



UNIVERSITY *of* ARKANSAS – FORT SMITH
FOUNDATION

University of Arkansas Fort Smith Foundation

**Financial Statements
June 30, 2025 and 2024
(With Independent Auditor's Report Thereon)**

University of Arkansas Fort Smith Foundation, Inc.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Audit Committee
University of Arkansas Fort Smith Foundation, Inc.
Fort Smith, Arkansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **University of Arkansas Fort Smith Foundation, Inc.** (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 opinion. 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 will always detect a material misstatement when it exists.

Board of Directors and Audit Committee
University of Arkansas Fort Smith Foundation, Inc.

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, 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 Foundation'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 Foundation'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The logo for Landmark PLC, featuring the word "Landmark" in a stylized, handwritten font above the letters "PLC" in a smaller, standard font.

Fort Smith, Arkansas
November 18, 2025

Financial Statements

University of Arkansas Fort Smith Foundation, Inc.

Statements of Financial Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 11,638,394	\$ 14,654,491
Grants receivable	153,606	-
Prepaid expenses	117,468	131,769
Total Current Assets	<u>11,909,468</u>	<u>14,786,260</u>
Other Assets		
Investments	134,220,582	124,091,649
Investments - restricted for annuity obligations	2,661,890	2,429,990
Investments - contribution receivable for assets held in charitable remainder unitrust	6,676,733	6,403,732
Total Other Assets	<u>143,559,205</u>	<u>132,925,371</u>
TOTAL ASSETS	<u><u>\$ 155,468,673</u></u>	<u><u>\$ 147,711,631</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable - trade	\$ 19,461	\$ 26,913
Other advanced receipts	-	8,537
Current annuity obligations	81,982	80,139
Total Current Liabilities	<u>101,443</u>	<u>115,589</u>
Long-Term Liabilities		
Long-term annuity obligations	378,344	393,058
Total Liabilities	<u>479,787</u>	<u>508,647</u>
Net Assets		
Without donor restrictions	15,603,377	19,257,952
With donor restrictions	139,385,509	127,945,032
Total Net Assets	<u>154,988,886</u>	<u>147,202,984</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 155,468,673</u></u>	<u><u>\$ 147,711,631</u></u>

University of Arkansas Fort Smith Foundation, Inc.

Statement of Activities Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 107,721	\$ 6,816,863	\$ 6,924,584
In-kind contributions	18,714	-	18,714
Interest and dividends on investments, net of fees	665,712	1,894,721	2,560,433
Net realized and unrealized gains	2,100,067	5,977,112	8,077,179
Change in value of split interest agreements	-	273,001	273,001
Grant income	153,606	-	153,606
Other income	-	29,395	29,395
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>3,550,615</u>	<u>(3,550,615)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>6,596,435</u>	<u>11,440,477</u>	<u>18,036,912</u>
EXPENSES			
Program services			
Transfers to the University:			
Scholarships	3,146,742	-	3,146,742
Other programs	6,242,258	-	6,242,258
Expenditures on behalf of the University:			
General operations	10,862	-	10,862
In-kind contributed services	-	-	-
Management and general	621,287	-	621,287
Fundraising			
Development operations	25,177	-	25,177
Fundraising activities	<u>204,684</u>	<u>-</u>	<u>204,684</u>
Total Expenses	<u>10,251,010</u>	<u>-</u>	<u>10,251,010</u>
CHANGE IN NET ASSETS	<u>(3,654,575)</u>	<u>11,440,477</u>	<u>7,785,902</u>
NET ASSETS, BEGINNING OF YEAR	<u>19,257,952</u>	<u>127,945,032</u>	<u>147,202,984</u>
NET ASSETS, END OF YEAR	<u>\$ 15,603,377</u>	<u>\$ 139,385,509</u>	<u>\$ 154,988,886</u>

University of Arkansas Fort Smith Foundation, Inc.

Statement of Activities Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 11,394	\$ 6,878,230	\$ 6,889,624
In-kind contributions	44,889	-	44,889
Interest and dividends on investments, net of fees	946,201	2,693,032	3,639,233
Net realized and unrealized gains	2,068,585	5,887,512	7,956,097
Change in value of split interest agreements	-	385,780	385,780
Other income	360,050	26,049	386,099
Net assets released from restrictions:			
Satisfaction of program restrictions	2,777,442	(2,777,442)	-
Total Revenues, Gains and Other Support	6,208,561	13,093,161	19,301,722
EXPENSES			
Program services			
Transfers to the University:			
Scholarships	2,389,916	-	2,389,916
Other programs	3,399,837	-	3,399,837
Expenditures on behalf of the University:			
General operations	8,904	-	8,904
In-kind contributed services	1,139	-	1,139
Management and general	502,122	-	502,122
Fundraising			
Development operations	25,177	-	25,177
Fundraising activities	54,723	-	54,723
Total Expenses	6,381,818	-	6,381,818
CHANGE IN NET ASSETS	(173,257)	13,093,161	12,919,904
NET ASSETS, BEGINNING OF YEAR	19,431,209	114,851,871	134,283,080
NET ASSETS, END OF YEAR	\$ 19,257,952	\$ 127,945,032	\$ 147,202,984

University of Arkansas Fort Smith Foundation, Inc.

Statement of Functional Expenses Year ended June 30, 2025

	Program Activities		Supporting Activities		
	Transfers to the University	Expenditures on Behalf of the University	Management and General	Fundraising	Total
Advertising and marketing	\$ 185,133	\$ 5,240	\$ 42,598	\$ 10,934	\$ 243,905
Annuities liability adjustments	86,789	-	-	-	86,789
Bank service charges	100	-	7,697	-	7,797
Contract labor	2,796,497	22	1,078	2,021	2,799,618
Dues, membership and fees	16,643	-	15,617	2,316	34,576
In-kind contributed services	18,714	-	-	-	18,714
Insurance	(1,042)	-	7,951	-	6,909
Maintenance agreements	593	-	3,600	-	4,193
Official functions	203,073	4,153	22,814	60,637	290,677
Other expenses	163,428	-	2,925	-	166,353
Personnel cost reimbursement	1,714,271	-	-	-	1,714,271
Postage and freight	11,850	-	2,358	1,156	15,364
Professional fees	55,931	-	406,232	96,946	559,109
Printing, publications, and subscriptions	11,198	-	8,491	17,073	36,762
Rentals and leases	14,063	-	10,000	5,805	29,868
Scholarships and assistance	3,146,742	-	-	-	3,146,742
Sponsorships	69,725	1,000	38,000	550	109,275
Supplies	716,935	447	14,743	10,901	743,026
Training and meeting	32,555	-	12,753	12,960	58,268
Travel and mileage	145,802	-	24,430	8,562	178,794
Total Expenses	\$ 9,389,000	\$ 10,862	\$ 621,287	\$ 229,861	\$ 10,251,010

University of Arkansas Fort Smith Foundation, Inc.

Statement of Functional Expenses Year ended June 30, 2024

	Program Activities		Supporting Activities		
	Transfers to the University	Expenditures on Behalf of the University	Management and General	Fundraising	Total
Advertising and marketing	\$ 37,721	\$ 746	\$ 209	\$ 14,656	\$ 53,332
Annuities liability adjustments	68,850	-	14,665	-	83,515
Bank service charges	4,530	-	3,276	-	7,806
Contract labor	926,866	-	4,581	465	931,912
Dues, membership and fees	19,717	-	15,219	185	35,121
In-kind contributed services	43,750	1,139	-	-	44,889
Insurance	-	-	5,367	-	5,367
Maintenance agreements	10,369	-	-	-	10,369
Official functions	75,410	3,830	28,229	30,001	137,470
Other expenses	199,997	-	-	1,695	201,692
Personnel cost reimbursement	1,322,644	-	-	-	1,322,644
Postage and freight	6,912	-	1,655	2,882	11,449
Professional fees	2,557	-	284,699	3,054	290,310
Printing, publications, and subscriptions	11,568	254	4,792	8,030	24,644
Rentals and leases	33,013	-	4,993	-	38,006
Scholarships and assistance	2,389,916	-	-	-	2,389,916
Sponsorships	40,450	-	38,800	-	79,250
Supplies	432,962	3,853	78,075	10,720	525,610
Training and meeting	23,342	221	3,251	4,634	31,448
Travel and mileage	139,179	-	14,311	3,578	157,068
Total Expenses	\$ 5,789,753	\$ 10,043	\$ 502,122	\$ 79,900	\$ 6,381,818

University of Arkansas Fort Smith Foundation, Inc.

Statements of Cash Flows

Years ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 7,785,902	\$ 12,919,904
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Noncash stock contributions	(2,274,256)	(3,948,103)
Net realized and unrealized gains		
on assets held in charitable remainder unitrust	(273,001)	(385,780)
Net realized and unrealized gains	(8,077,179)	(7,956,097)
Contribution restricted for investment in		
endowments with donor restrictions	(3,183,128)	(1,969,831)
Interest and dividends restricted for reinvestment	(282,431)	(388,731)
Change in:		
Grants receivable	(153,606)	-
Prepaid expenses	14,301	(131,769)
Accounts payable	(7,452)	(62,612)
Other advanced receipts	(8,537)	(91,630)
Annuities payable adjustment	55,278	67,070
Net Cash (Used For) Operating Activities	(6,404,109)	(1,947,579)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(41,849,257)	(56,525,560)
Proceeds from the sales and maturities of investments	41,839,859	55,355,778
Net Cash (Used For) Investing Activities	(9,398)	(1,169,782)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of annuity obligations	(68,149)	(101,774)
Proceeds from contribution restricted for investment in		
endowments with donor restrictions	3,183,128	1,969,831
Interest and dividends restricted for reinvestment	282,431	388,731
Net Cash From Financing Activities	3,397,410	2,256,788
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,016,097)	(860,573)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	14,654,491	15,515,064
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 11,638,394	\$ 14,654,491