SUPPLEMENT DATED AUGUST 22, 2022

TO OFFICIAL STATEMENT DATED AUGUST 11, 2022

relating to

$16,655,000
BOARD OF TRUSTEES OF THE
UNIVERSITY OF ARKANSAS
VARIOUS FACILITIES REVENUE BONDS
(UAPB CAMPUS)
SERIES 2022

This Supplement to Official Statement (this "Supplement") supplements the Official Statement dated August 11, 2022 (the "Official Statement") with respect to the above-captioned bonds (the "Bonds"). Capitalized terms used in this Supplement and not defined herein are used with the meanings given them in the Official Statement. **This Supplement should be read in conjunction with the Official Statement.**

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "Inflation Reduction Act"). The Inflation Reduction Act makes certain changes to the federal tax laws affecting the taxation of income of certain corporations. Accordingly, the Official Statement is supplemented as follows:

1. The first paragraph on the cover of the Preliminary Official Statement is replaced with the following:

    *In the opinion of bond counsel, under existing law and assuming compliance with certain covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes, and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations, interest on the Bonds is taken into account in calculating the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. In bond counsel's further opinion, under existing law, the Bonds, and interest thereon, are exempt from all present State, county and municipal taxation in the State of Arkansas (See **TAX MATTERS** herein.).*

2. Under the heading "TAX MATTERS," the first paragraph is replaced with the following:

    In the opinion of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., bond counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations, interest on the Bonds is taken into account in calculating the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinion of bond counsel with respect to the Bonds is subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal tax purposes. These requirements generally relate to arbitrage, the use of the proceeds of the Bonds, and restrictions on the ownership and use of the facilities financed with the proceeds of the Bonds. The Board has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal tax purposes to be retroactive to the date of issuance of the Bonds.

3. Under the heading "TAX MATTERS," the two paragraphs preceding the subsection titled Tax Treatment of Original Issue Discount are replaced with the following:

   Current or future legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest or adversely affect the market value and liquidity of the Bonds. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (the "Inflation Reduction Act"). The Inflation Reduction Act imposes a minimum tax of 15% of the adjusted financial statement income of certain corporations whose income exceeds stated thresholds for tax years beginning after December 31, 2022. Under the Inflation Reduction Act, interest on debt obligations otherwise exempt from federal income tax would be included in the calculation of adjusted financial statement income for corporations subject to the alternative minimum tax.

   It cannot be predicted whether or in what form other legislative proposals might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value and liquidity of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value or liquidity thereof would be impacted thereby.

   Prospective purchasers of the Bonds should consult their tax advisors prior to any purchase of the Bonds regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions to be expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel will express no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

   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.

4. In Appendix A to the Official Statement - Form of Opinion of Bond Counsel to the Board, numbered paragraph 5 on page A-2 is replaced with the following:

   5. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax; however, with respect to certain corporations, interest on the Bonds is taken into account in calculating the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

THIS SUPPLEMENT IS TO BE READ ONLY IN CONJUNCTION WITH THE OFFICIAL STATEMENT. THIS SUPPLEMENT SHOULD NOT BE SEPARATED FROM THE OFFICIAL STATEMENT AND NEITHER THIS SUPPLEMENT, NOR THE OFFICIAL STATEMENT, MAY BE RELIED UPON IN ANY WAY INDEPENDENT OF EACH OTHER.

Stephens Inc. Crews&Associates

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OFFICIAL STATEMENT

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

In the opinion of bond counsel, under existing law and assuming compliance with certain covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes, and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. In bond counsel's further opinion, under existing law, the Bonds, and interest thereon, are exempt from all present State, county and municipal taxation in the State of Arkansas (See ***TAX MATTERS*** *herein.).*

$16,655,000
BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS
VARIOUS FACILITIES REVENUE BONDS (UAPB CAMPUS) SERIES 2022

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

The Various Facilities Revenue Bonds (UAPB Campus), Series 2022 (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 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 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 Bonds are being issued and secured on a parity basis with the pledge of Pledged Revenues in favor of the Existing Parity Bonds (as defined herein). See **SECURITY FOR THE BONDS** herein. The Bonds are being issued for the purpose of financing various improvements on the campus of the University of Arkansas at Pine Bluff, including a student center, and for paying the costs of issuing the Bonds. See P**URPOSES FOR THE BONDS** 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.

Interest on the Bonds is payable semiannually on June 1 and December 1, commencing June 1, 2023. All such interest payments shall be payable to the person in whose name such Bonds are registered on the bond registration books maintained by Simmons Bank, Pine Bluff, 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 (on December 1 of each year), bear interest and are priced to yield as shown on the inside front cover of this Official Statement. The Bonds are subject to redemption prior to maturity as is more fully described in **REDEMPTION** herein.

The Bonds are offered when, as and if issued, subject to the approval of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., 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 August 25, 2022.

Stephens Inc. Crews&Associates
A First Security Company

Dated: August 11, 2022

† See DESCRIPTION OF RATING herein.

$16,655,000
BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS
VARIOUS FACILITIES REVENUE BONDS
(UAPB CAMPUS)
SERIES 2022

Maturities, Principal Amounts, Interest Rates, Yields and CUSIPs

$1,320,000 Serial Bonds

Year (December 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2036	$645,000	5.000%	3.100%*	914073 EA5
2037	675,000	5.000%	3.150%*	914073 EB3

$3,940,000 5.000% Term Bonds due December 1, 2042 Yield: 3.470%* CUSIP: 914073 EC1†

$5,060,000 5.000% Term Bonds due December 1, 2047 Yield: 3.560%* CUSIP: 914073 ED9†

$6,335,000 4.000% Term Bonds due December 1, 2052 Yield: 4.050% CUSIP: 914073 EE7†

† 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 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.

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* Priced to the first optional redemption date of June 1, 2032.

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.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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 Various Facilities Revenue Bonds (UAPB Campus), Series 2022, in the aggregate principal amount of $16,655,000 (the "Bonds"), 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 on May 25, 2022. The Bonds will be issued under and secured by a Trust Indenture dated as of the date of delivery of the Bonds (the "Indenture"), between the Board and Simmons Bank, Pine Bluff, Arkansas, as trustee (the "Trustee"). See **SUMMARY OF THE INDENTURE** herein.

Redemption

The Bonds may be redeemed, at the option of the Board, from funds from any source, in whole or in part at any time, on and after June 1, 2032, at a price of par plus accrued interest, as described herein. The Bonds maturing on December 1 in the years 2042, 2047 and 2052 are also subject to mandatory sinking fund redemption prior to maturity, as described herein. See **REDEMPTION** herein.

Use of Proceeds

The proceeds of the Bonds will be used to finance a portion of the costs of certain capital improvements on the campus of the University of Arkansas at Pine Bluff ("UAPB"), including the acquisition, construction, equipping, and furnishing of a student center (the "Student Center Facility") and the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for UAPB (collectively, the "Project") and to pay costs of issuance of the Bonds. See **PURPOSES FOR THE BONDS** herein.

Security

The Bonds constitute general obligations only of the Board and do 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 are secured by a pledge of, and are payable first from, the Pledged Revenues (as hereinafter defined) and the funds and accounts held pursuant to the Indenture (with the exception of the Rebate Fund). To the extent the Pledged Revenues are insufficient to pay the Bonds, the Board shall pay the Bonds 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 to the Bonds is on a parity basis with the pledge securing the Board of Trustees of the University of Arkansas Various Facilities Revenue Refunding Bonds (Pine Bluff Campus), Series 2014A (the "Existing Parity Bonds").

The term “Pledged Revenues” is defined as (i) all tuition and fee revenues collected by UAPB and (ii) all sales and services revenues and all auxiliary enterprises revenues (as such terms are used in the context of generally accepted accounting principles) derived from, but not limited to, the following: residence halls, married student housing, fraternity and sorority houses, dining services, the student union, book store, athletic gate receipts and other revenues derived from intercollegiate athletics, and transit and parking services collected by UAPB.

See **SPECIAL CONSIDERATIONS RELATED TO COVID-19** and **LEGAL AND LEGISLATIVE MATTERS, Factors Affecting the Board’s Funding** herein.

The Board has also reserved the right to pledge Pledged Revenues to Additional Parity Bonds. In such case, the pledge would be on a parity with the pledge in favor of the Bonds and the Existing Parity Bonds. See **SUMMARY OF THE INDENTURE, Additional Parity Bonds and Other Obligations** herein. Pledged Revenues may also be pledged to “Other Obligations.” Although Other Obligations will not be issued under or secured by the lien of the Indenture and may be incurred without complying with the requirements for issuing Additional Parity Bonds under the Indenture, Other Obligations will be secured by a pledge of Pledged Revenues subordinate to the pledge in favor of the Bonds, the Existing Parity Bonds and any Additional Parity Bonds. See **SECURITY FOR THE BONDS**, where the types of permitted “Other Obligations” are described. The Indenture contains no restriction on incurring indebtedness that is not secured by Pledged Revenues.

The Board has covenanted that it will take all action necessary to maintain Pledged Revenues at a level equal to not less than 110% of the maximum annual principal and interest on the Bonds, the Existing Parity Bonds, and any Additional Parity Bonds, each to the extent outstanding. See **SUMMARY OF THE INDENTURE**, **Pledged Revenues** herein.

There is no debt service reserve securing the Bonds.

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OFFICIAL STATEMENT

$16,655,000
BOARD OF TRUSTEES OF THE
UNIVERSITY OF ARKANSAS
VARIOUS FACILITIES REVENUE BONDS
(UAPB CAMPUS)
SERIES 2022

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 $16,655,000 Various Facilities Revenue Bonds (UAPB Campus), Series 2022 (the "Bonds"), to be dated as of their date of delivery.

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

The Bonds are being issued pursuant to and in full compliance with the Constitution and laws of the State of Arkansas, particularly Arkansas Code of 1987 Annotated Title 6, Chapter 62, Subchapter 3, as amended (the "Act"), and a Resolution adopted by the Board on May 25, 2022.

The Bonds are equally and ratably secured by a Trust Indenture dated as of the date of delivery of the Bonds (the "Indenture"), between the Board and Simmons Bank, Pine Bluff, Arkansas, as trustee (the "Trustee"). The Bonds will be payable from Pledged Revenues (defined below). The Bonds are issued on a parity of security with the Board's outstanding Various Facilities Revenue Refunding Bonds (Pine Bluff Campus), Series 2014A (the "Existing Parity Bonds"). The Board has also reserved the right to pledge Pledged Revenues to Additional Parity Bonds. In such case, the pledge would be on a parity with the pledge in favor of the Bonds and the Existing Parity Bonds. See **SUMMARY OF THE INDENTURE, Additional Parity Bonds and Other Obligations** herein. Pledged Revenues may also be pledged to "Other Obligations." Although Other Obligations will not be issued under or secured by the lien of the Indenture and may be incurred without complying with the requirements for issuing Additional Parity Bonds under the Indenture, Other Obligations will be secured by a pledge of Pledged Revenues subordinate to the pledge in favor of the Bonds, the Existing Parity Bonds and any Additional Parity Bonds. See **SECURITY FOR THE BONDS**, where the types of permitted "Other Obligations" are described. The Indenture contains no restriction on incurring indebtedness that is not secured by Pledged Revenues.

The term "Pledged Revenues" is defined as (i) all tuition and fee revenues collected by UAPB and (ii) all sales and services revenues and all auxiliary enterprises revenues (as such terms are used in the context of generally accepted accounting principles) derived from, but not limited to, the following: residence halls, married student housing, fraternity and sorority houses, dining services, the student union, book store, athletic gate receipts and other revenues derived from intercollegiate athletics, and transit and parking services collected by UAPB. Pledged Revenues are pledged to the payment of the Bonds on a parity with the previous pledge to the Existing Parity Bonds and with subsequent pledges to Additional Parity Bonds issued under the Indenture. See **SUMMARY OF THE INDENTURE, Additional Parity Bonds and Other Obligations** herein.

See **SPECIAL CONSIDERATIONS RELATED TO COVID-19** and **LEGAL AND LEGISLATIVE MATTERS, Factors Affecting the Board's Funding** and **Factors Related to UAMS** herein.

Descriptions of the Board, the Bonds, the System (as hereinafter defined), UAPB, 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 the underwriters listed on the cover page hereof; and all references to the Bonds are qualified in their entirety by reference to the definitive form 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.

SPECIAL CONSIDERATIONS RELATED TO COVID-19

The World Health Organization declared a pandemic on March 11, 2020 following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, President Donald Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Arkansas Governor Asa Hutchinson (the "Governor") declared a state of emergency on March 11, 2020 due to the outbreak of COVID-19, which had spread to the State and to all of its counties, and, in connection therewith, ordered that certain actions be taken such as the suspension or closing of primary and secondary schools, limitations on mass gatherings, and mandating quarantine and isolation of persons who had contracted COVID-19 and associated close contacts. The Governor's emergency declaration has expired, and there are currently no government-mandated suspensions or closings of primary and secondary schools, limitations on mass gatherings or quarantine and isolation mandates for people who have contracted COVID-19 or their associated close contacts.

COVID-19 and associated governmental measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, state and local economies. Financial markets in the United States and around the world have seen significant volatility attributed to concerns about the duration of the pandemic and its continued economic impact, and declines and volatility may continue into the future. The federal government approved multiple relief, aid and stimulus packages, including the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), the Paycheck Protection Program and the Health Care Enhancement Act, which were intended to address the financial impact of the pandemic on the United States economy and financial markets.

On September 9, 2021, President Biden announced a COVID-19 Action Plan (the "Action Plan") that, among other things, requires vaccinations for federal workers and contractors, as well as healthcare workers in hospitals, nursing facilities and other institutions that receive Medicare and Medicaid reimbursement. Failure to comply with these vaccination mandates may result in the loss of federal contracts and an exclusion from the Medicare and/or Medicaid programs. The System and the various campuses of the System enter into contracts with the federal government from time to time, and the System is subject to the Action Plan's requirements as a federal contractor and a Medicare and Medicaid provider. Compliance with the Action Plan's vaccine mandates may increase operating costs of the System institutions or impact their ability to recruit and retain employees. Failing to comply with the Action Plan's requirements may also result in the loss of federal contracts and Medicare and Medicaid reimbursements. The annual revenue to the System's campuses associated with Medicaid and Medicare reimbursements is roughly $600,000,000. The revenue from all System federal contracts is approximately $120,000,000. These new federal requirements run counter to recent laws passed by the Arkansas General Assembly. In 2021, the Arkansas General Assembly passed Act 977 ("Act 977") (in April 2021) and Act 1115 ("Act 1115") (in October 2021), both of which include State limitations on vaccine mandates. Among other things, Act 977 places limits on, and in many cases prohibits, the State, a State agency (including the System), or a political subdivision of the State from mandating COVID-19 vaccines. However, Act 977 does allow for a State-owned or State-controlled medical facility to seek approval from the Legislative Council to mandate or require individuals to receive COVID-19 vaccinations. Act 1115, which was adopted after the Action Plan was released, requires, among other things, employers that require or are mandated to require (such as federal contractors) a COVID-19 vaccine to also provide a reasonable exemption process for employees. At this time, with regard to the Action Plan for federal contractors, the System anticipates that it will review these requirements on a contract-by-contract basis, along with additional information that may be received from the federal agencies, and take a measured approach to allow the System to comply with the Action Plan without violating State law.

The components of the Action Plan that are applicable to the System have been the subject of multiple legal challenges from various states, including Arkansas. On November 30, 2021, a United States District Court in the Eastern District of Kentucky issued an injunction staying the enforcement of the Action Plan for federal contractors and subcontractors in Ohio, Kentucky and Tennessee, and on December 7, 2021, a United States District Court in the Southern District of Georgia issued a similar injunction applicable to all states. Subsequent to these rulings, the Office of Management and Budget has advised that the federal government will take no action to enforce the federal contractor vaccine mandate in states that are subject to a court order prohibiting the application of the vaccine mandate requirements; this includes Arkansas. On January 13, 2022, the Supreme Court stayed a lower court injunction blocking the vaccine mandate for health care workers at facilities that receive Medicare and Medicaid funding, which includes the University of Arkansas for Medical Sciences ("UAMS"), pending disposition of the Government's appeal at the court of appeals and disposition of the Government's petition for a writ of certiorari, if such writ is timely sought. Act 977 allows for State-owned or State-controlled medical facilities (which includes UAMS's facilities) to seek approval from the Legislative Council to mandate or require individuals to receive COVID-19 vaccinations. At its January 28, 2022 meeting, the Legislative Council of the Arkansas General Assembly approved UAMS's request for an exemption from the vaccine mandate prohibition of Act 977. Since receiving this exemption from the Arkansas General Assembly, either through vaccinations or through exemptions permitted under the Action Plan, UAMS has achieved compliance under the Action Plan. Ultimately, failure to comply with the Action Plan's vaccine mandate for health care facilities could result in the loss of Medicare and Medicaid reimbursements; UAMS's annual revenue associated with Medicaid and Medicare reimbursements is approximately $600,000,000.

The System is unable to predict the ultimate outcome of any legal challenges and appeals or whether enforcement of the Action Plan will be further deferred or continued while any legal challenges are subject to litigation. At this time, the System is unable to predict how it will be affected by the Action Plan's mandates. In addition, the System is unable to predict the ultimate outcome if any State legislation relating to COVID-19 mandates is challenged.

As a result of the COVID-19 outbreak and anticipated declines in the State's revenues, budget cuts were announced for fiscal years 2020 and 2021 with respect to funding for State colleges and universities. In both fiscal years, however, tax revenue collections were greater than expected, and the original budgeted funding to colleges and universities was fully restored.

State fiscal year 2022 revenues were up 9.2% over fiscal year 2021, resulting in a revenue surplus of approximately $1.628 billion. In addition to cuts in the State's individual income tax rates approved in 2021, Governor Hutchinson has stated publicly that he intends to call another special session the week of August 8 to consider additional tax relief.

The Board, the System and UAPB will continue to monitor the COVID-19 situation and will adjust its policies as needed. The System has established a COVID-19 page (https://www.uasys.edu/coronavirus-covid-19/). Developments with respect to COVID-19 and the State's responses to COVID-19 (including governmental mandates) may continue to occur at a rapid pace, including on a daily basis, and the swift spread of the outbreak may continue to increase in severity for an unknown period of time. The full impact of COVID-19 and the scope of any adverse impact to the System's and UAPB's finances and operations cannot be fully determined at this time. Other adverse consequences of COVID-19 that are not discussed above that may affect the System and its campuses may include, but are not limited to, decline in enrollment with resulting losses of student tuition and fee revenues, decline in demand for housing, lost revenues from athletics, lost revenues from dining services, lost revenues from bookstores, and a decline in programs that involve travel or that have international connections. The potential lasting financial impact of the COVID-19 outbreak on the System and UAPB cannot be predicted at this time, and the System and UAPB make no representations regarding the economic impact of the COVID-19 pandemic on the System and UAPB or their financial positions, but reactions to governmental mandates or health care directives by the System and UAPB may have an impact on Pledged Revenues and UAPB's ability to pay debt service on the Bonds and the Existing Parity Bonds. See **SECURITY FOR THE BONDS** and **LEGAL AND LEGISLATIVE MATTERS, Factors Affecting the Board's Funding** and **Factors Related to UAMS** herein.

UAPB's Response to COVID-19 and Effect on Operations.

In March 2020, UAPB created a COVID-19 Task Force that consisted of a broad cross-section of campus representatives in order to strategize and prepare for campus operations during the pandemic. At the inception of the pandemic, UAPB successfully pivoted to a virtual format to allow students to remain engaged in their academic pursuits.

For the Fall 2022 semester, UAPB is prepared to welcome students and employees to normal, pre-pandemic operations. As has been the case throughout the pandemic, UAPB will continue to follow the most up-to-date health and safety guidance and will make adjustments accordingly when necessary.

See also **FORWARD-LOOKING STATEMENTS** herein.

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PURPOSES FOR THE BONDS

The proceeds of the Bonds will be used to finance a portion of the costs of certain capital improvements on or for the campus of the University of Arkansas at Pine Bluff ("UAPB"), including the acquisition, construction, equipping, and furnishing of a student center (the "Student Center Facility") and the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for UAPB (collectively, the "Project") and to pay costs of issuance of the Bonds.

The total anticipated cost of the Project is approximately $22,883,000, with approximately $17,677,000 of such amount to be provided from the Bonds. See **USE OF PROCEEDS** herein. The remaining costs of the Project are expected to be paid from a combination of (i) funds collected from a special UAPB student fee instituted for such purpose, and (ii) UAPB reserves.

Student Center Facility

The Student Center Facility portion of the Project will consist of a new approximately 56,400 square foot, multi-level facility to be located on the UAPB campus in Pine Bluff, Arkansas. The architect for the Student Facility is AMR Architects Inc., Little Rock, Arkansas, and the general contractor is CDI Contractors, LLC, Little Rock, Arkansas. UAPB anticipates that the Student Center Facility will include space for general and administrative offices, food concepts, student health services, career services, a student success center and other student support service areas. In addition, the Student Center Facility will contain areas for recreation, including a fitness center, game room and bowling facility. Design work on the Student Center Facility commenced in February 2021. Construction is expected to commence in Fall 2022, with completion expected in Fall 2024.

Subject to approval by the Board, the UAPB administration is currently pursuing non-debt funding for Phase II of the Student Center Facility, which would include a multi-level addition of approximately 26,000 square feet to the Student Center Facility. Phase II will include an auditorium/performing arts center.

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USE OF PROCEEDS

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

Proceeds	
Par Amount	$16,655,000
Net Original Issue Premium	1,243,403
TOTAL PROCEEDS:	$17,898,403
Uses	
Construction Fund Deposit	$17,677,075
Underwriters' Discount and Costs of Issuance	221,328
TOTAL USES:	$17,898,403

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 June 1 and December 1 of each year commencing June 1, 2023 at the rates set forth on the inside cover page of this Official Statement, and will mature on December 1 in the years and amounts set forth on the inside cover page of this Official Statement. The Bonds are issuable as fully registered bonds in the denomination of $5,000 or any integral multiple thereof. Principal of the Bonds is payable at the designated corporate trust office of the Trustee. Interest will be payable to the person in whose name such Bonds are registered on the registration books maintained by the Trustee (the "Registered Owner") at the close of business on the fifteenth day of the month immediately preceding the month in which any interest payment date on the Bonds occurs (the "Regular 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 shall be subject to redemption prior to maturity, in the principal amount of $5,000 or any integral multiple thereof, as follows:

Optional Redemption

The Bonds may be redeemed, at the option of the Board from funds from any source, in whole or in part (from such maturities as may be selected by the Board and by lot within a maturity) at any time, on and after June 1, 2032, at a price of 100% of the principal amount being redeemed plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption

The Bonds maturing on December 1 in the years 2042, 2047 and 2052 (the "Term Bonds") are subject to mandatory sinking fund redemption prior to maturity, in part, on each December 1 of the years shown below, at a price equal to the principal amount being redeemed plus accrued interest to the date of redemption from installments which are required to be made ("Sinking Fund Installments") in amounts sufficient to redeem the Term Bonds specified for each of the years shown below:

Term Bonds Maturing December 1, 2042

Year	Principal Amount
2038	$ 710,000
2039	$ 750,000
2040	$ 785,000
2041	$ 825,000
2042 (maturity)	$ 870,000

Term Bonds Maturing December 1, 2047

Year	Principal Amount
2043	$ 915,000
2044	$ 960,000
2045	$1,010,000
2046	$1,060,000
2047 (maturity)	$1,115,000

Term Bonds Maturing December 1, 2052

Year	Principal Amount
2048	$1,170,000
2049	$1,215,000
2050	$1,265,000
2051	$1,315,000
2052 (maturity)	$1,370,000

The Sinking Fund Installments set forth above shall be reduced, from time to time, in an amount equal to the principal amount of any Term Bonds which are redeemed pursuant to the provisions for optional redemption as described above, or which shall have been tendered for cancellation by the Board as set forth in the following paragraph. Reductions due to such optional redemption shall, to the extent practicable, be applied to each subsequent annual Sinking Fund Installment in the proportion which the annual amount bears to the aggregate amount of Sinking Fund Installments (including payment at maturity) remaining to be paid.

On or before the 30th day prior to each Sinking Fund Installment date, the Trustee shall proceed to call the Term Bonds in the indicated amounts for redemption and give notice of redemption as provided below. At its option, to be exercised on or before the 45th day next preceding each mandatory sinking fund redemption date, the Board may deliver to the Trustee for cancellation Term Bonds in any aggregate principal amount desired which it has acquired by purchase or otherwise. Each Term Bond so delivered shall be credited by the Trustee at the principal amount thereof, as directed by the Board, either (i) to the Sinking Fund Installment on the next December 1, and the principal amount of the Term Bonds to be redeemed by operation of the sinking fund on such date shall be accordingly reduced, or (ii) to the proportionate reduction of all remaining Sinking Fund Installments, to be determined in the manner specified in the preceding paragraph.

Redemption Within a Maturity

So long as Bonds are issued in book-entry only form (see **BOOK-ENTRY ONLY SYSTEM** herein), if fewer than all of a particular maturity and interest rate of the Bonds are to be called for redemption, the particular Bonds to be redeemed will be selected pursuant to the procedures established by The Depository Trust Company ("DTC"). If the Bonds are no longer held pursuant to the Book-Entry Only System, and if fewer than all of a particular maturity and interest rate of the Bonds then Outstanding shall be called for redemption, the Bonds or portions of Bonds to be redeemed within such maturity and interest rate shall be selected by the Trustee by lot in such manner as the Trustee shall determine is appropriate; provided, however, the Bonds must be redeemed in authorized denominations.

Notice of Redemption

Notice of redemption shall be given as follows:

The Trustee shall mail a copy of such notice by first-class mail, postage prepaid, or send a copy of such notice via other standard means, including electronic or facsimile communication, not less than thirty (30) days before such redemption date, to the Owners of any Bond, all or a portion of which is to be redeemed, at the last address appearing upon the registration books maintained by the Trustee. Failure to give such notice to any Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Bonds.

After the redemption date specified in such notice, the Bonds so called will cease to bear interest, provided that funds for their payment have been deposited with the Trustee, and, except for the purpose of payment, shall no longer be protected by the Indenture (hereinafter defined) and shall not be deemed to be outstanding under the provisions of the Indenture.

While the Bonds are being held by DTC under the Book-Entry Only System, notice of redemption will be sent only to DTC in accordance with the procedures of DTC. See **BOOK-ENTRY ONLY SYSTEM** herein.

SECURITY FOR THE BONDS

The pledge of Pledged Revenues (as hereinafter defined) in favor of the Bonds is on a parity with an existing pledge of Pledged Revenues in favor of the Existing Parity Bonds, to the extent outstanding.

The Bonds constitute general obligations only of the Board and do 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 are secured by a pledge of, and are payable first from, the Pledged Revenues and the funds and accounts held pursuant to the Indenture (with the exception of the Rebate Fund). To the extent the Pledged Revenues are insufficient to pay the Bonds, the Board shall pay the Bonds from any other moneys available to it in accordance with the Constitution and laws of the State. See **SPECIAL CONSIDERATIONS RELATED TO COVID-19** and **LEGAL AND LEGISLATIVE MATTERS**,

Factors Affecting the Board's Funding and **Factors Related to UAMS** herein for a description of certain risk factors that could impact the level of Pledged Revenues or the ability of the Board to otherwise pay the Bonds.

The Bonds will be secured by Pledged Revenues on a parity with the pledge of Pledged Revenues in favor of the Existing Parity Bonds to the extent outstanding and with subsequent pledges to Additional Parity Bonds issued under the Indenture upon satisfaction of the requirements set forth therein. See **SUMMARY OF THE INDENTURE, Additional Parity Bonds and Other Obligations** herein.

The term "Pledged Revenues" is defined as (i) all tuition and fee revenues collected by UAPB and (ii) all sales and services revenues and all auxiliary enterprises revenues (as such terms are used in the context of generally accepted accounting principles) derived from, but not limited to, the following: residence halls, married student housing, fraternity and sorority houses, dining services, the student union, book store, athletic gate receipts and other revenues derived from intercollegiate athletics, and transit and parking services collected by UAPB.

Pledged Revenues for certain fiscal years are set out below under **THE UNIVERSITY OF ARKANSAS AT PINE BUFF (UAPB), Pledged Revenues**. The amounts of the Existing Parity Bonds payable from Pledged Revenues are shown under **THE UNIVERSITY OF ARKANSAS AT PINE BLUFF (UAPB), Debt Service Schedules for Bonds and Existing Parity Bonds**.

Pledged Revenues may also be pledged to secure bonds, notes and other obligations ("Other Obligations") on a junior and subordinate basis. Although Other Obligations will not be issued under or secured by the lien of the Indenture and may be incurred without complying with the requirements for issuing Additional Parity Bonds under the Indenture, Other Obligations will be secured by a pledge of Pledged Revenues subordinate to the pledge in favor of the Bonds, the Existing Parity Bonds and any Additional Parity Bonds. The Indenture contains no restriction on incurring indebtedness that is not secured by Pledged Revenues. See **SUMMARY OF THE INDENTURE, Additional Parity Bonds and Other Obligations** herein.

The Board has covenanted that it will take all action necessary to maintain Pledged Revenues at a level equal to not less than 110% of the maximum annual principal and interest on the Bonds, the Existing Parity Bonds, and any Additional Parity Bonds, each to the extent outstanding. See **SUMMARY OF THE INDENTURE**, **Pledged Revenues** herein.

No debt service reserve will secure the Bonds.

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

BOOK-ENTRY ONLY SYSTEM

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

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial

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

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

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

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

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

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

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

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

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

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

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SUMMARY OF THE INDENTURE

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

Application of Bond Proceeds

Proceeds of the Bonds will be applied approximately as follows:

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

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

Use of Pledged Revenues and Flow of Funds

Revenue Account. All of the Pledged Revenues (defined under **SECURITY FOR THE BONDS**), as and when received, shall be credited to an existing account maintained by UAPB separately from the funds and accounts established pursuant to the Indenture, which account shall be designated "Revenue Account" (the "Revenue Account"). Pledged Revenues credited to the Revenue Account shall be used: first, to make required payments into the various funds and accounts established pursuant to the Indenture and pursuant to the trust indenture securing the Existing Parity Bonds; and second, for any other lawful purpose.

Bond Fund. The Board has established with the Trustee a special fund in the name of the Board designated 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 and any Additional Parity Bonds issued pursuant to the Indenture; (ii) to pay the fees and expenses of the Trustee; and (iii) to make required payments to the Rebate Fund (defined below). On each interest payment date, each redemption date, and each principal maturity date for any bonds issued under the Indenture, amounts on deposit in the Bond Fund shall be applied as follows: first, to the payment of interest due and payable with respect to the Bonds and any then outstanding "Additional Parity Bonds" (defined as any other bonds issued under the Indenture with a priority of payment that is on a parity with the Bonds) on a pro rata basis without regard to series; second, to the principal due and payable on the Bonds and any Additional Parity Bonds on a pro rata basis without regard to series; third, to the payment of any amounts due and payable on such date to the Trustee as payment for its fees; and fourth, to the payment of any amounts payable on such date to the Rebate Fund.

Eight (8) business days preceding each interest payment date, the Trustee shall notify the Vice Chancellor for Finance and Administration (the "Vice Chancellor") of the amounts required to make the payments into the Bond Fund. On the seventh business day preceding each interest payment date on the Bonds, each redemption date, and the maturity date of the Bonds, the Vice Chancellor shall cause to be deposited in the Bond Fund, from amounts credited to the Revenue Account or from any other source then available for such purpose, any sums required, in addition to amounts already on deposit in the Bond Fund, to equal (i) all amounts due on such interest payment date, redemption date or maturity date with respect to the principal, redemption price, and interest on the Bonds and any Additional Parity Bonds, and (ii) any amounts then due the Trustee as payment for its fees.

Construction Fund. The Indenture establishes the Construction Fund and multiple accounts therein, which are the Construction Account (the "Construction Account") and the Cost of Issuance Account (the "Cost of Issuance Account"). The Construction Account shall be used for the purpose of accomplishing the Project. The Cost of Issuance Account shall be used for the purpose of paying costs of issuing the Bonds.

Rebate Fund. The Indenture establishes with the Trustee a special fund in the name of the Board designated the "Rebate Fund." The Board shall, pursuant to the Indenture, at the end of each five-Bond Year period and upon payment or redemption of all principal of the Bonds, calculate the amount of money to be rebated to the United States Treasury (the "Rebate Amount") pursuant to §148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations established thereunder. The Board shall direct the Trustee to deposit an amount equal to the Rebate Amount into the Rebate Fund within 60 days after the end of each five-Bond Year period and upon payment or redemption of all principal of the Bonds. Such deposit may be made from any Pledged Revenues. The Rebate Fund shall be held in trust for the benefit of the United States of America, and not for the benefit of the owners of the Bonds or of the Trustee. The Board shall pay from the amounts held in Rebate Fund to the United States Treasury the Rebate Amount at times and in amounts necessary to comply with the Code.

Investments. Amounts in the Construction Fund shall, pursuant to the written direction of the Vice Chancellor, be invested and reinvested by the Trustee in Permitted Investments (defined below), which mature, or shall be subject to redemption by the owner thereof, at the option of the owner, on or prior to the date on which the funds invested will be needed for authorized expenditures.

Moneys held for the credit of the Rebate Fund shall, pursuant to the written direction of the Vice Chancellor, be invested and reinvested by the Trustee in Permitted Investment which shall mature, or shall be subject to redemption by the owner thereof, at the option of the owner, not later than the date or dates on which payments of a Rebate Amount must be made.

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

"Permitted Investments" shall mean any of the following:

(a) 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");

(b) Bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (provided that stripped securities are only permitted if they have been stripped by the agency itself): (i) United States Export-Import Bank (direct obligations or fully guaranteed certificates of beneficial ownership); (ii) Farmers Home Administration (certificates of beneficial ownership); (iii) Federal Financing Bank; (iv) Federal Housing Administration (debentures); (v) General Services Administration (participation certificates); (vi) Government National Mortgage Association (guaranteed mortgage-backed bonds and guaranteed pass-through obligations); (vii) United States Maritime Administration (guaranteed Title XI financing); and (viii) United States Department of Housing and Urban Development (project notes, local authority bonds, United States government guaranteed debentures, and United States government guaranteed public housing notes and bonds);

(c) Bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following non-full faith and credit government agencies (stripped securities are permitted only if they have been stripped by the agency itself): (i) Federal Home Loan Bank System (senior debt obligations); (ii) Federal Home Loan Mortgage Corporation (participation certificates and senior debt obligations); (iii) Federal National Mortgage Association (mortgage-backed securities and senior debt obligations); (iv) Student Loan Marketing Association (senior debt obligations); (v) Resolution Funding Corporation; and (vi) Farm Credit System (consolidated system wide bonds and notes);

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and have a rating by Standard & Poor's Ratings Services ("S&P") of AAAm-G, AAAm or AAm; and, if rated by Moody's Investors Service, Inc. ("Moody's"), rated Aaa, Aal or Aa2.

(e) Certificates of deposit secured at all times by collateral described in (a) or (b) above, issued by commercial banks, savings and loan associations or mutual savings banks (including the Trustee and its affiliates); provided that such collateral is held by a third party, and the Owners have a perfected first security interest in the collateral;

(f) Certificates of deposit, savings accounts, deposit accounts, other deposit products, or money market deposits (i) of a bank (including the Trustee and its affiliates) rated not less than AA by S&P or Aa by Moody's (in each case, without regard to ratings modifiers) or (ii) which are fully insured by the Federal Deposit Insurance Corporation;

(g) Investment Agreements acceptable to the Vice Chancellor;

(h) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P;

(i) Municipal or state bonds or notes that are rated in the two highest rating categories by S&P or Moody's;

(j) Federal funds or bankers' acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A1" or "A" or better by S&P;

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

(l) Money market mutual funds (i) that invest in Government Obligations or that are registered with the federal Securities and Exchange Commission meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, or (ii) that are rated in either of the two highest categories by a nationally recognized rating service, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise.

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 or account, and the interest accruing thereon and any profit realized from such investment shall be credited to such fund or account, and any loss resulting from such investment shall be charged to such fund or account.

Additional Parity Bonds and Other Obligations

No additional bonds may be issued with a prior lien or a prior pledge of the Pledged Revenues over the lien and pledge securing the Bonds. Additional Parity Bonds (defined under **Use of Pledged Revenues and Flow of Funds**, Bond Fund above) may be issued and secured by the Pledged Revenues on a parity basis with the Bonds and the Existing Parity Bonds; provided that, the Board shall provide to the Trustee a certificate of the Vice Chancellor that Pledged Revenues for the then preceding Fiscal Year, equaled no less than 110% of the maximum annual debt service on the Bonds then outstanding, any Additional Parity Bonds then outstanding, the Existing Parity Bonds then outstanding and the Additional Parity Bonds then proposed to be issued

Additional bonds, notes or other obligations (collectively, "Other Obligations") may also be issued or incurred secured by a junior and subordinate pledge of the Pledged Revenues provided that the Board delivers 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 (1) the amount of principal and interest due on the Bonds, the Existing Parity 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 Obligations, computed with regard to all Bonds, Existing Parity Bonds, Additional Parity Bonds, and Other Obligations outstanding as of the time immediately following the issuance of the Other Obligations.

Notwithstanding satisfaction of other conditions to the issuance of Additional Parity Bonds and incurring of Other Obligations recited above, no such issuance or incurrence may occur should any Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) (defined under **Events of Default** below) have occurred and be continuing unless such default shall be cured upon such issuance. Additional Parity Bonds and Other Obligations may not be issued or incurred under the trust indenture securing the Existing Parity Bonds independent of compliance with the requirements of the Indenture. The Indenture contains no restriction on incurring indebtedness that is not secured by Pledged Revenues.

Pledged Revenues

The Board represents and warrants that as of the date of the Indenture, there are no charges upon or pledges against the Pledged Revenues, other than the pledge securing the Existing Parity Bonds. The Board covenants that it will take all action necessary to maintain Pledged Revenues at a level equal to not less than 110% of the maximum annual principal and interest on the Bonds, the outstanding Existing Parity Bonds, and any outstanding Additional Parity Bonds.

The Board covenants 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 on the Pledged Revenues (other than those created under the Indenture), as long as the Bonds are Outstanding, except as permitted in the Indenture.

Events of Default

The Indenture will define "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, either at maturity or by proceedings for redemption or otherwise; 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 such 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 in the Indenture, and such default shall continue for sixty (60) 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 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 trust indenture securing the Existing Parity Bonds or any subsequent indenture securing 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 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, anything contained in the Bonds or in the Indenture to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any remedy under the Indenture, moneys shall have been accumulated in the Bond Fund sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all Bonds then outstanding (except the principal of any Bonds not then due by their terms and the interest accrued on such Bonds since the last interest payment date), and the charges, compensation, expenses, advances and liabilities of the Trustee and all other amounts then payable by the Board under the Indenture shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition, agreement, or provision contained in the Bonds or in the Indenture (other than a default in the payment of the principal of such Bonds then due only because of a declaration as described above) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the owners of not less than twenty percent (20%) in principal amount of the Bonds not then due by their terms and then outstanding, shall, by written notice to the Board, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the happening and continuance of any Event of Default, then and in every such case 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 indemnification as provided in the Indenture, 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 a 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 or on any Additional Parity Bonds issued under the Indenture 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 and Additional Parity Bonds issued under the Indenture shall have become or shall have been declared due and payable, all such moneys shall be applied:

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

(b) If more than one series of Bonds or Additional Parity Bonds shall have been accelerated, the payments set forth in clause SECOND above shall be made pro rata with respect to all Bonds and Additional Parity Bonds so accelerated, without regard to series; provided, however, that no payments shall be made with respect to any subordinate indebtedness until all payments due with respect to such accelerated Bonds and Additional Parity Bonds have been made.

(c) If the principal of all the Bonds or Additional Parity Bonds of a series 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 provision of paragraph (a).

(d) Whenever moneys are to be applied by the Trustee, 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.

Concerning the Trustee

The Trustee may resign at any time by notice in writing given to the Board. 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 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 and Additional Parity 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. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Indenture with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Board or the registered owners of not less than twenty-five percent (25%) in principal amount of all Bonds and Additional Parity Bonds issued under the Indenture and then outstanding.

Any successor Trustee must (i) be a trust company or bank organized and doing business under the laws of the United States or of a state, (ii) be duly authorized to exercise trust powers, (iii) be subject to examination by federal or state authority, and (iv) have a reported capital and surplus of not less than $75,000,000.

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

Prior to the occurrence of any Event of Default of which the Trustee is deemed to have notice and after the curing of all such Events of Default that may have occurred, the Trustee shall perform such duties and only such duties of the Trustee as are specifically set forth in this 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 10% in outstanding principal amount of the series of Bonds or Additional Parity Bonds which are affected by the Event of Default. 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 and Additional Parity Bonds from such Pledged Revenues.

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 UAPB, which is described under **THE UNIVERSITY OF ARKANSAS AT PINE BLUFF (UAPB)**) are briefly described below:

University of Arkansas, Fayetteville ("UAF"). UAF was the original site of the University. On the UAF campus are the Dale Bumpers College of Agricultural, Food and Life Sciences, the Fay Jones School of Architecture and Design, the J. William Fulbright College of Arts and Sciences, the Sam M. Walton College of Business, the College of Education and Health Professions, and the College of Engineering. Also located there are the School of Law, the Graduate School and International Education, the Departments of Army and Air Force ROTC, the Agricultural Experiment Station, the Global Campus, the Bureau of Business and Economic Research and the Division of Continuing Education. Campus facilities also include the Fulbright Institute of International Relations, the High-Density Electronics Center, the Mack-Blackwell Rural Transportation Center, the Center of Excellence for Poultry Science, and the Center for Advanced Spatial Technology. UAF offers master degrees in more than 85 fields of study and doctoral degrees in approximately 45 different areas. Fayetteville is the county seat of Washington County.

University of Arkansas for Medical Sciences ("UAMS"). Founded in 1879 as the University of Arkansas Department of Medicine, the University of Arkansas Medical Center was established by the Board as a campus of the University in 1975. In 1981, the name was changed to the University of Arkansas for Medical Sciences. UAMS is comprised of the College of Medicine, the College of Pharmacy, the College of Nursing, the College of Health Professions, the College of Public Health, the Graduate School, the Area Health Education Centers, the UAMS Library, the Ambulatory Care Center, the Winthrop P. Rockefeller Cancer Institute, the Diagnostic Support Center, the Harvey and Bernice Jones Eye Institute, the Jackson T. Stephens Spine and Neuroscience Institute and the Donald W. Reynolds Center on Aging. Students attend classes on Little Rock and 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 William H. Bowen UA Little Rock School of Law offers the professional degree of Juris Doctor, and UA Little Rock now offers over 60 other graduate and professional programs and nine doctoral programs. Little Rock, in Pulaski County, is the capital of Arkansas.

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

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

University of Arkansas at Fort Smith ("UAFS"). UAFS was first established as Fort Smith Junior College in 1928 as an extension of the local public school system. Until 1950, it operated within the public school system and offered primarily college-parallel courses. In 1950, it was separated from the public school system and incorporated as a private, nonprofit educational institution. UAFS has experienced several name changes since its founding. In 1966, the College was renamed Westark Junior College, in 1972 it became Westark Community College, and in 1998 it became Westark College. On January 1, 2002, pursuant to the Merger Agreement and Plan of Transition dated December 15, 2000, Westark College became the University of Arkansas at Fort Smith. UAFS offers approximately two Master's Degree programs and 41 Bachelor 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 with the University of Arkansas 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 the 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.

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 University of Arkansas Grantham (UA Grantham), the newest UA campus, into a single entity. This integration has been completed, and the surviving entity will continue to operate as UA 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 university 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 our state’s police departments and sheriff’s offices. The institute is committed to making communities safer by supporting law enforcement professionals through training, education, resources and collaborative partnerships. Utilizing both classroom-based instruction and practical, hands-on application, CJI provides an educational experience designed to enhance the performance and professionalism of law enforcement in progressive areas of criminal justice, including law enforcement leadership and management, forensic sciences, computer applications, traffic safety, illicit drug investigations and school safety.

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

University of Arkansas – Grantham (“UA–Grantham”). On August 30, 2021, the Board entered into an Asset Purchase Agreement to acquire the assets and assume certain liabilities (consisting primarily of service and vendor contracts, any liabilities to students, and office lease obligations) of Grantham University ("Grantham"), a for-profit online institution of higher education with approximately 4,000 active students and more than 60 degree programs. The acquisition was closed on November 1, 2021, and Grantham became known as the “University of Arkansas – Grantham.” In order to fund the cost of the acquisition and associated expenses, the Board entered into an unsecured $8,000,000 variable rate revolving line of credit with Regions Commercial Equipment

Finance, LLC. Grantham was founded in 1951 to serve World War II veteran educational needs. It began offering exclusively online programs in the late 1990s. Grantham has maintained a focus on military students, and current or past service members currently make up approximately 67% of its student body. UA-Grantham is accredited through the Distance Education Accrediting Commission. UA-Grantham is also accredited by the Accrediting Board of Engineering and Technology, the Commission of Collegiate Nursing Education, and the International Accreditation Council for Business Education. 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.

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
Cliff Gibson, Chairman	Attorney	2023
Morril Harriman, Vice Chairman*	Attorney	2024
Ted Dickey, Secretary	Business Executive	2030
Kelly Eichler, Assistant Secretary**	Attorney	2026
Sheffield Nelson	Attorney	2025
Tommy Boyer	Retired Business Executive	2027
Steve Cox	Business Executive	2028
Ed Fryar, PhD	Business Executive	2029
Jeremy Wilson	Business Executive	2031
Nathaniel Todd	State Government	2032

* Mr. Harriman is Counsel at Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., bond counsel.

** Ms. Eichler is the spouse of an officer of Stephens Inc., one of the Underwriters.

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System Administration

The current officers of the System are:

Name	Office
Donald R. Bobbitt, PhD	President
Tara Smith	Vice President for Finance and Chief Financial Officer
Michael Moore, PhD	Vice President for Academic Affairs
Deacue Fields, PhD	Vice President for Agriculture
Melissa K. Rust	Vice President for Community Relations
Steven Fulkerson	Vice President and Chief Information Officer
JoAnn Maxey	General Counsel
Chris Thomason	Vice President for Planning and Development

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 semester of the 2019/20 school year, the fall semester of the 2020/21 school year, and the fall semester of the 2021/22 school year for each campus of the System (expressed as full-time equivalents and including concurrent enrollment) was as follows:

	Fall 2019-20	Fall 2020-21	Fall 2021-22
University of Arkansas, Fayetteville	24,068	24,035	25,193
University of Arkansas at Little Rock[(1)]	6,483	6,014	5,567
University of Arkansas for Medical Sciences	2,490[(2)]	2,604[(2)]	2,727
University of Arkansas at Monticello	2,275	2,109	2,072
University of Arkansas at Pine Bluff	2,357	2,468	2,503
Phillips Community College of the University of Arkansas	886	651	715
University of Arkansas Community College at Hope - Texarkana	871	761	726
University of Arkansas Community College at Batesville	977	852	743
University of Arkansas Community College at Morrilton	1,327	1,330	1,322
Cossatot Community College of the University of Arkansas	939	882	824
University of Arkansas at Fort Smith	4,872	4,604	4,158
University of Arkansas Community College at Rich Mountain	553	585	525
University of Arkansas-Pulaski Technical College	3,700	3,366	3,065
University of Arkansas System eVersity	628	668	574
Total, All Campuses	52,426	50,929	50,714

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

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

In addition, the University of Arkansas – Grantham, formerly Grantham University, had an average fall semester enrollment of 2,681 students, 2,433 students and 2,162 students in school years 2019-20, 2020-21 and 2021-22, respectively. The acquisition and integration of Grantham into the System was finalized on November 1, 2021.

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THE UNIVERSITY OF ARKANSAS AT PINE BLUFF (UAPB)

Administrative Officers

The current administrative officers of UAPB are:

Name	Office
Laurence Alexander, PhD	Chancellor
Carla Martin, JD	Vice Chancellor for Finance and Administration
Robert Carr, PhD[(1)]	Vice Chancellor for Academic Affairs and Provost
Mansour Mortazavi, PhD	Vice Chancellor for Research, Innovation and Economic Development
Elbert Bennett	Vice Chancellor for Student Affairs
Janet Broiles	Chief of Staff
E. Christopher Robinson	Director of Athletics
George Cotton	Vice Chancellor for Institutional Advancement and Development

(1) Dr. Carr has announced his resignation effective August 15, 2022. A search process will be instituted for a replacement for this position.

There is also an existing vacancy in, and a search is underway for, the position of Vice Chancellor for Enrollment Management and Student Success.

General Information

Branch Normal College, now UAPB, was created in 1873 by the Arkansas General Assembly as a branch of the Arkansas Industrial University, now the University of Arkansas. The College opened on September 27, 1875, with an enrollment of seven students. Joseph Carter Corbin was appointed the first Principal of Branch Normal College and served until 1902. During Mr. Corbin's term, the United States Congress passed the Second Morrill Act (1890 Act), which required states to make equitable division of land-grant funds between black and white institutions. Branch Normal College became a land-grant institution in 1891. In 1927, the Arkansas General Assembly changed Branch Normal to an Agricultural, Mechanical and Normal College, with an independent Board of Trustees. In 1972, AM&N College was merged into the University of Arkansas system and became the University of Arkansas at Pine Bluff (UAPB). Pine Bluff is located approximately 42 miles southeast of Little Rock and has an estimated population of 40,244.

As the second oldest land-grant institution in the State of Arkansas, UAPB provides a high quality, affordable education with a personal touch. The 15:1 student to teacher ratio makes it possible to maintain a learning environment with close interaction between students and faculty while UAPB's challenging curricula encourages students to seek and fulfill their potential.

UAPB is one of 102 U.S. educational institutions recognized as historically black colleges and universities (HBCUs). As an HBCU, UAPB is eligible to receive certain federal formula-based funding to support its academic, financial and administrative activities. Since January 2021, the Biden administration has prioritized and delivered historic levels of investment in and financial support for HBCUs through a combination of American Rescue Plan emergency grants and debt relief.

UAPB students excel in their chosen field of study through a curriculum of Certificate and Associates degree programs, more than thirty Undergraduate programs, Master's degree programs and a Doctorate program in Aquaculture/Fisheries. Students also develop workplace readiness through internships, co-ops and fellowships in the U.S. and abroad. Out-of-class experiences and student involvement include more than 90 student organizations, an internationally renowned Vesper Choir, Marching Band, Concert Bands, Wind Symphony, nationally recognized debate team, award-winning theater department and accomplished athletic program.

Though the main campus is in Pine Bluff, its reach is worldwide. UAPB has an extended campus in North Little Rock and offers online courses. With the addition of the Arkansas Research and Education Optical Network (ARE-ON), students can engage in information exchange with others anywhere in the world. There are also Research and Extension offices in Lonoke, Newport and Lake Village and collaborations with other colleges and universities in the State through the National Science Foundation funded STEM (Science, Technology, Engineering and Mathematics) Academy.

The Campus and Facilities

There are forty-four (44) buildings on the main campus of UAPB, containing approximately 1,200,000 aggregate square feet. There have been numerous upgrades and renovations made to campus housing, classroom, research, administration and athletic facilities over the last five years utilizing a variety of funding sources, including grants, private donations, insurance proceeds and reserves. The impacted facilities include Larrison Hall, Caldwell Hall, the Kountz-Kyle Science Building, the HPER Complex Arena, Simmons Bank Field, the L.A. Davis, Sr. Student Union and the Walker Research Building. Additionally, a campus-wide new roofing project was completed in 2021.

Accreditations

In 2017, UAPB received Higher Learning Commission (HLC) re-accreditation for the next ten (10) years, the longest period granted by HLC. In addition to the HLC accreditation, UAPB has received accreditation for the following programs: NCATE accreditation for Teacher Education; NLN (National League for Nursing) for the Nursing Program; NAIT (National Association of Industrial Technology) for the Industrial Education Program; CSWE (Council on Social Work Education); ADA (American Dietetic Association); AAFSC (American Association of Family and Consumer Services); NASM (National Association of Schools of Music); and NASAD (National Association of Schools of Art and Design).

Degree Programs

UAPB offers 31 Bachelor Degree programs, 12 Master Degree programs, one PhD degree program and 8 Associate Degree programs. These degree programs are offered in one of the following schools: Agriculture, Fisheries and Human Sciences; Arts and Sciences; Business and Management; or the School of Education.

Faculty Summary

The full-time UAPB faculty numbers 160, with 93 holding earned doctorates.

Student Enrollment

The following table based on fall term undergraduate registration, sets forth enrollment at UAPB for school years 2016-2017 through 2021-2022.

School Year	Applications	Acceptances	New Enrollments	Total Enrollment
2021-2022	4,699	3,173	677	2,484
2020-2021	5,464	3,260	685	2,507
2019-2020	5,136	2,257	488	2,382
2018-2019	5,508	2,443	567	2,473
2017-2018	4,393	2,051	515	2,517
2016-2017	6,353	2,664	772	2,721

Undergraduate Student Fees

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

	2017-2018		2018-2019		2019-2020		2020-2021		2021-2022	
	In State	Out of State	In State	Out of State	In State	Out of State	In State	Out of State	In State	Out of State
Tuition	2,454	5,580	2,454	5,580	2,565	5,820	2,565	5,820	2,565	5,820
Tuition/Hour	163.60	372.00	163.60	372.00	171.00	388.00	171.00	388.00	171.00	388.00
Fees	1,152	1,152	1,467	1,467	1,467	1,467	1,467	1,467	1,467	1,467
Totals:	3,606	6,732	3,921	7,047	4,032	7,287	4,032	7,287	4,032	7,287

Increased tuition has been proposed for the 2022-23 school year of $188.00 per credit hour for in-state undergraduates ($2,820 for fifteen hours) and $427.00 per credit hour for out-of-state undergraduates ($6,405 for fifteen hours). No student fee increases are planned.

Summary of Revenues, Expenses and Changes in Net Assets

The following table contains a summary of the revenues, expenses and changes in net assets for UAPB for the past four fiscal years:

	FY21	FY20	FY19	FY18
Total Operating Revenues	$34,923,113	$39,755,802	$45,329,211	$41,159,326
Total Operating Expenses	(83,229,392)	(81,401,636)	(79,065,186)	(79,694,777)
Net Non-Operating Revenues	50,840,925(1)	39,385,734(1)	40,328,718	39,099,931
Other Changes in Net Position	(215,093)	4,100,509	150,000	2,800,000
Changes in Net Position	2,319,553	1,840,409	6,742,743	3,364,480

(1) Includes assistance under the Higher Education Emergency Relief Fund (HEERF) authorized by the Coronavirus Response and Relief Supplemental Appropriations Act. HEERF funds received by UAPB were recognized in fiscal years 2020 and 2021 in the amounts of $2,654,449 and $11,203,382, respectively.

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Pledged Revenues

The term "Pledged Revenues" is defined as (i) all tuition and fee revenues collected by UAPB and (ii) all sales and services revenues and all auxiliary enterprises revenues (as such terms are used in the context of generally accepted accounting principles) derived from, but not limited to, the following: residence halls, married student housing, fraternity and sorority houses, dining services, the student union, book store, athletic gate receipts and other revenues derived from intercollegiate athletics, and transit and parking services collected by UAPB.

Gross Pledged Revenues for the past five fiscal years have been as follows:

Fiscal Year (Ended June 30)	Amount[(1)]
2022[(2)]	$37,048,444
2021	$32,219,820
2020	$36,966,396
2019	$36,577,997
2018	$35,775,891

[(1)] As certified by representatives of UAPB.
[(2)] Unaudited.

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Debt Service Schedule for Bonds

Debt service requirements for the Bonds are as follows:

Fiscal Year (Ending June 30)	Principal	Interest	Total Bond Debt Service
2023	$ --	$ 589,873.33	$ 589,873.33
2024	--	769,400.00	769,400.00
2025	--	769,400.00	769,400.00
2026	--	769,400.00	769,400.00
2027	--	769,400.00	769,400.00
2028	--	769,400.00	769,400.00
2029	--	769,400.00	769,400.00
2030	--	769,400.00	769,400.00
2031	--	769,400.00	769,400.00
2032	--	769,400.00	769,400.00
2033	--	769,400.00	769,400.00
2034	--	769,400.00	769,400.00
2035	--	769,400.00	769,400.00
2036	--	769,400.00	769,400.00
2037	645,000.00	753,275.00	1,398,275.00
2038	675,000.00	720,275.00	1,395,275.00
2039	710,000.00	685,650.00	1,395,650.00
2040	750,000.00	649,150.00	1,399,150.00
2041	785,000.00	610,775.00	1,395,775.00
2042	825,000.00	570,525.00	1,395,525.00
2043	870,000.00	528,150.00	1,398,150.00
2044	915,000.00	483,525.00	1,398,525.00
2045	960,000.00	436,650.00	1,396,650.00
2046	1,010,000.00	387,400.00	1,397,400.00
2047	1,060,000.00	335,650.00	1,395,650.00
2048	1,115,000.00	281,275.00	1,396,275.00
2049	1,170,000.00	230,000.00	1,400,000.00
2050	1,215,000.00	182,300.00	1,397,300.00
2051	1,265,000.00	132,700.00	1,397,700.00
2052	1,315,000.00	81,100.00	1,396,100.00
2053	1,370,000.00	27,400.00	1,397,400.00
Totals:	$16,655,000.00	$17,687,873.33	$34,342,873.33

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Debt Service Schedule for Bonds and Existing Parity Bonds

Debt Service requirements for the Bonds and the Existing Parity Bonds are as follows:

Fiscal Year (Ending June 30)	Series 2022 Bonds	Existing Parity Bonds	Total Debt Service
2023	$ 589,873.33	$ 1,167,993.76	$ 1,757,867.09
2024	769,400.00	1,162,893.76	1,932,293.76
2025	769,400.00	1,163,018.76	1,932,418.76
2026	769,400.00	1,161,393.76	1,930,793.76
2027	769,400.00	1,158,018.76	1,927,418.76
2028	769,400.00	1,157,768.76	1,927,168.76
2029	769,400.00	1,155,518.76	1,924,918.76
2030	769,400.00	1,156,143.76	1,925,543.76
2031	769,400.00	1,161,681.26	1,931,081.26
2032	769,400.00	1,162,643.76	1,932,043.76
2033	769,400.00	1,162,381.26	1,931,781.26
2034	769,400.00	1,160,231.26	1,929,631.26
2035	769,400.00	1,161,081.26	1,930,481.26
2036	769,400.00	1,155,571.88	1,924,971.88
2037	1,398,275.00	--	1,398,275.00
2038	1,395,275.00	--	1,395,275.00
2039	1,395,650.00	--	1,395,650.00
2040	1,399,150.00	--	1,399,150.00
2041	1,395,775.00	--	1,395,775.00
2042	1,395,525.00	--	1,395,525.00
2043	1,398,150.00	--	1,398,150.00
2044	1,398,525.00	--	1,398,525.00
2045	1,396,650.00	--	1,396,650.00
2046	1,397,400.00	--	1,397,400.00
2047	1,395,650.00	--	1,395,650.00
2048	1,396,275.00	--	1,396,275.00
2049	1,400,000.00	--	1,400,000.00
2050	1,397,300.00	--	1,397,300.00
2051	1,397,700.00	--	1,397,700.00
2052	1,396,100.00	--	1,396,100.00
2053	1,397,400.00	--	1,397,400.00
Totals:	$34,342,873.33	$16,246,340.76	$50,589,214.09

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Coverage

Pledged Revenues for the fiscal year ended June 30, 2022, were $37,048,444[1]. Maximum annual debt service on the Bonds and the Existing Parity Bonds is $1,932,418.76 (in the fiscal year ending June 30, 2025). Accordingly, the Pledged Revenues in the immediately preceding fiscal year equaled or exceeded 19.17 times the maximum annual debt service on the Bonds and the Existing Parity Bonds.

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[1] Unaudited, and as certified by representatives of UAPB.

Other Outstanding Indebtedness

The Board, on behalf of UAPB, entered into an Equipment Lease/Purchase Agreement (Escrow Account) (the "2016 Equipment Agreement") dated as of December 15, 2016, with Banc of America Public Capital Corp. The obligations of the Board under the 2016 Equipment Agreement are not secured by Pledged Revenues. As security under the 2016 Equipment Agreement, the Board has granted a lien on the equipment financed by each lease. The terms of each acquisition borrowing financed through the 2016 Equipment Agreement is set forth on schedules to the 2016 Equipment Agreement. Set forth below are the amounts outstanding as of June 30, 2022 pursuant to the various outstanding schedules under the 2016 Equipment Agreement.

2016 Equipment Agreement Schedule	Original Amount	Amount Outstanding (June 30, 2022)
Lease Agreement Schedule	$17,245,359.00	$14,449,572.24[1]

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(1) A scheduled payment of $414,496.51 of principal was made on July 1, 2022.

The Board, on behalf of UAPB, entered into a Master Tax-Exempt Installment Purchase Agreement (the "2018 Purchase Agreement") dated as of December 15, 2018 with Extreme Networks, Inc. The obligations of the Board under the 2018 Purchase Agreement are not secured by Pledged Revenues. As security under the 2018 Purchase Agreement, the Board has granted a lien on the equipment purchased. The terms of each acquisition borrowing financed through the 2018 Purchase Agreement is set forth on schedules to the 2018 Purchase Agreement. Set forth below are the amounts outstanding as of June 30, 2022 pursuant to the various outstanding schedules under the 2018 Purchase Agreement.

2018 Purchase Agreement Schedule	Original Amount	Amount Outstanding (June 30, 2022)
Purchase Agreement Schedule	$2,808,028.50	$584,226.68

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Set forth below is a schedule of payments due on capital lease commitments as of June 30, 2022 (including schedules under the 2016 Equipment Agreement and the 2018 Purchase Agreement).

Fiscal Year (Ending June 30)	Capital Lease Payments
2023	$1,798,357.79
2024	1,215,567.68
2025	1,240,177.58
2026	1,265,528.64
2027	1,291,643.16
2028	1,318,544.08
2029	1,346,255.06
2030	1,374,800.44
2031	1,404,205.36
2032	1,434,495.64
2033	1,465,697.92
2034	1,497,839.60
2035	1,035,144.30

FINANCIAL STATEMENTS

Set forth in Appendix B to this Official Statement are the consolidated financial statements of the University of Arkansas System for the fiscal year ended June 30, 2021, which consolidated financial statements have been audited by the Arkansas Legislative Audit of the State of Arkansas, as indicated in its report dated December 7, 2021, which report is also included in Appendix B. The notes set forth in Appendix B are an integral part of the consolidated financial report, and the report's financial statements and notes should be read in their entirety. Each year UAPB is audited independently as part of the consolidated financial statement audit of the System. Financial information regarding UAPB is included in the audited consolidated financial statements of the System attached hereto as Appendix B. 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

In the opinion of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., bond counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion of bond counsel with respect to the Bonds is subject to the condition that the Board comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal tax purposes. These requirements generally relate to arbitrage, the use of the proceeds of the Bonds, and restrictions on the ownership and use of the facilities financed with the proceeds of the Bonds. The Board has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal tax purposes to be retroactive to the date of issuance of the Bonds.

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

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, property and casualty insurance companies, financial institutions, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors concerning their tax consequences of purchasing and holding the Bonds.

Current or future legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, 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 might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations 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.

Tax Treatment of Original Issue Discount. When the initial public offering price for any of the Bonds, as reflected on the confirmation of sale received from an Underwriter, is less than the original amount payable at maturity thereof, such difference constitutes original issue discount (such bond is referred to herein as an "OID Bond)." Original issue discount is treated as interest and is excluded from gross income for federal income tax purposes subject to the caveats and provisions described above. In the case of an owner of an OID Bond, the amount of original issue discount which is treated as having accrued with respect to such OID Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such OID Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual OID Bond bearing original issue discount, on days which are determined by reference to the maturity of such OID Bond. The amount treated as original issue discount on such OID Bond for a particular semiannual accrual period is equal to (i) the product of (a) the yield to maturity for such OID Bond (determined by compounding at the close of each accrual period) and (b) the amount which would have been the tax basis of such OID Bond at the beginning of the particular accrual period if held by the original purchaser, (ii) less the amount of any payments on such OID Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which would have been treated as original issue discount for such purposes during all prior periods. If such OID Bond is sold between semiannual compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of OID Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to OID Bonds as of any date, with respect to the accrual of original issue discount for such OID Bonds purchased in the secondary markets and with respect to the state and local tax consequences of owning OID Bonds.

Tax Treatment of Original Issue Premium. When the initial public offering price for any of the Bonds, as reflected on the confirmation of sale received from an Underwriter, is greater than the stated redemption price at maturity thereof, such difference constitutes original issue premium (such bond is referred to herein as a "Premium Bond"). Under the Code, the difference between the principal amount of a Premium Bond and the cost basis of such Premium Bond to an owner thereof is "bond premium." An initial purchaser of a Premium Bond must amortize any bond 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 bond premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As bond 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 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 Premium Bonds.

Backup Withholding. Interest on tax-exempt obligations such as the Bonds are subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to § 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

State Law

In the opinion of bond counsel, under existing laws, the Bonds, and the 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 the Trustee and the Dissemination Agent (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 C.

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.

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

Also, the Board is an obligated person under a continuing disclosure undertaking executed in connection with the Arkansas Development Finance Authority Tobacco Settlement Revenue Bonds, Series 2006 (Arkansas Cancer Research Center Project) (the "Tobacco Bonds") (see Note 22 of the audited financial statements of the University of Arkansas System contained in Appendix B hereto). Pursuant to the Tobacco Bonds continuing disclosure undertaking, the Board is required to make annual filings of audited financial statements of UAMS and the Board, along with certain financial information and operating data with respect to UAMS in the same format and content as that contained in the official statement for the Tobacco Bonds. In certain fiscal years, including the fiscal years ended June 30, 2017 and 2018, the Board prepared reports containing certain financial information and operating data for UAMS and the Board and provided such reports to the Arkansas Development Finance Authority ("ADFA"), as dissemination agent. ADFA timely filed such reports, but such filings did not contain all statistical information referenced by the Tobacco Bonds continuing disclosure undertaking, or in some cases, such information was not in the same format as that contained in the official statement for the Tobacco Bonds. On July 8, 2019, a supplemental filing containing all missing information and reflecting all information in the correct format was uploaded to the EMMA system. ADFA, in its role as dissemination agent, did not file any notices of non-compliance with the Tobacco Bonds continuing disclosure undertaking.

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

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

ENFORCEABILITY OF REMEDIES

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

FINANCIAL ADVISOR

PFM Financial Advisors LLC ("PFM") is employed by the Board to perform professional services in the capacity of financial advisor. In its role as financial advisor to the Board, 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 UAPB, the System, and other sources and the Board's certification as to the Official Statement.

LEGAL AND LEGISLATIVE MATTERS

Legal Opinions

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., Little Rock, Arkansas, Bond Counsel. The proposed opinion of Bond Counsel is attached as Appendix A 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.

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 replaces the prior Arkansas higher education funding formula, which was based largely on student enrollment.

Funding for the fiscal year ended June 30, 2020 and budgeted funding for the fiscal year ending June 30, 2021 was initially impacted by the COVID-19 outbreak, but due to higher than expected State revenues, funding was restored to previous levels.

State fiscal year 2022 revenues were up 9.2% over fiscal year 2021, resulting in a revenue surplus of approximately $1.628 billion. Individual income tax collections were 5.1% above collections in fiscal year 2021. In a special session of the Arkansas General Assembly held in late 2021, legislation was adopted reducing the top income tax rates for individuals from 5.9% to 4.9% incrementally over the next four years. For the tax year beginning January 1, 2022, the top rate was reduced to 5.5%. In light of the fiscal year 2022 budget surplus, Governor Hutchinson has stated publicly that he intends to call another special session the week of August 8 to consider additional tax relief. A small budget increase has been proposed by Governor Hutchinson for fiscal year 2023. Despite these developments, there can be no assurance that COVID-19 related or other budget or funding decreases will not be necessary in the future.

There can be no assurance that COVID-19 related or other budget or funding decreases will not be necessary in the future. See **SPECIAL CONSIDERATIONS RELATED TO COVID-19** herein.

Factors Related to UAMS

<u>General</u>

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, 2022, approximately $557,700,000 in aggregate principal amount of UAMS Hospital Revenue Bonds was outstanding (the outstanding bonds amount does not include the $33,092,315 outstanding principal amount of Arkansas Development Finance Authority Tobacco Settlement Revenue Bonds, Series 2006 (Arkansas Cancer Research Center Project), which are secured in part by UAMS revenues (see Note 22 to Appendix B 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 40% of the Board's fiscal year 2021 operating and non-operating revenues were derived from patient care services provided through UAMS and the UAMS Medical Center (the "Medical Center"). While this exposes the Board to the healthcare sector's challenges, the Board believes that the Medical Center's substantial scale, specialty services not provided elsewhere in the State, and strong inpatient and outpatient utilization levels mitigate the overall healthcare risk to the Board's revenues. As further set forth below, however, legislative mandates, public policy considerations, and the COVID-19 pandemic have had and may continue to have a significant financial impact on UAMS.

The Health Reform Law and the Arkansas Private Option Program

The Patient Protection and Affordable Care Act of 2010 and the Health Care and Education Reconciliation Act of 2010 (collectively referred to as the "Health Reform Law" and commonly referred to as "Obamacare") was designed to overhaul the United States health care system and regulate many aspects of the health care industry, impacting individuals, employers and health insurers. The Health Reform Law addresses almost all aspects of hospital and provider operations and health care delivery and changes how health care services are covered, delivered and reimbursed. These changes have resulted in lower reimbursement from Medicare, utilization changes, increased government enforcement efforts, and the necessity for health care providers to assess and potentially alter their business strategies and practices. The reimbursement reductions associated with the Health Reform Law are intended to be offset in part by the expansion of access to Medicaid to millions of previously uninsured Americans.

The content and implementation of the Health Reform Law have been, and remain, highly controversial. Accordingly, the Health Reform Law has continually faced multi-front challenges, including repeated repeal efforts, since its enactment. On June 28, 2012, the U.S. Supreme Court upheld most provisions of the Health Reform Law, including the requirement that individuals purchase and maintain health insurance coverage, while also 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 (*National Federation of Independent Business v Sebelius*). However, as further discussed below, the Health Reform Law has continued to be the subject of ongoing legal, executive branch and legislative challenges.

The financial impact of any major modification or repeal of the Health Reform Law, or of any replacement health care reform legislation, cannot be predicted, although the effect 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 revenues.

As noted above, several attempts to repeal and/or replace the Health Reform Law have been made since its passage. While past attempts have not been successful in gaining the approval of both chambers of Congress to repeal the Health Reform Law in its entirety, former President Trump and Republican leaders of Congress have repeatedly cited health care reform, and particularly, repeal and replacement of the Health Reform Law, as a key goal, and certain portions of the Health Reform Law have been repealed or their implementation delayed. Beginning in 2019, the Health Reform Law requirement that individuals obtain health insurance or pay a penalty was eliminated by the Tax Cuts and Jobs Act of 2017.

In addition to the potential legislative changes discussed above, the implementation of the Health Reform Law and its insurance exchange markets can be significantly impacted by executive branch actions. On January 20, 2017, former President Trump issued an Executive Order requiring all federal agencies with authorities and responsibilities under the Health Reform Law to exercise all authority and discretion available to them to waive, defer, grant exemptions from or "delay" parts of the Health Reform Law that place "unwarranted economic and regulatory burdens" on states, individuals or health care providers. This executive order was revoked by President Biden on January 28, 2021. It is impossible to predict whether any future executive branch action will affect the Health Reform Law.

In addition, 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 Health Reform Law insurance exchanges, former 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 Health Reform Law health insurance exchanges and significantly increasing insurance premiums. In response to such termination, health insurers offering qualified plans enacted rate increases for 2018 and 2019. In Arkansas, the four insurers offering qualified plans enacted 2018 rate increases ranging from 14.2% to 24.78%. Rate increases for 2019 showed more stability, with increases averaging from 1% to 4.4%. Approved rate increases for 2020 ranged from 0.51% to 2.89%. A Kaiser Family Foundation study concluded that 2018 premium increases were a reaction to the termination of cost-sharing subsidy payments, and the 2019 and 2020 rate increases suggest the market is much more stable and sustainable. Approved rate changes for 2021 range from a decrease of -1.77% to an increase of 5.87%. Rate changes for 2022 range from no increase to an increase of 8.2%. The likelihood or effect of any such executive actions on UAMS's business or financial condition cannot be predicted, though such effects could be material.

More recent executive action presents further questions, the effects of which are impossible to predict. The Office of Management and Budget issued a proposal on May 6, 2019 to change how inflation is used to calculate the official definition of poverty used by the Census Bureau. A 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 Health Reform Law, 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 Healthcare Reform Law 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 Healthcare Reform Law 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 Healthcare Reform Law 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 Healthcare Reform Law in its entirety. The Court of Appeals affirmed the lower court ruling in December 2019, determining that the Healthcare Reform Law'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 Healthcare Reform Law, 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 Healthcare Reform Law 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 Healthcare Reform Law's constitutionality.

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

In the U.S. Supreme Court decision referred to above (*National Federation of Independent Business v Sebelius*), the Supreme Court also ruled that the federal government could not compel states to comply with the Health Reform Law's requirement to expand Medicaid by eliminating all federal funds a state receives for its existing Medicaid program. Under the relevant provisions of the Health Reform Law, Medicaid was expected to cover all individuals with incomes of less than 133% of the federal poverty level, expanding eligibility to approximately 16 million people. Beginning in 2014, states were also permitted to expand Medicaid eligibility to non-elderly, non-pregnant individuals who were not otherwise eligible for Medicare, if such individuals have incomes of less than 133% of the federal poverty level. To assist states with the cost of covering such newly eligible individuals, the federal government will pay 100% of the additional cost to the states for a limited number of years. Thereafter, the cost share is expected to decrease to 90%. However, as stated above, the Supreme Court's decision made the decision to expand Medicaid optional to the states.

In response to the ruling in *National Federation of Independent Business v Sebelius* described above allowing states to choose between participating in the expansion while receiving additional federal payments or foregoing the expansion and retaining existing payments, instead of fully expanding the Arkansas Medicaid program as envisioned by the Affordable Care Act, the State of

Arkansas sought and obtained a waiver from the federal government to instead institute a hybrid approach commonly referred to as the "private option." Under the current version of the private option, individuals in Arkansas earning less than 138% of the federal poverty level income amount are eligible to receive a government subsidy to purchase private insurance through an insurance exchange. The adoption of the State's private option program by the Arkansas General Assembly, effective June 1, 2014, has resulted in insurance coverage to an estimated 285,000 previously uninsured persons and a corresponding decrease in the costs of uncompensated care to Arkansas hospitals. 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.

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 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 but the petition has not been granted. Because the decision did not grant a stay, the Work Requirement is not currently in effect and individuals who lost eligibility for Arkansas Works coverage are now eligible to reapply. Reauthorization and appropriation of the program for 2019 was impacted as a result; although the bill to fund Arkansas Works 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. The program was extended without controversy in 2020, 2021 and 2022. Given the annual appropriation requirement for the program, now known as Arkansas Health and Opportunity for Me (ARHOME) (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 political environment, the long-term status of ARHOME cannot be assured.

If the ARHOME 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 ARHOME program, UAMS estimates that approximately $60-$70 million in 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 ARHOME program or the failure by the Arkansas General Assembly to reauthorize, continue or approve funding for the ARHOME program could have an adverse impact on the results of UAMS's operations.

Effect of COVID-19 Pandemic on UAMS

As with most healthcare institutions, the COVID-19 pandemic has had a significant impact on UAMS. UAMS had its first COVID-19 patient on March 13, 2020. As the situation continues to be far-reaching and rapidly changing, the impacts of the COVID-19 pandemic, financial or otherwise, cannot be fully predicted, although significant actions have been taken to sustain operations and to prioritize the well-being of patients, employees and associates.

Response to COVID-19 and Effect on Operations. On March 7, 2020, UAMS established a COVID-19 task force with multiple working groups to prepare for and respond to the COVID-19 pandemic and its effects on UAMS's operations, its patients, and its staff and employees. The task force consisted of UAMS administrators, physician staff, nursing staff, and support staff.

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

On May 11, 2020, UAMS began reopening for non-emergent procedures and resumed limited elective surgeries with overnight stays (in a geographically separate non-COVID area). A COVID-19 test has been required before any elective procedure, except for some minimally invasive outpatient procedures when full PPE is utilized. There can be no assurance that rising COVID-19 cases or additional Arkansas Department of Health directives will not require UAMS to begin delaying and/or cancelling elective procedures again. As the UAMS Medical Center's inpatient volume of COVID-19 patients climbed due to the delta variant surge of summer 2021, UAMS again delayed certain non-emergent surgical cases because of a lack of hospital facility capacity and staff resource support. UAMS's full elective surgical schedule was reinstated as of October 11, 2021. Additionally, UAMS accommodated the Arkansas Department of Health's requested activation of ICU surge beds from January 11, 2021 to October 9, 2021 due to the delta variant surge. Many areas of the United States, including the State, experienced a COVID-19 case surge attributed to the omicron variant, and UAMS saw an increase in cases beginning in January 2022. In addition to additional patient volume, the omicron variant impacted staffing levels more significantly than earlier variants. In recent weeks, the number of COVID-19 cases has significantly declined and operations are beginning to return to normal. However, UAMS's operations and financial condition may be further materially adversely impacted depending on a number of variables, including how long the COVID-19 pandemic lasts, how long social distancing directives or similar remedial initiatives last, how quickly effective treatments are developed, how long the vaccination rollout will take, its effectiveness and the percentage of the general population who will opt to participate, how quickly normal operations can be restored after social distancing initiatives are relaxed, how much federal grant or loan forgiveness assistance will be provided to offset losses and whether the rate of infection might spike again. The likelihood or severity of the ultimate impact on UAMS's operations or financial condition cannot be predicted, though such impact could be material and adverse. Management of UAMS is monitoring developments with respect to the COVID-19 pandemic and intends to follow recommendations of the CDC and other applicable federal, state and local regulatory agencies.

UAMS has made significant efforts to expand the availability of telemedicine throughout the State. UAMS's digital platform and operations have been offered State-wide to all 236 skilled nursing facilities and long-term care facilities. In addition, UAMS created a platform to offer ED-to-ED digital health consultative services to emergency departments throughout Arkansas and supported fixed and mobile testing and vaccination services across Arkansas. All UAMS locations State-wide are now on a unified electronic medical record system with common telemedicine infrastructure promoting interoperability.

The COVID-19 pandemic has resulted in decreased revenues and increased expenses for UAMS. For the fiscal year ended June 30, 2020, UAMS's change in net position was a loss of $15.7 million, with a total reduction in net position of approximately $60 million attributed to COVID-19 before relief funding. Relief funding recognized during the fiscal year ended June 30, 2020 was approximately $34.1 million. For the fiscal year ended June 30, 2021, UAMS's change in net position was an increase of approximately $61.5 million, with a total reduction in net position of approximately $50 million attributed to COVID-19 before relief funding. Relief funding recognized during the fiscal years ended June 30, 2021 and June 30, 2022 was approximately $46.4 million and $36.8 million, respectively.

Assistance and Relief Programs and Remediation Efforts. The CARES Act includes a number of provisions important to health care providers, including provision for certain emergency funds, making available $100 billion under the Public Health and Social Services Emergency Fund ("Provider Relief Fund") to reimburse eligible health care providers for health care-related expenses or lost revenue not otherwise reimbursed that are directly attributable to COVID-19. Eligible providers include Medicare or Medicaid enrolled suppliers and providers, for-profit and not-for-profit entities in the United States that provide diagnoses, testing or care for individuals with possible or actual cases of COVID-19. On April 24, 2020, the Paycheck Protection Program and Health Care Enhancement Act was signed into law, which amended the CARES Act to increase the amounts authorized for the Paycheck Protection Program and authorized an additional $75 billion in funding for the Provider Relief Fund. For the fiscal year ended June 30, 2020, UAMS received a total of $16,179,326 from the Provider Relief Fund, the majority of which was recognized as non-operating revenues in UAMS's financial results for the fiscal year ended June 30, 2020. Approximately $138,000 of funding specifically allocated to UAMS's Rural Health Clinic was deferred until fiscal year 2021. The aforementioned amounts exclude $11,827,927 in State CARES Act fund payments made to health care workers. For the fiscal year ended June 30, 2021, UAMS received a total of $32,022,824 from the Provider Relief Fund, all of which was recognized as non-operating revenues in UAMS's financial results for the fiscal year ended June 30, 2021. An additional $9,743,187 in American Rescue Plan (ARP) Rural Funding was received in December 2021, Also, an additional $5,625,000 of State ARP funds were received in the fiscal year ended June 30, 2022. In January 2022, UAMS received an additional Phase 4 distribution from the Provider Relief Fund totaling $18,150,891. In addition, as permitted by the CARES Act, UAMS elected to defer payroll tax payments for the months of April 2020 until December 2020. The total amount deferred was $31,770,699. Of this amount, 50% had to be remitted by December 31, 2021, and the balance had to be remitted by December 31, 2022. For the fiscal year ended June 30, 2021, UAMS also received a total of $13,833,988 from State CARES Act fund payments. No additional State CARES Act were received in the fiscal year ended June 30, 2022.

Additionally, in April 2020, UAMS received an allocation of $972,976 pursuant to the CARES Act to provide emergency federal aid grants to students who were adversely impacted by the pandemic and for institutional expenses related to the disruption of campus operations due to the COVID-19 crisis. In May 2020, UAMS distributed emergency aid totaling $486,488 to 847 students. The remaining balance has been used to cover expenses related to the change in delivery of instruction due to the virus. In December 2020, UAMS received an allocation totaling $1,458,213 of federal grant funding through the Higher Education Emergency Relief Fund II (HEERF II), authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), that was signed into law Dec. 27, 2020. In April 2021, UAMS distributed emergency aid totaling $489,150 to 1,287 students. The remaining balance has been used to further aid students and cover expenses related to the change in delivery of instruction related to the virus. In March 2021, UAMS received an allocation of $2,432,580 through the American Rescue Plan (ARP) Act. In March 2022, UAMS distributed emergency aid totaling $1,220,945 to enrolled students and settle outstanding student account balances resulting from the pandemic totaling approximately $562,583. The remaining funds have been allocated to fund a student wellness/mindfulness program, to recover lost revenue from the residence hall, and to cover expenses related to the change in delivery of instruction due to the pandemic.

On March 11, 2021, legislation providing an additional $1.9 trillion of economic relief (known as the American Rescue Plan or ARP) was signed into law by President Biden. Such legislation includes, among other things, funding for vaccine production and distribution, another round of stimulus payments for certain households, an extension of unemployment benefits, child tax credits, housing assistance, subsidies for health insurance, aid to state and local governments, and additional small business assistance. In September 2021, UAMS received $5.625 million in funding from the American Rescue Plan through an allocation from the State to help hospitals retain and recruit staff. UAMS used the entire amount to make critical staffing incentive payments to direct and indirect health care workers. In November 2021, Health Resources and Service Administration (HRSA) began releasing ARP rural payments to providers and suppliers who have served rural Medicaid, Children's Health Insurance Program (CHIP), and Medicare beneficiaries from January 1, 2019 through September 30, 2020. As a qualified provider, UAMS received a distribution of $9,743,187 in November 2021.

CMS Advance. Additionally, CMS allowed hospitals and other Medicare providers and suppliers to request an immediate advance of their future Medicare payments under its Accelerated and Advance Payment Program. For hospitals, such advanced payments are subject to recoupment commencing one year after the payment is received, with 25% of claims being withheld as recoupment for the first 11 months of repayment and 50% of claims being withheld as recoupment for the next 6 months of repayment. Thereafter, CMS may require the entire outstanding balance to be paid in full, or CMS can determine the percentage of claims to be withheld until payment in full (plus a 4% interest rate). This program provides for additional liquidity, but was not a grant or an additional source of revenue. For the fiscal year ended June 30, 2021, UAMS received $100,974,358 in advanced/accelerated Medicare reimbursements under this program. None of this amount was recorded as income. The entire amount advanced in fiscal year 2020 was reflected as a liability on UAMS's balance sheet for the fiscal year ended June 30, 2020. In April 2021, recoupment of the advance began. At June 30, 2022, the outstanding balance was $26,430,807 and is reflected as a liability on the UAMS balance sheet.

BCBS Advance. UAMS also elected to receive an advance from Arkansas Blue Cross Blue Shield ("BCBS") pursuant to BCBS's pandemic relief advance program. This program provided for additional liquidity, but is not a grant or an additional source of revenue. As of June 30, 2020, UAMS received $8,811,000 in advanced/accelerated payments from BCBS. Such advanced payment was subject to repayment monthly beginning October 15, 2020 through March 15, 2021. None of this amount was recorded as income. The entire amount was reflected as a liability on UAMS's balance sheet for the fiscal year ended June 30, 2020. Such amount was fully repaid on March 15, 2021.

FEMA Grant. The Federal Emergency Management Agency ("FEMA") may provide funding to eligible applicants for costs related to emergency protective measures conducted as a result of the COVID-19 pandemic. Emergency protective measures are activities conducted to address immediate threats to life, public health and safety. FEMA funding can reimburse up to 100% of eligible costs for supplies, equipment, contracts, labor, mutual aid, donated resources and management costs. UAMS has submitted multiple projects for reimbursement and is awaiting approval. To date, UAMS has been reimbursed $441,887 for equipment related to COVID variant testing and $1,649,107 has been obligated for reimbursement of expenses related to COVID-19 entrance screenings.

Other Grant Programs. UAMS has applied for and received various other grants related to the COVID-19 pandemic from the federal government, from State and local governments, and from the private sector. During the fiscal year ended June 30, 2020, the total amount awarded under these grants totaled $15,621,287. During the fiscal years ended June 30, 2021 and 2022, the total amounts awarded under these grants totaled $27,928,502 and $19,418,311, respectively. Many, if not all, of these grants have designated purposes for which the funds can be spent.

UAMS intends to evaluate and, as appropriate, avail itself of the benefits of the CARES Act programs, loans and grants and other funding sources or potential payment acceleration programs to which it may be entitled, but cannot currently estimate what, if any, such benefits may be or the related timing or receipt of any such benefits beyond what has already been received. The CARES Act also provides for other provisions designed to boost Medicare and Medicaid reimbursement for COVID-19 related services, including, among other items, claims based reimbursement at Medicare rates for uninsured individuals tested or diagnosed with COVID-19, added payments for Medicare inpatient hospital discharges relating to COVID-19, accelerated payment to providers, and the suspension of certain policies that reduced payments to providers, including a temporary elimination of the Medicare sequester. Additionally, the CARES Act expands the use of telehealth by providers by changing certain restrictions on reimbursement for those services. UAMS has expanded its telehealth options based on these regulatory changes.

UAMS is working with federal, state and local health authorities to respond to COVID-19 cases in the communities it serves and is taking or supporting measures to try to limit the spread of the virus and to mitigate the burden on the health care system. UAMS is also closely tracking its costs and monitoring federal and state legislation, so that it will be able to apply for any applicable relief related to business interruption costs as well as repayment for costs related to the pandemic. There is no assurance what amount of such relief may be available to UAMS. While management of UAMS intends to take advantage of such relevant programs and policies, the timing, adequacy and other ultimate effects of such relief on UAMS cannot be predicted at this time. Further, it is not possible to predict the scope of effect of any future legislative or regulatory action enacted in response to the COVID-19 pandemic on the operations and financial condition of UAMS.

In addition, the System, on behalf of UAMS and certain other campuses, filed claims under existing business interruption insurance policies for losses it has sustained as a result of orders and directives issued by the Governor of the State and the Arkansas Department of Health in an effort to slow the spread of the COVID-19 virus. Such claims were disputed by the System's insurance company, and, on September 1, 2020, a lawsuit on behalf of the System was filed to recover under its business interruption insurance policies. Subsequently, the complaint was amended to allege additional facts and to eliminate the claims on behalf of the other campuses. The insurance company filed a motion for summary judgment which the trial court denied. A motion for reconsideration of that denial has been filed. The original March 8-21, 2022, trial date was delayed pending an appeal of a trial court order on a procedural matter. The appeal has been resolved, but no new trial date has been set.

The Board, the System, and UAMS will continue to monitor the COVID-19 situation and will adjust their policies as needed. UAMS has set up a link on its website (https://uamshealth.com/coronavirus/ and https://academicaffairs.uams.edu/covid-19-guidelines-for-students/) to provide resources to patients, students, employees and health care providers regarding changes related to COVID-19.

See also **SPECIAL CONSIDERATIONS RELATED TO COVID-19** and **FORWARD-LOOKING STATEMENTS.**

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 $17,832,615.60 (being the principal amount thereof plus net original issue premium of $1,243,402.85, and less Underwriters' discount of $65,787.25). The Agreement provides that the Underwriters will purchase all of the Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the Bonds or any proceedings in connection with the issuance thereof and the absence of material adverse changes in the financial or operating condition of the Board.

The Underwriters intend to offer the Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering price. In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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 and UAPB (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 and/or UAPB. 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 and/or UAPB 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 and/or UAPB 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 and/or UAPB and any affiliates thereof. The Underwriters and their affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Kelly Eichler, Assistant Secretary of the University of Arkansas Board of Trustees, is the spouse of an officer of Stephens Inc., one of the Underwriters. Mark C. Doramus, Chief Financial Officer of Stephens Inc., one of the Underwriters, serves on the Board of Directors of the Trustee. Additionally, Stephens Inc., one of the Underwriters, and PFM have entered into a contractual agreement related to municipal advisory services independent of this transaction.

DESCRIPTION OF RATING

Moody's Investors Service Inc. has assigned the municipal bond 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 UAPB concerning anticipated results. No representations or warranties are made by the Board or UAPB 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 UAPB. 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 UAPB believe that the expectations reflected in such forward-looking statements are reasonable, neither the Board nor UAPB 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 UAPB 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.

BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS

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

DATED: As of the Cover Page hereof.

APPENDIX A

Form of Opinion of Bond Counsel to the Board

Mitchell, Williams, Selig, Gates & Woodyard, P.L.L.C., 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

Simmons Bank
Pine Bluff, Arkansas

Re: $16,655,000 Board of Trustees of the University of Arkansas Various Facilities Revenue Bonds (UAPB Campus), Series 2022

Ladies and Gentlemen:

We have acted as Bond Counsel to the Board of Trustees of the University of Arkansas (the "Issuer") in connection with the issuance of its $16,655,000 Board of Trustees of the University of Arkansas Various Facilities Revenue Bonds (UAPB Campus), Series 2022 (the "Bonds"), pursuant to Ark. Code Ann. §§ 6-62-301 *et seq.* (the "Act") and a Trust Indenture dated as of August 25, 2022 (the "Indenture"), between the Issuer and Simmons Bank, Pine Bluff, Arkansas, as trustee thereunder (the "Trustee").

The Bonds are secured by a pledge of, and payable primarily from, Pledged Revenues, as described in the Indenture. The pledge of Pledged Revenues in favor of the Bonds is on a parity with the pledge of Pledged Revenues in favor of the Issuer's Various Facilities Revenue Refunding Bonds (Pine Bluff Campus), Series 2014A (the "Series 2014 Bonds") to the extent outstanding. The Bonds are general obligations only of the Issuer and do not constitute an indebtedness for which the full faith and credit of the State of Arkansas (the "State") or any of its revenues are pledged, and the Bonds are not secured by a mortgage or lien on any land or building belonging to the State or the Issuer.

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

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

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

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

3. Pursuant to the Act, the Indenture creates a valid lien on the Pledged Revenues, as defined in the Indenture, for the security of the Bonds on a parity with the pledge of Pledged Revenues in favor of the Series 2014 Bonds, to the extent outstanding.

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

5. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

It is to be understood that the rights of the 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.

Sincerely yours,

MITCHELL, WILLIAMS, SELIG
GATES & WOODYARD, P.L.L.C.

APPENDIX B

Audited Consolidated Financial Statements of the University of Arkansas System for the Fiscal Year Ended June 30, 2021

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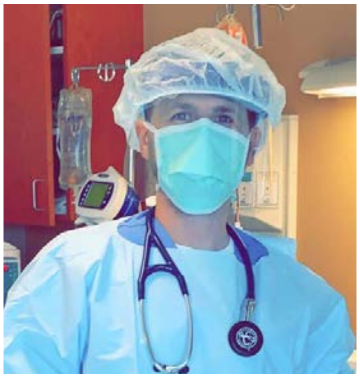
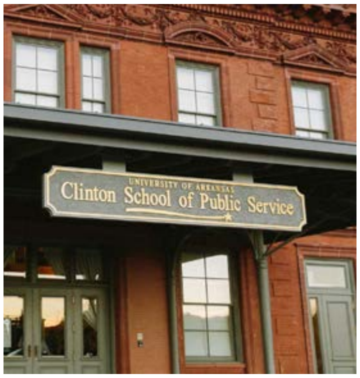
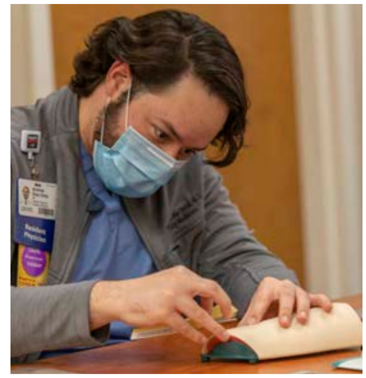




Consolidated financial statements

UNIVERSITY OF ARKANSAS SYSTEM



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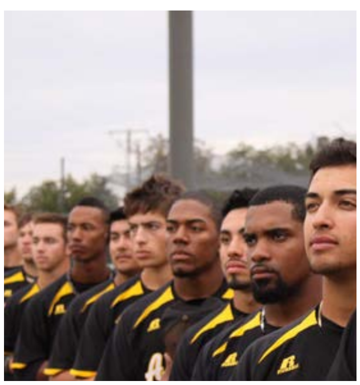
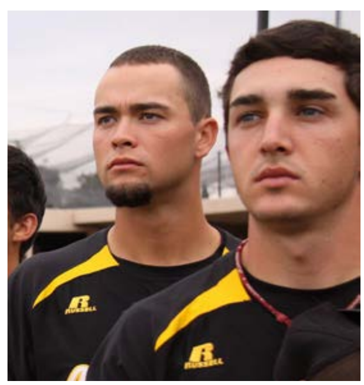
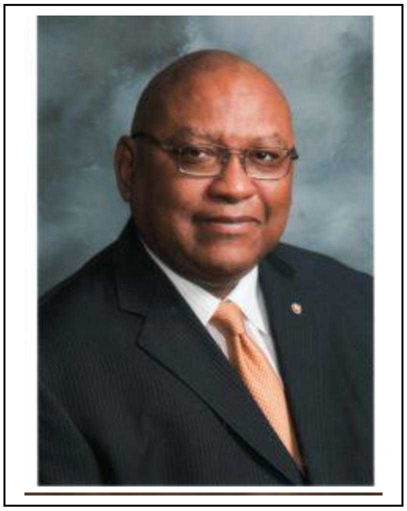




BOARD OF TRUSTEES



Dr. Stephen A. Broughton, Board Chairman

ADMINISTRATIVE OFFICERS

Donald R. Bobbitt
President

Michael K. Moore
Vice President for Academic Affairs

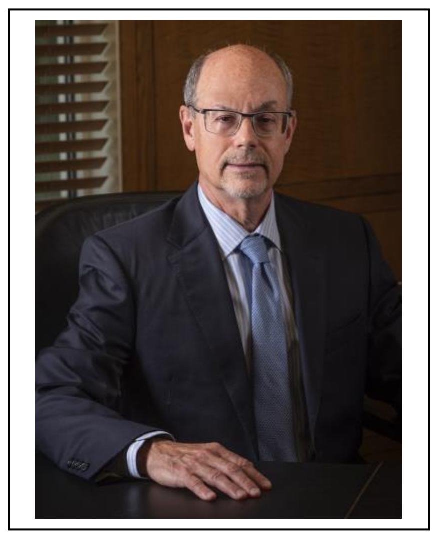
Steven Fulkerson
Vice President for Administration/CIO

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

Melissa K. Rust
Vice President for University Relations

Chris Thomason
Vice President for Planning and Development

JoAnn Maxey
General Counsel



Dr. Donald R. Bobbitt, President

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December 20, 2021

Board of Trustees and
President Donald R. Bobbitt:

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

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

Sincerely,

Gina T. Terry

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

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

University of Arkansas System
Legislative Joint Auditing Committee

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

Other Matters

Prior Year Comparative Information

We have previously audited the University's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the business-type activities and the aggregate discretely presented component units in our report dated November 17, 2020. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, certain information pertaining to pensions, and certain information pertaining to postemployment benefits other than pensions on pages 8-19 and 98-100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

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

ARKANSAS LEGISLATIVE AUDIT

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

Little Rock, Arkansas
December 7, 2021
EDHE14121

Introduction

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

The University of Arkansas System ("the University"), which prior to 1969 consisted of the Fayetteville and the Medical Sciences campuses, was expanded in 1969 to include the Little Rock campus (formerly Little Rock University), in 1971 to include the Monticello campus (formerly Arkansas A&M College), in 1972 to include the Pine Bluff campus (formerly Arkansas AM&N College), in 1996 to include the Phillips campus (formerly Phillips County Community College) and the Hope campus (formerly Red River Technical College), and in 1998 to include the Batesville campus (formerly Gateway Technical College). On July 1, 2001, the University was expanded to include campuses in Morrilton (formerly Petit Jean College) and DeQueen (formerly Cossatot Community College). The Fort Smith campus (formerly Westark College) joined the University on January 1, 2002. Forest Echoes Technical Institute and Great Rivers Technical Institute merged with the Monticello campus on July 1, 2003. The Arkansas School for Mathematics, Sciences and the Arts, a residential high school, joined the University on January 1, 2004. On February 1, 2017, Pulaski Technical College and Rich Mountain Community College joined the University becoming the University of Arkansas-Pulaski Technical College and the University of Arkansas Community College at Rich Mountain. In addition to these campuses, the University includes the System Administration, whose financial statements include *e*Versity, 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, 2021	June 30, 2020	June 30, 2019
ASSETS			
Current assets	$ 1,761,819,923	$ 1,558,982,603	$ 1,374,995,901
Capital assets, net	3,024,382,884	2,948,517,936	2,942,849,940
Other assets	581,324,706	481,550,346	321,856,512
Total Assets	$ 5,367,527,513	$ 4,989,050,885	$ 4,639,702,353
DEFERRED OUTFLOWS OF RESOURCES	$ 55,271,096	$ 47,357,564	$ 49,376,693
LIABILITIES			
Current liabilities	$ 497,675,458	$ 463,682,148	$ 383,767,844
Noncurrent liabilities	1,961,980,729	1,834,775,946	1,652,008,610
Total Liabilities	$ 2,459,656,187	$ 2,298,458,094	$ 2,035,776,454
DEFERRED INFLOWS OF RESOURCES	$ 35,133,166	$ 32,868,726	$ 33,351,146
NET POSITION			
Net Investment in Capital Assets	$ 1,484,710,808	$ 1,497,976,702	$ 1,499,325,092
Restricted			
Non-Expendable	108,310,863	86,833,488	84,931,511
Expendable	285,857,586	269,135,487	269,775,956
Unrestricted	1,049,129,999	851,135,952	765,918,887
Total Net Position	$ 2,928,009,256	$ 2,705,081,629	$ 2,619,951,446

The University's total assets increased $378.5 million, or 7.6%. Cash and cash equivalents increased $103.6 million, and investments increased by $60.8 million. Cash and cash equivalents increased $31.5 million at UAMS, $23.6 million at UAF, $26.0 million at UAFS and by $10.2 million at UACCHT. UAF increased investments $41.9 million, UAMS increased investments $28.7 million, UALR increased $4.5 million, and UASYS increased by $8.4 million net of a decrease of $27.2 million at UAFS. Deposits held in trust increased by $17.8 million of which UAMS increased by $69.3 million which is related to bond proceeds offset by UAF's decrease of $57.1 million. Patient accounts receivable at UAMS increased $27.6 million, while Accounts Receivable increased $94.3 million. Student accounts receivable decreased by $1.5 million, net of the UAMS credits owed to students, while Grants and contracts increased by $68.5 million and non-student accounts increased by $25.3 million. The increase of $75.9 million in Capital assets relates to additions of $289.4 million net of depreciation expense of $201.4 million offset by a decrease for assets disposed of $12.2 million. Fayetteville had an increase in capital asset additions of $136.3 million. Construction in progress increased by $114.7 million of which $33.1 million were placed into service. At UAF, the Student Success Center, the Windgate Art & Design District Buildings, Mullins Library Renovation, the Anthony Timberlands Center for Design & Material Innovation, the Institute for Integrative & Innovation Research and baseball and track athletic facilities are in progress. UAMS had an increase in capital asset additions of $123.0 million including construction in progress increases of $85.4 million of which $8.7 million moved into service. Progress at UAMS continues on the Energy Savings Project, the Surgical Hospital and Radiation Oncology Buildings as well as the implementation costs of Workday, the new ERP software for the UA System.

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

Total liabilities increased $161.2million, or 7.0%. Accounts payable and other accrued liabilities increased $59.7 million with UAMS increasing $47.3 million and UAF $12.7 million. The liability for bonds, notes, capital leases and installment contracts increased $93.4 million (see Note 10). Netted in that amount, UAMS issued $159.1 million of new bonded debt with a premium of $31.2 million, UAFS, UALR, UAM all executed refundings of bonds resulting in additions of $50.3 million offset by redemptions of previously issued bonds. UAF issued notes payable totaling $9.9 million related to Athletics in order to pay maturities of bonds in the Fall of 2020. UACCHT financed construction of an energy savings project and a new workforce center in Texarkana through two notes totaling $7.7 million. The additional debt is offset by a total of $166.9 million in repayments and refundings of bonds during fiscal 2021. The UAMS liability for estimated third party payor settlements decreased by $43.8 million with repayments of the advances from CMS. Unearned revenues, deposits and other increased $15.1 million with most of that being UAF for athletic ticket sales since those were limited in the prior year due to COVID-19 restrictions. Compensated absences increased $11.8 million primarily at UAMS for the allowance of carryover of leave related to healthcare workers during COVID-19. The UA Health Plan experienced an overall plan loss ratio of 94% compared to a loss ratio of 104% in the previous fiscal year (Note 14).

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

The increase in net position was $222.9 million, or 8.3%. The increase is the result of 2021 revenues, expenses and changes in net position. Net investments in capital assets decreased $13.3 million. Restricted net position, expendable and non-expendable, increased $38.2 million. Unrestricted net position increased $198.0 million. In total, UAF contributed $99.3 million, UAMS added $61.5 million, UALR added $22.1 million and UASYS added $14.1 million. These increases were offset by increases and decreases at the remaining campuses. Although unrestricted net position is not subject to externally imposed restrictions, the majority of the University's unrestricted net position is subject to internal designations to meet various specific commitments. These commitments include reserves established for future capital projects, other academic or research priorities; working capital for self-supporting auxiliary enterprises; and reserves for the continued recognition of OPEB and pension obligations.

Statements of Revenues, Expenses and Changes in Net Position

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

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

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

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

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

Total operating expenses increased $112.6 million, or 3.5%. Compensation and benefits increased $72.9 million, or 4.0%, over the previous year. UAMS increased $86.9 million for increased staffing for the pandemic, as well as increases in compensation related to pressures on staffing. This increase is offset by decreases at a number of other campuses. The cost of supplies and services increased $29.2 million, UAF decreased $42.9 million due to travel being discontinued for the year, while UAMS increased $63.2 million as a result of increases in medical supplies, drugs and medicines for patient care. There were additional increases at other campuses. Scholarships and fellowships increased $18.2 million due primarily to an increase at UAF of $12.5 million. Depreciation decreased $5.2 million with UAF accounting for $2.5 million of the decrease while UAMS had a decrease of $1.6 million. The remaining change was spread throughout the campuses. The insurance plan expenses decreased $2.5 million due to lower claims in the current year.

Net non-operating revenues increased by $102.4 million, or 13,0%. State appropriations decreased $5.2 million at UAMS primarily due to an increase in the Medicaid match payments of $7.6 million and a decrease in gross state appropriations of $2.1 million for a total of $9.7 million offset by an increase at UAF of $2.7 million and other campuses. Federal grants increased $75.5 million due to the receipt of federal funds through the CARES Act for direct student aid at all traditional campuses, and at UAMS, $46.4 million to offset losses in patient revenues. Investment income increased $40.4 million with UAMS accounting for $17.2 million and UAF, $19.7 million.

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

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

Statements of Cash Flows

The Statement of Cash Flows provides information about the cash activity of the University during the year. The statement is divided into five parts. The first part shows the net cash used by the operating activities of the institution. The second section reflects cash flows from non-capital financing activities. The third section deals with cash flows from capital and related activities, such as the acquisition and construction of capital assets and proceeds from, and payment of, capital asset debt. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and investment income received from these activities. The fifth section, not shown in the condensed statement below, reconciles the net cash used by operating activities to the net operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position. This statement aids in the assessment of the University's ability to meet obligations as they become due, the need for external financing, and the ability to generate future cash flow.

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

Condensed Statements of Cash Flows

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

Purchases of capital assets and repayments of long-term debt and related interest and fees exceeded debt proceeds, capital grants and gifts, and insurance proceeds during 2021 which was consistent with the previous years. Purchases of investments exceeded the proceeds from sales and maturities of investments and investment earnings in the current year which was also consistent with prior years. The University shifted cash to investments during the year as has been done in previous years. The overall cash position improved by $103.6 million for the year ended June 30, 2021.

Capital Assets and Long-Term Debt Activity

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

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

Economic Outlook

The University's net position increased $222.9 million for 2021. Moody's last reaffirmed the University's rating of Aa2 with a stable outlook on November 2, 2021. One of the University's greatest strengths is the diverse stream of revenue which funds its operations, including tuition, patient services revenue, state appropriations, investment income, grants and contracts, and support from individuals, foundations, and corporations. The 2021 fiscal year was impacted significantly by the pandemic. It continues to be a struggle for our campuses and the medical center, but through a number of protective measures, we have continued face-to-face classes as an option for students and have rebounded in patient services revenue in fiscal 2021. Because the Fayetteville campus and the Medical Sciences campus account for 74.4% of total consolidated net position and 89.7% of consolidated operating revenues, the discussion below is centered on these two campuses.

UAMS

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

UAMS has projected a balanced budget for FY22. Clinical volumes are projected to return to pre-pandemic levels. Growth in key strategic areas is also expected. Increases over the FY21 budget are also projected in retail and specialty pharmacy programs which have seen consistent growth and have been unimpacted by COVID-19. Funding for NCI designation for the Cancer Center will result in increased State Appropriations in FY22. Further, increases in investment income and grants and contract revenue are also included. FY22 operating expenses are projected to increase, primarily in compensation and benefits, medical supplies, and drugs and medicine expense. Interest on capital is also increasing related to the FY19 and FY21 bond issues.

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

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

UAF

The onset and spread of the COVID-19 virus pandemic throughout the country and around the world has created a significant level of disruption to the Fayetteville campus and has altered just about every aspect of campus life. The virus resulted in a rapid transformation in the campus's operating environment in FY20. The pandemic has, and will continue to, present a great deal of challenge and uncertainty in the campus's operations throughout fiscal 2021 and potentially beyond. For the reasons outlined below, we believe that the Fayetteville campus is well positioned to absorb any potential future uncertainty.

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

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

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

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

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

For FY21, the Fayetteville campus's University Housing has returned to full capacity, which will return revenue generation to normal levels, and should directly drive additional campus dining revenue as well.

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

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

Financial and political support from state government remains a critical element to the continued financial health of the Fayetteville campus. In 2021, the total general revenue distribution from the State increased to $212.9 million from the $209.3 million reported in 2020. The forecast for 2022 indicate general revenue and Educational Excellence Trust Fund distributions from the State may increase 2.8%. If State revenue continues to be as strong as the State has reported in early 2022. Fayetteville campus management will continue to institute both internal and external efforts to maximize the state resources available, while seeking ways to minimize the risk of state funding levels not keeping pace with growth.

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

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

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

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

Preliminary figures indicate that the Fayetteville campus enrolled 29,068 students for the Fall 2021 semester while setting new records for retention and graduation rates. As the charts below indicate, campus enrollment has increased 18.8%, or 4,531 students over the past ten years. Enrollment has now topped 29,000 for the first time ever, and the Fall 2021 term has seen the largest incoming freshman class in the history of the Fayetteville campus. Preliminary numbers for the campus are indicating another very strong incoming freshman class for the Fall 2022 semester as well. Considering the uncertainty brought on by the COVID 19 pandemic, the growth coming in FY2022 on top of two years of very stable enrollment numbers is very exciting and illustrates the continuing strength of the Fayetteville campus.

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

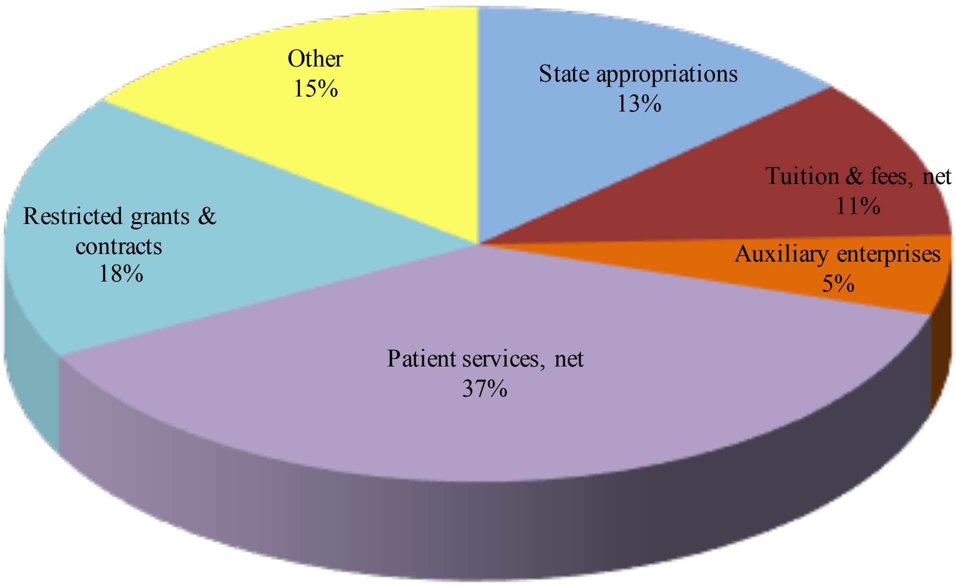
All Campuses

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

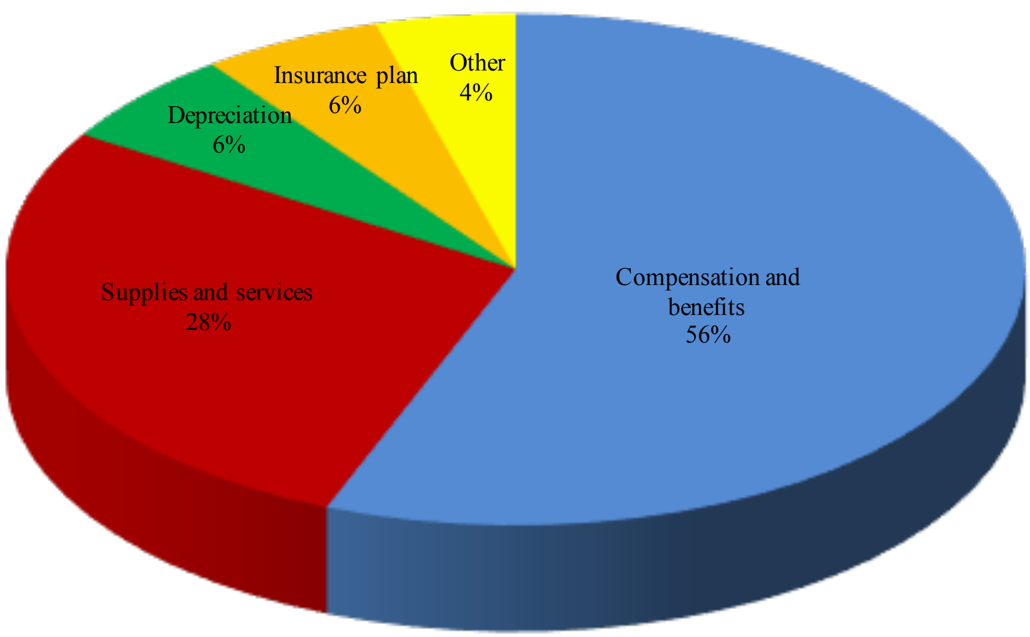
Preliminary data shows that the number of enrolled students (headcount) has decreased from the fall semester of 2020 to the fall semester of 2021, from 63,581 to 59,041. A change in the headcount numbers is due to being reported by the Arkansas Division of Higher Education excluding high school students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


University of Arkansas
Clinton School of Public Service
River Market Campus

2021 Revenues
$3.595 Billion



2021 Expenses
$3.372 Billion



FIVE YEAR SUMMARY OF KEY STUDENT DATA

Enrollment

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

Degrees Awarded

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

*Preliminary Data Reported by ADHE.

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

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

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

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

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

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

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

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

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

Year Ended June 30, 2020		
Without Donor Restrictions	With Donor Restrictions	TOTAL
$ -	$ 171,450	$ 171,450
	3,561,648	3,561,648
	7,909,565	7,909,565
23,387,910	(23,387,910)	-
23,387,910	(11,745,247)	11,642,663
23,387,910	-	23,387,910
23,387,910	-	23,387,910
-	(11,745,247)	(11,745,247)
-	575,242,975	575,242,975
$ -	$ 563,497,728	$ 563,497,728

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

	UAF	UAFS	UALR	UAMS	UAM	UAPB	SYSTEM
ASSETS							
Current							
Cash and cash equivalents	$ 171,687,075	$ 44,118,193	$ 31,896,962	$ 314,429,000	$ 7,407,345	$ 21,019,997	$ 19,098,062
Investments	348,971,731	2,221,937	45,884,028	113,926,000	3,435,251	-	56,041,264
Accounts receivable	99,812,894	4,993,553	27,286,798	75,879,000	7,826,173	16,169,853	18,479,518
Patient accounts receivable				149,358,000			
Inventories	6,967,361		119,307	31,855,000	361,353	15,996	
Deposits and funds held in trust by others	4,245,729		345,937		5		
Notes receivable	2,425,547		30,848	2,750,000			
Other assets	11,188,365	467,033	554,475	11,752,000	312,315	25,401	159,972
Total current assets	645,298,702	51,800,716	106,118,355	699,949,000	19,342,442	37,231,247	93,778,816
Non-Current							
Cash and cash equivalents					4,245,579	13,350,576	
Investments	184,294,966	7,144,165	30,282,616	83,444,000	6,256,247	5,656,737	
Notes receivable	7,617,128	149,458	355,902	9,723,000	79,090	467,577	
Deposits and funds held in trust by others	3,961,913	62,221	1,714,426	209,187,000	6,846,257		
Other non-current assets	5,451,427		-				17,450,600
Capital assets	1,525,888,590	127,229,917	205,454,799	799,163,000	47,724,163	106,148,821	3,930,551
Total non-current assets	1,727,214,024	134,585,761	237,807,743	1,101,517,000	65,151,336	125,623,711	21,381,151
TOTAL ASSETS	$ 2,372,512,726	$ 186,386,477	$ 343,926,098	$ 1,801,466,000	$ 84,493,778	$ 162,854,958	$ 115,159,967
DEFERRED OUTFLOWS OF RESOURCES							
Debt refunding	$ 10,626,042	$ 2,299,687	$ 2,895,485	$ 3,977,000		$ 203,008	
Other postemployment benefits	5,804,000	216,000	955,000	5,394,000	279,000	570,000	$ 96,000
Pensions	3,247,054	518,053	1,627,353	2,322,000	759,231	243,369	209,573
Other							
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 19,677,096	$ 3,033,740	$ 5,477,838	$ 11,693,000	$ 1,038,231	$ 1,016,377	$ 305,573
LIABILITIES							
Current							
Accounts payable and other accrued liabilities	$ 61,663,720	$ 1,671,175	$ 7,610,734	$ 170,616,000	$ 1,766,315	$ 539,172	$ 4,007,411
Unearned revenue, deposits and other	32,539,195	871,455	4,164,159	5,936,000	81,766	99,223	165,709
Funds held in trust for others	3,265,550	281,892	681,228	3,410,000	246,827	2,825,515	
Liability for future insurance claims							16,710,600
Estimated third party payor settlements				90,169,000			
Refundable federal advance - Perkins loans - current portion							
Compensated absences payable - current portion	1,938,208	213,072	410,556	3,963,000	92,928	199,849	41,482
Liability for other postemployment benefits - current portion	747,000	65,000	189,000	1,008,000	63,000	57,000	20,000
Bonds, notes, capital leases and installment contracts payable - current	44,740,229	6,384,441	8,542,732	20,515,000	927,898	2,033,732	3,124,306
Total current liabilities	144,893,902	9,487,035	21,598,409	295,617,000	3,178,734	5,754,491	24,069,508
Non-Current							
Long term liability for payroll taxes				15,885,000			
Unearned revenues, deposits and other	3,131,123		297,179	30,000		45,156	
Refundable federal advance - Perkins loans	8,841,080			1,911,000	23,836		
Compensated absences payable	21,423,103	1,413,179	4,036,628	74,869,000	1,097,626	2,452,271	925,293
Liability for other post employment benefits	23,017,000	1,548,000	5,826,000	33,495,000	1,621,000	3,068,000	565,000
Liability for pensions	12,466,943	2,054,945	7,026,639	9,159,000	2,724,493	863,224	752,230
Bonds, notes, capital leases, installment contracts payable	798,287,206	46,233,351	92,354,442	563,385,000	33,493,532	28,908,451	27,546,672
Total non-current liabilities	867,166,455	51,249,475	109,540,888	698,734,000	38,960,487	35,337,102	29,789,195
TOTAL LIABILITIES	$ 1,012,060,357	$ 60,736,510	$ 131,139,297	$ 994,351,000	$ 42,139,221	$ 41,091,593	$ 53,858,703
DEFERRED INFLOWS OF RESOURCES							
Other postemployment benefits	3,198,000	$ 192,000	$ 1,191,000	$ 4,831,000	$ 341,000	$ 360,000	$ 93,000
Pensions	2,289,221	837,230	1,913,556	3,906,000	616,388	45,415	161,920
Other				7,146,000			
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 5,487,221	$ 1,029,230	$ 3,104,556	$ 15,883,000	$ 957,388	$ 405,415	$ 254,920
NET POSITION							
Net Investment in Capital Assets	$ 687,450,722	$ 76,911,812	$ 103,250,743	$ 423,450,000	$ 20,638,182	$ 75,150,077	$ 3,729,232
Restricted							
Non-Expendable							
Scholarships and fellowships	9,260,293	277,400	2,541,069	394,000	56,017		
Research	7,739,659		216,348		321,559		
Other	17,754,092	7,000	10,217,548	50,351,000	2,692	8,141,830	
Expendable							
Scholarships and fellowships	23,757,307	224,358	862,338	29,530,000	508,953	1,790,105	
Research	59,315,679		574,188	12,408,000	2,745,585	556,987	
Public service	27,527,910	30,705	6,499,301			770,878	
Capital projects	57,693,386	235,325		363,000	3,986,381	6,313,143	
Other	29,247,882	3,310,350	6,585,915	391,000	672,869	1,666,138	
Unrestricted	454,895,314	46,657,527	84,412,633	286,038,000	13,503,162	27,985,169	57,622,685
TOTAL NET POSITION	$ 1,374,642,244	$ 127,654,477	$ 215,160,083	$ 802,925,000	$ 42,435,400	$ 122,374,327	$ 61,351,917

See accompanying notes.

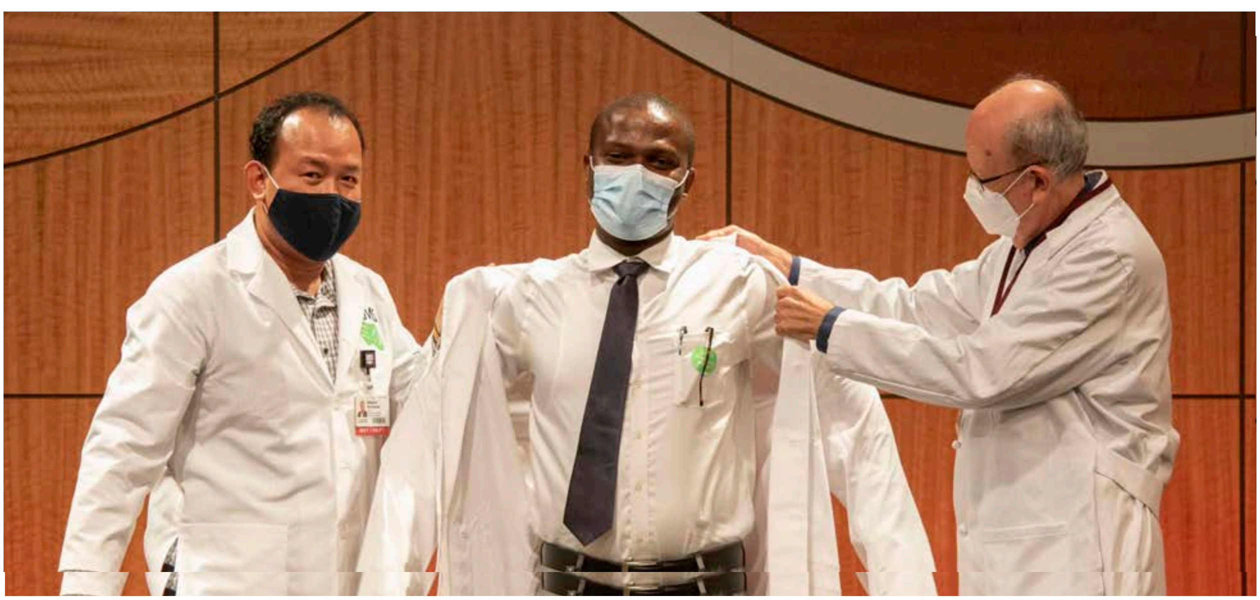
CCCUA	PCCUA	UACCB	UACCHT	UACCM	UAPTC	UACCRM	ASMSA	Elimination (See Note 19)	TOTAL
$ 4,650,891	$ 10,399,802	$ 3,644,508	$ 15,416,454	$ 7,417,984	$ 41,107,785	$ 1,945,180	$ 11,754,478		$ 705,993,716
847,415	3,522,484	-	2,253,262	3,669,763	5,881,804	-			586,654,939
1,344,930	1,498,161	1,067,566	1,945,115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

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

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

See accompanying notes.

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



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

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

See accompanying notes.

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

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

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

See accompanying notes.

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

Note 1: Summary of Significant Accounting Policies

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

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

Basis of Presentation and Measurement Focus

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

Use of Estimates

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

Cash and Cash Equivalents

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

Investments

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

Accounts Receivable

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

Patient Accounts Receivable

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

Inventories

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

Capital Assets

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

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

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

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

Deferred Outflows of Resources

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

Compensated Absences

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

Unearned Revenue

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

Deferred Inflows of Resources

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

Pensions

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

Net Position

The University's net position is classified as follows:

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

- *Restricted:*
  Non-expendable – Portion subject to externally-imposed stipulations that they be maintained permanently by the University. Such assets include the University's permanent endowment funds.
  Expendable – Portion whose use by the University is subject to externally-imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time. There is no formal policy requiring restricted net position to be used either before or after unrestricted net position is used for the same purpose. Responsible officials determine at the time funds are expended to use any unrestricted net position that may be available.
- *Unrestricted* – Portion that is not subject to externally imposed stipulations. This portion may be designated for specific purposes by management or the Board of Trustees or may be otherwise limited by contractual agreements with outside parties.

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

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

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

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

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

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

Grants and Contracts

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

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

State Appropriations

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

Component Units

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

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

The University of Arkansas Fayetteville Campus Foundation, Inc. is a not-for-profit charitable organization which was established by the Walton Family Charitable Support Foundation, Inc., for the exclusive benefit of the University of Arkansas, Fayetteville campus. The Foundation was established on March 11, 2003, and exists primarily to support the Honors College, the Graduate School, and the University's library. The Board of Trustees of the Foundation is made up of seven members, including three members who are also employees of the University. During the years ended June 30, 2021 and 2020, the Foundation distributed $22,780,270 and $23,387,910, respectively, to or on behalf of the University. Complete financial statements for the Foundation can be obtained from the administrative office at *535 Research Center Boulevard, Suite 120, Fayetteville, AR 72701.*

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

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

For the year ended June 30, 2021:

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

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

For the year ending June 30, 2022:

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

For the year ending June 30, 2023:

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

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

Note 2: Reporting Entity

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

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

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

Note 3: Net Patient Services Revenue and Charity Care

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

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

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

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

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

Hospital:

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

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon a cost-reimbursement methodology. The Hospital is paid at a tentative rate with final settlement determined after submission of an annual cost report by the Hospital and audits by the Medicaid audit contractor. The Hospital is required to pay the federal match for the difference in reimbursement between the Tax Equity and Fiscal Responsibility Act inpatient rate and full cost. For outpatient services, the Hospital is required to pay the federal match for the difference reimbursed between the outpatient prospective rates and full cost. As of June 30, 2021, the Hospital's Medicaid cost reports have been audited by the Medicaid audit contractor through June 30, 2013.

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

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

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

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

Note 4: Cash, Cash Equivalents and Investments

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

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

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

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

Investments

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

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

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

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

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

External Investment Pool

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

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

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

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

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

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

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

*Includes accrued income

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

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

*Does not include accrued income

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

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

*Does not include accrued income

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

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

*Does not include accrued income

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

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

*Includes accrued income

Short-Term Investment Fund Pool

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

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

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

*includes accrued income

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

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

*Does not include accrued income

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

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

*Does not include accrued income

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

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

*Does not include accrued income

Endowment Funds

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

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

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

Note 5: Fair Value Measurement

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

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

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

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

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

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

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

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

Summary of Investments by Fair Value Level

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

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

Investments Measured at the NAV at June 30, 2021:

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

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

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

Note 6: Disaggregation of Accounts Receivable and Accounts Payable

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

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

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

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

Note 7: Capital Assets

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

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

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

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

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

Note 8: Short-Term Borrowing

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

Note 9: Compensated Absences

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

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

Changes in compensated absences are shown below:

COMPENSATED ABSENCES

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

COMPENSATED ABSENCES

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

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

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

UNIVERSITY OF ARKANSAS FAYETTEVILLE

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

UNIVERSITY OF ARKANSAS AT FORT SMITH

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

UNIVERSITY OF ARKANSAS AT LITTLE ROCK

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

UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES

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

UNIVERSITY OF ARKANSAS AT MONTICELLO

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

UNIVERSITY OF ARKANSAS AT PINE BLUFF

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

UNIVERSITY OF ARKANSAS SYSTEM ADMINISTRATION

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

COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS

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

PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON

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

UNIVERSITY OF ARKANSAS-PULASKI TECHNICAL COLLEGE

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN

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

ARKANSAS SCHOOL FOR MATHEMATICS, SCIENCES AND THE ARTS

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

Schedule of Changes in Debt

BONDS

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

NOTES

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

CAPITAL LEASES

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

INSTALLMENT CONTRACTS

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

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

Future Principal and Interest Payments

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

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON BONDS PAYABLE

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

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON NOTES PAYABLE

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

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON CAPITAL LEASES

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

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON INSTALLMENT CONTRACTS

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

Capitalization of Assets held under Capital Leases

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

	Cost	Accumulated Depreciation	Net
Improvements/Infrastructure	$ 5,845,660	$ 4,827,507	$ 1,018,153
Buildings	45,021,359	14,660,393	30,360,966
Equipment	66,247,396	46,331,767	19,915,629
		TOTAL	$ 51,294,747

Total Minimum Lease Payments	$ 55,028,803
Less: Amount representing interest	7,687,255
Total Present Value of Net Minimum Lease Payments	$ 47,341,548

Pledged Revenues

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

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

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

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

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

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

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

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

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

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

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

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

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

New Bonds Payable and Refundings

For the year ended June 30, 2021:

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

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

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

On October 20, 2020, the University closed the Board of Trustees of the University of Arkansas Student Fee Revenue Bonds (**Fort Smith Campus**) Taxable Refunding Series 2020A with a par amount of $10,715,000. The bonds provide resources of $10,607,843 plus University deposits and funds held in trust by others of $2,419 to advance refund $10,065,000 of outstanding Board of Trustees of the University of Arkansas Student Fee Revenue Bonds (**Fort Smith Campus**) Series 2012. The amount of each refunded series represents all the outstanding maturities starting with the December 1, 2020 until final maturity. After the regularly scheduled debt service payments were made on December 1, 2020, there are remaining balances of $8,905,000 for Series 2012 representing bonds with maturity dates through December 1, 2021. The remaining bond proceeds paid issuance costs. The University completed the refunding to reduce its total debt service payments over a period of ten years by $713,422, and to have an economic gain (difference between the present values of the old and new debt service payments) of $665,830.

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

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

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

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

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

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

For the year ended June 30, 2020:
On July 25, 2019, the University closed the Board of Trustees of the University of Arkansas Various Facilities Revenue Refunding and Improvement Bonds (**Rich Mountain Campus**) Series 2019 with a par amount of $8,250,000. The bonds provide resources of $7,500,808 for the acquisition, construction, furnishing and equipping of a student housing facility on the Mena campus, the construction, renovation, expansion, equipping, and furnishing of classroom and student facilities on the Mena campus and the acquisition, construction, improvement, renovation, equipping and/or furnishings of other qualifying capital projects. The funding for an account for interest during construction of $199,431 was also provided. In addition, the bonds provide resources of $1,603,443 for the current refunding of the Board of Trustees of Rich Mountain Community College Student Tuition and Fee Revenue Bonds, Series 2012.

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

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

The University issued tax exempt Various Facility Revenue Bonds (**Medical Sciences Campus**), Series 2019A, on October 24, 2019. The issue provided $48,615,000 for infrastructure and an energy conservation project. The bonds bear interest rates of 5%. Principal payments are made annually until March 2032. Interest payments are made semiannually. The University also issued taxable Various Facility Revenue Bonds (**Medical Sciences Campus**), Series 2019B, on October 24, 2019. The issue provided $97,470,000 for infrastructure and an energy conservation project. The bonds bear various interest rates from 2.906% to 3.45%. Principal payments are made annually until October 2042.

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

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

Note 11: Commitments

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

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

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

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

Note 12: Income Taxes

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

Note 13: Risk Management

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

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

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

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

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

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

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

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

Note 14: Employee Benefits

Insurance Plans

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

At June 30, 2021, a total of 17,775 active employees, former employees, and pre-65 retirees were participants in the health plan. As of June 30, 2021, there were three health plan design offerings: the Classic Plan, the Premier Plan and the Health Savings Plan. Within the System subsidy guidelines for the health plan, each campus makes its contribution determination based on budget considerations. A total of 19,490 active employees, former employees, and retirees were participants in the dental plan as of June 30, 2021. Campus subsidies for dental vary from 0% to 100% by campus and by enrollment tier. Retirees, and former employees through COBRA, participate on a fully contributory basis in the health and dental plans. Medicare-eligible retirees are not eligible to continue in the University's health plan but may elect a fully-insured Medicare Advantage Plan which includes Part D drug coverage.

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

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

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

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

Reconciliation of Changes in the Liability for Future Insurance Claims

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

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

Retirement Plans

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

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

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

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

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

APERS is a cost-sharing multiple employer defined benefit pension plan administered by the State of Arkansas. The University's required contribution rate was an amount equal to 15.32% of eligible salary in fiscal year 2021. Those employees hired after July 1, 2005, must be contributory unless they had prior service as a state employee. Employees hired before that date may be contributory. The University's contributions for the fiscal years 2021 and 2020 were $4,135,494 and $4,474,936, respectively. Participants' contributions for the fiscal years 2021 and 2020 were $1,098,127 and $1,187,504, respectively. The annual required contribution amounts and the percentage contributed are determined by the annual actuarial valuation as set forth in Arkansas Code. APERS issues a publicly available financial report, which may be obtained by writing: APERS, One Union National Plaza, 124 W. Capitol, 5th Floor, Little Rock, AR 72201.

ATRS is a cost-sharing multi-employer defined benefit pension plan. The University contributed an amount equal to 14.50% of all covered employees' salaries in fiscal year 2021. Under certain conditions, covered employees may voluntarily contribute 6% of their salary. The University's contributions for the fiscal years 2021 and 2020 were $1,335,201 and $1,416,960, respectively. Participants' contributions for the fiscal years 2021 and 2020 were $463,203 and $504,001, respectively. The annual required contribution amounts and the percentage contributed are determined by the annual actuarial valuation as set forth in Arkansas Code. ATRS issues a publicly available financial report, which may be obtained by writing: ATRS, 1400 W. 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 $707,813 at June 30, 2021.

NOTE 15: Defined Benefit Pension Plans

Arkansas Public Employees Retirement System (APERS)

Plan Description

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

Benefits Provided

Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapter 4 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability and death benefits. Retirement benefits are determined as a percentage of the member's highest 3-year average compensation times the member's years of service. The 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% of their salaries. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan. The University contributed 15.32% of applicable compensation for the fiscal year ended June 30, 2021.

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

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

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

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

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

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

Actuarial Assumptions

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

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

*Net of investment and administrative expenses.

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

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

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

Discount Rate

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

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

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

Sensitivity of Discount Rate

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

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's net position is available in the separately issued APERS financial report.

Arkansas Teacher Retirement System (ATRS)

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

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

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

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

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

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

Members are eligible for disability benefits with 5 years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Survivor benefits are payable to qualified survivors upon the death of an active member with 5 years of service. The monthly benefit paid to eligible spouse survivors is computed as if the member had retired and elected the Joint & 100% Survivor option. Minor child survivors receive a percentage of the member's highest salary earned. ATRS also provides a lump sum death benefit for active and retired members with 10 years of actual service. The amount for contributory members will be up to $10,000 and up to $6,667 for noncontributory members. A cost-of-living adjustment of 3% of the current benefit is added each year.

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

Contributions

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

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

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

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

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

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

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

Actuarial Assumptions

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary. For each major asset class included in the pension plan's target asset allocation as of June 30, 2020, these best estimates are summarized below:

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

Discount Rate
A single discount rate of 7.50% was used to measure the total pension liability based on the expected rate of return on pension plan investments. The current member and employer contribution rates are 6.50% and 14.50% of active member payroll, respectively. Although not all members contribute, the member and employer rates are scheduled to increase by 0.25% increments ending in fiscal year 2023. The ultimate member and employer rates will be 7% and 15%, respectively. The projection of cash flows used to determine this single discount rate assumed that member and employer contributions will be made in accordance with this schedule. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of Discount Rate

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

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's net position is available in the separately issued ATRS financial report.

NOTE 16: Other Postemployment Benefits (OPEB)

The University offers postemployment health (including prescription drugs) and dental benefits, along with life insurance ($10,000 available coverage), to eligible retirees. Employees retiring on or after January 1, 2021, will not be eligible for life insurance coverage. Health and dental benefits are provided in the University's self-funded plan sponsored by the Board of Trustees of the University of Arkansas System for current and pre-65 retired employees. The plan is considered a single-employer, defined benefit plan. The System Administration manages and administers the plan. Although benefits are also provided under the University's plan for the employees of the University of Arkansas Foundation, Inc., the University of Arkansas Winthrop Rockefeller Institute, the Walton Arts Center Foundation, Inc., the Razorback Foundation, Inc., and the University of Arkansas Technology Development Foundation, no postemployment benefit is accrued by the University for these private entities. Financial activities of the plan are reported in the accompanying consolidated financial report. No assets are accumulated in a trust. Retirees pay 100% of premiums for all campuses with the following exceptions:

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

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

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

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

Employees Covered by Benefit Terms

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

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

Total OPEB Liability

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

Summary of Key Actuarial Methods and Assumptions

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

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

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

Mortality Rates:

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

General Overview of the Valuation Methodology

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

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

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

Changes in Actuarial Assumptions and Methods since the Prior Valuation

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

The discount rate changed from 3.50% to 2.21%.

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

Changes in the Total OPEB Liability

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

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

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

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

Sensitivity of the Total OPEB Liability

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

Sensitivity of Total OPEB Liability to Changes in Discount Rate

1% Decrease	Discount Rate	1% Increase
1.21%	2.21%	3,21%
$83,995,000	$76,603,000	$70,028,000

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

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

1% Decrease	Healthcare Trend	1% Increase
$69,735,000	$76,603,000	$84,644,000

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

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

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

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

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

Note 17: Functional Classifications of Operating Expenses

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

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

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

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

Note 18: Other Organizations

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

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

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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2021

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

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

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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2021

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

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

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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2021

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

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

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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2021

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

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

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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2020

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

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

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

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

Assets		
Cash	$	150,289
Other Assets		53,396
Total Assets	$	203,685
Liabilities and Net Assets		
Liabilities	$	253
Net Assets		203,432
Total Liabilities and Net Assets	$	203,685

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2021

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

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

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

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

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

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

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

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

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

Assets		
Cash & investments	$	5,181,076
Total Assets	$	5,181,076
Liabilities & Net Assets		
Liabilities	$	-
Net Assets		5,181,076
Total Liabilities & Net Assets	$	5,181,076

CONDENSED STATEMENT OF ACTIVITIES
FY Ended December 31, 2020

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

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

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

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

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

Assets		
Cash and investments	$	3,069,497
Other Assets		44,420
Total Assets	$	3,113,917
Liabilities and Net Assets		
Liabilities	$	-
Net Assets		3,113,917
Total Liabilities and Net Assets	$	3,113,917

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2020

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

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

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

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

CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2020

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

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

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

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

CONDENSED CONSOLIDTED STATEMENT OF ACTIVITIES
FY Ended June 30, 2021

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

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

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

Assets		
Cash	$	14,437
Property and equipment		-
Total Assets	$	14,437
Liabilities and Net Assets		
Liabilities	$	-
Net Assets		14,437
Total Liabilities and Net Assets	$	14,437

UNAUDITED CONDENSED STATEMENT OF ACTIVITIES
FY Ended June 30, 2021

Income and Other Additions	$	25,007
Expenditures and Other Deductions		(25,690)
Total Decrease in Net Assets	$	(683)

Note 19: Elimination of Inter-Company Transactions

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

FY21 - Statement of Net Position

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

Three loans between University entities were eliminated to reduce assets and liabilities: (1) $593,051 (current portion $30,210) to reflect a loan from UAMS to UAF, and (2) $4,975,498 to reflect a loan from the campuses to *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, 2021 which were eliminated against current and long-term debt (current portion $1,564,205) and Other non-current assets:

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

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

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

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

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

FY20 - Statement of Net Position

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

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

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

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

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

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

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

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

FY21 and FY20 - Statements of Cash Flows

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

Note 20: Joint Endeavor

In 1987, the University of Arkansas and the City of Fayetteville engaged in a joint endeavor to operate the Walton Arts Center. Funds were pooled from each entity to provide for the construction and operation of the center. The University of Arkansas/City of Fayetteville Arts Foundation, Inc., now called the Walton Arts Center Foundation, Inc., was established to administer this project and its funds. Activities of the foundation were managed by nine directors - three appointed by the University, three by the City of Fayetteville, and three recommended by the Foundation that were approved by the mayor and chancellor.

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

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

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

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

Note 21: Related Parties

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

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

Note 22: Contingencies

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

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

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

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

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

Note 23: Subsequent Events

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

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

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

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

Employee Benefits

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

	2021	2020	2019	2018	2017	2016	2015
University's proportion of net pension liability	1.427%	1.656%	2.008%	2.198%	2.202%	1.659%	1.462%
University's proportionate share of net pension liability	$ 40,877,027	$ 39,944,209	$ 44,294,023	$ 56,807,517	$ 52,660,632	$ 30,550,726	$ 20,737,110
University's covered payroll**	29,263,785	32,838,844	36,710,317	$ 40,658,901	$ 39,968,417	$ 29,241,762	$ 24,610,760
University's proportionate share of the net pension liability as a percentage of its covered payroll	139.68%	121.64%	120.66%	139.72%	131.76%	104.48%	84.26%
Plan fiduciary net position as a percentage of the total pension liability	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%	84.15%

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

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

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 4,135,494	$ 4,474,936	$ 5,079,699	$ 5,446,489	$ 5,847,656	$ 5,122,338	$ 4,316,084
Contributions in relation to the contractually required contribution	(4,135,494)	(4,474,936)	(5,079,699)	(5,446,489)	(5,847,656)	(5,122,338)	(4,316,084)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 26,989,144	$ 29,263,785	$ 32,838,844	$ 36,710,317	$ 40,658,901	$ 35,350,993	$ 29,241,762
Contributions as a percentage of covered payroll	15.32%	15.29%	15.47%	14.84%	14.38%	14.49%	14.76%

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

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

	2021	2020	2019	2018	2017	2016	2015
University's proportion of net pension liability	0.319%	0.372%	0.447%	0.540%	0.589%	0.395%	0.437%
University's proportionate share of net pension liability	$ 18,079,806	$ 15,527,796	$ 16,258,099	$ 22,688,366	$ 26,000,421	$ 12,850,498	$ 11,467,444
University's covered payroll**	$ 10,026,138	$ 11,429,162	$ 13,540,283	$ 15,932,158	$ 17,474,936	$ 11,516,407	$ 11,527,065
University's proportionate share of the net pension liability as a percentage of its covered payroll	180.33%	135.86%	120.07%	142.41%	148.79%	111.58%	99.48%
Plan fiduciary net position as a percentage of the total pension liability	74.91%	80.96%	82.78%	79.48%	76.75%	82.20%	84.98%

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

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

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,335,201	$ 1,416,960	$ 1,616,340	$ 1,899,208	$ 2,210,329	$ 1,448,084	$ 1,612,297
Contributions in relation to the contractually required contribution	(1,335,201)	(1,416,960)	(1,616,340)	(1,899,208)	(2,210,329)	(1,448,084)	(1,612,297)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 9,232,685	$ 10,026,138	$ 11,429,162	$ 13,540,283	$ 15,932,158	$ 10,392,131	$ 11,516,407
Contributions as a percentage of covered payroll	14.46%	14.13%	14.14%	14.03%	13.87%	13.93%	14.00%

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

Other Postemployment Benefits

Summary of Key Actuarial Methods and Assumptions

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

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

Mortality Rates:

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

Schedule of Changes in Total OPEB Liability and Related Ratios

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

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

	2021	2020	2019	2018
Total OPEB liability as a percentage of covered employee payroll	**5.67%**	**5.63%**	**5.36%**	**5.21%**

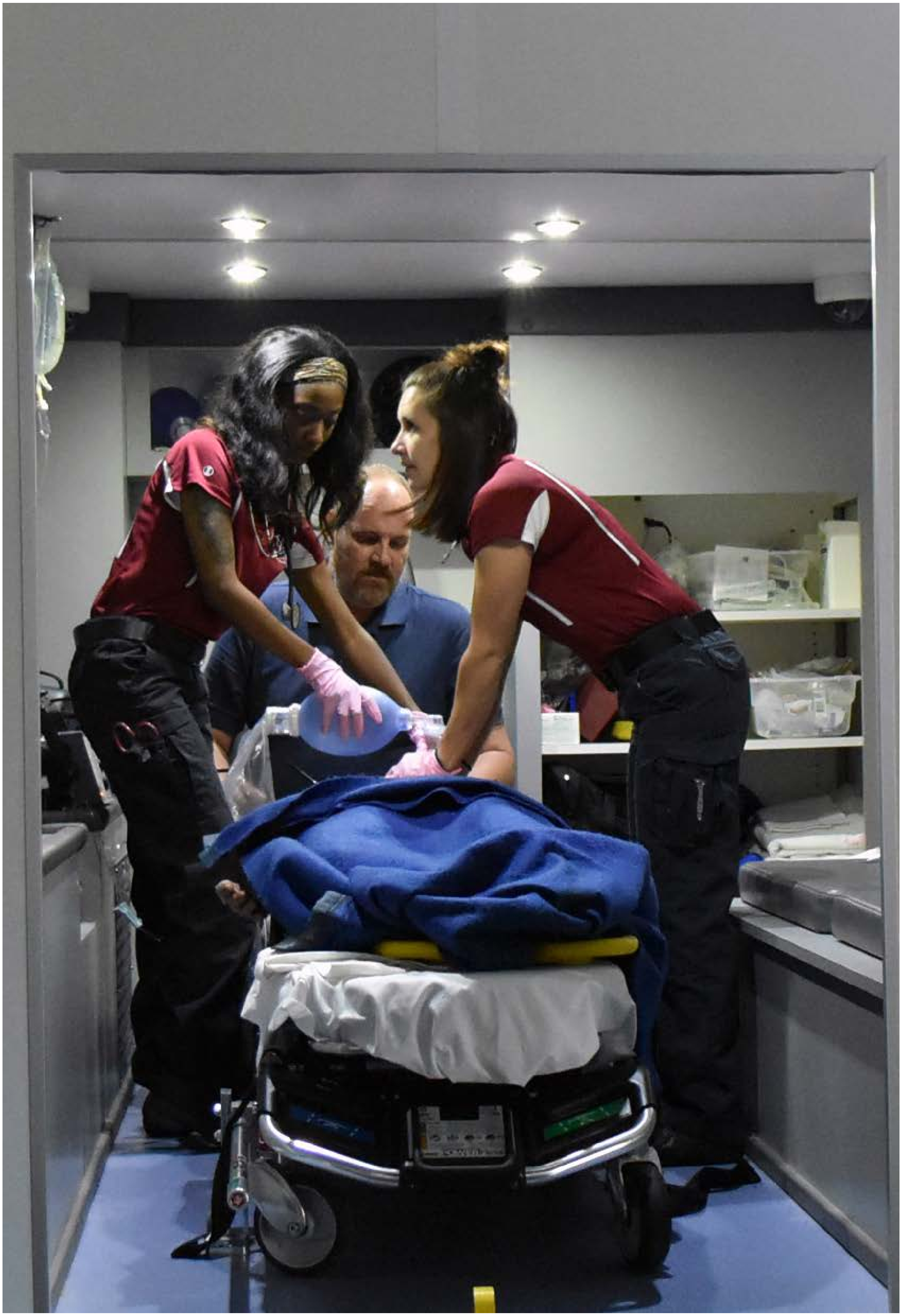
Notes to Schedule:

No assets for the Plan are accumulated in a trust.

Change of Assumptions:

During the measurement year, the total OPEB Liability (TOL) increased by approximately $1.9 million. The service cost and interest cost increased the TOL by approximately $7.2 million while benefit payments decreased the TOL by approximately $2.2 million.
The discount rate changed from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020 which resulted in a loss of $8.4 million. An additional $0.8 million loss is reflected due to claims experience. This created an assumption loss of $9.2 million, which will be amortized over the average expected remaining service life of all active and inactive members of the Plan. The actual experience decreased the liability by $2.2 million due to changes in population, which will be amortized over the average expected remaining service life of all active and inactive members of the Plan.

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



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

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

UNIVERSITY OF ARKANSAS, FAYETTEVILLE

Established: 1871
Enrollment: 29,068
www.uark.edu

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

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

UNIVERSITY OF ARKANSAS AT FORT SMITH

Established: 1928
Joined System: 2002
Enrollment: 5,444
www.uafs.edu

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

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

UNIVERSITY OF ARKANSAS AT LITTLE ROCK

Established: 1927
Joined System: 1969
Enrollment: 8,297
www.ualr.edu

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

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

UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES

Established: 1879
Enrollment: 3,088
www.uams.edu | www.uamshealth.com

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

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

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

UNIVERSITY OF ARKANSAS AT MONTICELLO

Established: 1909
Joined System: 1971
Enrollment: 2,673
www.uamont.edu

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

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

UNIVERSITY OF ARKANSAS AT PINE BLUFF

Established: 1873
Joined System: 1972
Enrollment: 2,748
www.uapb.edu

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

UAPB offers thirty undergraduate programs, eight master's degrees, and a doctorate program in Aquaculture/Fisheries, one of the country's leading programs that also supports Arkansas's $165 million aquaculture and baitfish industry. The university's bachelor's degree program in regulatory science is a designated Center of Excellence by the U.S. Department of Agriculture. Other areas of emphasis at UAPB include teacher education, business development and student leadership development and its NSF-funded Science, Technology, Engineering and Math (STEM) Academy.

COSSATOT COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS

Established: 1975
Joined System: 2001
Enrollment: 1,361
www.cccua.edu

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

PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS

Established: 1964
Joined System: 1996
Enrollment: 1,244
www.pccua.edu

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE

Established: 1975
Joined System: 1997
Enrollment: 1,113
www.uaccb.edu

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE-TEXARKANA

Year Established: 1965
Joined System: 1996
Enrollment: 1,220
www.uaht.edu

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON

Established: 1963
Joined System: 2001
Enrollment: 1,962
www.uaccm.edu

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

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

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

UNIVERSITY OF ARKANSAS-PULASKI TECHNICAL COLLEGE

Established: 1945
Joined System: 2017
Enrollment: 4,426
www.uaptc.edu

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

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN

Established: 1983
Joined System: 2017
Enrollment: 719
www.uarichmountain.edu

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

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

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

ARKANSAS SCHOOL FOR MATHEMATICS, SCIENCES AND THE ARTS

Established: 1993
Joined System: 2004
asmsa.org

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

UNIVERSITY OF ARKANSAS CLINTON SCHOOL OF PUBLIC SERVICE

Established: 2004
www.clintonschool.uasys.edu

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

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

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

DIVISION OF AGRICULTURE

Established: 1959

www.division.uaex.edu

The University of Arkansas System Division of Agriculture is the statewide organization providing land grant research and extension to Arkansas agriculture, communities, families and youth. The mission of the division is to discover new knowledge, incorporate it into practical applications and assist Arkansans in its application. The division is comprised of two principal units: the Arkansas Agricultural Experiment Station and the Cooperative Extension Service. Division faculty, staff and facilities are located on several university campuses, at regional research and extension centers, branch stations, extension centers and other locations. An extension office is located in all 75 counties in cooperation with county governments.

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

ARKANSAS ARCHEOLOGICAL SURVEY

Established: 1967
https://archeology.uark.edu/

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

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

CRIMINAL JUSTICE INSTITUTE

Established: 1988
www.cji.edu

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

Utilizing both online learning opportunities and classroom-based instruction, CJI provides an educational experience designed to enhance the performance and professionalism of law enforcement in progressive areas of policing, including law enforcement leadership and management, forensic sciences, computer technologies and related crimes, traffic safety, illicit drug investigations and school safety. In addition, the Institute develops and delivers curriculum in cyberterrorism and sexual assault management and investigation through the National Center for Rural Law Enforcement (NCRLE), a division of CJI committed to helping rural law enforcement agencies effectively combat crime in their communities.

UNIVERSITY OF ARKANSAS SYSTEM *e*VERSITY

Established: 2014
Enrollment: 550
www.eVersity.edu

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

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

UNIVERSITY OF ARKANSAS SYSTEM
www.uasys.edu

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.


THE CHOCTAW ROUTE
UNIVERSITY OF ARKANSAS
Clinton School of Public Service


Wild Band of Razorbacks
GATE 14
NEVER FORGET


Wooo
Pig Sooie
UNIVERSITY OF
ARKANSAS
150
YEARS

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

UNIVERSITY OF ARKANSAS AT FORT SMITH
Terisa Riley, *Chancellor*
Carey Tucker, *Vice Chancellor for Finance and Administration*

UNIVERSITY OF ARKANSAS AT LITTLE ROCK
Christy Drale, *Chancellor*
Jerry Ganz, *Vice Chancellor for Finance and Administration*

UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES
Cam Patterson, *Chancellor*
Amanda George, *Vice Chancellor for Finance and Administration and CFO*

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

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

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

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
Zachary Perrine, *Interim Chancellor*
Mandy Walker, *Vice Chancellor for Finance and Administration*

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

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

UNIVERSITY OF ARKANSAS PULASKI TECHNICAL COLLEGE
Margaret Ellibee, *Chancellor*
Charlette Moore*, Vice Chancellor of Finance and CFO*

UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT RICH MOUNTAIN
Phillip Wilson, *Chancellor*
Kate Miller, *Vice Chancellor of Finance & Administration*

ARKANSAS SCHOOL FOR MATHEMATICS, SCIENCES, & THE ARTS
Corey Alderdice, *Director*
Ashley Smith, *Director of Finance*

UNIVERSITY OF ARKANSAS SYSTEM *e*Versity
Michael Moore, *Chief Academic Officer*

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 C

Form of Continuing Disclosure Agreement

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the Board of Trustees of the University of Arkansas (the "Issuer") and Simmons Bank, Pine Bluff, Arkansas, in connection with the issuance of the Issuer's Various Facilities Revenue Bonds (UAPB Campus), Series 2022, in the aggregate principal amount of $16,655,000 (the "Bonds"). The Bonds are being issued pursuant to a Trust Indenture dated as of August 25, 2022 (the "Indenture"), between the Issuer and Simmons Bank, as trustee (the "Trustee"). The Issuer and Simmons Bank, in its capacity as the Trustee and the initial Dissemination Agent, covenant and agree as follows:

1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and Simmons 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). Neither the Trustee nor the Dissemination Agent shall have any liability with respect to the content of any disclosure provided hereunder, and the Dissemination Agent shall be responsible only for sending notices hereunder.

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 (i) 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 (ii) is treated as the owner of any Bonds for federal income tax purposes.

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

"Dissemination Agent" shall mean Simmons 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.

"UAPB" shall mean the University of Arkansas at Pine Bluff, a campus of the University of Arkansas System.

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 one hundred eighty (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, 2022, provide to the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report shall be filed in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such audited financial statements shall be submitted not more than sixty (60) days after becoming available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f). The Annual Reports and audited financial statements may be posted on the EMMA System on the Issuer's customized EMMA issuer page entitled "Board of Trustees of the University of Arkansas Financial Information." So long as such Annual Reports and audited financial statements shall be posted as set forth in the previous sentence within the time period set forth in this Section 3, the Issuer shall be deemed to have complied with this Section 3.

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

(c) If the Dissemination Agent is unable to verify that an 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 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 it was provided to the MSRB.

(e) Notwithstanding anything to the contrary, neither the Trustee nor the Dissemination Agent shall have any duty to review or analyze any Annual Report delivered to it or be responsible for any content therein or to verify the accuracy thereof, and neither the Trustee nor the Dissemination Agent shall be deemed to have notice of any information contained in any such Annual Report or event of default which may be disclosed therein in any manner.

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 August 11, 2022, relating to the Bonds (the "Official Statement"), under the caption **THE UNIVERSITY OF ARKANSAS AT PINE BLUFF** with respect to Student Enrollment, Pledged Revenues and outstanding Bonds and Existing Parity Bonds.

(b) The annual audited financial statements of the Issuer, 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 incorporated 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.

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. modification to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
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 UAPB;
13. the consummation of a merger, consolidation or acquisition involving the Issuer or UAPB or the sale of all or substantially all of the assets of the Issuer or UAPB, 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 obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, 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 obligated person, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, within three (3) business days 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 timeframe 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 in writing to report the occurrence of a Listed Event, the Dissemination Agent shall file in a timely manner not in excess of three (3) business days after receiving notification from the Issuer of 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 subsections (a)(8) and (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 timeframe set forth in this 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).

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 upon thirty (30) days written notice to the then current Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time upon thirty (30) days written notice to the Issuer. 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; provided that the Trustee has specifically agreed to assume such duties in a separate written agreement. The initial Dissemination Agent shall be Simmons Bank, Pine Bluff, Arkansas.

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 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. Prior to executing any amendment or waiver, there shall be delivered to the Trustee and the Dissemination Agent an opinion of counsel, upon which the Trustee and Dissemination Agent shall conclusively rely, to the effect that such amendment or waiver is authorized or permitted by the terms of this Disclosure Agreement.

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.

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 and upon receiving indemnity satisfactory to the Trustee, shall), or any Owner 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.

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 shall not be liable for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder other than for its gross negligence or willful misconduct. Notwithstanding any provision herein to the contrary, in no event shall the Dissemination Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Dissemination Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. 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 no implied covenants or obligations shall be read into this Disclosure Agreement against the Dissemination Agent. 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, costs and expenses) 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 the termination of this Disclosure Agreement or the sooner resignation or removal of the Dissemination Agent and payment of the Bonds.

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
Telephone: 501-686-2923

with a copy to:

Board of Trustees of the University of Arkansas
University of Arkansas at Pine Bluff
1200 North University Drive
Pine Bluff, Arkansas 71601
Attention: Vice Chancellor for Finance and Administration
Telephone/Fax: 870-575-8873/870-575-4648

and a copy to:

University of Arkansas System General Counsel
2404 North University Avenue
Little Rock, Arkansas 72207
Attention: General Counsel
Telephone: 501-686-2520

To the Dissemination Agent or the Trustee:

Simmons Bank
501 S. Main Street
Pine Bluff, Arkansas 71601
Attention: Corporate Trust Department
Telephone/Fax: 870-541-1424/870-541-1418

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.

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.

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.

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

[Signature Page Follows]

Dated: As of August 25, 2022

BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS

By: ________________________________
Donald R. Bobbitt, President

SIMMONS BANK, as Dissemination Agent

By: ________________________________
Authorized Officer

SIMMONS 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 Various Facilities Revenue Bonds (UAPB Campus), Series 2022
Date of Issuance:	August 25, 2022

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 August 25, 2022.

Dated: _____________, ____

SIMMONS BANK,
as Dissemination Agent

BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS • VARIOUS FACILITIES REVENUE BONDS (UAPB CAMPUS), SERIES 2022

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