	(168,000)	6,000	(111,000)	(19,000)		(3,389,000)
20,812	(72,817)	53,207	31,802	(13,871)	(260,930)	278	(20,510)		(362,583)
			717	(26,109)					(47,629,351)
\$ (8,917,785)	\$ (12,638,477)	\$ (9,892,079)	\$ (10,295,343)	\$ (12,302,070)	\$ (26,380,081)	\$ (6,075,154)	\$ (7,741,271)	\$ (2,662,043)	\$ (536,685,507)
									\$ 3,007,303
									1,291,000
\$	131,756		\$ 284,180			\$ 769,301			2,260,509
									50,026,319
									500,372
	32			4,312	\$ 2,775,835	596,503			10,013,534
	32			27	469,755	450			674,753
							\$ (727)		1,025,773
									1,186,108
									3,373,627
									-
									9,890,760



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

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

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

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

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

***Use of Estimates***

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

***Cash and Cash Equivalents***

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



***Investments***

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

***Accounts Receivable***

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

***Patient Accounts Receivable***

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

***Inventories***

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

***Capital Assets***

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

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

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

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

***Deferred Outflows of Resources***

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

***Compensated Absences***

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

***Unearned Revenue***

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

***Deferred Inflows of Resources***

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

***Pensions***

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

***Net Position***

The University's net position is classified as follows:

- *Net investment in capital assets* - Capital assets, net of accumulated depreciation and outstanding principal balances of debt obligations related to those capital assets. However, unexpended debt proceeds at year-end are reported as net position restricted for capital projects.

- *Restricted:*

Non-expendable – Portion subject to externally-imposed stipulations that they be maintained permanently by the University. Such assets include the University's permanent endowment funds.

Expendable – Portion whose use by the University is subject to externally-imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time. There is no formal policy requiring restricted net position to be used either before or after unrestricted net position is used for the same purpose. Responsible officials determine at the time funds are expended to use any unrestricted net position that may be available.

- *Unrestricted* – Portion that is not subject to externally imposed stipulations. This portion may be designated for specific purposes by management or the Board of Trustees or may be otherwise limited by contractual agreements with outside parties.

### ***Classification of Revenues***

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

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

### ***Scholarship Discounts and Allowances***

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

### ***Net Patient Services Revenue***

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

### ***Charity Care***

UAMS provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because UAMS does not pursue collection of

amounts determined to qualify as charity care, these amounts are accounted for as a reduction of patient services revenue at the time the services are rendered.

### ***Grants and Contracts***

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

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

### ***State Appropriations***

State appropriations are reported as non-operating revenue, net of the Medicaid match payments required under various contracts between UAMS and the Arkansas Department of Human Services. The match payments were \$59,747,000 and \$52,127,000 for the fiscal years ended June 30, 2021, and 2020, respectively.

### ***Component Units***

In fiscal year 2021, there were two qualifying foundations determined to be component units for the University of Arkansas System: The University of Arkansas Foundation, Inc. and the University of Arkansas Fayetteville Campus Foundation, Inc. Although the University does not control the timing, or amount, of receipts from either of these foundations, the majority of resources or income thereon, which the foundations hold and invest, is restricted to the activities of the University by the donors. Because these restricted resources held by the foundations can be used only by, or for the benefit of, the University, and their individual net assets are considered as having met the financial accountability criteria by management, these two foundations are considered component units and are discretely presented in the University's financial statements.

The University of Arkansas Foundation, Inc. is a separate not-for-profit organization, which operates for charitable educational purposes, including the administration and investment of gifts and other amounts received directly or indirectly for the benefit of the University of Arkansas. The Board of Directors has twenty-two members, four of which are current or previous members of the Board of Trustees of the University of Arkansas. During the years ended June 30, 2021 and 2020, the Foundation distributed \$70,275,302 and \$72,756,883, respectively, to or on behalf of the University. Complete financial statements for the Foundation can be obtained from the administrative office at 535 *Research Center Boulevard, Suite 120, Fayetteville, AR 72701*.

The University of Arkansas Fayetteville Campus Foundation, Inc. is a not-for-profit charitable organization which was established by the Walton Family Charitable Support Foundation, Inc., for the exclusive benefit of the University of Arkansas, Fayetteville campus. The Foundation was established on March 11, 2003, and exists primarily to support the Honors College, the Graduate School, and the University's library. The Board of Trustees of the Foundation is made up of seven members, including three members who are also employees of the University. During the years ended June 30, 2021 and 2020, the Foundation distributed \$22,780,270 and \$23,387,910,



respectively, to or on behalf of the University. Complete financial statements for the Foundation can be obtained from the administrative office at 535 *Research Center Boulevard, Suite 120, Fayetteville, AR 72701*.

### ***Encumbrances***

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

### ***New Accounting Pronouncements***

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

For the year ended June 30, 2021:

- Statement No. 84, *Fiduciary Activities*, original date of FY ended 6/30/20; FY ending 6/30/21
- Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, original date of FY ended 6/30/20; FY ending 6/30/21

Management has determined that Statements No. 84 and 90 did not materially impact the System.

For the year ending June 30, 2022:

- Statement No. 87, *Leases*, original date of FY ended 6/30/21; FY ending 6/30/22
- Statement No. 92, *Omnibus 2020*, original date of FY ended 6/30/21; FY ending 6/30/22
- Statement No. 93, *Replacement of Interbank Offered Rates*, original date of FY ended 6/30/21; FY ending 6/30/22
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, implementation date of immediately and FY ended 6/30/22

For the year ending June 30, 2023:

- Statement No. 91, *Conduit Debt Obligations*, original date of FY ended 6/30/21; FY ending 6/30/23
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, original date of FY ended 6/30/22; FY ending 6/30/23
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, implementation date of FY ended 6/30/23

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

**Note 2: Reporting Entity**

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

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

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

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

Patient care operations are included in the accompanying financial statements under accounting principles generally followed by governmental colleges and universities. Patient accounts receivable at June 30, 2021 and 2020 are recorded net of an allowance for doubtful accounts of \$287,912,000 and \$300,555,000, respectively.

Net patient services revenue for the years ended June 30, 2021 and 2020, are as follows:

<b>GROSS PATIENT REVENUE</b>	<b>2021</b>	<b>2020</b>
Gross patient revenue	3,460,967,000	3,219,647,000
Less: patient services contractual allowances	(2,047,386,000)	(1,956,936,000)
Less: provision for bad debt	(68,601,000)	(47,674,000)
<b>TOTAL</b>	<b>\$ 1,344,980,000</b>	<b>\$ 1,215,037,000</b>

UAMS provided approximately \$38,231,000 and \$39,954,000 in charity care, based on established rates, during the years ended June 30, 2021 and 2020, respectively. Because UAMS does not pursue collection of amounts determined to qualify as charity care, they are not included in gross patient revenue above. Net patient services revenue for the years ended June 30, 2021 and 2020, includes approximately \$46,025,000 and \$33,945,000, respectively, from the Medicaid program representing payments relating to Upper Payment Limit and Disproportionate Share reimbursements. These payments are available to state-operated teaching hospitals under Medicaid regulations. Net patient services revenue for the years ended June 30, 2021 and 2020, includes approximately \$37,850,000 and \$38,808,000, respectively, of net revenue from the Supplemental Medicaid program. Parking services for the years ended June 30, 2021 and 2020, valued at \$774,000 and \$905,000, respectively, were provided to patients and guests at no additional charge.

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

***Hospital:***

Medicare – Inpatient acute care services rendered to program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Some transplantation services are paid based upon a cost reimbursement methodology. Outpatient services are paid based on a prospective payment system where services are classified into groups called Ambulatory Payment Classifications (APC). Services in each APC are similar clinically and in terms of the resources they require. The Hospital is paid for cost-reimbursable items at a tentative rate with final settlement determined after submission of an annual cost report by the Hospital and audit by the Medicare fiscal intermediary. As of June 30, 2021, the Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2017.

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon a cost-reimbursement methodology. The Hospital is paid at a tentative rate with final settlement determined after submission of an annual cost report by the Hospital and audits by the Medicaid audit contractor. The Hospital is required to pay the federal match for the difference in reimbursement between the Tax Equity and Fiscal Responsibility Act inpatient rate and full cost. For outpatient services, the Hospital is required to pay the federal match for the difference reimbursed between the outpatient prospective rates and full cost. As of June 30, 2021,

the Hospital's Medicaid cost reports have been audited by the Medicaid audit contractor through June 30, 2013.

***FGP and Regional Campuses:***

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

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The net adjustments to estimated settlements resulted in no change to net patient services revenue for the years ended June 30, 2020 and 2019. Management believes that UAMS is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

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

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

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

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

***Cash and Cash Equivalents***

Cash deposits are carried at cost. The following schedule reconciles the amount of deposits to the statement of net position at June 30, 2021:

<b>Cash and Cash Equivalents</b>	
Cash deposits at year end	\$ 689,586,361
cash held on deposit in state treasury	32,950,298
cash equivalents	219,606,805
cash on hand	301,119
Less: cash/cash equiv shown as deposits held in trust on SNP	(217,214,299)
<b>TOTAL</b>	<b>\$ 725,230,284</b>



Deposits are exposed to custodial risk if they are not covered by depository insurance (FDIC) and are uncollateralized. At June 30, 2021, no portion of the University's bank balances related to a Certificate of Deposit at a local bank were exposed to custodial credit risk.

### Investments

Investments are reported at fair value, which, for reporting purposes, is market value. The following is a summary of the University's investments held at June 30, 2021:

Investment Type	Fair Value
Mutual & Money Market Funds	\$ 258,390,778
Corporate & Municipal Bonds	49,904,294
External Investment Pool	217,213,807
Short-term Investment Fund Pool	284,898,233
Certificate of Deposits	33,420,579
U.S. Treasury & Government Sponsored Agencies	242,686,422
Commercial Paper	20,570,578
Other	22,868,920
Sub-Total	1,129,953,611
-shown as cash/cash equiv on Stmt of Net Position	(212,373,104)
-shown as deposits held in trust on Stmt of Net Position	(9,347,752)
Investments as reported on Stmt of Net Position	\$ 908,232,755

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

Investment Type	Fair Value	Interest Rate Risk			
		Investment Maturities (in years)			
		Less than 1	1 to 5	over 5	More than 10
Commercial Paper	\$ 20,570,578	\$ 20,570,578	\$ -	\$ -	\$ -
Bonds	49,904,294	3,898,749	42,986,217	2,935,137	84,191
U.S. Treasury & Agency Securities	242,686,422	6,553,180	215,305,454	19,930,248	897,540
			-	-	-
Totals	\$ 313,161,294	\$ 31,022,507	\$ 258,291,671	\$ 22,865,385	\$ 981,731

Investment Type	Fair Value	Credit Risk				
		AAA	AA	A	B & below	Not Rated
Mutual Funds	\$ 45,260,234	\$ 8,207,642	\$ -	\$ 819,311	\$ -	\$ 36,233,281
Commercial Paper	20,570,578	-	-	-	-	20,570,578
Bonds	49,904,294	9,368,562	10,438	39,741,357	143,180	640,757
		-	-	-	-	-
Totals	\$ 115,735,106	\$ 17,576,204	\$ 10,438	\$ 40,560,668	\$ 143,180	\$ 57,444,616

### External Investment Pool

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

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

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

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

At June 30, 2021, four campuses and one division (UAF, Division of Agriculture, UALR, UAMS, and UAM) and six foundations participated in the Pool, whose net assets totaled \$2,767,279,896. The Pool was combined with 7.85% of the net assets owned by the University of Arkansas and external portions as follows: 64.39% by the University of Arkansas Foundation, 26.00% by the Fayetteville Campus Foundation, 0.70% by the Walton Arts Foundation, 0.13% by the University of Arkansas Community College at Hope Foundation, 0.03% by the University of Arkansas Technical Development Foundation, and 0.90% by the Razorback Foundation. The following tables contain information on the risk disclosures of the Pool.

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL**  
**Statement of Invested Assets**  
**June 30, 2021**

<b>Investment Type</b>	<b>Fair Value*</b>
<b>Equities</b>	<b>\$ 618,424,885</b>
Common Stock	141,740,082
Funds - Common Stock	476,684,803
<b>Fixed Income</b>	<b>137,368,199</b>
Government Bonds	137,273,890
Corporate Bonds	94,284
Government Mortgage Backed Securities	25
<b>Venture Capital and Partnerships</b>	<b>1,131,097,894</b>
Partnerships	1,131,097,894
<b>Hedge Fund</b>	<b>517,126,115</b>
Hedge Equity	517,126,115
<b>All Other</b>	<b>444,099</b>
Recoverable Taxes	444,099
<b>Cash/Cash Equivalents</b>	<b>362,818,704</b>
Funds - Short Term Investments	354,903,872
Cash	1,855,866
Invested Cash	6,058,966
<b>TOTAL</b>	<b>\$ 2,767,279,896</b>

\*Includes accrued income

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL**  
**Credit Risk - Moody's Quality Ratings**  
**June 30, 2021**

<b>Investment Type &amp; Fair Value*</b>	<b>Fair Value*</b>	<b>Aaa</b>	<b>NR</b>	<b>US Government</b>
Corporate Bonds	\$ 94,284		\$ 94,284	
Funds - Short Term Investment	354,894,610	\$ 354,894,311	299	
Government Bonds	137,270,624	137,270,624		
Govt. Mortgage Backed Securities	25			\$ 25
<b>Total</b>	<b>\$ 492,259,543</b>	<b>\$ 492,164,935</b>	<b>\$ 94,583</b>	<b>\$ 25</b>

\*Does not include accrued income

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL**  
**Years to Maturity**  
**June 30, 2021**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Less than 1</b>	<b>1+ to 6</b>	<b>6+ to 10</b>	<b>10+</b>	<b>Maturity not Determined</b>
Corporate Bonds	\$ 94,284				\$ 94,284	
Funds - Short Term Investment	354,894,610					\$ 354,894,610
Government Bonds	137,270,624		\$ 137,270,624			
Government Mortgage Backed Securities	25			\$ 25		
<b>Total</b>	<b>\$ 492,259,543</b>	<b>\$ -</b>	<b>\$ 137,270,624</b>	<b>\$ 25</b>	<b>\$ 94,284</b>	<b>\$ 354,894,610</b>

\*Does not include accrued income

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL**  
**Interest Rate Sensitivity - Effective Duration**  
**June 30, 2021**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Effective Duration</b>
Corporate Bonds	\$ 94,284	N/A
Funds - Short Term Investment	354,894,610	N/A
Government Bonds	137,270,624	4.88
Government Mortgage Backed Securities	25	2.19
Total	<u>\$ 492,259,543</u>	

\*Does not include accrued income

**UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL**  
**Foreign Currency Risk By Investment Type**  
**June 30, 2021**

<b>Currency By Investment and Fair Value*</b>	<b>Cash</b>	<b>Equity</b>	<b>Other Assets</b>
AUSTRALIAN DOLLAR	\$ 1,411,089		
BRITISH POUND STERLING	(2,407,221)	\$ 5,028,493	
CANADIAN DOLLAR	2,489,317		
CHINESE YUAN RENMINBI	(3,794,640)		
DANISH KRONE	85,001	499,373	\$ 10,053
EURO	(4,948,203)	13,546,024	252,211
HK OFFSHORE CHINESE YUAN RENMINBI	(412,124)		
HONG KONG DOLLAR		2,717,283	
JAPANESE YEN	(1,243,522)	8,320,460	
NORWEGIAN KRONE	192,606		
SINGAPORE DOLLAR	333,399		
SWEDISH KRONA	638,571	127	
SWISS FRANC	(2,731,704)	7,222,920	178,404
Total	<u>\$ (10,387,431)</u>	<u>\$ 37,334,680</u>	<u>\$ 440,668</u>

\*Includes accrued income

**Short-Term Investment Fund Pool**

This pool was created for campuses to invest funds on a short-term basis so that the funds would be accessible within a short period to them as needed. There are six campuses or divisions currently invested in the STIF. The breakdown by campus or division at June 30, 2021 is as follows: System-19.67%, UALR-15.40%, UAMS-37.73%, UAM-1.21%, PCCUA-1.10%, UACCM-1.29%, and the Division of Agriculture-23.60%. The following tables contain information on the risk disclosures of the STIF.



**UNIVERSITY OF ARKANSAS SYSTEM SHORT-TERM  
INVESTMENT FUND POOL  
Statement of Invested Assets  
June 30, 2021**

<b>Investment Type</b>	<b>Fair Value*</b>
<b>Fixed Income</b>	<b>\$ 176,831,590</b>
International Developed Bonds	33,577,513
Corporate Bonds	39,897,286
U.S. Government Agency Bonds	57,037,924
U.S. Treasury Bonds	46,318,867
<b>Cash/Cash Equivalents</b>	<b>108,066,643</b>
Certificates of Deposit	49,077,667
Commercial Paper	58,371,264
Treasury Bills	499,722
Money Market Funds	117,990
<b>TOTAL</b>	<b>\$ 284,898,233</b>

\*includes accrued income

**UNIVERSITY OF ARKANSAS SYSTEM  
Short-Term Investment Fund  
Credit Risk  
June 30, 2021**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>B &amp; Below</b>	<b>Not Rated</b>
International Developed Bonds	\$ 33,427,143		\$ 3,098,913	\$ 25,327,930		\$ 5,000,300
Corporate Bonds	39,559,847		2,001,980	25,345,142	12,212,725	
U.S. Government Agency Bonds	56,996,516	15,015,400	41,981,116			
U.S. Treasury Bonds	46,282,076	\$ 46,282,076				
Total	\$ 176,265,582	\$ 61,297,476	\$ 47,082,009	\$ 50,673,072	\$ 12,212,725	\$ 5,000,300

\*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM  
Short-Term Investment Fund  
Interest Rate Risk - Investment Maturities (in Years)  
June 30, 2021**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Less than 1</b>	<b>1 to 5</b>
International Developed Bonds	\$ 33,427,143	18,678,648	\$ 14,748,495
Corporate Bonds	39,559,847	\$ 20,294,316	19,265,531
U.S. Government Agency Bonds	56,996,516	34,053,120	22,943,396
U.S. Treasury Bonds	46,282,076	5,012,050	41,270,026
Total	\$ 176,265,582	\$ 78,038,134	\$ 98,227,448

\*Does not include accrued income

**UNIVERSITY OF ARKANSAS SYSTEM**  
**Short-Term Investment Fund**  
**Interest Rate Sensitivity - Effective Duration**  
**June 30, 2021**

<b>Investment Type</b>	<b>Fair Value*</b>	<b>Effective Duration</b>
International Developed Bonds	\$ 33,427,143	0.61
Corporate Bonds	39,559,847	0.85
U.S. Government Agency Bonds	56,996,516	1.19
U.S. Treasury Bonds	46,282,076	0.98
Total	<u>\$ 176,265,582</u>	

\*Does not include accrued income

**Endowment Funds**

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

The University does not have a uniform policy addressing the authorization and spending of investment income. Such policies have been established at the applicable campuses and include spending rates averaged over a specified period and compliance with donor restrictions. The computation of net appreciation on investments of donor-restricted endowments that were available for expenditure at June 30, 2021 and 2020, is as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Total Endowment	\$ 198,764,651	\$ 151,354,878
Less: Funds treated as endowment	(62,634,209)	(47,936,076)
Less: Non-expendable portion of endowment	(58,312,653)	(53,618,004)
Available for Expenditure	<u>\$ 77,817,789</u>	<u>\$ 49,800,798</u>

**Note 5: Fair Value Measurement**

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

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

is based upon the pricing transparency of that investment and does not necessarily correspond to the University's perceived risk of that investment.

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

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

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

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

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

The following table sets forth, by level within the valuation hierarchy, University invested funds, including amounts reported as deposits with bond trustees on the Statement of Net Position, at June 30, 2021:

Summary of Investments by Fair Value Level				
Investment by fair value level	Level 1	Level 2	Level 3	Total
<b>Equity Securities:</b>				
US	\$ 2,989,271	\$ 999,948	\$ 379	\$ 3,989,598
International	-	13,958	-	13,958
<b>Fixed Income Securities:</b>				
US Government Debt	16,379,719	251,007,484	-	267,387,203
Other Debt Securities	8,692,181	93,732,001	-	102,424,182
<b>Commingled Funds:</b>				
US Equity	86,262	2,020,201	-	2,106,463
International Equity	38,672	380,091	-	418,763
US Government Bonds	8,287,147	10,890	-	8,298,037
Non-US Government Bonds	48,007	-	-	48,007
Corporate Bonds	158,613	846,279	-	1,004,892
<b>Exchange Traded Funds:</b>				
Equity	835,000	-	-	835,000
Fixed Income	134,000	-	-	134,000
<b>Other Partnerships:</b>				
US (j)	-	-	-	-
International (k)	-	-	-	-
<b>Non-marketable alternatives</b>	-	-	12,166,000	12,166,000
<b>Marketable alternatives</b>	-	-	520,001	520,001
<b>Certificates of Deposit</b>	9,166,857	5,916,305	-	15,083,162
<b>Money markets and short-term investments</b>	1,011,943	27,258	-	1,039,201
<b>Total investments by fair value level</b>	<b>\$ 47,827,672</b>	<b>\$ 354,954,415</b>	<b>\$ 12,686,380</b>	<b>415,468,467</b>
<b>Investments measured at NAV (net asset value)</b>				
External Investment Pool - Total Return Pool - UA Foundation				217,213,807
Short-Term Investment Fund Pool - UA System				284,898,233
<b>Total investments by NAV</b>				<b>502,112,040</b>
<b>TOTAL INVESTMENTS</b>				<b>\$ 917,580,507</b>

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

Investments Measured at the NAV at June 30, 2021:

	Fair Value	Redemption Frequency	Redemption Notice Period
External Investment Pool - UA Foundation Total Return Pool (1)	\$ 217,213,807	Daily	7 - 30 days
Short-Term Investment Fund Pool - UA System (2)	284,898,233	Daily	0-3 days
<b>Total Investments measured at the NAV</b>	<b>\$ 502,112,040</b>		



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

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

Current accounts receivable balances, net of allowances, at June 30, 2021 and 2020, as shown on the Statements of Net Position, consist of the following:

<b>ACCOUNTS RECEIVABLE</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Student accounts	\$ 18,206,348	\$ 19,674,741
Non-student accounts	112,357,687	87,092,848
Grants and contracts	107,557,497	39,018,388
Property and sales taxes	2,836,151	2,818,769
Other	2,882,032	938,344
Total	<u>\$ 243,839,715</u>	<u>\$ 149,543,090</u>

Current accounts payable balances at June 30, 2021 and 2020, as shown on the Statements of Net Position, consist of the following:

<b>ACCOUNTS PAYABLE</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Trade related	\$ 79,699,168	\$ 44,372,037
Payroll related	124,138,342	85,942,009
Interest	8,470,625	8,649,785
Other	22,478,565	36,123,488
Total	<u>\$ 234,786,700</u>	<u>\$ 175,087,319</u>

**Note 7: Capital Assets**

The following table includes changes in capital assets for the year ended June 30, 2021:

# UNIVERSITY OF ARKANSAS SYSTEM – Notes to Consolidated Financial Statements FY2021

	June 30, 2020			June 30, 2021		
CAPITAL ASSETS	Balance	Additions	Transfers	Deletions	Balance	
Land	\$ 120,422,856	\$ 168,269	\$ 609,269	\$ 250,000	\$ 120,950,394	
Library Holdings	157,817,337	4,515,735	-	1,958,842	160,374,230	
Construction in progress	112,807,159	209,390,869	(52,235,834)	153,079	269,809,115	
Improvements and infrastructure	379,827,807	2,095,787	9,536,378	34,186	391,425,786	
Buildings	4,186,964,236	12,986,718	41,857,775	2,461,158	4,239,347,571	
Equipment	703,804,734	36,784,911	232,412	16,561,618	724,260,439	
Intangibles - Software	182,039,926	123,200	-	3,982,000	178,181,126	
Intangibles - Software in developmer	31,173,390	20,512,508	-	2,256,500	49,429,398	
Intangibles - Leasehold improvemen	45,196,819	155,000	-	75,000	45,276,819	
Intangibles - Radio License	67,809	-	-	-	67,809	
Other	3,281,253	177,305	-	-	3,458,558	
Total Capital Assets	5,923,403,326	286,910,302	-	27,732,383	6,182,581,245	
Less accumulated depreciation:						
Library Holdings	137,606,232	4,226,129	-	1,958,117	139,874,244	
Improvements and infrastructure	200,611,694	16,264,100	92,852	-	216,968,646	
Buildings	1,884,932,651	131,344,267	(98,170)	361,381	2,015,817,367	
Equipment	584,984,943	35,428,652	5,318	14,872,044	605,546,869	
Intangibles - Software	139,397,248	10,234,762	-	791,000	148,841,010	
Intangibles - Leasehold improveme	27,285,291	3,867,223	-	73,000	31,079,514	
Intangibles - Radio License	-	-	-	-	-	
Other	67,331	3,380	-	-	70,711	
Total Accum Depreciation	2,974,885,390	201,368,513	-	18,055,542	3,158,198,361	
Capital Assets, Net	\$ 2,948,517,936	\$ 85,541,789	\$ -	\$ 9,676,841	\$ 3,024,382,884	

The following table includes changes in capital assets for the year ended June 30, 2020:



## UNIVERSITY OF ARKANSAS SYSTEM – Notes to Consolidated Financial Statements FY2021

	June 30, 2019				June 30, 2020	
CAPITAL ASSETS	Balance	Additions	Transfers	Deletions	Balance	
Land	\$ 116,561,503	\$ 3,739,938	\$ 127,000	\$ 5,585	\$ 120,422,856	
Library Holdings	148,599,410	2,270,455	7,554,426	606,954	157,817,337	
Construction in progress	135,823,338	123,123,581	(145,848,067)	291,693	112,807,159	
Improvements and infrastructure	361,586,346	4,108,587	14,132,874	-	379,827,807	
Buildings	4,032,569,173	29,139,717	128,771,165	3,515,819	4,186,964,236	
Equipment	702,987,556	37,195,346	(12,396,972)	23,981,196	703,804,734	
Intangibles - Software	181,128,321	695,000	216,605	-	182,039,926	
Intangibles - Software in developmer	10,548,426	20,841,569	(216,605)	-	31,173,390	
Intangibles - Leasehold improvemen	29,610,819	533,000	15,213,000	160,000	45,196,819	
Intangibles - Radio License	67,809	-	-	-	67,809	
Other	12,532,391	26,914	1,000	9,279,052	3,281,253	
Total Capital Assets	5,732,015,092	221,674,107	7,554,426	37,840,299	5,923,403,326	
Less accumulated depreciation:						
Library Holdings	126,410,883	4,243,514	7,554,426	602,591	137,606,232	
Improvements and infrastructure	184,437,603	16,271,750	(97,659)	-	200,611,694	
Buildings	1,753,687,476	132,601,293	97,659	1,453,777	1,884,932,651	
Equipment	569,357,121	40,058,046	(1,797,000)	22,633,224	584,984,943	
Intangibles - Software	129,323,624	10,073,624	-	-	139,397,248	
Intangibles - Leasehold improveme	22,779,494	2,843,797	1,797,000	135,000	27,285,291	
Intangibles - Radio License	-	-	-	-	-	
Other	3,168,951	452,380	-	3,554,000	67,331	
Total Accum Depreciation	2,789,165,152	206,544,404	7,554,426	28,378,592	2,974,885,390	
Capital Assets, Net	\$ 2,942,849,940	\$ 15,129,703	\$ -	\$ 9,461,707	\$ 2,948,517,936	

Library holdings, including old and rare books, valued at \$1,243,000 and \$1,226,000 at June 30, 2021 and 2020, respectively, held by the Medical Sciences Campus, are not included in the above chart or in the accompanying Statements of Net Position.

### Note 8: Short-Term Borrowing

The University had no short-term debt activity during the fiscal year, nor is there any outstanding balance of short-term debt as of June 30, 2021 or 2020.

### Note 9: Compensated Absences

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

Full-time, non-classified employees accrue annual leave at the rate of fifteen hours per month and full-time classified employees accrue at a variable rate (from eight to fifteen hours per month) depending upon the number of years of employment in state government. Employees who are less

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

Changes in compensated absences are shown below:

<b>COMPENSATED ABSENCES</b>					
<b>Campus</b>	<b>Balance 6/30/20</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 6/30/21</b>	<b>Current Portion</b>
UAF	\$ 22,666,269	\$ 21,316,827	\$ 20,621,785	\$ 23,361,311	\$ 1,938,208
UAFS	1,680,565	7,952	62,266	1,626,251	213,072
UALR	4,367,141	337,709	257,666	4,447,184	410,556
UAMS	66,911,000	72,906,000	60,985,000	78,832,000	3,963,000
UAM	1,253,897	787,941	851,284	1,190,554	92,928
UAPB	3,242,884	2,273,981	2,864,745	2,652,120	199,849
SYSTEM	886,036	905,711	824,972	966,775	41,482
CCCUA	346,798	306,933	357,896	295,835	14,792
PCCUA	488,219	608,541	591,843	504,917	30,910
UACCB	288,268	747,855	732,031	304,092	32,916
UACCHT	418,465	331,736	365,840	384,361	32,842
UACCM	363,909	340,348	325,628	378,629	43,088
UAPTC	948,454	613,361	872,362	689,453	71,559
UACCRM	265,915	148,149	141,683	272,381	23,735
ASMSA	156,732	3,017	13,533	146,216	27,794
<b>TOTAL</b>	<b>\$ 104,284,552</b>	<b>\$ 101,636,061</b>	<b>\$ 89,868,534</b>	<b>\$ 116,052,079</b>	<b>\$ 7,136,731</b>

<b>COMPENSATED ABSENCES</b>					
<b>Campus</b>	<b>Balance 6/30/19</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 6/30/20</b>	<b>Current Portion</b>
UAF	\$ 20,858,052	\$ 1,853,889	\$ 45,672	\$ 22,666,269	\$ 1,804,612
UAFS	1,527,127	321,734	168,296	1,680,565	207,368
UALR	4,138,651	425,051	196,561	4,367,141	445,171
UAMS	58,186,000	53,185,000	44,460,000	66,911,000	4,230,000
UAM	1,146,542	931,481	824,126	1,253,897	126,553
UAPB	2,376,176	2,731,887	1,865,179	3,242,884	223,149
SYSTEM	758,086	802,347	674,397	886,036	33,724
CCCUA	433,235	270,003	356,440	346,798	17,340
PCCUA	481,322	386,210	379,313	488,219	26,656
UACCB	300,327	316,590	328,649	288,268	29,780
UACCHT	383,307	410,911	375,753	418,465	33,134
UACCM	327,065	328,732	291,888	363,909	58,941
UAPTC	864,123	736,438	652,107	948,454	122,270
UACCRM	235,669	261,226	230,980	265,915	16,481
ASMSA	133,776	45,510	22,554	156,732	31,583
<b>TOTAL</b>	<b>\$ 92,149,458</b>	<b>\$ 63,007,009</b>	<b>\$ 50,871,915</b>	<b>\$ 104,284,552</b>	<b>\$ 7,406,762</b>



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

The retirement of some bond issues is secured by a specific pledge of certain gross revenues, surplus revenues and specific fees. Separate accounting is not required for these facilities under the provisions of the debt instruments; accordingly, segment reporting is not required for financial reporting purposes. A summary of long-term debt by campus is shown below. Total debt of \$1,785,115,106 shown in these schedules, which is related to bonds, notes, capital leases and installment contracts, differs from the amount of \$1,779,546,756 shown on the Statement of Net Position. This is due to an elimination entry of \$5,568,350 to account for two loans between UA campuses (see Note 19).

UNIVERSITY OF ARKANSAS FAYETTEVILLE					
Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
6/30/2010	9/15/2020	1.00% to 4.82%	\$ 23,965,000	\$ 23,965,000	\$ -
6/29/2011	11/1/2040	2.00% to 5.00%	101,225,000	98,710,000	2,515,000
6/29/2011	11/1/2022	3.00% to 5.00%	8,895,000	5,190,000	3,705,000
4/17/2012	11/1/2032	1.00% to 5.00%	56,965,000	13,100,000	43,865,000
9/13/2012	11/1/2042	2.00% to 5.00%	60,540,000	59,190,000	1,350,000
5/16/2013	11/1/2042	1.00% to 5.00%	54,450,000	9,500,000	44,950,000
5/16/2013	9/15/2027	1.00% to 5.00%	30,355,000	13,320,000	17,035,000
6/30/2014	11/1/2043	2.00% to 5.00%	24,730,000	3,130,000	21,600,000
6/30/2014	11/1/2043	0.85% to 4.50%	5,020,000	705,000	4,315,000
2/12/2015	11/1/2036	2.00% to 5.00%	70,360,000	16,110,000	54,250,000
2/12/2015	9/15/2022	2.00% to 5.00%	14,180,000	10,770,000	3,410,000
8/27/2015	11/1/2045	1.02% to 4.40%	7,510,000	770,000	6,740,000
8/27/2015	11/1/2021	2.00% to 5.00%	36,675,000	32,755,000	3,920,000
4/5/2016	11/1/2046	3.00% to 5.00%	93,590,000	11,045,000	82,545,000
4/5/2016	11/1/2028	0.87% to 3.25%	15,280,000	5,355,000	9,925,000
10/19/2016	9/15/2036	5.0%	24,845,000	-	24,845,000
10/19/2016	9/15/2034	1.192% to 3.388%	90,000,000	7,145,000	82,855,000
8/17/2017	11/1/2047	2.00% to 5.00%	95,805,000	4,540,000	91,265,000
7/26/2018	11/1/2048	5.0%	20,385,000	615,000	19,770,000
7/26/2018	11/1/2038	2.65% to 4.00%	6,560,000	475,000	6,085,000
8/22/2019	11/1/2049	5.0%	59,655,000	1,410,000.00	58,245,000
8/22/2019	9/15/2034	5.0%	24,900,000	-	24,900,000
11/5/2019	11/1/2042	1.762% to 3.401%	139,220,000	1,360,000.00	137,860,000
11/30/1991	7/1/2023	3.32% to 5.50%	8,213,139	5,800,170	2,412,969
11/29/1995	11/1/2034	2.00% to 5.00%	2,690,557	1,643,274	1,047,283
9/11/2020	9/15/2028	1.81%	5,207,424	-	5,207,424
9/11/2020	9/15/2028	1.38%	4,727,000	-	4,727,000
7/31/2015	7/1/2023	1.9700%	4,935,766	3,306,972	1,628,794
7/31/2015	11/19/2023	1.99%	16,969,012	11,698,281	5,270,731
7/31/2015	1/8/2023	1.95%	6,844,590	5,159,073	1,685,517
Various	Various	Various	3,472,895	2,400,073	1,072,822
	Net unamortized premium/discount		114,997,383	40,972,488	74,024,895
<b>TOTALS</b>			<b>\$ 1,233,167,766</b>	<b>\$ 390,140,331</b>	<b>\$ 843,027,435</b>

# UNIVERSITY OF ARKANSAS SYSTEM – Notes to Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS AT FORT SMITH

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
6/1/2010	12/1/2021	2.0%-4.0%	\$ 29,895,000	\$ 26,800,000	\$ 3,095,000
6/1/2014	12/1/2031	2.0%-3.5%	5,295,000	1,730,000	3,565,000
6/1/2014	6/1/2039	2.0%-5.0%	10,930,000	2,040,000	8,890,000
10/20/2016	12/1/2034	2.0%-5.0%	19,500,000	1,945,000	17,555,000
10/20/2020	12/1/2030	0.353%-1.884%	10,715,000	1,430,000	9,285,000
10/20/2020	12/1/2035	4.0%-5.0%	5,765,000	355,000	5,410,000
2/29/2012	1/1/2022	0.0%	2,166,500	1,949,850	216,650
	Net unamortized premium/discount		4,974,267	1,044,029	3,930,238
	TOTALS		\$ 89,240,767	\$ 37,293,879	\$ 51,946,888

## UNIVERSITY OF ARKANSAS AT LITTLE ROCK

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
4/1/2012	5/1/2022	2.0%-5.0%	\$ 14,880,000	\$ 14,395,000	\$ 485,000
9/19/2012	12/1/2022	1.0%-5.0%	13,850,000	12,330,000	1,520,000
4/24/2013	12/1/2024	1.0%-5.0%	10,770,000	6,585,000	4,185,000
4/24/2013	12/1/2024	.530%-2.884%	6,530,000	4,180,000	2,350,000
8/1/2013	10/1/2030	2.0%-5.0%	28,740,000	9,165,000	19,575,000
2/24/2016	10/1/2029	2.0%-5.0%	22,475,000	4,950,000	17,525,000
4/6/2016	10/1/2034	2.0%-5.0%	24,490,000	4,565,000	19,925,000
9/19/2017	10/1/2037	2.0%-5.0%	6,510,000	665,000	5,845,000
1/11/2017	1/1/2027	0.00%	2,000,000	800,000	1,200,000
4/29/2020	1/1/2030	0.00%	633,792	100,000	533,792
10/20/2020	6/30/2037	.439%-2.532%	18,795,000	-	18,795,000
Various	Various		139,380	13,938	125,442
	Net unamortized premium/discount		14,167,687	7,310,641	6,857,046
	TOTALS		\$ 163,980,859	\$ 65,059,579	\$ 98,921,280

## UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
12/21/2010	12/1/2030	2.0% - 5.0%	\$ 42,680,000	\$ 42,680,000	\$ -
11/15/2011	7/1/2034	2.0% - 4.25%	8,985,000	3,055,000	5,930,000
5/14/2013	11/1/2034	1.0% - 5.0%	112,665,000	26,190,000	86,475,000
12/17/2014	3/1/2036	2.0% - 5.0%	86,035,000	12,210,000	73,825,000
10/24/2019	3/1/2032	5.0%	48,615,000	-	48,615,000
10/25/2019	3/1/2042	2.906% to 3.35%	97,470,000	-	97,470,000
10/28/2020	12/1/2030	5.00%	24,325,000	2,390,000	21,935,000
4/20/2021	12/1/2045	5.00%	95,295,000	-	95,295,000
4/20/2021	12/1/2041	2.71%-3.10%	41,845,000	-	41,845,000
Various	Various	Various	63,287,000	52,225,000	11,062,000
Various	Various	Various	67,494,000	37,738,000	29,756,000
	Net unamortized premium/discount		75,561,000	16,315,000	59,246,000
	TOTALS		\$ 764,257,000	\$ 192,803,000	\$ 571,454,000

**UNIVERSITY OF ARKANSAS SYSTEM – Notes to Consolidated Financial Statements FY2021**
**UNIVERSITY OF ARKANSAS AT MONTICELLO**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
12/1/2012	10/1/2037	2.5%-4.0%	\$ 8,650,000	\$ 2,120,000	\$ 6,530,000
3/30/2017	12/1/2041	5.0%	11,270,000		11,270,000
3/30/2017	12/1/2023	1.94%-2.99%	1,765,000	690,000	1,075,000
10/1/2020	12/1/2035	4.00%-5.00%	5,185,000		5,185,000
10/1/2020	10/1/2037	.487%-2.568%	7,035,000		7,035,000
	Net unamortized premium/discount		3,397,152	559,913	2,837,239
	TOTALS		\$ 37,302,152	\$ 3,369,913	\$ 33,932,239

**UNIVERSITY OF ARKANSAS AT PINE BLUFF**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
6/1/2014	12/1/2035	2.0%-5.0%	\$ 15,160,000	\$ 2,080,000	\$ 13,080,000
12/15/2016	1/1/2035	2.51%	17,245,359	2,004,905	15,240,454
12/15/2016	2/1/2023	3.78%	2,808,029	1,661,198	1,146,831
	Net unamortized premium/discount		1,105,422	351,724	753,698
	TOTALS		\$ 36,318,809	\$ 6,097,827	\$ 30,220,982

**UNIVERSITY OF ARKANSAS SYSTEM ADMINISTRATION**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
11/17/2014	11/17/2024	0.22%	\$ 500,000	298,681	\$ 201,319
4/1/2016	4/1/2026	1.75%	2,487,749		2,487,749
12/1/2016	12/1/2026	1.75%	2,487,749		2,487,749
10/26/2018	11/1/2028	3.0%	27,000,000	1,505,839	25,494,161
			\$ 32,475,498	\$ 1,804,520	\$ 30,670,978

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

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
1/25/2008	3/30/2023	2.91%	\$ 2,000,000	\$ 1,814,601	\$ 185,399
6/13/2013	5/1/2035	1.0% - 3.625%	3,930,000	1,045,000	2,885,000
	Net unamortized premium/discount		141,059	51,686	89,373
	TOTALS		\$ 6,071,059	\$ 2,911,287	\$ 3,159,772

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

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
7/25/2015	12/1/2038	2.0% - 4.0%	\$ 11,270,000	\$ 2,050,000	\$ 9,220,000
	Net unamortized premium/discount		272,074	70,893	201,181
	TOTALS		\$ 11,542,074	\$ 2,120,893	\$ 9,421,181

**UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE**

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
10/1/2016	10/1/2026	0.68%	\$ 2,000,000	\$ 783,773	\$ 1,216,227
	Net unamortized premium/discount				-
	TOTALS		\$ 2,000,000	\$ 783,773	\$ 1,216,227

# UNIVERSITY OF ARKANSAS SYSTEM – Notes to Consolidated Financial Statements FY2021

## UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
3/27/2012	4/1/2022	0.20%	\$ 1,100,000	\$ 989,008	\$ 110,992
6/1/2013	10/1/2038	1.00% - 3.625%	2,590,000	595,000	1,995,000
5/1/2021	5/1/2031	0.18%	2,923,000		2,923,000
5/6/2021	5/6/2041	2.15%	4,800,000		4,800,000
	Net unamortized premium/discount		111,731	110,419	1,312
	TOTALS		\$ 11,524,731	\$ 1,694,427	\$ 9,830,304

## UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
6/16/2010	5/1/2022	2.0% - 3.5%	\$ 2,030,000	\$ 1,835,000	\$ 195,000
7/30/2010	8/1/2020	0.38%	800,000	800,000	-
2/23/2016	5/1/2046	2.0-5.0%	10,000,000	620,000	9,380,000
	Net unamortized premium/discount		831,585	32,505	799,080
	TOTALS		\$ 13,661,585	\$ 3,287,505	\$ 10,374,080

## UNIVERSITY OF ARKANSAS-PULASKI TECHNICAL COLLEGE

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
7/1/2015	6/30/2037	2.0%-5.0%	\$ 25,875,000	\$ 4,900,000	\$ 20,975,000
11/5/2019	9/1/2040	1.796%-3.452%	56,685,000	1,670,000	55,015,000
	Net unamortized premium/discount		508,859		508,859
	TOTALS		\$ 83,068,859	\$ 6,570,000	\$ 76,498,859

## UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
8/15/2012	4/1/2042	1.0% - 4.15%	\$ 4,830,000	\$ 965,000	\$ 3,865,000
12/6/2017	9/25/2022	2.0%	825,000	68,124	756,876
7/15/2019	6/30/2024	2.6% - 4.15%	54,440	20,022	34,418
7/25/2019	4/1/2049	2.6% - 4.15%	8,250,000	370,000	7,880,000
	Net unamortized premium/discount		1,040,368	35,781	1,004,587
	TOTALS		\$ 14,999,808	\$ 1,458,927	\$ 13,540,881

## ARKANSAS SCHOOL FOR MATHEMATICS, SCIENCES AND THE ARTS

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
4/1/2020	3/31/2030	2.5%	\$ 1,000,000	\$ 100,000	\$ 900,000
	Net unamortized premium/discount				
	TOTALS		\$ 1,000,000	\$ 100,000	\$ 900,000



***Schedule of Changes in Debt***

<b>BONDS</b>					
Campus	Balance 6-30-20	Additions	Reductions	Balance 6-30-21	Current Portion
UAF	\$ 780,565,000	\$ -	\$ 34,615,000	\$ 745,950,000	\$ 34,585,000
Net unamortized prem/disc	79,890,491	-	5,865,596	74,024,895	4,741,611
UAFS	54,190,000	16,480,000	22,870,000	47,800,000	5,855,000
Net unamortized prem/disc	3,617,163	1,357,104	1,044,029	3,930,238	312,791
UALR	95,620,000	18,795,000	24,210,000	90,205,000	7,545,000
Net unamortized prem/disc	9,226,428		2,369,382	6,857,046	669,856
UAMS	350,540,000	159,075,000	38,225,000	471,390,000	9,935,000
Net unamortized prem/disc	33,128,000	31,236,000	5,118,000	59,246,000	-
UAM	25,940,000	12,220,000	7,065,000	31,095,000	760,000
Net unamortized prem/disc	1,650,718	1,397,439	210,918	2,837,239	167,898
UAPB	13,690,000		610,000	13,080,000	630,000
Net unamortized prem/disc	803,944		50,246	753,698	50,246
CCCUA	3,040,000		155,000	2,885,000	160,000
Net unamortized prem/disc	95,834		6,461	89,373	6,461
PCCUA	9,590,000		370,000	9,220,000	380,000
Net unamortized prem/disc	212,677		11,496	201,181	11,496
UACCB					
Net unamortized prem/disc					
UACCHT	2,330,000		335,000	1,995,000	85,000
Net unamortized prem/disc	3,188		1,876	1,312	76
UACCM	9,980,000		405,000	9,575,000	415,000
Net unamortized prem/disc	831,585		32,505	799,080	32,505
UAPTC	78,470,000		2,480,000	75,990,000	2,540,000
Net unamortized prem/disc	540,663		31,804	508,859	31,804
UACCRM	12,025,000	-	280,000	11,745,000	285,000
Net unamortized prem/disc	1,040,368	-	35,781	1,004,587	35,781
<b>TOTAL</b>	<b>\$ 1,567,021,059</b>	<b>\$ 240,560,543</b>	<b>\$ 146,398,094</b>	<b>\$ 1,661,183,508</b>	<b>\$ 69,235,525</b>

<b>NOTES</b>					
Campus	Balance 6-30-20	Additions	Reductions	Balance 6-30-21	Current Portion
UAF	\$ 4,763,322	\$ 9,934,424	\$ 1,303,070	\$ 13,394,676	\$ 1,286,912
UAFS	433,300		216,650	216,650	216,650
UALR	1,400,000	633,792	300,000	1,733,792	300,000
UAMS	15,192,000		4,130,000	11,062,000	3,604,000
UAM					
SYSTEM	32,226,871	-	1,555,893	30,670,978	3,124,306
CCCUA	342,224		156,825	185,399	161,449
UACCB	1,414,167	-	197,940	1,216,227	199,286
UACCHT	221,762	7,723,000	110,770	7,833,992	595,590
UACCM	40,725		40,725	-	-
UACCRM	835,995	-	44,701	791,294	46,006
ASMSA	1,000,000	-	100,000	900,000	100,000
<b>TOTAL</b>	<b>\$ 57,870,366</b>	<b>\$ 18,291,216</b>	<b>\$ 8,156,574</b>	<b>\$ 68,005,008</b>	<b>\$ 9,634,199</b>

# UNIVERSITY OF ARKANSAS SYSTEM – Notes to Consolidated Financial Statements FY2021

## CAPITAL LEASES

Campus	Balance 6-30-20	Additions	Reductions	Balance 6-30-21	Current Portion
UAF	\$ 1,849,877	\$ -	\$ 777,055	\$ 1,072,822	\$ 378,603
UAFS	348,063		348,063	-	-
UALR	6,740	139,380	20,678	125,442	27,876
UAMS	34,670,000	1,291,000	6,205,000	29,756,000	5,479,000
UAPB	17,678,367		1,291,083	16,387,284	1,353,486
TOTAL	<u>\$ 54,553,047</u>	<u>\$ 1,430,380</u>	<u>\$ 8,641,879</u>	<u>\$ 47,341,548</u>	<u>\$ 7,238,965</u>

## INSTALLMENT CONTRACTS

Campus	Balance 6-30-20	Additions	Reductions	Balance 6-30-21	Current Portion
UAF	\$ 12,259,990	\$ -	\$ 3,674,948	\$ 8,585,042	\$ 3,748,103

The current portion shown above for bonds, notes, capital leases, and installment contracts differs from the statement of net position by \$30,210 which is the current portion of elimination entries related to intercompany debt (see Note 19).

### *Future Principal and Interest Payments*

Total long-term debt principal and interest payments are shown below. Interest payments for variable rate debt have been calculated using the rate in effect at the financial statement date, though actual rates will vary. Total debt of \$1,785,115,106 shown in these schedules, which is related to bonds, notes, capital leases and installment contracts, differs from the amount of \$1,779,546,756 shown on the Statement of Net Position. This is due to an elimination entry of \$5,568,350 to account for two loans between UA campuses (see Note 19).

### FUTURE PRINCIPAL AND INTEREST PAYMENTS ON BONDS PAYABLE

Year Ended June 30,	Principal	Interest	Total
2022	\$ 63,175,000	\$ 62,258,897	\$ 125,433,897
2023	66,515,000	59,035,447	125,550,447
2024	64,415,000	56,292,017	120,707,017
2025	66,665,000	53,717,317	120,382,317
2026	67,280,000	51,036,002	118,316,002
2027-2031	358,830,000	210,906,685	569,736,685
2032-2036	360,605,000	135,742,282	496,347,282
2037-2041	262,980,000	71,538,121	334,518,121
2042-2046	176,390,000	27,434,006	203,824,006
2047-2051	24,075,000	1,649,875	25,724,875
Subtotal	1,510,930,000	729,610,649	2,240,540,649
+ Net unamortized premiums/discounts	150,253,508	-	150,253,508
GRAND TOTALS	<u>\$ 1,661,183,508</u>	<u>\$ 729,610,649</u>	<u>\$ 2,390,794,157</u>

**FUTURE PRINCIPAL AND INTEREST PAYMENTS ON NOTES PAYABLE**

Year Ended June 30,	Principal	Interest	Total
2022	\$ 9,634,199	\$ 1,530,304	\$ 11,164,503
2023	9,241,449	1,305,754	10,547,203
2024	8,144,507	1,067,809	9,212,316
2025	9,730,902	842,645	10,573,547
2026	8,153,581	631,457	8,785,038
2027-2031	20,235,261	1,023,507	21,258,768
2032-2036	1,467,288	249,792	1,717,080
2037-2041	1,397,821	91,471	1,489,292
TOTALS	<u>\$ 68,005,008</u>	<u>\$ 6,742,739</u>	<u>\$ 74,747,747</u>

**FUTURE PRINCIPAL AND INTEREST PAYMENTS ON CAPITAL LEASES**

Year Ended June 30,	Principal	Interest	Total
2022	\$ 7,238,965	\$ 1,325,844	\$ 8,564,809
2023	5,757,174	1,139,218	6,896,392
2024	5,096,783	971,347	6,068,130
2025	4,716,337	822,479	5,538,816
2026	4,331,680	693,351	5,025,031
2027-2031	12,316,260	2,092,189	14,408,449
2032-2036	7,067,349	597,827	7,665,176
2037-2041	817,000	45,000	862,000
TOTALS	<u>\$ 47,341,548</u>	<u>\$ 7,687,255</u>	<u>\$ 55,028,803</u>

**FUTURE PRINCIPAL AND INTEREST PAYMENTS ON INSTALLMENT CONTRACTS**

Year Ended June 30,	Principal	Interest	Total
2022	\$ 3,748,103	\$ 142,183	\$ 3,890,286
2023	3,577,210	67,571	3,644,781
2024	1,259,729	8,939	1,268,668
TOTALS	<u>\$ 8,585,042</u>	<u>\$ 218,693</u>	<u>\$ 8,803,735</u>

***Capitalization of Assets held under Capital Leases***

The capitalized value of capital assets held under capital leases totaled \$47,341,548 at June 30, 2021. The present value of the net minimum lease payments is as follows:

	Cost	Accumulated Depreciation	Net
Improvements/Infrastructure	\$ 5,845,660	\$ 4,827,507	\$ 1,018,153
Buildings	45,021,359	14,660,393	30,360,966
Equipment	66,247,396	46,331,767	19,915,629
		TOTAL	<u>\$ 51,294,747</u>
Total Minimum Lease Payments			\$ 55,028,803
Less: Amount representing interest			<u>7,687,255</u>
Total Present Value of Net Minimum Lease Payments			<u>\$ 47,341,548</u>

***Pledged Revenues***

For purposes of extinguishing the University's long-term debt issues, certain revenues have been pledged as security. The following is a summary of the gross revenues collected during the fiscal year ended June 30, 2021, that are pledged:

<b>BOND SERIES</b>	<b>REVENUE SOURCE</b>	<b>FY21 REVENUE</b>
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<b>UNIVERSITY OF ARKANSAS FAYETTEVILLE</b>			
Series 2011A&B Various Facilities	Student Tuition and Fees	\$	330,448,683
Series 2012A Various Facilities	Sales and Services		7,424,615
Series 2012B Various Facilities	Residential Life		58,278,641
Series 2013 Various Facilities	Bookstore		4,697,152
Series 2014A&B Various Facilities	Student Health Services		2,289,707
Series 2015A Various Facilities	Transit and Parking		6,256,788
Series 2015B Various Facilities	Other Auxiliaries		301,748
Series 2015C Various Facilities			
Series 2016A Various Facilities			
Series 2016B Various Facilities			
Series 2017 Various Facilities			
Series 2018A Various Facilities			
Series 2018B Various Facilities			
Series 2019A Various Facilities			
Series 2019B Various Facilities			
Maturity dates range from November 2021 through November 2049		\$	409,697,334
	FY21 Principal and Interest	\$	51,036,461
	% of Revenues Pledged		12.46%
	Remaining Principal & Interest	\$	902,338,044
Series 2010 Athletic Refunding	Men's Athletics	\$	107,226,260
Series 2013 Athletic Facilities			
Series 2015 Athletic Facilities			
Series 2016A Athletic Facilities			
Series 2016B Athletic Facilities			
Series 2019A Athletic Facilities			
Maturity dates range from September 2022 through September 2036		\$	107,226,260
	FY21 Principal and Interest	\$	5,829,014
	% of Revenues Pledged		5.44%
	Remaining Principal & Interest	\$	202,071,677

<b>UNIVERSITY OF ARKANSAS AT FORT SMITH</b>			
Series 2010 Student Fee Revenue	Student Fees	\$	37,037,085
Series 2014A Student Fee Revenue			
Series 2014B Student Fee Revenue			
Series 2016 Refunding			
Series 2020A Revenue Bonds			
Series 2020B Revenue Bonds			
Maturity dates range from December 2021 through June 2039		\$	37,037,085
	FY21 Principal and Interest	\$	7,508,417
	% of Revenue Pledge		20.27%
	Remaining Principal & Interest	\$	60,968,856

<b>UNIVERSITY OF ARKANSAS AT LITTLE ROCK</b>			
Series 2013A Revenue Refunding	Student Fees	\$	69,200,021
Series 2013B Taxable Revenue Refunding			
Series 2013 Student Fee Revenue Capital			
Series 2016, Student Fee Revenue Refunding			
Series 2017, Student Fee Revenue			
Series 2020 Various Facilities Refunding Taxable			
		\$	69,200,021
Maturity dates range from December 2024 through October 2037			
	FY21 Principal and Interest	\$	7,182,011
	% of Revenue Pledge		10.38%
	Remaining Principal & Interest	\$	82,465,078
Series 2012A Student Housing Revenue	Auxiliaries	\$	11,770,045
Series 2012B Student Housing Refunding			
Series 2016 Auxiliary Enterprises Revenue			
		\$	11,770,045
Maturity dates range from May 2022 through October 2034			
	FY21 Principal and Interest	\$	3,174,981
	% of Revenue Pledge		26.98%
	Remaining Principal & Interest	\$	29,370,828

<b>UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES</b>			
Series 2010 Various Facilities Refunding	Clinical and Patient Revenue	\$	1,021,367,000
Series 2013 Various Facilities			
Series 2014 Various Facilities			
Series 2019 A Various Facilities			
Series 2019 B Various Facilities			
Series 2020A Various Facilities			
Series 2021A Various Facilities			
Series 2021B Various Facilities			
		\$	1,021,367,000
Maturity dates range from December 2030 through December 2045			
	FY21 Principal and Interest	\$	29,703,000
	% of Revenue Pledge		2.91%
	Remaining Principal & Interest	\$	735,631,000
Series 2011 Refunding Parking System	Parking Fees	\$	2,683,000
		\$	2,683,000
Maturity date is July 2034			
	FY21 Principal and Interest	\$	586,000
	% of Revenue Pledge		21.84%
	Remaining Principal & Interest	\$	7,613,000



<b>UNIVERSITY OF ARKANSAS AT MONTICELLO</b>			
Series 2017B Taxable Various Facilities	Student Fees	\$	26,571,284
Series 2017A Tax-Exempt Various Facilities	Sales and Services		
Series 2020A Taxable Various Facilities	Auxiliary Enterprises		
Series 2020B Tax Exempt Various Facilities			
		\$	26,571,284
Maturity dates range from December 2023 through December 2041			
	FY21 Principal and Interest	\$	1,174,641
	% of Revenue Pledge		4.42%
	Remaining Principal & Interest	\$	35,678,319
Series 2012 Auxiliary Facilities	Auxiliary Enterprises	\$	5,996,725
		\$	5,996,725
Maturity date is October 2037			
	FY21 Principal and Interest	\$	400,383
	% of Revenue Pledge		6.68%
	Remaining Principal & Interest	\$	8,707,632

<b>UNIVERSITY OF ARKANSAS AT PINE BLUFF</b>			
Series 2014A Various Facilities	Student Tuition and Fees	\$	29,583,832
	Auxiliary Revenues		
		\$	29,583,832
Maturity date is December 2035			
	FY21 Principal and Interest	\$	1,170,443
	% of Revenue Pledge		3.96%
	Remaining Principal & Interest	\$	17,415,035

<b>COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS</b>			
Series 2013	Student Fees	\$	3,963,495
Maturity date is May 2035			
	FY21 Principal and Interest	\$	264,487
	% of Revenue Pledge		6.67%
	Remaining Principal & Interest	\$	3,705,493

<b>PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS</b>			
Series 2015 Refunding	Student Fees	\$	2,311,596
Maturity date is December 2038			
	FY21 Principal and Interest	\$	683,586
	% of Revenue Pledge		29.57%
	Remaining Principal & Interest	\$	12,259,941

<b>UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA</b>			
Series 2013 Student Fee Refunding	Student Fees	\$	2,824,193
		\$	2,824,193
Maturity date is October 2038			
	FY21 Principal and Interest	\$	149,850
	% of Revenue Pledge		5.31%
	Remaining Principal & Interest	\$	2,714,606

<b>UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON</b>			
Series 2010 Student Fee Refunding	Student Fees	\$	6,167,665
Series 2016 Student Fee		\$	6,167,665
Maturity dates are May 2022 through May 2046			
	FY21 Principal and Interest	\$	815,063
	% of Revenue Pledge		13.22%
	Remaining Principal & Interest	\$	15,440,425

<b>UNIVERSITY OF ARKANSAS PULASKI TECHNICAL COLLEGE</b>			
Series 2015 Student Tuition and Fee	Student Tuition and Fees	\$	22,870,417
Series 2019 Student Tuition and Fee		\$	22,870,417
Maturity dates are June 2037 through September 2040			
	FY21 Principal and Interest	\$	5,007,376
	% of Revenue Pledge		21.89%
	Remaining Principal & Interest	\$	105,361,225

<b>UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN</b>			
Series 2019 Various Facilities Revenue	Student Tuition and Fees and Sales and Services	\$	2,665,126
		\$	2,665,126
Maturity date is April 2049			
	FY21 Principal and Interest	\$	490,700
	% of Revenue Pledge		18.41%
	Remaining Principal & Interest	\$	13,066,050
Series 2012 Refunding and Capital	Property Taxes	\$	484,757
Maturity date is April 2042			
	FY21 Principal and Interest	\$	276,153
	% of Revenue Pledge		56.97%
	Remaining Principal & Interest	\$	5,734,440

***New Bonds Payable and Refundings***

*For the year ended June 30, 2021:*

On September 11, 2020, the University, Fayetteville campus entered a loan agreement with Regions Bank in the amount to \$18,664,000. The overall loan consisted of two parts, one a tax-exempt loan in the amount of \$4,727,000 with an interest rate of 1.38% and the other a taxable loan in the amount of \$13,937,000 with an interest rate of 1.81%. The purpose of the loan is to pay for and/or refund a portion of the debt service for multiple series of bonds benefitting the **University of Arkansas, Fayetteville** Department of Athletics for the amounts due in 2020 and 2021.

On October 1, 2020, the University of Arkansas Board of Trustees issued \$5,185,000 in Various Facilities Revenue Bonds Refunding Series 2020A (**Monticello Campus**). These bonds with interest rates of 4% to 5% were issued to refund \$6,430,000 of outstanding Various Facilities Revenue Refunding Bonds, Series 2012, with interest rates of 3% to 4%. Bond proceeds of \$6,582,439 (including a premium of \$1,397,439), less the Underwriters' discount of \$8,037, resulted in a net deposit to the Escrow Deposit fund of \$6,574,402 to retire the 2012 bonds on November 2, 2020. The amount of \$6,430,000 in principal and \$94,310 in accrued interest was paid on that date from the Escrow Deposit fund. The remaining premium proceeds paid issuance costs. The University completed the refunding to reduce its total debt service payments over a period of fifteen years by \$930,100, and to have an economic gain (difference between the present values of the old and new debt service payments) of \$916,802.

On October 1, 2020, the University of Arkansas Board of Trustees also issued \$7,035,000 in Various Facilities Revenue Bonds Taxable Refunding Series 2020B (**Monticello Campus**). These bonds with interest rates of .487% to 2.568% were issued to refund \$6,530,000 of outstanding Auxiliary Facilities Revenue Bonds, Series 2012 with interest rates of 2.5% to 4%. Bond proceeds of \$7,035,000, less the Underwriters' Discount of \$10,904, resulted in a deposit to the Escrow Deposit fund of \$7,024,096 to retire the 2012 bonds on October 1, 2022, the call date for these 2012 bonds. The total amount to be refunded for principal for these 2012 bonds is \$6,530,000 and interest payments are \$441,458. The remaining bond proceeds paid issuance costs. The University completed the refunding to reduce its total debt service payments over a period of seventeen years by \$370,030, and to have an economic gain (difference between the present values of the old and new debt service payments) of \$361,128.

On October 20, 2020, the University closed the Board of Trustees of the University of Arkansas Student Fee Revenue Bonds (**Fort Smith Campus**) Taxable Refunding Series 2020A with a par amount of \$10,715,000. The bonds provide resources of \$10,607,843 plus University deposits and funds held in trust by others of \$2,419 to advance refund \$10,065,000 of outstanding Board of Trustees of the University of Arkansas Student Fee Revenue Bonds (**Fort Smith Campus**) Series 2012. The amount of each refunded series represents all the outstanding maturities starting with the December 1, 2020 until final maturity. After the regularly scheduled debt service payments were made on December 1, 2020, there are remaining balances of \$8,905,000 for Series 2012 representing bonds with maturity dates through December 1, 2021. The remaining bond proceeds paid issuance costs. The University completed the refunding to reduce its total debt service

payments over a period of ten years by \$713,422, and to have an economic gain (difference between the present values of the old and new debt service payments) of \$665,830.

On October 20, 2020, the University closed the Board of Trustees of the University of Arkansas Student Fee Revenue Bonds (**Fort Smith Campus**) Tax-Exempt Refunding Series 2020B with a par amount of \$5,765,000. The bonds provide resources of \$7,063,606 (including a premium of \$1,357,104) plus University deposits and funds held in trust by others of \$18,910 to current refund \$6,930,000 of outstanding Board of Trustees of the University of Arkansas Student Fee Revenue Bonds (**Fort Smith Campus**) Series 2010B. The escrow account paid the principal amount of \$310,000 due on December 1, 2020 plus accrued interest. The remaining outstanding balance of \$6,620,000 was redeemed via the escrow account on the same day. The remaining bond proceeds paid issuance costs. The University completed the refunding to reduce its total debt service payments over a period of fifteen years by \$1,668,046, and to have an economic gain (difference between the present values of the old and new debt service payments) of \$1,517,686.

On October 20, 2020, the University closed the Various Facilities Revenue Bonds (**UA Little Rock Campus**) Taxable Refunding Series 2020 Bonds with a principal amount of \$18,795,000. Proceeds from this sale were used to (a) refund certain maturities of the Board's Auxiliary Enterprises Capital Improvement Revenue Bonds (**UALR Campus**), Series 2012A totaling \$11,550,000, (b) advance refund certain maturities of the Board's Auxiliary Enterprises Refunding Revenue Bonds (**UALR Campus**), Series 2012B totaling \$7,245,000, and pay costs of issuance. The University completed the refunding to reduce its total debt service payments over a period of sixteen years by \$2,618,791, and to have an economic gain (difference between the present values of the old and new debt service payments) of \$2,171,804. The Series 2012A and the Series 2012B Bonds, both tax-exempt issues, were secured by and payable from auxiliary enterprises revenues of the UALR. The Series 2020 Bonds are taxable issues which are secured by "Pledged Revenues" which are, except as set forth below, (a) all tuition and fees revenues collected by the UALR, (b) all sales and services revenues derived from projects at UALR funded with bonds issued pursuant to the Act and (c) auxiliary enterprises revenues derived from the operations of residence halls, or other student housing facilities operated by UALR, athletic gate receipts, and other revenues derived from intercollegiate athletics at UALR, and revenues from the operation of the bookstore or other auxiliary operations at UALR; provided, however, that such Pledged Revenues are subject to previous pledges to Senior Bonds and that such Pledged Revenues shall not include any fees authorized or imposed by UALR and dedicated to a specific purpose.

On October 28, 2020, the University closed the Various Facility Revenue Refunding Bonds, (**UAMS Campus**) Tax Exempt Series 2020A with a principal amount of \$24,325,000 and a coupon rate of 5%. Proceeds from this sale were used to refund the Various Facility Revenue Refunding Bonds, (UAMS Campus) Series 2010A totaling \$30,410,000 and pay costs of issuance. The University completed the refunding to reduce its total debt service payments over a period of eleven years by \$6,221,805, net present value. The escrow account advance refunded all maturities on the call date of December 1, 2020. The remaining bond proceeds paid the costs of issuance.

On April 20, 2021, the University closed the Various Facilities Revenue Bonds, (**UAMS Campus**) Tax Exempt Series 2021A with a principal amount of \$95,295,000 with a coupon rate of 5%.

Proceeds from this sale will be used for the construction of a new Surgical Hospital, a new Radiation Oncology Center and other capital improvements along with the costs of issuance.

On April 20, 2021, the University closed the Various Facilities Revenue Bonds, (**UAMS Campus**) Taxable Series 2021B with a principal amount of \$41,845,000 with various interest rates of 2.714%-3.097%. Proceeds from this sale will be used for a portion of the construction of a new Radiation Oncology Center along with the costs of issuance.

*For the year ended June 30, 2020:*

On July 25, 2019, the University closed the Board of Trustees of the University of Arkansas Various Facilities Revenue Refunding and Improvement Bonds (**Rich Mountain Campus**) Series 2019 with a par amount of \$8,250,000. The bonds provide resources of \$7,500,808 for the acquisition, construction, furnishing and equipping of a student housing facility on the Mena campus, the construction, renovation, expansion, equipping, and furnishing of classroom and student facilities on the Mena campus and the acquisition, construction, improvement, renovation, equipping and/or furnishings of other qualifying capital projects. The funding for an account for interest during construction of \$199,431 was also provided. In addition, the bonds provide resources of \$1,603,443 for the current refunding of the Board of Trustees of Rich Mountain Community College Student Tuition and Fee Revenue Bonds, Series 2012.

On August 22, 2019, the University issued \$59,655,000 in Various Facility Revenue Bonds (**Fayetteville Campus**), Series 2019A, with interest rates of 4.0% to 5.0%. A portion of the bond proceeds were used to accomplish the current refunding of Series 2009 Bonds. Net bond proceeds and premiums of \$42,662,014 from Series 2019A along with \$1,889,889 of cash from the University was deposited into an escrow account to retire the bonds. All outstanding bonds dated December 15, 2009 were refunded on November 1, 2020. The refunding resulted in a difference between the reacquisition price and then net carrying amount of the old debt of \$20,234. This difference, reported in the accompanying financial statements as Deferred outflows of resources, will be amortized through the fiscal year 2039. The University completed the refunding to reduce its total debt service payments over the next twenty-one years by \$10,034,385 and to obtain a net present value economic gain of \$8,124,671. The escrow account was closed out when the refunded bonds were redeemed as of November 1, 2020. The remaining proceeds were provided to fund various capital improvements. Project include renovation, furnishing, and equipping of Mullins Library; acquisition, construction, and equipping of intramural sports facilities, Student Success Center, north chilled water plant and utility systems; and the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment or real property for the campus.

On August 22, 2019, the University issued \$24,900,000 in Athletic Facilities Revenue Bonds (**Fayetteville Campus**), Series 2019A. The bonds, with an interest rate of 5.0% were used to provide financing for capital improvements of various athletic facilities as well as acquiring, constructing, furnishing, and equipping a track and field high performance center for men's and women's track and field teams and a baseball development center at Baum-Walker Stadium.

The University issued tax exempt Various Facility Revenue Bonds (**Medical Sciences Campus**), Series 2019A, on October 24, 2019. The issue provided \$48,615,000 for infrastructure and an



energy conservation project. The bonds bear interest rates of 5%. Principal payments are made annually until March 2032. Interest payments are made semiannually. The University also issued taxable Various Facility Revenue Bonds (**Medical Sciences Campus**), Series 2019B, on October 24, 2019. The issue provided \$97,470,000 for infrastructure and an energy conservation project. The bonds bear various interest rates from 2.906% to 3.45%. Principal payments are made annually until October 2042.

On November 5, 2019, the University issued \$139,220,000 in Various Facility Revenue Bonds (**Fayetteville Campus**), Taxable Refunding Series 2019B. The bonds, with interest rates of 1.76% to 3.40% were issued to accomplish the taxable advance refunding of Various Facility Revenue Bonds (Fayetteville Campus), Series 2011A and Series 2012B, as well as to pay cost of issuing the bonds. Net bond proceeds and premiums of \$138,656,975 were deposited into an escrow account to retire \$78,945,000 of the outstanding Series 2011A bonds and \$50,645,000 of the outstanding Series 2012B bonds. The combined refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$653,724. The difference, reported in the accompanying financial statements as Deferred outflows of resources, will be amortized through the fiscal year 2041. The University completed the refunding to reduce its total debt service payments over the next twenty-four years by \$22,315,239 and to obtain an economic gain of \$16,322,779. As of June 30, 2021, and June 30, 2020, the escrow account balance was \$132,510,794 and \$136,593,097, respectively.

On November 5, 2019, the University issued \$56,685,000 of the Board of Trustees of the University of Arkansas Student Tuition and Fee Revenue Bonds (**Pulaski Technical College Campus**), Taxable Refunding Series 2019A. The bonds, with interest rates of 1.796% to 3.452%, were issued to accomplish the taxable advance refunding of \$59,465,000 of the Board of Trustees of the University of Arkansas Student Tuition and Fee Revenue Bonds (**Pulaski Technical College Campus**), Series 2011 as well as to pay the costs of issuing the bonds. Net bond proceeds of \$63,254,472 including University contributions of \$805,000 and the release of the 2011 escrow account balance of \$5,847,542. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$4,084,115, reported in the accompanying financial statements as deferred outflows of resources, will be amortized through fiscal year 2041. The University completed the refunding to reduce its total debt service payments over the next twenty-one years by \$18,306,944 and to obtain an economic gain of \$12,759,696 (including the funds released from escrow of \$5,847,542, net of funds on hand of \$1,431). The escrow account had a balance of \$57,535,314 and the remaining, outstanding defeased bonds had a balance of \$56,660,000 as of June 30, 2021.

#### **Note 11: Commitments**

The University has contracted for the construction and renovations of several facilities. At June 30, 2021, the estimated remaining costs to complete these facilities are shown below.

Campus	Contract Balance
UAF	\$ 94,173,367
UAFS	2,594,223
UAMS	201,122,000
UAM	675,719
UAPB	7,198,970
UACCB	15,000
UACCHT	7,691,266
ASMSA	88,492
	<u>\$ 313,470,545</u>

The University has entered into various operating leases for buildings and equipment. It is expected that in the normal course of business such leases will continue to be required. Total operating leases expense in the fiscal years ended June 30, 2021 and 2020, were \$12,431,779 and \$11,027,376, respectively. Below are the scheduled payments for each of the five succeeding fiscal years and thereafter.

Operating Leases	
Year Ended June 30,	Amount
2022	\$ 7,868,429
2023	5,762,746
2024	4,726,546
2025	3,665,615
2026	2,961,571
2027-2031	8,352,361
2032-2036	1,124,000
2037-2041	603,000

## Note 12: Income Taxes

The University is tax exempt under the Internal Revenue Code except for tax on unrelated business income. The University had no significant unrelated business income for the year ended June 30, 2021. It is also exempt from state income taxes under Arkansas law. Accordingly, no provision for income taxes is made in the financial statements.

## Note 13: Risk Management

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

Property coverage was provided through Travelers' Insurance Company. A specific wind and hail deductible buy-back policy was purchased separately through Lloyds. Settled property claims for the year exceed premiums paid by over \$4M with additional continuing open claims for the period projected at over \$6M.

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

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

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

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

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

Exclusive of property insurance coverage, there have been no reductions in insurance coverage from the prior fiscal year. The aggregate annual property coverage limit was reduced from \$1.5B to \$1B with the July 2020 renewal.

#### **Note 14: Employee Benefits**

##### ***Insurance Plans***

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

At June 30, 2021, a total of 17,775 active employees, former employees, and pre-65 retirees were participants in the health plan. As of June 30, 2021, there were three health plan design offerings: the Classic Plan, the Premier Plan and the Health Savings Plan. Within the System subsidy guidelines for the health plan, each campus makes its contribution determination based on budget considerations. A total of 19,490 active employees, former employees, and retirees were participants in the dental plan as of June 30, 2021. Campus subsidies for dental vary from 0% to 100% by campus and by enrollment tier. Retirees, and former employees through COBRA,

participate on a fully contributory basis in the health and dental plans. Medicare-eligible retirees are not eligible to continue in the University's health plan but may elect a fully-insured Medicare Advantage Plan which includes Part D drug coverage.

The University health and dental plans are accounted for on the accrual basis. The System administration estimates the medical, pharmacy and dental claims liability to be \$16,710,600 at June 30, 2021. This liability is established for incurred but not paid (IBNP) claims, and includes a related accrual for claim adjustment expenses, which are expenses incurred in the ultimate settlement of the claim. The claims and claims adjustment accrual for health, pharmacy and dental is based on the calculation prepared by Segal Consulting.

The System administration purchases specific reinsurance to reduce its exposure to large claims. In a fiscal year, after paying claims of more than \$1,125,000 for any one covered individual, the University pays an aggregating specific deductible of \$200,000, on the first claim exceeding \$1,125,000 in paid claims, before being reimbursed from the reinsurance company. The plan has not purchased any annuity contracts on behalf of claimants. If needed, the University would make arrangements through its reinsurance carrier.

The funding levels for the Plan were established based upon anticipated year-end loss ratios of 100%. As of June 30, 2021, the loss ratio for the health plan was 94% and the loss ratio for the dental plan was 99%.

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

<b>Reconciliation of Changes in the Liability for Future Insurance Claims</b>		
	<b>FY21</b>	<b>FY20</b>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 17,684,300	\$ 18,254,800
<b>Incurred claims and claim adjustment expenses:</b>		
Provision for insured events of the current year	176,498,281	180,355,506
Adjustment in provision for insured events of prior years	(4,229,730)	(3,042,502)
Total incurred claims and claim adjustment expenses	172,268,551	177,313,004
<b>Payments:</b>		
Claims and claim adjustment expenses attributable to insured events of the current year	159,787,681	162,671,206
Claims and claim adjustment expenses attributable to insured events of prior years	13,454,570	15,212,298
Total Payments	173,242,251	177,883,504
<b>Total unpaid claims and claim adjustment expenses at end of year</b>	<b>\$ 16,710,600</b>	<b>\$ 17,684,300</b>

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

***Retirement Plans***

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

The URP is a contributory plan with the required employee contribution and the University matching contribution, within IRS match limits. All campuses transitioned to a uniform contribution formula by July 2021. That contribution formula requires an employer base contribution equal to 5% of an employee's eligible salary to their TIAA or Fidelity Investments retirement account, allocated between the two companies according to the employee's choice, with a required employee contribution of 5%. Varying existing different contribution formulas at the two-year campuses were closed to new participants effective June 30, 2020.

The University makes a one-for-one contribution for employee contributions in excess of 5%, with a maximum total University contribution of 10% of eligible salary up to the IRS match limit, which at June 30, 2021, was \$29,000. Employee contributions in excess of 10% are allowed by the plans in accordance with Internal Revenue Service regulations, but the University does not match these additional contributions.

All benefits attributable to plan contributions made by the participant are immediately vested in the participant, and contributions made by the University are cliff vested upon completion of two consecutive years of URP participation. The University's TIAA and Fidelity contributions for the fiscal years 2021 and 2020 were \$114,214,508 and \$108,838,634, respectively. The participants' contributions for the fiscal years 2021 and 2020 were \$138,020,284 and \$127,904,057, respectively.

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

APERS is a cost-sharing multiple employer defined benefit pension plan administered by the State of Arkansas. The University's required contribution rate was an amount equal to 15.32% of eligible salary in fiscal year 2021. Those employees hired after July 1, 2005, must be contributory unless they had prior service as a state employee. Employees hired before that date may be contributory. The University's contributions for the fiscal years 2021 and 2020 were \$4,135,494 and \$4,474,936, respectively. Participants' contributions for the fiscal years 2021 and 2020 were \$1,098,127 and \$1,187,504, respectively. The annual required contribution amounts and the



percentage contributed are determined by the annual actuarial valuation as set forth in Arkansas Code. APERS issues a publicly available financial report, which may be obtained by writing: APERS, One Union National Plaza, 124 W. Capitol, 5<sup>th</sup> Floor, Little Rock, AR 72201.

ATRS is a cost-sharing multi-employer defined benefit pension plan. The University contributed an amount equal to 14.50% of all covered employees' salaries in fiscal year 2021. Under certain conditions, covered employees may voluntarily contribute 6% of their salary. The University's contributions for the fiscal years 2021 and 2020 were \$1,335,201 and \$1,416,960, respectively. Participants' contributions for the fiscal years 2021 and 2020 were \$463,203 and \$504,001, respectively. The annual required contribution amounts and the percentage contributed are determined by the annual actuarial valuation as set forth in Arkansas Code. ATRS issues a publicly available financial report, which may be obtained by writing: ATRS, 1400 W. 3<sup>rd</sup> Street, Little Rock, AR 72201.

The University has, from time to time, negotiated voluntary early retirement agreements with faculty and staff which may include the provision of a stipend and healthcare or other benefits for future periods. The amount of liability established for these type agreements was \$707,813 at June 30, 2021.

#### **NOTE 15: Defined Benefit Pension Plans**

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

###### **Plan Description**

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

###### **Benefits Provided**

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

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

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

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

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

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

### **Contributions**

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered. Members who began service prior to July 1, 2005, who elected to remain in the non-contributory plan, are not required to make contributions to APERS. Members who began service on or after July 1, 2005, are required to participate in the contributory plan and contribute 5% of their salaries. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan. The University contributed 15.32% of applicable compensation for the fiscal year ended June 30, 2021.

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

At June 30, 2021, the University reported a liability of \$40,877,027 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The university's proportion of the net pension liability was based on the university's share of contributions to the pension plan relative to the total contributions of all participating employers. At June 30, 2021, the university's proportion was 1.427%, which was a decrease of 0.228% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the University recognized pension expense of \$3,606,845. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

APERS	Deferred outflows	Deferred inflows
Diff - expected & actual experience	\$ 542,650	\$ (27,069)
Changes of assumptions	512,149	(700,368)
Net difference in projected/actual earnings	4,325,282	-
Changes in proportion	388,718	(9,357,506)
University contributions subsequent to measurement date	4,135,494	-
	<u>\$ 9,904,293</u>	<u>\$ (10,084,943)</u>

Deferred outflows of resources of \$4,135,494, related to pensions resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the financial statements as follows:

	June 30
2022	\$ (3,724,834)
2023	(1,999,395)
2024	191,203
2025	1,216,394
2026	
Thereafter	<u>\$ (4,316,632)</u>

### Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	4-year smoothed market; 25% corridor
Investment Rate of Return*	7.15%
Salary Increases	3.25% – 9.85% including inflation
Wage Inflation	3.25%
Post-retirement cost-of-living increases	3% Annual Compounded Increase
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality Table	Based on RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017.
Average Service Life of All Members	4.0486

\*Net of investment and administrative expenses.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage and by adding expected price inflation. Best estimates of arithmetic real rates of return for the 10-year period from 2020 to 2029 were based upon capital market assumptions provided by the plan's investment consultant. For each major asset class included in the plan's current asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

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

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

#### Discount Rate

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

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

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

Sensitivity of Discount Rate		
1% Decrease	Discount Rate	1% Increase
6.15%	7.15%	8.15%
\$ 62,258,318	\$ 40,877,027	\$ 23,232,119

**Pension Plan Fiduciary Net Position**

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

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

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

**Benefits Provided**

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

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

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

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

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

Members are eligible for disability benefits with 5 years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Survivor benefits are payable to qualified survivors upon the death of an active member with 5 years of service. The monthly benefit paid to eligible spouse survivors is computed as if the member had retired and



elected the Joint & 100% Survivor option. Minor child survivors receive a percentage of the member's highest salary earned. ATRS also provides a lump sum death benefit for active and retired members with 10 years of actual service. The amount for contributory members will be up to \$10,000 and up to \$6,667 for noncontributory members. A cost-of-living adjustment of 3% of the current benefit is added each year.

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

### Contributions

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 7. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered. ATRS has contributory and noncontributory plans. Employers are required to contribute at a rate established by the Board of ATRS based on an actuary's determination of a rate required to fund the plan. The University contributed 14.50% of applicable compensation for the fiscal year ended June 30, 2021.

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

At June 30, 2021, the University reported a liability of \$18,079,806 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the University's share of contributions to the pension plan relative to the total contributions of all participating employers. At June 30, 2021, the University's proportion was 0.319%, which was a decrease of 0.053% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the University recognized pension expense of \$834,471. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ATRS	Deferred outflows	Deferred inflows
Diff - expected & actual experience	239,679	(145,819)
Changes of assumptions	1,176,419	-
Net difference in projected/actual earnings	2,972,005	-
Changes in proportion	30,852	(5,381,368)
University contributions subsequent to measurement date	1,335,201	-
	<u>\$ 5,754,156</u>	<u>\$ (5,527,187)</u>

Deferred outflows of resources related to pensions of \$1,335,201, resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of

resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the financial statements as follows:

	June 30
2022	\$ (1,120,361)
2023	(401,808)
2024	135,254
2025	393,238
2026	(114,554)
Thereafter	-
	<u>\$ (1,108,231)</u>

### Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Amortization Period	30 years
Asset Valuation Method	4-year smoothed market for funding purposes; 20% corridor
Wage Inflation	2.75%
Salary Increases	2.75 – 7.75% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study for the period July 1, 2010 – June 30, 2015.
Mortality Table	RP-2014 Healthy Annuitant, Disabled Annuitant, and Employee Mortality headcount weighted tables were used for males and females. Mortality rates were adjusted using projection scale MP-2017 from 2006: Healthy Annuitant: Male-101% Female-91% Disabled Annuitant: Male-99% Female-107% Employee Mortality: Male-94% Female-84%

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

major asset class included in the pension plan's target asset allocation as of June 30, 2020, these best estimates are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Total Equity	53%	5.2%
Fixed Income	15	-.1
Alternatives	5	3.5
Real Assets	15	5.1
Private Equity	12	7.2
Cash Equivalents	0	-1.0
Total	100%	

### Discount Rate

A single discount rate of 7.50% 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.

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

The following presents the University's proportionate share of the net pension liability using the discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1%-point lower (6.50%) or 1%-point higher (8.50%):

Sensitivity of Discount Rate		
1% Decrease	Discount Rate	1% Increase
6.50%	7.50%	8.50%
\$ 26,901,887	\$ 18,079,806	\$ 10,763,317

### Pension Plan Fiduciary Net Position

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

### NOTE 16: Other Postemployment Benefits (OPEB)

The University offers postemployment health (including prescription drugs) and dental benefits, along with life insurance (\$10,000 available coverage), to eligible retirees. Employees retiring on

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

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

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

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

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

### ***Employees Covered by Benefit Terms***

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

<b>Employees covered by Benefit Terms</b>	<b>Medical</b>	<b>Life</b>
Inactive employees or beneficiaries currently receiving benefit payments	307	2,176
Active employees	19,023	19,984
<b>Total Employees covered by Benefit Terms</b>	<b>19,330</b>	<b>22,160</b>

### ***Total OPEB Liability***

Total OPEB liability as of June 30, 2021 was \$76,603,000, determined by actuarial valuations as of July 1, 2020, rolled forward.

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

Valuation date	July 1, 2020 valuation for the year ended June 30, 2021
Valuation year	Census data collected as of February 2021
Actuarial cost method	Entry Age Normal

Amortization method	Level percent of payroll
Remaining amortization period	30 years rolling
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	2.21%
Rate of salary increase for amortization	4.00%
Medical inflation rate	6.50% grading to 3.12% over 19 years
Pharmacy inflation rate	7.50% grading to 3.12% over 19 years
Retiree contribution inflation rate	6.77% grading to 3.12% over 19 years

The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2019 was 3.50%, the unfunded rate determined as of June 30, 2019 based on the Bond Buyer 20-year-Bond GO Index. The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2020 was 2.21%, the unfunded rate determined as of June 30, 2020 based on the Bond Buyer 20-year-Bond GO Index.

***Mortality Rates:***

Healthy	RP-2014 Fully Generational Mortality Table for employees and healthy annuitants using projection scale MP-2014
Disabled	RP-2014 Fully Generational Mortality Table for disabled retirees using projection scale MP-2014

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

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

The claims costs were developed from the active premium rates for the period July 1, 2020 to June 30, 2021. 67.9 percent of the premium was assumed to be for medical, 25.4% for pharmacy, and 6.7% for expenses.

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



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

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

The discount rate changed from 3.50% to 2.21%.

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

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

The table below shows the changes in the total OPEB liability (TOL) during the measurement period ended on June 30, 2021.

	2021
Balances at 6/30/2019 (Reporting Date 6/30/2020)	<b>\$ 74,747,000</b>
Changes for the year:	
Service cost	4,510,000
Interest (includes interest on service cost)	2,736,000
Changes of benefit terms	(10,108,000)
Differences between expected and actual experience	(2,196,000)
Changes of assumptions	9,159,000
Benefit payments, including refunds of member contributions	(2,245,000)
One time rounding (OPEB report will be 000s going forward)	
<b>Net changes in total OPEB liability</b>	<b>1,856,000</b>
Balances at 6/30/2020 (Reporting Date 6/30/2021)	<b>\$ 76,603,000</b>

During the measurement year, the TOL increased by approximately \$1.9 million. The service cost, changes in assumptions and interest cost increased the TOL by approximately \$16.4 million while changes in benefit terms, benefit payments and actual experience decreased the TOL by approximately \$14.5 million.

The discount rate changed from 3.50% to 2.21% between June 30, 2019 and June 30, 2020.

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

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

Sensitivity of Total OPEB Liability to Changes in Discount Rate		
1%	Discount	1%
Decrease	Rate	Increase
1.21%	2.21%	3.21%
\$83,995,000	\$76,603,000	\$70,028,000

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

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates		
1%	Healthcare	1%
Decrease	Trend	Increase
\$69,735,000	\$76,603,000	\$84,644,000

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

For the year ended June 30, 2021, the University recognized OPEB expense of \$4,717,000. At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,261,000	\$ 7,685,000
Changes in assumptions	9,637,000	4,690,000
Contributions subsequent to the measurement date	2,379,000	-
<b>Total</b>	<b>\$ 14,277,000</b>	<b>\$ 12,375,000</b>

The \$2,379,000 reported as deferred outflows of resources resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the financial statements as follows:

Year ended June 30:		
2022	\$	(1,810,000)
2023		(939,000)
2024		764,000
2025		1,126,000
2026		513,000
Thereafter		(131,000)

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

The following is a reconciliation of the natural classifications as presented in the statement of revenues, expenses, and changes in net position to the functional classifications for fiscal year 2021:

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Functional Classifications	Natural Classifications					
	Compensation & Benefits	Supplies & Services	Scholarships & Fellowships	Insurance	Depreciation	TOTAL
Instruction	\$ 409,057,736	\$ 48,485,695	\$ 14,355	\$ -	\$ -	\$ 457,557,786
Research	195,187,919	101,533,031	-	-	-	296,720,950
Public Service	83,527,400	42,546,932	-	-	-	126,074,332
Academic Support	91,077,950	28,028,935	-	-	-	119,106,885
Student Services	53,762,100	18,863,191	20,560	-	-	72,645,851
Institutional Support	196,187,303	57,376,351	-	-	-	253,563,654
Scholarships/Fellowship	99,613	1,771,756	92,143,730	-	-	94,015,099
Plant Operations	72,536,071	88,474,773	-	-	-	161,010,844
Auxiliary Enterprises	76,609,643	95,070,971	1,806,540	-	-	173,487,154
Depreciation	-	-	-	-	201,368,513	201,368,513
Patient Care	710,749,838	453,506,000	-	-	-	1,164,255,838
Other	699,000	1,701,000	-	-	-	2,400,000
Insurance expenses	-	-	-	193,786,948	-	193,786,948
TOTAL	\$ 1,889,494,573	\$ 937,358,635	\$ 93,985,185	\$ 193,786,948	\$ 201,368,513	\$ 3,315,993,854

The following is a reconciliation of the natural classifications as presented in the statement of revenues, expenses, and changes in net position to the functional classifications for fiscal year 2020:

Functional Classifications	Natural Classifications					
	Compensation & Benefits	Supplies & Services	Scholarships & Fellowships	Insurance	Depreciation	TOTAL
Instruction	\$ 409,396,772	\$ 51,405,478	\$ -	\$ -	\$ -	\$ 460,802,250
Research	181,231,031	93,476,432	-	-	-	274,707,463
Public Service	85,876,179	46,353,732	-	-	-	132,229,911
Academic Support	91,753,701	40,256,938	-	-	-	132,010,639
Student Services	54,975,253	20,857,979	-	-	-	75,833,232
Institutional Support	185,119,462	56,674,089	-	-	-	241,793,551
Scholarships/Fellowship	(88,701)	123,083	72,901,804	-	-	72,936,186
Plant Operations	64,247,766	81,851,956	-	-	-	146,099,722
Auxiliary Enterprises	79,212,367	111,031,886	2,849,988	-	-	193,094,241
Depreciation	-	-	-	-	206,544,404	206,544,404
Patient Care	659,651,428	392,825,000	-	-	-	1,052,476,428
Other	5,191,000	13,326,000	-	-	-	18,517,000
Insurance expenses	-	-	-	196,303,903	-	196,303,903
TOTAL	\$ 1,816,566,258	\$ 908,182,573	\$ 75,751,792	\$ 196,303,903	\$ 206,544,404	\$ 3,203,348,930

## Note 18: Other Organizations

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

**The Razorback Foundation, Inc.** was incorporated on October 17, 1980, for the sole purpose of supporting intercollegiate athletics at the Fayetteville campus. Audited financial statements for the year ended June 30, 2021, are presented below in summary form and include the accounts of its wholly owned subsidiaries, Sports Shows, Inc., Cato Springs Road LLC, TSSD LLC, and Hog Wild Productions, LLC.

**THE RAZORBACK FOUNDATION, INC.**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**As of June 30, 2021**

Assets	
Cash and investments	\$ 43,897,002
Other assets	28,640,375
Total Assets	<u>\$ 72,537,377</u>
Liabilities and Net Assets	
Liabilities	\$ 292,595
Net Assets	72,244,782
Total Liabilities and Net Assets	<u>\$ 72,537,377</u>

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

Income and Other Additions	\$ 32,680,893
Expenditures and Other Deductions	(22,808,062)
Total Increase in Net Assets	<u>\$ 9,872,831</u>

*Arkansas Alumni Association, Inc.* was incorporated in 1960 for the purpose of providing various services to the members, consisting of graduates, former students and friends, in connection with the promotion and furtherance of the Fayetteville campus. Audited financial statements for the year ended June 30, 2021, are presented below in summary form.



**ARKANSAS ALUMNI ASSOCIATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2021**

Assets	
Cash and investments	\$ 5,885,176
Other assets	<u>12,359,287</u>
Total Assets	<u><u>\$ 18,244,463</u></u>
Liabilities and Net Assets	
Liabilities	\$ 1,477,929
Net Assets	<u>16,766,534</u>
Total Liabilities and Net Assets	<u><u>\$ 18,244,463</u></u>

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

Income and Other Additions	\$ 6,958,117
Expenditures and Other Deductions	<u>(3,245,308)</u>
Total Increase in Net Assets	<u><u>\$ 3,712,809</u></u>

*Arkansas 4-H Foundation, Inc.* was incorporated in 1951. The purposes and objectives of the Foundation are exclusively educational. The Foundation was formed to encourage and support such purposes that will meet the needs and advance the interests of 4-H youth programs throughout the State of Arkansas. Audited financial statements for the year ended June 30, 2021, are presented below in summary form.

**ARKANSAS 4-H FOUNDATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2021**

Assets	
Cash and investments	\$ 5,945,624
Other assets	<u>4,153,557</u>
Total Assets	<u><u>\$ 10,099,181</u></u>
Liabilities and Net Assets	
Liabilities	\$ 360,976
Net Assets	<u>9,738,205</u>
Total Liabilities and Net Assets	<u><u>\$ 10,099,181</u></u>

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

Income and Other Additions	\$ 2,397,063
Expenditures and Other Deductions	<u>(1,493,188)</u>
Total Increase in Net Assets	<u><u>\$ 903,875</u></u>



***University of Arkansas Technology Development Foundation*** was incorporated in May 2003 and is considered a supporting organization of the Fayetteville campus. Its mission is to stimulate a knowledge-based economy in the state of Arkansas through partnerships that lead to new opportunities for learning and discovery, build and retain a knowledge-based workforce, and spawn the development of new technologies that enrich the economic base of Arkansas. Audited financial statements for the year ended June 30, 2021, are presented below in summary form.

**UNIVERSITY OF ARKANSAS TECHNOLOGY  
DEVELOPMENT FOUNDATION  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2021**

Assets	
Cash and investments	\$ 2,854,019
Other assets	15,719,227
Total Assets	<u>\$ 18,573,246</u>
Liabilities and Net Assets	
Liabilities	\$ 11,999,411
Net Assets	6,573,835
Total Liabilities and Net Assets	<u>\$ 18,573,246</u>

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

Income and Other Additions	\$ 6,417,376
Expenditures and Other Deductions	(1,913,112)
Total Increase in Net Assets	<u>\$ 4,504,264</u>

***University of Arkansas Fort Smith Foundation, Inc.*** operates as a nonprofit corporation whose primary activity is providing support to the Fort Smith campus. Audited financial statements for the year ended June 30, 2020, are presented below in summary form.



**UNIVERSITY OF ARKANSAS FORT SMITH  
FOUNDATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2020**

Assets	
Cash and investments	\$ 100,084,770
Other assets	338,704
Total Assets	<u>\$ 100,423,474</u>
Liabilities and Net Assets	
Liabilities	\$ 856,509
Net Assets	99,566,965
Total Liabilities and Net Assets	<u>\$ 100,423,474</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2020**

Income and Other Additions	\$ 6,138,330
Expenditures and Other Deductions	(4,598,931)
Total Increase in Net Assets	<u>\$ 1,539,399</u>

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

*Trojan Athletic Foundation, Inc.* is a non-profit entity established to support the athletic department at the Little Rock campus. Audited financial statements for the year ended June 30, 2021, are presented below in summary form.



**TROJAN ATHLETIC FOUNDATION, INC.**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**As of June 30, 2021**

Assets	
Cash	\$ 150,289
Other Assets	53,396
Total Assets	<u>\$ 203,685</u>
Liabilities and Net Assets	
Liabilities	\$ 253
Net Assets	203,432
Total Liabilities and Net Assets	<u>\$ 203,685</u>

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

Income and Other Additions	\$ 187,505
Expenditures and Other Deductions	(228,523)
Total Decrease in Net Assets	<u>\$ (41,018)</u>

*University of Arkansas at Pine Bluff/AM&N Alumni Association, Inc.* was organized to foster and promote the general welfare and growth of the University of Arkansas at Pine Bluff. Unaudited financial statements for the year ended December 31, 2020, are presented below in summary form.

**UAPB/AM&N ALUMNI ASSOCIATION, INC.**  
**CONDENSED STATEMENT OF FINANCIAL POSITION-**  
**UNAUDITED**  
**As of December 31, 2020**

Assets	
Cash & investments	\$ 559,144
Other assets	61,468
Total Assets	<u>\$ 620,612</u>
Liabilities and Net Assets	
Liabilities	\$ 46,617
Net Assets	573,995
Total Liabilities and Net Assets	<u>\$ 620,612</u>

**CONDENSED STATEMENT OF ACTIVITIES-UNAUDITED**  
**FY Ended December 31, 2020**

Income and Other Additions	\$ 174,687
Expenditures and Other Deductions	(76,526)
Total Increase in Net Assets	<u>\$ 98,161</u>

*University of Arkansas at Pine Bluff Scholarship Endowment Fund* was created to provide scholarships to a culturally diverse student population at the University of Arkansas at Pine Bluff.

Financial information include in the Form 990 for the year ended December 31, 2020, are presented below in summary form.

**UNIVERSITY OF ARKANSAS-PINE BLUFF  
SCHOLARSHIP ENDOWMENT FUND  
PER FORM 990  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of December 31, 2020**

Assets	
Cash & investments	\$ 5,181,076
Total Assets	<u>\$ 5,181,076</u>
Liabilities & Net Assets	
Liabilities	\$ -
Net Assets	<u>5,181,076</u>
Total Liabilities & Net Assets	<u>\$ 5,181,076</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended December 31, 2020**

Income and Other Additions	\$ 412,629
Expenditures and Other Deductions	<u>(249,859)</u>
Total Increase in Net Assets	<u>\$ 162,770</u>

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

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

***University of Arkansas Community College at Hope Foundation, Inc.*** operates for the sole benefit of the Hope campus. Audited financial statements for the year ended June 30, 2020, are presented below in summary form.



**UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE  
AT HOPE FOUNDATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2020**

Assets	
Cash and investments	\$ 3,069,497
Other Assets	44,420
Total Assets	<u>\$ 3,113,917</u>
Liabilities and Net Assets	
Liabilities	\$ -
Net Assets	3,113,917
Total Liabilities and Net Assets	<u>\$ 3,113,917</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2020**

Income and Other Additions	\$ 570,595
Expenditures and Other Deductions	(501,360)
Total Increase in Net Assets	<u>\$ 69,235</u>

*Rich Mountain Community College Foundation, Inc.* operates for the sole benefit of the Rich Mountain campus. Audited financial statements for the year ended June 30, 2020, are presented below in summary form.

**RICH MOUNTAIN COMMUNITY COLLEGE  
FOUNDATION, INC.  
CONDENSED STATEMENT OF FINANCIAL POSITION  
As of June 30, 2020**

Assets	
Cash and investments	\$ 4,255,297
Other assets	1,138,687
Total Assets	<u>\$ 5,393,984</u>
Liabilities and Net Assets	
Liabilities	\$ -
Net Assets	5,393,984
Total Liabilities and Net Assets	<u>\$ 5,393,984</u>

**CONDENSED STATEMENT OF ACTIVITIES  
FY Ended June 30, 2020**

Income and Other Additions	\$ 403,938
Expenditures and Other Deductions	(283,038)
Total Increase in Net Assets	<u>\$ 120,900</u>



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

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

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

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

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

**Delta Student Housing, Inc.** (Delta) is a nonprofit corporation organized in Arkansas. Delta was created for the purpose of facilitating the financing for construction of student housing facilities on the various campuses of the University. Unaudited financial statements for the year ended June 30, 2021, are presented below in summary form.

**DELTA STUDENT HOUSING, INC.**  
**UNAUDITED CONDENSED STATEMENT OF FINANCIAL**  
**POSITION**  
**As of June 30, 2021**

Assets		
Cash	\$	14,437
Property and equipment		-
Total Assets	\$	<u>14,437</u>
Liabilities and Net Assets		
Liabilities	\$	-
Net Assets		14,437
Total Liabilities and Net Assets	\$	<u>14,437</u>

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

Income and Other Additions	\$	25,007
Expenditures and Other Deductions		(25,690)
Total Decrease in Net Assets	\$	<u>(683)</u>

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

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

***FY21 - Statement of Net Position***

An elimination entry was made to reduce accounts receivable and accounts payable by \$18,433,359, which represent amounts owed by the campuses to the System Administration for insurance premiums and campus billings for services rendered, amounts owed between campuses, and interest due from a System Administration loan for eVersity from the campuses.

Three loans between University entities were eliminated to reduce assets and liabilities: (1) \$593,051 (current portion \$30,210) to reflect a loan from UAMS to UAF, and (2) \$4,975,498 to reflect a loan from the campuses to eVersity and (3) inter-institutional loans between the System Administration and 11 campuses to assist in financing the ERP implementation costs. The following schedule details the balance of the loans at June 30, 2021 which were eliminated against current and long-term debt (current portion \$1,564,205) and Other non-current assets:

Campus	Balance at June 30, 2021
UAFS	\$ 670,904
UALR	1,975,893
UAM	489,191
UAMS	12,445,802
UAPB	721,201
PCCUA	251,959
UACCB	124,096
UACCHT	126,529
UAPTC	434,533
UACCRM	76,843
ASMSA	133,649
	<u>\$ 17,450,600</u>

***FY21 - Statement of Revenues, Expenses, and Changes in Net Position***

As explained in Note 14, the System Administration administers the self-funded insurance programs for the University. Insurance premiums remitted to the System Administration by the campuses are shown as insurance revenues, and insurance claims paid are shown as insurance expenditures on the System Administration's financial statements. The premiums expensed by the campuses are recorded as part of compensation and benefits. An elimination entry was made to reduce insurance revenue and compensation/benefits expenditures in the amount of \$138,781,887.

An elimination entry was made for billings by System Administration to the campuses for services rendered to reduce operating sales and services revenue and operating supplies/services expense in the amount of \$4,209,920. An elimination entry for services provided among campuses in the amount of \$769,548. These amounts decreased operating sales and services, other operating revenues and operating supplies/services.

An elimination entry for the System Administration's interest expense for a loan from the campuses was made to decrease other non-operating revenues (expenses) and investment income in the amount of \$87,071. An elimination entry for the System Administration's interest income for the loans referred to above with 11 campuses was made to decrease interest expense and investment income in the amount of \$441,143.

***FY20 - Statement of Net Position***

An elimination entry was made to reduce accounts receivable by \$16,232,638, which represent amounts owed by the campuses to the System Administration for insurance premiums and campus billings for services rendered, amounts owed between campuses, and interest due from a System Administration loan for eVersity from the campuses. Accounts payable was reduced by \$16,373,283, representing these billed amounts.

Four loans between University entities were eliminated to reduce assets and liabilities: (1) \$150,000 (current portion \$150,000) to reflect a loan to ASMSA by the System Administration; and (2) \$621,821 (current portion \$28,770) to reflect a loan from UAMS to UAF, and (3) \$4,975,498 to reflect a loan from the campuses to eVersity and (4) inter-institutional loans between the System Administration and 11 campuses to assist in financing the ERP implementation costs.

The following schedule details the balance of the loans at June 30, 2020 which were eliminated against current and long-term debt (current portion \$971,061) and notes receivable:

Campus	Balance at June 30, 2020
UAFS	\$ 510,693
UALR	1,416,164
UAM	358,937
UAMS	8,325,346
UAPB	504,723
PCCUA	178,675
UACCB	93,550
UACCHT	95,868
ASMSA	87,350
UAPTC	342,886
UACCRM	58,744
	<u>\$ 11,972,936</u>

***FY20 - Statement of Revenues, Expenses, and Changes in Net Position***

As explained in Note 14, the System Administration administers the self-funded insurance programs for the University. Insurance premiums remitted to the System Administration by the campuses are shown as insurance revenues, and insurance claims paid are shown as insurance expenditures on the System Administration's financial statements. The premiums expensed by the campuses are recorded as part of compensation and benefits. An elimination entry was made to reduce insurance revenue and compensation/benefits expenditures in the amount of \$130,394,138.

An elimination entry was made for billings by System Administration to the campuses for services rendered to reduce operating sales and services revenue and operating supplies/services expense in the amount of \$4,142,544. An elimination entry for services provided among campuses in the amount of \$827,616. These amounts decreased operating sales and services, other operating revenues and operating supplies/services.

An elimination entry for the System Administration's interest expense for a loan from the campuses was made to decrease other non-operating revenues (expenses) and investment income in the amount of \$87,071. An elimination entry for the System Administration's interest income for the loans referred to above with 11 campuses was made to decrease interest expense and investment income in the amount of \$190,245.

***FY21 and FY20 - Statements of Cash Flows***

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

**Note 20: Joint Endeavor**

In 1987, the University of Arkansas and the City of Fayetteville engaged in a joint endeavor to operate the Walton Arts Center. Funds were pooled from each entity to provide for the construction and operation of the center. The University of Arkansas/City of Fayetteville Arts Foundation, Inc.,

now called the Walton Arts Center Foundation, Inc., was established to administer this project and its funds. Activities of the foundation were managed by nine directors - three appointed by the University, three by the City of Fayetteville, and three recommended by the Foundation that were approved by the mayor and chancellor.

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

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

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

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



**Note 21: Related Parties**

The following are significant related party transactions other than those with component units discussed in Note 1.

The Interim Chancellor for the Fayetteville campus is a member of the Board of Directors of Arvest Bank Fayetteville, one of 16 autonomous community-oriented banks which comprise Arvest Bank Group, Inc., based in Bentonville, Arkansas. At June 30, 2021, bank balances held at Arvest Bank Group, Inc. banks total \$25,117,117 at UAF (book balances included on the Statements of Net Position were \$23,817,062).

**Note 22: Contingencies**

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

Immunity provisions in Arkansas law prohibit suits naming the Board of Trustees of the University of Arkansas System as a defendant in Arkansas State courts. Employees of UAMS acting in good faith in the course and scope of their employment may be sued in state courts, but only to the extent of maintained insurance coverage. UAMS maintains malpractice insurance for certain employees under a claims-made policy. Premiums are accrued based on estimated claims, with the final premium amount determined based on actual claims experience. The cost of this policy is included in supplies and other expenses. UAMS incurred costs of \$4,258,000 and \$3,585,000 for this insurance during the years ended June 30, 2021 and 2020, respectively. A party may bring an action against the University through the Arkansas State Claims Commission (the Claims Commission). The Claims Commission may award a claim of up to \$15,000 without further review or appropriation. Awards that the Claims Commission approves in excess of \$15,000 must be approved and appropriated by the Arkansas State Legislature. Appropriations of this type, if any, reduce appropriations from the state to the University in the period in which the claim is appropriated.

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

Funds received from the Arkansas Tobacco Settlement Funds Act of 2000 are pledged for debt service and are the primary source of payment for the bonds. In accordance with a Loan Agreement dated June 1, 2006, between the UA Board and the Authority, the UA Board will be

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

If debt service revenues had been considered insufficient at June 30, 2021, the University would have incurred a liability of \$76,888,000 related to the issue. This amount includes drawdown of funds related to the project, issuance costs, discounts, accreted interest, and other expenses related to the issue. The revenues pledged by UAMS to secure the Loan Agreement consist of inpatient service fees and fees collected from other ancillary, therapeutic, and diagnostic services provided within the walls of the hospital but exclude physician-generated revenues, State appropriations, and revenues restricted for other purposes.

### **Note 23: Subsequent Events**

On August 30, 2021, the University entered into an Asset Purchase Agreement to acquire the assets and assume certain liabilities (consisting primarily of service and vendor contracts, any liabilities to students, and office lease obligations) of Grantham University ("Grantham"), a for-profit online institution of higher education with approximately 4,000 active students and more than 60 degree programs. The acquisition was closed on November 1, 2021 with a net transfer to the sellers of \$890,797 due to amounts receivable from the Department of Defense. Grantham was founded in 1951 to serve World War II veteran educational needs. It began offering exclusively online programs in the late 1990s. Grantham has maintained a focus on military students, and current or past service members currently make up approximately 67% of Grantham's student body. Grantham is accredited through the Distance Education Accrediting Commission, the Accrediting Board of Engineering and Technology, the Commission of Collegiate Nursing Education, the Accrediting Commission for Education in Nursing, and the International Accreditation Council for Business Education. Grantham will join the System as the "University of Arkansas – Grantham." In association with the purchase, the University entered into a Revolving Line of Credit agreement with Regions Commercial Equipment Finance, LLC on October 29, 2021. The amount of the line is a maximum of \$8 million for a 24 month period with a fluctuating interest rate of 129 basis points over the BSBY rate. The Board contemplates that eventually the University of Arkansas – Grantham will be merged with eVersity.

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



Proceeds net of issuance costs totaling \$10,815,896 were received by the University on August 20, 2021.

At its regular meeting on September 17, 2021, the University of Arkansas Board of Trustees approved a resolution to refund all or any portion of outstanding principal balances of four separate bond issues of the Fayetteville campus, Series 2012A, Series 2013A, Series 2014A and Series 2015A. On December 1, 2021, the University completed the refunding of all outstanding maturities of the aforementioned bond issues by issuing \$175,645,000 of Board of Trustees of the University of Arkansas Various Facility Revenue Bonds (Fayetteville Campus), Taxable Refunding Series 2021.



**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2021  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**Employee Benefits**

<b>Schedule of University's Proportional Share of the Net Pension Liability Arkansas Public Employees Retirement System Last Seven Fiscal Years*</b>							
	2021	2020	2019	2018	2017	2016	2015
University's proportion of net pension liability	1.427%	1.656%	2.008%	2.198%	2.202%	1.659%	1.462%
University's proportionate share of net pension liability	\$ 40,877,027	\$ 39,944,209	\$ 44,294,023	\$ 56,807,517	\$ 52,660,632	\$ 30,550,726	\$ 20,737,110
University's covered payroll**	29,263,785	32,838,844	36,710,317	\$ 40,658,901	\$ 39,968,417	\$ 29,241,762	\$ 24,610,760
University's proportionate share of the net pension liability as a percentage of its covered payroll	139.68%	121.64%	120.66%	139.72%	131.76%	104.48%	84.26%
Plan fiduciary net position as a percentage of the total pension liability	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%	84.15%
The amounts presented for each fiscal year were determined as of June 30 of the previous year.							
*Information is presented for those years for which it is available until a full 10-year trend is compiled.							
**Includes Pulaski Technical College and Rich Mountain Community College for fiscal years beginning 2017.							

<b>Schedule of University Contributions Arkansas Public Employees Retirement System Last Seven Fiscal Years*</b>							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,135,494	\$ 4,474,936	\$ 5,079,699	\$ 5,446,489	\$ 5,847,656	\$ 5,122,338	\$ 4,316,084
Contributions in relation to the contractually required contribution	(4,135,494)	(4,474,936)	(5,079,699)	(5,446,489)	(5,847,656)	(5,122,338)	(4,316,084)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 26,989,144	\$ 29,263,785	\$ 32,838,844	\$ 36,710,317	\$ 40,658,901	\$ 35,350,993	\$ 29,241,762
Contributions as a percentage of covered payroll	15.32%	15.29%	15.47%	14.84%	14.38%	14.49%	14.76%
*Information is presented for those years for which it is available until a full 10-year trend is compiled.							

<b>Schedule of University's Proportional Share of the Net Pension Liability Arkansas Teacher Retirement System Last Seven Fiscal Years*</b>							
	2021	2020	2019	2018	2017	2016	2015
University's proportion of net pension liability	0.319%	0.372%	0.447%	0.540%	0.589%	0.395%	0.437%
University's proportionate share of net pension liability	\$ 18,079,806	\$ 15,527,796	\$ 16,258,099	\$ 22,688,366	\$ 26,000,421	\$ 12,850,498	\$ 11,467,444
University's covered payroll**	\$ 10,026,138	\$ 11,429,162	\$ 13,540,283	\$ 15,932,158	\$ 17,474,936	\$ 11,516,407	\$ 11,527,065
University's proportionate share of the net pension liability as a percentage of its covered payroll	180.33%	135.86%	120.07%	142.41%	148.79%	111.58%	99.48%
Plan fiduciary net position as a percentage of the total pension liability	74.91%	80.96%	82.78%	79.48%	76.75%	82.20%	84.98%
The amounts presented for each fiscal year were determined as of June 30 of the previous year.							
*Information is presented for those years for which it is available until a full 10-year trend is compiled.							
**Includes Pulaski Technical College and Rich Mountain Community College for fiscal years beginning 2017.							

<b>Schedule of University Contributions Arkansas Teacher Retirement System Last Seven Fiscal Years*</b>							
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,335,201	\$ 1,416,960	\$ 1,616,340	\$ 1,899,208	\$ 2,210,329	\$ 1,448,084	\$ 1,612,297
Contributions in relation to the contractually required contribution	(1,335,201)	(1,416,960)	(1,616,340)	(1,899,208)	(2,210,329)	(1,448,084)	(1,612,297)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
University's covered payroll	\$ 9,232,685	\$ 10,026,138	\$ 11,429,162	\$ 13,540,283	\$ 15,932,158	\$ 10,392,131	\$ 11,516,407
Contributions as a percentage of covered payroll	14.46%	14.13%	14.14%	14.03%	13.87%	13.93%	14.00%
*Information is presented for those years for which it is available until a full 10-year trend is compiled.							



**UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2021  
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**Other Postemployment Benefits**

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

Valuation date	July 1, 2020 valuation for the year ended June 30, 2021
Valuation year	Census data collected as of February 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years rolling
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	2.21%
Rate of salary increase for amortization	4.00%
Medical inflation rate	6.50% grading to 3.12% over 19 years
Pharmacy inflation rate	7.50% grading to 3.12% over 19 years
Retiree contribution inflation rate	6.77% grading to 3.12% over 19 years

The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2019 was 3.50%, the unfunded rate determined as of June 30, 2019 based on the Bond Buyer 20-year-Bond GO Index. The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2020 was 2.21%, the unfunded rate determined as of June 30, 2020 based on the Bond Buyer 20-year-Bond GO Index.

***Mortality Rates:***

Healthy	RP-2014 Fully Generational Mortality Table for employees and healthy annuitants using projection scale MP-2014
Disabled	RP-2014 Fully Generational Mortality Table for disabled retirees using projection scale MP-2014

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

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

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

<b>Total OPEB liability as a percentage of covered employee payroll</b>	<b>5.67%</b>	<b>5.63%</b>	<b>5.36%</b>	<b>5.21%</b>
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# UNIVERSITY OF ARKANSAS SYSTEM CONSOLIDATED FINANCIAL STATEMENTS FY2021 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

## Notes to Schedule:

No assets for the Plan are accumulated in a trust.

### *Change of Assumptions:*

During the measurement year, the total OPEB Liability (TOL) increased by approximately \$1.9 million. The service cost and interest cost increased the TOL by approximately \$7.2 million while benefit payments decreased the TOL by approximately \$2.2 million.

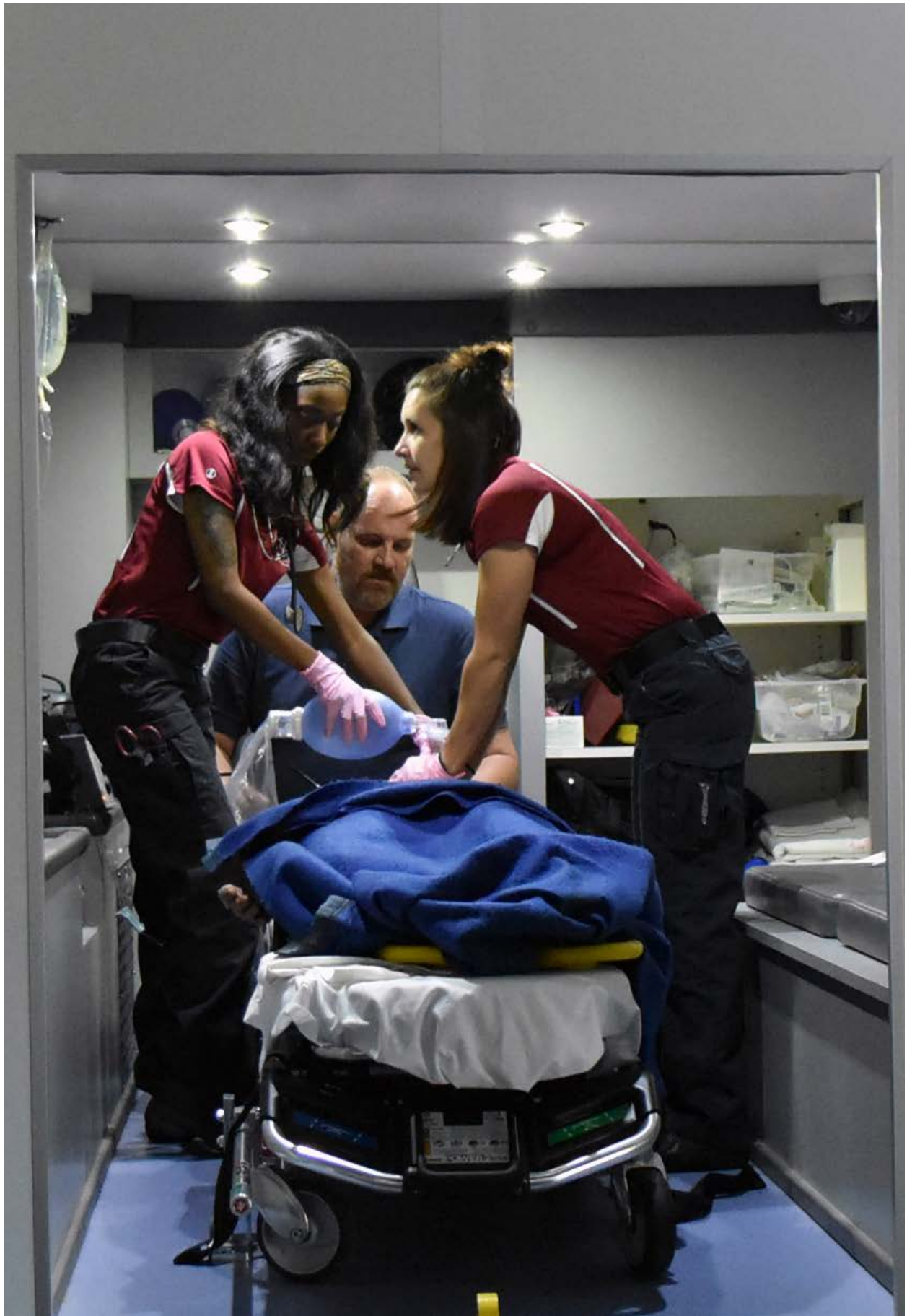
The discount rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020 which resulted in a loss of \$8.4 million. An additional \$0.8 million loss is reflected due to claims experience. This created an assumption loss of \$9.2 million, which will be amortized over the average expected remaining service life of all active and inactive members of the Plan. The actual experience decreased the liability by \$2.2 million due to changes in population, which will be amortized over the average expected remaining service life of all active and inactive members of the Plan.

### *Change of Benefits:*

There was a benefit change of \$10.1 million which decreased the liabilities and was recognized immediately during 2021.







The University of Arkansas System is a comprehensive, publicly-supported higher education system composed of unique institutions, units and divisions that share the singular goal of serving Arkansas residents and others by developing and sharing knowledge to impact an ever-changing world. The System provides access to academic and professional education and develops intellectual growth and cultural awareness in its students, staff and faculty. The System further promotes an atmosphere of excellence that honors the heritage and diversity of our state and nation, and provides students, researchers and professionals with tools to promote responsible stewardship of human, natural and financial resources at home and abroad.

Enrollment listed by campus are the preliminary official 11<sup>th</sup>-day headcounts as provided in September 2021 to the Arkansas Division of Higher Education for Fall 2021.

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

Established: 1871  
Enrollment: 29,068  
[www.uark.edu](http://www.uark.edu)

Founded in 1871, the University of Arkansas, Fayetteville (U of A) is the flagship institution of the University of Arkansas System. U of A is the state's foremost partner, resource and catalyst for education and economic development and is a university for the integration of student engagement, scholarship, research and innovation that collectively transforms lives while advancing Arkansas and building a better world.

As Arkansas's first land-grant university, U of A has a mandate to teach, conduct research and perform outreach. The university offers baccalaureate, master's, doctoral, professional and specialist degree programs, including a Juris Doctor degree and an LL.M. in Agriculture and Food Law. The Carnegie Foundation for the Advancement of Teaching places U of A in its highest category for research activity, a classification shared by only 3 percent of universities nationwide. Research activity is a significant academic element at the university and an economic engine for the state.

### **UNIVERSITY OF ARKANSAS AT FORT SMITH**

Established: 1928  
Joined System: 2002  
Enrollment: 5,444  
[www.uafs.edu](http://www.uafs.edu)

The University of Arkansas at Fort Smith (UAFS) was established in 1928 in response to the need for an institution of higher education to improve the local workforce. UAFS continues that tradition today as the premier regional institution for western Arkansas. By connecting education with careers, UAFS focuses on preparing students to succeed in the workforce as well as in elite post-graduate programs.

UAFS prides itself on highly accredited programs and exceptional faculty who continually adapt curricula to respond to the needs of business and industry. Students across disciplines experience hands-on learning in facilities equipped with leading-edge technology. Internship and mentor opportunities pair students with practitioners, developers, and executives from local start-ups to Fortune 500 companies. Employers seek out UAFS graduates, knowing they leave the institution fully prepared to succeed in high-demand fields.

## **UNIVERSITY OF ARKANSAS AT LITTLE ROCK**

Established: 1927

Joined System: 1969

Enrollment: 8,297

[www.ualr.edu](http://www.ualr.edu)

The University of Arkansas at Little Rock is a metropolitan research university that improves students' lives with real opportunities for social mobility and advances the community and state. The university's location in the state's center of government, business and culture gives students unparalleled internship, community service, and career opportunities. The university offers baccalaureate, master's, doctoral, professional and specialist degree programs, including a Juris Doctor degree.

A community partner, UA Little Rock is a major component of the city and the state's growing profile as a regional leader in research, technology transfer, economic development and job creation. More than one hundred different degree programs are offered in the classroom and online, including in-demand fields such as nursing, engineering, cybersecurity, business, criminal justice, computer science and education.

## **UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

Established: 1879

Enrollment: 3,088

[www.uams.edu](http://www.uams.edu) | [www.uamshealth.com](http://www.uamshealth.com)

The University of Arkansas for Medical Sciences (UAMS) is the only health sciences university in Arkansas. It is the state's largest public employer with more than 10,000 employees working across the state. Clinical affiliates include Arkansas Children's, the Central Arkansas Veterans Healthcare System and Baptist Health. It is the only adult Level 1 trauma center in the state. UAMS includes UAMS Health, a statewide health system that encompasses all of UAMS' clinical enterprise including its hospital, regional clinics and clinics it operates or staffs in cooperation with other providers.

With its combination of education, research and clinical programs, UAMS has a unique capacity to lead health care improvement in the state. The university includes colleges of Medicine, Nursing, Pharmacy, Health Professions and Public Health and a Graduate School; a 535-bed UAMS Medical Center; eight Regional Campuses, (each with a Family Medical Center); a statewide network of Centers on Aging; the Translational Research Institute; the Winthrop P.

Rockefeller Cancer Institute; the Jackson T. Stephens Spine & Neurosciences Institute; the Donald W. Reynolds Institute on Aging; the Harvey & Bernice Jones Eye Institute; the Psychiatric Research Institute; and the Institute for Digital Health & Innovation.

## **UNIVERSITY OF ARKANSAS AT MONTICELLO**

Established: 1909  
Joined System: 1971  
Enrollment: 2,673  
[www.uamont.edu](http://www.uamont.edu)

Founded in 1909 as the Fourth District Agricultural School, and later known as Arkansas A&M, the University of Arkansas at Monticello (UAM) joined the System in 1971. It is one of the region's few remaining open access universities and is often named among the most affordable and best values nationwide. Located in southeast Arkansas, UAM offers baccalaureate and master's degree programs at its main residential campus in Monticello. Several of the graduate programs are available in a hybrid or online format. Additionally, the university offers two-year associate degrees, technical certificates, an advanced technical certificate, and certificates of proficiency through its Colleges of Technology in Crossett and McGehee. The region's industries depend on UAM to continue offering cutting-edge technical education and training.

UAM has established a reputation for academic excellence in areas such as forestry, nursing, teacher education, business and social sciences. Students pursuing pre-professional studies are accepted into their respective programs, including medical, veterinary, and pharmacy school, at rates over 95% each year. The University is home to the Arkansas Forest Resources Center, which brings together interdisciplinary expertise from across the UA System. Among UAM's popular offerings are the associate of applied science degrees in hospitality and tourism, baccalaureate degrees in agriculture, fine arts and humanities, and master's degrees in music, education, forestry, debate and creative writing.

## **UNIVERSITY OF ARKANSAS AT PINE BLUFF**

Established: 1873  
Joined System: 1972  
Enrollment: 2,748  
[www.uapb.edu](http://www.uapb.edu)

An 1890 land-grant institution, the University of Arkansas at Pine Bluff (UAPB) is the second-oldest university and the only public historically black university in Arkansas. The institution's historic mission is to teach in areas related to agriculture and the mechanical arts, as well as scientific and classical studies and help solve economic, agricultural and other problems in the community, state and region.

UAPB offers thirty undergraduate programs, eight master's degrees, and a doctorate program in Aquaculture/Fisheries, one of the country's leading programs that also supports Arkansas's \$165 million aquaculture and baitfish industry. The university's bachelor's degree program in regulatory

science is a designated Center of Excellence by the U.S. Department of Agriculture. Other areas of emphasis at UAPB include teacher education, business development and student leadership development and its NSF-funded Science, Technology, Engineering and Math (STEM) Academy.

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

Established: 1975

Joined System: 2001

Enrollment: 1,361

[www.cccua.edu](http://www.cccua.edu)

University of Arkansas Cossatot has campuses in De Queen, Nashville, Ashdown, and Lockesburg that support our mission and our newly minted five-point 2025 Strategic Plan. The campus adheres to its vocational training roots by offering certificates of proficiency, technical certificates, associate degrees, and non-credit workforce training in high-demand skilled and technical programs, while still offering a full roster of associate transfer degrees. Each semester, students can select from more than 75 online courses at UA Cossatot. It also collaborates with several universities to offer bachelor- and master's-level degrees. UA Cossatot is accredited by the Higher Learning Commission (HLC), Accreditation Council for Business Schools & Programs (ACBSP), Accreditation Council for Occupational Therapy Education (ACOTE), and the Commission on Accreditation in Physical Therapy Education (CAPTE). It is the only Hispanic Serving Institution (HSI) in Arkansas and now offers 64 percent of all courses using only open educational resources (OER), which eliminates the need for students to purchase or rent textbooks.

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

Established: 1964

Joined System: 1996

Enrollment: 1,244

[www.pccua.edu](http://www.pccua.edu)

The first community college established in Arkansas, Phillips Community College of the University of Arkansas (PCCUA) is a multi-campus, two-year college serving Eastern Arkansas in Helena-West Helena, DeWitt, and Stuttgart. PCCUA offers adult education, technical certification and associate degrees in academic, occupational/technical and continuing education programs and partners with other colleges and universities to offer bachelor's and master's degrees. We are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, the National League for Nursing Accrediting Commission, the National Accrediting Agency for Clinical Library Sciences, and the Accreditation Council for Business Schools and Programs. PCCUA is committed to helping every student succeed providing quality, affordable, and accessible education.



## **UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE**

Established: 1975  
Joined System: 1997  
Enrollment: 1,113  
[www.uaccb.edu](http://www.uaccb.edu)

The University of Arkansas Community College at Batesville (UACCB) serves a multi-county area in north central Arkansas, offering associate degrees, technical certificates, certificates of proficiency, adult education (GED and ESL) and kids' college. Accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, the campus has expanded program offerings and student services in order to meet its student-focused mission. Supported by an Independence County sales tax, UACCB provides affordable access to technical education and college transfer programs that meet the diverse higher education needs of the citizens of northeast Arkansas.

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

Year Established: 1965  
Joined System: 1996  
Enrollment: 1,220  
[www.uaht.edu](http://www.uaht.edu)

Serving Southwest Arkansas, the University of Arkansas Community College at Hope-Texarkana (UACCHT) offers the first two years of a traditional college education transferable to a four-year university, as well as an array of certificate programs to prepare students for an ever-changing workforce. UACCHT is an accredited, open-access institution that connects students and community partners to quality education and supports a culture of academic, occupational, personal growth and enrichment programs throughout Southwest Arkansas. UACCHT is supported by a Hempstead County sales tax. UACCHT opened the Texarkana Instructional Facility in 2012 becoming a regional contributor to the educational needs of Southwest Arkansas. The Texarkana facility has enabled the College to expand programs in both the technical and industrial areas, as well as the health professions.

## **UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON**

Established: 1963  
Joined System: 2001  
Enrollment: 1,962  
[www.uaccm.edu](http://www.uaccm.edu)

Originally established as a vocational-technical school and then a technical college, the University of Arkansas Community College at Morrilton (UACCM) is a two-year institution offering university-transfer and career-specific training programs, adult education, workforce education and community outreach programs. UACCM offers an associate of arts and an associate of science degrees designed for university transfer, as well as associate of applied science degrees, technical

certificates and certificates of proficiency designed for immediate entry into the job market.

UACCM has transfer agreements with all state universities, and in collaboration with individual four-year colleges, has also developed 2+2 plans that ensure a smooth transfer to specific academic degree programs.

UACCM is supported by a Conway County sales tax. Construction was completed in the spring of 2018 on the 53,843-square-foot Workforce Training Center (WTC) and is considered one of the premier technical training facilities in the state.

### **UNIVERSITY OF ARKANSAS-PULASKI TECHNICAL COLLEGE**

Established: 1945

Joined System: 2017

Enrollment: 4,426

[www.uaptc.edu](http://www.uaptc.edu)

The University of Arkansas-Pulaski Technical College (UA-PTC) is a two-year technical college based in North Little Rock with a mission to serve its community's education needs through technical programs, university-based transfer programs and specialized programs for business and industry. Originally founded as a vocational-technical school, UA-PTC has evolved through the years to meet the varying educational needs of the citizens of central Arkansas. In addition to its main campus in North Little Rock, the college has four additional locations in Pulaski and Saline Counties.

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

Established: 1983

Joined System: 2017

Enrollment: 719

[www.uarichmountain.edu](http://www.uarichmountain.edu)

The University of Arkansas Community College at Rich Mountain's (UACCRM) main campus in Mena is situated on a pristine 40-acre campus at the foot of Arkansas' second highest peak, Rich Mountain, with satellite campuses located in Waldron and Mount Ida.

A two-year public community college offering six associate degrees, seven associate workforce degrees, fifteen technical/certificate programs and a growing list of athletic programs, as well as an adult education program, UA Rich Mountain provides transformative education to all learners with an average 14:1 student to faculty ratio.

Originally founded as a vocation-technical school, Rich Mountain became a community college in 1983, and has continued to evolve to meet the needs of its students and community. The main campus includes a 13,000 s.f. event venue and on-campus residential housing.

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

Established: 1993

Joined System: 2004

[asmsa.org](http://asmsa.org)

The Arkansas School for Mathematics, Sciences and the Arts (ASMSA) is the state's premier high school focusing on excellence in mathematics, science and the arts. Located in Hot Springs, ASMSA is one of seventeen public residential high schools in the country specializing in the education of gifted and talented students who have an interest and aptitude for mathematics, science and the arts. All classes are taught at the college level, and the school offers nearly 70 concurrent courses. Through the school's "college bridge" program, ASMSA graduates average 50 hours of college credit while finishing high school.

## **UNIVERSITY OF ARKANSAS CLINTON SCHOOL OF PUBLIC SERVICE**

Established: 2004

[www.clintonschool.uasys.edu](http://www.clintonschool.uasys.edu)

Located on the grounds of the William J. Clinton Presidential Center and Park in Little Rock, the University of Arkansas Clinton School of Public Service is the first graduate school in the nation to offer a Master of Public Service (MPS) degree, both in a classic campus setting and online. As part of the school's unique curriculum, students complete hands-on public service projects, including local work in Arkansas communities and international projects across the world.

The model is unique in higher education because most of the school's financial investment is in scholarship and service and not in infrastructure and overhead. Little Rock's River Market serves as its student union. The Central Arkansas Main Library is the school library. When there is a need for auditorium space, the school accesses the Clinton Library, the Statehouse Convention Center or the Ron Robinson Theater – all of which are within walking distance.

The school's curriculum is enhanced with a national and international speaker series which brings in leaders and scholars from the arts, business, education, government, international development, nonprofits, philanthropy and public service and are free and open to the public. The speakers have included United States presidents and ambassadors, Pulitzer Prize recipients, and Nobel Prize winners.

## **DIVISION OF AGRICULTURE**

Established: 1959

[www.division.uaex.edu](http://www.division.uaex.edu)

The University of Arkansas System Division of Agriculture is the statewide organization providing land grant research and extension to Arkansas agriculture, communities, families and youth. The mission of the division is to discover new knowledge, incorporate it into practical applications and

assist Arkansans in its application. The division is comprised of two principal units: the Arkansas Agricultural Experiment Station and the Cooperative Extension Service. Division faculty, staff and facilities are located on several university campuses, at regional research and extension centers, branch stations, extension centers and other locations. An extension office is located in all 75 counties in cooperation with county governments.

The Division of Agriculture has earned patents in a variety of research programs in food science, animal science, plant pathology, horticulture, biological and agricultural engineering, poultry science, crop, soil, and environmental sciences; and the Rice Research and Extension Center. Volunteers are an extremely important component of delivering Extension programs, particularly in 4-H, Extension Homemakers and Master Gardeners.

### **ARKANSAS ARCHEOLOGICAL SURVEY**

Established: 1967

<https://archeology.uark.edu/>

The mission of the Arkansas Archeological Survey is to study and protect the 13,000-year archeological heritage of Arkansas, to preserve and manage information and collections from archeological sites, and to communicate what is learned to the people of the state. The survey has 10 research stations across the state, each with a full-time Ph.D. archeologist associated with regional higher education institutions and state parks. The archeologists conduct research, assist other state and federal agencies to help promote the economic importance of the state's heritage resources, and are available to local officials, landowners, educators and students, and citizens in need of information about archeology or archeological sites.

Arkansas Archeological Survey databases contain information on more than 50,000 archeological sites and 8,000 projects, available to qualified professional archeologists at state and federal agencies, colleges and universities, and federally recognized tribes. The Survey's curation facility, managed jointly with the University of Arkansas Museum, provides a secure, state-of-the-art home for both Survey and University artifact collections. Students and teachers across Arkansas use the Survey's educational websites to learn about our state's prehistoric and historic cultural heritage.

### **CRIMINAL JUSTICE INSTITUTE**

Established: 1988

[www.cji.edu](http://www.cji.edu)

The Criminal Justice Institute (CJI) is a campus of the University of Arkansas System that serves a unique population of non-traditional students—certified law enforcement professionals who are actively employed within the state's law enforcement organizations. The Institute is committed to making communities safer by supporting law enforcement professionals through training, education, resources and collaborative partnerships.

Utilizing both online learning opportunities and classroom-based instruction, CJI provides an educational experience designed to enhance the performance and professionalism of law

enforcement in progressive areas of policing, including law enforcement leadership and management, forensic sciences, computer technologies and related crimes, traffic safety, illicit drug investigations and school safety. In addition, the Institute develops and delivers curriculum in cyberterrorism and sexual assault management and investigation through the National Center for Rural Law Enforcement (NCRLE), a division of CJI committed to helping rural law enforcement agencies effectively combat crime in their communities.

## **UNIVERSITY OF ARKANSAS SYSTEM *e*VERSITY**

Established: 2014

Enrollment: 550

[www.eVersity.edu](http://www.eVersity.edu)

The University of Arkansas System *e*Versity is a fully accredited, 100 percent-online institution created by the UA Board of Trustees in March 2014 to serve students who are unable to access traditional higher education campuses and to help adult working learners earn credentials and degrees. The mission of *e*Versity is to provide high-quality online courses, affordable tuition and workforce-relevant degree programs, along with using data analytics to help promote student success to earn credentials. *e*Versity began offering classes in partnership with existing UA System institutions in the spring of 2016 and is now a fully self-sustaining operation that processes financial aid, enrolls, promotes and graduates students within its unique schedule of seven annual abbreviated sessions.

Faculty from across the UA System develop and deliver rigorous certificate and degree programs in tandem with *e*Versity's international award-winning instructional design team to provide students with high-quality online coursework through free Open Educational Resources. There are never any fees or additional charges for books. *e*Versity currently enjoys an incredibly high student success rate with more than 90 percent of its students succeeding in their classes.

## **UNIVERSITY OF ARKANSAS SYSTEM**

[www.uasys.edu](http://www.uasys.edu)

The System administration carries out the governance and administration of the University of Arkansas System in accordance with policies of the Board and the President.

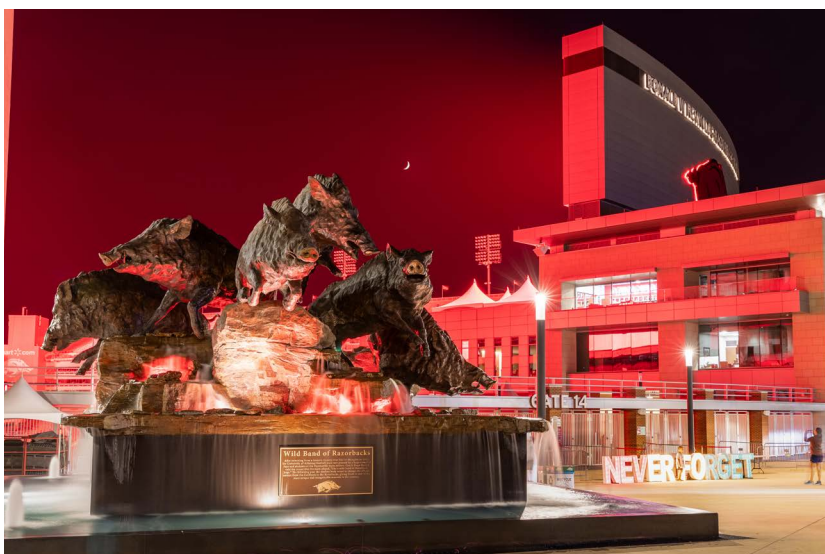
The System administration includes the activities that further the efforts to meet the goals of the strategic plan for the UA System and to achieve its comprehensive mission. In this capacity, the System office provides the oversight and development of policies and procedures to assist the campuses and units; provides oversight of the preparation of annual operating budgets and financial reports to the Board; prepares the consolidated annual financial statements; administers a program of employee benefits and risk management; provides legal advice and representation; provides internal audits and risk assessments of the fiscal operations of the campuses and entities; and coordinates public and media relations, communications, and governmental relations activities on behalf of the System, campuses and entities. The System Office further provides administrative



staff support for the Board and President. Academic Affairs provides leadership and guidance to assist campuses and entities to meet statewide goals in student retention and graduation.







**UNIVERSITY OF ARKANSAS, FAYETTEVILLE**

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Ann Bordelon, *Vice Chancellor for Finance and Administration*

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Carey Tucker, *Vice Chancellor for Finance and Administration*

**UNIVERSITY OF ARKANSAS AT LITTLE ROCK**

Christy Drale, *Chancellor*  
Jerry Ganz, *Vice Chancellor for Finance and Administration*

**UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES**

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

Corey Alderdice, *Director*  
Ashley Smith, *Director of Finance*

**UNIVERSITY OF ARKANSAS SYSTEM eVersity**

Michael Moore, *Chief Academic Officer*



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