NEW ISSUE **RATING: Moody's: "Aa2" (Stable Outlook)†**
(Book Entry Only)

In the opinion of bond counsel, under existing law, assuming compliance with certain covenants described herein, (i) interest on the Bonds is excludable from gross income for federal income tax purposes, and (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, that with respect to certain corporations, interest on the Bonds will be taken into account in determining annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax. In bond counsel's further opinion, under existing law, interest on the Bonds is exempt from all present State, county and municipal taxation in the State of Arkansas (See ***TAX MATTERS*** *herein.).*

$10,215,000
BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS
STUDENT FEE REVENUE BONDS
(UNIVERSITY OF ARKANSAS
COMMUNITY COLLEGE AT MORRILTON),
SERIES 2024

Dated: Date of Delivery **Due: May 1, as shown on the inside front cover**

The Bonds are general obligations only of the Board of Trustees of the University of Arkansas (the "Board"). The Bonds will be secured by a specific pledge of, and payable first from, Pledged Revenues (as defined herein). Neither the faith and credit nor the taxing power of the State of Arkansas (the "State") are pledged to the payment of the principal of or the interest on the Bonds, and the Bonds are not secured by a mortgage or lien on any lands or buildings of the State or the Board. The Board has no taxing power. The pledge of the Pledged Revenues in favor of the Bonds is on a parity with the pledge of Pledged Revenues in favor of certain outstanding obligations (as described herein). See **SECURITY FOR THE BONDS** herein. The Bonds are being issued for the purpose of financing a portion of the costs of certain capital improvements for the University of Arkansas Community College at Morrilton, as described herein, funding capitalized interest, and paying costs of issuance of the Bonds (see **PURPOSES FOR THE BONDS** herein).

See **Appendix A – THE UNIVERSITY OF ARKANSAS SYSTEM AND THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON** hereto for information regarding the Board, the System (as defined herein), and UACCM (as defined herein).

The Bonds are issuable as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be made so long as Cede & Co. is the registered owner of the Bonds. Individual purchases of the Bonds will be made only in book-entry form, in denominations of $5,000 or any integral multiple thereof. Individual purchasers of the Bonds ("Beneficial Owners") will not receive physical delivery of bond certificates. See **BOOK-ENTRY ONLY SYSTEM** herein.

Interest on the Bonds is payable semiannually on May 1 and November 1, commencing May 1, 2025. All such interest payments shall be payable to the person in whose name such Bonds are registered on the bond registration books maintained by Regions Bank, with offices in Little Rock, Arkansas, as Trustee (the "Trustee"). Disbursement of such payments to DTC participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of DTC participants or indirect participants, as more fully described herein.

The Bonds mature, bear interest and are priced to yield as shown on the inside front cover of this Official Statement. The Bonds are subject to redemption prior to maturity as more fully described in **REDEMPTION** herein.

The Bonds are offered when, as and if issued, subject to the approval of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, bond counsel. It is expected that the Bonds will be available for delivery at the facilities of DTC in New York, New York on or about November 5, 2024.

Crews&Associates Stephens Inc.

Dated: October 22, 2024

† See DESCRIPTION OF RATING herein.

$10,215,000
BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS
STUDENT FEE REVENUE BONDS
(UNIVERSITY OF ARKANSAS
COMMUNITY COLLEGE AT MORRILTON)
SERIES 2024

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS

$7,080,000 Serial Bonds

Year (May 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2027	$215,000	5.000%	2.730%	914073 LG4
2028	225,000	5.000	2.770	914073 LH2
2029	235,000	5.000	2.820	914073 LJ8
2030	250,000	5.000	2.920	914073 LK5
2031	260,000	5.000	2.980	914073 LL3
2032	275,000	5.000	3.060	914073 LM1
2033	285,000	5.000	3.150	914073 LN9
2034	300,000	5.000	3.220	914073 LP4
2035	315,000	5.000	3.300*	914073 LQ2
2036	330,000	5.000	3.360*	914073 LR0
2037	350,000	5.000	3.410*	914073 LS8
2038	365,000	5.000	3.450*	914073 LT6
2039	385,000	5.000	3.520*	914073 LU3
2040	405,000	5.000	3.600*	914073 LV1
2041	425,000	5.000	3.700*	914073 LW9
2042	445,000	5.000	3.780*	914073 LX7
2043	470,000	5.000	3.830*	914073 LY5
2044	490,000	5.000	3.900*	914073 LZ2
2045	515,000	5.000	3.970*	914073 MA6
2046	540,000	5.000	4.030*	914073 MB4

$3,135,000 5.000% Term Bonds due May 1, 2051 – Yield 4.220%* CUSIP†: 914073 MC2

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* Priced to first optional redemption date, May 1, 2034.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Board and are included solely for the convenience of the registered owners of the Bonds. The Board and the Underwriters are not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness by the Board on the Bonds and by the Underwriters on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE BOARD TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION WITH RESPECT TO THE BONDS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT, NOR ANY SALES HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE BOARD SINCE THE DATE HEREOF.

CERTAIN OF THE INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY STATE IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE TRUST INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939. THESE BONDS ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY, OR DETERMINED THE ADEQUACY, OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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SUMMARY STATEMENT

The following summary statement is subject in all respects to the more complete information contained in this Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the cover page hereof, inside cover page hereof, and the appendices hereto, whether such appendices are attached hereto or incorporated by reference.

The Bonds

The Board of Trustees of the University of Arkansas Student Fee Revenue Bonds (University of Arkansas Community College at Morrilton), Series 2024, in the aggregate principal amount of $10,215,000 (the "Bonds"), to be dated as of the date of their delivery, will be issued under the authority of the Constitution and laws of the State of Arkansas (the "State"), including particularly Arkansas Code of 1987 Annotated Title 6, Chapter 62, Subchapter 3, as amended (the "Act"), and pursuant to a resolution duly adopted by the Board of Trustees of the University of Arkansas (the "Board") on March 13, 2024. The Bonds will be issued under and secured by a Trust Indenture, dated as of the date of delivery of the Bonds (the "Indenture"), between the Board and Regions Bank, with offices in Little Rock, Arkansas, as trustee (the "Trustee"). See **SUMMARY OF THE INDENTURE** herein.

Redemption

The Bonds are subject to redemption prior to maturity, at the option of the Board, from funds from any source, on and after May 1, 2034, in whole or in part (from such maturities as may be determined by the Board and by lot within a maturity) at any time, at the redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date, as described herein. The Bonds maturing on May 1, 2051 are also subject to mandatory sinking fund redemption prior to maturity, as described herein. See **REDEMPTION** herein.

Use of Proceeds

As described herein, the proceeds from the sale of the Bonds will be used to finance certain capital improvements for UACCM (as hereinafter defined), to fund capitalized interest, and to pay costs of issuance of the Bonds. See **PURPOSES FOR THE BONDS** herein.

Security

The Bonds will be general obligations only of the Board and will not constitute an indebtedness for which the faith and credit of the State or any of its revenues are pledged, and are not secured by a mortgage or lien on any lands or buildings belonging to the State or to the Board. The Bonds will be secured by a pledge of, and payable first from, the Pledged Revenues (as hereinafter defined) and the funds and accounts held pursuant to the Indenture. To the extent the Pledged Revenues are insufficient to pay obligations under the Indenture, the Board shall pay such obligations from any other moneys available to it in accordance with the Constitution and laws of the State. The Bonds are equally and ratably secured, and the pledge of Pledged Revenues in favor of the Bonds is on a parity with the pledge in favor of the Board's Student Fee Revenue Bonds (University of Arkansas Community College at Morrilton), Series 2016 (the "Series 2016 Bonds"), to the extent outstanding.

The term "Pledged Revenues" is defined as the revenues derived from that portion of tuition and student fees paid by students attending the University of Arkansas Community College at Morrilton ("UACCM") in each fiscal year equal to 120% of the "Annual Debt Service" for such fiscal year. The term "Annual Debt Service" is defined as the total amount of principal, interest, and sinking fund payments to be paid on the Bonds, Series 2016 Bonds, and Additional Parity Bonds (as defined under **SUMMARY OF THE INDENTURE, Additional Parity Bonds and Subordinate Obligations** herein) in any given fiscal year.

See **Appendix A – THE UNIVERSITY OF ARKANSAS SYSTEM AND THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON** hereto and **LEGAL AND LEGISLATIVE MATTERS AND OTHER CONSIDERATIONS** herein.

The Indenture permits the issuance of additional bonds and obligations secured by a pledge of the Pledged Revenues on a parity with pledge of Pledged Revenues securing the Bonds and subordinate to the pledge of Pledged Revenues securing the Bonds. See **SUMMARY OF THE INDENTURE, Additional Parity Bonds and Subordinate Obligations** herein.

The Board has covenanted to increase the tuition and student fees for students attending UACCM from time to time, if necessary, so that tuition and student fees for students attending UACCM will at all times equal at least 120% of the maximum annual principal and interest requirements on all outstanding Bonds, Series 2016 Bonds, and Additional Parity Bonds. See **SUMMARY OF THE INDENTURE, Rate Covenant** herein.

There is no debt service reserve securing the Bonds.

[Remainder of page intentionally left blank.]

OFFICIAL STATEMENT

$10,215,000
BOARD OF TRUSTEES OF THE
UNIVERSITY OF ARKANSAS
STUDENT FEE REVENUE BONDS
(UNIVERSITY OF ARKANSAS
COMMUNITY COLLEGE AT MORRILTON),
SERIES 2024

INTRODUCTION

This Official Statement of the Board of Trustees of the University of Arkansas (the "Board"), including the cover page, inside cover page, Summary Statement, and Appendices, is furnished with respect to the sale by the Board of its Student Fee Revenue Bonds (University of Arkansas Community College at Morrilton), Series 2024, in the aggregate principal amount of $10,215,000 (the "Bonds"), to be dated as of their date of delivery.

There follows in this Official Statement a description of the Bonds, the revenues providing the security for the Bonds, and certain other information concerning this financing and other matters of interest related to the Board and the University of Arkansas Community College at Morrilton ("UACCM"). The financial data with regard to the Board and UACCM has been provided from the records of the Board and UACCM.

The Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas (the "State"), particularly Arkansas Code of 1987 Annotated Title 6, Chapter 62, Subchapter 3, as amended (the "Act"), and a Resolution adopted by the Board on March 13, 2024.

The Bonds are general obligations only of the Board. The Bonds are equally and ratably secured by a Trust Indenture to be dated as of the date of delivery of the Bonds (the "Indenture"), between the Board and Regions Bank, with offices in Little Rock, Arkansas, as trustee (the "Trustee"). The Indenture establishes the terms and conditions upon which the Bonds are issued. The Bonds will be payable from Pledged Revenues (defined below) and, to the extent Pledged Revenues are insufficient, from such other moneys as are available to the Board under the Constitution and laws of the State. The Bonds are secured by a pledge of the Pledged Revenues on a parity with the pledge of Pledged Revenues in favor of the Board's Student Fee Revenue Bonds (University of Arkansas Community College at Morrilton), Series 2016 (the "Series 2016 Bonds"), to the extent outstanding. The Indenture permits the issuance of "Additional Parity Bonds" (as defined under **SUMMARY OF THE INDENTURE, Additional Parity Bonds and Subordinate Obligations** herein) secured by a pledge of the Pledged Revenues on a parity with the pledge in favor of the Bonds and obligations with a pledge of the Pledged Revenues that is subordinance to the pledge in favor of the Bonds (see **SUMMARY OF THE INDENTURE, Additional Parity Bonds and Subordinance Obligations** herein). The Indenture establishes the terms and conditions upon which the Bonds are issued. Specific covenants concerning the maintenance of the tuition and student fees comprising the Pledged Revenues are described under **SUMMARY OF THE INDENTURE, Rate Covenant** herein.

The term "Pledged Revenues" is defined as the revenues derived from that portion of tuition and student fees paid by students attending UACCM in each fiscal year equal to 120% of the "Annual Debt Service" for such fiscal year. The term "Annual Debt Service" is defined as the total amount of principal, interest, and sinking fund payments to be paid on the Bonds, Series 2016 Bonds, and Additional Parity Bonds in any given fiscal year.

See **APPENDIX A – THE UNIVERSITY OF ARKANSAS SYSTEM AND THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON** hereto and **LEGAL AND LEGISLATIVE MATTERS AND OTHER CONSIDERATIONS** herein.

Descriptions of the Board, the Bonds, the System (as defined in Appendix A hereto), UACCM, the Indenture and other documents are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive; all references herein to the Indenture or other documents are qualified in their entirety by reference to such documents, copies of which are available from the Board and any of the underwriters listed on the cover; and all references to the Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto included in the Indenture. Terms not defined herein shall be given the meaning set forth in the specific instruments or documents.

PURPOSES FOR THE BONDS

Proceeds of the Bonds will be used to finance costs of certain capital improvements on or for the campus of UACCM, including particularly, without limitation, (a) the acquisition, construction, furnishing, and equipping of the Nursing and Science Center, and (b) the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for UACCM (collectively, the "Project"), to fund capitalized interest, and to pay costs of issuance.

Proceeds of the Bonds to fund capitalized interest will be deposited into the Construction Interest Expense Account of the Construction Fund (as hereinafter described), and such proceeds will be used to pay interest on the Bonds on each interest payment date until the proceeds deposited into the Construction Interest Expense Account of the Construction Fund are exhausted (such funds will be sufficient to pay interest on the Bonds in full on each interest payment date to and including November 1, 2026).

The portion of the Project comprising the Nursing and Science Center is further described below:

Nursing and Science Center. A portion of the proceeds of the Bonds, along with other available funds, is expected to be used to acquire, construct, furnish, and equip a new building on the UACCM campus to be known as the Nursing and Science Center. The Nursing and Science Center is intended to consolidate UACCM's health professional training programs from a number of smaller existing buildings to a new, state of the art facility. The Nursing and Science Center is expected to be a two-level, 36,000 square foot building that will house seven science labs and classrooms, ten nursing labs and classrooms, and two student lounges. Construction is anticipated to commence in June 2024, and completion is expected in August 2025.

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USE OF PROCEEDS

The proceeds of the Bonds are expected by the Board to be used as follows:

Proceeds:	
Par Amount of Bonds	$10,215,000.00
Original Issue Premium	937,280.05
Total Proceeds:	$11,152,280.05
Uses:	
Project Deposit	$10,000,000.00
Capitalized Interest	1,015,825.00
Costs of Issuance	104,573.99
Underwriter's Discount	28,091.25
Contingency	3,789.81
Total Uses:	$11,152,280.05

The payment of Underwriters' discount and the costs of issuing the Bonds relating to the payment of professional fees will be contingent on the Bonds being issued. See **UNDERWRITING** for a description of the Underwriters' discount.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery thereof, and will bear interest from that date, payable semiannually on May 1 and November 1 of each year commencing May 1, 2025, at the rates set forth on the inside cover page of this Official Statement, and will mature on May 1 in the years and amounts set forth on the inside cover page of this Official Statement. The Bonds are issuable as fully registered bonds in the denomination of $5,000 or any integral multiple thereof. Principal of the Bonds is payable at the principal office of the Trustee. Interest will be payable to the person in whose name such Bonds are registered on the registration books maintained by the Trustee (the "Registered Owner") at the close of business on the fifteenth day of the month (whether or not a business day) immediately preceding the month in which any interest payment date on the Bonds occurs. Interest will be payable by check drawn upon the Trustee or by wire transfer if requested by a Registered Owner of Bonds in the principal amount of $1,000,000 or more.

REDEMPTION

The Bonds shall be subject to redemption prior to maturity, in the principal amount of $5,000 or any integral multiple thereof, as follows:

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the Board, from funds from any source, on and after May 1, 2034, in whole or in part (from such maturities as may be determined by the Board and by lot within a maturity) at any time, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

The Bonds maturing on May 1, 2051 are subject to mandatory sinking fund redemption prior to maturity pursuant to the mandatory sinking fund redemption requirements of the Indenture at a price equal to the principal amount being redeemed plus accrued interest to the date of redemption, in part on May 1 of each year as follows:

Bonds Maturing May 1, 2051

Year	Principal Amount
2047	$570,000
2048	595,000
2049	625,000
2050	655,000
2051 (maturity)	690,000

So long as the Bonds are issued in book-entry-only form, if fewer than all the Bonds of a particular maturity are called for redemption, the particular Bonds to be redeemed will be selected pursuant to the procedures established by DTC. So long as the Bonds are issued in book-entry-only form, notice of redemption will be mailed, first class mail, postage prepaid, or sent via other standard means, including electronic or facsimile communication, not less than 30 days before the redemption date, to Cede & Co., as nominee for DTC. **The Trustee will not give any notice of redemption to the Beneficial Owners of the Bonds.**

In the event that the Bonds are converted to certificated form, selection of fewer than all Bonds of a maturity and interest rate of a series for redemption shall be made by the Trustee by lot in such manner as the Trustee may determine. Notice of redemption shall be upon not less than thirty (30) days' notice by first class mail or other standard means, including electronic or facsimile communication.

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SECURITY FOR THE BONDS

The Bonds will be general obligations only of the Board and will not constitute an indebtedness for which the faith and credit of the State or any of its revenues are pledged, and the Bonds are not secured by a mortgage or lien on any lands or buildings belonging to the State or to the Board. The Bonds will be secured by a pledge of, and payable first from, the Pledged Revenues and the funds and accounts held pursuant to the Indenture. To the extent the Pledged Revenues are insufficient to pay obligations under the Indenture, the Board shall pay such obligations from any other moneys available to it in accordance with the Constitution and laws of the State. See **Appendix A – THE UNIVERSITY OF ARKANSAS SYSTEM AND THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON** hereto and **LEGAL AND LEGISLATIVE MATTERS AND OTHER CONSIDERATIONS** herein.

The Bonds will be secured by a pledge of the Pledged Revenues on a parity with the pledge of Pledged Revenues in favor of the Series 2016 Bonds. The term "Pledged Revenues" is defined as the revenues derived from that portion of tuition and student fees paid by students attending UACCM in each fiscal year equal to 120% of the "Annual Debt Service" for such fiscal year. The term "Annual Debt Service" is defined as the total amount of principal, interest, and sinking fund payments to be paid on the Bonds, Series 2016 Bonds, and Additional Parity Bonds in any given fiscal year.

The amounts of tuition and student fees (which comprise Pledged Revenues) for certain prior fiscal years are set out in Appendix A hereto under **THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON, Student Tuition and Fees**. Debt service schedules for the Series 2016 Bonds are set out in Appendix A hereto under **THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON, Debt Service Requirements for Bonds and Series 2016 Bonds**.

The Indenture permits the issuance of additional bonds and obligations secured by a pledge of the Pledged Revenues on a parity with pledge of Pledged Revenues securing the Bonds and subordinate to the pledge of Pledged Revenues securing the Bonds. See **SUMMARY OF THE INDENTURE, Additional Parity Bonds and Subordinate Obligations** herein.

The Board has covenanted to promptly pay the principal of and interest on the Bonds. The Board has also covenanted to increase the tuition and student fees for students attending UACCM from time to time, if necessary, so that tuition and student fees for students attending UACCM will at all times equal at least 120% of the maximum annual principal and interest requirements on all outstanding Bonds, Series 2016 Bonds, and Additional Parity Bonds. See **SUMMARY OF THE INDENTURE, Rate Covenant** herein.

The Board has never defaulted on debt service payments on any bonded indebtedness.

No debt service reserve will secure the Bonds.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, or its successor, will act as securities depository for the Bonds. The Bonds will each be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity will be issued in the principal amount of the maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Closing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (referred to herein as "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent only to Cede & Co. If fewer than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and premium, if any, payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered. The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

The information concerning DTC and DTC's book-entry system set forth above has been obtained from DTC. Neither the Underwriters nor the Board make any representation or warranty regarding the accuracy or completeness thereof.

So long as the Bonds are in book-entry only form, Cede & Co., as nominee for DTC, will be treated as the sole owner of the Bonds for all purposes under the Indenture, including receipt of all principal of and interest on the Bonds, receipt of notices, voting and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under the Indenture. The Board and the Trustee have no responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Bonds; or (d) other action taken by DTC or Cede & Co. as owner of the Bonds.

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SUMMARY OF THE INDENTURE

Application of Bond Proceeds

Proceeds of the Bonds will be applied as follows:

Cost of Issuance. The sum necessary to pay the costs of issuing the Bonds shall be deposited to the credit of the Cost of Issuance Account of the Construction Fund held by the Trustee under the Indenture.

Capitalized Interest. Proceeds of the Bonds to fund capitalized interest shall be deposited in the Construction Interest Expense Account of the Construction Fund. Moneys on deposit in the Construction Interest Expense Account of the Construction Fund shall be transferred to the Bond Fund on the fifth business day preceding each interest payment date in the amount required to make the payments of interest on the Bonds to the extent that amounts therein are sufficient therefor or in such partial amount as may be available therefor. Any funds remaining in the Construction Interest Expense Account of the Construction Fund on November 2, 2026 shall be transferred to the Bond Fund.

Project. The balance of the proceeds of the Bonds shall be deposited to the credit of the Construction Account of the Construction Fund held by the Trustee under the Indenture.

Disposition of Pledged Revenues

The Bonds are secured by a pledge of, and are payable from, the Pledged Revenues, and by moneys in the various funds and accounts created pursuant to the Indenture. The pledge of Pledged Revenues to the Bonds is on a parity with the pledge of Pledged Revenues in favor of the Series 2016 Bonds, to the extent outstanding. The Board has pledged the Pledged Revenues to the payment of the principal of, premium, if any, and interest on the Bonds. To the extent the Pledged Revenues and the Trust Estate established pursuant to the Indenture are insufficient to pay the obligations of the Board pursuant to the Indenture, the Board has covenanted to pay such obligations from such other moneys as are available to the Board under the Constitution and laws of the State.

Bond Fund

The Board has established with the Trustee a special fund in the name of the Board designated "Series 2024 Bond Fund" (the "Bond Fund"). Amounts credited to the Bond Fund shall be expended solely (i) to pay the principal of, premium, if any, and interest on the Bonds; (ii) to pay the fees and expenses of the Trustee; and (iii) to make required payments with respect to arbitrage rebate as described in the Indenture. The Vice Chancellor (as hereinafter defined) of UACCM shall deposit or cause to be deposited into the Bond Fund, from Pledged Revenues, on or before the second (2nd) business day prior to each interest payment date that amount of Pledged Revenues which is equal to the amount required to pay the principal of (including sinking fund installments) and interest on the Bonds on the next interest payment date, plus the fees and expenses of the Trustee.

The Bonds, the Series 2016 Bonds, and any Additional Parity Bonds shall be specifically secured by a parity pledge of all Pledged Revenues. The obligation to make payments into the Bond Fund as described above, the obligation to make payments into the bond fund for the outstanding Series 2016 Bonds (the "Existing Parity Bond Fund") required by the trust indenture securing the Series 2016 Bonds (the "Parity Indenture"), and the obligation to make payments into the bond fund for any Additional Parity Bonds (the "Additional Parity Bond Fund") shall be on a parity. If Pledged Revenues and such other moneys are insufficient to make the payments into the Bond Fund, the Existing Parity Bond Fund, and any Additional Parity Bond Funds, the available moneys shall be distributed between the Bond Fund, the Existing Parity Bond Fund, and any Additional Parity Bond Funds in proportion for the required payments.

Construction Fund

The Indenture establishes with the Trustee a special fund in the name of the Board designated "Series 2024 Construction Fund" (the "Construction Fund"), within which are the following accounts:

(i) the Construction Account;
(ii) the Cost of Issuance Account; and
(iii) the Construction Interest Expense Account.

Amounts deposited in the Construction Account of the Construction Fund shall be expended only for the purpose of accomplishing the Project. The Cost of Issuance Account shall be used for the purpose of paying costs of issuing the Bonds. Any funds remaining in the Cost of Issuance Account of the Construction Fund on February 1, 2025 shall be transferred to the Construction Account of the Construction Fund.

Moneys on deposit in the Construction Interest Expense Account of the Construction Fund shall be transferred to the Bond Fund on the fifth business day preceding each interest payment date in the amount required to make the payments of interest on the Bonds to the extent that amounts therein are sufficient therefor or in such partial amount as may be available therefor. Any funds remaining in the Construction Interest Expense Account of the Construction Fund on November 2, 2026 shall be transferred to the Bond Fund.

Rate Covenant

In the Indenture, the Board covenants that tuition and student fees for students attending UACCM will be maintained (that is, increased if necessary) at levels sufficient to produce tuition and student fees for students attending UACCM equal to at least 120% of the maximum annual principal and interest requirements on the outstanding Bonds, Series 2016 Bonds, and Additional Parity Bonds.

Additional Parity Bonds and Subordinate Obligations

No additional bonds or other obligations of indebtedness may be issued with a prior pledge of the Pledged Revenues. "Additional Parity Bonds" may be issued ranking on a parity of pledge of the Pledged Revenues if (i) Pledged Revenues for then outstanding Bonds, Series 2016 Bonds and Additional Parity Bonds are being maintained at 120% of the current Annual Debt Service on the Bonds and Parity Bonds, and (ii) the Vice Chancellor for Finance of UACCM (the "Vice Chancellor") certifies that Pledged Revenues will be maintained at a level equal to 120% of the current Annual Debt Service on the then outstanding Bonds, Series 2016 Bonds and Additional Parity Bonds, together with the Additional Parity Bonds then proposed to be issued. The term "Annual Debt Service" is defined as the total amount of principal, interest, and sinking fund payments to be paid on the Bonds, Series 2016 Bonds, and Additional Parity Bonds in any given fiscal year.

Obligations may also be issued which are secured by a subordinate pledge of the Pledged Revenues.

Investment of Funds

Moneys held for the credit of the Bond Fund and the accounts of the Construction Fund shall, pursuant to the written direction of the Vice Chancellor, be invested and reinvested by the Trustee in Permitted Investments which shall mature, or which shall be subject to redemption by the holder thereof, at the option of the holder, not later than the date or dates when the money held for the credit thereof will be required for the purposes intended.

"Permitted Investments" shall mean any of the following:

(a) Government Obligations;

(b) Direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government;

(c) Money market funds, including funds of the Trustee or its affiliates, (i) rated (at the time of purchase) in the highest rating category for this type of investment by S&P or Moody's or (ii) comprised exclusively of Government Obligations and/or the obligations described in clause (b) above;

(d) (i) Federal funds, or banker's acceptances, maturing in not more than 360 days, issued or accepted by commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of not lower than A-1 by S&P or P-1 by Moody's, (ii) U.S. dollar denominated certificates of deposit issued by commercial banks or savings and loans and fully insured by the Federal Deposit Insurance Corporation, or (iii) U.S. dollar denominated certificates of deposit issued by commercial banks or savings and loans, provided (a) the payment of principal of and interest on the certificate is fully secured by a pledge of Government Obligations or other securities authorized by Arkansas law to secure public funds, and (b) the Trustee receives an opinion of counsel satisfactory to the Trustee to the effect that the certificate holder holds a valid and legally effective security interest in the pledged Government Obligations or other securities authorized by Arkansas law to secure public funds;

(e) Senior debt obligations and mortgage-backed securities of the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal National Mortgage Association, and guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Association;

(f) U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a financial institution, non-profit or other entity which have a rating of at least "A-" by S&P or "A3" by Moody's on the date of purchase;

(g) U.S. dollar denominated commercial paper issued or guaranteed by a corporation, company, financial institution, trust or other entity which have a rating of at least "A-1" by S&P or "P-1" by Moody's on the date of purchase;

(h) Deposit accounts, negotiable certificates of deposit, and bankers' acceptances with commercial banks which have a rating on their short term certificates of deposit on the date of purchase of at least "A-1" by S&P or "P-1" by Moody's (ratings on holding companies are not considered as the rating of the bank);

(i) Investment agreements with or guaranteed by banks, other financial institutions, insurance companies or other entities which are (i) rated (in the case of an insurance company, with respect to its claims-paying ability) not lower than the following categories by S&P or Moody's: if the investment agreement has a term of one year or less, A-1 or P-1; if the investment agreement has a term of more than one year, AA- or A-1, or Aa3 or P-1; provided, however, that should the rating required above be reduced, such institution shall be permitted to deposit collateral with the Trustee, in such amount and under such circumstances as are acceptable to each rating agency then maintaining a rating on the Bonds; or (ii) fully collateralized with Government Obligations;

(j) Tax-Exempt Obligations;

(k) Any other investment that is legal for the Board and permitted by Board policy.

"Government Obligations" shall mean direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

"Tax-Exempt Obligations" shall mean (a) obligations the interest on which is excluded from gross income of the owner thereof for federal income tax purposes under Section 103(a) of the Code, that are rated in the two highest long-term or short-term rating categories by S&P or Moody's, and are not private activity bonds under the Code; and (b) United States Treasury Obligations-State and Local Government Series. If a bond rating agency other than S&P or Moody's is maintaining a rating on the Bonds, ratings comparable to those described above shall be required for such obligations.

Obligations so purchased as an investment of moneys in any such fund shall be deemed at all times to be a part of such fund, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund, and any loss resulting from such investment shall be charged to such fund.

Events of Default and Remedies of Bondholders

The Indenture defines "Events of Default" as:

(a) Payment of the principal and premium, if any, on any of the Bonds shall not be made when the same shall become due and payable; or

(b) Payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or

(c) The Board shall for any reason be rendered incapable of fulfilling its obligations under the Indenture; or

(d) Any proceeding shall be instituted, with the consent or acquiescence of the Board, for the purpose of adjusting the claims of creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of Pledged Revenues; or

(e) The Board shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or the Indenture, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Board by the Trustee, which may give such notice in its discretion and shall give such notice upon the written request of the registered owners of not less than 20% in principal amount of the Bonds then outstanding; provided, however, that if the default is such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by or on behalf of the Board within the applicable period and diligently pursued until the default is corrected; or

(f) An event of default shall occur under the Parity Indenture or any subsequent trust indenture securing any Additional Parity Bonds.

Upon the happening and continuance of any Event of Default, the Trustee may, and upon written request of the registered owners of not less than 20% in principal amount of the Bonds then outstanding shall, by a notice in writing to the Board, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and immediately payable, and upon such declaration the same shall become and be immediately due and payable.

Upon the happening and continuance of any Event of Default, the Trustee may proceed, and upon the written request of the owners of not less than 20% in principal amount of the Bonds then outstanding shall proceed, subject to the provisions of the Indenture giving the Trustee the right to indemnity, to protect and enforce its rights and the rights of the owners of the Bonds under the applicable laws of the State or under the Indenture by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained in the Indenture or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, including mandamus, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

If at any time the moneys in the Bond Fund shall not be sufficient to pay the principal of or the interest on the Bonds as the same become due and payable (either by their terms or by acceleration of maturities as provided above), such moneys then available or thereafter becoming available for such purposes after payment of the fees and expenses of the Trustee, whether through the exercise of the remedies provided above or otherwise, shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due, in the order of maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

SECOND: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full the Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege; and

THIRD: To the payment of the interest on and the principal of the Bonds, and to the redemption of Bonds, all in accordance with the provisions of the Indenture.

(b) If the principal of all Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then, subject to the provisions of paragraph (b), in the event that the principal shall later become due or be declared due and payable, the moneys then remaining in and thereafter accruing to the Bond Fund shall be applied in accordance with the provisions of paragraph (a) above.

Whenever moneys are to be applied by the Trustee as aforesaid, such moneys shall be applied by it at such times, and from time to time, as it shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future.

No bondholder shall have any right to institute any suit, action, mandamus or other proceeding, in equity or at law, unless the owners of not less than 20% in principal amount of the Bonds then outstanding shall have made written request of the Trustee and afforded the Trustee a reasonable opportunity to proceed and shall also have offered to the Trustee reasonable indemnity against costs, expenses and liabilities to be incurred, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

Supplemental Indentures Not Requiring Consent of Owners of Bonds

The Board and the Trustee may, from time to time and at any time, enter into such indentures supplemental to the Indenture as shall not be inconsistent with the terms and provisions of the Indenture (which supplemental indentures shall thereafter form a part hereof),

(a) to cure any ambiguity or formal defect or omission in the Indenture or in any supplemental indenture; or

(b) to grant to or confer upon the Trustee for the benefit of the owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners or the Trustee; or

(c) to issue additional bonds in accordance with the Indenture; or

(d) to insert such provision clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture; or

(e) to make any other change, which, in the judgment of the Trustee, in reliance on opinions of counsel and certifications from the Board, does not materially adversely affect the owners of the Bonds.

Supplemental Indentures Requiring Consent of Owners of Bonds

Subject to the terms and provisions contained in the Indenture, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution by the Board and the Trustee to such indenture or indentures supplemental to the Indenture as shall be deemed necessary or desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that, subject to the following paragraph, nothing shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bond issued under the Indenture, or (b) a reduction in the rate of interest thereon, or (c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to making such supplemental indentures.

At any time one hundred percent (100%) of the owners may consent to and approve the execution by the Board and the Trustee of an indenture or indentures supplemental to the Indenture permitting the modifications described in clauses (a), (b), (c) or (d) of the prior paragraph.

Defeasance

If the Board shall pay or cause to be paid to the holders of the Bonds the principal, premium and interest to become due thereon at the times and in the manner stipulated therein, and if the Board shall keep, perform and observe all and singular the covenants and promises in the Bonds and in the Indenture expressed as to be kept, performed and observed by it on its part, then the presents and the estate and rights granted by the Indenture shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the Board such instruments in writing as shall be requisite to satisfy the lien thereof, and shall reconvey to the Board the estate thereby conveyed, and assign and deliver to the Board any property at the time subject to the lien of the Indenture which may then be in its possession, except cash or Government Obligations held by it for the payment of the principal of and interest on the Bonds.

Bonds for the payment or redemption of which cash or non-callable Government Obligations maturing on or prior to the maturity date of the Bonds shall have been deposited with the Trustee (whether upon or prior to the maturity or redemption date of such Bonds) shall be deemed to be paid within the meaning of the Indenture and shall not be regarded as outstanding thereunder; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee must have been made for the giving of such notice. In determining the sufficiency of the deposit there shall be considered the principal amount of such Government Obligations and interest to be earned thereon until the maturity of such Government Obligations.

The Board may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered under the Indenture which the Board may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Termination of Rights

Any funds on deposit in the Bond Fund for a period of two and one-half years after the date of maturity or redemption of all outstanding Bonds shall become the unencumbered property of the Board and shall be remitted to the Board, and the rights of the holder of any Bond with respect to such funds shall be terminated.

THE UNIVERSITY OF ARKANSAS SYSTEM AND THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON

Information regarding the Board, the University of Arkansas System, and UACCM is contained in **Appendix A – THE UNIVERSITY OF ARKANSAS SYSTEM AND THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON** hereto. Such information should be read in its entirety.

FINANCIAL STATEMENTS

Set forth in **Appendix C** to this Official Statement are the consolidated financial statements of the University of Arkansas System for the fiscal year ended June 30, 2023, which consolidated financial statements have been audited by the Arkansas Legislative Audit of the State of Arkansas, as indicated in its report dated November 29, 2023, which report is also included in **Appendix C**. Each year UACCM is audited independently as part of the consolidated financial statement audit of the System. Financial information regarding UACCM is included in the audited consolidated financial statements for the System attached hereto as **Appendix C**. The notes set forth in **Appendix C** are an integral part of the consolidated financial report, and the report's financial statements and notes should be read in their entirety. Audited financial statements of the University of Arkansas System for prior fiscal years may be obtained at the University of Arkansas System's website (currently http://www.uasys.edu/system-administration/finance-and-administration/financial-statements/) or at the Arkansas Legislative Audit's website (currently http://www.arklegaudit.gov/ using the search term "University of Arkansas"). These financial statements should be read in their entirety.

TAX MATTERS

Federal Law

In the opinion of Friday, Eldredge & Clark, LLP, bond counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, such interest will be taken into account in determining annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax. The opinion of bond counsel is subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal tax purposes. These requirements generally relate to arbitrage, the use of proceeds of the Bonds, and restrictions on the ownership and use of the capital improvements being refinanced with proceeds of the Bonds. The Board has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal tax purposes to be retroactive to the date of issuance of the Bonds.

The proposed opinion of bond counsel is attached as Appendix B hereto. Bond counsel expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States); property and casualty insurance companies; banks, thrifts or other financial institutions; certain recipients of Social Security or Railroad Retirement benefits; taxpayers otherwise entitled to claim the earned income tax credit; and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors concerning their tax consequences of purchasing and holding the Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. It cannot be predicted whether or in what form any such proposals or clarifications might be enacted or approved or whether, if enacted or approved, it would apply to bonds issued before enactment or approval. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any enacted, pending or proposed federal or state tax legislation, regulations, clarifications or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal or state income tax purposes.

As shown on the inside front cover page of this Official Statement, certain of the Bonds are being sold at a premium (collectively, the "Premium Bonds"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

State Law

Further, in the opinion of Bond Counsel, under existing laws, the Bonds and interest thereon are exempt from all Arkansas state, county and municipal taxation.

CONTINUING DISCLOSURE

General

The Board has entered into a Continuing Disclosure Agreement with Regions Bank (the "Disclosure Agreement") pursuant to which the Board has agreed that the Board will provide, annually and as otherwise required, information specified in Rule 15c2-12(b) of the Securities Exchange Act of 1934, as amended. Such information may be posted on the Municipal Securities Rulemaking Board's internet website, www.emma.msrb.org, and may be obtained on the EMMA website on the Board's customized issuer page entitled "Board of Trustees of the University of Arkansas Financial Information." Though the method to access the Board's EMMA issuer page may change in the future due to changes in the website, the Board's EMMA issuer page can currently be accessed through the "Browse Issuers" tab by selecting Arkansas as the state and scrolling down or using the "Search within list" function to locate the "Board of Trustees of the University of Arkansas Financial Information" page. If an interested party is unable to access the Board's EMMA issuer page, assistance can be obtained by contacting the Vice President for Finance and Chief Financial Officer of the System.

The form of the Disclosure Agreement is attached hereto as Appendix D.

Past Compliance

The Board is a party to multiple continuing disclosure agreements for its various bond issues that benefit its campuses. While the Board has not made any determinations as to materiality, the following paragraphs, while not exhaustive, summarize the results of the Board's review of compliance with prior continuing disclosure obligations over the past five years.

The trustee for the Board's Student Fee Refunding Revenue Bonds (Phillips Community College), Series 2015 merged with another banking institution and changed its name effective October 1, 2022. Though no determination of materiality was made, a notice of the change in the trustee's name was not filed on EMMA until March 17, 2023.

In addition, with respect to some of the Board's continuing disclosure filings, there were a few instances in which, due to an inputting error by the trustee for a bond issue, the required disclosure information was not associated with all of the CUSIPs for a bond issue at the time the financial information and operating data were initially filed.

Also, the Board is an obligated person under a continuing disclosure undertaking executed in connection with the Arkansas Development Finance Authority Tobacco Settlement Revenue Bonds, Series 2006 (Arkansas Cancer Research Center Project) (the "Tobacco Bonds") (see Note 22 of the audited financial statements of the University of Arkansas System contained in Appendix D hereto). Pursuant to the Tobacco Bonds continuing disclosure undertaking, the Board is required to make annual filings of audited financial statements of UAMS and the Board, along with certain financial information and operating data with respect to UAMS in the same format and content as that contained in the official statement for the Tobacco Bonds. In certain fiscal years, including the fiscal year ended June 30, 2018, the Board prepared reports containing certain financial information and operating data for UAMS and the Board and provided such reports to the Arkansas Development Finance Authority ("ADFA"), as dissemination agent. ADFA timely filed such reports, but such filings did not contain all statistical information referenced by the Tobacco Bonds continuing disclosure undertaking, or in some cases, such information was not in the same format as that contained in the official statement for the Tobacco Bonds. On July 8, 2019, a supplemental filing containing all missing information and reflecting all information in the correct format was uploaded to the EMMA system. ADFA, in its role as dissemination agent, did not file any notices of non-compliance with the Tobacco Bonds continuing disclosure undertaking.

Further, in the past the Board did not file certain notices of late filings or notices of certain listed events as required. These instances include the failure to file notice of non-compliance with its continuing disclosure undertakings.

The Board has undertaken steps to ensure continued future compliance with its continuing disclosure undertakings.

ENFORCEABILITY OF REMEDIES

Under the United States and Arkansas Constitutions, the Board has sovereign immunity from certain lawsuits, but agents and employees of the Board may, by mandamus, be compelled to perform the duties of the Board under the Indenture, including the application of the Pledged Revenues to the payment of the Bonds in accordance with the terms of the Indenture. Rights of the registered owners of the Bonds and the enforceability of the remedies available under the Indenture may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to the application of federal bankruptcy laws or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the Indenture resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

FINANCIAL ADVISOR

PFM Financial Advisors LLC ("PFM") is employed by the System and by UACCM to perform professional services in the capacity of financial advisor. In its role as financial advisor to the System and UACCM, PFM has provided advice on the plan of financing and structure of the Bonds, and reviewed certain legal and disclosure documents, including this Official Statement, for financial matters. PFM has not independently verified the factual information contained in this Official Statement, but relied on the information supplied by UACCM, the System, and other sources and the Board's certification as to the Official Statement.

LEGAL AND LEGISLATIVE MATTERS AND OTHER CONSIDERATIONS

Legal Opinions

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, Bond Counsel. The proposed opinion of Bond Counsel is attached as Appendix B hereto. Copies of such opinion will be available at the time of the delivery of the Bonds.

Litigation

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds, any proceedings of the Board taken with respect to the issuance or sale thereof, the pledge or application of the Pledged Revenues or other moneys that may be provided for the payment of the Bonds, the existence or powers of the Board or the title of any officers of the Board to their respective positions, or the ability of the Board to make payment on the Bonds.

See the information under the caption **THE UNIVERSITY OF ARKANSAS SYSTEM, ARE-ON Litigation** in Appendix A hereto.

Factors Affecting the Board's Funding

The State portion of the Board's budget is subject to appropriation by the General Assembly of the State every year, and the Board has no control over the amounts so appropriated. There can be no assurance that the levels of future appropriations to the Board will not impair its ability to make payments on the Bonds. The Arkansas Supreme Court has ruled that the State's public school (primary and secondary) funding system is a priority for appropriation of State funds.

In the 2018-2019 fiscal year, the State implemented a productivity-based funding model (the "Productivity-Based Funding Model") for State-supported institutions of higher education, including campuses of the System. The productivity-based funding formula and related policies contain measures for effectiveness, affordability, and efficiency that acknowledge the following priorities: (i) differences in institutional missions; (ii) completion of students' educational goals; (iii) progression toward students' completion of programs of study; (iv) affordability through (A) on-time completion of programs of study, (B) limiting the number of excess credits earned by students, and (C) efficient allocation of resources; (v) institutional collaboration that encourages the successful transfer of students; (vi) success in serving underrepresented students; and (vii) production of students graduating with credentials in science, technology, engineering, mathematics, and high-demand fields. The Productivity-Based Funding Model replaced the prior Arkansas higher education funding formula, which was based largely on student enrollment.

Funding for the fiscal year ended June 30, 2020 and budgeted funding for the fiscal year ending June 30, 2021 was initially impacted by the COVID-19 outbreak, but due to higher than expected State revenues, funding was restored to previous levels. There can be no assurance that COVID-19 related budget or funding decreases related to COVID-19 or related to some other emergency will not be necessary in the future.

State fiscal year 2022 revenues were up 9.2% over fiscal year 2021, resulting in a revenue surplus of approximately $1.628 billion. Individual income tax collections were 5.1% above collections in fiscal year 2021. In a special session of the Arkansas General Assembly held in late 2021, legislation was adopted reducing the top income tax rates for individuals from 5.9% to 4.9% incrementally over the next four years. For the tax year beginning January 1, 2022, the top rate was reduced to 5.5%. In light of the fiscal year 2022 budget surplus, in August 2022 the State legislature passed additional tax relief designed to accelerate corporate and individual income tax cuts, to change State depreciation requirements to match federal requirements, and to provide a tax credit for lower income individuals. In April 2023 and again in 2024, the State legislature passed further reductions in individual income tax rates and corporate income tax rates. Despite these developments, there can be no assurance that budget or funding decreases related to COVID-19 or related to some other emergency will not be necessary in the future.

Factors Related to UAMS

General.

The Board has previously issued bonds secured by revenues attributable to in-patient services and other ancillary, therapeutic and diagnostic services (the "UAMS Hospital Revenue Bonds") provided at hospital facilities of the University of Arkansas for Medical Sciences ("UAMS"). As of June 30, 2023, approximately $567,625,000 in aggregate principal amount of UAMS Hospital Revenue Bonds was outstanding (the outstanding bonds amount does not include the $71,378,932 outstanding principal amount of Arkansas Development Finance Authority Tobacco Settlement Revenue Bonds, Series 2006 (Arkansas Cancer Research Center Project), which are secured in part by UAMS revenues (see Note 22 to Appendix C hereto)). The Board has also issued its $32,390,000 Parking System Revenue Bonds (UAMS Campus), Refunding and Improvement Series 2022A and Taxable Improvement Series 2022B, which are secured by parking revenues of UAMS. The UAMS Hospital Revenue Bonds and other bonds issued for the benefit of UAMS, like the Bonds, are general obligations of the Board, and to the extent the revenues pledged to such obligations are insufficient to pay debt service thereon, the Board is obligated to pay debt service from any other moneys available in accordance with the Constitution and laws of the State.

It should be noted that approximately 36% of the Board's fiscal year 2022 and approximately 34% of the Board's fiscal year 2023 operating and non-operating revenues were derived from patient care services provided through UAMS and the UAMS Medical Center (the "Medical Center"). While this exposes the Board to the healthcare sector's challenges, the Board believes that the Medical Center's substantial scale, specialty services not provided elsewhere in the State, and strong inpatient and outpatient utilization levels mitigate the overall healthcare risk to the Board's revenues. As further set forth below, however, legislative mandates, public policy considerations, and the COVID-19 pandemic have had and may continue to have a significant financial impact on UAMS.

The Health Reform Law and the Arkansas Private Option Program.

In recent years, health care reform at both the federal and state levels has been identified as a priority by political leaders and candidates, business leaders and public advocates. In 2010, H.R. 3590, the Patient Protection and Affordable Care Act, amended by H.R. 4872, the Health Care and Education Reconciliation Act of 2010 (collectively, the "Affordable Care Act") was enacted. Various aspects of the Affordable Care Act are described below.

A significant component of the Affordable Care Act is reformation of the sources and methods by which consumers pay for health care for themselves and their families, and by which employers procure health insurance for their employees and dependents of their employees and, as a consequence, expansion in the overall number of consumers of health care services. The Affordable Care Act was designed, in substantial part, to make available, or subsidize the premium costs of, health care insurance for some of the millions of uninsured (or underinsured) consumers, in particular those who fall below certain income levels. The Affordable Care Act proposed to accomplish that objective through various provisions, including the following: (i) the creation of active markets (referred to as exchanges) in which individuals and small employers can purchase health care insurance for themselves and their families or their employees and dependents; (ii) the provision of means tested subsidies for premium costs to certain individuals and families based upon their income relative to federal poverty levels; (iii) the requirement that individual consumers obtain, and certain employers provide, a minimum level of health care insurance, and the provision of a penalty in the form of taxes on consumers and employers that do not comply with these mandates; (iv) the expansion of private commercial insurance coverage generally through reforms such as prohibition on denials of coverage for pre-existing conditions and elimination of lifetime or annual cost caps; and (v) the expansion of existing public programs for individuals and families, including the Medicaid program. The Affordable Care Act has produced some of the results expected from its passage – an increase in utilization of health care services by those who were avoiding or rationing their health care. Although bad debt expenses and/or charity care may have been reduced as a result of some provisions of the Affordable Care Act, increased utilization has also resulted in increased variable and fixed costs of providing such health care services, which costs may or may not be offset by increased revenues.

The Affordable Care Act contains a number of coverage expansion measures, including prohibitions against insurers denying coverage or imposing coverage exclusions on children with preexisting conditions, provisions permitting young adults to obtain coverage under their parents' plans, and restrictions on insurance policy coverage limits. An array of coverage expansion, health insurance regulation and tax increase measures are also in effect, including broad insurance coverage mandates for individuals and certain employer mandates.

In June 2012, in response to litigation brought by a group of state attorneys general, the U.S. Supreme Court (*National Federation of Independent Business v. Sebelius*) upheld most provisions of the Affordable Care Act while also substantially limiting the law's expansion of Medicaid, allowing states to choose between participating in the expansion while receiving additional federal payments or foregoing the expansion and retaining existing payments. Instead of fully expanding the Arkansas Medicaid program as envisioned by the Affordable Care Act, the State of Arkansas sought and obtained a waiver from the federal government to instead institute a hybrid approach commonly referred to as the "private option." Under the current version of the private option, individuals in Arkansas earning less than 138% of the federal poverty level income amount are eligible to receive a government subsidy to purchase private insurance through an insurance exchange. The adoption of the State's private option program by the Arkansas General Assembly, effective June 1, 2014, has resulted in insurance coverage to an estimated 285,000 previously uninsured persons and a corresponding decrease in the costs of uncompensated care to Arkansas hospitals. Subsequent to implementation of the Work Requirement (as hereinafter defined and discussed below), it was estimated that insurance coverage was extended to approximately 227,284 previously uninsured persons. Any repeal or revision of the Affordable Care Act could potentially invalidate the Arkansas private option program, which, in turn, could have a material negative impact on patient revenues of UAMS and its ability to satisfy its payment obligations with respect to its indebtedness, including the Bonds.

Under State law, the private option program requires annual reauthorization and appropriation by a vote of at least 75% of the senators and representatives in each chamber of the Arkansas General Assembly. Approval in 2018 was accomplished with 27 votes (27 required) in the Senate and 79 votes (75 required) in the House. Reauthorization was obtained in 2016, 2017 and 2018 only after a number of amendments to the program such as (i) requiring the payment of small premiums by persons earning between 100% and 138% of the federal poverty level income amount, (ii) the requirement for able-bodied recipients to work, be engaged in work or education training, or volunteer with a charitable organization (the "Work Requirement"), (iii) reducing the retroactive eligibility standard for Medicare coverage from 90 days before enrollment to 30 days prior to enrollment, and (iv) rebranding of the program as "Arkansas Works." The amendments were approved through a waiver process with the Centers for Medicare and Medicaid Services ("CMS").

The Work Requirement, the first of its kind in the nation, became effective in June of 2018, and required non-exempt beneficiaries to report 80 hours each month of work, work training, education, or community service. The reporting process, which required the submission of hours through an online portal, proved to be controversial. In August 2018, Arkansas Works had 265,223 total enrollees. By December 2018, 18,000 beneficiaries had been removed from the program. In March of 2019, the Work Requirement was struck down by a federal judge in the United States District Court for the District of Columbia (*Gresham v. Azar*). In February of 2020, a federal appeals court panel for the United States Court of Appeals for the District of Columbia Circuit unanimously upheld the lower court's ruling striking down the Work Requirement. The Trump Administration petitioned the United States Supreme Court to hear an appeal of the decision and that petition was granted in December 2020. Oral arguments originally set for late March were cancelled at the request of the acting U.S. Solicitor General. The Biden administration reversed the position of the Trump administration regarding waiver approvals for work requirements in conjunction with the Medicaid program. On March 17, 2021, CMS revoked the waiver previously issued to Arkansas. The Supreme Court dismissed the pending appeal as moot on April 18, 2022.

Because the earlier decision did not grant a stay, the Work Requirement was not in effect after March of 2019 and individuals who lost eligibility for Arkansas Works coverage are currently eligible to reapply. Reauthorization and appropriation of the program for 2019 was impacted as a result of the initial decision by the federal judge; although the bill to fund the Division of Medical Services, which implements the state Medicaid program, passed the Senate, it failed in the House of Representatives, achieving only 58 votes (75 required). Brought before the chamber again, the bill received the 75 votes needed to fund the program for 2019. Since the Medicaid Expansion in 2013, it has proven difficult to achieve the 75 necessary votes necessary for the Division of Medical Services' appropriation. Reauthorization was extended for another year without controversy in April 2020. In 2021, the reauthorization and appropriation bill passed on its fifth try in the House, eventually receiving 78 votes to pass, though it passed on the first vote in the Senate. Reauthorization was extended without controversy in 2022 and 2023.

Given the annual appropriation requirement for the Arkansas private option (which is also subject to a lengthy review and approval process by CMS with respect to any changes to the program), the State budget challenges stemming from the COVID-19 pandemic, and the current political environment, the long-term status of Arkansas' private option program cannot be assured. In order for the program to continue into the State's next fiscal year, it will be necessary for the Arkansas House of Representatives and Senate to approve reauthorization by the 75% supermajorities of senators and representatives described above. As noted above, CMS has rescinded the waivers that permitted the work requirements discussed above in connection with Medicaid expansion in several states, including Arkansas. Although a rescission of such waivers is subject to legal challenge by the states that enacted work requirements in reliance thereon, the results of any such challenge are impossible to predict.

Given these developments, legislation known as the Arkansas Health and Opportunity for Me Act ("ARHOME") has been enacted by the Arkansas General Assembly and signed by the Governor. ARHOME retains the private insurance model for purchasing health insurance plans for participants that exists in the current Arkansas Works program, but makes the private option available only to those applicants who meet certain work requirements similar to those previously included in the Arkansas Works program. Otherwise qualifying applicants who do not satisfy such work requirement incentives will nevertheless be covered under ARHOME on a fee-for-service basis, under which providers are generally reimbursed for services at a lesser rate than by private insurers. CMS approved some provisions of ARHOME on December 21, 2021. CMS did not approve the State's request to continue to require individuals with income above 100 percent of the federal poverty level to pay a share of the premiums for their coverage. CMS is still considering other provisions of ARHOME, including Life360 HOMES, which would provide additional aid for people with mental illnesses and young people at risk for long-term poverty. CMS has approved a provision relating to Life360 HOMES for additional support for pregnant women. There can be no assurance that any future continuation of the Medicaid expansion program in Arkansas will be enacted, and, if enacted, the impact on Medicaid revenues received by UAMS. The provisions of ARHOME approved by CMS became effective January 1, 2022.

Governor Sarah Huckabee Sanders announced on February 15, 2023 that she had directed the Arkansas Department of Human Services to implement a work requirement for able-bodied adults who receive enhanced Medicaid coverage through ARHOME. Implementation of the work requirement will require an amendment to the ARHOME Section 1115 Medicaid Demonstration Waiver to be approved by CMS. The original proposed effective date for the amendment was January 1, 2024. The proposed amendment to the Section 1115 Demonstration Waiver was filed for CMS approval on June 2, 2023 and remains under CMS review.

Any repeal or revision of the Arkansas private option program that would reduce the number of Arkansans with insurance coverage could have a material negative impact on patient revenues of UAMS and its ability to satisfy its payment obligations with respect to its indebtedness.

Any repeal or amendment of the Affordable Care Act (or change in the implementation thereof) or of Arkansas' private option expansion could have a material negative impact on revenues of UAMS and its ability to satisfy its payment obligations for its indebtedness.

In 2014, the federal and state health insurance exchanges intended to facilitate the purchase of health insurance became operational. The federal exchange and some state exchanges initially experienced widespread technical difficulties and lower than expected enrollment figures. Issues with respect to the exchanges have been largely resolved. Health insurance providers participating in the health insurance exchanges are subject to regulation of benefit packages and review of premiums. Purchasers of insurance on these exchanges meeting certain income limitations are eligible for tax credits. The U.S. Supreme Court has upheld United States Treasury Regulations permitting health insurance exchange purchasers to receive tax credit subsidies, regardless of whether the purchase is made through a federal or a state-operated health exchange.

In 2015, the employer mandate, after being delayed twice, went into effect for certain employers, and in 2016, the employer mandate for smaller employers became effective. In November 2015, the Bipartisan Budget Act of 2015 repealed a provision of the Affordable Care Act which required employers offering one or more health benefit plans and having more than 200 full-time employees to automatically enroll new full-time employees in a health plan.

The Affordable Care Act contains provisions aimed at reducing Medicare and Medicaid reimbursements to providers and reducing projected growth of the Medicare program, including reducing Medicare Advantage payments, reducing reimbursement under the disproportionate share hospital ("DSH") program, and tying provider payments more closely to efficiency and quality outcomes. Another major component of the Affordable Care Act is its enhanced health care program integrity provisions. The Affordable Care Act contains more than thirty-two sections relating to health care fraud and abuse and federal health care program integrity, as well as significant amendments to existing criminal, civil and administrative anti-fraud statutes. Specifically, the Affordable Care Act amended the False Claims Act regarding the timing of the obligation to reimburse overpayments. Further, the Affordable Care Act authorizes the Secretary of Health and Human Services ("HHS") to exclude a provider's participation in the Medicare, Medicaid and the Children's Health Insurance Program programs, as well as to suspend payments to a provider, pending an investigation of a credible allegation of fraud against the provider. The potential for increased legal exposure due to the Affordable Care Act's enhanced compliance and regulatory requirements, disclosure and transparency obligations, quality of care expectations and extraordinary enforcement provisions could increase the UAMS's operating expenses.

With expanded health insurance coverage under the Affordable Care Act, UAMS has benefitted from reduced charity care write-offs and bad debt expenses. A portion of those gains, however, have been offset by the increase in high deductible insurance plans under which insured patients are more likely to fail to make payment. UAMS has also benefitted from the expansion of the Medicaid program and increased Medicaid reimbursement for services provided by employed physicians. Conversely, the Affordable Care Act has resulted in lower Medicare reimbursements and reduced Medicare and Medicaid DSH funding. The new reimbursement methodologies have resulted in increased pressures for greater operational efficiency. Also, since commercial and managed care insurers have experienced increased regulation and fees, UAMS's negotiations with those insurers have become more difficult.

Many states have also enacted or are considering health care reform measures. Both as a part of recent reform efforts and throughout the preceding decades, numerous legislative proposals have been introduced or proposed in the Arkansas General Assembly aimed at effecting major changes in health care policy and systems. The purpose of much of the statutory and regulatory activity has been to control health care costs, particularly costs paid under the Medicaid program. A significant portion of UAMS's revenue is derived from the Medicaid program. It is not known what additional proposals may be proposed or adopted or, if adopted, what effect such proposals would have on UAMS's operations or revenue.

The content and implementation of the Affordable Care Act has been, and remains, highly controversial. Accordingly, the Affordable Care Act has continually faced multi-front challenges, including repeated repeal efforts, since its enactment. Management of UAMS cannot predict the impact any major modification or repeal of the Affordable Care Act, or any replacement health care reform legislation, might have on UAMS's business or financial condition, although such effects could be material. In particular, any legal, legislative or executive action that reduces federal health care program spending, increases the number of individuals without health insurance, reduces the number of people seeking health care, or otherwise significantly alters the health care delivery system or insurance markets could have a material adverse effect on UAMS's business or financial condition.

Several attempts to repeal and/or replace the Affordable Care Act have been made since its passage. While past attempts have not been successful in gaining the approval of both chambers of Congress, certain portions of the Affordable Care Act have been repealed or their implementation delayed. As a result of the passage of the Tax Cuts and Jobs Act of 2017, beginning in 2019, the Affordable Care Act's requirement that individuals obtain health insurance or pay a penalty has been eliminated.

In addition to the potential legislative changes discussed above, Affordable Care Act implementation and the Affordable Care Act insurance exchange markets can be significantly impacted by executive branch actions.

As a result of a ruling in a lawsuit (*House of Representatives v. Azar* (*nee Price, nee Burwell*)) challenging the legality of cost-sharing subsidies paid by the federal government to insurance companies that offer coverage under the Affordable Care Act insurance exchanges, President Trump announced in October 2017 that the payment of such subsidies would terminate immediately. Such action impacted the insurance exchange market by reducing the number of plans available on the Affordable Care Act health insurance exchanges and significantly increasing insurance premiums. In response to such termination, health insurers offering qualified plans enacted rate increases for 2018 and 2019. In Arkansas, the four insurers offering qualified plans enacted 2018 rate increases ranging from 14.2% to 24.78%. Rate increases for 2019 showed more stability, with increases averaging from 1% to 4.4%. Approved rate increases for 2020 ranged from 0.51% to 2.89%. A Kaiser Family Foundation study concluded that 2018 premium increases were a reaction to the termination of cost-sharing subsidy payments, and the 2019 and 2020 rate increases suggest the market is much more stable and sustainable. Approved rate changes for 2021 range from a decrease of -1.77% to an increase of 5.87%. Approved rate changes for 2022 ranged from no increase to an increase of 8.2%. Approved rate changes for 2023 ranged from a decrease of 1.7% to an increase of 9.5% for an overall weighted average increase of 4.1% on the individual market and 5.4% for small group plans. Management cannot predict the likelihood or effect of any such executive actions on UAMS's business or financial condition, though such effects could be material.

More recent executive action presents further questions, the effects of which are impossible to predict. The Office of Management and Budget issued a proposal on May 6, 2019 to change how inflation is used to calculate the official definition of poverty used by the Census Bureau. A final notice of rulemaking has not been published. A lower estimate of inflation would likely mean the poverty level would rise at a slower rate, potentially resulting in the loss of healthcare coverage. The effect of this executive action, as well as any other executive action issued in the future impacting the Affordable Care Act, on the business and financial condition of UAMS cannot be predicted.

Though legislative attempts to overturn the Affordable Care Act in its entirety have not been successful, the Department of Justice has declined to defend the Affordable Care Act in a judicial challenge led by several Republican states (*California v. Texas*, known as *Texas v. United States* before reaching the United States Supreme Court). These states claim that as a result of Congress's repeal of the Affordable Care Act requirement that individuals obtain health insurance or pay a penalty, Congress's authority can no longer be found in its taxing power and thus the Affordable Care Act in its entirety must be abandoned. A U.S. District Court judge agreed, and the case was appealed to the United States Court of Appeals for the Fifth Circuit which affirmed in part, finding the so-called individual mandate unconstitutional, and remanded the case for a further determination of severability. The Trump administration filed a brief in support of overturning the Affordable Care Act in its entirety. The Court of Appeals affirmed the lower-court ruling in December 2019, determining that the Affordable Care Act's individual mandate, which was reduced to $0 as a result of the Tax Cuts and Jobs Act of 2017, is no longer considered a tax and therefore Congress no longer has constitutional authority to enforce the mandate. The Court of Appeals, however, was unwilling to rule on whether the individual mandate is severable from the rest of the Affordable Care Act, and remanded the case back to the lower court to decide that issue. The parties asked the Supreme Court to hear an appeal on the matter, and on March 2, 2020, the Supreme Court announced its intent to hear an appeal of the decision of the Fifth Circuit. On November 10, 2020, the Supreme Court heard oral arguments on the case. The Supreme Court issued its opinion upholding the Affordable Care Act on June 17, 2021. In a 7-2 opinion, the Court ruled that neither the states nor the individuals in the case had standing to sue regarding the individual mandate since they were not harmed by that provision. The Court did not reach the question of the Affordable Care Act's constitutionality.

It is not known which additional actions may be proposed or adopted or, if adopted, what effect such actions would have on UAMS's operations or revenue. However, the increased focus and interest on federal and state health care reform may increase the likelihood of further significant changes affecting the health care industry in the near future. There can be no assurance that recently enacted, currently proposed or future health care legislation, regulation or other changes in the administration or interpretation of governmental health care programs will not have an adverse effect on UAMS. Reductions in funding levels of the Medicare or Medicaid programs, changes in payment methods under the Medicare and Medicaid programs, reductions in State funding, or other legislative or regulatory changes could materially reduce UAMS's patient service revenue.

If the Affordable Care Act is repealed or replaced, if repeal or revision of the Affordable Care Act invalidates the Arkansas private option program, if the Arkansas private option program is invalidated by CMS, if the private option program is revised resulting in an increase of uninsured individuals, or if the Arkansas General Assembly fails to reauthorize, continue or approve funding for the private option program, UAMS estimates that approximately $60-$70 million in annual revenue could be lost from patients no longer covered by insurance who would return to self-pay status. UAMS management anticipates that the net effect on UAMS's finances would be less than that amount as there would be an opportunity to recover a portion of self-pay costs through the disproportionate share program. Additionally, UAMS could take action to reduce its care of indigent patients for elective medical treatments, as permitted by Board policy, to help offset the potential loss of funds. Although there are mitigation measures available to UAMS, the invalidation of or change to the Arkansas private option program or the failure by the Arkansas General Assembly to reauthorize, continue or approve funding for the Arkansas private option program could have an adverse impact on the results of UAMS's operations.

Effect of COVID-19 on UAMS.

As with most healthcare institutions, the COVID-19 pandemic had a significant impact on UAMS. On or about March 18, 2020, the Centers for Medicare and Medicaid Services ("CMS") issued guidance that all elective surgeries and procedures, including medical and dental, should be postponed nationwide in order to mitigate the expected burden on health systems due to increasing COVID-19 incidence and to make necessary facilities, equipment, supplies (including PPE) and personnel available to treat patients presenting COVID-19 symptoms. Subsequently, the Governor of the State and the Arkansas Department of Health issued orders and directives delaying or cancelling such non-emergent and elective procedures at State health care facilities, including UAMS. Such delays, cancellations, and restrictions significantly impacted UAMS's utilization and patient service statistics, and materially and adversely impacted its financial condition, reducing volumes materially below budgeted levels.

On May 11, 2020, UAMS began reopening for non-emergent procedures and resumed limited elective surgeries with overnight stays (in a geographically separate non-COVID area). As the UAMS Medical Center's inpatient volume of COVID-19 patients climbed due to the delta variant surge of summer 2021, UAMS again delayed certain non-emergent surgical cases because of a lack of hospital facility capacity and staff resource support. UAMS's full elective surgical schedule was reinstated as of October 11, 2021. Additionally, UAMS accommodated the Arkansas Department of Health's requested activation of ICU surge beds from January 11, 2021 to October 9, 2021 due to the delta variant surge. Many areas of the United States, including the State, experienced a COVID-19 case surge attributed to the omicron variant, and UAMS saw an increase in cases beginning in January 2022. In addition to additional patient volume, the omicron variant impacted staffing levels more significantly than earlier variants. UAMS's operations and financial condition may be further materially adversely impacted depending on a number of variables, including the longevity and severity of COVID-19 as an endemic virus, how quickly effective treatments are developed and made available, the effectiveness of current and future vaccinations and the percentage of the general population who will opt to participate in vaccination programs, the impact of shortages of materials caused by world-wide demand and supply chain issues, how long staffing is affected by virus outbreaks, how quickly normal operations can be restored after staffing shortages, materials shortages, or supply chain issues, how much federal grant or loan forgiveness assistance will be provided to offset losses, and whether the rate of infection might spike again. The impact of a resurgence of COVID-19 or another disease on UAMS's operations or financial condition cannot be predicted, though such impact could be material and adverse.

The COVID-19 pandemic has resulted in decreased revenues and increased expenses for UAMS. For the fiscal year ended June 30, 2020, UAMS's change in net position was a loss of $15.7 million, with a total reduction in net position of approximately $60 million attributed to COVID-19 before relief funding. For the fiscal year ended June 30, 2021, UAMS's change in net position was an increase of approximately $61.5 million, with a total reduction in net position of approximately $50 million attributed to COVID-19 before relief funding. For the fiscal year ended June 30, 2022, UAMS's change in net position was a decrease of approximately $31.8 million, with a total reduction in net position of approximately $20 million attributed to COVID-19 before relief funding. For the fiscal year ended June 30, 2023, UAMS's change in net position was a decrease of approximately $46.4 million. Relief funding recognized during the fiscal years ended June 30, 2020, June 30, 2021 and June 30, 2022 was approximately $34.1 million, $46.4 million and $36.8 million, respectively. No additional relief funding was received during the fiscal year ended June 30, 2023.

Cybersecurity

The System and its campuses rely on a complex technology environment to conduct their operations. As a recipient and provider of personal, private and sensitive information, the System and its campuses face multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, and other attacks on computers and other sensitive digital networks, systems, and assets. Universities and healthcare institutions such as UAMS have been targeted by outside third parties, including technically sophisticated and well-resourced actors, attempting to misappropriate assets or information or cause operational disruption and damage. Further, third parties, such as hosted solution providers, that provide services to the System and its campuses, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

The System and its campuses use a layered approach that employs sound operational strategies and security technology solutions to secure against, detect, and mitigate the effects of cyber threats on its infrastructure and information assets. Despite its efforts, no assurances can be given that the security and operational control measures employed by the System and its campuses will be successful in guarding against any and each cyber threat and attack, especially because the techniques used are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. To date, cyber-attacks have not had a material impact on the financial condition, results or business of the System or any System campus; however, the System is not able to predict the severity of these attacks. The results of any attack on the System's or a campus's computer and information technology systems could impact its operations for an unknown period of time, damage the System's and campus's digital networks and systems, and damage the System's and a campus's reputation, financial performance, and customer or vendor relationships, perhaps materially. Such an attack could also result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such damage to the System's or a campus's reputation and relationships could adversely affect the System or a campus and their financial condition.

Cybersecurity incidents have occurred across System campuses in the past several years, but only a few constituted actual breaches and non were material. Actions taken in response to these incidents include: (i) establishing a System-wide cybersecurity program for issuing mandatory security requirements, guidance regarding critical risk and technical assistance; (ii) procuring a third-party risk assessment tool; (iii) obtaining a System-wide cybersecurity insurance policy; (iv) requiring all campuses to upgrade certain software subscriptions to include cybersecurity and anti-ransomware tools; (v) requiring semi-annual written cybersecurity risk assessments, based on National Institute of Science and Technology (NIST) standards, to be provided to the Board of Trustees, President and Campus Chancellors; and (vi) adopting a Board policy requiring cybersecurity incidents to be reported to the System CIO and CISO, Internal Audit and General Counsel. State law requires the reporting of cybersecurity incidents to Arkansas Legislative Audit.

On February 21, 2024, Change Healthcare, one of the nation's largest health payment processing companies, experienced a cyberattack which compromised many of its services and systems. As a result, Change Healthcare took the affected systems offline which led to a significant disruption of claims processing and cash flow to healthcare organizations that utilize its services. Change Healthcare provides UAMS with clearinghouse services for hospital and professional clinical claims submission, payment management, and pre-billing eligibility verification as well as pharmacy claims submission and eligibility verification.

As a result of the disconnection, UAMS took immediate action to mitigate the financial impact by implementing an alternative clearinghouse vendor for commercial claims submission, establishing a direct connection to Medicare, and manually keying claims directly to Medicaid. Payment management was limited to those payers in which UAMS could independently secure an electronic remittance advice.

To mitigate the cash flow impact, which decreased weekly clinical cash flow by as much as 50%, UAMS received a Medicare accelerated payment of $16.4 million and $13.2 million from the Change Healthcare (CHC) Temporary Funding Assistance Program. The Medicare accelerated payment has been repaid in full. The repayment of funding from the CHC Temporary Funding Assistance Program is anticipated to be paid by December 5, 2024.

As of April 2024, Change Healthcare had fully restored most payer connectivity services and had resumed normal operations for most of its services. Although services have been restored, UAMS has experienced a significant increase in denials related to the incident which continues to impact cash flow. As a result, UAMS has increased resources dedicated to working denials and expects to see improvement by the end of the calendar year.

UNDERWRITING

Under a Bond Purchase Agreement (the "Agreement") entered into by and between the Board and the underwriters listed on the cover page (collectively, the "Underwriters"), the Bonds are being purchased at a purchase price of $11,124,188.80 (the principal amount of the Bonds plus original issue premium of $937,280.05 and less Underwriters' discount of $28,091.25). The Agreement provides that the Underwriters will purchase all of the Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the Bonds or any proceedings in connection with the issuance thereof and the absence of material adverse changes in the financial or operating condition of the Board.

The Underwriters intend to offer the Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering price.

Certain of the Underwriters and their affiliates together comprise full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Such activities may involve or relate to assets, securities and/or instruments of the Board, the System and certain of its campuses, and/or UACCM (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with (or that are otherwise involved with transactions by) the Board, the System and certain of its campuses, and/or UACCM. The Underwriters and their affiliates may have, from time to time, engaged, and may in the future engage, in transactions with, and performed and may in the future perform, various investment banking services for the Board, the System and certain of its campuses, and/or UACCM for which they received or will receive customary fees and expenses. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the Board, the System and certain of its campuses, and/or UACCM and any affiliates thereof in connection with such transactions and/or services. In addition, the Underwriters and their affiliates may currently have and may in the future have investment and commercial banking, trust and other relationships with parties that may relate to assets of, or be involved in the issuance of securities and/or instruments by, the Board, the System and certain of its campuses, and/or UACCM and any affiliates thereof. The Underwriters and their affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Kelly Eichler, Chair of the University of Arkansas Board of Trustees, is the spouse of an officer of Stephens Inc., one of the Underwriters.

DESCRIPTION OF RATING

Moody's Investors Service Inc. has assigned the rating of "Aa2" (Stable Outlook) to the Bonds. The rating reflects only the view of the rating agency. Any explanation as to the significance of the above rating may be obtained only from the rating agency furnishing the same.

The Board has furnished to the above rating agency certain information and materials, some of which have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions furnished to and obtained and made by the rating agencies. There is no assurance that a rating will remain for any given period of time or that it may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Neither the Board nor the Underwriters have undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of a rating or to oppose any such revision or withdrawal. Any downward change in or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

FORWARD-LOOKING STATEMENTS

Any forward-looking statements and/or projections contained in this Official Statement reflect various estimates and assumptions by the Board and/or UACCM concerning anticipated results. No representations or warranties are made by the Board or UACCM as to the accuracy of any such statements, assumptions or projections. Whether or not any such forward looking statements or projections are in fact achieved will depend upon future events, some of which are not within the control of the Board or UACCM. Accordingly, actual results may vary from the projected results, and such variations may be material. When used in this Official Statement, the words "anticipate," "believe," "estimate," "project," "predict," "expect," "intend," and words or phrases of similar import are intended to identify forward-looking statements.

Although the Board and UACCM believe that the expectations reflected in such forward-looking statements are reasonable, neither the Board nor UACCM can give any assurance that such expectations will prove to have been correct. Actual results could differ materially from expectations for other reasons as well. Actual results may vary materially from those described herein as anticipated, believed, estimated, projected, predicted, expected or intended. Forward-looking statements speak only as of the date they are made, and the Board and UACCM undertake no obligations to update such statements in light of new information, future events or otherwise.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or owners of any of the Bonds.

The information contained in this Official Statement has been taken from sources considered to be reliable, but it is not guaranteed. To the best of the knowledge of the undersigned, the Official Statement does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

[Remainder of page intentionally left blank.]

The execution of this Official Statement has been authorized by the Board.

DATED: As shown on the Cover Page hereof.

BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS

By: /s/ Donald R. Bobbitt
President of the University of Arkansas System

APPENDIX A –
THE UNIVERSITY OF ARKANSAS SYSTEM AND
THE UNIVERSITY OF ARKANSAS
COMMUNITY COLLEGE AT MORRILTON

THE UNIVERSITY OF ARKANSAS SYSTEM

Generally

The University of Arkansas was established in Fayetteville as a land grant institution, originally named "Arkansas Industrial University," by legislative act of the General Assembly in 1871. Classes at the University of Arkansas commenced January 22, 1872 and, in 1899, the institution's name was changed to the University of Arkansas (the "University"). Since then, either through mergers or other authority of the Board, the University has established multiple campuses, divisions, or units, which collectively are referred to as the University of Arkansas System (the "System"). The System's campuses, divisions, and units (other than UACCM, which is described under **THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON**) are briefly described below:

University of Arkansas, Fayetteville ("UAF"). UAF was the original site of the University. On the UAF campus are the Dale Bumpers College of Agricultural, Food and Life Sciences, the Fay Jones School of Architecture and Design, the J. William Fulbright College of Arts and Sciences, the Sam M. Walton College of Business, the College of Education and Health Professions, and the College of Engineering. Also located there are the School of Law, the Graduate School and International Education, the Departments of Army and Air Force ROTC, the Agricultural Experiment Station, the Global Campus, the Bureau of Business and Economic Research and the Division of Continuing Education. Campus facilities also include the Fulbright Institute of International Relations, the High-Density Electronics Center, the Mack-Blackwell Rural Transportation Center, the Center of Excellence for Poultry Science, and the Center for Advanced Spatial Technology. UAF offers master's degrees in more than 100 fields of study and doctoral degrees in approximately 59 different areas. Fayetteville is the county seat of Washington County.

University of Arkansas for Medical Sciences ("UAMS"). Founded in 1879 as the University of Arkansas Department of Medicine, the University of Arkansas Medical Center was established by the Board as a campus of the University in 1975. In 1981, the name was changed to the University of Arkansas for Medical Sciences. UAMS is comprised of the College of Medicine, the College of Pharmacy, the College of Nursing, the College of Health Professions, the College of Public Health, the Graduate School, the regional Area Health Education Centers, the Outpatient Center (formerly known as the Ambulatory Care Center) and Level 1 Trauma Center, the Winthrop P. Rockefeller Cancer Institute, the Harvey and Bernice Jones Eye Institute, the Jackson T. Stephens Spine and Neurosciences Institute, the Psychiatric Research Institute, the Translational Research Institute, the Orthopaedic and Spine Hospital, and the Donald W. Reynolds Institute on Aging. Students attend classes in Little Rock and at the Northwest Regional Campus in Fayetteville.

University of Arkansas at Little Rock ("UA Little Rock"). UA Little Rock was founded in 1927 as Little Rock Junior College and, in 1957, became a four-year institution called Little Rock University. In 1969, Little Rock University merged into the System and the school adopted the name University of Arkansas at Little Rock. The UA Little Rock William H. Bowen School of Law offers the professional degree of Juris Doctor, and UA Little Rock now offers over 60 other graduate and professional programs and approximately ten doctoral programs. Little Rock, in Pulaski County, is the capital of Arkansas.

University of Arkansas at Monticello ("UAM"). UAM was established in 1909 by Legislative Act of the General Assembly. Originally called the Fourth District Agricultural School, UAM by merger joined the System on July 1, 1971. Monticello, the county seat of Drew County, is located approximately 100 miles southeast of Little Rock. UAM offers Master's Degree programs in Fine Arts in Creative Writing, Music (Jazz Studies), Education (various specialties), and Science in Forest Resources, as well as Bachelor and Associate

Degrees in various fields including Agriculture, Business Administration, Communication Arts, Education, Fine Arts, Forest Resources and Nursing. UAM has satellite campuses in Crossett and McGehee.

University of Arkansas at Fort Smith ("UAFS"). UAFS was first established as Fort Smith Junior College in 1928 as an extension of the local public school system. Until 1950, it operated within the public school system and offered primarily college-parallel courses. In 1950, it was separated from the public school system and incorporated as a private, nonprofit educational institution. UAFS has experienced several name changes since its founding. In 1966, the College was renamed Westark Junior College, in 1972 it became Westark Community College, and in 1998 it became Westark College. On January 1, 2002, pursuant to the Merger Agreement and Plan of Transition dated December 15, 2000, Westark College became the University of Arkansas at Fort Smith. UAFS offers approximately two Master's Degree programs and approximately 37 Bachelor's Degree programs. In addition, UAFS offers associates degrees in applied science, general studies, art, and science in 21 academic fields), as well as approximately 49 programs under which students can earn a technical certificate or a certificate of proficiency.

University of Arkansas at Pine Bluff ("UAPB"). UAPB was founded in 1873 as Branch Normal College and became a land-grant institution in 1891. It joined the System and changed its name in 1972 to the University of Arkansas at Pine Bluff. Pine Bluff is located approximately 42 miles southeast of Little Rock. UAPB offers approximately 39 Bachelor's Degree programs, four Associate Degree programs, seven Master's Degree programs, and one doctoral program among the following academic schools: Agriculture, Fisheries, and Human Sciences, Business and Management, Education, Arts and Sciences, and University College.

Phillips Community College of the University of Arkansas ("PCCUA"). This campus was established in 1965 as Phillips County Community College under applicable State law and county ordinance. The principal campus is located in Helena – West Helena, Arkansas, and satellite campuses are located in Stuttgart and DeWitt. The College provides comprehensive community college higher education offerings in its area and offers associate degrees and certificate programs. Pursuant to a merger agreement effective July 1, 1996, Phillips County Community College became a part of the System and was designated "The Phillips County Community College of the University of Arkansas." PCCUA is now known as "Phillips Community College of the University of Arkansas."

University of Arkansas Community College at Hope - Texarkana ("UAHT"). On July 1, 1965, Hope, Arkansas, was named as a site for Red River Vocational Technical School pursuant to applicable law, and classes began in August, 1966 at a sixty-acre campus donated by the City of Hope. In 1991, under applicable law, the school was changed to technical college status and was named "Red River Technical College." Effective July 1, 1996, Red River Technical College was merged into the System and was designated "University of Arkansas Community College at Hope." In 2012, a satellite campus of 22 acres was established in Texarkana, Arkansas. In January 2019, the Board approved modifying the official name of the campus to "University of Arkansas Community College at Hope-Texarkana."

University of Arkansas Community College at Batesville ("UACCB"). UACCB, formerly Gateway Technical College, became part of the System on October 13, 1997 pursuant to a merger agreement. Originally established as "Gateway Vocational-Technical College" in 1975, the institution became Gateway Technical College under Act 1244 of 1991. After passage of a local sales tax referendum by the citizens of Independence County, Gateway Technical College was renamed the "University of Arkansas Community College at Batesville" by the Board on March 31, 1998.

Cossatot Community College of the University of Arkansas ("CCCUA"). Cossatot Vocational Technical School was created by the Arkansas General Assembly in 1975 and was constructed on 40 acres of land donated by the DeQueen Chamber of Commerce. In 1991, the General Assembly converted the school into a two-year degree granting institution. With the main campus in DeQueen, the college has teaching centers in Nashville and Ashdown. Pursuant to a merger agreement effective July 1, 2001, the institution became a part of the System and was designated "Cossatot Community College of the University of Arkansas."

University of Arkansas Community College at Rich Mountain ("UACCRM"). UACCRM was first established in 1983 as Rich Mountain Community College, as a public two-year college with a mission to provide post-secondary educational opportunities to the citizens of Polk County, Arkansas and surrounding areas. Effective February 1, 2017, the institution merged with and became part of the System and was designated "University of Arkansas Community College at Rich Mountain." UACCRM's main campus is located in Mena, Arkansas. In addition, UACCRM maintains satellite campuses in Waldron, Arkansas and Mount Ida, Arkansas.

University of Arkansas – Pulaski Technical College ("UA – Pulaski Tech"). The Little Rock Vocational Technical School was established in October 1945 under the supervision of the Little Rock public school system. In October 1969, administration of the institution was transferred to the Arkansas State Board of Vocational Education, and the school was renamed Pulaski Vocational Technical School. The institution moved to its current location in North Little Rock, Arkansas in January 1976. In 1991, Pulaski Vocational Technical School was renamed Pulaski Technical College. Effective February 1, 2017, the institution merged with and became part of the System and was designated "University of Arkansas – Pulaski Technical College." UA – Pulaski Tech is a two-year college that serves the education needs of central Arkansas through more than 90 occupational/technical degree and certificate programs, a university-transfer curriculum, and specialized programs for business and industry.

Other Programs, Locations and Entities

Other System-affiliated programs, locations and entities are as follows:

Cammack Campus. In 1957 the late Kate Cammack donated to the Board a 40-acre tract of land on North University Avenue in Little Rock to be used for educational and cultural programs of the System. Presently located on the Cammack Campus are the President's residence and the System Administration offices with a conference room for the Board and other System functions. The Cammack Campus also includes Mrs. Cammack's home, "Pine Border," which has been restored.

University of Arkansas Clinton School of Public Service ("CSPS"). CSPS was established by the Board in 2004. CSPS is located in downtown Little Rock on the grounds of the William J. Clinton Presidential Center and Park. CSPS is the first graduate school in the nation to offer a Master of Public Service degree, helping students further their careers in the areas of government, non-profit, volunteer, and private sector service.

University of Arkansas System eVersity ("eVersity"). In 2014, the Board established eVersity, the System's first 100% online institution. In May, 2022, the Board approved the elimination of the degree programs offered by eVersity and the closure of its operations in order to facilitate the integration of eVersity and UA-Grantham (as defined below under University of Arkansas – Grantham), the newest System campus, into a single entity. This integration has been completed, and the surviving entity will continue to operate as University of Arkansas - Grantham. As part of the integration, all eVersity assets and liabilities have been transitioned to UA-Grantham, and eVersity students have been allowed to transfer to UA-Grantham without any restriction or detriment.

University of Arkansas System Division of Agriculture. The University of Arkansas Division of Agriculture is the statewide research and extension agency serving 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. With a presence in all 75 Arkansas counties, the division is comprised of two principal units: the Agricultural Experiment Station and the Cooperative Extension Service. Division faculty and facilities are located on five System campuses, at five regional research and extension centers, eight branch stations and other locations. An extension office is located in each county in cooperation with county governments.

Arkansas Archeological Survey. 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 PhD archeologist associated with regional higher education institutions and state parks. The archeologists conduct research, assist other state and federal agencies and are available to local officials, amateur archeologists, landowners, educators and students in need of information about archeology or archeological sites.

Criminal Justice Institute ("CJI"). CJI is a unit of the System that serves a unique population of non-traditional students - certified law enforcement professionals who are actively employed within the State's police departments and sheriff's offices. The institute is committed to making communities safer by supporting law enforcement professionals through training, education, resources and collaborative partnerships. Utilizing both classroom-based instruction and practical, hands-on application, CJI provides an educational experience designed to enhance the performance and professionalism of law enforcement in progressive areas of criminal justice, including law enforcement leadership and management, forensic sciences, computer applications, traffic safety, illicit drug investigations and school safety.

Arkansas School for Mathematics, Sciences and the Arts ("ASMSA"). ASMSA is the State's premier high school focusing on excellence in math, science and the arts. Located in Hot Springs, ASMSA is one of 15 residential high schools in the country specializing in the education of gifted and talented students who have an interest and aptitude for mathematics and science. All classes are taught at the college level, and the school offers nearly 60 concurrent courses. Through ASMSA's Concurrent Core program, all students graduate high school with an average of at least 50 hours of college credit.

University of Arkansas – Grantham ("UA–Grantham"). On August 30, 2021, the Board 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, and Grantham became known as the "University of Arkansas – Grantham." In order to fund the cost of the acquisition and associated expenses, the Board entered into an unsecured $8,000,000 variable rate revolving line of credit with Regions Commercial Equipment Finance, LLC. 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 its student body. UA-Grantham is accredited through the Distance Education Accrediting Commission. UA-Grantham is also accredited by the Accrediting Board of Engineering and Technology, the Commission of Collegiate Nursing Education, and the International Accreditation Council for Business Education. In May 2022, the Board approved the integration of eVersity with UA-Grantham, and such integration has been completed. UA-Grantham is the surviving institution and has assumed all of the assets and liabilities of eVersity. eVersity students have been allowed to transfer to UA-Grantham without restriction or detriment.

Acquisitions, Affiliations, Mergers, and Divestitures. The Board and its campuses may from time to time enter into transactions such as acquisitions, affiliations, mergers, and divestitures. Such transactions could include, among others, acquisitions of or mergers with respect to other educational institutions or other forms of affiliations or divestitures of existing affiliates. Given the pace of change in higher education, it is likely that the Board will from time to time be presented with opportunities to enter into transactions of considerable magnitude or significance. At this time, the Board is unable to anticipate whether any such transactions, if entered into in the future, would have a material adverse impact on the Board, its campuses, or the Board's credit rating.

Merger and Plan of Transition with East Arkansas Community College. The Board and the Board of Trustees of East Arkansas Community College ("EACC"), a two-year community college located in Forrest City, St. Francis County, Arkansas in the eastern part of the State, have entered into an Agreement of Merger and Plan of Transition (the "EACC Agreement"). Pursuant to the EACC Agreement, it is contemplated that EACC will become a campus of the System and will be known as the University of Arkansas East Arkansas Community College. The merger will not become effective until approval and confirmation of continued accreditation is received from the Higher Learning Commission of the North Central Association. The System anticipates that this approval and confirmation will be considered in late 2024.

Once the merger is completed, the Board and the System will assume EACC's liabilities. The St. Francis Community College District has issued its Limited Tax General Obligation Refunding Bonds (East Arkansas Community College), Series 2021 (the "EACC Property Tax Bonds"), which are secured by a pledge of collections of a property tax levied within St. Francis County, Arkansas (the "EACC Property Tax"). The EACC

Property Tax Bonds, which as of June 30, 2024 were in the outstanding principal amount of $2,875,000, will continue to be secured by and payable from the EACC Property Tax.

Board of Trustees

The System is governed by a Board of Trustees which was created as a corporate body by statute. There are ten members of the Board of Trustees, appointed for ten-year staggered terms. By statute, eight members of the Board must represent the areas of Congressional Districts of the State, and the balance of the members are selected at large. Members of the Board are appointed by the Governor and confirmed by the State Senate, except that interim appointments are made by the Governor and confirmed by the remaining members of the Board. The current members of the Board of Trustees of the University of Arkansas are:

Name and Office	Business or Profession	Term Expires
Kelly Eichler, Chair*	Attorney	2026
Steve Cox, Vice Chair	Business Executive	2028
Ted Dickey, Secretary	Business Executive	2030
Sheffield Nelson, Assistant Secretary	Attorney	2025
Tommy Boyer	Retired Business Executive	2027
Ed Fryar, PhD	Business Executive	2029
Jeremy Wilson	Business Executive	2031
Nathaniel Todd	State Government	2032
Kevin Crass**	Attorney	2033
Scott Ford	Business Executive	2034

***** Ms. Eichler is the spouse of an officer of Stephens Inc., one of the Underwriters.
** Mr. Crass is a partner with Friday, Eldredge & Clark, LLP, bond counsel.

System Administration

The current officers of the System are:

Name	Office
Donald R. Bobbitt, PhD*	President
Tara Smith	Vice President for Finance and CFO
Michael Moore, PhD	Vice President for Academic Affairs
Deacue Fields, PhD	Vice President for Agriculture
Melissa K. Rust	Vice President for University Relations
Steven Fulkerson	Vice President for Administration and CIO
Chris Thomason	Vice President for Planning and Development
David Curran	General Counsel

* Dr. Bobbitt has announced his retirement as President of the System, to be effective on January 15, 2025 or sooner if a successor begins before that date. The Board is undertaking a search for Dr. Bobbitt's successor.

The central administrative offices of the System are located on the Cammack Campus at 2404 North University Avenue, Little Rock, Arkansas 72207; telephone: (501) 686-2500.

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Student Enrollment-All Campuses

Preliminary enrollment for the fall semesters of the school years indicated below for each campus of the System (expressed as full-time equivalents and including concurrent enrollment) was as follows:

	Fall 2020-21	Fall 2021-22	Fall 2022-23	Fall 2023-24	Fall 2024-25
University of Arkansas, Fayetteville	24,035	25,193	26,976	28,335	29,807
University of Arkansas at Little Rock[(1)]	6,014	5,567	5,430	5,372	5,434
University of Arkansas for Medical Sciences	2,604[(2)]	2,727	2,785	2,886	3,027
University of Arkansas at Monticello	2,109	2,072	2,040	2,093	2,130
University of Arkansas at Pine Bluff	2,468	2,503	2,080	1,854	1,901
Phillips Community College of the University of Arkansas	651	715	710	785	723
University of Arkansas Community College at Hope - Texarkana	761	726	669	686	663
University of Arkansas Community College at Batesville	852	743	729	835	673
University of Arkansas Community College at Morrilton	1,330	1,322	1,291	1,429	1,404
Cossatot Community College of the University of Arkansas	882	824	811	818	791
University of Arkansas at Fort Smith	4,604	4,158	4,112	4,213	4,195
University of Arkansas Community College at Rich Mountain	585	525	471	521	578
University of Arkansas-Pulaski Technical College	3,366	3,065	2,922	2,888	2,973
University of Arkansas System eVersity[(4)]	668	574	--	--	--
University of Arkansas - Grantham[(4)]	--	--	3,868	2,655	2,588
Total, All Campuses	50,929	50,714	54,894	55,370	56,887

[(1)] Includes full-time equivalent numbers for the University of Arkansas Clinton School of Public Service.

[(2)] For the fall 2021 semester, UAMS began using a new methodology for calculating full-time equivalent enrollment that is better suited to UAMS because UAMS semesters are not the same as those of the System's other campuses. Fall 2019 and 2020 enrollment for UAMS has been restated using this methodology.

[(3)] Includes full-time equivalent numbers for the University of Arkansas System eVersity.

[(4)] On November 1, 2021, the acquisition and integration of Grantham University into the System was finalized. In 2022, eVersity was integrated into UA-Grantham, and eVersity students were transferred to UA-Grantham. See **THE UNIVERSITY OF ARKANSAS SYSTEM, Other Programs, Locations and Entities**, University of Arkansas System eVersity and University of Arkansas System – Grantham herein. Prior to the System's acquisition, Grantham University reported a total full-time equivalent enrollment of 4,837 students, 4,402 students and 3,782 students in school years 2019-20, 2020-21 and 2021-22, respectively. UA-Grantham has a different enrollment cycle than other System campuses, with courses starting at the beginning of each month.

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ARE-ON Litigation

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

An information technology company and a financial institution filed a claim in the Arkansas Claims Commission against the System seeking $7,275,000 plus interest and fees for alleged breach of two June 2020 contracts between ARE-ON and the information technology company. The contracts were for security software and monitoring services to be offered by ARE-ON to its member institutions, including the System. The information technology company alleges that the System is a party to the contract. The System has denied that it is liable to the claimants. A hearing on the System's motion to dismiss was held on August 22, 2024, but the System is unable to estimate when a decision will be delivered. The System estimates that its maximum liability is approximately $8,000,000.

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THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON

History and General Information

What is now known as UACCM was originally established in 1961 as "Petit Jean Vocational-Technical School," the State's second adult vocational-technical school. Classes began in September 1963. In 1991, the State General Assembly converted Petit Jean to a degree-granting two-year college. The conversion permitted expansion of the curriculum to include technical, academic and workforce education, community education, and adult education, and the name was changed to "Petit Jean College" on July 1, 1997. Pursuant to a merger agreement effective July 1, 2001, the institution became a part of the System and was designated "The University of Arkansas Community College at Morrilton."

UACCM is a two-year, public-supported, open-admissions commuter college, primarily serving students and communities in west central Arkansas. As the only two-year college located in west central Arkansas, UACCM is strategically located to provide certificate and associate degree options in a variety of technical programs, as well as associate degrees and freshman and sophomore level general education courses which will transfer to four-year colleges.

Administration

The current administrative officers of UACCM are:

Name	Office
Lisa Willenberg	Chancellor
Richard Counts	Vice Chancellor for Academics
Jeff Mullen	Vice Chancellor for Finance
Darren Jones	Vice Chancellor for Student Services

The administrative offices of UACCM are located on the campus of UACCM at 1537 University Blvd., Morrilton, Arkansas 72110; telephone: (501) 977-2000.

Campus and Facilities

UACCM is situated on approximately ninety-five (95) acres in the City of Morrilton near Highway 9 and Interstate 40 at Exit 108. Existing campus buildings include sixteen (16) permanent buildings and several portable and storage buildings. In 2017, using proceeds of the Series 2016 Bonds, UACCM completed the construction and equipping of the approximately 53,000 square foot Workforce Training Center, which has allowed UACCM to increase the capacity of several technical training programs including Welding, Automotive Technology, HVAC and Industrial Maintenance.

One additional building is owned by UACCM located in the downtown Morrilton area. The Community Education Center Building at 600 North St. Joseph sits on less than a half acre of land. The property was acquired and remodeled in fiscal year 2010.

Local Tax Support

At a special election held on August 22, 2000, the citizens of Conway County, Arkansas approved the levy and collection of a 0.25% sales and use tax within Conway County to assist in constructing improvements to, and operating and maintaining facilities owned and operated by, UACCM. Collections of the sales and use tax are not and will not be pledged or used to secure or pay the Bonds.

Accreditations

UACCM is accredited by The Higher Learning Commission, one of seven regional accreditors in the United States. This accreditation was last granted in July 2022, for a period of 10 years.

UACCM's programs are also approved by the Arkansas Department of Higher Education, the United States Department of Education, and the State Approving Agency for Veterans Training.

UACCM also seeks out specialized program accreditations for its programs when appropriate. The following programs are approved or accredited by a state or national body. The Early Childhood Development program is approved by the Arkansas Department of Human Services Division of Childcare and Early Childhood Education and formally accredited by the National Association for the Education of Young Children. The Certified Nursing Assistant program is approved by the Department of Health and Human Services Office of Long-Term Care. The Practical Nursing and Registered Nursing programs are approved by the Arkansas State Board of Nursing and the EMT program is approved by the Arkansas Department of Health Section of EMS & Trauma Systems. The Automotive Service Technology program is accredited by the Automotive Service Excellence Education Foundation. The Dietary Management program is approved by the Association of Nutrition and Foodservice Professionals. The Computer-Aided Drafting and Design Technology, Computer Information Systems Technology, Industrial Mechanics and Maintenance Technology, and Surveying programs are all accredited by the Association of Technology, Management, and Applied Engineering. The Air Conditioning, Heating, and Refrigeration Technology, Construction Technology, and Welding programs are all accredited by the National Center for Construction Education and Research.

Degree Programs

UACCM offers a variety of degree programs, including approximately 28 associates programs that transfer credits to Arkansas public four-year universities, approximately 23 associates of applied science programs, approximately 17 technical certificate programs, and approximately 20 certificate of proficiency programs.

Employees

	Full and Part Time
Senior Administrators	4
Mid-Level Management & Other Professionals	56
Faculty	69
Support Staff	44

Enrollment

UACCM provides educational opportunities for individuals who are high school graduates, GED graduates, concurrently enrolled high school students, transfer students, visiting students, international students, and non-high school graduates or GED graduates who demonstrate an ability-to-benefit. Admission to UACCM does not insure admission to a particular course or program of study.

[Remainder of page intentionally left blank.]

On-campus student enrollment at UACCM for the fall semester of the academic years listed below has been as follows:

Fall	Full-time Equivalent	Headcount
2018	1,363	1,902
2019	1,327	1,837
2020	1,316	1,836
2021	1,319	1,953
2022	1,276	1,888
2023	1,426	2,225
2024	1,404	2,250

Student Tuition and Fees

The totals of UACCM student tuition and fees received for the past ten (10) fiscal years are as follows:

Fiscal Year (Ended June 30)	Tuition and Fee Revenues
2014	$6,204,035
2015	5,969,541
2016	6,247,346
2017	6,630,234
2018	6,573,947
2019	6,510,844
2020	6,347,397
2021	6,167,665
2022	5,847,589
2023	6,004,914
2024[(1)]	6,589,348

The amounts reflected above are gross student tuition and fee revenues (before taking into account scholarship allowances). UACCM received $1,686,096, $4,515,115, $4,657,673 and $1,032,601 in federal or state relief funding related to the COVID-19 pandemic during the fiscal years ended June 30, 2023, June 30, 2022, June 30, 2021, and June 30, 2020, respectively (no such relief funding was received during the fiscal year ended June 30, 2024). None of the federal or state relief funding that UACCM received is included in amounts of student tuition and fees reflected in the above table.

The term "Pledged Revenues" is defined the revenues derived from that portion of tuition and student fees paid by students attending UACCM in each fiscal year equal to 120% of the "Annual Debt Service" for such fiscal year. The term "Annual Debt Service" is defined as the total amount of principal, interest, and sinking fund payments to be paid on the Bonds, Series 2016 Bonds, and Additional Parity Bonds in any given fiscal year.

___

(1) Unaudited information provided by UACCM.

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Debt Service Requirements for Bonds

Set forth below are the debt service requirements for the Bonds for each fiscal year ending June 30:

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2025	--	$249,700.00	$249,700.00
2026	--	510,750.00	510,750.00
2027	$215,000	510,750.00	725,750.00
2028	225,000	500,000.00	725,000.00
2029	235,000	488,750.00	723,750.00
2030	250,000	477,000.00	727,000.00
2031	260,000	464,500.00	724,500.00
2032	275,000	451,500.00	726,500.00
2033	285,000	437,750.00	722,750.00
2034	300,000	423,500.00	723,500.00
2035	315,000	408,500.00	723,500.00
2036	330,000	392,750.00	722,750.00
2037	350,000	376,250.00	726,250.00
2038	365,000	358,750.00	723,750.00
2039	385,000	340,500.00	725,500.00
2040	405,000	321,250.00	726,250.00
2041	425,000	301,000.00	726,000.00
2042	445,000	279,750.00	724,750.00
2043	470,000	257,500.00	727,500.00
2044	490,000	234,000.00	724,000.00
2045	515,000	209,500.00	724,500.00
2046	540,000	183,750.00	723,750.00
2047	570,000	156,750.00	726,750.00
2048	595,000	128,250.00	723,250.00
2049	625,000	98,500.00	723,500.00
2050	655,000	67,250.00	722,250.00
2051	690,000	34,500.00	724,500.00
Total:	$10,215,000	$8,662,950.00	$18,877,950.00

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Debt Service Requirements for Bonds and Series 2016 Bonds

Set forth below are the debt service requirements for the Bonds and the Series 2016 Bonds for each fiscal year ending June 30.

Fiscal Year (Ending June 30)	Bonds	Series 2016 Bonds	Total
2025	$249,700.00	$ 610,625.00	$860,325.00
2026	510,750.00	610,625.00	1,121,375.00
2027	725,750.00	609,250.00	1,335,000.00
2028	725,000.00	611,250.00	1,336,250.00
2029	723,750.00	607,500.00	1,331,250.00
2030	727,000.00	608,250.00	1,335,250.00
2031	724,500.00	611,250.00	1,335,750.00
2032	726,500.00	610,500.00	1,337,000.00
2033	722,750.00	609,000.00	1,331,750.00
2034	723,500.00	606,750.00	1,330,250.00
2035	723,500.00	608,750.00	1,332,250.00
2036	722,750.00	609,750.00	1,332,500.00
2037	726,250.00	609,750.00	1,336,000.00
2038	723,750.00	610,050.00	1,333,800.00
2039	725,500.00	609,825.00	1,335,325.00
2040	726,250.00	609,075.00	1,335,325.00
2041	726,000.00	607,800.00	1,333,800.00
2042	724,750.00	611,000.00	1,335,750.00
2043	727,500.00	608,500.00	1,336,000.00
2044	724,000.00	610,475.00	1,334,475.00
2045	724,500.00	611,750.00	1,336,250.00
2046	723,750.00	609,000.00	1,332,750.00
2047	726,750.00		726,750.00
2048	723,250.00		723,250.00
2049	723,500.00		723,500.00
2050	722,250.00		722,250.00
2051	724,500.00		724,500.00
Total:	$18,877,950.00	$13,410,725.00	$32,288,675.00

[Remainder of page intentionally left blank.]

Debt Service Coverage

The "Pledged Revenues" is defined as the revenues derived from that portion of tuition and student fees paid by students attending UACCM in each fiscal year equal to 120% of the "Annual Debt Service" for such fiscal year. The term "Annual Debt Service" is defined as the total amount of principal, interest, and sinking fund payments to be paid on the Bonds, Series 2016 Bonds, and Additional Parity Bonds in any given fiscal year. See **Student Tuition and Fees** under this section.

Tuition and student fee revenue paid by students attending UACCM for the fiscal year ended June 30, 2024 was $6,589,348.[1] Combined maximum annual debt service for the Bonds and the Series 2016 Bonds is $1,337,000 (in the fiscal year ending June 30, 2032). Accordingly, the tuition and student fee revenue paid by students attending UACCM for the fiscal year ended June 30, 2024 equaled or exceeded 4.93[1] times the combined maximum annual debt service on the Bonds and the Series 2016 Bonds.

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[1] Unaudited information provided by UACCM.

Other Indebtedness

The Board, on behalf of UACCM, has entered into two subscription based information technology agreements dated July 1, 2022 (the "SBITAs") which bear interest at the rate of 2.23%. One SBITA requires UACCM to pay $ 41,282 per year and matures on November 30, 2024. The other SBITA requires UACCM to pay $31,748 per year and matures on April 24, 2028.

The Board, on behalf of UACCM, has entered into a lease arrangement (the "Conway Lease") under which the Board leases in Conway, Arkansas for purposes of operating an adult education center. The Board has assigned an implicit interest rate of 2.69% to its obligations under the Conway Lease. The Conway Lease requires UACCM to pay $6,540 per month, and the term of the Conway Lease ends on May 31, 2025. UACCM anticipates that the Conway Lease will be renewed.

In connection with a grant in the amount of $2,000,000 awarded to UACCM by the United States Department of Commerce, Economic Development Administration ("EDA") for the purpose of financing a portion of the costs of the Project, the Board has entered into a Covenant of Purpose, Use and Ownership dated October 17, 2023 (the "Grant Agreement"). In the Grant Agreement, the Board has covenanted that the Project will be used as an educational health and science center for a twenty-year period. In the event that the Board changes the use of the Project without obtaining consent from EDA or sells, leases, or otherwise transfers the Project without obtaining consent from EDA, the Board may be required to compensate the federal government in an amount equal to the greater of the amount of the grant or the portion of the current fair market value of the Project attributable to EDA's participation in the Project (EDA's participation is anticipated to be approximately 12.5%). The Board does not expect that it will use the Project in a way that will require repayment to the EDA under the Grant Agreement.

For additional information concerning the outstanding debt of the Board and its campuses and component units as of June 30, 2023, see Note 10 to the audited consolidated financial statements of the University of Arkansas System for the fiscal year ended June 30, 2023, attached hereto as Appendix C.

On August 28, 2024, the Board issued its $102,140,000 Various Facility Revenue Bonds (Fayetteville Campus), Series 2024A ($29,845,000) and Refunding Series 2024B ($72,295,000), for the purpose of financing improvements for the Fayetteville campus of the University of Arkansas and for funding the purchase of certain bonds through a tender offer for debt service savings. Also, on September 12, 2024, the Board issued its $7,170,000 Student Fee Revenue Bonds (Fort Smith Campus), Refunding Series 2024 for the purpose of refunding bonds for debt service savings. The Board has also authorized, but not yet issued, its Various Facilities Revenue Bonds (Pine Bluff Campus), Refunding Series 2024 (the "Pine Bluff Bonds"), for the purpose of refunding bonds for debt service savings. The maximum authorized principal amount of the Pine Bluff Bonds is the amount necessary to accomplish the refunding.

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

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APPENDIX B

FORM OF OPINION OF BOND COUNSEL

Friday Eldredge & Clark, LLP, Bond Counsel, expects to render an opinion with respect to the Bonds, dated the date of delivery of the Bonds, in substantially the following form:

Board of Trustees of the University of Arkansas
Little Rock, Arkansas

Regions Bank
Little Rock, Arkansas

Re: $10,215,000 Board of Trustees of the University of Arkansas Student Fee Revenue Bonds (University of Arkansas Community College at Morrilton), Series 2024

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Board of Trustees of the University of Arkansas (the "Issuer") of its $10,215,000 Student Fee Revenue Bonds (University of Arkansas Community College at Morrilton), Series 2024 (the "Bonds"), dated November 5, 2024, pursuant to Arkansas Code of 1987 Annotated, Title 6, Chapter 62, Subchapter 3 (the "Act") and a Trust Indenture dated as of November 5, 2024 (the "Indenture"), between the Issuer and Regions Bank, as trustee thereunder (the "Trustee").

The Bonds are secured by a pledge of, and payable first from, Pledged Revenues as described in the Indenture. The pledge of Pledged Revenues in favor of the Bonds is on a parity with the pledge of Pledged Revenues in favor of the Issuer's Student Fee Revenue Bonds (University of Arkansas Community College at Morrilton), Series 2016 (the "Series 2016 Bonds"), to the extent outstanding. The Bonds are general obligations only of the Issuer and do not constitute an indebtedness for which the full faith and credit of the State of Arkansas (the "State") or any of its revenues are pledged and the Bonds are not secured by a mortgage or lien on any land or building belonging to the State or the Issuer.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the Indenture and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion, as of the date hereof and under existing law, as follows:

(1) The Issuer is duly created and validly existing as a body politic and corporate and is a state-supported educational institution under and by virtue of the laws of the State with the corporate power to enter into the Indenture and perform the agreements on its part contained therein and to issue the Bonds.

(2) The Indenture has been duly authorized, executed and delivered by the Issuer and, assuming the authorization, execution, and delivery thereof by the Trustee, constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

(3) Pursuant to the Act, the Indenture creates a valid lien on the Pledged Revenues, as defined in the Indenture, for the security of the Bonds on a parity with the pledge of Pledged Revenues in favor of the Series 2016 Bonds, to the extent outstanding.

(4) The Bonds have been duly authorized, executed and delivered by the Issuer, and are valid and binding obligations of the Issuer, payable from the sources provided therefor in the Indenture.

(5) The interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, such interest will be taken into account in determining annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Indenture to comply with each requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

(6) The Bonds and interest thereon are exempt from all present Arkansas state, county, and municipal taxes.

(7) The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

It is to be understood that the rights of the registered owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

FRIDAY, ELDREDGE & CLARK, LLP

APPENDIX C

Audited Consolidated Financial Statements of the University of Arkansas System
for the Fiscal Year Ended June 30, 2023

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2023 Consolidated financial statements

UNIVERSITY OF ARKANSAS SYSTEM

BOARD OF TRUSTEES

Morril Harriman, Board Chairman

ADMINISTRATIVE OFFICERS

Donald R. Bobbitt
President

Michael K. Moore
Vice President for Academic Affairs

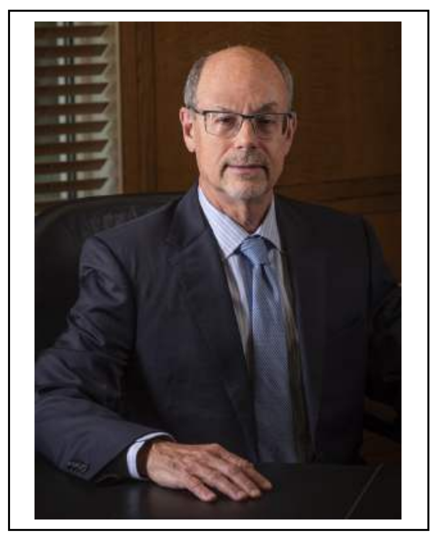
Steven Fulkerson
Vice President for Administration/CIO

Tara M. Smith
Vice President for Finance and Chief Financial Officer

Melissa K. Rust
Vice President for University Relations

Chris Thomason
Vice President for Planning and Development

David Curran
General Counsel



Dr. Donald R. Bobbitt, President

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UNIVERSITY OF ARKANSAS SYSTEM

November 29, 2023

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, 2023. 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 the University of Arkansas Grantham).

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 FORVIS, LLP. The consolidated financial statements received an unmodified audit opinion.

Sincerely,

Tara M. Smith

Tara M. Smith
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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University of Arkansas System (University), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We did not audit the financial statements of the University of Arkansas for Medical Sciences, a unit of the System, whose statements reflect total assets and revenues constituting 32% and 53%, respectively, of the related combined totals. Additionally, we did not audit the financial statements of the University of Arkansas Foundation, Inc. and the University of Arkansas Fayetteville Campus Foundation, Inc., which represent 100% of the assets and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Arkansas for Medical Sciences, the University of Arkansas Foundation, Inc., and the University of Arkansas Fayetteville Campus Foundation, Inc., is based solely on the report of the other auditors. The financial statements of the University of Arkansas Foundation, Inc., and the University of Arkansas Fayetteville Campus Foundation, Inc. were not audited in accordance with *Government Auditing Standards.* We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Notes 1 and 23 to the financial statements, the University adopted Governmental Accounting Standards Board (GASB) Statement no. 96, *Subscription-Based Information Technology Arrangements*, during the year ended June 30, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, certain information pertaining to postemployment benefits other than pensions, and certain information pertaining to pensions on pages 8-19, 104-106, and 102-103 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2023 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

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

Little Rock, Arkansas
November 29, 2023
EDHE14123

Introduction

The University of Arkansas System ("the University") is pleased to present its financial statements for the fiscal year ended June 30, 2023. While audited financial statements for fiscal year 2022 are not presented in this report because of implementation of new GASB pronouncements, condensed operations and financial position data will be presented in this discussion and analysis in order to illustrate certain increases and decreases.

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

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

Overview of the Financial Statements and Financial Analysis

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

Condensed Statements of Net Position

	June 30, 2023	June 30, 2022	June 30, 2021
ASSETS			
Current assets	$ 1,554,882,733	$ 1,591,275,370	$ 1,761,819,923
Capital assets, net	3,379,056,006	3,229,795,333	3,024,382,884
Other assets	704,446,257	733,319,661	581,324,706
Total Assets	$ 5,638,384,996	$ 5,554,390,364	$ 5,367,527,513
DEFERRED OUTFLOWS OF RESOURCES	$ 43,224,591	$ 41,248,560	$ 55,271,096
LIABILITIES			
Current liabilities	$ 422,797,626	$ 463,694,008	$ 497,675,458
Noncurrent liabilities	2,142,313,982	2,050,544,690	1,961,980,729
Total Liabilities	$ 2,565,111,608	$ 2,514,238,698	$ 2,459,656,187
DEFERRED INFLOWS OF RESOURCES	$ 43,831,328	$ 61,915,517	$ 35,133,166
NET POSITION			
Net Investment in Capital Assets	$ 1,578,867,669	$ 1,514,117,223	$ 1,484,710,808
Restricted			
Non-Expendable	115,577,635	114,449,418	108,310,863
Expendable	302,260,634	297,130,567	285,857,586
Unrestricted	1,075,960,713	1,093,787,501	1,049,129,999
Total Net Position	$ 3,072,666,651	$ 3,019,484,709	$ 2,928,009,256

The University's total assets increased $84.0 million, or 1.5%. Cash and cash equivalents decreased $178.5 million, and investments increased by $72.7 million. UAMS accounted for $173.4 million of the decrease in cash and cash equivalents, with a $22.8 million decrease at UAPB, and a $5.7 million decrease at UACCHT net a $23.4M increase across the remaining campuses. UAF increased investments $57.1 million, System Administration increased investments $7.4 million, and UAMS increased $5.4 million, with a net increase of $2.8 million across the remaining campuses. Deposits held in trust decreased by $13.5 million of which UAF increased by $66.2 million and UAPB increased by $18.2 which are related to bond proceeds offset by UAMS's decrease of $91.6 million and UAM's decrease of $6.3 million. Patient accounts receivable at UAMS increased $9.7 million and Accounts Receivable increased by $50.3 million. Student accounts receivable increased by $5.1 million, Grants and contracts increased by $36.2 million, while non-student accounts decreased by $5.8 million. The increase of $149.3 million in Capital assets relates to GASB 96 (*SBITA*) adjustments of $25.2 million, additions of $399.3 million net of depreciation expense of $260.1 million offset by a decrease for assets disposed of $15.1 million. Fayetteville had an increase in capital asset additions of $132.9 million including construction in progress increases of $81.1 million with $65.7 million placed into service. At UAF, Mullins Library Renovation, Ventilation Improvements, North Chilled Water Plant Modernization, I^{3}R Research Facility, Fine Arts Restoration, Nano Clean Room Fit-Out, Anthony Timberlands Center for Design & Material Innovation, MUSiC National Research Fabrication Facility, Arkansas Union Interior Fit Out for Student Organizations, Biology Greenhouse Addition, Reid Hall Window Replacement, Windgate Galleries, Razorback Field Fieldhouse and Bogle Park Renovation and Expansion are in progress. UAMS had an increase in capital asset additions of $214.1 million including construction in progress increases of $111.7 million with $205.2 million moved into service. Progress at UAMS continues for Parking Deck 4, the Northwest Arkansas Orthopaedic and Sports Medicine Facility, and the relocation of Outpatient Center Infusion 1.

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 $1.9 million, or 4.8%. Deferred outflows related to OPEBs decreased $3.4 million while pension increased $7.0 million. The decrease in amortization of the debt refunding, net of additions, was $1.7 million.

Total liabilities increased $50.9 million, or 2.0%. Accounts payable and other accrued liabilities decreased $14.7 million with UAMS decreasing $20.5 million and UAF increasing $7.6 million. The liability for bonds, notes, leases and installment contracts increased $81.0 million (see Note 10). Netted in that amount, UAF issued $76.7 million of new bonded debt with a net premium of $5.3 million, UAPB issued $16.7 million of new bonded debt with a net premium of $1.2 million. UAMS issued notes payable totaling $18.3 million. UAMS and UAF executed $52.0 and $20.0 million in leases, respectively. Also included in the net increase is the $26.3 million increase related to the GASB 96 (SBITA) adjustment and other debt issued in the amount of $3.0 million. The additional debt is offset by a total of $138.5 million in repayments during fiscal 2023. The UAMS liability for estimated third party payor settlements decreased by $29.0 million with repayments of the advances from CMS. Unearned revenues, deposits and other increased $2.3 million primarily related to UALR unearned grant and gift revenue. Compensated absences increased $2.7 million. The UA Health Plan experienced an overall plan loss ratio of 95% compared to a loss ratio of 91% in the previous fiscal year (Note 14).

Deferred inflows of resources decreased by $18.1 million in total with pension plans decreasing $26.5 million as a result of actuarially determined amounts. In addition, deferred inflows-other increased $1.1 million primarily related to the extension of cell phone tower leases at UAF.

The increase in net position was $53.2 million, or 1.8%. The increase is the result of 2023 revenues, expenses and changes in net position. Net investments in capital assets increased $64.8 million. Restricted net position, expendable and non-expendable, increased $6.3 million. Unrestricted net position decreased $17.8 million. In total, UAF increased $30.6 million, while UAMS decreased $53.4 million. These changes were offset by increases and decreases at the remaining campuses. Although unrestricted net position is not subject to externally imposed restrictions, the majority of the University's unrestricted net position is subject to internal designations to meet various specific commitments. These commitments include reserves established for future capital projects, other academic or research priorities; working capital for self-supporting auxiliary enterprises; and reserves for the continued recognition of OPEB and pension obligations.

Statements of Revenues, Expenses and Changes in Net Position

Changes in total net position, as presented on the Statements of Net Position, is based on the activity presented in the Statements of Revenues, Expenses and Changes in Net Position. The statements present the revenues earned by the University, both operating and non-operating, and the expenses incurred by the University, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the University. Operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for operating revenues and to carry out the mission of the University. Non-operating revenues are revenues received for which goods and services are not provided. In accordance with GASB standards, significant recurring sources of University revenue such as state appropriations, gifts, investment income and certain grants and contracts are reported as non-operating revenues.

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

	Year Ended		
	June 30, 2023	**June 30, 2022**	**June 30, 2021**
Operating revenues			
Student tuition and fees	$ 419,446,446	$ 395,594,545	$ 393,886,555
Net patient services	1,325,665,000	1,334,667,000	1,344,980,000
Grants and contracts	534,163,370	452,951,749	380,138,762
Auxiliary enterprises	269,652,731	251,769,963	194,747,632
Other	367,202,495	330,867,221	321,780,255
Total operating revenues	2,916,130,042	2,765,850,478	2,635,533,204
Operating expenses			
Compensation and benefits	2,046,782,066	1,931,932,469	1,889,494,573
Supplies and services	1,233,597,778	1,113,851,320	937,358,635
Other	535,962,131	532,528,023	489,140,646
Total operating expenses	3,816,341,975	3,578,311,812	3,315,993,854
Operating Loss	(900,211,933)	(812,461,334)	(680,460,650)
Non-operating revenues and expenses			
State appropriations	532,901,085	512,628,121	482,450,404
Grants	200,717,934	303,612,155	273,735,809
Gifts	146,840,596	117,073,996	99,308,260
Other revenue	73,852,539	(26,494,412)	90,908,573
Non-operating expenses	(52,897,800)	(54,743,029)	(56,243,875)
Non-operating income	901,414,354	852,076,831	890,159,171
Income before other revenues and expenses	1,202,421	39,615,497	209,698,521
Other revenues and expenses			
Capital grants and gifts	44,651,821	53,183,888	11,546,319
Other, net	3,653,586	7,070,463	1,682,787
Other revenues and expenses	48,305,407	60,254,351	13,229,106
Increase in Net Position	49,507,828	99,869,848	222,927,627
Net Position, beginning of year	3,019,484,709	2,928,009,256	2,705,081,629
Cumulative effect of GASB No. 94 and 96 adoption	4,194,796		
Cumulative effect of GASB No. 87 adoption	-	558,735	
Other	(520,682)	(8,953,130)	
Net Position, beginning of year, as restated	3,023,158,823	2,919,614,861	2,705,081,629
Net Position, end of year	$ 3,072,666,651	$ 3,019,484,709	$ 2,928,009,256

The 2023 operating loss of $900.2 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 $150.3 million, or 5.4%. Net student tuition and fees increased $23.9 million, with UAF experiencing an increase of $23.8 million. The rest of the campuses experienced small increases and decreases in net student tuition and fee revenue. While gross patient revenue increased for UAMS, net patient services decreased $9.0 million or 0.7% due to an increase in patient services contractual allowances. Grants and contracts increased $81.2 million, of which UAF increased $15.6 million and UAMS increased $45.2 million. Auxiliary revenues increased $17.9 million. Other operating revenue increased $36.3 million, of which UAMS contributed $34.8 million to the increase primarily driven by an increase in retail and contract pharmacy revenue.

Total operating expenses increased $238.0 million, or 6.7%. Compensation and benefits increased $114.8 million, or

5.9%, over the previous year. The cost of supplies and services increased $119.8 million, UAMS and UAF increased $46.6 million and $42.3 million, respectively. Increases at UAF are mainly attributed to grant subawards with increased research activities, increase in student housing contracts, and guest housing and conferences with the return of operating at full capacity after the pandemic. Increases at UAMS are largely due to increases in medical supplies and drugs and medicines for patient care. Scholarships and fellowships decreased $52.5 million due primarily to a decrease of $18.4 million at UAF, $6.6 million at UAPTC, and $6.3 million at UALR. The decrease is due to the end of funds distributed directly to students from the Higher Education Emergency Relief Funds (HEERF), that were received from the Federal government in previous years as a response to the effects of the pandemic. Depreciation increased $38.3 million with UAMS accounting for $18.1 million of the increase and UAF had an increase of $16.0 million. The remaining change was spread throughout the campuses. The insurance plan expenses increased $17.6 million due primarily to increased claims expenses in the health plan. Expenses are tied to an increase in catastrophic claims, utilization, and increases in pharmacy expenses.

Net non-operating revenues increased by $49.3 million, or 5.8%. State appropriations increased $20.3 million with UAMS increase net of Medicaid match of $16.9 million largely driven by pass-through state funding included in appropriations. UAF also had an increase of $1.1 million. The remaining change was spread throughout the campuses. Federal grants decreased $106.0 million primarily due to the end of the federal government's HEERF funds. Investment income increased $99.9 million with UAMS accounting for $48.5 million and UAF, $38.9 million.

Other changes in net position decreased $11.9 million, or 19.8%. Capital grants and gifts decreased $8.5 million.

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

Statements of Cash Flows

The Statement of Cash Flows provides information about the cash activity of the University during the year. The statement is divided into five parts. The first part shows the net cash used by the operating 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 2023 is $131.2 million, a decrease of $126.6 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, 2023	**June 30, 2022**	**June 30, 2021**
Cash provided (used) by:			
Operating activities	$ (747,634,307)	$ (700,539,344)	$ (536,685,507)
Noncapital financing activities	878,828,528	958,290,016	865,741,232
Net cash	131,194,221	257,750,672	329,055,725
Capital and related financing activities	(377,714,200)	(275,488,199)	(166,036,628)
Investing activities	68,011,978	(143,983,770)	(59,436,931)
Net change in cash	(178,508,001)	(161,721,297)	103,582,166
Cash, beginning of year	563,508,987	725,230,284	621,648,118
Cash, end of year	$ 385,000,986	$ 563,508,987	$ 725,230,284

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 2023 which was consistent with the previous years. The overall cash position declined by $178.5 million for the year ended June 30, 2023.

Capital Assets and Long-Term Debt Activity

At June 30, 2023, the University had $3.4 billion of capitalized assets, net of accumulated depreciation of $3.5 billion. Capital additions in 2023 totaled $399.3 million which was offset by depreciation of $260.1 million, $15.1 million of transfers and deletions and $25.2 million related to GASB 96 adjustments, resulted in a net increase in capital assets of $149.3 million.

New debt issued for bonds, notes, leases and installment contracts offset by payments of principal was a net increase of $81.0 million for 2023. The University issued a total of $99.8 million in bonds for all campuses, with repayments, of $87.5 million. More detailed information about debt activity was discussed previously and is presented in Note 10.

Economic Outlook

The University's net position increased $53.2 million for 2023. Moody's last reaffirmed the University's rating of Aa2 with a stable outlook on June 29, 2023. 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 2023 fiscal year remains impacted by challenges initially brought on by the pandemic. It continues to be a struggle for our medical center to overcome record levels of inflation in labor and supplies, but significant efforts are underway to drive efficiencies in processes that increase revenue and reduce expense. Because the Fayetteville campus and the Medical Sciences campus account for 73.2% of total consolidated net position and 89.6% of consolidated operating revenues, the discussion below is centered on these two campuses.

UAMS

UAMS closed fiscal year 2023 with a decrease in net position of $46,400,000, compared to the budgeted loss of $7,900,000 for the period. The budget for fiscal year 2023 included the impact of the startup and anticipated opening of The Orthopaedic & Spine Hospital and assumed increases in patient volumes in both the inpatient and outpatient areas. While some clinical volumes exceeded prior year, staffing challenges have resulted in patient volumes being less than expected and are the reason net patient services revenue is below budget. In addition, supply costs increased in several areas over prior year, specifically in pharmacy expense, medical supplies, and services.

The fiscal year 2024 budget for UAMS is a decrease in net position of $8,100,000, which is comparable to the fiscal year 2023 budgeted decrease of $7,900,000. The recent completion of capital projects across the system to support growth in clinical programs has resulted in an increase in depreciation expense for fiscal year 2024, which is the primary driver behind the budgeted decrease in net position. Due to the significant year-over-year increase in depreciation expense and the fact that the associated clinical programs have a ramp-up period to expected financial performance, UAMS is taking a multi-year approach to fully funding the associated depreciation expense. Despite the budgeted decrease in net position, UAMS expects to be cash flow positive for fiscal year 2024.

Budgeted operating revenues are expected to increase by $137,300,000 over the fiscal year 2023 budget. Tuition revenue is projected to decrease slightly over the fiscal year 2023 budget. Increases of $89,600,000 are expected in net patient service revenue. In addition to The Orthopaedic and Spine Hospital (opened in June 2023), the opening of the UAMS Health Urology Center is another source of new revenue for the fiscal year 2024 budget.

Finally, the College of Medicine is projecting estimated growth at 9% related to additional physician recruitments to be deployed at Arkansas Children's Hospital. Grants and contracts revenue are also projected to see an increase from the fiscal year 2023 budget.

Fiscal year 2024 operating expenses are budgeted to increase $132,700,000 over the fiscal year 2023 budget. The increase in overall spending is due to increases in compensation and benefits, increased cost of medical supplies, drugs and medicine; and an increase in depreciation expenses for capital projects across UAMS.

Nonoperating revenue for fiscal year 2024 includes a decrease of $10,500,000 in state appropriations. Noncapital investment spending is expected to be less than was budgeted in fiscal year 2023, primarily due to large capital expenditures budgeted in fiscal year 2023. Additionally, an increase in the Medicaid Match is projected. This is the result of a lower Federal Medical Assistance Percentage (FMAP) rate in fiscal year 2024 due to the end of the COVID-19 public health emergency. Investment income is budgeted at $9,970,000 for fiscal year 2024, which is consistent with historical actuals. Interest expense of $23,120,000 is budgeted for fiscal year 2024, which is consistent with prior year.

The financial results for the first two months of fiscal year 2024 have been better than budgeted by $1,900,000. Through August, UAMS realized a decrease in net position of $5,400,000, versus a budgeted decrease of $7,300,000. Patient volumes have been less than projected, but expenses have flexed with volume. Nonoperating revenue, including appropriations and gift revenue, is more than projected for the first two months.

Over the past few years, the healthcare industry has experienced significant financial challenges. These challenges, initially brought on by the pandemic, have persisted due to record levels of inflation in labor as well as supplies. UAMS has not been immune to this and has experienced the same financial challenges as other healthcare organizations across the state and the U.S. Further, UAMS' overall financial performance depends on the margin it generates from the clinical enterprise to subsidize its other mission areas of research and education. To address these challenges, UAMS has significant efforts underway to drive efficiencies in processes that increase revenue and reduce expense. UAMS believes these efforts will improve its financial performance in the coming months and expects to end the fiscal year within its budget.

UAF

Financial and political support from state government remains a critical element to the continued financial health of the University. In 2023, the total general revenue distribution from the State increased to $225.1 million from the $218.8 million reported in 2022. The forecast for 2024 indicates general revenue and Educational Excellence Trust Fund distributions from the State may increase 2.3%. If state revenue continues to be as strong as the State has reported in early 2023, management will continue to institute both internal and external efforts to maximize 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 Division of Higher Education developed a productivity-based funding model with measures for effectiveness, affordability, and efficiency. That model was first used to determine funding recommendations for the 2018-19 academic year and resulted in a small increase in university funding based on those measures. The University does not anticipate material changes in its funding level over the short term based on this funding policy.

The University continues to seek ways to manage the cost of attendance so that it remains affordable while achieving revenue support necessary to offer a high-quality university experience. Diverse revenue sources, including state appropriations, tuition, and fees (net of scholarship allowance), private support, and sponsored grants and contracts all contribute to support the mission of teaching, research, and service. For the 2023-2024 academic year, enrollment and state appropriations are anticipated to exceed budget. Tuition and mandatory fee increases of less than 1.0% for undergraduate resident students and just under 5.0% for undergraduate non-resident students were necessary in 2024 to maintain the facilities, faculty and other support needed to fulfill our mission.

The University continues to see strong philanthropic support. After a challenging market environment experienced nationwide in fiscal year 2022, the University's overall endowment balance rebounded 4.1% to $1.53 billion as of June 30, 2023.

U of A alumni and friends continued to bolster funding for student and faculty support, capital improvements and programs through a tradition of private gift support, and saw $93 million in new gifts and received $173 million in cash payments on existing commitments in fiscal year 2023. This tally includes gifts of cash, gifts-in-kind, planned gifts and new pledges received from July 1, 2022, through June 30, 2023. Approximately $8.6 million was directed by donors for use as endowment when received.

Preliminary figures indicate that the University enrolled 32,140 students for the Fall 2023 semester. This represents an overall increase of 3.9% over the previous year. The University also continues to set new records for retention and graduation rates. As the charts below indicate, University enrollment has increased 22.5%, or 5,903 students, over the past ten years. Enrollment exceeded 32,000 for the first time ever and the Fall 2023 term enrolled the second largest incoming freshman class in the history of the University. Although the number of incoming freshmen, 6,344, is down from the previous year, it is the University's best prepared freshman class and includes a record number of Arkansans with an increase of 5.3% year over year. Over the last five years, the number of Arkansans in the incoming class increase by 19.5%.

Preliminary numbers indicate another strong incoming freshman class for the Fall 2024 semester as well. The applicant growth experienced in fiscal year 2023 and expected in fiscal year 2024 on top of three years of very stable enrollment numbers illustrates the continuing strength and value proposition of the University.

Also, in FY23, the University of Arkansas launched its "150 Forward" strategic planning process, a reflection of having concluded its sesquicentennial celebration and forward momentum into the future. This campuswide, collaborative effort to map out where we are as a land-grant institution and align the entire campus to three critical pillars: student success, research excellence and employer of choice initiatives.

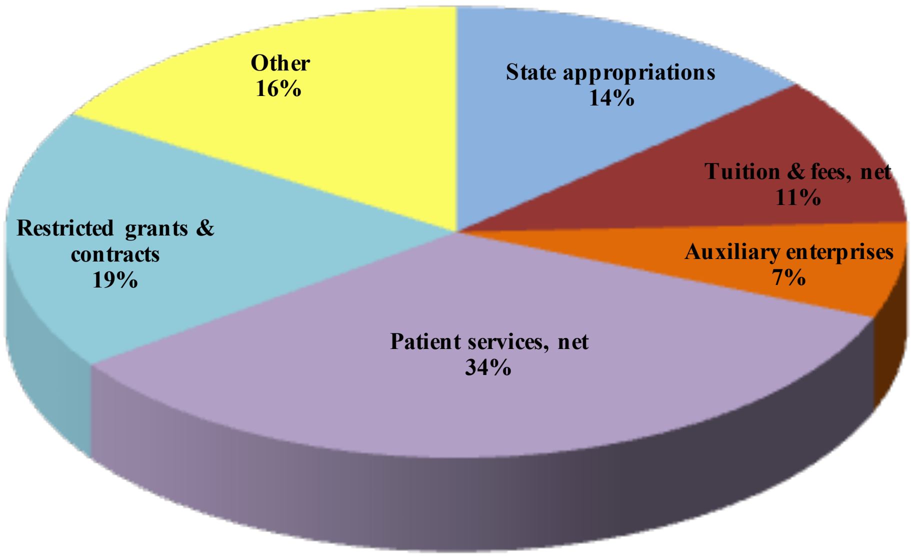
Due to our strong net position as discussed above, high level of liquidity, indications of stable State support, continuing high levels of philanthropic support, a positive enrollment outlook, and our conservative budgeting approach to the 2023-24 fiscal year, we have a high level of confidence that the University will maintain its strong position in the future.

All Campuses

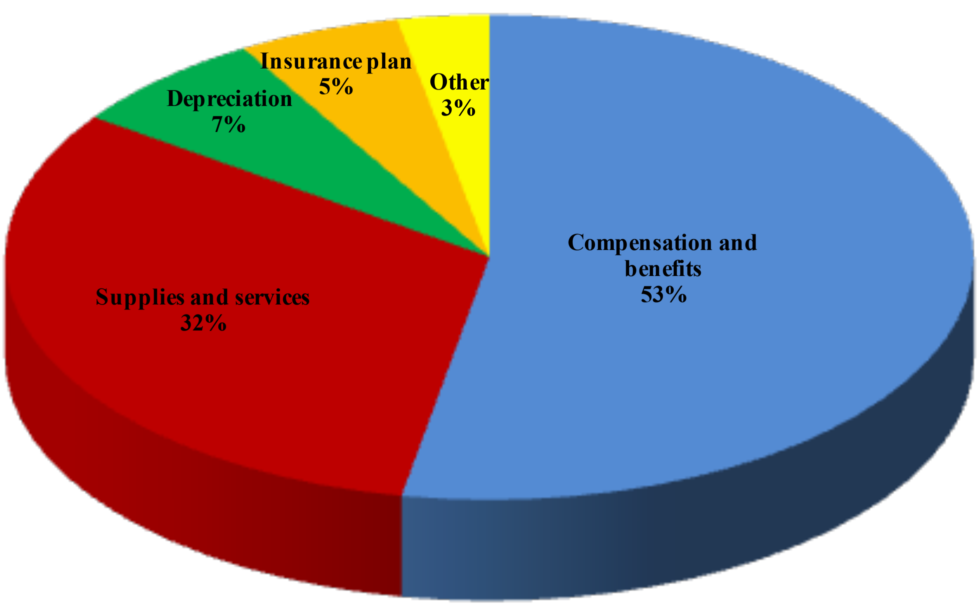
Financial support from state government for all campuses remains a critical element to the continued financial health of the University. Arkansas appears to have a healthy economy, as general revenue forecasts have been very positive, and the state budget remains balanced. As a result of these and other 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 2022 to the fall semester of 2023, from 65,362 to 64,293. The number of full-time equivalent students has also decreased from 53,847 to 53,829.

2023 Revenues
$3.918 Billion



2023 Expenses
$3.869 Billion



FIVE YEAR SUMMARY OF KEY STUDENT DATA

Enrollment

Fall Semester	2023*	2022*	2021	2020	2019
Undergraduate Students (Headcount)**	54,518	55,197	49,669	54,355	56,809
Graduate Students (Headcount)**	9,775	10,165	9,372	9,226	9,066
Total	64,293	65,362	59,041	63,581	65,875
Undergraduate Students (FTE)	46,823	46,651	42,334	43,785	45,620
Graduate Students (FTE)	7,006	7,196	6,474	6,463	6,792
Total	53,829	53,847	48,808	50,248	52,412

Degrees Awarded

Fiscal Year Ended June 30,	2023*	2022*	2021	2020	2019
Certificates	5,182	4,822	3,960	4,586	4,495
Associate	3,548	3,179	2,639	2,942	3,203
Baccalaureate	8,197	8,384	8,255	8,358	8,088
Post-Baccalaureate	417	483	424	381	353
Master's	2,448	2,308	2,089	2,052	2,037
Doctoral	267	326	289	283	273
First Professional	568	566	609	556	546
Total	20,627	20,068	18,265	19,158	18,995

*Preliminary Data Reported by ADHE. University of Arkansas Grantham enrollment and degrees awarded are not included in ADHE data but are included in the above charts for 2022 and 2023.

**2023, 2022, 2021 and 2020 no longer include High School Concurrent Headcount enrollment.

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Net Position
June 30, 2023

		June 30, 2023
ASSETS		
Current		
Cash and cash equivalents (Note 4)	$	369,846,111
Investments (Note 4)		612,130,712
Accounts receivable, net of allowances of $54,472,327 (Note 6)		267,434,895
Patient accounts receivable, net of allowances of $297,136,000		203,128,000
Inventories		44,437,521
Deposits and funds held in trust by others		24,483,489
Notes receivable, net of allowances of $396,000		1,529,865
Other assets		31,892,140
Total current assets		1,554,882,733
Non-Current		
Cash and cash equivalents (Note 4)		15,154,875
Investments (Note 4)		439,532,448
Notes receivable, net of allowance of $3,824,674		11,503,113
Deposits and funds held in trust by others		204,200,446
Other non-current assets		34,055,375
Capital assets, net of depreciation of $3,527,376,341 (Note 7)		3,379,056,006
Total non-current assets		4,083,502,263
TOTAL ASSETS	$	5,638,384,996
DEFERRED OUTFLOWS OF RESOURCES		
Debt refunding	$	18,034,374
Other postemployment benefits		9,002,000
Pensions		16,188,217
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$	43,224,591
LIABILITIES		
Current		
Accounts payable and other accrued liabilities (Note 6)	$	195,311,224
Unearned revenue		66,437,024
Funds held in trust for others		10,480,830
Liability for future insurance claims (Note 14)		18,873,600
Compensated absences payable - current portion (Note 9)		8,874,281
Liability for other postemployment benefits - current portion (Note 16)		2,221,000
Bonds, notes, leases and installment contracts payable - current portion (Note 10)		120,599,667
Total current liabilities		422,797,626
Non-Current		
Unearned revenues, deposits and other		2,196,544
Refundable federal advance - Perkins loans		4,586,466
Compensated absences payable (Note 9)		107,914,547
Liability for other postemployment benefits (Note 16)		68,561,000
Liability for pensions (Note 15)		44,065,625
Bonds, notes, leases and installment contracts payable (Note 10)		1,914,989,800
Total non-current liabilities		2,142,313,982
TOTAL LIABILITIES	$	2,565,111,608
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits	$	16,224,000
Pensions		10,872,381
Other		16,734,947
TOTAL DEFERRED INFLOWS OF RESOURCES	$	43,831,328
NET POSITION		
Net Investment in Capital Assets	$	1,578,867,669
Restricted		
Non-Expendable		
Scholarships and fellowships		16,811,946
Research		44,844,056
Other		53,921,633
Expendable		
Scholarships and fellowships		39,516,902
Research		83,952,296
Public service		27,428,315
Capital projects		73,074,200
Other		78,288,921
Unrestricted		1,075,960,713
TOTAL NET POSITION	$	3,072,666,651

See accompanying notes.

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Revenues, Expenses, and Changes in Net Position
For The Year Ended June 30, 2023

	Year Ended June 30, 2023
Operating Revenues	
Student tuition & fees, net of scholarship allowances of $219,487,092	$ 419,446,446
Patient services, net of contractual allowances of $2,542,802,000	1,325,665,000
Federal and county appropriations	14,867,271
Federal grants and contracts	319,477,994
State and local grants and contracts	78,969,136
Non-governmental grants and contracts	135,716,240
Sales and services of educational departments	72,965,823
Insurance plan	74,658,164
Auxiliary enterprises	
Athletics, net of scholarship allowances of $2,886,057	134,299,812
Housing/food service, net of scholarship allowances of $21,441,287	111,218,919
Bookstore, net of scholarship allowances of $411,887	3,396,632
Other auxiliary enterprises, net of scholarship allowances of $691,211	20,737,368
Other operating revenues	204,711,237
Total operating revenues	2,916,130,042
Operating Expenses	
Compensation and benefits	2,046,782,066
Supplies and services	1,233,597,778
Scholarships and fellowships	65,948,170
Insurance plan	209,957,487
Depreciation	260,056,474
Total operating expenses	3,816,341,975
Operating loss	(900,211,933)
Non-Operating Revenues (Expenses)	
State appropriations, net of Medicaid match payments of $61,074,000	532,901,085
Property and sales tax	10,418,556
Federal grants	152,556,943
State and local grants	46,705,873
Non-governmental grants	1,455,118
Gifts	146,840,596
Investment income (net)	51,136,967
Interest and fees on capital asset-related debt	(60,353,649)
Gain/loss on disposal of assets	7,455,849
Other	12,297,016
Net non-operating revenues	901,414,354
Income before other revenues and expenses	1,202,421
Other Changes in Net Position	
Capital appropriations	3,139,001
Capital grants and gifts	44,651,821
Adjustments to prior year revenues and expenses	366,494
Other	148,091
Total other revenues and expenses	48,305,407
Increase in net position	49,507,828
Net Position, beginning of year, as originally reported	3,019,484,709
Cumulative effect of GASB No. 94 and 96 adoption	4,194,796
Other	(520,682)
Net Position, beginning of year, restated	$ 3,023,158,823
Net Position, end of year	$ 3,072,666,651

See accompanying notes.

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Cash Flows - Direct Method
For The Year Ended June 30, 2023

	Year Ended June 30, 2023
Cash Flows from Operating Activities	
Student tuition and fees (net of scholarships)	$ 420,279,944
Patient and insurance payments	1,286,933,000
Federal and county appropriations	16,284,211
Grants and contracts	511,247,308
Collection of loans and interest	383,494
Insurance plan receipts	73,886,460
Auxiliary enterprise revenues:	
Athletics	136,981,137
Housing and food service	110,569,369
Bookstore	3,447,237
Other auxiliary enterprises	20,661,222
Payments to employees	(1,786,222,852)
Payments of employee benefits	(266,504,658)
Payments to suppliers	(1,262,362,566)
Loans issued to students	(9,375)
Scholarships and fellowships	(65,941,224)
Payments of insurance plan expenses	(205,506,303)
Other	258,239,289
Net cash used by operating activities	(747,634,307)
Cash Flows from Noncapital Financing Activities	
State appropriations	532,766,303
Property and sales tax	10,157,349
Gifts and grants for other than capital purposes	339,791,378
Repayment of loans	209,000
Direct Lending, Plus and FFEL loan receipts	255,105,176
Direct Lending, Plus and FFEL loan payments	(257,497,283)
Other agency funds - net	(2,777,223)
Intercompany debt payments/receipts	394,312
Other noncapital receipts (payments)	679,516
Net cash provided by noncapital financing activities	878,828,528
Cash Flows from Capital and Related Financing Activities	
Distributions from debt proceeds	47,356,484
Capital appropriations	3,273,224
Capital grants and gifts	88,209,183
Proceeds from sale of capital assets	211,528
Purchases of capital assets	(305,994,543)
Payment of capital related principal on debt	(121,800,856)
Payment of capital related interest and fees	(69,952,110)
Payments to/from trustee for reserve	(18,189,392)
Other capital receipts (payments)	(827,718)
Net cash used by capital and related financing activities	(377,714,200)
Cash Flows from Investing Activities	
Proceeds from sales and maturities of investments	475,818,857
Investment income (net of fees)	8,227,651
Purchases of investments	(416,034,530)
Net cash used by investing activities	68,011,978
Net increase in cash	(178,508,001)
Cash, beginning of the year	563,508,987
Cash, end of year	$ 385,000,986

See accompanying notes.

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Cash Flows - Direct Method - Continued
For The Year Ended June 30, 2023

	Year Ended June 30, 2023
Reconciliation of net operating loss to net cash used by operating activities:	
Operating loss	$ (900,211,933)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation expense	260,056,474
Other miscellaneous operating receipts	10,726,600
Adjustment to cash for amounts in transit within the system	229,695
Change in assets and liabilities:	
Receivables, net	(34,800,529)
Inventories	(4,119,533)
Prepaid expenses and other assets	(8,194,194)
Accounts payable and other accrued liabilities	(23,254,619)
Unearned revenue	2,349,324
Liability for future insurance claims	4,364,100
Loans to students and employees	2,404,995
Refundable federal advance	(2,584,529)
Compensated absences	2,772,821
OPEB liability	(3,899,000)
Pension related	(53,243,977)
Other	(230,002)
NET CASH USED BY OPERATING ACTIVITIES	$ (747,634,307)
Non-Cash Transactions	
Capital Gifts	$ 19,775
Fixed assets acquired by incurring capital lease, SBITA, installment contract obligations	73,741,648
Capital outlay & maintenance paid directly from proceeds of debt	24,904,090
Payment of bond proceeds/premium/accrued interest/debt service reserve directly into deposits with trustees/escrow	99,697,481
Payment of bond issuance costs and underwriter's discounts directly from bond proceeds and/or debt service reserve	626,401
Payment of principal & interest on long-term debt from deposits with trustees	6,391,279
Interest earned on deposits with trustees	2,096,780
Loss on disposal of assets	606,513
Value of goods received from sponsorship agreements with vendors	3,504,060
Change in capital assets acquired in year-end accounts payable	2,679,000

See accompanying notes.

UNIVERSITY OF ARKANSAS FOUNDATION, INC.
Consolidated Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Contributions receivable, net	$ 94,676,203	$ 157,629,415
Interest receivable	6,719,460	2,018,610
Investments, at fair value	1,851,035,431	1,732,937,016
Cash value of life insurance	1,416,101	1,526,723
Land	30,000	30,000
TOTAL ASSETS	$ 1,953,877,195	$ 1,894,141,764
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 8,106,574	$ 17,675,084
Annuity obligations	14,051,195	15,402,382
TOTAL LIABILITIES	22,157,769	33,077,466
NET ASSETS		
Without donor restrictions	150,711,558	139,129,115
With donor restrictions	1,781,007,868	1,721,935,183
TOTAL NET ASSETS	1,931,719,426	1,861,064,298
TOTAL LIABILITIES AND NET ASSETS	$ 1,953,877,195	$ 1,894,141,764

UNIVERSITY OF ARKANSAS
FAYETTEVILLE CAMPUS FOUNDATION, INC.
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Contribution receivable, net		
Investments	$ 664,940,299	$ 643,525,694
TOTAL ASSETS	$ 664,940,299	$ 643,525,694
LIABILITIES AND NET ASSETS		
Accounts Payable	$ 2,532,086	$ 575,734
Net Assets with donor restrictions	662,408,213	642,949,960
TOTAL LIABILITIES & NET ASSETS	$ 664,940,299	$ 643,525,694

UNIVERSITY OF ARKANSAS FOUNDATION, INC.
Consolidated Statements of Activities
Years Ended June 30, 2023 and 2022

	Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	TOTAL
Revenues, Gains and Other Support:			
Contributions	$ 11,198,454	$ 62,675,696	$ 73,874,150
Interest and dividends	11,621,677	10,141,841	21,763,518
Net realized and unrealized gains on investments	17,113,902	87,762,081	104,875,983
Net assets reclassifications, including released from or satisfaction of restrictions	98,844,968	(98,844,968)	-
Total revenues, gains and other support	138,779,001	61,734,650	200,513,651
Expenses and Losses:			
Program services:			
University System support	113,644,046		113,644,046
Supporting services:			
Management and general	2,584,344		2,584,344
Advancement and development	10,973,361		10,973,361
Change in value of split-interest agreements	(27,091)	(336,878)	(363,969)
Provision for loss (recovery) on uncollectible contributions	21,898	2,998,843	3,020,741
Total supporting services	13,552,512	2,661,965	16,214,477
Total expenses and losses	127,196,558	2,661,965	129,858,523
Change in Net Assets	11,582,443	59,072,685	70,655,128
Net Assets, beginning of year	139,129,115	1,721,935,183	1,861,064,298
Net Assets, end of year	$ 150,711,558	$ 1,781,007,868	$ 1,931,719,426

Year Ended June 30, 2022		
Without Donor Restrictions	With Donor Restrictions	TOTAL
$ 11,610,272	$ 59,017,036	$ 70,627,308
1,696,947	4,316,915	6,013,862
8,520,387	(186,981,388)	(178,461,001)
72,164,729	(72,164,729)	-
93,992,335	(195,812,166)	(101,819,831)
87,330,180		87,330,180
2,412,393		2,412,393
7,715,166		7,715,166
1,963	(62,544)	(60,581)
41,684	1,608,951	1,650,635
10,171,206	1,546,407	11,717,613
97,501,386	1,546,407	99,047,793
(3,509,051)	(197,358,573)	(200,867,624)
142,638,166	1,919,293,756	2,061,931,922
$ 139,129,115	$ 1,721,935,183	$ 1,861,064,298

UNIVERSITY OF ARKANSAS FAYETTEVILLE CAMPUS FOUNDATION, INC.
Statements of Activities
Years Ended June 30, 2023 and 2022

	Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	TOTAL
Revenues, Gains and Other Support:			
Interest and dividends		$ 3,359,581	$ 3,359,581
Net realized and unrealized gains on investments		41,094,965	41,094,965
Net assets released from restrictions	$ 24,996,293	(24,996,293)	-
Total revenues, gains and other support	24,996,293	19,458,253	44,454,546
Expenses and Losses:			
Program services:			
Fayetteville campus support	24,996,293		24,996,293
Total program services	24,996,293	-	24,996,293
Change in Net Assets	-	19,458,253	19,458,253
Net Assets, beginning of year	-	642,949,960	642,949,960
Net Assets, end of year	$ -	$ 662,408,213	$ 662,408,213

Year Ended June 30, 2021		
Without Donor Restrictions	With Donor Restrictions	TOTAL
	$ 1,990,228	$ 1,990,228
	(83,216,904)	(83,216,904)
$ 22,418,322	(22,418,322)	-
22,418,322	(103,644,998)	(81,226,676)
22,418,322		22,418,322
22,418,322	-	22,418,322
-	(103,644,998)	(103,644,998)
-	746,594,958	746,594,958
$ -	$ 642,949,960	$ 642,949,960

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Net Position by Campus
At June 30, 2023

	UAF	UAFS	UALR	UAMS	UAM	UAPB
ASSETS						
Current						
Cash and cash equivalents	$ 152,710,118	$ 24,684,807	$ 13,533,014	$ 20,765,000	$ 16,305,307	$ 4,753,207
Investments	470,559,213	26,120,810	65,575,398	453,000	4,027	
Accounts receivable	80,043,333	4,591,797	24,555,013	105,958,000	6,422,524	26,555,734
Patient accounts receivable				203,128,000		
Inventories	8,422,543		153,759	33,460,000	393,920	31,828
Deposits and funds held in trust by others	3,855,723		395,183	1,971,000	1	18,186,497
Notes receivable	1,115,823	9,597	24,834	640,000		
Other assets	12,484,900	256,339	1,044,653	9,945,000	1,461,041	743,252
Total current assets	729,191,653	55,663,350	105,281,854	376,320,000	24,586,820	50,270,518
Non-Current						
Cash and cash equivalents					5,287,595	8,422,297
Investments	178,917,630	3,762,090	35,071,821	179,988,000	4,952,382	5,566,286
Notes receivable	5,057,425	135,104	349,606	10,237,000	77,344	464,192
Deposits and funds held in trust by others	62,667,675	69,396	1,878,956	139,561,000		
Other non-current assets	28,406,238	1,750,555	2,343,756			1,053,786
Capital assets	1,568,634,302	127,322,185	188,582,378	1,108,427,000	46,097,299	109,619,059
Total non-current assets	1,843,683,270	133,039,330	228,226,517	1,438,213,000	56,414,620	125,125,620
TOTAL ASSETS	$ 2,572,874,923	$ 188,702,680	$ 333,508,371	$ 1,814,533,000	$ 81,001,440	$ 175,396,138
DEFERRED OUTFLOWS OF RESOURCES						
Debt refunding	$ 5,848,702	$ 1,877,735	$ 2,318,785	$ 3,053,000		$ 175,940
Other postemployment benefits	3,697,000	234,000	645,000	3,198,000	$ 169,000	340,000
Pensions	3,509,232	485,308	1,786,691	3,050,000	805,181	259,851
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 13,054,934	$ 2,597,043	$ 4,750,476	$ 9,301,000	$ 974,181	$ 775,791
LIABILITIES						
Current						
Accounts payable and other accrued liabilities	$ 60,790,813	$ 4,349,671	$ 4,865,502	$ 125,579,000	$ 2,024,295	$ 3,639,482
Unearned revenue, deposits and other	44,608,036	491,090	11,300,952	5,540,000	62,778	56,649
Funds held in trust for others	4,691,686	201,019	794,561	1,281,000	136,955	2,959,299
Liability for future insurance claims						
Compensated absences payable - current portion	2,270,707	226,636	448,134	5,159,000	126,499	254,135
Liability for other postemployment benefits - current portion	704,000	73,000	186,000	917,000	57,000	61,000
Bonds, notes, leases and installment contracts payable - current	51,661,381	4,093,996	9,981,017	43,459,000	1,469,507	1,939,944
Total current liabilities	164,726,623	9,435,412	27,576,166	181,935,000	3,877,034	8,910,509
Non-Current						
Unearned revenues, deposits and other	2,002,439		164,286			29,819
Refundable federal advance - Perkins loans	4,562,630				23,836	
Compensated absences payable	21,156,929	1,286,285	3,744,968	74,574,000	1,028,568	2,322,684
Liability for other post employment benefits	21,371,000	1,628,000	5,216,000	30,997,000	1,423,000	2,661,000
Liability for pensions	9,599,695	1,384,071	5,336,575	7,245,000	2,283,874	668,485
Bonds, notes, leases, installment contracts payable	822,740,770	47,052,508	74,580,975	787,958,000	25,085,052	43,149,147
Total non-current liabilities	881,433,463	51,350,864	89,042,804	900,774,000	29,844,330	48,831,135
TOTAL LIABILITIES	$ 1,046,160,086	$ 60,786,276	$ 116,618,970	$ 1,082,709,000	$ 33,721,364	$ 57,741,644
DEFERRED INFLOWS OF RESOURCES						
Other postemployment benefits	4,319,000	$ 367,000	$ 1,396,000	$ 7,015,000	$ 411,000	$ 702,000
Pensions	1,548,153	450,931	1,084,793	2,299,000	341,169	84,939
Other	9,133,011			7,118,000		
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 15,000,164	$ 817,931	$ 2,480,793	$ 16,432,000	$ 752,169	$ 786,939
NET POSITION						
Net Investment in Capital Assets	$ 760,238,971	$ 78,568,044	$ 106,798,570	$ 422,323,000	$ 20,954,827	$ 78,392,129
Restricted						
Non-Expendable						
Scholarships and fellowships	10,717,947	308,297	4,472,660	244,000	56,017	
Research	18,536,834		179,662	25,806,000	321,560	
Other	17,109,304	7,000	6,868,036	22,177,000	2,700	7,757,593
Expendable						
Scholarships and fellowships	22,394,525	238,625	(1,182,014)	15,862,000	497,535	930,144
Research	57,739,362	116,693	(131,300)	21,724,000	2,477,853	2,025,688
Public service	19,256,548	351,173	1,408,534	5,050,000		1,362,060
Capital projects	57,984,202	140,555			5,427,564	5,310,813
Other	30,951,341	2,961,040	15,618,676	13,273,000	192,205	10,357,276
Unrestricted	529,840,573	47,004,089	85,126,260	198,234,000	17,571,827	11,507,643
TOTAL NET POSITION	$ 1,524,769,607	$ 129,695,516	$ 219,159,084	$ 724,693,000	$ 47,502,088	$ 117,643,346

See accompanying notes.

SYSTEM	CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Elimination (See Note 19)	TOTAL
$ 39,905,986	$ 3,203,678	$ 13,159,835	$ 3,967,290	$ 8,185,680	$ 7,727,222	$ 49,696,703	$ 1,325,611	$ 9,634,972	$ 287,681	$ 369,846,111
32,881,396	877,992	3,558,556		4,309,105	2,500,000	5,291,215				612,130,712
24,630,676	2,614,523	2,608,162	1,744,990	965,052	801,420	3,409,488	1,219,519	703,971	(19,389,307)	267,434,895
										203,128,000
	82,648	51,612	170,579	1,250,874			419,758			44,437,521
		284					74,801			24,483,489
								1,904	(262,293)	1,529,865
2,299,897	561,716	306,685	451,060	305,652	605,413	1,320,923	58,763	46,846		31,892,140
99,717,955	7,340,557	19,685,134	6,333,919	15,016,363	11,634,055	59,718,329	3,098,452	10,387,693	(19,363,919)	1,554,882,733
	1,298,955				146,028					15,154,875
26,043,525	696,920		2,200,000			1,261,332	1,072,462			439,532,448
	36,878	87,074	47,291	31,744	40,721			24,669	(5,085,935)	11,503,113
					842	22,577				204,200,446
19,535,437						200,936	221,029		(19,456,362)	34,055,375
8,030,717	11,133,125	20,173,606	14,454,620	30,763,112	22,935,770	78,390,627	19,523,221	24,968,985		3,379,056,006
53,609,679	13,165,878	20,260,680	16,701,911	30,794,856	23,123,361	79,875,472	20,816,712	24,993,654	(24,542,297)	4,083,502,263
$ 153,327,634	$ 20,506,435	$ 39,945,814	$ 23,035,830	$ 45,811,219	$ 34,757,416	$ 139,593,801	$ 23,915,164	$ 35,381,347	$ (43,906,216)	$ 5,638,384,996
	$ 60,234	$ 667,622		$ 117,663		$ 3,914,693				$ 18,034,374
$ 63,000	87,000	76,000	$ 47,000	58,000	$ 84,000	219,000	$ 64,000	$ 21,000		9,002,000
298,722	592,570	235,783	718,888	474,699	760,184	2,284,291	615,876	310,941		16,188,217
$ 361,722	$ 739,804	$ 979,405	$ 765,888	$ 650,362	$ 844,184	$ 6,417,984	$ 679,876	$ 331,941	$ -	$ 43,224,591
$ 6,961,059	$ 542,072	$ 740,452	$ 256,632	$ 660,240	$ 665,815	$ 2,390,118	$ 722,533	$ 225,166	$ (19,101,626)	$ 195,311,224
1,722,824	467,299	249,320	78,043	97,872	301,038	1,373,126	78,513	9,484		66,437,024
	71,323	34,775	23,391	(5,929)	85,470	129,932	38,260	39,088		10,480,830
18,873,600										18,873,600
85,546	13,260	39,255	37,478	32,225	22,700	91,602	51,403	15,701		8,874,281
19,000	14,000	37,000	5,000	18,000	23,000	81,000	25,000	1,000		2,221,000
5,985,033	248,076	513,759	272,613	656,065	420,445	2,941,285	474,689	132,914	(3,650,057)	120,599,667
33,647,062	1,356,030	1,614,561	673,157	1,458,473	1,518,468	7,007,063	1,390,398	423,353	(22,751,683)	422,797,626
										2,196,544
										4,586,466
1,146,088	251,013	446,259	326,816	366,827	347,349	514,535	226,483	175,743		107,914,547
554,000	558,000	839,000	417,000	359,000	694,000	1,095,000	522,000	227,000		68,561,000
833,359	1,645,692	689,238	1,912,284	1,354,814	2,063,778	6,502,846	1,715,362	830,552		44,065,625
22,542,171	2,541,107	8,489,731	777,789	8,160,781	9,566,961	69,136,392	13,626,054	736,895	(21,154,533)	1,914,989,800
25,075,618	4,995,812	10,464,228	3,433,889	10,241,422	12,672,088	77,248,773	16,089,899	1,970,190	(21,154,533)	2,142,313,982
$ 58,722,680	$ 6,351,842	$ 12,078,789	$ 4,107,046	$ 11,699,895	$ 14,190,556	$ 84,255,836	$ 17,480,297	$ 2,393,543	$ (43,906,216)	$ 2,565,111,608
$ 118,000	$ 193,000	$ 222,000	$ 90,000	$ 317,000	$ 179,000	$ 596,000	$ 238,000	$ 61,000		$ 16,224,000
206,013	441,683	201,003	422,910	638,973	528,633	2,257,018	228,274	138,889		10,872,381
483,936		-								16,734,947
$ 807,949	$ 634,683	$ 423,003	$ 512,910	$ 955,973	$ 707,633	$ 2,853,018	$ 466,274	$ 199,889	$ -	$ 43,831,328
$ 3,572,534	$ 8,751,089	$ 11,471,138	$ 13,030,323	$ 22,494,187	$ 13,589,398	$ 7,928,346	$ 5,643,507	$ 25,111,606		$ 1,578,867,669
	75,000					938,025				16,811,946
										44,844,056
										53,921,633
	80,296	260,086			301,023	65,583	69,099			39,516,902
										83,952,296
										27,428,315
	1,298,956	2,849,996					62,114			73,074,200
	107,581		309,357			4,265,735	10,467	242,243		78,288,921
90,586,193	3,946,792	13,842,207	5,842,082	11,311,526	6,812,990	45,705,242	863,282	7,766,007		1,075,960,713
$ 94,158,727	$ 14,259,714	$ 28,423,427	$ 19,181,762	$ 33,805,713	$ 20,703,411	$ 58,902,931	$ 6,648,469	$ 33,119,856	$ -	$ 3,072,666,651

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Revenues, Expenses, and Changes in Net Position by Campus
For the Year Ended June 30, 2023

	UAF	UAFS	UALR	UAMS	UAM	UAPB
Operating Revenues						
Student tuition & fees, net of scholarship allowances	279,144,723	$ 12,419,569	$ 26,786,857	$ 48,700,000	$ 8,689,024	$ 10,273,736
Patient services, net of contractual allowances				1,325,665,000		
Federal and county appropriations	14,867,271					
Federal grants and contracts	107,441,790	2,095,616	34,583,426	139,625,000	2,051,917	18,686,577
State and local grants and contracts	12,237,898	3,070,931	2,733,509	40,669,000	1,861,345	6,666,503
Non-governmental grants and contracts	17,690,626	497,014	1,117,500	111,770,000	193,292	3,830,228
Sales and services of educational departments	27,385,106	500,152	893,728	40,669,000	333,809	109,512
Insurance plan						
Auxiliary enterprises						
Athletics, net of scholarship allowances	128,245,748	42,745	2,688,924		459,428	2,822,269
Housing/food service, net of scholarship allowances	88,866,489	3,436,419	3,174,481	8,527,000	1,538,205	4,505,473
Bookstore, net of scholarship allowances	1,746,599	176,942	310,097		37,944	
Other auxiliary enterprises, net of scholarship allowances	16,155,529	208,827	725,448	2,924,000	460,902	128,613
Other operating revenues	14,582,268	354,647	1,084,847	186,839,000	288,341	738,687
Total operating revenues	708,364,047	22,802,862	74,098,817	1,905,388,000	15,914,207	47,761,598
Operating Expenses						
Compensation and benefits	598,165,796	41,471,013	103,802,780	1,283,328,000	27,167,063	44,797,927
Supplies and services	329,959,654	26,043,865	55,724,446	696,928,000	12,747,067	40,284,702
Scholarships and fellowships	30,333,468	5,127,882	4,597,362	806,000	3,916,893	5,007,115
Insurance plan						
Depreciation	110,834,648	8,402,120	16,098,297	94,844,000	4,322,639	8,348,074
Total operating expenses	1,069,293,566	81,044,880	180,222,885	2,075,906,000	48,153,662	98,437,818
Operating income (loss)	(360,929,519)	(58,242,018)	(106,124,068)	(170,518,000)	(32,239,455)	(50,676,220)
Non-Operating Revenues (Expenses)						
State appropriations, net of Medicaid match payments	230,793,541	26,531,806	69,270,340	84,978,000	20,604,193	29,355,689
Property and sales tax						
Federal grants	25,899,693	24,270,093	18,045,947		10,172,585	12,564,247
State and local grants	31,375,179	4,259,265	3,982,872		1,518,706	824,492
Non-governmental grants	14,859	4,061	1,102,578			
Gifts	99,366,097	3,123,006	14,226,092	23,433,000	1,848,959	3,524,657
Investment income (net)	13,951,775	1,350,587	2,614,759	28,969,000	411,438	865,278
Interest and fees on capital asset-related debt	(25,807,739)	(1,514,462)	(2,644,966)	(23,843,000)	(731,728)	(1,460,445)
Gain (loss) on disposal of assets	(435,398)	(4,624)	(95,972)	8,028,000	(67)	
Other	8,782,949	356,984	530,266	2,489,000	36,604	(212,078)
Net non-operating revenues	383,940,956	58,376,716	107,031,916	124,054,000	33,860,690	45,461,840
Income/Loss before other revenues and expenses	23,011,437	134,698	907,848	(46,464,000)	1,621,235	(5,214,380)
Other Changes in Net Position						
Capital appropriations	3,123,224					
Capital grants and gifts	39,629,565	450,000		56,000	552,369	3,000,000
Adjustments to prior year revenues and expenses			61,017		(46,561)	354,799
Other	148,091					
Total other revenues and expenses	42,900,880	450,000	61,017	56,000	505,808	3,354,799
Increase (decrease) in net position	65,912,317	584,698	968,865	(46,408,000)	2,127,043	(1,859,581)
Net Position, beginning of year	1,457,371,027	128,829,329	217,638,278	771,101,000	45,132,004	119,232,659
Cumulative effect of GASB No. 94 and 96 adoption	1,486,263	281,489	551,941		243,041	270,268
Other Adjustments						
Net Position, beginning of year, restated	$ 1,458,857,290	$ 129,110,818	$ 218,190,219	$ 771,101,000	$ 45,375,045	$ 119,502,927
Net Position, end of year	$ 1,524,769,607	$ 129,695,516	$ 219,159,084	$ 724,693,000	$ 47,502,088	$ 117,643,346

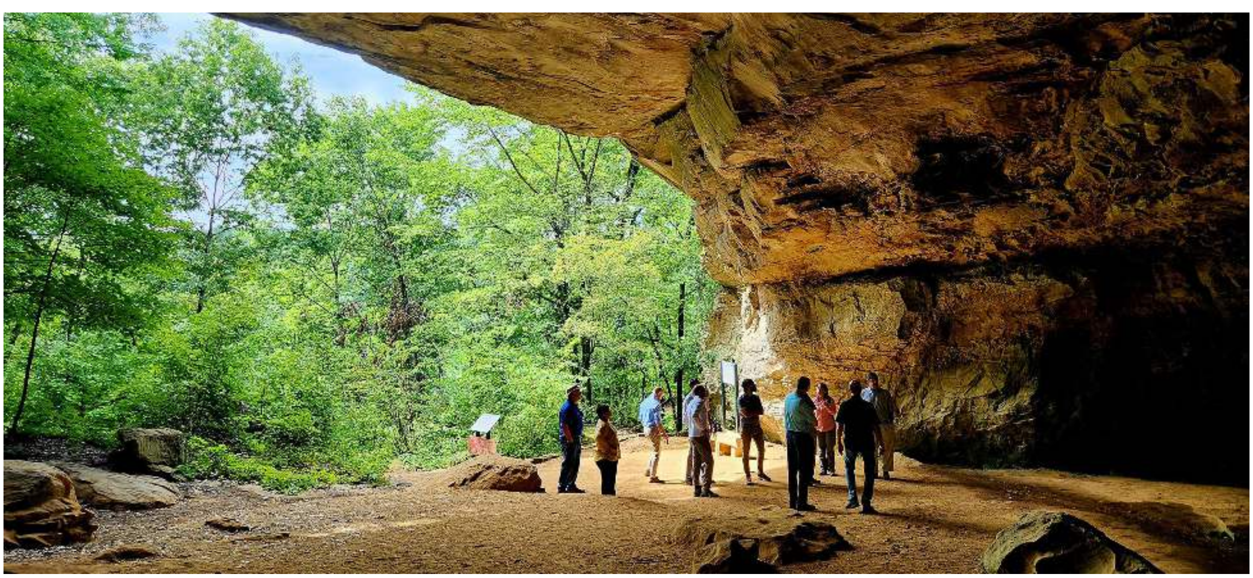
See accompanying notes.

SYSTEM	CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	(Note 19)	TOTAL
$ 16,560,579	$ 1,517,589	$ 562,602	$ 631,157	$ 765,334	$ 2,341,880	$ 10,058,330	$ 995,066			$ 419,446,446
										1,325,665,000
										14,867,271
	1,943,599	3,917,518	1,156,862	1,627,225	932,456	2,600,745	2,411,116	$ 404,147		319,477,994
	1,938,958	999,463	801,199	1,194,780	2,590,725	1,927,946	1,663,145	613,734		78,969,136
	110,487	9,525	5,176	8,601	221,080	42,296	206,920	13,495		135,716,240
5,273,510	91,201	102,668	131,892	191,944	337,868	1,335,334	41,438	6,700	$ (4,438,039)	72,965,823
216,010,513									(141,352,349)	74,658,164
	32,075						8,623			134,299,812
	175,950		113,371				881,531			111,218,919
	93,008	52,512	99,483	316,771		161,529	401,747			3,396,632
		52,461	10,515			71,073				20,737,368
718,987	102,126	121,355	21,628	21,737	87,660	256,029	79,770	278,749	(864,594)	204,711,237
238,563,589	6,004,993	5,818,104	2,971,283	4,126,392	6,511,669	16,453,282	6,689,356	1,316,825	(146,654,982)	2,916,130,042
9,801,336	9,165,069	10,966,623	7,877,611	8,208,969	11,021,365	19,885,509	6,470,724	6,004,630	(141,352,349)	2,046,782,066
28,293,192	6,069,482	7,871,992	4,691,923	3,879,236	4,683,427	13,429,405	4,048,418	4,245,602	(5,302,633)	1,233,597,778
832,072	1,534,291	3,065,869	1,328,171	1,849,693	1,871,529	4,985,550	692,275			65,948,170
209,957,487										209,957,487
3,014,774	1,026,559	1,386,367	1,218,786	1,609,642	2,039,364	5,198,418	925,661	787,125		260,056,474
251,898,861	17,795,401	23,290,851	15,116,491	15,547,540	19,615,685	43,498,882	12,137,078	11,037,357	(146,654,982)	3,816,341,975
(13,335,272)	(11,790,408)	(17,472,747)	(12,145,208)	(11,421,148)	(13,104,016)	(27,045,600)	(5,447,722)	(9,720,532)	-	(900,211,933)
4,367,243	5,159,458	10,872,602	5,453,718	6,635,024	6,693,302	16,654,339	3,807,406	11,724,424		532,901,085
	1,827,352	3,207,798	1,941,958	1,918,822	985,411		537,215			10,418,556
16,558,059	4,732,444	3,977,593	4,839,283	4,941,514	5,752,682	19,291,757	1,511,046			152,556,943
	400,162	94,878	1,447,980	238,819	565,223	1,120,529	877,768			46,705,873
	91,839		166,056	75,725						1,455,118
300,312	85,692	183,001	150,886		75,936	368,201	45,000	109,757		146,840,596
2,061,239	165,244	119,842	65,435	60,302	387,192	834,627	16,372	8,067	(744,190)	51,136,967
(759,301)	(101,179)	(336,674)	(16,392)	(184,235)	(360,787)	(2,653,377)	(571,659)	(24,824)	657,119	(60,353,649)
	(31,049)	(125)			(4,916)					7,455,849
99,048	7,678		28,648			1,415	51,525	37,906	87,071	12,297,016
22,626,600	12,337,641	18,118,915	14,077,572	13,685,971	14,094,043	35,617,491	6,274,673	11,855,330	-	901,414,354
9,291,328	547,233	646,168	1,932,364	2,264,823	990,027	8,571,891	826,951	2,134,798	-	1,202,421
	15,777									3,139,001
		710,642		93,245				160,000		44,651,821
		1,599	(10,167)			5,807				366,494
										148,091
-	15,777	712,241	(10,167)	93,245	-	5,807	-	160,000	-	48,305,407
9,291,328	563,010	1,358,409	1,922,197	2,358,068	990,027	8,577,698	826,951	2,294,798	-	49,507,828
84,668,318	13,632,075	27,045,069	17,129,589	31,902,431	19,628,705	49,575,220	5,788,674	30,810,331		3,019,484,709
199,081	64,629	19,949	129,976	65,896	84,679	750,013	32,844	14,727		4,194,796
				(520,682)						(520,682)
$ 84,867,399	$ 13,696,704	$ 27,065,018	$ 17,259,565	$ 31,447,645	$ 19,713,384	$ 50,325,233	$ 5,821,518	$ 30,825,058	$ -	$ 3,023,158,823
$ 94,158,727	$ 14,259,714	$ 28,423,427	$ 19,181,762	$ 33,805,713	$ 20,703,411	$ 58,902,931	$ 6,648,469	$ 33,119,856	$ -	$ 3,072,666,651

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Cash Flows - Direct Method - By Campus
For the Year Ended June 30, 2023

	UAF	UAFS	UALR	UAMS	UAM	UAPB
Cash Flows from Operating Activities						
Student tuition and fees (net of scholarships)	$ 278,952,446	$ 12,242,471	$ 28,207,967	$ 48,700,000	$ 8,047,669	$ 12,123,021
Patient and insurance payments				1,286,933,000		
Federal and county appropriations	16,284,211					
Grants and contracts	142,979,648	8,202,386	42,462,246	265,716,000	3,034,193	22,473,457
Collection of loans and interest	380,671					
Insurance plan receipts						
Auxiliary enterprise revenues:						
Athletics	131,012,836	42,745	2,762,958		299,631	2,822,269
Housing and food service	87,610,177	3,585,975	3,172,704	8,527,000	1,997,188	4,505,473
Bookstore	1,568,938	176,942	281,526		294,781	
Other auxiliary enterprises	16,012,608	231,000	712,236	2,924,000	312,577	128,613
Payments to employees	(480,045,178)	(33,539,357)	(84,508,825)	(1,057,465,000)	(21,664,416)	(36,405,140)
Payment of employee benefits	(120,672,688)	(8,121,337)	(20,453,058)	(221,627,000)	(5,811,242)	(11,137,869)
Payments to suppliers	(330,647,437)	(26,438,763)	(57,473,315)	(720,026,000)	(13,083,550)	(39,933,902)
Loans issued to students	(9,375)					
Scholarships and fellowships	(30,408,869)	(5,127,882)	(4,597,362)	(806,000)	(3,834,546)	(5,007,115)
Payments of insurance plan expenses						
Other receipts and payments	51,534,252	(608,626)	1,213,185	197,019,000	555,819	569,478
Net cash used by operating activities	(235,447,760)	(49,354,446)	(88,219,738)	(190,105,000)	(29,851,896)	(49,861,715)
Cash Flows from Noncapital Financing Activities						
State appropriations	230,793,541	26,531,806	69,270,340	84,978,000	20,604,193	29,355,689
Property and sales tax						
Gifts and grants for other than capital purposes	154,350,905	31,497,459	37,887,755	23,433,000	14,371,164	11,217,603
Repayment of loans				209,000		
Direct Lending, Plus and FFEL loan receipts	141,779,162	11,455,717	44,248,206		12,497,039	10,221,164
Direct Lending, Plus and FFEL loan payments	(142,995,052)	(11,482,765)	(44,581,465)		(13,058,806)	(10,259,685)
Other agency funds - net	232,560	(14,129)	87,675	(4,080,000)	882,398	210,830
Intercompany debt payments/receipts		7,372	12,309			
Other noncapital receipts (payments)		357,010				
Net cash provided (used) by noncapital financing activities	384,161,116	58,352,470	106,924,820	104,540,000	35,295,988	40,745,601
Cash Flows from Capital and Related Financing Activities						
Distributions from debt proceeds	17,318,375		216,673	12,136,000		17,684,097
Capital appropriations	3,123,224					
Capital grants and gifts	83,196,961	449,966		56,000	542,369	3,000,000
Proceeds from sale of capital assets	34,362				7,803	
Purchases of capital assets	(110,335,378)	(4,949,780)	(8,757,046)	(141,050,000)	(4,151,930)	(12,664,795)
Payment of capital related principal on debt	(54,023,429)	(3,730,299)	(9,009,376)	(43,598,000)	(974,611)	(2,473,044)
Payments of capital related interest and fees	(27,854,306)	(1,611,772)	(3,314,822)	(30,479,000)	(983,175)	(1,531,698)
Payments to/from trustee for reserve						(18,186,497)
Other capital receipts (payments)						
Net cash provided (used) by capital & related financing act	(88,540,191)	(9,841,885)	(20,864,571)	(202,935,000)	(5,559,544)	(14,171,937)
Cash Flows from Investing Activities						
Proceeds from sales and maturities of investments	24,251,736		40,952,904	398,843,000	2,102,859	381,390
Investment income (net of fees)	1,602,155	1,253,059	1,309,032	(182,000)	578,847	591,601
Purchases of investments	(71,188,029)	(784,028)	(41,451,055)	(283,521,000)	(358,352)	(453,949)
Net cash provided (used) by investing activities	(45,334,138)	469,031	810,881	115,140,000	2,323,354	519,042
Net increase/decrease in cash	14,839,027	(374,830)	(1,348,608)	(173,360,000)	2,207,902	(22,769,009)
Cash, beginning of the year	137,871,091	25,059,637	14,881,622	194,125,000	19,385,000	35,944,513
Cash, end of year	$ 152,710,118	$ 24,684,807	13,533,014	$ 20,765,000	$ 21,592,902	13,175,504

See accompanying notes.



SYSTEM	CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	(Note 19)	TOTAL
$ 16,126,307	$ 1,366,066	$ 684,145	$ 625,554	$ 763,688	$ 2,388,523	$ 9,135,801	$ 916,286			$ 420,279,944
										1,286,933,000
										16,284,211
	3,533,341	4,660,459	1,777,965	3,407,667	3,868,332	4,216,199	4,288,186	$ 627,229		511,247,308
								2,823		383,494
214,815,089									$ (140,928,629)	73,886,460
	32,075						8,623			136,981,137
	175,950		113,371				881,531			110,569,369
	93,008	52,512	99,483	316,771		161,529	401,747			3,447,237
		52,461	10,770			276,804	153			20,661,222
(7,667,219)	(7,370,435)	(9,012,797)	(6,291,955)	(6,690,919)	(8,793,434)	(16,846,483)	(5,132,692)	(4,789,002)		(1,786,222,852)
(1,972,382)	(1,923,791)	(2,325,618)	(1,710,982)	(1,849,440)	(2,602,254)	(4,523,368)	(1,459,565)	(1,242,693)	140,928,629	(266,504,658)
(29,422,104)	(6,080,495)	(8,187,618)	(4,820,894)	(4,319,299)	(4,949,873)	(13,195,678)	(4,531,236)	(4,690,266)	5,437,864	(1,262,362,566)
										(9,375)
(832,072)	(1,534,291)	(3,065,869)	(1,328,171)	(1,849,693)	(1,871,529)	(4,985,550)	(692,275)			(65,941,224)
(205,506,303)										(205,506,303)
9,387,726	40,298	144,130	72,245	213,681	415,504	2,440,333	368,047	82,386	(5,208,169)	258,239,289
(5,070,958)	(11,668,274)	(16,998,195)	(11,452,614)	(10,007,544)	(11,544,731)	(23,320,413)	(4,951,195)	(10,009,523)	229,695	(747,634,307)
4,367,243	5,159,458	10,737,820	5,453,718	6,635,024	6,693,302	16,654,339	3,807,406	11,724,424		532,766,303
	1,875,290	3,212,361	1,941,958	1,609,037	975,056		505,741	37,906		10,157,349
16,837,433	5,291,750	3,861,594	6,721,422	5,256,058	6,393,840	20,780,554	1,782,762	108,079		339,791,378
										209,000
22,858,968			731,733		1,356,334	9,956,853				255,105,176
(23,074,590)			(731,733)		(1,356,334)	(9,956,853)				(257,497,283)
(128,902)	14,449	31,114	4,223	(28,990)	13,670	(10,630)	10,827	(2,318)		(2,777,223)
410,925	(124,409)			1,044					87,071	394,312
230,765						25,489	51,525	14,727		679,516
21,501,842	12,216,538	17,842,889	14,121,321	13,472,173	14,075,868	37,449,752	6,158,261	11,882,818	87,071	878,828,528
					1,339					47,356,484
	150,000									3,273,224
		710,642		93,245				160,000		88,209,183
								169,363		211,528
(961,314)	(1,055,978)	(2,069,310)	(2,342,717)	(6,479,446)	(2,812,946)	(3,575,209)	(1,792,137)	(2,996,557)		(305,994,543)
(5,770,259)	(255,633)	(498,001)	(268,768)	(656,076)	(368,608)	(2,842,509)	(404,324)	(61,415)	3,133,496	(121,800,856)
(849,339)	(102,416)	(292,243)	(12,650)	(176,868)	(390,896)	(2,491,710)	(493,885)	(24,449)	657,119	(69,952,110)
						(2,895)				(18,189,392)
2,305,778									(3,133,496)	(827,718)
(5,275,134)	(1,264,027)	(2,148,912)	(2,624,135)	(7,219,145)	(3,571,111)	(8,912,323)	(2,690,346)	(2,753,058)	657,119	(377,714,200)
3,457,187			2,200,000		3,687,604	(57,823)				475,818,857
2,358,744	135,935	22,187	64,272	58,419	320,524	834,627	16,372	8,067	(744,190)	8,227,651
(10,901,177)	(500,000)		(2,200,000)	(2,047,624)	(2,500,000)	(116,135)	(13,181)			(416,034,530)
(5,085,246)	(364,065)	22,187	64,272	(1,989,205)	1,508,128	660,669	3,191	8,067	(744,190)	68,011,978
6,070,504	(1,079,828)	(1,282,031)	108,844	(5,743,721)	468,154	5,877,685	(1,480,089)	(871,696)	229,695	(178,508,001)
33,835,482	5,582,461	14,441,866	3,858,446	13,929,401	7,405,096	43,819,018	2,805,700	10,506,668	57,986	563,508,987
$ 39,905,986	$ 4,502,633	$ 13,159,835	$ 3,967,290	$ 8,185,680	$ 7,873,250	$ 49,696,703	$ 1,325,611	$ 9,634,972	$ 287,681	$ 385,000,986

UNIVERSITY OF ARKANSAS SYSTEM
Statement of Cash Flows - Direct Method - Continued - By Campus
For the Year Ended June 30, 2023

	UAF	UAFS	UALR	UAMS	UAM	UAPB
Reconciliation of net operating revenue (loss) to net cash provided (used) by operating activities:						
Operating revenue (loss)	$ (360,929,519)	(58,242,018)	$ (106,124,068)	$ (170,518,000)	$ (32,239,455)	$ (50,676,220)
Adjustments to reconcile net revenue (loss) to net cash provided (used) by operating activities:						
Depreciation expense	110,834,648	8,402,120	16,098,297	94,844,000	4,322,639	8,348,074
Other miscellaneous operating receipts	11,247,282					
Adjustment to cash for amounts in transit within the system						
Change in assets and liabilities:						
Receivables, net	9,124,916	2,014,010	(10,958)	(39,602,000)	(1,468,001)	(5,353,332)
Inventories	(116,904)		(2,551)	(4,017,000)	7,318	(5,112)
Prepaid expenses and other assets	(6,230,101)	(1,072,769)	(70,882)	(793,000)	(35,601)	(207,013)
Accounts payable and other accrued liabilities	(364,682)	(181,013)	(2,416,011)	(16,665,000)	(123,228)	(659,149)
Unearned revenue	1,777,808	(2,474)	5,416,282	(6,089,000)	15,125	(14,230)
Liability for future insurance claims						
Loans to students and employees	2,404,995					
Refundable federal advance	(2,584,529)					
Compensated absences	(7,438)	11,932	(76,924)	4,230,000	(21,291)	(1,449,680)
OPEB liability	745,000	136,000	(133,000)	(4,141,000)	(32,000)	(432,000)
Pension related	(1,349,236)	(420,234)	(921,130)	(47,354,000)	(277,402)	423,354
Other			21,207			163,593
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (235,447,760)	$ (49,354,446)	$ (88,219,738)	$ (190,105,000)	$ (29,851,896)	$ (49,861,715)
Non-Cash Transactions						
Capital gifts					$ 19,775	
Fixed assets acquired by incurring capital lease, SBITA, installment contract obligations		$ 3,705,967		$ 69,329,000		
Capital outlay & maintenance paid directly from proceeds of debt	20,935,958					
Payment of bond proceeds/premium/accrued interest/debt service reerve directly into deposits with trustees/escrow	81,799,078					17,898,403
Payment of bond issuance costs/underwriters' discount directly from bond proceeds and/or debt service reserves	414,323					212,078
Payment of principal & interest on long-term debt from deposits with trustees	38,541		3,263		6,348,552	
Interest earned on deposits with trustees	2,008,399	6,963	75,283		4,124	
Loss on disposal of assets	469,759	4,625	95,972		67	
Value of goods received from sponsorship agreements with vendors	3,504,060					
Change in capital assets acquired in year-end accounts payable				2,679,000		

See accompanying notes.

SYSTEM	CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Eliminations	TOTAL
$ (13,335,272)	$ (11,790,408)	$ (17,472,747)	$ (12,145,208)	$ (11,421,148)	$ (13,104,016)	$ (27,045,600)	$ (5,447,722)	$ (9,720,532)		$ (900,211,933)
3,014,774	1,026,559	1,386,367	1,218,786	1,609,642	2,039,364	5,198,418	925,661	787,125		260,056,474
				(520,682)						10,726,600
									$ 229,695	229,695
2,015,455	(754,921)	(144,868)	(229,698)	1,131,552	27,151	(1,019,696)	42,361	(572,500)		(34,800,529)
	13,333	4,743	25,880				(29,240)			(4,119,533)
296,333	(27,310)	2,260	(70,062)		(46,541)	18,982	(4,392)	45,902		(8,194,194)
(1,029,073)	118,910	(325,533)	(192,863)	(373,720)	(197,074)	(103,766)	(211,212)	(531,205)		(23,254,619)
(134,487)	(5,799)	(109,605)	166,541	(35,656)	160,192	1,197,153		7,474		2,349,324
4,364,100										4,364,100
										2,404,995
										(2,584,529)
164,865	(12,686)	(36,264)	27,338	(1,151)	(28,733)	(71,695)	(12,638)	57,186		2,772,821
95,000	30,000	(162,000)	7,000	(20,000)	(26,000)	18,000		16,000		(3,899,000)
(107,851)	(265,952)	(140,548)	(260,328)	(376,381)	(369,074)	(1,512,209)	(214,013)	(98,973)		(53,243,977)
(414,802)				-						(230,002)
$ (5,070,958)	$ (11,668,274)	$ (16,998,195)	$ (11,452,614)	$ (10,007,544)	$ (11,544,731)	$ (23,320,413)	$ (4,951,195)	$ (10,009,523)	$ 229,695	$ (747,634,307)
										$ 19,775
		$ 180,056	$ 526,625							73,741,648
				3,968,132						24,904,090
										99,697,481
										626,401
		923								6,391,279
		1,177			834					2,096,780
	31,049	125			4,916					606,513
										3,504,060
										2,679,000

Note 1: Summary of Significant Accounting Policies

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

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

Basis of Presentation and Measurement Focus

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

Use of Estimates

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

Cash and Cash Equivalents

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

Investments

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

Accounts Receivable

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

Patient Accounts Receivable

Patient accounts receivable 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 at the date of acquisition, or acquisition value at date of donation if acquired by gift. Library holdings are generally valued using average prices for library acquisitions. 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 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.

Lease Assets

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

Subscription Assets

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

Deferred Outflows of Resources

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

Compensated Absences

Vested or accumulated vacation and sick leave of University employees are recorded as an expense and liability as the benefits are earned. Amounts recorded include salary expense as well as salary-related payments (e.g., FICA taxes, retirement, etc.). No liability is recorded for nonvested accumulated rights to receive sick leave benefits. The current portion of compensated absences is determined using the average balance paid annually in the prior 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 $61,074,000 for the fiscal year ended June 30, 2023.

Component Units
In fiscal year 2023, there were two qualifying foundations determined to be component units for the University of Arkansas System: The University of Arkansas Foundation, Inc. and the University of Arkansas Fayetteville Campus Foundation, Inc. Although the University does not control the timing, or amount, of receipts from either of these foundations, the majority of resources or income thereon, which the foundations hold and invest, is restricted to the activities of the University by the donors. Because these restricted resources held by the foundations can be used only by, or for the benefit of, the University, and their individual net assets are considered as having met the financial accountability criteria by management, these two foundations are considered component units and are discretely presented in the University’s financial statements.

The University of Arkansas Foundation, Inc. is a separate not-for-profit organization, which operates for charitable educational purposes, including the administration and investment of gifts and other amounts received directly or indirectly for the benefit of the University of Arkansas. The Board of Directors has twenty-eight members, four of which are current or previous members of the Board of Trustees of the University of Arkansas. During the years ended June 30, 2023 and

2022, the Foundation distributed $124,617,407 and $94,208,388, 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, 2023 and 2022, the Foundation distributed $24,996,293 and $22,418,322, 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.

For the year ended June 30, 2023:

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

Management has determined that the Statements No. 91, 94, and 99 did not materially impact the System. Statement No. 96 established standards of accounting and financial reporting for Subscription-based information technology arrangements (SBITAs). As a result, beginning net position, as reported on the Statement of Revenues, Expenses and Changes in Net Position, was increased by $4,194,796. Details of the effect implementing this statement are discussed in detail in Footnote 23.

For the year ending June 30, 2024:

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

For the year ending June 30, 2025:

- Statement No. 101, Compensated Absences

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 *e*Versity and the University of Arkansas Grantham (acquired on November 1, 2021 and formerly Grantham University), and the following units that are included in the financial statements of the Fayetteville campus: Clinton School of Public Service, Division of Agriculture (Agricultural Experiment Station and the Cooperative Extension Service), Arkansas Archeological Survey, and the Criminal Justice Institute.

On November 1, 2021, the University of Arkansas Board of Trustees closed a transaction to acquire Grantham University (GU), now known as University of Arkansas Grantham (UAG). As explained at the time of the decision to acquire GU, the plan was to integrate the operations of two universities (eVersity and Grantham University) into a single entity under the name the University of Arkansas Grantham. The process to wind down eVersity began in January 2022 with the transfer of students from eVersity to UAG and continued through August 2022.

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, 2023, are recorded net of an allowance for doubtful accounts of $297,136,000.

Net patient services revenue for the year ended June 30, 2023, is as follows:

GROSS PATIENT REVENUE	2023
Gross patient revenue	$ 3,868,467,000
Less: patient services contractual allowances	(2,515,912,000)
Less: provision for bad debt	(26,890,000)
TOTAL	$ 1,325,665,000

UAMS provided approximately $ 14,881,000 in charity care, based on established rates, during the year ended June 30, 2023. Because UAMS does not pursue collection of amounts determined to qualify as charity care, they are not included in gross patient revenue above. Net patient services revenue for the year ended June 30, 2023 includes approximately $36,192,000 from the Medicaid program representing payments relating to Upper Payment Limit and Disproportionate Share reimbursements. These payments are available to state-operated teaching hospitals under Medicaid regulations.

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

Hospital:

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

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon a cost-reimbursement methodology. The Hospital is paid at a tentative rate with final settlement determined after submission of an annual cost report by the Hospital and audits by the Medicaid audit contractor. The Hospital is required to pay the federal match for 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 the cost of providing outpatient services to Medicaid beneficiaries.

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

FGP and Regional Campuses:

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

The FGP and Regional Programs have payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations that provide for payment using prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

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

Approximately 48% of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the year ended June 30, 2023. Management believes that UAMS is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

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, 2023:

Cash and Cash Equivalents		
Cash deposits at year end	$	373,679,523
cash held on deposit in state treasury		8,707,798
cash equivalents		164,241,102
cash on hand		175,181
Less: cash/cash equiv shown as deposits held in trust on SNP		(162,090,299)
adjustment for deposits in transit within the system		287,681
TOTAL	$	385,000,986

Deposits are exposed to custodial risk if they are not covered by depository insurance (FDIC) and are uncollateralized. At June 30, 2023, none 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, 2023:

Investment Type		Fair Value
Mutual & Money Market Funds	$	213,750,714
Corporate & Municipal Bonds		135,164,144
External Investment Pool		204,988,855
Short-term Investment Fund Pool		227,866,938
Certificate of Deposits		27,577,065
U.S. Treasury & Government Sponsored Agencies		446,519,544
Commercial Paper		8,472,231
Other		18,105,899
Sub-Total		1,282,445,390
-shown as cash/cash equiv on Stmt of Net Position		(164,188,594)
-shown as deposits held in trust on Stmt of Net Position		(66,593,636)
Investments as reported on Stmt of Net Position	$	1,051,663,160

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.

		Interest Rate Risk			
		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 to 5	over 5	More than 10
Commercial Paper	$ 8,472,231	$ 8,472,231	$ -	$ -	$ -
Bonds	135,164,144	7,594,664	124,847,854	2,688,829	32,797
U.S. Treasury & Agency Securities	428,497,454	201,442,499	200,296,512	26,757,601	842
Totals	$ 572,133,829	$ 217,509,394	$ 325,144,366	$ 29,446,430	$ 33,639

Investment		Credit Risk				
Type	Fair Value	AAA	AA	A	B & below	Not Rated
Mutual Funds	$ 51,655,941	$ 35,000,228	$ -	$ 764,318	$ -	$ 15,891,395
Commercial Paper	8,472,231	8,464,356	-	-	-	7,875
Bonds	135,164,144	37,370,378	95,253,438	9,403	112,455	2,418,470
Totals	$ 195,292,316	$ 80,834,962	$95,253,438	$ 773,721	$ 112,455	$ 18,317,740

<u>External Investment Pool</u>

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, 2023, four campuses and one division (UAF, Division of Agriculture, UALR, UAMS, and UAM) and six foundations participated in the Pool, whose net assets totaled $2,725,101,292. The Pool was combined with 7.53% of the net assets owned by the University of Arkansas and external portions as follows: 66.29% by the University of Arkansas Foundation, 23.99% by the Fayetteville Campus Foundation, 0.65% by the Walton Arts Foundation, 0.11% by the University of Arkansas Community College at Hope Foundation, 0.03% by the University of Arkansas Technical Development Foundation, and 1.40% 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, 2023

Investment Type		Fair Value*
Equities	**$**	**491,528,555**
Common Stock		138,257,029
Funds - Common Stock		353,271,526
Fixed Income		**226,010,327**
Government Bonds		207,395,604
Corporate Bonds		89,129
Funds - Government Agencies		18,525,580
Government Mortgage Backed Securities		14
Venture Capital and Partnerships		**960,986,008**
Partnerships		960,986,008
Hedge Fund		**624,789,614**
Hedge Equity		624,789,614
All Other		**491,879**
Recoverable Taxes		491,879
Cash/Cash Equivalents		**421,294,909**
Short Term Bills and Notes		234,513,244
Funds - Short Term Investment		185,148,692
Cash		1,632,973
TOTAL	**$**	**2,725,101,292**

*Includes accrued income

UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL
Credit Risk - S&P Quality Ratings
June 30, 2023

Investment Type	Fair Value*	Not Rated or Not Available	US Govn Guaranteed
Corporate Bonds	$ 89,129	$ 89,129	
Funds - Government Agencies	18,485,172	18,485,172	
Funds - Short Term Investment	184,434,915	184,434,915	
Government Bonds	206,472,688		$ 206,472,688
Government Mortgage Backed Securities	14		14
Short Term Bills and Notes	232,942,336		232,942,336
Total	$ 642,424,254	$ 203,009,216	$ 439,415,038

*Does not include accrued income

UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL
Years to Maturity
June 30, 2023

Investment Type	Fair Value*	One year or Less	1+ to 6 years	6+ to 10 years	10+ years	Maturity Not Determined
Corporate Bonds	$ 89,129				$ 89,129	
Funds - Government Agencies	18,485,172					$ 18,485,172
Funds - Short Term Investment	184,434,915					184,434,915
Government Bonds	206,472,688			$ 206,472,688		
Government Mortgage Backed Securities	14		$ 14			
Short Term Bills and Notes	232,942,336	$ 232,942,336				
Total	$ 642,424,254	$ 232,942,336	$ 14	$ 206,472,688	$ 89,129	$ 202,920,087

*Does not include accrued income

UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL
Interest Rate Sensitivity - Effective Duration
June 30, 2023

Investment Type	Fair Value*	Effective Duration
Corporate Bonds	$ 89,129	N/A
Funds - Government Agencies	18,485,172	N/A
Funds - Short Term Investment	184,434,915	N/A
Government Bonds	206,472,688	8.29
Government Mortgage Backed Securities	14	1.83
Short Term Bills and Notes	232,942,336	0.56
Total	$ 642,424,254	

*Does not include accrued income

UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL
Foreign Currency Risk by Investment Type
June 30, 2023

Currency By Investment and Fair Value*	Cash	Equity	Other Assets
AUSTRALIAN DOLLAR	$ 1,405,343		
BRITISH POUND STERLING	(3,471,957)	$ 6,809,410	
CANADIAN DOLLAR	2,023,003		
CHINESE YUAN RENMINBI	(1,442,545)		
DANISH KRONE	18,021		$ 5,678
EURO	(9,250,481)	18,328,191	349,713
HONG KONG DOLLAR	2	1,533,825	
JAPANESE YEN	(45,437)	4,517,455	2,928
NORWEGIAN KRONE	145,389		
SINGAPORE DOLLAR	132,012		
SWEDISH KRONA	482,829	100	
SWISS FRANC	(4,155,396)	5,084,551	129,763
Total	$ (14,159,217)	$ 36,273,532	$ 488,082

*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 five campuses or divisions currently invested in the STIF. The breakdown by campus or division at June 30, 2023 is as follows: System-30.20%, UAMS-0.52%, UAM-1.41%, PCCUA-2.92%, and the Division of Agriculture-64.95%. The following tables contain information on the risk disclosures of the STIF.

UNIVERSITY OF ARKANSAS SYSTEM
Short Term Investment Fund
Statement of Invested Assets
June 30, 2023

Investment Type		Fair Value*
Fixed Income		**$ 82,767,236**
	International Developed Bonds	7,692,693
	Corporate Bonds	8,130,049
	U.S. Government Agency Bonds	29,341,942
	U.S. Treasury Bonds	37,602,552
Cash/Cash Equivalents		**26,102,241**
	Certificates of Deposit	1,999,778
	Commercial Paper	23,567,736
	Money Market Funds	534,727
TOTAL		**$ 108,869,477**

*Includes accrued income

UNIVERSITY OF ARKANSAS SYSTEM
Short-Term Investment Fund
Credit Risk
June 30, 2023

Investment Type	Fair Value*	AAA	AA	A	B & Below	Not Rated
International Developed Bonds	$ 7,646,273		$ 797,280	$ 6,848,993		
Corporate Bonds	8,066,581		1,614,088	4,699,317	1,753,176	
U.S. Government Agency Bonds	29,070,121		8,200,250			$ 20,869,871
U.S. Treasury Bonds	37,509,253	$ 31,756,813				5,752,440
Total	$ 82,292,228	$ 31,756,813	$ 10,611,618	$11,548,310	$ 1,753,176	$ 26,622,311

*Does not include accrued income

UNIVERSITY OF ARKANSAS SYSTEM
Short-Term Investment Fund
Interest Rate Risk - Investment Maturities (in Years)
June 30, 2023

Investment Type	Fair Value*	Less than 1	1 to 3	Over 3
International Developed Bonds	$ 7,646,273	$ 3,968,180	$ 3,678,093	
Corporate Bonds	8,066,581	4,754,819	3,311,762	
U.S. Government Agency Bonds	29,070,121	29,070,121		
U.S. Treasury Bonds	37,509,253	22,547,796	14,961,457	
Total	$ 82,292,228	$ 60,340,916	$ 21,951,312	$ -

*Does not include accrued income

UNIVERSITY OF ARKANSAS SYSTEM
Short Term Investment Fund
Interest Rate Sensitivity - Effective Duration
June 30, 2023

Investment Type	Fair Value*	Effective Duration
International Developed Bonds	$ 7,646,273	0.93
Corporate Bonds	8,066,581	1.05
U.S. Government Agency Bonds	29,070,121	0.20
U.S. Treasury Bonds	37,509,253	0.57
Total	$ 82,292,228	

*Does not include accrued income

Extended Fixed-Income Investment Fund and Intermediate Term Growth Fund

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

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

UNIVERSITY OF ARKANSAS SYSTEM
Extended Fixed Income Fund
Statement of Invested Assets
June 30, 2023

Investment Type	Fair Value*
Fixed Income	**$ 26,194,450**
International Developed Bonds	768,364
Corporate Bonds	6,734,245
U.S. Government Agency Bonds	189,495
U.S. Treasury Bonds	18,502,346
Cash/Cash Equivalents	**178,270**
Money Market Funds	178,270
TOTAL	**$ 26,372,720**

*Includes accrued income

UNIVERSITY OF ARKANSAS SYSTEM
Extended Fixed Income Fund
Credit Risk
June 30, 2023

Investment Type	Fair Value*	AAA	AA	A	BBB	Not Rated
International Developed Bonds	$ 763,603		$ 89,390	$ 674,213		
Corporate Bonds	6,674,119	$ 117,311	1,535,164	4,324,363	$ 697,281	
U.S. Government Agency Bonds	188,796		188,796			
U.S. Treasury Bonds	18,459,256	18,459,256				
Total	$ 26,085,774	$ 18,576,567	$ 1,813,350	$ 4,998,576	$ 697,281	$ -

*Does not include accrued income

UNIVERSITY OF ARKANSAS SYSTEM
Extended Fixed Income Fund
Interest Rate Risk - Investment Maturities (in Years)
June 30, 2023

Investment Type	Fair Value*	Less than 1	1 to 3	3 to 5	5 to 7	Over 7
International Developed Bonds	$ 763,603		$ 446,068	$ 317,535		
Corporate Bonds	6,674,119	$ 129,098	2,319,213	4,107,143	$ 118,665	
U.S. Government Agency Bonds	188,796			188,796		
U.S. Treasury Bonds	18,459,256	2,753,640	10,572,802	5,132,814		
Total	$ 26,085,774	$ 2,882,738	$ 13,338,083	$ 9,746,288	$ 118,665	$ -

*Does not include accrued income

UNIVERSITY OF ARKANSAS SYSTEM
Extended Fixed Income Fund
Interest Rate Sensitivity - Effective Duration
June 30, 2023

Investment Type	Fair Value*	Effective Duration
International Developed Bonds	$ 763,603	2.48
Corporate Bonds	6,674,119	2.79
U.S. Government Agency Bonds	188,796	3.44
U.S. Treasury Bonds	18,459,256	2.23
Total	$ 26,085,774	

*Does not include accrued income

UNIVERSITY OF ARKANSAS SYSTEM
Intermediate Term Growth Fund
Statement of Invested Assets
June 30, 2023

Investment Type	Fair Value*
Equities	**$ 64,678,328**
International Developed	15,732,328
Global Equity	1,777,767
U.S. Large/Mid-Cap	47,168,233
Fixed Income	**27,122,950**
International Fixed Income Funds	8,752,358
Bond Funds	17,052,617
Municipal Bonds	1,317,975
Cash/Cash Equivalents	**822,854**
Money Market Funds	822,854
TOTAL	**$ 92,624,132**

*Includes accrued income

UNIVERSITY OF ARKANSAS SYSTEM
Intermediate Term Growth Fund
Credit Risk
June 30, 2023

Investment Type	Fair Value*	Not Rated
International Fixed Income Funds	$ 8,752,358	$ 8,752,358
Bond Funds	17,052,617	17,052,617
Municipal Bonds	1,242,975	1,242,975
Total	$ 27,047,950	$ 27,047,950

*Does not include accrued income

UNIVERSITY OF ARKANSAS SYSTEM
Intermediate Term Growth Fund
Interest Rate Risk - Investment Maturities (in Years)
June 30, 2023

Investment Type	Fair Value*	Over 10	Maturity Not Determined
International Fixed Income Funds	$ 8,752,358		$ 8,752,358
Bond Funds	17,052,617		17,052,617
Municipal Bonds	1,242,975	$ 1,242,975	
Total	$ 27,047,950	$ 1,242,975	$ 25,804,975

*Does not include accrued income

UNIVERSITY OF ARKANSAS SYSTEM
Intermediate Term Growth Fund
Interest Rate Sensitivity - Effective Duration
June 30, 2023

Investment Type	Fair Value*	Effective Duration
International Fixed Income Funds	$ 8,752,358	N/A
Bond Funds	17,052,617	N/A
Municipal Bonds	1,242,975	6.33
Total	$ 27,047,950	

*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 are available for expenditure at June 30, 2023, is as follows:

Total Endowment	$	198,034,398
Less: Funds treated as endowment		(33,167,798)
Less: Non-expendable portion of endowment		(96,788,830)
Available for Expenditure	$	68,077,770

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, 2023:

Summary of Investments by Fair Value Level

Investment by fair value level	Level 1	Level 2	Level 3	Total
Equity Securities:				
US	$ 1,010,833	$ 429,854	$ 379	$ 1,441,066
International	73,195	-	-	73,195
Fixed Income Securities:				
US Government Debt	132,173,062	297,374,002	-	429,547,064
Other Debt Securities	260,970	155,279,713	-	155,540,683
Commingled Funds:				
US Equity	170,977	2,129,313	-	2,300,290
International Equity	46,539	175,860	-	222,399
US Government Bonds	35,108,220	-	-	35,108,220
Non-US Government Bonds	43,539	-	-	43,539
Corporate Bonds	211	726,924	-	727,135
Exchange Traded Funds:				
Equity	21,412	-	-	21,412
Fixed Income	45,985	-	-	45,985
Other Partnerships:				
US (j)	9,477,000		-	9,477,000
International (k)	-			
Non-marketable alternatives	-	-	6,939,000	6,939,000
Marketable alternatives	-	1	680,000	680,001
Certificates of Deposit	20,559,009	5,650,680	-	26,209,689
Money markets and short-term investments	16,963,383	60,942	-	17,024,325
Total investments by fair value level	$ 215,954,335	$ 461,827,289	$ 7,619,379	685,401,003
Investments measured at NAV (net asset value)				
External Investment Pool - Total Return Pool - UA Foundation				204,988,855
Short-Term Investment Fund Pool - UA System				108,869,935
Extended Fixed Income Pool - UA System				26,372,720
Intermediate-Term Investment Fund Pool - UA System				92,624,283
Total investments by NAV				432,855,793
TOTAL INVESTMENTS				$ 1,118,256,796

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, 2023:

	Fair Value	Redemption Frequency	Redemption Notice Period
External Investment Pool - UA Foundation Total Return Pool (1)	$ 204,988,855	Daily	7 - 30 days
Short-Term Investment Fund Pool - UA System (2)	108,869,935	Daily	0-3 days
Extended Fixed Income Pool - UA System (3)	26,372,720	End of Month	2-30 days
Intermediate-Term Investment Fund Pool - UA System (4)	92,624,283	End of Month	2-30 days
Total Investments measured at the NAV	$ 432,855,793		

(1) This type includes investments in a broadly diversified external investment pool. Pooled investments include allocations to global equities, hedge funds, bonds, natural resources and real estate. The assets in the pool are accounted for at fair value determined according to the principles of the Financial Accounting Standards Board. A one-week notice is required for redemptions over $1 million. There is also a requirement for 30 days written notice if total withdrawals will exceed $25 million in any 30-day period.

(2) This type includes investments in a short-term investment pool comprised of fixed income investments with a duration of two years or less. The pooled investments are allocated primarily to treasuries, government agency bonds, corporate bonds, commercial paper, negotiable certificates of deposit, and money-market funds. The assets in the STIF are accounted for at fair value determined according to the principles of the Financial Accounting Standards Board. A three-day notice is requested for redemptions of any amount.

(3) This type includes investments in a short-term investment pool comprised of fixed income investments with a duration of three years or less. The pooled investments are allocated primarily international developed bonds, government agency bonds, corporate bonds, and money-market funds. The assets in the STIF are accounted for at fair value determined according to the principles of the Financial Accounting Standards Board. A two-day notice prior to month-end is requested for redemptions of any amount.

(4) This type includes a diversified portfolio of stocks and bonds investments with a duration of five years or longer. The pooled investments are allocated primarily to equities, bonds, natural resources, real estate, and money-market funds. The assets in the pool are accounted for at fair value determined according to the principles of the Financial Accounting Standards Board. A two-day notice prior to month-end is requested for redemptions of any amount.

Note 6: Disaggregation of Accounts Receivable and Accounts Payable

Current accounts receivable balances, net of allowances, at June 30, 2023, as shown on the Statements of Net Position, consist of the following:

ACCOUNTS RECEIVABLE	June 30, 2023
Student accounts	$ 30,187,212
Non-student accounts	89,532,441
Health care related services	203,128,000
Grants and contracts	126,772,276
Property and sales taxes	1,979,945
Insurance plan	2,264,160
Other	16,698,861
Total	$ 470,562,895

Current accounts payable balances at June 30, 2023, as shown on the Statements of Net Position, consist of the following:

ACCOUNTS PAYABLE	June 30, 2023
Trade related	$ 121,870,606
Payroll related	52,158,934
Interest	13,559,583
Insurance plan	1,098,874
Other	6,623,227
Total	$ 195,311,224

Note 7: Capital Assets

The following table includes changes in capital assets for the year ended June 30, 2023:

CAPITAL ASSETS	June 30, 2022 Balance	Additions	Transfers	Deletions	June 30, 2023 Balance
Land	$ 143,281,120	$ 255,857	$ 131,654	$ 3,712,000	$ 139,956,631
Library Holdings	164,171,492	5,202,234	-	19,223,123	150,150,603
Construction in progress	222,850,384	228,244,236	(279,971,764)	-	171,122,856
Improvements and infrastructure	381,996,032	1,264,618	12,120,543	78,462	395,302,731
Buildings	4,454,940,043	24,726,065	260,676,492	1,056,415	4,739,286,185
Equipment	753,535,871	59,376,964	7,090,075	58,136,185	761,866,725
Intangibles - Software	178,137,453	971,580	313,000	-	179,422,033
Intangibles - Software in development	3,329,407	1,062,796	-	1,321,941	3,070,262
Intangibles - Leasehold improvements	11,023,229	-	-	-	11,023,229
Intagibles - Radio License	67,809	-	-	-	67,809
Right to Use Land	-	-	-	-	-
Right to Use CIP	-	648,000	(360,000)	-	288,000
Right to Use Buildings	121,856,581	70,036,255	-	3,918,000	187,974,836
Right to Use Equipment	53,218,469	1,997,034	-	16,000	55,199,503
Right to Use Improvements/Infrastruct	12,114,603	-	-	-	12,114,603
Right to Use Software (SBITA)	89,677,110	5,064,776	-	-	94,741,886
Right to Use Other	-	-	-	-	-
Other	4,489,021	405,134	-	49,700	4,844,455
Total Capital Assets	6,594,688,624	399,255,549	-	87,511,826	6,906,432,347
Less accumulated depreciation:					
Library Holdings	140,921,504	4,389,830	-	19,203,080	126,108,254
Improvements and infrastructure	221,058,157	15,473,746	-	-	236,531,903
Buildings	2,128,602,314	143,646,791	-	(4,422,954)	2,276,672,059
Equipment	621,840,864	40,680,070	-	55,011,792	607,509,142
Intangibles - Software	158,652,734	9,803,367	(58,188)	-	168,397,913
Intangibles - Leasehold improvements	7,633,179	155,527	58,188	-	7,846,894
Intangibles - Radio License	-	-	-	-	-
Right to Use Land	-	-	-	-	-
Right to Use Buildings	27,777,308	20,281,230	-	2,579,000	45,479,538
Right to Use Equipment	32,502,320	6,459,430	-	4,000	38,957,750
Right to Use Improvements/Infrastruct	605,423	1,827,628	-	-	2,433,051
Right to Use Software (SBITA)	-	17,338,855	-	-	17,338,855
Right to Use Other	-	-	-	-	-
Other	100,982	-	-	-	100,982
Total Accum Depreciation	3,339,694,785	260,056,474	-	72,374,918	3,527,376,341
Capital Assets, Net	$ 3,254,993,839	$ 139,199,075	$ -	$ 15,136,908	$ 3,379,056,006

*The June 30, 2022 Balance was restated due to the adoption of GASB Statement No. 96.

Library holdings, including old and rare books, valued at $1,251,000 at June 30, 2023, held by the Medical Sciences Campus, are not included in the above chart or in the accompanying Statements of Net Position.

Note 8: Short-Term Borrowing

GASB Statement No. 38, Certain Financial Statement Note Disclosures, states that governments should provide details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end. The University had the following short-term debt activity and outstanding balance as of June 30, 2023:

Short-Term Borrowing	June 30, 2022			June 30, 2023	June 30, 2023
Description	Balance	Additions	Reductions	Balance	Unused Portion of ST Borrowing
Line of Credit	$ -	$ -	$ -	$ -	$ 8,000,000
ERP Note-Regions	-	-	-	-	-
Other (specify)	-	-	-	-	-
TOTALS	$ -	$ -	$ -	$ -	$ 8,000,000

Note 9: Compensated Absences

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

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

Effective July 1, 2023, the University transitioned classified positions to non-classified roles. In accordance with the policy established by the Board of Trustees, the portion of the sick leave accrued as a classified employee will no longer be paid out upon any retirement, effective on or after July 1, 2023, for those employees whose roles transitioned from classified to non-classified. As of June 30, 2023, the sick leave accrual included only the known payouts in fiscal 2024 for June 30, 2023 retirements.

Changes in compensated absences are shown below:

COMPENSATED ABSENCES

Campus	Balance 6/30/22	Additions	Reductions	Balance 6/30/23	Current Portion
UAF	$ 23,435,074	$ 24,689,350	$ 24,696,788	$ 23,427,636	$ 2,270,707
UAFS	1,500,989	1,677,530	1,665,598	1,512,921	226,636
UALR	4,270,026	357,397	434,321	4,193,102	448,134
UAMS	75,503,000	12,255,000	8,025,000	79,733,000	5,159,000
UAM	1,176,358	999,849	1,021,140	1,155,067	126,499
UAPB	4,026,499	2,793,008	4,242,688	2,576,819	254,135
SYSTEM	1,167,870	1,092,026	1,028,262	1,231,634	85,546
CCCUA	276,959	313,313	325,999	264,273	13,260
PCCUA	507,907	447,379	469,772	485,514	39,255
UACCB	336,955	639,889	612,550	364,294	37,478
UACCHT	400,203	414,598	415,749	399,052	32,225
UACCM	398,782	179,259	207,992	370,049	22,700
UAPTC	677,831	658,851	730,545	606,137	91,602
UACCRM	290,524	241,170	253,808	277,886	51,403
ASMSA	134,258	207,344	150,158	191,444	15,701
TOTAL	$ 114,103,235	$ 46,965,963	$ 44,280,370	$ 116,788,828	$ 8,874,281

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

The retirement of some bond issues is secured by a specific pledge of certain gross revenues, surplus revenues and specific fees. Separate accounting is not required for these facilities under the provisions of the debt instruments; accordingly, segment reporting is not required for financial reporting purposes. A summary of long-term debt by campus is shown below. Total debt of $2,040,937,638 shown in these schedules, which is related to bonds, notes, leases and installment contracts, differs from the amount of $2,035,589,467 shown on the Statement of Net Position. This is due to an elimination entry of $5,348,171 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
6/29/2011	11/1/2022	3.0% - 5.0%	$ 8,895,000	$ 8,895,000	$ -
5/16/2013	9/15/2027	1.0% - 5.0%	30,355,000	17,595,000	12,760,000
6/30/2014	11/1/2043	0.85% - 4.50%	5,020,000	950,000	4,070,000
2/12/2015	9/15/2022	2.0% - 5.0%	14,180,000	14,180,000	-
8/27/2015	11/1/2045	1.02% - 4.40%	7,510,000	1,115,000	6,395,000
4/5/2016	11/1/2046	3.0% - 5.0%	93,590,000	16,535,000	77,055,000
4/5/2016	11/1/2028	0.87% - 3.25%	15,280,000	7,640,000	7,640,000
10/19/2016	9/15/2036	5.0%	24,845,000	-	24,845,000
10/19/2016	9/15/2034	1.192% - 3.388%	90,000,000	15,330,000	74,670,000
8/1/2017	11/1/2047	2.0% - 5.0%	95,805,000	7,895,000	87,910,000
7/26/2018	11/1/2048	5.0%	20,385,000	1,295,000	19,090,000
7/26/2018	11/1/2038	2.65% - 4.0%	6,560,000	975,000	5,585,000
8/22/2019	11/1/2049	4.0% - 5.0%	59,655,000	4,455,000	55,200,000
8/22/2019	9/15/2034	5.0%	24,900,000	2,580,000	22,320,000
11/5/2019	11/1/2042	1.762% - 3.401%	139,220,000	8,140,000	131,080,000
12/1/2021	6/30/2044	0.371% to 2.685%	175,645,000	15,295,000	160,350,000
11/9/2022	11/1/2052	4.0% to 5.25%	72,655,000	-	72,655,000
11/9/2022	11/1/2032	4.70% to 5.28%	4,025,000	-	4,025,000
5/1/2005	11/1/2034	2.0% to 5.0%	1,604,883	1,073,794	531,089
11/1/2018	10/1/2023	3.38%	4,399,452	4,399,452	-
2/1/2019	6/1/2024	3.75%	330,789	261,122	69,667
3/1/2019	6/1/2024	3.72%	107,519	84,957	22,562
7/1/2019	6/1/2024	3.46%	375,379	297,795	77,584
7/1/2019	7/1/2025	2.74%	619,417	339,547	279,870
9/11/2020	9/15/2028	1.38%	4,727,000	-	4,727,000
9/11/2020	9/15/2028	1.81%	13,937,000	-	13,937,000
7/31/2015	7/1/2023	1.97%	4,935,766	4,751,212	184,554
7/31/2015	11/19/2023	1.99%	16,969,012	15,893,837	1,075,175
7/31/2015	1/8/2023	1.95%	6,844,590	6,844,590	-
10/1/2018	7/1/2025	9.46%	24,891	12,803	12,088
11/1/2018	10/1/2023	3.38%	411,947	411,947	-
2/1/2019	6/1/2024	3.75%	374,356	295,513	78,843
3/1/2019	6/1/2024	3.72%	688,043	543,655	144,388
6/1/2019	5/28/2024	1.68% - 10.12%	38,205	38,205	-
7/1/2019	6/1/2024	3.46%	169,543	158,044	11,499
10/31/2019	9/30/2022	6.0%	92,388	92,388	-
8/18/2021	8/15/2031	1.23%	10,840,896	1,803,266	9,037,630
7/1/2022	6/30/2025	2.23%	959,704	312,542	647,162
Various	Various	Various	26,515,974	6,874,798	19,641,176
Various	Various	Various	891,016	631,995	259,021
Various	Various	Various	7,519,609	1,900,321	5,619,288
	Net unamortized premium/discount		120,248,495	67,851,940	52,396,555
TOTALS			$ 1,112,150,874	$ 237,748,723	$ 874,402,151

UNIVERSITY OF ARKANSAS AT FORT SMITH

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
6/5/2014	12/1/2031	2.0% - 3.5%	$ 5,295,000	$ 2,295,000	$ 3,000,000
6/26/2014	6/1/2039	2.0% - 5.0%	10,930,000	2,705,000	8,225,000
10/20/2016	12/1/2034	2.0% - 5.0%	19,500,000	3,465,000	16,035,000
10/20/2020	12/1/2030	0.353% - 1.884%	10,715,000	4,200,000	6,515,000
10/20/2020	12/1/2035	4.0% - 5.0%	5,765,000	870,000	4,895,000
1/1/2022	1/1/2042	0.77%	416,647	29,882	386,765
1/1/2022	1/1/2062	0.77%	7,721,837	131,492	7,590,345
7/1/2022	4/25/2028	2.23%	515,215	105,413	409,802
7/1/2022	11/30/2024	2.23%	299,713	148,792	150,921
	Net unamortized premium/discount		3,930,238	586,777	3,343,461
		TOTALS	$ 65,088,650	$ 14,537,356	$ 50,551,294

UNIVERSITY OF ARKANSAS AT LITTLE ROCK

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
9/19/2012	12/1/2029	1.0%-5.0%	$ 13,850,000	$ 13,850,000	$ -
4/24/2013	12/1/2024	1.0%-5.0%	10,770,000	8,575,000	2,195,000
4/24/2013	12/1/2024	.530%-2.884%	6,530,000	5,325,000	1,205,000
8/1/2013	10/1/2030	2.0%-5.0%	28,740,000	12,385,000	16,355,000
2/24/2016	10/1/2029	2.0%-5.0%	22,475,000	8,260,000	14,215,000
4/6/2016	10/1/2034	2.0%-5.0%	24,490,000	6,660,000	17,830,000
9/19/2017	10/1/2037	2.0%-5.0%	6,510,000	1,145,000	5,365,000
10/20/2020	10/1/2036	.439%-2.532%	18,795,000	1,185,000	17,610,000
1/11/2017	1/1/2027	0.0%	2,000,000	1,200,000	800,000
4/29/2020	1/1/2030	0.0%	633,792	300,000	333,792
4/1/2022	3/31/2027	2.69%	231,984	55,497	176,487
7/1/2022	4/24/2028	2.23%	1,309,917	284,390	1,025,527
7/1/2022	11/30/2024	2.23%	430,406	213,675	216,731
	Net unamortized premium/discount		14,167,687	8,650,351	5,517,336
		TOTALS	$ 150,933,786	$ 68,088,913	$ 82,844,873

UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
5/14/2013	11/1/2034	1.0% - 5.0%	$ 112,665,000	$ 35,225,000	$ 77,440,000
12/17/2014	3/1/2036	2.0% - 5.0%	86,035,000	19,230,000	66,805,000
10/24/2019	3/1/2032	5.0%	48,615,000	3,250,000	45,365,000
10/24/2019	3/1/2042	2.906% - 3.45%	97,470,000	-	97,470,000
10/28/2020	12/1/2030	5.0%	24,325,000	5,950,000	18,375,000
4/20/2021	12/1/2045	5.0%	95,295,000	-	95,295,000
4/20/2021	12/1/2041	2.714 - 3.097%	41,845,000	-	41,845,000
2/15/2022	7/1/2051	3.0% - 5.0%	27,555,000	330,000	27,225,000
2/15/2022	7/1/2029	.85% - 2.23%	4,835,000	695,000	4,140,000
4/20/2022	4/1/2052	5.0%	93,665,000	-	93,665,000
4/20/2022	4/1/2029	3.135% - 3.433%	8,140,000	-	8,140,000
Notes Payable	various	various	50,046,000	6,597,000	43,449,000
Capital Leases	various	various	136,216,000	15,207,000	121,009,000
SBITA	various	various	10,067,000	2,031,000	8,036,000
	Net unamortized premium/discount		94,241,000	26,166,000	68,075,000
		TOTALS	$ 931,015,000	$ 114,681,000	$ 816,334,000

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	1.0% - 4.0%	$ 8,650,000	$ 8,650,000	$ -
3/30/2017	12/1/2041	5.0%	11,270,000		11,270,000
3/30/2017	12/1/2023	1.94%-2.99%	1,765,000	1,420,000	345,000
10/1/2020	10/1/2035	4.0% - 5.0%	5,185,000	35,000	5,150,000
10/1/2020	10/1/2037	.487% - 2.568%	7,035,000	500,000	6,535,000
7/1/2022	11/30/2024	2.23%	146,532	72,746	73,786
7/1/2022	4/25/2028	2.23%	384,938	80,824	304,114
8/1/2022	7/31/2026	2.69%	109,034	26,041	82,993
	Net unamortized premium/discount		3,397,152	1,032,004	2,365,148
		TOTALS	$ 37,942,656	$ 11,816,615	$ 26,126,041

UNIVERSITY OF ARKANSAS AT PINE BLUFF

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
6/26/2014	12/1/2035	2.0% - 5.0%	$ 15,160,000	$ 3,365,000	$ 11,795,000
12/15/2016	1/1/2035	2.51%	17,245,359	3,629,982	13,615,377
12/15/2016	2/1/2023	3.78%	2,808,029	2,808,029	-
8/11/2022	12/1/2052	4.0% - 5.0%	16,655,000	-	16,655,000
7/1/2022	11/30/2024	2.23%	138,674	68,844	69,830
7/1/2022	4/25/2028	2.23%	591,327	120,838	470,489
	Net unamortized premium/discount		2,348,825	486,757	1,862,068
		TOTALS	$ 54,947,214	$ 10,479,450	$ 44,467,764

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	$ 399,119	$ 100,881
4/1/2016	4/1/2036	1.75%	2,487,749	158,359	2,329,390
12/1/2016	12/1/2036	1.75%	2,487,749		2,487,749
10/26/2018	11/1/2028	3.0%	27,000,000	7,748,700	19,251,300
7/1/2022	4/25/2028	2.23%	92,528	9,339	83,189
11/1/2021	8/31/2024	2.69%	4,043,524	2,311,794	1,731,730
11/1/2021	8/31/2024	2.69%	321,548	186,175	135,373
7/1/2022	11/30/2024	2.23%	275,292	136,669	138,623
7/1/2022	4/25/2028	2.23%	141,949	119	141,830
7/1/2022	1/31/2027	2.23%	2,571,909	444,770	2,127,139
		TOTALS	$ 39,922,248	$ 11,395,044	$ 28,527,204

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	$ 2,000,000	$ -
6/13/2013	5/1/2035	1.0% - 5.0%	3,930,000	1,375,000	2,555,000
6/23/2021	6/22/2024	2.69%	35,469	26,973	8,496
7/1/2022	11/30/2024	2.23%	57,912	28,750	29,162
7/1/2022	4/25/2028	2.23%	144,015	23,942	120,073
	Net unamortized premium/discount		141,059	64,607	76,452
		TOTALS	$ 6,308,455	$ 3,519,272	$ 2,789,183

PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
4/22/2015	12/1/2038	2.0% - 4.0%	$ 11,270,000	$ 2,825,000	$ 8,445,000
7/1/2022	11/30/2024	2.23%	55,191	27,399	27,792
7/1/2022	4/24/2028	2.23%	174,075	39,748	134,327
	Net unamortized premium/discount		272,074	93,885	178,189
		TOTALS	$ 11,771,340	$ 2,986,032	$ 8,785,308

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	$ 1,183,700	$ 816,300
7/1/2022	11/30/2024	2.23%	57,428	28,509	28,919
7/1/2022	4/25/2028	2.23%	117,048	21,587	95,461
	Net unamortized premium/discount				-
		TOTALS	$ 2,174,476	$ 1,233,796	$ 940,680

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
6/1/2013	10/1/2038	1.0% - 3.625%	$ 2,590,000	$ 765,000	$ 1,825,000
5/1/2021	5/1/2031	0.18%	2,923,000	580,402	2,342,598
5/6/2021	5/6/2041	2.15%	4,800,000	393,503	4,406,497
7/1/2022	11/30/2024	2.23%	57,126	28,360	28,766
7/1/2022	4/25/2028	2.23%	126,874	25,959	100,915
	Net unamortized premium/discount		111,731	110,571	1,160
		TOTALS	$ 10,608,731	$ 1,903,795	$ 8,704,936

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
2/23/2016	5/1/2046	2.0% - 5.0%	$ 10,000,000	$ 1,070,000	$ 8,930,000
6/1/2020	5/31/2025	2.69%	277,261	133,273	143,988
7/1/2022	11/30/2024	2.23%	82,636	41,024	41,612
7/1/2022	4/24/2028	2.23%	166,859	29,122	137,737
	Net unamortized premium/discount		975,148	241,079	734,069
		TOTALS	$ 11,501,904	$ 1,514,498	$ 9,987,406

UNIVERSITY OF ARKANSAS-PULASKI TECHNICAL COLLEGE

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
7/1/2015	9/1/2036	2.00% - 5.00%	$ 25,875,000	$ 6,595,000	$ 19,280,000
11/5/2019	9/1/2040	1.796% - 3.452%	56,685,000	5,110,000	51,575,000
7/1/2022	11/30/2024	2.23%	234,970	116,651	118,319
7/1/2022	4/25/2028	2.23%	335,351	66,695	268,656
	Net unamortized premium/discount		445,251		445,251
		TOTALS	$ 83,575,572	$ 11,888,346	$ 71,687,226

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to Year-End	Outstanding Year-End
8/15/2012	4/1/2042	1.0% - 4.15%	$ 4,830,000	$ 1,230,000	$ 3,600,000
12/6/2017	9/25/2022	2.0%	825,000	825,000	-
7/15/2019	6/30/2024	2.6% - 4.15%	54,440	42,340	12,100
7/25/2019	4/1/2049	3% - 5%	8,250,000	685,000	7,565,000
7/1/2022	4/25/2028	2.23%	98,260	14,902	83,358
9/25/2022	9/25/2027	2.23%	685,909		685,909
11/1/2022	10/1/2042	1.00%	1,189,000	35,923	1,153,077
	Net unamortized premium/discount		968,806	35,783	933,023
		TOTALS	$ 16,901,415	$ 2,868,948	$ 14,032,467

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	$ 300,000	$ 700,000
7/1/2022	4/25/2028	2.2%	72,397	15,292	57,105
	Net unamortized premium/discount				
		TOTALS	$ 1,072,397	$ 315,292	$ 757,105

Schedule of Changes in Debt

BONDS

Campus	Balance 6-30-22	Additions	Reductions	Balance 6-30-23	Current Portion
UAF	$ 728,410,000	$ 76,680,000	$ 39,440,000	$ 765,650,000	$ 36,570,000
Net unamortized prem/disc	50,151,034	5,251,112	3,005,591	52,396,555	3,010,576
UAFS	41,945,000		3,275,000	38,670,000	3,365,000
Net unamortized prem/disc	3,617,447		273,986	3,343,461	273,986
UALR	82,660,000		7,885,000	74,775,000	8,210,000
Net unamortized prem/disc	6,187,191		669,855	5,517,336	669,855
UAMS	590,090,000		14,325,000	575,765,000	15,110,000
Net unamortized prem/disc	74,711,000		6,636,000	68,075,000	
UAM	30,335,000		7,035,000	23,300,000	1,065,000
Net unamortized prem/disc	2,669,341		304,193	2,365,148	158,444
UAPB	12,450,000	16,655,000	655,000	28,450,000	680,000
Net unamortized prem/disc	703,450	1,243,403	84,785	1,862,068	91,693
CCCUA	2,725,000		170,000	2,555,000	175,000
Net unamortized prem/disc	82,913		6,461	76,452	6,461
PCCUA	8,840,000		395,000	8,445,000	405,000
Net unamortized prem/disc	189,685		11,496	178,189	11,496
UACCB				-	
Net unamortized prem/disc				-	
UACCHT	1,910,000		85,000	1,825,000	90,000
Net unamortized prem/disc	1,236		76	1,160	76
UACCM	9,160,000		230,000	8,930,000	240,000
Net unamortized prem/disc	766,575		32,506	734,069	32,505
UAPTC	73,450,000		2,595,000	70,855,000	2,660,000
Net unamortized prem/disc	477,055		31,804	445,251	31,804
UACCRM	11,460,000		295,000	11,165,000	305,000
Net unamortized prem/disc	968,806		35,783	933,023	35,781
TOTAL	$ 1,733,960,733	$ 99,829,515	$ 87,477,536	$1,746,312,712	$ 73,197,677

NOTES

Campus	Balance 6-30-22	Additions	Reductions	Balance 6-30-23	Current Portion
UAF	$ 20,837,339		$ 1,192,567	$ 19,644,772	$ 294,027
UAFS	406,189		19,424	386,765	19,573
UALR	1,433,792		300,000	1,133,792	300,000
UAMS	33,655,000	$ 18,342,000	8,548,000	43,449,000	9,850,000
UAM				-	
SYSTEM	27,546,672		3,377,352	24,169,320	3,634,679
CCCUA	23,950		23,950	-	
UACCB	1,016,941		200,641	816,300	202,005
UACCHT	7,238,402		489,307	6,749,095	493,844
UACCRM	745,288	685,909	733,188	698,009	47,836
ASMSA	800,000		100,000	700,000	100,000
TOTAL	$ 93,703,573	$ 19,027,909	$ 14,984,429	$ 97,747,053	$ 14,941,964

LEASES

Campus	Balance 6-30-22	Additions	Reductions	Balance 6-30-23	Current Portion
UAF	$ 6,115,367	$ 19,976,254	$ 6,191,424	$ 19,900,197	$ 6,951,413
UAFS	7,674,205		83,860	7,590,345	84,508
UALR	220,624		44,137	176,487	45,339
UAMS	84,268,000	51,948,000	15,207,000	121,009,000	13,858,000
UAM		109,034	26,041	82,993	26,085
UAPB				-	
SYSTEM	3,389,421		1,522,318	1,867,103	1,593,613
CCCUA	17,487		8,991	8,496	8,496
PCCUA				-	
UACCM	212,450		68,462	143,988	73,006
TOTAL	$ 101,897,554	$ 72,033,288	$ 23,152,233	$ 150,778,609	$ 22,640,460

INSTALLMENT CONTRACTS

Campus	Balance 6-30-22	Additions	Reductions	Balance 6-30-23	Current Portion
UAF	$ 15,530,750	$ 959,704	$ 5,299,115	$ 11,191,339	$ 2,866,983
UAPB	15,033,799		1,418,422	13,615,377	879,305
UACCRM	-	1,189,000	35,923	1,153,077	54,336
	$ 30,564,549	$ 2,148,704	$ 6,753,460	$ 25,959,793	$ 3,800,624

SBITAs

Campus	Balance 6-30-22	Additions	Reductions	Balance 6-30-23	Current Portion
UAF	$ 7,519,609		$ 1,900,321	$ 5,619,288.00	$ 1,968,382
UAFS	814,928		254,205	560,723	250,063
UALR	1,740,323		498,065	1,242,258	464,834
UAMS	10,067,000		2,031,000	8,036,000	2,085,000
UAM	531,470		153,570	377,900	147,360
UAPB	730,001		189,682	540,319	183,653
SYSTEM	3,081,678		590,897	2,490,781	756,741
CCCUA	201,927		52,692	149,235	58,119
PCCUA	229,267		67,148	162,119	60,289
UACCB	174,476		50,096	124,380	52,014
UACCHT	184,000		54,319	129,681	53,180
UACCM	249,495		70,146	179,349	74,934
UAPTC	570,321		183,346	386,975	183,314
UACCRM	98,260		14,902	83,358	20,166
ASMSA	72,397		15,292	57,105	13,815
TOTAL	$ 26,265,152	$ -	$ 6,125,681	$ 20,139,471	$ 6,371,864

The current portion shown above for bonds, notes, leases, installment contracts and subscription arrangements differs from the statement of net position by $352,922 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 $2,040,937,638 shown in these schedules, which is related to bonds, notes, leases and installment contracts, differs from the amount of $2,035,589,467 shown on the Statement of Net Position. This is due to an elimination entry of $5,348,171 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
2024	$ 68,875,000	$ 62,627,020	$ 131,502,020
2025	70,885,000	60,296,644	131,181,644
2026	73,240,000	57,848,568	131,088,568
2027	75,870,000	56,362,795	132,232,795
2028	78,900,000	53,557,052	132,457,052
2029-2033	392,045,000	218,233,446	610,278,446
2034-2038	362,740,000	142,971,142	505,711,142
2039-2043	255,195,000	83,861,658	339,056,658
2044-2048	171,005,000	33,541,122	204,546,122
2049-2053	61,630,000	7,284,144	68,914,144
2054-2058	-	-	-
Thereafter	-	-	-
	1,610,385,000	776,583,591	2,386,968,591
+ Net unamortized premiums/discounts	135,927,712	-	135,927,712
GRAND TOTALS	$ 1,746,312,712	$ 776,583,591	$ 2,522,896,303

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON NOTES PAYABLE

Year Ended June 30,	Principal	Interest	Total
2024	$ 14,941,964	$ 2,645,466	$ 17,587,430
2025	17,043,982	1,976,652	19,020,634
2026	15,475,355	1,536,624	17,011,979
2027	13,451,151	1,117,826	14,568,977
2028	11,385,338	853,707	12,239,045
2029-2033	21,629,436	1,551,636	23,181,072
2034-2038	2,886,659	242,172	3,128,831
2039-2043	933,168	38,175	971,343
2044-2048	-	-	-
2049-2053	-	-	-
2054-2058	-	-	-
Thereafter	-	-	-
	$ 97,747,053	$ 9,962,258	$ 107,709,311

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON LEASES

Year Ended June 30,	Principal	Interest	Total
2024	$ 22,640,460	$ 4,118,885	$ 26,759,345
2025	18,356,156	3,574,458	21,930,614
2026	16,384,431	3,118,640	19,503,071
2027	8,956,069	2,771,233	11,727,302
2028	7,001,021	2,536,886	9,537,907
2029-2033	29,000,983	10,012,662	39,013,645
2034-2038	17,011,158	6,564,975	23,576,133
2039-2043	10,446,814	4,483,591	14,930,405
2044-2048	5,173,105	3,243,446	8,416,551
2049-2053	6,655,005	2,177,802	8,832,807
2054-2058	8,009,114	778,773	8,787,887
Thereafter	1,144,293	15,856	1,160,149
	$ 150,778,609	$ 43,397,207	$ 194,175,816

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON INSTALLMENT CONTRACTS

Year Ended June 30,	Principal	Interest	Total
2024	$ 3,800,624	$ 489,026	$ 4,289,650
2025	2,374,928	426,253	2,801,181
2026	2,104,545	380,838	2,485,383
2027	2,168,719	342,216	2,510,935
2028	2,235,694	302,141	2,537,835
2029-2033	10,229,737	873,246	11,102,983
2034-2038	2,767,388	93,684	2,861,072
2039-2043	278,158	6,186	284,344
2044-2048	-	-	-
2049-2053	-	-	-
2054-2058	-	-	-
Thereafter	-	-	-
	$ 25,959,793	$ 2,913,590	$ 28,873,383

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON SUBSCRIPTIONS

Year Ended June 30,	Principal	Interest	Total
2024	$ 6,371,863	$ 373,765	$ 6,745,628
2025	4,586,972	260,702	4,847,674
2026	4,667,490	159,507	4,826,997
2027	4,513,146	61,530	4,574,676
2028	-	-	-
2029-2033	-	-	-
2034-2038	-	-	-
2039-2043	-	-	-
2044-2048	-	-	-
2049-2053	-	-	-
2054-2058	-	-	-
Thereafter	-	-	-
	$ 20,139,471	$ 855,504	$ 20,994,975

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

The capitalized value of capital assets held under leases and subscription arrangements total $170,918,080 at June 30, 2023. The present value of the net minimum payments are as follows:

	Cost	Accumulated Depreciation	Net
CIP	$ 288,000	$ -	$ 288,000
Improve/Infrastructure	12,114,603	2,433,051	9,681,552
Buildings	187,974,836	45,479,538	142,495,298
Equipment	55,199,503	38,957,750	16,241,753
Software (SBITA)	94,741,886	17,338,855	77,403,031
		TOTAL	$ 246,109,634

Total Minimum Lease and SBITA Payments	$ 215,170,791
Less: Amount representing interest	44,252,711
Total Present Value of Net Minimum Lease and SBITA Payments	$ 170,918,080

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, 2023, that are pledged:

UNIVERSITY OF ARKANSAS FAYETTEVILLE			
Series 2011B Various Facilities	Campus Pledge	$	509,392,499
Series 2014B Various Facilities			
Series 2015B Various Facilities			
Series 2016A Various Facilities			
Series 2016B Various Facilities			
Series 2017 Various Facilities			
Series 2018A Various Facilities			
Series 2018B Various Facilities			
Series 2019A Various Facilities			
Series 2019B Various Facilities			
Series 2021A Various Facilities			
Series 2022A			
Series 2022B			
Maturity dates range from November 2028 through November 2052		$	509,392,499
	FY23 Principal and Interest		50,830,947
	% of Revenues Pledged		9.98%
	Remaining Principal & Interest	$	929,787,157
Series 2013 Athletic Facilities	Men's Athletics	$	123,674,631
Series 2015 Athletic Facilities			
Series 2016A Athletic Facilities			
Series 2016B Athletic Facilities			
Series 2019A Athletic Facilities			
Maturity dates range from September 2027 through September 2036		$	123,674,631
	FY23 Principal and Interest	$	15,212,130
	% of Revenues Pledged		12.30%
	Remaining Principal & Interest	$	172,650,110

UNIVERSITY OF ARKANSAS AT FORT SMITH			
Series 2014A Student Fee Revenue	Student Fees	$	35,903,869
Series 2014B Student Fee Revenue			
Series 2016 Refunding			
Series 2020A Revenue Bonds			
Series 2020B Revenue Bonds			
Maturity dates range from December 2030 through June 2039		$	35,903,869
	FY23 Principal and Interest	$	4,779,574
	% of Revenue Pledge		13.31%
	Remaining Principal & Interest	$	48,704,801

UNIVERSITY OF ARKANSAS AT LITTLE ROCK			
Series 2013A Revenue Refunding 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	Student Fees	$	59,953,907
		$	59,953,907
Maturity dates range from December 2024 through October 2037			
	FY23 Principal and Interest	$	8,173,195
	% of Revenue Pledge		13.63%
	Remaining Principal & Interest	$	66,616,836
Series 2012B Student Housing Refunding Series 2016 Auxiliary Enterprises Revenue	Auxiliaries	$	11,095,130
		$	11,095,130
Maturity dates range from May 2022 through Ocotober 2034			
	FY23 Principal and Interest	$	2,675,006
	% of Revenue Pledge		24.11%
	Remaining Principal & Interest	$	22,556,766

UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES			
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 Series 2022A Various Facilities Series 2022B Various Facilities	Clinical and Patient Revenue	$	1,076,106,000
		$	1,076,106,000
Maturity dates range from April 2029 through April 2052			
	FY23 Principal and Interest	$	38,158,000
	% of Revenue Pledge		3.55%
	Remaining Principal & Interest	$	871,535,000
Series 2022A Parking Series 2022B Parking	Parking Fees	$	2,087,000
		$	2,087,000
Maturity dates range from July 2029 through July 2051			
	FY23 Principal and Interest	$	2,069,000
	% of Revenue Pledge		99.14%
	Remaining Principal & Interest	$	50,657,000

UNIVERSITY OF ARKANSAS AT MONTICELLO			
Series 2017B Taxable Various Facilities Series 2017A Tax-Exempt Various Series 2020A Taxable Various Facilities Series 2020B Tax Exempt Various Facilities	Student Fees Sales and Services Auxiliary Enterprises	$	23,922,809
		$	23,922,809
Maturity dates range from December 2023 through December 2041			
	FY23 Principal and Interest	$	1,991,045
	% of Revenue Pledge		8.32%
	Remaining Principal & Interest	$	32,505,892
Series 2012 Auxiliary Facilities	Auxiliary Enterprises Deposits Held in Trust	$	6,348,552
		$	6,348,552
Maturity date is October 2037			
	FY23 Principal and Interest	$	6,348,553
	% of Revenue Pledge		100.00%
	Remaining Principal & Interest	$	-

UNIVERSITY OF ARKANSAS AT PINE BLUFF			
Series 2014A Various Facilities Series 2022 Various Facilities	Student Tuition and Fees Auxiliary Revenues	$	37,327,725
		$	37,327,725
Maturity dates from December 2035 through December 2052			
	FY23 Principal and Interest	$	1,757,867
	% of Revenue Pledge		4.71%
	Remaining Principal & Interest	$	48,831,347

COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS			
Series 2013	Student Fees	$	3,746,797
Maturity date is May 2035			
	FY23 Principal and Interest	$	262,988
	% of Revenue Pledge		7.02%
	Remaining Principal & Interest	$	3,174,481

PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS			
Series 2015 Refunding	Student Fees	$	2,436,104
Maturity date is December 2038			
	FY23 Principal and Interest	$	682,156
	% of Revenue Pledge		28.00%
	Remaining Principal & Interest	$	10,897,028

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA			
Series 2013 Student Fee Refunding	Student Fees	$	2,753,584
		$	2,753,584
Maturity date is October 2038			
	FY23 Principal and Interest	$	152,350
	% of Revenue Pledge		5.53%
	Remaining Principal & Interest	$	2,412,256

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON			
Series 2016 Student Fee	Student Fees	$	6,004,914
		$	6,004,914
Maturity date is May 2046			
	FY23 Principal and Interest	$	609,425
	% of Revenue Pledge		10.15%
	Remaining Principal & Interest	$	14,020,950

UNIVERSITY OF ARKANSAS PULASKI TECHNICAL COLLEGE			
Series 2015 Student Tuition and Fee Refunding	Student Tuition and Fees	$	21,335,413
Series 2019 Student Tuition and Fee			
		$	21,335,413
Maturity dates are September 2036 through September 2040			
	FY23 Principal and Interest	$	5,009,574
	% of Revenue Pledge		23.48%
	Remaining Principal & Interest	$	95,339,682

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN			
Series 2019 Various Facilities Revenue	Student Tuition and Fees and Sales and Services	$	2,722,939
		$	2,722,939
Maturity date is April 2049			
	FY23 Principal and Interest	$	485,450
	% of Revenue Pledge		17.83%
	Remaining Principal & Interest	$	12,092,400
Series 2012 Refunding and Capital Improvement	Property Taxes	$	537,215
Maturity date is April 2042			
	FY23 Principal and Interest	$	274,588
	% of Revenue Pledge		51.11%
	Remaining Principal & Interest	$	5,186,885

New Bonds Payable and Refundings

For the year ended June 30, 2023:

On August 25, 2022, the University issued $16,655,000 in Various Facilities Revenue Bonds, (UAPB Campus) Series 2022, with various interest rates of 4.00% - 5.00%. Proceeds from this sale will be used to finance a portion of the costs of certain capital improvements, including the acquisition, construction, equipping, and furnishing of a student center (the "Student Center Facility") and the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for UAPB (collectively, the "Project") and to pay costs of issuance of the Bonds.
On November 9, 2022, the University issued $72,655,000 in Various Facility Revenue Bonds (Fayetteville Campus), Series 2022A, with interest rates of between 4.00% and 5.25%. The bonds were issued to provide funds to finance various construction and renovation projects on the University

campus and were issued on a tax-exempt basis. Projects include (a) the acquisition, construction, furnishing, and equipping of the Anthony Timberlands Center for Design and Materials Innovation; (b) the renovation, restoration, acquisition, construction, improvement, furnishing, and equipping of the Fine Arts Center; (c) the renovation, acquisition, construction, improvement, furnishing, and equipping of the first and second floors of Mullins Library; (d) the acquisition, construction, furnishing, and equipping of the Windgate Studio and Design Center; and (e) the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for the University of Arkansas, Fayetteville.

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

Note 11: Commitments

The University has contracted for the construction and renovations of several facilities. At June 30, 2023, the estimated remaining costs to complete these facilities are shown below.

Campus	Contract Balance
UAF	$ 152,534,734
UAFS	3,707,480
UALR	11,188,262
UAMS	34,849,000
UAM	1,321,104
UAPB	10,062,584
CCCUA	74,560
PCCUA	460,382
UACCHT	148,479
ASMSA	3,361,693
	$ 217,708,278

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, 2023. It is also exempt from state income taxes under Arkansas law. Accordingly, no provision for income taxes is made in the financial statements.

Note 13: Risk Management

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

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

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

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

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

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

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

Additionally, the University participates in the State of Arkansas Fidelity Bond Program for claims of employee dishonesty. This program has a limit of $300,000 recovery per occurrence with a $2,500 deductible. Premiums are paid annually via a fund transfer from state appropriations to the Arkansas Department of Finance and Administration. There have been no reductions in insurance coverage from the prior fiscal year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 14: Employee Benefits

Insurance Plans

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

At June 30, 2023, a total of 17,610 active employees, former employees, and pre-65 retirees were participants in the health plan. As of June 30, 2023, there were three health plan design offerings: the Classic Plan, the Premier Plan and the Health Savings Plan. Within the System subsidy guidelines, each campus makes its contribution determination based on budget considerations. A total of 19,709 active employees, former employees, and retirees were participants in the dental plan as of June 30, 2023. 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 $18,873,600 at June 30, 2023. This liability is established for incurred but not paid (IBNP) claims, and includes a related accrual for claim adjustment expenses, which are expenses incurred in the ultimate settlement of the claim. The claims and claims adjustment accrual for health, pharmacy and dental is based on the calculation prepared by Segal Consulting.

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

The funding levels for the Plan were established based upon anticipated year-end loss ratios of 100%. As of June 30, 2023, the loss ratio for the health plan was 95% and the loss ratio for the dental plan was 95%.

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

Reconciliation of Changes in the Liability for Future Insurance Claims

	FY23
Unpaid claims and claim adjustment expenses at beginning of year	$ 14,509,500
Incurred claims and claim adjustment expenses:	
Provision for insured events of the current year	190,047,700
Adjustment in provision for insured events of prior years	5,200
Total incurred claims and claim adjustment expenses	190,052,900
Payments:	
Claims and claim adjustment expenses attributable to insured events of the current year	171,174,100
Claims and claim adjustment expenses attributable to insured events of prior years	14,514,700
Total Payments	185,688,800
Total unpaid claims and claim adjustment expenses at end of year	**$ 18,873,600**

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

Retirement Plans

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

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

The University makes a one-for-one contribution for employee contributions in excess of 5%, with a maximum total University contribution of 10% of eligible salary up to the IRS match limit, which at June 30, 2023, was $33,000. 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 year 2023 were $ 125,009,990. The participants' contributions for the fiscal year 2023 were $146,985,821.

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

APERS is a cost-sharing multiple employer defined benefit pension plan administered by the State of Arkansas. The University's required contribution rate was an amount equal to 15.32% of eligible salary in fiscal year 2023. Those employees hired after July 1, 2005, must be contributory unless they had prior service as a state employee. Employees hired before that date may be contributory. The University's contributions for the fiscal year 2023 were $3,508,778. Participants' contributions for the fiscal year 2023 were $932,326, respectively. The annual required contribution amounts and the percentage contributed are determined by the annual actuarial valuation as set forth in Arkansas Code. APERS issues a publicly available financial report, which may be obtained by writing: APERS, One Union National Plaza, 124 W. Capitol, 5th Floor, Little Rock, AR 72201.

ATRS is a cost-sharing multi-employer defined benefit pension plan. The University contributed an amount equal to 15.00% of all covered employees' salaries in fiscal year 2023. Under certain conditions, covered employees may voluntarily contribute 7% of their salary. The University's contribution for the fiscal year 2023 were $1,223,605. Participants' contributions for the fiscal years 2023 were $434,199. The annual required contribution amounts and the percentage contributed are determined by the annual actuarial valuation as set forth in Arkansas Code. ATRS issues a publicly available financial report, which may be obtained by writing: ATRS, 1400 W. 3rd Street, Little Rock, AR 72201.

The University has, from time to time, negotiated voluntary early retirement agreements with faculty and staff which may include the provision of a stipend and healthcare or other benefits for future periods. The amount of liability established for these type agreements was $29,189 at June 30, 2023.

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 93rd State of Arkansas General Assembly, in Act 370, amended the law concerning the number of years used in the computation of the final average compensation (FAC) to five years for members first hired on or after July 1, 2022. Members hired prior to July 1, 2022 have their FAC computed using their highest 3-year average compensation. The percentage used is based upon whether a member is contributory or noncontributory as follows:

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

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 5.25% 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, 2023.

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

At June 30, 2023, the University reported a liability of $31,287,627 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2023, the university's proportion was 1.160%, which was a decrease of 0.218% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the University recognized pension expense of $(1,778,492). At June 30, 2023, 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	$ 751,017	$ (377,754)
Changes of assumptions		
Net difference in projected/actual earnings	6,600,246	
Changes in proportion	652,154	(6,367,242)
University contributions subsequent to measure	3,508,778	
.	$ 11,512,195	$ (6,744,996)

Deferred outflows of resources of $3,508,778 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, 2024. 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:

2024	$ (1,774,248)
2025	(641,488)
2026	(928,458)
2027	4,602,615
2028	
Thereafter	
	$ 1,258,421

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	4-year smoothed market; 25% corridor
Investment Rate of Return*	7.15%

Salary Increases	3.25% – 9.85% including inflation
Wage Inflation	3.25%
Post-retirement cost-of-living increases	3% Annual Compounded Increase
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality Table	Based on RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017.
Average Service Life of All Members	3.7989

*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, 2022, 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 3.90% with the actuary's price inflation assumption of 3.25% resulting in a Net Expected Rate of Return of 7.15%.

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%
$ 49,742,162	$ 31,287,627	$ 16,052,388

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 15.00% of applicable compensation for the fiscal year ended June 30, 2023.

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

At June 30, 2023, the University reported a liability of $12,777,998 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2023, the University's proportion was 0.242%, which was a decrease of 0.041% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the University recognized pension expense of $(1,611,516). At June 30, 2023, 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	$	246,291	$	(27,504)
Changes of assumptions		1,325,844		
Net difference in projected/actual earnings		1,870,225		
Changes in proportion		10,057		(4,099,881)
University contributions subsequent to measure		1,223,605		
	$	4,676,022	$	(4,127,385)

Deferred outflows of resources related to pensions of $1,223,605 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, 2024. 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:

2024	$	(763,867)
2025		(435,559)
2026		(711,935)
2027		1,236,393
2028		
Thereafter		
	$	(674,968)

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Amortization Period	30 years
Asset Valuation Method	4-year smoothed market for funding purposes; 20% corridor
Wage Inflation	2.75%
Salary Increases	2.75 – 7.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study for the period July 1, 2015 – June 30, 2020.

Mortality Table	Pub-2010 Healthy Retired, General Disabled Retiree, and General Employee Mortality weighted tables were used for males and females. Mortality rates were adjusted for future mortality improvements using projection scale MP-2020 from 2010: Healthy Annuitant: Male-105% Female-105% Disabled Annuitant:Male-104% Female-104% Employee Mortality:Male-100% Female-100%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary. For each major asset class included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Total Equity	53%	5.3%
Fixed Income	15	1.3
Alternatives	5	4.8
Real Assets	15	4.0
Private Equity	12	7.6
Cash Equivalents	0	0.5
Total	100%	

Discount Rate

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

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

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

Sensitivity of Discount Rate		
1% Decrease	Discount Rate	1% Increase
6.25%	7.25%	8.25%
$ 20,312,891	$ 12,777,998	$ 6,526,774

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, 2023, the following employees were covered by the benefit terms:

Employees covered by Benefit Terms	**Medical**	**Life**
Inactive employees or beneficiaries currently receiving benefit payments	292	1,932
Active employees	19,127	
Total Employees covered by Benefit Terms	19,419	1,932

Total OPEB Liability

Total OPEB liability as of June 30, 2023 was $70,782,000, determined by actuarial valuations as of July 1, 2022, rolled forward.

Summary of Key Actuarial Methods and Assumptions

Valuation date	July 1, 2022 valuation for the year ended June 30, 2023
Valuation year	Census data collected as of February 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years rolling
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	3.54%
Rate of salary increase for amortization	4.00%
Medical inflation rate	7.00% grading to 4.14% over 20 years
Pharmacy inflation rate	9.00% grading to 4.14% over 20 years
Retiree contribution inflation rate	7.50% grading to 4.14% over 20 years

The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2021 was 2.16%, the unfunded rate determined as of June 30, 2021 based on the Bond Buyer 20-year-Bond GO Index. The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2022 was 3.54%, the unfunded rate determined as of June 30, 2022 based on the Bond Buyer 20-year-Bond GO Index.

Mortality Rates:

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

General Overview of the Valuation Methodology

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

The claims costs were developed from the active premium rates for the period July 1, 2022 to June 30, 2023. 74.1% of the premium was assumed to be for medical, 21.8% for pharmacy, and 4.1% for expenses based on information provided by University of Arkansas System.

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

Changes in Actuarial Assumptions and Methods since the Prior Valuation

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

The discount rate changed from 2.16% to 3.54%.

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, 2023.

	2023
Balances at 6/30/2021 (Reporting Date 6/30/2022)	**$ 80,318,000**
Changes for the year:	
Service cost	5,244,000
Interest (includes interest on service cost)	1,818,000
Changes of benefit terms	
Differences between expected and actual experience	(4,434,000)
Changes of assumptions	(9,569,000)
Benefit payments, including refunds of member contributions	(2,595,000)
Net changes in total OPEB liability	**(9,536,000)**
Balances at 6/30/2022 (Reporting Date 6/30/2023)	**$ 70,782,000**

During the measurement year, the TOL decreased by approximately $9.5 million. The service cost and interest cost increased the TOL by approximately $7.1 million while benefit payments decreased the TOL by approximately $2.6 million.

The discount rate changed from 2.16% to 3.54% between June 30, 2021 and June 30, 2022.

Sensitivity of the Total OPEB Liability

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

Sensitivity of Total OPEB Liability to Changes in Discount Rate

1% Decrease	Discount Rate	1% Increase
2.54%	3.54%	4.54%
$77,524,000	$70,782,000	$64,755,000

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

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates

1% Decrease	Healthcare Trend	1% Increase
$64,282,000	$70,782,000	$78,372,000

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

For the year ended June 30, 2023, the University recognized OPEB expense of $3,340,000. At June 30, 2023, 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	$ 1,643,000	$ 8,095,000
Changes in assumptions	5,170,000	8,129,000
Contributions subsequent to the measurement date	2,189,000	
Total	**$ 9,002,000**	**$ 16,224,000**

The $2,189,000 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, 2024. 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:		
2024	$	(2,020,000)
2025		(1,660,000)
2026		(2,259,000)
2027		(2,732,000)
2028		(500,000)
Thereafter		(240,000)

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 2023:

	Natural Classifications					
Functional Classifications	Compensation & Benefits	Supplies & Services	Scholarships & Fellowships	Insurance	Depreciation	TOTAL
Instruction	$ 424,231,660	$ 83,959,314	$ -	$ -	$ -	$ 508,190,974
Research	210,182,068	113,585,989	-	-	-	323,768,057
Public Service	93,804,689	67,584,974	-	-	-	161,389,663
Academic Support	118,528,523	37,887,097	113,558	-	-	156,529,178
Student Services	58,313,599	45,027,939	1,789,090	-	-	105,130,628
Institutional Support	207,690,356	46,158,491	3,029	-	-	253,851,876
Scholarships/Fellowshi	775,124	1,865,037	61,159,216	-	-	63,799,377
Plant Operations	65,843,671	127,944,403	-	-	-	193,788,074
Auxiliary Enterprises	93,200,885	148,134,534	2,883,277	-	-	244,218,696
Depreciation	-	-	-	-	260,056,474	260,056,474
Patient Care	773,330,817	560,892,000	-	-	-	1,334,222,817
Other	880,674	558,000	-	-	-	1,438,674
Insurance expenses	-	-	-	209,957,487	-	209,957,487
TOTAL	$ 2,046,782,066	$ 1,233,597,778	$ 65,948,170	$209,957,487	$260,056,474	$ 3,816,341,975

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, 2023, 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, 2023

Assets		
Cash and investments	$	31,188,198
Other assets		62,757,333
Total Assets	$	93,945,531
Liabilities and Net Assets		
Liabilities	$	494,208
Net Assets		93,451,323
Total Liabilities and Net Assets	$	93,945,531

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2023

Income and Other Additions	$	46,591,466
Expenditures and Other Deductions		(36,332,536)
Total Increase in Net Assets	$	10,258,930

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, 2023, are presented below in summary form.

ARKANSAS ALUMNI ASSOCIATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2023

Assets		
Cash and investments	$	5,485,849
Other assets		12,801,949
Total Assets	$	18,287,798
Liabilities and Net Assets		
Liabilities	$	1,535,900
Net Assets		16,751,898
Total Liabilities and Net Assets	$	18,287,798

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2023

Income and Other Additions	$	5,396,027
Expenditures and Other Deductions		(4,050,254)
Total Increase in Net Assets	$	1,345,773

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, 2023, are presented below in summary form.

ARKANSAS 4-H FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2023

Assets		
Cash and investments	$	5,660,480
Other assets		4,323,268
Total Assets	$	9,983,748
Liabilities and Net Assets		
Liabilities	$	245,286
Net Assets		9,738,462
Total Liabilities and Net Assets	$	9,983,748

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2023

Income and Other Additions	$	2,977,726
Expenditures and Other Deductions		(2,368,631)
Total Increase in Net Assets	$	609,095

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, 2023, are presented below in summary form.

UNIVERSITY OF ARKANSAS TECHNOLOGY DEVELOPMENT FOUNDATION
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2023

Assets	
Cash and investments	$ 3,698,949
Other assets	14,571,190
Total Assets	$ 18,270,139
Liabilities and Net Assets	
Liabilities	$ 11,392,585
Net Assets	6,877,554
Total Liabilities and Net Assets	$ 18,270,139

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2023

Income and Other Additions	$ 3,453,212
Expenditures and Other Deductions	(3,199,321)
Total Increase in Net Assets	$ 253,891

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, 2023, are presented below in summary form.

UNIVERSITY OF ARKANSAS FORT SMITH FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2023

Assets	
Cash and investments	$134,980,673
Other assets	
Total Assets	$134,980,673
Liabilities and Net Assets	
Liabilities	$ 697,593
Net Assets	134,283,080
Total Liabilities and Net Assets	$134,980,673

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2023

Income and Other Additions	$ 21,260,404
Expenditures and Other Deductions	(4,702,233)
Total Increase in Net Assets	$ 16,558,171

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, 2023, are presented below in summary form.

TROJAN ATHLETIC FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2023

Assets		
Cash	$	153,616
Other Assets		123,725
Total Assets	$	277,341
Liabilities and Net Assets		
Liabilities	$	46,905
Net Assets		230,436
Total Liabilities and Net Assets	$	277,341

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2023

Income and Other Additions	$	339,834
Expenditures and Other Deductions		(395,316)
Total Decrease in Net Assets	$	(55,482)

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, 2022, are presented below in summary form.

UAPB/AM&N ALUMNI ASSOCIATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION-UNAUDITED
As of December 31, 2022

Assets		
Cash & investments	$	750,904
Other assets		54,758
Total Assets	$	805,662
Liabilities and Net Assets		
Liabilities	$	100,144
Net Assets		705,518
Total Liabilities and Net Assets	$	805,662

CONDENSED STATEMENT OF ACTIVITIES-UNAUDITED
FY Ended December 31, 2022

Income and Other Additions	$	241,126
Expenditures and Other Deductions		(258,767)
Total Decrease in Net Assets	$	(17,641)

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, 2022, 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, 2022

Assets		
Cash & investments	$	5,841,486
Total Assets	$	5,841,486
Liabilities & Net Assets		
Liabilities		
Net Assets	$	5,841,486
Total Liabilities & Net Assets	$	5,841,486

CONDENSED STATEMENT OF ACTIVITIES
FY Ended December 31, 2022

Income and Other Additions	$	475,553
Expenditures and Other Deductions		(255,420)
Total Increase in Net Assets	$	220,133

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, 2022, are presented below in summary form.

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2022

Assets		
Cash and investments	$	76,977
Other Assets		3,969,677
Total Assets	$	4,046,654
Liabilities and Net Assets		
Liabilities	$	70,666
Net Assets		3,975,988
Total Liabilities and Net Assets	$	4,046,654

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2022

Income and Other Additions	$	793,149
Expenditures and Other Deductions		(1,031,833)
Total Decrease in Net Assets	$	(238,684)

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, 2022, are presented below in summary form.

RICH MOUNTAIN COMMUNITY COLLEGE FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2022

Assets		
Cash and investments	$	3,620,940
Other assets		2,477,985
Total Assets	$	6,098,925
Liabilities and Net Assets		
Liabilities		
Net Assets	$	6,098,925
Total Liabilities and Net Assets	$	6,098,925

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2022

Income and Other Additions	$	(132,123)
Expenditures and Other Deductions		(365,081)
Total Decrease in Net Assets	$	(497,204)

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, 2022, are presented below in summary form.

UNIVERSITY OF ARKANSAS WINTHROP ROCKEFELLER CENTER, INC.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of June 30, 2022

Assets		
Cash and investments	$	135,372,654
Receivables		676,985
Other		48,684
Property and Equipment, Net		22,881,298
Total Assets	$	158,979,621
Liabilities and Net Assets		
Liabilities	$	560,563
Net Assets		158,419,058
Total Liabilities and Net Assets	$	158,979,621

CONDENSED CONSOLIDTED STATEMENT OF ACTIVITIES
FY Ended June 30, 2022

Income and Other Additions	$	(5,573,118)
Expenditures and Other Deductions		(6,451,479)
Total Decrease in Net Assets	$	(12,024,597)

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, 2023, are presented below in summary form.

DELTA STUDENT HOUSING, INC.
UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2023

Assets		
Cash	$	4,737,248
Property and equipment		4,029,453
Total Assets	$	8,766,701
Liabilities and Net Assets		
Liabilities	$	9,000,000
Net Assets		(233,299)
Total Liabilities and Net Assets	$	8,766,701

UNAUDITED CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2023

Income and Other Additions	$	490,003
Expenditures and Other Deductions		(736,957)
Total Decrease in Net Assets	$	(246,954)

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.

FY23 - Statement of Net Position

An elimination entry was made to reduce accounts receivable and accounts payable by $19,389,307, 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) $531,089 (current portion $33,433) to reflect a loan from UAMS to UAF, and (2) $4,817,139 (current portion $319,489) to reflect a loan from the campuses to *e*Versity 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, 2023 which were eliminated against current and long-term debt (current portion $3,297,135) and Other non-current assets:

Campus	Balance at June 30, 2023
UAFS	$ 595,210
UALR	1,717,119
UAM	428,518
UAMS	15,082,943
UAPB	621,327
PCCUA	218,182
UACCB	109,723
UACCHT	111,910
UAPTC	390,450
UACCRM	68,276
ASMSA	112,704
Total	$ 19,456,362

FY23 - Statement of Revenues, Expenses, and Changes in Net Position

As explained in Note 14, the System Administration administers the self-funded insurance programs for the University. Insurance premiums remitted to the System Administration by the campuses are shown as insurance revenues, and insurance claims paid are shown as insurance expenditures on the System Administration's financial statements. The premiums expensed by the campuses are recorded as part of compensation and benefits. An elimination entry was made to reduce insurance revenue and compensation/benefits expenditures in the amount of $141,352,349.

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 $4,438,039. An elimination entry for services provided among campuses in the amount of $864,594. 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 $657,119.

FY23 - 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 Chancellor for the Rich Mountain campus is a member of the Board of Directors of Union Bank of Mena based in Mena, AR. At June 30, 2023, bank and certificate of deposit balances held at Union Bank of Mena for the Rich Mountain campus totaled $2,616,640 (book balances shown on the statement of net position for the campus total $2,323,330). Union Bank of Mena also serves as the note holder for a note payable shown on the statement of net position for the campus at June 30, 2023 at a balance of $685,909.

Note 22: Contingencies

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

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

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

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

If debt service revenues had been considered insufficient at June 30, 2023, the University would have incurred a liability of $71,379,000 related to the issue. This amount includes drawdown of funds related to the project, issuance costs, discounts, accreted interest, and other expenses related to the issue. The revenues pledged by UAMS to secure the Loan Agreement consist of inpatient service fees and fees collected from other ancillary, therapeutic, and diagnostic services provided within the walls of the hospital but exclude physician-generated revenues, State appropriations, and revenues restricted for other purposes.

Note 23: Restatements

Statement of Revenues, Expenses, and Changes in Net Position

The University adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements in fiscal year 2023. GASB Statement No. 96 defines a subscription-based information technology arrangement (SBITA), establishes that a SBITA would result in a right-to-use Information Technology (IT) asset and a corresponding liability, provides capitalization criteria, and requires new note disclosures. The subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset to amortization expense (which may be combined with depreciation expense). Subsequent SBITA payments are accounted for consistent with how debt service payments on long-term debt are recorded, including segregating the SBITA payments between interest and principal. The current portion of the subscription liability is also segregated from the long-term portion.

Beginning in fiscal year 2023, the University started recognizing intangible "right to use" subscription assets equal to the present value of the SBITA payments. This increase in assets is offset by a corresponding increase in subscription liability. Prior to GASB 96, SBITAs were expensed as payments were made.

As a result of GASB 96, subscription assets, in fiscal year 2023, are reported separately as a right-to-use Information Technology (IT) asset. Subscriptions were recognized and measured using the facts and circumstances that existed at the beginning of fiscal year 2023. The present value of the subscriptions assets are calculated using the term of the lease and the incremental borrowing rate for the university at the beginning of the lease. The subscription terms vary according to the conditions of the individual SBITAs.

Beginning net position, as reported on the Statement of Revenues, Expenses and Changes in Net Position, was restated due to the implementation of GASB Statement 96, as amended. As a result, Net Position – beginning of the year was increased by $4,194,796 to reflect the net effect of recognizing the University's total right-to use subscription asset offset by subscription payables attributable to the year ended June 30, 2022.

Beginning net position, as reported on the Statement of Revenues, Expenses and Changes in Net Position, has also been restated for the year ended June 30, 2022 to adjust prior year grant revenue and receivables for the University of Arkansas, Hope-Texarkana due to overstatement in the amount of $520,682.

Statement of Net Position

The net effect of these restatements was an overall increase to total net position of $3,674,114. The net adjustment is reflected in the net position amounts reported as of June 30, 2022 for Net Investment in Capital Assets, and Unrestricted. The Statement of Cash Flows was also restated to reflect the changes.

	As Reported June 30, 2022	Net Adjustment	Restated June 30, 2022
ASSETS			
Current			
Accounts receivable, net of allowances	$ 217,176,479	$ (520,682)	$ 216,655,797
Non-Current			
Other non-current assets	36,474,637	8,332,442	44,807,079
Capital assets, net of depreciation	3,229,795,333	12,060,506	3,241,855,839
LIABILITIES			
Non-Current			
Bonds, notes, leases and installment contracts payable	1,837,396,939	16,198,152	1,853,595,091
NET POSITION			
Net Investment in Capital Assets	1,514,117,223	4,194,796	1,518,312,019
Unrestricted	1,093,787,501	(520,682)	1,093,266,819

On July 1, 2022, UAMS adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96), that addresses the accounting for the costs related to subscription-based information technology arrangements. The effect of this adoption in 2023 was to increase subscription IT assets by $35,836,590, which included prior years capitalized implementation costs of approximately $23,218,000 reported as construction in progress in 2022, and $2,551,148 of payments before the subscription term, and subscription liabilities (see UAMS Note 9) by $10,067,442. The adoption had no impact on beginning of year net position but did require the restatement of the beginning of year balances in related disclosures. (UAMS Note 5).

Note 24: Subsequent Events

Bond Issues

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

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

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

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

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

Invited Bonds	Amount Outstanding	Tendered Amount	Interest Rate Range
Series 2016A Bonds	$77,055,000	$20,450,000	5.00%
Series 2017 Bonds	$87,910,000	$20,735,000	5.00%

Series 2019B Bonds	$131,080,000	$13,330,000	2.256% to 2.850%
Series 2021 Bonds	$160,350,000	$13,340,000	0.863% to 2.685%

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

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

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

Land Purchase

On May 28, 2023, the Board approved the purchase of approximately three acres of land for $5,050,000. The property included four structures; two of which are slated for demolition and two that are rented through a third-party property management company. The land purchase was settled July 6, 2023.

Land Sale

On September 15, 2023, the Board approved the sale of a University owned property in Washington County which includes the former Southwest Experimental Fast Oxide Reactor (SEFOR) for $1,150,000. The property was appraised for a market value of $1,150,000. Additionally, a forest inventory and timber valuation conducted on the property values the timber at $406,983. In the event of sale of any timber on the property, the buyer would execute a sponsored research agreement with the University for not-less-than 50% of the gross proceeds generated. The land, held by the University since 1971, had a cost of $61,970 as of June 30, 2023.

Budget Stabilization Trust Fund Loan

On July 28, 2023, UAMS was approved for a loan of $30,000,000 from the Budget Stabilization Trust Fund based upon the general revenue allocated to UAMS for fiscal year 2024. The loan funds were distributed to level the cash flow of UAMS and prevent the need to transfer funds from the intermediate-term investment fund pool, which had not regained market losses experienced over the last few years. The loan will be repaid in 10 monthly installments of $3,000,000 beginning September 2023 and ending June 2024.

Employee Benefits

Schedule of University's Proportional Share of the Net Pension Liability
Arkansas Public Employees Retirement System
Last Nine Fiscal Years*

	2023	2022	2021	2020	2019
University's proportion of net pension liability	1.160%	1.378%	1.427%	1.656%	2.008%
University's proportionate share of net pension liability	$ 31,287,627	$ 10,591,455	$ 40,877,027	$ 39,944,209	$ 44,294,023
University's covered payroll**	25,041,258	26,989,144	29,263,785	32,838,844	36,710,317
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	124.94%	39.24%	139.68%	121.64%	120.66%
Plan fiduciary net position as a percentage of the total pension liability	78.31%	93.57%	75.38%	78.55%	79.59%

	2018	2017	2016	2015
University's proportion of net pension liability	2.198%	2.202%	1.659%	1.462%
University's proportionate share of net pension liability	$ 56,807,517	$ 52,660,632	$ 30,550,726	$ 20,737,110
University's covered payroll**	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-employee payroll	139.72%	131.76%	104.48%	84.26%
Plan fiduciary net position as a percentage of the total pension liability	75.65%	75.50%	80.39%	84.15%

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

Schedule of University Contributions
Arkansas Public Employees Retirement System
Last Nine Fiscal Years*

	2023	2022	2021	2020	2019
Contractually required contribution	$ 3,508,778	$ 3,849,462	$ 4,135,494	$ 4,474,936	$ 5,079,699
Contributions in relation to the contractually required contribution	(3,508,778)	(3,849,462)	(4,135,494)	(4,474,936)	(5,079,699)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	$ 22,467,769	$ 25,041,258	$ 26,989,144	$ 29,263,785	$ 32,838,844
Contributions as a percentage of covered-employee payroll	15.62%	15.37%	15.32%	15.29%	15.47%

	2018	2017	2016	2015
Contractually required contribution	$ 5,446,489	$ 5,847,656	$ 5,122,338	$ 4,316,084
Contributions in relation to the contractually required contribution	(5,446,489)	(5,847,656)	(5,122,338)	(4,316,084)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
University's covered-employee payroll	$ 36,710,317	$ 40,658,901	$ 35,350,993	$ 29,241,762
Contributions as a percentage of covered-employee payroll	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.

Schedule of University's Proportional Share of the Net Pension Liability
Arkansas Teacher Retirement System
Last Nine Fiscal Years*

	2023	2022	2021	2020	2019
University's proportion of net pension liability	0.242%	0.283%	0.319%	0.372%	0.447%
University's proportionate share of net pension liability	$ 12,777,998	$ 7,829,796	$ 18,079,806	$ 15,527,796	$ 16,258,099
University's covered payroll**	8,554,563	$ 9,232,685	10,026,138	11,429,162	13,540,283
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	149.37%	84.81%	180.33%	135.86%	120.07%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	88.58%	74.91%	80.96%	82.78%

	2018	2017	2016	2015
University's proportion of net pension liability	0.540%	0.589%	0.395%	0.437%
University's proportionate share of net pension liability	$ 22,688,366	$ 26,000,421	$ 12,850,498	$ 11,467,444
University's covered payroll**	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-employee payroll	142.41%	148.79%	111.58%	99.48%
Plan fiduciary net position as a percentage of the total pension liability	79.48%	76.75%	82.20%	84.98%

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

Schedule of University Contributions
Arkansas Teacher Retirement System
Last Nine Fiscal Years*

	2023	2022	2021	2020	2019
Contractually required contribution	$ 1,223,605	$ 1,262,490	$ 1,335,201	$ 1,416,960	$ 1,616,340
Contributions in relation to the contractually required contribution	(1,223,605)	(1,262,490)	(1,335,201)	(1,416,960)	(1,616,340)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	8,055,500	8,554,563	9,232,685	10,026,138	11,429,162
Contributions as a percentage of covered-employee payroll	15.19%	14.76%	14.46%	14.13%	14.14%

	2018	2017	2016	2015
Contractually required contribution	$ 1,899,208	$ 2,210,329	$ 1,448,084	$ 1,612,297
Contributions in relation to the contractually required contribution	(1,899,208)	(2,210,329)	(1,448,084)	(1,612,297)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
University's covered-employee payroll	13,540,283	15,932,158	10,392,131	11,516,407
Contributions as a percentage of covered-employee payroll	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.

Other Postemployment Benefits

Summary of Key Actuarial Methods and Assumptions

Valuation date	July 1, 2022 valuation for the year ended June 30, 2023
Valuation year	Census data collected as of February 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years rolling
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	3.54%
Rate of salary increase for amortization	4.00%
Medical inflation rate	7.00% grading to 4.14% over 20 years
Pharmacy inflation rate	9.00% grading to 4.14% over 20 years
Retiree contribution inflation rate	7.50% grading to 4.14% over 20 years

The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2021 was 2.16%, the unfunded rate determined as of June 30, 2021 based on the Bond Buyer 20-year-Bond GO Index. The discount rate used to measure the Total OPEB Liability (TOL) as of June 30, 2022 was 3.54%, the unfunded rate determined as of June 30, 2022 based on the Bond Buyer 20-year-Bond GO Index.

Mortality Rates:

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

Total OPEB Liability	2023	2022	2021	2020
Service cost	$ 5,244,000	$ 4,891,000	$ 4,510,000	$ 4,026,000
Interest (includes interest on service cost)	1,818,000	1,776,000	2,736,000	2,831,000
Changes of benefit terms			(10,108,000)	
Differences between expected and actual experience	(4,434,000)	(971,000)	(2,196,000)	(3,245,428)
Changes of assumptions	(9,569,000)	398,000	9,159,000	3,132,000
Benefit payments, including refunds of member contributions	(2,595,000)	(2,379,000)	(2,245,000)	(2,180,000)
Net change in total OPEB liability	**(9,536,000)**	**3,715,000**	**1,856,000**	**4,563,572**
Total OPEB liability - beginning	**80,318,000**	**76,603,000**	**74,747,000**	**70,183,428**
Total OPEB liability - ending	**$ 70,782,000**	**$ 80,318,000**	**$ 76,603,000**	**$ 74,747,000**
Covered employee payroll	$ 1,592,376,000	$1,455,294,000	$ 1,351,363,000	$ 1,328,526,000
Total OPEB liability as a percentage of covered employee payroll	**4.45%**	**5.52%**	**5.67%**	**5.63%**

Total OPEB Liability	2019	2018
Service cost	$ 3,952,830	$ 4,589,055
Interest (includes interest on service cost)	2,568,932	2,320,787
Changes of benefit terms	832,130	
Differences between expected and actual experience	(3,266,590)	
Changes of assumptions	(690,230)	(13,904,426)
Benefit payments, including refunds of member contributions	(2,018,583)	(2,109,079)
Net change in total OPEB liability	**1,378,489**	**(9,103,663)**
Total OPEB liability - beginning	**68,804,939**	**77,908,602**
Total OPEB liability - ending	**$ 70,183,428**	**$ 68,804,939**
Covered employee payroll	$ 1,309,045,000	$1,320,436,000
Total OPEB liability as a percentage of covered employee payroll	**5.36%**	**5.21%**

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

Notes to Schedule:

No assets for the Plan are accumulated in a trust.

Change of Assumptions:

During the measurement year, the TOL decreased by approximately $9.5 million. The service cost and interest cost increased the TOL by approximately $7.1 million while benefit payments decreased the TOL by approximately $2.6 million

The discount rate changed from 2.16% as of June 30, 2021 to 3.54% as of June 30, 2022. In addition, claims costs and trends were updated to reflect changes in benefits and experience and our expectation of future cost. Combined, these assumption changes resulted in a gain of $9.6 million. This gain will be amortized over the average expected remaining service life of all active and inactive members of the Plan. The actual experience decreased the NOL by $4.4 million due to changes in population, which will be amortized over the average expected remaining service life of all active and inactive members of the Plan.

Change of Benefits:

There were no benefit changes during 2023.

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 11th-day headcounts as provided in September 2023 to the Arkansas Division of Higher Education for Fall 2023.

UNIVERSITY OF ARKANSAS, FAYETTEVILLE

Established: 1871
Enrollment: 32,140
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: 5,514
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: 7,935
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: 3,275
www.uams.edu | 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: 2,758
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: 2,117
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: 1,345
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: 1,392
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: 1,238
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: 1,292
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: 2,229
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: 4,143
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: 721
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

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

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

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

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 GRANTHAM

Established: 1951
Enrollment: 4,065
www.uagrantham.edu

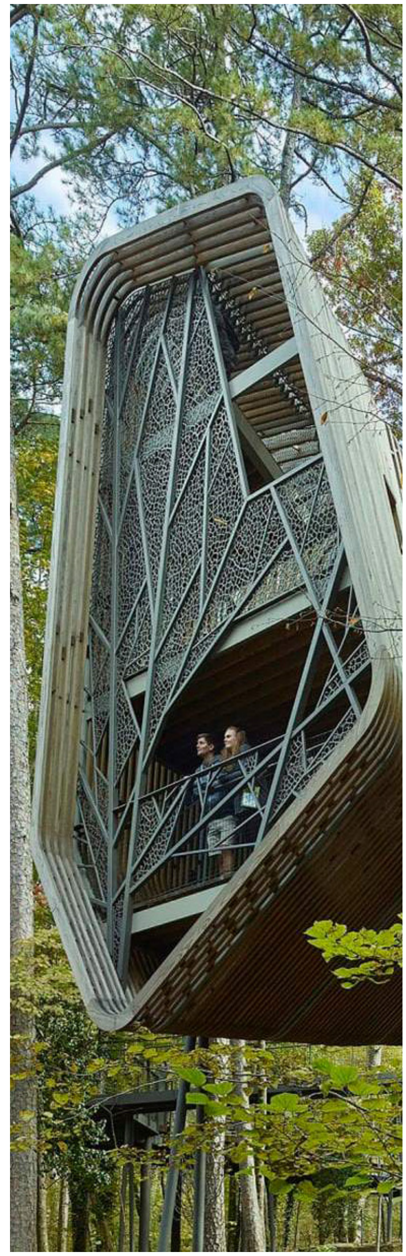
On Nov. 1, 2021, Grantham University (Lenexa, Kan.) joined the University of Arkansas System and officially became University of Arkansas Grantham. As a 100 percent-online institution, UA Grantham joined forces with UA System *e*Versity and is now a stronger institution with greater ability to serve the thousands of students already enrolled in more than 50 fully-online degree and certificate programs. UA Grantham relocated its headquarters to Little Rock and kept its operational location in Lenexa, Kan.

Since its founding in 1951, Grantham has sought to enable access to education for adult learners. Now part of the UA System, UA Grantham is better-positioned to grow the number of quality, affordable, professionally-relevant programs it offers to learners in Arkansas, across the country, and around the world.

UNIVERSITY OF ARKANSAS SYSTEM
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.




BE PRO BE PROUD

UNIVERSITY OF ARKANSAS, FAYETTEVILLE
Charles Robinson, *Chancellor*
Ann Bordelon, Executive *Vice Chancellor for Finance and Administration*

UNIVERSITY OF ARKANSAS AT FORT SMITH
Terisa Riley, *Chancellor*
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
Cam Patterson, *Chancellor*
Amanda George, *Vice Chancellor for Finance and CFO*

UNIVERSITY OF ARKANSAS AT MONTICELLO
Peggy Doss, *Chancellor*
Alex Becker, *Vice Chancellor for Finance and Administration*

UNIVERSITY OF ARKANSAS AT PINE BLUFF
Laurence Alexander, *Chancellor*
Carla Martin, *Vice Chancellor for Finance and Administration*

COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS
Steve Cole, *Chancellor*
Charlotte Johnson, *Vice Chancellor for Business Finance and CFO*

PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS
G. Keith Pinchback, *Chancellor*
Stan Sullivant, *Vice Chancellor for Finance and Administration*

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE
Brian Shonk, *Chancellor*
Bruce Hankins, *Chief Financial Officer*

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE
Christine Holt, *Chancellor*
Cheryl Shaw, *Vice Chancellor for Finance and Administration*

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON
Lisa Willenberg, *Chancellor*
Jeff Mullen, *Vice Chancellor for Finance*

UNIVERSITY OF ARKANSAS PULASKI TECHNICAL COLLEGE
Summer DeProw, *Chancellor*
Rita Fleming, *Vice Chancellor of Finance and Administration*

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN
Phillip Wilson, *Chancellor*
Megan Wheeler, *Vice Chancellor of Finance*

ARKANSAS SCHOOL FOR MATHEMATICS, SCIENCES, & THE ARTS
Corey Alderdice, *Director*
Whitney Moore, *Director of Finance*

UNIVERSITY OF ARKANSAS GRANTHAM
Lindsay Bridgeman, *Chancellor*
Sara Estes, *Controller*

This report was prepared by the Office of Finance and Administration
and is available on the University of Arkansas System's website at www.uasys.edu

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Board of Trustees of the University of Arkansas (the "Issuer") and Regions Bank, in connection with the issuance by the Issuer of its Student Fee Revenue Bonds (University of Arkansas Community College at Morrilton), Series 2024, in the aggregate principal amount of $10,215,000 (the "Bonds"). The Bonds are being issued pursuant to a Trust Indenture dated as of November 5, 2024 (the "Indenture") between the Issuer and Regions Bank, as trustee (the "Trustee"). The Issuer and Regions Bank, in its capacity as the Trustee and as the initial Dissemination Agent, covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and Regions Bank for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The Dissemination Agent shall have no liability with respect to the content of any disclosure provided hereunder and shall be liable only to the Issuer for sending notices hereunder.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" of a Bond shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Disclosure Representative" shall mean the Vice Chancellor for Finance of UACCM or his or her designee, or such other officer or employee as the Issuer shall designate in writing to the Trustee from time to time.

"Dissemination Agent" shall mean Regions Bank, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"Financial Obligation" shall mean a

(A) debt obligation;

(B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

(C) guarantee of obligations described in (A) or (B).

The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Arkansas.

"UACCM" shall mean the University of Arkansas Community College at Morrilton.

SECTION 3. Provision of Annual Reports. (a) The Issuer shall, or shall cause the Dissemination Agent to, not later than December 31 of each year (or 180 days after the end of the Issuer's fiscal year if the Issuer's fiscal year changes), commencing with the report after the end of the fiscal year ending June 30, 2024, provide to the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report shall be filed in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such audited financial statements shall be submitted not more than 60 days after becoming available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f). The Annual Reports and audited financial statements may be posted on the EMMA system on the Issuer's customized EMMA issuer page entitled "Board of Trustees of the University of Arkansas Financial Information." So long as such Annual Reports and audited financial statements shall be posted as set forth in the previous sentence within the time-period set forth in this Section 3, the Issuer shall be deemed to have complied with this Section 3.

(b) Not later than fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Issuer shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the Issuer and the Dissemination Agent to determine if the Issuer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that the Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall file a notice thereof with the MSRB in substantially the form set forth in Exhibit A hereto or in the form as prescribed by the MSRB.

(d) On or prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent shall file a report with the Issuer and (if the Dissemination Agent is not the Trustee) the Trustee specifying filings made by it pursuant to Section 3 of this Disclosure Agreement and stating the date or dates such filings were provided to the MSRB.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) (i) Information of the type set forth in Appendix A to the Official Statement dated October 22, 2024 (the "Official Statement") relating to the Bonds, in the table under the caption **THE UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON**, **Student Tuition and Fees** for the prior fiscal year, and (ii) debt service requirements for Additional Parity Bonds (as defined in the Official Statement), if incurred in the future.

(b) The annual audited financial statements of the Issuer and, if an independent audited report of UACCM is issued, of UACCM, each prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board or applicable State law.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed on the EMMA system or any successor MSRB internet website or otherwise submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. (a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds within ten (10) business days of the occurrence thereof:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events adversely affecting the tax status of the Bonds;

7. Modifications to rights of security holders, if material;

8. Bond calls, if material, and tender offers (except for mandatory sinking fund redemption);

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer or UACCM;

13. The consummation of a merger, consolidation or acquisition involving the Issuer or UACCM or the sale of all or substantially all of the assets of the Issuer or UACCM, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer or UACCM, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or UACCM, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or UACCM, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, within one (1) business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) After the occurrence of a Listed Event, the Issuer shall determine, in a timely manner which will allow the Dissemination Agent to file the notice within the time frame prescribed by subsection (f), if such event must be reported under applicable federal securities laws.

(d) If the Issuer has determined that the occurrence of a Listed Event must be reported under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f). The Issuer may submit to the Dissemination Agent the form of the notice to be provided pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Issuer determines that the Listed Event would not be required to be reported under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event, a notice of such occurrence with the MSRB through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any other similar system that is acceptable to the Securities and Exchange Commission, with a copy to the Issuer. If the Issuer has provided a form of the notice as set forth in subsection (d) of this Section, the Dissemination Agent shall file the Issuer's form of notice. Each notice of the occurrence of a Listed Event shall be captioned "Notice of Listed Event" and shall be filed in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. Such notices may be posted on the EMMA system on the Issuer's customized EMMA issuer page entitled "Board of Trustees of the University of Arkansas Financial Information." So long as such notices shall be posted as set forth in the previous sentence within the time-period set forth in this Section 5(f), the Issuer shall be deemed to have complied with this Section 5(f). Notwithstanding the foregoing, notice of the Listed Events described in clauses (a)8 and (a)9 need not be given any earlier than the notice for the underlying event is given to registered owners of affected Bonds pursuant to the terms of the Indenture.

(g) The Trustee shall provide the Issuer with notice of the occurrence of the change of name of the Trustee in a timely manner which will allow the Issuer to make a filing of a Listed Event within the time-frame set forth in this Section.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be Regions Bank.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an "obligated person" with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Beneficial Owners, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented with respect to the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of a Participating Underwriter, or the Owners of at least 25% in aggregate principal amount of Outstanding Bonds, shall), or any Owners or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article IX of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and unless prohibited by law, the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Issuer:	Board of Trustees of the University of Arkansas 2404 North University Avenue Little Rock, Arkansas 72207 Attention: Vice President for Finance and Chief Financial Officer Email: legalnotices@uasys.edu
with a copy to:	University of Arkansas Community College at Morrilton 1537 University Blvd Morrilton, Arkansas 72110 Attention: Vice Chancellor for Finance
and a copy to:	University of Arkansas System General Counsel 2404 North University Avenue Little Rock, Arkansas 72207 Attention: General Counsel

To Regions Bank: Regions Bank
400 West Capitol Avenue, 2nd Floor
Little Rock, Arkansas 72201
Attention: Corporate Trust Department
Facsimile: 501-371-8827

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriters and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Governing Law. The provisions of this Disclosure Agreement shall be governed by the laws of the State, without regard to conflict of law principles.

[Signature page follows.]

Dated as of November 5, 2024

BOARD OF TRUSTEES OF THE
UNIVERSITY OF ARKANSAS

By ______________________________
President

REGIONS BANK,
as Dissemination Agent

By: ______________________________
Authorized Officer

REGIONS BANK,
as Trustee

By: ______________________________
Authorized Officer

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Board of Trustees of the University of Arkansas
Name of Bond Issue:	Board of Trustees of the University of Arkansas Student Fee Revenue Bonds (University of Arkansas Community College at Morrilton), Series 2024
Date of Issuance:	November 5, 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement between the Issuer and the undersigned dated November 5, 2024.

Dated: _______________________, ____

REGIONS BANK
Little Rock, Arkansas

By:___________________________________
Authorized Officer

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BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS • STUDENT FEE REVENUE BONDS (UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON), SERIES 2024

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