NEW ISSUE **RATING: S&P: A+ (stable)**
BOOK-ENTRY ONLY

In the opinion of bond counsel, under existing law, assuming compliance with certain covenants described herein, (i) interest on the Bonds is excludable from gross income for federal income tax purposes, (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Bonds will be taken into account in determining annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax, (iii) interest on the Bonds is exempt from State of Arkansas income tax, (iv) the Bonds are exempt from property taxes in the State of Arkansas and (v) the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code. (See LEGAL MATTERS, Tax Exemption.)

$6,470,000
NATIONAL PARK COLLEGE DISTRICT
IMPROVEMENT BONDS
SERIES 2023

Dated: Date of Delivery **Due: March 1, as shown below**

The Bonds are limited tax obligations of National Park College District (the "District") secured on a parity with the District's General Obligation Refunding and Improvement Bonds, Series 2018. Interest on the Bonds is payable on March 1 and September 1, commencing March 1, 2024. The Bonds mature (on March 1 of each year), bear interest and are priced to yield as follows:

$390,000 3.50% Term Bonds due March 1, 2028 to Yield 3.50%
$485,000 4.00% Term Bonds due March 1, 2033 to Yield 3.55%*
$590,000 4.00% Term Bonds due March 1, 2038 to Yield 4.20%
$740,000 4.25% Term Bonds due March 1, 2043 to Yield 4.45%
$935,000 4.50% Term Bonds due March 1, 2048 to Yield 4.65%
$3,330,000 4.50% Term Bonds due March 1, 2051 to Yield 4.70%

The Bonds of each maturity will be initially issued as a single registered bond registered in the name of Cede & Co., the nominee of The Depository Trust Company ("DTC"), New York, New York. The Bonds will be available for purchase in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Except in limited circumstances described herein, purchasers of the Bonds will not receive physical delivery of Bonds. Payments of principal of and interest on the Bonds will be made by Regions Bank, Little Rock, Arkansas, as the bond registrar and paying agent, directly to Cede & Co., as nominee for DTC, as registered owner of the Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the Bonds, all as further described herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered, subject to prior sale, when, as and if issued and accepted by the Underwriter named below, subject to the approval of legality by Friday, Eldredge & Clark, LLP, Bond Counsel and subject to satisfaction of certain other conditions.

Stephens Inc.

Official Statement dated August 30, 2023.

* Priced to first optional redemption date, September 1, 2028.

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any offer, solicitation or sale of the Bonds by or to any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the Bonds implies that there has been no change in the matters described herein since the date hereof or that the information herein is correct as of any time subsequent to its date.

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$6,470,000
NATIONAL PARK COLLEGE DISTRICT
IMPROVEMENT BONDS
SERIES 2023

INTRODUCTION TO THE OFFICIAL STATEMENT

This introduction to the Official Statement is only a brief description and is subject in all respects to the more complete information contained in the Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the cover page and appendices.

Purpose of Official Statement. This Official Statement is provided to furnish certain information in connection with the issuance by National Park College District (the "District"), of its Improvement Bonds, Series 2023, in the aggregate principal amount of $6,470,000 (the "Bonds").

The District. The District is a community college district duly established and existing under the Constitution and laws of the State of Arkansas (the "State") for the purpose of providing post-secondary education. The boundaries of the District are co-extensive with the boundaries of Garland County, Arkansas. The District owns and operates National Park College (the "College"). See **DESCRIPTION OF THE DISTRICT**.

Security and Source of Payment. The Bonds will be limited tax obligations of the District, secured by a pledge of revenues from a continuing annual tax described below. See **BONDS BEING OFFERED**, Security and Source of Payment. The Bonds are on a parity of pledge and security with the Series 2018 Bonds (as hereinafter described).

Purpose. The Bonds are being issued to finance a portion of the costs of certain capital improvements for the College. See **BONDS BEING OFFERED**, Purpose.

Redemption. The Bonds are subject to optional redemption, in whole or in part, on and after September 1, 2028. The Bonds are subject to redemption from proceeds of the Bonds not needed for the purposes intended. The Bonds are also subject to mandatory sinking fund redemption as described herein. See **BONDS BEING OFFERED**, Mandatory Sinking Fund Redemption, Extraordinary Redemption and Optional Redemption.

Denominations and Registration. The Bonds are issuable only as fully registered bonds, without coupons, in the denomination of $5,000 or an integral multiple thereof. Interest is payable March 1, 2024, and semiannually thereafter on each March 1 and September 1. Principal is payable at the principal office of Regions Bank, Little Rock, Arkansas (the "Bond Registrar" and "Paying Agent"). Interest is payable by check mailed by the Paying Agent to the registered owners as of the Record Date (herein defined) for each interest payment date. A Bond may be transferred, in whole or in part (in integral multiples of $5,000), but only upon delivery of the Bond, together with a written instrument of transfer, to the Bond Registrar. See **BONDS BEING OFFERED**, Generally.

Book-Entry. The Bonds will be initially issued in book-entry form and purchasers of Bonds will not receive certificates representing their interest in the Bonds purchased. See **BONDS BEING OFFERED**, Book-Entry Only System. The Bonds will contain such other terms and provisions as described herein. See **BONDS BEING OFFERED**, Generally.

Tax Exemption. In the opinion of Bond Counsel, Friday, Eldredge & Clark, LLP, under existing law, assuming compliance with certain covenants described herein, (i) interest on the Bonds is excludable from gross income for federal income tax purposes, (ii) interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, provided, however, with respect to certain corporations, interest on the Bonds will be taken into account in determining annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax, (iii) interest on the Bonds is exempt from State of Arkansas income tax, (iv) the Bonds are exempt from property taxes in the State of Arkansas and (v) the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended (the "Code") (see **LEGAL MATTERS**, Tax Exemption).

Authority. The Bonds are being issued under the authority of the Constitution and laws of the State, including particularly A.C.A. §§ 6-61-1001 et. seq., and a resolution of the Board of Trustees of the College, governing body of the District (the "Resolution"). See **BONDS BEING OFFERED**, Authority, and **THE RESOLUTION**.

Continuing Disclosure. The Board and Regions Bank, as dissemination agent, will enter into a Continuing Disclosure Agreement in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). See **CONTINUING DISCLOSURE AGREEMENT**.

Delivery of Bonds. It is expected that the Bonds will be available for delivery on or about September 14, 2023 through the facilities of The Depository Trust Company in New York, New York.

Limitation. This Official Statement speaks only as of its date, and the information contained herein is subject to change. Descriptions of the District, the Bonds, the College, the Resolution and other documents are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive; all references herein to the Resolution or other documents are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto included in the Resolution.

BONDS BEING OFFERED

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

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

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

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

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

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

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

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

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

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

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

Generally. The Bonds will be dated, mature and bear interest as set out on the cover page hereof. The Bond Registrar will maintain books for the registration and transfer of ownership of the Bonds. Interest due on a bond on each interest payment date will be paid to the person in whose name the bond was registered at the close of business on the fifteenth day of the month (whether or not a business day) next preceding the interest payment date (the "Record Date"), irrespective of any transfer of the bond subsequent to the Record Date and prior to the interest payment date. Payment of interest shall be made by check mailed to such registered owner.

Each Bond is transferable by the registered owner thereof or by his attorney duly authorized in writing at the principal office of the Bond Registrar. Upon such transfer a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor.

Authority. The District was established under the authority of the Constitution and laws of the State of Arkansas, including particularly Constitutional Amendment No. 52 and Title 6, Chapter 61, Subchapters 5, 6 and 10 of the Arkansas Code of 1987 Annotated (collectively, the "Act"). The Bonds are being issued under the authority of the Act, including particularly A.C.A. §§ 6-61-1001 et. seq. and the Resolution. See **BONDS BEING OFFERED**, Authority, and **THE RESOLUTION**.

Purpose. The Bonds are being issued to finance a portion of the costs of capital improvements for the College, which include particularly, without limitation, a new student housing facility (the "Project"). The remaining costs of the Project will be financed with other available funds of the College. The Project is expected to be completed by September 1, 2025.

Sources and Uses of Funds. The sources and uses of funds are estimated as follows:

Sources:	
Par Amount of Bonds	$6,470,000
Net Original Issue Discount	(144,628)
Total	6,325,372
Uses:	
Project Costs	$6,201,611
Costs of Issuance	72,001
Underwriter's Discount	51,760
Total	$6,325,372

Security and Source of Payment. The Bonds will be limited tax general obligations of the District, secured by a pledge of revenues from a continuing annual tax of 0.8 mill on real property and personal property (the "Tax"). The District has heretofore issued its General Obligation Refunding and Improvement Bonds, Series 2018 (the "Series 2018 Bonds"). The Series 2018 Bonds are on a parity of pledge and security with the Bonds.

The Tax will continue to be collected for so long as any obligations payable from Tax proceeds are outstanding. The Tax is collected by the collector of Garland County at the same time as other county, municipal and school district taxes are collected.

All proceeds derived from future collections of the Tax are pledged to the payment of the principal of, interest on, and fees of the Bond Registrar and Paying Agent in connection with the Bonds and the Series 2018 Bonds (the "Required Payments"). However, proceeds in excess of the amounts needed to make the Required Payments shall be released from the pledge and may be used by the District for any lawful purpose.

The Vice President for Administration of the College, on behalf of the District, shall pay to the Paying Agent from annual collections of the Tax, (a) on or before February 15 of each year, an amount equal to the principal of the Bonds and the interest on the Bonds due on the following March 1 plus any fees of the Bond Registrar and Paying Agent then due, and (b) on or before August 15 of each year, an amount equal to the interest on the Bonds due on the following September 1 plus any fees of the Bond Registrar and Paying Agent then due.

The Paying Agent shall deposit all Tax proceeds received from the District, as set forth in the preceding paragraph, into the "2023 National Park College District Bond Fund" (the "2023 Bond Fund"), created for payment of principal of, interest on, and fees of the Bond Registrar and Paying Agent. Moneys in the 2023 Bond Fund in excess of that insured by the Federal Deposit Insurance Corporation must be continuously secured by bonds or other direct or fully guaranteed obligations of the United States of America or other securities authorized by State law to secure public funds, unless invested in Permitted Investments (as hereinafter defined) maturing not later than the date needed to pay debt service requirements on the Bonds. All moneys deposited into the 2023 Bond Fund will be specifically pledged to the payment of principal of, interest on and Bond Registrar fees in connection with the Bonds.

Mandatory Sinking Fund Redemption. The Bonds shall be redeemed prior to maturity, in part, on March 1 of each year, in increments of $5,000, selected by lot by the Paying Agent in such manner as it may determine, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, as follows:

Bonds Maturing March 1, 2028

Year (March 1)	Principal Amount
2024	$75,000
2025	75,000
2026	75,000
2027	80,000
2028 (maturity)	85,000

Bonds Maturing March 1, 2033

Year (March 1)	Principal Amount
2029	$ 90,000
2030	90,000
2031	100,000
2032	100,000
2033 (maturity)	105,000

Bonds Maturing March 1, 2038

Year (March 1)	Principal Amount
2034	$105,000
2035	110,000
2036	120,000
2037	125,000
2038 (maturity)	130,000

Bonds Maturing March 1, 2043

Year (March 1)	Principal Amount
2039	$135,000
2040	145,000
2041	150,000
2042	150,000
2043 (maturity)	160,000

Bonds Maturing March 1,2048

Year (March 1)	Principal Amount
2044	$170,000
2045	175,000
2046	185,000
2047	195,000
2048 (maturity)	210,000

Bonds Maturing March 1, 2051

Year (March 1)	Principal Amount
2049	$1,060,000
2050	1,110,000
2051 (maturity)	1,160,000

Extraordinary Redemption. The Bonds are subject to mandatory redemption, in increments of $5,000, on any interest payment date, in inverse order of maturity and by lot within a maturity in such manner as the Paying Agent may determine, from proceeds of the Bonds in excess of moneys needed to accomplish the purposes of the Bonds.

Optional Redemption. The Bonds are subject to redemption prior to maturity, at the option of the District, in increments of $5,000, on and after September 1, 2028, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption. The District shall select the maturities to be redeemed. Less than all of the Bonds of a single maturity called for redemption shall be selected by lot by the Paying Agent in such manner as it may determine.

If the Bonds are redeemed in part pursuant to the optional redemption provisions, the amount so redeemed shall be credited against mandatory sinking fund redemption installments for the maturity as directed by the District, in either inverse order of due dates or on a pro rata basis among due dates, in each case rounded to the nearest $5,000.

Notice of Redemption. Notice of each such early redemption (mandatory or optional), identifying the Bonds or portions thereof to be redeemed and the date fixed for redemption shall be given as follows:

The Paying Agent shall mail a copy by first-class mail, postage prepaid, or send a copy via other standard means, including electronic or facsimile communication, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner of any Bond to be redeemed in whole or in part. Failure to send an appropriate notice or any such notice to one or more registered owners of Bonds to be redeemed shall not affect the validity of the proceedings for redemption of other Bonds as to which notice of redemption is duly given and in proper and timely fashion.

Notwithstanding the above, so long as the Bonds are issued in book-entry only form, if fewer than all the Bonds of an issue are called for redemption, the particular Bonds to be redeemed will be selected pursuant to the procedures established by DTC. So long as the Bonds are issued in book-entry only form, notice of redemption will be given only to Cede & Co., as nominee for DTC. **The Paying Agent will not give any notice of redemption to the Beneficial Owners of the Bonds.**

Additional Parity Bonds. Additional bonds payable from the Tax may be issued on a parity of security with the Bonds. Prior to the issuance of any additional parity bonds, the District shall file its certificate, signed by the Chair of the Board of Trustees of the College or the President of the College, with the Registrar and Paying Agent setting forth annual rates of collection of the Tax for the then preceding five years and reflecting coverage of Tax collections over maximum annual debt service (based on a year ending December 31) for all outstanding Bonds, outstanding additional parity bonds and the additional parity bonds then to be issued of not less than 120%, assuming the assessed value of the taxable real and personal property in the District is an amount equal to that for the then preceding year and collection at a rate equal to the average rate of collection for the then preceding five years.

Subordinate Bonds. Without complying with the requirements for additional parity bonds, the District may from time to time in accordance with law issue additional bonds payable from the Tax which are subordinate to the Bonds and any additional parity bonds then outstanding and the pledge of revenues to the Bonds and any additional parity bonds.

DESCRIPTION OF THE DISTRICT

Area. The boundaries of the District are co-extensive with the boundaries of Garland County. The incorporated municipalities located, in whole or in part, within the County are: Hot Springs, Mountain Pine, Fountain Lake and Lonsdale.

Formation. Amendment No. 52 to the Arkansas Constitution, approved by a majority of the Arkansas electorate at the November 1964 general election, authorized the General Assembly to provide by law for the establishment of districts for the purpose of providing community college instruction and technical training. An enabling act was passed by the General Assembly early in 1965, permitting municipalities, counties, or groups of counties, to create community college districts by popular referendum.

The initial enabling legislation was subsequently amended, and the 1973 General Assembly completely rewrote the community college law (by Act No. 103) to provide for state financing of the general operations of community colleges. Act No. 103 was repealed by Act No. 560 of 1977 (as amended and supplemented, the present Act), which has substantially the same provisions as Act No. 103, including particularly the provision for state financing of general operations for community colleges. This legislation was further amended by Act No. 1114 of 1997, which created the Arkansas Higher Education Coordinating Board. This Board functions as a coordinating body for all community colleges and also facilitates all requests and recommendations for funding two-year post-secondary institutions in the system.

In 1973, the voters of Garland County approved the creation of the Garland County Community College District and the levy of two mills on real and personal property to support a community college and as security for bonded indebtedness. That same year, Garland County Community College was established as a public two-year college to provide post-secondary educational opportunities to the citizens of Garland County and surrounding areas. On July 1, 2003, pursuant to Act 678 of 2003, Garland County Community College and Quapaw Technical Institute merged. The resulting institution was named National Park Community College and the Garland County Community College District became the National Park Community College District. Pursuant to Act 141 of 2016, National Park Community College was renamed National Park College and the National Park Community College District became the National Park College District. The College is located in Mid-America Park just outside the city limits of Hot Springs, America's oldest national park.

Students. A profile shows that 66% of all students at the College attend full time and 21% are dual-enrolled high school/college students. Approximately 95% receive some form of financial aid. The average age of the College's graduates is 27.

Governmental Organization. The Board of Trustees of the College is the governing body of the District. The Board consists of nine members who are elected for six-year terms by the voters of the District at the general election in the year in which the predecessor members' terms expire. Should a vacancy occur prior to an election, the Governor of the State appoints a new member to fill the vacancy until the next general election. The present members of the Board are as follows:

Name	Occupation	Term Expires (December 31)
Mike Bush	Retired CEO – AP&L/Entergy	2026
Joyce Craft	Retired Superintendent – Hot Springs School District	2024
Jim Hale	Agent – Anderson-Frazier Insurance	2026
Beverly Joe	Senior Director, Human Resources – Triumph Group, Inc.	2024
Forrest Spicher	Vice President – Regions Bank	2028
Raymond Wright	Agent/Owner – State Farm Insurance	2028
Rhonda Harrington	Owner – Express Employment Professionals	2026
Lance Porter	Dentist/Owner – Porter Dental	2024
Renee Westfall	Self Employed	2028

Executive Officials: The principal executive officers of the College and their education and experience are briefly summarized as follows:

President: Dr. John Hogan

Dr. Hogan has been President of the College since July 1, 2014. Prior to that, he was Chancellor of the Columbus Region in the Ivy Tech Community College System in Columbus, Indiana. Dr. Hogan has 37 years of experience in higher education, all at the community college level.

Education: Ph.D., Indiana State University; M.A.E., Western Kentucky University; B.S., Western Kentucky University

Vice-President for Advancement and Government Relations: Dr. M. Wade Derden

Dr. Derden began at the College as the Social Sciences Division Chair in 2011. He was selected to be the College's Vice-President for Academic Affairs in July 2015. He served in that role until April 2023 when he became the Vice-President for Advancement and Government Relations. Dr. Derden has 22 years of experience in higher education, all at the community college level.

Education: Ph.D., University of Arkansas; M.A., University of Arkansas; B.A, Hendrix College

Vice-President for Academic Affairs: Dr. Jerry Thomas

Dr. Thomas began as Vice-President for Student Affairs and Enrollment Management in February 2016 and became Vice-President for Academic Affairs in April 2023. Prior to that, he was Assistant Vice President for Student Affairs at Thomas Edison State University. Dr. Thomas has 30 years of experience in higher education, including seven at the community college level.

Education: Ed.D., Texas A&M University; M.A., Louisiana Tech University; B.S. Southern Arkansas University

Vice-President for Administration: Kelli Embry

Ms. Embry has served in several roles at the College since August 2011, including Director for Community and Corporate Training and Vice President for Workforce and Strategic Initiatives. She assumed her most recent post as Vice President for Administration/Chief Financial Officer in February 2021. Ms. Embry has 18 years of experience in public community college administration and 18 years in the private industry sector working as a Human Resources professional.

Education: M.S., Texas A&M University-Commerce; B.B.A., Management, Texas A&M University-Texarkana

Vice-President for Workforce: Dr. Bill Allison

Dr. Allison began as Vice President for Workforce in December of 2020. Prior to that, he was the Director of Workforce Development, Continuing Education, Adult Basic Education, and the Testing Centers at Northwest Florida State College. Dr. Allison has nine years of experience in higher education at the community college level.

Education: Ed.D., Liberty University; M.A., Liberty University; B.S., Purdue University Global

Vice-President for Information Technology: Blake Butler

Mr. Butler has worked in the Computer Services department at NPC for 23 years. He has served as Vice President for Information Technology for eight years. His prior role was Director of Computer Services.

Education: B.S., John Brown University

Vice-President for Student Affairs and Enrollment Management: Darla Thurber

Ms. Thurber has worked in higher education for almost 25 years, with 18 of those at the College. Her prior roles include Director of Community Relations, Student Accounts Manager, Special Assistant to the President, and Vice President for External Affairs/Chief of Staff.

Education: M.Ed., University of Arkansas; B.S.E., University of Arkansas; A.A.S. Accounting, National Park College

Enrollment and Operation. Set forth below are the full-time equivalent enrollment and the head-count enrollment of the College for the fall semester of the years indicated:

Year	Full-Time Equivalent	Head Count
2022-23	1,450.5	1,826
2021-22	1,495.8	1,919
2020-21	1,489.9	1,914
2019-20	1,629.5	2,076
2018-19	1,563.6	2,060

The College offers the following degree programs:

Two-Year Degrees

Associate of Arts
Associate of Liberal Studies
Associate of Science in Liberal Arts and Science:
- Addiction Studies
- Anthropology
- Art
- Geography
- Health Education
- Health Sciences
- History
- Social Studies
- Human Services
- Music
- Nutrition
- Philosophy
- Psychology
- Social Work
- Sociology

Associate of Applied Science:
- Automotive Service Technology
- Business Management
- Computer Information Systems
- Criminal Justice
- Emergency Medical Services
- General Technology
- Health Information Technology
- Hospitality and Tourism Administration
- Law Enforcement
- Medical Laboratory Technology
- Radiologic Technology
- Respiratory Care
- Visual and Media Arts

Associate of Science:
- Business
- Business Information Systems
- Education
- Pre-Engineering
- Registered Nursing

Technical Certificates and Certificates of Proficiency (One year or less)

Accounting	Hospitality and Tourism
Aerospace Fabrication and Repair	Industrial Technology
Allied Health	Law Enforcement
Automotive	Marine Repair Technology
Business	Paralegal
Computer Information Systems	Photography
Criminal Justice	Practical Nursing
Emergency Medical Services	Web Design
General Studies	Welding
Graphic Design	

College Employees. The College currently has 215 full-time employees, which includes faculty (93) and staff (122) and 110 part-time employees, which includes faculty (42) and staff (68).

Accreditation Status. The College is accredited by the Higher Learning Commission. The College's accredited programs and accrediting bodies are as follows:

(a) The Automotive Service Technology program is accredited by the National Institute for Automotive Service Excellence.

(b) The Business programs are accredited by the Accreditation Council for Business Schools and Programs.

(c) The Concurrent Credit program is accredited by the National Alliance of Concurrent Enrollment Partnerships.

(d) The Emergency Medical Sciences (EMS) program is approved by the Arkansas Department of Health to provide EMS education. NPC's Paramedic program is accredited by the Commission on Accreditation of Allied Health Education Programs upon the recommendation of the Committee on Accreditation of Education Programs for the EMS Professions.

(e) The Health Information Technology program is accredited by the Commission on Accreditation for Health Informatics and Information Management Education.

(f) The Hospitality program is accredited by the Accreditation Commission for Programs in Hospitality Administration.

(g) The Medical Laboratory Technology program is accredited by the National Accrediting Agency for Clinical Laboratory Sciences.

(h) Both the AS (RN) and the PN (LPN) Certificate are approved by the Arkansas State Board of Nursing. The Associate degree nursing program, is accredited by the Accreditation Commission for Education in Nursing (ACEN). The most recent accreditation decision made by the ACEN Board of Commissioners for the Associate nursing program is continuing accreditation.

(i) The Radiologic Technology program is accredited by the Joint Review Committee on Education in Radiologic Technology.

(j) The Respiratory Care program is accredited by the Commission on Accreditation for Respiratory Care.

(k) The Welding Technology program is accredited by the National Center for Construction Education and Research.

College Facilities. The facilities presently operated by the College are as follows:

Facility	Square Feet
Amphitheater Complex	12,027
Campus Center	43,460
Computer Center	23,938
Faculty Office Building 1	5,283
Faculty Office Building 2	2,546
Faculty Office Building 3	5,897
Charlotte Phelps	11,068
Lab Science	36,955
Library	15,028
Liberal Arts/Business	15,992
Maintenance/Flam Liquids Storage	168
Maintenance Shed	1,200
Maintenance Shop	2,535
Maintenance Warehouse	2,400
Legacy Hall	13,386
Gym Complex	24,237
Restroom Facility	530
Ralph Pinkerton Building	2,750
Technical Sciences	7,600
Auto Mechanics	4,600
Engineering	3,550
Criminal Justice	4,080
Criminal Justice Storage	320
Advertising & Design	4,487
Flammable Storage Building	168
High School Auto & Welding	8,900
Wood Tech	5,600
Advanced Auto	3,981
HVAC	6,440
HVAC Flammable	840
Southside Student Center	10,350
Fred Dierks Nursing Health	49,875
Adult Education	7,300
Training Center	3,800
Child Care Aware Resource 1	420
Child Care Aware Resource 2	410
Ish Stivers	5,000
Dogwood Hall	71,639
Student Commons	50,950
Marine Technology	7,842

Assessed Valuation. Taxable property is valued for tax purposes as of January 1 of each year. However, the assessment process is not completed until November of the year of assessment. See **FINANCIAL INFORMATION**, Assessment of Property and Collection of Property Taxes. The assessed valuation of taxable property located within the boundaries of the District (as of January 1) has been as follows:

Year	Real Property	Personal Property	Utilities and Regulated Carriers	Total
2018	$1,598,419,872	$295,027,114	$63,911,600	$1,957,358,586
2019	1,638,254,794	300,242,274	64,776,525	2,003,273,593
2020	1,670,638,199	329,978,541	68,330,373	2,068,947,113
2021	1,705,385,866	360,881,473	72,154,289	2,138,421,628
2022	1,918,227,996	417,562,302	82,443,929	2,418,234,227

Major Employers. Set forth below are the major employers (with 200 or more employees) in Garland County according to the Greater Hot Springs Chamber of Commerce:

Employer	Product or Service	Number of Employees
CHI St. Vincent Hot Springs	Healthcare	1,700
Oaklawn Racing Casino Resort	Horse racing and gaming	1,275
National Park Medical Center	Healthcare	900
Walmart	Retail	810
City of Hot Springs	Government	632
Hot Springs School District	Education	467
Garland County	Government	431
Xpress Boats	Boats	410
StarTek Marketing Services	Customer service center	400
Radius Aerospace	Aviation	385
Kroger	Retail	345
National Park College	Education	325
Berry Global	Manufacturing	300
U. S. Forest Service	Government	243
Arlington Hotel	Hotel	225
CGI/Arkansas Passport Center	Government	211
Reynolds Packaging	Packaging	210
Triumph Airborne Structures	Aviation	200

Unemployment Rates. Set forth below are the annual average unemployment rates for the State and Garland County since 2019 according to the Arkansas Department of Workforce Services:

	Annual Average Unemployment Rate(%)	
Year	County	State
2019	3.7	3.5
2020	8.1	6.1
2021	4.9	4.1
2022	3.8	3.3
2023*	2.9	2.5

*As of May 2023.

Population. The following table sets forth the population trends for the District since 1970:

Year	Population
1970	54,131
1980	70,531
1990	73,397
2000	88,068
2010	96,024
2020	100,180

Medical Facilities. Garland County is served by three significant hospital facilities, all located in the City of Hot Springs: National Park Medical Center, which is a full service 166-bed medical center; Levi Hospital, which is a 50-bed rehabilitation center; and CHI St. Vincent Hot Springs, which is a full service, 300-bed acute care medical facility.

Financial Institutions. The District is served by the following banks with offices in the District: Armor Bank, Arvest Bank, Bank OZK, Cadence Bank, Chambers Bank, The Citizens Bank, Community First Trust Company, Diamond Bank, First Security Bank, The Malvern National Bank, Regions Bank, Relyance Bank, National Association, Security Bank, Simmons Bank, Southern Bancorp Bank and U.S. Bank, N.A.

District Economic Data. Per capita personal income estimates for the District are as follows:[1]

Year	Per Capita Personal Income
2017	$38,886
2018	39,732
2019	41,510
2020	44,472
2021	46,897

Total personal income estimates for the District are as follows:[1]

Year	Total Personal Income
2017	$3,839,488,000
2018	3,950,037,000
2019	4,142,767,000
2020	4,454,403,000
2021	4,705,205,000

DEBT STRUCTURE

General. In the election creating the District, held July 17, 1973, a levy was approved of not to exceed two mills. Pledging of the entire two mills to bonded debt was approved.

For the purpose of paying and securing the Bonds, the District is currently levying and pledging 0.8 mill. The Tax is computed by multiplying the then current assessed value by 0.8 mill.

Collection of Taxes. Collections of the Tax (net of County administration and collection charges) are shown in the following table.

Year of Levy	Amount Levied	Year of Collection	Amount Collected	Rate of Collections (net of collection fees)
2017	$1,518,721	2018	$1,482,622	97.6%
2018	1,565,886	2019	1,525,340	97.4
2019	1,602,619	2020	1,516,077	94.6
2020	1,655,158	2021	1,599,572	96.6
2021	1,710,737	2022	1,661,005	97.1

5-year average rate of collections – 96.6%

Estimated Coverage. The current (2022) assessed value of taxable property in the District is as follows:

Real Property	$1,918,227,996
Personal Property	417,562,302
Utilities and Regulated Carriers	82,443,929
Total	$2,418,234,227

The Tax as levied for collection in 2023 is computed as follows: the 2022 assessed value ($2,418,234,227) is multiplied by the Tax rate of 0.0008 to obtain the total Tax levy of $1,934,587.

The total real and personal property taxes levied for collection in 2023 is $1,934,587. Assuming the five-year average collection rate of 96.6% applies in 2023, the projected 2023 receipts will be $1,868,811.

[1]Source: Bureau of Economic Analysis.

For purposes of the following coverage computation, it is assumed that the Tax receipts in 2023 and each subsequent year will be the same and that each year's receipts will be available for payment of debt service.

On the basis of the 2022 assessment ($2,418,234,227), to be collected in 2023 at a collection rate of 96.6%, coverage of collections over maximum annual debt service for the Bonds and the Series 2018 Bonds may be estimated as follows:

Estimated Collections:(A)	$1,868,811
Maximum Annual Debt Service:(B)(1)	1,556,613
Coverage:(A/B)	1.20x

(1)Using a year ending December 31.

Computation of Dollar Amount of Debt Service Tax Levied. The most recent county-wide reassessment of taxable property was completed in Garland County in 2022 The next county-wide reassessment for Garland County is scheduled to be completed in 2026. For purposes of Amendment 59, the year in which the reassessment is completed is known as the "Base Year." For a general discussion of the reassessment requirement and its effect on assessed value and tax rate, see **FINANCIAL INFORMATION**, Constitutional Amendment Nos. 59 and 79, infra.

Constitutional Amendment No. 79 provides for an annual state credit against ad valorem property tax on a homestead in an amount not less than $300. Effective with the assessment year 2023, the amount of the credit was increased to $425. The tax reduction is reflected on the tax bill sent to the property owner by the county collector. Amendment No. 79 provides that the credit shall be applied in a manner that would not impair a bondholder's interest in ad valorem debt service revenue. In addition, Amendment No. 79 provides that the "General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebted purposes, to assure that the tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture."

The taxing units within the county are entitled to reimbursement of the reduction from the annual state credit. Pursuant to legislation, the state sales tax was increased by 0.5%. The purpose of the legislation is to raise revenue that the State will send back to replace the money lost as a result of the state credit. Therefore, for purposes of calculating projected revenues available for debt service, the District has assumed that it will receive revenues equal to the debt service revenues it would have received prior to the adoption of Amendment No. 79.

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Debt Service Schedule. Set forth below are the debt service requirements for the Bonds and the Series 2018 Bonds:

Year (Ending December 31)	Series 2018 Bonds Debt Service	Bonds Principal	Bonds Interest	Total Debt Service
2024	$1,210,987.50	$ 75,000	$268,600.49	$1,554,587.99
2025	1,204,337.50	75,000	276,087.50	1,555,425.00
2026	1,204,737.50	75,000	273,462.50	1,553,200.00
2027	1,204,337.50	80,000	270,750.00	1,555,087.50
2028	1,203,137.50	85,000	267,862.50	1,556,000.00
2029	1,201,137.50	90,000	264,575.00	1,555,712.50
2030	1,203,237.50	90,000	260,975.00	1,554,212.50
2031	1,199,437.50	100,000	257,175.00	1,556,612.50
2032	1,199,737.50	100,000	253,175.00	1,552,912.50
2033	1,199,037.50	105,000	249,075.00	1,553,112.50
2034	1,202,237.50	105,000	244,875.00	1,552,112.50
2035	1,204,237.50	110,000	240,575.00	1,554,812.50
2036	1,200,137.50	120,000	235,975.00	1,556,112.50
2037	1,199,937.50	125,000	231,075.00	1,556,012.50
2038	1,198,537.50	130,000	225,975.00	1,554,512.50
2039	1,200,837.50	135,000	220,506.25	1,556,343.75
2040	1,196,837.50	145,000	214,556.25	1,556,393.75
2041	1,196,537.50	150,000	208,287.50	1,554,825.00
2042	1,199,737.50	150,000	201,912.50	1,551,650.00
2043	1,197,656.25	160,000	195,325.00	1,552,981.25
2044	1,195,437.50	170,000	188,100.00	1,553,537.50
2045	1,196,812.50	175,000	180,337.50	1,552,150.00
2046	1,196,687.50	185,000	172,237.50	1,553,925.00
2047	1,195,062.50	195,000	163,687.50	1,553,750.00
2048	1,191,937.50	210,000	154,575.00	1,556,512.50
2049	--	1,060,000	126,000.00	1,186,000.00
2050	--	1,110,000	77,175.00	1,187,175.00
2051	--	1,160,000	26,100.00	1,186,100.00

Defaults. No debt obligations of the District have been in default as to principal or interest payments or in any other material respect at any time.

THE RESOLUTION

Set forth below is a summary of certain provisions of the Resolution. This summary does not purport to be comprehensive and reference is made to the full text of the Resolution for a complete description of its provisions.

Bond Fund. The Resolution creates the "2023 National Park College District Bond Fund" (the "2023 Bond Fund") which will be held by, or under the direction of, the Paying Agent. The Vice President for Administration of the College, on behalf of the District, shall deposit into the 2023 Bond Fund from annual collections of the Tax, (a) on or before February 15 of each year, an amount equal to the principal of the Bonds and the interest on the Bonds due on the following March 1 plus any fees of the Bond Registrar and Paying Agent then due, and (b) on or before August 15 of each year, an amount equal to the interest on the Bonds due on the following September 1 plus any fees of the Bond Registrar and Paying Agent then due.

The deposit into the 2023 Bond Fund shall be made contemporaneously with any required payments into the bond fund for the Series 2018 Bonds. All other revenues derived from the Tax will be released from the pledge and may be used for any lawful purposes. See **BONDS BEING OFFERED**, Security and Source of Payment. Moneys in the 2023 Bond Fund will be used solely for the payment of principal of, interest on, and fees of the Bond Registrar and Paying Agent in connection with the Bonds. The Paying Agent will withdraw from the 2023 Bond Fund, on or before the due date of any Bond, on or before each interest payment date, and on or before the due date of any fees of the Bond Registrar and Paying Agent, moneys in an amount equal to the amount of such principal, interest, or fees for the sole purpose of paying the same, and shall apply such moneys for such purpose. Moneys held for the credit of the 2023 Bond Fund which are in excess of the amount needed for payment of principal, interest and fees of the Bond Registrar and Paying Agent shall be withdrawn from the 2023 Bond Fund and paid to the District.

Deposit of Sale Proceeds. The Bonds will be delivered to the Underwriter upon payment by the Underwriter of the purchase price ("total sale proceeds"). Certain expenses of issuing the Bonds shall be paid. The balance of the total sale proceeds will be deposited in the "2023 National Park College District Construction Fund" created by the Resolution (the "Construction Fund"). Amounts in the Construction Fund will be disbursed for payment of issuance costs and costs and expenses of the Project upon filing in the official records pertaining to said Fund of a certificate of the District setting forth the information provided for in the Resolution. The depository or depositories of the Construction Fund shall be as specified from time to time by the District.

When the Project has been completed and all required expenses have been paid from the Construction Fund, and if any funds remain therein at the time, this fact shall be evidenced by a certificate signed by the President of the College, which certificate shall state that all obligations payable from the Construction Fund have been discharged. A copy of the certificate shall be filed with the depository bank which shall thereupon transfer any remaining balance to the Paying Agent for deposit into the 2023 Bond Fund and used for the redemption of the Bonds.

Investments. (a) The District may, from time to time invest moneys held for the credit of the Construction Fund and the 2023 Bond Fund in Permitted Investments. "Permitted Investments" are defined as (i) direct obligations of the United States of America or obligations the principal of and interest on which are fully guaranteed by the United States of America ("Government Obligations"), (ii) direct obligations of an agency, instrumentality or government-sponsored enterprise created by an act of the United States Congress and authorized to issue securities or evidences of indebtedness, regardless of whether the securities or evidences of indebtedness are guaranteed for repayment by the United States Government, (iii) bank certificates of deposit to the extent insured by the Federal Deposit Insurance Corporation, or if in excess of insurance coverage, collateralized by Government Obligations or other securities authorized by State law to secure public funds or (iv) money market funds invested exclusively in Government Obligations and the obligations described in (ii) above.

(b) Investments shall remain a part of the Fund from which the investment was made. All earnings and profits from investments shall be credited to and all losses charged against, the Fund from which the investment was made.

Bond Registrar and Paying Agent. The Bond Registrar and Paying Agent shall only be responsible for the exercise of good faith and reasonable prudence in the execution of its trust. The Bond Registrar and Paying Agent is not required to take any action for the protection of Bondholders.

The Bond Registrar and Paying Agent may resign by giving notice in writing to the President of the College. Such resignation shall be effective upon the appointment of a successor Bond Registrar and Paying Agent by the District and acceptance of appointment by the successor. If the District fails to appoint a successor Bond Registrar and Paying Agent within 30 days of receiving notice of resignation, the Bond Registrar and Paying Agent may apply to a court of competent jurisdiction for appointment of a successor. The District, so long as it is not in default under the Resolution, or the holders of a majority in principal amount of outstanding Bonds may at any time, with or without cause, remove the Bond Registrar and Paying Agent and the District shall appoint a successor. Every successor Bond Registrar and Paying Agent shall be a trust company or bank in good standing, duly authorized to execute trust powers and subject to examination by federal or state authority, having reported capital and surplus of not less than $10,000,000.

Modification of Terms of Bonds. The terms of the Bonds and the Resolution will constitute a contract between the District and the registered owners of the Bonds. The Bond Registrar and Paying Agent may consent to any supplement or amendment to the Resolution in order to cure any ambiguity, defect or other change that the Bond Registrar and Paying Agent determines is not to the material prejudice of the owners of the Bonds without the consent of the owners of the Bonds. The owners of not less than 75% in aggregate principal amount of the Bonds then outstanding have the right, from time to time, to consent to the adoption by the District of resolutions modifying any of the terms or provisions contained in the Bonds or the Resolution; provided, however, that without the consent of 100% of the owners of outstanding Bonds there shall not be permitted (a) any extension of the due date of the principal of or interest on any bond, or (b) a reduction in the principal amount of any bond or the rate of interest thereon, or (c) the creation of any additional pledge on the revenues pledged to the Bonds other than as authorized in the Resolution, or (d) a privilege or priority of any bond or bonds over any other bond or bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for such consent.

Defeasance. When all of the Bonds shall have been paid or deemed paid, the pledge in favor of the Bonds (see **BONDS BEING OFFERED**, Security and Source of Payment, supra) shall be discharged and satisfied. A Bond shall be deemed paid when there shall have been deposited in trust with the Paying Agent or with another bank or trust company (which other bank or trust company must be a member of the Federal Reserve System), as escrow agent under an escrow deposit agreement requiring the escrow agent to apply the proceeds of the deposit to pay the principal of and interest on the bond as due at maturity or upon redemption prior to maturity, cash and/or Defeasance Securities sufficient to pay when due the principal of and interest on the bond. If the principal of the bond is to become due by redemption prior to maturity, notice of such redemption must have been duly given or provided for. "Defeasance Securities" shall mean noncallable direct obligations of the United States of America maturing on or prior to the maturity or redemption date of the Bond. In determining the sufficiency of a deposit there shall be considered the principal amount of such Defeasance Securities and interest to be earned thereon until their maturity.

Defaults and Remedies. If there is any default in the payment of the principal of or interest on any Bond, or if the District defaults in the performance of any other covenant in the Resolution, the owners of not less than 10% in principal amount of the Bonds then outstanding may, by proper suit compel the performance of the duties of the officials of the District under the Constitution and laws of the State and under the Resolution and protect and enforce the rights of the owners by instituting appropriate proceedings at law or in equity or by other action deemed necessary or desirable. If any default in the payment of principal or interest continues for 30 days, the owners of not less than 50% in principal amount of the then outstanding Bonds may declare all outstanding Bonds immediately due and payable together with accrued interest thereon.

Anything in the Resolution to the contrary notwithstanding, the owners of a majority in principal amount of Bonds then outstanding shall have the right to direct the method and place of conducting all remedial proceedings to be taken by the Bondholders. Such direction shall be in accordance with law and the provisions of the Resolution.

Neither the Paying Agent nor the Bond Registrar shall be under obligation to institute any suit or take any remedial proceeding under the Resolution.

No one or more owners of the Bonds shall have any right in any manner by his or their action to affect, disturb or prejudice the security of the Resolution, or to enforce any right thereunder except in the manner provided in the Resolution. Any individual rights of action are restricted by the Resolution to the rights and remedies therein provided. Nothing shall, however, affect or impair the right of any owner to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof.

No delay or omission of any owner of a Bond or group of owners to exercise any right or power accrued upon any default shall impair any such right or power or be construed to be a waiver of any such default or acquiescences therein, and every power and remedy given to the owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

The owners of not less than 10% in principal amount of the Bonds then outstanding may waive any default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding or before the completion of the enforcement of any other remedy. No such waiver shall extend to or affect any other existing or subsequent default or defaults or impair any rights or remedies consequent thereon.

FINANCIAL INFORMATION

Overlapping Ad Valorem Taxes. The ad valorem taxing entities in the State are municipalities, counties, school districts and community college districts. All taxable property located within the boundaries of a taxing entity is subject to taxation by that entity. Thus property within the District is also subject to county ad valorem taxes and ad valorem taxes of the school district in which located. Property located within a municipality is also subject to taxation by that entity. The ad valorem tax entities whose boundaries overlap the District and their current ad valorem tax rates are as follows:

Name of Overlapping Entity	Total Tax Rate (in mills)
Garland County	3.6
City of Hot Springs	0.0
City of Mountain Pine	4.9
Town of Fountain Lake	0.0
Town of Lonsdale	1.5
Cutter-Morning Star School District	48.6
Fountain Lake School District	34.8
Hot Springs School District	41.6
Lake Hamilton School District	40.2
Lakeside School District	41.3
Jessieville School District	38.7
Mountain Pine School District	39.9
Mt. Ida School District	34.0
Benton School District	41.9
Magnet Cove School District	47.78
Centerpoint School District	38.5

Assessment of Property and Collection of Property Taxes. (a) Under Amendment No. 59 to the Arkansas Constitution, all property is subject to taxation except for the following exempt categories: (i) public property used exclusively for public purposes; (ii) churches used as such; (iii) cemeteries used exclusively as such; (iv) school buildings and apparatus; (v) libraries and grounds used exclusively for school purposes; (vi) buildings, grounds and materials used exclusively for public charity; and (vii) intangible personal property to the extent the General Assembly has exempted it from taxation, provided that it be taxed at a lower rate, or provided for its taxation on a basis other than ad valorem. Amendment No. 59 also authorizes the General Assembly to exempt from taxation the first $20,000 of value of a homestead of a taxpayer 65 years of age or older.

Amendment No. 59 provides that, except as otherwise provided therein in connection with the transition period following a county-wide reassessment (see Constitutional Amendment Nos. 59 and 79, infra), (1) residential property used solely as the principal place of residence of the owner shall be assessed in accordance with its value as a residence, (2) land (but not improvements thereon) used primarily for agricultural, pasture, timber, residential and commercial purposes shall be assessed upon the basis of its value for such use, and (3) all other real and tangible personal property subject to taxation shall be assessed according to its value (the Arkansas Supreme Court has held that the unqualified word "value," as used in a prior, substantially identical, constitutional provision, means "current market value").

(b) Property owned by public utilities and common carriers and "used and/or held for use in the operation of the company . . ." is assessed for tax purposes by the Tax Division of the Arkansas Public Service Commission. A.C.A. § 26-26-1605 provides that the Tax Division "shall assess the property at its true and full market or actual value" and that all utility property of a company, whether located within or without the State of Arkansas, is to be valued as a unit. Annually, the company files a report with the Tax Division. The Tax Division reviews these reports, along with other reports (such as reports to shareholders, the Federal Communications Commission, the Federal Energy Regulatory Commission and the Interstate Commerce Commission), to determine the value of the property. Valuation is currently made on the basis of a formula, as set forth in A.C.A. § 26-26-1607. with consideration given to (i) original cost less depreciation, replacement cost less depreciation or reconstruction cost less depreciation; (ii) market value of capital stock and funded debt; and (iii) capitalization of income. As provided in A.C.A. § 26-26-1611, once the value of a company's property as a unit is determined, the Tax Division removes the value allocable to out-of-state property and assigns the remainder among Arkansas taxing units on the basis of value within each jurisdiction. The Tax Division certifies the assessment to the county assessor who enters the assessment as certified on the county assessment roll. County officials have no authority to change such assessment.

All other property is assessed by the elected assessor of each Arkansas county (or other official or officials designated by law). This includes both real and tangible personal property. Amendment No. 79 to the Arkansas Constitution requires each county to appraise all market value real estate normally assessed by the county assessor at its full and fair value at a minimum of once every five (5) years.

(c) Amendment No. 79 requires the county assessor (or other official or officials designated by law), after each county-wide reappraisal, to compare the assessed value of each parcel of real property reappraised or reassessed to the prior year's assessed value. If the assessed value of the parcel increased, then the assessed value of that parcel must be adjusted as provided below.

Subject to subsection (e) below, if the parcel is not the homestead and principal place of residence ("homestead") of a taxpayer, then any increase in the assessed value in the first year after reappraisal cannot be greater than 10% (or 5% if the parcel is the taxpayer's homestead) of the assessed value for the previous year. For each year thereafter, the assessed value shall increase by an additional 10% (or 5% if the parcel is the taxpayer's homestead) of the assessed value for the year preceding the first assessment resulting from reappraisal; however, the increase cannot exceed the assessed value determined by the reappraisal prior to adjustment under Amendment No. 79.

For property owned by public utilities and common carriers, any annual increase in the assessed value cannot exceed more than 10% of the assessed value for the previous year. The provisions of this subsection (c) do not apply to newly discovered real property, new construction or substantial improvements to real property.

(d) If a homestead is purchased or constructed on or after January 1, 2001 by a disabled person or by a person over age 65, then that parcel will be assessed based on the lower of the assessed value as of the date of purchase (or construction) or a later assessed value. If a person is disabled or is at least 65 years of age and owns a homestead on January 1, 2001, then the homestead will be assessed based on the lower of the assessed value on January 1, 2001 or a later assessed value. When a person becomes disabled or reaches age 65 on or after January 1, 2001, that person's homestead should thereafter be assessed based on the lower of the assessed value on the person's 65th birthday, on the date the person becomes disabled or a later assessed value. This subsection (d) does not apply to substantial improvements to real property. For real property subject to subsection (e) below, the applicable date in this subsection (d), in lieu of January 1, 2001, is January 1 of the year following the completion of the adjustments to assessed value required in subsection (e).

(e) If, however, there has been no county-wide reappraisal and resulting assessed value of property between January 1, 1986 and December 1, 2000, then real property in that county is adjusted differently. In that case, the assessor (or other official or officials designated by law) compares the assessed value of each parcel to the assessed value of the parcel for the previous year. If the assessed value of the parcel increases, then the assessed value of the parcel for the year in which the parcel is reappraised or reassessed is adjusted by adding one-third (l/3) of the increase to the assessed value for the year prior to appraisal or reassessment. An additional one-third (1/3) of the increase is added in each of the next two (2) years.

The adjustment contemplated by subsection (e) does not apply to the property of public utilities or common carriers. No adjustment will be made for newly discovered real property, new construction or substantial improvements to real property.

(f) Property is currently assessed in an amount equal to 20% of its value. The percentage can be increased or decreased by the General Assembly.

The total of the millage levied by each taxing entity (municipalities, counties, school districts and community college districts) in which the property is located is applied against the assessed value to determine the tax owed. The assessed value of taxable property is revised each year and the total millage levied in that calendar year is applied against the assessed value for the calendar year. Assessed value for each year is determined as of January 1 of that year. Tangible personal property, including automobiles, initially acquired after January 1 and before June 1 is required to be assessed in the year of acquisition. Otherwise, only property owned by a taxpayer on January 1 is assessed for that calendar year.

The total taxes levied by all taxing authorities are collected together by the county collector of the county in which the property is located in the calendar year immediately following the year in which levied. Taxes are due and payable between the first business day in March and October 15, inclusive. Taxes not paid by October 15 are delinquent and subject to a 10% penalty. Real estate as to which taxes are delinquent for two successive years is certified to the State Land Commissioner, who offers the property for sale. The proceeds of such sale are distributed among the taxing authorities. Delinquent real property may be redeemed by the taxpayer within two years of the delinquency. Delinquent personal property taxes may be collected by distraint and public sale of the taxpayer's property.

Constitutional Amendment Affecting Personal Property Taxes. At the 1992 general election, a Constitutional amendment was approved which exempts from all personal property taxes items of household furniture and furnishings, clothing, appliances and other personal property used within the home. The effective date of the amendment was January 1, 1993.

Constitutional Amendment Nos. 59 and 79. Prior to the adoption of Amendment No. 59 to the Arkansas Constitution, the Constitution mandated that:

> "All property subject to taxation shall be taxed according to its value, that value to be ascertained in such manner as the General Assembly shall direct, making the same equal and uniform throughout the State. No one species of property from which a tax may be collected shall be taxed higher than other species of property of equal value."

In the case of Arkansas Public Service Commission v. Pulaski County Board of Equalization, 266 Ark. 64, 582 S.W.2d 942 (June 25, 1979), the Supreme Court of Arkansas held that the then current assessment process, as prescribed by certain legislation and administrative regulations, was in violation of the Constitutional mandate in that (1) it provided for the assessment of certain property on the basis of "use value" as opposed to market value, (2) it did not provide for equal and uniform assessments throughout the State and (3) it provided for assessments based on past, as opposed to current, market values. The Court ordered a statewide reassessment to bring the assessments into conformity with the constitutional requirements. It was provided that the reassessment would be completed over a five year period, with 15 of the 75 counties in the State to be reassessed each year. The reassessment was accomplished in calendar years 1981 through 1985.

Legislative studies indicated that the effect of the Court-ordered reassessment would be to substantially increase real estate assessments in most or all counties of the State, with the result being, if tax rates remained the same, to substantially increase real estate taxes. The Arkansas General Assembly submitted to the electors of the State a proposed Constitutional amendment designed to prevent the substantial tax increase that would otherwise result from the reassessment. The proposed Amendment was approved at the 1980 General Election and is now Amendment No. 59 to the Arkansas Constitution.

At the 2000 general election, Constitutional Amendment No. 79 was adopted by a majority of the voters and went into effect on January 1, 2001. Amendment No. 79 allows for an annual state credit against ad valorem property tax on a homestead in the amount of not less than $300.

Amendment No. 59 provides that whenever a county-wide reassessment results in an increase of assessed value of 10% or more, the tax rate of each taxing unit on property located in that county is to be adjusted as provided in the Amendment. The year in which the reassessment is completed is designated the "Base Year". The assessed valuation for the Base Year is based on the reassessment. Amendment No. 79 requires that rollback adjustments under Amendment No. 59 be determined after the adjustments are made to assessed value under Amendment No. 79. See **FINANCIAL INFORMATION**, Assessment of Property and Collection of Property Taxes.

The tax rate applicable to other real property is computed by (1) deducting from the Base Year assessed value of the real estate the assessed value of newly-discovered real estate and new construction and improvements to real property to arrive at the reassessed value of previously assessed real property, (2) determining the tax rate necessary to produce from the previously assessed real property (on the basis of the Base Year assessment) the same amount of revenues produced from such property in the Base Year (on the basis of the last previous assessed value and the tax rate applicable to collections in the Base Year), and (3) either (a) fixing the tax rate determined in (2) as the tax rate for the real property, including newly-discovered real property and new construction and improvements to real estate, or (b) if the tax rate so fixed would produce less than 110% of the revenues from real estate produced in the Base Year, increasing the tax rate in an amount sufficient to produce such 110% of revenues.

The General Assembly, in Act No. 848 of 1981, implemented the procedures of Amendment No. 59. A.C.A. § 26-26-404 provides that the computation is to be made separately for each tax source or millage levy, with the new tax rate for each millage levy to be rounded up to the nearest 1/10 mill. In the case of debt service millage, the tax rate as so adjusted will continue as the continuing annual tax rate until retirement of the bonds to which pledged.

Amendment No. 79 provides that the tax rate for personal property and property of public utilities and regulated carriers should be the same as that for real property. Personal property rates currently not equal to real property rates should be reduced to the level of the real property rate unless a higher rate is "necessary to provide a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements" of a bond issue.

Amendment No. 59 contains the following specific provision in regard to debt service millage:

> "The General Assembly shall, by law, provide for procedures to be followed with respect to adjusting ad valorem taxes or millage pledged for bonded indebtedness purposes, to assure that the adjusted or rolled-back rate of tax or millage levied for bonded indebtedness purposes will, at all times, provide a level of income sufficient to meet the current requirements of all principal, interest, Paying Agent's fees, reserves, and other requirements of the bond indenture."

A.C.A. § 26-26-402(b) provides:

> "If it is determined that the adjustment or rollback of millages as provided for herein will render income from millages pledged to secure any bonded indebtedness insufficient to meet the current requirements of all principal, interest, paying agent fees, reserves and other requirements of a bond indenture any such pledged millage shall be rolled back or adjusted only to a level which will produce at least a level of income sufficient to meet the current requirements of all principal, interest, paying agent fees, reserves, and other requirements of the bond indenture."

Other Financial Information. In addition to the Tax pledged to the payment of the Bonds, the District receives substantially all of its operating funds from State appropriations and from tuition and fees charged to students of the College. The finances of the District and the College are audited by the Division of Legislative Audit of the Legislative Joint Auditing Committee of the Arkansas General Assembly. A copy of the audited financial statements of the College for the fiscal year ended June 30, 2022 is attached as Appendix A. A copy of the unaudited financial statements of the College for the fiscal year ended June 30, 2021 is attached as Appendix B.

Major Taxpayers. For taxes levied for collection in 2023 (based on the 2022 assessed valuation), no taxpayer is paying more than 5% of District taxes.

CONTINUING DISCLOSURE AGREEMENT

Past Compliance. During the past five years, the District or the College has been a party to two continuing disclosure agreements in connection with outstanding bonds. The District and the College have been in compliance in all material respects with their obligations pursuant to each continuing disclosure agreement over the last five years.

Set forth below is a summary of certain portions of the Continuing Disclosure Agreement. This summary does not purport to be comprehensive and reference is made to the full text of the Continuing Disclosure Agreement for a complete description of its provisions.

Generally. The District will enter into a Continuing Disclosure Agreement with respect to the Bonds.

Purpose of the Continuing Disclosure Agreement. The Continuing Disclosure Agreement will be executed and delivered by the District and Regions Bank, as dissemination agent, for the benefit of the Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with the Securities and Exchange Commission, Rule 15c2-12(b)(5).

Definitions. In addition to the definitions set forth in this Official Statement, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean an Annual Report provided by the District pursuant to, and as described in, the Continuing Disclosure Agreement.

"Beneficial Owner" of a Bond shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of the Bond (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean Regions Bank, acting in its capacity as Dissemination Agent, or any successor Dissemination Agent designated in writing by the District.

"EMMA" shall mean the Electronic Municipal Market Access System as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

"Financial Obligation" shall mean a

(A) debt obligation;

(B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

(C) guarantee of obligations described in (A) or (B).

The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed hereunder.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Provision of Annual Reports. (a) The District shall, or cause the Dissemination Agent to, not later than 270 days after the end of the College's fiscal year (presently June 30), commencing with the report after the end of the 2023 fiscal year, provide to the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any similar system acceptable to the Securities and Exchange Commission, an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. The Annual Report shall be in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. Each Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information as provided in the Continuing Disclosure Agreement; provided that the audited financial statements may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but, in such event, such audited financial statements shall be submitted within thirty (30) days of becoming available. If the fiscal year changes, the District shall give notice of such change in the manner as for a Listed Event.

(b) Not later than fifteen (15) days prior to the date specified in subsection (a) for providing each Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report (containing the information required in (1) under Content of Annual Reports, below) has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB.

Content of Annual Reports. Each of the District's Annual Reports shall contain or incorporate by reference the following:

(1) Information of the type set forth in the Official Statement under the captions **DESCRIPTION OF THE DISTRICT,** Assessed Valuation and **DEBT STRUCTURE**, Collection of Taxes; and (2) the annual audited financial statements of the District (or the audited financial statements of the College if separate audited financial statements of the District are not prepared) prepared in accordance with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America.

Any or all of the items above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's website or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. (a) This caption describes the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security.

7. Modification to rights of security holders, if material.

8. Bond calls (excluding mandatory sinking fund redemptions), if material.

9. Defeasances and tender offers.

10. Release, substitution, or sale of property securing repayment of the securities, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the obligated person.

13. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the

termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) After the occurrence of a Listed Event (excluding an event described in (a)8 above), the District shall promptly notify the Dissemination Agent (if other than the District) in writing. Such notice shall instruct the Dissemination Agent to report the occurrence.

(c) After the occurrence of a Listed Event (excluding an event described in (a)8 above), the District shall file (or shall cause the Dissemination Agent to file), in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event, a notice of such occurrence with the MSRB, through its continuing disclosure service portal provided through EMMA at http://www.emma.msrb.org or any other similar system that is acceptable to the Securities and Exchange Commission. Each notice of the occurrence of a Listed Event shall be captioned "Notice of Listed Event" and shall be filed in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. In the event of a Listed Event described in (a)8 above, the Dissemination Agent, without instruction from the District, shall make the filing in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event.

Termination of Reporting Obligations. The District's obligations under the Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the affected Bonds.

Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under a Continuing Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. A Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to a Continuing Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the District shall be the Dissemination Agent. The initial Dissemination Agent shall be Regions Bank.

Amendment; Waiver. Notwithstanding any other provision of a Continuing Disclosure Agreement, the District and the Dissemination Agent may amend the Continuing Disclosure Agreement, and any provisions of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the requirements for providing an Annual Report, to the contents of the Annual Report or the reporting of Listed Events, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the affected Bonds in the same manner as provided in the Resolution for the affected Bonds for amendments to the Resolution with the consent of Beneficial Owners, or (ii) does not, in the opinion of the Dissemination Agent, in reliance on the advice of counsel (who may be counsel for the District) and/or such other certificates or reports delivered to the Dissemination Agent in connection therewith, materially impair the interests of the Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Agreement, the District shall describe such amendment in the next Annual Report with respect to that issue, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information. Nothing in the Continuing Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, the District shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of the Continuing Disclosure Agreement, the District or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District or the Dissemination Agent, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under a Continuing Disclosure Agreement in the event of any failure of the District or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Duties of Dissemination Agents and Rights of Indemnity. The Dissemination Agent shall have only such duties as are specifically set forth in the Continuing Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct.

Beneficiaries. The Continuing Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and the Beneficial Owners of the affected Bonds and shall create no rights in any other person or entity.

LEGAL MATTERS

Legal Proceedings. No litigation is pending, or to the best knowledge of the District threatened, questioning the existence of the District, its boundaries, the assessed value of taxable property located within the District, any taxes levied by the District, the title of any member of the Board of Trustees to his or her office, or questioning the authority of the District to issue the Bonds or any proceedings relating thereto.

In addition, there is no litigation pending or threatened against the District in which an adverse decision or decree will have a material adverse effect on the financial condition of the District.

Legal Opinion. Issuance of the Bonds is subject to the unqualified approving opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, to the effect that the Bonds have been lawfully issued under the Constitution and laws of the State of Arkansas and constitute valid, binding and enforceable obligations of the District.

Tax Exemption. In the opinion of Friday, Eldredge & Clark, LLP, Bond Counsel, under existing law, the interest on the Bonds is exempt from State of Arkansas income tax and the Bonds are not subject to property taxes in the State of Arkansas.

Also, in the opinion of Bond Counsel, interest on the Bonds under existing law (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, such interest will be taken into account in determining annual adjusted financial statement income for the purpose of computing the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. These requirements generally relate to arbitrage and the use of the proceeds of the Bonds. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so includable in gross income retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

Prospective purchasers of the Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds, (ii) interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account in determining gross income, receipts or accruals of interest on the Bonds.

Prospective purchasers of the Bonds should be further aware that Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Bonds, except with respect to certain financial institutions (within the meaning of Section 265(b)(5) of the Code).

An exception allows a deduction of certain interest expense allocable to "qualified tax-exempt obligations." The District has designated the Bonds as "qualified tax-exempt obligations" and has covenanted not to use the proceeds of the Bonds in a manner which would cause the Bonds to be "private activity bonds," within the meaning of the Code, and has represented that the District and its subordinate entities have not and do not reasonably expect to issue more than $10,000,000 of such tax-exempt obligations (other than private-activity bonds (excluding from that term "qualified 501(c)(3) bonds" under Section 145 of the Code)) during calendar year 2023.

Prospective purchasers of the Bonds should also be aware that Section 17 of Act 785 of the Acts of Arkansas of 1993 added new subsections (b) and (c) to Section 26-51-431 of the Arkansas Code of 1987 Annotated. Subsection (b) states that Section 265(a) of the Internal Revenue Code is adopted for the purpose of computing Arkansas corporation income tax liability. Subsection (c) provides that in computing Arkansas corporation income tax liability, no deduction shall be allowed for interest "on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from the taxes imposed by Arkansas law." On December 8, 1993, the Arkansas Department of Finance and Administration Revenue Division issued Revenue Policy Statement 1993-2, which provides in part:

> Financial institutions may continue to deduct interest on indebtedness incurred or continued to purchase or carry obligations which generate tax-exempt income to the same extent that the interest was deductible prior to the adoption of Section 17 of Act 785 of 1993.

As shown on the cover page of this Official Statement, certain of the Bonds are being sold at a premium (collectively, the "Premium Bonds"). An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

As shown on the cover page of this Official Statement, certain of the Bonds are being sold at an original issue discount (collectively, the "Discount Bonds"). The difference between the initial public offering prices, as set forth inside the front cover page, of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes, as described above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption, or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

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

Owners of the Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any other legislative proposals or clarification of the Code or court decisions may affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any proposed or enacted federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

It is not an event of default on the Bonds if legislation is enacted reducing or eliminating the exclusion of interest on state and local government bonds from gross income for federal or state income tax purposes.

RATING

S&P Global Ratings ("S&P") has assigned a rating of "A+ (stable)" to the Bonds. Such rating reflects only the views of S&P at the time such rating was given. An explanation of the significance of the rating may be obtained from S&P. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by S&P, if in its judgment circumstances so warrant. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Neither the District nor the Underwriter has undertaken any responsibility subsequent to the issuance of the Bonds to assure the maintenance of the rating or to oppose any revision or withdrawal of the rating. No application has been made to any rating agency other than S&P for a rating on the Bonds.

MISCELLANEOUS

Underwriting. Under a Bond Purchase Agreement (the "Agreement") entered into by and between the District, as issuer, and Stephens Inc., as underwriter (the "Underwriter"), the Bonds are being purchased at an aggregate purchase price of $6,273,611.70 (principal amount less net original issue discount of $144,628.30 and less Underwriter's discount of $51,760). The Agreement provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions contained in the Agreement, including the absence of pending or threatened litigation questioning the validity of the Bonds or any proceedings in connection with the issuance thereof, and the absence of material adverse changes in the financial or business condition of the District.

The Underwriter intends to offer the Bonds to the public initially at the offering prices set forth on the cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering price.

The District has agreed to indemnify the Underwriter against certain civil liabilities in connection with the offering and sale of the Bonds, including certain liabilities under federal securities laws.

Enforceability of Remedies. Rights of the registered owners of the Bonds and the enforceability of the remedies available under the Resolution may depend on judicial action and may be subject to the valid exercise of the constitutional powers of the United States of America and of the sovereign police powers of the State or other governmental units having jurisdiction, and to the application of federal bankruptcy laws or other debtor relief or moratorium laws in general. Therefore, enforcement of those remedies may be delayed or limited, or the remedies may be modified or unavailable, subject to the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel expresses no opinion as to any effect upon any right, title, interest or relationship created by or arising under the authorizing resolution resulting from the application of state or federal bankruptcy, insolvency, reorganization, moratorium or similar debtor relief laws affecting creditors' rights which are presently or may from time to time be in effect.

Information in Official Statement. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

The information contained in this Official Statement has been taken from sources considered to be reliable, but is not guaranteed. To the best of the knowledge of the undersigned the Official Statement does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The execution of this Official Statement has been duly authorized by the District.

NATIONAL PARK COLLEGE DISTRICT

By /s/ Joyce Craft
Chair

APPENDIX A

Audited Financial Statements of
National Park College
for the Fiscal Year Ended June 30, 2021

National Park College

Hot Springs, Arkansas

Basic Financial Statements and Other Reports

June 30, 2021

LEGISLATIVE JOINT AUDITING COMMITTEE

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National Park College
Legislative Joint Auditing Committee

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of National Park College Foundation, Inc., 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 National Park College Foundation, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of National Park College Foundation, Inc. were not audited in accordance with *Government Auditing Standards.*

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

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

Opinions

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

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Other Matters

Prior Year Comparative Information

We have previously audited the College's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the business-type activities and the discretely presented component unit in our report dated August 11, 2021. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, certain information pertaining to postemployment benefits other than pensions, and certain information pertaining to pensions on pages 6-12, 44-45, and 46-47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Selected Information for the Last Five Years (Schedule 1) presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2022 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

Roger Norman

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

Little Rock, Arkansas
July 14, 2022
EDHE17521

Arkansas

Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. Nelda Speaks
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Roger A. Norman, JD, CPA, CFE, CFF
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, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated July 14, 2022. Our report includes a reference to other auditors who audited the financial statements of National Park College Foundation, Inc., as described in our report on the College's financial statements. The financial statements of National Park College Foundation, Inc., 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 National Park College Foundation, Inc., or that are reported on separately by those auditors who audited the financial statements of National Park College Foundation, Inc.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described below in the Audit Findings section of this report that we consider to be a material weakness.

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 certain matters that we reported to management of the College in a separate letter dated July 14, 2022.

AUDIT FINDINGS

Material Weakness

Financial Statements are the responsibility of the College's management and should be presented in conformity with accounting principles generally accepted in the United States of America. The College has policies and procedures to properly record and classify transactions in the financial statements; however, a material misstatement in the financial statements was detected during the audit. This misstatement had no effect on the College's reported total net position at June 30, 2021; and the financial statements were subsequently corrected by College personnel during audit fieldwork. Key errors in the Comparative Statement of Revenues, Expenses, and Changes in Net Position and Comparative Statement of Net Position included:

Comparative Statement of Revenues, Expenses, and Changes in Net Position

Student tuition and fees and scholarships and fellowships were overstated by $790,021, due to the recording of an incorrect amount for scholarship allowance.

A similar finding was reported in the previous two audits.

Comparative Statement of Net Position
Investment in capital assets, net of related debt was overstated by $217,212.

The College should implement internal controls to ensure amounts reported in the financial statements are accurate.

> Management Response: National Park College (NPC) Scholarship allowance was misclassified in the Financial Statement presentation which resulted in Auxiliary Enterprise Expense being overstated by $790,021 and understating Scholarships and Fellowships expense. This error occurred due to not moving the Scholarship expense out of the Auxiliary expenses during the GASB financial statement preparation. Our accounting system charges our auxiliary scholarship expenses directly to the auxiliary funds to capture all auxiliary expenses for state reporting purposes. An additional entry needs to occur for the GASB financial statement presentation to move those out after state reporting is completed. NPC noted the error, and has added this step to the financial statement preparation checklist to prevent the misclassification from occurring again.
>
> Per feedback from our previous Controller, NPC's proceeds from the bonds of our construction fund did not get included on the worksheet, so the net related debt was overstated by $217,212. Unfortunately, there was not a second check of this information. In the future, our new Controller, along with the Assistant Controller and CFO, will be reviewing the notes and the data to ensure the information is accurate.

College's Response to Findings

The College's response to the finding identified in our audit, excluding the management letter finding, is described previously. The College's response was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 College'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
July 14, 2022

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

National Park College
Legislative Joint Auditing Committee

We would like to communicate the following item that came to our attention during this audit. The purpose of such comment is to provide constructive feedback and guidance, in an effort to assist management to maintain a satisfactory level of compliance with the state constitution, laws and regulations, and to improve internal control. This matter was discussed previously with College officials during the course of our audit fieldwork and at the exit conference.

The College discovered that a check, dated March 18, 2021 and totaling $3,770, was mailed to an out-of-state vendor and subsequently altered and cashed by a third party on April 16, 2021. As of report date, the College had not been reimbursed by the bank, and the matter was being investigated by the United States Postal Service.

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, 2021, 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 2020	Fall Term 2020	Spring Term 2021	Summer I Term 2021
Student Headcount	41	2,406	2,014	493
Student Semester Credit Hours	144	24,727	20,882	3,036

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
July 14, 2022

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National Park College is pleased to present its financial statements for the fiscal year ended June 30, 2021. 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, 2021. 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, 2020 through June 30, 2021. 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 non cash 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* are able to 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.

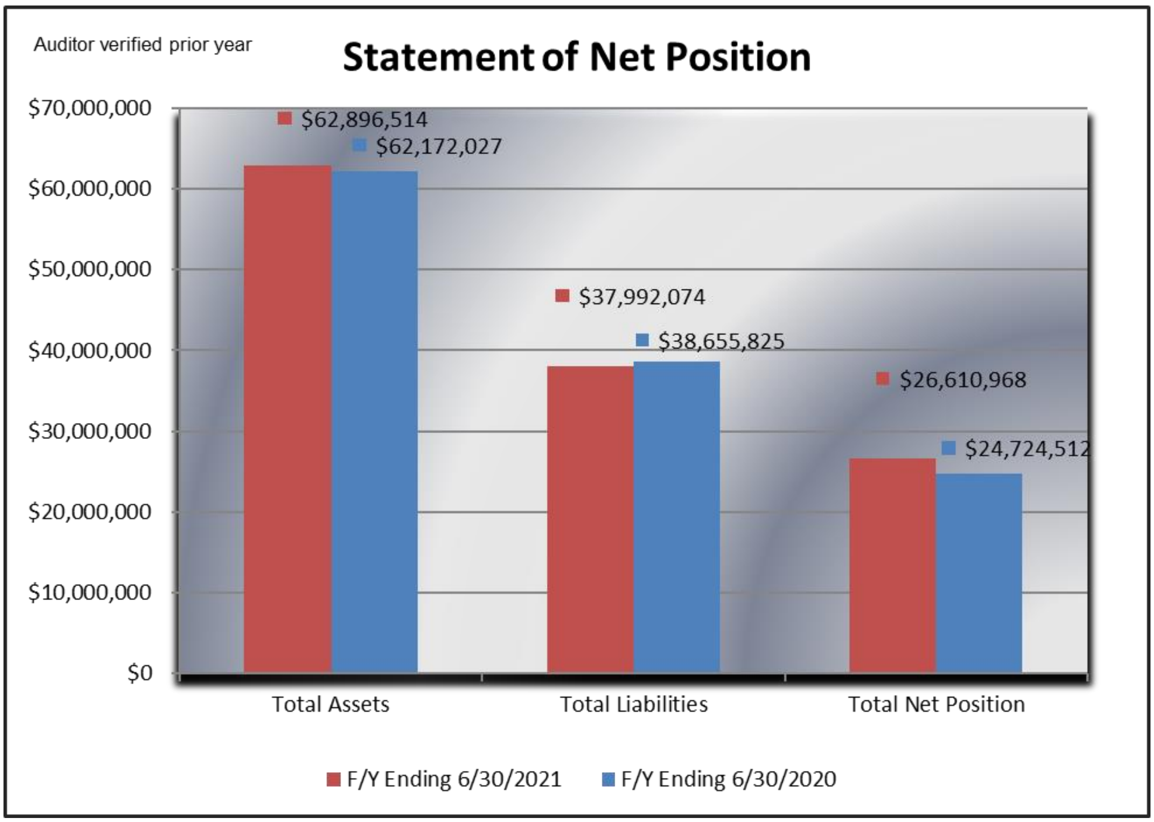
Net Position is divided into three categories. *Net investment in capital assets, net of related debt* represents the College's capital assets after subtracting accumulated depreciation/amortization and the principal amount of outstanding debt attributable to the acquisition, construction or improvement 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 positon* is funds that the College has at its disposal to use for whatever purposes it deems appropriate.

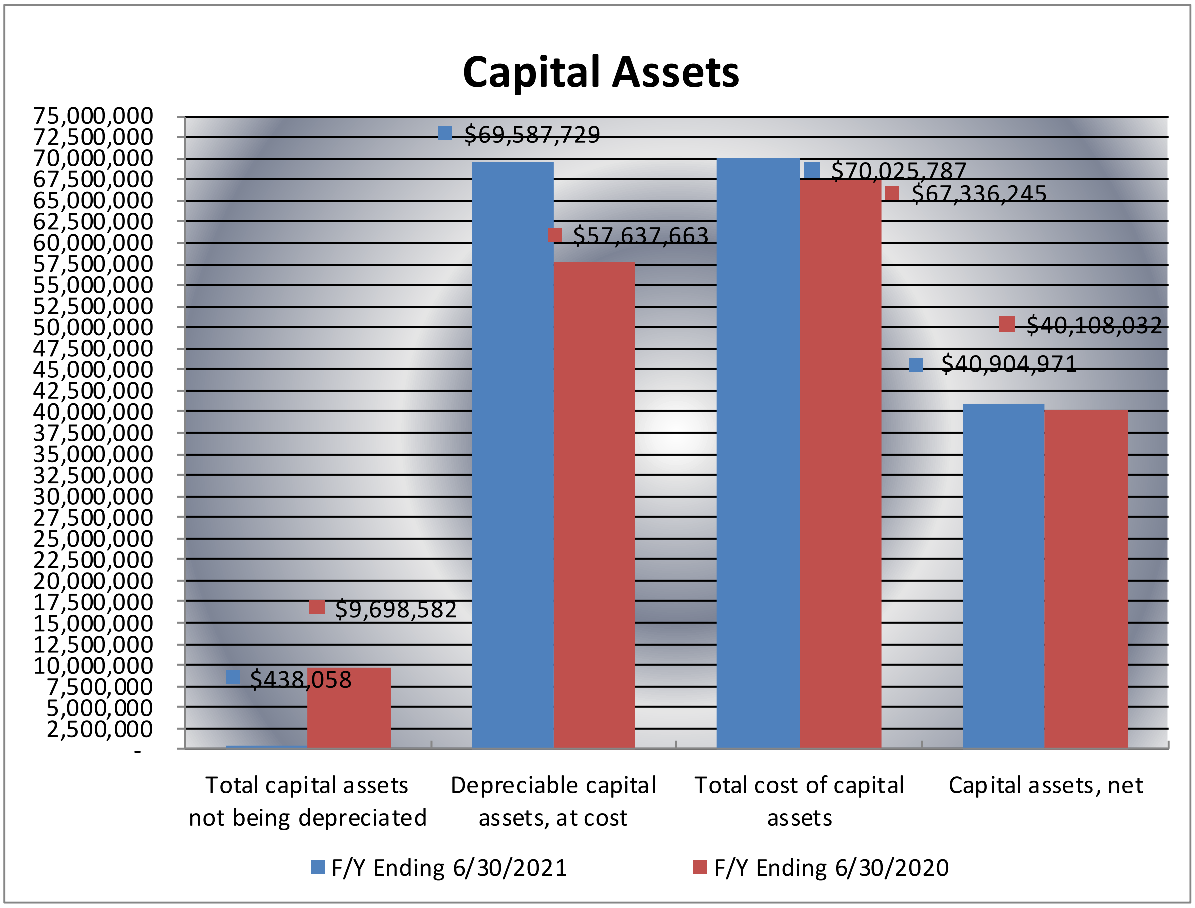
Statement of Net Position (Continued)

Statement of Net Position
June 30, 2021 and 2020

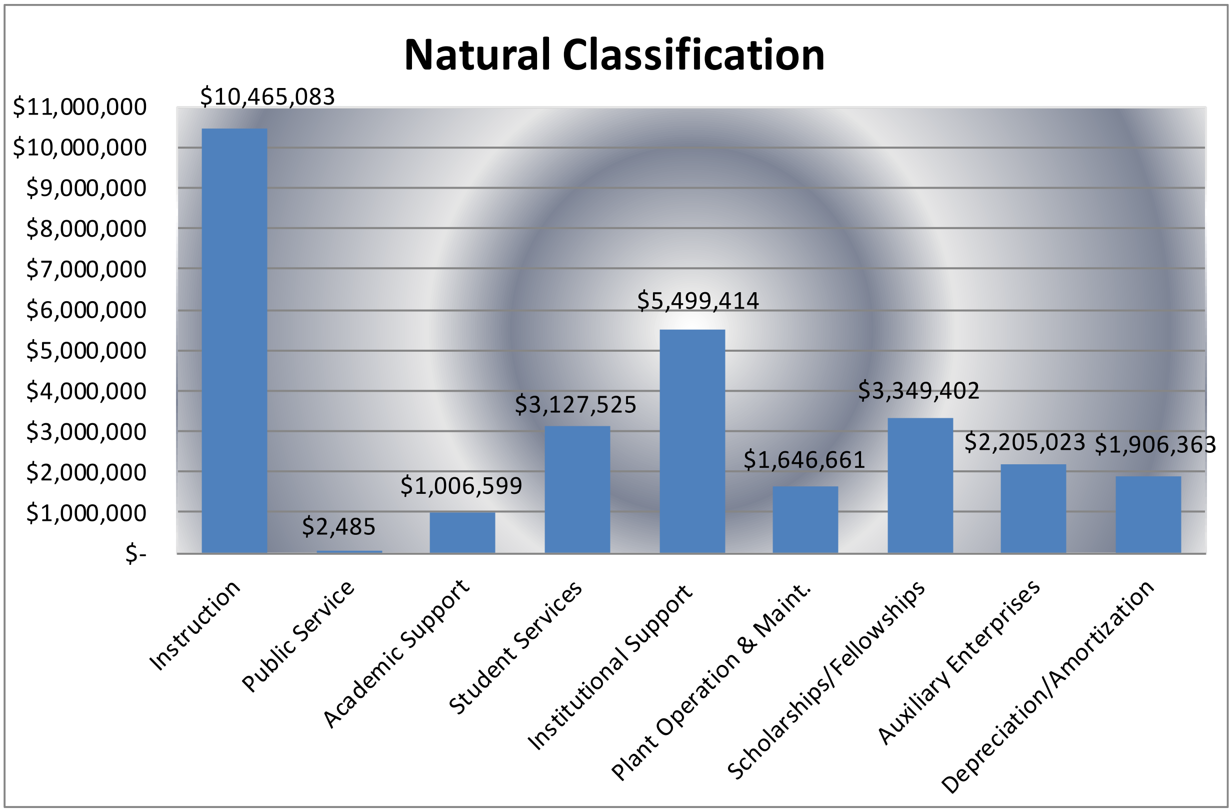
	Year Ended June 30	
Assets:	2021	2020
Current assets	$16,489,050	$14,552,158
Capital assets, net	40,904,971	40,108,032
Other assets	5,502,493	7,511,837
Total Assets	62,896,514	62,172,027
Deferred Outflows of Resources	2,329,023	1,997,408
Total Assets and Deferred Outflows of Resources	$65,225,537	$64,169,435
Liabilities:		
Current liabilities	$2,655,365	$4,164,455
Non-current liabilities	35,336,709	34,491,370
Total Liabilities	37,992,074	38,655,825
Deferred Inflows of Resources	622,495	789,098
Total Liabilities and Deferred Inflows of Resources	$38,614,569	$39,444,923
Net Position:		
Net investment in capital assets	11,417,928	11,568,603
Restricted – expendable	3,879,149	5,678,799
Unrestricted	11,313,891	7,477,110
Total Net Position	$26,610,968	$24,724,512



Statement of Net Position (Continued)



Statement of Net Position (Continued)



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 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 (Continued)

Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	Year Ended June 30	
	2021	2020
Operating revenues	$ 9,214,330	$ 9,279,960
Operating expenses	(29,208,555)	(27,512,087)
Operating loss	(19,994,225)	(18,232,127)
Non-operating revenues less expenses	21,880,681	18,315,253
Increase (decrease) in net assets	$ 1,886,456	$ 83,126
Net Position - Beginning of year	24,724,512	24,641,386
Net Position - End of year	$ 26,610,968	$24,724,512

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.

Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash receipts and cash payments of the institution during the year. The statement is divided into the following five sections:

- *Operating Cash Flows* provides details of the operating cash flows and the net cash used by operating activities of the institution.
- *Noncapital Financing Activities* reflects cash received and spent for non-operating financing activities.
- *Capital and Related Financing Activities* provides specific information on the cash used for the acquisition and construction of capital and related items.
- *Cash Flows from Investing Activities* indicates the purchases, proceeds, and interest received from investing activities.
- The last section reconciles the net cash used to the operating income or loss reflected on the *Comparative Statement of Revenues, Expenses and Changes in Net Position*.

Statement of Cash Flows (Continued)

Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	Year Ended June 30 2021	Year Ended June 30 2020
Cash provided (used) by:		
Operating activities	$ (18,401,816)	$ (15,944,648)
Non-capital financing activities	23,287,533	20,151,515
Capital and related financing activities	(2,905,621)	(7,103,677)
Investing activities	37,178	117,192
Net Change in Cash	$ 2,017,274	$ (2,779,618)
Cash –Beginning of year	16,101,471	18,881,089
Cash –End of year	$ 18,118,745	$ 16,101,471

Capital Assets

The College had $69,587,729 in capital assets, net of accumulated depreciation/amortization of $29,120,816 as of June 30, 2021.

Major projects undertaken during the fiscal year include:

Equipment additions	$ 275,745
Library Holding additions	7,077
Intangible Assets (Software)	195,600
Buildings	11,485,404
Total Capital Asset Additions	$ 11,963,826

Economic Outlook

The financial position of National Park College remained stable throughout the 2021 fiscal year. Consistency in tuition/fees and state and federal grants as well as conservation in spending contributed to a sound financial position for the College at June 30, 2021 amidst the impact of the COVID-19 pandemic.

The College successfully switched to an online learning environment in mid-March, 2020 to continue to serve the students safely in accordance with the Centers of Disease Control and the Arkansas Department of Health's COVID-19 safety protocols. A risk management team was established to mitigate the risks of the pandemic by monitoring the community situation and to develop a continuity plan to safely reopen the campus for instruction using prescribed safety guidelines.

As the College begins fiscal year 2022, the overall economy of Arkansas seems somewhat better than the national outlook. State Appropriations will be slightly higher than the previous year considering overall funding for Higher Education has remained flat for several years. Tuition and Fee revenues are projected to decline in the fall of 2021 due to the pandemic crisis, and the College's FY 22 budget has been prepared to reflect the anticipated decrease, and staffing and expenses have been reduced accordingly. The College's FY 22 budget is adequate to support the current mission at the projected revenue levels.

Regardless of the funding mechanism in place, the College has contingency plans in the event of unexpected reductions in state revenues which was experienced in the FY 20 budget cycle. These plans include reducing expense budgets and using fund balances held in reserve if necessary. The College's Board of Trustees increased the education and general reserve to $2,500,000 during the fiscal year 2019 to supplement the contingency funds. The College has received federal relief funds from the U.S. Department of Education to provide economic student relief, to mitigate COVID, and to strengthen technology for the delivery on online education. The College administration will continue its efforts to increase and diversify its funding resources by developing and implementing plans to secure outside funding from grants, partnerships, and private sources.

The College's management is committed to closely monitoring conditions that may arise to impact the financial well-being of the institution. With conservative budgeting and spending, sound market position, strategic importance to the community, and positive operating performance, NPC's future as a quality comprehensive two-year community college remains bright with many more successful years to come.

It is the opinion of National Park College's management that the following financial statement accurately measures the fiscal performance of the College's fiscal activities during the period July 1, 2020, through June 30, 2021.

Bruce Hankins
Chief Financial Officer

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2021

Exhibit A

	June 30, 2021	June 30, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 13,492,250	$ 11,827,323
Student accounts receivable less allowance of $550,044 and $549,636 respectively	1,449,908	1,303,290
Other receivables	1,195,068	1,082,117
Inventories	351,208	338,727
Prepaid expenses	616	701
Total Current Assets	16,489,050	14,552,158
Noncurrent Assets:		
Restricted cash and cash equivalents	4,626,495	4,274,148
Local tax millage receivable	639,882	747,354
Deposits and funds held by bond trustee	236,116	2,490,335
Capital assets net of accumulated depreciation/amortization of $29,120,816 and $27,228,213, respectively	40,904,971	40,108,032
Total Noncurrent Assets	46,407,464	47,619,869
TOTAL ASSETS	**62,896,514**	**62,172,027**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on ATRS/APERS pensions	1,273,535	940,760
Deferred amount on Post Employment Health Insurance	1,033,661	1,032,672
Deferred loss of Bond Refunding	21,827	23,976
Total Deferred Outflows of Resources	2,329,023	1,997,408
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 65,225,537**	**$ 64,169,435**
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	1,257,294	1,860,396
Unearned revenues	273,364	415,632
Current portion of bond issue premium	13,103	13,103
Current portion of compensated absences	91,756	76,578
Funds held in trust for others	71,421	66,679
Current portion of long-term debt	719,395	699,395
Current portion of Post employment healthcare/life benefits payable	229,032	1,032,672
Total Current Liabilities	2,655,365	4,164,455
Noncurrent Liabilities:		
Noncurrent portion of long-term debt	28,574,412	29,293,807
Noncurrent portion of bond issue premium	338,105	351,208
Noncurrent portion of compensated absences	739,724	840,497
Post employment healthcare/life insurance benefits payable	1,759,553	788,914
Net State pension liability	3,924,915	3,216,944
Total Noncurrent Liabilities	35,336,709	34,491,370
TOTAL LIABILITIES	**37,992,074**	**38,655,825**

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2021

Exhibit A

	June 30, 2021	June 30, 2020
DEFERRED INFLOWS OF RESOURCES		
Deferred amount on ATRS/APERS pensions	$ 409,684	$ 600,303
Deferred amount on Post Employment Health Insurance	212,811	188,795
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**38,614,569**	**39,444,923**
NET POSITION		
Net investment in capital assets	11,417,928	11,568,603
Restricted for:		
Expendable:		
Debt service	3,294,156	3,275,614
Grants and contracts	584,993	275,014
Capital projects		2,128,171
Unrestricted	11,313,891	7,477,110
TOTAL NET POSITION	**$ 26,610,968**	**$ 24,724,512**

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

Exhibit A-1

NATIONAL PARK COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION – COMPONENT UNIT
DECEMBER 31, 2020 AND 2019

ASSETS	December 31, 2020	December 31, 2019
Current Assets		
Cash and cash equivalents	$ 564,493	$ 329,830
Pledges Receivable, Current	7,800	388,752
Accrued Interest Receivable	3,336	3,673
Faculty Loans Receivable	3,180	3,944
Accounts Receivable	47,649	17,668
Investments- Available for Sale:		
Coporate Bonds	175,587	197,772
Government Securities	251,958	331,315
Money Market Funds	163,939	36,488
Equity Securities	1,196,458	1,081,114
Prepaid Expense	3,100	2,386
Total Current Assets	2,417,500	2,392,942
Fixed Assets		
Office Furniture and Equipment	160,735	160,735
Less: Accumulated Depreciation	159,330	157,764
Total Fixed Assets	1,405	2,971
Other Assets		
Pledges Receivable, Non-Current	19,339	28,906
Art pieces	3,785	3,785
Endowment investments		
Equity Securities	1,355,828	1,200,923
Corporate Bonds	75,323	52,872
Government Securities	77,592	54,998
Money Market Funds	23,083	22,962
Total Other Assets	1,554,950	1,364,446
Total Assets	$ 3,973,855	$ 3,760,359
LIABILITIES AND NET ASSETS		
Current Liability		
Account Payable	$ -	$ 888
Accrued expense	-	4,141
Total Liabilities	-	5,029
Net Assets		
Without Donor Restrictions	$ 445,722	$ 670,095
With Donor Restrictions	3,528,133	3,085,235
Total Net Assets	3,973,855	3,755,330
TOTAL LIABILITY AND NET ASSETS	$ 3,973,855	$ 3,760,359

Exhibit B

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Year Ended June 30,	
	2021	2020
Operating Revenues:		
Student tuition and fees		
(net of scholarship allowances of $4,704,789 and $5,473,884 respectively)	$ 2,347,503	$ 2,389,217
Federal grants and contracts	2,442,871	2,811,719
State and local grants and contracts	2,688,217	3,171,144
Auxiliary Enterprises:		
Bookstore (net of scholarship allowances of $401,011 and $630,635, respectively)	706,090	604,351
Food Service (net of scholarship allowance of $315,591 and $356,542 respectively)	460,870	255,181
Housing (net of scholarship allowances of $255,971)	528,365	
Other	40,414	48,348
Total Operating Revenues	9,214,330	9,279,960
Operating Expenses:		
Personal services	16,610,976	16,806,747
Scholarships and fellowships	3,349,402	2,427,880
Supplies and services	5,476,708	4,408,255
Auxiliary enterprise expenses	1,865,106	2,012,681
Depreciation/amortization expense	1,906,363	1,856,524
Total Operating Expenses	29,208,555	27,512,087
Operating Income (loss)	(19,994,225)	(18,232,127)

Exhibit B

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Year Ended June 30, 2021	Year Ended June 30, 2020
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	$ 10,926,851	$ 11,015,738
Federal and State grants and contracts	10,337,975	6,923,955
Local grants and gifts	100,000	675,000
Local tax millage	1,501,911	1,466,725
Amortization of bond insurance, discount and premium cost	10,954	10,936
Investment income	45,659	205,382
Interest on capital asset - related debt	(1,042,669)	(1,017,519)
Disposal of capital assets, net of accumulated depreciation		(721,386)
Other additions (decreases)		(243,578)
NET NON-OPERATING REVENUES (EXPENSES)	21,880,681	18,315,253
INCREASE (DECREASE) IN NET POSITION	1,886,456	83,126
NET POSITION - BEGINNING OF YEAR	24,724,512	24,641,386
NET POSITION - END OF YEAR	**$ 26,610,968**	**$ 24,724,512**

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

NATIONAL PARK COLLEGE FOUNDATION, INC.
STATEMENTS OF ACTIVITIES – COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2020

Exhibit B-1

	December 31, 2020			
	Without Donor Restrictions	With Donor Restrictions	Total	2019 Total
Public Support, Revenue, Losses, and Reclassifications				
Contributions and programs	$ 140,118	$ 459,722	$ 599,840	$1,072,114
Miscellaneous Revenue	234,145		234,145	220,765
Interest and dividends	24,426	17,959	42,385	68,614
Realized gain	26,136	15,421	41,557	63,575
Change in unrealized gain	272,851	-	272,851	346,548
Net assets released from restrictions	50,204	(50,204)	-	
Net Public Support, Revenue, and Reclassifications	747,880	442,898	1,190,778	1,771,616
Expenses				
Programs	658,837		658,837	713,673
Advertising/promotion	3,980		3,980	4,892
Supporting Servcies/ Administration:				
Admin Fee Exepnse	25,296		25,296	
Audit	13,400		13,400	12,900
Bank	622		622	352
Bond/insurance	4,456		4,456	2,220
Consulting	1,439		1,439	2,391
Depreciation	1,566		1,566	1,696
Gifts/Donations	-		-	-
Interest Expense	-		-	-
investment	31,656		31,656	39,306
Meetings/luncheons/receptions	-		-	2,064
Miscellaneous	10,737		10,737	67,341
Professional Development	5,538		5,538	5,241
Printing and supplies	30,084		30,084	23,174
Rent Expense	12,688		12,688	12,688
Salaries and Wages	170,000		170,000	172,145
Travel	1,954		1,954	8,777
Total Expenses	972,253		972,253	1,068,860
Change in Net Assets	(224,373)	442,898	218,525	702,756
Net Assets - Beginning of Year	670,095	3,085,235	3,755,330	3,052,574
Net Assets - End of Year	$ 445,722	$3,528,133	$3,973,855	$3,755,330

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit C

	Year Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Student tuition and fees (net of scholarship discounts and allowances)	$ 2,071,504	$ 2,355,110
Grants and contracts	4,676,647	6,220,031
Auxiliary Enterprise revenues:		
Bookstore (net of scholarship discounts and allowances)	706,090	604,351
Food Service (net of scholarship discounts and allowances)	460,870	255,181
Housing (net of scholarship allowances)	525,035	
Other		8,830
Auxiliary Enterprise payments to suppliers:	(1,863,553)	(1,723,491)
Other receipts	40,415	48,348
Payments to employees for salaries and benefits	(16,284,669)	(16,803,651)
Payments to suppliers	(5,380,895)	(4,448,025)
Scholarships and fellowships	(3,353,260)	(2,461,332)
Net cash provided (used) by operating activities	(18,401,816)	(15,944,648)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	10,926,851	11,015,738
Local tax millage	1,609,383	1,517,039
Federal and State grants and contracts	10,585,967	6,954,040
State and local grants and contracts	100,000	675,000
Direct lending/FFEL receipts	3,445,902	4,079,570
Direct lending/FFEL payments	(3,385,312)	(4,098,684)
Agency funds - net	4,742	8,812
Net cash provided (used) by noncapital financing activities	23,287,533	20,151,515
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceed from Debt Reimbursement and Chartwells		850,859
Acquisitions and construction of capital assets	(1,377,697)	(6,684,019)
Principal paid on capital debt for equipment		(53,663)
Principal paid on capital debt to trustee	(699,395)	(415,000)
Interest and paying agents' fees paid on capital debt to trustee	(828,529)	(801,854)
Net cash provided (used) by capital and related financing activities	(2,905,621)	(7,103,677)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	37,178	117,192
Net cash provided (used) by investing activities	37,178	117,192
Net increase (decrease) in cash and cash equivalents	2,017,274	(2,779,618)
Cash and cash equivalents - beginning of year	16,101,471	18,881,089
Cash and cash equivalents - end of year	$ 18,118,745	$ 16,101,471

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit C

	Year Ended June 30, 2021	2020
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	$ (19,994,225)	$ (18,232,127)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	1,778,303	1,736,070
Amortization expense	128,060	120,454
Change in assets and liabilities:		
Receivables, net	(576,071)	122,338
Inventories	(12,481)	71,936
Prepaid expenses	85	(408)
Accounts payable and other accrued liabilities	127,773	(161,987)
Compensated absences	(85,595)	102,432
Other post employment benefits	166,999	43,649
State Pensions (ATRS/APERS)	707,971	276,324
Deferred inflows	(166,603)	(203,417)
Deferred Outflows	(333,764)	104,149
Unearned Revenue	(142,268)	75,939
Net cash provided (used) by operating activities	$ (18,401,816)	$ (15,944,648)
Noncash Transactions		
Interest earned on deposits with bond trustee	$ 16,042	$ 85,649
Purchase of Capital Equipment		(466,865)
Interest payments made by bond trustee	(217,919)	(176,985)
Construction Payments from Bond Proceeds	(2,051,181)	(6,707,760)
Impairment of Unit 4 Software		(721,401)
Proceeds and net premium from refunding and improvement bond issue deposited with trustee		8,973,145
Issuance costs on refunding and improvement bonds paid form bond proceeds		(242,328)
Total	$ (2,253,058)	$ 743,455

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

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 statement 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 years ended June 30, 2021, and 2020, the Foundation distributed $147,235 and $1,052,626, respectively, to the College for both restricted and unrestricted purposes. 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.

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 pronouncement 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 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 library holdings, and 5 to 20 years for equipment.

Capital assets are recorded at cost at the date of acquisition or at acquisition value 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.

NOTE 2: Summary of Significant Accounting Policies (Continued)

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 in order to make debt service payments and to maintain sinking or reserve funds as required by the bond covenants.

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 of Certain Investments and for External Investment Pools.*

NOTE 2: Summary of Significant Accounting Policies (Continued)

Compensated Absences Payable

Compensated absences payable represents the accrual of a liability for employee's rights to receive compensation for future absences. Accumulated unpaid annual leave is accrued at the employee's daily pay rate up to maximum of thirty (30) days. This liability has been projected to be $639,189 and $677,320 at June 30, 2021 and 2020, respectively.

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 $192,291 and $239,755 June 30, 2021 and 2020, respectively.

Unearned Revenues

Unearned Revenues include amounts received for tuition and fees and grants and contracts prior to the end of the fiscal year but related to the subsequent accounting period. Unearned Revenue consists of the following at June 30, 2021, and June 30, 2020, respectively.

	June 30, 2021	June 30, 2020
Prepaid tuition and fees	$ 46,141	$ 30,320
Grants and Contracts	221,723	376,482
Dogwood Hall	5,500	8,830
Total	$ 273,364	$ 415,632

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 assessment 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.

NOTE 3: Public Funds 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	$ 5,922,037	$ 5,922,037
Collateral held in College's name by the pledging bank	11,970,215	11,653,791
Total Deposits	$ 17,892,252	$ 17,575,828

The above deposits do not include cash on hand in the amount of $20,838 at June 30, 2021, nor do these deposits include cash in the state treasury of $441,085. Additionally~~,~~ the above deposits include non-negotiable certificates of deposit of $235,430 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, 2021, none of the College's bank balance of $17,575,828 was exposed to custodial credit risk due to an interest sweep timing difference at year end.

Deposit with Trustee:
At June 30, 2021, the College's deposits with the trustee of $236,116 in cash were invested as follows:

Fidelity Investments money market fund of $2. 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.

Certificates of deposit with Citizens Bank of Batesville, Arkansas, $234,548, and $881 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.

Federated Hermes Money Market Fund, $685, comprised of United States Treasury Obligations having an AAAm rating by Standard and Poor's.

The deposits with the trustee consist of funds obligated for the student housing construction project.

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.

At June 30, 2021, $687 of the College's deposits with trustee were held in a money market account and therefore were exposed to custodial credit risk.

The College does not have a concentration of credit risk policy and does not limit the amount of funds invested in any one issuer.

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.

NOTE 3: Public Funds Deposits and Investments (Continued)

Fair Value Measurement:

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

An individual investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the 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 or similar assets in inactive markets, models or other valuation methodologies. Level 2 investments include U. S. and international government debt securities valued at market corroborated prices and certain equity and fixed income investments in commingled investment vehicles reported at net asset value derived from the market prices of security holdings

Level 3 Inputs that are unobservable. Unobserved inputs are those that reflect the 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.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value of 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.

NOTE 3: Public Funds Deposits and Investments (Continued)

Fair Value Measurement: (Continued)

The follow table set forth, by level within the valuation, hierarchy, College invested funds, including amounts reported as deposits with bond trustees on the Statement of Net Position at June 30, 2021.

		Fair Value Measurement Using:		
		Quoted Prices in Active Markets of Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by fair value level	June 30, 2021	Level 1	Level 2	Level 3
Debt Securities:				
Money Market Fund	$ 687	$ 687		
Total Investments at Fair Value	$ 687	$ 687		

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, 2021.

	BALANCE AT JUNE 30, 2020	ADDITIONS	TRANSFERS	RETIREMENTS	JUNE 30, 2021
Capital assets not being depreciated:					
Land	$ 438,058				$ 438,058
Construction in Progress	9,260,524	$ 2,181,088	$ (11,441,612)		-
Total capital assets not being depreciated	9,698,582	2,181,088	(11,441,612)		438,058
Depreciable capital assets:					
Improvements and infrastructure	677,788				677,788
Buildings	47,923,872	43,792	11,441,612		59,409,276
Equipment	6,495,013	275,745			6,770,758
Library holdings	734,188	7,077		$ 13,760	727,505
Intangible Asset (software)	1,806,802	195,600			2,002,402
Total depreciable capital assets	57,637,663	522,214	11,441,612	13,760	69,587,729
Less accumulated depreciation/amortization for:					
Improvements and infrastructure	659,305	10,037			669,342
Buildings	20,925,018	1,386,166			22,311,184
Equipment	3,791,660	360,492			4,152,152
Library holdings	527,242	21,608		13,760	535,090
Intangible Asset (software)	1,324,988	128,060			1,453,048
Total accumulated depreciation	27,228,213	1,906,363		13,760	29,120,816
Depreciable capital assets, net	$ 30,409,450	$(1,384,149)	$ -	$ -	$ 40,466,913
Capital Asset Summary:					
Capital assets not being depreciate	$ 9,698,582	$ 2,181,088	$ (11,441,612)	$ -	$ 438,058
Depreciable capital assets, at cost	57,637,663	522,214	11,441,612	(13,760)	$ 69,587,729
Total cost of capital assets	67,336,245	2,703,302	-	(13,760)	70,025,787
Less accumulated depreciation	(27,228,213)	(1,906,363)		13,760	(29,120,816)
Capital Assets, Net	$ 40,108,032	$ 796,939		$ -	$ 40,904,971

NOTE 6: Long-Term Liabilities

Debt payment including fees on bond totaled $1,742,064 for fiscal year ended June 30, 2021.

A summary of long-term debt is as follow:

	Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized And Issued	Debt Outstanding June 30, 2021	Maturities To June 30, 2021
2018 Bonds Payable	4/17/2018	3/1/2048	3-4%	$ 21,395,000	$ 20,115,000	$ 1,280,000
2019 Bonds Payable	8/22/2019	6/30/2049	2-3.125%	9,040,000	8,830,000	210,000
N/P Chartwells	8/1/2019	11/1/2026	0%	466,865	348,807	118,058
Totals				$ 30,901,865	$ 29,293,807	$ 1,608,058

The changes in long-term debt is as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due within One Year
2018 Bonds Payable	$ 20,540,000		$ 425,000	$ 20,115,000	$ 440,000
2019 Bonds Payable	9,040,000		210,000	8,830,000	215,000
2018 Bond Premium	361,195		12,996	348,199	12,996
2019 Bond Premium	3,116		107	3,009	107
N/P Chartwells	413,202		64,395	348,807	64,395
Compensated Absences Payable	917,075	$ 383,932	469,527	831,480	91,756
Other Postemployment Benefits	1,821,586	166,999		1,988,585	229,032
Net Pension Liability	3,216,944	707,971		3,924,915	
Totals	$ 36,313,118	$ 1,258,902	$ 1,182,025	$ 36,389,995	$ 1,053,286

Future principal and interest payments are as follows:

	Bonds Payable			Direct Borrowings		
Year Ended June 30	Principal	Interest	Total	Principal	Interest	Total
2022	$ 655,000	$ 1,024,469	$ 1,679,469	$ 64,395		$ 64,395
2023	675,000	1,004,819	1,679,819	64,395		64,395
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	937,318	1,682,318	64,395		64,395
2027-2031	4,105,000	4,293,881	8,398,881	26,832		26,832
2032-2036	4,875,000	3,522,331	8,397,331			
2037-2041	5,845,000	2,553,381	8,398,381			
2042-2046	7,015,000	1,393,825	8,408,825			
2047-2049	3,615,000	209,775	3,824,775			
	$ 28,945,000	$ 16,887,937	$ 45,832,937	$ 348,807	$ -	$ 348,807

NOTE 7: Commitments

The College was contractually obligated for the following at June 30, 2021:

1. Operating Leases

Copiers and Related Maintenance

a. Future minimum rental payments (aggregate) at June 30, 2021: $35,636.
b. Rental payments are determined by estimated volume of each machine, ranging from 2,000 to 40,000 copies per month.
c. Rental payments for the current year totaled $53,444
d. Future minimum rental payments for the succeeding fiscal years:

Year Ended June 30,		Amount
June 30, 2022	$	22,833
June 30, 2023		10,087
June 30, 2024		2,716
Total	$	35,636

2. Office Equipment and Related Maintenance

Postage Meter:

a. Future minimum rental payments (aggregate) at June 20, 2021: $5,544.
b. Rental payments for the current year totaled $2,772.
c. Future minimum rental payment for the succeeding fiscal years:

Year Ended June 30,		Amount
June 30, 2022	$	2,772
June 30, 2023		2,772
Total	$	5,544

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\CREFF

Plan Description: The College participates in TIAA|CREF, a defined contribution plan. The plan is a 403(b) program as defined by 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 which 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% of earnings. The College's contributions to TIAA\CREF for the years ended June 30, 2021 and 2020 were $563,668 and $572,672, respectively. Participants' contributions were $412,242 and $407,543 for the year ended June 30, 2021 and 2020, respectively.

NOTE 8: Retirement Plans (Continued)

AIG Retirement (VALIC)

Plan Description: The College participates in VALIC, a defined contribution plan. The plan is a 403(b) program as defined by 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% of earnings. The College's contributions to AIG Retirement for the years ended June 30, 2021 and 2020 were $661,934 and $715,294, respectively. Participants' contributions were $487,185 and $519,836 for the year ended June 30, 2021 and 2020, respectively.

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 the 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 1-800-666-2877.

Benefits provided: Members are eligible for full retirement benefits at age 60 with five or more years of actual or reciprocal service or at any age with 28 or more years of credited service. Members with 25 years of actual or 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 of actual service. The amount for contributory members will be up to $10,000 and up to $6,667 for noncontributory members. The amount will be prorated for members who have both contributory and noncontributory service. Members with 15 or more years of contributory service will receive the full $10,000.

NOTE 8: Retirement Plans (Continued)

Arkansas Teacher Retirement System (Continued)

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 6.50% of the salary. Each participating employer 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 14.50% of covered salaries, the maximum allowed by law. The College's contributions to ATRS for the years ended June 30, 2021, 2020, and 2019 were $221,169, $239,023, and $257,944 respectively, equal to the required contributions for each year. During fiscal years ending June 30, 2021 and 2020, employees contributed $81,407 and $93,434, respectively, to the Arkansas Teachers Retirement System.

At June 30, 2021 and 2020, the College reported a liability of $3,032,268 and $2,497,738, respectively, for its proportionate share of the ATRS' net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability for the plan was determine by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on current contributions of all participating employers. At June 30, 2020 the College's proportion was 0.0536% for ATRS.

For the years ended June 30, 2021 and 2020, the College recognized pension expenses of $358,437 and $301,787, respectively.

At June 30, 2021, 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 and actual experiences	$ 40,198	$ 24,456
Changes in Assumptions	197,303	
Net difference between projected and actual earnings on pension plan investments	498,452	
Changes in Proportion and differences between employer contributions and proportionate share of contributions	61,871	346,490
College contributions subsequent to the measurement date	221,169	
Total	$ 1,018,993	$ 370,946

NOTE 8: Retirement Plans (Continued)

Arkansas Teacher Retirement System (Continued)

The $221,169 reported as deferred outflows of resources related to pension 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, 2022. 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:		
2022	$	45,708
2023		138,889
2024		150,656
2025		105,516
2026		(13,891)
Total	$	426,878

Actuarial Assumptions: The total liability was determined by an actuarial valuation as of June 30, 2020, 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	7.50%

Mortality rates were based on the ROP-2014 Healthy Annuitant, Disabled Annuitant, and Employee Mortality Tables were used for males and females. Mortality rates were adjusted using projection scale MP-2017 from 2006.

	Scaling Factor	
Table	Males	Females
Healthy Annuitant	101%	91%
Disable Annuitant	99%	107%
Employee Mortality	94%	84%

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period of July 1, 2010 through June 30, 2015.

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 trustees after considering input from the plan's investments consultant and actuary.

NOTE 8: Retirement Plans (Continued)

Arkansas Teacher Retirement System (Continued)

For each major asset class that is included in the pension plans target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

Asset Allocation	Target	Long-Term Expected Real Rate of Return
Total Equity	53.00%	5.2%
Fixed Income	15.00%	-0.01%
Alternative	5.00%	3.5%
Real assets	15.00%	5.1%
Private equity	12.00%	7.2%
Cash equivalents	0.00%	-1.0%
Total	100.00%	

The single discount rate was based on the expected rate of return on pension plan investments of 7.5%. 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 14.50% 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 7.5%, 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 6.50%	Current Rate 7.50%	1% Increase 8.50%
$4,511,869	$3,032,268	$1,805,178

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.

APERS is a cost-sharing, multiple-employer, defined benefit plan which 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 the investment earnings.

NOTE 8: Retirement Plans (Continued)

Arkansas Public Employees Retirement System (Continued)

The general administration and responsibility for the proper operation of the System is vested in the nine members of the Board of Trustees of the Arkansas Public Employees Retirement System, (the Board). Membership includes three state and three non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of the State, the Treasurer of the State, and the Director of the Department of Finance and Administration.

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 1-800 682-7377. 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, Chapters 5 and 6 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:

o Contributory, prior to 7/01/2005	2.07%
o Contributory, on or after 07/01/2005 but prior to 07/01/2007	2.03%
o Contributory on or after 07/01/2007	2.00%
o Non-Contributory	1.72%

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

- At age 65 with 5 years of services
- 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 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.

Funding Policy: APERS has contributory and non-contributory plans. Each participating employer is required by State laws 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% of their salaries. The College's contributions to APERS for the years ended June 30, 2021, 2020, and 2019 were $97,408, $93,180, and $87,398, respectively, equal to the required contributions for each year. During fiscal years ended June 30, 2021, and 2020, employees contributed $10,317 and $8,052, respectively, 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.

NOTE 8: Retirement Plans (Continued)

Arkansas Public Employees Retirement System (Continued)

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, 2020, 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, 2021 and 2020, the College reported liabilities of $892,647 and $719,206, respectively, for its proportionate share of the APERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability 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, 2020, the College's proportion was 0.0312%.

For the year ended June 30, 2021 and 2020, the College recognized pension expense of $144,718 and $98,089, respectively.

At June 30, 2021, 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	$ 11,850	$ 591
Changes in Assumptions	11,184	15,294
Net difference between projected and actual earnings on pension plan investments	94,453	
Changes in Proportion and differences between employer contributions and proportionate share of contributions	39,648	22,853
College contributions subsequent to the measurement date	97,408	
Totals	$ 254,543	$ 38,738

The $97,408 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to APERS pension will be recognized in pension expense as follows:

Year ended June 30:	
2022	$ 2,163
2023	40,464
2024	47,421
2025	28,349
Total	$ 118,397

NOTE 8: Retirement Plans (Continued)

Arkansas Public Employees Retirement System (Continued)

Actuarial Assumptions: The total pension liability, net pension liability, and certain sensitivity information was determined by an actuarial valuation as of June 30, 2020. 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 improvement using Scale MP-2017.

*Net of investment and administrative expenses

All other actuarial assumptions used in the June 30, 2020, 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 were 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, 2020, 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 contributions will be made at rates equal to the difference between actuarially-determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to the Single Discount Rate:

The following presents the participating employer's net pension liability, calculated using the current discount rate, as well as what the participating employer's 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%
$1,359,568	$892,647	$507,332

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	Auxiliary Enterprises	Total at June 30, 2021
Instruction	$ 8,803,878	$ 1,661,205				$ 10,465,083
Public Service	2,485					2,485
Academic Support	756,314	250,285				1,006,599
Student Services	2,473,093	654,432				3,127,525
Institutional Support	3,762,640	1,736,774				5,499,414
Operation & Maintenance of Plant	589,041	1,057,620				1,646,661
Scholarships & Fellowships			$ 3,349,402			3,349,402
Auxiliary Enterprises	223,525	116,392			$ 1,865,106	2,205,023
Depreciation				1,906,363		1,906,363
Total Expenses	$ 16,610,976	$ 5,476,708	$ 3,349,402	$ 1,906,363	$ 1,865,106	$ 29,208,555

NOTE 10: Post Retirement Benefits other than Pension (OPEB)

(a) General Information:

National Park College provides postemployment healthcare benefits to all permanent full-time through Arkansas Blue Cross and Blue Shield, 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 10” 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, 2021, National Park College had the following employees that were covered by benefit terms of the plan.

Retirees and Beneficiaries	19
Active Employees	170
Total Employees Covered	189

NOTE 10: Post Retirement Benefits other than Pension (OPEB) (Continued)

(b) Total OPEB Liability

The College uses a measurement date of June 30, 2021. Total OPEB liability for the College Plan was $1,988,585. The total liability for the Arkansas Blue Cross and Blue Shield plan and the Arkansas State Employees Insurance was $674,843 and $1,313,742, 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, 2021
Inflation Rate	2.50%
Discount Rate (1)	2.18%
Health care cost trends rates	7.50% grading to 4.00% over eight years

The mortality rate assumptions were based on the RP-2014 Fully Generational mortality Table for employees and health annuitants using projection scale MP-2014, and from the RP-2014 Fully Generational Mortality Table for employees and disabled annuitants using projection scale MP-2014.

(c) Changes in Total OPEB Liability

Balance, June 30, 2020	$1,821,586
Changes for the current fiscal year:	
Service Cost	78,460
Interest Cost	48,592
Differences between expected and actual experience	49,774
Benefits and Refunds	
Changes in assumptions	58,301
Benefit payments	-68,128
Net Changes	166,999
Balance June 30, 2021	$1,988,585

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	
Rate	Total OPEB Liability	Rate	Total OPEB Liability	Rate	Total OPEB Liability
1.18%	2,103,112	2.18%	1,988,585	3.18%	1,878,916

NOTE 10: Post Retirement Benefits other than Pension (OPEB) (Continued)

(c) Changes in Total OPEB Liability (Continued)

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

The following presents the 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
$1,789,857	$1,988,585	$2,227,702

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

For the year ended June 30, 2021, National Park College recognized an OPEB expense of $258,154. The College reported deferred outflows of resources and Deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference Between Expected and actual experience	$ 95,783	$ 53,528
Changes of assumptions	937,878	159,283
Total	$ 1,033,661	$ 212,811

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:						
2022	2023	2024	2025	2026	Thereafter	Total
$ 131,102	$ 131,102	$ 131,102	$ 131,102	$ 131,102	$ 165,340	$ 820,850

NOTE 11: Disaggregation or Receivables and Payables

Accounts receivable consisted of the following at June 30, 2021 and June 30, 2020.

	June 30, 2021	June 30, 2020
State	$ 298,198	$ 219,714
Federal	685,818	786,178
Auxiliary	39,129	26,727
Other	171,923	49,498
Total	$ 1,195,068	$ 1,082,117

NOTE 11: Disaggregation or Receivables and Payables (Continued)

Accounts payable and accrued liabilities consisted of the following at June 30, 2021 and June 30, 2020.

	June 30, 2021	June 30, 2020
Vendors	$ 475,629	$ 1,101,818
Other Payables	338,666	359,674
Salaries and Benefits	442,999	398,904
Total	$ 1,257,294	$ 1,860,396

NOTE 12: Bonds Payable and Pledged Revenues

A. 2018 Bonds Payable – Student Commons Project

1. Bonds Payable consisted of the following at June 30, 2021:

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

Total	$20,115,000

2. Pledged Revenues consisted of the following at June 30, 2021:

The College has pledged future county millage revenues to help retire debt issuing 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 80.70% of available revenues. Total principal and interest paid on the Series 2018 Bonds for FY 21 was $1,212,638, and pledged revenues were $1,501,911. The total remaining principal and interest to be paid of the bonds is $32,808,351.

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

1. Bonds Payable consisted of the following at June 30, 2021:

National Park College 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, 2021:

The College has pledged future revenues for (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.

The debt, $9,040,000 in revenue bonds, was issued August 22, 2019, with a maturity date of 2049, to finance the construction of 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 4.79% of available revenues. Total principal and interest paid on the Series 2019 Bonds for FY 21 was $465,881, and pledged revenues were $9,720,191. The total remaining principal and interest to be paid on the bonds is $13,024,588.

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 carries commercial insurance for directors and officers, covering legal judgements, and settlements. The College pays an annual premium for this coverage.

The College participates in the Arkansas Public Employees Claims Division – Worker's Compensation Program under the Arkansas Department of Insurance. The program is responsible for obtaining and administering worker's compensation insurance coverage for its members, as well as obtaining reinsurance coverage for those claims that exceed the standard policy limits. In its administrative capacity, the Division is responsible for monitoring, negotiation 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, negotiation, 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 Events

On July 15, 2019, the College communicated to Unit4 Education Solutions, Inc. that the College no longer required the software and implementation services of Unit 4 Education Solutions, Inc. The College entered into a contract with Unit 4 on May 21, 2017 for an ERP System and implementation services with an expected go live date of June 30, 2019, which did not occur due to performance issues with product development and service delivery. The College has engaged legal counsel, and is seeking to recover the investment costs of $721,401. The College received a $500,000 settlement in August 2021 as a remedy as a result of the legal action.

NATIONAL PARK COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2021

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:	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	$ 78,460	$ 77,051	$ 43,025	$ 42,085
Interest	48,592	49,373	20,117	19,449
Benefit Changes				
Difference between Actual & Expected	49,774			
Experience			(3,813)	
Assumption changes	58,301	10,910	1,070,129	6,630
Benefit Payments	(68,128)	(93,685)	(10,125)	(19,800)
net Change in Total OPEB Liability	166,999	43,649	1,119,333	48,364
Total OPEB Liability - Beginning	1,821,586	1,777,937	658,604	610,240
Total OPEB Liability - Ending	$ 1,988,585	$ 1,821,856	$ 1,777,937	$ 658,604
Plan Fiduciary Net Position				
Contributions - Employee				
Contributions - Employer	68,128	93,685	10,125	19,800
Net Investment Income				
Benefit Payments	(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	$ 1,988,585	$ 1,821,586	$ 1,777,937	$ 658,604
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0%	0%	0%	0%
Covered Employee Payroll	$ 9,429,659	$ 11,200,905	$ 11,222,940	$ 10,496,055
Total OPEB Liability as a Percentage of Covered Employee Payroll	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, and 2.66% at 06/30/2020, and 2.18% at 06/30/2021. Pub-T mortality added 06/30/2021. 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).

Postemployment Benefits Other Than Pensions (Continued)

Schedules of Required Supplementary Information
Schedule of Sponsor Contributions

Fiscal Year ending June 30,	2021	2020	2019	2018
Actuarially determined contribution	$ 172,648	$ 168,133	$ 76,766	$ 73,264
Contributions in relation to the actuarially determined contribution	68,128	93,685	10,125	19,800
Contribution Deficiency (excess)	104,520	74,448	66,641	53,464
Covered employee payroll	9,429,659	$ 11,200,905	$ 11,222,940	$ 10,496,055
Contributions as a percentage of covered employee payroll	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:	26 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 6/30/2019, 2.66% at 6/30/2020, 2.18% at 06/30/21.
Assumed retirement age:	See table below.
Mortality:	Pub-T 2010 with MP 2020 at 6/30/21. RP 2014 Table

*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, 2021

Pensions Plan - Arkansas Public Employees Retirement System

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

	2021*	2020**	2019***	2018****	2017*****	2016******	2015*******
College's proportion of net pension liability	0.0312%	0.0298%	0.0284%	0.0315%	0.0347%	0.034%	0.0459%
College's proportionate share of net pension liability	$ 892,647	$ 719,206	$ 626,204	$ 815,039	$ 830,487	$ 626,704	$ 650,866
College's covered payroll	$ 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	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	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%	84.15%

*The amounts presented were determined as of 06/30/21
**The amounts presented were determined as of 06/30/20
***The amounts presented were determined as of 6/30/19
****The amounts presented were determined as of 6/30/18
*****The amounts presented were determined as of 6/30/17
******The amounts presented were determined as of 06/30/16
*******The amounts presented were determined as of 06/30/15

Schedule of College's Contributions
Arkansas Public Employees Retirement System

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 97,408	$ 93,180	$ 87,398	$ 78,429	$ 82,073	$ 91,238	$ 89,112
Contributions in relation to the contractually required contribution	(97,408)	(93,180)	(87,398)	(78,429)	(82,073)	(91,238)	(89,112)
Contribution deficiency (excess)							
College's covered payroll	$ 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%	14.75%	14.50%	14.51%	14.75%

Changes in Assumptions
Amounts reflect a change in economic assumptions used in the June 30, 2020 valuation. The investment return assumption used was 7.15% and the wage inflation assumption used was 3.25%.

Pensions Plan – Arkansas Teacher Retirement System

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

	2021*	2020**	2019***	2018****	2017*****	2016******	2015*******
College's proportion of net pension liability	0.0536%	0.0599%	0.0636%	0.0596%	0.0652%	0.0697%	0.0844%
College's proportionate share of net pension liability	$ 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	$ 1,677,360	$ 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	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	74.91%	80.96%	82.78%	79.48%	76.75%	82.20%	84.98%

*The amounts presented were determined as of 06/30/21
**The amounts presented were determined as of 06/30/20
***The amounts presented were determined as of 6/30/19
****The amounts presented were determined as of 6/30/18
*****The amounts presented were determined as of 6/30/17
******The amounts presented were determined as of 06/30/16
*******The amounts presented were determined as of 06/30/15

Schedule of College's Contributions
Arkansas Teacher Retirement System

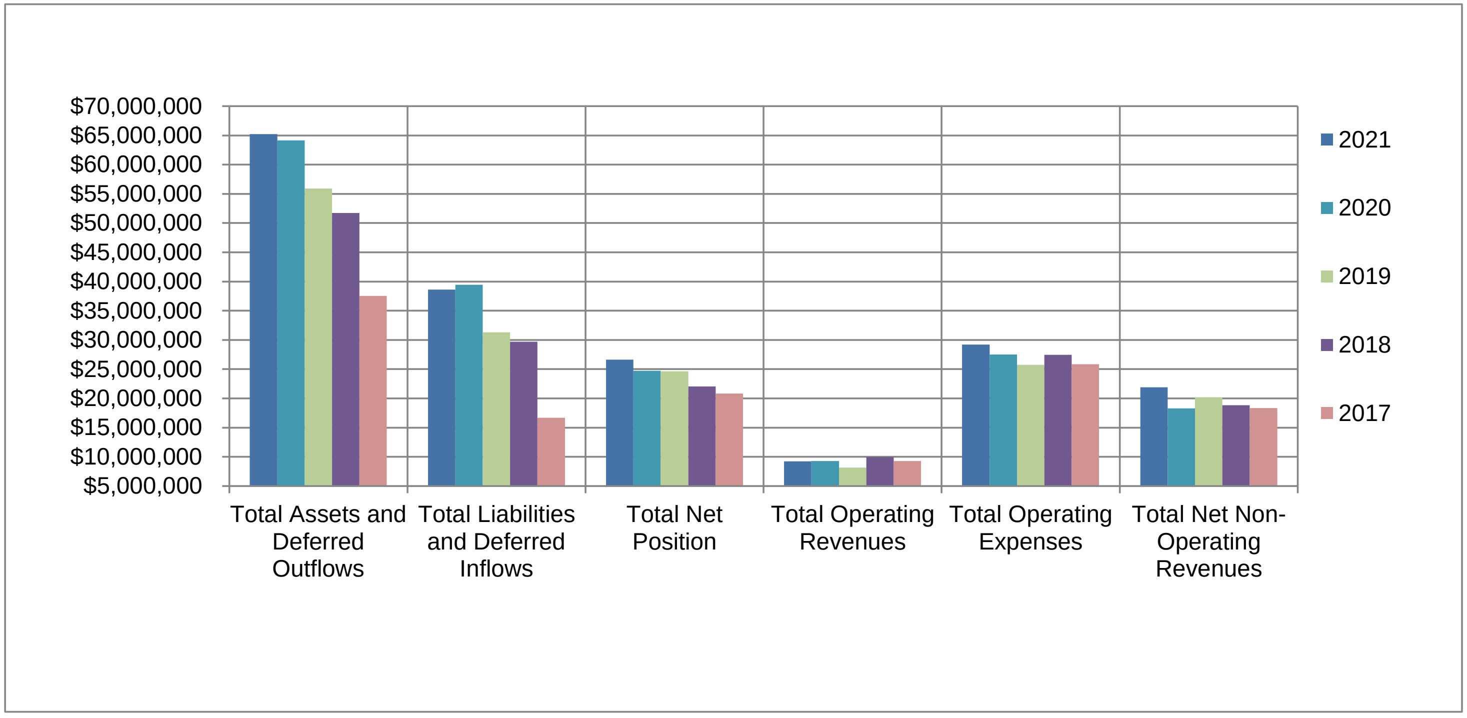
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 221,169	$ 239,023	$ 257,994	$ 269,979	$ 247,174	$ 266,548	$ 287,099
Contributions in relation to the contractually required contribution	(221,169)	(239,023)	(257,994)	(269,979)	(247,174)	(266,548)	(287,099)
Contribution deficiency (excess)							
College's covered payroll	$ 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	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.

NATIONAL PARK COLLEGE
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Schedule 1

	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Assets and Deferred Outflows	$ 65,225,537	$ 64,169,435	$ 55,929,612	$ 51,741,621	$ 37,517,653
Total Liabilities and Deferred Inflows	38,614,569	39,444,923	31,288,226	29,694,909	16,695,960
Total Net Position	26,610,968	24,724,512	24,641,386	22,046,712	20,821,693
Total Operating Revenues	9,214,330	9,279,960	8,175,730	9,946,686	9,276,298
Total Operating Expenses	29,208,555	27,512,087	25,755,203	27,430,992	25,846,881
Total Net Non-Operating Revenues	21,880,681	18,315,253	20,174,147	18,833,900	18,333,457



APPENDIX B

Unaudited Financial Statements of
National Park College
for the Fiscal Year Ended June 30, 2022

National Park College

Basic Financial Statements and Other Reports

June 30, 2022

NATIONAL PARK COLLEGE
Management Discussion and Analysis
June 30, 2022

National Park College is pleased to present its financial statements for the fiscal year ended June 30, 2022. 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 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, 2022. 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, 2021 through June 30, 2022. This statement also serves as a starting point for transactions that 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.

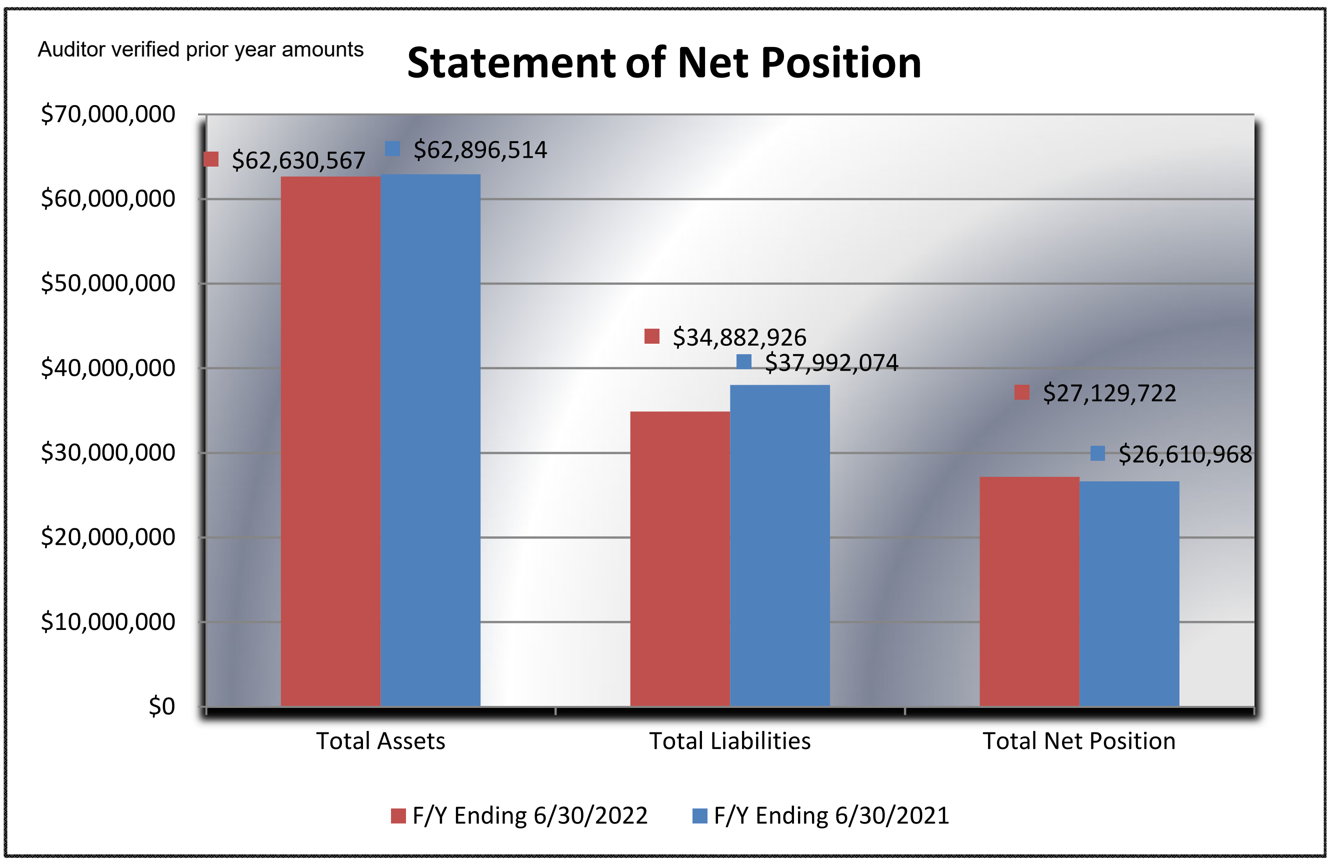
Readers of the *Statement of Net Position* are able to determine the assets available to continue the operations of the institution and how much the institution owes vendors, employees, and investors in the bonds of the College.

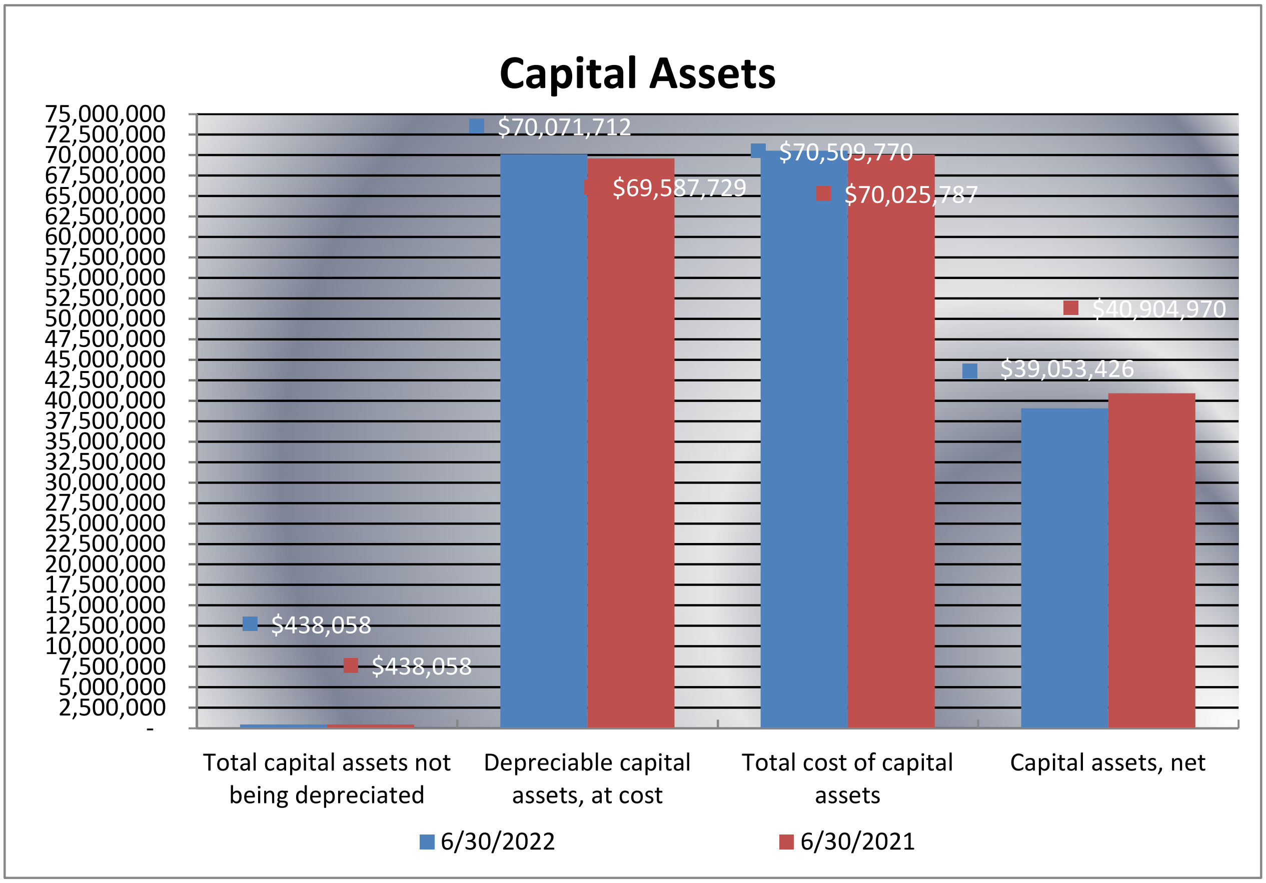
Net Position is divided into three major categories. *Net investment in capital assets, net of related debt* represents the College's capital assets after subtracting accumulated depreciation/amortization and the principal amount of outstanding debt attributable to the acquisition, construction or improvement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

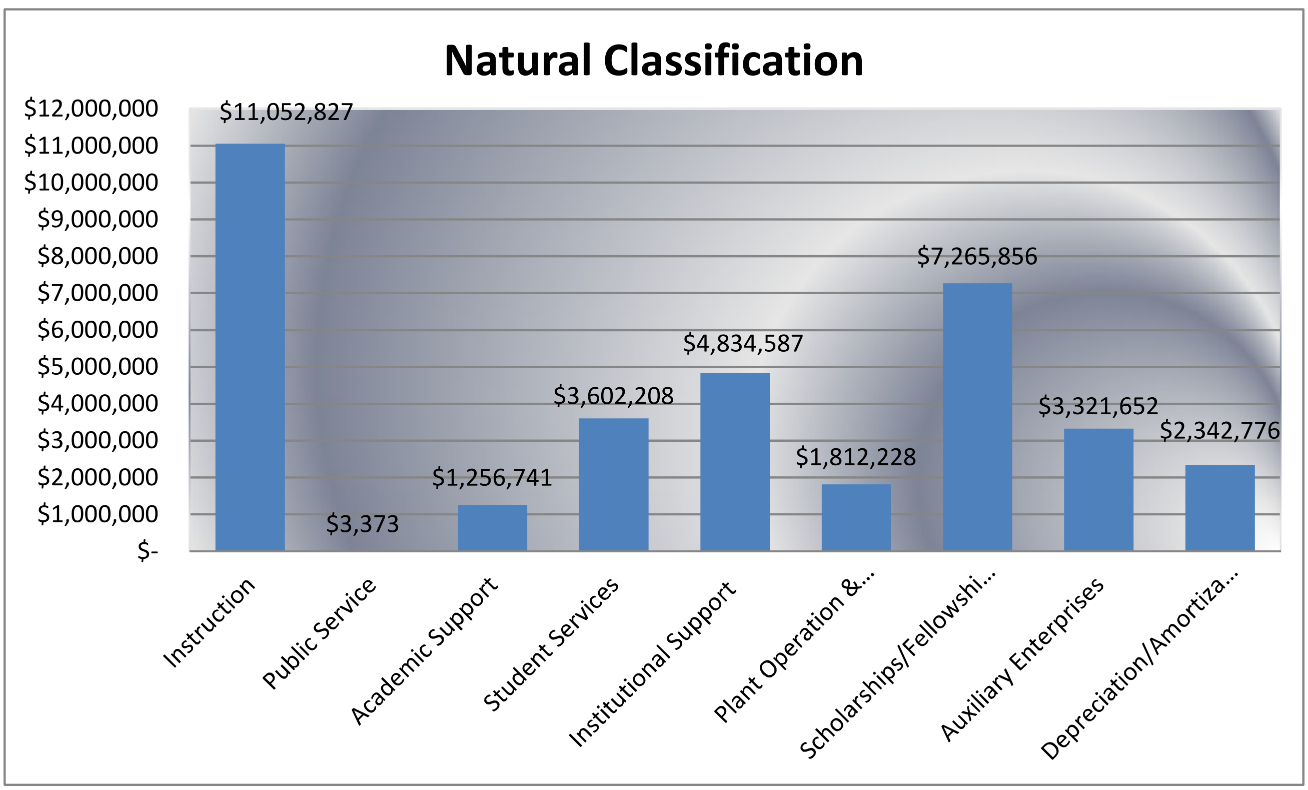
Statement of Net Position
June 30, 2022

	Year Ended June 30	
Assets:	**2022**	**2021**
Current assets	$17,881,819	$16,489,050
Capital assets, net	39,053,427	40,904,971
Other assets	5,695,321	5,502,493
Total Assets	62,630,567	62,896,514
Deferred Outflows of Resources	1,738,579	1,273,535
Total Assets and Deferred Outflows of Resources	$64,369,146	$64,170,049
Liabilities:		
Current liabilities	$2,612,235	$2,655,365
Non-current liabilities	32,270,691	35,336,709
Total Liabilities	34,882,926	37,992,074
Deferred Inflows of Resources	2,356,498	409,684
Total Liabilities and Deferred Inflows of Resources	$37,239,424	$38,401,758
Net Position:		
Net investment in capital assets	13,371,048	11,417,928
Restricted – expendable	5,179,919	3,879,149
Unrestricted	8,578,754	11,313,891
Total Net Position	$27,129,722	$26,610,968





Capital Assets
75,000,000
72,500,000
70,000,000
67,500,000
65,000,000
62,500,000
60,000,000
57,500,000
55,000,000
52,500,000
50,000,000
47,500,000
45,000,000
42,500,000
40,000,000
37,500,000
35,000,000
32,500,000
30,000,000
27,500,000
25,000,000
22,500,000
20,000,000
17,500,000
15,000,000
12,500,000
10,000,000
7,500,000
5,000,000
2,500,000
-
$438,058
$438,058
$70,071,712
$69,587,729
$70,509,770
$70,025,787
$39,053,426
$40,904,970
Total capital assets not being depreciated
Depreciable capital assets, at cost
Total cost of capital assets
Capital assets, net
6/30/2022
6/30/2021



Natural Classification
$12,000,000
$11,000,000
$10,000,000
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
$11,052,827
$3,373
$1,256,741
$3,602,208
$4,834,587
$1,812,228
$7,265,856
$3,321,652
$2,342,776
Instruction
Public Service
Academic Support
Student Services
Institutional Support
Plant Operation &...
Scholarships/Fellowshi...
Auxiliary Enterprises
Depreciation/Amortiza...

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, 2022

	Year Ended June 30	
	2022	**2021**
Operating revenues	$ 9,650,195	$ 9,214,330
Operating expenses	35,492,247	29,208,555
Operating loss	25,842,051	19,994,225
Non-operating revenues less expenses	26,360,805	21,880,681
Increase (decrease) in net assets	$ 518,754	$ 1,886,456
Net Position - Beginning of year	26,610,968	24,724,512
Net Position - End of year	$ 27,129,722	$ 26,610,968

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.

Statement of Cash Flows

The *Statement of Cash Flows* presents detailed information about the cash receipts and cash payments of the institution during the year. The statement is divided into the following five sections:

- *Operating Cash Flows* provides details of the operating cash flows and the net cash used by operating activities of the institution.
- *Noncapital Financing Activities* reflects cash received and spent for nonoperating financing activities.
- *Capital and Related Financing Activities* provides specific information on the cash used for the acquisition and construction of capital and related items.
- *Cash Flows from Investing Activities* indicates the purchases, proceeds, and interest received from investing activities.
- The last section reconciles the net cash used to the operating income or loss reflected on the *Comparative Statement of Revenues, Expenses and Changein Net Position.*

Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	Year Ended June 30	
	2022	2021
Cash provided (used) by:		
Operating activities	$ (24,841,035)	$ (18,401,816)
Non-capital financing activities	26,743,298	23,287,533
Capital and related financing activities	(2,039,250)	(2,905,621)
Investing activities	11,875	37,178
Net Change in Cash	$ (125,112)	$ 2,017,274
Cash –Beginning of year	18,118,745	16,101,471
Cash –End of year	$ 17,993,633	$ 18,118,745

Capital Assets and Debt Administration

Capital Assets

The College had 70,509,770 in capital assets, net of accumulated depreciation/amortization of 31,456,342 as of June 30, 2022.

Major projects undertaken during the fiscal year include:

Equipment additions	$ 271,344
Library Holding additions	282,277
Intangible Assets (Software)	133,700
Buildings	74,898
Total Capital Asset Additions	$ 762,219

ECONOMIC OUTLOOK

National Park College (NPC) seeks to fulfill its vision to be a catalyst in the community by acting as a comprehensive community college that creates numerous educational access points for students as well as to be a foundational component of the economic development of the region. Several indicators demonstrate robust economic progress in Arkansas, such as the addition of over 45,000 jobs in the past 18 months, low unemployment, and strong growth in the state's GDP. However, Arkansas continues to have the lowest average wages in the surrounding states, which makes access to greater educational opportunities paramount for Arkansans to increase their ability to provide for their families and break the cycle of poverty.

Garland County and the surrounding areas are low income, rural, and primarily agricultural with the exception of the City of Hot Springs. According to the US Census Bureau, the per capita income in 2019 was $27,171 annually for the county. While the state's unemployment rate dropped to 3.3% in July 2022, West Central Arkansas had a 5.1% unemployment rate. The need of NPC students is also evident in the 2020 IPEDs Feedback Report, which indicates that 92 percent of NPC students receive financial aid and support. Seventy-nine percent of students at NPC receive Pell Grants. Therefore, creating access points for students to receive an excellent education at an affordable rate is paramount.

As an independent two-year college, NPC seeks to offer students a low cost, high return education. Whether students want to complete a two-year degree, an apprenticeship program, or non-credit workforce training that could increase career opportunities in their current job, NPC strives to offer a chance for student success. NPC must be nimble and strategic in addressing its financial future while providing the education and training that its service region needs.

The base funding for Higher Education is adjusted annually by a productivity formula. Institutions' base funding could be reduced or increased by no more or less than one and one-half percent annually. The formula has a built-in floor which would prevent an institutions' base funding from decreasing by more than five percent over the life of the formula.

Regardless of the funding mechanism in place, the College has contingency plans in the event of unexpected reductions in state revenues. These plans include reducing expense budgets and using fund balances held in reserve. The College's Board of Trustees has a mandatory education and general reserve of $2,500,000, but the College's administration maintains additional reserves of at least $2,500,000 to ensure financial solvency. The College administration seeks to increase and diversify its funding resources by developing and implementing plans to secure outside funding, such as from grants, partnerships and private sources.

The College's leadership is committed to closely monitoring conditions that could negatively impact the financial wellbeing of the institution. 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.

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, 2021 through June 30, 2022.

Kelli Embry
Vice President For Administrative/CFO

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2022

	June 30, 2022	June 30, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 13,332,206	$ 13,492,250
Student accounts receivable less allowance of $545,830 and $550,044 respectively	1,260,747	1,449,908
Other receivables	2,914,422	1,195,068
Inventories	374,278	351,208
Prepaid expenses	165	616
Total Current Assets	17,881,819	16,489,050
Noncurrent Assets:		
Restricted cash and cash equivalents	4,661,427	4,626,495
Long-term investments		
Local tax millage receivable	796,564	639,882
Deposits and funds held by bond trustee	237,330	236,116
Capital assets net of accumulated depreciation/amortization of $31,456,342 and $29,120,816, respectively	39,053,427	40,904,971
Total Noncurrent Assets	44,748,748	46,407,464
TOTAL ASSETS	**62,630,567**	**62,896,514**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on ATRS/APERS pensions	853,444	1,273,535
Deferred amount on Post Employment Health Insurance	865,457	1,033,661
Deferred loss of Bond Refunding	19,678	21,827
Total Deferred Outflows of Resources	1,738,579	2,329,023
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 64,369,146**	**$ 65,225,537**
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	1,202,177	1,257,294
Unearned revenues	282,277	273,364
Current portion of bond issue premium	13,103	13,103
Current portion of compensated absences	60,142	91,756
Funds held in trust for others	77,461	71,421
Current portion of long-term debt	739,395	719,395
Current portion of Post employment healthcare/life benefits payable	237,680	229,032
Total Current Liabilities	2,612,235	2,655,365
Noncurrent Liabilities:		
Noncurrent portion of long-term debt	27,835,017	28,574,412
Noncurrent portion of bond issue premium	325,002	338,105
Noncurrent portion of compensated absences	921,743	739,724
Post employment healthcare/life insurance benefits payable	1,648,269	1,759,553
Net State pension liability	1,540,660	3,924,915
Total Noncurrent Liabilities	32,270,691	35,336,709
TOTAL LIABILITIES	**34,882,926**	**37,992,074**
DEFERRED INFLOWS OF RESOURCES		
Deferred amount on ATRS/APERS pensions	1,993,284	409,684
Deferred amount on Post Employment Health Insurance	363,214	212,811
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**37,239,424**	**38,614,569**
NET POSITION		
Net investment in capital assets	13,371,048	11,417,928
Restricted for:		
Expendable:		
Debt service	4,630,737	3,294,156
Grants and contracts	549,182	584,993
Capital projects	-	-
Unrestricted	8,578,754	11,313,891
TOTAL NET POSITION	**$ 27,129,722**	**$ 26,610,968**

NATIONAL PARK COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION - COMPONENT UNIT
DECEMBER 31, 2021 AND 2020

ASSETS	December 31, 2021	December 31, 2020
Current Assets		
Cash and cash equivalents	$ 825,163	$ 564,493
Pledges Receivable, Current	10,000	7,800
Gifts Receivable	5,286	-
Accrued Interest Receivable	3,300	3,336
Faculty Loans Receivable	2,317	3,180
Accounts Receivable	-	47,649
Investments- Available for Sale:		
Coporate Bonds	169,289	175,587
Government Securities	128,186	251,958
Money Market Funds	177,266	163,939
Equity Securities	1,574,803	1,196,458
Prepaid Expense	2,937	3,101
Total Current Assets	2,898,547	2,417,501
Fixed Assets		
Office Furniture and Equipment	160,735	160,735
Less: Accumulated Depreciation	159,804	159,330
Total Fixed Assets	931	1,405
Other Assets		
Pledges Receivable, Non-Current	7,139	19,339
Art pieces	3,785	3,785
Endowment investments	-	-
Equity Securities	1,400,410	1,355,827
Corporate Bonds	73,574	75,323
Government Securities	141,219	77,592
Money Market Funds	25,620	23,083
Total Other Assets	1,651,747	1,554,949
Total Assets	$ 4,551,225	$ 3,973,855
LIABILITIES AND NET ASSETS		
Current Liability		
Account Payable	$ 6,350	$ -
Accrued expense	-	$ -
Total Liabilities	6,350	-
Net Assets		
Without Donor Restrictions	$ 1,312,216	$ 966,243
With Donor Restrictions	3,232,659	3,007,612
Total Net Assets	4,544,875	3,973,855
TOTAL LIABILITY AND NET ASSETS	$ 4,551,225	$ 3,973,855

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Year Ended June 30,	
	2022	2021
Operating Revenues:		
Student tuition and fees		
(net of scholarship allowances of $4,229,612 and $4,704,789 respectively)	$ 2,853,683	$ 2,347,503
Federal grants and contracts	2,372,954	2,442,871
State and local grants and contracts	2,487,667	2,688,217
Auxiliary Enterprises:		
Bookstore (net of scholarship allowances of $504,268 and $401,011, respectively)	643,720	706,090
Food Service (net of scholarship allowance of $398,325 and $315,591 respectively)	578,164	460,870
Housing (net of scholarship allowances of $467,437 and $255,971 respectively)	598,463	528,365
Other	115,545	40,414
Total Operating Revenues	9,650,195	9,214,330
Operating Expenses:		
Personal services	16,725,464	16,610,976
Scholarships and fellowships	7,265,856	3,349,402
Supplies and services	6,146,695	5,476,708
Auxiliary enterprise expenses	3,011,456	1,865,106
Depreciation/amortization expense	2,342,776	1,906,363
Total Operating Expenses	35,492,247	29,208,555
Operating Income (loss)	(25,842,051)	(19,994,225)

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Year Ended June 30, 2022	Year Ended June 30, 2021
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	$ 11,190,424	$ 10,926,851
Federal grants and contracts	14,606,879	10,337,975
Local grants and gifts	-	100,000
Local tax millage	1,751,496	1,501,911
Amortization of bond insurance, discount and premium cost	10,954	10,954
Investment income	28,339	45,659
Interest on capital asset - related debt	(1,727,286)	(1,042,669)
Other additions (decreases)	500,000	-
NET NON-OPERATING REVENUES (EXPENSES)	26,360,805	21,880,681
INCREASE (DECREASE) IN NET POSITION	518,754	1,886,456
NET POSITION - BEGINNING OF YEAR	26,610,968	24,724,512
NET POSITION - END OF YEAR	**$ 27,129,722**	**$ 26,610,968**

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NATIONAL PARK COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES - COMPONENT UNIT
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	December 31, 2021			
	Without Donor Restrictions	With Donor Restrictions	Total	2020 Total
Public Support, Revenue, Losses, and Reclassifications				
Contributions and programs	$ 189,566	$ 454,200	$ 643,766	$ 646,280
Miscellaneous Revenue	325,104	-	325,104	234,145
Interest and dividends	31,765	25,124	56,889	42,385
Realized gain	25,178	12,676	37,854	41,557
Change in unrealized gain	373,957	-	373,957	272,851
Net assets released from restrictions	266,953	(266,953)	-	-
Net Public Support, Revenue, and Reclassifications	1,212,523	225,047	1,437,570	1,237,218
Expenses				
Programs	457,417	-	457,417	705,277
Advertising/promotion	3,602	-	3,602	3,980
Supporting Servcies/ Administration:				
Admin Fee Exepnse	29,942	-	29,942	25,296
Audit	13,400	-	13,400	13,400
Bank	1,066	-	1,066	622
Bond/insurance	4,838	-	4,838	4,456
Consulting	26,382	-	26,382	1,439
Depreciation	476	-	476	1,566
Gifts/Donations	25,275	-	25,275	-
investment	31,286	-	31,286	31,656
Meetings/luncheons/receptions	1,637	-	1,637	-
Miscellaneous	13,935	-	13,935	10,737
Professional Development	334	-	334	5,538
Printing and supplies	39,403	-	39,403	30,084
Rent Expense	12,688	-	12,688	12,688
Salaries and Wages	202,029	-	202,029	170,000
Travel	2,840	-	2,840	1,954
Total Expenses	866,550	-	866,550	1,018,693
Change in Net Assets	345,973	225,047	571,020	218,525
Net Assets - Beginning of Year	966,243	3,007,612	3,973,855	3,755,330
Net Assets - End of Year	$ 1,312,216	$ 3,232,659	$ 4,544,875	$ 3,973,855

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Year Ended June 30, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Student tuition and fees (net of scholarship discounts and allowances)	$ 3,119,009	$ 2,071,504
Grants and contracts	4,614,460	4,676,647
Auxiliary Enterprise revenues:		
Bookstore (net of scholarship discounts and allowances)	643,720	706,090
Food Service (net of scholarship discounts and allowances)	578,164	460,870
Housing (net of scholarship allowances)	598,463	525,035
Other	115,545	-
Auxiliary Enterprise payments to suppliers	(2,310,851)	(1,863,553)
Other receipts	(325,284)	40,415
Payments to employees for salaries and benefits	(18,098,705)	(16,284,669)
Payments to suppliers	(6,268,043)	(5,380,895)
Scholarships and fellowships	(7,507,513)	(3,353,260)
Net cash provided (used) by operating activities	(24,841,035)	(18,401,816)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	11,190,424	10,926,851
Local tax millage	1,788,736	1,609,383
Federal grants and contracts	13,220,215	10,585,967
State and local grants and contracts	-	100,000
Other additions (deletions)	500,000	-
Direct lending/FFEL receipts	2,980,724	3,445,902
Direct lending/FFEL payments	(2,942,841)	(3,385,312)
Agency funds - net	6,040	4,742
Net cash provided (used) by noncapital financing activities	26,743,298	23,287,533
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisitions and construction of capital assets	(783,790)	(1,377,697)
Principal paid on capital debt to trustee	(865,820)	(699,395)
Interest and paying agents' fees paid on capital debt to trustee	(389,640)	(828,529)
Net cash provided (used) by capital and related financing activities	(2,039,250)	(2,905,621)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	11,875	37,178
Net cash provided (used) by investing activities	11,875	37,178
Net increase (decrease) in cash and cash equivalents	(125,112)	2,017,274
Cash and cash equivalents - beginning of year	18,118,745	16,101,471
Cash and cash equivalents - end of year	$ 17,993,633	18,118,745

NATIONAL PARK COLLEGE
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Year Ended June 30,	
	2022	**2021**
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	$ (25,842,051)	$ (19,994,225)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	2,205,295	1,778,303
Amortization expense	137,480	128,060
Change in assets and liabilities:		
Receivables, net	(1,484)	(576,071)
Inventories	(23,070)	(12,481)
Prepaid expenses	451	85
Accounts payable and other accrued liabilities	(135,791)	127,772
Compensated absences	150,405	(142,268)
Other post employment benefits	(102,636)	166,999
State Pensions (ATRS/APERS)	(2,384,255)	(85,595)
Deferred inflows	1,734,003	(166,603)
Deferred Outflows	(588,295)	707,971
Unearned Revenue	8,913	(333,763)
Net cash provided (used) by operating activities	$ (24,841,035)	$ (18,401,816)
Noncash Transactions		
Interest earned on deposits with bond trustee	$ 164,633	$ 16,042
Interest payments made by bond trustee	(237,330)	(217,919)
Construction Payments from Bond Proceeds	(363,471)	(2,051,181)
Total	$ (436,168) -	$ (2,253,058)

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 Community 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

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, 2022 and 2021, the Foundation distributed $452,415 and $147,235, respectively, to the College for both restricted and unrestricted purposes. 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.

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 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 fair market 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.

NOTE 2: Summary of Significant Accounting Policies (Continued)

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 in order to make debt service payments and to maintain sinking or reserve funds as required by the bond covenants.

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 a 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 $714,149 and $639,189 at June 30, 2022 and 2021, respectively.

NOTE 2: Summary of Significant Accounting Policies (Continued)

Compensated Absences Payable - Continued

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 $267,737 and $192,291 at June 30, 2022 and 2021, respectively.

Unearned Revenues

Unearned Revenues include amounts received for tuition and fees and grants and contracts prior to the end of the fiscal year but related to the subsequent accounting period. Unearned Revenue consists of the following at June 30, 2022, and June 30, 2021, respectively.

	June 30, 2022	June 30, 2021
Prepaid tuition and fees	$ 44,114	$ 46,141
Grants and Contracts	223,769	221,723
Dogwood Hall	14,394	5,500
Total	$ 282,277	$ 273,364

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 assessment 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.

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	$ 5,225,790	$ 5,225,790
Collateral held in College's name by the pledging bank	11,481,400	11,481,400
Total Deposits	$ 16,707,190	$ 16,707,190

The above deposits do not include cash on hand in the amount of $14,877 at June 30, 2022, nor do these deposits include cash in state treasury of $0.01. Additionally the above deposits include non-negotiable certificates of deposit of $233,841 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 returne to it. The College does not have a deposit policy for custodial credit risk. As of June 30, 2021, none of th College's bank balance of $16,707,190 was exposed to custodial credit risk due to a interest sweep timing difference at year end.

Deposit with Trustee:

At June 30, 2022, the College's deposits with the trustee of $237,330 in cash were invested as follows:

Fidelity Investments money market fund of $2. 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.

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.

Federated Hermes Money Market Fund, $3,487, comprised of United States Treasury Obligations having a AAAm rating by Standard and Poors.

The deposits with the trustee consists of funds obligated for the student housing construction project.

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.

At June 30, 2022, $3,490 of the College's deposits with trustee were held in a money market account and therefore were exposed to custodial credit risk.

The College does not have a concentration of credit risk policy and does not limit the amount of funds invested in any one issuer.

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

NOTE 3: Public Fund Deposits and Investments - Continued

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 give 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 in puts 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.

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.

NOTE 3: Public Fund Deposits and Investments - (Continued)

Fair Value Measurement (Continued)

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, 2022.

		Fair Value Measurement Using:		
		Quoted Prices in Active Markets of Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
Investment by fair value	June 30, 2022			
Debt Securities:				
Money Market Fund	3,490	3,490	-	-
Total investments at Fair Value	3,490	3,490		

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, 2022

	BALANCE AT JUNE 30, 2021	ADDITIONS	TRANSFERS	RETIREMENTS	BALANCE AT JUNE 30, 2022
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	59,409,277	74,898.00	-	-	59,484,175
Equipment	6,770,758	271,344.27			7,042,102
Library holdings	727,505	11,289.54		(7,248.69)	731,546
Intangible Asset (software)	2,002,402	133,700.00			2,136,102
Total depreciable capital assets	69,587,729	491,231.81	-	(7,248.69)	70,071,712
Less accumulated depreciation/amortization for:					
Improvements and infrastructure	669,343	1,819.17			671,162
Buildings	22,311,184	1,805,785.16			24,116,969
Equipment	4,152,152	375,611.20		-	4,527,763
Library holdings	535,090	22,079.95		(7,249)	564,418
Intangible Asset (software)	1,453,048	137,480.10		-	1,590,528
Total accumulated depreciation	29,120,816	2,342,776	0	(7,249)	31,470,841
Depreciable capital assets, net	$ 40,466,912	$ (1,851,544)	$ -	$ (14,497)	$ 38,600,871
Capital Asset Summary:					
Capital assets not being depreciated	$ 438,058	$ -	$ -	$ -	$ 438,058
Depreciable capital assets, at cost	69,587,729	491,232	-	(7,249)	$ 70,071,712
Total cost of capital assets	70,025,787	491,232	-	(7,249)	70,509,770
Less accumulated depreciation	(29,120,816)	(2,342,776)	0	7,249	(31,456,343)
Capital Assets, Net	$ 40,904,970	$ (1,851,544)	$ -	$ -	$ 39,053,426

NOTE 6: Long-Term Liabilities

Debt payment including fees on bond totaled $1,743,864 for the fiscal year ended June 30, 2022.

A summary of long term debt is as follow:

	Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized And Issued	Debt Outstanding June 30, 2022	Maturities To June 30, 2022
2018 Bonds Payable	4/17/2018	3/1/2048	3-4%	$ 21,395,000	$ 19,675,000	$ 1,720,000
2019 Bonds Payable	8/22/2019	6/30/2049	2-3.125%	9,040,000	8,615,000	425,000
N/P Chartwells	8/1/2019	11/1/2026	0%	466,865	284,412	182,453
Totals				$ 30,901,865	$ 28,574,412	$ 2,327,453

The changes in long-term liabilities are as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due within One Year
2018 Bonds Payable	$ 20,115,000	$ -	$ 440,000	$ 19,675,000	$ 455,000
2019 Bonds Payable	8,830,000	-	215,000	8,615,000	220,000
2018 Bond Premium	348,199	-	12,996	335,203	12,996
2019 Bond Premium	3,009	-	107	2,902	107
N/P Chartwells	348,807	-	64,395	284,412	64,395
Compensated Absences Payable	831,480	446,068	295,663	981,885	60,142
Other Postemployment Benefits	1,988,585	-	102,636	1,885,949	237,680
State Pension Liability	3,924,915	-	2,384,255	1,540,660	-
Totals	$ 36,389,995	$ 446,068	$ 3,515,052	$ 33,321,011	$ 1,050,320

Bonds payable principal and interest payments are as follows:

	Bonds Payable			Direct Borrowings		
Year Ended June 30	Principal	Interest	Total	Principal	Interest	Total
2023	675,000	1,004,819	1,679,819	64,395		64,395
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	500,000	45,065	545,065	64,395		64,395
2027	495,000	892,253	1,387,253	26,832		26,832
2028-2031	3,855,000	4,293,881	8,148,881			-
2032-2036	4,875,000	3,522,331	8,397,331			
2037-2041	5,845,000	2,553,381	8,398,381			
2042-2046	7,015,000	1,393,825	8,408,825			
2047-2049	3,615,000	209,775	3,824,775			-
	$ 28,290,000	$ 15,863,468	$ 44,153,468	$ 284,412	$ -	284,412

NOTE 7: Commitments

The College was contractually obligated for the following at June 30, 2022:

I. Operating Leases

Copiers and Related Maintenance:

a) Future minimum rental payments (aggregate) at June 30, 2022: $12,803
b) Rental payments are determined by estimated volume of each machine, ranging from 2,000 to 40,000 copies per month.
c) Rental payments for the current year totaled $46,281.
d) Future minimum rental payments for the succeeding fiscal years:

Year Ended June 30,		Amount
June 30, 2023		10,087
June 30, 2024		2,716
Total	$	12,803

II. Office Equipment and Related Maintenance

Postage Meter:

a) Future minimum rental payments (aggregate) at June 30, 2021: $ 2,772
b) Rental payments for the current year totaled $2,772
c) Future minimum rental payment for the succeeding fiscal years:

Year Ended June 30,		Amount
June 30, 2023		2,772
Total	$	2,772

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 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 which 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 years ended June 30, 2022 and 2021 were $689,930 and $563,668, respectively. Participants' contributions were $410,000 and $412,242 for the year ended June 30, 2022 and 2021, respectively.

AIG Retirement (VALIC):

Plan Description: The College participates in VALIC, a defined contribution plan. The plan is a 403(b) program as defined by 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 years ended June 30, 2022 and 2021 were $659,750 and $661,934, respectively. Participants' contributions were $400,991 and $487,184 for the year ended June 30, 2022 and 2021, respectively.

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 1-800-666-2877.

NOTE 8: Retirement Plans (Continued)

Arkansas Teacher Retirement System (Continued):

Benefits Provided: Members are eligible for full retirement benefits at age 60 with five or more years of credited service or at any age with 28 or more years of credited service. Members with 25 years of credited service who have not attained age 60 may receive an annuity reduced by 5/12 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 April 1, 1998, computed using highest five year's salary) 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 of actual service. The amount for contributory members will be up to $10,000 and up to $6,667 for noncontributory members. The amount will be prorated for members who have both contributory and noncontributory service. Members with 15 or more years of contributory service will receive the full $10,000.

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 6.25% 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 14.50% of covered salaries, the maximum allowed by law. The College's contributions to ATRS for the years ended June 30, 2022, 2021, and 2020 were $214,057, $221,169, and $239,023 respectively, equal to the required contributions for each year. During fiscal years ending June 30, 2022 and 2021, employees contributed $83,152 and $81,407, respectively, to the Arkansas Teachers Retirement System.

At June 30, 2022 and 2021, the College reported a liability of $1,295,859 and $3,032,268, respectively, for its proportionate share of the ATRS's 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 current contributions of all participating employers. At June 30, 2022 the College's proportion was 0.047% for ATRS.

For the years ended June 30, 2022 and 2021, the College recognized pension expense of $-36,993 and $358,437 respectively.

NOTE 8: Retirement Plans (Continued)

Arkansas Teacher Retirement System (Continued):

At June 30, 2022, 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	$ 65,932	$ 1,073,615
Changes in Assumptions	390,446	-
Net difference between projected and actual earnings on pension plan investments	-	11,202
Changes in Proportion and differences between employer contributions and proportionate share of contributions	36,471	459,402
College contributions subsequent to the measurement date	209,096	-
Total	$ 701,945	$ 1,544,219

The $209,096 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, 2023. 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:	
2023	$ 228,442
2024	217,742
2025	256,728
2026	355,887
2027	(7,428)
Total	**$ 1,051,371**

Actuarial Assumptions: The total liability was determined by an actuarial valuation as of June 30, 2021 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	7.50%

Mortality rates were based on the ROP-2014 Healthy Annuitant, Disabled Annuitant, and Employee Mortality Tables were used for males and females. Mortality rates were adjusted using projection scale MP-2017 from 2006.

	Scaling Factor	
Table	Males	Females
Healthy Annuitant	101%	91%
Disabled Annuitant	99%	107%
Employee Mortality	94%	84%

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period of July 1, 2010 through June 30, 2015.

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, 2021, these best estimates are summarized in the following table:

Asset Allocation	Target	Long-Term Expected Real Rate of Return
Total Equity	53.00%	5.2%
Fixed Income	15.00%	-0.1%
Alternatives	5.00%	3.5%
Real assets	15.00%	5.1%
Private equity	12.00%	7.2%
Cash equivalents	0.00%	-1.0%
	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 14% 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%
$ 2,711,191	$ 1,295,859	$ 121,505

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.

NOTE 8: Retirement Plans (Continued)

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.

APERS is a cost-sharing, multiple-employer, defined benefit plan which 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 nine members of the Board of Trustees of the Arkansas Public Employees Retirement System, (the Board). Membership include three state and three non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of the State, the Treasurer of the State, and the Director of the Department of Finance and Administration.

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 1-800 682-7377. 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, Charters 5 and 6 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 services
- 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 year 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% of their salaries. The College's contributions to APERS for the years ended June 30, 2022, 2021, and 2020 were $103,795 $97,408, and $93,180, respectively, equal to the required contributions for each year. During fiscal years ended June 30, 2022 and 2021, employees contributed $11,699 and $10,617, respectively, 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, 2021, and the total pension liability used to calculated 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, 2022 and 2021, the College reported liabilities of $244,801 and $892,647, respectively, for its proportionate share of the APERS net pension liability. The net pension liability was measured as of June 30, 2021 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, 2021, the College's proportion was 0.03184057%.

For the year ended June 30, 2022 and 2021, the College recognized pension expense of $-25,720 and $144,718, respectively.

NOTE 8: Retirement Plans (Continued)

Arkansas Public Employees Retirement System (Continued):

At June 30, 2022, 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	$ 5,603	$ 15,700
Changes in Assumptions	-	1,715
Net difference between projected and actual earnings on pension plan investments	-	429,708
Changes in Proportion and differences between employer contributions and proportionate share of contributions	37,140	1,942
College contributions subsequent to the measurement date	104,292	-
Totals	$ 147,035	$ 449,065

The $104,292 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, 2023. 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:	
2023	$ (73,792)
2024	(65,884)
2025	(73,150)
2026	(89,205)
Total	$ (302,031)

NOTE 8: Retirement Plans (Continued)

Arkansas Public Employees Retirement System (Continued):

Actuarial Assumptions: The total pension liability, net pension liability, and certain sensitivity informatior was determined by an actuarial valuation as of June 30, 2021. 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, 2021, valuation were based on the results of an actuarial experience study for the period form 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 2021 - 2030 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, 2021, 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%
$732,295.02	244,801	($154,488.09)

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	Auxiliary Enterprises	Total at June 30, 2022
Instruction	$ 9,163,821	$ 1,889,005				$ 11,052,827
Public Service	3,373					3,373
Academic Support	821,543	435,198				1,256,741
Student Services	2,648,833	953,374				3,602,208
Institutional Support	3,273,183	1,561,404				4,834,587
Operation & Maintenance of Plant	504,515	1,307,713				1,812,228
Scholarships & Fellowships			7,265,856			7,265,856
Auxiliary Enterprises	310,196	-			3,011,456	3,321,652
Depreciation				2,342,776		2,342,776
Total Expenses	$ 16,725,464	$ 6,146,695	$ 7,265,856	$ 2,342,776	$ 3,011,456	$ 35,492,247

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, 2022 National Park College had the following employees that were covered by benefit terms of the plan.

Retirees and Beneficiaries	16
Active Employees	190
Total Employee Covered	206

(b) Total OPEB Liability

The College uses a measurement date of June 30, 2022. The total OPEB liability for the College Plan was $1,885,949. The total liability for the Arkansas Blue Cross and Blue Shield plan and the Arkansas State Employees Insurance was $651,336 and $1,234,613, 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, 2022
Inflation Rate	2.50%
Discount Rate (1)	4.09%
Healthcare cost trends rates	7.50% drecreasing to 4.00% over eight years
Retirees' share of benefit related costs	0% - 35.8%

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

(b) Total OPEB Liability- continued

The mortality rate assumptions were based on the RP-2014 Fully Generational mortality Table for employee s and healthy annuitants using projection scale MP-2014, and from the RP-2014 Fully Generational Mortality Table for employees and disabled annuitants using projection scale MP-2014.

(c) Changes in Total OPEB Liability

Balance, June 30, 2021	$ 1,988,585
Changes for the current fiscal year:	
Service Cost	118,686
Interest Cost	43,970
Differences between expected and actual experience	-
Employer contributions	-
Changes in assumptions	(203,377)
Benefit payments	(61,915)
Net Changes	(102,636)
Balance June 30, 2022	$ 1,885,949

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	
Rate	Total OPEB Liability	Rate	Total OPEB Liability	Rate	Total OPEB Liability
3.09%	$ 1,997,782	4.09%	$ 1,885,949	5.09%	$ 1,780,905

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

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
$1,997,782	$1,885,949	$1,780,905

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

For the year ended June 30, 2022, National Park College recognized an OPEB Expense of $273,420. 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	$ 85,140	$ 47,439
Changes of assumptions	784,783	315,775
Total	$ 869,923	$ 363,214

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:						
2023	2024	2025	2026	2027	Thereafter	Total
$ 110,764	$ 110,764	$ 110,764	$ 110,764	$ 110,764	$ (47,116)	$ 506,704

NOTE 11: Disaggregation of Receivables and Payables

Accounts Receivable consisted of the following at June 30, 2022 and June 30, 2021.

	June 30, 2022	June 30, 2021
State	$ 130,564	$ 298,198
Federal	2,707,001	685,818
Auxiliary	31,929	39,129
Other	44,928	171,923
Total	$ 2,914,422	$ 1,195,068

Accounts payable and accrued liabilities consisted of the following at June 30, 2022 and June 30, 2021:

	June 30, 2022	June 30, 2021
Vendors	$ 446,330	$ 475,629
Other Payables	403,661	338,666
Salaries and Benefits	352,186	442,999
Total	$ 1,202,177	$ 1,257,294

NOTE 12: Bonds Payable and Pledged Revenues

A. 2018 Bonds Payable - Student Commons Project

1. Bonds Payable consisted of the following at June 30, 2022:

   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 $19,675,000

2. Pledged Revenues consisted of the following at June 30, 2022:

   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 80.70% of available revenues.

   Total Principal and interest paid on the Series 2018 Bonds for FY2022 was $1,214,887.50, and pledged revenues were $1,518,609. The total remaining principal and interest to be paid on the bonds is $31,593,463.

NOTE 12: Bonds Payable and Pledged Revenues

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

1. Bonds Payable consisted of the following at June 30, 2022:

   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%.

2. Pledged Revenues consisted of the following at June 30, 2022.

   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 4.79% of available revenues. Total Principal and interest paid on the Series 2019 Bonds for FY2022 was $464,581, and pledged revenues were $9,698,977. The total remaining principal and interest to be paid on the bonds is $12,560,006.

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 carries commercial insurance for directors and officers, covering legal judgments and settlements. The College pays an annual premium for this coverage.

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 $250,000 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

NOTE 14: Subsequent Events

On March 11, 2020, the Governor of Arkansas issued Executive Order 20-02 declaring an emergency and ordered the Arkansas Department of Health to take action to prevent the spread of coronavirus disease 2019 (COVID -19). The extent of the impact of COVID-19 on our financial statements for future reporting periods will depend on certain developments, including the duration and speed of the outbreak and revenue collections - all of which are uncertain and cannot be predicted. The financial impact of COVID-19 to the College is uncertain as of the audit report date.

Postemployment Benefits Other Than Pensions*

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

Fiscal Year ending June 30:	2022	2021	2020	2019
Total OPEB Liability				
Service Cost	$ 118,686	$ 78,460	$ 77,051	$ 43,025
Interest	43,970	48,592	49,373	20,117
Benefit Changes	-			
Difference between Actual & Expected				
Experience	-	49,774	-	
Assumption changes	(203,377)	58,301	10,910	1,070,129
Benefit Payments	(61,915)	(68,128)	(93,685)	(10,125)
net Change in Total OPEB Liability	(102,636)	166,999	43,649	1,123,146
Total OPEB Liability - Beginning	1,988,585	1,821,586	1,777,937	658,604
Total OPEB Liability - Ending	$ 1,885,949	$ 1,988,585	$ 1,821,586	$ 1,781,750
Plan Fiduciary Net Position				
Contributions - Employee				
Contributions - Employer	61,915	68,128	93,685	10,125
Net Investment Income				
Benefit Payments	(61,915)	(68,128)	(93,685)	(10,125)
Administrative Expense				
Other				
Net change in Plan Net Position				
Plan Fiduciary Net Position - Beginning				
Plan Fiduciary net Position - Ending				
Net OPEB Liability - Ending	$ 1,885,949	$ 1,988,585	$ 1,821,586	$ 1,781,750
Plan Fiduciary Net Position as a				
Percentage of Total OPEB Liability	0%	0%	0%	0%
Covered Employee Payroll	$ 9,776,124	$ 9,429,659	$ 11,200,905	$ 11,222,940
Net OPEB Liability as a Percentage of				
Covered Employee Payroll	19.29%	21.09%	16.26%	15.84%

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, 2.79% at 06/30/2019, 2.66% at 06/30/2020, and 2.18% at 06/30/21.

Pub-T mortality added 06/30/21. EBD covered employees first included at 06/30/2019.

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 Comprehensive Annual Financial Report (CAFR).

Postemployment Benefits Other Than Pensions - Continued

Schedules of Required Supplementary Information
Schedule of Sponsor Contributions

Fiscal Year ending June 30,	2022	2021	2020	2019
Actuarially determined contribution	$ 218,613	$ 172,648	$ 168,133	$ 76,766
Contributions in relation to the actuarially determined contribution	61,915	68,128	93,685	10,125
Contribution Deficiency (excess)	156,698	104,520	74,448	66,641
Covered employee payroll	9,776,124	9,429,659	11,200,905	11,222,940
Contributions as a percentage of covered employee payroll	0.63%	0.72%	0.84%	0.09%

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:	25 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 06/30/2021, 4.09% at 06/30/2022.
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

Pensions Plan - Arkansas Public Employees Retirement System

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

	2022*	2021**	2020***	2019****	2018*****	2017******	2016******
College's proportion of net pension liability	0.0312%	0.0312%	0.0298%	0.0284%	0.0315%	0.0347%	0.0340%
College's proportionate share of net pension liability	$ 239,663	$ 892,647	$ 719,206	$ 626,204	$ 815,039	$ 830,487	$ 626,704
College's covered payroll	$ 230,782	$ 608,225	$ 570,483	$ 531,717	$ 566,022	$ 629,228	$ 603,739
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	103.85%	146.76%	126.07%	117.77%	143.99%	131.99%	103.80%
Plan fiduciary net position as a percentage of the total pension liability	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%

*The amounts presented were determined as of 06/30/2022
**The amounts presented were determined as of 06/30/2021
***The amounts presented were determined as of 06/30/2020
****The amounts presented were determined as of 06/30/2019
*****The amounts presented were determined as of 06/30/2018
******The amounts presented were determined as of 06/30/2017
*******The amounts presented were determined as of 06/30/2016

Schedule of College's Contributions
Arkansas Public Employees Retirement System

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 104,292	$ 97,408	$ 93,180	$ 87,398	$ 78,429	$ 82,073	$ 91,238
Contributions in relation to the contractually required contribution	(104,292)	(97,408)	(93,180)	(87,398)	(78,429)	(82,073)	(91,238)
Contribution deficiency (excess)							
College's covered-employee payroll	$ 680,757	$ 635,822	$ 608,225	$ 570,483	$ 531,717	$ 566,022	$ 629,228
Contributions as a percentage of covered-employee payroll	15.32%	15.32%	15.32%	15.32%	14.75%	14.50%	14.50%

Changes in Assumptions
Amounts reflect a change in economic assumptions used in the June 30, 2021 valuation. The investment return assumption used was 7.15% and the wage inflation assumption used was 3.25%.

Pensions Plan - Arkansas Teacher Retirement System

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

	2022*	2021**	2020***	2019****	2018*****	2017******	2016******
College's proportion of net pension liability	0.0536%	0.0536%	0.0599%	0.0636%	0.0596%	0.0652%	0.0697%
College's proportionate share of net pension liability	$ 1,295,859	$ 3,032,268	$ 2,497,738	$ 2,314,416	$ 2,504,098	$ 2,874,624	$ 2,269,078
College's covered payroll	$ 1,235,721	$ 1,677,354	$ 1,842,814	$ 1,928,421	$ 1,765,529	$ 1,903,914	$ 2,050,699
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	104.87%	180.78%	135.54%	120.02%	141.83%	150.98%	110.65%
Plan fiduciary net position as a percentage of the total pension liability	88.58%	74.91%	80.96%	82.78%	79.48%	76.75%	82.20%

*The amounts presented were determined as of 06/30/2022
**The amounts presented were determined as of 06/30/2021
***The amounts presented were determined as of 06/30/2020
****The amounts presented were determined as of 06/30/2019
*****The amounts presented were determined as of 06/30/2018
******The amounts presented were determined as of 06/30/2017
*******The amounts presented were determined as of 06/30/2016

Schedule of College's Contributions
Arkansas Teacher Retirement System

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 209,096	$ 221,168	$ 239,023	$ 257,994	$ 269,979	$ 247,174	$ 266,548
Contributions in relation to the contractually required contribution	(209,096)	(221,168)	(239,023)	(257,994)	(269,979)	(247,174)	(266,548)
Contribution deficiency (excess)							
College's covered-employee payroll	$ 1,442,041	$ 1,525,297	$ 1,677,354	$ 1,842,814	$ 1,928,421	$ 1,765,529	$ 1,903,914
Contributions as a percentage of covered-employee payroll	14.50%	14.50%	14.25%	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.

	Year Ended June 30,				
	2022	2021	2020	2019	2018
Total Assets and Deferred Outflows	$ 64,369,146	$ 65,225,537	$ 64,169,435	$ 55,929,612	$ 51,741,621
Total Liabilities and Deferred Inflows	37,239,424	38,614,569	39,444,923	31,288,226	29,694,909
Total Net Position	27,129,722	26,610,968	24,724,512	24,641,386	22,046,712
Total Operating Revenues	9,650,195	9,214,330	9,279,960	8,175,730	9,946,686
Total Operating Expenses	35,492,247	29,208,555	27,512,087	25,755,203	27,430,992
Total Net Non-Operating Revenues	26,360,805	21,880,681	18,315,253	20,174,147	18,833,900