UNIVERSITY OF ARKANSAS

2024–2025 FINANCIAL REPORT




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UNIVERSITY OF
ARKANSAS



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A MESSAGE FROM UNIVERSITY LEADERS



Charles F. Robinson, Ph.D.
Chancellor



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



Ann Bordelon
Executive Vice Chancellor for Finance and Administration

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

Reaching Higher for Student Success

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

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

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

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

Reaching Higher in Research and Innovation

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

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

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

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

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

Reaching Higher as an Employer of Choice

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

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

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

Better Together

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

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

Go Hogs!

Charles F. Robinson, Ph.D.
Chancellor

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

Ann Bordelon
Executive Vice Chancellor for Finance and Administration

INDEPENDENT AUDITOR'S REPORT

Arkansas

Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

University of Arkansas, Fayetteville
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of The University of Arkansas Fayetteville Campus Foundation, Inc. (UAF Campus Foundation) and The Razorback Foundation, Inc. (Razorback Foundation), which represent 100% of the assets and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the UAF Campus Foundation and the Razorback Foundation, is based solely on the reports of the other auditors. The financial statements of the UAF Campus Foundation and the Razorback Foundation were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Comparative Information

The financial statements include partial prior-year comparative information, which has been derived from a complete set of financial statements. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2024, from which such partial information was derived. We have previously audited the University's 2024 financial statements, and we expressed unmodified opinions on the respective financial statements of the business-type activities and the aggregate discretely presented component units in our report dated December 3, 2024. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Message from University Leaders, University Officials, and Board of Trustees sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

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

ARKANSAS LEGISLATIVE AUDIT



Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
November 17, 2025
EDHE13525



MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

INTRODUCTION

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

OVERVIEW OF THE FINANCIAL REPORT AND FINANCIAL ANALYSIS

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

The University has two legally separate foundations that are discretely presented in its financial statements: The University of Arkansas Fayetteville Campus Foundation, Inc. and the Razorback Foundation, Inc. that meet the criteria set forth for component units under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Both foundations provide financial support for the objectives, purposes, and programs of the University. Although the University does not control the timing, purpose or amount received by the foundations, the resources (and income thereon) they hold and invest are dedicated to benefit the University. Because these resources held by the foundations can only be used by, or for the benefit of, the University, they are considered component units and are discretely presented in the financial report. Additional information about component units is provided in Note 1 "Summary of Significant Accounting Policies".

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

STATEMENT OF NET POSITION

The Statement of Net Position provides a fiscal snapshot of the University as of the end of the fiscal year. All assets (property that the University owns and what the University is owed by others), deferred outflows of resources (consumption of net position by the University that is applicable to a future reporting period), liabilities (what the University owes to others and has collected from others

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

Net Position is presented in four categories:

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

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

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

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

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

CONDENSED SUMMARY OF NET POSITION

(in thousands)

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

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

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

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

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

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

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

CONDENSED CHANGES IN CAPITAL ASSETS

(in thousands)

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

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

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

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

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

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

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

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

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

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

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

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position present the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for operating revenues and to conduct the mission of the University. Nonoperating revenues are revenues received for which goods and services are not provided. In accordance with GASB standards, significant recurring sources of university revenue such as state appropriations, gifts, investment income, and certain grants and contracts are reported as nonoperating revenues. As a result, the operating loss of $387.8 million highlights the University's dependency on nonoperating revenues to meet the costs of operations and provide funds for the acquisition of capital assets. The utilization of capital assets is reflected in the statement as depreciation, which amortizes the cost of an asset over its expected useful life. Changes in total net position, as presented by the Statement of Net Position, is based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The statement presents the revenues earned by the University, both operating and nonoperating, and the expenses incurred by the University, both

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

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

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

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

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

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

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

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

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

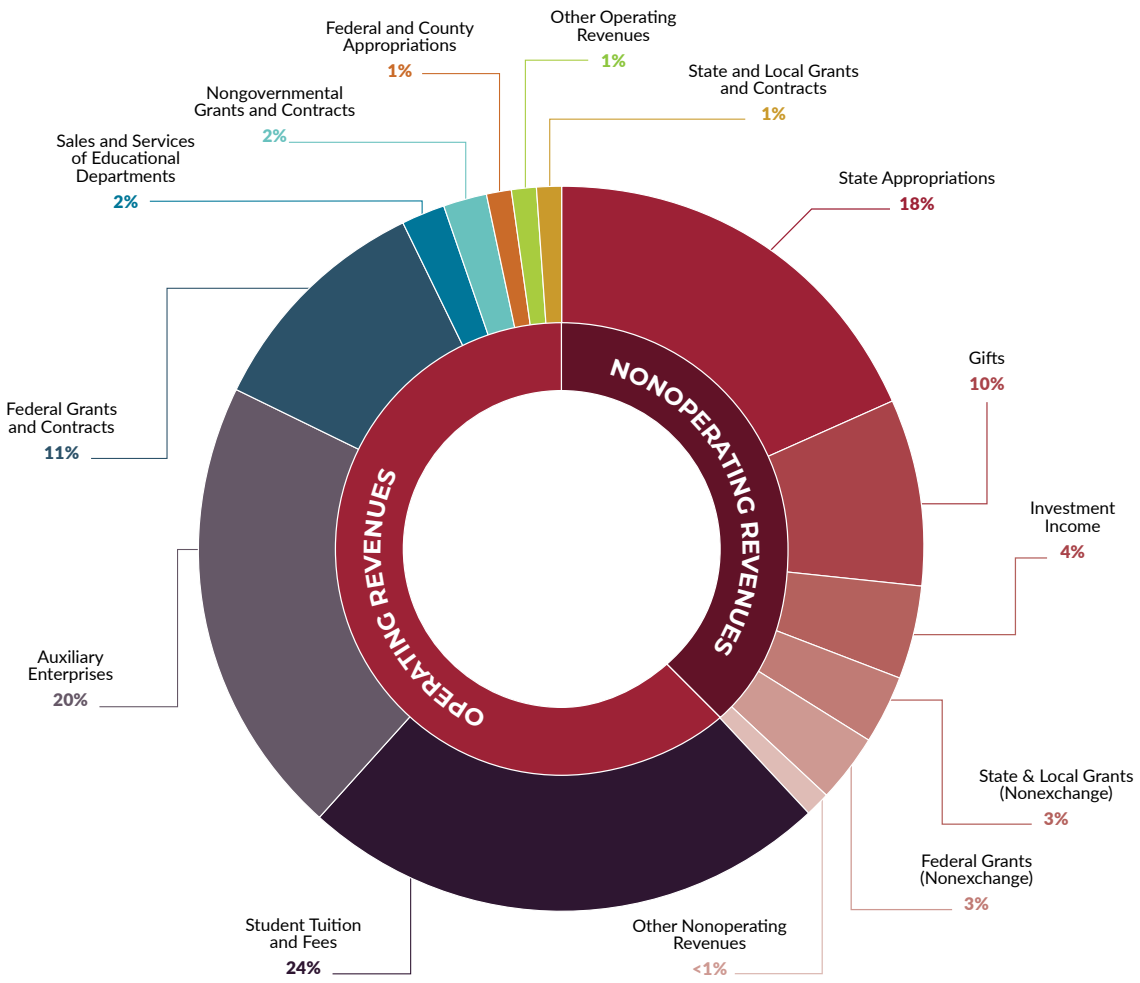
Scholarships and fellowships increased approximately $1.7 million. This increase is reflective of additional expenses directly driven by increased enrollment.

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

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

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

2025 OPERATING AND NONOPERATING REVENUES

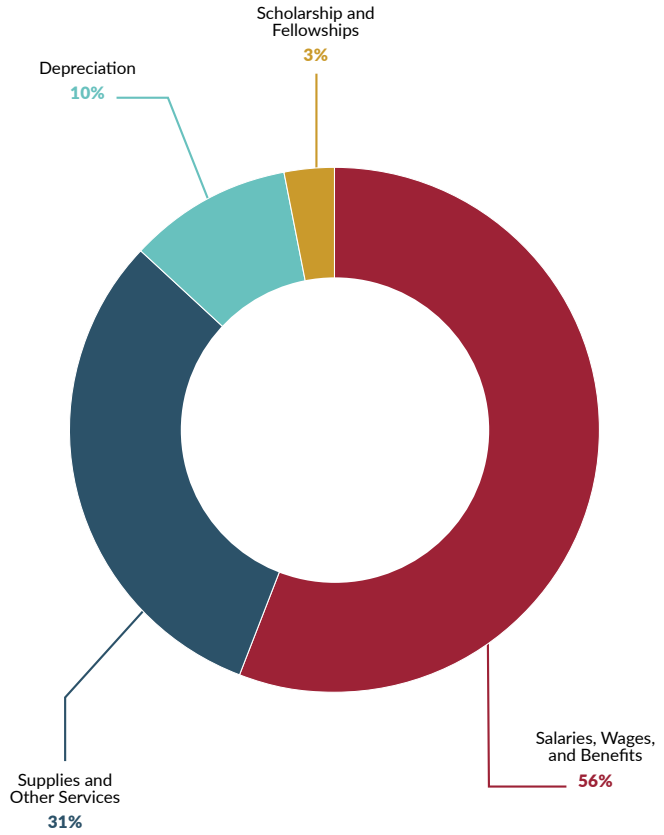


FINANCIAL HIGHLIGHTS

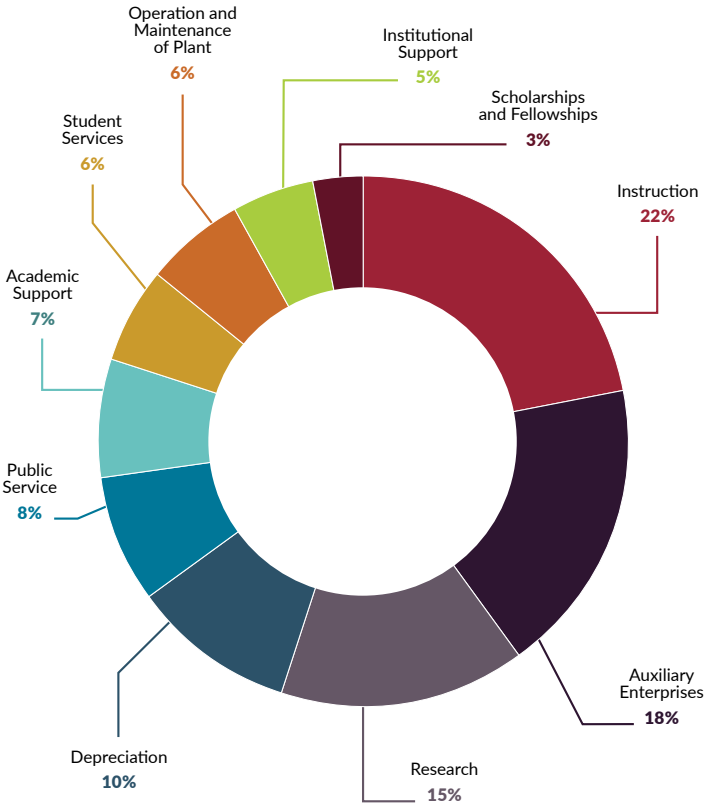
OPERATING REVENUES (in thousands)		2025
Student Tuition and Fees	$	318,574
Auxiliary Enterprises		269,194
Federal Grants and Contracts		141,824
Sales and Services of Educational Departments		31,798
Nongovernmental Grants and Contracts		20,599
Federal and County Appropriations		17,750
Other Operating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

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

2025 OPERATING EXPENSES BY NATURAL CLASSIFICATION



2025 OPERATING EXPENSES BY FUNCTION



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

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

SIGNIFICANT CHANGES IN CAPITAL ASSETS & LONG-TERM DEBT ACTIVITY

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

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

CHANGE IN NET INVESTED IN CAPITAL ASSETS

(in thousands)

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

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

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

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

- **I³R Research Facility**—A new campus research facility to serve as a home to the Institute for Integrative & Innovative Research (I³R). The facility is approximately 135,000 gross square feet and located on the main campus. The project cost was $120.2 million, which was funded from gifts, University reserves, and bonds.
- **Mullins Library Renovation First and Second Floors**—The renovation consisted of installing fire sprinklers, abating asbestos, and renovating 166,000 square feet on the first and second floors to upgrade study and collaboration spaces as well as special collections. The project cost was $38.5 million which was funded from gifts, bond proceeds, and University reserves. With the reonvations of the third and fourth floors completed July 2021, the interior of the facility is fully renovated.

Ongoing construction and new projects beginning in 2025 include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CONDITIONS AND OTHER FACTORS HAVING A SIGNIFICANT EFFECT

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

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

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

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

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

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

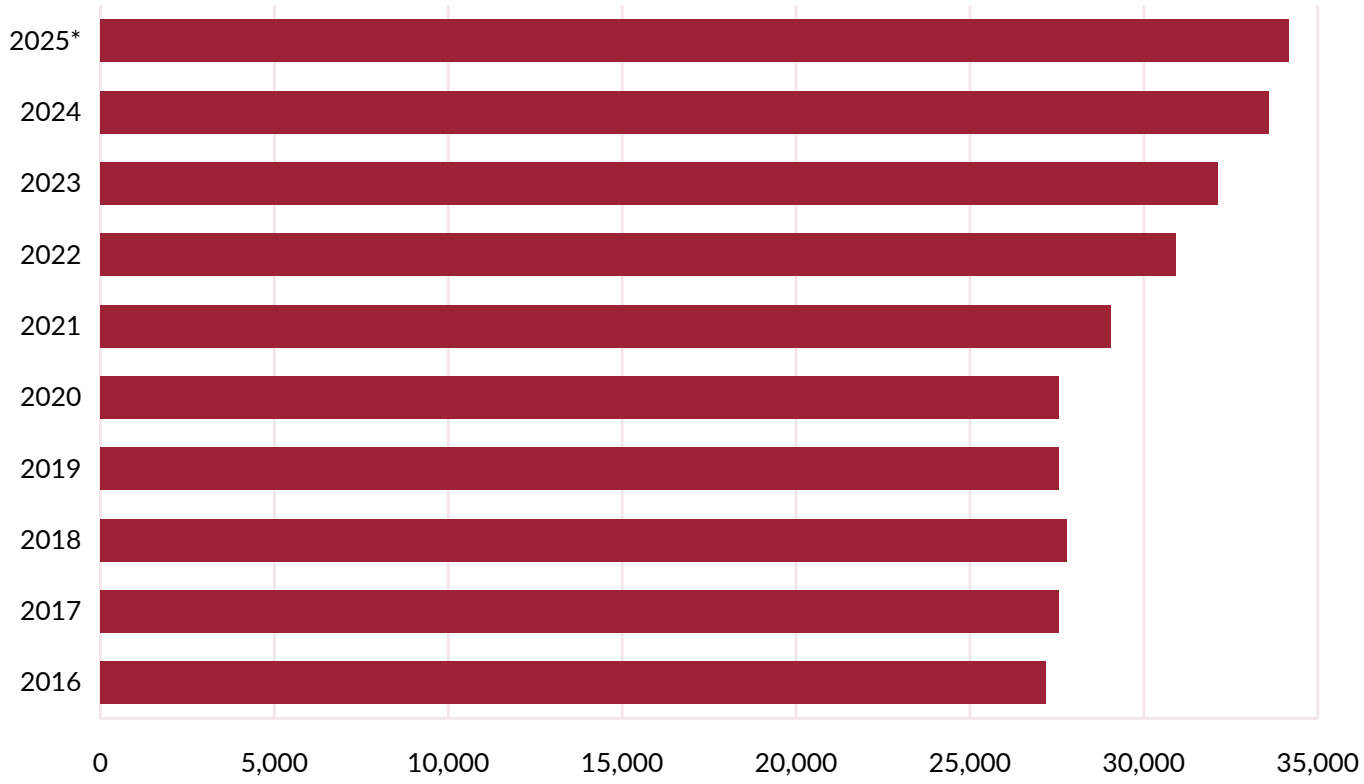
Preliminary figures indicate that the University enrolled 34,175 students for the Fall 2025 semester. This represents an overall increase of 1.7% over the previous year. This includes a record number of Arkansans totaling 16,600 students. The University also continues to set new records for retention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

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

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



ENROLLMENT TREND OVER THE LAST 10 YEARS

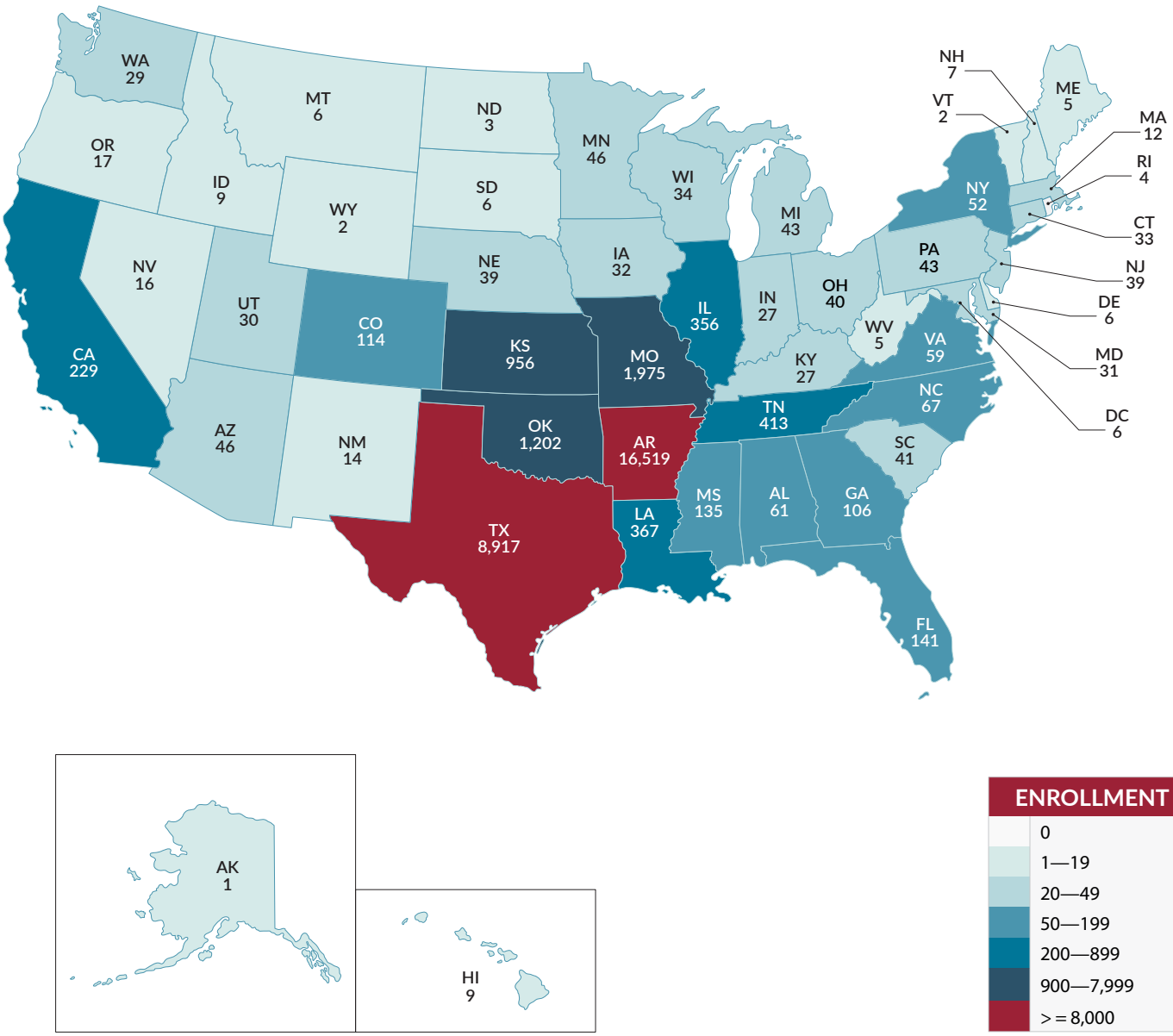


FALL SEMESTER ENROLLMENT										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Totals	**27,194**	**27,558**	**27,778**	**27,559**	**27,562**	**29,068**	**30,936**	**32,140**	**33,610**	**34,175**
Undergraduate	22,548	23,044	23,386	23,025	22,825	24,265	26,269	27,472	28,859	29,262
Law	371	353	368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

Per the Office of Strategic Analytics & Insights .

**Fall 2025 figures are preliminary*

FALL 2024 ENROLLMENT BY LEGAL RESIDENCE STATE

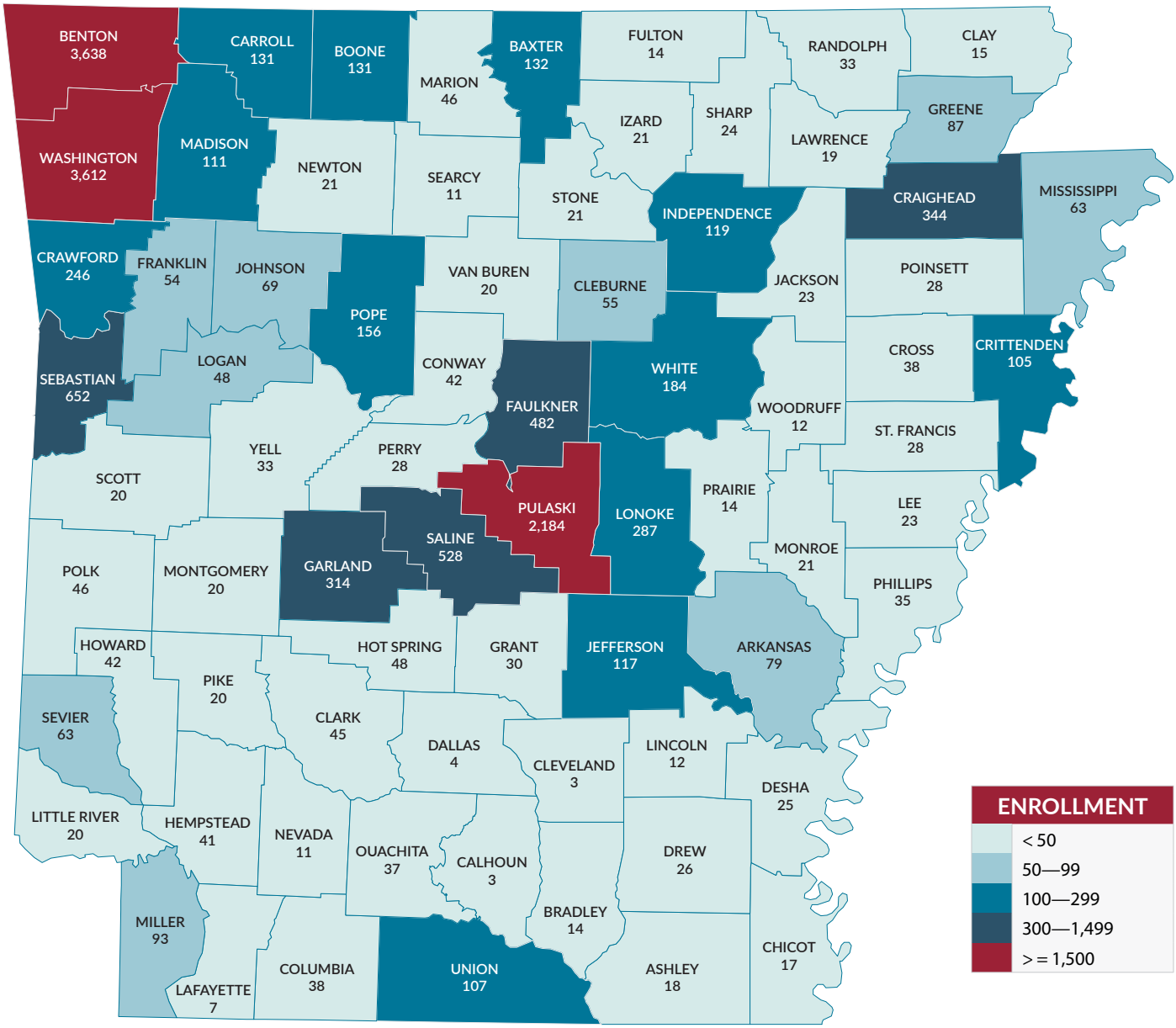


INTERNATIONAL ENROLLMENTS

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

FALL 2024 ENROLLMENT BY ARKANSAS COUNTY

In-State Enrollment, All Levels



NOTES

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

STATEMENT OF NET POSITION

June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

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

STATEMENT OF NET POSITION (CONTINUED)

June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

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

See Accompanying Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ending June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

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

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

For the Year Ending June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

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

See Accompanying Notes To Financial Statements.

STATEMENT OF CASH FLOWS—DIRECT METHOD

for the Year Ending June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

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

STATEMENT OF CASH FLOWS—DIRECT METHOD (CONTINUED)

for the Year Ending June 30, 2025

with comparable figures at June 30, 2024

(in thousands)

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

See Accompanying Notes to Financial Statements.

DISCRETELY PRESENTED COMPONENT UNITS

The University of Arkansas Fayetteville Campus Foundation, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

(in thousands)

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

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

(in thousands)

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

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

(in thousands)

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

DISCRETELY PRESENTED COMPONENT UNITS

The Razorback Foundation, Inc.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2025 and 2024

(in thousands)

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

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

(in thousands)

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

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

(in thousands)

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



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1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1A NATURE OF THE ORGANIZATION

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

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

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

The university is governed by a 10 member Board of Trustees which has been accorded constitutional status for the exercise of its powers and authority by Amendment 33 to the Arkansas Constitution. The Board of Trustees has delegated to the President the administrative authority for all aspects of the university's operations. Administrative authority is further delegated to the Chancellors, the Vice President for Agriculture, the Dean of the Clinton School, the Director of the Criminal Justice Institute, the Director of the Archeological Survey, and the Executive Director of the Arkansas Research and Education Optical Network who have responsibility for the programs and activities of the respective campus or state-wide operating division.

1B FINANCIAL REPORTING ENTITY

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

For purposes of financial reporting, the primary government of the university includes the academic units in Fayetteville, the University of Arkansas Division of Agriculture (UADA), the Arkansas Archeological Survey (AAS), the Criminal Justice Institute (CJI), the Clinton School of Public Service (CSPS), and the Arkansas Research Education Optical Network (ARE-ON). The academic units in Fayetteville include 10 colleges, schools and divisions: the Dale Bumpers College of Agricultural, Food, and Life Sciences, the Fay Jones School of Architecture and Design, the J. William Fulbright College of Arts and Sciences, the Sam M. Walton College of Business, the College of Education and Health Professions, the College of Engineering, the School of Law, the Honors College, the Graduate School and International Education, and the Global Campus.

1C DISCRETELY PRESENTED COMPONENT UNITS

Under the provisions of the GASB statements discussed above, the university has identified two organizations that should be reported as component units based on the nature and significance of their relationship with the primary government. The qualifying organizations are the University of Arkansas Fayetteville Campus Foundation, Inc. and the Razorback Foundation, Inc. Although the university does not control the timing or amount of receipts from any of these foundations, most resources or income thereon which the foundations hold and invest is restricted to the activities of the university by donors.

Because these restricted resources held by the foundations can be used only by, or for the benefit of, the university, and their individual net assets are considered as having met the financial accountability criteria of GASB Statement No. 39 by management, these foundations are considered component units of the university and are discretely presented in the university's financial statements.

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

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

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

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

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

1D BASIS OF PRESENTATION

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

1E BASIS OF ACCOUNTING

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

1F USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows, deferred outflows, revenues, and expenses at the date of the financial statements. Significant estimates include separation of accrued compensated absences between current and noncurrent and depreciation expense. Actual results could differ from those estimates.

1G CASH AND CASH EQUIVALENTS

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

1H INVESTMENTS

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

1I ACCOUNTS RECEIVABLE

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

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

1J INVENTORIES

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

1K CAPITAL ASSETS

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

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

In accordance with the university's capitalization policy, equipment includes all furniture, fixtures, and equipment with a unit cost of $5,000 or more and an estimated useful life of one year or more.

Intangible assets are capitalized when the cost is $500,000 or more for purchased software, $1,000,000 or more for internally developed software, or $250,000 or more for easements, land use rights, trademarks and copyrights, and patents.

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

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



primary mission of the department. The inventory value placed on the animals is determined by department heads utilizing current market prices and breeding and research intangibles.

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

1L DEFERRED OUTFLOWS OF RESOURCES

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

1M ADVANCE RECEIPTS

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

1N NONCURRENT LIABILITIES

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

10 DEFERRED INFLOWS OF RESOURCES

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

1P PENSIONS

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

1Q NET POSITION

The university's net position is classified as follows:

- **NET INVESTED IN CAPITAL ASSETS:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **RESTRICTED:**
  Nonexpendable: Portion subject to externally imposed stipulations that they be maintained permanently by the university. Such assets include the university's permanent endowment funds.
  Expendable: Portion whose use by the university is subject to externally imposed stipulations that can be fulfilled by actions of the university pursuant to those stipulations or that expire by the passage of time. There is no formal policy requiring restricted net position to be used either before or after unrestricted net position that may be used for the same purpose. Responsible officials determine at the time funds are expended whether to use any unrestricted net position that may be available.
- **UNRESTRICTED:** Portion that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and research programs and initiatives as well as capital programs.

1R CLASSIFICATION OF REVENUES

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

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

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

1S SCHOLARSHIP DISCOUNTS AND ALLOWANCES

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

1T ENCUMBRANCES

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

1U NEW ACCOUNTING PRONOUNCEMENTS

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

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

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

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

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

2 CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

2A CASH AND CASH EQUIVALENTS

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

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

CASH AND CASH EQUIVALENTS

(in thousands)

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

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



2B INVESTMENTS

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

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

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

Investment Risk

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

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

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

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

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

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

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

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

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

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

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

2C EXTERNAL INVESTMENT POOL—UNIVERSITY OF ARKANSAS SYSTEM

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

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

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

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

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

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



UNIVERSITY OF ARKANSAS EXTERNAL INVESTMENT POOL

Statement of Invested Assets
(in thousands)

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

**Includes accrued income*

CREDIT RISK—S&P QUALITY RATINGS

June 30, 2025
(in thousands)

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

**Does not include accrued income*

YEARS TO MATURITY

June 30, 2025
(in thousands)

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

**Does not include accrued income*

INTEREST RATE SENSITIVITY—EFFECTIVE DURATION

June 30, 2025
(in thousands)

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

**Does not include accrued income*

FOREIGN CURRENCY RISK BY INVESTMENT TYPE

June 30, 2025
(in thousands)

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

**Includes accrued income*

Short-Term Investment Fund Pool

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

UNIVERSITY OF ARKANSAS SYSTEM SHORT-TERM INVESTMENT FUND POOL

Statement of Invested Assets
(in thousands)

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

**Includes accrued income*

CREDIT RISK—S&P QUALITY RATINGS

June 30, 2025
(in thousands)

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

**Does not include accrued income*

YEARS TO MATURITY

June 30, 2025
(in thousands)

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

**Does not include accrued income*

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

**Does not include accrued income*

2D DONOR-RESTRICTED ENDOWMENTS

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

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

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

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

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

3 RECEIVABLES

3A ACCOUNTS RECEIVABLE

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

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

ACCOUNTS RECEIVABLE
June 30, 2025
(in thousands)

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

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

ACCOUNTS RECEIVABLE
June 30, 2024
(in thousands)

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

3B NOTES RECEIVABLE

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

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

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

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

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

3C PLEDGES RECEIVABLE

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

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

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

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

4 CAPITAL ASSETS

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

CAPITAL ASSETS

June 30, 2025
(in thousands)

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

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

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

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

Museum Collection

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



5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable balances are summarized as follows:

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

Accrued payroll liabilities are summarized as follows:

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

6 SHORT-TERM BORROWING

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



7 COMPENSATED ABSENCES

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

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

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

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

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

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

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

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

8 LEASES AND SBITAS

8A LEASES WHERE THE UNIVERSITY IS THE LESSEE

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

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

8B LEASES WHERE THE UNIVERSITY IS THE LESSOR

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

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

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

8C SBITAS

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

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



9 LONG-TERM DEBT

The retirement of some bond issues is secured by a specific pledge of certain gross revenues, surplus revenues, and specific fees. Separate accounting is not required for these facilities under the provisions of the debt instruments; accordingly, segment reporting is not required for financial reporting purposes.

9A SCHEDULE OF LONG-TERM DEBT

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

LONG-TERM DEBT

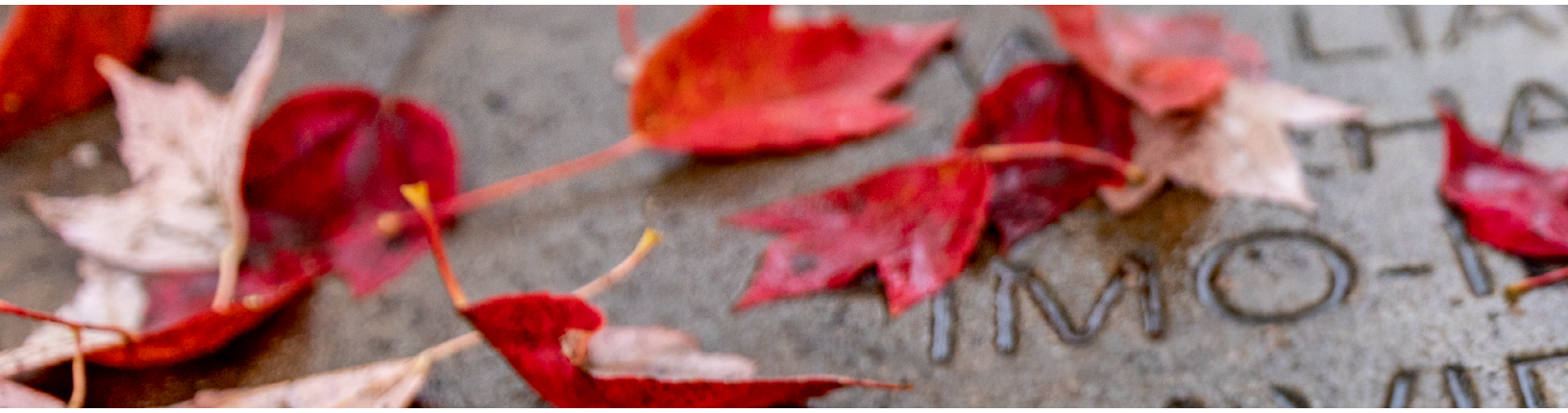
(in thousands)

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

LONG-TERM DEBT

(in thousands)

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



9B SCHEDULE OF CHANGES IN LONG-TERM DEBT

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

CHANGES IN LONG-TERM DEBT

June 30, 2025
(in thousands)

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

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

CHANGES IN LONG-TERM DEBT

June 30, 2024
(in thousands)

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



9C FUTURE PRINCIPAL AND INTEREST PAYMENTS

Scheduled maturities of bonds are as follows:

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

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

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

Scheduled maturities of leases and SBITAs are as follows:

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



9D PLEDGED REVENUES

For purposes of extinguishing the university's long-term debt issues, certain revenues have been pledged as security.

The following is a summary of the gross revenues collected during the fiscal years ended June 30, 2025 and June 30, 2024 that are pledged:

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

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

***Applicable for 2024 only.*

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

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

9E FISCAL YEAR 2025 LONG-TERM DEBT TRANSACTIONS

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

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

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

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

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

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

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

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

9F FISCAL YEAR 2024 LONG-TERM DEBT TRANSACTIONS

On August 3, 2023, the university issued $10,260,000 in Athletic Facilities Revenue Bonds (Fayetteville Campus), Refunding Series 2023, with an interest rate of 5.00%. The proceeds of the bonds will be used to refund the Board's Athletic Facilities Revenue Bonds (Fayetteville Campus), Series 2013A (except for the September 15, 2023 maturity thereof), and to pay costs of issuance. Net bond proceeds and premiums of $10,649,000 from Series 2023 was deposited into an escrow account to retire the bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,021,000. This difference, reported in the accompanying financial statements as Deferred Outflows of Resources, will be amortized through fiscal year 2028. The university completed the refunding to reduce its total debt service payments over the next five years by $406,000 and to obtain a net present value economic gain of $400,000.

On August 17, 2023, the university issued $62,335,000 in Various Facility Revenue Bonds (Fayetteville Campus), Taxable Series 2023A, with interest rates between 4.751% and 5.467%. The bonds were issued to finance costs of certain capital improvements on or for the campus of the Fayetteville Campus including, without limitation, (a) the acquisition, construction, furnishing, and equipping of the Institute for Integrative and Innovative Research (I^3R), (b) the acquisition, construction, furnishing, and equipping of the Multi-User Silicon Carbide Research and Fabrication Facility (MUSiC), and (c) the acquisition of construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property for University of Arkansas, Fayetteville.On July 7, 2023, an Invitation to Tender Bonds for Purchase was released inviting owners of the following (collectively referred to herein as the Invited Bonds) to tender such bonds for purchase by the Board.

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



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

INVITED BONDS	AMOUNT OUTSTANDING	TENDERED AMOUNT	INTEREST RATE RANGE
Series 2016A Bonds	$ 77,055,000	$ 20,450,000	5.00%
Series 2017 Bonds	$ 87,910,000	$ 20,735,000	5.00%
Series 2019B Bonds	$ 131,080,000	$ 13,330,000	2.256% to 2.850%
Series 2021 Bonds	$ 160,350,000	$ 13,340,000	0.863% to 2.685%

A total of $68,699,000 was deposited into the escrow account upon closing. The purchase price to retire the bonds was funded with net bond proceeds and premiums from the Series 2023B Bonds of $67,923,000 and a contribution from the university of $776,000 representing the interest on the retired bonds accrued to the closing date of the Series 2023B Bonds. The combined refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $3,951,000. This difference, reported in the accompanying financial statements as Deferred Outflows of Resources, will be amortized through the fiscal year 2045. The university completed the refunding to reduce its total debt service payments over the next 23 years by $7,036,000 and to obtain an economic gain of $4,818,000.

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

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

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



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10 FAIR VALUE MEASUREMENTS

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The statement established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

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

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

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

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

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

The following table sets forth, by level within the valuation hierarchy, university invested funds, including amounts reported as deposits with bond trustees on the Statement of Net Position, at June 30, 2025:



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

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using a funds accounting technique or are provided by the security custodian. Securities classified in Level 3 are valued using par value on the face of the investments or provided by the security custodian. Life-interest in real estate classified in Level 3 is valued using an independent appraisal dated June 30, 2025.

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

1. *This type includes investments in a broadly diversified external investment pool. Pooled investments include allocations to global equities, both public and private, hedge funds, and bonds. The assets in the pool are accounted for at fair value determined according to the principles of the Financial Accounting Standards Board. A one-week notice is required for redemptions over $1 million. There is also a requirement for 30-days written notice if total withdrawals will exceed $25 million in any 30-day period.*
2. *This type includes investments in an external investment pool comprised of fixed income investments. The pooled investments are allocated primarily to intermediate and short-term government bonds and investment-grade corporate bonds. The pool also includes allocations to commercial paper, negotiable certificates of deposit, and money market funds. The assets in the pool are accounted for at fair value determined according to the principles of the Governmental Accounting Standards Board. A three-day notice is required for redemptions.*

11 NATURAL AND FUNCTIONAL CLASSIFICATIONS OF OPERATING EXPENSES

The following is a reconciliation of the natural classifications as presented in the Statement of Revenues, Expenses, and Changes in Net Position to the functional classifications for the year ended June 30, 2025:

OPERATING EXPENSES

June 30, 2025
(in thousands)

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

The following is a reconciliation of the natural classifications as presented in the Statement of Revenues, Expenses, and Changes in Net Position to the functional classifications for the year ended June 30, 2024:

OPERATING EXPENSES

June 30, 2024
(in thousands)

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

12 EMPLOYEE BENEFITS

12A RETIREMENT PLANS

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

University of Arkansas Retirement Plan

PLAN DESCRIPTION

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

CONTRIBUTIONS

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

Arkansas Public Employees Retirement System (APERS)

PLAN DESCRIPTION

The Arkansas Public Employees' Retirement System (APERS) is a cost-sharing, multiple-employer, defined benefit plan administered by the State of Arkansas. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The costs of administering the plan are paid out of investment earnings. The general administration and responsibility for the proper operation

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

BENEFITS PROVIDED

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

Members are eligible for full benefits under the following conditions:

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

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

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

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

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

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

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

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

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

CONTRIBUTIONS

Contribution requirements are set forth in ACA §24-4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered. Members who began service prior to July 1, 2005 and elected to remain in the Non-Contributory Plan are not required to make contributions to APERS. Members who began service on or after July 1, 2005 are required to participate in the Contributory Plan and contribute 5% of their salaries. Beginning July 1, 2022 and continuing each following fiscal year, the rate increases by 0.25% each July 1 until it reaches 7%.

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

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

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

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

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

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

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

NET PENSION DEFERRED INFLOWS AND OUTFLOWS

(in thousands)

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

Deferred outflows of resources of $1,091,000 is related to university contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the financial statements as follows:

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

ACTUARIAL ASSUMPTIONS

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

ACTUARIAL ASSUMPTIONS	
Actuarial Cost Method	Entry age normal
Amortization Method	Level of percent of payroll, closed
Remaining Amortization Period	16 years
Asset Valuation Method	4-year smoothed market; 25% corridor
Investment Rate of Return	7.15%
Salary Increases	3.25%—9.85% including inflation
Wage Inflation	3.25%
Post-Retirement Cost-of-Living Increases	3.00% annual compounded increase; For members first hired on or after July 1, 2022, the redetermined amount is the monthly benefit payable as of the preceding July 1 increased by the lesser of 3% or the percentage change in the Consumer Price Index for Urban Wage Earnings and Clerical Workers over the one-year period ending in the December preceding the redetermination date.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality Table	Based on RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017.
Average Remaining Service Life of All Members	3.6281

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

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

DISCOUNT RATE

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

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

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

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

PENSION PLAN FIDUCIARY NET POSITION

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

PAYABLES TO THE PENSION PLAN

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

Arkansas Teacher Retirement System (ATRS)

PLAN DESCRIPTION

The Arkansas Teacher Retirement System (ATRS) is a cost-sharing, multiple-employer, defined benefit pension plan administered by the State of Arkansas. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 266 of 1937. The costs of administering the plan are paid out of investment earnings. The general administration and responsibility for the proper operation of ATRS is vested in the 15 members of the Board of Trustees of the Arkansas Teacher Retirement System. Membership includes 11 members who are elected and consist of seven active members of ATRS with at least five years of actual service, three retired members receiving an annuity from ATRS, and one active or retired member from a minority racial ethnic group. There are also four ex-officio members, including the State Bank Commissioner, Treasurer of State, Auditor of State, and the Commissioner of Elementary and Secondary Education. ATRS issues a publicly available financial report that can be obtained at **https://www.artrs.gov/publications**.

BENEFITS PROVIDED

Benefit provisions are set forth in ACA §24-7 and may only be amended by the Arkansas General Assembly. ATRS provides retirement, disability and death benefits. Normal retirement benefits, paid monthly, are determined as a percentage of the member's highest three-year average compensation times the member's years of service.

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

CONTRIBUTORY:	
10 years or more of service	2.15%
Less than 10 years of service through 6/30/2018	2.15%
Less than 10 years of service after 7/1/2018	1.75%
NON-CONTRIBUTORY:	
10 years or more of service through 6/30/2019	1.39%
10 years or more of service beginning 7/1/2019	1.25%
Less than 10 years of service through 6/30/2018	1.39%
Less than 10 years of service after 7/1/2018	1.00%

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

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

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

Members are eligible for disability benefits with five years of credited service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Survivor benefits are payable to qualified survivors upon the death of an active member with five years of credited service. The monthly benefit paid to eligible spouse survivors is computed as if the member had retired and elected 100% Survivor Annuity. Minor child survivors receive a percentage of the member's highest salary earned. ATRS also provides a lump sum death benefit for active and retired members with 10 years of actual service. The amount for Contributory members will be up to $10,000 and up to $6,667 for Non-Contributory members.

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

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

CONTRIBUTIONS

Contribution requirements are set forth in ACA §24-7. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered.

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

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

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

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

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

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

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

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

NET PENSION DEFERRED INFLOWS AND OUTFLOWS

(in thousands)

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

Deferred outflows of resources of $76,000 is related to university contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the financial statements as follows:

AMORTIZATION OF OTHER DEFERRED INFLOWS AND OUTFLOWS

(in thousands)

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

ACTUARIAL ASSUMPTIONS

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

ACTUARIAL ASSUMPTIONS	
Actuarial Cost Method	Entry age normal
Amortization Method	Level of percent of payroll, closed
Amortization Period	30 years
Asset Valuation Method	4-year smoothed market; 20% corridor
Salary Increases	2.75—5.75% including inflation
Wage Inflation	2.75%
Investment Rate of Return	7.25% compounded annually
Post-Retirement Cost-of-Living Increases	3.00% simple
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.
Mortality Table	Pub-2010 Healthy Retired, General Disabled Retiree, and General Employee Mortality weighted tables were used for males and females. Mortality rates were adjusted for future mortality.
Average Remaining Service Life of All Members	4.8288

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

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

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

DISCOUNT RATE

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

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

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

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

PENSION PLAN FIDUCIARY NET POSITION

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

PAYABLES TO THE PENSION PLAN

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

OTHER PLANS

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

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

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

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

12B SELF-INSURANCE PLANS

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

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

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

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

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

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

12C LIFE INSURANCE PLAN

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

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

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



13 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

13A GENERAL INFORMATION ABOUT THE OPEB PLAN

PLAN DESCRIPTION

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

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

BENEFITS PROVIDED

The university offers postemployment health (including prescription drugs) and dental benefits to eligible retirees. Employees who retired on or before December 31, 2020 are eligible for life insurance coverage of $10,000. Employees retiring on or after January 1, 2021 are not eligible for this coverage. Health and dental benefits are provided in the university's self-funded plan sponsored by the Board of Trustees of the University of Arkansas System for current and pre-65 retired employees. Although benefits are also provided under the university's plan for the University of Arkansas Foundation, Inc., the Razorback Foundation, Inc., the University of Arkansas Technology Development Foundation, the Walton Arts Center, and the University of Arkansas Winthrop Rockefeller Institute, no postemployment benefit is accrued by the university for these private entities. Financial activities of the plan are reported in the University of Arkansas System consolidated financial report.

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

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

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

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

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

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

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

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

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

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

13B OPEB LIABILITY

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

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



14 RISK MANAGEMENT

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

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

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

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

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

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

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

The University of Arkansas does not purchase general liability, errors or omissions, or tort immunity for claims arising from third-party losses on university property as the University of Arkansas has sovereign immunity against such claims. Claims against the University of Arkansas for such losses are heard before the State Claims Commission. General liability coverage is purchased in cases where the University of Arkansas enters into a lease agreement to hold a function at a location not owned by the University of Arkansas.

There have been no reductions in insurance coverage from the prior fiscal year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

15 WALTON ARTS CENTER

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

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

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

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

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

16 OTHER ENTITIES

University of Arkansas Foundation, Inc.

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

CONDENSED STATEMENT OF FINANCIAL POSITION

(in thousands)

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

CONDENSED STATEMENT OF ACTIVITIES

(in thousands)

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

Arkansas Alumni Association, Inc.

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

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

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

University of Arkansas Technology Development Foundation

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

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

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

Arkansas 4-H Foundation, Inc.

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

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

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



17 RELATED PARTIES

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

18 COMMITMENTS AND CONTINGENCIES

CONSTRUCTION

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

OTHER COMMITMENTS

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

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

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

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

CONTINGENCIES

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

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

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

19 SUBSEQUENT EVENTS

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



REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

NOTES TO APERS SCHEDULES

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

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

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

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

Arkansas Public Employees Retirement System
(in thousands)

LAST TEN FISCAL YEARS

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

SCHEDULE OF UNIVERSITY CONTRIBUTIONS

Arkansas Public Employees Retirement System
(in thousands)

LAST TEN FISCAL YEARS

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

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

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

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

Arkansas Teacher Retirement System
(in thousands)

LAST TEN FISCAL YEARS

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

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

NOTES TO ATRS SCHEDULES

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

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

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

** Information is presented for those years for which it is available until a full 10-year trend is compiled. The amounts presented for each fiscal year were determined as of June 30 of the previous year.*

NOTES TO OPEB SCHEDULE

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

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

SCHEDULE OF UNIVERSITY CONTRIBUTIONS

Arkansas Teacher Retirement System
(in thousands)

LAST TEN FISCAL YEARS

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

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

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

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

(in thousands)

LAST EIGHT FISCAL YEARS*

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

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

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

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

UNIVERSITY OFFICIALS

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BOARD OF TRUSTEES

Kelly Eichler, Chair

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

Steve Cox, Vice Chairman

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

Ed Fryar, Ph.D., Secretary

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

Ted Dickey

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

Jeremy Wilson

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

Col. Nathaniel "Nate" Todd

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

Kevin Crass

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

Scott Ford

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

Randy Lawson

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

Judd Deere

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



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UNIVERSITY OF ARKANSAS

