OFFICIAL STATEMENT

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 imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. 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.).*

$22,235,000
BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS
ATHLETIC FACILITIES REVENUE BONDS (FAYETTEVILLE CAMPUS) REFUNDING SERIES 2026

Dated: Date of Delivery **Due: September 15, 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 current refunding certain outstanding bonds and paying costs of issuance of the Bonds (see **PURPOSES FOR THE BONDS** herein).

See **Appendix A – THE UNIVERSITY OF ARKANSAS SYSTEM AND THE FAYETTEVILLE CAMPUS OF THE SYSTEM** hereto for information regarding the Board, the System (as defined herein), and UA, Fayetteville (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 March 15 and September 15, commencing March 15, 2027. 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 not subject to redemption prior to maturity.

The Bonds are offered when, as and if issued, subject to the approval of Friday, Eldredge & Clark, LLP, Little Rock, Arkansas, bond counsel. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP, Little Rock, Arkansas, counsel to the Underwriters. It is expected that the Bonds will be available for delivery at the facilities of DTC in New York, New York on or about June 23, 2026.

Crews&Associates
A First Security Company

Stephens Inc.

Dated: June 11, 2026

† See **DESCRIPTION OF RATING** herein.

$22,235,000
BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS
ATHLETIC FACILITIES REVENUE BONDS
(FAYETTEVILLE CAMPUS)
REFUNDING SERIES 2026

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS

Year (September 15)	Principal Amount	Interest Rate	Yield	CUSIP†
2034	$6,545,000	5.000%	3.100%	914073 NM9
2035	7,650,000	5.000%	3.180%	914073 NN7
2036	8,040,000	5.000%	3.250%	914073 NP2

† 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 Athletic Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2026, in the aggregate principal amount of $22,235,000 (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 9, 2026. The Bonds will be issued under and secured by a Trust Indenture, dated as of the dated date 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 not subject to redemption prior to maturity. See **REDEMPTION** herein.

Use of Proceeds

The proceeds from the sale of the Bonds will be used to current refund the Board's Athletic Facilities Revenue Bonds (Fayetteville Campus), Tax-Exempt Series 2016A, and to pay costs of issuance. 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 (i) the Board's Athletic Facilities Revenue Bonds (Fayetteville Campus), Taxable Series 2016B (the "Series 2016B Bonds"), (ii) the Board's Athletic Facilities Revenue Bonds (Fayetteville Campus), Series 2019A (the "Series 2019 Bonds"), and (iii) the Board's Athletic Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2023 (the "Series 2023 Bonds").

The term "Pledged Revenues" is defined as (i) Athletic Gate Receipts (defined in the Indenture as those revenues of the Fayetteville campus of the University of Arkansas ("UA, Fayetteville") derived from men's intercollegiate athletic events, including settlements, guarantees, the sale of tickets, television and radio revenues, concession revenues, and all amounts transferred from the Razorback Foundation, Inc., or the successor thereto, representing priority seating requirement proceeds, which are received by the Men's Athletic Department of UA, Fayetteville, less amounts paid to state and local taxing authorities and amounts paid by UA, Fayetteville, for settlements and guarantees for scheduled men's intercollegiate athletic events), together with (ii) revenues of UA, Fayetteville, derived from any Student Athletic Fee (defined in the Indenture as any fee charged to students attending UA, Fayetteville to support intercollegiate athletics, whether such fee is imposed pursuant to Arkansas Code Annotated Sections 6-62-801 et seq., as amended, or pursuant to Section 711 of the Indenture). No Student Athletic Fee is currently being charged. The Pledged Revenues do not include (A) tuition or fee revenues collected by UA, Fayetteville, sales and services revenues, or auxiliary enterprises revenues, or (B) any fees authorized or imposed by UA, Fayetteville and dedicated to a specific purpose unrelated to obligations issued pursuant to the Act or to facilities funded with such obligations.

See **Appendix A – THE UNIVERSITY OF ARKANSAS SYSTEM AND THE FAYETTEVILLE CAMPUS OF THE SYSTEM** hereto and **LEGAL AND LEGISLATIVE MATTERS AND OTHER CONSIDERATIONS** herein.

The Board has also reserved the right to pledge Pledged Revenues to additional bonds or obligations issued under the Act, subject to certain limitations and conditions set forth in the Indenture. The pledge may be on a parity with or subordinate to the pledge in favor of these Bonds. (See **SUMMARY OF THE INDENTURE, Additional Bonds**, herein).

The Board has covenanted that it shall use due diligence to ensure collection of the Pledged Revenues until all Bonds have been retired in full. The Board has further covenanted that it will maintain Pledged Revenues at a level equal to or exceeding 115% of current annual debt service on the Bonds, the Series 2016B Bonds, the Series 2019 Bonds, the Series 2023 Bonds, and any Additional Parity Bonds (as defined under **SUMMARY OF THE INDENTURE, Additional Bonds** herein), and trustee's and paying agent's fees on such bonds. The Board has further covenanted that it will, to the extent necessary to maintain Pledged Revenues at the 115% coverage level described in the preceding sentence, impose a Student Athletic Fee on students attending UA, Fayetteville sufficient to maintain such coverage. See **"SECURITY FOR THE BONDS"** herein.

There is no debt service reserve securing the Bonds.

OFFICIAL STATEMENT

$22,235,000
BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS
ATHLETIC FACILITIES REVENUE BONDS
(FAYETTEVILLE CAMPUS)
REFUNDING SERIES 2026

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 Athletics Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2026, in the aggregate principal amount of $22,235,000 (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 Fayetteville campus of the University of Arkansas ("UA, Fayetteville"). The financial data with regard to the Board and UA, Fayetteville has been provided from the records of the Board and UA, Fayetteville.

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 9, 2026.

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 pledge of Pledged Revenues in favor of the Bonds is on a parity with the pledge of Pledged Revenues in favor of (i) the Board's Athletic Facilities Revenue Bonds (Fayetteville Campus), Taxable Series 2016B (the "Series 2016B Bonds"), (ii) the Board's Athletic Facilities Revenue Bonds (Fayetteville Campus), Series 2019A (the "Series 2019 Bonds"), and (iii) the Board's Athletic Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2023 (the "Series 2023 Bonds"). The Board has reserved the right to issue additional bonds and obligations payable from Pledged Revenues. Specific covenants concerning revenues are described under **SECURITY FOR THE BONDS** herein.

The term "Pledged Revenues" is defined as (i) Athletic Gate Receipts (defined in the Indenture as those revenues of UA, Fayetteville derived from men's intercollegiate athletic events, including settlements, guarantees, the sale of tickets, television and radio revenues, concession revenues, and all amounts transferred from the Razorback Foundation, Inc. or the successor thereto, representing priority seating requirement proceeds, which are received by the Men's Athletic Department of UA, Fayetteville, less amounts paid to state and local taxing authorities and amounts paid by UA, Fayetteville, for settlements and guarantees for scheduled men's intercollegiate athletic events), together with (ii) revenues of UA, Fayetteville, derived from any Student Athletic Fee (defined in the Indenture as any fee charged to students attending UA, Fayetteville to support intercollegiate athletics, whether such fee is imposed pursuant to Arkansas Code Annotated Sections 6-62-801 *et seq*., as amended, or pursuant to Section 711 of the Indenture). No Student Athletic Fee is currently being charged. The Pledged Revenues do not include (A) tuition or fee revenues collected by UA, Fayetteville, sales and services revenues, or auxiliary enterprises revenues, or (B) any fees authorized or imposed by UA, Fayetteville and dedicated to a specific purpose unrelated to obligations issued pursuant to the Act or to facilities funded with such obligations.

See **Appendix A – THE UNIVERSITY OF ARKANSAS SYSTEM AND THE FAYETTEVILLE CAMPUS OF THE SYSTEM** hereto and **LEGAL AND LEGISLATIVE MATTERS AND OTHER CONSIDERATIONS** herein.

Descriptions of the Board, the Bonds, the System (as defined in Appendix A hereto), UA, Fayetteville, 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

The proceeds of the Bonds will be used to current refund the Board's Athletics Facilities Revenue Bonds (Fayetteville Campus), Tax-Exempt Series 2016A (the "Series 2016A Bonds"), and to pay costs of issuance.

A portion of the proceeds from the sale of the Bonds will be deposited in an escrow fund with the trustee for the Series 2016A Bonds and invested in United States Treasury Obligations and applied on September 15, 2026 to pay the interest on the Series 2016A Bonds then due and to redeem the Series 2016A Bonds at a price of par plus accrued interest.

The Series 2016A Bonds were issued to finance a portion of the costs of constructing and equipping an expansion and update of Donald W. Reynolds Razorback Stadium, the renovation and replacement of the Frank Broyles Athletic Center, and related improvements to the athletic facilities on the UA, Fayetteville campus (collectively, the "2016 Project"), particularly that portion of the 2016 Project primarily used by the student athletes, coaching staff and athletic administration in the operation and facilitation of intercollegiate athletic events, including, but not limited to areas designated for use as locker rooms, lobbies, administrative offices, student-athlete recruiting areas, interview rooms, team meeting rooms, facility operations spaces, and such portions of the 2016 Project that are open to and available for use by the general public. Proceeds of the Series 2016B Bonds and other available funds of UA, Fayetteville were used to finance the majority (approximately 81%) of the costs of the 2016 Project.

USE OF PROCEEDS

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

Proceeds:	
Par Amount of Bonds	$22,235,000.00
Original Issue Premium	3,217,734.10
Total Proceeds:	$25,452,734.10
Uses:	
Escrow Deposit	$25,250,533.87
Costs of Issuance and Underwriters' Discount	198,040.50
Contingency	4,159.73
Total Uses:	$25,452,734.10

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 March 15 and September 15 of each year commencing March 15, 2027, at the rates set forth on the inside cover page of this Official Statement, and will mature on September 15 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 first day of the month in which any interest payment date on the Bonds occurs or, if such day is not a Business Day, the immediately preceding Business Day (the "Record Date"). 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 are not subject to redemption prior to maturity.

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 FAYETTEVILLE CAMPUS OF THE SYSTEM** hereto and **LEGAL AND LEGISLATIVE MATTERS AND OTHER CONSIDERATIONS** herein.

The Bonds will be secured by Pledged Revenues on a parity with the pledge in favor of the Series 2016B Bonds, the Series 2019 Bonds, and the Series 2023 Bonds. The term "Pledged Revenues" is defined as (i) Athletic Gate Receipts (defined in the Indenture as those revenues of UA, Fayetteville derived from men's intercollegiate athletic events, including settlements, guarantees, the sale of tickets, television and radio revenues, concession revenues, and all amounts transferred from the Razorback Foundation, Inc., or the successor thereto, representing priority seating requirement proceeds, which are received by the Men's Athletic Department of UA, Fayetteville, less amounts paid to state and local taxing authorities and amounts paid by UA, Fayetteville, for settlements and guarantees for scheduled men's intercollegiate athletic events, together with (ii) revenues of UA, Fayetteville, derived from any Student Athletic Fee (defined in the Indenture as any fee charged to students attending UA, Fayetteville to support intercollegiate athletics, whether such fee is imposed pursuant to Arkansas Code Annotated Sections 6-62-801 et seq., as amended, or pursuant to Section 711 of the Indenture). No Student Athletic Fee is currently being charged. The Pledged Revenues do not include (A) tuition or fee revenues collected by UA, Fayetteville, sales and services revenues, or auxiliary enterprises revenues, or (B) any fees authorized or imposed by UA, Fayetteville and dedicated to a specific purpose unrelated to obligations issued pursuant to the Act or to facilities funded with such obligations.

Pledged Revenues for certain prior fiscal years are set out in Appendix A hereto under **THE FAYETTEVILLE CAMPUS OF THE SYSTEM**, **Pledged Revenues**. The amounts of the Series 2016B Bonds, the Series 2019 Bonds, and the Series 2023 Bonds payable from Pledged Revenues are shown in Appendix A hereto under **THE FAYETTEVILLE CAMPUS OF THE SYSTEM**, **Existing Obligations**.

The Board has reserved the right to pledge Pledged Revenues to additional bonds and obligations to be issued under the Act, subject to the limitations and conditions set forth in the Indenture (see **SUMMARY OF THE INDENTURE**, **Additional Bonds**). The issuance of additional bonds is subject to compliance with the requirements of the Indenture, and the pledge in favor of the additional bonds may either be on a parity with, or subordinate to the pledge in favor of the Bonds.

The Board has covenanted (i) to promptly pay the principal of and interest on the Bonds, (ii) that it shall use due diligence to ensure collection of the Pledged Revenues until all Bonds have been retired in full, (iii) that it will maintain Pledged Revenues at a level equal to or exceeding 115% of current annual debt service on the Bonds, the Series 2016B Bonds, the Series 2019 Bonds, the Series 2023 Bonds, and any Additional Parity Bonds and trustee's and paying agent's fees on such bonds, (iv) that it will, to the extent necessary to maintain Pledged Revenues at the 115% coverage level described in the preceding sentence, impose a Student Athletic Fee on students attending UA, Fayetteville, (v) not to pledge the Pledged Revenues as security for any other indebtedness or borrowing and not to create any charges upon, liens against, or encumbrances of any kind (except those created by the Indenture) on the Pledged Revenues, except as permitted to secure additional bonds as permitted pursuant to the Act (see **SUMMARY OF THE INDENTURE**, **Additional Bonds)**, and (vi) to promptly discharge all claims and judgments which will become liens against the Pledged Revenues.

For the purpose of calculating current annual debt service in a Fiscal Year during which Balloon Indebtedness (as defined in **SUMMARY OF THE INDENTURE, Additional Bonds** herein) matures, if the Vice Chancellor (as defined in **SUMMARY OF THE INDENTURE, Use of Pledged Revenues and Flow of Funds**, Investments herein) certifies to the Trustee that financing of a stated term (which shall not extend beyond thirty (30) years after such date of calculation), amortization, and interest rate is reasonably attainable to refund or otherwise directly or indirectly to refinance any amount of such Balloon Indebtedness, then the principal of and premium, if any, and interest and other debt service charges on the amount of such Balloon Indebtedness so certified to be refundable or refinanceable shall

be excluded from such calculation and the principal of and premium, if any, and interest and other debt service charges on the refunding indebtedness as so certified which would result from such refunding or refinancing in such Fiscal Year, if incurred on the first day of the Fiscal Year for which current annual debt service is being calculated, shall be added; *provided, however*, that if the interest on such refunding Indebtedness so certified is less than interest thereon at the most recent Thirty-Year Revenue Bond Index or any substitute index most recently published by *The Bond Buyer* or any successor publication, interest at such index shall be utilized instead. In addition, for the purpose of calculating current annual debt service in a Fiscal Year during which Balloon Indebtedness matures, if the Vice Chancellor certifies to the Trustee that sufficient funds are available or will be available to retire or defease all or a portion of the Balloon Indebtedness during such Fiscal Year, the Balloon Indebtedness or portion of Balloon Indebtedness to be so retired or defeased shall be excluded for purposes of calculating current annual debt service.

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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CONCERNING THE TRUSTEE

Regions Bank ("Trustee") will be the Trustee under the Indenture. The Trustee has experience serving as trustee, paying agent, and registrar for municipalities, school districts, universities, state and county agencies, hospitals, retirement centers, and various non-profit entities, as well as to issuers of corporate debt.

The Trustee may resign at any time. The Trustee may be removed at any time (i) by the Board; provided, however, that the Board may not remove the Trustee so long as an Event of Default (as defined under **SUMMARY OF THE INDENTURE**, herein) shall have occurred which has not been cured, or any event shall have occurred which with the passage of time would lead to an Event of Default, or (ii) by an instrument or concurrent instruments in writing, signed by the registered owners of not less than a majority in principal amount of each series of bonds issued under the Indenture and then outstanding. No such resignation or removal will be effective until a successor Trustee is appointed and has accepted the appointment.

Each successor Trustee must be a trust company or bank organized and doing business under the laws of the United States or of a state, duly authorized to exercise trust powers and which has a reported capital surplus of at least $75,000,000. The preceding criteria may be met by a parent corporation if the parent corporation has guaranteed the obligations of the successor Trustee.

The Trustee is also the bond registrar and paying agent for the Bonds.

Except during the continuance of an Event of Default of which the Trustee is deemed to have notice, the Trustee shall perform only the duties specifically set forth in the Indenture. The Trustee is deemed to have notice only of Events of Default described under paragraphs (a) or (b) under **SUMMARY OF THE INDENTURE**, **Events of Default**, and of other Events of Default of which it has received written notice from the owners of not less than 20% in outstanding principal amount of the Bonds. During the continuance of an Event of Default of which the Trustee is deemed to have notice, the Trustee is required to use the degree of care and skill in the exercise of its duties as would be exercised by a prudent man in the conduct of his own affairs.

The Trustee shall not be required to take any action in discharging its trust until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees, and other reasonable disbursements, and against all liability.

The Trustee is entitled to reasonable compensation from the Board. The Trustee's compensation will be paid from Pledged Revenues. If an Event of Default has occurred and is continuing, the Trustee's right to compensation from Pledged Revenues shall be entitled to a preference therefor over the claim of owners for payment of principal of and interest on Bonds from such Pledged Revenues.

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SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Indenture.

Application of Bond Proceeds

Proceeds of the Bonds will be applied as follows:

Refunding. Proceeds of the Bonds necessary to accomplish the refunding of the Series 2016A Bonds shall be deposited into a special fund in the name of the Board designated "Escrow Fund" held by the trustee for the Series 2016A Bonds and applied to the payment of interest on the Series 2016A Bonds due September 15, 2026 and to the redemption of the Series 2016A Bonds on September 15, 2026, at a price of par plus accrued interest.

Cost of Issuance. The balance of the proceeds of the Bonds shall be deposited to the credit of the "Series 2026 Cost of Issuance Fund" created pursuant to the Indenture and held by the Trustee under the Indenture and used to pay costs of issuing the Bonds and costs of refunding the Series 2016A Bonds.

Use of Pledged Revenues and Flow of Funds

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 2016B Bonds, the Series 2019 Bonds, and the Series 2023 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 2026 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 pursuant to the Indenture. The Vice Chancellor (as hereinafter defined) of UA, Fayetteville shall, no later than three Business Days prior to March 15 and September 15 of each year, or, if such day is not a Business Day, then on the immediately preceding Business Day, deposit or cause to be deposited with the Trustee for the credit of the Bond Fund an amount of Pledged Revenues, or such other moneys as are available to the Board under the Constitution and laws of the State, equal to (i) the amount necessary to pay the principal of and interest on the Bonds due on the next succeeding Interest Payment Date; (ii) the fees and expenses of the Trustee and Paying Agent due on the next succeeding Interest Payment Date; and (iii) any amount required to make required payments with respect to arbitrage rebate pursuant to the Indenture. The deposits described in the preceding sentence shall be reduced by any amounts already held in the Bond Fund at the time the deposit is made which are available for meeting the purpose for which a deposit is to be made, including amounts of accrued interest.

The obligation to make payments into the Bond Fund pursuant to the Indenture, the obligation to make payments into the bond funds for the Series 2016B Bonds, the Series 2019 Funds, and the Series 2023 Bonds (collectively, the "Parity Bond Funds") pursuant to the respective trust indentures securing the Series 2016B Bonds, the Series 2019 Bonds, and the Series 2023 Bonds (collectively, the "Parity Indentures"), and the obligation to make payments into the bond fund for any Additional Parity Bonds (as defined below under the subcaption **Additional Bonds**), shall be ranked on a parity basis. If Pledged Revenues and such other moneys as are lawfully available are insufficient to make the payments into the Bond Fund, the Parity Bond Funds, and the bond fund for any Additional Parity Bonds, the available moneys shall be distributed among the Bond Fund, the Parity Bond Funds, and the bond fund for any Additional Parity Bonds in proportion to the required payments.

Cost of Issuance Fund. The Board has established with the Trustee a special fund in the name of the Board designated "Series 2026 Cost of Issuance Fund" (the "Series 2026 Cost of Issuance Fund"). Moneys in the Series 2026 Cost of Issuance Fund shall be used for the payment of costs of issuance of the Bonds and costs of accomplishing the refunding of the Series 2016A Bonds. Moneys remaining in the Series 2026 Cost of Issuance Fund on September 15, 2026 will be transferred to the Bond Fund and used to pay interest on the Bonds.

Investments. Amounts in the Bond Fund and Series 2026 Cost of Issuance Fund shall, pursuant to the direction of the Senior Associate Vice Chancellor for Finance – Chief Financial Officer for UA, Fayetteville (the "Vice Chancellor") be invested and reinvested by the Trustee in Permitted Investments (defined below), which mature

or provide for withdrawal, at the option of the owner thereof, on or prior to the date on which the funds invested will be needed for authorized expenditures.

"Permitted Investments" shall mean any of the following:

(1) 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 ("Government Obligations");

(2) 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;

(3) (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 the payment of principal of and interest on the certificate is fully secured by a pledge of Government Obligations or other securities authorized by State law to secure public funds or the issuer of the certificate of deposit has a rating described in (i), above;

(4) Investments in a money market fund, 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, the obligations described in clause (2) above, and/or other securities authorized by State law to secure public deposits;

(5) 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;

(6) 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;

(7) (i) 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 (as hereinafter defined), 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 (ii) 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; and

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

Obligations so purchased as an investment of moneys in any fund or account 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 shall be charged to such fund.

Additional Bonds

No additional bonds may be issued with a prior pledge of the Pledged Revenues. The Board reserves the right to issue additional bonds or obligations ranking on a parity of pledge of the Pledged Revenues ("Additional Parity Bonds") for the purposes of accomplishing any duly authorized project of the UA, Fayetteville Athletic Department or refunding outstanding bonds or notes issued for such purposes, provided the Vice Chancellor certifies that the Pledged Revenues in the immediately preceding Fiscal Year equaled or exceeded 115% of the combined Maximum Annual Debt Service (as defined below) on the outstanding Bonds, the outstanding Series 2016B Bonds, the outstanding Series 2019 Bonds, the outstanding Series 2023 Bonds, any other outstanding Additional Parity Bonds, and the Additional Parity Bonds then proposed to be issued.

Additional bonds or other obligations of indebtedness may also be issued with a pledge of Pledged Revenues subordinate to the pledge in favor of the Bonds (the "Subordinate Bonds"); provided, however, that before any such Subordinate Bonds are issued, the Board will deliver to the Trustee a certificate signed by the Vice Chancellor to the effect that the amount of Pledged Revenues received during the immediately preceding Fiscal Year was in an amount at least equal to 100% of the aggregate amount of (l) the amount of principal and interest due on the outstanding Bonds, the outstanding Series 2016B Bonds, the outstanding Series 2019 Bonds, the outstanding Series 2023 Bonds,

and any Additional Parity Bonds then outstanding on the next two ensuing Interest Payment Dates; and (2) Maximum Annual Debt Service on all other Subordinate Bonds during the term of the Bonds, computed with regard to all outstanding Bonds, Series 2016B Bonds, Series 2019 Bonds, Series 2023 Bonds, other outstanding Additional Parity Bonds, and other Subordinate Bonds as of the time immediately following the issuance of the Subordinate Bonds proposed to be issued.

The term "Maximum Annual Debt Service", as used in this section, means the highest annual debt service (including mandatory sinking fund redemption requirements) for any succeeding Fiscal Year.

For the purpose of calculating Maximum Annual Debt Service with respect to Balloon Indebtedness as used in this section, the annual debt service for such Balloon Indebtedness shall be calculated as the amount of principal and interest which would be payable in such period if such principal were amortized from the date of calculation thereof over a period of not to exceed thirty (30) years, as determined by the Vice Chancellor, on a level debt service basis at a yield equal to the yield of such Balloon Indebtedness on the date calculated or the yield reflected by the most recent Thirty-Year Revenue Bond Index or any substitute most recently published by The Bond Buyer or any successor publication, as determined by the Vice Chancellor.

The term "Balloon Indebtedness", as used in this section, means indebtedness which, at the original issuance thereof, 15% or more of the principal payments are due in a single Fiscal Year, and which principal is not required by the documents pursuant to which such Balloon Indebtedness is issued to be amortized by redemption prior to such date."

Pledged Revenues; Permitted Encumbrances

The Board has represented and warranted that as of the date the Bonds are issued, there will be no charges upon or pledges against Pledged Revenues except the Series 2016A Bonds (which are being refunded), the Series 2016B Bonds, the Series 2019 Bonds, and the Series 2023 Bonds, to the extent outstanding. The Board has covenanted that it shall use due diligence to ensure collection of the Pledged Revenues until all Bonds secured by the Indenture have been retired in full. The Board has covenanted not to pledge the Pledged Revenues as security for any other indebtedness or borrowing and not to create or permit the creation of any charges upon, liens against, or encumbrances of any kind (other than those created under the Indenture) on the Pledged Revenues, except as permitted to secure Additional Parity Bonds and Subordinate Bonds. The Board has covenanted to promptly discharge all claims and judgments which will become liens against the Pledged Revenues

Events of Default

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 twenty percent (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 Indentures or any subsequent trust indenture securing any Additional Parity Bonds.

Upon the happening and continuance of any Event of Default, then and in such case the Trustee may, and upon written request of the registered owners of not less than twenty percent (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 twenty percent (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 (see **CONCERNING THE TRUSTEE,** herein), 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, 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, 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 this 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 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 date of such Bonds) shall be deemed to be paid within the meaning of the Indenture and shall not be regarded as outstanding thereunder. 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 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 FAYETTEVILLE CAMPUS OF THE SYSTEM

Information regarding the Board, the University of Arkansas System, and UA, Fayetteville is contained in **Appendix A – THE UNIVERSITY OF ARKANSAS SYSTEM AND THE FAYETTEVILLE CAMPUS OF THE SYSTEM** hereto. Such information should be read in its entirety.

FINANCIAL STATEMENTS

UA, Fayetteville

Set forth in **Appendix C** to this Official Statement are the financial statements of UA, Fayetteville for the fiscal year ended June 30, 2025, which financial statements have been audited by the Arkansas Legislative Audit, as indicated in its report dated November 17, 2025, which report is also included in **Appendix C**. The notes set forth in **Appendix C** are an integral part of the financial statements, and the statements and notes should be read in their entirety.

The financial report of UA, Fayetteville includes three primary financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows. The financial statements of two component units are presented discretely from the System. The notes to the financial statements provide additional information that is essential to understanding the primary financial statements. Other required supplementary information provides additional information related to other post-employment benefits.

The financial statements of UA, Fayetteville are presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities. The statement establishes standards for financial reporting of public colleges and universities and requires that financial statements be presented on an entity-wide basis to focus on the System as a whole. Statements are prepared using the accrual basis of accounting, which is consistent with the accounting method used by private-sector entities. All of the current year's revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The System has identified two foundations as component units subject to inclusion in the financial report: the University of Arkansas Fayetteville Campus Foundation, Inc., and the Razorback Foundation, Inc. As component units, their financial information is included in the UA, Fayetteville financial report in accordance with GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units. This statement provides criteria for determining which related organizations should be reported as component units based on the nature and significance of their relationship to the primary government, which is the System. Additional information regarding this reporting requirement is provided at Notes to the Financial Statements (Note) No. 1 "Summary of Significant Accounting Policies", under the "Discretely Presented Component Units" heading.

Reference is made to Management's Discussion and Analysis which is included in full in **Appendix C**.

These financial statements should be read in their entirety.

University of Arkansas System

Set forth in **Appendix D** to this Official Statement are the consolidated financial statements of the University of Arkansas System for the fiscal year ended June 30, 2025, which consolidated financial statements have been audited by the Arkansas Legislative Audit of the State of Arkansas, as indicated in its report dated December 10, 2025, which report is also included in **Appendix D**. The notes set forth in **Appendix D** 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 under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion of bond counsel is subject to the condition that the Board comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal tax purposes under Section 103 of the Code. 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 interest on the Bonds to be includable in gross income for federal income tax purposes retroactively 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 E.

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.

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.

Compliance Related to Merged Institutions.

Effective November 21, 2024, East Arkansas CC was merged into the System (see **THE UNIVERSITY OF ARKANSAS SYSTEM**, **Generally**, University of Arkansas – East Arkansas Community College in Appendix A hereto). During the past five years, East Arkansas CC, on behalf of the St. Francis County Community College District, has been an obligated person with respect to continuing disclosure agreements entered into in connection with the St. Francis County Community College District Limited Tax General Obligation Refunding Bonds (East Arkansas Community College), Series 2021 and the St. Francis County Community College District General Obligation Refunding Bonds (East Arkansas Community College), Series 2016 (which were refunded by the 2021 issue) (collectively, the "EACC Obligated Bonds"). The Board was not initially the obligated person with respect to the continuing disclosure agreements entered into in connection with the EACC Obligated Bonds, and, as such, the Board had no obligation to make filings with respect to the EACC Obligated Bonds prior to the fiscal year ending June 30, 2025. By virtue of the merger, the Board became the obligated person for post-merger disclosure with respect to the EACC Obligated Bonds beginning with the fiscal year ending June 30, 2025. In each year prior to the fiscal year ended June 30, 2024, East Arkansas CC had instances of failure to comply with its obligations under the EACC Obligated Bonds continuing disclosure agreements, including, but not limited to, failure to make timely filings of annual reports and audited financial statements and failure to file certain notices of listed events and notices of non-compliance. On November 26, 2024, such past-due annual reports and audited financial statements (to the extent available) were posted on the EMMA page for the outstanding EACC Obligated Bonds. The information regarding East Arkansas CC and the EACC Obligated Bonds contained in this paragraph is for informational purposes only, and no determination has been made as to the materiality of the events described herein.

Effective April 20, 2026, North Arkansas College ("NAC") was merged into the System (see **THE UNIVERSITY OF ARKANSAS SYSTEM**, **Generally**, North Arkansas College of the University of Arkansas in Appendix A hereto). During the past five years, NAC has been an obligated person with respect to continuing disclosure agreements entered into in connection with the Board of Trustees of North Arkansas College Special Obligation Refunding Bonds, Series 2019, the Board of Trustees of North Arkansas College Special Obligation Capital Improvement Bonds,

Series 2022, and the Board of Trustees of North Arkansas College Special Obligation Capital Improvement Bonds, Series 2025 (collectively, the "NAC Obligated Bonds"). The Board was not initially the obligated person with respect to the continuing disclosure agreements entered into in connection with the NAC Obligated Bonds, and, as such, the Board had no obligation to make filings with respect to the NAC Obligated Bonds prior to the fiscal year ending June 30, 2026. By virtue of the merger, the Board became the obligated person for post-merger disclosure with respect to the NAC Obligated Bonds beginning with the fiscal year ending June 30, 2026. In the Official Statement dated March 13, 2025 for the Board of Trustees of North Arkansas College Special Obligation Capital Improvement Bonds, Series 2025, NAC provided a summary of compliance with its continuing disclosure undertakings with respect to the then outstanding NAC Obligated Bonds for NAC's fiscal years ended June 30, 2023, 2022, and 2021. Such Official Statement is available on EMMA. NAC timely filed annual reports and unaudited financial statements for the fiscal years ended June 30, 2024 and 2025. The continuing disclosure obligations for the NAC Obligated Bonds require that audited financial statements be filed within ten (10) business days of being available to NAC. The audited financial statements for the fiscal year ended June 30, 2024 were available on November 13, 2025, but they were not posted on EMMA until December 8, 2025 (approximately 8 days late). The audited financial statements for the fiscal year ended June 30, 2025 were not available at the time NAC was merged into the System, but such financial statements will be available on the Arkansas Legislative Audit website at https://www.arklegaudit.gov/ once such financial statements are released. The Board has undertaken no responsibility to cause NAC's audited financial statements for the fiscal year ended June 30, 2025 to be posted on EMMA. The information regarding NAC and the NAC Obligated Bonds contained in this paragraph is for informational purposes only, and no determination has been made as to the materiality of the events described herein.

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.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC ("PFM") is employed by the System and by UA, Fayetteville to perform professional services in the capacity of municipal advisor. In its role as municipal advisor to the System and UA, Fayetteville, 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 UA, Fayetteville, 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. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP, Little Rock, Arkansas, counsel to the Underwriters.

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.

In its 2025 regular session, the Arkansas General Assembly adopted the Arkansas ACCESS Act (the "ACCESS Act"), which introduces a "return on investment" metric into the Productivity-Based Funding Model beginning in the 2026-2027 academic year. Rules regarding implementation of the return on investment metric will be promulgated by the Arkansas Division of Higher Education. At this time, the System is unable to predict any effect of the ACCESS Act's changes to the Productivity-Based Funding Model on System campuses.

In addition, the ACCESS Act implements certain limitations on the types of programs, teaching practices, and admissions practices commonly referred to as "diversity, equity, and inclusion" for Arkansas public institutions of higher education, including the campuses of the System. A violation of these limitations can jeopardize State funding. The System is in compliance with the requirement of the ACCESS Act.

From time to time, the Arkansas General Assembly implements individual and income tax decreases because of a number of factors, including budget surpluses. There can be no assurance that decreased taxation will not eventually result in funding decreases for State institutions of higher education.

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, 2025, approximately $537,895,000 in aggregate principal amount of UAMS Hospital Revenue Bonds was outstanding (the outstanding bonds amount does not include the 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 23 to Appendix D 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 35% of the Board's fiscal year 2024 and approximately 35% of the Board's fiscal year 2025 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 other factors 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, initially 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 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 were 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. 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, 2023, 2024, 2025 and 2026.

Given these developments, legislation known as the Arkansas Health and Opportunity for Me Act ("ARHOME") was 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 existed in the 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 are nevertheless 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 has approved a provision relating to Life360 HOMES for additional support for pregnant women. The provisions of ARHOME approved by CMS became effective January 1, 2022. CMS approved other provisions of ARHOME on January 17, 2025, including the remaining provisions of Life360 HOMES, which would provide additional aid for people with mental illnesses and young people at risk for long-term poverty. Life360 HOMEs focusing on the health of certain key groups are: Maternal Life360, focusing on high-risk pregnancies, new moms, and babies; Rural Life360, focusing on Arkansans living with mental illness or substance abuse issues in rural communities; and Success Life360, focusing on young adults that at risk of long-term poverty poor health outcomes.

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 would require an amendment to the ARHOME Section 1115 Medicaid Demonstration Waiver to be approved by CMS. The proposed amendment to the Section 1115 Medicaid Demonstration Waiver was filed for CMS approval on June 2, 2023, but was subsequently withdrawn on March 19, 2025.

The Arkansas Department of Human Services Division of Medical Services filed the most recent amendment request to the ARHOME Section 1115 Medicaid Demonstration Waiver on March 26, 2025 entitled "Pathway to Prosperity." This re-establishes work and community engagement requirements for the Medicaid expansion population and reflects lessons learned from the State's efforts in 2018-2019 to institute work requirements then known as "Arkansas Works." The amendment requests addresses additional efforts to provide clear communication and outreach to make sure beneficiaries understand the requirements and how to comply, as compared to the earlier program implementation. The amendment request specifically addresses the analysis of the court and concerns raised in *Gresham v. Azar,* which struck down the state's initial work requirements. Finally, the request addresses the recent U.S. Supreme Court decision in *Loper Bright Enterprises v. Raimondo,* which significantly changes the standards for which courts are to evaluate administrative actions and is discussed more fully below. The requested amendments to the waiver remain pending.

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), as well as the current political environment, the long-term status of Arkansas' private option program and the impact on Medicaid revenues received by UAMS cannot be assured.

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, including the Bonds.

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, including the Bonds.

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, the Affordable Care Act's requirement that individuals obtain health insurance or pay a penalty was 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 ranged 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 an increase of 7.1% to 13.7%. Approved rate changes for 2024 range 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. The Arkansas Insurance Department has approved average rate hikes of 6.2% for individual market plans and 10.2% for small group plans for the 2025 plan year. 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.

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.

On July 4, 2025, H.R.1 - One Big Beautiful Bill Act was signed into law and became Public Law No: 119-21 ("OBBB"). The OBBB is expected to result in major reductions in federal healthcare spending to offset part of the costs of extending expiring tax cuts. A cost estimate from the Congressional Budget Office predicts a reduction in federal Medicaid spending over the next ten years by an estimated $793 billion (while some estimates exceed $1 trillion), and an increase of approximately 10 million uninsured individuals. Additionally, the expiration of enhanced premium tax credits for ACA Marketplace enrollees and insurance payers is expected to result in additional loss of coverage and a significant growth in premium costs for both the insured and their employers. The OBBB does include $50 million in funding for state grants through a Rural Health Transformation Program to provide assistance to rural hospitals who are adversely impacted by the increase in uninsured populations. The major sources of Medicaid spending cuts involve implementing work and reporting

requirements for ACA expansion coverage, limiting and reducing provider taxes in expansion states, revising the payment limit for state directed payments, and increasing the frequency of eligibility determinations for ACA expansion coverage. This legislation represents the most significant changes to date in rolling back benefits put in place by the Affordable Care Act, most notably impacting states who have elected to expand Medicaid.

UAMS is unable to predict the impact of any executive or legislative agendas that may be pursued in the future. Any legislative or executive actions to repeal, replace, cut-back, or limit the Affordable Care Act or related laws could have an adverse impact on UAMS and its revenues, and such impact could be material.

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 a material amount of 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.

On June 28, 2024, in *Loper Bright Enterprises v. Raimondo*, No. 22-451 and *Relentless, Inc. v. Department of Commerce*, No. 22-1219, the U.S. Supreme Court overturned the decades-old *Chevron* doctrine of judicial deference to a federal agency's interpretation of an ambiguous statute. The decision came in response to a pair of cases brought by two fishing vessel operators challenging federal regulations on fishery management in federal waters. Although the underlying cases were not health care related, the decision may significantly affect the highly regulated health care industry. An amicus brief filed by a coalition of health care entities stated that "[o]verruling *Chevron* would have an enormous impact on the administration of federal programs – including Medicare, Medicaid, and CHIP – that are crucial to public health." Although the Court overruled the *Chevron* doctrine, the decision emphasized that prior decisions that relied on the *Chevron* framework are not overturned. Additionally, the Court stated that a court may look to the federal agency's interpretation of a statute, as reflected in regulation or other agency action, for guidance in interpreting its meaning.

At this time, management of UAMS is unable to predict the potential impact of this ruling on UAMS or the health care industry in general. However, the ruling is expected to result in a delay or chill in future federal agency rulemaking and an increase in litigation challenging existing and future federal rules and regulations governing health care. Some have argued that federal agencies under HHS, such as the CMS, have exceeded the authority granted by Congress in the statutes governing government funded health programs such as Medicare and Medicaid. Therefore, the rules and regulations promulgated by such agencies may be particularly susceptible to challenge under the new ruling. While less judicial deference to federal agencies may be welcome to some in the health care industry, it may introduce uncertainty in the federal regulatory framework governing health care and a potentially disparate body of case law across jurisdictions that could make it more difficult for health care providers, such as UAMS, to fully comply with the federal laws governing health care.

Proton Therapy Joint Venture

UAMS, Arkansas Children's, Inc. (ACH), Baptist Health, an Arkansas nonprofit corporation (BH), and Proton International, LLC, a proton therapy developer (PI), have formed a joint venture limited liability company (the "Proton JV") with respect to the development of a proton therapy treatment center (the "Proton Center"), the first of its kind in Arkansas and one of only 48 in the United States, located within a building owned by UAMS on the main campus of UAMS in Little Rock, Arkansas. Space for the Proton Center is leased by UAMS to the Proton JV. Proton therapy is a radiation-based technology for cancer treatment that has the capability to deliver high-dose radiation to cancer patients. It limits a patient's radiation exposure by using a beam of protons designed to deliver a majority of its energy directly to a patient's tumor, which reduces damage to the patient's healthy tissue and reduces the side

effects of radiation treatment. It is widely used to treat children with cancer, as children are particularly sensitive to the effects of radiation therapy. The costs to acquire and install the proton therapy equipment and to equip and finish-out the Proton Center, along with financing costs, capitalized interest and debt service reserves, was obtained through the issuance of $56,845,000 principal amount of bonds by the Public Finance Authority, a conduit issuer, which bonds are secured by the revenues of the Proton JV, a leasehold mortgage and a security interest in the proton equipment. The Proton Center was completed and commenced operations in third quarter of 2025. UAMS holds a minority (20%) ownership position in the Proton JV, and while UAMS physicians and employees staff the Proton Center, UAMS is not directly responsible for managing or operating the Proton Center. On March 16, 2026, the Proton JV filed a notice of default on its outstanding bonds based on a failure to achieve the required debt service coverage and to maintain sufficient days' cash on hand.

In early May 2026, UAMS made a demand for payment to the Proton JV in an effort to collect delinquent amounts owed by the Proton JV to UAMS under a physician services agreement and an ancillary personnel and support services agreement. UAMS demanded that payment be received by May 28, 2026. While the amount due under the physician services agreement was paid in full, payment was not made by the Proton JV with respect to amounts due under the ancillary personnel and support services agreement. As a result, on May 29, 2026, UAMS terminated the ancillary personnel and support services agreement. UAMS has announced that it will continue providing care to existing patients at the Proton Center and that it will evaluate new patient requests for care on a case-by-case basis. UAMS also announced that if and when balances owed to UAMS are paid in full by the Proton JV, UAMS will resume proton treatment to all new patients. At this time, the Board and UAMS are unable to assess the impact that these actions will have on the Proton JV, its operations, and its ability to pay debt service on the Proton JV's bonds, but such impact will likely be adverse and may be material.

Neither UAMS nor any of its affiliated entities are guarantors of the Proton JV bonds. In its position as a minority member, UAMS continues to monitor the performance of the Proton JV.

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.

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 $25,402,705.35 (being the principal amount thereof plus original issue premium of $3,217,734.10, and less Underwriters' discount of $50,028.75). 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 UA, Fayetteville (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 UA, Fayetteville. 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 UA, Fayetteville 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 UA, Fayetteville 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 UA, Fayetteville 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.

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 UA, Fayetteville concerning anticipated results. No representations or warranties are made by the Board or UA, Fayetteville 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 UA, Fayetteville. 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 UA, Fayetteville believe that the expectations reflected in such forward-looking statements are reasonable, neither the Board nor UA, Fayetteville 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 UA, Fayetteville 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.

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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/ Jay B. Silveria
President of the University of Arkansas System

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APPENDIX A –
THE UNIVERSITY OF ARKANSAS SYSTEM AND
THE FAYETTEVILLE CAMPUS OF THE SYSTEM

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 UA, Fayetteville, which is described under **THE FAYETTEVILLE CAMPUS OF THE SYSTEM**) are briefly described below:

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 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 33 Bachelor's Degree programs, 8 Associate Degree programs, 11 Master's Degree programs, and one doctoral program among the following academic schools: Agriculture, Fisheries, and Human Sciences, Business and Management, Education, and Arts and Sciences.

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.

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.

The University of Arkansas Community College at Morrilton ("UACCM"). The 1961 Arkansas General Assembly established Petit Jean as the State's second adult vocational-technical school, and classes began in September 1963. In 1991, the 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. Initially named "Petit Jean Technical College," 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."

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.

University of Arkansas – East Arkansas Community College ("UAEACC"). The entity that is now UAEACC was established in 1974 as a public two-year community college ("East Arkansas CC") with a mission to provide post-secondary educational opportunities to the citizens of St. Francis County, Arkansas and surrounding areas. UAEACC is located in Forrest City, Arkansas. In 2017, the Arkansas General Assembly approved the merger of Crowley's Ridge Technical Institute (a public technical college located on a campus adjacent to the UAEACC campus in Forrest City, Arkansas) into East Arkansas CC. Effective November 21, 2024, East Arkansas CC became part of the System and was designated "University of Arkansas – East Arkansas Community College."

North Arkansas College of the University of Arkansas ("NACUA"). The entity that is now NACUA was established in 1974 as a public two-year community college ("NAC") with a mission to provide post-secondary educational opportunities to the citizens of Boone County, Arkansas and surrounding areas. NACUA has two primary campuses located in Harrison, Arkansas, and NACUA operates a satellite campus in Berryville, Carroll County, Arkansas. Effective April 20, 2026, NAC became part of the System and was designated "North Arkansas College of the University of Arkansas."

As part of the merger of NAC into the System, the Board and the System have assumed NAC's liabilities, including particularly, without limitation, three bond issues that are secured by collections of a property tax levied in Boone County, Arkansas (the "NAC Property Tax"), including the Board of Trustees of North Arkansas College Special Obligation Refunding Bonds, Series 2019 (the "NAC 2019 Bonds"), the Board of Trustees of North Arkansas College Special Obligation Capital Improvement Bonds, Series 2022 (the "NAC 2022 Bonds"), and the Board of Trustees of North Arkansas College Special Obligation Capital Improvement Bonds, Series 2025 (the "NAC 2025 Bonds" and, together with the NAC 2019 Bonds and the NAC 2022 Bonds, the "NAC Property Tax Bonds"). As of June 30, 2025, the NAC Property Tax Bonds were outstanding in the following principal amounts: $4,865,000 for the NAC 2019 Bonds; $1,760,000 for the NAC 2022 Bonds; and $2,250,000 for the NAC 2025 Bonds. The NAC Property Tax Bonds will continue to be secured by and payable from the NAC Property Tax, but the NAC Property Tax Bonds are not general obligations of the Board.

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. In fall 2025, ASMSA launched its Online Academy to provide its coursework in virtual format for Arkansas students who are unable to relocate to Hot Springs.

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.

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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
Randy Lawson, Chair	Business Executive	2027
Steve Cox, Vice Chair	Business Executive	2028
Ed Fryar, PhD, Secretary	Business Executive	2029
Kevin Crass, Assistant Secretary*	Attorney	2033
Ted Dickey	Business Executive	2030
Jeremy Wilson	Business Executive	2031
Nathaniel Todd	State Government	2032
Scott Ford	Business Executive	2034
Randy Lawson	Business Executive	2027
Judd Deere	Government Management and Communications	2035
Ashley Caldwell	Business Executive	2036

* Mr. Crass is a partner with Friday, Eldredge & Clark, LLP, bond counsel.

System Administration

The current officers of the System are:

Name	Office
Jay B. Silveria	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

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:[1]

	Fall 2021-22	Fall 2022-23	Fall 2023-24	Fall 2024-25	Fall 2025-26
University of Arkansas, Fayetteville	25,193	26,976	28,335	29,807	30,429
University of Arkansas at Little Rock[2]	5,567	5,430	5,372	5,434	5,611
University of Arkansas for Medical Sciences	2,727	2,785	2,886	3,027	3,063
University of Arkansas at Monticello	2,072	2,040	2,093	2,130	2,253
University of Arkansas at Pine Bluff	2,503	2,080	1,854	1,901	1,854
Phillips Community College of the University of Arkansas	715	710	785	723	755
University of Arkansas Community College at Hope - Texarkana	726	669	686	663	729
University of Arkansas Community College at Batesville	743	729	835	673	635
University of Arkansas Community College at Morrilton	1,322	1,291	1,429	1,404	1,535
Cossatot Community College of the University of Arkansas	824	811	818	791	828
University of Arkansas at Fort Smith	4,158	4,112	4,213	4,195	4,334
University of Arkansas Community College at Rich Mountain	525	471	521	578	603
University of Arkansas-Pulaski Technical College	3,065	2,922	2,888	2,973	3,090
University of Arkansas System eVersity[3]	574	--	--	--	--
University of Arkansas - Grantham[3]	--	3,868	2,655	2,588	2,725
University of Arkansas – East Arkansas Community College[4]	--	--	--	729	734
Total, All Campuses	50,714	54,894	55,370	57,616	59,178

[1] Based on preliminary fall enrollment reports published by the Arkansas Division of Higher Education.

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

[3] 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 3,782 students in school year 2021-22. UA-Grantham has a different enrollment cycle than other System campuses, with courses starting at the beginning of each month.

[4] Effective November 21, 2024, East Arkansas CC was merged into the System. See **THE UNIVERSITY OF ARKANSAS SYSTEM, Generally**, University of Arkansas – East Arkansas Community College herein. Prior to the merger into the System, East Arkansas CC reported a total full-time equivalent enrollment (including concurrent enrollment) of 600 students, 580 students, 591 students, and 607 students in the school years 2020-21, 2021-22, 2022-23, and 2023-24, respectively.

The enrollment table set forth above excludes enrollment information for NAC, which was merged into the System effective April 20, 2026 (see **THE UNIVERSITY OF ARKANSAS SYSTEM**, North Arkansas College of the University of Arkansas herein). Preliminary enrollment for the fall semesters for NAC (expressed as full-time equivalents and including concurrent enrollment) was as follows for the years indicated: 1,161 for Fall 2021-22; 1,199 for Fall 2022-23; 1,254 for Fall 2023-24; 1,280 for Fall 2024-25; and 1,382 for Fall 2025-26.

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. The Arkansas Claims Commission is holding the claim against the System in abeyance while the information technology company and the financial institution pursue their claims against ARE-ON in Arkansas state court. The Arkansas Attorney General, on behalf of ARE-ON, filed a motion to dismiss, and after a hearing the circuit court dismissed the case, finding that ARE-ON is entitled to sovereign immunity. The plaintiffs have appealed the decision to the Arkansas Supreme Court. The claims asserted by one plaintiff have been settled, and any potential liability associated with the remaining claim is not expected to exceed $3,000,000.

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THE FAYETTEVILLE CAMPUS OF THE SYSTEM

Administrative Officers

The current administrative officers of UA, Fayetteville are:

Name	Office
Charles F. Robinson, PhD	Chancellor
Cale Fessler, PhD[(1)]	Senior Associate Vice Chancellor for Finance – Chief Financial Officer
Indrajeet Chaubey, PhD	Provost and Executive Vice Chancellor for Academic Affairs
Randy Massanelli	Vice Chancellor for Governmental and Community Relations
Scott Varady	Vice Chancellor for Advancement
Jeremy Battjes, Ed.E	Vice Chancellor for Student Affairs
Margaret E. Sova McCabe	Vice Chancellor for Research and Innovation
Hunter Yurachek	Vice Chancellor and Director of Athletics

(1) Dr. Fessler was promoted to the position of Senior Associate Vice Chancellor for Finance – Chief Financial Officer in April 2026 after UA, Fayetteville's then Executive Vice Chancellor for Finance and Administration departed UA, Fayetteville for another institution.

General Information

The Fayetteville campus was the original site of the University. Fayetteville is the county seat of Washington County and had a 2020 population of 93,949. The 2020 population of Washington County was 245,871.

UA, Fayetteville, a land-grant institution, provides technical and professional services to individuals and groups throughout the State of Arkansas. The campus is the State's major source of theoretical and applied research. UA, Fayetteville seeks to have all of its programs regionally competitive.

The Campus and Facilities

The campus encompasses approximately 742 acres with some 227 buildings. On the campus are the Dale Bumpers College of Agricultural, Food and Life Sciences, the Fay Jones School of Architecture, 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 Honors College, the School of Law, the Graduate School and International Education, the Departments of Army and Air Force ROTC, the Agricultural Experiment Station and the Global Campus.

In addition to academic departments, campus facilities house nationally recognized units such as the National Center for Reliable Electric Power Transmission; Terrorism Research Center; Institute for Advanced Data Analytics; Mack-Blackwell Rural Transportation Center; Center of Excellence for Poultry Science; Center for Advanced Spatial Technology; Arkansas Center for Space and Planetary Sciences; Center for Semiconductor Physics in Nanostructures; Diane D. Blair Center for the Study of Southern Politics and Society; Garvan Woodland Gardens; King Fahd Center for Middle East and Islamic Studies; Microelectronics Photonics Program; High Density Electronics Center; Center for Social Research; David and Barbara Pryor Center for Arkansas Oral and Visual History; Arkansas Water Resources Center; Arkansas Membrane Research Center, Center for Excellence in Logistics and Distribution; Center for Grid-Connected Power Electronic Systems; Center for Power Optimization of Electro-Thermal Systems; Arkansas High Performance Computing Center; Brewer Family Entrepreneurship Hub; and University of Arkansas Community Design Center.

Online Learning and Infrastructure

As a result of the COVID-19 pandemic, UA, Fayetteville made significant investments in its online learning and remote teaching infrastructure in order to better facilitate in-person and remote learning modes of instruction. Classes at UA, Fayetteville continue to have the ability to be recorded or streamed.

Accreditations

UA, Fayetteville is accredited by the Higher Learning Commission. It was most recently reaffirmed for accreditation in June 2017, and UA, Fayetteville's next reaffirmation is scheduled for 2027.

Degree Programs

UA, Fayetteville offers 96 bachelor's degrees, 95 master's degrees, 27 graduate certificates, 4 post-master certificates, 6 undergraduate certificates, and 37 doctoral degrees and specialist programs. UA, Fayetteville offers pre professional programs in several health-related professions such as pharmacy and dentistry. The School of Law offers a Juris Doctor degree and an LL.M. program in Agricultural and Food Law, and the College of Education and Health Professions offers the professional degrees of Doctor of Nursing Practice and Doctor of Occupational Therapy.

Faculty Summary

The number of full-time faculty at UA, Fayetteville and the percentage of tenured faculty for the fall semester of the past five years was as follows:

	2021	2022	2023	2024	2025
Number of Faculty	1,232	1,286	1,330	1,377	1,371
Percent Tenured	46.5%	45.0%	43.7%	41.4%	40.8%

Admissions - Fayetteville Campus

UA, Fayetteville considers applications for new freshman students based on several factors, including high school GPA, official transcripts and, in some cases, test scores and additional academic materials. UAF offers test-optional admission for students reporting a 3.2 GPA or higher on a standard 4.0 scale and requires test scores for applicants reporting below a 3.2 GPA. Admitted students must supply ACT, SAT or Accuplacer scores for placement and enrollment purposes.

The following is a five-year history of undergraduate admissions:

	New Freshmen					New Transfers		
Year	Applied	Admitted	Enrolled	ACT	HSGPA	Applied	Admitted	Enrolled
2021-2022	21,462	17,743	6,063	24.6	3.74	4,584	2,760	1,616
2022-2023	26,210	20,691	7,096	24.2	3.76	4,309	2,574	1,468
2023-2024	28,176	20,192	6,336	24.2	3.80	3,723	2,151	1,338
2024-2025	30,478	22,688	6,616	23.8	3.82	3,859	2,198	1,357
2025-2026	32,928	24,325	6,958	23.0	3.83	4,323	2,207	1,278

Student Enrollment

Total student enrollment (expressed as full-time equivalent) at UA, Fayetteville for the fall semester listed below has been as follows:

Year	Undergraduate	Graduate and Law	Total
2020-2021	21,035	3,000	24,035
2021-2022	22,167	3,026	25,193
2022-2023	24,087	2,977	27,064
2023-2024	25,399	3,028	28,427
2024-2025	26,043	2,963	29,006
2025-2026	26,337	2,854	29,191

The number of students from within the State of Arkansas, from out of State, and of international students for the last five years (expressed in terms of headcount) has been as follows:

	Fall 2021-22	Fall 2022-23	Fall 2023-24	Fall 2024-25	Fall 2025-26
In State	15,443	15,477	16,050	16,519	17,771
Out of State	12,446	14,315	14,913	15,871	15,153
International	1,179	1,144	1,177	1,220	1,248

Undergraduate Student Tuition and Fees

Tuition and fees at UA, Fayetteville for the school years indicated below, on a per student basis, have been as follows (based on a student taking 15 credit hours per semester):

	2022-2023		2023-2024		2024 - 2025		2025-2026	
	In State	Out of State	In State	Out of State	In State	Out of State	In State	Out of State
Tuition	$7,666	$25,420	$7,666	$26,690	$7,896	$27,758	$8,092	$29,146
Fees	1,990	1,990	2,082	2,082	2,208	2,282	2,404	2,404
College Fees	432	432	432	432	432	432	432	432
Total	$10,088	$27,842	$10,180	$29,204	$10,536	$30,472	$10,928	$31,982

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Summary of Revenues, Expenses and Changes in Net Position

The following table contains a summary of the revenues, expenses and changes in net position for UA, Fayetteville for the fiscal years ended June 30, 2021 through 2025:

Fiscal Year	2021	2022	2023	2024[1]	2025[1]
OPERATING REVENUES					
Student tuition and fees, net	$ 251,638,655	$ 255,331,306	$ 279,144,723	$ 298,223,000	$ 318,574,000
Federal appropriations	8,415,304	8,954,499	10,157,691	9,348,000	12,879,000
County appropriations	4,594,341	4,605,531	4,709,580	4,933,000	4,871,000
Federal grants and contracts	73,420,062	86,487,805	107,441,790	125,569,000	141,824,000
State and local grants and contracts	20,298,666	17,684,507	12,237,898	14,315,000	11,915,000
Nongovernmental grants and contracts	22,860,829	17,636,396	17,690,626	19,664,000	20,599,000
Sales and services of educational departments	19,391,946	26,245,297	27,385,106	30,491,000	31,798,000
Auxiliary enterprises					
Residence Life, net	45,401,767	74,354,109	88,866,489	88,728,000	96,769,000
Athletics	107,281,179	125,807,171	128,245,748	130,566,000	152,147,000
Bookstore, net	1,356,927	2,211,647	1,746,599	1,591,000	1,519,000
Student Health Services	2,289,707	3,245,433	3,118,375	3,411,000	3,069,000
Transit and Parking	5,696,446	10,364,596	10,843,618	11,700,000	13,321,000
Student Organizations/Activities	134	26,420	31,128	61,000	90,000
Other Auxiliary Enterprises	1,697,729	2,025,234	2,162,408	2,251,000	2,279,000
Other operating revenues	14,975,466	17,312,249	14,582,268	15,325,000	13,114,000
Total operating revenues	$ 579,319,158	$ 652,292,200	$ 708,364,047	$ 756,176,000	$ 824,768,000
OPERATING EXPENSES					
Salaries, wages, and benefits	$ 537,518,637	$ 550,974,730	$ 598,165,796	$ 637,342,000	$ 683,208,000
Scholarships and fellowships	39,824,877	48,769,413	30,333,468	32,642,000	34,380,000
Supplies and other services	211,293,714	287,678,479	329,959,654	340,834,000	376,105,000
Depreciation	88,018,257	94,796,517	110,834,648	115,048,000	118,846,000
Total operating expenses	$ 876,655,485	$ 982,219,139	$1,069,293,566	$1,125,866,000	$1,212,539,000
Operating loss	(297,336,327)	(329,926,939)	(360,929,519)	(369,690,000)	(387,771,000)
NONOPERATING REVENUES (EXPENSES)					
State appropriations	$ 217,257,710	$ 229,720,207	$ 230,793,541	$ 235,548,000	$ 236,239,000
Gifts	74,813,467	83,835,006	99,366,097	115,292,000	128,330,000
Investment income, net	35,832,123	(24,940,333)	13,951,775	49,632,000	52,898,000
Interest on capital asset – related debt	(28,126,526)	(24,766,869)	(25,807,739)	(28,258,000)	(28,666,000)
Federal grants (nonexchange)	51,540,708	68,111,289	25,899,693	28,937,000	39,643,000
State & local grants (nonexchange)	30,659,158	30,833,611	31,375,179	33,615,000	40,529,000
Nongovernmental grants (nonexchange)	29,012	13,202	14,859	20,000	23,000
Gain (loss) on disposal of assets	221,774	185,627	(435,398)	1,260,000	1,243,000
Other nonoperating revenues	5,588,237	7,856,433	9,197,272	9,823,000	8,269,000
Other nonoperating expenses	(43,664)	(786,485)	(414,323)	(943,000)	(856,000)
Net nonoperating revenues	$ 387,771,999	$ 370,061,688	$ 383,940,956	$ 444,926,000	$ 477,652,000
Gain or loss before other revenues and changes in net assets	$ 90,435,672	$ 40,134,749	$ 23,011,437	$ 75,236,000	$ 89,881,000
OTHER REVENUES AND CHANGES IN NET POSITION					
Capital appropriations	$ 983,846	$ 1,434,819	$ 3,123,224	$ 1,432,000	$ 8,142,000
Capital grants and gifts	8,043,572	49,426,023	39,629,565	31,699,000	25,369,000
Other changes	(114,297)	136,577	148,091	-0-	-0-
Total other revenues and changes in net position	$ 8,913,121	$ 50,997,419	$ 42,900,880	$ 33,131,000	$ 33,511,000
Increase in net position	$ 99,348,793	$ 91,132,168	$ 65,912,317	$ 108,367,000	$ 123,392,000
NET POSITION - beginning of year	$1,275,293,451	$1,374,642,244	$1,457,371,027	$1,524,770,000	$1,633,137,000
Cumulative effect of GASB Pronouncements[2]	-0-	549,745	1,486,263	-0-	-0-
Other Adjustments	-0-	(8,953,130)	-0-	-0-	-0-
NET POSITION - beginning of year (restated)	$1,275,293,451	$1,366,238,859	$1,458,857,290	$1,524,770,000	$1,633,137,000
NET POSITION – end of year	$1,374,642,244	$1,457,371,027	$1,524,769,607	$1,633,137,000	$1,756,529,000

[1] Commencing with its audited financial statements for the fiscal year ended June 30, 2024, UA, Fayetteville began presenting its statement of revenues, expenses, and changes in net position as rounded to the nearest 1,000.

[2] Effective for the fiscal year ended June 30, 2022, UA, Fayetteville adopted GASB Statement No. 87, Leases. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. In addition, effective for the fiscal year ended June 30, 2023, UA, Fayetteville adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This statement requires recognition of a subscription right-to-use asset and a corresponding liability for a qualifying subscription-based technology arrangement (SBITA). The amortization of the discount of the subscription liability is recognized as an outflow of resources.

Athletics

General. UA, Fayetteville's athletics program (the "Athletic Department") supports competition by approximately 406 UA, Fayetteville student-athletes in intercollegiate sports. UA, Fayetteville is a member of the Southeastern Conference (the "SEC") and the National Collegiate Athletic Association (the "NCAA"). The Arkansas Razorbacks currently compete in the following varsity sports:

Men's Sports	Women's Sports
Football	Basketball
Basketball	Cross Country
Baseball	Golf
Cross Country	Gymnastics
Golf	Soccer
Tennis[(1)]	Softball
Track and Field	Swimming and Diving
	Tennis[(1)]
	Track and Field
	Volleyball

(1) In April 2026, the Athletic Department announced that the men's and women's tennis programs will be discontinued in Fall 2026. There are currently 10 men and 10 women student athletes in the tennis programs. In May 2026, after receiving approximately $5,000,000 in donor support and pledges that will serve as short-term funding, the Athletic Department reinstated the tennis programs. A long-term solution to funding the tennis programs, such as a permanent endowment that will provide operating support to tennis and other programs, has been proposed by the Athletic Department to stakeholders.

The Athletic Department is supported by approximately 292 full-time employees and numerous students and support personnel.

Facilities. The Athletic Department's facilities primarily consist of the following:

- Tyson Indoor Track Center
- Blessings golf course and practice facility
- Razorback Field (soccer)
- John McDonnell Field (outdoor track and field facility)
- Jerry & Gene Jones Student-Athlete Success Center (a facility to address the academic, nutritional personal, and professional development of Razorback student-athletes)
- Fred W. Smith Football Center (a facility housing locker rooms, team meeting rooms, a training room, an equipment room, a student-athlete lounge and study area, coaches' offices, and a recruiting reception area for the football program)
- Fowler Family Baseball and Track Training Center (an indoor practice space for baseball and track and field)
- Donald W. Reynolds Razorback Stadium (the Razorback football stadium, with a capacity of approximately 76,000)
- Bud Walton Arena (the Razorback men's basketball facility, with a capacity of approximately 19,200)
- Bogle Park (softball)
- Billingsley Tennis Center
- Baum-Walker Stadium at George Cole Field (baseball)
- Marsha and Marty Martin Family Basketball Performance Center (a basketball training facility)
- Barnhill Arena (volleyball)
- Arkansas Natatorium
- Agri Park (cross country)

The most recent major facilities improvements were construction of the Fowler Family Baseball and Track Training Center (completed in July 2021) and improvements to Donald W. Reynolds Razorback

Stadium (the "2016 Project" discussed in **PURPOSES FOR THE BONDS** herein) (completed in August 2018).

Planned Improvements to Athletic Facilities. UA, Fayetteville currently has no plans for significant improvements to its athletic facilities in the near future.

Disclosure Related to Changing Nature of College Athletics. Over the past several years, developments have occurred which may result in changes to the landscape for revenues and expenses in collegiate athletics, including for UA, Fayetteville. These developments include, but are not limited to, federal and state legislation regarding name, image, and likeness opportunities for collegiate athletes; litigation and judicial action related to compensation of collegiate athletes; conference realignment; changes in the premium television marketplace; multimedia rights and marketing agreements; potential increases in operating expenses; attempts to characterize student-athletes as employees; and compliance with various federal regulations. UA, Fayetteville is unable to accurately assess the net impact of these factors, either individually or in the aggregate, though certain impacts could adversely affect UA, Fayetteville's financial position.

In May 2024, the NCAA and certain athletic conferences (including the SEC, of which UA, Fayetteville is a member) entered into a settlement with respect to certain consolidated antitrust class action lawsuits brought by former collegiate athletes (the "House Settlement"). The House Settlement was approved by a federal judge in June 2025. Appeals have been filed in the Ninth Circuit by objectors alleging that the House Settlement is inconsistent with Title IX, antitrust laws, and other theories. The Board is unable to predict the ultimate outcome of these appeals or the timeline for final resolution in the courts.

One component of the House Settlement provides approximately $2.8 billion in back damages to be paid over 10 years by the NCAA and certain conferences (including the SEC) to Division 1 athletes who competed during certain time periods between 2016 and 2024. UA, Fayetteville currently does not anticipate a material reduction in conference distributions as a result of changes in NCAA distributions; however, conference distributions could be reduced in future periods depending on the manner in which the settlement obligations are allocated or other conference-level decisions.

The House Settlement also stipulates changes to permitted roster size and scholarship limits. While an institution is not required to fully fund all the permitted scholarships for its sports offerings, and UA, Fayetteville has not committed to doing so, if UA, Fayetteville were to do so for all of its sports teams, it is estimated that for the fiscal year ending June 30, 2026, an additional $3.17 million in scholarship costs would be incurred. UA, Fayetteville continues to evaluate athletic scholarships to remain competitive and to comply with federal and state laws, regulations, and requirements, and such evaluations may result in additional scholarship-related expenditures.

A third provision of the House Settlement establishes a framework for institutions to provide increased benefits to student athletes. This framework allows institutions to provide up to 22% of certain defined athletic revenues (including media, ticket and sponsorship revenue) to student athletes starting in the fiscal year ending June 30, 2026. It is estimated that the first-year limit for institutions participating in the revenue-sharing framework would allow, but not require, institutions to share approximately $20.5 million with their student athletes. The dollar limit is subject to recalculation at various points in time, based on a set schedule as well as certain other triggers. For the fiscal year ending June 30, 2026, UA, Fayetteville anticipates sharing approximately $18 million in revenue sharing payments with student athletes and providing approximately $2.5 million in new aid to student athletes. Current and future revenue sharing is expected to have an adverse financial impact on UA, Fayetteville's net athletic revenues, and such impact may be material and continuing.

The new framework also allows for third-party Name, Image, and Likeness (NIL) payments to student athletes. Such third-party payments will be required to be legitimate, fair market value payments, and not used for pay-for-play. These NIL payments will not apply toward the 22% cap referred to above but are subject to review by an established independent clearing house. There is a risk that charitable contributions to the UA, Fayetteville's supporting foundation will decline, as many of the same individuals and entities that currently provide philanthropic support to the UA, Fayetteville's athletic foundation are

also engaging, or may engage, in NIL arrangements with student-athletes. To the extent such donors redirect financial resources toward NIL activities, contributions to the supporting foundation could be adversely affected. There is an additional risk that multimedia rights ("MMR") decline or growth may become more moderate if businesses diversify sponsorship dollars between UA, Fayetteville's MMR partner and athletes.

UA, Fayetteville and the Athletic Department have evaluated, and will continue to evaluate, options intended to mitigate all or a portion of the financial impact of the House Settlement and general changes to the nature of collegiate athletics. Potential measures include, but are not limited to, cost savings support, additional institutional support, and revisiting or discontinuing the assessment of certain fees and costs charged to the Athletic Department for academic facilities and operations. Separately, the Athletic Department is evaluating additional operational initiatives intended to reduce expenses and increase donations and other revenues. There is no guarantee that any such measures, whether and to the extent implemented, will reduce expenses and/or increase revenues sufficiently to fully mitigate the financial impact of the House Settlement and general changes to the nature of collegiate athletics, which could result in a material and continuing net negative impact on UA, Fayetteville, the Athletic Department, and the Pledged Revenues.

In early 2026, the Board directed UA, Fayetteville and the Athletic Department to work collaboratively to address increased institutional support for the Athletic Department. In addition, the Board directed the Athletic Department to actively pursue operational efficiencies and reasonable cost reductions, new revenue opportunities, and increased philanthropic fundraising and support. In response, UA, Fayetteville and the Athletic Department have established a plan to discontinue transfers of athletics-generated revenues from the Athletic Department to institutional operations. In addition, the plan provides that certain campus cost obligations will be reassumed by institutional operations rather than the Athletic Department, that student-athletes will be assessed the in-state rate for tuition, and that UA, Fayetteville institutional operations will begin paying fair market value to the Athletic Department for certain benefits it previously received from the Athletic Department at a discounted cost. At this time, UA, Fayetteville does not contemplate adopting a student fee for athletics unless the Student Athletic Fee is required to be imposed pursuant to the provisions of the Indenture (see **SECURITY FOR THE BONDS** herein). The Board, UA, Fayetteville, and the Athletic Department intend that the implemented measures will preserve the Athletic Department as a financially self-supporting enterprise of UA, Fayetteville.

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Pledged Revenues

The term "Pledged Revenues" is defined as (i) Athletic Gate Receipts (defined in the Indenture as those revenues of UA, Fayetteville derived from men's intercollegiate athletic events, including settlements, guarantees, the sale of tickets, television and radio revenues, concession revenues, and all amounts transferred from the Razorback Foundation, Inc., or the successor thereto, representing priority seating requirement proceeds, which are received by the Athletic Department of the University of Arkansas, Fayetteville, less amounts paid to state and local taxing authorities and amounts paid by the University of Arkansas, Fayetteville, for settlements and guarantees for scheduled men's intercollegiate athletic events, together with (ii) revenues of the University of Arkansas, Fayetteville, derived from any Student Athletic Fee (defined in the Indenture as any fee charged to students attending the University of Arkansas, Fayetteville to support intercollegiate athletics, whether such fee is imposed pursuant to Arkansas Code Annotated Sections 6-62-801 *et seq*., as amended, or pursuant to Section 711 of the Indenture). No Student Athletic Fee is currently being charged. Pledged Revenues does not include (A) tuition or fee revenues collected by UA, Fayetteville, sales and services revenues, or auxiliary enterprises revenues, or (B) any fees authorized or imposed by UA, Fayetteville and dedicated to a specific purpose unrelated to obligations issued pursuant to the Act or to facilities funded with such obligations. Gross Pledged Revenues for the fiscal years ended June 30, 2021 through 2025, have been as follows:

Source[1]	2021	2022[2]	2023	2024	2025
Football	$9,602,931	$35,661,127	$38,073,181	$37,798,170	$44,943,136
Basketball	2,600,481	10,947,195	8,126,668	9,702,914	11,265,523
Spring Sports	3,578,153	3,511,351	3,979,191	3,969,697	4,467,626
(Less Game Guarantees)	(562,035)	(4,643,191)	(4,369,698)	(4,889,900)	(5,457,947)
SEC, NCAA Distributions	76,618,412	52,003,664	53,350,778	53,567,010	65,186,940
Concessions and Novelty Sales	1,787,639	2,126,824	3,007,546	3,274,111	3,926,778
Gifts, Donations & Other Income	1,551,278	620,290	4,900,193	12,523,330	13,753,877
Multimedia Rights Sponsorship	12,049,401	15,598,796	16,606,772	17,284,761	14,479,439
Totals	$107,226,260	$115,826,056	$123,674,631	$133,230,093	$152,565,372

[1] Does not include restricted funds transferred from the Razorback Foundation, Inc. that are not available for payment of debt service or other general athletic department activities.

[2] Gifts, Donations and Other Income of $620,290 was inadvertently excluded from the reported Pledged Revenues total in the audited 2022 financial statements. Given the minimal dollar amount, the financial statements were not updated to reflect this amount.

See also **THE FAYETTEVILLE CAMPUS OF THE SYSTEM, Athletics**, Disclosure Related to Changing Nature of College Athletics herein.

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Debt Service Requirements for the Bonds

Debt service requirements for the Bonds for the fiscal years ending June 30 of the years set forth below, are as follows:

Fiscal Year	Principal	Interest	Total
2027	$ --	$ 809,107	$ 809,107
2028	--	1,111,750	1,111,750
2029	--	1,111,750	1,111,750
2030	--	1,111,750	1,111,750
2031	--	1,111,750	1,111,750
2032	--	1,111,750	1,111,750
2033	--	1,111,750	1,111,750
2034	--	1,111,750	1,111,750
2035	6,545,000	948,125	7,493,125
2036	7,650,000	593,250	8,243,250
2037	8,040,000	201,000	8,241,000
Total:	$22,235,000	$10,333,732	$32,568,732

Existing Obligations

Debt service requirements for the Bonds and for the Series 2016B Bonds, the Series 2019 Bonds, and the Series 2023 Bonds (collectively, the "Existing Parity Bonds") for the fiscal years ending June 30 of the years set forth below are as follows:

Fiscal Year	Bonds Debt Service	Series 2016B Bonds Debt Service	Series 2019 Bonds Debt Service	Series 2023 Bonds Debt Service	Total Debt Service[1]
2027	$ 809,107	$7,942,404	$2,470,875	$2,882,625	$14,105,011
2028	1,111,750	7,942,137	2,473,000	2,885,375	14,412,262
2029	1,111,750	7,942,244	2,470,875	--	11,524,869
2030	1,111,750	7,941,841	2,474,250	--	11,527,841
2031	1,111,750	7,938,395	2,472,875	--	11,523,020
2032	1,111,750	7,937,922	2,471,625	--	11,521,297
2033	1,111,750	7,938,728	2,475,125	--	11,525,603
2034	1,111,750	7,940,003	2,473,125	--	11,524,878
2035	7,493,125	752,536	2,475,375	--	10,721,036
2036	8,243,250	--	--	--	8,243,250
2037	8,241,000	--	--	--	8,241,000
Total:[2]	$32,568,732	$64,276,210	$22,257,125	$5,768,000	$124,870,067

[1] Does not include debt service on the Athletic Refunding Master Loan Agreement Notes (as hereinafter defined and discussed under **THE FAYETTEVILLE CAMPUS OF THE SYSTEM, Other Debt of UA, Fayetteville**, Athletic Refunding Master Loan Agreement Notes).

[2] Totals may not foot due to rounding.

Coverage

Pledged Revenues for the fiscal year ended June 30, 2025, were $152,565,372.[1] Combined maximum annual debt service for the Existing Parity Bonds and the Bonds is $14,412,262 (in the fiscal year ending June 30, 2028).[2] Accordingly, the Pledged Revenues for fiscal year ending June 30, 2025 equaled or exceeded 10.59 times the combined maximum annual debt service on the outstanding Existing Parity Bonds and the Bonds.

[1] See **THE FAYETTEVILLE CAMPUS OF THE SYSTEM, Pledged Revenues** herein.
[2] See **THE FAYETTEVILLE CAMPUS OF THE SYSTEM, Existing Obligations** herein.

Other Debt of UA, Fayetteville

Various Facility Bonds. UA, Fayetteville has issued bonds for various academic facilities, secured by and payable from tuition and fee revenues collected by UA, Fayetteville, sales and services revenues and auxiliary enterprises revenues (as such terms are used in the context of generally accepted accounting principles), other than the Pledged Revenues ("Various Facility Bonds"). Annual debt service on these bonds* is as follows:

Fiscal Year	Debt Service	Fiscal Year	Debt Service
2026	$54,967,954	2042	$ 27,607,517
2027	52,806,030	2043	28,398,814
2028	53,679,692	2044	23,375,367
2029	53,739,384	2045	21,637,594
2030	52,619,892	2046	21,756,974
2031	51,907,293	2047	21,389,063
2032	51,405,315	2048	19,820,138
2033	51,483,314	2049	13,670,170
2034	47,066,481	2050	12,359,872
2035	47,716,977	2051	10,779,212
2036	47,998,609	2052	10,776,880
2037	47,656,087	2053	10,777,921
2038	42,875,869	2054	6,072,667
2039	39,110,218	2055	1,921,875
2040	36,768,603	Total:	$995,581,950
2041	33,436,168		

* Includes debt service on the Board's (i) Various Facility Revenue Bonds (Fayetteville Campus), Series 2014B, (ii) Various Facility Revenue Bonds (Fayetteville Campus), Series 2015B, (iii) Various Facility Revenue Bonds (Fayetteville Campus), Refunding and Improvement Series 2016A, (iv) Various Facility Revenue Bonds (Fayetteville Campus), Refunding Series 2016B, (v) Various Facility Revenue Bonds (Fayetteville Campus), Series 2017, (vi) Various Facility Revenue Bonds (Fayetteville Campus), Tax-Exempt Series 2018A and Taxable Series 2018B, (vii) Various Facility Revenue Bonds (Fayetteville Campus), Refunding and Improvement Series 2019A, (viii) Various Facility Revenue Bonds (Fayetteville Campus), Taxable Refunding Series 2019B, (ix) Various Facility Revenue Bonds (Fayetteville Campus), Taxable Refunding Series 2021, (x) Various Facility Revenue Bonds (Fayetteville Campus), Series 2022A and Taxable Series 2022B, (xi) Various Facility Revenue Bonds (Fayetteville Campus), Taxable Series 2023A, (x) Various Facility Revenue Bonds (Fayetteville Campus), Refunding Series 2023B, (xi) Various Facility Revenue Bonds (Fayetteville Campus), Series 2024A, and (xii) Various Facility Revenue Bonds (Fayetteville Campus), Refunding Series 2024B. On April 16, 2026, the Board authorized, but has not yet issued, additional Various Facility Bonds as follows: (1) up to $132 million in aggregate principal amount of new money Various Facilities Bonds to finance capital improvements for UA, Fayetteville; and (2) refunding Various Facility Bonds to refund the Board's Various Facility Revenue Bonds (Fayetteville Campus), Refunding and Improvement Series 2016A for debt service savings purposes. The Board anticipates that these Various Facility Bonds will be issued in August 2026. The effects of the proposed refunding are not reflected in the table above.

The Board's bonded indebtedness are general obligations of the Board, and the Board is obligated to pay its bonded indebtedness from such other moneys as are available to the Board under the Constitution and laws of the State, and in the event revenues pledged are insufficient to pay bonds secured by such revenues, the Board will be obligated to use other sources to pay such indebtedness.

Athletic Refunding Master Loan Agreement Notes. On September 11, 2020, the Board, on behalf of UA, Fayetteville, entered into a Master Loan Agreement with Regions Capital Advantage, Inc. and Regions Commercial Equipment Finance, LLC (the "Athletic Refunding Master Loan Agreement") for the purpose of providing funds to refund the Board's Athletic Facilities Revenue Refunding Bonds (Fayetteville Campus), Series 2010 (the "Series 2010 Bonds"), the September 15, 2020 and 2021 maturities of the Board's Athletic Facilities Revenue Bonds (Fayetteville Campus), Series 2013A (the "Series 2013 Bonds") (which are no longer outstanding), the September 15, 2020 and 2021 maturities of the Board's Athletic Facilities Revenue Refunding Bonds (Fayetteville Campus), Series 2015A (the "Series 2015 Bonds") (which are no longer outstanding), the September 15, 2020 and 2021 maturities of the Series 2016B Bonds, and the September 15, 2021 maturity of the Series 2019 Bonds. The Board's obligations under the Athletic Refunding Master Loan Agreement are evidenced by three promissory notes with an aggregate principal amount of $18,655,000 (collectively, the "Athletic Refunding Master Loan Agreement Notes"). On September 11, 2020, $9,934,423.50 was drawn under the Athletic Refunding Master Loan Agreement Notes and used to refund the Series 2010 Bonds and the September 15, 2020 maturities of the Series 2013 Bonds, the Series 2015 Bonds, and the Series 2016B Bonds. The remaining $8,729,576.50 was drawn on August 9, 2021 for the purpose of refunding the September 15, 2021 maturities of the Series 2013 Bonds, the Series 2015 Bonds, the Series 2016B Bonds, and the Series 2019 Bonds. The Athletic Refunding Master Loan Agreement Notes bear interest at rates from 1.38% to 1.81% per annum and are payable semi-annually on each March 15 and September 15, with interest only payments due until September 15, 2024 and amortized semi-annual installments of principal and interest payable thereafter until the Athletic Refunding Master Loan Agreement Notes mature on September 15, 2028. The Athletic Refunding Master Loan Agreement Notes are general obligation of the Board, but the Athletic Refunding Master Loan Agreement Notes are not secured by Pledged Revenues or other revenues of UA, Fayetteville.

Other Indebtedness of UA, Fayetteville. Other outstanding indebtedness of UA, Fayetteville as of June 30, 2025 is summarized in Note 9 to the audited financial statements of UA, Fayetteville for the fiscal year ended June 30, 2025 attached hereto as **Appendix C**. Since June 30, 2025, UA, Fayetteville has incurred additional indebtedness as follows: (1) $ -0- in aggregate principal amount of notes, (2) $ -0- in aggregate principal amount of installment contracts, (3) an estimated $3,220,000 (unaudited) in aggregate principal amount of leases, and (4) an estimated $2,330,000 (unaudited) in aggregate principal amount of SBITAs.

On April 16, 2026, the Board authorized, but has not yet issued, additional Various Facility Bonds as follows: (1) up to $132 million in aggregate principal amount of new money Various Facilities Bonds to finance capital improvements for UA, Fayetteville; and (2) refunding Various Facility Bonds to refund the Board's Various Facility Revenue Bonds (Fayetteville Campus), Refunding and Improvement Series 2016A for debt service savings purposes. The Board anticipates that these Various Facility Bonds will be issued in August 2026.

On April 20, 2026, the Board adopted a resolution announcing its intent to issue revenue bonds in the maximum principal amount of $171,000,000 to finance improvements for UA, Fayetteville consisting of a new classroom building and a new parking deck. The Board anticipates that these bonds will be issued in 2027 and secured by a pledge of Pledged Revenues on a parity with the pledge in favor of the Bonds.

For additional information concerning the outstanding debt of the Board and its campus and component units as of June 30, 2025, see Note 10 to the audited consolidated financial statements for the University of Arkansas System for the fiscal year ended June 30, 2025, attached hereto as **Appendix D**.

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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, as Trustee
Little Rock, Arkansas

Re: $22,235,000 Board of Trustees of the University of Arkansas Athletic Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2026

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 $22,235,000 Athletic Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2026 (the "Bonds"), dated June 23, 2026, pursuant to Arkansas Code of 1987 Annotated, Title 6, Chapter 62, Subchapter 3 (the "Act") and a Trust Indenture dated as of June 23, 2026 (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 (i) the Issuer's Athletic Facilities Revenue Bonds (Fayetteville Campus), Taxable Series 2016B (the "Series 2016B Bonds"), (ii) the Issuer's Athletic Facilities Revenue Bonds (Fayetteville Campus), Series 2019A (the "Series 2019 Bonds"), and (iii) the Issuer's Athletic Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2023 (the "Series 2023 Bonds"), in each case 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. Regarding questions of fact material to the opinions below, we have relied upon the representations of the Issuer contained in the Indenture and other closing documents and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify them 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 funds pledged by the Indenture for the security of the Bonds on a parity with the lien in favor of the Series 2016B Bonds, the Series 2019 Bonds, and the Series 2023 Bonds, in each case 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) Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes

of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactively 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

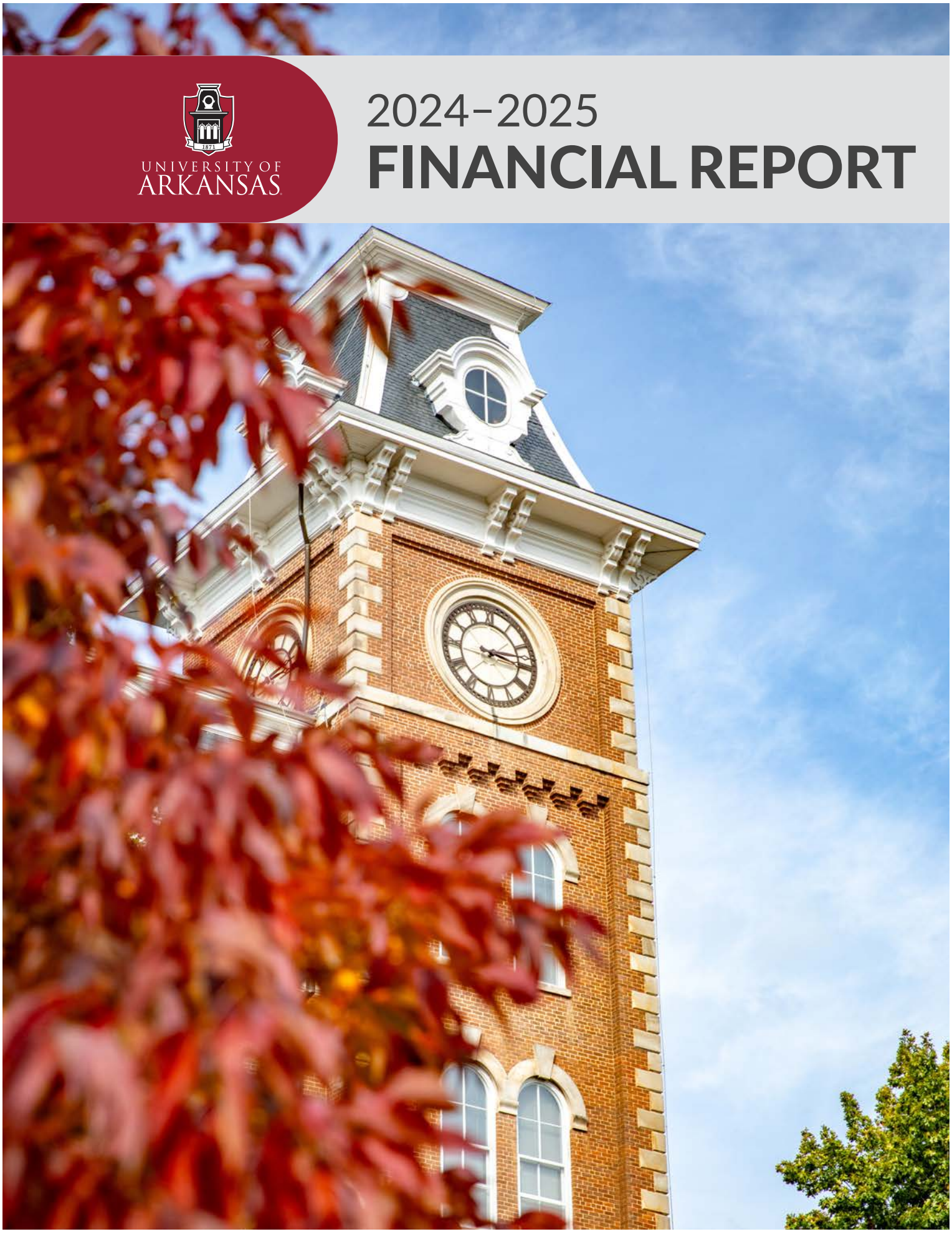
APPENDIX C

Audited Financial Statements of the University of Arkansas, Fayetteville
for the Fiscal Year Ended June 30, 2025

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UNIVERSITY OF ARKANSAS

2024–2025 FINANCIAL REPORT




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UNIVERSITY OF
ARKANSAS

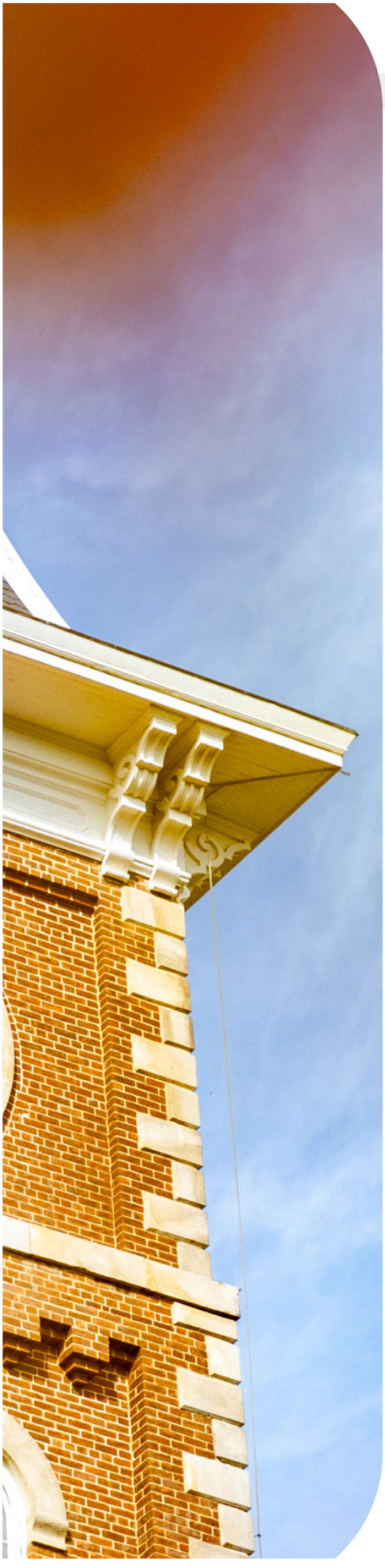


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A MESSAGE FROM UNIVERSITY LEADERS



Charles F. Robinson, Ph.D.
Chancellor



Indrajeet Chaubey, Ph.D.
Provost | Executive Vice Chancellor for Academic Affairs



Ann Bordelon
Executive Vice Chancellor for Finance and Administration

As we reflect on fiscal year 2025 (FY25), our campus community continues to reach higher to advance the university's mission by strengthening our commitment to student success, research excellence and our people. The past year presented new opportunities to elevate the level of service we provide to campus while advancing our focus on operational excellence and financial stewardship.

Reaching Higher for Student Success

The university kicked off the 2025-26 academic year earlier this fall, welcoming 34,175 students – yet another enrollment milestone – including a record of more than 16,600 Arkansans.

It's the success of those students that truly embodies our mission. Our six-year graduation rate is above 70%. Our first-year retention rate is above 86%, and during the 2024-25 academic year, our fall-to-spring retention rate was above 94%.

We also expanded our financial support for students. In FY25, the U of A provided more than $160 million in total scholarship support for undergraduate students, powered by federal, state, institutional and private funding. We launched the Land of Opportunity Scholarship Campaign for Arkansans to help close the gap between a student's financial resources and the costs of tuition, fees and housing. To date, more than $135 million has been raised for the scholarship. Additionally, 98% of freshman students from Arkansas who applied for scholarships received an award, reflecting our commitment to educational affordability and access throughout all corners of our state.

Capital investments continue to enhance the student experience. Renovations to Mullins Library were completed this past spring, and renovations to the Arkansas Union were also completed to provide additional space for students to gather, study and collaborate. The Fine Arts building underwent renovations this past year, including the Stella Boyle Smith Concert Hall. In addition, the Health, Physical Education and Recreation building (HPER) was renovated and reopened in August. Upgrades to the HPER building include over 22,000 square feet of fitness space to support the health and well-being initiatives of the campus.

Reaching Higher in Research and Innovation

We continue to increase our impact to the state of Arkansas, the nation and the world. We conducted a record $230.6 million in research in our most recent report as part of the Higher Education Research and Development (HERD) Survey. To continue the growth of our research endeavors, we've invested more than $256 million in applied research facilities since 2021, including approximately

$136 million in U of A funding alone. An example of our commitment to research and discovery is the new Institute for Integrative and Innovative Research (I3R), which accelerates convergence research and deploys innovations at scale.

Through bold ambitions and deep partnerships, we aim to continue contributing transformational benefits to society. We're proud to invest in internal support for our researchers, enabling them to utilize modern concepts and resources that lead to groundbreaking innovations.

Another notable initiative toward our research mission is the MUSiC facility – a pioneering center for silicon carbide microchip research and fabrication. This one-of-a-kind facility positions the U of A at the heart of semiconductor innovation, enabling breakthroughs in the defense, healthcare and transportation industries by allowing the federal government, businesses of all sizes and other universities to prototype, test and manufacture microelectronic chips.

The Anthony Timberlands Center for Design and Materials Innovation is another signature facility project that opened this year. The facility empowers students and faculty to explore sustainable materials native to Arkansas, allowing us to develop new ideas and practical solutions to real-world housing challenges while supporting the timber industry - which provides over 50,000 jobs and contributes more than $6 billion to the state's economy annually.

Reaching Higher as an Employer of Choice

In FY25, we made a significant investment in our people through market adjustments and annual pay increases totaling more than $13 million for our staff, faculty and graduate assistants across campus. Those investments along with our employee benefits help the university remain competitive among our peers in the market.

We also launched our Employee Value Proposition survey and have started analyzing the most common responses in order to gain a better understanding of what employees value the most about working at the university. We recently distributed an employee engagement survey as well. Feedback from our faculty and staff is critical as we collectively shape our future as a workplace and introduce initiatives that build upon our strengths as an employer.

Looking ahead, we are committed to enhancing our performance assessment process and strengthening our employee onboarding capabilities to ensure the overall U of A experience continues to attract, support and inspire a strong workforce. While we've made a lot of progress, there is still much more to come as we focus on a robust talent management infrastructure.

Better Together

Though every member of our campus contributes in different ways, we are united by a common goal to make a lasting impact on our students, our state and the world. Our progress from this past year shows what's possible when we reach higher together.

We are grateful for your continued support and belief in the mission of the University of Arkansas. Together, we're building a stronger university and a brighter future for Arkansas and beyond.

Go Hogs!

Charles F. Robinson, Ph.D.
Chancellor

Indrajeet Chaubey, Ph.D.
Provost | Executive Vice Chancellor for Academic Affair

Ann Bordelon
Executive Vice Chancellor for Finance and Administration

INDEPENDENT AUDITOR'S REPORT



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

INTRODUCTION

The University of Arkansas (the University) is pleased to present its financial statements for the fiscal year 2025 with comparative figures for fiscal year 2024. The University's financial statements, notes to the financial statements and discussion and analysis are the responsibility of and have been prepared by management. This discussion and analysis should be read in conjunction with financial statements and notes. All references to "2025" and "2024" or another year refer to the fiscal year ended June 30, unless otherwise noted.

OVERVIEW OF THE FINANCIAL REPORT AND FINANCIAL ANALYSIS

The University's financial report includes three basic financial statements: the Statement of Net Position, which presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the University as of the fiscal year end; the Statement of Revenues, Expenses, and Changes in Net Position, which reflects revenues and expenses recognized during the fiscal year; and the Statement of Cash Flows, which provides information on the major sources and uses of cash during the fiscal year. These financial statements and related note disclosures are prepared in accordance with standards issued by the Governmental Accounting Standards Board (GASB). Financial statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when services are provided, and expenses and liabilities are recognized when others provide the services, regardless of when cash is exchanged. The report also includes other required supplementary information for other post-employment benefits and pension liabilities.

The University has two legally separate foundations that are discretely presented in its financial statements: The University of Arkansas Fayetteville Campus Foundation, Inc. and the Razorback Foundation, Inc. that meet the criteria set forth for component units under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Both 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 the foundations, the resources (and income thereon) they hold and invest are dedicated to benefit the University. Because these resources held by the foundations can only be used by, or for the benefit of, the University, they are considered component units and are discretely presented in the financial report. Additional information about component units is provided in Note 1 "Summary of Significant Accounting Policies".

Note 16 "Other Entities" refers to the University of Arkansas Foundation, Inc. (UA Foundation). The University is the beneficiary of 53.3% of the net assets of the UA Foundation. Because the total economic resources received or held by the UA Foundation do not entirely or almost entirely directly benefit the University, it does not meet the requirements of a component unit.

STATEMENT 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 the University owns and what the University is owed by others), deferred outflows of resources (consumption of net position by the University that is applicable to a future reporting period), liabilities (what the University owes to others and has collected from others

before the University has 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 with the exception of capital assets, which are stated at historical cost less accumulated depreciation.

Net Position is presented in four categories:

NET INVESTED IN CAPITAL ASSETS—capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

RESTRICTED NONEXPENDABLE—net position subject to externally imposed stipulations that it be maintained permanently by the University.

RESTRICTED EXPENDABLE—net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by the actions of the University pursuant to those stipulations or that expire with the passage of time.

UNRESTRICTED—net position that is not subject to externally imposed stipulations. Funds can be used to meet the current expenses for any legal purpose if not limited by contractual agreements with outside parties. These funds may have internal restrictions/commitments, such as capital projects, academic and research startup initiatives, financial aid, or other University business.

The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2025 and 2024:

CONDENSED SUMMARY OF NET POSITION

(in thousands)

	2025	2024	CHANGE
ASSETS			
Current Assets	$ 849,097	$ 799,151	$ 49,946
Capital Assets, Net of Depreciation	1,785,431	1,687,355	98,076
Other Noncurrent Assets	228,817	250,661	(21,844)
Total Assets	**$ 2,863,345**	**$ 2,737,167**	**$ 126,178**
Total Deferred Outflows of Resources	**$ 8,820**	**$ 12,835**	**$ (4,015)**
LIABILITIES			
Current Liabilities	$ 203,160	$ 196,896	$ 6,264
Noncurrent Liabilities	886,689	899,782	(13,093)
Total Liabilities	**$ 1,089,849**	**$ 1,096,678**	**$ (6,829)**
Total Deferred Inflows of Resources	**$ 25,787**	**$ 20,187**	**$ 5,600**
NET POSITION			
Net Invested in Capital Assets	$ 919,799	$ 828,155	$ 91,644
Restricted—Nonexpendable	48,092	47,154	938
Restricted—Expendable	174,052	179,524	(5,472)
Unrestricted	614,586	578,304	36,282
Total Net Position	**$ 1,756,529**	**$ 1,633,137**	**$ 123,392**

Overall, the University's financial position strengthened again in 2025 with net position increasing by $123.4 million. A review of the Statement of Net Position reveals the most significant changes were as follows:

Current assets increased $49.9 million. The increase is due to a combination of several factors:

Current cash, cash equivalents, and short-term investments increased in aggregate by $20.9 million due to additional investments in the University's three-tiered fixed income operating fund portfolios. Record enrollment numbers coupled with modest increases in student fees and non-resident tuition resulted in increased cash collections from student tuition and fees of $17.8 million. Cash realized from grants and contracts increased overall by $29.4 million. Auxiliary enterprises saw an overall increase in cash from higher revenues of $14.8 million.

Other changes in current assets includes $4.3 million decrease in current accounts receivable due primarily to increased collection of grants and contracts receivable. Current deposits with bond trustees increased $1.4 million due to timing of construction draws from the trustee. An increase of $32.7 million in other assets was due to an increase of prepaid Subscription-Based Information Technology Arrangements (SBITAs) of $32.7 million that is primarily related to the anticipated capitalization of the Workday Student module in 2026.

The increase in capital assets, net of depreciation, of $98.1 million is primarily a reflection of the University constructing or acquiring capital assets at a rate greater than these assets are disposed of or depreciated. The section "Significant Changes in Capital Assets and Long-Term Debt Activity" below and Note 4 "Capital Assets" provide additional information about capital assets.

The following summarizes the changes in capital assets as of June 30, 2025 and 2024:

CONDENSED CHANGES IN CAPITAL ASSETS

(in thousands)

	2025	2024
Additions	$ 102,710	$ 119,493
Reductions	(4,634)	(772)
Total Changes	**$ 98,076**	**$ 118,721**

Excluding capital assets discussed above, the remaining noncurrent assets of $21.8 million is attributable to a $26 million decrease in the balance Deposits with bond trustees from fiscal year 2024 to fiscal year 2025 due to the use of bond-funded construction proceeds. At June 30, 2024, the noncurrent Deposits with bond trustees balance included $15.3 million in funds for the Mullins Library first and second floor renovation (Series 2022A) and $23.8 million for the MUSiC National Research Fabrication Facility (Series 2023A) that did not have identified expenditures as of the reporting date. By June 30, 2025, noncurrent construction funds held by the bond trustee included $3.1 million for the MUSiC National Research Fabrication Facility and $10.1 million for the Health, Physical Education and Recreation (HPER) Building second floor renovation (Series 2024A).

Other assets decreased $21.9 million due to the reclassification of prepaid SBITAs from noncurrent to current. These decreases are offset by an increase in endowment investments of $9.6 million due to improved investment performance over the previous year.

Current liabilities increased $6.3 million.This increase includes: $5.2 million increase in accrued payroll liability due to the timing of retirement contribution payments. Current bonds, notes, leases, and installment contracts payable increased $4.3 million due to the increase in lease liabilities for off-campus student housing.

Noncurrent liabilities decreased $13.1 million. Noncurrent bonds, notes, leases, and installment contracts payable decreased by $12.6 million during fiscal year 2025, reflecting the combined effects of scheduled principal amortization, new debt issuances, and refunding activity. During the year, the University issued $29.8 million in tax-exempt Series 2024A Revenue Bonds and $72.3 million in tax-exempt Series 2024B Refunding Bonds. The Series 2024B Refunding Bonds generated net noncurrent principal savings of approximately $14.2 million.

Other noncurrent liabilities increased $1.5 million due mainly to an increase in Dining deferred contract revenue of $2.5 million. The noncurrent liability for other postemployment benefits decreased $1.4 million as a result of actuarially compiled statistics.

Deferred inflows of resources increased $5.6 million related to debt refunding of $5.7 million.

The following summarizes the composition of unrestricted net position owned by the units of the University of Arkansas Fund as of June 30, 2025 and 2024:

UNRESTRICTED NET POSITION *(in thousands)*			
UNIT	2025	2024	CHANGE
Fayetteville Campus	$ 525,677	$ 492,184	$ 33,493
Division of Agriculture	71,029	68,937	2,092
Arkansas Archeological Survey	1,973	1,988	-15
Criminal Justice Institute	6,702	6,649	53
Clinton School of Public Service	2,335	1,969	366
ARE-ON	6,870	6,577	293
Total Unrestricted Net Position	**$ 614,586**	**$ 578,304**	**$ 36,282**

Unrestricted net position for the Fayetteville Campus as of June 30, 2025 and 2024 is allocated as follows:

UNRESTRICTED NET POSITION—FAYETTEVILLE CAMPUS *(in thousands)*			
ALLOCATION	2025	2024	CHANGE
Educational and General Department Uses	$ 290,278	$ 238,207	$ 52,071
Plant Funds	170,388	201,802	(31,414)
Auxiliaries	40,133	28,670	11,463
Quasi-Endowment Funds	21,774	20,159	1,615
Service Operations	3,104	3,346	(242)
Total Fayetteville Campus Unrestricted Net Position	**$ 525,677**	**$ 492,184**	**$33,493**

Although unrestricted net position is not subject to externally imposed restrictions, the University's unrestricted net position is largely subject to internal designations to meet various specific commitments. These commitments include reserves established for capital projects, scholarships, and other academic or research priorities, working capital for self-supporting auxiliary enterprises, reserves for the continued recognition of other postemployment benefits and pension obligations, and unrestricted quasi-endowments.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position present the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. Generally, 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 conduct the mission of the University. Nonoperating 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 nonoperating revenues. As a result, the operating loss of $387.8 million highlights the University's dependency on nonoperating revenues to meet the costs of operations and provide funds for the acquisition of capital assets. The utilization of capital assets is reflected in the statement as depreciation, which amortizes the cost of an asset over its expected useful life. Changes in total net position, as presented by the Statement of Net Position, is based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The statement presents the revenues earned by the University, both operating and nonoperating, and the expenses incurred by the University, both

operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the University.

The following summarizes the University's revenues, expenses, and changes in net position for the years ended June 30, 2025 and 2024:

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION *(in thousands)*			
	2025	2024	CHANGE
Operating Revenues	$ 824,768	$ 756,176	$ 68,592
Operating Expenses	1,212,539	1,125,866	86,673
Operating Loss	(387,771)	(369,690)	(18,081)
Net Nonoperating Revenues	477,652	444,926	32,726
Gain Before Other Revenues and Changes in Net Position	89,881	75,236	14,645
Other Revenues and Changes in Net Position	33,511	33,131	380
Increase in Net Position	**$ 123,392**	**$ 108,367**	**$ 15,025**

Operating revenue increased $68.6 million. Net student tuition and fees increased $20.4 million due to a total enrollment increase of over 1,400 student in 2025 coupled with modest increases in student fee rates and non-resident tuition.

Overall grants and contracts revenue increased almost $14.8 million over 2024. The increase continues a general trend for the University over time and is reflective of the University's focus on research activities. Whereas, there was no single instance leading to this overall increase, approximately half of the overall increase was due to several grant awards recognized in 2025. The remainder of the increase is attributed to overall growth in the University's research enterprise as several large awards have been received over the last few years.

Auxiliary revenue increased almost $30.9 million due primarily to Athletic revenue increases of $21.6 million from increased ticket sales, television and radio revenue, and conference distributions. Residential life revenue increased $8 million as a result in providing additional off-campus housing accommodations.

Operating expenses increased $86.7 million, with the single largest increase coming in salaries, wages, and benefits of approximately $45.9 million. The Fayetteville campus saw regular salaries for full-time faculty and staff increase $29.5 million, benefits expenses increase $8.7 million, and graduate assistant pay increase $1.5 million. These increases are attributable to the continued growth of the campus, with record levels of enrollment in 2025, coupled with the University's continued efforts to compensate faculty, staff, and graduate assistants at market levels.

Supplies and other services increased approximately $35.3 million or 10.4%. The increase is attributed to a $14.6 million increase in auxiliary expenses and $12.5 million increase in Federal Grants and contract expenses as a direct result of increased research awards.

Depreciation increased $3.8 million overall, which represents an increase of 3.3% over the previous year and is inline with the increase in capital assets.

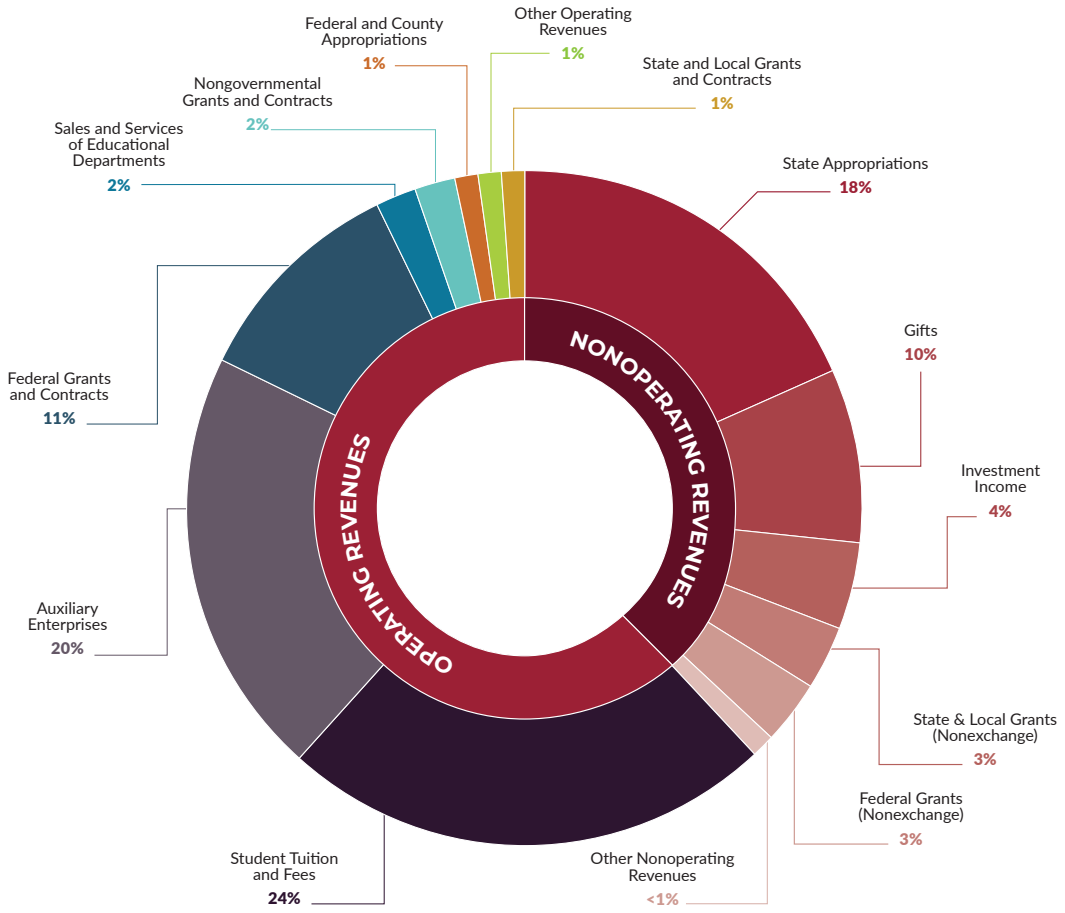
Scholarships and fellowships increased approximately $1.7 million. This increase is reflective of additional expenses directly driven by increased enrollment.

Net nonoperating revenues increased by approximately $32.7 million. Gifts increased approximately $13 million over the previous year. The increase can be attributed to over $6.7 million in gifts given directly to the Fayetteville Campus and over $2 million to the Division of Agriculture. Additionally, over $5 million increased expense activity on existing gifts resulted in greater reimbursement distributions from the University's related foundations.

Investment income increased from the previous year by approximately $3.2 million. State appropriations increased approximately $691,000 across all the units included in the University's annual report. In addition, Pell funding received increased by approximately $10.4 million due to changes in the funding formula at the federal level and increased enrollment . At the state level, Arkansas Challenge Grant funding received increased approximately $5.1 million.

The increase in other revenues and changes in net position of $380,000 is due primarily to a decrease in capital gifts and grants of $6.3 million and an increase of $6.7 million in capital appropriations. The University received special restricted funds transfer of $7.3 million from the State of Arkansas for the Silicone Carbide Fabrication Lab (MUSiC) building. Comparable funds were not received in 2024.

2025 OPERATING AND NONOPERATING REVENUES

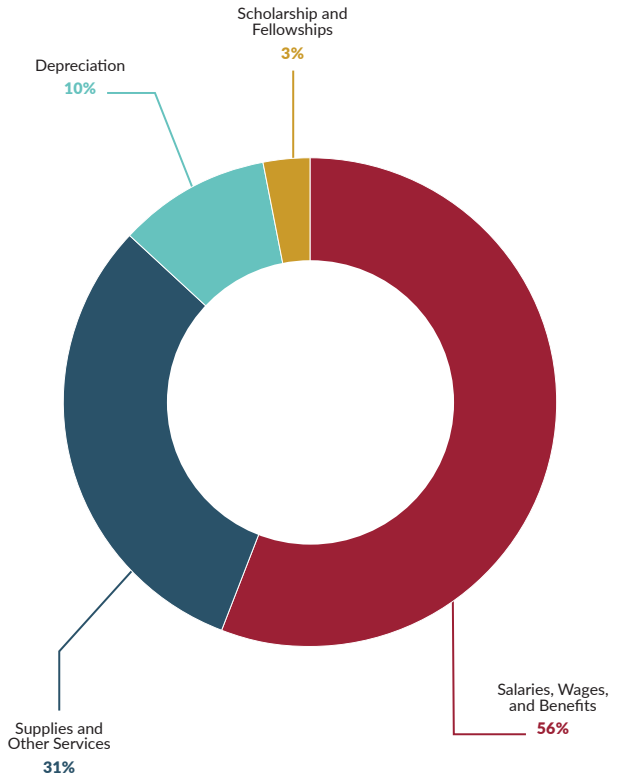


FINANCIAL HIGHLIGHTS

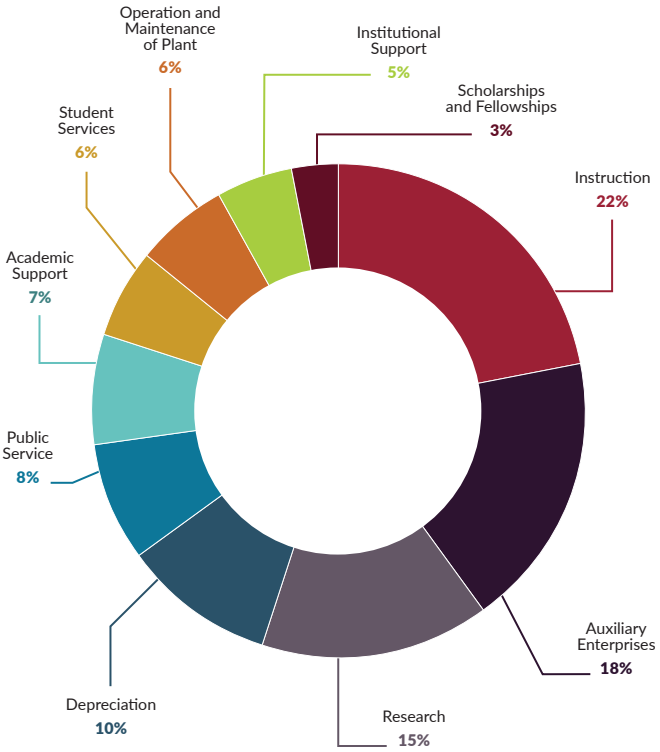
OPERATING REVENUES (in thousands)		2025
Student Tuition and Fees	$	318,574
Auxiliary Enterprises		269,194
Federal Grants and Contracts		141,824
Sales and Services of Educational Departments		31,798
Nongovernmental Grants and Contracts		20,599
Federal and County Appropriations		17,750
Other Operating Revenues		13,114
State and Local Grants and Contracts		11,915
Total	**$**	**824,768**

NONOPERATING REVENUES (in thousands)		2025
State Appropriations	$	236,239
Gifts		128,330
Investment Income		52,898
State & Local Grants (Nonexchange)		40,529
Federal Grants (Nonexchange)		39,643
Other Nonoperating Revenues		9,535
Total	**$**	**507,174**

2025 OPERATING EXPENSES BY NATURAL CLASSIFICATION



2025 OPERATING EXPENSES BY FUNCTION



OPERATING EXPENSES BY NATURAL CLASSIFICATION (in thousands)		2025
	Salaries, Wages, and Benefits	$ 683,208
	Supplies and Other Services	376,105
	Depreciation	118,846
	Scholarship and Fellowships	34,380
	Total	**$ 1,212,539**

OPERATING EXPENSES BY FUNCTION (in thousands)		2025
	Instruction	$ 268,218
	Auxiliary Enterprises	220,168
	Research	181,224
	Depreciation	118,846
	Public Service	100,289
	Academic Support	80,564
	Student Services	73,746
	Operation and Maintenance of Plant	68,216
	Institutional Support	65,863
	Scholarships and Fellowships	35,405
	Total	**$ 1,212,539**

SIGNIFICANT CHANGES IN CAPITAL ASSETS & LONG-TERM DEBT ACTIVITY

The University follows its long-range Facilities Renewal and Stewardship Plan to renew, upgrade, and add facilities to expand teaching, research capacity, support student success and modernize the campus infrastructure. A dedicated Facilities Fee established in 2009 provides a revenue stream that is used to leverage bonded debt and other resources to fund a portion of this ongoing plan. In addition to the Facilities Fee, University gifts, unrestricted net position, various grants, Athletics support, targeted facilities operating budget lines, energy saving performance contracts, and other miscellaneous sources of funds all contribute to this overall program. The condition of the University's capital assets is a critical measure of the University's overall financial health. Creating and maintaining facilities that provide an exceptional academic environment in which to learn, live and work is vital to attracting new students, as well as recruiting excellent faculty and staff. The University performs periodic facility condition assessments on its building portfolio to track the condition of its facilities. The resulting Facility Condition Index is used to assist in assessment of the overall stewardship of capital assets. The index trend continues to be favorable, demonstrating the positive effect of facility renewal and stewardship, planned building renovations, and the continued reduction of deferred maintenance to campus infrastructure and educational and general buildings.

A summary of the change in net invested in capital assets is as follows:

CHANGE IN NET INVESTED IN CAPITAL ASSETS

(in thousands)

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE
Capital Assets Net of Depreciation (Note 4)	$ 1,687,355	$ 102,710	$ 4,634	$ 1,785,431
Bonds, Leases, Notes, and Installment Contracts (Note 9)	(893,618)	(140,662)	(148,878)	(885,402)
Deferred Amount on Refunding	(222)	(7,293)	1	(7,516)
Unspent Bond Proceeds	39,217		26,013	13,204
Accounts Payable and Contract Retainage	(30,274)	30,272	22,449	(22,451)
Prepaid Software Subscription	25,697	14,626	3,790	36,533
Net Invested in Capital Assets (Statement of Net Position)	**$ 828,155**	**$ (347)**	**$ (91,991)**	**$ 919,799**

Note 4 "Capital Assets" provides additional information related to the University's depreciable and nondepreciable capital assets.

Capital projects continued at a brisk pace in 2025, with two significant construction projects that began in previous years completed or significantly completed, as well as continued progress on multi-year projects and new projects initiated.

The list of projects begun in previous years completed in 2025 includes:

- **I^{3}R Research Facility**—A new campus research facility to serve as a home to the Institute for Integrative & Innovative Research (I^{3}R). The facility is approximately 135,000 gross square feet and located on the main campus. The project cost was $120.2 million, which was funded from gifts, University reserves, and bonds.
- **Mullins Library Renovation First and Second Floors**—The renovation consisted of installing fire sprinklers, abating asbestos, and renovating 166,000 square feet on the first and second floors to upgrade study and collaboration spaces as well as special collections. The project cost was $38.5 million which was funded from gifts, bond proceeds, and University reserves. With the reonvations of the third and fourth floors completed July 2021, the interior of the facility is fully renovated.

Ongoing construction and new projects beginning in 2025 include:

- **Anthony Timberlands Center for Design & Material Innovation**—Construction of a 44,000 square foot facility located at the northeast corner of the Windgate Art & Design District. This facility will provide space for a timber and wood design graduate program and an applied research center for wood innovation. This will include classroom, studio, conference, office, and fabrication space. The estimated project cost is $43.0

million funded by gifts, University reserves, state funds, federal appropriations, and bond proceeds. Estimated completion is Fall 2025.

- **Arkansas Union Interior Fit Out for Student Organizations**—Improve the function of student-focused organizations on the second and fourth floors of the Union. The space will be configured to improve utilization, functionality, and character. Total estimated project cost is $8.7 million to be funded by University reserves. Estimated completion is Fall 2025.

- **Fine Arts Restoration**—Renovation of the interior and exterior of 55,000 square feet of the Fine Art building originally constructed in 1951. The exterior landscape and public spaces will be restored to their historic condition. Classrooms, the concert hall, and the library will be upgraded to meet current capacity and building requirements. The total estimated cost is $38.3 million funded by bonds, gifts, and University reserves. Estimated completion is Fall 2025.

- **HPER Second Floor Renovation** —The renovation of approximately 47,000 square feet in the Health, Education and Recreation Building on the second floor. This project improves group fitness space, strength and cardio spaces, along with study, social and administrative space. Expansion of the Donna Axum Fitness Center will be significantly expanded to provide broader range of weights and cardio equipment. Total estimated cost is $24.0 million to be funded by University reserves and bonds. Estimated completion is Fall 2025.

- **MUSiC National Research Fabrication Facility**—The project for the Multi-User Silicon Carbide Research and Fabrication Facility (MUSiC) includes 21,700 square feet of new clean room facility with eight clean room bays. Estimated project cost is $45.8 million funded by gifts, grants, University reserves, state appropriations, and bonds. Estimated completion is Fall 2025.

- **Maple Hill Central Residence Hall**—This project will construct a new, approximately 186,000 square foot, residence hall that will contain student rooms, bathroom facilities, study spaces, a resident life director apartment, student amenity space, general use classroom(s), and other miscellaneous spaces. Total estimated project cost is $135 million from University reserves and bonds. Estimated completion is Spring 2028.

- **Maple Hill North Residence Hall**—This project will construct a new, approximately 120,000 square foot, residence hall that will contain student rooms, bathroom facilities, study space, a resident life director apartment, student amenity space, general use classrooms, and other miscellaneous spaces. Total estimated project cost is $120 million from University reserves and bonds. Estimated completion is Summer 2029.

- **Nano Clean Room Fit-Out**—Project will fit-out a clean room with an additional 3,600 square feet for mechanical equipment. The clean room will support research into fabrication and characterization of nanomaterials or semiconductor devices. Estimated project cost is $14.5 million funded through gifts and University reserves. Estimated completion is Fall 2025.

- **North Chilled Water Plant Modernization**—Replacement of the existing 1994 chiller at the North Chiller Water Plant with a new nominal 2,500-ton capacity unit which will provide a 100% capacity increase. The project also replaces supporting process systems, including the plant electrical switchgear and cooling tower fan drive systems. Total cost is $4.3 million. Funding consists of bond proceeds and University reserves. Estimated completion is Fall 2025.

- **Windgate Galleries**—Project will construct a new 44,000 square foot facility containing professional quality galleries, a fabrication lab, and art foundation studios. It will allow for movement of faculty and students between the other two art buildings located in the Windgate Art & Design District. The estimated cost is $44.9 million from gifts and University reserves. Estimated completion is Spring 2026.

- **Yocum Hall Renovation**—Project will address building envelope issues including window replacement, ADA exterior improvements, roof repairs, masonry repairs, and tuck pointing. The total estimated project cost is $12.0 million and is being funded from University reserves. Estimated completion is Spring 2026.

A summary of long-term debt (including the current portion) activity is as follows:

SUMMARY OF CHANGES IN LONG-TERM DEBT *(in thousands)*	BEGINNING BALANCE	ADDITIONS	RETIREMENT OF PRINCIPAL	NET BOND PREMIUM	ENDING BALANCE
Bonds	$ 834,486	$ 102,140	$ (124,510)	$ 6,979	$ 819,095
Notes	19,351		(3,822)		15,529
Installment Contracts	7,997	115	(1,098)		7,014
Leases	24,659	22,842	(10,305)		37,196
SBITAs	7,125	1,879	(2,436)		6,568
Totals	**$ 893,618**	**$ 126,976**	**$ (142,171)**	**$ 6,979**	**$ 885,402**

Note 9, "Long-Term Debt" provides additional information related to the University's long-term debt.

On August 28, 2024, the University issued approximately $29.8 million in tax-exempt bonds with a coupon rate of 5.00% to finance the renovation, acquisition, construction, furnishing, and equipping the Health, Physical Education, and Recreation Building, the acquisition of property for expansion purpose and other purposes, and the acquisition, construction, furnishing and equipping of other various capital projects on the University campus.

Also on August 28, 2024, the University issued approximately $72.3 million in tax-exempt bonds with a coupon rates ranging from 4.00% of 5.00%. The proceeds of the bonds were issued to accomplish the current refunding of approximately $2.6 million of the Series 2016A bonds, approximately $18.8 million of the Series 2017 bonds, approximately $16.3 million of the Series 2019B bonds, and approximately $49.1 million of the Series 2021 bonds. The refunding will result in a net present value savings of approximately $4.5 million over the next 22 years.

Leases totaling approximately $22.8 million were executed and recorded during the fiscal year ended June 30, 2025. This amount represents the lease liability for the present value of all future lease payments at the commencement of the leases as required by GASB Statement 87, *Leases*. These lease liabilities relate to right-to-use leased assets and have terms extending greater than one year. The leased assets include student housing facilities and infrastructure, classroom and collaborative lab space, and equipment.

During the fiscal year ended June 30, 2025, the University entered into software-as-a-service arrangements, resulting in SBITA liabilities of approximately $1.9 million calculated at a 2.98% incremental borrowing rate.

CONDITIONS AND OTHER FACTORS HAVING A SIGNIFICANT EFFECT

Financial and political support from state government remains a critical element to the continued financial health of the University. In 2025, the total general revenue distribution from the State increased to $231.1 million from the $230.2 million reported in 2024. The forecast for 2026 indicates general revenue and Educational Excellence Trust Fund distributions may increase 0.77%. Management will continue to pursue both internal and external opportunites to maximize resources available while seeking ways to minimize the risk of state funding levels not keeping pace with growth.

In 2017, the Arkansas Legislature enacted Act 148 which adopted a productivity-based funding model for most state-supported higher education institutions. As provided in the Act, the Arkansas Division of Higher Education developed a productivity-based funding model with measures for effectiveness, affordability, and efficiency. That model was first used to determine funding recommendations for the 2018-2019 academic year and resulted in a small increase in University funding based on those measures. The University does not anticipate material changes in its funding level over the short term based on this funding policy.

The University continues to seek ways to manage the cost of attendance so that it remains affordable while achieving revenue support necessary to offer a high-quality university experience. Diverse revenue sources, including state appropriations, tuition, and fees (net of scholarship allowance), private support, and sponsored grants and contracts all contribute to support the mission of teaching, research, and service. For the 2025-2026 academic year, enrollment

and state appropriations are anticipated to exceed budget. Tuition and mandatory fee increases of 3.9% for undergraduate resident students and 5.2% for undergraduate non-resident students were necessary in 2026 to maintain the facilities, faculty, and other support needed to fulfill our mission.

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

The University of Arkansas concluded fiscal year 2025 by raising $254.7 million with $132.8 million directed to the Land of Opportunity Scholarship campaign. This outstanding support from alumni, friends, and stakeholders positions the university to reach new milestones and achievements that advance the University's land-grant mission and strategic priorities. During fiscal year 2025, private gift support provided funding for the establishment of 104 new endowed funds and 86 new student scholarships, awards and fellowships. In fiscal year 2025, donors directed $148.5 million dollars to the University's endowment.

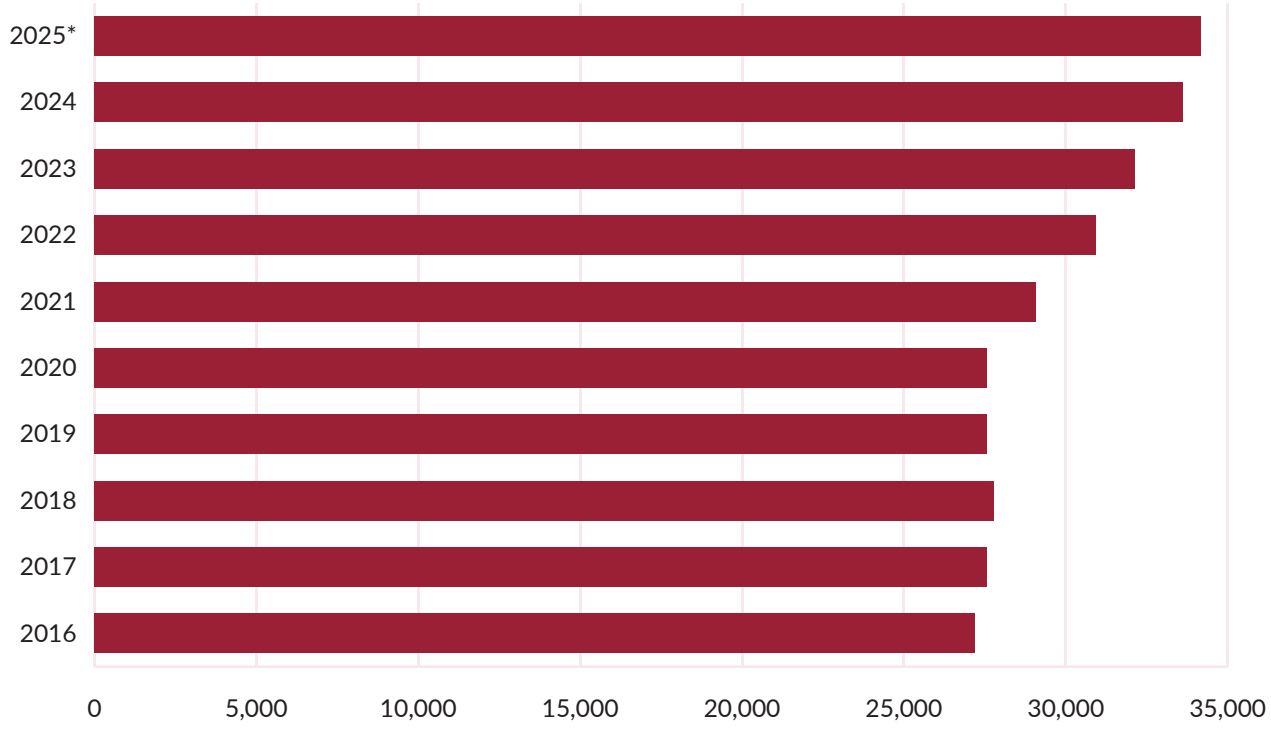
Preliminary figures indicate that the University enrolled 34,175 students for the Fall 2025 semester. This represents an overall increase of 1.7% over the previous year. This includes a record number of Arkansans totaling 16,600 students. The University also continues to set new records for retention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

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

Due to the strong net position as discussed above, high level of liquidity, indications of stable state support, continuing high levels of philanthropic support, and a positive enrollment outlook. The University has a high level of confidence that it will maintain its strong financial position in the future.



ENROLLMENT TREND OVER THE LAST 10 YEARS

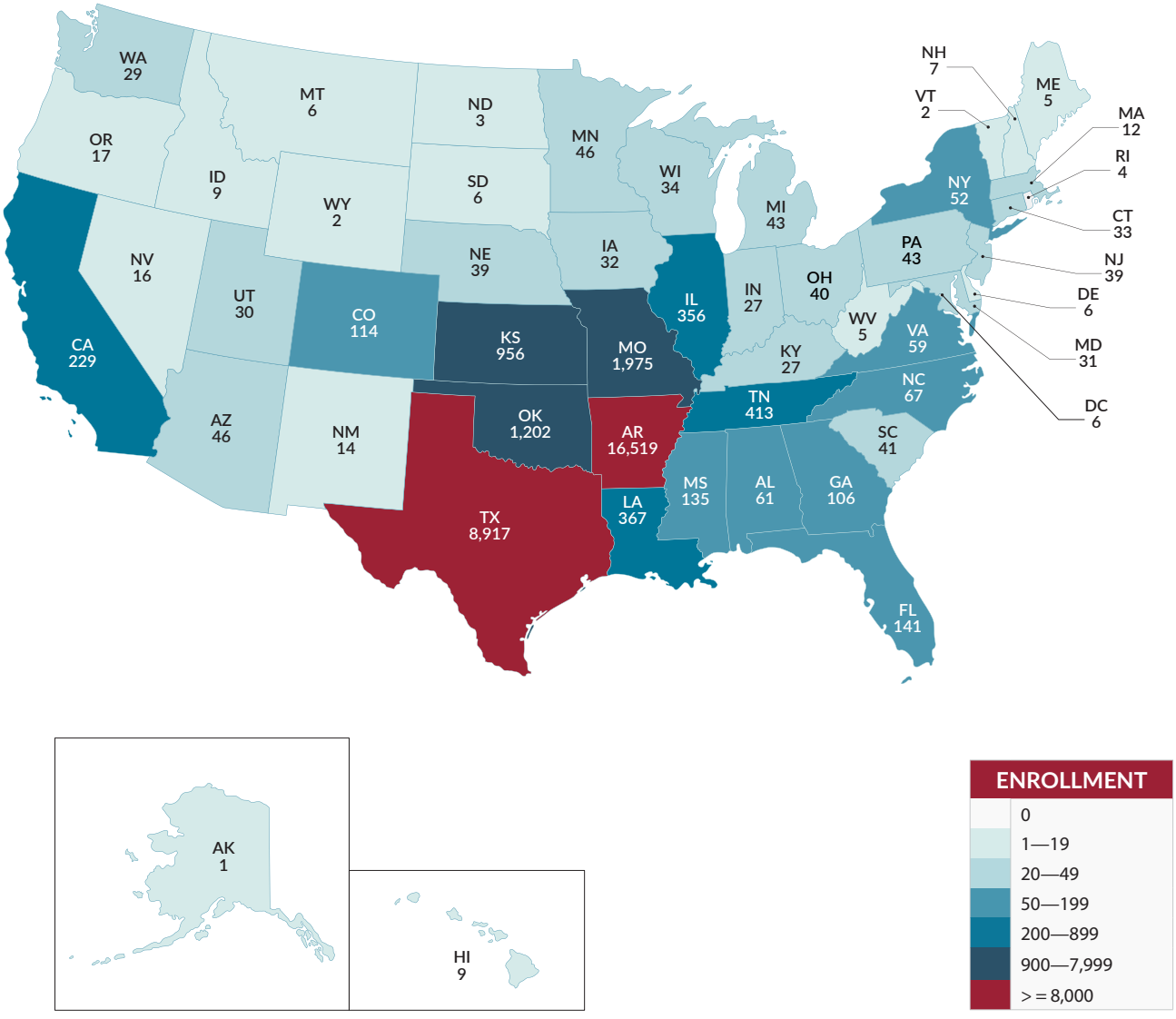


FALL SEMESTER ENROLLMENT										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Totals	**27,194**	**27,558**	**27,778**	**27,559**	**27,562**	**29,068**	**30,936**	**32,140**	**33,610**	**34,175**
Undergraduate	22,548	23,044	23,386	23,025	22,825	24,265	26,269	27,472	28,859	29,262
Law	371	353	368	364	383	388	390	396	396	401
Graduate	4,275	4,161	4,024	4,170	4,354	4,415	4,277	4,272	4,355	4,509
New Freshmen	4,967	5,065	5,005	4,601	4,781	6,139	7,096	6,336	6,616	6,974

Per the Office of Strategic Analytics & Insights .

**Fall 2025 figures are preliminary*

FALL 2024 ENROLLMENT BY LEGAL RESIDENCE STATE

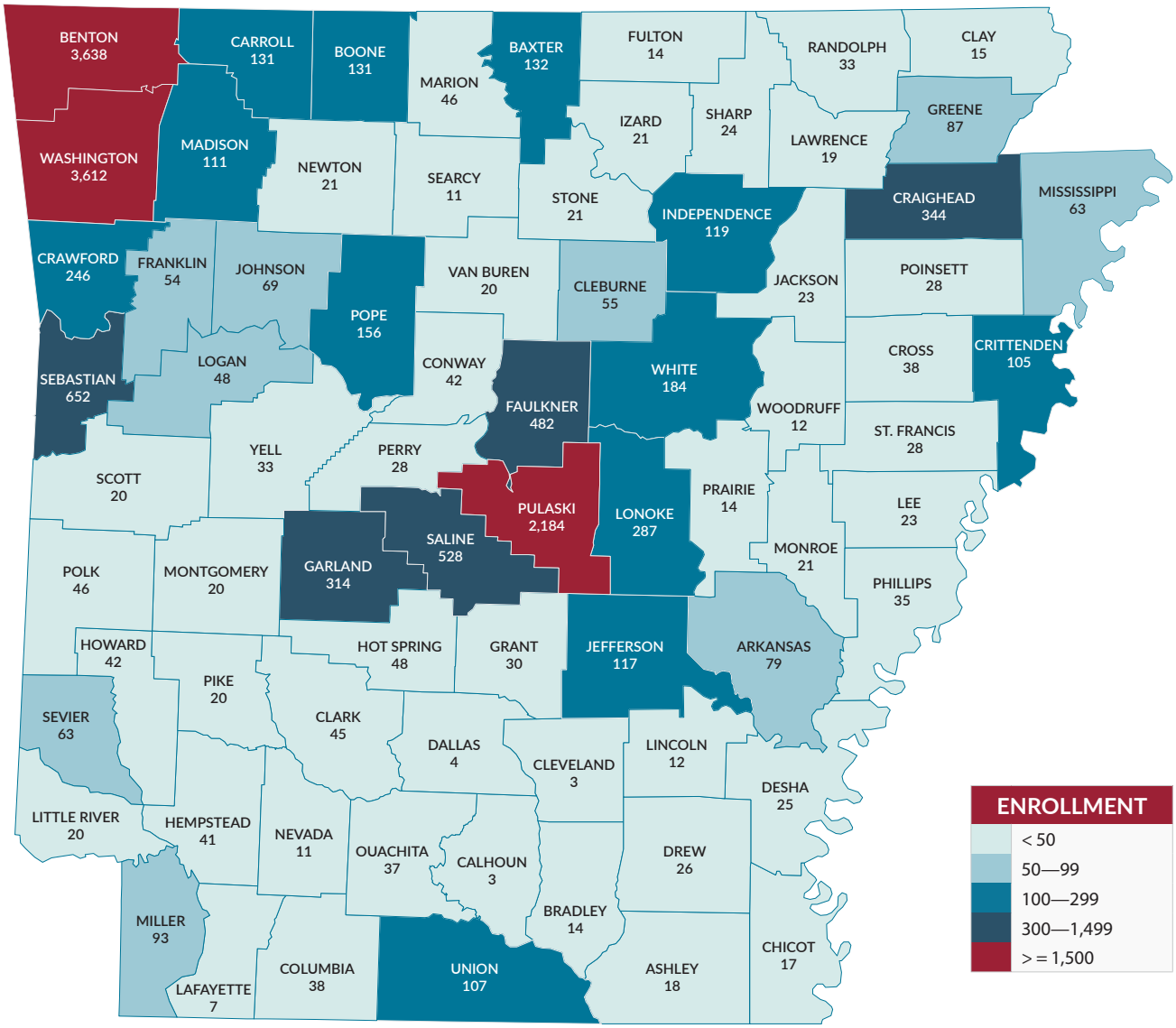


INTERNATIONAL ENROLLMENTS

INTERNATIONAL — 1,220 MILITARY POSTING — 9 US TERRITORY—2

FALL 2024 ENROLLMENT BY ARKANSAS COUNTY

In-State Enrollment, All Levels



NOTES

1. Excludes audit only students
2. Fall enrollment is based on the county of student's legal residence at the time of admission to the institution.
3. The first line of the label represents the name of the county and the second line represents Fall enrollment from that county.

STATEMENT OF NET POSITION

June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

	JUNE 30, 2025	JUNE 30, 2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 106,246	$ 170,440
Short-Term Investments	595,679	510,627
Accounts Receivable, Net	81,215	85,534
Accrued Interest Receivable	472	500
Pledges Receivable	1,215	2,118
Inventories, Net	8,055	7,761
Deposits with Bond Trustees	8,485	7,118
Notes Receivable, Net	827	840
Other Assets	46,903	14,213
Total Current Assets	**$ 849,097**	**$ 799,151**
NONCURRENT ASSETS		
Endowment Investments	$ 139,313	$ 129,672
Other Long-Term Investments	60,852	42,701
Accounts Receivable	7,335	8,313
Notes Receivable, Net	3,786	4,287
Pledges Receivable	4,327	4,564
Deposits with Bond Trustees	13,204	39,217
Other Assets		21,907
Capital Assets, Net	1,785,431	1,687,355
Total Noncurrent Assets	**$ 2,014,248**	**$ 1,938,016**
Total Assets	**$ 2,863,345**	**$ 2,737,167**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refunding	$ 5,229	$ 6,755
Deferred Outflows Related to Other Postemployment Benefits	1,460	2,708
Deferred Outflows Related to Pensions	2,131	3,372
Total Deferred Outflows Of Resources	**$ 8,820**	**$ 12,835**
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 52,860	$ 60,004
Accrued Payroll Liabilities	17,931	12,755
Accrued Interest Expense	6,526	6,475
Student Overpayments	997	1,151
Funds Held in Trust for Others	4,029	4,102
Advance Receipts	55,598	51,805
Compensated Absences Payable—Current Portion	2,849	2,495
Liability for Other Postemployment Benefits	633	713
Bonds, Notes, Leases, and Installment Contracts Payable—Current Portion	61,737	57,396
Total Current Liabilities	**$ 203,160**	**$ 196,896**

STATEMENT OF NET POSITION (CONTINUED)

June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

	JUNE 30, 2025	JUNE 30, 2024
LIABILITIES		
NONCURRENT LIABILITIES		
Refundable Federal Advance—Perkins Loans	$ 2,633	$ 3,508
Compensated Absences Payable	23,604	21,744
Liability for Other Postemployment Benefits	21,261	22,678
Pension Liability	8,044	9,699
Bonds, Notes, Leases, and Installment Contracts Payable	823,665	836,222
Other Noncurrent Liabilities	7,482	5,931
Total Noncurrent Liabilities	**$ 886,689**	**$ 899,782**
Total Liabilities	**$ 1,089,849**	**$ 1,096,678**
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Debt Refunding	$ 12,745	$ 6,977
Deferred Inflows Related to Other Postemployment Benefits	4,167	3,131
Deferred Inflows Related to Pensions	1,161	1,244
Deferred Inflows—Other	7,714	8,835
Total Deferred Inflows Of Resources	**$ 25,787**	**$ 20,187**
NET POSITION		
Net Invested in Capital Assets	$ 919,799	$ 828,155
Restricted for		
Nonexpendable		
Scholarships and Fellowships	11,874	11,217
Research	19,402	18,990
Instructional Department Uses	10,686	10,686
Loans	783	914
Other	5,347	5,347
Expendable		
Scholarships and Fellowships	27,136	24,768
Research	51,839	52,741
Public Service	16,411	18,552
Instructional Department Uses	22,304	20,554
Loans	2,350	2,610
Capital Projects	40,882	49,563
Debt Service	24	167
Other	13,106	10,569
Unrestricted	614,586	578,304
Total Net Position	**$ 1,756,529**	**$ 1,633,137**

See Accompanying Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ending June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

	JUNE 30, 2025	JUNE 30, 2024
REVENUES		
OPERATING REVENUES		
Student Tuition and Fees (Net of Scholarship Allowances of $117,065 and $103,325)	$ 318,574	$ 298,223
Federal Appropriations	12,879	9,348
County Appropriations	4,871	4,933
Federal Grants and Contracts	141,824	125,569
State and Local Grants and Contracts	11,915	14,315
Nongovernmental Grants and Contracts	20,599	19,664
Sales and Services of Educational Departments	31,798	30,491
Auxiliary Enterprises		
Residence Life (Net of Scholarship Allowances of $13,362 and $9,762)	96,769	88,728
Athletics	152,147	130,566
Bookstore (Net of Scholarship Allowances of $0 and $0)	1,519	1,591
Student Health Services	3,069	3,411
Transit and Parking	13,321	11,700
Student Organizations/Activities	90	61
Other Auxiliary Enterprises	2,279	2,251
Other Operating Revenues	13,114	15,325
Total Operating Revenues	**$ 824,768**	**$ 756,176**
EXPENSES		
OPERATING EXPENSES		
Salaries, Wages, and Benefits	$ 683,208	$ 637,342
Scholarships and Fellowships	34,380	32,642
Supplies and Other Services	376,105	340,834
Depreciation	118,846	115,048
Total Operating Expenses	**$ 1,212,539**	**$ 1,125,866**
Operating Loss	**$ (387,771)**	**$ (369,690)**
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	$ 236,239	$ 235,548
Gifts	128,330	115,292
Investment Income (Net of Investment Expense of $645 and $644)	52,898	49,632
Interest on Capital Asset—Related Debt	(28,666)	(28,258)
Federal Grants (Nonexchange)	39,643	28,937
State and Local Grants (Nonexchange)	40,529	33,615
Nongovernmental Grants (Nonexchange)	23	20
Gain (Loss) on Disposal of Assets	1,243	1,260
Other Nonoperating Revenues	8,269	9,823
Other Nonoperating Expenses	(856)	(943)
Net Nonoperating Revenues	**$ 477,652**	**$ 444,926**
Gain Before Other Revenues and Changes in Net Position	**$ 89,881**	**$ 75,236**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)

For the Year Ending June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

	JUNE 30, 2025	JUNE 30, 2024
OTHER REVENUES AND CHANGES IN NET POSITION		
Capital Appropriations	$ 8,142	$ 1,432
Capital Grants and Gifts	25,369	31,699
Total Other Revenues and Changes in Net Position	**$ 33,511**	**$ 33,131**
Increase in Net Position	**$ 123,392**	**$ 108,367**
NET POSITION		
Net Position, Beginning of Year	**$ 1,633,137**	**$ 1,524,770**
Net Position, End of Year	**$ 1,756,529**	**$ 1,633,137**

See Accompanying Notes To Financial Statements.

STATEMENT OF CASH FLOWS—DIRECT METHOD

for the Year Ending June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

	JUNE 30, 2025	JUNE 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 317,120	$ 299,311
Federal Appropriations	11,648	9,599
County Appropriations	5,735	4,777
Grants and Contracts	183,634	154,213
Payments to Suppliers	(377,048)	(336,060)
Payments to Employees	(547,887)	(513,469)
Payments for Benefits	(127,642)	(121,786)
Payments for Scholarships and Fellowships	(33,922)	(32,882)
Loans Issued to Students	(226)	(93)
Collections of Loans to Students	(217)	10
Collections of Interest on Loans to Students	79	130
Auxiliary Enterprise Charges	-	
Residence Life	98,615	88,703
Athletics	143,420	141,080
Bookstore	2,864	1,801
Student Health Services	3,267	3,260
Transit and Parking	13,015	11,650
Student Organizations/Activities	91	63
Other Auxiliary Enterprises	2,318	2,221
Sales and Services of Educational Departments	32,974	30,651
Other Receipts	22,471	25,297
Net Cash Used by Operating Activities	**$ (249,691)**	**$ (231,524)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	$ 236,239	$ 235,548
Gifts and Grants for Other Than Capital Purposes	131,178	119,459
Federal Grants (Nonexchange)	40,418	29,520
State and Local Grants (Nonexchange)	40,583	32,513
Nongovernmental Grants (Nonexchange)	26	21
Direct Lending and Private Loan Receipts	162,673	158,025
Direct Lending and Private Loan Payments	(162,600)	(155,051)
Net Agency Fund Transactions	(67)	(611)
Net Cash Provided by Noncapital Financing Activities	**$ 448,450**	**$ 419,424**
Net Cash Provided by Operating Activities and Noncapital Financing Activities	**$ 198,759**	**$ 187,900**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Realized Proceeds Related to Capital Debt Transactions	$ 59,633	$ 87,014
Capital Appropriations	8,142	1,432
Capital Grants and Gifts Received	29,040	26,403
Proceeds from Sale of Capital Assets	1,496	1,694
Purchases of Capital Assets	(211,134)	(216,638)
Principal Paid on Capital Debt and Leases	(55,562)	(49,416)
Interest Paid on Capital Debt and Leases	(32,412)	(31,192)
Net Cash Used by Capital and Related Financing Activities	**$ (200,797)**	**$ (180,703)**

STATEMENT OF CASH FLOWS—DIRECT METHOD (CONTINUED)

for the Year Ending June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

	JUNE 30, 2025	JUNE 30, 2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	$ 218,582	$ 108,197
Investment Income	4,393	4,450
Purchase of Investments	(285,131))	(102,114)
Net Cash (Used) Provided by Investing Activities	**$ (62,156)**	**$ 10,533**
NET INCREASE IN CASH		
Net (Decrease) Increase in Cash	$ (64,194)	$ 17,730
Cash, Beginning of Year	170,440	152,710
Cash, End of Year	**$ 106,236**	**$ 170,440**
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	$ (387,771)	$ (369,690)
Adjustments to Reconcile Net Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	118,846	115,048
Other Miscellaneous Operating Receipts	7,227	10,662
Changes In Assets and Liabilities:		
Receivables, Net	(1,140)	(4,243)
Inventories	(294)	662
Prepaid Expenses	53	(2,615)
Accounts Payable and Accrued Liabilities	960	6,286
Accrued Payroll Liabilities (Employees and Benefits)	5,176	226
Student Overpayments	(154)	(42)
Advance Receipts	5,344	10,404
Refundable Federal Advance	(875)	(1,054)
Compensated Absences	2,214	811
OPEB Related	787	1,117
Pension Related	(497)	(67)
Loans to Students and Employees	433	971
Net Cash Used by Operating Activities	**$ (249,691)**	**$ (231,524)**
NONCASH TRANSACTIONS		
Payment of Bond Proceeds Directly Into Deposits with Trustees and Escrow	$ 33,638	$ 73,399
Payment of Underwriter's Discounts Paid Directly from Bond Proceeds	228	219
Debt Issuance Costs Paid Directly from Debt Proceeds	627	724
Interest on Long-Term Debt Paid Directly from Deposits with Trustees	266	63
Investment Income Paid on and Deposited Directly Into Deposits with Trustees	2,243	5,067
Capital Outlay and Other Related Expenses Paid Directly from Proceeds of Long-Term Debt Instruments	24,837	15,826
Value of Goods Received from Sponsorship Agreements with Vendors	4,157	4,080
Loss on Disposal of Assets	253	435
Capital Gifts	6	384

See Accompanying Notes to Financial Statements.

DISCRETELY PRESENTED COMPONENT UNITS

The University of Arkansas Fayetteville Campus Foundation, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

(in thousands)

	JUNE 30, 2025	JUNE 30, 2024
ASSETS		
Investments	$ 753,609	$ 708,325
Total Assets	**$ 753,609**	**$ 708,325**
LIABILITIES AND NET ASSETS		
Accounts Payable	$ 361	$ 436
Net Assets with Donor Restrictions	753,248	707,889
Total Liabilities and Net Assets	**$ 753,609**	**$ 708,325**

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

(in thousands)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE, GAINS AND OTHER SUPPORT			
Interest and Dividends		$ 4,681	$ 4,681
Net Realized and Unrealized Gains on Investments		69,684	69,684
Net Assets Released from Restrictions	$ 29,006	(29,006)	
Total Revenue, Gains and Other Support	**$ 29,006**	**$ 45,359**	**$ 74,365**
EXPENSES AND LOSSES			
Program Services			
Fayetteville Campus Support	$ 29,006		$ 29,006
Changes in Net Assets		$ 45,359	45,359
Net Assets, Beginning of Year		707,889	707,889
Net Assets, End of Year	**$ 0**	**$ 753,248**	**$ 753,248**

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

(in thousands)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE, GAINS AND OTHER SUPPORT			
Interest and Dividends		$ 4,471	$ 4,471
Net Realized and Unrealized Gains on Investments		68,311	68,311
Net Assets Released from Restrictions	$ 27,301	(27,301)	
Total Revenue, Gains and Other Support	**$ 27,301**	**$ 45,481**	**$ 72,782**
EXPENSES AND LOSSES			
Program Services			
Fayetteville Campus Support	$ 27,301		$ 27,301
Changes in Net Assets		$ 45,481	45,481
Net Assets, Beginning of Year		662,408	662,408
Net Assets, End of Year	**$ 0**	**$ 707,889**	**$ 707,889**

DISCRETELY PRESENTED COMPONENT UNITS

The Razorback Foundation, Inc.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2025 and 2024

(in thousands)

	JUNE 30, 2025	JUNE 30, 2024
ASSETS		
Cash and Cash Equivalents	$ 19,143	$ 16,651
Restricted Cash and Cash Equivalents	21,567	10,798
Contributions Receivable, Net	23,630	14,555
Investments, at Fair Value	43,077	42,748
Other	2,192	2,099
Property and Equipment, Net	196	
Assets Held for Sale	4,238	4,238
Prepaid Expenses	2,184	
Operating Right-of-Use Asset	855	934
Total Assets	**$ 117,082**	**$ 92,023**
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable and Accrued Liabilities	$ 376	$ 365
Total Liabilities	$ 376	$ 365
Net Assets		
Without Donor Restrictions		
Net Assets of Nonprofit Parent Without Donor Restriction	$ 87,915	$ 78,272
With Donor Restrictions	28,790	13,386
Total Net Assets	$ 116,706	$ 91,658
Total Liabilities and Net Assets	**$ 117,082**	**$ 92,023**

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

(in thousands)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Contributions—Cash and Securities	$ 42,472	$ 17,742	$ 60,214
Contributions—Gifts-in-Kind	987		987
Interest and Dividends	525	705	1,230
Net Realized and Unrealized Gains on Investments	3,617	350	3,967
Other	33		33
Net Assets Released from Restrictions	3,392	(3,392)	
Total Revenues, Gains and Other Support	**$ 51,026**	**$ 15,405**	**$ 66,431**
EXPENSES AND LOSSES			
Program Services			
Athletic Department Expenses	$ 26,491		$ 26,491
Transfer of Restricted Funds to Athletic Department	5,550		5,550
Total Program Services	$ 32,041	$ 0	$ 32,041
Supporting Services			
Management and General	$ 4,748		$ 4,748
Membership, Fundraising and Development	4,035		4,035
Provision for Loss on Uncollectible Contributions	559		559
Total Supporting Services	$ 9,342	$ 0	$ 9,342
Total Expenses and Losses	**$ 41,383**	**$ 0**	**$ 41,383**
Change in Net Assets	9,643	15,405	25,048
Net Assets, Beginning of Year	78,272	13,386	91,658
Net Assets, End of Year	**$ 87,915**	**$ 28,791**	**$ 116,706**

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

(in thousands)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Contributions—Cash and Securities	$ 25,160	$ 3,238	$ 28,398
Contributions—Gifts-in-Kind	4,213		4,213
Interest and Dividends	588	626	1,214
Net Realized and Unrealized Gains on Investments	3,774	364	4,138
Other	37		37
Net Assets Released from Restrictions	7,249	(7,249)	
Total Revenues, Gains and Other Support	**$ 41,021**	**$ (3,021)**	**$ 38,000**
EXPENSES AND LOSSES			
Program Services			
Athletic Department Expenses	$ 20,976		$ 20,976
Transfer of Restricted Funds to Athletic Department	7,597		7,597
Athletic Department Scholarships	261		261
Total Program Services	$ 28,834	$ 0	$ 28,834
Supporting Services			
Management and General	$ 6,510		$ 6,510
Membership, Fundraising and Development	1,776		1,776
Change in Cash Surrender Value of Life Insurance Policies	(1)		(1)
Provision for Loss on Uncollectible Contributions	(76)	2,751	2,675
Total Supporting Services	$ 8,209	$ 2,751	$ 10,960
Total Expenses and Losses	**$ 37,043**	**$ 2,751**	**$ 39,794**
Change in Net Assets	3,978	(5,772)	(1,794)
Net Assets, Beginning of Year	74,294	19,158	93,452
Net Assets, End of Year	**$ 78,272**	**$ 13,386**	**$ 91,658**



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1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1A NATURE OF THE ORGANIZATION

The University of Arkansas, Fayetteville (the university) is a state-supported institution of higher education and the flagship of the University of Arkansas System. The university was established at Fayetteville in 1871 under the provisions of the Morrill Act as both a state university and the land-grant college of Arkansas and is one of 14 campuses of the University of Arkansas System.

The university is granted an annual appropriation for operating purposes as authorized by the Arkansas General Assembly. The Appropriation Act authorizes expenditures from funds appropriated from the General Fund of the State and authorizes expenditures of total operating funds. An appropriation is construed to be available for the one-year period following the legislative session in which it was approved. All appropriations lapse at the end of the year unless otherwise provided. The laws of the State and the policies and procedures specified by the State for state agencies and institutions are applicable to the activities of the university.

The university is tax exempt under Internal Revenue Service code except for tax on unrelated business income. The university had no significant unrelated business income for the year ended June 30, 2025. It is also exempt from state income taxes under Arkansas law. Accordingly, no provision for income taxes is made in the financial statements.

The university is governed by a 10 member 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 Criminal Justice Institute, the Director of the Archeological Survey, and the Executive Director of the Arkansas Research and Education Optical Network who have responsibility for the programs and activities of the respective campus or state-wide operating division.

1B FINANCIAL REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, *Determining Whether Certain Organizations are Component Units—an amendment of GASB Statement No. 14* and No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, defines the financial reporting entity as the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Under the provisions of these statements, the university is a component unit of the State of Arkansas (primary government). Although the guidance is written from the perspective of the primary government, its requirements apply to the separately issued financial statements of a component unit and, therefore, the component unit should apply the provisions as if it was a primary government.

For purposes of financial reporting, the primary government of the university includes the academic units in Fayetteville, the University of Arkansas Division of Agriculture (UADA), the Arkansas Archeological Survey (AAS), the Criminal Justice Institute (CJI), the Clinton School of Public Service (CSPS), and the Arkansas Research Education Optical Network (ARE-ON). The academic units in Fayetteville include 10 colleges, schools and divisions: 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, the College of Engineering, the School of Law, the Honors College, the Graduate School and International Education, and the Global Campus.

1C DISCRETELY PRESENTED COMPONENT UNITS

Under the provisions of the GASB statements discussed above, the university has identified two organizations that should be reported as component units based on the nature and significance of their relationship with the primary government. The qualifying organizations are the University of Arkansas Fayetteville Campus Foundation, Inc. and the Razorback Foundation, Inc. Although the university does not control the timing or amount of receipts from any of these foundations, most resources or income thereon which the foundations hold and invest is restricted to the activities of the university by 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 of GASB Statement No. 39 by management, these foundations are considered component units of the university and are discretely presented in the university's financial statements.

The University of Arkansas Fayetteville Campus Foundation, Inc. (Campus Foundation) is a charitable organization described in Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended, and was established by the Walton Family Charitable Support Foundation, Inc. for the exclusive benefit of the University of Arkansas, Fayetteville campus. The Campus Foundation was established on March 11, 2003, and exists primarily to support the Honors College, the Graduate School and International Education, and the university's library. The Board of Trustees of the Campus Foundation is made up of seven members, including three members who are also employees of the university.

The Campus Foundation distributed $27,051,000 and $27,306,000 to the university during the years ended June 30, 2025 and June 30, 2024, respectively, for both restricted and unrestricted purposes. Complete financial statements for the Campus Foundation can be obtained from the administrative office at 535 Research Center Blvd Suite 120, Fayetteville, AR 72701.

The Razorback Foundation, Inc. (the Razorback Foundation) was incorporated on October 17, 1980 as a not-for-profit organization whose sole purpose is to support intercollegiate athletics at the university.

The Razorback Foundation distributed $28,997,000 to the university and provided equipment, facilities, improvements, and supplies in the amount of $1,699,000 during the year ended June 30, 2025. During the year ended June 30,2024, the Razorback Foundation distributed $27,078,000 to the university and provided equipment, facilities, improvements, and supplies in the amount of $1,921,000. Complete financial statements for the Razorback Foundation can be obtained from the administrative office at 1295 S. Razorback Road, Fayetteville, AR 72701.

These Foundations report under the requirements of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. As such, certain revenue recognition criteria and presentation features differ from GASB revenue recognition criteria and presentation. No modifications have been made to the Foundation's financial information in the university's financial statements.

1D BASIS OF PRESENTATION

The financial statements for the university have been prepared in accordance with generally accepted accounting principles accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board.

1E BASIS OF ACCOUNTING

For financial reporting purposes, the university is considered a special-purpose government engaged in business-type activities. Accordingly, the financial statements of the university have been prepared 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.

1F 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 include separation of accrued compensated absences between current and noncurrent and depreciation expense. Actual results could differ from those estimates.

1G CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the Statement of Net Position includes all readily available sources of cash such as petty cash, demand deposits, and cash on deposit with the State Treasurer.

1H INVESTMENTS

Investments are stated at fair value. Changes in unrealized gain (loss) of the carrying value are reported as a component of investment income on the Statement of Revenues, Expenses, and Changes in Net Position.

1I ACCOUNTS RECEIVABLE

Accounts receivable are stated at estimated net realizable values; that is, the gross amount of the receivable is reduced by allowances for estimated uncollectible accounts. A noncurrent accounts receivable line item was added to the Statement on Net Position presentation

to reclassify lease receivables from other noncurrent assets to noncurrent accounts receivable and to align with the presentation of these line items in the current asset section of the Statement of Net Position. These revisions did not have a material impact or change the net position.

1J INVENTORIES

Inventories are valued at cost generally using retail and first in, first out valuation methods, depending on the best practices of the university department to which the inventory belongs. An allowance of $0 was computed based on estimated obsolete inventory values as of June 30, 2025.

1K CAPITAL ASSETS

Capital assets consisting of land, buildings, furniture, fixtures, equipment, improvements, infrastructure, construction in progress, and intangible assets are stated at cost or acquisitive value for donated assets.

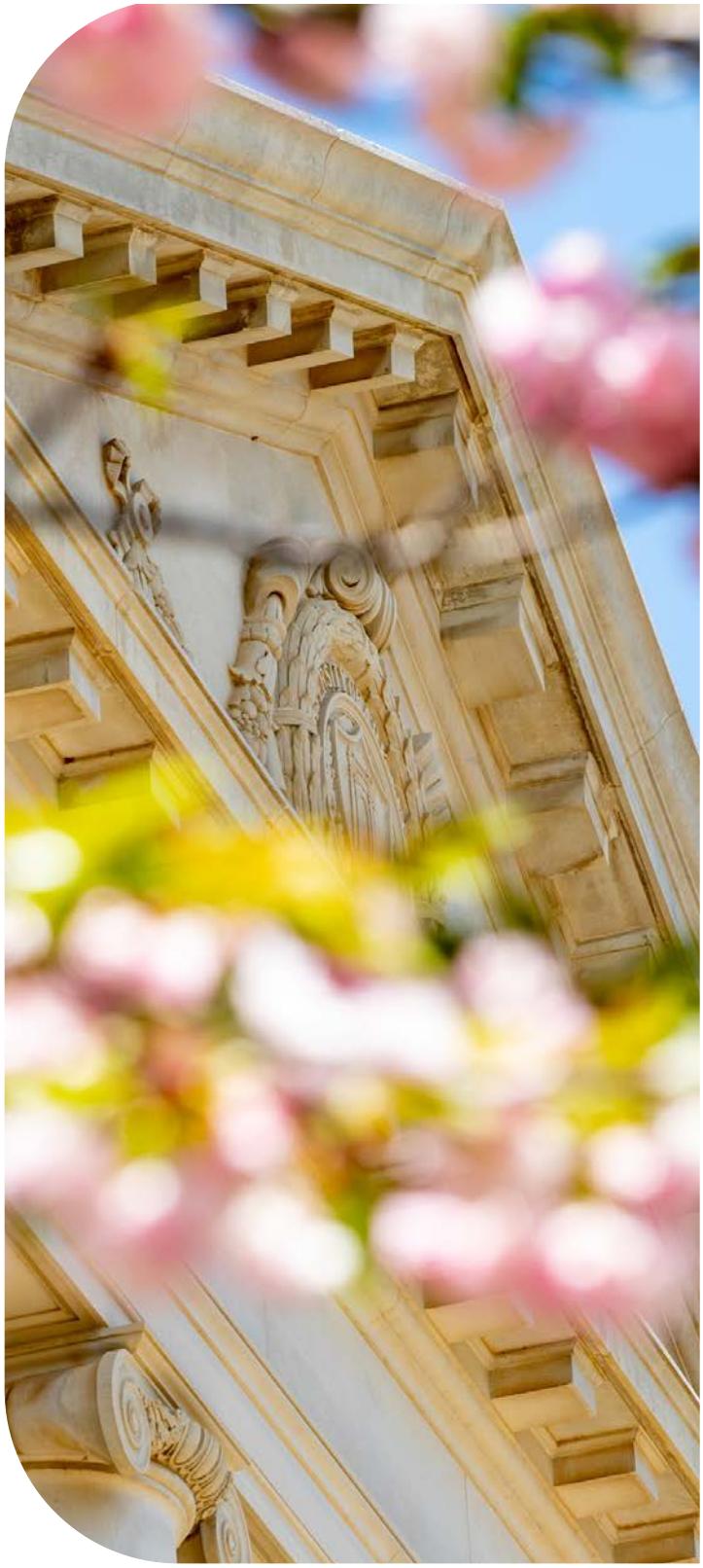
Buildings, improvements, and infrastructure additions are capitalized when the cost is $50,000 or more. Renovations to buildings, infrastructure, and land improvements are also capitalized when they significantly increase the value or extend the useful life of the structure and the cost exceeds $50,000.

In accordance with the university's capitalization policy, equipment 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.

Library holdings are generally defined as collections of books and reference materials and are valued using average prices for library acquisitions. A library book is a literary composition bound into a separate volume and identifiable as a separate copyrighted unit. Library reference materials are information sources other than books which include journals, periodicals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items.

Livestock is under the control of the Department of Animal Sciences and is maintained primarily for research purposes with any other benefits derived from the operations considered as incidental to the



primary mission of the department. The inventory value placed on the animals is determined by department heads 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 to 30 years for buildings, 15 to 20 years for infrastructure and land improvements, three to 10 years for equipment, and 10 years for library holdings. Amortization of intangible assets, except for those determined to have indefinite useful lives, is computed using the straight-line method over the estimated useful lives of the assets, generally five years for purchased software, 10 years for internally developed software, 15 years for easements, land use rights, trademarks, and copyrights, and 20 years for patents.

1L DEFERRED OUTFLOWS OF RESOURCES

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

1M ADVANCE RECEIPTS

Advance receipts consist primarily of athletic ticket sales and related fees and unearned student revenues for a summer session and the fall semester. These monies were collected in advance and were not earned as of the end of each fiscal year.

1N NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of revenue bonds payable, notes payable, lease obligations, and installment contracts payable with contractual maturities greater than one year, as well as estimated amounts for accrued compensated absences, net pension obligations, refundable advances on student loans, net other postemployment benefits obligation, and other liabilities that will not be paid within the next fiscal year.

1O DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an increase of net position that applies to future periods. These items will not be recognized as an inflow of resources (revenue) until a future period.

1P 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.

1Q NET POSITION

The university's net position is classified as follows:

- **NET INVESTED IN CAPITAL ASSETS:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **RESTRICTED:**
  Nonexpendable: 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 that may be used for the same purpose. Responsible officials determine at the time funds are expended whether to use any unrestricted net position that may be available.
- **UNRESTRICTED:** Portion that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and research programs and initiatives as well as capital programs.

1R CLASSIFICATION OF REVENUES

The university has classified its revenues as either operating or nonoperating revenues according to the following criteria:

- **OPERATING REVENUES:** Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and (3) most federal, state, and local grants and contracts.

- **NONOPERATING REVENUES:** Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, such as state appropriations and investment income.

1S SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference 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 and nongovernmental programs are recorded as either operating or nonoperating 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.

1T 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.

1U NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued the following statements, which became or will become effective for the fiscal years identified below.

For the year ending June 30, 2025:
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*

Management has determined that the requirements of Statement No. 101 and Statement No. 102 did not materially impact the university. See Note 7 for additional details of related to the recognition of compensated absences.

For the year ending June 30, 2026:
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

Management has determined Statement No. 103 will primarily effect the presentation and disclosure but will not have a material impact on the substance of the university's financial statements. Statement No. 104 will have minimal impact to the university's financial statements.

2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Arkansas Code Annotated (ACA) §19-4-805 authorizes institutions of higher learning to determine the depositories and nature of investments of any of the cash funds which are not currently needed for operating purposes.

2A CASH AND CASH EQUIVALENTS

The university uses commercial banks for its cash deposits. Cash deposits are carried at cost. The University of Arkansas System Administration (System Administration) does not maintain separate bank accounts. System Administration deposits are commingled in University of Arkansas, Fayetteville bank accounts. The carrying value of the System Administration funds was $4,053,000 at June 30, 2025 and $6,275,000 at June 30, 2024.

The following schedule reconciles the amount of deposits to the Statement of Net Position at June 30, 2025 and June 30, 2024:

CASH AND CASH EQUIVALENTS

(in thousands)

	JUNE 30, 2025	JUNE 30, 2024
Cash on Deposit, Carrying Value	$ 102,813	$ 176,587
Cash Held at State Treasury	7,482	124
Imprest Funds, Non-Bank	4	4
Less: System Administration Cash	(4,053)	(6,275)
Totals	**$ 106,246**	**$ 170,440**

CUSTODIAL CREDIT RISK—DEPOSITS. Custodial credit risk is the risk that in the event of a bank failure, the university's deposits may not be returned. Deposits are exposed to custodial risk if they are not insured by Federal Deposit Insurance Corporation (FDIC) and are uncollateralized, collateralized with securities held by the pledging institution or collateralized with securities held by the pledging institution's agent but not in the university's name. Board of Trustees policy requires that all cash deposits be either insured by the FDIC or collateralized by securities held at a third- party financial institution (preferably the Federal Reserve Bank) in the university's name. At June 30, 2025, none of the university's bank balances were exposed to custodial credit risk.



2B INVESTMENTS

The following is a summary of the university's investments held at June 30, 2025 and June 30, 2024:

INVESTMENTS (in thousands)		
INVESTMENT TYPE	FAIR VALUE AT JUNE 30, 2025	FAIR VALUE AT JUNE 30, 2024
Mutual Treasury Money Market Funds	$ 159,609	$ 61,106
U.S. Treasuries	270,132	306,285
Federal Agencies	6,701	2,345
Commercial Paper	491	
Mutual Bond Funds	171	57
Corporate & Municipal Notes/Bonds	153,702	144,115
Negotiable Certificates of Deposit	50	48
External Investment Pool	163,060	152,088
Other Investments	1,397	3,734
Totals	**$ 755,313**	**$ 669,778**

At June 30, 2025, total investments of $755,313,000 includes $21,689,000 reported as Deposits with Bond Trustees on the Statement of Net Position. At June 30, 2024, total investments of $669,778,000 includes $46,335,000 reported as Deposits with Bond Trustees on the Statement of Net Position. The above schedule does not include nonnegotiable certificates of deposit of $62,220,000 at June 30, 2025 and $59,557,000 at June 30, 2024 which are considered deposits for GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3.*

Investment Risk

The university is required under GASB Statement No. 40 to provide investment risk disclosures for all invested funds. Disclosures related to the External Investment Pool are shown separately. No disclosures are made for other investments. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The university does not have a formal investment policy addressing interest rate risk for nonoperating investments.

In accordance with its Operating Funds Investment Policy, the university limits its exposure to fair value losses arising from rising interest rates by limiting investment maturities as follows:

INVESTMENT MATURITIES	
INVESTMENT TYPE (SECTOR)	MAXIMUM MATURITY
U.S. Treasuries	10 Years
Federal Agencies	10 Years
Corporate & Municipal Notes/Bonds	10 Years
Commercial Paper	270 Days
Negotiable Certificates of Deposit	5 Years

The University of Arkansas' investments subject to GASB Statement No. 40 interest rate risk disclosure are summarized below:

INTEREST RATE RISK *June 30, 2025* *(in thousands)*					
INVESTMENT TYPE	VALUE	INVESTMENT MATURITIES (IN YEARS)			
		Less than 1	*1 to 5*	*6 to 10*	*More than 10*
U.S. Treasuries	$ 270,132	$ 28,461	$ 188,171	$ 53,500	
Federal Agencies	6,701	195	5,913	593	
Corporate & Municipal Notes/Bonds	153,702	41,236	109,213	3,253	
Commercial Paper	491	491			
Negotiable Certificates of Deposit	50	25	25		
Totals	**$ 431,076**	**$ 70,408**	**$ 303,322**	**$ 57,346**	**$ 0**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The university does not have a formal investment policy addressing credit risk for nonoperating investments. In accordance with its Operating Funds Investment Policy, the university applies the "prudent investor" standard which states that, "In making investments, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, which an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation, considering probable safety of capital as well as probable income."

The university manages its exposure to fair value losses arising from credit risks as follows:

INVESTMENT RATINGS	
INVESTMENT TYPE (SECTOR)	MINIMUM RATINGS REQUIREMENT
U.S. Treasuries	N/A
Federal Agencies	Highest short-term or one of the two highest long-term rating categories (A-1/P-1, AA-/Aa3 or equivalent)
Corporate Notes	Highest short-term or one of the three highest long-term rating categories (A-1/P-1, A-/A3 or equivalent)
Commercial Paper	Highest short-term rating category (A-1/P-1, or equivalent)
Negotiable Certificates of Deposit	Highest short-term or one of the three highest long-term rating categories (A-1/P-1, A-/A3 or equivalent)
Money Market Funds	AAAm
Fixed-Income Mutual Funds & ETFs	N/A

The University of Arkansas' investments subject to GASB Statement No. 40 credit risk disclosure are summarized below:

CREDIT RISK *June 30, 2025* *(in thousands)*				
INVESTMENT TYPE	VALUE	AAA AA3	A1-A3	NOT RATED
Mutual Treasury Money Market Funds	$ 159,609	$ 48,237		$ 111,372
U.S. Treasuries	270,132	270,132		
Federal Agencies	6,701	6,701		
Corporate & Municipal Notes/Bonds	153,702	63,199	$ 90,503	
Mutual Bond Funds	171			171
Commercial Paper	491			491
Negotiable Certificates of Deposit	50			50
Totals	**$ 590,856**	**$ 388,269**	**$ 90,503**	**$ 112,084**

The ratings are assigned by the Moody's investment ratings service.

2C EXTERNAL INVESTMENT POOL—UNIVERSITY OF ARKANSAS SYSTEM

In 1997, the University of Arkansas and the University of Arkansas Foundation (UA Foundation) established an external investment pool. This arrangement 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 UA 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.

The implementation of GASB Statement No.72, *Fair Value Measurement and Application*, for the year ended June 30, 2016, caused management to reassess the University of Arkansas Board of Trustees' sponsorship role. Based on the UA Foundation's fiduciary responsibilities outlined in the January 2010 agreement, management concluded that the UA Foundation acts as sole sponsor of this investment pool.

The university's ownership of the Total Return Pool was as follows:

EXTERNAL INVESTMENT POOL		
TOTAL RETURN POOL	JUNE 30, 2025	JUNE 30, 2024
University of Arkansas, Fayetteville	3.59%	4.18%
UADA	0.74%	0.85%
Total Pool	**4.33%**	**5.03%**



UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL

Statement of Invested Assets
(in thousands)

INVESTMENT TYPE	FAIR VALUE* JUNE 30, 2025	FAIR VALUE* JUNE 30, 2024
EQUITIES	**$ 550,890**	**$ 477,620**
Common Stock	38,253	59,345
Funds—Common Stock	512,637	418,275
FIXED INCOME	**$ 234,391**	**$ 241,993**
Government Bonds	234,302	241,904
Corporate Bonds	89	89
Government Mortgage Backed Securities		
VENTURE CAPITAL AND PARTNERSHIPS	**$ 1,081,211**	**$ 1,031,912**
Partnerships	1,081,211	1,031,912
HEDGE FUND	**$ 841,772**	**$ 767,963**
Hedge Equity	841,772	767,963
ALL OTHER	**$ 280**	**$ 433**
Recoverable Taxes	280	433
CASH/CASH EQUIVALENTS	**$ 486,527**	**$ 460,781**
Short-Term Bill and Notes	293,367	272,010
Funds—Short-Term Investments	193,231	189,152
Cash	(71)	(381)
Totals	**$ 3,195,071**	**$ 2,980,702**

**Includes accrued income*

CREDIT RISK—S&P QUALITY RATINGS

June 30, 2025
(in thousands)

INVESTMENT TYPE & FAIR VALUE*	CREDIT RISK						
	AAA	*AA*	*A*	*BBB*	*BB*	*NR*	*US GOVN. GUAR*
Corporate Bonds						$ 89	
Funds—Short-Term Investments						192,527	
Government Bonds							$ 233,039
Short-Term Bills and Notes							293,367
Totals	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 192,616**	**$ 526,406**

**Does not include accrued income*

YEARS TO MATURITY

June 30, 2025
(in thousands)

INVESTMENT TYPE	FAIR VALUE*	INVESTMENT MATURITIES (IN YEARS)				
		Less than 1	*1 to 5*	*6 to 10*	*More than 10*	*Maturity Not Determined*
Corporate Bonds	$ 89				$ 89	
Funds—Short Term Investments	192,527					$ 192,527
Government Bonds	233,039			$ 233,039		
Short-Term Bills and Notes	293,367	$ 293,367				
Totals	**$ 719,022**	**$ 293,367**	**$ 0**	**$ 233,039**	**$ 89**	**$ 192,527**

**Does not include accrued income*

INTEREST RATE SENSITIVITY—EFFECTIVE DURATION

June 30, 2025
(in thousands)

INVESTMENT TYPE	FAIR VALUE*	EFFECTIVE DURATION
Corporate Bonds	$ 89	N/A
Funds—Short-Term Investments	192,527	N/A
Government Bonds	233,039	7.95
Short-Term Bills and Notes	293,367	0.54
Total	**$ 719,022**	

**Does not include accrued income*

FOREIGN CURRENCY RISK BY INVESTMENT TYPE

June 30, 2025
(in thousands)

CURRENCY BY INVESTMENT AND FAIR VALUE*	CASH	EQUITY	OTHER ASSETS
Swiss Franc	$ 47		$ 99
Danish Krone			2
Euro	114		176
British Pound Sterling		$ 1	
Hong Kong Dollar		5	
Japanese Yen			3
Totals	**$ 161**	**$ 6**	**$ 280**

**Includes accrued income*

Short-Term Investment Fund Pool

This pool was created in 2019 for campuses to invest funds on a short-term basis so that the funds would be accessible as needed. At June 30, 2025, UADA owned 16.90% of this pool. At June 30, 2024, UADA owned 37.41% of this pool. The following tables contain information on the risk disclosures of the Short-Term Investment Fund Pool.

UNIVERSITY OF ARKANSAS SYSTEM SHORT TERM INVESTMENT FUND POOL

Statement of Invested Assets
(in thousands)

INVESTMENT TYPE	FAIR VALUE* JUNE 30, 2025	FAIR VALUE* JUNE 30, 2024
FIXED INCOME	**$ 76,078**	**$ 24,174**
International Developed Bonds	11,126	4,669
Corporate Bonds	16,524	6,578
U.S. Government Agency Bonds		
U.S. Treasury Bonds	48,428	12,927
CASH/CASH EQUIVALENTS	**$ 70,900**	**$ 39,119**
Certificates of Deposit	18,926	3,089
Commercial Paper	42,929	14,551
Treasury Notes		8,750
Treasury Bills	7,376	12,670
Money Market Funds	1,669	59
Totals	**$ 146,978**	**$ 63,293**

**Includes accrued income*

CREDIT RISK—S&P QUALITY RATINGS

June 30, 2025
(in thousands)

INVESTMENT TYPE & FAIR VALUE*	CREDIT RISK						
	AAA	*AA*	*A*	*BBB*	*BB*	*NR*	*US Govn. Guar*
International Developed Bonds		$ 4,720	$ 6,326				
Corporate Bonds	$ 565	2,420	13,322				
U.S. Treasury Bonds		43,176				$ 4,822	
Totals	**$ 565**	**$ 50,316**	**$ 19,648**	**$ 0**	**$ 0**	**$ 4,822**	**$ 0**

**Does not include accrued income*

YEARS TO MATURITY

June 30, 2025
(in thousands)

INVESTMENT TYPE	FAIR VALUE*	INVESTMENT MATURITIES (IN YEARS)				
		Less than 1	*1 to 3*	*3 to 10*	*More than 10*	*Maturity Not Determined*
International Developed Bonds	$ 11,046	$ 882	$ 10,164			
Corporate Bonds	16,308	6,896	9,412			
U.S. Treasury Bonds	47,998	18,569	29,429			
Totals	**$ 75,352**	**$ 26,347**	**$ 49,005**	**$ 0**	**$ 0**	**$ 0**

**Does not include accrued income*

INTEREST RATE SENSITIVITY—EFFECTIVE DURATION *June 30, 2025* *(in thousands)*			
INVESTMENT TYPE		FAIR VALUE*	EFFECTIVE DURATION
International Developed Bonds	$	11,046	1.41
Corporate Bonds		16,308	0.83
U.S. Treasury Bonds		47,998	1.15
Total	**$**	**75,352**	

**Does not include accrued income*

2D DONOR-RESTRICTED ENDOWMENTS

ACA §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 computation of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure is as follows:

ENDOWMENT AVAILABLE FOR EXPENDITURE *(in thousands)*				
INVESTMENT TYPE		JUNE 30, 2025		JUNE 30, 2024
Endowment Investments	$	139,546	$	129,695
Operating Investment Sweep		1,601		1,335
Amounts Receivable		14		17
Funds Treated as Endowment		(21,774)		(20,158)
Nonexpendable Portion of Endowment		(44,697)		(43,628)
Totals	**$**	**74,690**	**$**	**67,261**

NOTE: The amounts shown as available for expenditure and the funds treated as endowments are reported as expendable net position on the Statement of Net Position. The University of Arkansas, Fayetteville and UADA use a total return policy for investing endowed funds. The university's spending policy is to expend 4.4% of the balance of the endowment averaged over the previous 12 quarters.

For 2025, the total takedown percentage of 5.150% includes 0.750% for administrative costs plus other external fees. For 2024, the total takedown percentage was 5.181%. UADA's spending rate is determined by its investment committee. For 2025, the spending rate was 4.5%. UADA does not include an administrative fee in each year's takedown percentage.

3 RECEIVABLES

3A ACCOUNTS RECEIVABLE

Accounts receivable represent charges due the university from various student fees, room and board, student fines, and other charges. Accounts receivable also include unreimbursed expenses relating to research contracts with federal, state, and private agencies.

A summary of accounts receivable balances at June 30, 2025 are as follows:

ACCOUNTS RECEIVABLE

June 30, 2025
(in thousands)

TYPE	GROSS	ALLOWANCE	BALANCE
Student Accounts Receivable	$ 22,025	$ (6,218)	$ 15,807
Non-Student Accounts Receivable	19,849	(1,296)	18,553
Grant and Contracts Receivable	48,384	(1,529)	46,855
Totals	**$ 90,258**	**$ (9,043)**	**$ 81,215**

A summary of accounts receivable balances at June 30, 2024 are as follows:

ACCOUNTS RECEIVABLE

June 30, 2024
(in thousands)

TYPE	GROSS	ALLOWANCE	BALANCE
Student Accounts Receivable	$ 21,609	$ (7,280)	$ 14,329
Non-Student Accounts Receivable	23,911	(1,580)	22,331
Grant and Contracts Receivable	51,402	(2,528)	48,874
Totals	**$ 96,922**	**$ (11,388)**	**$ 85,534**

3B NOTES RECEIVABLE

Notes receivable consist of resources made available for financial loans to students of the university, financing agreements between the university and certain organizations for the purpose of facilities construction, and an interfund loan between the university and the University of Arkansas System eVersity to help fund its initial startup. The resources for loans to students include federal funds, funds from other external sources, and university funds. New student loans totaling $226,000 and $93,000 were issued under the Student Loan Programs for the years ended June 30, 2025 and June 30, 2024, respectively. Most of the campus- based loans are from Perkins funds provided by the federal government. The federal government halted the issuance of Perkins Loans after June 30, 2018 due to the sunset of the program. The university will continue collecting on the outstanding loans until management decides to liquidate the program. The federal student loan default rate based on the U.S. Department of Education Cohort default rate was 10.00% and 13.88% for the year ended June 30, 2025 and June 30, 2024, respectively. Notes receivable totaling $87,000 and $222,000 were written off during the fiscal year ended June 30, 2025 and June 30, 2024, respectively.

A summary of notes receivable balances at June 30, 2025 are as follows:

NOTES RECEIVABLE *June 30, 2025* *(in thousands)*				
TYPE	**GROSS**	**ALLOWANCE**	**BALANCE**	**CURRENT PORTION**
Student Loans	$ 2,723	$ (213)	$ 2,510	$ 660
Interfund Loan	2,103		2,103	167
Totals	**$ 4,826**	**$ (213)**	**$ 4,613**	**$ 827**

A summary of notes receivable balances at June 30, 2024 are as follows:

NOTES RECEIVABLE *June 30, 2024* *(in thousands)*				
TYPE	**GROSS**	**ALLOWANCE**	**BALANCE**	**CURRENT PORTION**
Student Loans	$ 3,201	$ (260)	$ 2,941	$ 733
Interfund Loan	2,186		2,186	107
Totals	**$ 5,387**	**$ (260)**	**$ 5,127**	**$ 840**

3C PLEDGES RECEIVABLE

Pledges receivable consists of gifts pledged for capital projects, endowments, and other purposes. A summary of pledges receivable balances at June 30, 2025 are as follows:

PLEDGES RECEIVABLE *June 30, 2025* *(in thousands)*				
CATEGORY	**TOTAL GIFT PLEDGE**	**RECEIVED**	**PLEDGES OUTSTANDING**	**CURRENT PORTION**
Capital Projects	$ 5,150	$ 2,802	$ 2,348	$ 1,015
Other	6,400	3,206	3,194	200
Totals	**$ 11,550**	**$ 6,008**	**$ 5,542**	**$ 1,215**

A summary of pledges receivable balances at June 30, 2024 are as follows:

PLEDGES RECEIVABLE *June 30, 2024* *(in thousands)*				
CATEGORY	**TOTAL GIFT PLEDGE**	**RECEIVED**	**PLEDGES OUTSTANDING**	**CURRENT PORTION**
Capital Projects	$ 5,650	$ 2,457	$ 3,193	$ 898
Other	6,958	3,469	3,489	1,220
Totals	**$ 12,608**	**$ 5,926**	**$ 6,682**	**$ 2,118**

4 CAPITAL ASSETS

The following presents a summary of changes in capital assets for the year ended June 30, 2025:

CAPITAL ASSETS *June 30, 2025* *(in thousands)*	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS	ENDING BALANCE
NONDEPRECIABLE CAPITAL ASSETS					
Land	$ 80,115	$ 3,460			$ 83,575
Construction in Progress	234,971	148,513	$ (655)	$ (192,601)	190,228
Other Assets	2,027	892	(64)	2,250	5,105
Total Nondepreciable Capital Assets	**$ 317,113**	**$ 152,865**	**$ (719)**	**$ (190,351)**	**$ 278,908**
DEPRECIABLE CAPITAL ASSETS					
Buildings	$ 2,251,277	$ 698	$ (1,015)	$ 189,594	$ 2,440,554
Equipment	318,008	31,406	(6,228)	(1,221)	341,965
Improvements/Infrastructure	208,244			1,978	210,222
Intangible Assets—Software	10,185				10,185
Intangible Assets—Leaseholds	1,239	4			1,243
Right-to-Use Buildings	37,637	24,503	(12,265)		49,875
Right-to-Use Equipment	1,878	332	(891)		1,319
Right-to-Use Improvements/Infrastructure	12,430	106			12,536
Right-to-Use Software (SBITA)	31,847	5,668			37,515
Library Holdings	87,928	5,974	(420)		93,482
Total Depreciable Capital Assets	**$ 2,960,673**	**$ 68,691**	**$ (20,819)**	**$ 190,351**	**$ 3,198,896**
LESS ACCUMULATED DEPRECIATION					
Buildings	$ (1,105,653)	$ (73,008)	$ 229		$ (1,178,432)
Equipment	(252,823)	(17,212)	5,304		(264,731)
Improvements/Infrastructure	(119,300)	(8,187)			(127,487)
Intangible Assets—Software	(9,608)	(192)			(9,800)
Intangible Assets—Leaseholds	(1,000)	(66)			(1,066)
Right-to-Use Buildings	(17,016)	(8,940)	10,060		(15,896)
Right-to-Use Equipment	(953)	(247)	891		(309)
Right-to-Use Improvements/Infrastructure	(3,758)	(1,334)			(5,092)
Right-to-Use Software (SBITA)	(10,069)	(6,703)			(16,772)
Library Holdings	(70,251)	(2,957)	420		(72,788)
Total Accumulated Depreciation	**$ (1,590,431)**	**$ (118,846)**	**$ 16,904**	**$ 0**	**$ (1,692,373)**
Total Depreciable Capital Assets	**$ 1,370,242**	**$ (50,155)**	**$ (3,915)**	**$ 190,351**	**$ 1,506,523**
Total Capital Assets, Net of Accumulated Depreciation	**$ 1,687,355**	**$ 102,710**	**$ (4,634)**	**$ 0**	**$ 1,785,431**

The following presents a summary of changes in capital assets for the year ended June 30, 2024:

CAPITAL ASSETS *June 30, 2024* *(in thousands)*	BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ADJUSTMENTS	ENDING BALANCE
NONDEPRECIABLE CAPITAL ASSETS					
Land	$ 71,219	$ 8,958	$ (62)		$ 80,115
Construction in Progress	83,680	177,660	(10)	(26,359)	234,971
Other Assets	1,818	211	(2)		2,027
Total Nondepreciable Capital Assets	**$ 156,717**	**$ 186,829**	**$ (74)**	**$ (26,359)**	**$ 317,113**
DEPRECIABLE CAPITAL ASSETS					
Buildings	$ 2,234,778			$ 16,499	$ 2,251,277
Equipment	301,853	$ 25,452	$ (11,496)	2,199	318,008
Improvements/Infrastructure	199,326	1,474	(217)	7,661	208,244
Intangible Assets—Software	78,661		(68,476)		10,185
Intangible Assets—Leaseholds	1,130	109			1,239
Right-to-Use Buildings	26,516	11,121			37,637
Right-to-Use Equipment	891	987			1,878
Right-to-Use Improvements/Infrastructure	12,115	315			12,430
Right-to-Use Software (SBITA)	29,237	2,610			31,847
Library Holdings	89,319	5,644	(7,035)		87,928
Total Depreciable Capital Assets	**$ 2,973,826**	**$ 47,712**	**$ (87,224)**	**$ 26,359**	**$ 2,960,673**
LESS ACCUMULATED DEPRECIATION					
Buildings	$ (1,034,047)	$ (71,606)			$ (1,105,653)
Equipment	(247,099)	(15,938)	$ 10,214		(252,823)
Improvements/Infrastructure	(111,229)	(8,071)			(119,300)
Intangible Assets—Software	(77,611)	(473)	68,476		(9,608)
Intangible Assets—Leaseholds	(936)	(64)			(1,000)
Right-to-Use Buildings	(7,615)	(9,401)			(17,016)
Right-to-Use Equipment	(676)	(277)			(953)
Right-to-Use Improvements/Infrastructure	(2,433)	(1,325)			(3,758)
Right-to-Use Software (SBITA)	(5,481)	(5,389)	801		(10,069)
Library Holdings	(74,782)	(2,504)	7,035		(70,251)
Total Accumulated Depreciation	**$ (1,561,909)**	**$ (115,048)**	**$ 86,526**	**$ 0**	**$ (1,590,431)**
Total Depreciable Capital Assets	**$ 1,411,917**	**$ (67,336)**	**$ (698)**	**$ 26,359**	**$ 1,370,242**
Total Capital Assets, Net of Accumulated Depreciation	**$ 1,568,634**	**$ 119,493**	**$ (772)**	**$ 0**	**$ 1,687,355**

NOTE: *See Notes 8 and 9 for additional disclosures on leases and Subscription-Based Information Technology Arrangements (SBITAs). Land of $416,000 and buildings of $4,825,000 related to the joint endeavor between the University of Arkansas and the City of Fayetteville are included in the above amounts. See Note 15.*

Museum Collection

The financial statements do not include the university's museum collection which consists of numerous historical relics, artifacts, displays, and memorabilia. Major collections are in archeology, physical anthropology, ethnography, geology, zoology, and history. The value of these collections has not been established by professionals in their respective fields.



5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable balances are summarized as follows:

ACCOUNTS PAYABLE (in thousands)				
TYPE		**JUNE 30, 2025**		**JUNE 30, 2024**
Payable to Outside Vendors	$	40,346	$	49,117
Retainage on Construction Contracts		12,514		10,887
Totals	**$**	**52,860**	**$**	**60,004**

Accrued payroll liabilities are summarized as follows:

ACCRUED PAYROLL LIABILITIES (in thousands)				
TYPE		**JUNE 30, 2025**		**JUNE 30, 2024**
Net Salaries and Wages Payable	$	3,496	$	1,386
Employee Withholdings Payable		14,435		11,369
Totals	**$**	**17,931**	**$**	**12,755**

6 SHORT-TERM BORROWING

GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, states that governments should provide details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end. The university had no short-term debt activity during the fiscal year, nor is there any outstanding balance of short-term debt as of June 30, 2025.



7 COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with policies established by the Board of Trustees. Full-time university employees accrue annual leave from 10 to 15 hours per month dependent upon number of years of employment in state government. Under the university's policy, an employee may carry accrued leave forward from one calendar year to another, up to a maximum of 240 hours (30 working days). Employees who terminate their employment are entitled to payment for all accumulated annual leave, up to the maximum allowed.

As of July 1, 2024, the university adopted GASB Statement 101. Management determined fiscal year 2025 restatement was unnecessary due to the implementation since it resulted in no material change.

The university recognizes a liability for compensated absences. The liability is based on the value of unused employee vacation and compensatory time as of year-end that are more likely than not to be utilized by the employee or paid out at termination by the employee. This also includes the associated benefit costs.

The university recognizes the estimated amount of liability that will be incurred within the next year as a current liability and the balance as noncurrent.

Changes in compensated absences for the year ended June 30, 2025 are as follows:

COMPENSATED ABSENCES *June 30, 2025* *(in thousands)*	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	CURRENT PORTION
Compensated Absences	$ 24,239	$ 32,821	$ 30,607	$ 26,453	$ 2,849

Changes in compensated absences for the year ended June 30, 2024 are as follows:

COMPENSATED ABSENCES *June 30, 2024* *(in thousands)*	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	CURRENT PORTION
Compensated Absences	$ 23,428	$ 24,892	$ 24,081	$ 24,239	$ 2,495

8 LEASES AND SBITAS

8A LEASES WHERE THE UNIVERSITY IS THE LESSEE

The university enters into various leases for facilities, equipment, and infrastructure. Of these leases, some agreements call for payments that are partially or completely variable and therefore were not included in right-to-use assets or lease liabilities. These variable lease payments are derived from percentage of sales, use of leased assets, or changes in indexes or rates. The university recognized a total of $8,503,000 and $4,832,000 as expenses from variable payments, including leases deemed short-term, for the years ended June 30, 2025 and 2024, respectively.

See Note 4 for a summary of the changes in the right-to-use assets, displayed by the nature of the underlying assets, for the years ended June 30, 2025 and 2024. See Note 9 for the lease liability activity for the years ended June 30, 2025 and 2024.

8B LEASES WHERE THE UNIVERSITY IS THE LESSOR

For the years ended June 30, 2025 and 2024, the university earned a total of $1,121,000 and $1,709,000 in lease revenue and $261,000 and $287,000 in lease interest revenue, respectively, from arrangements meeting the definition of a lease.

The university entered into some leases which call for payments that are completely variable and therefore were not included in the lease receivables or deferred inflows of resources. These variable lease payments are derived from a percentage of sales, use of the leased asset, or changes in indexes or rates. The university recognized a total of $2,696,000 and $1,668,000 as revenue from these variable payments, including leases deemed short-term, for the years ended June 30, 2025 and 2024, respectively. Revenue for variable and short-term lease payments exclude student-related housing rental income.

The receivable related to leases where the university is the lessor was $8,313,000 and $9,290,000 and is included in accounts receivable on the Statement of Net Position as of June 30, 2025 and 2024, respectively.

8C SBITAS

The university enters into various subscription-based information technology arrangements (SBITAs) that convey to the university control of right-to-use vendor-provided software, alone or in combination with an underlying tangible IT capital asset. Of these SBITAs, some arrangements call for payments that are partially or completely variable and therefore were not included in the right-to-use subscription assets or subscription liabilities. These variable payments are derived from a number of licenses that change from time to time, use of the IT asset, or changes in index rates. The university recognized a total of $17,220,000 and $15,088,000 as expenses from these variable payments, including those subscriptions deemed short-term, for the years ended June 30, 2025 and 2024, respectively.

See Note 4 for a summary of the changes in the right-to-use subscription assets for the years ended June 30, 2025 and 2024. See Note 9 for the SBITA liability activity for the years ended June 30, 2025 and 2024.



9 LONG-TERM DEBT

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.

9A SCHEDULE OF LONG-TERM DEBT

A summary of long-term debt at June 30, 2025 and 2024 is as follows:

LONG-TERM DEBT *(in thousands)*							
				JUNE 30, 2025		JUNE 30, 2024	
DATE OF ISSUE	DATE OF MATURITY	RATE OF INTEREST	2025 AMOUNT AUTHORIZED & ISSUED	*Debt Outstanding*	*Maturities & Refinanced Amounts*	*Debt Outstanding*	*Maturities & Refinanced Amounts*
BONDS							
5/16/2013	9/15/2027	1.00% to 5.00%					$ 30,355
6/30/2014	11/1/2043	0.85% to 4.50%	$ 5,020	$ 3,815	$ 1,205	$ 3,945	1,075
8/27/2015	11/1/2045	1.02% to 4.40%	7,510	6,035	1,475	6,220	1,290
4/5/2016	11/1/2046	3.00% to 5.00%	93,590	47,980	45,610	53,650	39,940
4/5/2016	11/1/2028	0.87% to 3.25%	15,280	5,235	10,045	6,455	8,825
10/19/2016	9/15/2036	5.00%	24,845	24,845		24,845	
10/19/2016	9/15/2034	1.192% to 3.388%	90,000	62,830	27,170	68,820	21,180
8/1/2017	11/1/2047	2.00% to 5.00%	95,805	44,710	51,095	65,365	30,440
7/26/2018	11/1/2048	5.00%	20,385	18,335	2,050	18,720	1,665
7/26/2018	11/1/2038	2.65% to 4.00%	6,560	5,055	1,505	5,325	1,235
8/22/2019	11/1/2049	4.00% to 5.00%	59,655	51,850	7,805	53,570	6,085
8/22/2019	9/15/2034	5.00%	24,900	19,465	5,435	20,930	3,970
11/5/2019	11/1/2042	1.762% to 3.401%	139,220	90,390	48,830	112,250	26,970
12/1/2021	11/1/2043	0.371% to 2.685%	175,645	76,380	99,265	135,420	40,225
11/9/2022	11/1/2052	4.00% to 5.25%	72,655	70,390	2,265	71,550	1,105
11/9/2022	11/1/2032	4.70% to 5.28%	4,025	3,370	655	3,705	320
8/3/2023	9/15/2027	5.00%	10,260	8,035	2,225	10,260	
8/17/2023	11/1/2053	4.751% to 5.467%	62,335	61,430	905	62,335	
8/17/2023	11/1/2044	5.00%	60,075	58,780	1,295	60,075	
8/28/2024	11/1/2054	5.00%	29,845	29,845			
8/28/2024	11/1/2045	4.00% to 5.00%	72,295	72,295			
NET UNAMORTIZED PREMIUM							
Various Bond Net Unamortized Premium			$ 88,094	$ 58,025	$ 30,069	$ 51,046	$ 28,658

LONG-TERM DEBT

(in thousands)

DATE OF ISSUE	DATE OF MATURITY	RATE OF INTEREST	2025 AMOUNT AUTHORIZED & ISSUED	JUNE 30, 2025		JUNE 30, 2024	
				Debt Outstanding	*Maturities & Refinanced Amounts*	*Debt Outstanding*	*Maturities & Refinanced Amounts*
NOTES							
5/1/2005	11/1/2034	2.00% to 5.00%	$ 1,605	$ 463	$ 1,142	$ 498	$ 1,107
2/1/2019	6/1/2024	3.75%					331
3/1/2019	6/1/2024	3.72%					107
7/1/2019	6/1/2024	3.46%					375
7/1/2019	7/1/2025	2.74%	619	96	523	189	430
9/11/2020	9/15/2028	1.38%	4,727	4,382	345	4,727	
9/11/2020	9/15/2028	1.81%	13,937	10,588	3,349	13,937	
INSTALLMENT CONTRACTS							
7/31/2015	7/1/2023	1.97%					$ 4,936
7/31/2015	11/19/2023	1.99%					16,969
10/1/2018	7/1/2025	9.46%	$ 25		$ 25	$ 7	18
2/1/2019	6/1/2024	3.75%					374
3/1/2019	6/1/2024	3.72%					688
7/1/2019	6/1/2024	3.46%					170
8/18/2021	8/15/2031	1.23%	10,841	$ 6,930	3,911	7,990	2,851
7/1/2022	6/30/2025	2.23%					960
7/1/2024	6/30/2027	3.81%	39	26	13		
6/1/2025	5/31/2029	3.04%	76	58	18		
LEASES							
Various Facility Leases			$ 59,911	$ 36,083	$ 23,828	$ 23,518	$ 13,987
Various Equipment Leases			1,319	1,003	316	928	703
Various Infrastructure Leases			315	110	205	213	102
SBITAS							
Various SBITAs			$ 12,801	$ 6,568	$ 6,233	$ 7,125	$ 3,797
Totals			**$ 1,264,214**	**$ 885,402**	**$ 378,812**	**$ 893,618**	**$ 291,243**



9B SCHEDULE OF CHANGES IN LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2025 are as follows:

CHANGES IN LONG-TERM DEBT *June 30, 2025* *(in thousands)*	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	CURRENT PORTION
Bonds	$ 783,440	$ 102,140	$ 124,510	$ 761,070	$ 37,910
Net Unamortized Premium	51,046	13,685	6,706	58,025	3,619
Notes	19,351		3,822	15,529	3,834
Installment Contracts	7,997	115	1,098	7,014	1,105
Leases	24,659	22,842	10,305	37,196	12,799
SBITAs	7,125	1,879	2,436	6,568	2,470
Totals	**$ 893,618**	**$ 140,661**	**$ 148,877**	**$ 885,402**	**$ 61,737**

Changes in long-term debt for the year ended June 30, 2024 are as follows:

CHANGES IN LONG-TERM DEBT *June 30, 2024* *(in thousands)*	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	CURRENT PORTION
Bonds	$ 765,650	$ 132,670	$ 114,880	$ 783,440	$ 37,900
Net Unamortized Premium	52,397	8,871	10,222	51,046	3,067
Notes	19,645		294	19,351	3,823
Installment Contracts	11,191		3,194	7,997	1,067
Leases	19,900	12,424	7,665	24,659	9,726
SBITAs	5,619	3,402	1,896	7,125	1,813
Totals	**$ 874,402**	**$ 157,367**	**$ 138,151**	**$ 893,618**	**$ 57,396**



9C FUTURE PRINCIPAL AND INTEREST PAYMENTS

Scheduled maturities of bonds are as follows:

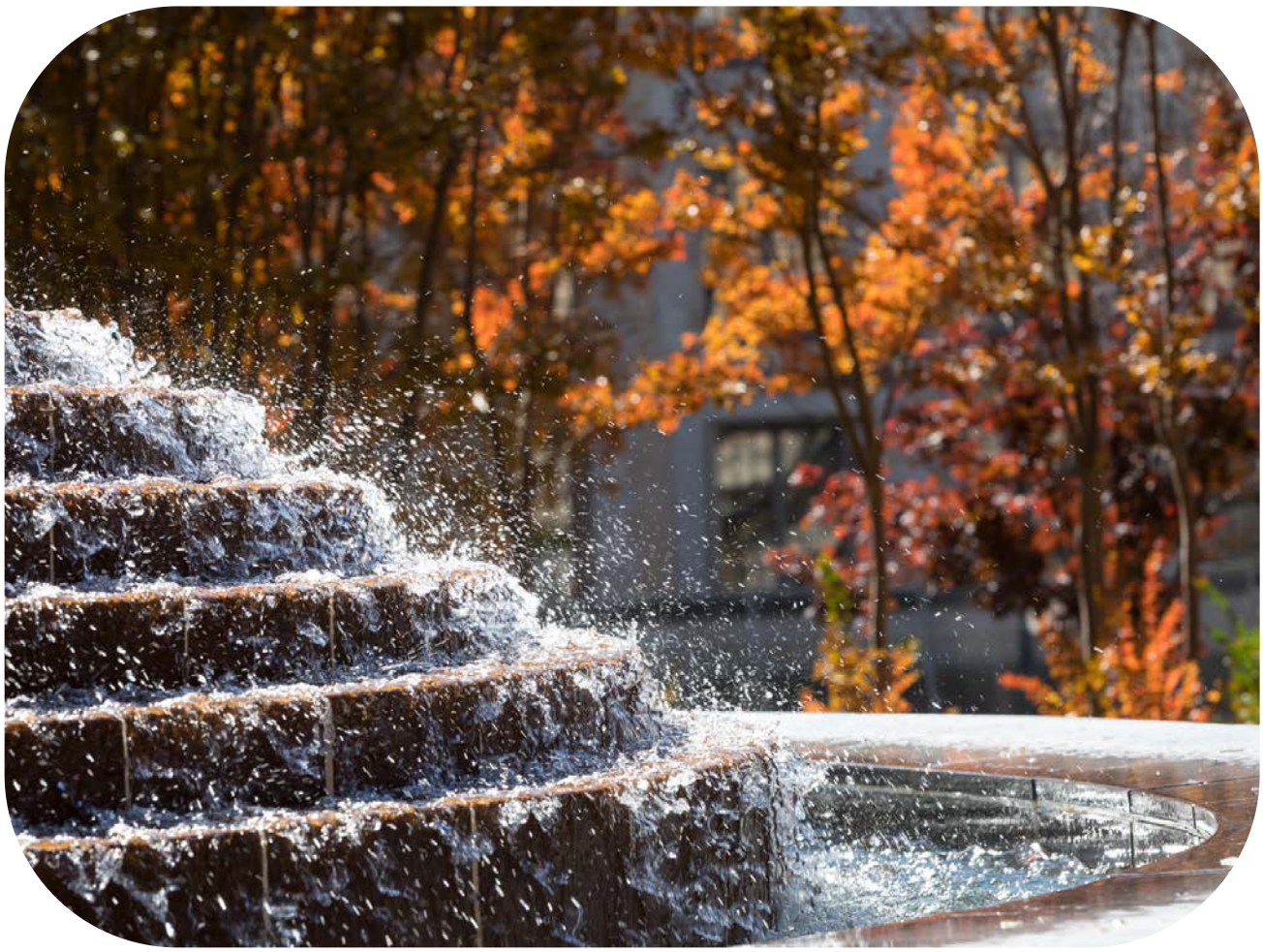
FUTURE LONG-TERM PAYMENTS (in thousands)			
YEAR(S)	BONDS		
	Principal	*Interest*	*Total*
2026	$ 37,910	$ 31,600	$ 69,510
2027	37,045	30,299	67,344
2028	39,300	28,922	68,222
2029	37,795	27,600	65,395
2030	38,025	26,253	64,278
2031—2035	200,530	107,322	307,852
2036—2040	166,650	66,119	232,769
2041—2045	96,095	38,360	134,455
2046—2050	71,220	17,776	88,996
2051—2055	36,500	3,829	40,329
Total Future Payments	**$ 761,070**	**$ 378,080**	**$ 1,139,150**

Scheduled maturities of notes payable and installment contracts are as follows:

FUTURE LONG-TERM PAYMENTS (in thousands)						
YEAR(S)	NOTES FROM DIRECT BORROWINGS			INSTALLMENT CONTRACTS		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2026	$ 3,834	$ 246	$ 4,080	$ 1,105	$ 84	$ 1,189
2027	3,740	177	3,917	1,119	69	1,188
2028	3,742	111	3,853	1,120	54	1,174
2029	3,910	46	3,956	1,114	40	1,154
2030	45	12	57	1,127	26	1,153
2031—2035	258	26	284	1,429	13	1,442
Total Future Payments	**$ 15,529**	**$ 618**	**$ 16,147**	**$ 7,014**	**$ 286**	**$ 7,300**

Scheduled maturities of leases and SBITAs are as follows:

FUTURE LONG-TERM PAYMENTS (in thousands)						
YEAR(S)	LEASES			SBITAS		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2026	$ 12,799	$ 1,201	$ 14,000	$ 2,470	$ 152	$ 2,622
2027	9,016	778	9,794	2,223	88	2,311
2028	6,787	489	7,276	912	41	953
2029	6,642	214	6,856	963	10	973
2030	1,128	36	1,164			
2031—2035	461	65	526			
2036—2040	192	36	228			
2041—2045	171	9	180			
Total Future Payments	**$ 37,196**	**$ 2,828**	**$ 40,024**	**$ 6,568**	**$ 291**	**$ 6,859**



9D 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 years ended June 30, 2025 and June 30, 2024 that are pledged:

PLEDGED REVENUES *(in thousands)*			
BOND SERIES	**REVENUE SOURCE**	**2025**	**2024**
Series 2014B Various Facilities	Student Tuition and Fees	$ 434,149	$ 400,458
Series 2015B Various Facilities	Sales and Services	19,771	18,202
Series 2016A Various Facilities	Residential Life	110,131	98,490
Series 2016B Various Facilities	Bookstore	1,519	1,591
Series 2017 Various Facilities	Student Health Services	3,069	3,411
Series 2018A Various Facilities	Transit and Parking	13,321	11,700
Series 2018B Various Facilities	Other Auxiliaries*	2,595	7,697
Series 2019A Various Facilities			
Series 2019B Various Facilities			
Series 2021A Various Facilities			
Series 2022A Various Facilities			
Series 2022B Various Facilities			
Series 2023A Various Facilities			
Series 2023B Various Facilities			
Series 2024A Various Facilities			
Series 2024B Various Facilities			
Total Various Facilities Pledge		**$ 584,555**	**$ 541,549**
Series 2013 Athletic Facilities**	Men's Athletic Revenue	$ 158,023	$ 138,120
Series 2016A Athletic Facilities	(Less: Game Guarantees)	(5,458)	(4,890)
Series 2016B Athletic Facilities			
Series 2019A Athletic Facilities			
Series 2023 Athletic Facilities			
Total Athletics Pledge		**$ 152,565**	**$ 133,230**

**For the purposes of calculating pledged revenues, Computer Store revenues shown include internally generated revenues from sales to the university campus of $226 and $5,385 for the year ending June 30, 2025 and June 30, 2024, respectively.*

***Applicable for 2024 only.*

The Various Facility revenue pledge is used to repay 16 various facilities revenue bond issues as detailed in the schedule above. Proceeds from the bonds provided financing for the construction and renovation of various campus buildings, utility and other infrastructure, land purchases, and refunding of existing debt issues. The maturity date on the issues range from November 2028 through November 2054. Annual principal and interest payments on the bonds are expected to require approximately 9.35% of gross revenues. The total principal and interest remaining to be paid on the bonds is $995,581,000. Principal and interest paid for the current year and gross revenues were $54,680,000 and $584,555,000, respectively.

The Athletics revenue pledge is used to repay four athletic facilities revenue bond issues as detailed in the schedule above. Proceeds from the bonds provided financing for the construction and renovation of various athletic facilities as well as the refunding of existing debt issues. The maturity date on the issues range from September 2027 to September 2036. Annual principal and interest payments on the bonds are expected to require approximately 9.40% of net revenues pledged. The total principal and interest remaining to be paid on the bonds is $143,569,000. Principal and interest paid for the current year and net revenues were $14,341,000 and $152,565,000, respectively.

9E FISCAL YEAR 2025 LONG-TERM DEBT TRANSACTIONS

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

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

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

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

INVITED BONDS	AMOUNT OUTSTANDING	TENDERED AMOUNT	INTEREST RATE RANGE
Series 2016A Bonds	$ 53,650,000	$ 2,560,000	3.00 to 5.00%
Series 2017 Bonds	$ 65,365,000	$ 18,750,000	5.00%
Series 2019B Bonds	$ 112,250,000	$ 16,250,000	2.256% to 3.401%
Series 2021 Bonds	$ 135,420,000	$ 49,050,000	1.127% to 2.685%

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

In fiscal year 2025, the university added facility and equipment leases under GASB Statement No. 87. In June 2025, an existing overflow housing lease was amended to increase capacity and extend the term through July 2029, adding $18,687,000 in lease liability and right-to-use assets at a 4.33% incremental borrowing rate. In November 2024, the university replaced an existing off-campus lease for classroom, office, and faculty housing space, incurring a $66,000 early termination loss. The new arrangement established $3,468,000 in lease liability and right-to-use assets at a 3.13% rate, with lease components expiring in October 2030 and October 2032. Additional leases for facilities and equipment totaling $687,000 were entered into throughout the year at incremental borrowing rates ranging from 3.34% to 4.33% and termination dates ranging from May 2026 to June 2030.

During fiscal year 2025, the university entered into software-as-a-service arrangements, resulting in additional SBITA liabilities of $1,879,000 and right-to-use assets of $5,668,000 calculated at a 2.98% incremental borrowing rate. These arrangements terminate between October 2026 and April 2028. Payments made prior to commencement of $3,790,000 included $3,125,000 reported as a prepayment in Other Assets on the June 30, 2024 Statement of Net Position.

9F FISCAL YEAR 2024 LONG-TERM DEBT TRANSACTIONS

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 $10,649,000 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 $1,021,000. 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 $406,000 and to obtain a net present value economic gain of $400,000.

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 (I^3R), (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%

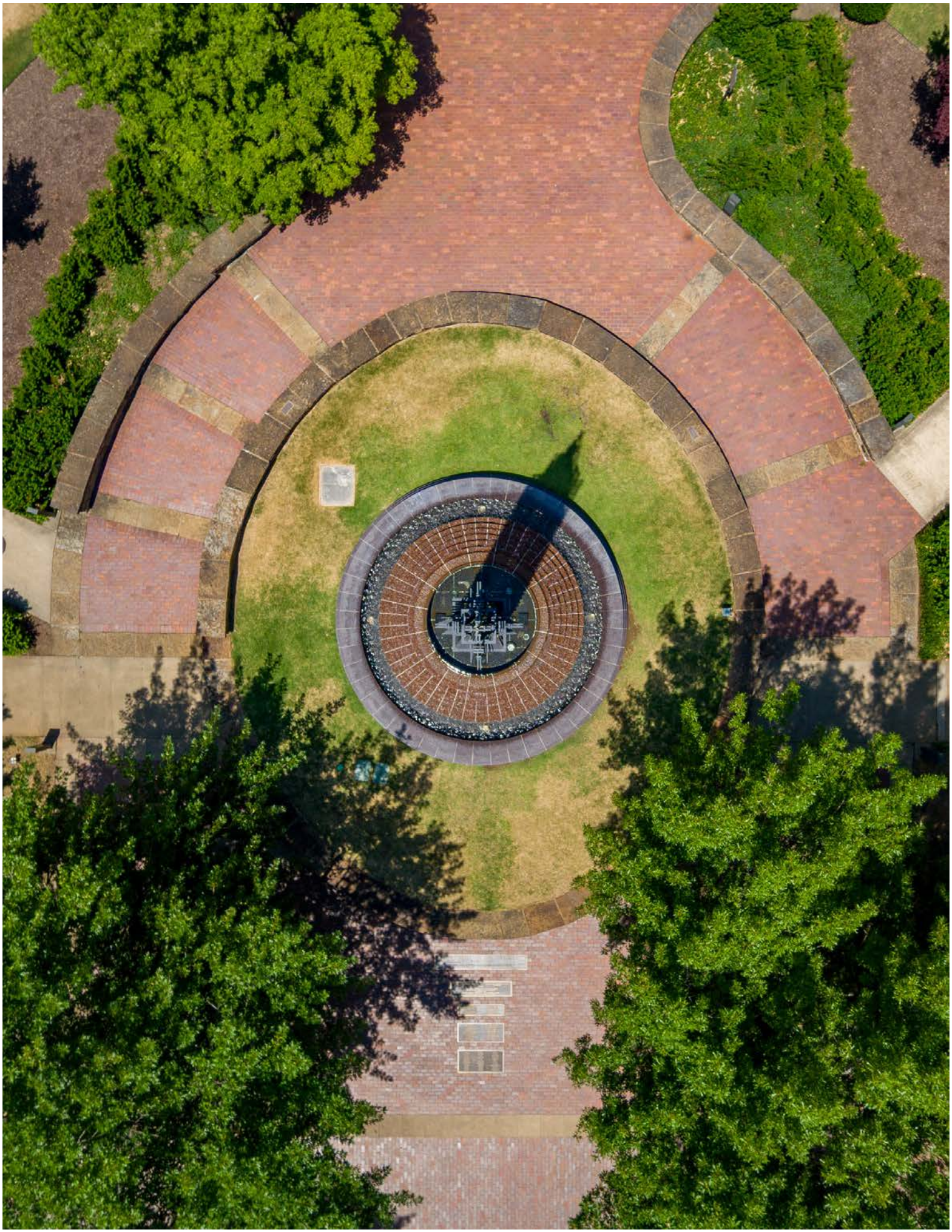
A total of $68,699,000 was deposited into the escrow account upon closing. The purchase price to retire the bonds was funded with net bond proceeds and premiums from the Series 2023B Bonds of $67,923,000 and a contribution from the university of $776,000 representing the interest on the retired bonds 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 $3,951,000. 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 23 years by $7,036,000 and to obtain an economic gain of $4,818,000.

In fiscal year 2024, the university added facility and equipment leases under GASB Statement No. 87. In July 2023, a parking infrastructure lease at an overflow housing facility, previously accounted for as a variable-payment arrangement, was recorded with a lease liability and right-to-use asset of $315,000 at a 4.73% incremental borrowing rate.

In August 2023, an existing short-term overflow housing lease was amended to increase capacity and extend the term through May 2027, adding $10,946,000 in lease liability and right-to-use assets at a 4.73% rate. Also in August 2023, a new classroom and collaborative lab space lease resulted in $175,000 in lease liability and right-to-use assets at a 4.73% rate with a termination date of June 30, 2026. Throughout the year, print and copy equipment leases totaling $988,000 were entered into at incremental borrowing rates ranging from 3.33% to 3.81% and terminating between January 2029 and May 2029 based on lease start dates.

In July 2023, the university amended a previously recorded SBITA to add services and extend the term through November 2029, resulting in additional liabilities of $3,402,000 at a 4.49% incremental borrowing rate.





10 FAIR VALUE MEASUREMENTS

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The statement established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy 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 can 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 the assumptions that 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, 2025:



INVESTMENT INSTRUMENTS MEASURED AT FAIR VALUE (in thousands)				
		FAIR VALUE MEASUREMENTS USING		
INVESTMENTS BY FAIR VALUE LEVEL	JUNE 30, 2025	*Quoted Prices in Active Markets for Identical Assets (Level 1)*	*Significant Other Observable Inputs (Level 2)*	*Significant Unobservable Inputs (Level 3)*
U.S. Equity Securities	$ 269	$ 269		
Fixed Income Securities:				
U.S. Government Debt	277,200	5,821	$ 271,379	
Other Debt Securities	265,238	49	265,189	
Commingled Funds:				
U.S. Equity	220	98	122	
International Equity	116	116		
U.S. Government Bonds	48,269	48,269		
Non-U.S. Government Bonds	2	2		
Corporate Bonds	161	150	11	
Exchange Traded Funds:				
Equity	14	14		
Fixed Income	27	27		
Marketable Alternatives	710			$ 710
Money Markets And Short-Term Investments	27		27	
Total Investments by Fair Value Level	**$ 592,253**	**$ 54,815**	**$ 536,728**	**$ 710**
INVESTMENTS MEASURED AT THE NET ASSET VALUE (NAV)				
External Investment Pools:				
Total Return Pool	$ 138,220			
UA System Short-Intermediate Pool	24,840			
Total Investments Measured at the NAV	**$ 163,060**			
Total Investments Measured at Fair Value	**$ 755,313**			

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 the security custodian. Securities classified in Level 3 are valued using par value on the face of the investments or provided by the security custodian. Life-interest in real estate classified in Level 3 is valued using an independent appraisal dated June 30, 2025.

INVESTMENTS MEASURED AT THE NAV (in thousands)					
EXTERNAL INVESTMENT POOLS		FAIR VALUE	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCE	REDEMPTION NOTICE PERIOD
Total Return Pool[1]	$	138,220	–	Daily	0–30 days
UA System Short-Intermediate Pool[2]		24,840	–	Daily	0–3 days
Total Investments Measured at the NAV	**$**	**163,060**			

1. *This type includes investments in a broadly diversified external investment pool. Pooled investments include allocations to global equities, both public and private, hedge funds, and bonds. 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 an external investment pool comprised of fixed income investments. The pooled investments are allocated primarily to intermediate and short-term government bonds and investment-grade corporate bonds. The pool also includes allocations to commercial paper, negotiable certificates of deposit, and money market funds. The assets in the pool are accounted for at fair value determined according to the principles of the Governmental Accounting Standards Board. A three-day notice is required for redemptions.*

11 NATURAL AND 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 the year ended June 30, 2025:

OPERATING EXPENSES *June 30, 2025* *(in thousands)*					
FUNCTIONAL CLASSIFICATIONS	**NATURAL CLASSIFICATIONS**				**TOTALS**
	Salaries, Wages, and Benefits	***Scholarships and Fellowship***	***Supplies and Other Services***	***Depreciation***	
Instruction	$ 231,796		$ 36,422		$ 268,218
Research	116,420		64,804		181,224
Public Service	66,290		33,999		100,289
Academic Support	62,777		17,787		80,564
Student Services	47,107		26,639		73,746
Institutional Support	42,815		23,048		65,863
Scholarships and Fellowships	419	$ 34,380	606		35,405
Operation and Maintenance of Plant	21,534		46,682		68,216
Auxiliary Enterprises	94,050		126,118		220,168
Depreciation				$ 118,846	118,846
Totals	**$ 683,208**	**$ 34,380**	**$ 376,105**	**$ 118,846**	**$ 1,212,539**

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 the year ended June 30, 2024:

OPERATING EXPENSES *June 30, 2024* *(in thousands)*					
FUNCTIONAL CLASSIFICATIONS	**NATURAL CLASSIFICATIONS**				**TOTALS**
	Salaries, Wages, and Benefits	***Scholarships and Fellowship***	***Supplies and Other Services***	***Depreciation***	
Instruction	$ 217,421		$ 36,084		$ 253,505
Research	113,092		59,967		173,059
Public Service	61,263		28,127		89,390
Academic Support	57,244		15,382		72,626
Student Services	40,911		24,562		65,473
Institutional Support	42,353		23,974		66,327
Scholarships and Fellowships	471	$ 32,642	679		33,792
Operation and Maintenance of Plant	20,150		39,558		59,708
Auxiliary Enterprises	84,437		112,501		196,938
Depreciation				$ 115,048	115,048
Totals	**$ 637,342**	**$ 32,642**	**$ 340,834**	**$ 115,048**	**$ 1,125,866**

12 EMPLOYEE BENEFITS

12A RETIREMENT PLANS

New employees of the university who are employed half-time or greater and are on at least a nine-month appointment period and similar employees who transfer to or from another campus within the University of Arkansas System with more than a 30-day break will be required to participate in the University of Arkansas Retirement Plan. Employees who transfer to or from another campus within the University of Arkansas System with fewer than 30-day break and who were participating in either APERS or ATRS can elect at their new campus to participate in APERS or the University of Arkansas Retirement Plan. Employees who are participants prior to July 1, 2020 who terminate employment and have a break in service of more than 30 days and who are rehired on or after July 1, 2020 are considered new participants. Employees who previously were not benefits-eligible and who become benefits-eligible on or after July 1, 2020, and employees who retire with APERS and ATRS and who become participants in this plan on or after July 1, 2020 are considered new participants. All employees are eligible to make voluntary elective employee contributions under the plan even if they are not eligible for employer contributions.

University of Arkansas Retirement Plan

PLAN DESCRIPTION

The University of Arkansas Retirement Plan is a defined contribution plan under 403(b) Plan and 457(b) of the Internal Revenue Service (IRS) Code. The authority under which the Plan's benefit provisions are established or amended is the President of the University of Arkansas System or his designee. The Plan provides the option of investing with Teachers Insurance Annuity Association (TIAA) and/or Fidelity Investments. All amounts must be invested in annuities and mutual funds held at TIAA or Fidelity Investments.

CONTRIBUTIONS

Effective July 1, 2020, all benefits-eligible employees of the University of Arkansas are required to contribute 5% of their regular salary to the TIAA and/or Fidelity Investments. The university automatically contributes 5% of an employee's regular salary to a TIAA and/or Fidelity Investments retirement account in accordance the employee's directed allocations. For any contributions an employee makes in excess of 5% of their regular salary, the university makes an equal contribution up to the IRS limit. IRS regulations limit the compensation taken into account when determining employer and employee contributions to $350,000 in 2025. Employee contributions in excess of 10% are allowed in accordance with IRS regulations but the university does not match these additional contributions. All benefits attributable to plan contributions made by the participant are vested immediately. All benefits attributable to contributions made by the university for faculty and staff hired on or after July 1, 2016 will be vested at the end of 24 consecutive months of employment, upon death, attainment of age 65 while actively employed, or should they become disabled while actively employed as determined by the Social Security Administration or the university's long-term disability insurance provider. The university's and participants' TIAA contributions for the year ending June 30, 2025 were $20,109,000 and $24,251,000, respectively. The university's and participants' Fidelity Investments contributions for the year ending June 30, 2025 were $16,662,000 and $21,211,000, respectively.

Arkansas Public Employees Retirement System (APERS)

PLAN DESCRIPTION

The Arkansas Public Employees' Retirement System (APERS) is a cost-sharing, multiple-employer, defined benefit 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 APERS is vested in the 13 members of the Board of Trustees of the Arkansas Public Employees' Retirement System. Membership includes five state and five non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of State, Treasurer of State, and the Director of the Department of Finance and Administration. APERS issues a publicly available financial report that can be obtained at **https://www.apers.org/publications**.

BENEFITS PROVIDED

Benefit provisions are set forth in ACA §24-4 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability, and survivor benefits. The normal retirement benefit amount, paid on a monthly basis, is determined by the member's final average compensation and years of service.

Members are eligible for full benefits under the following conditions:

- At age 65 with five years of actual service,
- At any age with 28 years of actual service, or
- At age 60 with 20 years of actual service if under the Old Contributory Plan (prior to July 1, 2005).

Members may retire with a reduced benefit at age 55 with at least five years of actual service or at any age with 25 years of service.

The Old Contributory Plan is available to persons who became members of APERS before January 1, 1978. The Non-Contributory Plan applies to all persons first hired after January 1, 1978 and before July 1, 2005 in APERS-covered employment. The New Contributory Plan applies to all persons hired after July 1, 2005 in APERS-covered employment or Non-Contributory members who elected to participate in the New Contributory Plan.

In Act 370, the 93rd State of Arkansas General Assembly 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 three-year average compensation. The percentage used is based upon whether a member is Contributory or Non-Contributory as follows:

CONTRIBUTORY	
Prior to 7/1/2001	2.11%
Prior to 7/1/2005	2.07%
7/1/2005 – 6/30/2007	2.03%
On or after 7/1/2007	2.00%
NON-CONTRIBUTORY	
Prior to 7/1/2007	1.75%
On or after 7/1/2007	1.72%

The Contributory and Non-Contributory member's multiplier will be increased by 0.5% for service accrued after July 1, 2009 that exceeds 28 years.

Members are eligible for disability benefits with five years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Death benefits are paid to a surviving spouse if the member had five years of service and the monthly benefit is computed as if the member had retired and elected the Joint & 75% Survivor option.

A cost-of-living adjustment of 3% of the current benefit is added each year. For members first hired on or after July 1, 2022, the redetermined amount is the monthly benefit payable as of the preceding July 1 increased by the lesser of 3% or the percentage change in the Consumer Price Index for Urban Wage Earnings and Clerical Workers over the one-year period ending in the December preceding the redetermination date.

Effective July 1, 2016, new employees of the university are no longer eligible to participate in APERS. Existing APERS participants can continue APERS participation.

CONTRIBUTIONS

Contribution requirements are set forth in ACA §24-4. 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 and elected to remain in the Non-Contributory Plan are not required to make contributions to APERS. Members who began service on or after July 1, 2005 are required to participate in the Contributory Plan and contribute 5% of their salaries. Beginning July 1, 2022 and continuing each following fiscal year, the rate increases by 0.25% each July 1 until it reaches 7%.

Employers are required to contribute at a rate established by the APERS Board of Trustees based on an actuary's determination of a rate required to fund the plan. The university contributed 15.32% of applicable compensation for the fiscal year ended June 30, 2025. The university's and members' contributions for the year ending June 30, 2025 were $1,091,000 and $360,000, respectively.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2025, the university reported a liability of $7,357,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The university's proportion of the net pension liability was based on the university's share of contributions to the pension plan relative to the total contributions of all participating employers. At June 30, 2025, the university's proportion was 0.2212% for Fayetteville and 0.0745% for UADA, for a total proportion of 0.2957%; which was a decrease of 0.0025% from its total proportion measured as of June 30, 2024.

Changes in assumptions or other inputs that affected pension liability measurement since the prior measurement date included the following:

- The remaining amortization period used in the actuarial assumption decreased from 23 years to 16 years for actuarial valuation year ended June 30, 2024.

There were no significant changes in benefit terms for the actuarial valuation year ended June 30, 2024.

For the year ended June 30, 2025, the university recognized pension expense of $784,000. At June 30, 2025, the university reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NET PENSION DEFERRED INFLOWS AND OUTFLOWS

(in thousands)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	$ 286	$ 301
Changes of assumptions or other inputs	256	
Net difference between projected and actual earnings on pension plan investments	213	
Changes in the proportion and differences between the employer contributions and share of contributions	141	513
University contributions subsequent to the measurement date	1,091	
Totals	**$ 1,987**	**$ 814**

Deferred outflows of resources of $1,091,000 is related to university contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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:

AMORTIZATION OF OTHER DEFERRED INFLOWS AND OUTFLOWS	
(in thousands)	
YEAR ENDED JUNE 30,	**AMOUNT**
2026	$ (368)
2027	929
2028	(302)
2029	(176)

ACTUARIAL ASSUMPTIONS

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

ACTUARIAL ASSUMPTIONS	
Actuarial Cost Method	Entry age normal
Amortization Method	Level of percent of payroll, closed
Remaining Amortization Period	16 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	3.00% annual compounded increase; For members first hired on or after July 1, 2022, the redetermined amount is the monthly benefit payable as of the preceding July 1 increased by the lesser of 3% or the percentage change in the Consumer Price Index for Urban Wage Earnings and Clerical Workers over the one-year period ending in the December preceding the redetermination date.
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 Remaining Service Life of All Members	3.6281

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage and by adding expected price inflation. Best estimates of arithmetic real rates of return for the 10-year period from 2024 to 2033 were based upon capital market assumptions provided by plan's investment consultant(s). For each major asset class that is included in the pension plan's current asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

EXPECTED RATE OF RETURN				
ASSET CLASS	TARGET ALLOCATION		LONG-TERM EXPECTED REAL RATE OF RETURN	
Broad Domestic Equity	39	%	5.03	%
International Equity	17		6.34	
Real Estate	16		4.51	
Private Equity	5		9.00	
Hedge Funds	2		3.63	
Domestic Fixed	21		3.38	
Total	**100**	**%**		
Total Real Rate of Return			5.00	%
Plus: Price Inflation—Actuary's Assumption			2.50	
Net Expected Rate of Return			**7.50**	**%**

DISCOUNT RATE

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the university's proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

SENSITIVITY OF DISCOUNT RATE		
(in thousands)		
1% DECREASE (6.00%)	DISCOUNT RATE (7.00%)	1% INCREASE (8.00%)
$ 12,554	$ 7,357	$ 3,073

PENSION PLAN FIDUCIARY NET POSITION

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

PAYABLES TO THE PENSION PLAN

The university reported payables to APERS of $91,000 at June 30, 2025.

Arkansas Teacher Retirement System (ATRS)

PLAN DESCRIPTION

The Arkansas Teacher Retirement System (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 ATRS is vested in the 15 members of the Board of Trustees of the Arkansas Teacher Retirement System. Membership includes 11 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, Treasurer of State, Auditor of State, and the Commissioner of Elementary and Secondary 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 ACA §24-7 and may only be amended by the Arkansas General Assembly. ATRS provides retirement, disability and death benefits. Normal retirement benefits, paid monthly, are determined as a percentage of the member's highest three-year average compensation times the member's years of service.

The percentage used is based upon whether a member is Contributory or Non-Contributory as follows:

CONTRIBUTORY:	
10 years or more of service	2.15%
Less than 10 years of service through 6/30/2018	2.15%
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%
10 years or more of service beginning 7/1/2019	1.25%
Less than 10 years of service through 6/30/2018	1.39%
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 five years of actual or reciprocal service, or
- at any age with 28 years of actual 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 five years of credited service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Survivor benefits are payable to qualified survivors upon the death of an active member with five years of credited service. The monthly benefit paid to eligible spouse survivors is computed as if the member had retired and elected 100% Survivor Annuity. Minor child survivors receive a percentage of the member's highest salary earned. ATRS also provides a lump sum death benefit for active and retired members with 10 years of actual service. The amount for Contributory members will be up to $10,000 and up to $6,667 for Non-Contributory members.

A cost-of-living adjustment of 3% of the current benefit is added each year.

Effective July 1, 2011, new employees of the university are no longer eligible to participate in the ATRS. Existing ATRS participants are allowed to continue ATRS participation.

CONTRIBUTIONS

Contribution requirements are set forth in ACA §24-7. 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 Non-Contributory Plans. The Contributory Plan has been in effect since the beginning of ATRS. The Non-Contributory Plan became available July 1, 1986. Act 907 of 1999, effective July 1, 1999, require all new members under contract for 181 or more days to be Contributory. Effective July 1, 2021, the number of contracted days increased to 185. Act 385 of 2005 allows any Non-

Contributory member to make an irrevocable election to become Contributory on July 1 of each fiscal year.

Employers are required to contribute at a rate established by the ATRS Board of Trustees based on an actuary's determination of a rate required to fund the plan. The university contributed 15.00% of applicable compensation for the fiscal year ended June 30, 2025. The university's and members' contributions for the year ending June 30, 2024 were $76,000 and $29,000, respectively.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2025, the university reported a liability of $687,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The university's proportion of the net pension liability was based on the university's share of contributions to the pension plan relative to the total contributions of all participating employers. At June 30, 2025, the university's proportion was 0.0090% for Fayetteville and 0.0071% for UADA, for a total proportion of 0.0161%, which was an decrease of 0.0035% from its total proportion measured as of June 30, 2024.

There were no significant assumption changes or changes in other inputs for the actuarial valuation year ended June 30, 2024.

There were no significant changes in benefit terms for the actuarial valuation year ended June 30, 2024.

For the year ended June 30, 2025, the university recognized a reduction to pension expense of $2,000. At June 30, 2025, the university reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NET PENSION DEFERRED INFLOWS AND OUTFLOWS

(in thousands)

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	$ 20	
Changes of assumptions or other inputs	34	
Net difference between projected and actual earnings on pension plan investments		$ 76
Changes in the proportion and differences between the employer contributions and share of contributions	14	271
University contributions subsequent to the measurement date	76	
Totals	**$ 144**	**$ 347**

Deferred outflows of resources of $76,000 is related to university contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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:

AMORTIZATION OF OTHER DEFERRED INFLOWS AND OUTFLOWS

(in thousands)

YEAR ENDED JUNE 30,	AMOUNT
2026	$ (130)
2027	(18)
2028	(69)
2029	(62)

ACTUARIAL ASSUMPTIONS

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

ACTUARIAL ASSUMPTIONS	
Actuarial Cost Method	Entry age normal
Amortization Method	Level of percent of payroll, closed
Amortization Period	30 years
Asset Valuation Method	4-year smoothed market; 20% corridor
Salary Increases	2.75—5.75% including inflation
Wage Inflation	2.75%
Investment Rate of Return	7.25% compounded annually
Post-Retirement Cost-of-Living Increases	3.00% simple
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition based on the results of an actuarial experience study for the period July 1, 2015 through 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.
Average Remaining Service Life of All Members	4.8288

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

For each major asset class included in the pension plan's target asset allocation as of June 30, 2024, these best estimates are summarized below:

EXPECTED RATE OF RETURN		
ASSET CLASS	**TARGET ALLOCATION**	**LONG-TERM EXPECTED REAL RATE OF RETURN**
Global equity	48 %	4.7 %
Fixed income	20	2.4
Alternatives	5	4.5
Real assets	15	4.6
Private equity	12	6.9
Cash equivalents		1.8
Total	**100 %**	

DISCOUNT RATE

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

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

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

SENSITIVITY OF DISCOUNT RATE		
(in thousands)		
1% DECREASE (6.25%)	**DISCOUNT RATE (7.25%)**	**1% INCREASE (8.25%)**
$ 1,220	$ 687	$ 243

PENSION PLAN FIDUCIARY NET POSITION

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

PAYABLES TO THE PENSION PLAN

The university reported payables to ATRS of $3,000 at June 30, 2025.

OTHER PLANS

Cooperative Extension Service employees who previously held appointments with the U.S. Department of Agriculture are covered by either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS) depending on date of appointment. Both plans are single-employer, defined benefit plans. The CSRS plan became effective in 1920, and established retirement benefits for certain federal employees. Congress created the FERS plan in 1986, becoming effective on January 1, 1987. Since that time new federal civilian employees who have retirement coverage are covered under the FERS plan. FERS provides benefits from three different sources: a Basic Benefit Plan, Social Security, and the Thrift Savings Plan. As of June 30, 2025, there no active employees covered under the CSRS plan and four active employees were covered under the FERS plan. Participants in the CSRS plan contribute 7%, 7.5%, or 8% of salaries and employers match the employee's CSRS contributions. Participants in the FERS plan are required to contribute 0.80% of salaries and employers are required to contribute 18.4% for the Basic Benefit and Social Security portions of the plan benefits. The university's and participants' CSR and FERS contributions were $78,000 and $3,000, respectively, for the year ended June 30, 2025.

The Thrift Savings Plan (TSP) is the third component of the FERS plan and is a supplement to the CSRS plan. It is a defined contribution plan designed to provide retirement income for Federal employees similar to a 401(k) plan. The TSP is administered by the Federal Retirement Thrift Investment Board. For FERS participants, employers are required to contribute an amount equal to 1% of salaries to a TSP account established for the participant. Employees may also contribute to their TSP account, with employer matching on the first 5% of employee contributions up to 4%. There is no employer matching for CSRS participants. All contributions are exempt from taxation. The university's and participants'TSP contributions were $21,000 and $35,000, respectively, for the fiscal year ended June 30, 2025.

Additionally, employees covered by these plans may also participate in the University of Arkansas Retirement Plan which includes TIAA and Fidelity Investments but are not eligible for any additional university contribution.

The university's participation in the federal retirement system plans is not considered material by university management.

12B SELF-INSURANCE PLANS

The Board of Trustees of the University of Arkansas System sponsors self-funded health (including prescription coverage) and dental plans for University of Arkansas System employees and their eligible dependents. All campuses in the University of Arkansas System participate in the health plan which is administered by the System Administration. 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, and the University of Arkansas Technology Development Foundation. Operations of the plans are recorded in the separate University of Arkansas System consolidated financial report.

Medicare eligible retirees are not eligible to participate in the University of Arkansas' self-funded health and dental benefit plan but may elect a fully-insured Medicare Advantage Plan which includes Part D drug coverage.

For the year ending June 30, 2025, a total of 4,868 active employees, former employees, and retirees were participants in the health plan. The university's contributions to health coverage are based on the employee's salary and percent of appointment. Four salary bands are used to determine the employer contribution with the average contribution for 75%-100% appointed employees being:

SALARY BANDS—UAF, AAS, ARE-ON, CJI, CSPS			
SALARY RANGE	EMPLOYER CONTRIBUTION		
	Classic Plan	*Health Savings Plan*	*Premier Plan*
Under $39,000	76.81 %	86.56 %	50.45 %
From $39,000 to $54,999	74.87	84.35	49.17
From $55,000 to $99,999	72.72	81.89	47.77
$100,000 and above	71.09	79.99	46.70

SALARY BANDS—UADA			
SALARY RANGE	EMPLOYER CONTRIBUTION		
	Classic Plan	*Health Savings Plan*	*Premier Plan*
Under $39,000	78.15 %	88.47 %	51.33 %
From $39,000 to $59,999	74.21	83.93	48.74
From $60,000 to $99,999	71.31	80.59	46.84
$100,000 and above	67.71	76.45	44.47

The university pays 75% for the health plan for federal employees.

12C LIFE INSURANCE PLAN

The University of Arkansas System's life insurance carrier is the Standard Life Insurance Company. The university's life insurance is a fully-insured arrangement with the premiums being sent directly to the life insurance carrier. Expenditures for all employee benefits are included as expenditures within the appropriate functional area.

The university has from time to time negotiated early retirement agreements with faculty and staff which may include the provision of healthcare or other benefits for future periods.

There was no liability for these type of agreements at June 30, 2025.



13 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

13A GENERAL INFORMATION ABOUT THE OPEB PLAN

PLAN DESCRIPTION

The University of Arkansas System Health Plan (Plan) is a non-ERISA, self-funded medical benefit plan that provides other postemployment benefits (OPEB) to eligible retirees. The Plan is a single-employer, defined benefit plan authorized by the Board of Trustees of the University of Arkansas and administered by the university president. Within the scope of applicable federal and state regulation, the university president in conjunction with the University of Arkansas System Office establishes and amends the benefit terms and financing requirements.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governmental entities to recognize total OPEB liability (asset), payables to OPEB plans, and deferred outflows and inflows of resources related to certain changes in the total OPEB liability (asset) not yet recognized in the OPEB expense on the Statement of Net Position and that most changes in the total OPEB liability be included in OPEB expense in the period of the change. For defined benefit OPEB, this Statement also requires that Actuarial Standards of Practice be applied in developing assumptions and establishes additional requirements for the measurement of the total OPEB liability and the disclosure of significant assumptions and other inputs used to calculate the OPEB liability. As a result of the implementation of this Statement, the university accrued $21,894,000 in retiree healthcare liability as of June 30, 2025. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

BENEFITS PROVIDED

The university offers postemployment health (including prescription drugs) and dental benefits to eligible retirees. Employees who retired on or before December 31, 2020 are eligible for life insurance coverage of $10,000. Employees retiring on or after January 1, 2021 are not eligible for this 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. Although benefits are also provided under the university's plan for the University of Arkansas Foundation, Inc., the Razorback Foundation, Inc., the University of Arkansas Technology Development Foundation, the Walton Arts Center, and the University of Arkansas Winthrop Rockefeller Institute, no postemployment benefit is accrued by the university for these private entities. Financial activities of the plan are reported in the University of Arkansas System consolidated financial report.

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

- **PARTICIPATION:** Those eligible for participation must meet the requirements of the 10-70-10 Rule or the 5-65-5 Rule described below:

10-70-10 RULE	5-65-5 RULE
Employed by the university for 10 consecutive years in a benefits-eligible position; and	Retiring January 1, 2017 or later; and
Age + continuous years of service = at least 70; and	Employed by the university for five consecutive years in a benefits-eligible position; and
Participated in the applicable benefit plans for the past 10 consecutive years before retirement.	Age 65 or older at retirement; and
	Participated in the applicable benefit plans for the past 5 consecutive years before retirement.

Retirees may cover spouses and eligible dependent participants. Surviving spouses can continue coverage after retiree's death.

Medicare eligible retirees and Medicare eligible dependents of eligible retirees are not eligible to participate in the University of Arkansas' self-funded health and dental benefit plan.

- **BENEFIT PROVIDED:** Retirees participate in the plan at the same premium rate as an active employee.

- **REQUIRED CONTRIBUTION RATIO:** Retirees pay 100% of premium.

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

EMPLOYEES COVERED BY BENEFIT TERMS *June 30, 2025*	MEDICAL	LIFE
Inactive Employees Currently Receiving Benefit Payments (Retirees, Spouses, and Survivors)	74	694
Active Employees	5,312	
Totals	**5,386**	**694**

Covered employee data was provided as of February 2025. Since the data represents school employees who usually retire/terminate in June, all the new hires after July 1, 2024 were set to have a hire date as of July 1, 2024. This adjustment was done to capture the true census of the systems during the academic year.

13B OPEB LIABILITY

At June 30, 2025, the university reported a liability of $21,894,000 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS	
Valuation Date	July 1, 2024
Actuarial Cost Method	Entry age normal
Amortization Method	30 years rolling, Level of percentage of payroll
Asset Valuation Method	N/A
ACTUARIAL ASSUMPTIONS:	
Discount Rate	3.93% per annum
Rate of Salary Increase for Amortization	4.00%
Rate of Medical Inflation	7.00% grading to 3.73% over 20 years
Rate of Pharmacy Inflation	12.00% grading to 3.73% over 20 years
Rate of Retiree Contribution Inflation	9.10% grading to 3.73% over 20 years
Healthy Mortality Rate	Pub-2010 Teachers Headcount weighted Mortality Tables for employees, contingent annuitants, and healthy retires projected generationally using projection scale MP-2021 from base year 2010.
Disabled Mortality Rate	Pub-2010 Teachers Headcount weighted Mortality Tables for disabled retirees projected generationally using projection scale MP-2021 from base year 2010.

The discount rate was based on the 20-year tax-exempt general obligation bond rates published in the Bond Buyer index as of the valuation date.

Effective January 1, 2014, the plan for Medicare eligible retirees was changed to a fully insured Medicare Advantage program. Retirees pay 100% of the premium directly to the insurance carrier. As a result, no liabilities for Medicare eligible retiree medical benefits are included in this valuation.

The dental rates are set to match projected costs. Retirees pay 100% of the budget rate for coverage. Therefore, the cost for dental coverage was excluded from this valuation.

13C CHANGES IN THE PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY

CHANGES IN THE PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY (in thousands)		
Balance at 6/30/2023 (Reporting Date 6/30/2024)	**$**	**23,391**
CHANGES FOR THE YEAR:		
Service Cost	$	1,290
Interest		927
Differences Between Expected and Actual Experience		(253)
Changes of Assumptions		(2,715)
Benefit Payments		(746)
NET CHANGES	**$**	**(1,497)**
Balance at 6/30/2024 (Reporting Date 6/30/2025)	**$**	**21,894**

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

There were no investment gains or losses during the measurement year.

SENSITIVITY OF THE UNIVERSITY'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following represents the proportionate share of the total OPEB liability of the university, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

SENSITIVITY OF DISCOUNT RATE (in thousands)		
1% DECREASE (2.93%)	DISCOUNT RATE (3.93%)	1% INCREASE (4.93%)
$ 24,001	$ 21,894	$ 20,016

Sensitivity of the university's proportionate share of the total OPEB liability to changes in the healthcare cost trend rates. The following represents the proportionate share of the total OPEB liability of the university, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

SENSITIVITY OF HEALTHCARE COST TREND RATES (in thousands)		
1% DECREASE	HEALTHCARE COST TREND RATE	1% INCREASE
$ 19,942	$ 21,894	$ 24,167

13D OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2025, the university recognized OPEB expense of $1,484,000. At June 30, 2025, the university reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOTAL OPEB DEFERRED INFLOWS AND OUTFLOWS *(in thousands)*		
	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences Between Expected and Actual Experience	$ 692	$ 594
Changes of Assumptions	135	3,573
Contributions Subsequent to the Measurement Date	633	
Totals	**$ 1,460**	**$ 4,167**

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

AMORTIZATION OF OTHER DEFERRED INFLOWS AND OUTFLOWS *(in thousands)*	
YEAR ENDING JUNE 30,	AMOUNT
2026	$ (705)
2027	(1,289)
2028	(678)
2029	(533)
2030	(135)



14 RISK MANAGEMENT

The University of Arkansas System Risk Management Program provides insurance coverage for all campuses within the University of Arkansas System. The role of the System Administration is to analyze and recommend insurance coverage but it is ultimately up to each campus to inform the System Administration regarding their specific coverage requirements.

All campuses are currently covered under the property and auto coverage provided through the System Administration. The property coverage is insured through Arkansas Multi-Agency Insurance Trust (AMAIT) with a $250,000 deductible. It is the responsibility of each campus to confirm all building and content values to be covered. The AMAIT policy also contains earthquake and flood insurance coverage and the System Administration has also secured domestic and foreign terrorism coverage.

Likewise, each campus is responsible for providing a list of vehicles to be covered under the auto coverage through Cypress Insurance, a Berkshire Hathaway company. The auto coverage has a physical damage deductible of $1,000 and provides coverage against liability losses up to $1 million per occurrence.

The University of Arkansas, Fayetteville has a cyber insurance policy through AMAIT.

The University of Arkansas has an insurance policy covering the Razorback Foundation, Inc. and Board of Trustees of the University of Arkansas for the owned aircraft, which provides coverage liability losses up to $50 million per occurrence and medical coverage of $50,000 per person.

The University of Arkansas maintains workers' compensation coverage through the State of Arkansas program. Premiums are paid through payroll and are based on a formula calculated by the Department of Finance and Administration which is provided to the campuses around April 1 of each year to be used for the upcoming fiscal year. The types of benefits and expenditures that are paid include the following but not limited to: medical expenses, hospital expenses, death benefits, disability, and claimant's attorney fees.

Additionally, the University of Arkansas 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 Department of Finance and Administration.

The University of Arkansas does not purchase general liability, errors or omissions, 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 of Arkansas for such losses are heard before the State Claims Commission. General liability coverage is purchased in cases where the University of Arkansas enters into a lease agreement to hold a function at a location not owned by the University of Arkansas.

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.

15 WALTON ARTS CENTER

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. 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 25 years and recognizes the changed scope of the Walton Arts Center. The lease also provides assurances regarding the ongoing quality and type of performances at the Walton Arts Center in Fayetteville.

16 OTHER ENTITIES

University of Arkansas Foundation, Inc.

The University of Arkansas Foundation, Inc. operates as a nonprofit benevolent corporation for charitable educational purposes. The Foundation's Board of Trustees includes one member who is also a member of the university's Board of Trustees. The audited financial statements of the Foundation, as of and for the years ended June 30, 2025 and June 30, 2024 which have been audited by an independent certified public accountant, are presented below in summary form. The University of Arkansas, Fayetteville and UADA are the beneficiary of 53.3% and 53.5% of the net assets of the Foundation for the years ended June 30, 2025 and June 30, 2024, respectively. The remaining 46.7% and 46.5% benefit other University of Arkansas campuses for the year ended June 30, 2025 and June 30, 2024, respectively. Complete financial statements for the Foundation can be obtained from the administrative office at 700 Research Center Boulevard, Fayetteville, AR 72701.

CONDENSED STATEMENT OF FINANCIAL POSITION

(in thousands)

UNIVERSITY OF ARKANSAS FOUNDATION, INC		2025		2024
ASSETS				
Cash and Investments	$	2,201,034	$	2,020,030
Other Assets		49,399		67,584
Total Assets	**$**	**2,250,433**	**$**	**2,087,614**
LIABILITIES AND NET ASSETS				
Liabilities	$	15,335	$	19,228
Net Assets				
Unrestricted		187,785		170,214
Restricted		2,047,313		1,898,172
Total Liabilities and Net Assets	**$**	**2,250,433**	**$**	**2,087,614**

CONDENSED STATEMENT OF ACTIVITIES

(in thousands)

UNIVERSITY OF ARKANSAS FOUNDATION, INC		2025		2024
Income and Other Additions	$	303,149	$	276,648
Expenditures and Other Deductions		136,437		139,982
Increase in Net Assets	**$**	**166,712**	**$**	**136,666**

Arkansas Alumni Association, Inc.

The Arkansas Alumni Association, Inc. was incorporated in 1960 for the purposes of promoting the welfare of the university and its graduates and former students. Audited financial statements as of and for the years ended June 30, 2025 and June 30, 2024 are presented below in summary form. Complete financial statements for the Arkansas Alumni Association, Inc. can be obtained from the administrative office at 491 N. Razorback Road, Fayetteville AR 72701.

CONDENSED STATEMENT OF FINANCIAL POSITION				
(in thousands)				
ARKANSAS ALUMNI ASSOCIATION, INC.		**2025**		**2024**
ASSETS				
Cash and Investments	$	6,912	$	6,239
Other Assets		15,221		13,889
Total Assets	**$**	**22,133**	**$**	**20,128**
LIABILITIES AND NET ASSETS				
Liabilities	$	1,508	$	1,543
Net Assets				
Unrestricted		6,464		5,953
Restricted		14,161		12,632
Total Liabilities and Net Assets	**$**	**22,133**	**$**	**20,128**

CONDENSED STATEMENT OF ACTIVITIES				
(in thousands)				
ARKANSAS ALUMNI ASSOCIATION, INC.		**2025**		**2024**
Income and Other Additions	$	6,212	$	5,793
Expenditures and Other Deductions		4,172		3,960
Increase in Net Assets	**$**	**2,040**	**$**	**1,833**

University of Arkansas Technology Development Foundation

The University of Arkansas Technology Development Foundation was incorporated in May 2003 and is considered a supporting organization of the Fayetteville campus. The Foundation's mission is to stimulate a knowledge-based economy through partnerships that lead to new opportunities for learning and discovery, that build and retain a knowledge-based workforce, and that spawn the development of new technologies that enrich the economic base of Arkansas. Audited financial statements as of and for the years ended June 30, 2025 and June 30, 2024 are presented below in summary form. Complete financial statements for the Foundation can be obtained from the administrative office at 535 W. Research Center Boulevard, Fayetteville, AR 72701.

CONDENSED STATEMENT OF FINANCIAL POSITION				
(in thousands)				
UNIVERSITY OF ARKANSAS TECHNOLOGY DEVELOPMENT FOUNDATION		**2025**		**2024**
ASSETS				
Cash and Investments	$	4,751	$	3,830
Other Assets		13,641		14,206
Total Assets	**$**	**18,392**	**$**	**18,036**
LIABILITIES AND NET ASSETS				
Liabilities	$	10,715	$	10,662
Net Assets				
Unrestricted		7,677		7,374
Total Liabilities and Net Assets	**$**	**18,392**	**$**	**18,036**

CONDENSED STATEMENT OF ACTIVITIES (in thousands)				
UNIVERSITY OF ARKANSAS TECHNOLOGY DEVELOPMENT FOUNDATION		**2025**		**2024**
Income and Other Additions	$	4,048	$	4,114
Expenditures and Other Deductions		3,745		3,618
Increase in Net Assets	**$**	**303**	**$**	**496**

Arkansas 4-H Foundation, Inc.

The 4-H Foundation, Inc. was incorporated in 1951 and was formed to encourage and support such education purposes that will best meet the needs and advance the interest of 4-H youth programs throughout the State of Arkansas. Audited financial statements as of and for the years ended June 30, 2025 and June 30, 2024 are presented below in summary form. Complete financial statements for the 4-H Foundation can be obtained from the administrative office at 2301 S. University Avenue, Little Rock, AR 72204.

CONDENSED STATEMENT OF FINANCIAL POSITION (in thousands)				
ARKANSAS 4-H FOUNDATION, INC.		**2025**		**2024**
ASSETS				
Cash and Investments	$	6,573	$	6,196
Other Assets		4,254		4,245
Total Assets	**$**	**10,827**	**$**	**10,441**
LIABILITIES AND NET ASSETS				
Liabilities	$	198	$	291
Net Assets				
Unrestricted		5,789		5,635
Restricted		4,840		4,515
Total Liabilities and Net Assets	**$**	**10,827**	**$**	**10,441**

CONDENSED STATEMENT OF ACTIVITIES (in thousands)				
ARKANSAS 4-H FOUNDATION, INC.		**2025**		**2024**
Income and Other Additions	$	3,341	$	3,082
Expenditures and Other Deductions		2,862		2,671
Increase in Net Assets	**$**	**479**	**$**	**411**



17 RELATED PARTIES

There were no additional significant related party transactions other than those with component units discussed in Note 1.

18 COMMITMENTS AND CONTINGENCIES

CONSTRUCTION

The university has contracted for the construction and renovation of several facilities. At June 30, 2025, the estimated remaining cost to complete the construction and renovation of these facilities is $86,920,000 which is expected to be financed from bond proceeds, private gifts, and other university funds.

OTHER COMMITMENTS

The university has agreed to supplement the base rent received from existing tenants of the Enterprise Center at the Arkansas Research and Technology Park to the degree necessary to ensure the related debt obligations are met. There was no obligation for the year ended June 30, 2025.

The university has entered into lease agreements with five different Greek organizations (Lessees) that may create future commitments to the university. The lease agreements allow the Greek organizations to either construct new residence facilities or renovate existing residence facilities on university owned property. The construction and/or renovation of these facilities is the responsibility of the organizations and shall be financed through a combination of gifts and financing from banks and/or national house corporations to be repaid through each chapter's generated revenue. The period in which the financing arrangements are being repaid is known as the Chapter House Amortization Period. As of June 30, 2025, all five Greek facilities were completed and have entered into financing agreements for the construction or renovation of their residence facilities.

It is stipulated in the lease agreements that if the university exercises its right to terminate the agreement for cause and extinguish the Lessee's leasehold estate for cause at any time during the Chapter House Amortization Period, the university shall pay the Lessee an amount equal to the sum of the value of the remaining unamortized value of the bank financing plus the value of the financing coming from the national organizations if any.

The university's total potential commitment resulting from these lease agreements totaled $47,622,000 as of June 30, 2025.

CONTINGENCIES

The university has been named as defendant in several lawsuits. It is the opinion of management and its legal counsel that the ultimate outcome of litigation will not have a material effect on the future operations or financial position of the university.

For the purposes of financial reporting the university includes Arkansas Research and Education Optical Network(ARE-ON). ARE-ON is an unincorporated membership consortium with a mission of promoting, developing, and applying leading technologies to support and enhance research, education, public safety, health care, and economic development in the state. The University of Arkansas System is a member of ARE-ON and certain ARE-ON administrative processes are supported by the System and the University of Arkansas, Fayetteville. An information technology company and a financial institution filed a claim in the Arkansas Claims Commission against the System seeking $7,275,000 plus interest and fees for alleged breach of two June 2020 contracts between ARE-ON and the information technology company. The contracts were for security software and monitoring services to be offered by ARE-ON to its member institutions, including the System. The information technology company alleges that the System is a party to the contract. The System has denied that it is liable to the claimants. The Claims Commission held the claim against the System in abeyance while the information technology company and financial institution pursue an identical claim against ARE-ON in state court. That litigation is ongoing. The System estimates that its maximum liability is approximately $8,000,000.

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

19 SUBSEQUENT EVENTS

Managment has evaluated subsequent events through November 17, 2025, the date financial statements were issued. No subsequent events requiring disclosure were identified.



REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF UNIVERSITY'S PROPORTIONAL SHARE OF THE NET PENSION LIABILITY *Arkansas Public Employees Retirement System* *(in thousands)* LAST TEN FISCAL YEARS						
		2025		*2024*		*2023*
University's Proportion of Net Pension Liability		0.30%		0.30%		0.32%
University's Proportionate Share of Net Pension Liability	$	7,357	$	8,688	$	8,744
University's Covered Payroll	$	6,858	$	6,563	$	6,833
University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll		107.28%		132.38%		127.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		81.61%		77.94%		78.31%

SCHEDULE OF UNIVERSITY CONTRIBUTIONS *Arkansas Public Employees Retirement System* *(in thousands)* LAST TEN FISCAL YEARS						
		2025		*2024*		*2023*
Contractually Required Contribution	$	1,091	$	1,050	$	1,005
Contributions in Relation to the Contractually Required Contribution	$	(1,091)	$	(1,050)	$	(1,005)
CONTRIBUTION DEFICIENCY (EXCESS)	$	0	$	0	$	0
University's Covered-Employee Payroll	$	7,123	$	6,858	$	6,563
Contributions as a Percentage of Covered-Employee Payroll		15.32%		15.31%		15.31%

NOTES TO APERS SCHEDULES

Changes in the use of different assumptions that significantly affect trends in the amounts reported in the schedules:

- For the June 30, 2024 measurement date, the remaining amortization period decreased 23 years to 16 years.
- For the June 30, 2024 measurement date, the assumed average service life all members was reduced from 3.7241 to 3.6281 .

SCHEDULE OF UNIVERSITY'S PROPORTIONAL SHARE OF THE NET PENSION LIABILITY *Arkansas Teacher Retirement System* *(in thousands)* LAST TEN FISCAL YEARS						
		2025		*2024*		*2023*
University's Proportion of Net Pension Liability		0.02%		0.02%		0.02%
University's Proportionate Share of Net Pension Liability	$	687	$	1,011	$	856
University's Covered Payroll	$	555	$	586	$	549
University's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll		123.78%		172.53%		155.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		83.93%		79.94%		78.85%

SCHEDULE OF UNIVERSITY'S PROPORTIONAL SHARE OF THE NET PENSION LIABILITY

Arkansas Public Employees Retirement System
(in thousands)

LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016
	0.37%	0.39%	0.45%	0.54%	0.54%	0.54%	0.43%
$	2,811	$ 11,150	$ 10,545	$ 11,756	$ 13,672	$ 12,570	$ 7,729
$	7,442	$ 7,687	$ 8,037	$ 8,990	$ 9,695	$ 9,014	$ 7,329
	37.78%	145.04%	131.21%	130.77%	141.01%	139.46%	105.45%
	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%

SCHEDULE OF UNIVERSITY CONTRIBUTIONS

Arkansas Public Employees Retirement System
(in thousands)

LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016
$	1,047	$ 1,141	$ 1,194	$ 1,286	$ 1,382	$ 1,436	$ 1,365
$	(1,047)	$ (1,141)	$ (1,194)	$ (1,286)	$ (1,382)	$ (1,436)	$ (1,365)
$	0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$	6,833	$ 7,442	$ 7,687	$ 8,037	$ 8,990	$ 9,695	$ 9,014
	15.32%	15.33%	15.53%	16.00%	15.37%	14.81%	15.14%

Changes in benefit terms that significantly affect trends in the amounts reported in the schedules:

- There were no significant changes in benefit terms for the actuarial valuation year ended June 30, 2024.

SCHEDULE OF UNIVERSITY'S PROPORTIONAL SHARE OF THE NET PENSION LIABILITY

Arkansas Teacher Retirement System
(in thousands)

LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016
	0.02%	0.03%	0.02%	0.03%	0.04%	0.04%	0.05%
$	585	$ 1,317	$ 995	$ 996	$ 1,473	$ 1,691	$ 1,567
$	751	$ 728	$ 720	$ 834	$ 1,055	$ 1,302	$ 1,401
	77.84%	180.90%	138.23%	119.45%	139.66%	129.83%	111.88%
	88.58%	74.91%	80.96%	82.78%	79.48%	76.75%	82.20%

SCHEDULE OF UNIVERSITY CONTRIBUTIONS *Arkansas Teacher Retirement System* *(in thousands)* LAST TEN FISCAL YEARS			
	2025	*2024*	*2023*
Contractually Required Contribution	$ 76	$ 83	$ 88
Contributions in Relation to the Contractually Required Contribution	$ (76)	$ (83)	$ (88)
CONTRIBUTION DEFICIENCY (EXCESS)	$ 0	$ 0	$ 0
University's Covered-Employee Payroll	$ 511	$ 555	$ 586
Contributions as a Percentage of Covered-Employee Payroll	14.87%	14.95%	15.00%

NOTES TO ATRS SCHEDULES

Changes in the use of different assumptions that significantly affect trends in the amounts reported in the schedules:

- For the June 30, 2024 measurement date, the assumed average service life all members was reduced from 4.8997 to 4.8288.

CHANGES IN THE PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY AND RELATED RATIOS *(in thousands)* LAST EIGHT FISCAL YEARS*		
	2025	*2024*
Service Cost (Moy)	1,290	$ 1,112
Interest (Includes Interest on Service Cost)	927	824
Change of Benefit Terms		
Difference Between Expected and Actual Experience	(253)	341
Change of Assumptions	(2,715)	(242)
Benefit Payments, Including Refunds of Member Contributions	(746)	(719)
NET CHANGE IN OPEB LIABILITY	(1,497)	$ 1,316
Total OPEB Liability, Beginning of the Year	**23,391**	**$ 22,075**
Total OPEB Liability, End of the Year	**21,894**	**$ 23,391**
Covered–Employee Payroll	437,506	$ 413,751
Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.00%	5.65%

** 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.*

NOTES TO OPEB SCHEDULE

Changes of assumptions and other inputs reflect the changes in the discount rate each period. The following are the discount rates used in each valuation period:

2017	2018	2019	2020	2021	2022	2023	2024
3.58%	3.87%	3.50%	2.21%	2.16%	3.54%	3.65%	3.93%

SCHEDULE OF UNIVERSITY CONTRIBUTIONS

Arkansas Teacher Retirement System
(in thousands)

LAST TEN FISCAL YEARS

2022	2021	2020	2019	2018	2017	2016
$ 82	$ 109	$ 104	$ 104	$ 120	$ 151	$ 176
$ (82)	$ (109)	$ (104)	$ (104)	$ (120)	$ (151)	$ (176)
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
$ 549	$ 751	$ 728	$ 720	$ 834	$ 1,055	$ 1,302
14.89%	14.48%	14.24%	14.39%	14.38%	14.33%	13.48%

Changes in benefit terms that significantly affect trends in the amounts reported in the schedules:

- There were no significant changes in benefit terms for the actuarial valuation year ended June 30, 2024.

CHANGES IN THE PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY AND RELATED RATIOS

(in thousands)

LAST EIGHT FISCAL YEARS*

2023	2022	2021	2020	2019	2018
$ 1,272	$ 1,203	$ 1,129	$ 872	$ 961	$ 1,064
578	564	863	766	794	687
		(3,388)			
(941)	378	169	(556)	(603)	
(3,268)	148	3,107	879	73	(3,880)
(845)	(778)	(692)	(578)	(619)	(668)
$ (3,204)	$ 1,515	$ 1,188	$ 1,383	$ 606	$ (2,797)
$ 25,279	**$ 23,764**	**$ 22,576**	**$ 21,193**	**$ 20,587**	**$ 23,384**
$ 22,075	**$ 25,279**	**$ 23,764**	**$ 22,576**	**$ 21,193**	**$ 20,587**
$ 379,541	$ 369,740	$ 326,008	$ 314,813	$ 300,491	$ 300,600
5.82%	6.84%	7.29%	7.17%	7.05%	6.85%

Changes in benefit terms that significantly affect trends in the amounts reported in the schedules:

- There were significant changes in benefit terms for the actuarial valuation year ended June 30, 2020 with employees retiring on or after January 1, 2021 no longer eligible for Retiree Life Insurance coverage. This created a benefit change gain of $3,388,000.

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

UNIVERSITY OFFICIALS

UNIVERSITY OF ARKANSAS SYSTEM SENIOR MANAGEMENT

Jay B. Silveria, President
University of Arkansas

Charles Robinson, Chancellor
University of Arkansas, Fayetteville

Ann Bordelon, Executive Vice Chancellor for Finance and Administration
University of Arkansas, Fayetteville

Indrajeet Chaubey, Provost and Executive Vice Chancellor
University of Arkansas, Fayetteville

Deacue Fields
Vice President for Agriculture

Victoria DeFrancesco Soto
Dean of the Clinton School

Kimberly Hendricks Jones
Director of the Criminal Justice Institute

Alex Barker
Director of the Archeological Survey

Elon Turner
Executive Director of the Arkansas Research and Education Optical Network

UNIVERSITY OF ARKANSAS FINANCIAL OFFICERS

Cale Fessler
Associate Vice Chancellor for Finance

Mark E. Hubbell
Controller

Ann Gearity
Assistant Vice Chancellor for Capital and Financial Planning

Janice Harrison
Director of Property Accounting

Jason Rankin
Bursar/Director of Student Accounts

Susan V. Slinkard
Assistant Vice Chancellor—Treasurer

Tonya Williams
Director of Cash Management

Sandra K. Sturgeon
Director of Financial Management, Analysis & Compliance

Yolanda Harden
Director of Financial Compliance for Sponsored Programs



BOARD OF TRUSTEES

Kelly Eichler, Chair

Kelly Eichler, of Little Rock, is a graduate of the University of Arkansas, Fayetteville and the UALR Bowen School of Law. She has served as a law clerk at the Arkansas Court of Appeals, as Pulaski County Deputy Prosecutor, as a private attorney and as a special judge in circuit and juvenile courts. She was also previously deputy chief of staff for Arkansas Governor Sarah Huckabee Sanders. Her term expires in 2026.

Steve Cox, Vice Chairman

Steve Cox, of Jonesboro, graduated from the University of Arkansas, Fayetteville in 1982 after having earned All-Southwest Conference and All-American honors during his football career as a punter/kicker, also having played in the NFL for the Cleveland Browns and Washington Redskins. He rose through the ranks of banking before becoming a managing partner at Rainwater and Cox LLC, which oversees ownership and management of an array of commercial, hotel and agricultural properties. His term expires in 2028.

Ed Fryar, Ph.D., Secretary

Edward (Ed) Fryar, Jr., Ph.D., of Rogers, is a graduate and former professor at the University of Arkansas, Fayetteville, having earned degrees in economics and agricultural economics. As a professor of agricultural economics at the UA for more than 13 years, he published more than 50 professional articles to go along with his 40-plus years of experience. He co-founded Ozark Mountain Poultry in Rogers in 2000, which grew from 15 employees to more than 1,800 before selling it in 2018. He was inducted into the Arkansas Agriculture Hall of Fame in 2019. His term expires in 2029.

Ted Dickey

Ted Dickey is the portfolio manager for Dunklin Investments of Humphrey and is the principal broker for Lighthouse Asset Advisors. Dickey previously was a fund manager for CapRocq and started his career in Corporate Finance at Stephens Inc. He earned his bachelor's degree and was elected Phi Beta Kappa the University of Arkansas, Fayetteville, before earning his Juris Doctorate at the UA School of Law. He is also a Chartered Financial Analyst. Ted served on the U of A Technology Park Board. His term expires in 2030.

Jeremy Wilson

Jeremy Wilson of Bentonville is a graduate of the University of Arkansas, Fayetteville, Walton College of Business. He has over 25 years of business experience in Arkansas, having founded or cofounded 10 companies in the past seven years. In 2012, he cofounded NewRoad Capital Partners, one of the largest private equity firms in the state of Arkansas and the surrounding region, where he serves as managing partner. Additionally, he is the founder and chairman of NOWDiagnostics, a leader in innovative diagnostic health testing. His term expires in 2031.

Col. Nathaniel "Nate" Todd

Col. Nathaniel "Nate" Todd, of Pine Bluff, is former secretary of the Arkansas Department of Veterans Affairs. He has previously served as the CFO of Central Arkansas Veterans Health Care System and as director of Health Financial Policy in the Office of the U.S. Army Surgeon General. He has a Bachelor of Science in Industrial Technology from the University of Houston, a Master of Science in Healthcare Administration from Baylor University and a CFO Leadership certification from National Defense University. His term will expire in March 2032.

Kevin Crass

Kevin Crass is a senior partner in the Litigation Practice Group at Friday, Eldredge & Clark, LLP in Little Rock. He is a 1981 graduate of Ouachita Baptist University and a 1984 graduate of the UA Little Rock School of Law. He previously served on the Board of the Eighth Circuit Court of Appeals Bar Association and the Federal Practice Committee for the United States District Court for the Eastern District of Arkansas. He currently serves on the Board of Visitors of UA Little Rock, is the Chair of the War Memorial Stadium Commission, and a past Chairman of the Little Rock Regional Chamber of Commerce. His term expires in 2033.

Scott Ford

Scott Ford, of Little Rock, is co-founder and CEO of Westrock Coffee Company, a vertically integrated provider of beverage solutions that impact more than 1 million members of smallholder farming households in more than 35 different countries. Prior to co-founding Westrock Coffee, Ford served as President and CEO of Alltel Corporation. Ford began his professional career as an investment banker and as the Assistant to the Chairman at Stephens Group. He currently serves on the Board of Directors of AT&T Inc., Agaciro Development Fund, the sovereign wealth fund for the Republic of Rwanda, and the Board of Trustees of the University of Arkansas. Mr. Ford holds a B.S.B.A in Finance from the University of Arkansas. His term expires in 2034.

Randy Lawson

Tommy Boyer, of Fayetteville, graduated from the University of Arkansas, Fayetteville in 1964, where he was also an All-American basketball player. He retired from the Eastman Kodak Company in 1989, and founded Micro Images in Amarillo, Texas. Within two years, Micro Images had become the largest Kodak document imaging systems broker and reseller in the United States. Boyer was inducted into the Arkansas Business Hall of Fame in 2013 and the Arkansas Sports Hall of Fame in 2000. His term expires in 2027.

Judd Deere

Judd Deere, of Little Rock, has more than a decade of government management and communications experience at the national and state levels, and currently serves as Deputy Chief of Staff for Arkansas Governor Sarah Huckabee Sanders. He served as a White House aide to the 45th President of the United States, Donald J. Trump, working in various capacities over the course of three years, including Director of State Communications, Special Assistant to the President and Director of Media Affairs, and finally as Deputy Assistant to the President and Deputy Press Secretary. He also twice worked on Capitol Hill, including as Deputy Chief of Staff for Communications to U.S. Senator Bill Hagerty (Tenn.), Press Secretary and Digital Director for U.S. Senator Mike Crapo (Idaho), and Correspondence Director for U.S. Senator John Boozman (Ark.). He also previously served as communications director for then-Arkansas Attorney General Leslie Rutledge, as Deputy Campaign Manager and Communications Director for the Tim Griffin for Arkansas campaign (2014), and Northwest Arkansas Field Director for the Republican National Committee and Republican Party of Arkansas (2010). He is a 2010 graduate of Lyon College in Batesville and holds Bachelor of Arts Degrees in Political Science and History. His term expires in March 2035.





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220 Uptown West
Fayetteville, AR 72701

UNIVERSITY OF ARKANSAS



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APPENDIX D

Audited Consolidated Financial Statements of the University of Arkansas System
for the Fiscal Year Ended June 30, 2025

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Consolidated Financial statements 25

UNIVERSITY OF ARKANSAS SYSTEM









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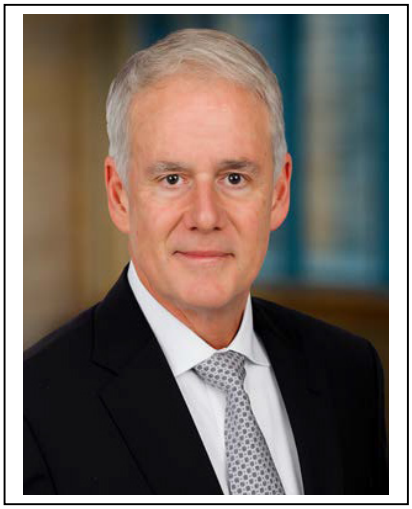
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Jay B. Silveria, President

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UNIVERSITY OF ARKANSAS SYSTEM

December 11, 2025

Board of Trustees and
President Jay B. Silveria:

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, 2025. 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), UAEACC (University of Arkansas East Arkansas Community College), 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

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Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

University of Arkansas System
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University of Arkansas System (University), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University of Arkansas for Medical Sciences (UAMS), a unit of the System, whose statements reflect total assets and revenues constituting 30% and 54%, respectively, of the related combined totals. Additionally, we did not audit the financial statements of the University of Arkansas Foundation, Inc. (Foundation) and the University of Arkansas Fayetteville Campus Foundation, Inc. (UAF Campus Foundation) which represent 100% of the assets and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for UAMS, the Foundation, and the UAF Campus Foundation, is based solely on the report of the other auditors. The financial statements of the Foundation and the UAF Campus Foundation were not audited in accordance with *Government Auditing Standards.*

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Comparative Information

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
December 10, 2025
EDHE14125

Introduction

The University of Arkansas System ("the University") is pleased to present its financial statements for the fiscal year ended June 30, 2025, with comparative statements for the fiscal year ended June 30, 2024.

The University of Arkansas System ("the University"), which prior to 1969 consisted of the Fayetteville and the Medical Sciences campuses, was expanded in 1969 to include the Little Rock campus (formerly Little Rock University), in 1971 to include the Monticello campus (formerly Arkansas A&M College), in 1972 to include the Pine Bluff campus (formerly Arkansas AM&N College), in 1996 to include the Phillips campus (formerly Phillips County Community College) and the Hope campus (formerly Red River Technical College), and in 1998 to include the Batesville campus (formerly Gateway Technical College). On July 1, 2001, the University was expanded to include campuses in Morrilton (formerly Petit Jean College) and DeQueen (formerly Cossatot Community College). The Fort Smith campus (formerly Westark College) joined the University on January 1, 2002. Forest Echoes Technical Institute and Great Rivers Technical Institute merged with the Monticello campus on July 1, 2003. The Arkansas School for Mathematics, Sciences and the Arts, a residential high school, joined the University on January 1, 2004. On February 1, 2017, Pulaski Technical College and Rich Mountain Community College joined the University becoming the University of Arkansas-Pulaski Technical College and the University of Arkansas Community College at Rich Mountain. On November 21, 2025, East Arkansas Community College officially joined the University, becoming the University of Arkansas East Arkansas Community College. In addition to these campuses, the University includes the System Administration, whose financial statements include University of Arkansas Grantham, which was acquired in November 2021, and the following units that are included in the financial statements of the Fayetteville campus: Clinton School of Public Service, Division of Agriculture (Agricultural Experiment Station and the Cooperative Extension Service), Arkansas Archeological Survey, and Criminal Justice Institute.

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

Overview of the Financial Statements and Financial Analysis

The University's financial statements are prepared in accordance with standards issued by the Governmental Accounting Standards Board (GASB). The financial statement presentation provides a comprehensive, entity-wide perspective of the University's assets, deferred

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

The University's total assets increased $148.2 million, or 2.5%. Cash and cash equivalents decreased $89.1 million offset by an increase in investments of $131.7 million. Of the cash decrease, UAF contributed $64.2 million, UAMS $30.5 million, and UAPTC $17.3 million. These reductions were partially offset by a $15.8 million increase at UALR and a $23.5 million increase related to the East Arkansas Community College (EACC) merger, with the remaining campuses reflecting a net decrease of $16.4 million. UAF increased investments by $112.8 million, UAPTC by $18.1 million, and UAMS by $12.2 million. These gains were partially offset by a $18.5 million decrease at UALR, with the remaining campuses contributing a net increase of $7.1 million. Deposits held in trust decreased by $24.0 million of which UAF decreased by $24.7 million and UAPB by $7.2 million, while UAMS and UACCM reported increases of $6.6 million and $1.3 million, respectively. These changes are primarily related to bond proceeds restricted for specific construction projects. The remaining campuses contributed a net increase of approximately $0.01 million. Patient accounts receivable at UAMS increased $32.6 million and Accounts Receivable, net of allowances, decreased by $19.6 million. Student accounts receivable increased by $8.2 million, whereas grants and contracts decreased by $15.6 million and non-student accounts decreased by $5.6 million. The increase of $89.5 million in Capital assets relates to additions of $352.9 million, net of depreciation expense of $275.1 million, and offset by $9.6 million in asset

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

Deferred outflows of resources consist of deferred amounts on refinancing of debt and deferred amounts related to pensions and other post-employment benefits (OPEB). Overall, deferred outflows decreased $10.2 million, or 27.9%. Deferred outflows related to OPEBs decreased $2.8 million while pension decreased $4.4 million. The decrease in amortization of the debt refunding, net of additions, was $3.0 million.

Total liabilities decreased $36.0 million, or 1.4%. Accounts payable and other accrued liabilities decreased by $2.4 million with UAMS decreasing $2.4 million and UAF decreasing $2.1 million. The liability for bonds, notes, leases and installment contracts decreased $37.6 million (see Note 10). Netted in that amount, UAF issued $102.1 million of new bonded debt with a net premium of $13.7 million, UAFS issued $7.2 million of new bonded debt with a net premium of $0.9 million, UAMS issued $59.2 million of new bonded debt with a net premium of $5.4 million and UACCM issued $10.2 million of new bonded debt with a net premium of $0.9 million. UAMS issued notes payable totaling $23.6 million and UALR issued notes payable totaling $0.3 million. In addition, UAF, UAMS, and UACCM executed leases of $22.8 million, $5.8 million, and $0.4 million, respectively. Other changes include a $0.5 million increase in installment contracts and a $3.8 million increase related to Subscription-Based Information Technology Arrangements (SBITA). The increase also includes $5.4 million in bond, leases and installment contract liabilities related to the EACC merger. These additions were offset by $299.8 million in repayments during fiscal 2025. Unearned revenues, deposits and other increased $11.5 million primarily related to deferred student charges and unearned athletic related revenue. Compensated absences increased $6.2 million. The funding levels for the UA Health Plan were established based upon anticipated year-end loss ratios of 100%. As of June 30, 2025, the loss ratio for the health plan was 99% and the loss ratio for the dental plan was 100% (Note 14).

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

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

The increase in net position was $161.6 million, or 5.0%. The increase is the result of 2025 revenues, expenses and changes in net position. Net investments in capital assets increased $100.0 million. Restricted net position, expendable and non-expendable, decreased $3.0 million. Unrestricted net position increased $64.7 million. In total, UAF increased $123.4 million, while UAMS decreased $6.1 million. These changes were offset by increases and decreases at the remaining campuses. Although unrestricted net position is not subject to externally imposed restrictions, the majority of the University's unrestricted net position is subject to internal designations to meet various specific commitments. These commitments include reserves established for future capital projects, other academic or research priorities; working capital for self-supporting auxiliary enterprises; and reserves for the continued recognition of OPEB and pension obligations.

Statements of Revenues, Expenses and Changes in Net Position

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



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

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

The 2025 operating loss of $905.6 million highlights the University's dependence on non-operating revenues, including state appropriations, to meet the costs of operations and provide funds for the acquisition of capital assets.

Operating revenues increased $273.9 million, or 8.8%. Net student tuition and fees increased $24.1 million, with UAF experiencing an increase of $20.4 million. The rest of the campuses experienced small increases and decreases in net student tuition and fee revenue. Net patient services increased $95.6 million or 6.6% for UAMS. Grants and contracts increased $38.5 million, with UAF and UAMS contributing $16.3 and $15 million, respectively. Auxiliary revenues increased $32.2 million. Other operating revenue increased $75.0 million, driven primarily by UAMS, which contributed $75.2 million to the increase due to higher pharmacy revenue. The remaining campuses experienced small increases and decreases.

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

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

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

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

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

Economic Outlook

The University's net position increased $123.9 million for 2025. Moody's last reaffirmed the University's rating of Aa2 with a stable outlook on October 30, 2025. One of the University's greatest strengths is the diverse stream of revenue which funds its operations, including tuition, patient services revenue, state appropriations, investment income, grants and contracts, and support from individuals, foundations, and corporations. The 2025 fiscal year continued to present financial and operational challenges, driven by rising costs in key areas such as labor, medical supplies, and technology. While inflationary pressures have moderated compared to prior years, cost escalation remains a concern, particularly for our medical center. UAMS remains committed to implementing process efficiencies that strengthen revenue generation and reduce operating costs. Because the Fayetteville and Medical Sciences campuses represent 73.5% of the consolidated net position and 90.7% of consolidated operating revenues, the discussion below centers on these two campuses.

UAMS

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

As such, the fiscal year 2026 projection is a balanced budget.

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

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

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

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

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

UAF

Financial and political support from state government remains a critical element to the continued financial health of the University. In 2025, the total general revenue distribution from the State increased to $231.1 million from the $230.2 million reported in 2024. The forecast for 2026 indicates general revenue and Educational Excellence Trust Fund distributions may increase 0.77%. Management will continue to pursue both internal and external opportunities to maximize resources available while seeking ways to minimize the risk of state funding levels not keeping pace with growth.

In 2017, the Arkansas Legislature enacted Act 148 which adopted a productivity-based funding model for most state-supported higher education institutions. As provided in the Act, the Arkansas Division of Higher Education

developed a productivity-based funding model with measures for effectiveness, affordability, and efficiency. That model was first used to determine funding recommendations for the 2018-2019 academic year and resulted in a small increase in University funding based on those measures. The University does not anticipate material changes in its funding level over the short term based on this funding policy.

The University continues to seek ways to manage the cost of attendance so that it remains affordable while achieving revenue support necessary to offer a high-quality university experience. Diverse revenue sources, including state appropriations, tuition, and fees (net of scholarship allowance), private support, and sponsored grants and contracts all contribute to support the mission of teaching, research, and service. For the 2025-2026 academic year, enrollment and state appropriations are anticipated to exceed budget. Tuition and mandatory fee increase of 3.9% for undergraduate resident students and 5.2% for undergraduate non-resident students were necessary in 2026 to maintain the facilities, faculty, and other support needed to fulfill our mission.

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

The University of Arkansas concluded fiscal year 2025 by raising $254.7 million with $132.8 million directed to the Land of Opportunity Scholarship campaign. This outstanding support from alumni, friends, and stakeholders positions the university to reach new milestones and achievements that advance the University's land-grant mission and strategic priorities. During fiscal year 2025, private gift support provided funding for the establishment of 104 new endowed funds and 86 new student scholarships, awards and fellowships. In fiscal year 2025, donors directed $148.5 million dollars to the University's endowment.

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

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

Due to our strong net position as discussed above, high level of liquidity, indications of stable state support, continuing high levels of philanthropic support, and a positive enrollment outlook. The University has a high level of confidence that it will maintain its strong financial position in the future.

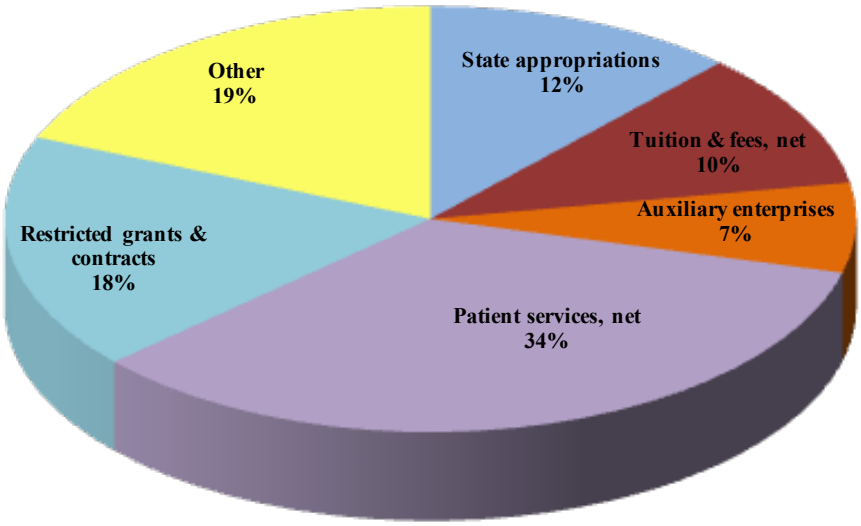
All Campuses

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

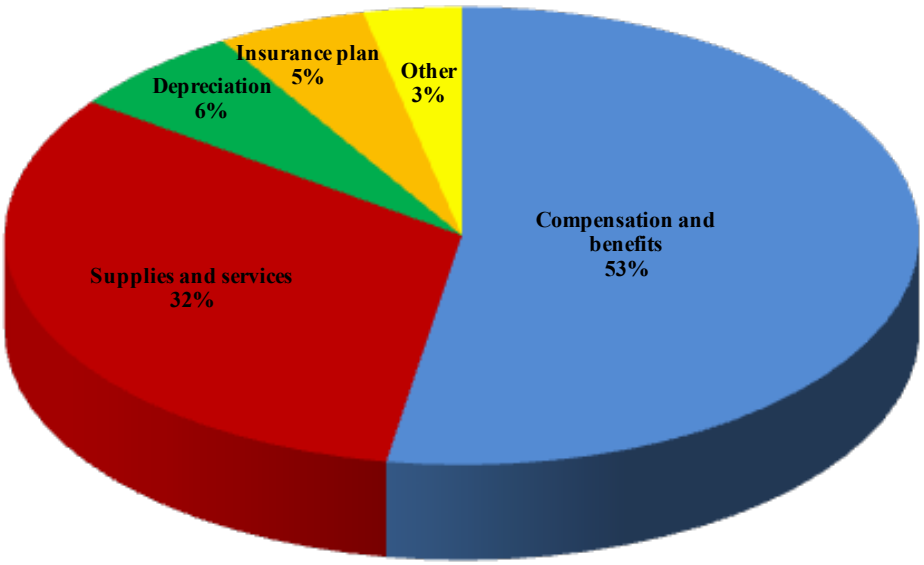
Preliminary data show that enrollment trends for the University of Arkansas System have improved, with headcount rising from 65,287 in Fall 2024 to 67,163 in Fall 2025, and full-time equivalent enrollment increasing from 54,491 to 55,963. Despite this growth, management will continue to budget conservatively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



2025 Revenues
$4.509 Billion



2025 Expenses
$4.385 Billion



FIVE YEAR SUMMARY OF KEY STUDENT DATA

Enrollment

Fall Semester	2025*	2024*	2023*	2022*	2021
Undergraduate Students (Headcount)**	57,577	55,697	54,518	55,197	49,669
Graduate Students (Headcount)**	9,586	9,590	9,775	10,165	9,372
Total	67,163	65,287	64,293	65,362	59,041
Undergraduate Students (FTE)**	48,914	47,701	46,823	46,651	42,334
Graduate Students (FTE)**	7,049	6,790	7,006	7,196	6,474
Total	55,963	54,491	53,829	53,847	48,808

Degrees Awarded

Fiscal Year Ended June 30,	2025*	2024*	2023*	2022*	2021*
Certificates	5,845	5,155	5,182	5,427	4,476
Associate	3,428	3,606	3,548	3,351	2,785
Baccalaureate	9,050	8,138	8,197	8,545	8,433
Post-Baccalaureate	462	522	417	510	458
Master's	2,371	2,521	2,448	2,312	2,095
Doctoral	272	258	267	326	289
First Professional	613	616	568	566	609
Total	22,041	20,816	20,627	21,037	19,145

Preliminary Data Reported by the Arkansas Division of Higher Education (ADHE).

*ADHE provided corrected number of degrees awarded for 2021 and 2022. University of Arkansas Grantham enrollment and degrees awarded are not included in ADHE data but are included in the above charts for 2022, 2023, 2024 and 2025.

**Excludes High School Concurrent enrollment.



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

	June 30, 2025	June 30, 2024
ASSETS		
Current		
Cash and cash equivalents (Note 4)	$ 331,753,182	$ 430,111,811
Investments (Note 4)	749,016,257	667,155,180
Accounts receivable, net of allowances of $46,217,617and $48,864,997 (Note 6)	244,783,626	263,981,045
Patient accounts receivable, net of allowances of $286,341,000 and $297,586,000	288,717,000	256,130,000
Inventories	45,623,906	43,682,483
Deposits and funds held in trust by others	20,422,881	26,296,267
Notes receivable, net of allowances of $396,000 and $396,000	1,492,106	1,645,887
Other assets	102,183,375	51,450,361
Total current assets	1,783,992,333	1,740,453,034
Non-Current		
Cash and cash equivalents (Note 4)	19,192,499	9,945,885
Investments (Note 4)	460,869,270	410,997,792
Accounts receivable, net of allowances of $0 and $0	58,783,935	59,178,000
Notes receivable, net of allowance of $3,680,000 and $3,926,000	16,465,861	9,725,327
Deposits and funds held in trust by others	111,644,127	129,819,004
Other non-current assets	164,402	32,286,591
Capital assets, net of depreciation of $3,960,810,141 and $3,703,088,763 (Note 7)	3,541,721,499	3,452,198,480
Total non-current assets	4,208,841,593	4,104,151,079
TOTAL ASSETS	$ 5,992,833,926	$ 5,844,604,113
DEFERRED OUTFLOWS OF RESOURCES		
Debt refunding	$ 13,155,960	$ 16,139,736
Other postemployment benefits	3,755,593	6,526,000
Pensions	9,359,692	13,793,613
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 26,271,245	$ 36,459,349
LIABILITIES		
Current		
Accounts payable and other accrued liabilities (Note 6)	$ 234,757,637	$ 237,170,956
Unearned revenue	82,694,691	72,683,609
Funds held in trust for others	6,860,175	8,691,164
Liability for future insurance claims (Note 14)	22,237,500	23,431,000
Compensated absences payable - current portion (Note 9)	12,272,272	8,978,563
Liability for other postemployment benefits - current portion (Note 16)	2,180,083	2,243,000
Bonds, notes, leases and installment contracts payable - current portion (Note 10)	129,951,536	124,397,533
Total current liabilities	490,953,894	477,595,825
Non-Current		
Unearned revenues, deposits and other	7,589,143	6,122,377
Refundable federal advance - Perkins loans	2,633,000	3,508,000
Compensated absences payable (Note 9)	108,688,763	105,761,643
Liability for other postemployment benefits (Note 16)	68,601,370	72,978,000
Liability for pensions (Note 15)	35,957,468	41,300,750
Bonds, notes, leases and installment contracts payable (Note 10)	1,827,765,972	1,870,913,770
Total non-current liabilities	2,051,235,716	2,100,584,540
TOTAL LIABILITIES	$ 2,542,189,610	$ 2,578,180,365
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits	$ 16,953,011	$ 12,231,000
Pensions	8,748,452	8,278,624
Other	83,201,052	75,997,032
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 108,902,515	$ 96,506,656
NET POSITION		
Net Investment in Capital Assets	$ 1,712,599,605	$ 1,612,633,016
Restricted		
Non-Expendable		
Scholarships and fellowships	32,147,135	18,070,651
Research	41,202,706	47,428,304
Other	54,008,138	55,830,787
Expendable		
Scholarships and fellowships	37,761,667	43,564,072
Research	83,566,533	89,381,474
Public service	21,440,835	30,162,993
Capital projects	63,187,922	78,266,508
Other	105,974,350	79,614,761
Unrestricted	1,216,124,155	1,151,423,875
TOTAL NET POSITION	$ 3,368,013,046	$ 3,206,376,441

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.




DEDICATED
TO ARKANSAS

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

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

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

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

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

	Year Ended June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	TOTAL
Revenues, Gains and Other Support:			
Contributions	$ 9,133,587	$ 83,602,057	$ 92,735,644
Interest and dividends	18,690,214	12,721,150	31,411,364
Net realized and unrealized gains on investments	23,251,414	155,750,310	179,001,724
Net assets released from restructions	104,511,227	(104,511,227)	-
Total revenues, gains and other support	155,586,442	147,562,290	303,148,732
Expenses and Losses:			
Program services:			
University System support	122,839,038		122,839,038
Supporting services:			
Management and general	2,991,158		2,991,158
Advancement and development	12,207,150		12,207,150
Change in value of split-interest agreements	(54,888)	(2,029,180)	(2,084,068)
Provision for loss (recovery) on uncollectible contributions	32,482	450,903	483,385
Total supporting services	15,175,902	(1,578,277)	13,597,625
Total expenses and losses	138,014,940	(1,578,277)	136,436,663
Change in Net Assets	17,571,502	149,140,567	166,712,069
Net Assets, beginning of year	170,213,556	1,898,172,002	2,068,385,558
Net Assets, end of year	$ 187,785,058	$ 2,047,312,569	$ 2,235,097,627



Year Ended June 30, 2024		
Without Donor Restrictions	With Donor Restrictions	TOTAL
$ 11,202,726	$ 61,418,455	$ 72,621,181
19,341,024	12,853,138	32,194,162
23,752,685	148,080,048	171,832,733
104,968,474	(104,968,474)	-
159,264,909	117,383,167	276,648,076
124,837,904		124,837,904
2,726,702		2,726,702
12,019,374		12,019,374
1,731	(403,781)	(402,050)
177,200	622,814	800,014
14,925,007	219,033	15,144,040
139,762,911	219,033	139,981,944
19,501,998	117,164,134	136,666,132
150,711,558	1,781,007,868	1,931,719,426
$ 170,213,556	$ 1,898,172,002	$ 2,068,385,558



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

	Year Ended June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	TOTAL
Revenues, Gains and Other Support:			
Interest and dividends		$ 4,681,358	$ 4,681,358
Net realized and unrealized gains on investments		69,683,290	69,683,290
Net assets released from restrictions	$ 29,005,995	(29,005,995)	-
Total revenues, gains and other support	29,005,995	45,358,653	74,364,648
Expenses and Losses:			
Program services:			
Fayetteville campus support	29,005,995		29,005,995
Total program services	29,005,995	-	29,005,995
Change in Net Assets	-	45,358,653	45,358,653
Net Assets, beginning of year	-	707,889,436	707,889,436
Net Assets, end of year	$ -	$ 753,248,089	$ 753,248,089



	Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	TOTAL
Revenues, Gains and Other Support:			
Interest and dividends		$ 4,471,271	$ 4,471,271
Net realized and unrealized gains on investments		68,310,906	68,310,906
Net assets released from restrictions	$ 27,300,954	(27,300,954)	-
Total revenues, gains and other support	27,300,954	45,481,223	72,782,177
Expenses and Losses:			
Program services:			
Fayetteville campus support	27,300,954		27,300,954
Total program services	27,300,954	-	27,300,954
Change in Net Assets	-	45,481,223	45,481,223
Net Assets, beginning of year	-	662,408,213	662,408,213
Net Assets, end of year	$ -	$ 707,889,436	$ 707,889,436



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

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM
ASSETS							
Current							
Cash and cash equivalents	$ 106,246,000	$ 15,954,840	$ 48,178,025	$ 28,004,000	$ 24,857,872	$ 5,371,130	$ 33,492,394
Investments	595,679,000	17,409,011	39,754,928		282,543		36,746,763
Accounts receivable	82,902,000	2,194,521	22,665,141	97,185,000	6,599,320	13,813,106	25,852,683
Patient accounts receivable				288,717,000			
Inventories	8,055,000		91,785	35,943,000	336,400	31,828	
Deposits and funds held in trust by others	8,485,000		2,410			11,859,861	
Notes receivable	827,000	10,674	27,622	962,000			
Other assets	46,903,000	5,830,209	7,969,752	21,082,000	2,973,653	3,749,192	2,901,247
Total current assets	849,097,000	41,399,255	118,689,663	471,893,000	35,049,788	34,825,117	98,993,087
Non-Current							
Cash and cash equivalents					5,242,232	1,483,010	
Investments	200,165,000	15,674,758	29,159,517	168,868,000	4,861,797	7,415,625	28,771,783
Accounts receivable	11,662,000			46,148,000			
Notes receivable	3,786,000	123,979	320,818	16,123,000	49,357	418,211	
Deposits and funds held in trust by others	13,204,000	37,653	747,644	96,328,000			
Other non-current assets							12,759,062
Capital assets	1,785,431,000	119,851,727	177,967,867	1,027,403,000	51,530,171	126,015,798	3,411,285
Total non-current assets	2,014,248,000	135,688,117	208,195,846	1,354,870,000	61,683,557	135,332,644	44,942,130
TOTAL ASSETS	$ 2,863,345,000	$ 177,087,372	$ 326,885,509	$ 1,826,763,000	$ 96,733,345	$ 170,157,761	$ 143,935,217
DEFERRED OUTFLOWS OF RESOURCES							
Debt refunding	$ 5,229,000	$ 1,475,810	$ 1,743,022	$ 286,000		$ 148,873	
Other postemployment benefits	1,460,000	183,000	365,000	1,022,000	$ 50,000	117,000	$ 27,000
Pensions	2,131,000	240,298	872,591	1,265,000	373,978	179,095	195,316
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 8,820,000	$ 1,899,108	$ 2,980,613	$ 2,573,000	$ 423,978	$ 444,968	$ 222,316
LIABILITIES							
Current							
Accounts payable and other accrued liabilities	$ 78,314,000	$ 2,441,517	$ 8,322,442	$ 141,098,000	$ 2,508,571	$ 8,027,204	$ 4,554,933
Unearned revenue, deposits and other	55,598,000	740,395	11,188,643	9,406,000	43,573	16,440	1,689,735
Funds held in trust for others	4,029,000	419,985	(1,278,299)	596,000	171,897	2,445,488	
Liability for future insurance claims							22,237,500
Compensated absences payable - current portion	2,849,000	230,697	603,045	7,569,000	92,840	190,392	231,154
Liability for other postemployment benefits - current portion	633,000	72,000	193,000	922,000	38,000	51,000	18,000
Bonds, notes, leases and installment contracts payable - current	61,737,000	3,260,510	8,913,368	45,084,000	1,491,987	2,143,178	4,608,716
Total current liabilities	203,160,000	7,165,104	27,942,199	204,675,000	4,346,868	12,873,702	33,340,038
Non-Current							
Unearned revenues, deposits and other	7,482,000		107,143				
Refundable federal advance - Perkins loans	2,633,000						
Compensated absences payable	23,604,000	1,588,382	3,942,029	70,602,000	1,203,699	2,346,782	1,880,599
Liability for other post employment benefits	21,261,000	1,554,000	5,231,000	30,999,000	1,374,000	2,314,000	617,000
Liability for pensions	8,044,000	1,009,754	3,396,453	5,231,000	1,699,192	641,109	702,390
Bonds, notes, leases, installment contracts payable	823,665,000	38,130,261	56,767,339	728,353,000	22,484,869	39,380,259	14,075,775
Total non-current liabilities	886,689,000	42,282,397	69,443,964	835,185,000	26,761,760	44,682,150	17,275,764
TOTAL LIABILITIES	$ 1,089,849,000	$ 49,447,501	$ 97,386,163	$ 1,039,860,000	$ 31,108,628	$ 57,555,852	$ 50,615,802
DEFERRED INFLOWS OF RESOURCES							
Other postemployment benefits	$ 4,167,000	$ 677,000	$ 1,265,000	$ 7,189,000	$ 375,000	$ 834,000	$ 132,000
Pensions	1,161,000	237,237	1,014,762	1,459,000	347,326	76,871	59,434
Other	20,459,000	235,514	202,898	62,094,000			
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 25,787,000	$ 1,149,751	$ 2,482,660	$ 70,742,000	$ 722,326	$ 910,871	$ 191,434
NET POSITION							
Net Investment in Capital Assets	$ 919,799,000	$ 84,703,124	$ 118,130,357	$ 345,822,000	$ 30,488,868	$ 77,977,959	$ 1,951,006
Restricted							
Non-Expendable							
Scholarships and fellowships	11,874,000	356,823	5,245,012	13,243,000	56,017		
Research	19,402,000		205,146	21,274,000	321,560		
Other	16,816,000	7,000	7,722,514	20,457,000		9,005,624	
Expendable							
Scholarships and fellowships	27,136,000	579,957	785,796	2,187,000	635,761	5,280,037	
Research	51,839,000	141,041	147,521	24,307,000	2,798,136	4,333,835	
Public service	16,411,000	983,176	159,144	(3,606,000)		7,493,515	
Capital projects	40,882,000	89,814		(1,037,000)	16,977,703	1,090,814	
Other	37,784,000	2,102,586	17,633,093	39,223,000	222,929	3,578,262	
Unrestricted	614,586,000	39,425,707	79,968,716	256,864,000	13,825,395	3,375,960	91,399,291
TOTAL NET POSITION	$ 1,756,529,000	$ 128,389,228	$ 229,997,299	$ 718,734,000	$ 65,326,369	$ 112,136,006	$ 93,350,297

See accompanying notes.

CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	UAEACC	ASMSA	Elimination (See Note 19)	TOTAL
$ 2,052,047	$ 10,473,768	$ 4,477,493	$ 5,547,357	$ 7,052,753	$ 13,665,083	$ 1,150,599	$ 12,736,898	$ 11,186,644	$ 1,306,279	$ 331,753,182
1,079,571	3,998,010		7,737,632		44,699,128		1,629,671			749,016,257
2,281,754	2,078,710	1,319,921	925,663	1,397,464	3,930,445	788,543	2,096,213	180,706	$ (21,427,564)	244,783,626
										288,717,000
87,481	49,706	52,024	401,399			340,448	234,835			45,623,906
	344					75,266				20,422,881
	6,423							2,099	(343,712)	1,492,106
1,162,443	940,646	1,118,416	934,519	1,731,547	4,037,776	735,897	37,623	75,455		102,183,375
6,663,296	17,547,607	6,967,854	15,546,570	10,181,764	66,332,432	3,090,753	16,735,240	11,444,904	(20,464,997)	1,783,992,333
1,666,476				32,695			10,768,086			19,192,499
642,280		2,305,416			1,336,844	1,322,779	345,471			460,869,270
							973,935			58,783,935
33,225	74,604	46,322	29,540	37,894				24,386	(4,601,475)	16,465,861
				1,278,724	48,106					111,644,127
					164,402				(12,759,062)	164,402
10,383,972	23,769,049	14,376,172	28,243,632	34,745,966	71,969,144	18,534,136	20,257,655	27,830,925		3,541,721,499
12,725,953	23,843,653	16,727,910	28,273,172	36,095,279	73,518,496	19,856,915	32,345,147	27,855,311	(17,360,537)	4,208,841,593
$ 19,389,249	$ 41,391,260	$ 23,695,764	$ 43,819,742	$ 46,277,043	$ 139,850,928	$ 22,947,668	$ 49,080,387	$ 39,300,215	$ (37,825,534)	$ 5,992,833,926
$ 50,054	$ 581,477		$ 102,232		$ 3,456,726		$ 82,766			$ 13,155,960
57,000	44,000	$ 30,000	37,000	$ 41,000	142,000	$ 66,000	$ 94,593	$ 20,000		3,755,593
298,742	75,984	349,839	270,588	388,570	942,902	246,583	1,421,479	107,727		9,359,692
$ 405,796	$ 701,461	$ 379,839	$ 409,820	$ 429,570	$ 4,541,628	$ 312,583	$ 1,598,838	$ 127,727	$ -	$ 26,271,245
$ 517,991	$ 717,253	$ 465,566	$ 934,713	$ 1,566,817	$ 3,634,667	$ 983,653	$ 389,225	$ 402,370	$ (20,121,285)	$ 234,757,637
259,090	355,304	122,630	276,870	590,314	2,170,342	182,226	48,132	6,997		82,694,691
54,576	(9,344)	25,242	(51,675)	31,932	232,927	39,524	106,833	46,089		6,860,175
										22,237,500
37,069	87,060	41,928	37,738	49,646	106,313	36,606	74,971	34,813		12,272,272
8,000	34,000	20,000		24,000	81,000	25,000	59,083	2,000		2,180,083
254,823	545,045	273,296	661,477	457,608	3,372,479	554,697	278,449	136,090	(3,821,187)	129,951,536
1,131,549	1,729,318	948,662	1,859,123	2,720,317	9,597,728	1,821,706	956,693	628,359	(23,942,472)	490,953,894
										7,589,143
										2,633,000
345,441	450,609	316,832	349,758	374,518	711,119	264,292	537,896	170,807		108,688,763
547,000	778,000	397,000	363,000	616,000	1,014,000	559,000	735,370	242,000		68,601,370
1,233,611	354,361	1,468,216	1,040,452	1,726,220	4,137,786	1,068,405	3,717,048	487,471		35,957,468
2,179,080	7,544,463	359,939	6,949,807	20,340,958	63,264,336	12,943,557	4,740,667	469,724	(13,883,062)	1,827,765,972
4,305,132	9,127,433	2,541,987	8,703,017	23,057,696	69,127,241	14,835,254	9,730,981	1,370,002	(13,883,062)	2,051,235,716
$ 5,436,681	$ 10,856,751	$ 3,490,649	$ 10,562,140	$ 25,778,013	$ 78,724,969	$ 16,656,960	$ 10,687,674	$ 1,998,361	$ (37,825,534)	$ 2,542,189,610
$ 243,000	$ 160,000	$ 96,000	$ 270,000	$ 221,000	$ 664,000	$ 265,000	$ 323,011	$ 72,000		$ 16,953,011
317,452	202,790	406,332	302,403	294,187	1,564,164	399,345	676,008	230,141		8,748,452
							209,640			83,201,052
$ 560,452	$ 362,790	$ 502,332	$ 572,403	$ 515,187	$ 2,228,164	$ 664,345	$ 1,208,659	$ 302,141	$ -	$ 108,902,515
$ 9,054,989	$ 17,160,397	$ 13,360,650	$ 18,376,187	$ 16,112,292	$ 9,791,416	$ 5,673,882	$ 15,345,879	$ 28,851,599		$ 1,712,599,605
75,000					1,144,724		152,559			32,147,135
										41,202,706
										54,008,138
135,846	357,192			264,387	192,120		207,571			37,761,667
										83,566,533
										21,440,835
1,666,476	3,284,712						233,403			63,187,922
452,264		48,610			3,009,264	75,266	1,365,754	479,322		105,974,350
2,413,337	10,070,879	6,673,362	14,718,832	4,036,734	49,301,899	189,798	21,477,726	7,796,519		1,216,124,155
$ 13,797,912	$ 30,873,180	$ 20,082,622	$ 33,095,019	$ 20,413,413	$ 63,439,423	$ 5,938,946	$ 38,782,892	$ 37,127,440	$ -	$ 3,368,013,046

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

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

See accompanying notes.



CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	UAEACC	ASMSA	Elimination (Note 19)	TOTAL
$ 1,615,923	$ 773,640	$ 1,626,063	$ 578,770	$ 4,669,639	$ 9,500,318	$ 1,018,118	$ 1,893,180			$ 467,705,698
										1,543,440,000
										17,750,000
2,819,486	2,440,020	1,371,593	1,361,038	3,229,882	1,970,065	3,229,020	1,110,621	79,987		365,777,278
2,508,409	1,047,219	1,019,313	1,114,245	2,035,593	4,590,966	599,084	951,279	631,255		71,364,499
90,756	4,500		718,319	46,608	520,280	135,155		20,520		158,092,409
147,912	243,015	167,485	281,453	428,611	981,465	71,879		6,000	$ (7,013,360)	83,289,181
									(147,896,602)	82,244,523
89,215	9,606									156,188,147
308,719	23,870	134,052			448,195	1,404,295	124,832			122,973,304
82,105	242,493	67,549	337,342		197,652	549,578	87,719			3,635,035
	119,149	9,658	43,208		75,584					24,107,579
76,857	37,277	90,721	78,501	126,663	154,041	297,647	682,499	255,311	(1,553,922)	307,516,813
7,739,382	4,940,789	4,486,434	4,512,876	10,536,996	18,438,566	7,304,776	4,850,130	993,073	(156,463,884)	3,404,084,466
10,580,382	11,367,685	8,541,528	9,023,025	12,055,486	24,778,418	6,966,486	10,046,386	6,614,537	(147,896,602)	2,308,430,841
5,493,459	6,129,639	3,908,517	4,149,334	4,295,787	17,986,944	4,238,243	4,392,162	4,507,937	(8,567,282)	1,415,868,583
1,247,380	2,159,256	1,946,323	1,139,833	4,603,041	5,418,176	988,118	1,263,570			77,314,823
										233,039,699
1,187,708	1,668,808	1,296,240	2,098,230	2,193,539	5,570,395	1,677,932	1,682,828	1,037,280		275,066,904
18,508,929	21,325,388	15,692,608	16,410,422	23,147,853	53,753,933	13,870,779	17,384,946	12,159,754	(156,463,884)	4,309,720,850
(10,769,547)	(16,384,599)	(11,206,174)	(11,897,546)	(12,610,857)	(35,315,367)	(6,566,003)	(12,534,816)	(11,166,681)	-	(905,636,384)
5,108,592	10,654,678	5,273,356	6,606,424	6,380,644	17,039,282	3,872,495	10,765,952	12,829,618		536,032,190
1,786,868	2,802,568	1,972,406	1,942,485	1,067,574		582,801	461,426			10,616,153
2,452,662	2,795,321	3,739,341	2,350,127	5,137,409	17,145,687	2,355,273	1,827,361			155,029,107
597,592	185,764	564,888	363,777	888,962	691,570	1,036,302	270,140			58,329,269
32,932		74,635	81,843							1,393,353
147,990	228,457	105,252		127,756	520,258	43,500	160,100	71,910		201,218,355
228,151	267,613	169,094	344,847	498,298	2,162,383	30,381	160,985	28,562	(515,551)	93,156,041
(72,765)	(301,897)	(9,420)	(169,359)	(646,590)	(2,529,320)	(562,205)	(120,053)	(17,802)	474,787	(62,759,492)
(36,761)	(3,436)				(7,878)					464,124
11,329	33,541	14,727	108	(117,044)	385,056	(230,512)	63,606	32,775	40,764	7,528,461
10,256,590	16,662,609	11,904,279	11,520,252	13,337,009	35,407,038	7,128,035	13,589,517	12,945,063	-	1,001,007,561
(512,957)	278,010	698,105	(377,294)	726,152	91,671	562,032	1,054,701	1,778,382	-	95,371,177
										11,142,000
	165,162		10,000	292,594				240,000		30,416,043
		(4,155)	(392,592)			(22,921)				(13,022,858)
										-
-	165,162	(4,155)	(382,592)	292,594	-	(22,921)	-	240,000	-	28,535,185
(512,957)	443,172	693,950	(759,886)	1,018,746	91,671	539,111	1,054,701	2,018,382	-	123,906,362
14,310,869	30,430,008	19,388,672	33,854,905	19,394,667	63,347,752	5,399,835	37,728,191	35,109,058		3,244,104,632
										2,052
$ 14,310,869	$ 30,430,008	$ 19,388,672	$ 33,854,905	$ 19,394,667	$ 63,347,752	$ 5,399,835	$ 37,728,191	35,109,058	$ -	$ 3,244,106,684
$ 13,797,912	$ 30,873,180	$ 20,082,622	$ 33,095,019	$ 20,413,413	$ 63,439,423	$ 5,938,946	$ 38,782,892	37,127,440	$ -	$ 3,368,013,046



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

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

See accompanying notes.



CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	UAEACC	ASMSA	Eliminations (Note 19)	TOTAL
$ 1,648,022	$ 618,692	$ 1,481,490	$ 745,365	$ 4,714,397	$ 9,868,918	$ 1,020,632	$ 1,430,215			$ 474,521,064
										1,510,853,000
										17,383,000
5,299,910	3,404,231	2,368,778	2,989,063	4,789,568	7,491,751	4,214,767	2,440,505	$ 666,120		604,665,362
			1,161					1,040		(123,896)
									$ (147,814,420)	85,258,769
69,215	9,606									147,295,254
308,689	23,870	134,052			448,195	1,404,295	124,832			124,727,377
82,105	242,493	67,549	337,342		197,652	549,578	45,544			4,920,756
	119,149	9,913			24,638	(1,814)				24,109,904
(8,445,132)	(9,190,216)	(6,844,352)	(7,140,861)	(9,455,069)	(20,570,076)	(5,510,220)	(7,433,465)	(5,325,236)		(2,012,634,899)
(2,123,412)	(2,329,426)	(1,825,360)	(1,696,366)	(2,616,044)	(4,577,917)	(1,489,048)	(2,483,044)	(1,356,218)	147,814,420	(289,449,037)
(5,619,969)	(6,334,736)	(3,839,126)	(3,667,903)	(4,210,659)	(17,902,806)	(4,080,620)	(4,073,815)	(4,746,550)	9,610,844	(1,417,662,906)
										(7,190,000)
(1,247,380)	(2,173,559)	(1,946,323)	(1,139,833)	(4,603,041)	(5,418,176)	(988,118)	(1,263,570)			(76,856,968)
										(234,291,840)
252,792	191,963	64,764	457,130	516,749	1,225,086	250,845	92,639	234,121	(8,304,565)	404,545,432
(9,775,160)	(15,417,933)	(10,328,615)	(9,114,902)	(10,864,099)	(29,212,735)	(4,629,703)	(11,120,159)	(10,526,723)	1,306,279	(639,929,628)
5,108,592	10,652,794	5,273,356	6,606,424	6,380,644	17,039,282	3,872,495	10,765,952	12,829,618		536,030,305
1,786,868	2,828,024	1,972,406	1,942,485	1,134,885		570,141	416,465			10,651,299
3,253,573	3,381,807	4,486,615	2,795,746	6,154,128	18,351,602	3,352,371	2,257,601	90,856		419,101,490
										(411,000)
		1,202,930		2,291,575	19,284,102	2,250	164,447			272,008,452
		(1,202,930)		(2,291,575)	(19,284,102)		(167,614)			(273,997,850)
2,020	660	13,197	(439,461)	(52,764)	106,529	(99,455)	(2,795)	19,192		(5,537,546)
										-
1,306									40,764	(636,033)
					403,323					599,677
10,152,359	16,863,285	11,745,574	10,905,194	13,616,893	35,900,736	7,697,802	13,434,056	12,939,666	40,764	957,808,794
				9,648,628		(456)				92,843,273
										11,142,000
	165,162		10,000	292,594		400		240,000		33,802,298
43,125										1,768,409
(1,291,151)	(4,287,884)	(2,498,161)	(890,505)	(13,988,983)	(18,267)	(1,971,043)	(592,697)	(1,790,428)		(327,889,210)
(233,728)	(517,523)	(254,326)	(652,224)	(392,892)	(2,715,686)	(165,424)	(332,824)	(131,081)	3,400,152	(125,470,428)
(91,856)	(274,679)	(12,342)	(161,457)	(372,046)	(2,923,679)	(646,267)	(114,047)	(17,864)	474,787	(67,970,495)
					(2,357,753)					(2,355,903)
					(14,473)					(14,473)
							57,530		(3,400,152)	1,408,445
(1,573,610)	(4,914,924)	(2,764,829)	(1,694,186)	(4,812,699)	(8,029,858)	(2,782,790)	(982,038)	(1,699,373)	474,787	(382,736,084)
		500,000		2,667,651	38,026,155	(227,229)	1,092,616			417,821,346
147,355	33,423	169,094	344,847	291,920	2,162,383	30,381	160,985	28,562	(515,551)	13,020,276
		(551,436)	(338,524)		(56,163,228)		(611,872)			(476,628,115)
147,355	33,423	117,658	6,323	2,959,571	(15,974,690)	(196,848)	641,729	28,562	(515,551)	(45,786,493)
(1,049,056)	(3,436,149)	(1,230,212)	102,429	899,666	(17,316,547)	88,461	1,973,588	742,132	1,306,279	(110,643,411)
4,767,579	13,909,917	5,707,705	5,444,928	6,185,782	30,981,630	1,062,138		10,444,512		440,057,696
							21,531,396			21,531,396
4,767,579	13,909,917	5,707,705	5,444,928	6,185,782	30,981,630	1,062,138	21,531,396	10,444,512	-	461,589,092
$ 3,718,523	$ 10,473,768	$ 4,477,493	$ 5,547,357	$ 7,085,448	$ 13,665,083	$ 1,150,599	$ 23,504,984	$ 11,186,644	$ 1,306,279	$ 350,945,681

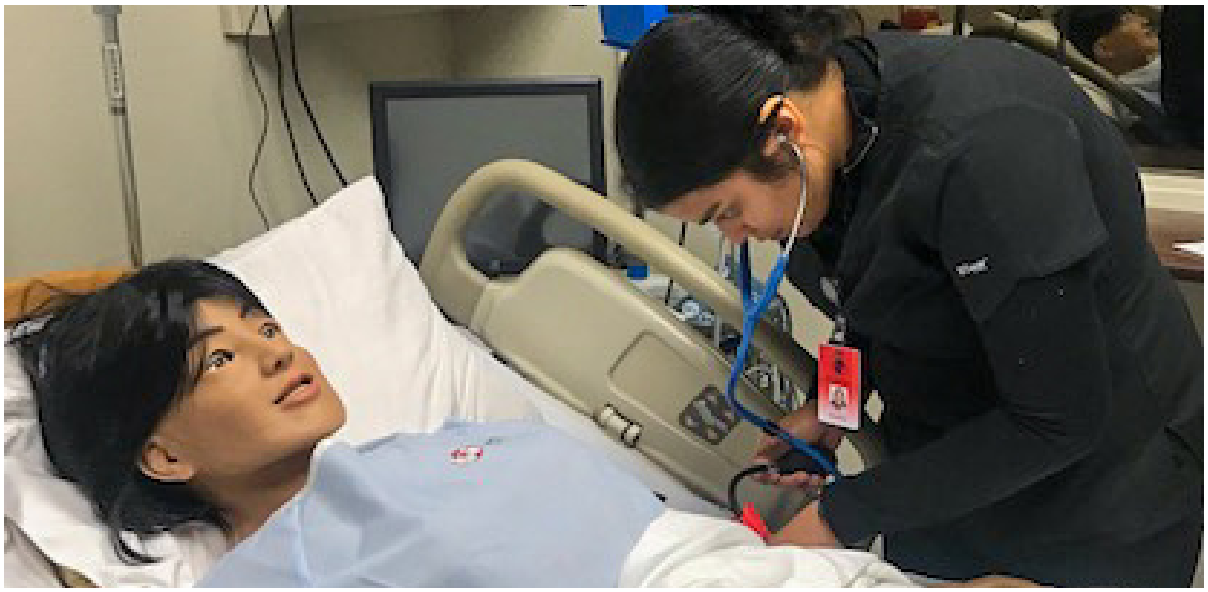


UNIVERSITY OF ARKANSAS SYSTEM
Schedule of Cash Flows - Direct Method - Continued - By Campus
For the Year Ended June 30, 2025

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



CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	UAEACC	ASMSA	Eliminations (Note 19)	TOTAL
$ (10,769,547)	$ (16,384,599)	$ (11,206,174)	$ (11,897,546)	$ (12,610,857)	$ (35,315,367)	$ (6,566,003)	$ (12,534,816)	$ (11,166,681)		$ (905,636,384)
1,187,708	1,668,808	1,296,240	2,098,230	2,193,539	5,570,395	1,677,932	1,682,828	1,037,280		275,066,904
										(4,953,268)
									$ 1,306,279	1,306,279
(147,265)	(372,469)	(388,465)	(66,988)	(567,649)	(1,548,004)	263,425	(353,703)	(86,134)		(18,049,301)
(6,055)	3,941	2,093	(12,080)			9,074	(42,176)			(1,748,764)
52,071	(27,448)	3,491		46,043	12,206	(1,071)	1,366	(4,702)		(3,075,573)
(19,241)	(190,259)	83,610	865,989	92,344	729,201	33,908	72,673	(236,611)		5,073,067
(45,222)	(11,903)	(7,914)	171,589	61,314	2,037,239		(76,209)	(27,927)		11,306,364
										(1,193,500)
						70,654				503,654
										(875,000)
83,758	50,638	(27,974)	(41,708)	24,301	107,120	(15,210)	90,815	27,540		5,698,777
34,000	(52,000)	5,000	(21,000)	12,000	52,000	24,000	(21,995)	10,000		(1,281,995)
(145,367)	(102,642)	(88,522)	(209,675)	(115,134)	(857,525)	(126,412)	61,058	(80,529)		(5,011,052)
			(1,713)					1,041		2,940,164
$ (9,775,160)	$ (15,417,933)	$ (10,328,615)	$ (9,114,902)	$ (10,864,099)	$ (29,212,735)	$ (4,629,703)	$ (11,120,159)	$ (10,526,723)	$ 1,306,279	$ (639,929,628)
										$ 203,490
$ 8,619	$ 9,647	$ 15,738	$ 7,248	$ 345,791	$ 19,297	$ 5,988		$ 4,146		37,941,650
										8,756,504
				11,152,280						52,755,094
				117,044						1,086,681
				251,443						534,767
	344			140,851						2,447,893
36,761	3,436				7,878					1,035,307
										-
										4,157,000
										-
										-



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), UAPTC (University of Arkansas-Pulaski Technical College), UACCRM (University of Arkansas Community College at Rich Mountain), ASMSA (Arkansas School for Mathematics, Sciences and the Arts), UAEACC (University of Arkansas East Arkansas Community College), and SYSTEM (University of Arkansas System Administration, including the University of Arkansas Grantham [UAG]).

Basis of Presentation and Measurement Focus

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

Use of Estimates

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

Cash and Cash Equivalents

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

Investments

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

Accounts Receivable

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

Patient Accounts Receivable

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

Inventories

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

Capital Assets

Capital assets consisting of land, buildings, improvements, furniture, equipment, intangible assets, and construction in progress, are stated at cost at the date of acquisition, or acquisition value at date of donation if acquired by gift. Library holdings are generally valued using average prices for library acquisitions. The University's capitalization policy includes all furniture, fixtures and equipment with a unit cost of $5,000 or more and an estimated useful life of one year or more. Intangible assets are capitalized when the cost is $500,000 or more for purchased software, $1,000,000 or more for internally developed software, or $250,000 or more for easements, land use rights, trademarks and copyrights, and patents.

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

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

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

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

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

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

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

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

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

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

contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 monies have not been received or expended. These awards have not been reflected in the financial statements but represent commitments of sponsors to provide funds for specific research and training projects.

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

State Appropriations
State appropriations are reported as non-operating revenue, net of the Medicaid match payments required under various contracts between UAMS and the Arkansas Department of Human Services. The match payments were $75,206,000 and $66,623,000 for the fiscal years ended June 30, 2025, and 2024, respectively.

Component Units
In fiscal year 2025, there were two qualifying foundations determined to be component units for the University of Arkansas System: The University of Arkansas Foundation, Inc. and the University of Arkansas Fayetteville Campus Foundation, Inc. Although the University does not control the timing, or amount, of receipts from either of these foundations, the majority of resources or income thereon, which the foundations hold and invest, is restricted to the activities of the University by the donors. Because these restricted resources held by the foundations can be used only by, or for the benefit of, the University, and their individual net assets are considered as having met the financial accountability criteria by management, these two foundations are considered component units and are discretely presented in the University's financial statements.

The University of Arkansas Foundation, Inc. is a separate not-for-profit organization, which operates for charitable educational purposes, including the administration and investment of gifts and other amounts received directly or indirectly for the benefit of the University of Arkansas.

The Board of Directors has twenty-eight members, four of which are current or previous members of the Board of Trustees of the University of Arkansas. During the years ended June 30, 2025 and 2024, the Foundation distributed $135,046,188 and $136,857,278, respectively, to or on behalf of the University. Complete financial statements for the Foundation can be obtained from the administrative office at *535 Research Center Boulevard, Suite 120, Fayetteville, AR 72701.*

The University of Arkansas Foundation, Inc. reports under the requirements of the Not-for Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. As such, certain revenue recognition criteria and presentation features differ from GASB revenue recognition criteria and presentation. No modifications have been made to the Foundation's financial information in the University's financial statements.

The University of Arkansas Fayetteville Campus Foundation, Inc. is a not-for-profit charitable organization which was established by the Walton Family Charitable Support Foundation, Inc., for the exclusive benefit of the University of Arkansas, Fayetteville campus. The Foundation was established on March 11, 2003, and exists primarily to support the Honors College, the Graduate School, and the University's library. The Board of Trustees of the Foundation is made up of seven members, including three members who are also employees of the University. During the years ended June 30, 2025 and 2024, the Foundation distributed $29,005,995 and $27,300,954, respectively, to or on behalf of the University. Complete financial statements for the Foundation can be obtained from the administrative office at *535 Research Center Boulevard, Suite 120, Fayetteville, AR 72701.*

The University of Arkansas Fayetteville Campus Foundation, Inc. reports under the requirements of the Not-for Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. As such, certain revenue recognition criteria and presentation features differ from GASB revenue recognition criteria and presentation. No modifications have been made to the Foundation's financial information in the University's financial statements.

Encumbrances

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

New Accounting Pronouncements

The GASB issued the following statements, which became effective for the fiscal years identified below.

For the year ending June 30, 2025:

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

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

For the year ending June 30, 2026:

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

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

Note 2: Reporting Entity

The University of Arkansas System, which prior to 1969 consisted of the Fayetteville and Medical Sciences campuses, was expanded in 1969 to include the Little Rock campus (formerly Little Rock University), in 1971 to include the Monticello campus (formerly Arkansas A&M College), in 1972 to include the Pine Bluff campus (formerly Arkansas AM&N College), in 1996 to include the Phillips campus (formerly Phillips County Community College), and the Hope campus (formerly Red River Technical College), and in 1998 to include the Batesville campus (formerly Gateway Technical College). On July 1, 2001, the University was expanded to include campuses in Morrilton (formerly Petit Jean College) and DeQueen (formerly Cossatot Community College). The Fort Smith campus (formerly Westark College) joined the University on January 1, 2002. Forest Echoes Technical Institute in Crossett and Great Rivers Technical Institute in McGehee merged with the Monticello campus on July 1, 2003. The Arkansas School for Mathematics, Sciences and the Arts, a residential high school, joined the University on January 1, 2004. On February 1, 2017, Pulaski Technical College and Rich Mountain Community College became the sixth and seventh two-year colleges to join the UA System. The University of Arkansas East Arkansas Community College joined the UA System on November 21, 2024. In addition to these campuses, the University includes the System Administration, whose financial statements include the University of Arkansas Grantham (acquired on November 1, 2021 and formerly Grantham University), and the following units that are included in the financial statements of the Fayetteville campus: Clinton School of Public Service, Division of Agriculture (Agricultural Experiment Station and the Cooperative Extension Service), Arkansas Archeological Survey, and the Criminal Justice Institute.

All programs and activities of the University of Arkansas System are governed by its Board of Trustees, which has been accorded constitutional status for the exercise of its powers and authority by Amendment 33 to the Arkansas Constitution. The Board of Trustees has delegated to the President the administrative authority for all aspects of the University's operations. Administrative authority is further delegated to the Chancellors, the Vice President for Agriculture, the Dean of

the Clinton School, the Director of the CJI, the Director of AAS, and the Director of ASMSA, who have responsibility for the programs and activities of their respective campuses or state-wide operating division.

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

Note 3: Net Patient Services Revenue and Charity Care

Patient care operations are included in the accompanying financial statements under accounting principles generally followed by governmental colleges and universities. Patient accounts receivable at June 30, 2025 and 2024 are recorded net of an allowance for doubtful accounts of $286,341,000 and $297,586,000, respectively.

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

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

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

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

Hospital:

Medicare – Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic, and other factors. Transplantation services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based

upon established fee schedules. Outpatient services are paid using prospectively determined rates. The Hospital is reimbursed for certain services at tentative rates, with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor.

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon a cost-reimbursement methodology. The Hospital is paid at a tentative rate with final settlement determined after submission of an annual cost report by the Hospital and audits by the Medicaid audit contractor. The Hospital is required to pay the federal match for all Medicaid funds received. Net patient service revenue for the years ended June 30, 2025 and 2024 includes approximately $48,010,000 and $43,605,000, respectively, from the Medicaid program representing payments relating to Upper Payment Limit and Disproportionate Share reimbursements. These payments are available to state-operated teaching hospitals under Medicaid regulations.

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

FGP and Regional Campuses:

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

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

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

Approximately 52% and 53% of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2025 and 2024, respectively. Management believes that UAMS is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

One Big Beautiful Bill Act:

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

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

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

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

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

Note 4: Cash, Cash Equivalents and Investments

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



Cash and Cash Equivalents

Cash deposits are carried at cost. The following schedule reconciles the amount of deposits to the statement of net position at June 30, 2025:

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

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

Investments

Investments are reported at fair value, which, for reporting purposes, is market value. The following is a summary of the University's investments held at June 30, 2025:

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

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

		Interest Rate Risk			
		Investment Maturies (in years)			
Investment Type	Fair Value	Less than 1	1 to 5	over 5	More than 10
Commercial Paper	$ 491,000	$ 491,000	$ -	$ -	$ -
Bonds	153,872,717	41,245,890	109,341,766	3,253,000	32,061
U.S. Treasury & Agency Securities	366,749,682	71,286,111	240,080,700	54,093,000	1,289,871
Totals	$ 521,113,399	$ 113,023,001	$ 349,422,466	$ 57,346,000	$ 1,321,932

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

External Investment Pool

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

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

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

In 2018, the UA Foundation revised their investment policies to only allow endowed monies to be maintained in the investment pool. In response to the change, the UA System Investment Committee approved an agreement with Wilmington Trust to create a short-term investment pool for non-endowed investments. PFM Asset Management LLC was selected through a request for

proposals to act as an investment advisor for the UA System for this pool designated as the Short-Term Investment Fund, or STIF (see below for additional information).

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

UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL
Statement of Invested Assets
June 30, 2025

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

*Includes accrued income



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

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

*Does not include accrued income

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

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

*Does not include accrued income

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

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

*Does not include accrued income

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

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

*Includes accrued income

Short-Term Investment Fund Pool

This pool was created for campuses to invest funds on a short-term basis so that the funds would be accessible within a short period to them as needed. There are six campuses or divisions currently invested in the STIF. The breakdown by campus or division at June 30, 2025 is as follows: System-25.01%, UAMS-46.42%, UALR-8.60%, UAM-0.68%, PCCUA-2.39%, and the Division of Agriculture-16.90%. The following tables contain information on the risk disclosures of the STIF.

UNIVERSITY OF ARKANSAS SYSTEM
Short Term Investment Fund
Statement of Invested Assets
June 30, 2025

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

*includes accrued income

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

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

*Does not include accrued income

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

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

*Does not include accrued income

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

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

*Does not include accrued income

Extended Fixed-Income Investment Fund and Intermediate Term Growth Fund

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

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

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

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

*includes accrued income

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

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

*Does not include accrued income



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

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

*Does not include accrued income

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

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

*Does not include accrued income

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

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

*includes accrued income

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

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

*Does not include accrued income

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

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

*Does not include accrued income

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

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

*Does not include accrued income

Endowment Funds

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

The University does not have a uniform policy addressing the authorization and spending of investment income. Such policies have been established at the applicable campuses and include

spending rates averaged over a specified period and compliance with donor restrictions. The computation of net appreciation on investments of donor-restricted endowments that were available for expenditure at June 30, 2025 and 2024, is as follows:

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

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, 2025:



Summary of Investments by Fair Value Level

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

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

Investments Measured at the NAV at June 30, 2025:

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

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

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

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

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

Note 6: Disaggregation of Accounts Receivable and Accounts Payable

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

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

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

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

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

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



Note 7: Capital Assets

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

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

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

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

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

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

Library holdings, including old and rare books, valued at $ 1,702,050 at June 30, 2024, held by the Medical Sciences Campus, are not included in the above chart or in the accompanying Statements of Net Position.

Note 8: Short-Term Borrowing

GASB Statement No. 38, Certain Financial Statement Note Disclosures, states that governments should provide details about short-term debt activity during the year, even if no short-term debt is

outstanding at year-end. The University had no short-term debt activity during the fiscal year, nor is there any outstanding balance of short-term debt as of June 30, 2025.

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

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

Note 9: Compensated Absences

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

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

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

Changes in compensated absences are shown below:

COMPENSATED ABSENCES

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

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

COMPENSATED ABSENCES

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

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

The retirement of some bond issues is secured by a specific pledge of certain gross revenues, surplus revenues and specific fees. Separate accounting is not required for these facilities under the provisions of the debt instruments; accordingly, segment reporting is not required for financial reporting purposes. A summary of long-term debt by campus is shown below. Total debt of $1,962,662,763 shown in these schedules, which is related to bonds, notes, leases and installment contracts, differs from the amount of $1,957,717,508 shown on the Statement of Net Position.

This is due to an elimination entry of $4,945,255 to account for two loans between UA campuses (see Note 19).

UNIVERSITY OF ARKANSAS FAYETTEVILLE

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
6/30/2014	11/1/2043	0.85% to 4.50%	$ 5,020,000	$ 1,205,000	$ 3,815,000
8/27/2015	11/1/2045	1.02% to 4.40%	7,510,000	1,475,000	6,035,000
4/5/2016	11/1/2046	3.00% to 5.00%	93,590,000	45,610,000	47,980,000
4/5/2016	11/1/2028	0.87% to 3.25%	15,280,000	10,045,000	5,235,000
10/19/2016	9/15/2036	5.00%	24,845,000	-	24,845,000
10/19/2016	9/15/2034	1.192% to 3.388%	90,000,000	27,170,000	62,830,000
8/1/2017	11/1/2047	2.00% to 5.00%	95,805,000	51,095,000	44,710,000
7/26/2018	11/1/2048	5.00%	20,385,000	2,050,000	18,335,000
7/26/2018	11/1/2038	2.65% to 4.00%	6,560,000	1,505,000	5,055,000
8/22/2019	11/1/2049	4.00% to 5.00%	59,655,000	7,805,000	51,850,000
8/22/2019	9/15/2034	5.00%	24,900,000	5,435,000	19,465,000
11/5/2019	11/1/2042	1.762% to 3.401%	139,220,000	48,830,000	90,390,000
12/1/2021	11/1/2043	0.371% to 2.685%	175,645,000	99,265,000	76,380,000
11/9/2022	11/1/2052	4.00% to 5.25%	72,655,000	2,265,000	70,390,000
11/9/2022	11/1/2032	4.70% to 5.28%	4,025,000	655,000	3,370,000
8/3/2023	9/15/2027	5.00%	10,260,000	2,225,000	8,035,000
8/17/2023	11/1/2053	4.75% to 5.47%	62,335,000	905,000	61,430,000
8/17/2023	11/1/2044	5.00%	60,075,000	1,295,000	58,780,000
8/28/2024	11/1/2054	5.00%	29,845,000	-	29,845,000
8/28/2024	11/1/2045	4.00% to 5.00%	72,295,000	-	72,295,000
5/1/2005	11/1/2034	2.00% to 5.00%	1,605,000	1,142,000	463,000
7/1/2019	7/1/2025	2.74%	619,000	523,000	96,000
9/11/2020	9/15/2028	1.38%	4,727,000	345,000	4,382,000
9/11/2020	9/15/2028	1.81%	13,937,000	3,349,000	10,588,000
10/1/2018	7/1/2025	9.46%	25,000	25,000	-
8/18/2021	8/15/2031	1.23%	10,841,000	3,911,000	6,930,000
7/1/2024	6/30/2027	3.81%	39,000	13,000	26,000
6/1/2025	5/31/2029	3.04%	76,000	18,000	58,000
Various	Various	Various	59,911,000	23,827,000	36,084,000
Various	Various	Various	1,319,000	316,000	1,003,000
Various	Various	Various	315,000	206,000	109,000
Various	Various	Various	12,801,000	6,233,000	6,568,000
	Net unamortized premium/discount		88,094,000	30,069,000	58,025,000
TOTALS			$ 1,264,214,000	$ 378,812,000	$ 885,402,000



UNIVERSITY OF ARKANSAS AT FORT SMITH

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

UNIVERSITY OF ARKANSAS AT LITTLE ROCK

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



UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES

Issue Date	Maturity Date	Interest Rate	Amount Issued	Maturities to year-end	Outstanding at year-end
12/17/2014	3/1/2036	2.0% - 5.0%	$ 86,035,000	$ 86,035,000	$ -
10/24/2019	3/1/2032	5.0%	48,615,000	11,010,000	37,605,000
10/24/2019	3/1/2042	2.906% - 3.45%	97,470,000	-	97,470,000
10/28/2020	12/1/2030	5.0%	24,325,000	9,875,000	14,450,000
4/20/2021	12/1/2045	5.0%	95,295,000	-	95,295,000
4/20/2021	12/1/2041	2.714 - 3.097%	41,845,000	-	41,845,000
2/15/2022	7/1/2051	3.0 - 5.0%	27,555,000	975,000	26,580,000
2/15/2022	7/1/2029	.85 - 2.23%	4,835,000	1,830,000	3,005,000
4/20/2022	4/1/2052	5%	93,665,000	-	93,665,000
4/20/2022	4/1/2029	3.14 - 3.43%	8,140,000	-	8,140,000
8/1/2023	11/1/2034	5.0%	64,630,000	4,020,000	60,610,000
1/30/2025	9/1/2035	5.0%	59,230,000	-	59,230,000
various	various	various	96,950,000	48,970,000	47,980,000
various	various	various	131,901,000	16,577,000	115,324,000
various	various	various	9,392,000	4,243,000	5,149,000
	Net unamortized premium/discount		68,524,000	11,326,000	57,198,000
		TOTALS	$ 958,407,000	$ 194,861,000	$ 763,546,000

UNIVERSITY OF ARKANSAS AT MONTICELLO

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

UNIVERSITY OF ARKANSAS AT PINE BLUFF

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

UNIVERSITY OF ARKANSAS SYSTEM ADMINISTRATION

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

COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS

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

PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS

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



UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON

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

UNIVERSITY OF ARKANSAS-PULASKI TECHNICAL COLLEGE

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN

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

UNIVERSITY OF ARKANSAS EAST ARKANSAS COMMUNITY COLLEGE

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

ARKANSAS SCHOOL FOR MATHEMATICS, SCIENCES AND THE ARTS

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



Schedule of Changes in Debt

BONDS

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

NOTES

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

LEASES

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

INSTALLMENT CONTRACTS

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

SBITAs

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

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

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

Future Principal and Interest Payments

Total long-term debt principal and interest payments are shown below. Interest payments for variable rate debt have been calculated using the rate in effect at the financial statement date, though actual rates will vary. Total debt of $1,962,662,763 shown in these schedules, which is related to bonds, notes, leases and installment contracts, differs from the amount of $1,957,717,508 shown on the Statement of Net Position. This is due to an elimination entry of $4,945,255 to account for two loans between UA campuses (see Note 19).

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON BONDS PAYABLE

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

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON NOTES PAYABLE

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

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON LEASES

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

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON INSTALLMENT CONTRACTS

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

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON SUBSCRIPTIONS

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

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

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

	Cost	Accumulated Depreciation	Net
Improve/Infrastructure	12,536,000	5,092,000	7,444,000
Buildings	225,294,428	77,410,771	147,883,657
Equipment	57,662,596	46,122,739	11,539,857
Software (SBITA)	113,708,683	52,899,013	60,809,670
		TOTAL	$ 227,677,184

Total Minimum Lease and SBITA Payments	$	229,347,176
Less: Amount representing interest		50,843,773
Total Present Value of Net Minimum Lease and SBITA Payments	$	178,503,403

Pledged Revenues

For purposes of extinguishing the University's long-term debt issues, certain revenues have been pledged as security. The following is a summary of the gross revenues collected during the fiscal year ended June 30, 2025, that are pledged:



UNIVERSITY OF ARKANSAS FAYETTEVILLE			
Series 2014B Various Facilities	Campus Pledge	$	584,555,000
Series 2015B Various Facilities			
Series 2016A Various Facilities			
Series 2016B Various Facilities			
Series 2017 Various Facilities			
Series 2018A Various Facilities			
Series 2018B Various Facilities			
Series 2019A Various Facilities			
Series 2019B Various Facilities			
Series 2021A Various Facilities			
Series 2022A Various Facilities			
Series 2022B Various Facilities			
Series 2023A Various Facilities			
Series 2023B Various Facilities			
Series 2024A Various Facilities			
Series 2024B Various Facilities			
Maturity dates range from November 2028 through November 2054		$	584,555,000
	FY25 Principal and Interest	$	54,677,000
	% of Revenues Pledged		9.35%
	Remaining Principal & Interest	$	995,582,000
Series 2016A Athletic Facilities	Men's Athletics	$	152,565,000
Series 2016B Athletic Facilities			
2019A Athletic Facilities			
Series 2023 Athletic Facilities			
Maturity dates range from September 2027 through September 2036		$	152,565,000
	FY25 Principal and Interest	$	14,341,000
	% of Revenues Pledged		9.40%
	Remaining Principal & Interest	$	143,568,000

UNIVERSITY OF ARKANSAS AT FORT SMITH			
Series 2014A Student Fee Revenue	Student Fees	$	48,558,007
Series 2014B Student Fee Revenue			
Series 2016 Refunding			
Series 2020A Revenue Bonds			
Series 2020B Revenue Bonds			
Series 2024 Refunding			
Maturity dates range from December 2030 through June 2039		$	48,558,007
	FY25 Principal and Interest	$	6,419,333
	% of Revenue Pledge		13.22%
	Remaining Principal & Interest	$	36,466,057

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



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 Series 2023A Various Facilities Series 2025 Various Facilities	Clinical and Patient Revenue	$	1,162,387,478
		$	1,162,387,478
Maturity dates range from April 2029 through April 2052			
	FY25 Principal and Interest	$	30,599,000
	% of Revenue Pledge		2.63%
	Remaining Principal & Interest	$	792,006,000
Series 2022A Parking Series 2022B Parking	Parking Fees	$	3,732,300
		$	3,732,300
Maturity dates range from July 2029 through April 2052			
	FY25 Principal and Interest	$	2,071,000
	% of Revenue Pledge		55.49%
	Remaining Principal & Interest	$	46,517,000

UNIVERSITY OF ARKANSAS AT MONTICELLO			
Series 2017A Tax-Exempt Various Facilities Series 2020A Taxable Various Facilities Series 2020B Tax Exempt Various Facilities	Student Fees Sales and Services Auxiliary Enterprises	$	26,793,035
		$	26,793,035
Maturity dates range from December 2035 through December 2041			
	FY25 Principal and Interest	$	1,987,754
	% of Revenue Pledge		7.42%
	Remaining Principal & Interest	$	28,522,498

UNIVERSITY OF ARKANSAS AT PINE BLUFF			
Series 2014A Various Facilities Series 2022 Various Facilities	Student Tuition and Fees Auxiliary Revenues	$	36,206,755
		$	36,206,755
Maturity dates from December 2035 through December 2052			
	FY25 Principal and Interest	$	1,932,419
	% of Revenue Pledge		5.34%
	Remaining Principal & Interest	$	44,966,634

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

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

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

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

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

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

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

New Bonds Payable and Refundings

For the year ended June 30, 2025:

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

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

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

- Various Facility Revenue Bonds (Fayetteville Campus), Taxable Refunding Series 2019B (the Series 2019B Bonds)
- Various Facility Revenue Bonds (Fayetteville Campus), Taxable Refunding Series 2021 (the Series 2021 Bonds)

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

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

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

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

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

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

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

For the year ended June 30, 2024:

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

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

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:

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.

Note 11: Commitments

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

Campus	Contract Balance
UAF	$ 86,920,496
UAFS	7,710,545
UALR	691,485
UAMS	34,928,000
UAM	12,477,882
UAPB	28,425,414
SYSTEM	258,918
UACCB	3,267,990
UACCM	2,941,289
UAPTC	999,998
UACCRM	11,889,707
	$ 190,511,724

Note 12: Income Taxes

The University is tax exempt under the Internal Revenue Code except for tax on unrelated business income. The University had no significant unrelated business income for the year ended June 30, 2025. It is also exempt from state income taxes under Arkansas law. Accordingly, no provision for income taxes is made in the financial statements.

Note 13: Risk Management

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

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

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

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

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

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

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

Note 14: Employee Benefits

Insurance Plans

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

At June 30, 2025, a total of 18,235 active employees, former employees, and pre-65 retirees were participants in the health plan. As of June 30, 2025, there were three health plan design offerings: the Classic Plan, the Premier Plan and the Health Savings Plan. Within the System subsidy guidelines, each campus makes its contribution determination based on budget considerations. A total of 20,434 active employees, former employees, and retirees were participants in the dental

plan as of June 30, 2025. Campus subsidies for dental vary from 0% to 100% by campus and by enrollment tier. Retirees, and former employees, through COBRA, participate on a fully contributory basis in the health and dental plans. Medicare-eligible retirees are not eligible to continue in the University's health plan but may elect a fully-insured Medicare Advantage Plan which includes Part D drug coverage.

The University health and dental plans are accounted for on the accrual basis. The System administration estimates the medical, pharmacy and dental claims liability to be $22,237,500 at June 30, 2025. This liability is established for incurred but not paid (IBNP) claims, and includes a related accrual for claim adjustment expenses, which are expenses incurred in the ultimate settlement of the claim. The claims and claims adjustment accrual for health, pharmacy and dental is based on the calculation prepared by Segal Consulting.

The System administration purchases specific reinsurance to reduce its exposure to large claims. In a fiscal year, after paying claims of more than $1,750,000 for any one covered individual, the University pays an aggregating specific deductible of $626,250, on the first claim exceeding $1,750,000 in paid claims, before being reimbursed from the reinsurance company. The plan has not purchased any annuity contracts on behalf of claimants. If needed, the University would make arrangements through its reinsurance carrier.

The funding levels for the Plan were established based upon anticipated year-end loss ratios of 100%. As of June 30, 2025, the loss ratio for the health plan was 99% and the loss ratio for the dental plan was 100%.

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



Reconciliation of Changes in the Liability for Future Insurance Claims

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

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, 2025, was $35,000. Employee contributions in excess of 10% are allowed by the plans in accordance with Internal Revenue Service regulations, but the University does not match these additional contributions.

All benefits attributable to plan contributions made by the participant are immediately vested in the participant, and contributions made by the University are cliff vested upon completion of two consecutive years of URP participation. The University's TIAA and Fidelity contributions for the fiscal years 2025 and 2024 were $139,722,021 and $141,651,958, respectively. The participants' contributions for the fiscal years 2025 and 2024 were $174,617,031 and $153,772,504, respectively.

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

APERS is a cost-sharing multiple employer defined benefit pension plan administered by the State of Arkansas. The University's required contribution rate was an amount equal to 15.32% of eligible salary in fiscal year 2025. Those employees hired after July 1, 2005, must be contributory unless they had prior service as a state employee. Employees hired before that date may be contributory. The University's contributions for the fiscal years 2025 and 2024 were $ 3,978,250 and $3,461,867, respectively. Participants' contributions for the fiscal years 2025 and 2024 were $1,200,321 and $1,087,645, respectively. The annual required contribution amounts and the percentage contributed are determined by the annual actuarial valuation as set forth in Arkansas

Code. APERS issues a publicly available financial report, which may be obtained by writing: APERS, One Union National Plaza, 124 W. Capitol, 5th Floor, Little Rock, AR 72201.

ATRS is a cost-sharing multi-employer defined benefit pension plan. The University contributed an amount equal to 15.00% of all covered employees' salaries in fiscal year 2025. Under certain conditions, covered employees may voluntarily contribute 7% of their salary. The University's contributions for the fiscal years 2025 and 2024 were $1,163,683 and $1,097,118, respectively. Participants' contributions for the fiscal years 2025 and 2024 were $411,956 and $387,706, respectively. The annual required contribution amounts and the percentage contributed are determined by the annual actuarial valuation as set forth in Arkansas Code. ATRS issues a publicly available financial report, which may be obtained by writing: ATRS, 1400 W. 3rd Street, Little Rock, AR 72201.

The University has, from time to time, negotiated voluntary early retirement agreements with faculty and staff which may include the provision of a stipend and healthcare or other benefits for future periods. The amount of liability established for these type agreements was $71,005 at June 30, 2025.

Note 15: Defined Benefit Pension Plans

Arkansas Public Employees Retirement System (APERS)

Plan Description

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

Benefits Provided

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

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

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

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

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

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

Contributions

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered. Members who began service prior to July 1, 2005, who elected to remain in the non-contributory plan, are not required to make contributions to APERS. Members who began service on or after July 1, 2005, are required to participate in the contributory plan and contribute 5.75% of their salaries. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan. The University contributed 15.32% of applicable compensation for the fiscal year ended June 30, 2025.

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

At June 30, 2025, the University reported a liability of $26,941,755 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The university's proportion of the net pension liability was based on the university's share of contributions to the pension plan relative to the total contributions of all participating employers. At June 30, 2025, the university's proportion was 1.083%, which was an increase of 0.062% from its proportion measured as of June 30, 2024.

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

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

Deferred outflows of resources of $3,978,250 related to pensions resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the financial statements as follows:

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

Actuarial Assumptions

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

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

*Net of investment and administrative expenses.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage and by adding expected price inflation. Best estimates of arithmetic real rates of return for the 10-year period from 2024 to 2033 were based upon capital market assumptions provided by the plan's investment consultant. For each major asset class included in the plan's current asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

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

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



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

The following presents the University's proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a single discount rate that is 1%-point lower (6.00%) and 1%-point higher (8.00%) than the current rate:

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

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's net position is available in the separately issued APERS financial report.

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, 2025.

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

At June 30, 2025, the University reported a liability of $9,015,713 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The University's proportion of the net pension liability was based on the University's share of contributions to the pension plan relative to the total contributions of all participating employers. At June 30, 2025, the University's proportion was 0.211%, which was a decrease of 0.011% from its proportion measured as of June 30, 2024.

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

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

Deferred outflows of resources related to pensions of $1,163,683 resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the financial statements as follows:

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

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Discount Rate	7.25%
Wage Inflation Rate	2.75%; includes 2.50% price inflation and 0.25% general economic improvement
Salary Increases	2.75 – 5.75%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study for the period July 1, 2015 – June 30, 2020.



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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary. For each major asset class included in the pension plan's target asset allocation as of June 30, 2024, these best estimates are summarized below:

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

Discount Rate

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

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

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

Sensitivity of Discount Rate		
1% Decrease	Discount Rate	1% Increase
6.25%	7.25%	8.25%
$ 16,033,756	$ 9,015,713	$ 3,197,823

Pension Plan Fiduciary Net Position

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

Note 16: Other Postemployment Benefits (OPEB)

University of Arkansas System

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

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

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

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

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

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

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

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

Total OPEB Liability

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

Summary of Key Actuarial Methods and Assumptions

Valuation date	July 1, 2024 valuation for the year ended June 30, 2025
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years rolling
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	3.93%
Rate of salary increase for amortization	4.00%
Medical inflation rate	7.00% FYB 2025 grading to 3.73% over 20 years
Pharmacy inflation rate	12.00% FYB 2025 grading to 3.73% over 20 years
Retiree contribution inflation rate	9.10% FYB 2025 grading to 3.73% over 20 years

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

Mortality Rates:

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

General Overview of the Valuation Methodology

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

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

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

Changes in Actuarial Assumptions and Methods since the Prior Valuation

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

The discount rate changed from 3.65% to 3.93%.

Changes in the Total OPEB Liability

The table below shows the changes in the total OPEB liability (TOL) during the measurement period ended on June 30, 2025.

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

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

The discount rate changed from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. In addition, claim costs and trends were updated to reflect changes in benefits and experience and our expectation of future cost. Combined, these assumption changes resulted in a gain of $8.5 million. This gain will be amortized over the average expected remaining service life of all active and inactive members of the Plan. The actual experience decreased the TOL by $2.4 million due to changes in population, which will be amortized over the average expected remaining service life of all active and inactive members of the Plan.

Sensitivity of the Total OPEB Liability

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

Sensitivity of Total OPEB Liability to Changes in Discount Rate

1% Decrease	Discount Rate	1% Increase
2.93%	3.93%	4.93%
$76,529,000	$69,987,000	$64,117,000

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

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

1% Decrease	Healthcare Trend	1% Increase
$63,392,000	$69,987,000	$77,685,000

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

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

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

The $2,073,000 reported as deferred outflows of resources resulting from the University's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the financial statements as follows:

Year ended June 30:	
2026	$ (4,416,000)
2027	(4,888,000)
2028	(2,648,000)
2029	(2,161,000)
2030	(501,000)
Thereafter	(428,000)

University of Arkansas East Arkansas Community College

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

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

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

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

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

Total OPEB Liability

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

Summary of Key Actuarial Methods and Assumptions

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

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

Mortality Rates:

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

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

Changes in the Total OPEB Liability

The table below shows the changes in the total OPEB liability (TOL) during the measurement period ended on June 30, 2025.

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

Arkansas State Employee Health Insurance Plan

Two (2) employees participated in the Arkansas State Employee Health Insurance Plan (administered by the Arkansas Department of Finance and Administration Employee Benefits Division), a single-employer defined benefit healthcare plan. Each year as employees retire, resign or choose to change from the state plan, this number is adjusted to represent a more accurate number of employees participating in the State plan. The College's OPEB liability

identified above represents a pro-rata share of the FY25 statewide liability which was actuarially determined in accordance with the parameters of GASB statement no. 75. The College's pro-rata share of the FY25 statewide OPEB liability was 0.000060254. Additionally, Deferred Outflows of Resources and Deferred Inflows of Resources totaling $11,559 and $24,018, respectively are related to Arkansas State Employee Insurance Plan and included in the statements. Required information, including actuarial data, of the statewide liability is disclosed in the Arkansas Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2025.

Sensitivity of the Total OPEB Liability

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

Sensitivity of Total OPEB Liability to Changes in Discount Rate

1% Decrease	Discount Rate	1% Increase
3.81%	4.81%	5.81%
$775,317	$720,869	$670,927

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

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

1% Decrease	Healthcare Trend	1% Increase
$642,298	$720,869	$816,218

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

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

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the financial statements as follows:

Year ended June 30:	
2026	$ (13,096)
2027	(13,092)
2028	(13,697)
2029	(14,510)
2030	(26,099)
Thereafter	(68,806)

Note 17: Functional Classifications of Operating Expenses

The following is a reconciliation of the natural classifications as presented in the statement of revenues, expenses, and changes in net position to the functional classifications for fiscal year 2025:

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

The following is a reconciliation of the natural classifications as presented in the statement of revenues, expenses, and changes in net position to the functional classifications for fiscal year 2024:



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

Note 18: Other Organizations

There are several entities, in addition to those identified as component units in Note 1, which are related to the University. The purposes of these organizations are varied, but all were established to benefit the University, or its students, faculty and staff in some manner. The following financial information for the other organizations is based on the latest information available.

The Razorback Foundation, Inc. was incorporated on October 17, 1980, for the sole purpose of supporting intercollegiate athletics at the Fayetteville campus. Audited financial statements for the year ended June 30, 2025, are presented below in summary form and include the accounts of its wholly owned subsidiaries, Sports Shows, Inc., Cato Springs Road LLC, TSSD LLC, and Hog Wild Productions, LLC.

THE RAZORBACK FOUNDATION, INC.
CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2025

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2025

Income and Other Additions	$ 66,430,782
Expenditures and Other Deductions	(41,383,164)
Total Increase in Net Assets	$ 25,047,618

Arkansas Alumni Association, Inc. was incorporated in 1960 for the purpose of providing various services to the members, consisting of graduates, former students and friends, in connection with the promotion and furtherance of the Fayetteville campus. Audited financial statements for the year ended June 30, 2025, are presented below in summary form.

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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2025

Income and Other Additions	$	6,212,520
Expenditures and Other Deductions		(4,171,653)
Total Increase in Net Assets	$	2,040,867

Arkansas 4-H Foundation, Inc. was incorporated in 1951. The purposes and objectives of the Foundation are exclusively educational. The Foundation was formed to encourage and support such purposes that will meet the needs and advance the interests of 4-H youth programs throughout the State of Arkansas. Audited financial statements for the year ended June 30, 2025, are presented below in summary form.



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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2025

Income and Other Additions	$	3,341,144
Expenditures and Other Deductions		(2,861,550)
Total Increase in Net Assets	$	479,594

University of Arkansas Technology Development Foundation was incorporated in May 2003 and is considered a supporting organization of the Fayetteville campus. Its mission is to stimulate a knowledge-based economy in the state of Arkansas through partnerships that lead to new opportunities for learning and discovery, build and retain a knowledge-based workforce, and spawn the development of new technologies that enrich the economic base of Arkansas. Audited financial statements for the year ended June 30, 2025, are presented below in summary form.



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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2025

Income and Other Additions	$ 4,047,762
Expenditures and Other Deductions	(3,744,764)
Total Increase in Net Assets	$ 302,998

University of Arkansas Fort Smith Foundation, Inc. operates as a nonprofit corporation whose primary activity is providing support to the Fort Smith campus. Audited financial statements for the year ended June 30, 2024, are presented below in summary form.

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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2024

Income and Other Additions	$ 19,301,722
Expenditures and Other Deductions	(6,381,818)
Total Increase in Net Assets	$ 12,919,904

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

Trojan Athletic Foundation, Inc. is a non-profit entity established to support the athletic department at the Little Rock campus. Audited financial statements for the year ended June 30, 2024, are presented below in summary form.

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

Assets		
Cash	$	239,278
Other Assets		68,300
Total Assets	$	307,578
Liabilities and Net Assets		
Liabilities	$	42,217
Net Assets		265,361
Total Liabilities and Net Assets	$	307,578

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2024

Income and Other Additions	$	264,864
Expenditures and Other Deductions		(229,939)
Total Increase in Net Assets	$	34,925

University of Arkansas at Pine Bluff/AM&N Alumni Association, Inc. was organized to foster and promote the general welfare and growth of the University of Arkansas at Pine Bluff. Unaudited financial statements for the year ended December 31, 2024, are presented below in summary form.



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

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

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

Income and Other Additions	$	441,419
Expenditures and Other Deductions		(227,698)
Total Increase in Net Assets	$	213,721

University of Arkansas at Pine Bluff Scholarship Endowment Fund was created to provide scholarships to a culturally diverse student population at the University of Arkansas at Pine Bluff. Financial information included in the Form 990 for the year ended December 31, 2023, are presented below in summary form.



UNIVERSITY OF ARKANSAS-PINE BLUFF
SCHOLARSHIP ENDOWMENT FUND
PER FORM 990
CONDENSED STATEMENT OF FINANCIAL POSITION
As of December 31, 2023

Assets	
Cash & investments	$ 5,983,226
Total Assets	$ 5,983,226
Liabilities & Net Assets	
Liabilities	
Net Assets	$ 5,983,226
Total Liabilities & Net Assets	$ 5,983,226

CONDENSED STATEMENT OF ACTIVITIES
FY Ended December 31, 2023

Income and Other Additions	$ 534,371
Expenditures and Other Deductions	(392,631)
Total Increase in Net Assets	$ 141,740

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 December 31, 2023, are presented below in summary form.



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

Assets	
Cash and investments	$ 649,327
Other Assets	3,889,033
Total Assets	$ 4,538,360
Liabilities and Net Assets	
Liabilities	$ -
Net Assets	4,538,360
Total Liabilities and Net Assets	$ 4,538,360

CONDENSED STATEMENT OF ACTIVITIES
FY Ended December 31, 2023

Income and Other Additions	$ 913,242
Expenditures and Other Deductions	(385,572)
Total Increase in Net Assets	$ 527,670

University of Arkansas Rich Mountain Foundation, Inc. operates for the sole benefit of the Rich Mountain campus. Audited financial statements for the year ended June 30, 2023, are presented below in summary form.

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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2023

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

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

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

Assets		
	Cash and investments	$ 606,092
	Other assets	
	Total Assets	$ 606,092
Liabilities and Net Assets		
	Liabilities	
	Net Assets	$ 606,092
	Total Liabilities and Net Assets	$ 606,092

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2024

Income and Other Additions	$ 119,383
Expenditures and Other Deductions	(38,042)
Total Increase in Net Assets	$ 81,341

University of Arkansas Winthrop Rockefeller Institute (prior to June 11, 2012, known as the University of Arkansas Winthrop Rockefeller Center d/b/a/ Winthrop Rockefeller Institute) is an educational conference center incorporated in January 2005. The Institute's mission is to provide extended learning for youth and adults and conferences focused on enriching and informing Arkansas leaders. Audited financial statements for the year ended June 30, 2024, are presented below in summary form.



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

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

CONDENSED CONSOLIDTED STATEMENT OF ACTIVITIES
FY Ended June 30, 2024

Income and Other Additions	$ 18,973,900
Expenditures and Other Deductions	(7,712,085)
Total Increase in Net Assets	$ 11,261,815

Delta Student Housing, Inc. (Delta) is a nonprofit corporation organized in Arkansas. Delta was created for the purpose of facilitating the financing for construction of student housing facilities on the various campuses of the University. Audited financial statements for the year ended June 30, 2025, are presented below in summary form.



DELTA STUDENT HOUSING, INC.

CONDENSED STATEMENT OF FINANCIAL POSITION
As of June 30, 2025

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2025

Income and Other Additions	$ 459,219
Expenditures and Other Deductions	(713,925)
Total Decrease in Net Assets	$ (254,706)

Note 19: Elimination of Inter-Company Transactions

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

For the year ended June 30, 2025:

FY25 - Statement of Net Position
An elimination entry was made to increase cash $1,306,279 and reduce accounts receivable and accounts payable by $21,427,564 and $20,121,285, respectively. These adjustments represent amounts owed by the campuses to the System Administration for insurance premiums and campus billings for services rendered, amounts owed between campuses, and interest due from a System Administration loan for eVersity from the campuses.

Three loans between University entities were eliminated to reduce assets and liabilities: (1) $462,542 (current portion $36,896) to reflect a loan from UAMS to UAF, and (2) $4,482,645 (current portion $355,350) to reflect a loan from the campuses to *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, 2025 which were eliminated against current and non-current long-term debt (current portion $3,428,941) and Other non-current assets:

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

FY25 - Statement of Revenues, Expenses, and Changes in Net Position

As explained in Note 14, the System Administration administers the self-funded insurance programs for the University. Insurance premiums remitted to the System Administration by the campuses are shown as insurance revenues, and insurance claims paid are shown as insurance expenditures on the System Administration's financial statements. The premiums expensed by the campuses are recorded as part of compensation and benefits. An elimination entry was made to reduce insurance revenue and compensation/benefits expenditures in the amount of $147,896,602.

An elimination entry was made for billings by System Administration to the campuses for services rendered to reduce operating sales and services revenue and operating supplies/services expense in the amount of $7,013,360. An elimination entry for services provided among campuses in the amount of $1,553,922. These amounts decreased operating sales and services, other operating revenues and operating supplies/services.

An elimination entry for the System Administration's interest expense for a loan from the campuses was made to decrease other non-operating revenues (expenses) and investment income in the amount of $40,764. An elimination entry for the System Administration's interest income for the loans referred to above with 11 campuses was made to decrease interest expense and investment income in the amount of $474,787.

FY25 - Statements of Cash Flows

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

For the year ended June 30, 2024:

FY24 - Statement of Net Position

An elimination entry was made to reduce accounts receivable and accounts payable by $19,454,588, which represent amounts owed by the campuses to the System Administration for

insurance premiums and campus billings for services rendered, amounts owed between campuses, and interest due from a System Administration loan for eVersity from the campuses.

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

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

FY24 - Statement of Revenues, Expenses, and Changes in Net Position

As explained in Note 14, the System Administration administers the self-funded insurance programs for the University. Insurance premiums remitted to the System Administration by the campuses are shown as insurance revenues, and insurance claims paid are shown as insurance expenditures on the System Administration's financial statements. The premiums expensed by the campuses are recorded as part of compensation and benefits. An elimination entry was made to reduce insurance revenue and compensation/benefits expenditures in the amount of $142,897,452.

An elimination entry was made for billings by System Administration to the campuses for services rendered to reduce operating sales and services revenue and operating supplies/services expense in the amount of $4,897,393. An elimination entry for services provided among campuses in the amount of $1,974,188. These amounts decreased operating sales and services, other operating revenues and operating supplies/services.

An elimination entry for the System Administration's interest expense for a loan from the campuses was made to decrease other non-operating revenues (expenses) and investment income in the amount of $43,536. An elimination entry for the System Administration's interest income for the loans referred to above with 11 campuses was made to decrease interest expense and investment income in the amount of $577,791.

FY24 - Statements of Cash Flows

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

Note 20: Joint Endeavor

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

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

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

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

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

Note 21: Related Parties

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

Note 22: Restatements

For the year ended June 30, 2025:

Statement of Revenues, Expenses, and Changes in Net Position

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

Statement of Cash Flows -Direct Method

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

For the year ended June 30, 2024:

The University made certain immaterial revisions to the 2023 financial statements for the proper recognition of a lease receivable and the corresponding deferred inflows of resources and within the reconciliation of operating loss to net cash used in operating activities. In addition, a non-

current accounts receivable line item was added to the Statement on Net Position (SNP) presentation to reclassify pledge and lease receivables from other non-current assets to non-current accounts receivable and to align with the presentation of these line items in the current asset section of the SNP. These revisions did not have a material impact or change the net position.

Statement of Net Position

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

Statement of Cash Flows -Direct Method-Continued

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

Note 23: Contingencies

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

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

excess of $15,000 must be approved and appropriated by the Arkansas State Legislature. Appropriations of this type, if any, reduce appropriations from the state to the University in the period in which the claim is appropriated.

In fiscal year 2006, the Arkansas Development Finance Authority (Authority) issued $36,775,000 in Tobacco Settlement Revenue Bonds. The Authority has made the proceeds of the bonds available to the UA Board to fund an expansion to the Arkansas Cancer Research Center, now known as the Winthrop P. Rockefeller Cancer Institute. The bonds have an approximate yield to maturity of 4.77% to 5.10%, and principal and accumulated interest are payable through 2031 for $22,158,000 of serial bonds and beginning in 2036 through 2046 for $14,617,000 of term bonds. Funds received from the Arkansas Tobacco Settlement Funds Act of 2000, which represent the State of Arkansas' portion of approximately $10 billion of damages to be paid by tobacco companies over an indefinite time period, are pledged for debt service (Debt Service Revenues) and are the primary source of payment for the bonds. In accordance with a loan agreement dated June 1, 2006 between the UA Board and the Authority, UAMS will be required to make debt service payments on the Series 2006 Bond issue in the event of a shortfall in tobacco settlement revenues. However, no such payments will be made unless the Debt Service Revenues are insufficient to make such payments. Management believes the Debt Service Revenues will be sufficient to service the entire principal and interest due. The Global Insights USA, Inc. report, prepared in August 2006, on the Forecast of U.S. Cigarette Consumption (2004–2046) indicates tobacco consumption by 2046 is expected to decline by 54% from the 2003 level. For fiscal year 2003, Arkansas received $360,067,000 from the Tobacco Settlement Fund. Using the 54% decline from above, Arkansas should receive approximately $27,600,000 in 2046 with the first $5,000,000 dedicated to pay the debt service on the above bond issue. Arkansas received approximately $42,046,000 and $44,594,000 from the Tobacco Settlement Fund during the years ended June 30, 2025 and 2024, respectively.

If debt service revenues had been considered insufficient, UAMS would have incurred a liability equal to the shortfall amount. Total future debt service at June 30, 2025 and 2024 was approximately $68,110,000 and $69,782,000, respectively. This amount includes drawdown of funds related to the project, issuance costs, discounts, accreted interest, and other expenses related to the issue.

The revenues pledged by UAMS to secure the loan agreement consist of inpatient service fees and fees collected from other ancillary, therapeutic, and diagnostic services provided within the walls of the Hospital but exclude (a) physician-generated revenues, (b) state appropriations, and (c) revenues restricted for other purposes.

The University of Arkansas at Fayetteville (UAF) has entered into a unified revenue agreement with Eventellect. Under the agreement, both parties seek to meet annual revenue goals for athletic ticket sales. The agreement calls for the parties to share revenue after the revenue goals are met and Eventellect has recouped their initial marketing and advertising investment of $6,000,000 ("Eventellect Marketing Expenditure") and a .65% annual service fee for sales strategies and resources (e.g., management, software, secondary market consultation, etc.) of the parties' unified sales revenue. The University has partially protected ticket sales in this agreement in the event

annual revenue goals are not met as Eventellect is required to pay fifty percent (50%) of the shortfall as an annual revenue deficit. As of June 30, 2025, Eventellect continues to seek recovery of a remaining balance of $4,195,887 from its initial marketing and advertising investment (the Eventellect Marketing Expenditure) that is only recovered when the revenue goals are exceeded or the University breaches or terminates the agreement prior to expiration.

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

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

Note 24: Merger

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

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

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



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

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

Note 25: Subsequent Events

Merger

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

Solar Services Agreement

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

The Board anticipates that over the course of the Solar Agreement the System and its campuses will recognize significant savings over the amount that would have been spent on electricity through traditional arrangements.

Bond Issues

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

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

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



Employee Benefits

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

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

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

The amounts presented for each fiscal year were determined as of June 30 of the previous year.
**Includes Pulaski Technical College and Rich Mountain Community College for fiscal years beginning 2017.
***Includes East Arkansas Community College for fiscal years beginning 2025.

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

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

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

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

	2025	2024	2023	2022	2021
University's proportion of net pension liability	0.211%	0.222%	0.242%	0.283%	0.319%
University's proportionate share of net pension liability	$ 9,015,713	$ 11,541,849	$ 12,777,998	$ 7,829,796	$ 18,079,806
University's covered payroll**	$ 7,317,932	$ 8,055,500	$ 8,554,563	$ 9,232,685	$ 10,026,138
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	123.20%	143.28%	149.37%	84.81%	180.33%
Plan fiduciary net position as a percentage of the total pension liability	83.93%	79.94%	78.85%	88.58%	74.91%

	2020	2019	2018	2017	2016
University's proportion of net pension liability	0.372%	0.447%	0.540%	0.589%	0.395%
University's proportionate share of net pension liability	$ 15,527,796	$ 16,258,099	$ 22,688,366	$ 26,000,421	$ 12,850,498
University's covered payroll**	$ 11,429,162	$ 13,540,283	$ 15,932,158	$ 17,474,936	$ 11,516,407
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	135.86%	120.07%	142.41%	148.79%	111.58%
Plan fiduciary net position as a percentage of the total pension liability	80.96%	82.78%	79.48%	76.75%	82.20%

The amounts presented for each fiscal year were determined as of June 30 of the previous year.
**Includes Pulaski Technical College and Rich Mountain Community College for fiscal years beginning 2017.
***Includes East Arkansas Community College for fiscal years beginning 2025.

Schedule of University Contributions
Arkansas Teacher Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Contractually required contribution	$ 1,163,683	$ 1,097,118	$ 1,223,605	$ 1,262,490	$ 1,335,201
Contributions in relation to the contractually required contribution	(1,163,683)	(1,097,118)	(1,223,605)	(1,262,490)	(1,335,201)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	7,589,707	7,317,932	8,055,500	8,554,563	9,232,685
Contributions as a percentage of covered-employee payroll	15.33%	14.99%	15.19%	14.76%	14.46%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,416,960	$ 1,616,340	$ 1,899,208	$ 2,210,329	$ 1,448,084
Contributions in relation to the contractually required contribution	(1,416,960)	(1,616,340)	(1,899,208)	(2,210,329)	(1,448,084)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
University's covered-employee payroll	10,026,138	11,429,162	13,540,283	15,932,158	10,392,131
Contributions as a percentage of covered-employee payroll	14.13%	14.14%	14.03%	13.87%	13.93%

Other Postemployment Benefits

University of Arkansas System

Summary of Key Actuarial Methods and Assumptions

Valuation date	July 1, 2024 valuation for the year ended June 30, 2025
Valuation year	Census data collected as of February 2025
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Remaining amortization period	30 years rolling
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	3.93%
Rate of salary increase for amortization	4.00%
Medical inflation rate	7.00% grading to 3.73% over 20 years
Pharmacy inflation rate	12.00% grading to 3.73% over 20 years
Retiree contribution inflation rate	9.10% grading to 3.73% over 20 years

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

Mortality Rates:

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



Total OPEB Liability	2025	2024	2023	2022
Service cost	$ 5,031,000	$ 4,579,000	$ 5,244,000	$ 4,891,000
Interest (includes interest on service cost)	2,890,000	2,630,000	1,818,000	1,776,000
Changes of benefit terms		30,000		
Differences between expected and actual experience	(2,433,000)	132,000	(4,434,000)	(971,000)
Changes of assumptions	(8,522,000)	(743,000)	(9,569,000)	398,000
Benefit payments, including refunds of member contributions	(2,200,000)	(2,189,000)	(2,595,000)	(2,379,000)
Net change in total OPEB liability	**(5,234,000)**	**4,439,000**	**(9,536,000)**	**3,715,000**
Total OPEB liability - beginning	**75,221,000**	**70,782,000**	**80,318,000**	**76,603,000**
Total OPEB liability - ending	**$ 69,987,000**	**$ 75,221,000**	**$ 70,782,000**	**$ 80,318,000**
Covered employee payroll	$ 1,731,690,000	$ 1,668,004,000	$ 1,592,376,000	$ 1,455,294,000
Total OPEB liability as a percentage of covered employee payroll	**4.04%**	**4.51%**	**4.45%**	**5.52%**

Total OPEB Liability	2021	2020	2019	2018
Service cost	$ 4,510,000	$ 4,026,000	$ 3,952,830	$ 4,589,055
Interest (includes interest on service cost)	2,736,000	2,831,000	2,568,932	2,320,787
Changes of benefit terms	(10,108,000)		832,130	
Differences between expected and actual experience	(2,196,000)	(3,245,428)	(3,266,590)	
Changes of assumptions	9,159,000	3,132,000	(690,230)	(13,904,426)
Benefit payments, including refunds of member contributions	(2,245,000)	(2,180,000)	(2,018,583)	(2,109,079)
Net change in total OPEB liability	**1,856,000**	**4,563,572**	**1,378,489**	**(9,103,663)**
Total OPEB liability - beginning	**74,747,000**	**70,183,428**	**68,804,939**	**77,908,602**
Total OPEB liability - ending	**$ 76,603,000**	**$ 74,747,000**	**$ 70,183,428**	**$ 68,804,939**
Covered employee payroll	$ 1,351,363,000	$ 1,328,526,000	$ 1,309,045,000	$ 1,320,436,000
Total OPEB liability as a percentage of covered employee payroll	**5.67%**	**5.63%**	**5.36%**	**5.21%**

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

Notes to Schedule:

No assets for the Plan are accumulated in a trust.

Change of Assumptions:

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

The discount rate changed from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. In addition, claim costs and trends were updated to reflect changes in benefits and experience and our expectation of future cost. Combined, these assumption changes resulted in a gain of $8.5 million. This gain will be amortized over the average expected remaining service life of all active and inactive members of the Plan. The actual experience decreased the TOL by $2.4 million due to changes in population, which will be amortized over the average expected remaining service life of all active and inactive members of the Plan.

University of Arkansas East Arkansas Community College

Summary of Key Actuarial Methods and Assumptions

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

Mortality Rates:

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



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

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

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

Notes to Schedule:

No assets for the Plan are accumulated in a trust.

Change of Assumptions:

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

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 2024 to the Arkansas Division of Higher Education for Fall 2024.

UNIVERSITY OF ARKANSAS, FAYETTEVILLE

Established: 1871
Enrollment: 34,175
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: 5,504
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: 7,855
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: 3,553
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: 3,522
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: 2,010
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: 1,393
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: 1,261
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: 1,195
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: 1,406
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: 2,708
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: 4,801
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: 763
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 square-foot event venue and on-campus residential housing.

UNIVERSITY OF ARKANSAS EAST ARKANSAS COMMUNITY COLLEGE

Established: 1967
Joined System: 2024
Enrollment: 1,556
www.eacc.edu

University of Arkansas East Arkansas Community College (UA-EACC) is a full-service community college that serves Eastern Arkansas. UA-EACC's faculty and staff are committed to providing students of all ages and stages of life access to high-quality, affordable career-ready and transfer-ready degree programs, business and industry training, non-credit learning experiences, and cultural enrichment. Students have the option of taking classes in Forrest City, in Wynne, at other locations within the five-county service area, and online.

UA-EACC offers an education program including technical occupational programs, freshman and sophomore general education transfer programs, specialty courses, continuing education courses, and workforce development to meet the needs of the emerging and existing industries. UA-EACC offers both certificate and associate degree programs as well as noncredit training to accomplish this purpose and to support state and regional economic development goals.

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
Joined System: 2021
Enrollment: 2,725
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.




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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*
Allen Stanley, *Vice Chancellor for Finance and Administration*

UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES
C. Lowry Barnes, *Interim 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
Anthony Graham, *Chancellor*
Carla Martin, *Vice Chancellor for Finance and Administration*

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

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
Laura Clark, *Interim Chancellor*
Sherri Ford, *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*
Allyson Miller, *Vice Chancellor of Finance*

UNIVERSITY OF ARKANSAS EAST ARKANSAS COMMUNITY COLLEGE
Cathie Cline, *Chancellor*
Christy Jackson, *Chief Financial Officer*

ARKANSAS SCHOOL FOR MATHEMATICS, SCIENCES, & THE ARTS
Corey Alderdice, *Director*
Stephen Malec, *Director of Finance*



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 E

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of June 23, 2026 (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 Athletic Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2026, dated June 23, 2026, in the aggregate principal amount of $22,235,000 (the "Bonds"). The Bonds are being issued pursuant to a Trust Indenture dated as of June 23, 2026 (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 Senior Associate Vice Chancellor for Finance – Chief Financial Officer of UA-Fayetteville or her or his 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.

"UA-Fayetteville" shall mean the University of Arkansas, Fayetteville.

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, 2026, 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 and UA-Fayetteville 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 or UA-Fayetteville'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) Information of the type set forth in the Official Statement dated June 11, 2026, relating to the Bonds, in Appendix A thereto under the caption **THE FAYETTEVILLE CAMPUS OF THE SYSTEM** with respect to Student Enrollment, Pledged Revenues and Existing Obligations.

(b) The annual audited financial statements of the Issuer and of UA-Fayetteville, 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 UA-Fayetteville;

13. The consummation of a merger, consolidation or acquisition involving the Issuer or UA-Fayetteville or the sale of all or substantially all of the assets of the Issuer or UA-Fayetteville, 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 UA-Fayetteville, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or UA-Fayetteville, 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 UA-Fayetteville, 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 attorney's 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
406 Administration Building
Fayetteville, Arkansas 72701
Attention: Senior Associate Vice Chancellor for Finance – Chief Financial Officer

and

University of Arkansas System
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 to follow.]

Dated as of the date first written above.

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 Athletic Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2026
Date of Issuance:	June 23, 2026

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 June 23, 2026.

Dated: _____, ____

REGIONS BANK
Little Rock, Arkansas

By:_____
Authorized Officer

BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS
ATHLETIC FACILITIES REVENUE BONDS (FAYETTEVILLE CAMPUS), REFUNDING SERIES 2026



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Product group from well managed forests, controlled sources and recycled wood or fibre.

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