National Park College

Hot Springs, Arkansas

Basic Financial Statements and Other Reports

June 30, 2024

LEGISLATIVE JOINT AUDITING COMMITTEE

NATIONAL PARK COLLEGE
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JUNE 30, 2024

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National Park College
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and the discretely presented component unit of National Park College (College), an institution of higher education of the State of Arkansas, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the National Park College Foundation, Inc. (Foundation), which represents 100% of the assets and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards.*

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, certain information pertaining to postemployment benefits other than pensions, and certain information pertaining to pensions on pages 7-11, 42, and 43-44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Selected Information for the Last Five Years (Schedule 1) but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2025 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
September 3, 2025
EDHE17524

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

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

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

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 (*Government Auditing Standards)*, 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, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 3, 2025. Our report includes a reference to other auditors who audited the financial statements of the National Park College Foundation, Inc. (Foundation), as described in our report on the College's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards,* and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation or that are reported on separately by those auditors who audited the financial statements of the Foundation.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below in the Audit Findings section of this report that we consider to be a material weakness.

Report on Compliance and Other Matters

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

We noted a certain matter that we reported to management of the College in a separate letter dated September 3, 2025.

AUDIT FINDINGS

Material Weakness

Financial Statements should be presented fairly in conformity with general accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The College's internal control system did not detect or prevent material misstatements in the financial statements due to the turnover of accounting personnel. The financial statements were subsequently corrected by College personnel during audit fieldwork. Key errors in the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows included:

Statement of Net Position

- Other receivables was overstated by $265,559 due to an error in accruals.
- Accumulated depreciation was understated by $29,164 due to an error in recording a capital asset equipment item into the general ledger.
- Deferred outflows related to postemployment health insurance was understated by $18,040.
- Net position - investment in capital assets was understated by $94,935.

Statement of Revenues, Expenses, and Changes in Net Position

- Nonoperating federal grants and contracts was understated and scholarships and fellowships was understated by $229,996 due to misclassification of Pell and Direct Loan receipts.
- Amortization expense and accumulated amortization related to right to use assets was overstated by $56,544 due to duplicate posting in the general ledger.
- A loss on the disposal of capital assets in the amount of $12,240 was recognized in error due to improper disposal of library holdings.
- Personal services was overstated by $518,635 due to an error in accruals.

Statement of Cash Flows

- Cash Flows from Operating Activities was misstated by $670,172 due to understatements in payments to suppliers ($516,318) and payments for scholarships and fellowships ($153,854).
- Cash Flows from Capital and Related Financing Activities was misstated by $342,020 due to overstating purchases of capital assets.

We recommend the College implement stronger internal controls to ensure the accuracy of the financial statements.

> Management Response: These errors occurred for a variety of reasons, mainly including staff turnover. Various processes have been put into place to help ensure these errors aren't repeated including; but not limited to, further review capital assets changes; in-depth review of accruals, accounts receivable, amortization/depreciation, among other things; and a dual review of the financial statements and the preparation process to help ensure accuracy.

College's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the finding identified in our audit. The College's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

ARKANSAS LEGISLATIVE AUDIT

Matt Fink

Matt Fink, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
September 3, 2025

Arkansas

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

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LEGISLATIVE JOINT AUDITING COMMITTEE
ARKANSAS LEGISLATIVE AUDIT

MANAGEMENT LETTER

National Park College
Legislative Joint Auditing Committee

STUDENT ENROLLMENT DATA – In accordance with Ark. Code Ann. § 6-60-209, we performed tests of the student enrollment data for the year ended June 30, 2024, 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 2023	Fall Term 2023	Spring Term 2024	Summer I Term 2024
Student Headcount	103	2,308	2,028	444
Student Semester Credit Hours	387	24,172	20,606	2,871

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
September 3, 2025

National Park College is pleased to present its financial statements for the fiscal year ended June 30, 2024. 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, 2024. 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, 2023 through June 30, 2024. This statement also serves as a starting point for transactions that will occur for the next fiscal period. The assets and liabilities are broken down into current and noncurrent sections to provide information relative to the time required in converting noncash assets to cash or to cash equivalents or that may require the use of cash. The net position is the difference between assets and liabilities.

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

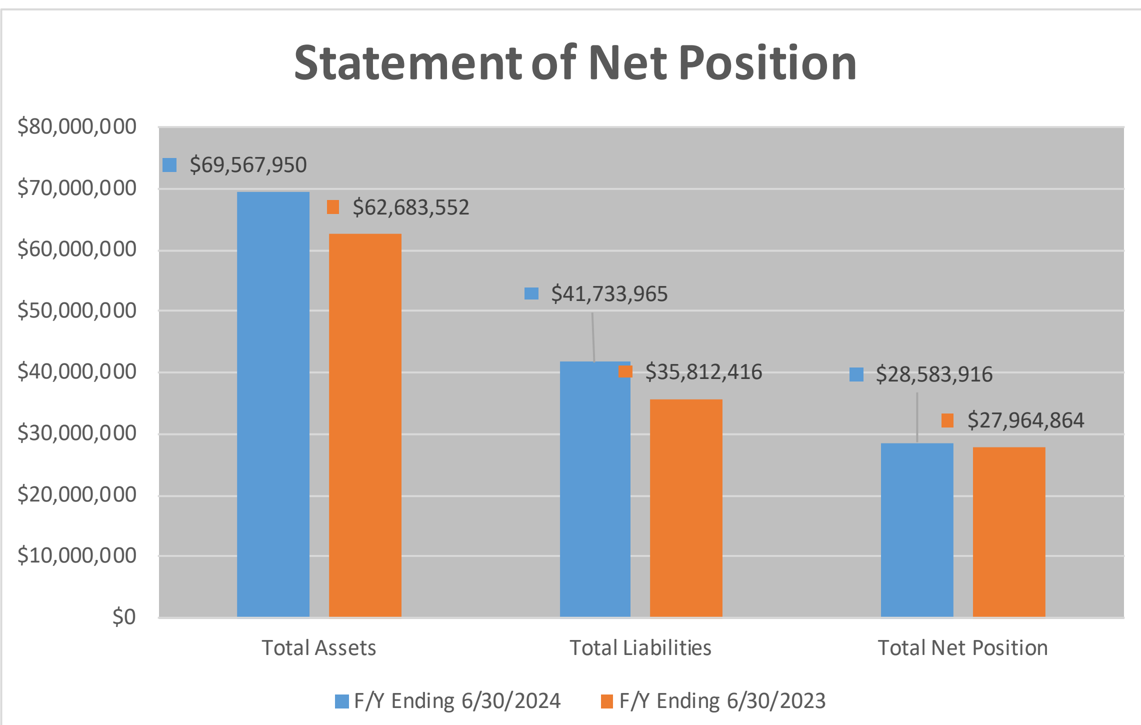
Net Position is divided into three major categories. *Net investment in capital assets, net of related debt* represents the College's capital assets after subtracting accumulated depreciation/amortization and the principal amount of outstanding debt attributable to the acquisition, construction or improvement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

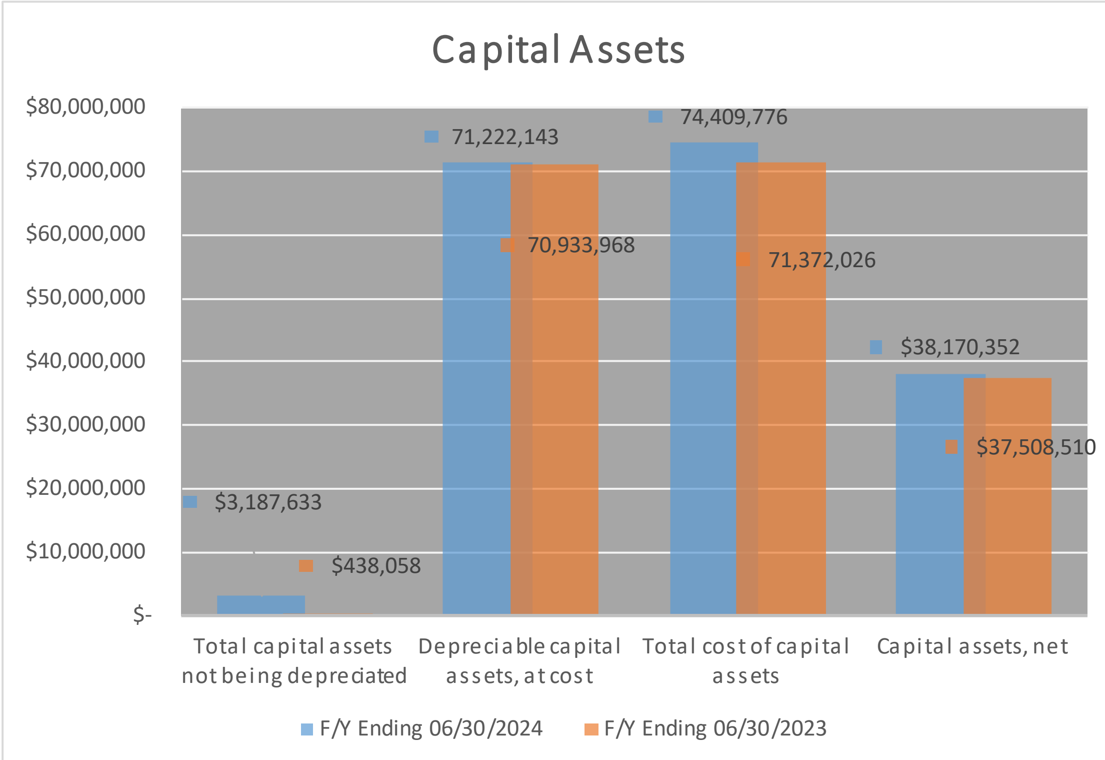
Restricted net position is divided into two categories: nonexpendable and expendable. *Nonexpendable restricted* represents funds that are externally restricted to specific purposes, such as student loans. *Expendable restricted* assets are available for expenditure by the institution but must be spent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

Statement of Net Position
June 30, 2024 and 2023

	Year Ended June 30		
Assets:	**2024**	**2023**	
Current assets	$20,853,678	$ 19,545,200	
Capital assets, net	38,054,508	37,354,123	
Other assets	10,659,764	5,784,229	
Total Assets	$69,567,950	$ 62,683,552	
Deferred Outflows of Resources	1,610,478	2,095,811	
Total Assets and Deferred Outflows of Resources	$71,178,428	$64,779,363	
Liabilities:			
Current liabilities	3,192,069	2,536,128	*
Non-current liabilities	38,541,896	33,276,288	
Total Liabilities	$41,733,965	$35,812,416	
Deferred Inflows of Resources	860,547	1,002,083	
Total Liabilities and Deferred Inflows of Resources	$42,594,512	$36,814,499	
Net Position:			
Net investment in capital assets	9,344,394	9,446,420	
Restricted – expendable	9,486,548	3,906,754	
Unrestricted	9,752,974	14,611,690	*
Total Net Position	$ 28,583,916	$ 27,964,864	

*As restated




Capital Assets
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$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$-
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$438,058
71,222,143
70,933,968
74,409,776
71,372,026
$38,170,352
$37,508,510
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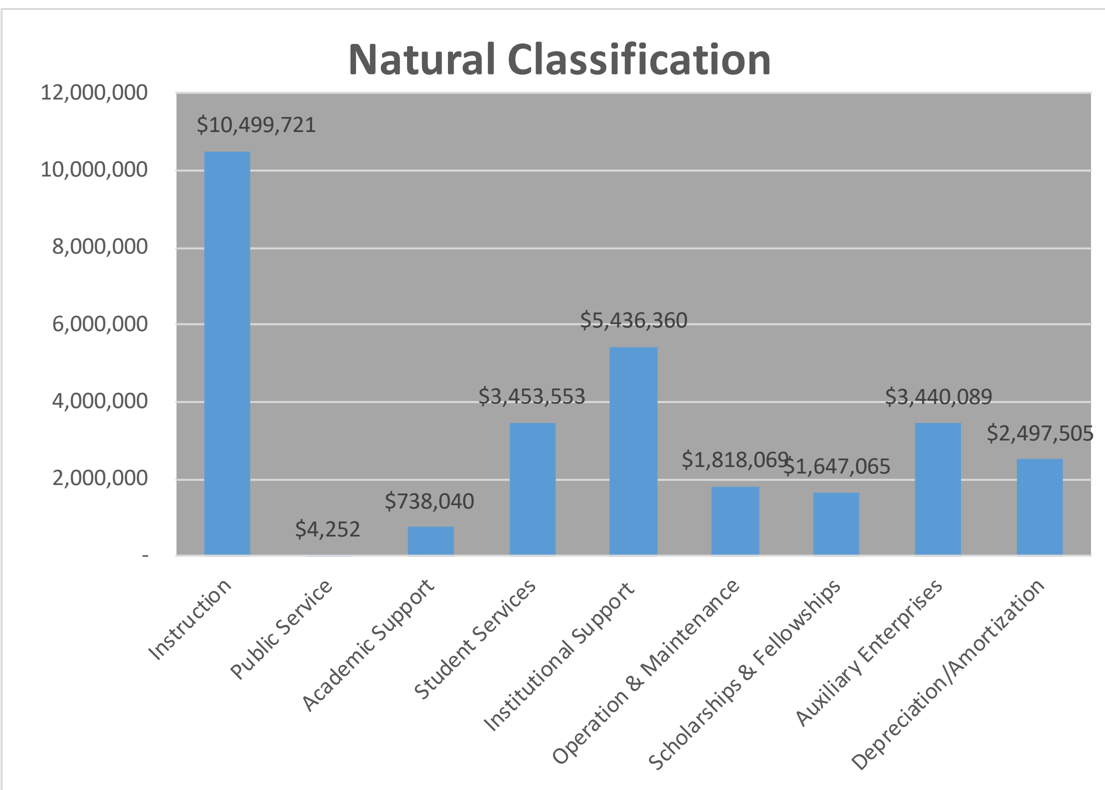
Depreciable capital assets, at cost
Total cost of capital assets
Capital assets, net
F/Y Ending 06/30/2024
F/Y Ending 06/30/2023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10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
-
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$738,040
$3,453,553
$5,436,360
$1,818,069
$1,647,065
$3,440,089
$2,497,505
Instruction
Public Service
Academic Support
Student Services
Institutional Support
Operation & Maintenance
Scholarships & Fellowships
Auxiliary Enterprises
Depreciation/Amortization

Statement of Revenues, Expenses and Changes in Net Position

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

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

Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2024

	Year Ended June 30	
	2024	**2023**
Operating revenues	$ 10,945,866	$ 11,209,472
Operating expenses	(29,534,654)	(32,378,681) *
Operating loss	(18,588,788)	(21,169,209)
Non-operating revenues less expenses	19,207,840	22,192,205
Increase (decrease) in net position	$ 619,052	$ 1,022,996
Net Position - Beginning of year	28,454,487	26,941,868
Adjustments to prior year net position	(489,623)	
Net Position - Beginning of year - Adjusted	27,964,864	26,941,868
Net Position - End of year	$ 28,583,916	$ 27,964,864

*As restated

Student tuition and fee revenues, as well as textbook sales, are reported net of scholarship discounts and allowances in the *Statement of Revenues, Expenses, and Changes in Net Position*. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the student's behalf. Federal PELL grants and other federal and state grants are recorded as revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition, fee, and book charges, the College has recorded a scholarship discount and allowance, thereby eliminating the double counting of revenue.

Capital Assets

The College had 74,409,776 in capital assets, net of accumulated depreciation/amortization of $36,239,424 as of June 30, 2024.

Major projects undertaken during the fiscal year include:

Equipment additions	$ 371,615
Library Holding additions	9,356
Construction in Progress	2,749,575
Total Capital Asset Additions	$ 3,130,546

Debt Administration

On September 14, 2023, the College issued Student Tuition and Fee Auxiliary Enterprise Revenue Bonds, Series 2023, of $6,470,000, maturing in varying amounts to March 1, 2051, with variable interest rates from 3.5% to 4.5%. The proceeds were utilized for the construction of a 222-bed student housing facility named Redbud Hall.

Bond proceeds of $6,200,000 were deposited with an escrow agent to fund the construction of Redbud Hall with an expected completion date of July 31, 2025. As of June 30, 2025, the project was on schedule for the anticipated completion date.

Economic Outlook

National Park College (NPC) seeks to fulfill its vision to catalyze personal enrichment, economic growth, and community engagement by providing Garland County and the surrounding region with a comprehensive community college that creates numerous educational access points for students. The College offers a broad menu of programming to meet a wide variety of needs, including two-year degrees and certificates both on campus and online, bachelor's degrees through partnerships with universities, and noncredit programs such as apprenticeships and industry training. Additionally, we serve over 1,000 Garland County high school students through concurrent credit partnerships and our high school technical center, the NPC Career Academy.

Garland County has a positive economic outlook for 2024, particularly driven by developments in Hot Springs. Major infrastructure projects, such as the completion of a 17-mile pipeline to supply water to the area, are paving the way for further residential and commercial growth. This improved water access will support new housing developments and attract more businesses to the region. Hot Springs is positioning itself as a travel and tourism destination, with renovations at the historic Arlington Resort Hotel & Spa and other downtown improvements boosting the local economy. Likewise, Amazon is preparing to open a 35,000 square foot “last mile” facility in 2024 and national chains like Whataburger and Chipotle are expanding into the area. A new manufacturer is expected to set up operations in Hot Springs in 2024 and work is underway on two significant expansions to existing companies, FiberPro and U.S. Vanadium. These developments highlight Hot Springs as a growing hub for economic activity and innovation.

Garland County and the surrounding areas are low-income, rural, and primarily agricultural. About 41% of Garland County residents' highest level of educational attainment is a high school diploma or less. As of 2023, approximately 20.4% of the population in Garland County, Arkansas, lives below the poverty line. This represents over one-fifth of the county's nearly 99,000 residents. The poverty rate in Garland County is higher than both the national average and the overall rate for Arkansas. NPC is a vital component for breaking the poverty cycle for Arkansans through education that affords them the potential for higher wage-earning careers. In May 2024, NPC awarded the most credentials to students in its 50-year history. The degrees and certificates students earned allow them to seek higher paying jobs, which will ultimately help many of them escape generational poverty.

Ninety-two percent of NPC students received financial aid and support of some kind in FY 2023. NPC offers students a low-cost, high-return education. Whether students want to complete a two-year or four-year degree, an apprenticeship program, or non-credit workforce training that could increase career opportunities in their current jobs, NPC strives to offer a chance for student success.

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

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

It is the opinion of NPC's leadership that the following financial statements accurately measure the fiscal performance of the College's activities during the period July 1, 2023, through June 30, 2024.

Kelli Embry
Vice President for Administration/CFO

NATIONAL PARK COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024

Exhibit A

	June 30, 2024
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 17,555,029
Student accounts receivable less allowance of $1,153,526	1,645,788
Other receivables	1,352,473
Inventories	297,360
Prepaid expenses	3,028
Total Current Assets	20,853,678
Noncurrent Assets:	
Restricted cash and cash equivalents	4,299,927
Local tax millage receivable	980,836
Deposits and funds held by bond trustee	5,263,157
Right to use leased assets (net of amortization of $115,766)	115,844
Capital assets net of accumulated depreciation/amortization of $36,123,658	38,054,508
Total Noncurrent Assets	48,714,272
TOTAL ASSETS	**69,567,950**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on ATRS/APERS pensions	853,000
Deferred amount on Post Employment Health Insurance	742,098
Deferred loss of Bond Refunding	15,380
Total Deferred Outflows of Resources	1,610,478
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**71,178,428**
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	1,548,172
Unearned revenues	173,949
Current portion of bond issue discount	(5,356)
Current portion of bond issue premium	13,103
Current portion of compensated absences	102,361
Funds held in trust for others	291,373
Current portion of long-term debt	854,395
Current portion of leases payable	56,791
Current portion of Post employment healthcare/life benefits payable	157,281
Total Current Liabilities	**3,192,069**
Noncurrent Liabilities:	
Noncurrent portion of long-term debt	32,611,226
Noncurrent portion of leases payable	63,486
Noncurrent portion of bond issue discount	(135,398)
Noncurrent portion of bond issue premium	298,794
Noncurrent portion of compensated absences	694,807
Post employment healthcare/life insurance benefits payable	2,027,997
Net State pension liability	2,980,984
Total Noncurrent Liabilities	38,541,896
TOTAL LIABILITIES	**41,733,965**

NATIONAL PARK COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024

Exhibit A

		June 30, 2024
DEFERRED INFLOWS OF RESOURCES		
Deferred amount on ATRS/APERS pensions	$	392,960
Deferred amount on Post Employment Health Insurance		467,587
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		**42,594,512**
NET POSITION		
Net investment in capital assets		9,344,394
Restricted for:		
Expendable:		
Debt service		4,191,853
Grants and contracts		271,055
Capital projects		5,023,640
Unrestricted		9,752,974
TOTAL NET POSITION	**$**	**28,583,916**

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

NATIONAL PARK COLLEGE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION - COMPONENT UNIT
December 31, 2023

Assets		**December 31, 2023**
Current assets		
Cash and cash equivalents	$	153,172
Cash and cash equivalents - restricted		520,434
Pledges receivable, net		119,102
Gifts receivable		49,036
Accrued interest receivable		9,024
Investments- available for sale:		
Certificates of deposit		490,470
Corporate bonds		75,552
Government securities		9,647
Money market funds		17,824
Equity securities		807,388
Mutual funds		795,725
Prepaid expenses		1,530
Total current assets		3,048,904
Fixed assets		
Office furniture and equipment		160,735
Less: accumulated depreciation		160,735
Total fixed assets		-
Other assets		
Cash and cash equivalents - restricted		22,050
Pledges receivable, net		71,380
Art pieces		3,785
Endowment investments:		
Equity securities		1,927,290
Corporate bonds		80,429
Government securities		131,450
Money market funds		9,873
Mutual funds		141,017
Total other assets		2,387,274
Total assets	$	5,436,178
Liabilities and net assets		
Current liabilities		
Account payable	$	-
Total liabilities		-
Net Assets		
Without donor restrictions		1,499,513
With donor restrictions		3,936,665
Total net assets		5,436,178
Total liabilities and net assets	$	5,436,178

NATIONAL PARK COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Exhibit B

		Year Ended June 30, 2024
Operating Revenues:		
Student tuition and fees (net of scholarship allowances of $5,512,641)	$	2,799,705
Federal grants and contracts		2,876,179
State and local grants and contracts		3,211,754
Auxiliary Enterprises:		
Bookstore (net of scholarship allowances of $519,885)		569,115
Food Service (net of scholarship allowance of $462,522)		673,285
Housing (net of scholarship allowances of $532,335)		755,306
Other		60,522
Total Operating Revenues		10,945,866
Operating Expenses:		
Personal services		17,912,500
Scholarships and fellowships		1,647,065
Supplies and services		7,477,584
Depreciation/amortization expense		2,497,505
Total Operating Expenses		29,534,654
Operating Income (loss)		(18,588,788)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	$	11,702,867
Federal grants and contracts		6,292,308
Local tax millage		1,985,341
Amortization of bond insurance, discount and premium cost		7,081
Investment income		553,336
Interest on capital asset - related debt		(1,328,094)
Interest expense on leases		(4,999)
NET NON-OPERATING REVENUES (EXPENSES)		19,207,840
INCREASE (DECREASE) IN NET POSITION		619,052
NET POSITION - BEGINNING OF YEAR		28,454,487
Adjustment to prior year net position		(489,623)
NET POSITION - BEGINNING OF YEAR - (as restated)		27,964,864
NET POSITION - END OF YEAR	**$**	**28,583,916**

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

Exhibit B-1

NATIONAL PARK COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES - COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2023

	December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support, Revenue and Reclassifications			
Contributions and programs	$ 116,126	$ 841,589	$ 957,715
Contributions - in-kind	280,995	48,721	329,716
Miscellaneous revenue	78,490	95,580	174,070
Interest and dividends	54,682	71,180	125,862
Realized gain (loss)	(27,128)	1,027	(26,101)
Change in unrealized gain	105,774	183,389	289,163
Net assets released from restrictions	537,590	(537,590)	-
Total public support, revenue and reclassifications	1,146,529	703,896	1,850,425
Expenses			
Program services	610,751	-	610,751
Advertising/promotion	13,837	-	13,837
Supporting services/ administration:			
Admin fee expense	75,002	-	75,002
Audit	14,192	-	14,192
Bank	253	-	253
Bond/insurance	1,487	-	1,487
Consulting	24,890	-	24,890
Depreciation	-	-	-
Grant expense	49,860	-	49,860
Investment	34,618	-	34,618
Meetings/luncheons	1,144	-	1,144
Miscellaneous	145,717	-	145,717
Professional development	1,348	-	1,348
Printing and supplies	44,279	-	44,279
Rent expense	12,688	-	12,688
Salaries & wages	221,364	-	221,364
Travel	5,970	-	5,970
Total expenses	1,257,400	-	1,257,400
Change in net assets	(110,871)	703,896	593,025
Net assets - beginning of year	1,610,384	3,232,769	4,843,153
Net assets - end of year	$ 1,499,513	$ 3,936,665	$ 5,436,178

Exhibit C

NATIONAL PARK COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Year Ended June 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees (net of scholarship discounts and allowances)	$ 2,179,489
Grants and contracts	6,109,936
Auxiliary Enterprise revenues:	
Bookstore (net of scholarship discounts and allowances)	569,115
Food Service (net of scholarship discounts and allowances)	673,285
Housing (net of scholarship allowances)	755,306
Other	60,522
Payments to employees for salaries and benefits	(17,620,143)
Payments to suppliers	(7,540,258)
Scholarships and fellowships	(1,570,138)
Net cash provided (used) by operating activities	(16,382,886)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriations	11,702,867
Local tax millage	1,902,790
Federal grants and contracts	6,381,273
Direct lending/FFEL receipts	2,616,878
Direct lending/FFEL payments	(2,580,093)
Agency funds - net	165,285
Net cash provided (used) by noncapital financing activities	20,189,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisitions and construction of capital assets	(1,383,380)
Principal paid on capital debt to trustee	(839,395)
Principal paid on leases	(66,336)
Interest expense on leases	(4,999)
Interest and paying agents' fees paid on capital debt to trustee	(1,117,969)
Net cash provided (used) by capital and related financing activities	(3,412,079)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	314,588
Net cash provided (used) by investing activities	314,588
Net increase (decrease) in cash and cash equivalents	708,623
Cash and cash equivalents - beginning of year	21,146,333
Cash and cash equivalents - end of year	$ 21,854,956

NATIONAL PARK COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

		Year Ended June 30, 2024
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	$	(18,588,788)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		2,287,753
Amortization expense		209,752
Change in assets and liabilities:		
Receivables, net		(507,744)
Inventories		14,574
Prepaid expenses		(1,791)
Accounts payable and other accrued liabilities		(144,880)
Unearned Revenue		80,203
Other post employment benefits		186,280
Compensated absences		(134,453)
State pensions (ATRS/APERS)		(125,440)
Deferred outflows		483,184
Deferred inflows (state pensions)		(141,536)
Net cash provided (used) by operating activities	$	(16,382,886)

Noncash Transactions		
Capital assets acquired by leases	$	28,801
Interest earned on deposits with bond trustee		240,483
Construction payments from Bond Proceeds		(1,405,146)
Proceeds, net discount, and accrued interest from construction bond issue deposited with trustee		6,273,612
Bond issuance costs paid directly from bond proceeds		(123,715)
Total	$	5,014,035

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

NATIONAL PARK COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: Reporting Entity

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

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

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Under the provision of this statement, the College is an institution of higher education of the State of Arkansas and is included in the financial statements of the State of Arkansas.

Component Unit

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

The Foundation's fiscal year ends on December 31, while the College's fiscal year ends on June 30. The Foundation's financial statements for the fiscal year ended December 31, 2023, are incorporated into the College's financial statements for the fiscal year ended June 30, 2024. The College does not believe this difference creates any material timing issues.

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, 2024, the Foundation distributed $1,080,852 to the College for both restricted and unrestricted purposes. The National Park College Foundation, Inc. reports under the requirements of the Not-for Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. As such, certain revenue recognition criteria and presentation features differ from GASB revenue recognition criteria and presentation. No modifications have been made to the Foundation’s financial information in the College’s financial statements. Complete financial statements for the Foundation may be obtained from the administrative office at 101 College Drive, Hot Springs, Arkansas 71913.

NOTE 2: Summary of Significant Accounting Policies

Financial Statement Presentation

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

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

Basis of Accounting

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

Capital Assets and Depreciation

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

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

Restricted/Unrestricted Resources

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

Operating and Non-Operating Revenues

The College has classified revenues as either operating or non-operating according to the following criteria:

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

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

NOTE 2: Summary of Significant Accounting Policies (Continued)

Deposits with Trustees

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

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 under the College's grants and contracts.

Inventories

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

Noncurrent Cash and Investments

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

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

Compensated Absences Payable

Compensated absences payable represents the accrual of a liability for employees' rights to receive compensation for future absences. Accumulated unpaid annual leave is accrued at the employees' daily pay rate up to a maximum of thirty (30) days. This liability has been projected to be $552,822 at June 30, 2024.

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 $244,346 at June 30, 2024.

NOTE 2: Summary of Significant Accounting Policies (Continued)

Unearned Revenues

Unearned Revenues include amounts received for tuition and fees and grants and contracts before the end of the fiscal year but related to the subsequent accounting period. Unearned Revenue consists of the following at June 30, 2024.

	June 30, 2024
Prepaid tuition and fees	$ 72,048
Grants and Contracts	101,901
Total	$ 173,949

Noncurrent Liabilities

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

Property Taxes

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

New Accounting Pronouncements

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

For the year ending June 30, 2024:

- Statement No. 99, *Omnibus 2022*, implementation date FY ended 6/30/24
- Statement No. 100, *Accounting Changes and Error Corrections*, implementation date FY ending 6/30/24

The Department of Education issued a new rule related to 34 CFR 668.23, Compliance Audits and Audited Financials, with an effective date of 7/1/2024.

NOTE 3: Public Fund Deposits and Investments

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

	Bank Balance
Insured (FDIC)	$ 6,225,254
Collateral held by the pledging financial institution's trust department or agent in the College's name	14,895,718
Total Deposits	$ 21,120,972

The above deposits do not include cash on hand in the amount of $9,732 at June 30, 2024. The above deposits also do not include $50,000 cash held by a project management firm under a project management agreement related to the design and construction of a new student housing facility. Additionally, the deposits include a certificate of deposit and cash management account totaling $236,912 reported as deposits with trustee.

NOTE 3: Public Fund Deposits and Investments (Continued)

<u>Custodial Credit Risk - Deposits:</u>
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, 2024, none of the College's bank balance of $21,120,972 was exposed to custodial credit risk.

<u>Deposit with Trustee:</u>
At June 30, 2024, the College's deposits with the trustee of $5,263,157, excluding $3,071 cash and $233,841 in certificates of deposits, were invested as follows:

Fidelity Investments money market funds of $5,026,245. The deposits with the trustee consist of funds obligated for the student housing construction project and funds obligated as debt reserves for the College's bond issues.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This fund was rated AAAm by Standard and Poor's AAAmf by Moody's Investors Service and normally invests at least 99.5% of the fund's total assets in cash and U.S. Treasury securities.

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

Interest rate risk for investments is the risk that changes in interest rates will adversely affect the fair value of an investments. 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.

<u>Fair Value Measurement</u>:

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

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

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

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

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

NOTE 3: Public Fund Deposits and Investments (Continued)

Fair Value Measurement: (Continued)

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 or reflective of future fair values. Furthermore, although the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Following table set forth, by level within the valuation, hierarchy, College invested funds, including amounts reported as deposits with the bond trustees on the Statement of Net Position at June 30, 2024.

		Fair Value Measurement Using:		
		Quoted Prices in Active Markets of Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investment by fair value	June 30, 2024			
Debt Securities:				
Money Market Fund	$ 5,026,245	$ 5,026,245		
Total investments at Fair Value	$ 5,026,245	$ 5,026,245		

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.

NATIONAL PARK COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5: Capital Assets

Following are the changes in capital assets for the year ended June 30, 2024.

	BALANCE AT JUNE 30, 2023	ADDITIONS	RETIREMENTS	JUNE 30, 2024
Capital assets not being depreciated:				
Land	$ 438,058			$ 438,058
Construction in Progress		$ 2,749,575		2,749,575
Total capital assets not being depreciated	438,058	2,749,575		3,187,633
Depreciable capital assets:				
Improvements and infrastructure	677,788			677,788
Buildings	59,484,174			59,484,174
Equipment	7,644,958	371,615	$ 33,707	7,982,866
Library holdings	712,487	9,356	12,240	709,603
Intangible Asset (software)	2,136,102			2,136,102
Right To Use Buildings	278,459	28,801	75,650	231,610
Total depreciable capital assets	70,933,968	409,772	121,597	71,222,143
Less accumulated depreciation/amortization for:				
Improvements and infrastructure	672,818	1,657		674,475
Buildings	25,926,464	1,785,951		27,712,415
Equipment	4,864,837	476,559	33,707	5,307,689
Library holdings	542,391	23,586	12,240	553,737
Intangible Asset (software)	1,732,935	142,407		1,875,342
Right to Use Buildings	124,071	67,345	75,650	115,766
Total accumulated depreciation	33,863,516	2,497,505	121,597	36,239,424
Depreciable capital assets, net	$ 37,070,452	$ (2,087,733)	$ 0	$ 34,982,719
Capital Asset Summary:				
Capital assets not being depreciated	$ 438,058	$ 2,749,575		$ 3,187,633
Depreciable capital assets, at cost	70,933,968	409,772	$ (121,597)	71,222,143
Total cost of capital assets	71,372,026	3,159,347	(121,597)	74,409,776
Less accumulated depreciation	(33,863,516)	(2,497,505)	121,597	(36,239,424)
Capital Assets, Net	$ 37,508,510	$ 661,842	$ 0	$ 38,170,352

NOTE 6: Long-Term Liabilities

Debt payment including fees on bond totaled $2,167,488 for the fiscal year ended June 30, 2024.

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

	Date of Issue	Date of Final Maturity	Rate of Interest	Amount Authorized And Issued	Debt Outstanding June 30, 2024	Maturities To June 30, 2024
2018 Bonds Payable	4/17/2018	3/1/2048	3-4%	$ 21,395,000	$ 18,750,000	$ 2,645,000
2019 Bonds Payable	8/22/2019	6/30/2049	2-3.125%	9,040,000	8,165,000	875,000
2023 Bonds Payable	9/14/2023	3/1/2051	3.5-4.5%	6,470,000	6,395,000	75,000
Lease Payable*	10/1/2023	9/30/2025	8.50%	28,802	18,438	10,364
Lease Payable*	6/1/2022	5/31/2027	4.00%	107,598	65,143	42,455
Lease Payable*	7/1/2021	3/31/2026	3.25%	95,211	36,696	58,515
N/P Chartwells	8/1/2019	11/1/2026	0%	466,865	155,621	311,244
Totals				$ 37,603,476	$ 33,585,898	$ 4,017,578

The changes in long-term debt is as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due within One Year
2018 Bonds Payable	$ 19,220,000		$ 470,000	$ 18,750,000	$ 480,000
2019 Bonds Payable	8,395,000		230,000	8,165,000	235,000
2023 Bonds Payable		$ 6,470,000	75,000	6,395,000	75,000
2018 Bond Premium	322,206		12,996	309,210	12,996
2019 Bond Premium	2,795		108	2,687	107
2023 Bond Discount		(144,628)	3,874	(140,754)	(5,356)
Lease Payable	85,787		20,644	65,143	21,486
Lease Payable	15,275		15,275	-	-
Lease Payable		28,802	10,364	18,438	14,591
Lease Payable	56,749		20,053	36,696	20,714
N/P Chartwells	220,017		64,396	155,621	64,395
Compensated Absences Payable	931,621	421,210	555,663	797,168	102,361
Totals	$ 29,249,450	$ 6,775,384	$ 1,478,373	$ 34,554,209	$ 1,021,294

NOTE 6: Long-Term Liabilities (Continued)

Future principal and interest payments (Continued):

Future principal and interest payments are as follows:

	Bonds Payable			Notes Payable		
Year Ended June 30	Principal	Interest	Total	Principal	Interest	Total
2025	$ 790,000	$ 1,240,969 *	$ 2,030,969	$ 64,395		$ 64,395
2026	820,000	1,212,093	2,032,093	64,395		64,395
2027	850,000	1,184,569	2,034,569	26,831		26,831
2028	875,000	1,155,969	2,030,969			
2029	910,000	1,126,394	2,036,394			
2030-2034	5,040,000	5,127,744	10,167,744			
2035-2039	6,060,000	4,133,088	10,193,088			
2040-2044	7,300,000	2,900,919	10,200,919			
2045-2049	8,395,000	1,457,100	9,852,100			
2050-2051	2,270,000	154,350	2,424,350			
	$ 33,310,000	$ 19,693,195	$ 53,003,195	$ 155,621	$ -	$ 155,621

*Includes interest payable of $372,676 recorded as a current liability at June 30, 2024.

	Leases Payable*		
Year Ended June 30	Principal	Interest	Total
2025	$ 56,791	$ 4,108	$ 60,899
2026	42,189	1,611	43,800
2027	21,297	428	21,725
	$ 120,277	$ 6,147	$ 126,424

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

NOTE 7: Commitments

The College was contractually obligated for the following at June 30, 2024:

1. Leases

The net value of assets under leases totaled $115,844 at June 30, 2024. Leases are amortized using the straight-line method. The details of the leases are as follows:

Type of Asset	Issue Date	Maturity Date	Rate of Interest	Asset Amount	Amortization	Net Amount
Right to use building - Central Avenue	6/1/2022	5/31/2027	4.00%	$ 107,598	$ 44,833	$ 62,765
Right to use building - Saline County	10/1/2023	9/30/2025	8.50%	28,801	10,800	18,001
Right to use building - Pine Bluff	7/1/2021	3/31/2026	3.25%	95,211	60,133	35,078
				$ 231,610	$ 115,766	$ 115,844

NOTE 7: Commitments (Continued)

2. Contracts

Description		Balance at 6/30/2024
Servitas	$	8,617,495
Harrison Construction Company		651,328
Lewis Architect		7,316
Total	$	9,276,139

NOTE 8: Retirement Plans

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

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

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

Funding Policy: Employees of the College who are members contribute a minimum of 6% of earnings to the plan, with the College contributing 14% of earnings. The College's contributions to TIAA/CREF for the year ended June 30, 2024, were $819,942. Participants' contributions were $429,118 for the year ended June 30, 2024.

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 the Internal Revenue Service Code of 1986, as amended. Act 480 of 1983 authorizes participation in the plan. The administrator provides insurance policies and annuity contracts that become the property of the participant when issued.

Funding Policy: Employees of the College who are members contribute a minimum of 6% of earnings to the plan, with the College contributing 14% of earnings. The College's contributions to AIG Retirement for the year ended June 30, 2024, were $640,416. Participants' contributions were $346,254 for the year ended June 30, 2024.

GASB Statement No. 68:

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

Arkansas Teacher Retirement System:

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

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

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

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

NOTE 8: Retirement Plans (Continued)

Arkansas Teacher Retirement System (Continued):

Funding Policy: ATRS has contributory and non-contributory plans. Contributory members are required by code to contribute a minimum of 7% of their salary. Each participating employer is required by State law to contribute at a rate determined by the Board of Trustees, based on the annual actuarial valuation. The current employer rate is 15% of covered salaries, the maximum allowed by law. The College's contributions to ATRS for the year ended June 30, 2024, were $170,637, equal to the required contributions for each year. During fiscal year ending June 30, 2024, employees contributed $75,053 to the Arkansas Teachers Retirement System.

At June 30, 2024, the College reported a liability of $2,076,342 for its proportionate share of the ATRS' net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability for the plan was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the current contributions of all participating employers. At June 30, 2023, the College's proportion was 0.0400% for ATRS.

For the year ended June 30, 2024, the College recognized an increase in pension expense of $213,461.

At June 30, 2024, 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	$ 75,508	$ 2,429
Changes in Assumptions	151,174	-
Net difference between projected and actual earnings on pension plan investments	136,739	-
Changes in Proportion and differences between employer contributions and proportionate share of contributions	-	376,537
College contributions subsequent to the measurement date	170,637	-
Total	$ 534,058	$ 378,966

NOTE 8: Retirement Plans (Continued)

Arkansas Teacher Retirement System (Continued):

The $170,637 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, 2025. 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:		
2025		(48,855)
2026		(127,691)
2027		192,727
2028		(31,726)
Total	$	(15,545)

Actuarial Assumptions: The total liability was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all prior periods included in the measurement.

Wages inflation rate	2.75%
Salary increase	2.75 - 5.75% including inflation
Investment rate of return	7.25%

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020.

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.

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, 2023, these best estimates are summarized in the following table:

Asset Allocation	Target	Long-Term Expected Real Rate of Return
Total Equity	53.00%	5.0%
Fixed Income	15.00%	1.8%
Alternatives	5.00%	4.8%
Real assets	15.00%	4.5%
Private equity	12.00%	7.3%
Cash equivalents	0.00%	1.0%
Total	100.00%	

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

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

Sensitivity of the Net Pension Liability to the Single Discount Rate

1% Decrease 6.25%	Current Rate 7.25%	1% Increase 8.25%
$ 3,372,327	$ 2,076,342	$ 1,001,871

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 that covers all State employees who are not covered by another authorized plan. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The costs of administering the plan are paid out of investment earnings.

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

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

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

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

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

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

Members may retire with a reduced benefit at age 55 with at least 5 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.

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 5.5% of their salaries. The College's contributions to APERS for the year ended June 30, 2024 were $108,238 equal to the required contributions for each year. During the fiscal year ended June 30, 2024, employees contributed $17,274 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, 2023, 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, 2024, the College reported liabilities of $904,642 for its proportionate share of the APERS net pension liability. The net pension liability was measured as of June 30, 2023 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, 2023, the College's proportion was 0.03104269%.

For the year ended June 30, 2024, the College recognized an increase in pension expense of $166,999.

At June 30, 2024, 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	$ 51,065	$ 4,970
Changes in Assumptions	42,529	
Net difference between projected and actual earnings on pension plan investments	112,595 -	
Changes in Proportion and differences between employer contributions and proportionate share of contributions	4,515	9,024
College contributions subsequent to the measurement date	108,238	
Totals	$ 318,942	$ 13,994

The $108,238 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, 2025. 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:		
	2025	47,978
	2026	19,911
	2027	136,421
	2028	(7,600)
Total		$ 196,710

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, 2023. 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	7.00%
Wage Inflation rate	3.25%
Salary increases	3.25 - 11.00%
Investment rate of return*	7.00%
Mortality rate table	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 114% and 132% of the PubG-2010 Amount-Weighted Below-Median Income General Retiree Mortality tables males and females, respectively. The disabled retiree mortality tables, for post-retirement disabled mortality, used in evaluating allowances to be paid were 114% and 132% of the PubNS-2010 Amount-Weighted Disabled Retiree Mortality tables for males and females, respectively. The preretirement mortality tables used were 75% of the PubG-2010 Amount-Weighted Below-Median General Employee Mortality tables for active mortality experience. Mortality rates for a particular calendar year are determined by applying the MP-2021 mortality improvement scale to the above described tables.

*Net of investment and administrative expenses

All other actuarial assumptions used in the June 30, 2023, valuation was based on the results of an actuarial experience study for the period from July 1, 2017 - June 30, 2022, 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 2023 - 2032 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, 2023, these best estimates are summarized in the following tables:

Asset Allocation	Target	Long-Term Expected Real Rate of Return
Broad domestic equity	37%	6.19%
International equity	24%	6.77%
Real assets	16%	3.34%
Absolute return	5%	3.36%
Domestic fixed	18%	1.79%
	100%	

NOTE 8: Retirement Plans (Continued)

Arkansas Public Employees Retirement System (Continued):

Discount Rate - A single discount rate of 7% 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%. 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 6.00%	Current Rate 7.00%	1% Increase 8.00%
$1,441,918	$904,642	$461,977

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 & Amortization**	**Total at June 30, 2024**
Instruction	$ 9,654,906	$ 844,815			$ 10,499,721
Public Service	4,252				4,252
Academic Support	544,198	193,842			738,040
Student Services	2,654,227	799,326			3,453,553
Institutional Support	3,714,628	1,721,732			5,436,360
Operation & Maintenance of Plant	643,314	1,174,755			1,818,069
Scholarships & Fellowships			$ 1,647,065		1,647,065
Auxiliary Enterprises	696,975	2,743,114			3,440,089
Depreciation & Amortization				$ 2,497,505	2,497,505
Total Expenses	$ 17,912,500	$ 7,477,584	$ 1,647,065	$ 2,497,505	$ 29,534,654

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, 2024 National Park College had the following employees that were covered by benefit terms of the plan.

Retirees and Beneficiaries	14
Active Employees	242
Total Employee Covered	256

(b) Total OPEB Liability

The College uses a measurement date of June 30, 2024. Total OPEB liability for the College Plan was $2,185,278. The total liability for the Qualchoice plan and the Arkansas State Employees Insurance was $543,813 and $1,641,465, respectively.

Actuarial Assumptions

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

Actuarial valuation date	July 1, 2023
Inflation Rate	2.50%
Discount Rate (1)	4.21%
Healthcare cost trends rates	7.50% decreasing to 4.25% over eight years
Retirees' share of benefit related costs	0% - 35.8%

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

The discount rate is based on the municipal bond rate of 4.21% as of the measurement date.

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

(c) Changes in Total OPEB Liability

Balance, June 30, 2023	$ 1,998,998
Changes for the current fiscal year:	
Service Cost	153,885
Interest Cost	84,888
Differences between expected and actual experience	
Employer contributions	
Changes in assumptions	(11,410)
Benefit payments	(41,083)
Net Changes	186,280
Balance June 30, 2024	$ 2,185,278

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
3.21%	$ 2,337,665	4.21%	$ 2,185,278	5.21%	$ 2,042,722

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
$1,944,930	$2,185,278	$2,474,676

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

For the year ended June 30, 2024, National Park College recognized an OPEB Expense of $348,467. 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	$ 240,618	$ 235,209
Changes of assumptions	501,480	232,378
Total	$ 742,098	$ 467,587

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

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:						
2025	2026	2027	2028	2029	Thereafter	Total
$ 109,694	$ 109,694	$ 109,699	$ (8,786)	$ (10,600)	$ (35,190)	$ 274,511

NOTE 11: Disaggregation of Receivables and Payables

Accounts Receivable consisted of the following at June 30, 2024.

	June 30, 2024
State	$ 196,630
Federal	830,145
Auxiliary	45,237
Other	280,461
Total	$ 1,352,473

Accounts Payable and accrued liabilities consisted of the following at June 30, 2024.

	June 30, 2024
Vendors	$ 443,166
Other Payables	407,746
Salaries and Benefits	697,260
Total	$ 1,548,172

NOTE 12: Bonds Payable and Pledged Revenues

A. 2018 Bonds Payable - Student Commons Project

1. Bonds Payable consisted of the following at June 30, 2024:

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 $18,750,000

2. Pledged Revenues consisted of the following at June 30, 2024:

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 61.35% of available revenues. Total Principal and interest paid on the Series 2018 Bonds for FY2024 was $1,218,038, and pledged revenues were $1,985,341. The total remaining principal and interest to be paid on the bonds is $29,158,738.

NOTE 12: Bonds Payable and Pledged Revenues (Continued)

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

1. Bonds Payable consisted of the following at June 30, 2024:

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

2. Pledged Revenues consisted of the following at June 30, 2024.

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 3.95% of available revenues. Total Principal and interest paid on the Series 2019 Bonds for FY2024 was $466,531, and pledged revenues were $11,824,794. The total remaining principal and interest to be paid on the bonds is $11,630,344.

C. 2023 Bonds Payable - Student Housing Project – Redbud Hall

1. Bonds Payable consisted of the following at June 30, 2024:

The College has pledged future county millage revenues to help retire debt issued in 2023. This debt, in the original amount of $6,470,000, was issued September 14, 2023 with shares maturing in varying amounts to March 1, 2051, with variable interest rates from 3.5% to 4.5%.

2. Pledged Revenues consisted of the following at June 30, 2024.

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 2023. This debt, $6,470,000 in revenue bonds, was issued September 14, 2023, with a maturity date of 2051, to finance the construction of a new student housing project, Redbud Hall, fund a debt service reserve, and pay expenses of issuing the bonds. Annual principal and interest payments on the bonds were 10.32% of available revenues. Total Principal and interest paid on the Series 2023 Bonds for FY2024 was $204,900, and pledged revenues were $1,985,341 The total remaining principal and interest to be paid on the bonds is $12,214,113.

NOTE 13: Risk Management

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

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

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

NOTE 13: Risk Management (Continued)

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: Prior Year Adjustment

An adjustment to prior year net position is reported on the Statement of Revenues, Expenses and Changes in Net Position in the net amount of $489,623. This consisted of a decrease related to prior year payroll and benefit accruals totaling $518,635 omitted from the financials in the prior year and an increase for miscellaneous revenues or expenses that were applicable to the prior year totaling $29,012.

NOTE 15: Subsequent Events

On February 7, 2025, the College entered into an agreement with Clark Contractors of Little Rock to construct a new welding facility on the College's property and demolish and remove a current building at an estimated cost of $6,500,000. On August 11, 2025, a change order was executed for a number of changes that resulted in an increased contract amount of $7,132,825.

NATIONAL PARK COLLEGE

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2024

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:	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	$ 153,885	$ 90,233	$ 118,686	$ 78,460	$ 77,051	$ 43,025	$ 42,085
Interest	84,888	77,863	43,970	48,592	49,373	20,117	19,449
Benefit Changes							
Difference between Actual & Expected Experience	-	(28,336)		49,774		(3,813)	
Assumption changes	(11,410)	27,973	(203,377)	58,301	10,910	1,070,129	6,630
Benefit Payments	(41,083)	(54,684)	(61,915)	(68,128)	(93,685)	(10,125)	(19,800)
net Change in Total OPEB Liability	186,280	113,049	(102,636)	166,999	43,649	1,119,333	48,364
Total OPEB Liability - Beginning	1,998,998	1,885,949	1,988,585	1,821,586	1,777,937	658,604	610,240
Total OPEB Liability - Ending	$ 2,185,278	$ 1,998,998	$ 1,885,949	$ 1,988,585	$ 1,821,586	$ 1,777,937	$ 658,604
Covered Employee Payroll	$ 9,602,693	$ 10,629,452	$ 9,776,124	$ 9,429,659	$ 11,200,905	$ 11,222,940	$ 10,496,055
Total OPEB Liability as a Percentage of Covered Employee Payroll	22.76%	18.81%	19.29%	21.09%	16.26%	15.84%	6.27%

Notes to Schedule:

Changes of assumptions: The assumed single discount rate was changed from 3.13% to 2.98% at 6/30/2018, 2.79% at 06/30/2019, 2.66% at 06/30/2020, 2.18% at 06/30/21, 4.09% at 6/30/22, 4.13% at 6/30/23, and 4.21% at 6/30/24. Pub-T mortality added 06/30/21. EBD covered employees first included at 06/30/2018.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

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

NATIONAL PARK COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2024

Pensions Plan - Arkansas Public Employees Retirement System

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

	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
College's proportion of net pension liability	0.0310%	0.0312%	0.0318%	0.0312%	0.0298%	0.0284%	0.0315%	0.0347%	0.0340%	0.0459%
College's proportionate share of net pension liability	$ 904,642	$ 841,665	$ 244,801	$ 892,647	$ 719,206	$ 626,204	$ 815,039	$ 830,487	$ 626,704	$ 650,866
College's covered payroll	$ 662,030	$ 677,512	$ 635,818	$ 608,227	$ 570,483	$ 531,717	$ 566,022	$ 629,228	$ 603,739	$ 811,001
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	136.65%	124.23%	38.50%	146.76%	126.07%	117.77%	143.99%	131.99%	103.80%	80.25%
Plan fiduciary net position as a percentage of the total pension liability	77.94%	78.31%	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%	80.39%	84.15%

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

Schedule of College's Contributions
Arkansas Public Employees Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 108,238	$ 101,423	$ 103,795	$ 97,408	$ 93,180	$ 87,398	$ 78,429	$ 82,073	$ 91,238	$ 89,112
Contributions in relation to the contractually required contribution	(108,238)	(101,423)	(103,795)	(97,408)	(93,180)	(87,398)	(78,429)	(82,073)	(91,238)	(89,112)
Contribution deficiency (excess)										
College's covered-employee payroll	$ 707,064	$ 662,030	$ 677,512	$ 635,818	$ 608,227	$ 570,483	$ 531,717	$ 566,022	$ 629,228	$ 603,739
Contributions as a percentage of covered-employee payroll	15.32%	15.32%	15.32%	15.32%	15.32%	15.32%	14.75%	14.50%	14.50%	14.75%

Changes in Assumptions

Amounts reflect a change in economic assumptions used in the June 30, 2023 valuation. The investment return assumption used was 7.00% 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

	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
College's proportion of net pension liability	0.0400%	0.0429%	0.0468%	0.0536%	0.0599%	0.0636%	0.0596%	0.0652%	0.0697%	0.0844%
College's proportionate share of net pension liability	$ 2,076,342	$ 2,264,759	$ 1,295,859	$ 3,032,268	$ 2,497,738	$ 2,314,416	$ 2,504,098	$ 2,874,624	$ 2,269,078	$ 2,214,968
College's covered payroll	$ 1,414,787	$ 1,451,233	$ 1,525,297	$ 1,677,360	$ 1,842,814	$ 1,928,419	$ 1,765,526	$ 1,903,911	$ 2,050,699	$ 2,439,950
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	146.76%	156.06%	84.96%	180.78%	135.54%	120.02%	141.83%	150.99%	110.65%	90.78%
Plan fiduciary net position as a percentage of the total pension liability	79.94%	78.85%	88.58%	74.91%	80.96%	82.78%	79.48%	76.75%	82.20%	84.98%

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

Schedule of College's Contributions
Arkansas Teacher Retirement System

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 170,637	$ 212,218	$ 214,057	$ 221,169	$ 239,023	$ 257,994	$ 269,979	$ 247,174	$ 266,548	$ 287,099
Contributions in relation to the contractually required contribution	(170,637)	(212,218)	(214,057)	(221,169)	(239,023)	(257,994)	(269,979)	(247,174)	(266,548)	(287,099)
Contribution deficiency (excess)										
College's covered-employee payroll	$ 1,137,575	$ 1,414,787	$ 1,451,233	$ 1,525,297	$ 1,677,360	$ 1,842,814	$ 1,928,419	$ 1,765,526	$ 1,903,911	$ 2,050,699
Contributions as a percentage of covered-employee payroll	15.00%	15.00%	14.75%	14.50%	14.25%	14.00%	14.00%	14.00%	14.00%	14.00%

NATIONAL PARK COLLEGE
SCHEDULE OF SELECTED INFORMATION FOR THE LAST FIVE YEARS
FOR THE YEAR ENDED JUNE 30, 2024
(Unaudited)

Schedule 1

	Year Ended June 30,				
	2024	2023	2022	2021	2020
Total Assets and Deferred Outflows	$ 71,178,428	$ 64,779,363	$ 64,325,001	$ 65,225,537	$ 64,169,435
Total Liabilities and Deferred Inflows	42,594,512	36,324,876	37,383,133	38,614,569	39,444,923
Total Net Position	28,583,916	28,454,487	26,941,868	26,610,968	24,724,512
Total Operating Revenues	10,945,866	11,209,472	9,405,490	9,214,330	9,279,960
Total Operating Expenses	29,534,654	31,889,058	36,129,825	29,208,555	27,512,087
Total Net Non-Operating Revenues	19,207,840	22,192,205	26,555,235	21,880,681	18,315,253
Total Other Revenues, Expenses, Gains or Losses			500,000