National Park College

Hot Springs, Arkansas

Basic Financial Statements
and Other Reports

June 30, 2023

LEGISLATIVE JOINT AUDITING COMMITTEE

NATIONAL PARK COLLEGE
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JUNE 30, 2023

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National Park College
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 discretely presented component unit of National Park College (College), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report 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 discretely presented component unit of the College as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the National Park College Foundation, Inc. (Foundation), which represents 100% of the assets and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation is based solely on the report of the other auditors. The financial statements of the 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. 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 College 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 College'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 College'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 College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, certain information pertaining to postemployment benefits other than pensions, and certain information pertaining to pensions on pages 7-11, 39-40, and 41-42 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 Schedule of Selected Information for the Last Five Years (Schedule 1) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2024 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College'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 College's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
November 4, 2024
EDHE17523

Arkansas

Sen. David Wallace
Senate Chair
Sen. John Payton
Senate Vice Chair

Rep. Jimmy Gazaway
House Chair
Rep. Richard Womack
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

National Park College
Legislative Joint Auditing Committee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of National Park College (College), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 4, 2024. Our report includes a reference to other auditors who audited the financial statements of the National Park College Foundation, Inc. (Foundation), as described in our report on the College's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards,* and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation or that are reported on separately by those auditors who audited the financial statements of the Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of the state constitution, state laws and regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted a certain matter that we reported to management of the College in a separate letter dated November 4, 2024.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ARKANSAS LEGISLATIVE AUDIT

Matt Fink

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
November 4, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

National Park College
Legislative Joint Auditing Committee

STUDENT ENROLLMENT DATA – In accordance with Ark. Code Ann. § 6-60-209, we performed tests of the student enrollment data for the year ended June 30, 2023, as reported to the Arkansas Division of Higher Education, to provide reasonable assurance that the data was properly reported. The enrollment data reported was as follows:

	Summer II Term 2022	Fall Term 2022	Spring Term 2023	Summer I Term 2023
Student Headcount	74	2,340	1,959	506
Student Semester Credit Hours	274	24,315	20,361	3,333

During our review, nothing came to our attention that would cause us to believe that the student enrollment data was not substantially correct.

This letter is intended solely for the information and use of the Legislative Joint Auditing Committee, the governing board, College management, state executive and oversight management, and other parties as required by Arkansas Code, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT

Matt Fink

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
November 4, 2024

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National Park College is pleased to present its financial statements for the fiscal year ended June 30, 2023. There are three financial statements presented: the *Statement of Net Position*; the *Statement of Revenues, Expenses, and Changes in Net Position*; and the *Statement of Cash Flows*.

This discussion and analysis of the College's financial statements provides an overview of its financial activities for the year.

Statement of Net Position

The *Statement of Net Position* presents the assets, liabilities, and net position of the College as of June 30, 2023. The purpose of this statement is to present to the reader a fiscal snapshot of the year-end balances that were a result of the transactions posted during the fiscal year from July 1, 2022 through June 30, 2023. This statement also serves as a starting point for transactions that will occur for the next fiscal period. The assets and liabilities are broken down into current and noncurrent sections to provide information relative to the time required in converting noncash assets to cash or to cash equivalents or that may require the use of cash. The net position is the difference between assets and liabilities.

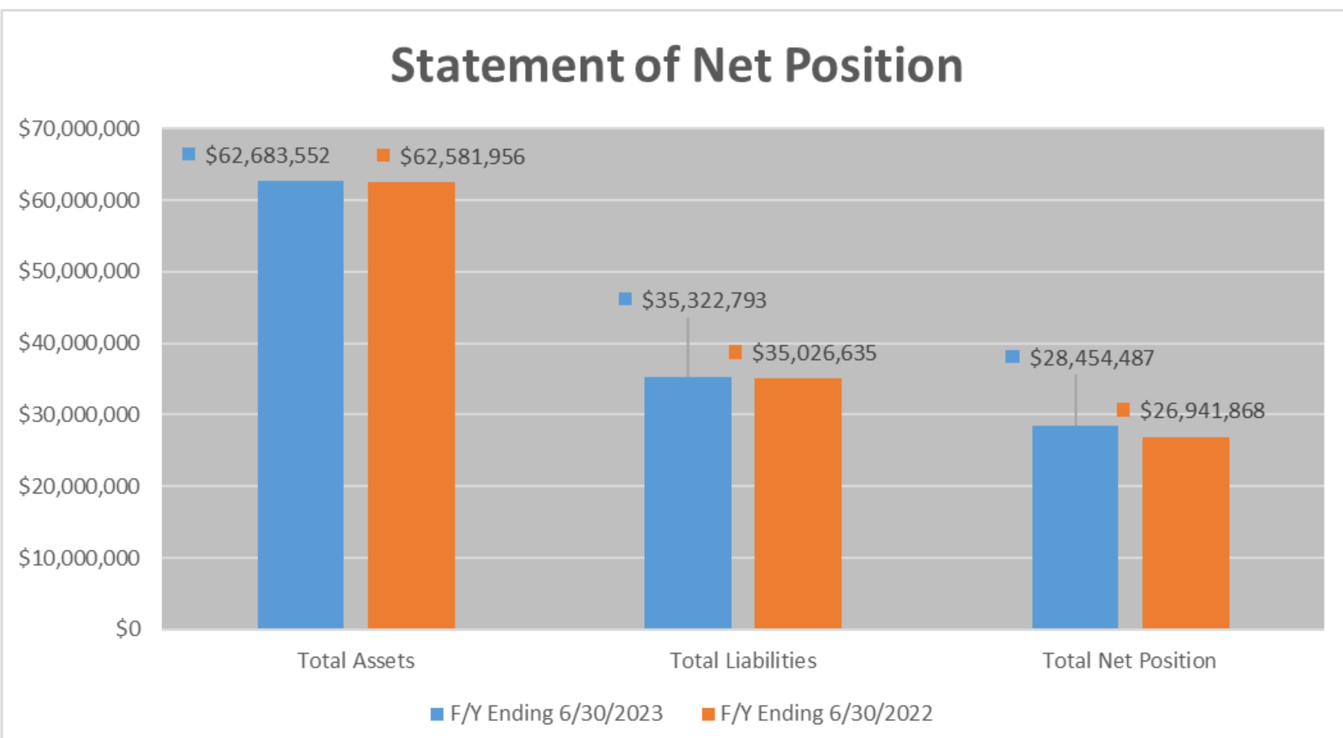
Readers of the *Statement of Net Position* can determine the assets available to continue the operations of the institution and how much the institution owes vendors, employees, and investors in the bonds of the College.

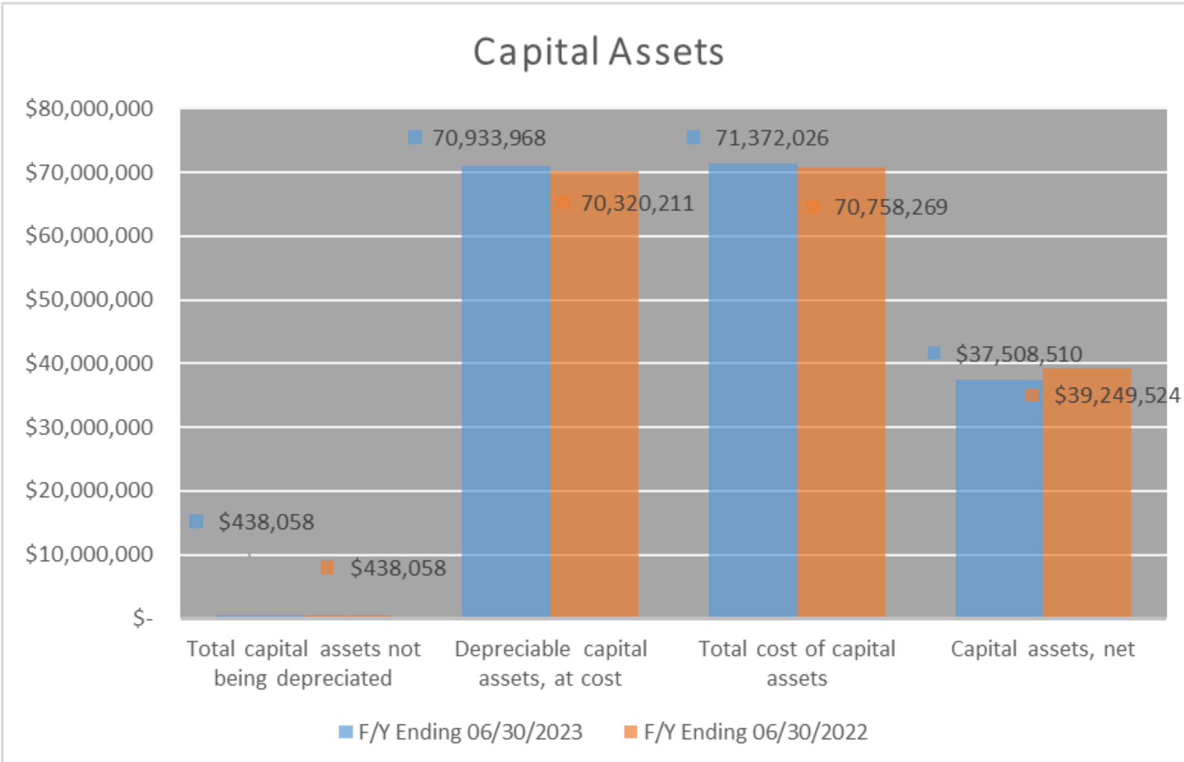
Net Position is divided into three major categories. *Net investment in capital assets, net of related debt* represents the College's capital assets after subtracting accumulated depreciation/amortization and the principal amount of outstanding debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position is divided into two categories: nonexpendable and expendable. *Nonexpendable restricted* represents funds that are externally restricted to specific purposes, such as student loans. *Expendable restricted* assets are available for expenditure by the institution but must be spent for purposes as determined by donor and/or external entities that have placed time or purpose restrictions on the use of the assets. *Unrestricted net position* is funds that the College has at its disposal to use for whatever purposes it deems appropriate.

Statement of Net Position
June 30, 2023 and 2022

	Year Ended June 30	
Assets:	**2023**	**2022**
Current assets	$19,545,200	$ 17,637,111
Capital assets, net	37,354,123	39,053,427
Other assets	5,784,229	5,891,418
Total Assets	$62,683,552	$ 62,581,956
Deferred Outflows of Resources	2,095,811	1,743,045
Total Assets and Deferred Outflows of Resources	$64,779,363	$64,325,001
Liabilities:		
Current liabilities	2,046,505	2,613,408
Non-current liabilities	33,276,288	32,413,227
Total Liabilities	$35,322,793	$35,026,635
Deferred Inflows of Resources	1,002,083	2,356,498
Total Liabilities and Deferred Inflows of Resources	$36,324,876	$37,383,133
Net Position:		
Net investment in capital assets	9,446,420	10,397,918
Restricted – expendable	3,906,754	3,920,610
Unrestricted	15,101,313	12,623,340
Total Net Position	$ 28,454,487	$ 26,941,868




Capital Assets
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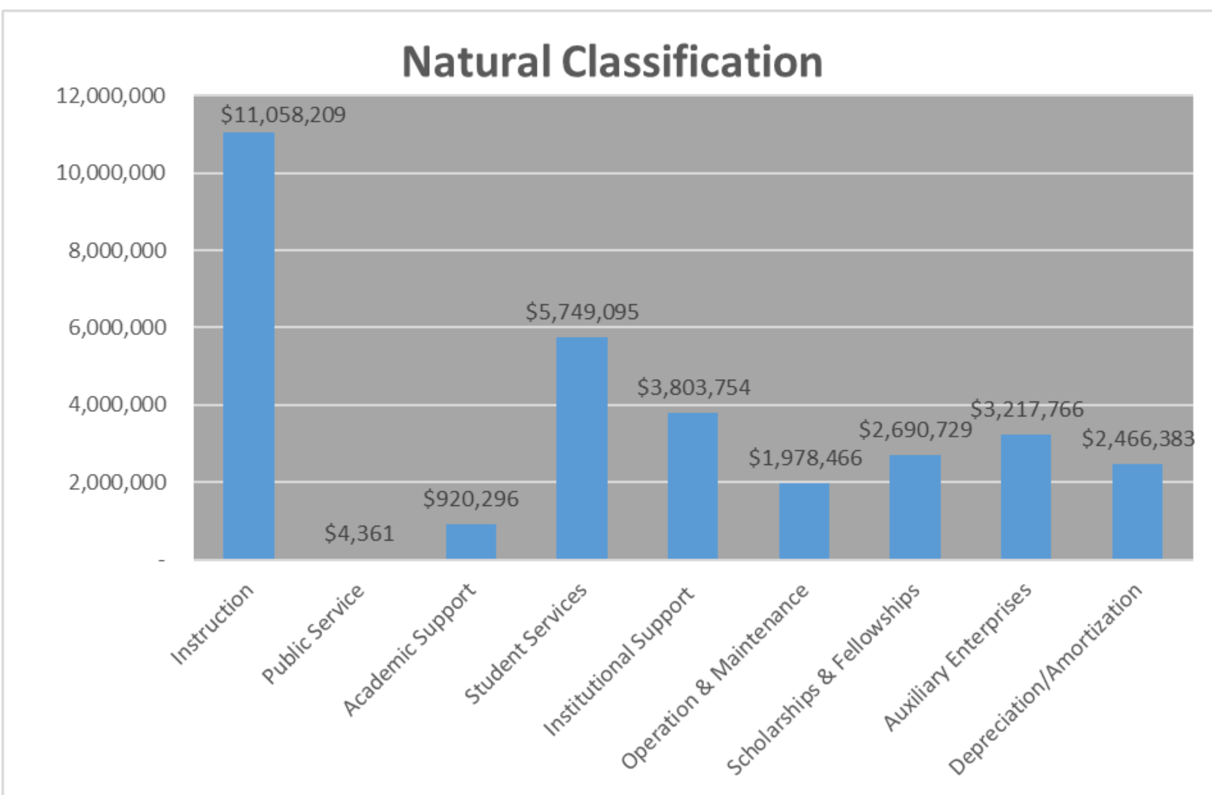
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
$438,058
$438,058
70,933,968
70,320,211
71,372,026
70,758,269
$37,508,510
$39,249,524
Total capital assets not being depreciated
Depreciable capital assets, at cost
Total cost of capital assets
Capital assets, net
F/Y Ending 06/30/2023
F/Y Ending 06/30/2022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10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
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$920,296
$5,749,095
$3,803,754
$1,978,466
$2,690,729
$3,217,766
$2,466,383
Instruction
Public Service
Academic Support
Student Services
Institutional Support
Operation & Maintenance
Scholarships & Fellowships
Auxiliary Enterprises
Depreciation/Amortization

Statement of Revenues, Expenses and Changes in Net Position

The changes in total net position as presented on the *Statement of Net Position* are based on the activity presented in the *Statement of Revenues, Expenses and Changes in Net Position*. The purpose of the statement is to present the revenues received and the expenses paid by the institution, both operating and non-operating, and any other revenues, expenses, gains or losses received or spent by the institution.

Operating revenues generally are received for providing goods and services to the various students and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Non-operating revenues are revenues received for which goods and services are not provided. For example, the Governmental Accounting Standards Board (GASB) considers state appropriations as non-operating revenues because the revenue is provided by the Legislature to the institution without the Legislature directly receiving commensurate goods and services.

Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2023

	Year Ended June 30	
	2023	**2022**
Operating revenues	$ 11,209,472	$ 9,405,490
Operating expenses	(31,889,058)	(36,129,825)
Operating loss	(20,679,586)	(26,724,335)
Non-operating revenues less expenses	22,192,205	26,555,235
Increase (decrease) in net position	$ 1,512,619	$ (169,100)
Lawsuit settlement		500,000
Net Position - Beginning of year	26,941,868	26,610,968
Net Position - End of year	$ 28,454,487	$26,941,868

Student tuition and fee revenues, as well as textbook sales, 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 College, and the amount that is paid by students and/or third parties making payments on the student's behalf. Federal PELL grants and other federal and state grants are recorded as revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fee, and book charges, the College has recorded a scholarship discount and allowance, thereby eliminating the double counting of revenue.

Capital Assets

The College had $71,372,026 in capital assets, net of accumulated depreciation/amortization of $33,863,516 as of June 30, 2023.

Major projects undertaken during the fiscal year include:

Equipment additions	$ 719,221
Library Holding additions	11,304
Right to Use Buildings	29,960
Total Capital Asset Additions	$ 760,485

Economic Outlook

National Park College (NPC) seeks to fulfill its vision to catalyze personal enrichment, economic growth, and community engagement by providing Garland County and the surrounding region with a comprehensive community college that creates numerous educational access points for students. The College offers a broad menu of programming to meet a wide variety of needs, including two-year degrees and certificates both on campus and online, bachelor's degrees through partnerships with universities, and noncredit programs such as apprenticeships and industry training.

Several indicators demonstrate robust economic progress in Arkansas. A recent article* stated that business growth in Arkansas has been rising in 2023, with new business listings up 26%. Arkansas' unemployment rate in July 2023 was 2.6%. However, Garland County has not experienced significant business growth and the unemployment rate was 3.5% in June of 2023, according to the Bureau of Labor Statistics. While low unemployment and steady business growth are positive indicators for the state, residents of Garland County still face individual challenges such as high poverty rates and low wages.

Garland County and the surrounding areas are low-income, rural, and primarily agricultural. About 41% of Garland County residents' highest level of educational attainment is a high school diploma or less. Over 14% of Garland County families fall below the poverty level. According to the US Census Bureau, the per capita income in 2021 was $29,214. NPC is a vital component for breaking the poverty cycle for Arkansans through education that affords them the potential for higher wage-earning careers. Ninety-two percent of NPC students received financial aid and support of some kind in FY 2023. NPC offers students a low-cost, high-return education. Whether students want to complete a two-year or four-year degree, an apprenticeship program, or non-credit workforce training that could increase career opportunities in their current jobs, NPC strives to offer a chance for student success.

The College's leadership is committed to closely monitoring conditions that could negatively impact the financial well-being of the institution. The College's Board of Trustees has a mandatory education and general reserve of $2,500,000, and the College's administration maintains additional reserves of at least $2,500,000 to ensure financial solvency. The College seeks to increase and diversify its funding resources by developing and implementing plans to secure outside funding from grants, partnerships, and philanthropic sources. NPC's strategy to practice conservative budgeting and spending while maintaining a sound market position and amplifying its strategic importance to the community helps to ensure positive operating performance.

NPC's future as a quality, comprehensive two-year community college remains bright, with many more successful years to come. NPC is strategic in addressing its financial future while providing the diversified, high-quality education and training opportunities that its service region needs.

It is the opinion of NPC's leadership that the following financial statements accurately measure the fiscal performance of the College's activities during the period July 1, 2022, through June 30, 2023.

Kelli Embry
Vice President for Administration/CFO

NATIONAL PARK COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2023

Exhibit A

		June 30, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$	16,653,888
Student accounts receivable less allowance of $970,707		1,288,013
Other receivables		1,290,128
Inventories		311,934
Prepaid expenses		1,237
Total Current Assets		19,545,200
Noncurrent Assets:		
Restricted cash and cash equivalents		4,492,445
Local tax millage receivable		898,285
Deposits and funds held by bond trustee		239,112
Right to use leased assets (net of amortization of $124,071)		154,387
Capital assets net of accumulated depreciation/amortization of $33,739,445		37,354,123
Total Noncurrent Assets		43,138,352
TOTAL ASSETS		**62,683,552**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on ATRS/APERS pensions		1,150,263
Deferred amount on Post Employment Health Insurance		928,019
Deferred loss of Bond Refunding		17,529
Total Deferred Outflows of Resources		2,095,811
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		**64,779,363**
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities		746,027
Unearned revenues		93,746
Current portion of bond issue premium		13,103
Current portion of compensated absences		96,251
Funds held in trust for others		128,148
Current portion of long-term debt		764,395
Current portion of leases payable		55,972
Current portion of Post employment healthcare/life benefits payable		148,863
Total Current Liabilities		**2,046,505**
Noncurrent Liabilities:		
Noncurrent portion of long-term debt		27,070,622
Noncurrent portion of leases payable		101,839
Noncurrent portion of bond issue premium		311,898
Noncurrent portion of compensated absences		835,370
Post employment healthcare/life insurance benefits payable		1,850,135
Net State pension liability		3,106,424
Total Noncurrent Liabilities		33,276,288
TOTAL LIABILITIES		**35,322,793**

NATIONAL PARK COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2023

Exhibit A

	June 30, 2023
DEFERRED INFLOWS OF RESOURCES	
Deferred amount on ATRS/APERS pensions	$ 469,679
Deferred amount on Post Employment Health Insurance	532,404
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**36,324,876**
NET POSITION	
Net investment in capital assets	9,446,420
Restricted for:	
Expendable:	
Debt service	3,491,928
Grants and contracts	414,826
Unrestricted	15,101,313
TOTAL NET POSITION	**$ 28,454,487**

The accompanying notes are an integral part of these financial statements.

NATIONAL PARK COLLEGE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION - COMPONENT UNIT
December 31, 2022

Exhibit A-1

		December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	$	273,892
Cash and cash equivalents - restricted		620,426
Pledges Receivable, net		-
Gifts Receivable		249,777
Accrued Interest Receivable		2,213
Faculty Loans Receivable		2,639
Investments- Available for Sale:		
Coporate Bonds		81,592
Government Securities		17,541
Money Market Funds		23,455
Equity Securities		955,522
Mutual Funds		545,659
Prepaid Expense		1,126
Total Current Assets		2,773,842
Fixed Assets		
Office Furniture and Equipment		160,735
Less: Accumulated Depreciation		160,735
Total Fixed Assets		-
Other Assets		
Cash and cash equivalents - restricted		41,394
Pledges Receivable, net		79,911
Art pieces		3,785
Endowment investments:		
Equity Securities		1,919,169
Corporate Bonds		75,007
Government Securities		142,839
Money Market Funds		10,864
Mutual Funds		43,380
Total Other Assets		2,316,349
Total Assets	$	5,090,191
LIABILITIES AND NET ASSETS		
Current Liability		
Account Payable	$	247,038
Total Liabilities		247,038
Net Assets		
Without Donor Restrictions	$	1,610,384
With Donor Restrictions		3,232,769
Total Net Assets		4,843,153
TOTAL LIABILITY AND NET ASSETS	$	5,090,191

NATIONAL PARK COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Exhibit B

		Year Ended June 30, 2023
Operating Revenues:		
Student tuition and fees (net of scholarship allowances of $4,884,346)	$	3,158,233
Federal grants and contracts		3,231,970
State and local grants and contracts		2,623,637
Auxiliary Enterprises:		
Bookstore (net of scholarship allowances of $487,779)		624,448
Food Service (net of scholarship allowance of $447,115)		676,013
Housing (net of scholarship allowances of $485,070)		714,409
Other		180,762
Total Operating Revenues		11,209,472
Operating Expenses:		
Personal services		16,915,495
Scholarships and fellowships		2,690,729
Supplies and services		6,786,104
Auxiliary enterprise expenses		3,030,347
Depreciation/amortization expense		2,466,383
Total Operating Expenses		31,889,058
Operating Income (loss)		(20,679,586)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	$	11,783,856
Federal and State grants and contracts		9,497,550
Local tax millage		1,775,337
Amortization of bond insurance, discount and premium cost		10,954
Investment income		118,383
Interest on capital asset - related debt		(1,002,758)
Interest expense on leases		(7,308)
Disposal of capital assets, net of accumulated depreciation		(35,115)
Other additions (decreases)		51,306
NET NON-OPERATING REVENUES (EXPENSES)		22,192,205
INCREASE (DECREASE) IN NET POSITION		1,512,619
NET POSITION - BEGINNING OF YEAR		26,941,868
NET POSITION - END OF YEAR	**$**	**28,454,487**

The accompanying notes are an integral part of these financial statements.

Exhibit B-1

NATIONAL PARK COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES - COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2022

	December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support, Revenue, Losses, and Reclassifications			
Contributions and programs	$ 296,996	$ 1,219,252	$ 1,516,247
Contributions - in-kind	291,109	157,164	448,273
Miscellaneous Revenue	3,269	14,112	17,381
Interest and dividends	30,678	32,603	63,281
Realized gain	58,425	88,312	146,738
Change in unrealized gain (loss)	(384,442)	(362,538)	(746,979)
Net assets released from restrictions	1,148,707	(1,148,707)	-
Total public support, revenue and reclassifications	1,444,743	198	1,444,941
Expenses			
Program services	639,264		639,264
Advertising/promotion	7,952		7,952
Supporting Services/ Administration:			-
Admin fee expense	75,391		75,391
Audit	13,500		13,500
Bank	1,947		1,947
Bond/insurance	3,418		3,418
Consulting	65,778		65,778
Depreciation	931		931
Grant expense	(3,246)		(3,246)
investment	33,716		33,716
Meetings/luncheons	1,192		1,192
Miscellaneous	23,261		23,261
Professional development	2,534		2,534
Printing and supplies	33,405		33,405
Rent expense	12,688		12,688
Salaries and wages	234,932		234,932
Travel	-		-
Total Expenses	1,146,663		1,146,663
Change in Net Assets	298,080	198	298,278
Net Assets - Beginning of Year	1,312,304	3,232,571	4,544,875
Net Assets - End of Year	$ 1,610,384	$ 3,232,769	$ 4,843,153

Exhibit C

NATIONAL PARK COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Year Ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees (net of scholarship discounts and allowances)	$ 2,918,347
Grants and contracts	6,196,154
Auxiliary Enterprise revenues:	
Bookstore (net of scholarship discounts and allowances)	624,448
Food Service (net of scholarship discounts and allowances)	676,013
Housing (net of scholarship allowances)	714,409
Other	180,762
Auxiliary Enterprise payments to suppliers	(2,801,994)
Payments to employees for salaries and benefits	(17,446,799)
Payments to suppliers	(6,782,512)
Scholarships and fellowships	(2,781,740)
Net cash provided (used) by operating activities	(18,502,912)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	11,783,855
Local tax millage	1,673,616
Federal and state grants and contracts	10,654,922
Other additions (deletions)	8,634
Direct lending/FFEL receipts	2,712,267
Direct lending/FFEL payments	(2,816,649)
Agency funds - net	50,771
Net cash provided (used) by noncapital financing activities	24,067,416
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisitions and construction of capital assets	(730,524)
Principal paid on capital debt to trustee	(739,395)
Principal paid on leases	(69,262)
Interest paid on leases	(7,308)
Interest and paying agents' fees paid on capital debt to trustee	(972,597)
Net cash provided (used) by capital and related financing activities	(2,519,086)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	107,282
Net cash provided (used) by investing activities	107,282
Net increase (decrease) in cash and cash equivalents	3,152,700
Cash and cash equivalents - beginning of year	17,993,633
Cash and cash equivalents - end of year	$ 21,146,333

Exhibit C

NATIONAL PARK COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

		Year Ended June 30, 2023
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	$	(20,679,586)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		2,252,307
Amortization expense		214,076
Change in assets and liabilities:		
Receivables, net		128,639
Inventories		62,344
Prepaid expenses		(1,072)
Accounts payable and other accrued liabilities		(210,310)
Compensated absences		(50,263)
Other post employment benefits		113,049
State pensions (ATRS/APERS)		1,565,764
Deferred inflows		(1,354,415)
Deferred outflows		(354,915)
Unearned revenue		(188,530)
Net cash provided (used) by operating activities	$	(18,502,912)

Noncash Transactions		
Interest earned on deposits with bond trustee	$	7,492
Gain (Loss) on disposal of capital assets		(35,115)
Capital assets acquired by leases		29,960

The accompanying notes are an integral part of these financial statements.

NATIONAL PARK COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: Reporting Entity

National Park College is a modern comprehensive community based two-year postsecondary institution, coordinated by the Arkansas Higher Education Coordinating Board and the Arkansas Department of Higher Education. The College is governed by a nine member Board of Trustees elected by the voters of Garland County. This Board is responsible for the final approval of all budgets and expenditures of the College. The President of the College, as the chief executive officer, is responsible to the Board for the administration and execution of its financial policies. The Board of Trustees, as well as the administration, faculty, and staff of NPC are firmly committed to providing superior, comprehensive education and training to the citizens of Garland County and surrounding areas.

The State of Arkansas allocates and allots funds to each state agency separately and requires that the funds be maintained accordingly. The State of Arkansas maintains the state allocated funds in the State Treasury accounts with a specific fund designated for use by the College.

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* consists of 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 provision of this statement, the College is an institution of higher education of the State of Arkansas and is included in the financial statements of the State of Arkansas.

Component Unit

In May 2002, GASB issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which amends GASB No. 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with a primary government. Under the standard, the financial activities of qualifying foundations are to be included in the financial statements of the primary government, through discrete presentations. The National Park College Foundation, Inc., was determined to be a qualifying foundation for the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or incomes thereon, which the Foundation holds and invests, are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by or for the benefit of the College, the Foundation is considered to be a component unit of the College.

The National Park College Foundation, Inc. is a separate non-profit benevolent corporation for charitable educational purposes, including administering and investing gifts and other amounts received directly or indirectly for the benefit of the College. The Board of Governors of the Foundation is made up of 21 members including two members who are also members of the National Park College Board of Trustees, and one member who is also an employee of the College. During the year ended June 30, 2023, the Foundation distributed $533,269, to the College for both restricted and unrestricted purposes. The National Park College Foundation, Inc. reports under the requirements of the Not-for Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. As such, certain revenue recognition criteria and presentation features differ from GASB revenue recognition criteria and presentation. No modifications have been made to the Foundation's financial information in the College's financial statements. Complete financial statements for the Foundation may be obtained from the administrative office at 101 College Drive, Hot Springs, Arkansas 71913.

NOTE 2: Summary of Significant Accounting Policies

Financial Statement Presentation

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.* GASB Statement No. 35, *Basic Financial Statements – Management's Discussion and Analysis – for Public Colleges and Universities*, followed this in November 1999. The financial statement presentation required by GASB No. 34 and No. 35 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net position, revenue, expenses, changes in net position, cash flows, and replaces the fund-group perspective previously required.

NOTE 2: Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation (Continued)

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The use of net position as the residual of all other elements presented in a statement of financial position has also been identified. The statement amends the net asset report requirements in Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation is incurred. All significant intra-agency transactions have been eliminated.

Capital Assets and Depreciation

Depreciation is computed using the straight-line method over the estimated lives of assets, generally 50 years for buildings, 30 years for building improvements, 10-20 years for infrastructure and land improvements, 15 years for computer software, 15 years for library holdings, and 5 to 20 years for equipment.

Capital assets are recorded at cost at the date of acquisition or at acquisition value at the date of donation in the case of gifts. For equipment, the College's capitalization policy includes all items with a unit cost of $5,000 or more with an estimated useful life of greater than one year. For intangible assets, such as computer software, the capitalization threshold is $1,000,000. Renovations to buildings, infrastructure, and improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Restricted/Unrestricted Resources

The College has no formal policy addressing which resources to use when both restricted and unrestricted net assets are available for the same purpose. College personnel decide which resources to use at the time expenses are incurred.

Operating and Non-Operating Revenues

The College has classified revenues as either operating or non-operating 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) some federal, state, and local grants and contracts.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating by GASB Statement No. 34, such as state appropriations and investment income.

Deposits with Trustees

Deposits with trustees are externally restricted and held by banks for the College. They are maintained to make debt service payments and to maintain sinking or reserve funds as required by the bond covenants.

NOTE 2: Summary of Significant Accounting Policies (Continued)

Cash Equivalents

For purposes of the *Statement of Cash Flows*, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts and Other Receivables

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprises provided to students, faculty, and staff. Accounts receivable also includes amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts.

Inventories

Inventories are valued at cost with cost being generally determined on an average cost basis.

Noncurrent Cash and Investments

Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other nonrecurring assets, are classified as noncurrent assets in the *Statement of Net Position.*

Investments are certificates of deposit stated at cost and classified as nonparticipating contracts in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*

Compensated Absences Payable

Compensated absences payable represents the accrual of a liability for employees' rights to receive compensation for future absences. Accumulated unpaid annual leave is accrued at the employees' daily pay rate up to a maximum of thirty (30) days. This liability has been projected to be $663,934 at June 30, 2023.

Arkansas law allows compensation to be paid at the time of retirement or death for accrued sick leave, based upon the guidelines listed below.

Number of days (hours) accumulated (rounded to nearest day)	% of Daily Salary
50 days (400 hours) through 59 days (472 hours)	50%
60 days (480 hours) through 69 days (552 hours)	60%
70 days (560 hours) through 79 days (632 hours)	70%
80 days (640 hours) or more	80%

In no event shall an employee or beneficiary of an employee receive an amount that exceeds $7,500 upon retirement or death due to the provisions stated above. This liability is projected to be $267,687 at June 30, 2023.

Unearned Revenues

Unearned Revenues include amounts received for tuition and fees and grants and contracts before the end of the fiscal year but related to the subsequent accounting period. Unearned Revenue consists of the following at June 30, 2023.

	June 30, 2023
Prepaid tuition and fees	$ 69,680
Grants and Contracts	24,066
Total	$ 93,746

NOTE 2: Summary of Significant Accounting Policies (Continued)

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amounts of bonds payable with contractual maturities greater than one year and (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year.

Property Taxes

Property taxes are levied in November based on property assessments made between January 1 and May 31 and are an enforceable lien on January 1 for real property and June 1 for personal property. The tax records are opened on the first business day of March of the year following the levy date and are considered delinquent after October 15 of the same calendar year.

New Accounting Pronouncements

The GASB issued the following statements, which became effective for the fiscal years identified below. In fiscal year 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which became effective immediately and delayed the implementation dates as indicated on the applicable statements below.

For the year ending June 30, 2023:

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

NOTE 3: Public Fund Deposits and Investments

Cash deposits are carried at cost. The College's deposits at year-end are shown below:

	Carrying Amount	Bank Balance
Insured (FDIC) Collateralized	$ 6,044,735	$ 6,044,735
Collateral held in College's name by the pledging bank	15,333,101	14,775,465
Total Deposits	$ 21,377,836	$ 20,820,200

The above deposits do not include cash on hand in the amount of $6,146 at June 30, 2023. Additionally, the deposits include a certificate of deposit and money market checking account totaling $237,648 reported as deposits with trustee.

Custodial Credit Risk - Deposits:
Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a deposit policy for custodial credit risk. As of June 30, 2023, none of the College's bank balance of $20,820,200 was exposed to custodial credit risk.

Deposit with Trustee:
At June 30, 2023, the College's deposits with the trustee of $239,112 were invested as follows:

Certificates of deposit with Citizens Bank of Batesville, Arkansas, $233,841 held by the Promontory Interfinancial Network that allows for fund to be deposited at many different financial institutions to maintain FDIC insurance coverage on the entire amount.

NOTE 3: Public Fund Deposits and Investments (Continued)

Deposit with Trustee: (Continued)

Federated Hermes Money Market Fund, $3,808, comprised of United States Treasury Obligations.

Fidelity Investments money market fund of $1,463. The fund was rated AAAm by Standard and Poor's AAAmf by Moody's Investors Service and normally invest at least 99.5% of the fund's total assets in cash and U.S. Treasury securities.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the College will not be able to recover the value of its investments. The College does not have an investment policy for custodial credit risk.

The College does not have an investment policy that would limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair Value Measurement:

In February 2015, GASB 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 College. The College 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 College'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 College has the ability to access at the measurement date. Publicly traded equity securities and mutual funds are the primary investments included in Level 1 and are valued at the individual security's closing market price.

Level 2 Inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly. Observable inputs are those that reflect the assumptions market participants would use in pricing the asset developed based on the market data obtained from independent sources. These types of sources would include quoted prices for similar assets in active markets, quoted prices for identical of 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 College's own assumptions about 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.

NOTE 3: Public Fund Deposits and Investments (Continued)

Fair Value Measurement: (Continued)

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 College 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 set forth, by level within the valuation, hierarchy, College invested funds, including amounts reported as deposits with the bond trustees on the Statement of Net Position at June 30, 2023.

Investment by fair value	June 30, 2023	Fair Value Measurement Using: Quoted Prices in Active Markets of Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities:				
Money Market Fund	$ 1,463	$ 1,463		
Total investments at Fair Value	$ 1,463	$ 1,463		

NOTE 4: Income Taxes

The College is tax exempt under Internal Revenue Service code. It is also exempt from state income taxes under Arkansas law. Accordingly, no provision for income taxes is made in the financial statements.

NOTE 5: Capital Assets

Following are the changes in capital assets for the year ended June 30, 2023:

	BALANCE AT JUNE 30, 2022	ADDITIONS	TRANSFERS	RETIREMENTS	JUNE 30, 2023
Capital assets not being depreciated:					
Land	$ 438,058				$ 438,058
Total capital assets not being depreciated	438,058				438,058
Depreciable capital assets:					
Improvements and infrastructure	677,788				677,788
Buildings	59,484,174				59,484,174
Equipment	7,042,102	$ 719,221		$ 116,365	7,644,958
Library holdings	731,546	11,304		30,363	712,487
Intangible Asset (software)	2,136,102				2,136,102
Right To Use Buildings	248,499	29,960			278,459
Total depreciable capital assets	70,320,211	760,485	-	146,728	70,933,968
Less accumulated depreciation/amortization for:					
Improvements and infrastructure	671,161	1,657			672,818
Buildings	24,116,969	1,809,495			25,926,464
Equipment	4,527,764	418,323		81,250	4,864,837
Library holdings	549,921	22,833		30,363	542,391
Intangible Asset (software)	1,590,528	142,407			1,732,935
Right to Use Buildings	52,402	71,669			124,071
Total accumulated depreciation	31,508,745	2,466,384	-	111,613	33,863,516
Depreciable capital assets, net	$ 38,811,466	$(1,705,899)	$ -	$ 35,115	$ 37,070,452
Capital Asset Summary:					
Capital assets not being depreciated	$ 438,058	$ -	$ -	$ -	$ 438,058
Depreciable capital assets, at cost	70,320,211	760,485	-	(146,728)	70,933,968
Total cost of capital assets	70,758,269	760,485	-	(146,728)	71,372,026
Less accumulated depreciation	(31,508,745)	(2,466,384)	-	111,613	(33,863,516)
Capital Assets, Net	$ 39,249,524	$(1,705,899)	$ -	$ (35,115)	$ 37,508,510

NOTE 6: Long-Term Liabilities

Debt payment including fees on bond totaled $1,749,164 for the fiscal year ended June 30, 2023.

A summary of bonds, notes, leases and installment contracts payable is as follows:

	Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized And Issued	Debt Outstanding June 30, 2023	Maturities To June 30, 2023
2018 Bonds Payable	4/17/2018	3/1/2048	3-4%	$ 21,395,000	$ 19,220,000	$ 2,175,000
2019 Bonds Payable	8/22/2019	6/30/2049	2-3.125%	9,040,000	8,395,000	645,000
Lease Payable*	7/1/2022	6/30/2024	4.75%	29,960	15,275	14,685
Lease Payable*	6/1/2022	5/31/2027	4.00%	107,598	85,787	21,811
Lease Payable*	7/1/2021	3/31/2026	3.25%	95,211	56,749	38,462
N/P Chartwells	8/1/2019	11/1/2026	0%	466,865	220,017	246,848
Totals				$ 31,134,634	$ 27,992,828	$ 3,141,806

The changes in long-term debt is as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due within One Year
2018 Bonds Payable	$ 19,675,000	$ -	$ 455,000	$ 19,220,000	$ 470,000
2019 Bonds Payable	8,615,000	-	220,000	8,395,000	230,000
2018 Bond Premium	335,203	-	12,997	322,206	12,996
2019 Bond Premium	2,902	-	107	2,795	107
Lease Payable	-	29,960	14,685	15,275	15,275
Lease Payable	105,623	-	19,836	85,787	20,644
Lease Payable	15,329	-	15,329	-	-
Lease Payable	76,162	-	19,413	56,749	20,053
N/P Chartwells	284,412	-	64,395	220,017	64,395
Compensated Absences Payable	981,884	448,809	499,072	931,621	96,251
Other Postemployment Benefits	1,885,949	275,117	162,068	1,998,998	-
State Pension Liability	1,540,660	1,565,764	-	3,106,424	-
Totals	$ 33,518,124	$ 2,319,650	$ 1,482,902	$ 34,354,872	$ 929,721

Future principal and interest payments are as follows:

	Bonds Payable			Notes Payable		
Year Ended June 30	Principal	Interest	Total	Principal	Interest	Total
2024	$ 700,000	$ 984,569	$ 1,684,569	$ 64,395		$ 64,395
2025	715,000	963,569	1,678,569	64,395		64,395
2026	745,000	937,319	1,682,319	64,395		64,395
2027	770,000	912,419	1,682,419	26,832		26,832
2028	790,000	886,619	1,676,619			-
2029-2033	4,385,000	4,006,331	8,391,331			-
2034-2038	5,245,000	3,160,181	8,405,181			-
2039-2043	6,295,000	2,108,469	8,403,469			-
2044-2048	7,520,000	885,675	8,405,675			-
2049	450,000	13,500	463,500			-
	$ 27,615,000	$ 14,858,651	$ 42,473,651	$ 220,017	$ -	$ 220,017

NOTE 6: Long-Term Liabilities (Continued)

Leases Payable*

Year Ended June 30	Principal	Interest	Total
2024	$ 55,972	$ 4,999	$ 60,971
2025	42,199	3,101	45,300
2026	38,343	1,557	39,900
2027	21,297	428	21,725
	$ 157,811	$ 10,085	$ 167,896

*Additional information on leases can be found in Note 7.

Construction Commitments

	Balance at 6/30/2023
Servitas - Student Housing Project	$ 10,500,000

NOTE 7: Leases

The net value of assets under leases totaled $154,388 at June 30, 2023. Leases are amortized using the straight-line method. The details of the leases are as follows:

Type of Asset	Commencement of the Lease Term	Maturity Date	Current Rate of Interest	Asset Amount	Accumulated Amortization	Net Amount
Right to use building - 155 East Grand (Amended; Initial lease dated 4/12/2015)	7/1/2022	6/30/2024	4.75%	$ 45,400	$ 30,420	$ 14,980
Right to use building - Central Avenue	6/1/2022	5/31/2027	4.00%	107,598	23,312	84,286
Right to use building - Pine Bluff	7/1/2021	3/31/2026	3.25%	95,211	40,089	55,122
Right to use building - Saline County (Amended; Initial lease dated 7/18/2019)	7/1/2021	6/30/2023	3.25%	30,250	30,250	0
				$ 278,459	$ 124,071	$ 154,388

NOTE 8: Retirement Plans

Membership in a retirement plan is compulsory for all faculty and staff of the College.

Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF):

Plan Description: The College participates in TIAA/CREF, a defined contribution plan. The plan is a 403(b) program as defined by the Internal Revenue Service Code of 1986 as amended. TIAA is an insurance company offering participants a traditional annuity with guaranteed principal and a specific interest rate plus the opportunity for additional growth through dividends. CREF is an investment company that offers a variable annuity. Arkansas law authorizes participation in the plan.

Funding Policy: Employees of the College who are members contribute a minimum of 6% of earnings to the plan, with the College contributing 14.25% of earnings. The College's contributions to TIAA/CREF for the year ended June 30, 2023, were $778,281. Participants' contributions were $431,358 for the year ended June 30, 2023.

AIG Retirement (VALIC):

Plan Description: The College participates in VALIC, a defined contribution plan. The plan is a 403(b) program as defined by the Internal Revenue Service Code of 1986, as amended. Act 480 of 1983 authorizes participation in the plan. The administrator provides insurance policies and annuity contracts that become the property of the participant when issued.

Funding Policy: Employees of the College who are members contribute a minimum of 6% of earnings to the plan, with the College contributing 14.25% of earnings. The College's contributions to AIG Retirement for the year ended June 30, 2023, were $597,751. Participants' contributions were $348,089 for the year ended June 30, 2023.

NOTE 8: Retirement Plans (Continued)

GASB Statement No. 68:

In June 2012, GASB issued Statement No. 68 *Accounting and Financial Reporting for Pension, an amendment to GASB Statement No. 27*. This statement refines the standards for the measurement, recognition, and display of pension plans in which various government entities participate, such as the Arkansas Teacher Retirement System and the Arkansas Public Employees Retirement System. The requirements of this statement are effective for fiscal years beginning after June 15, 2014.

Arkansas Teacher Retirement System:

Plan Description: The College contributes to the Arkansas Teacher Retirement System (ATRS), a cost-sharing, multiple-employer defined benefit pension plan that covers employees of schools and education-related agencies, including Arkansas School for the Blind, Arkansas School for the Deaf, Arkansas Activities Association, State Board of Education, regional education service cooperatives, ATRS, Arkansas Educational Television Commission, area vocational-technical schools, Arkansas Rehabilitation Services, enterprises privatized by a public school district, and educational nonprofit organizations.

ATRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by contacting Arkansas Teacher Retirement System, 1400 West Third Street, Little Rock, AR 72201 or by calling 501-682-1517.

Benefits Provided: Members are eligible for full retirement benefits at age 60 with five or more years of actual and reciprocal service or at any age with 28 or more years of credited service. Members with 25 years of actual and reciprocal service who have not attained age 60 may receive an annuity reduced by 10/12 of 1% multiplied by the number of months by which the early retirement precedes the earlier of (1) completion of 28 years of credited service or (2) attainment of age 60. The normal retirement benefit, paid monthly, is determined based on (1) the member's final average salary (effective July 1, 2018, computed using the average of the annual salaries paid during the period of 5 years of credited service producing the highest annual average) and (2) the number of years of service. Disability retirement benefits are payable to members who are vested and demonstrate total and permanent incapacity to perform duties of their position while in active employment. The disability annuity is computed in the same manner as the age and service annuity. Survivor benefits are payable to qualified survivors upon the death of an active, vested member. Eligible spouse survivors receive a survivor annuity that is based on the member's years of service credit prior to their death, and 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 or more of actual service. The minimum benefit amount is $6,667, and an additional amount is provided based on the member’s retirement date and years of contributory service up to a $10,000 maximum.

A cost of living adjustment (COLA) is payable on July 1 of each year to retirees, certain survivors, and annuity beneficiaries who received monthly benefits for the previous 12 months. The COLA is calculated by multiplying 100% of the member's base retirement annuity by 3%.

Funding Policy: ATRS has contributory and non-contributory plans. Contributory members are required by code to contribute a minimum of 7% of their salary. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 15% of covered salaries, the maximum allowed by law. The College's contributions to ATRS for the year ended June 30, 2023, were $212,218, equal to the required contributions for each year. During fiscal year ending June 30, 2023, employees contributed $87,398 to the Arkansas Teachers Retirement System.

At June 30, 2023, the College reported a liability of $2,264,759 for its proportionate share of the ATRS' net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability for the plan was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the current contributions of all participating employers. At June 30, 2022 the College's proportion was 0.0429% for ATRS.

For the year ended June 30, 2023, the College recognized a decrease in pension expense of ($44,990).

NOTE 8: Retirement Plans (Continued)

Arkansas Teacher Retirement System: (Continued)

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to ATRS as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	$ 43,652	$ 4,875
Changes in Assumptions	234,991	-
Net difference between projected and actual earnings on pension plan investments	331,477	-
Changes in Proportion and differences between employer contributions and proportionate share of contributions	11,072	444,701
College contributions subsequent to the measurement date	212,218	-
Total	$ 833,410	$ 449,576

The $212,218 reported as deferred outflows of resources related to pensions resulting from College contributions to ATRS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows or resources related to ATRS pension will be recognized in pension expense as follows:

Year ended June 30:	
2024	$ 28,392
2025	(7,051)
2026	(94,548)
2027	244,823
Total	$ 171,616

Actuarial Assumptions: The total liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement.

Wages inflation rate	2.75%
Salary increase	2.75 - 7.75% including inflation
Investment rate of return	7.25%

Mortality rates were based on the Pub-2010 Healthy Retired, General Disabled Retiree, and General Employee Mortality weighted tables for males and females. Mortality rates were adjusted for future mortality.

	Scaling Factor	
Table	Males	Females
Healthy Annuitant	105%	105%
Disabled Annuitant	104%	104%
Employee Mortality	100%	100%

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020.

NOTE 8: Retirement Plans (Continued)

Arkansas Teacher Retirement System: (Continued)

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 weighing 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 investments consultant and actuary.

For each major asset class that is included in the pension plans target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

Asset Allocation	Target	Long-Term Expected Real Rate of Return
Total Equity	53.00%	5.3%
Fixed Income	15.00%	1.3%
Alternatives	5.00%	4.8%
Real assets	15.00%	4.0%
Private equity	12.00%	7.6%
Cash equivalents	0.00%	0.5%
Total	100.00%	

Single Discount Rate- A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% 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 15% of payroll. 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.

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

Sensitivity of the Net Pension Liability to the Single Discount Rate

1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
$ 3,600,236	$ 2,264,759	$ 1,156,799

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

Arkansas Public Employees Retirement System:

Plan Description The following brief description of the Arkansas Public Employee Retirement System (APERS or the System) is provided for general information purposes only. Participants should refer to Arkansas Code Annotated, Title 24 for more complete information.

NOTE 8: Retirement Plans (Continued)

Arkansas Public Employees Retirement System: (Continued)

APERS is a cost-sharing, multiple-employer, defined benefit plan that covers all State employees who are not covered by another authorized plan. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The costs of administering the plan are paid out of investment earnings.

The general administration and responsibility for the proper operation of the System is vested in the thirteen members of the Board of Trustees of the Arkansas Public Employees Retirement System, (the Board). Membership includes five state and five non-state employees, and three ex-officio trustees, including the Auditor of State, the Treasurer of State, and the Director of the Department of Finance and Administration. Six members are appointed by the Governor, two are appointed by the President Pro Tempore, and two are appointed by the Speaker of the House of Representatives.

Further information and annual financial reports may be obtained by writing to Arkansas Public Employees Retirement System, One Union National Plaza, 124 W. Capitol, Little Rock, AR 72201 or by calling 501-682-7800. The Arkansas Public Employee Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for APERS.

Benefits Provided: Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapter 4 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability, and death benefits. Retirement benefits are determined as a percentage of the member's highest 3-year average compensation times the member's years of service. The percentage used is based upon whether a member is contributory of non-contributory as follows:

○ Contributory, prior to 07/01/2005	2.07%
○ Contributory, on or after 07/01/2005, but prior to 07/01/2007	2.03%
○ Contributory on or after 07/01/2007	2.00%
○ Non-Contributory	1.72%

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

- At age 65 with 5 years of actual service
- At any age with 28 years of actual service
- At age 60 with 20 years of actual service if under the old contributory plan (prior to July 1, 2005), or
- At age 55 with 35 years of credited service for elected or public safety officials.

Members may retire with a reduced benefit at age 55 with at least 5 years of actual service at age 55 or at any age with 25 years of service.

Members are eligible for disability benefits with 5 years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Death benefits are paid to surviving spouse as if the member had 5 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.

NOTE 8: Retirement Plans (Continued)

Arkansas Public Employees Retirement System: (Continued)

Funding Policy: APERS has contributory and non-contributory plans. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current statutory employer rate is 15.32% of annual covered payroll. Contributory members are required by law to contribute a minimum of 5.25% of their salaries. The College's contributions to APERS for the year ended June 30, 2023, were $101,423 equal to the required contributions for each year. During the fiscal year ended June 30, 2023, employees contributed $13,289 to APERS.

APERS Fiduciary net Position: Detailed information about APERS's fiduciary net position is available in the separately issued APERS Financial Report available at http://www.apers.org/annualreports.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions: The collective net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the date. Each employer's proportion of the net pension liability was based on the employer's share of contributions to the pension plan relative to the total contributions of all participating employers.

At June 30, 2023, the College reported liabilities of $841,665 for its proportionate share of the APERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability for the plan was determined by an actuarial valuation as of that date. The College's proportion of the net pension was based on current contributions of all participating employers. At June 30, 2022, the College's proportion was 0.0312146%.

For the year ended June 30, 2023, the College recognized an increase in pension expense of $99,507.

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to APERS as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and and actual experiences	$ 20,203	$ 10,162
Changes in Assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	177,551	-
Changes in Proportion and differences between employer contributions and proportionate share of contributions	17,676	9,941
College contributions subsequent to the measurement date	101,423	-
Totals	$ 316,853	$ 20,103

NOTE 8: Retirement Plans (Continued)

Arkansas Public Employees Retirement System: (Continued)

The $101,423 reported as deferred outflows of resources related to pensions resulting from College contributions to APERS subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows or resources related to APERS pension will be recognized in pension expense as follows:

Year ended June 30:			
	2024	$	45,942
	2025		26,882
	2026		(1,319)
	2027		123,822
Total		$	195,327

Actuarial Assumptions: The total pension liability, net pension liability, and certain sensitivity information was determined by an actuarial valuation as of June 30, 2022. The significant assumptions used in the valuation and adopted by the APERS Board of Trustees, were as follows:

Actuarial cost method	Entry Age Normal
Discount rate	7.15%
Wage Inflation rate	3.25%
Salary increases	3.25 - 9.85%
Investment rate of return*	7.15%
Mortality rate table	RP-2006 weighted generational mortality tables for healthy annuitant, disability, or employee death in service, as applicable. The tables applied credibility adjustments of 135% for males and 125% for females and were adjusted for fully generational mortality improvements using Scale MP-2017.

*Net of investment and administrative expenses

All other actuarial assumptions used in the June 30, 2022, valuation was based on the results of an actuarial experience study for the period from July 1, 2012 - June 30, 2017, and were applied to all prior periods included in the measurement.

Investment Rate of Return - 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 arithmetic real rates of return for the 10-year period from 2020 - 2029 were based upon capital market assumptions provided by the plan's investment consultant. For each major asset class included in the plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following tables:

Asset Allocation	Target	Long-Term Expected Real Rate of Return
Broad domestic equity	37%	6.22%
International equity	24%	6.69%
Real assets	16%	4.81%
Absolute return	5%	3.05%
Domestic fixed	18%	0.57%
	100%	

NOTE 8: Retirement Plans (Continued)

Arkansas Public Employees Retirement System: (Continued)

Discount Rate - A single discount rate of 7.15% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.15%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contribution's well be made at rates equal to the difference between actuarially-determined contribution rates and the member rate. Based on these assumptions, the pension plan' 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 Net Pension Liability to the Single Discount Rate:

The following presents the participating employers' net pension liability, calculated using the current discount rate, as well as what the participating employers' net pension liability would be if it were calculated using a single discount rate that is 1% lower and 1% higher than the current rate:

Sensitivity of the Net Pension Liability to the Single Discount Rate

1% Decrease 6.15%	Current Rate 7.15%	1% Increase 8.15%
$1,338,094	$841,665	$431,819

NOTE 9: Natural Classifications by Function

The College's operating expenses by functional classifications were as follows:

NATURAL CLASSIFICATION

Functional Classification	Personal Services	Services & Supplies	Scholarships & Fellowships	Depreciation and Amortization	Auxiliary Enterprises	Total at June 30, 2023
Instruction	$ 9,364,326	$ 1,693,883				$ 11,058,209
Public Service	4,361					4,361
Academic Support	656,350	263,946				920,296
Student Services	2,963,021	2,786,074				5,749,095
Institutional Support	3,042,687	761,068				3,803,754
Operation & Maintenance of Plant	697,331	1,281,135				1,978,466
Scholarships & Fellowships			$ 2,690,729			2,690,729
Auxiliary Enterprises	187,419				$ 3,030,347	3,217,766
Depreciation/ amortization				$ 2,466,383		2,466,383
Total Expenses	$ 16,915,495	$ 6,786,104	$ 2,690,729	$ 2,466,383	$ 3,030,347	$ 31,889,058

NOTE 10: Post Retirement Benefits Other than Pensions (OPEB)

(a) General Information

National Park College provides postemployment healthcare benefits to all permanent full-time employees through the Qualchoice program, a component of the multiple employer defined benefit healthcare plan administered by the Arkansas Higher Education Consortium (AHEC), and the Arkansas State Employee Health Insurance Plan (administered by the Arkansas Department of Finance and Administration), a single-employer defined benefit healthcare plan. To be eligible, an employee must retire directly from active employment of National Park College, be at least age sixty with at least ten years of service or be at least age 55 and meet the "Rule of 70" criteria (age plus years of service equals 70). National Park College has the authority to affiliate with AHEC and establish by policy the defined benefits and amount remitted by the employer to AHEC. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. Expenditures for post-retirement health care benefits are paid as they come due and there is no actuarially determined College payment requirement to the Plan.

At June 30, 2023, National Park College had the following employees that were covered by benefit terms of the plan.

Retirees and Beneficiaries	14
Active Employees	242
Total Employee Covered	256

The College uses a measurement date of June 30, 2023. Total OPEB liability for the College Plan was $1,998,998. The total liability for the Qualchoice plan and the Arkansas State Employees Insurance was $489,268 and $1,509,730, respectively.

Actuarial Assumptions

The total OPEB liability was determined based on an actuarial valuation as of the date noted below. The actuarial valuation used the following assumptions, applied to all periods included in the measurement:

Actuarial valuation date	July 1, 2023
Inflation Rate	2.50%
Discount Rate (1)	4.13%
Healthcare cost trends rates	7.50% drecreasing to 4.25% over eight years
Retirees' share of benefit related costs	0% - 35.8%

Deaths have been projected using the Pub-T 2010 Mortality Table (headcount basis), projected generationally with Scale MP 2020.

The discount rate is based on the municipal bond rate of 4.13% as of the measurement date.

(b) Changes in Total OPEB Liability

Balance, June 30, 2022	$ 1,885,949
Changes for the current fiscal year:	
Service Cost	90,233
Interest Cost	77,863
Differences between expected and actual experience	(28,336)
Employer contributions	-
Changes in assumptions	27,973
Benefit payments	(54,684)
Net Changes	113,049
Balance June 30, 2023	$ 1,998,998

NOTE 10: Post Retirement Benefits Other than Pensions (OPEB) (Continued)

(b) Changes in Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of National Park College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

1% Decrease		Current Discount Rate		1% Increase	
	Total OPEB		Total OPEB		Total OPEB
Rate	Liability	Rate	Liability	Rate	Liability
3.13%	$ 2,138,395	4.13%	$ 1,998,998	5.13%	$ 1,868,594

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of National Park College, as well as what the College's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current discount rate:

1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
$1,779,138	$1,998,998	$2,263,727

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

For the year ended June 30, 2023, National Park College recognized an OPEB Expense of $278,827. The College reported deferred outflows of resources and deferred inflows resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 270,901	$ 263,514
Changes of assumptions	657,118	268,890
Total	$ 928,019	$ 532,404

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

Year Ended June 30:						
2024	2025	2026	2027	2028	Thereafter	Total
$ 110,731	$ 110,731	$ 110,731	$ 110,736	$ (7,749)	$ (39,565)	$ 395,615

NOTE 11: Disaggregation of Receivables and Payables

Accounts Receivable consisted of the following at June 30, 2023:

	June 30, 2023
State	$ 67,423
Federal	818,439
Auxiliary	129,919
Other	274,347
Total	$ 1,290,128

Accounts Payable and accrued liabilities consisted of the following at June 30, 2023:

	June 30, 2023
Vendors	$ 556,987
Other Payables	21,613
Salaries and Benefits	167,427
Total	$ 746,027

NOTE 12: Bonds Payable and Pledged Revenues

A. 2018 Bonds Payable - Student Commons Project

1. Bonds Payable consisted of the following at June 30, 2023:

National Park College District General Obligation Refunding & Improvement Bonds, Series 2018, issued in the original amount of $21,395,000 and maturing in varying amounts to March 1, 2048, with variable interest rates from 3% to 4%.

Total	$19,220,000

2. Pledged Revenues consisted of the following at June 30, 2023:

The College has pledged future county millage revenues to help retire debt issued in 2018. This debt, $21,395,000 in revenue bonds, was issued April 17, 2018, with a maturity date of 2048, to finance the construction of a new Student Commons Building, Marine Technology Center, retire the outstanding debt on the Series 2004 and Series 2008 Bonds, fund a debt service reserve, and pay expenses of issuing the bonds. Annual principal and interest payments on the bonds were 68.53% of available revenues. Total Principal and interest paid on the Series 2018 Bonds for FY2023 was $1,216,688, and pledged revenues were $1,775,337. The total remaining principal and interest to be paid on the bonds is $30,376,775.

B. 2019 Bonds Payable - Student Housing Project - Dogwood Hall

1. Bonds Payable consisted of the following at June 30, 2023:

National Park College District Student Tuition and Fee and Auxiliary Enterprises Revenue Bonds, Series 2019, issued in the original amount of $9,040,000 and maturing in varying amounts to June 30, 2049, with variable interest rates from 2% to 3.125%.

2. Pledged Revenues consisted of the following at June 30, 2023.

The College has pledged future revenues from (a) student tuition and fees payable by all students enrolled for courses at the College and (b) revenues derived from auxiliary enterprises of the Board, including, without limitation, bookstore and housing facility revenues to help retire debt issued in 2019. This debt, $9,040,000 in revenue bonds, was issued August 22, 2019, with a maturity date of 2049, to finance the construction of a new student housing project, Dogwood Hall, fund a debt service reserve, and pay expenses of issuing the bonds. Annual principal and interest payments on the bonds were 4% of available revenues. Total Principal and interest paid on the Series 2019 Bonds for FY2023 was $463,131, and pledged revenues were $11,477,413 The total remaining principal and interest to be paid on the bonds is $12,096,875.

NOTE 13: Risk Management

The College is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The College participates in the Arkansas Public Employees Claims Division – Workers' Compensation Program under the Arkansas Department of Insurance. The program is responsible for obtaining and administering workers' compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceeds the standard policy limits. In its administrative capacity, the Division is responsible for monitoring, negotiating and settling claims that have been filed on behalf of and against the College. The College contributes quarterly to this program.

The College participates in the Arkansas Multi-Agency Insurance Trust (AMAIT) for insurance coverage for property and vehicles. In its administrative capacity, AMAIT is responsible for monitoring, negotiating and settling claims that have been filed against its members. The College pays annual premiums for buildings, contents and vehicles.

The College participates in the Arkansas Fidelity Bond Trust Fund administered by the Governmental Bonding Board. This program provides coverage for actual losses sustained by its members through fraudulent or dishonest acts committed by officials or employees. Each loss is limited to $300,000 with a $2,500 deductible. The Department of Finance and Administration withholds the premium from the College's State Treasury funds.

The College carries commercial liability insurance for students and staff participating in Nursing/Health Professions instruction while in a clinical setting. The College pays an annual premium for this coverage, offset by a portion of the premium paid as a fee by these respective students.

Settled claims have not exceeded the commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year in the major categories of risk.

NOTE 14: Subsequent Event

On September 14, 2023, the College issued general obligation improvement bonds in the amount of $6,470,000. The proceeds will be used to construct a student housing facility with an estimated cost of $10,500,000 and an estimated completion date of June 1, 2025. On May 25, 2023, the College entered into a Program Management Agreement for the development, design, construction, equipping, marketing and pre-leasing of a student housing facility with supporting improvements in the amount of $10,500,000.

NATIONAL PARK COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2023

Postemployment Benefits Other Than Pensions*

Schedules of Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios

Fiscal Year ending June 30:	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	$ 90,233	$ 118,686	$ 78,460	$ 77,051	$ 43,025	$ 42,085
Interest	77,863	43,970	48,592	49,373	20,117	19,449
Benefit Changes						
Difference between Actual & Expected Experience	(28,336)		49,774		(3,813)	
Assumption changes	27,973	(203,377)	58,301	10,910	1,070,129	6,630
Benefit Payments	(54,684)	(61,915)	(68,128)	(93,685)	(10,125)	(19,800)
net Change in Total OPEB Liability	113,049	(102,636)	166,999	43,649	1,119,333	48,364
Total OPEB Liability - Beginning	1,885,949	1,988,585	1,821,586	1,777,937	658,604	610,240
Total OPEB Liability - Ending	$ 1,998,998	$ 1,885,949	$ 1,988,585	$ 1,821,586	$ 1,777,937	$ 658,604
Plan Fiduciary Net Position						
Contributions - Employee						
Contributions - Employer	54,684	61,915	68,128	93,685	10,125	19,800
Net Investment Income						
Benefit Payments	(54,684)	(61,915)	(68,128)	(93,685)	(10,125)	(19,800)
Administrative Expense						
Other						
Net change in Plan Net Position						
Plan Fiduciary Net Position - Beginning						
Plan Fiduciary net Position - Ending						
Total OPEB Liability - Ending	$ 1,998,998	$ 1,885,949	$ 1,988,585	$ 1,821,586	$ 1,777,937	$ 658,604
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0%	0%	0%	0%	0%	0%
Covered Employee Payroll	$ 10,629,452	$ 9,776,124	$ 9,429,659	$ 11,200,905	$ 11,222,940	$ 10,496,055
Total OPEB Liability as a Percentage of Covered Employee Payroll	18.81%	19.29%	21.09%	16.26%	15.84%	6.27%

Notes to Schedule:
Changes of assumptions: The assumed single discount rate was changed from 3.13% to 2.98% at 6/30/2018, 2.79% at 06/30/2019, 2.66% at 06/30/2020, 2.18% at 06/30/21, 4.09% at 6/30/22, and 4.13% at 6/30/23.
Pub-T mortality added 06/30/21. EBD covered employees first included at 06/30/2018.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

* Does not include the Arkansas State Employees Health Insurance Plan. OPEB disclosure for this plan can be found in the State of Arkansas's Annual Comprehensive Financial Report (ACFR).

NATIONAL PARK COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2023

Schedules of Required Supplementary Information
Schedule of Sponsor Contributions

Fiscal Year ending June 30,	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 209,713	$ 218,613	$ 172,648	$ 168,133	$ 76,766	$ 73,264
Contributions in relation to the actuarially determined contribution	54,684	61,915	68,128	93,685	10,125	19,800
Contribution Deficiency (excess)	155,029	156,698	104,520	74,448	66,641	53,464
Covered employee payroll	10,629,452	9,776,124	9,429,659	11,200,905	11,222,940	10,496,055
Contributions as a percentage of covered employee payroll	0.51%	0.63%	0.72%	0.84%	0.09%	0.19%

Notes to Schedule:

Valuation date:	Actuarially determined contributions are calculated as of June 30 after the valuation date.
Actuarial cost method:	Entry Age Normal
Amortization method:	Level Dollar over 30 years from July 1, 2017
Remaining amortization period:	24 years
Asset valuation method:	Market Value
Assumed inflation:	3.00% per year.
Assumed single discount rate:	3.13% at 6/30/2017, 2.98% at 6/30/2018, 2.79% at 06/30/2019, 2.66% at 06/30/2020, 2.18% at 06/30/21, 4.09% at 6/30/22, 4.13% at 6/30/23.
Assumed retirement age:	See table below
Mortality:	Pub-T 2010 with MP 2020 at 06/30/21. RP 2014 Table prior.

* Expected Retirement Pattern

We assumed retirement at the following rates:

Age	Rate Per 100 Members
55 to 59	5.0
60	15.0
61	14.0
62	25.0
63	15.0
64	15.0
65	35.0
66	30.0
67	30.0
68	30.0
69	100.0

NATIONAL PARK COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2023

Pensions Plan - Arkansas Public Employees Retirement System

Schedule of College's Proportionate Share of the Net Pension Liability
Arkansas Public Employees Retirement System

	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
College's proportion of net pension liability	0.0312%	0.0318%	0.0312%	0.0298%	0.0284%	0.0315%	0.0347%	0.0340%	0.0459%
College's proportionate share of net pension liability	$ 841,665	$ 244,801	$ 892,647	$ 719,206	$ 626,204	$ 815,039	$ 830,487	$ 626,704	$ 650,866
College's covered payroll	$ 677,512	$ 635,818	$ 608,227	$ 570,483	$ 531,717	$ 566,022	$ 629,228	$ 603,739	$ 811,001
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	124.23%	38.50%	146.76%	126.07%	117.77%	143.99%	131.99%	103.80%	80.25%
Plan fiduciary net position as a percentage of the total pension liability	78.31%	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%	84.15%

*The amounts presented were determined as of June 30 of the prior year.

Schedule of College's Contributions
Arkansas Public Employees Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 101,423	$ 103,795	$ 97,408	$ 93,180	$ 87,398	$ 78,429	$ 82,073	$ 91,238	$ 89,112
Contributions in relation to the contractually required contribution	(101,423)	(103,795)	(97,408)	(93,180)	(87,398)	(78,429)	(82,073)	(91,238)	(89,112)
Contribution deficiency (excess)									
College's covered-employee payroll	$ 662,030	$ 677,512	$ 635,818	$ 608,227	$ 570,483	$ 531,717	$ 566,022	$ 629,228	$ 603,739
Contributions as a percentage of covered-employee payroll	15.32%	15.32%	15.32%	15.32%	15.32%	14.75%	14.50%	14.50%	14.75%

Changes in Assumptions
Amounts reflect a change in economic assumptions used in the June 30, 2022 valuation. The investment return assumption used was 7.15% and the wage inflation assumption used was 3.25%.

NATIONAL PARK COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2023

Pensions Plan - Arkansas Teacher Retirement System

Schedule of College's Proportionate Share of the Net Pension Liability
Arkansas Teacher Retirement System

	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
College's proportion of net pension liability	0.0429%	0.0468%	0.0536%	0.0599%	0.0636%	0.0596%	0.0652%	0.0697%	0.0844%
College's proportionate share of net pension liability	$ 2,264,759	$ 1,295,859	$ 3,032,268	$ 2,497,738	$ 2,314,416	$ 2,504,098	$ 2,874,624	$ 2,269,078	$ 2,214,968
College's covered payroll	$ 1,451,233	$ 1,525,297	$ 1,677,360	$ 1,842,814	$ 1,928,419	$ 1,765,526	$ 1,903,911	$ 2,050,699	$ 2,439,950
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	156.06%	84.96%	180.78%	135.54%	120.02%	141.83%	150.99%	110.65%	90.78%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	88.58%	74.91%	80.96%	82.78%	79.48%	76.75%	82.20%	84.98%

*The amounts presented were determined as of June 30 of the prior year.

Schedule of College's Contributions
Arkansas Teacher Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 212,218	$ 214,057	$ 221,169	$ 239,023	$ 257,994	$ 269,979	$ 247,174	$ 266,548	$ 287,099
Contributions in relation to the contractually required contribution	(212,218)	(214,057)	(221,169)	(239,023)	(257,994)	(269,979)	(247,174)	(266,548)	(287,099)
Contribution deficiency (excess)									
College's covered-employee payroll	$ 1,414,787	$ 1,451,233	$ 1,525,297	$ 1,677,360	$ 1,842,814	$ 1,928,419	$ 1,765,526	$ 1,903,911	$ 2,050,699
Contributions as a percentage of covered-employee payroll	15.00%	14.75%	14.50%	14.25%	14.00%	14.00%	14.00%	14.00%	14.00%

Note: Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule 1

NATIONAL PARK COLLEGE
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS
FOR THE YEAR ENDED JUNE 30, 2023
(Unaudited)

	Year Ended June 30,				
	2023	2022	2021	2020	2019
Total Assets and Deferred Outflows	$ 64,779,363	$ 64,325,001	$ 65,225,537	$ 64,169,435	$ 55,929,612
Total Liabilities and Deferred Inflows	36,324,876	37,383,133	38,614,569	39,444,923	31,288,226
Total Net Position	28,454,487	26,941,868	26,610,968	24,724,512	24,641,386
Total Operating Revenues	11,209,472	9,405,490	9,214,330	9,279,960	8,175,730
Total Operating Expenses	31,889,058	36,129,825	29,208,555	27,512,087	25,755,203
Total Net Non-Operating Revenues	22,192,205	26,555,235	21,880,681	18,315,253	20,174,147
Total Other Revenues, Expenses, Gains or Losses		500,000