

**NAVARRO COLLEGE DISTRICT
CORSICANA, TEXAS**

**Annual Comprehensive Financial Report
Years Ended August 31, 2022 and 2021**



**Prepared by:
Navarro College District
Finance Department**

NAVARRO COLLEGE DISTRICT

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INTRODUCTORY SECTION





December 15, 2022

To the Honorable Chairman, Board of Trustees, and District President of the Navarro College District:

The following comprehensive annual financial report of Navarro College (the “District”) for the fiscal year ending August 31, 2022 is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. A comprehensive framework of internal control has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

Whitley Penn, LLP, Certified Public Accountants, issued (“clean”) opinion on the District’s financial statements for the years ended August 31, 2022 and 2021. The report of independent auditors is located at the front of the financial section of this report.

In addition to this transmittal letter, the management’s discussion, and analysis (MD&A), immediately following the report of independent auditors, which provides a narrative introduction, overview, and analysis of the basic financial statements should be read.

PROFILE OF THE DISTRICT

The District was established as a public community college in an election held in Navarro County, Texas, on July 16, 1946. The District operates as a community college under the Constitution of the State of Texas and the Texas Education Code. An elected seven-member Board of Trustees (hereinafter called the “Board”) governs the District. At each election (the second Saturday in May in odd-numbered years), two Trustees are elected, one at-large and one for a single place, to serve six-year terms. Every third election, three Trustees are elected, with one at-large. The Board holds regularly scheduled meetings on the fourth Thursday of each month unless otherwise announced. Board meetings are held in the Bulldog Board Room located in the Dr. Kenneth Walker Dining Hall and Deli on the Corsicana campus unless otherwise provided in the notice of meeting posted in compliance with the public notice requirements.

The Board has the final authority to determine and interpret the policies that govern the District, limited only by the State legislature, the courts, and the will of people as expressed in Board of Trustee elections. All Board meetings comply with the Open Meetings Act. When agenda items require an action, a majority vote of a quorum (four members) of the Board of Trustees is needed.

CORSICANA CAMPUS
3200 W. 7th Ave.
Corsicana, TX 75110
(800) 628-2776

WAXAHACHIE CAMPUS
1900 John Arden Dr.
Waxahachie, TX 75165
(972) 937-7612

MIDLOTHIAN CAMPUS
899 Mount Zion Road
Midlothian, TX 76065
(972) 775-7200

SOUTH CAMPUS
901 N. MLK Jr. Blvd.
Mexia, TX 76667
(254) 562-3848

FAIRFIELD CENTER
961 E. Commerce St
Fairfield, TX 75840
(903) 389-7983

In general, the Board provides policy direction and capital goals for the District consistent with the District's role and mission. Statutory regulations specifying the Board's responsibilities include general Board business, ordering elections and issuing bonds, appointing the District President, setting the tax rate, and causing the preparation and adoption of the budget for each fiscal year.

LOCAL ECONOMY AND OUTLOOK

The District is well positioned for growth due to the geographical location of the Corsicana Campus between Dallas and Houston on Interstate 45 and between Waco and Tyler on State Highway 31 and with the Ellis County campuses located just south of the Dallas/Fort-Worth metroplex. Student enrollment statewide is experiencing a slight increase trend among community colleges. According to the Texas Higher Education Coordinating Board (THECB), the preliminary data for fall 2021 community college statewide enrollment average decreased by 3.95% while Navarro College showed a 9.43% decrease in student headcount. Navarro College's large accountability peer group (Amarillo College, Blinn College, Central Texas College, Del Mar College, Laredo Community College, North Central College, South Plains College, and Tyler Junior College) experienced fluctuations from a 47.47% increase (Laredo College) to a 15.18% decline (Central Texas College) with an average 1.82% increase for the peer group.

Navarro County's (taxing district) economy is based on manufacturing, agriculture, and mineral production. Agricultural income is derived from beef cattle, dairy cattle, horses, cotton, and grain. Minerals produced in the county include oil, gas, sand, and gravel. Growth in the county has been minimal, although the assessed value increased 215 million (5.1%) during the past fiscal year.

Navarro County

The Corsicana Campus is in Navarro County, Texas. Corsicana is an industrial and commercial center. The area has the longest continuous oil flow in Texas with a total production more than 200 million barrels since 1895. Industries, railroads, oil, agriculture, and cattle are characteristics that define Corsicana.

Corsicana and the surrounding area offer many opportunities for recreational activities. There are 13 parks, 2 golf courses, 49 tennis courts, and 3 lakes, including Richland Chambers, which is the third largest lake in the State of Texas. Corsicana also offers The Palace Theatre, The Warehouse Living Arts Center, and an outdoor amphitheater for concerts.

The estimated population of Navarro County in 2021 was 53,591 with the city of Corsicana having a census 2020 population of 25,109*. Corsicana is home to more than sixty industries, which includes information technology, manufacturers, processors, and distribution centers. Several Fortune 500 or publicly traded companies call Corsicana their home, including Russell Stover Candies Inc. (candy manufacturing and outlet store), Pactiv (food packaging) and Kohl's (distribution center).

Other major employers include True Value Distribution Center (hardware), Firestone Building Products (roofing products), Guardian Industries Corporation (float glass manufacturing), Collin Street Bakery (foods manufacturing and outlet store), Oil City Iron Works (castings), and Corsicana Mattress (bedding and furniture).

Note: Retrieved August 23, 2022, from <http://www.txcip.org/tac/census/profile.php?FIPS=48349>

Major Employers

The following is a list of Corsicana’s leading private sector employers:

Private Employer	Sector
Russell Stover Candies	Manufacturing
Watkins Construction	Energy
Navarro Regional Hospital	Healthcare
Walmart Super Center	Retail
Guardian Industries	Manufacturing
Corsicana Mattress	Manufacturing
Oil City Iron Works	Manufacturing
Pactiv	Manufacturing
Kohl’s Distribution Center	Distribution/Warehousing
True Value Hardware	Distribution/Warehousing
Tremco CPG and Nudura	Chemical
Collin Street Bakery	Food Services
Angels at Home	Home Health Care
Morgan Corp.	Truck Body Fabrication
Audubon Metals Texas	Manufacturing
Polyguard	Waterproofing/Barriers
Community National Bank & Trust	Banking/Financial Services
Heritage Oaks	Retirement/Healthcare
Industrial Pipe-Plasson	Manufacturing
Crestline Plastic Pipe Co.	Manufacturing
Navarro Pecan	Confectionery Wholesaler
Holcim Building Envelope	Manufacturing
Greenbrier Rail	Manufacturing
Enterprise Precast Concrete	Manufacturing/Construction

The following is a list of Corsicana’s leading public sector employers:

Public Employer	Sector
Corsicana ISD	Education
Navarro College	Education
Navarro County	Government
City of Corsicana	Government

Note: Retrieved August 25,2022, from [City of Corsicana, Texas, Economic Development Department](#)

Ellis County

Navarro College has two campuses in Ellis County. One is in Waxahachie and the other in Midlothian.

The North Central Texas Council of Governments projects that Ellis County, a major part of our service area, will continue to grow dramatically. The estimated 2021 population in Ellis County was 202,678, indicating an annual average growth rate of 5.31% from the previous year. The population of residents aged 25 or older that hold a bachelor's degree is 25.3%. The median household income in 2020 was \$79,849 and the median house value in Ellis County was \$245,473. The 2020 census population of Waxahachie was 41,140 and the 2021 estimated population of Midlothian was 37,05. The county's total unemployment rate for year ending 2021 is 4.5%.

The City of Waxahachie is conveniently located just south of the Dallas Fort-Worth Metroplex, at the crossroads of I-35 East and U.S. Highway 287. Waxahachie hosts hundreds of festivals and events, large and small, year-round. Large events include the Bob Phillips Texas Country Reporter Festival, Crape Myrtle Festival, and Waxahachie's Cinco De Mayo Festival. Historic events consist of the Gingerbread Trail Tour of Homes, Annual Chautauqua Assembly, WWII Veterans Day Re-enactment, and the Christmas Candlelight Tour of Homes. Waxahachie continues to be an attractive area of location for developers as well as individuals. The City of Waxahachie provides a 25% tax exemption, up to \$25,000, to rehabilitate historic properties with approval from the Heritage Preservation Commission. Commercial development continues in Waxahachie with the 100,000 square foot expansion of Cardinal Insulating Glass; a significant expansion for a new professional development wing at Baylor Scott and White Hospital. ClearSky Health broke ground in April 2022 for ClearSky Rehabilitation Hospital of Waxahachie, a new 30-bed medical rehabilitation hospital that will be located near U.S. Highway 287 Bypass and Brown Street in Waxahachie, Texas. ClearSky Waxahachie will provide specialized rehabilitation services to about 650 patients annually who are living with disabling injuries, illnesses, or other medically complex conditions.

A California firm bought 575 acres in Waxahachie for a massive industrial project. The property will be equipped to handle multiple buildings of more than 1 million square feet (about the area of Chicago's Millennium Park).

Midlothian is a growing community in northwest Ellis County. The city is centrally located south of both Dallas and Fort Worth. Midlothian is a very active community, which holds several civic events and activities throughout the year, including the Fall Festival, Wine and Arts Festival, and Midlothian Marketplace. Due to the city's central location, at the intersection of two major state highways, 287 & 67, transportation accessibility is a unique asset for expanding businesses. Midlothian is also near the vicinity of four interstate highways, (I-20, I-35E, I-35W, & I-45). Rail transportation is a prime strength of the area with both Union Pacific and Burlington Northern railroads serving the area. The major employers in Midlothian are Gerdau, Midlothian ISD, Target Corporation, Wal-Mart, City of Midlothian, Ash Grove Cement, Holcim US Inc., Methodist Medical Center, Martin Marietta Materials, Ennis Inc., Texas Industries Inc., Martech, Inc., MidTexas International, Navarro College, Dynegy, Niagara LaSalle Corporation, QuikTrip Warehouse, Qualico Steel, Buckley Oil Company, and Chemtrade. Midlothian is two years into an agreement with Google for the development of a \$500 million data center to be constructed in the city's Railport Business Park. Projections from Google are for a five-phase project, with each phase valued at \$500 million capital investment. Methodist Midlothian Hospital opened its doors in October 2020. It is located on Highway 287 across from the Navarro College campus in Midlothian. The five-story acute care hospital has a build out of 80 beds and an additional three-story professional building next to the hospital complex.

The City of Red Oak is nestled on the northern fringe of Ellis County at the intersection of I-35 East and FM 667. Red Oak hosts numerous events each year, including the North Ellis County Business & Community Expo, Fall Festival, and Christmas in Red Oak Festival & Parade. Just a few minutes south of downtown Dallas, Red Oak residents and visitors have immediate access to world-class arts & culture, entertainment, and sports. Red Oak is the home for an impressive portfolio of industries, including Triumph Aerospace Structures (advanced technology and manufacturing, defense, aviation, and aerospace), National Freight Industries (transportation, logistics, distribution, and warehousing), and Knapheide Truck Equipment Center Dallas (truck bodies, quote requests, and parts).

Ennis is located 25 miles south of downtown Dallas on I-45, with a historic downtown that offers family fun year-round. Recreational activities include skiing, fishing, swimming, and camping at U.S. Army Corps of Engineers Bardwell Lake. Ennis continues to be a Main Street City, hosting a farmer's market and Lights of Ennis Christmas Celebration. Tourists are drawn to the 40-mile "Official Texas Bluebonnet Trail" and to the National Polka Festival held each May. The Texas Motorplex, located on Highway 287, is home of the world speed record of 333.95 mph. The Texas Motorplex hosts the annual NHRA Fall

National Auto Racing event and more than 90 other racing events. Sugar Ridge Winery, Galaxy Drive-In Theatre, the Czech Museum, and Ennis All-Star Bowl are other businesses located in the vicinity. Major businesses in Ennis include Advanced Drainage Systems, CVS Pharmacy Distribution Center, Dynegy Power Plant, Ennis Extruded Products, Inc., Leggett & Platt Corp. Inc., Lowe’s Distribution Center, PetSmart Distribution Center, Polyguard Products, Inc., Sterilite Corp. of Texas, and TeleTech.

Top employers of Waxahachie per the City of Waxahachie:

Employers with 1,000 and More Employees	
Baylor Scott & White Medical Center at Waxahachie	Hospital
Waxahachie Independent School District	Public Education
Employers with 500 - 999 Employees	
Dart Container Corp	Insulated Foam Cups
Ellis County	Local Government
Walgreen Company	Distribution Center
Employers with 250 - 499 Employees	
Cardinal IG	Insulated Glass
City of Waxahachie	Local Government
Owens Corning Fiberglass	Insulation
UNIVAR	Chemical Blending
Employers with 100 - 249 Employees	
A.E.P. Industries	Polyethylene Film
Berry Global	Plastics/Film Products
C. R. Laurence	Commercial Storefronts
Cabinet Specialists	Cabinet Manufacturers
Cardinal CG	Coated Glass
Ellis County	County Government
Fortra Fiber Cement (James Hardie)	Cement Fiberboard
Georgia Pacific	Paper Packaging Products
HEB Grocery Store	Retail
International Extrusion	Extrusion - Anodizing
Kinro (Lippert Components)	Various Residential Building Products
Southwestern Assemblies of God University	Private Higher Education
Employers with 50-99 Employees	
National Freight, Inc.	Freight Trucking
CMC Construction Services	Steel Fabricators
Coal City Cob Company	Hazardous Liquid Bulk Transportation
Lifoam Industries, LLC.	Styrofoam Cups/Coolers
Navarro College-Waxahachie	Public Higher Education
International Paper	Paper Packaging Products

Note: Retrieved August 23, 2022, from https://www.waxahachie.com/departments/economic_development_new/site_location_center/top_employers.php

Top employers of Midlothian per the City of Midlothian:

Employers with 1,000 and More Employees	
Company Name	Nature of Business
Gerdau Ameristeel	Steel Manufacturing
Employers with 500 - 999 Employees	
Midlothian ISD	Public Education
Target Distribution Center	Wholesale Trade
Employers with 100 - 499 Employees	
Company Name	Nature of Business
City of Midlothian	Local Government
Martin Marietta Materials	Cement Production
Methodist Hospital	Medical
Kroger Marketplace	Retail
Ash Grove Texas	Cement Production
Lafarge-Holcim Texas	Cement Production
Walmart	Retail
QuickTrip Corp	Distribution and Commercial Bakery
Employers with 1 - 99 Employees	
Company Name	Nature of Business
Malouf	Distribution
Ennis Inc.	Corporate Headquarters
Luminant	Electric Power Generation
Chemtrade	Chemical Production
Martech Inc.	Auto Processing and Distribution
Navarro College	Education
Niagra LaSalle Corporation	Steel Production
Qualico Steel Co.	Structural Steel Fabrication
Western Power Sports	Distribution
Buckley Oil Company	Bulk Solvent and Chemical Distribution
Air Products and Chemicals	Chemical Distributor

Note: Retrieved August 25, 2022, Reprinted from https://midlothian-tx.org/wp-content/uploads/2020/12/Midlothian-Workforce-Study_062020.pdf

Limestone County

The Mexia Campus is located on North Martin Luther King Boulevard (Hwy 14) in Mexia, the largest city in Limestone County. Limestone County is approximately 30 miles east of Waco, Texas, and has a total area of 933 square miles with an estimated population in 2021 of 22,119. Groesbeck, located approximately 12 miles north of Mexia, is the Limestone County seat. In 2020 the census population who had earned a High School diploma or higher was 81.1% while the average population earning a bachelor's degree or higher 25 years or older was 16.7%. The 2021 estimated population for the city of Mexia was 6,876. Limestone County is a historic area, which was home to the Tawakoni, or Tehuacana, and Waco Indians. The Civilian Conservation Corps built Fort Parker State Recreation Area during the Great Depression on the site of the Fort Parker Massacre, the most famous Indian attack in Texas. The city of Mexia is an agribusiness and trade center, with a hospital, a newspaper, multiple small businesses, an industrial park skilled care facilities and nursing homes, the Limestone County Airport, and the Gibbs Memorial Library. The Mexia State Supported Living Center, a 215-acre State-supported living center, which provides campus-based direct services to 218 individuals with intellectual or developmental disabilities, is a major employer in the area with approximately 1,467 employees. Additional employers include Wal-Mart, HEB, Parkview Hospital/clinic, other retailers, and manufacturing companies such as Carry-On Trailer and SWARCO, and a mine in the small town of Kosse. The area is predominantly utilized for farming and ranching.

Freestone County

Although there is no Navarro College campus located in Freestone County, Navarro College provides service for the citizens and high schools within the county. Freestone County is located 90 miles south of Dallas on I-45 and U.S. Highway 84 and has a total area of 892 square miles, with a 2021 estimated population of 19,774, of which 2,850 reside in the city of Fairfield as of census 2020. Other cities in Freestone County are Teague, Wortham, and Streetman.

In 2020, 81.8% of Freestone County residents had earned a High School Diploma or higher, while 14.8% had earned a bachelor's degree or higher. The Fairfield Lake State Park was opened to the public in 1972 and serves as a local attraction for campers and fishermen. Other attractions in Freestone County include the Tri-County Golf Club at the Vineyards, the B-RI Railroad Museum, and the Freestone County Historical Museum. Freestone County is primarily a livestock county with limited row-crop farming and has significant oil and gas production. Major employers include the Boyd Unit prison, a Texas Correctional facility, Burlington Northern-Santa Fe Railroad, Brookshire Brothers, health care facilities, manufacturers, and respective school districts.

Leon County

Although there is no Navarro College campus located in Leon County, Navarro College provides service for the citizens and high schools within the county. Leon County is located approximately 60 miles northeast of College Station, Texas, and has a total area of 1,081 square miles with a 2021 estimated population of 15,959. The county seat is Centerville with a 2020 census population of 905. Other cities in Leon County include Buffalo, Jewett, Marquez, and Leona. Fort Boggy State Park is a popular attraction. Nucor Steel is one of the largest employers in the county with an annual revenue between \$500 million and \$1 billion, employing a staff of approximately 250 to 500 employees at any given time. The Champion Ranch, located near Centerville, is a large ranching facility and peach orchard which provides livestock to area rodeo/stock shows and sponsors scholarships for area 4H and FFA students.

COMMUNITY OUTREACH AND PARTNERSHIPS

The District is committed to providing educational and social opportunities for students at a reasonable cost. Student Financial Aid personnel actively assist students with all facets of financial aid to help fund their educational expenses. A total of \$30.9 million in awards was processed in fiscal year 2022. The District aims to provide high quality educational experiences for all students and to establish a nurturing learning environment to promote responsible citizenship. The District maintains a warm and supportive climate that builds a sense of community among learners. The District pledges to remain accountable as an institution of higher learning and as a custodian of the public trust.

The District continues to meet the needs of the community in developing a professional workforce by expanding the educational training opportunities to its residents. Some examples of our programs include the following:

- The Navarro College Cook Education Center is equipped with a 60-foot domed planetarium, one of the largest in the state of Texas. Visitors experience the thrill of space exploration and the power of the human imagination in science and technology through a variety of educational planetarium programs. In addition to supporting Navarro College as a multi-faceted audio-visual theater and classroom, the Planetarium continues to serve as an important educational resource and magnet for the 31 surrounding K-12 independent school districts, serving thousands of students annually. The Planetarium also presents public programs on a weekly basis, and multiple Physics, Drama and other classes are conducted there. The Planetarium was recently updated with new sound and projection systems, as well as all new seating.
- Also located in the Cook Education Center is the Pearce Museum, which houses and interprets three collections of national importance, including the Pearce Civil War collection of over 16,000 letters, journals and other first-person accounts of this critical period of our nation's history. The document collection includes letters written by President Lincoln, a number of generals, and other leading historical figures of the period, as well as common soldiers and their family members left behind on the home front. Several collections of Texas family letters cover an extended period of the War. One of the largest collections of Civil War documents in the nation, the Pearce collection is a balanced one, documenting both the Northern and Southern experiences of the war and has been used by dozens of scholarly writers and researchers. The Museum's Curator of Collections assists with many research requests weekly. The Pearce Civil War collection has been valued at over \$4 million dollars. It is interpreted in a large, multi-media gallery filled with exhibits and artifacts on a variety of aspects of the Civil War experience, immersing the Museum's many public and school tour visitors in a highly sensory way.
- The Pearce Western Art collection is displayed and interpreted in a separate set of galleries which resemble a Southwestern adobe-style home. The collection includes over 300 original oil paintings, bronze sculptures, and other original works of art by leading contemporary masters of the Western Art genre. The collection has been called one of the great collections of this genre in the country. The Pearce family left an endowment which has enabled the Navarro College Foundation to continue to purchase new works to add to the collection, in keeping with Mr. & Mrs. Pearce's goal of supporting "up and coming artists" and new directions in Western Art. The Western Art Collection was recently re-appraised and is worth over \$5,700,000 (it has tripled in value since the original purchases). This includes a single masterpiece painting, *Grandfather Speaks*, which is valued at \$1,200,000. The Pearce Museum hosts several special exhibitions a year, including themed selections from the permanent collection, invitational and juried shows by visiting artists, and traveling exhibitions. Student and faculty art shows, and a juried show of Texas artists, are annual traditions and draw a wide audience. Lectures by visiting scholars, living history days and dramatic presentations are part of a robust series of special events hosted by the Pearce Museum each year.
- An additional exhibit gallery was added to the Pearce Museum in 2015, The Hunter-Gatherers of the Blackland Prairie. This gallery houses interactive displays which interpret and house Navarro College's Robert Reading Collection of over 44,000 catalogued and organized prehistoric Native American artifacts. It tells the story of the ancient people who populated Central Texas thousands of years ago and how they lived their lives. The gallery also houses three mysterious large carved stones, named the Malakoff heads for the nearby quarry where they were discovered in the 1930s. A Corsicana relative of the quarry owners donated one of these heads to Navarro College and the two others were transferred from the University of Texas in 2015. This gallery is especially popular with the many K-12 school groups that visit the Pearce Museum each year as part of our school programs.
- The Pearce Museum also maintains the Navarro College's own archives of historical materials, photographs, and records of the College's 76-year history. The Museum mounts annual exhibits featuring items from these collections, usually in conjunction with alumni reunions and events. The Pearce Museum welcomes visitors from around world for guided tours and special programs Monday-Saturday all year round. These visitors include Navarro College students, staff and faculty, individuals and families, adult groups and organized K-12 school groups who participate in several customized education programs relating to United States history, art, Texas history, natural history, and other topics. The educational programs have been designed by professional educators and align with state TEKS requirements. The education and public programs are made possible by the support of 15 dedicated volunteers, who spend hundreds of hours each year training and presenting tours and programs to a variety of audiences.
- In fall 2017, the Museum launched an outreach Living History program featuring costumed actors portraying Generals Robert E. Lee and Ulysses S. Grant in conversation. This popular program is presented off-site and at the Museum. Curriculum materials for teachers of every grade level have been developed over the past four years and are now available online at no cost. The Pearce Museum education staff also hosts annual professional development

workshops for educators from Regions 10, 12, 7 and 11, and conducts presentations at several off-site teacher workshops as well. Six off-site exhibits have also been mounted by Pearce Museum staff recently, at public festivals and Navarro College's Mexia campus. The Museum also hosts many on-site special programs each year, including Civil War living history days and re-enactments, guest lecturers, student scavenger hunts, and temporary and traveling exhibits on various special topics. Increased promotion and social media efforts have resulted in a steady increase in public participation over the past four years, with museum attendance currently exceeding 5,000 visitors a year.

- Museum staff works closely with an increasing number of Navarro College faculty to enhance instruction in a variety of courses, including history, civics, fine art, art appreciation, science, math, English, and drama. The Museum has a particularly strong partnership with the Fine Arts department, and houses and co-hosts annual Student and Faculty art shows and programs. The Pearce Museum and its staff also provides support to NC special events such as Dancing for Our Stars and alumni reunions, as well as campus-wide activities such as orientation and prospective student tours. The Museum continues to serve as an invaluable asset to Navarro College and the Corsicana community.
- The District's cooperative agreement with John Deere continues to attract students from across Texas and neighboring states who wish to pursue a degree in Agriculture Mechanization Technology. The two-year Associate in Applied Science program is facilitated by two full-time faculty and prepares students to work John Deere operations and manage future technological advancements in the farm equipment industry. Thirty-seven students were enrolled in the program in the 2021-2022 academic year.
- Fire Science, Emergency Medical Technician, Paramedic, and Police Academy graduates provide a trained protective services workforce to the cities, municipalities, and agencies within the College's service areas, and to the entire State of Texas. The Navarro College Police Academy maintained a 100 percent pass rate of the Texas Commission on Law Enforcement Basic Peace Officer Exam for 9 consecutive years. The Navarro College Police Academy currently offers four full time Police Academies (2 Fall and 2 Spring), two part-time Police Academies, and a Fire Shift based Police Academy which accommodates full time Fire and EMS personnel seeking a Peace Officer Certification. We currently have a full and part-time class meeting in Corsicana, Texas while the Waxahachie campus supports a full time, part time and shift-based class.
- The Basic Peace Officer Course offered by the Navarro College Police Academy consists of 779 hours, of which 720 hours are required by the Texas Commission on Law Enforcement (TCOLE) curriculum. The program is designed to prepare students to pass the Peace Officer licensing exam given at the end of the program. The course consists of 42 topics ranging from 1 hour to 74 hours in length. Approximately one-third of the class is devoted to developing physical skills required to become a peace officer. The Police Academy also offers an array of in-service courses to current officers who are state mandated to complete 40 hours of training every two years. The Police Academy offers approximately 50 in-service courses each year.
- The Basic Peace Officer Course offered by the Navarro College Police Academy consists of 779 hours, of which 720 hours are required by the Texas Commission on Law Enforcement (TCOLE) curriculum. The program is designed to prepare students to pass the Peace Officer licensing exam given at the end of the program. The course consists of 42 topics ranging from 1 hour to 74 hours in length. Approximately one-third of the class is devoted to developing physical skills required to become a peace officer. The Police Academy also offers an array of in-service courses to current officers who are state mandated to complete 40 hours of training every two years. The Police Academy offers approximately 50 in-service courses each year.
- Navarro College has been awarded two Texas Reskilling and Upskilling for Education (TRUE) grants totaling \$1,030,000. These grants have assisted in extending program offerings throughout the Navarro College district through creation of a mobile welding trailer, supplies and equipment for Certified Nurse Aide. TRUE grant funding is also being utilized for creation of a virtual learning lab containing augmented reality and virtual reality devices that will provide simulated learning experiences for EMT, Fire Academy, Certified Nurse Aide, Patient Care Technician, Certified Clinical Medical Assistant, EKG programs and Pharmacy Technician programs. Navarro College has received an Accelerating Credentials of Purpose and Value grant totaling \$94,300 to create credential programs that are attainable in less than 16 weeks. The programs being developed and implemented with this grant include Patient Care Technician, EKG Technician, Pharmacy Technician and Healthcare Analytics. Workforce training provided onsite for local employer partners has included occupational safety, basic manufacturing skills specific to each employer partner, workplace communication and diversity training. Trainings provided for local high school partners includes safety training and career exploration academies to identify and connect with potential industries within each community. Navarro College also provides continuing education opportunities for local law enforcement and first responders through in-service training in partnership with the Police Academy as well as continuing education training contracts with local fire departments for EMTs. Continuing Education programs include workplace training

initiatives, customized corporate training, courses, and programs available through ed2go, career training and certificate programs. Certificate programs in Allied Health include Certified Nurse Aide, Certified Clinical Medical Assistant, Medication Aide, and Phlebotomy.

- Navarro College was awarded \$336,042 from the Perkins Basic Grant for the 2021-2022 academic year (re-allocation not included in this original award amount). Carl Perkins funds are distributed among Career/Technical Education (CTE) programs across all campus locations. The Perkins Basic Grant supports Navarro College in educating and training students who enroll in CTE courses and programs in preparation for high-skill, high-wage, or high-demand occupations.
- Explore CTE is an annual open house event for high school students hosted by the Perkins CTE Success Center staff. Approximately 500 area high school students attended Explore CTE where they were exposed to all career and technical programs at Navarro College. This event allowed students to visually see a pathway from college to employment. The Explore CTE event took place on Monday, February 28th, 2022. The next Explore CTE is set for the Spring 2023 semester, on Tuesday, February 28th.
- The Navarro College Physical Therapist program has been accredited since 2016, with an annual enrollment rate of 24 students. In 2016, the program received the highest number of years for initial accreditation. Since this time, the program has graduated three cohorts, with another cohort completing the program in December of 2018. The fourth cohort began the program in January of 2019. The program boasts a 100% passing rate for both the licensure board exams and employment rate within 6 months of completion since its inception. The program completed its more recent accreditation in 2022 and received a 10-year reaccreditation.
- The Associate Degree Nursing (ADN) Program participated in an on-site visit February 7-9, 2017, from the Accreditation Commission for Education in Nursing (ACEN) as a part of its reaccreditation process. The Board of Commissioners granted continuing accreditation to the program. The next evaluation visit will be scheduled for Spring 2025.
- The Medical Lab Technology (MLT) Program participated in an on-site visit in February 2019 from the National Accrediting Agency for Clinical Laboratory Sciences (NAACL) as a part of its reaccreditation process. The Board of Directors granted continuing accreditation to the program for ten (10) years. The next evaluation visit will be scheduled for Spring 2029.
- The Navarro College Occupational Therapy Assistant (OTA) Program is accredited by the Accreditation Council for Occupational Therapy Education (ACOTE). The last onsite visit in 2016 resulted in a 10-year reaccreditation, the highest level awarded. The OTA program, available on the Corsicana and Midlothian campuses, was ranked #2 in Texas by universities.com for all OTA offering colleges and universities.
- The Licensed Vocational Nursing Program (LVN) is offered in Mexia, Corsicana and Waxahachie. All three programs meet the Texas Board of Nursing requirements for LVN Certificates. Demand has remained strong in all programs across the service area. Pass rates on the nursing NCLEX remain above the state and national norms

RELEVANT FINANCIAL POLICIES

The Department of Business Services is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

Each year, during the months of June-July, administrators and the Board of Trustees participate in a budget workshop. It is at this workshop that annual and long-term capital budgets and future construction projects are reviewed and funding sources are identified. This workshop is also used to review revenue and expenditure projections and compare them to enrollment forecasts. Also included are the annual review of outstanding bond issues, their call dates, and possible refunding advantages and disadvantages.

As a recipient of federal, state, and local financial awards, the District also is responsible for providing an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic review and evaluation by management, internal audit, and the independent auditors of Navarro College District. As a part of the District's single audit, limited tests are conducted to determine the adequacy of the internal control structure, including the portion related to federal and state financial award programs and to determine if the

District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended August 31, 2022, provided no instances of material weakness in the internal control structure.

In addition, the Business Services staff maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Navarro College Board of Trustees. Activities of all funds are included in the annual appropriated budget. The District also maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Encumbered amounts lapse at fiscal year-end; however, encumbrances are generally re-appropriated as part of the subsequent year's budget.

State statutes require an annual audit by independent certified public accountants. In FY 2019, the College solicited a Request for Qualifications (RFQ) and after a thorough review of respondents, selected and engaged Whitley Penn, LLP as its independent audit firm for an initial three-year period.

MAJOR INITIATIVES

Academic Program Enhancements:

The District has been recognized as a leader in higher education. The identification and development of new strategies continue to enhance the academic program offerings as evidenced by the following:

- Navarro College continues its partnership with Texas A&M University - Commerce. The partnership has produced 2,963 graduates, with 1,920 Bachelor of Science in Education/Interdisciplinary Studies, 357 Bachelor in Applied Arts and Sciences (BAAS), 163 Bachelor of Science in Criminal Justice, 65 Bachelor of Business Administration (BBA), 19 Bachelor of Science in Instructional Training and Design (TDEV), 20 Bachelor of Science in Liberal Studies (BSLS), 165 Bachelor of General Studies (BGS), 3 in Bachelor of Science in Environmental Science, 40 in Bachelor of Science in Learning & Technology, 2 in Bachelor of Science in Global E-Learning, and 182 Master's degrees conferred through Spring 2022.
- Navarro College has partnered with the Waxahachie Independent School District (WISD) since 2007 to offer an Early College High School called Waxahachie Global High (WGH). WGH is also a T-STEM academy, which has won multiple recognitions from the state. A total of 415 students are currently registered with Navarro College through this program for at least one dual credit course, and in spring 2022, Fifty-nine (59) students graduated with their Associate Degree in May (2022). The District offers dual credit courses at most high schools in Ellis, Navarro, Limestone, Freestone, and Leon counties. In the fall of 2021, thirty-three (33) high schools offered dual credit courses, with approximately 2,500 students participating district wide. Many of our partnering schools enroll cohorts of students to work toward a degree or certificate. In Spring 2022, approximately 275 dual credit students earned a Navarro College degree or certificate.
- After the decline in enrollment due to the Covid-19 Pandemic, the Navarro College Band has grown from 45 (Fall 2020) students to 105 (Fall 2022) members. This is an increase of 133% over two years. Band Directors Joshua Buckrucker and Timothy Nutting plan to increase the band by a margin of 10% every year. As a result of Mr. Buckrucker and Mr. Nutting's recruiting, the band currently has representation from over 43 high schools, and there are 19 declared majors in the Band Program.
- The Midlothian Higher Education Center, located on the District's Midlothian campus, continues a partnership with Tarleton State University to offer seven bachelor degrees in the following areas: Agribusiness, Applied Science, Business Administration, General Business, Psychology, Criminal Justice Administration & Manufacturing, and Industrial Management. Since 2013, Tarleton State University has awarded over 500 bachelors degrees to students at the Midlothian Higher Education Center.
- In the Fall 2020 semester, The University of North Texas at Dallas joined the partnership with Navarro College and Tarleton State University. UNT Dallas offers the bachelor's degree in education. Courses have been held on the Midlothian campus in a hybrid format during the 2021-2022 academic year. A UNT Dallas representative offices on the Navarro College Midlothian Campus as a recruiter and advisor for students transferring to UNT Dallas.

Athletic Program Achievements

Navarro College offers a large and competitive intercollegiate athletic program that includes basketball, baseball, soccer, softball, football, cheerleading and volleyball.

- The basketball team finished the 2019-20 year with a record of 19-11 and were a Region XIV Conference runners-up and were the Region XIV Tournament semi-finalists. Three student-athletes transferred to NCAA 4-year universities.
- The baseball team was not able to complete the 2020 regular season schedule due to COVID-19. Thirteen players transferred to play at four-year institutions.
- The soccer team finished 15-5 and were runners up in the Region XIV Championship. They qualified for the NJCAA National Tournament and finished #7 ranked in the country in the final NJCAA poll. Three student-athletes were named All-Region and four were honorable mention with two players earning NJCAA All-American honors. Three players earned Academic All Region while nine earned Academic All-American recognition. Five players graduated and four transferred to 4-year universities.
- The softball team was not able to complete the 2020 regular season schedule due to COVID-19. Of eleven Sophomores, seven athletes transferred to university programs and four sophomores returned to Navarro.
- The football team finished with a 6-5 record for the 2019 season. Navarro won the SWJCFC Regional Championship and brought home the Roark Montgomery Memorial trophy. The 2019 team sent seventeen players to four-year universities. One player was named NJCAA All-American. One player was named NJCAA National Offensive Player of the Year.
- The cheer team was not able to compete in the 2019 NCA National Championships due to COVID-19. They have brought home an NCA National Championship in 14 of the last 20 years and have won five Grand National Championships. Ten cheerleaders went on to university programs.
- The volleyball team finished the 2019 season with a 31-0 record. They finished the Regular Season NJCAA Poll #1 in the Nation. Navarro won the Region XIV Conference Championship, Region XIV Tournament and captured the 2019 NJCAA Division I National Championship. Three student athletes were named First Team All-Region. One student-athlete was named to the second Team All-Region. One student athlete was named Conference Libero of the Year. Two student-athletes were named to NJCAA 1st Team All-American, and one player was named Region XIV Most Valuable Player. One player was named NJCAA National Player of the Year. Three players transferred to a university program.
- Academics are stressed by the Navarro College administration and coaching staff. Success is evidenced by having 46 athletes earn Academic All-American recognition by the NJCAA and 34 athletes named to the 2019-2020 Region XIV All-Academic Team. The Softball (3.52), Volleyball (3.52), Soccer (3.36), Baseball (3.29), and Basketball (3.07) teams earned recognition as NJCAA Academic Teams of the Year. Each athletic team was also heavily involved in other areas as our student athletes volunteered with over 3000 hours of community service projects in 2019-20.

Construction and Facilities Improvements Projects

In 2021-22 several improvements were completed on the four College Campuses. These included the following:

Housing Projects – Corsicana Campus:

- **REPLACED CARPET:**
- BUILDING#12-ONE APT
- BUILDING#5 ONE APT
- BUILDING#3 TWO BEDROOMS AND HALL
- BUILDING#1/101 c201 lr
- BUILDING#2/105 C, 107,A 206 LR,A 208 FULL APARMENT
- BUIDING#3 109 B,C 111 B,C 112 LR,C 209 FULL 211 LR,C 212 FULL
- BUILDING 4 213,214,215,216 FULL APARMENT
- BUILDING7 222, #14 251 #16, 258,#21,293,295 FULL APARMENT
- BUILDING#31, 269,272,273,276 FULL APARMENT274,LR
- BUILDING#18 278 FULL APARMENT
- BUILDING#20 208 FULL APARMENT
- BUILDING#6 FULL APARMENTS (Vinyl on 2nd floor common area and bedrooms carpet)
- **REMODEL BATHROOMS**
- Building 30 &32 All with vinyl and repaired bathroom walls
- **REPAINTED BUILDINGS**
- 1-3 all (off white color)

- **NEW FURNITURE (REPLACED & INSTALLED)**
- Building 1-3
- 80 open work desks
- 80 two drawer dressers
- 75 Metal Loft Bed
- Common area furniture (50 sofa and 50 chair)
 - Building 1, 2,3,5,6,9, 31/276 & 171
- **REPLACED OLD FURNITURE WITH SMU FURNITURE**
- Building 6 (desk, dressers, desk chairs)

Maintenance Projects

- Replacement of the HVAC Systems
 - Replaced eight 30-ton roof top packages A/C systems in the SEC Gymnasium
- Added speedbumps in Gibson Hall parking lot
- Recarpeted BC 400
- Remodeled the Midlothian community Room
- Installed two new ice machines in the SEC
- Updated the Seating in Dawson Auditorium, Planetarium and SEC Gym
- Installed Bleachers for the Soccer field
- ADA Repairs on Campus
 - Repaired the sidewalk on the South Gibson Hall parking to connect the Bain Center with Gibson Hall.
 - Added a wrought Iron Gate/Fencing at Top of SEC east-end stairway.
 - Updated several bathrooms stalls for ADA accessibility on the Corsicana Campus
- SEC, Fine Arts, Dawson Auditorium, Albritton Building
 - Installed automatic doors on Corsicana and Waxahachie Campus
 - Installed handicap signage across campus
- Repainted offices and new carpet in the Bain Center for Carl Perkins
- Installed wall and moved IT offices from the Admin. building to the Bain Center
- Replaced Washer and Dryers in Cosmetology
- Replaced fire and smoke alarms in Waxahachie
 - Buildings B, C, D, and E
- Installed walls in Human Resources
- Replaced HVAC systems Multizone A/C System in SEC
- Added 2 maintenance trucks
- Installed elite shelter for Soccer bench areas
- Installed two Immersive rooms, one on Corsicana Campus and one on Waxahachie Campus
- Replaced roof in Waxahachie on Building A
- Installed a dishwasher at the Cook Center
- Replaced lights in the Sanchez Library to LED

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Navarro College for its comprehensive annual financial report for the fiscal year ended August 31, 2021. This was the twentieth consecutive year (2001 through 2021) that the College has achieved this prestigious award. To be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting the report to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Business Services staff. In addition, various members of the President's Leadership team provided information for inclusion in the transmittal letter, that benefit the overall comprehensiveness of the report. Appreciation is also expressed to the accounting firm of Whitley Penn, LLP for their assistance in the timely completion of the audit. Due credit should also be given to the Board of Trustees and the District President, Dr. Kevin G. Fegan for their interest in planning and conducting the operations of the District in a professional manner.

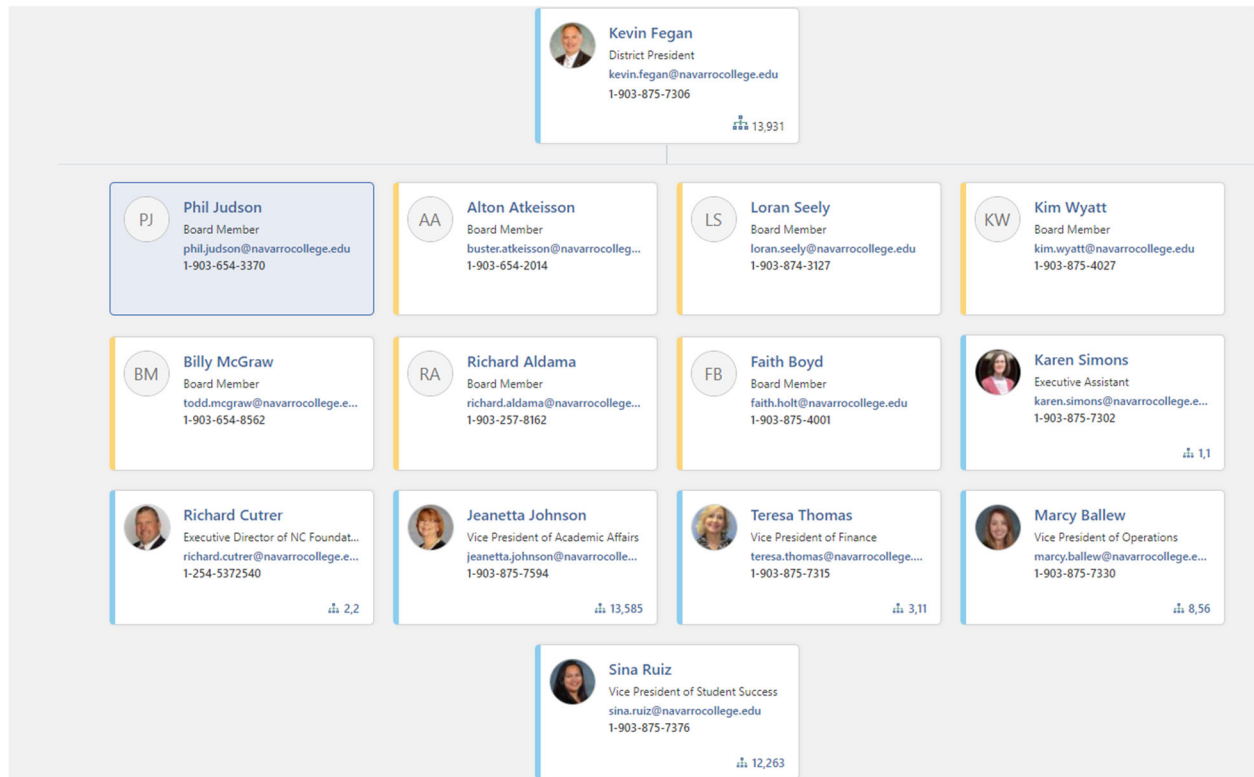
Respectfully submitted,

A handwritten signature in blue ink that reads "Teresa Thomas". The signature is written in a cursive style.

Teresa Thomas, CPA, RTSBA
Vice President for Finance

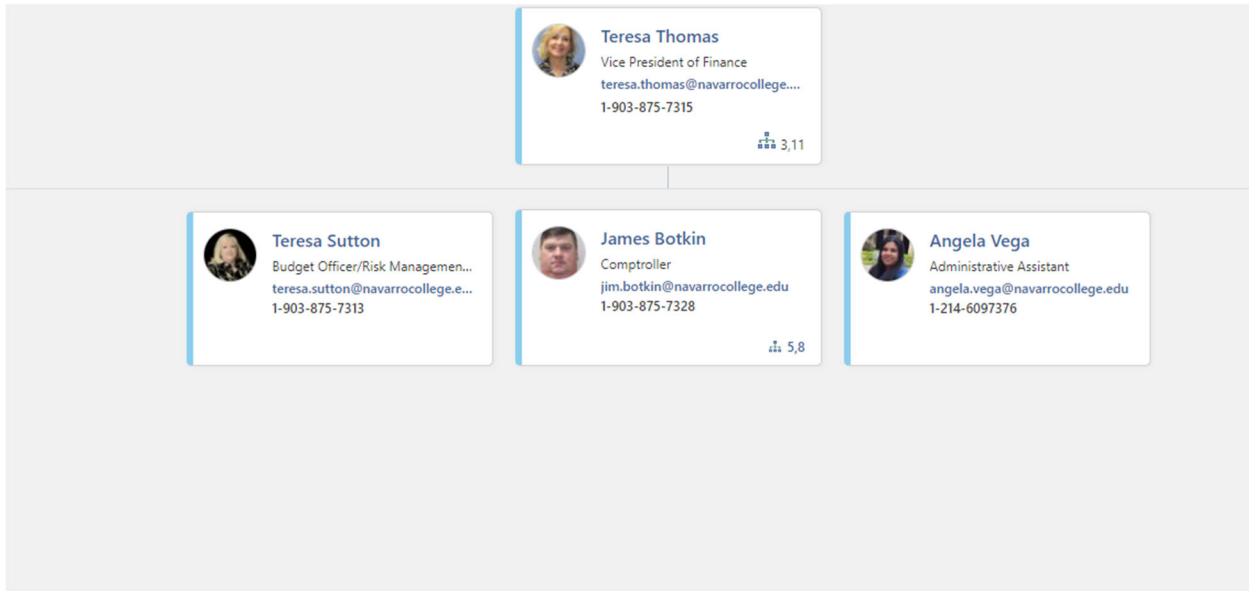
NAVARRO COLLEGE DISTRICT ORGANIZATION CHART

DISTRICT ADMINISTRATION



**NAVARRO COLLEGE DISTRICT
ORGANIZATION CHART**

FINANCE AND ADMINISTRATION



NAVARRO COLLEGE DISTRICT

PRINCIPAL OFFICIALS

Year Ended August 31, 2022

Board of Trustees

Officers

Phil Judson	Chairman
Billy Todd McGraw	Vice-Chairman
Richard L. Aldama	Secretary/Treasurer

Members

Term Expires

Richard L. Aldama	Corsicana, Texas	2027
A. L. Atkeisson	Kerens, Texas	2027
Faith D. Holt	Corsicana, Texas	2025
Phil Judson	Corsicana, Texas	2023
Billy Todd McGraw	Blooming Grove, Texas	2025
Loran Seely	Corsicana, Texas	2027
Kim C. Wyatt	Corsicana, Texas	2023

Executive Officers

Kevin G. Fegan, Ed.D.	District President
Jeanetta Johnson, Ed.D	Vice President, Academic Affairs
Teresa Thomas, CPA	Vice President, Finance
Sina Ruiz	Vice President, Student Services
Marcy Ballew	Vice President, Operations
Richard Cutrer	Director of NC Foundation
Michael Landers	Executive Director of Student Services & Athletics
Jeanetta Johnson, Ed.D	Vice President, Academic Affairs

Business Officers

Teresa Thomas, CPA	Vice President, Finance
Jim Botkin	Comptroller
Alison Skinner	Payroll Manager
Teresa Sutton	Budget Officer/Risk Management

NAVARRO COLLEGE DISTRICT
BOARD OF TRUSTEES



Sitting: Kim C. Wyatt, Phil Judson, Dr. Kevin G. Fegan
Standing: Richard L. Aldama, Loran Seely, Faith D. Holt, Billy Todd McGraw, A.L. Atkeisson

District President



Kevin G. Fegan, Ed.D.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Navarro College
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2021

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Navarro College District
Corsicana, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Navarro College District (the "District") as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District'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 of the District as of August 31, 2022 and 2021, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the discretely presented component unit financial statements of Navarro College Foundation, Inc. (the "Foundation") as of and for the years ended August 31, 2022 and 2021. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 District'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.

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 District’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 District’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, pension information, and other post-employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information 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 the sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. Supplemental Schedules A through D as required by the Texas Higher Education Coordinating Board’s (THECB) *Budget Requirements and Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Schedule of Expenditures of State Awards, as required by the Texas Grant Management Standards, are

To the Board of Trustees
Navarro College District

also presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Supplemental Schedules A through D, the schedule of expenditures of federal awards, and the schedule of expenditures of state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the District's internal control over financial reporting and on our tests on its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Houston, Texas
December 15, 2022



NAVARRO COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Navarro College District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended August 31, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on starting on page i of this report.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$42,119,665 (net position). Of this amount, \$(6,473,892) is unrestricted net position. This deficit is caused by the implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* ("GASB No. 75") and reflects the District's proportionate share of the other post-employment benefit (OPEB) liability in the District's financial statements. This implementation does not affect the financial stability of the District or how the District conducts its financial decision-making. Rather, the District is reflecting its portion of the liability that the State of Texas manages and operates.
- The District's net pension liability totaled \$4,472,899, a decrease of \$(5,467,229) in comparison to the prior year. This amount represents the District's portion of the Teacher Retirement System's ("TRS") net pension liability.
- The District's net OPEB liability totaled \$30,747,467, an increase of \$3,118,497 in comparison to the prior year. This amount represents the District's portion of the Employee Retirement System's ("ERS") net OPEB liability.
- The District's total bonded debt decreased by \$1,716,316 during the current fiscal year.
- Total net position of the District reflected an increase of \$7,052,282 to a total of \$42,119,665 as of August 31, 2022.

Overview of the Financial Statements and Financial Analysis

The District is proud to present its financial statements for the fiscal years ended August 31, 2022 and 2021. There are three financial statements presented: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. As demonstrated by the statements and schedules included in the financial section of this report, the District continues meeting its responsibility for sound financial management.

Statements of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District as of the end of the fiscal year. The Statement of Net Position is a point-of-time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of the District. The Statement of Net Position presents end-of-year data concerning Assets (current and non-current), Deferred Outflows of Resources, Liabilities (current and non-current), Deferred Inflows of Resources, and Net Position. The difference between current and non-current assets will be discussed in the footnotes to the financial statements. The District has elected to follow the recommendation of the Texas Higher Education Coordinating Board to present the Statement of Net Position in the balance sheet format. From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the institution. They also are able to determine how much the District owes vendors and lending institutions.

NAVARRO COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statements of Net Position

	August 31,			Amount of Change 2021 to 2022	Percentage of Change 2021 to 2022
	2022	2021	2020		
Assets					
Current assets	\$ 51,571,641	\$ 45,171,661	\$ 41,276,771	\$ 6,399,980	14.17%
Capital assets	61,479,636	59,102,029	60,468,004	2,377,607	4.02%
Total Assets	<u>\$ 113,051,277</u>	<u>\$ 104,273,690</u>	<u>\$ 101,744,775</u>	<u>\$ 8,777,587</u>	<u>8.42%</u>
Total Deferred Outflows of Resources	<u>\$ 10,313,560</u>	<u>\$ 14,084,580</u>	<u>\$ 17,636,887</u>	<u>\$ (3,771,020)</u>	<u>(26.77%)</u>
Current liabilities	\$ 20,355,585	\$ 17,051,559	\$ 22,159,087	\$ 3,304,026	19.38%
Noncurrent liabilities	48,859,404	54,232,306	57,330,125	(5,372,902)	(9.91%)
Total Liabilities	<u>\$ 69,214,989</u>	<u>\$ 71,283,865</u>	<u>\$ 79,489,212</u>	<u>\$ (2,068,876)</u>	<u>(2.90%)</u>
Total Deferred Inflows of Resources	<u>\$ 12,030,183</u>	<u>\$ 12,007,022</u>	<u>\$ 12,014,840</u>	<u>\$ 23,161</u>	<u>0.19%</u>
Net Position					
Net investment in capital assets	\$ 46,983,575	\$ 42,246,858	\$ 41,768,930	\$ 4,736,717	11.21%
Restricted - expendable	1,609,982	2,112,703	2,289,080	(502,721)	(23.80%)
Unrestricted	<u>(6,473,892)</u>	<u>(9,292,178)</u>	<u>(16,180,400)</u>	<u>2,818,286</u>	<u>(30.33%)</u>
Total Net Position	<u>\$ 42,119,665</u>	<u>\$ 35,067,383</u>	<u>\$ 27,877,610</u>	<u>\$ 7,052,282</u>	<u>20.11%</u>

Net position is divided into three major categories. The first category, net investment in capital assets, provides the District's equity in property, plant, and equipment owned by the District. The next net position category is restricted net position, which is divided into two categories, nonexpendable and expendable. Nonexpendable restricted net position are funds required to be retained in perpetuity. Expendable restricted net position is available for expenditure by the District but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted net position is available to the District for any lawful purpose of the District. None of the net position is restricted by enabling legislation.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

NAVARRO COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis from 2021 to 2022

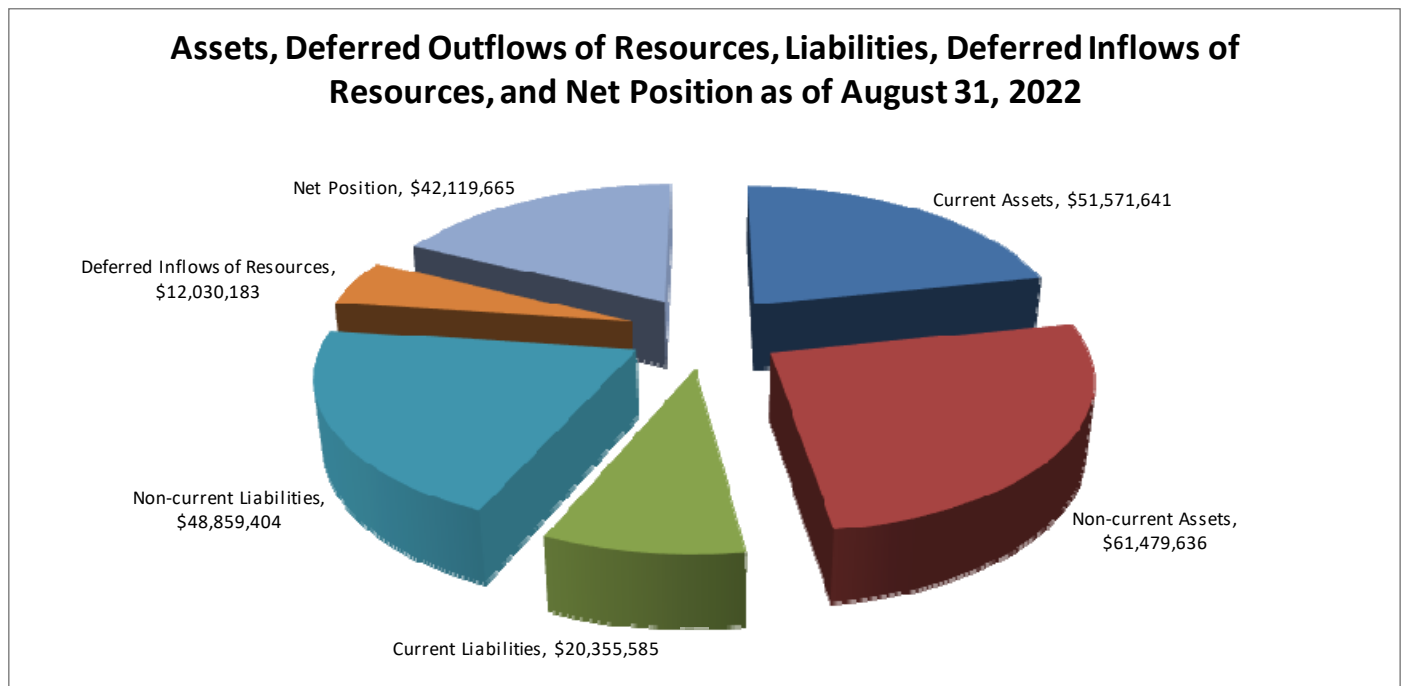
Current assets increased to \$51,571,641 from \$45,171,661, for an increase of \$6,399,980 or 14.17%. Increases were noted in cash and cash equivalents of \$11,778,642. This increase is partially offset by decreases in accounts receivable, prepaid expenses, and inventories of \$(224,298), \$(5,053,398) and \$(100,966), respectively.

Capital assets increased by \$2,377,607 or 4.02% after amortization/depreciation. This increase in capital assets is a result of capital assets additions for the year and the retirement of construction in progress and equipment exceeding the District's annual increase of accumulated amortization/depreciation of \$3,297,257.

Total liabilities decreased to \$69,214,989 from \$71,283,865, for a decrease of \$(2,068,876) or (2.90%). Decreases were noted in unearned revenue of \$(48,330); \$(288,702) in compensated absences; \$(7,297) in accrued claims and judgments, \$(92,086) in leases payable; \$(464,327) in notes payable, and \$(5,467,229) in net pension liability. These decreases were offset by increases of \$2,892,421 in accounts payable, \$486,727 in accrued liabilities, \$195,937 in funds held for others, and \$2,827,172 in net OPEB liability. The decreases in loans of (\$75,000) and bonds payable of (\$2,028,162) are due to forgiveness of debt, scheduled debt service payments, and amortization of bond premiums.

Deferred outflows of resources decreased by (\$3,771,020) or (26.77%) and deferred inflows of resources increased by \$23,161 or 0.19% as a result of GASB 68 and GASB 75 adjustments related to pension and OPEB activity.

In summary, the total net position of the District reflected an increase of \$7,052,282 to a total of \$42,119,665 as of August 31, 2022. This change can be attributed to an increase \$4,736,717 of in net investment in capital assets and an increase of \$2,818,286 in unrestricted net position offset by a decrease of (\$502,721) in expendable restricted net position.



NAVARRO COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis from 2020 to 2021

Current assets increased to \$45,171,661 from \$41,276,771, for an increase of \$3,894,890 or 9.43% . Increases were noted in accounts receivable and prepaid expenses of \$3,858,536 and \$4,669,308, respectively. These increases are partially offset by decreases in cash and cash equivalents of \$(4,438,850) and inventories of \$(194,104).

Capital assets show a decrease of \$(1,365,975) or (2.26%) after amortization/depreciation. This decrease in capital assets is a result of the District's annual increase of accumulated amortization/depreciation of \$2,499,087 being more than capital assets additions for the year and the retirement of construction in progress and equipment in the amount of \$1,133,112.

Total liabilities decreased to \$71,283,865 from \$79,489,212, for a decrease of \$(8,205,347) or (10.32%). Decreases were noted in unearned revenue of \$(5,371,820); \$(222,126) in accrued liabilities; \$(57,339) in funds held for others; \$(254,175) in compensated absences; \$(541,054) in capital leases; \$(41,017) in net pension liability, and \$(248,652) in net OPEB liability. The decreases were offset by increases of \$295,181 in accounts payable and \$26,971 in claims and judgements. The decreases in loans of (\$75,000) and bonds payable of (\$1,716,316) are due to forgiveness of debt, scheduled debt service payments, and amortization of bond premiums.

Deferred outflows of resources decreased by (\$3,552,307) or (20.14%) and deferred inflows of resources decreased by (\$7,818) or (0.07%) as a result of GASB 68 and GASB 75 adjustments related to pension and OPEB activity.

In summary, the total net position of the District reflected an increase of \$7,190,941 to a total of \$35,067,383 at August 31, 2021. This change can be attributed to an increase of \$477,928 in net investment in capital assets and an increase of \$6,888,222 in unrestricted net position offset by a decrease of (\$176,377) in expendable restricted net position.

Statements of Revenues, Expenses, and Changes in Net Position

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 statement includes five sections: operating revenues, non-operating revenues, operating expenses, non-operating expenses, and other revenues (expenses) and gains (losses). The purpose of the statement is to present the revenues received by the District, operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the District.

Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the District. Non-operating revenues are revenues received for which goods and services are not provided.

NAVARRO COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statements of Revenues, Expenses, and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>Amount of Change 2021 to 2022</u>	<u>Percentage Change 2021 to 2022</u>
Operating Revenues					
Tuition and fees	\$ 13,190,941	\$ 13,726,351	\$ 14,857,047	\$ (535,410)	(3.90%)
Sales and services	6,696,015	5,876,324	5,795,867	819,691	13.95%
Other operating revenues	192,276	180,812	148,483	11,464	6.34%
Total Operating Revenues	<u>20,079,232</u>	<u>19,783,487</u>	<u>20,801,397</u>	<u>295,745</u>	<u>1.49%</u>
Nonoperating Revenues					
State appropriations	15,080,567	15,695,709	15,310,636	(615,142)	(3.92%)
Maintenance ad valorem property taxes	5,340,603	5,144,366	4,757,104	196,237	3.81%
Grants and contracts	33,026,346	24,995,072	17,416,266	8,031,274	32.13%
Gifts	993,944	970,167	1,008,001	23,777	2.45%
Investment income	95,256	78,407	235,077	16,849	21.49%
Other non-operating revenues	65,768	296,268	-	(230,500)	(77.80%)
Total Nonoperating Revenues	<u>54,602,484</u>	<u>47,179,989</u>	<u>38,727,084</u>	<u>7,422,495</u>	<u>15.73%</u>
Total Revenues	<u>74,681,716</u>	<u>66,963,476</u>	<u>59,528,481</u>	<u>7,718,240</u>	<u>11.53%</u>
Operating Expenses					
Instruction	16,704,563	19,298,272	19,388,245	(2,593,709)	(13.44%)
Public service	456,289	2,195,369	1,362,008	(1,739,080)	(79.22%)
Academic support	2,272,290	2,647,529	3,064,442	(375,239)	(14.17%)
Student services	4,624,432	4,724,573	4,870,434	(100,141)	(2.12%)
Institutional support	10,497,233	9,860,142	7,700,104	637,091	6.46%
Operation and maintenance of plant	3,788,027	3,128,165	3,662,680	659,862	21.09%
Scholarships and fellowships	17,350,976	6,749,113	7,120,406	10,601,863	157.09%
Auxiliary enterprises	8,085,766	8,001,990	8,884,866	83,776	1.05%
Depreciation expense	3,297,257	2,499,087	2,377,550	798,170	31.94%
Total Operating Expenses	<u>67,076,833</u>	<u>59,104,240</u>	<u>58,430,735</u>	<u>7,972,593</u>	<u>13.49%</u>
Nonoperating Expenses					
Interest on capital related debt	552,601	668,295	744,800	(115,694)	(17.31%)
Other non-operating expenses	-	-	646	-	-
Total Nonoperating Expenses	<u>552,601</u>	<u>668,295</u>	<u>745,446</u>	<u>(115,694)</u>	<u>(17.31%)</u>
Total Expenses	<u>67,629,434</u>	<u>59,772,535</u>	<u>59,176,181</u>	<u>7,856,899</u>	<u>13.14%</u>
Change in net position	7,052,282	7,190,941	352,300	(138,659)	(1.93%)
Beginning Net Position	<u>35,067,383</u>	<u>27,877,610</u>	<u>27,525,310</u>	<u>7,189,773</u>	<u>25.79%</u>
Prior period adjustment	-	(1,168)	-	1,168	(100.00%)
Ending Net Position	<u>\$ 42,119,665</u>	<u>\$ 35,067,383</u>	<u>\$ 27,877,610</u>	<u>\$ 7,052,282</u>	<u>20.11%</u>

NAVARRO COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis from 2021 to 2022

The Statement of Revenues, Expenses, and Changes in Net Position reflects an increase in net position of \$7,052,282. Operating revenues increased \$295,745 or 1.49% .

Non-operating revenues increased by \$7,422,495 or 15.73% . Ad valorem taxes reported an increase of \$196,237 or 3.81%; \$8,031,274 or 32.13% in grants and contracts; \$23,777 or 2.45% in gifts; and \$16,849 or 21.49% in investment income. These increases are partially offset by decreases of (\$615,142) or (3.92%) in state appropriations and (\$230,500) or (77.80%) in other non-operating revenue.

Overall operating expenses increased by \$7,972,593 or 13.49%. This increase is due to changes in the following categories: (\$2,593,709) in instruction; (\$1,739,080) in public service; (\$375,239) in academic support; and (\$100,141) in student services. These decreases are offset by increases in institutional support of \$637,091; operation and maintenance of plant of \$659,862; scholarships and fellowships of \$10,601,863, auxiliary of \$83,776 and amortization/depreciation of \$798,170.

Non-operating expenses of interest on capital related debt decreased by (\$115,694) or (17.31%) due to regular payment of principal and interest.

In summary, operational activities provided the District with an increase of \$7,052,282 which increased net position to a total of \$42,119,665 at August 31, 2022.

Financial Analysis from 2020 to 2021

The Statement of Revenues, Expenses, and Changes in Net Position reflects an increase in net position of \$7,190,941. Operating revenues decreased (\$1,017,910) or (4.89%).

Non-operating revenues increased by \$8,452,905 or 21.83%. State appropriations reported an increase of \$385,073 or 2.52%; \$7,578,806 or 43.52% in grants and contracts; \$387,262 or 8.14% in ad valorem taxes; and \$296,268 in other non-operating revenues. These increases are partially offset by decreases of (\$156,670) or (66.65%) in investment income and (\$37,834) or (3.75%) in gifts and donations.

Overall operating expenses increased by \$673,505 or 1.15%. This increase is due to changes in the following categories: (\$89,973) in instruction; (\$416,916) in academic support; (\$145,861) in student services; (\$534,515) in operation and maintenance of plant; (\$371,293) in scholarships and fellowships; and (\$882,876) in auxiliary enterprises. These decreases are partially offset by increases in institutional support of \$2,160,038; public services of \$833,361 and depreciation of \$121,537.

Non-operating expenses of interest on capital related debt decreased by (\$76,505) or (10.27%) due to regular payment of principal and interest.

In summary, operational activities provided the District with an increase of \$7,190,941 which increased net position to a total of \$35,068,551 at August 31, 2021.

NAVARRO COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Statements of Cash Flows

The final statement presented by the District is the Statement of Cash Flows. GASB Nos. 34 and 35 added this additional statement to the annual financial report. The Statement of Cash Flows presents detailed information about the cash activity of the District during the year. The first section of the Statement of Cash Flows reflects operating cash flows and shows the net cash used by the operating activities of the District. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and noncapital financing purposes. The third section reflects cash flows from capital and related financing activities. This section captures the cash used to purchase capital assets and make debt payments, as well as receipt of bond proceeds. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities.

Navarro College District
Statements of Cash Flows
Years Ended August 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	Amount of Change 2021 to 2022	Percentage of Change 2021 to 2022
Cash provided by (used for):					
Operating activities	\$ (30,933,548)	\$ (34,471,889)	\$ (27,183,379)	\$ 3,538,341	(10.26%)
Noncapital financing activities	51,156,872	33,678,032	41,007,378	17,478,840	51.90%
Capital and related financing activities	(8,602,189)	(3,741,430)	(3,837,488)	(4,860,759)	129.92%
Investing activities	<u>157,507</u>	<u>96,437</u>	<u>235,775</u>	<u>61,070</u>	<u>63.33%</u>
Net change in cash	11,778,642	(4,438,850)	10,222,286	16,217,492	(365.35%)
Cash, beginning of year	<u>22,910,293</u>	<u>27,349,143</u>	<u>17,126,857</u>	<u>(4,438,850)</u>	<u>(16.23%)</u>
Cash, end of year	<u>\$ 34,688,935</u>	<u>\$ 22,910,293</u>	<u>\$ 27,349,143</u>	<u>\$ 11,778,642</u>	<u>51.41%</u>

NAVARRO COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis from 2021 to 2022

An analysis of cash flows shows an overall increase of \$11,778,642 or 51.41% for 2022. The District ended fiscal year 2022 with \$34,688,935 in cash, compared to \$22,910,293 at the end of fiscal year 2021.

Financial Analysis from 2020 to 2021

An analysis of cash flows shows an overall decrease of (\$4,438,850) or (16.23%) for 2021. The District ended fiscal year 2021 with \$22,910,293 in cash, compared to \$27,349,143 at the end of fiscal year 2020.

Debt Administration, Capital Assets, Cash, & Risk Management

Debt Administration

As of August 31, 2022, the District had \$11,490,000 of revenue bonds outstanding.

As of August 31, 2022, the forgivable loan balance from the Midlothian Economic Development Center (MEDC) was \$675,000.

For additional information concerning Debt Administration, see Notes 7 and 8 in the notes to the financial statements.

Capital Assets

For additional information concerning Capital Assets, see Note 6 in the notes to the financial statements.

Risk Management

The Campus Safety and Preparation Committee conducted quarterly meetings during Fall semester 2021 and Spring semester 2022, a sub committee met monthly.

- The Navarro College Emergency Operations Plan is reviewed annually and updated as necessary. It was submitted to the Texas School Safety Center for review fall of 2021. Feedback from the review was received and applied to the Emergency operation plan taking effect beginning fall of 2022.
- The Building Coordinator list is updated each spring and fall semester and training was provided by the Chief of the Navarro College Department of Public Safety.
- Online training was provided for both students and staff regarding Standard Response Protocol for emergencies and Sexual Misconduct Training at the beginning of Fall 2021 and Spring 2022 Semesters.
- Online risk management training for student organizations and their sponsors was provided.
- Successful safety drills were conducted on each campus during the Fall 2021 and Spring 2022 semesters on all four Navarro College campuses.
- The WatchDog Alert Notification System was tested each semester (Fall 2021 and Spring 2022 semesters, once as a system test and again during a standard response protocol drill).
- The Lynx Panic Button system has been installed on all staff computers. Should an emergency arise on any of the four campuses, Navarro College Police Officers and College administration are notified of the precise location of the emergency immediately by activating two buttons on staff's computer keyboard. In addition to the keyboard style alarm activation, at retail and other strategic locations a panic button was also installed for the LYNX alarm system.

NAVARRO COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Economic Outlook

To project the 2022-2023 enrollment, Navarro College reviewed the 2021-2022 enrollment progress and the different factors that impact enrollment. This includes COVID-19 barriers such as mental health, basic needs insecurities, transitioning back to more on-campus activity, and other barriers. The college also reviewed other factors such as historical enrollment trends, transitioning out of the pandemic, new marketing initiatives (postcards, websites, billboards, and social media), new programs (expanding nursing, cybersecurity, policy academy, and e-sports on branch campuses), and external funding support from Higher Education Emergency Relief Funds (HEERF) including \$9.6 million from the student portion, \$4.5 million from the institutional portion, and \$3.5 million in lost revenue. While we have different initiatives, Navarro College forecasted that the 2022-2023 enrollment would be the same or flat as 2021-2022 enrollment projections and will monitor a second scenario of -10% to prepare for the unknown impacts of COVID-19. The actual enrollment for 2021-2022 was down -7% for headcount, -3% for semester credit hours, and -4% for contact hours.

For 2023-2024, Navarro College will continue to review factors that impact enrollment. Two major factors that will impact Navarro College are the closure of HEERF grant funds and the massive overhaul of how state appropriations will be determined for Texas community colleges. All HEERF grants are to be drawn down and closed by June 2023, and the college does not anticipate additional federal funds to support the prevention of COVID-19. In addition, the state is changing how community colleges will be funded for future bienniums. These changes include moving away from a majority contact-hour funded model to a majority, if not all, student success outcome-funded model. The college anticipates a change in future biennium but will not know the exact change in appropriations until the legislative session is over. As a result, the 2023-2024 enrollment projections will remain the same as the 2021-2022 actual enrollment but may change depending on the results of the legislation session. The Leadership Team continues to review, assess, and develop initiatives to support the mission and make the best approach to the economic outlook of the college.

Request for Information

This financial report is designed to provide a general overview of the Navarro College District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Comptroller, Navarro College, 3200 West 7th Avenue, Corsicana, Texas 75110.



BASIC FINANCIAL STATEMENTS

NAVARRO COLLEGE DISTRICT
STATEMENTS OF NET POSITION
August 31, 2022 and 2021

Exhibit 1
Page 1 of 2

	Primary Government		Component Unit	
	Navarro College District		Navarro College Foundation, Inc.	
	2022	2021	2022	2021
Assets				
Current Assets:				
Cash and cash equivalents	\$ 34,688,935	\$ 22,910,293	\$ 18,847	\$ 19,787
Restricted cash and cash equivalents	-	-	315,906	249,248
Accounts receivable, net	12,931,899	13,156,197	-	-
Prepaid expenses	1,816,939	6,870,337	-	-
Investments	-	-	251,768	285,622
Inventories	2,133,868	2,234,834	-	-
Total Current Assets	51,571,641	45,171,661	586,521	554,657
Noncurrent Assets:				
Long-term investments	-	-	4,272,901	5,033,818
Capital assets, net	61,479,636	59,102,029	7,310,737	7,296,852
Total Noncurrent Assets	61,479,636	59,102,029	11,583,638	12,330,670
Total Assets	113,051,277	104,273,690	12,170,159	12,885,327
Deferred Outflows of Resources				
Deferred charge on refunding	242,473	542,938	-	-
Deferred outflows related to pensions	2,358,513	3,295,335	-	-
Deferred outflows related to OPEB	7,712,574	10,246,307	-	-
Total Outflows of Resources	10,313,560	14,084,580	-	-
Liabilities				
Current Liabilities:				
Accounts payable	4,749,016	1,856,595	2,219	672
Accrued liabilities	670,390	183,663	-	-
Funds held for others	941,945	746,008	-	-
Unearned revenue	10,785,230	10,833,560	-	-
Accrued compensated absences				
- current portion	20,461	40,979	-	-
Leases payable - current portion	225,164	284,881	-	-
Notes payable - current portion	456,468	464,552	-	-
Net OPEB liability - current portion	631,911	931,321	-	-
Bonds payable - current portion	1,875,000	1,710,000	-	-
Total Current Liabilities	20,355,585	17,051,559	2,219	672
Noncurrent Liabilities:				
Accrued compensated absences	2,015,455	2,283,639	-	-
Accrued claims and judgments	73,592	80,889	-	-
Leases payable	181,902	214,271	-	-
Loan payable	675,000	750,000	-	-
Notes payable	1,710,000	2,166,243	-	-
Net pension liability	4,472,899	9,940,128	-	-
Net OPEB liability	30,115,556	26,988,974	-	-
Bonds payable	9,615,000	11,808,162	-	-
Total Noncurrent Liabilities	48,859,404	54,232,306	-	-
Total Liabilities	69,214,989	71,283,865	2,219	672

NAVARRO COLLEGE DISTRICT
STATEMENTS OF NET POSITION
August 31, 2022 and 2021

Exhibit 1
Page 2 of 2

	Primary Government		Component Unit	
	Navarro College District		Navarro College Foundation, Inc.	
	2022	2021	2022	2021
Deferred Inflows of Resources				
Deferred inflows related to leases	\$ 592,732	\$ 630,973	\$ -	\$ -
Deferred inflows related to pensions	5,887,124	2,348,235	-	-
Deferred inflows related to OPEB	5,550,327	9,027,814	-	-
Total Deferred Inflows of Resources	<u>12,030,183</u>	<u>12,007,022</u>	<u>-</u>	<u>-</u>
Net Position				
Net investment in capital assets	46,983,575	42,246,858	7,310,737	7,296,852
Restricted for:				
Nonexpendable:				
Scholarships and fellowships	-	-	391,600	191,600
Pearce Museum	-	-	1,337,296	1,337,296
Expendable:				
Scholarships and fellowships	1,232,046	1,660,941	2,859,911	3,754,170
Debt service	377,936	451,762	-	-
Unrestricted	(6,473,892)	(9,292,178)	268,396	304,737
Total Net Position	<u>\$ 42,119,665</u>	<u>\$ 35,067,383</u>	<u>\$ 12,167,940</u>	<u>\$ 12,884,655</u>



NAVARRO COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended August 31, 2022 and 2021

Exhibit 2

	Primary Government		Component Unit	
	Navarro College District		Navarro College Foundation, Inc.	
	2022	2021	2022	2021
Operating Revenues				
Tuition and fees (net of scholarship allowances and discounts of \$4,320,808 and \$4,707,946, respectively)	\$ 13,190,941	\$ 13,726,351	\$ -	\$ -
Gifts	-	-	1,140,911	596,964
Sales and services of educational activities	584,477	514,849	-	-
Auxiliary enterprises (net of scholarship allowances and discounts of \$2,011,490 and \$2,136,095, respectively)	6,111,538	5,361,475	-	-
Other operating revenues	192,276	180,812	-	-
Total Operating Revenues	<u>20,079,232</u>	<u>19,783,487</u>	<u>1,140,911</u>	<u>596,964</u>
Operating Expenses				
Instruction	16,704,563	19,298,272	-	-
Public service	456,289	2,195,369	-	-
Academic support	2,272,290	2,647,529	-	-
Student services	4,624,432	4,724,573	-	-
Institutional support	10,497,233	9,860,142	761,636	77,796
Operation and maintenance of plant	3,788,027	3,128,165	-	-
Scholarships and fellowships	17,350,976	6,749,113	339,483	329,167
Auxiliary enterprises	8,085,766	8,001,990	-	-
Amortization/Depreciation	3,297,257	2,499,087	-	-
Total Operating Expenses	<u>67,076,833</u>	<u>59,104,240</u>	<u>1,101,119</u>	<u>406,963</u>
Operating income (loss)	<u>(46,997,601)</u>	<u>(39,320,753)</u>	<u>39,792</u>	<u>190,001</u>
Nonoperating Revenues (Expenses)				
State appropriations	15,080,567	15,695,709	-	-
Ad valorem property taxes for maintenance and operations	5,340,603	5,144,366	-	-
Federal grants and contracts	31,983,714	23,862,000	-	-
State grants and contracts	901,751	844,100	-	-
Local grants and contracts	140,881	288,972	-	-
Investment income	95,256	78,407	(663,326)	831,670
Gifts	993,944	970,167	-	-
Interest on capital asset-related debt	(552,601)	(668,295)	-	-
Other nonoperating revenues (expenses), net	65,768	296,268	(93,181)	(85,660)
Net Nonoperating Revenues (Expenses)	<u>54,049,883</u>	<u>46,511,694</u>	<u>(756,507)</u>	<u>746,010</u>
Increase (decrease) in net position	7,052,282	7,190,941	(716,715)	936,011
Net Position - Beginning of Year	35,067,383	27,877,610	12,884,655	\$ 13,236,240
Prior period adjustment	-	(1,168)	-	(1,287,596)
Net Position - End of Year	<u>\$ 42,119,665</u>	<u>\$ 35,067,383</u>	<u>\$ 12,167,940</u>	<u>\$ 12,884,655</u>

NAVARRO COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2022 and 2021

Exhibit 3

	Primary Government Navarro College District	
	2022	2021
Cash Flows From Operating Activities		
Receipts from students and other customers	\$ 23,444,492	\$ 29,945,200
Receipts from third-party student loans	7,545,571	7,139,806
Receipts from gifts and others for other than capital purposes	1,059,712	1,191,435
Other receipts	388,213	180,812
Loans issued to students	(7,593,901)	(9,475,997)
Payments to employees	(29,246,395)	(28,236,722)
Payments to suppliers and students	(26,531,240)	(35,216,423)
Net Cash Provided By (Used In) Operating Activities	<u>(30,933,548)</u>	<u>(34,471,889)</u>
Cash Flows From Noncapital Financing Activities		
Receipts of state appropriations	12,710,363	13,366,926
Receipts from ad valorem property taxes for maintenance and operation	5,341,135	5,160,480
Receipts of grants and contracts	<u>33,105,374</u>	<u>15,150,626</u>
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>51,156,872</u>	<u>33,678,032</u>
Cash Flows From Capital And Related Financing Activities		
Proceeds from sale of capital asset	-	15,540
Purchases of capital assets	(5,679,507)	(686,491)
Payments on capital debt principal	(2,370,081)	(2,190,829)
Payments on capital debt interest	(552,601)	(879,650)
Net Cash Provided By (Used In) Capital And Related Financing Activities	<u>(8,602,189)</u>	<u>(3,741,430)</u>
Cash Flows From Investing Activities		
Receipts from interest on investments	<u>157,507</u>	<u>96,437</u>
Net Cash Provided By (Used In) Investing Activities	<u>157,507</u>	<u>96,437</u>
Net increase (decrease) in cash and cash equivalents	11,778,642	(4,438,850)
Cash and Cash Equivalents - Beginning of Year	<u>22,910,293</u>	<u>27,349,143</u>
Cash and Cash Equivalents - End of Year	<u>\$ 34,688,935</u>	<u>\$ 22,910,293</u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:		
Operating income (loss)	\$ (46,997,601)	\$ (39,320,753)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Amortization/Depreciation expense	3,297,257	2,499,087
On-behalf payments	2,370,204	2,328,783
Receipts from gifts and others for other than capital purposes	1,059,712	1,191,435
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) decrease in receivables, net	224,298	1,928,618
(Increase) decrease in prepaid expenses	5,053,398	(4,669,308)
(Increase) decrease in inventories	100,966	194,104
(Increase) decrease in deferred outflows of resources - pension	936,822	868,659
(Increase) decrease in deferred outflows of resources - OPEB	2,533,733	2,606,561
Increase (decrease) in accounts payable	2,892,421	234,294
Increase (decrease) in accrued liabilities	486,727	-
Increase (decrease) in funds held for others	195,937	(57,339)
Increase (decrease) in unearned revenue	(48,330)	(708,986)
Increase (decrease) in accrued compensated absences	(288,702)	(254,175)
Increase (decrease) in accrued claims and judgments	(7,297)	26,971
Increase (decrease) in net pension liability	(5,467,229)	(452,397)
Increase (decrease) in net OPEB liability	2,827,172	(248,652)
Increase (decrease) in deferred inflows of resources - pension	3,538,889	(170,150)
Increase (decrease) in deferred inflows of resources - OPEB	(3,477,487)	(468,641)
Net cash used in operating activities	<u>\$ (30,769,110)</u>	<u>\$ (34,471,889)</u>
Noncash Investing, Capital and Financing Activities:		
State appropriations on-behalf payments	<u>\$ 2,370,204</u>	<u>\$ 2,328,783</u>
Forgiveness of Loan Payable	<u>\$ 75,000</u>	<u>\$ 75,000</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Operations and Reporting Entity

Navarro College District (the District) was established in 1946, in accordance with the laws of the State of Texas, to serve the education needs of Navarro, Freestone, Limestone, Ellis and Leon Counties. The District is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity Omnibus: An Amendment of GASB Statements No. 14 and No. 34*. While the District receives funding from local, state, and federal sources and must comply with the spending, reporting, and record-keeping requirements of these entities, it is not a component unit of any other governmental entity. The accompanying financial statements present the District and its component unit. The discretely presented component unit (described below) is reported in a separate column to emphasize that it is legally separate from the District.

Navarro College Foundation, Inc. (the Foundation) is a legally separate, tax-exempt entity organized to solicit and receive support for purposes of developing and extending the facilities of the District and enhancing the educational opportunities of residents in the geographical area the District serves. The District does not control the timing or amount of receipts from the Foundation. The Foundation is considered a component unit of the District and is discretely presented in the District's financial statements due to the following:

- The majority of resources, or income thereon that the Foundation holds and invests, are for the benefit of the District or its constituents.
- The net position of the Foundation compared to the District is significant.
- Substantially all resources held by the Foundation can only be used by, or for the benefit of, the District.
- The Foundation has historically provided resources to the District or its constituents.

During the years ended August 31, 2022 and 2021, the Foundation expended \$111,660 and \$227,654, respectively, directly to the District or to the District on behalf of students for scholarships. Complete financial statements for the Foundation can be obtained from the Foundation office at 3100 W. Collin, Corsicana, Texas 75110.

The District is reported as a special-purpose government engaged in business-type activities. The significant accounting policies followed by the District in preparing these financial statements are in accordance with the accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying financial statements are also in accordance with the Texas Higher Education Coordinating Board's *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements of the District have been prepared on the accrual basis, whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

A. Basis of Accounting (continued)

Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The District distinguishes operating revenues and expenses from non-operating items. The primary consideration in classifying revenues and expenses is how individual transactions are categorized for purposes of preparing the statement of cash flows. Transactions for which cash flows are reported as capital and related financial activities, noncapital financing activities, or investing activities are reported as components of non-operating income. The principal operating revenues of the District result from providing educational services to students, and consist of tuition and fees, as well as sales of auxiliary goods and services (i.e. bookstore merchandise, meals, and housing). Operating expenses include the cost of providing educational services, auxiliary goods and services, and administrative expenses. All revenues and expenses not meeting this definition - including gifts, contributions, and grants from non-exchange and exchange-like transactions - are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The financial statements of the Foundation have been prepared on the accrual basis of accounting. The Foundation is a nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31; and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

C. Tuition Discounting

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances and discounts in the statements of revenues, expenses, and changes in net position. Scholarship allowances and discounts are the difference between the stated charge for goods and services provided by the District and the amount that is paid by students. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs are recorded as non-operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship allowance and discount.

Texas Public Education Grants: Certain tuition amounts must be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (TEC §56.033). When the award is used by the student for tuition and fees, the District records the amount as tuition discount. If the amount is dispersed directly to the student, the District records the amount as a scholarship expense.

Title IV, Higher Education Act Program Funds: Certain Title IV HEA Program funds are received by the District to pass through to the students. When the award is used by the student for tuition and fees, the District records the amount as tuition discount. If the amount is dispersed directly to the student, the District records the amount as a scholarship expense.

Other Tuition Discounts: The District awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the District records the amount as a tuition discount. If the amount is dispersed directly to the student, the District records the amount as a scholarship expense.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

D. Cash and Cash Equivalents

The District considers cash and cash equivalents as cash on hand, demand deposits and certificates of deposit.

E. Inventories

Inventories consist of bookstore stock, gift shop stock, and food service supplies. Inventories held for resale are reported at the lower of cost or market. Inventories of supplies are valued at cost under the first-in, first-out method and are charged to expense as consumed.

F. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consist of unspent proceeds from revenue bonds that are restricted for construction.

G. Capital Assets

Capital assets, which include land, collections, buildings, library books, furniture and equipment, right-to-use lease assets, and other improvements, are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Renovations to buildings and other improvements that significantly increase the value or extend the useful life of such assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are charged to operating expense in the year in which the expense is incurred. The District reports amortization/depreciation under a single line item as a business-type unit.

Amortization/Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	50 years
Other improvements	20 years
Library books	8 years
Furniture and equipment	5 - 10 years

H. Unearned Revenue

Unearned revenue of the District at August 31, 2022 and 2021, consists of the following amounts which have not yet been earned:

	<u>2022</u>	<u>2021</u>
Tuition and fees	\$ 8,398,161	\$ 8,415,889
Auxiliary	<u>2,387,069</u>	<u>2,417,671</u>
	<u>\$ 10,785,230</u>	<u>\$ 10,833,560</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

I. Deferred Inflows of Resources

A *deferred inflow of resources* is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred inflows of resources for pension - Deferred inflows result primarily from (1) changes in actuarial assumptions; (2) differences between expected and actual actuarial experiences and (3) changes in the District's proportional share of pension liabilities. The pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

Deferred inflows of resources for OPEB - Deferred inflows result primarily from (1) changes in actuarial assumptions; (2) differences between expected and actual actuarial experiences and (3) changes in the District's proportional share of OPEB liabilities. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB benefits through the OPEB plan.

Deferred inflows of resources for leases - This deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

J. Deferred Outflows of Resources

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred outflows of resources for refunding - This deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows of resources for pension - This deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of (1) differences between projected and actual earnings on pension plan investments; (2) changes in actuarial assumptions; (3) differences between expected and actual actuarial experiences and (4) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

Deferred outflows of resources for OPEB - This deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of (1) differences between projected and actual earnings on OPEB plan investments; (2) changes in actuarial assumptions; (3) differences between expected and actual actuarial experiences and (4) changes in the District's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five-year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with benefits through the OPEB plan.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

K. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined based on the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

L. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

M. Leases

Lessee: The District is a lessee for noncancellable leases of buildings and equipment. The District recognizes an intangible right-to-use lease asset (lease asset) and a lease liability and in the financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

M. Leases (continued)

Lessor: The District is a lessor for noncancellable leases of space for a cellphone and telecommunications tower. The District recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

N. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, valuation allowances for receivables, and certain accrued liabilities. Accordingly, the District is aware that actual results could differ from those estimates.

O. Implementation of New Standards

Implementation of New Accounting Standards

The following GASB pronouncements were applicable and effective during fiscal year 2022.

GASB Statement No. 87, *Leases* was issued in June 2017 and was effective for periods beginning after June 15, 2021. This Statement established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has evaluated the effects of this Statement and has determined that this Statement does impact the financial statements. The District has incorporated such leases into its lease receivable, capital assets, lease liabilities, and deferred inflows of resources on in the face of the financial statements and in the note disclosures.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 2 - Summary of Significant Accounting Policies (continued)

P. Reclassifications

Certain accounts in the prior year financial statements have been classified for comparative purposes to conform to the presentation in the current year financial statements.

Note 3 - Authorized Investments

The District is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute. The District is also required to follow specific investment practices prescribed by the Public Funds Investment Act (the Act) related to establishment of appropriate investment policies and management reports.

Under its local policy, the District is authorized to invest in (1) obligations of the United States or its agencies, (2) certificates of deposit, (3) savings and loan deposits, (4) prime commercial paper that has a stated maturity of 270 days or less and is rated not less than A-1 or P-1 by at least two nationally recognized credit rating agencies, and (5) investment grade obligations of state and local governments, and public authorities.

Note 4 - Deposits and Investments

Deposits of the District at August 31, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Cash - demand deposits	\$ 32,208,040	\$ 20,429,398
Cash - certificates of deposit	2,475,000	2,475,000
Cash - petty cash on hand	<u>5,895</u>	<u>5,895</u>
Total deposits	<u>\$ 34,688,935</u>	<u>\$ 22,910,293</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 4 - Deposits and Investments (continued)

Deposits and investments of the Foundation at August 31, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
<u>Deposits</u>		
Cash - demand deposits	\$ 334,753	\$ 269,035
Total deposits	<u>334,753</u>	<u>269,035</u>
<u>Investments</u>		
Cash equivalents	188,353	348,909
Certificates of deposit	478,071	591,137
U. S. government securities	421,968	201,570
Corporate bonds	754,573	991,810
Marketable equity securities	2,672,116	3,178,125
Other investments	<u>9,588</u>	<u>7,889</u>
Total investments	<u>4,524,669</u>	<u>5,319,440</u>
Total deposits and investments	<u>\$ 4,859,422</u>	<u>\$ 5,588,475</u>

The Foundation categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs.

The Foundation has the following investments that are measured at fair value:

<u>Description</u>	<u>August 31, 2022</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Available- for-sale- securities	<u>\$ 4,524,669</u>	<u>\$ 4,524,669</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 4,524,669</u>	<u>\$ 4,524,669</u>	<u>\$ -</u>	<u>\$ -</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 4 - Deposits and Investments (continued)

<u>Description</u>	<u>August 31, 2021</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Available- for-sale- securities	\$ 5,319,440	\$ 5,319,440	\$ -	\$ -
Total	\$ 5,319,440	\$ 5,319,440	\$ -	\$ -

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio. Commercial paper must have a stated maturity of 270 days or less. The maximum allowable stated maturity of any other individual investment is generally five years.

Credit Risk. For an investment, credit risk is the risk that an investment issuer or other counterparty to an investment will not fulfill obligations related to the investment. It is the District’s general policy to limit its investments in a manner that ensures the preservation of capital in the overall portfolio. Commercial paper must be rated not less than A-1 or P-1 by at least two nationally recognized credit rating agencies. The District has no other specific policies that limit credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investments in the securities of a single issuer. The District generally limits the amount which may be invested in any one issuer to 10% of the portfolio.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a custodial credit risk.

Interest Rate and Credit Risks of Navarro College Foundation, Inc. The Foundation does not have a specific policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Also, the Foundation does not have a specific policy to limit the risk that an issuer or other counterparty to its investments will not fulfill its obligations.

Note 5 - Accounts Receivable

Accounts receivable at August 31, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Tuition and fees	\$ 5,792,456	\$ 6,956,898
Ad valorem property taxes	348,027	348,559
Federal and state grants	5,480,498	8,338,019
Interest	(50,663)	11,588
Leases	609,260	639,686
Auxiliary and other	2,163,837	(1,727,037)
	14,343,415	14,567,713
Less allowance for doubtful accounts	(1,411,516)	(1,411,516)
Accounts receivable, net	\$ 12,931,899	\$ 13,156,197

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 6 - Capital Assets

Capital asset activity for the District for the year ended August 31, 2022 was as follows:

	<u>Balance September 1, 2021</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>Balance August 31, 2022</u>
Capital Assets, Not Being				
Depreciated:				
Land	\$ 2,899,969	\$ -	\$ -	\$ 2,899,969
Collections	434,339	-	-	434,339
Construction in progress	<u>75,523</u>	<u>-</u>	<u>(75,523)</u>	<u>-</u>
Total Capital Assets, Not Being				
Depreciated	<u>3,409,831</u>	<u>-</u>	<u>(75,523)</u>	<u>3,334,308</u>
Capital Assets, Being Amortized/Depreciated:				
Buildings and building improvements	74,039,237	15,923	-	74,055,160
Other real estate improvements	<u>9,060,729</u>	<u>1,202,591</u>	<u>-</u>	<u>10,263,320</u>
Total Buildings and Other Real				
Estate Improvements	83,099,966	1,218,514	-	84,318,480
Library books	1,700,536	14,058	-	1,714,594
Furniture and equipment	11,360,480	4,283,790	(272,365)	15,371,905
Right-to-use lease assets	<u>598,945</u>	<u>238,668</u>	<u>-</u>	<u>837,613</u>
Total Capital Assets, Being Amortized/Depreciated	<u>96,759,927</u>	<u>5,755,030</u>	<u>(272,365)</u>	<u>102,242,592</u>
Less Accumulated Amortization/Depreciation:				
Buildings and building improvements	(27,212,427)	(1,273,363)	(2)	(28,485,792)
Other real estate improvements	<u>(4,936,076)</u>	<u>(341,787)</u>	<u>1</u>	<u>(5,277,862)</u>
Total Buildings and Other Real				
Estate Improvements	(32,148,503)	(1,615,150)	(1)	(33,763,654)
Library books	(1,416,330)	(14,595)	-	(1,430,925)
Furniture and equipment	(7,305,450)	(1,420,345)	267,723	(8,458,072)
Right-to-use lease assets	<u>(197,446)</u>	<u>(247,167)</u>	<u>-</u>	<u>(444,613)</u>
Total Accumulated Amortization/Depreciation	<u>(41,067,729)</u>	<u>(3,297,257)</u>	<u>267,722</u>	<u>(44,097,264)</u>
Total Capital Assets, Being Amortized/ Depreciated (Net)	<u>55,692,198</u>	<u>2,457,773</u>	<u>(4,643)</u>	<u>58,145,328</u>
Total Capital Assets, Net	<u>\$ 59,102,029</u>	<u>\$ 2,457,773</u>	<u>\$ (80,166)</u>	<u>\$ 61,479,636</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 6 - Capital Assets (continued)

Capital asset activity for the District for the year ended August 31, 2021 was as follows:

	<u>Balance September 1, 2020</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>Balance August 31, 2021</u>
Capital Assets, Not Being				
Depreciated:				
Land	\$ 2,899,969	\$ -	\$ -	\$ 2,899,969
Collections	434,339	-	-	434,339
Construction in progress	329,518	60,887	(314,882)	75,523
Total Capital Assets, Not Being				
Depreciated	<u>3,663,826</u>	<u>60,887</u>	<u>(314,882)</u>	<u>3,409,831</u>
Capital Assets, Being Depreciated:				
Buildings and building				
improvements	74,024,719	14,518	-	74,039,237
Other real estate improvements	<u>8,824,020</u>	<u>162,135</u>	<u>74,574</u>	<u>9,060,729</u>
Total Buildings and Other				
Real Estate Improvements	82,848,739	176,653	74,574	83,099,966
Library books	1,692,508	11,864	(3,836)	1,700,536
Furniture and equipment	<u>10,957,539</u>	<u>726,074</u>	<u>(323,133)</u>	<u>11,360,480</u>
Total Capital Assets, Being Depreciated	<u>95,498,786</u>	<u>914,591</u>	<u>(252,395)</u>	<u>96,160,982</u>
Less Accumulated Depreciation:				
Buildings and building				
improvements	(25,951,635)	(1,260,792)	-	(27,212,427)
Other real estate improvements	<u>(4,630,195)</u>	<u>(305,881)</u>	<u>-</u>	<u>(4,936,076)</u>
Total Buildings and Other Real				
Estate Improvements	(30,581,830)	(1,566,673)	-	(32,148,503)
Library books	(1,396,773)	(19,831)	280	(1,416,324)
Furniture and equipment	<u>(6,716,005)</u>	<u>(912,577)</u>	<u>323,132</u>	<u>(7,305,450)</u>
Total Accumulated Depreciation	<u>(38,694,608)</u>	<u>(2,499,081)</u>	<u>323,412</u>	<u>(40,870,277)</u>
Total Capital Assets, Being				
Depreciated (Net)	<u>56,804,178</u>	<u>(1,584,490)</u>	<u>71,017</u>	<u>55,290,705</u>
Total Capital Assets, Net	<u>\$ 60,468,004</u>	<u>\$ (1,523,603)</u>	<u>\$ (243,865)</u>	<u>\$ 58,700,536</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 6 - Capital Assets (continued)

Capital asset activity for the Foundation for the year ended August 31, 2022 was as follows:

	<u>Balance September 1, 2021</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>Balance August 31, 2022</u>
Capital Assets, Not Being Depreciated:				
Collections	\$ 7,296,852	\$ 13,885	\$ -	\$ 7,310,737
Total Capital Assets, Not Being Depreciated	<u>7,296,852</u>	<u>13,885</u>	<u>-</u>	<u>7,310,737</u>
Total Capital Assets, Net	<u>\$ 7,296,852</u>	<u>\$ 13,885</u>	<u>\$ -</u>	<u>\$ 7,310,737</u>

Capital asset activity for the Foundation for the year ended August 31, 2021 was as follows:

	<u>Balance September 1, 2020</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>Balance August 31, 2021</u>
Capital Assets, Not Being Depreciated:				
Collections	\$ 8,583,247	\$ 1,200	\$ (1,287,596)	\$ 7,296,851
Total Capital Assets, Not Being Depreciated	<u>8,583,247</u>	<u>1,200</u>	<u>(1,287,596)</u>	<u>7,296,851</u>
Capital Assets, Being Depreciated:				
Furniture and equipment	<u>22,042</u>	<u>-</u>	<u>(22,042)</u>	<u>-</u>
Total Capital Assets, Being Depreciated	<u>22,042</u>	<u>-</u>	<u>(22,042)</u>	<u>-</u>
Less Accumulated Depreciation:				
Furniture and equipment	<u>(22,042)</u>	<u>-</u>	<u>22,042</u>	<u>-</u>
Total Accumulated Depreciation	<u>(22,042)</u>	<u>-</u>	<u>22,042</u>	<u>-</u>
Total Capital Assets, Being Depreciated (Net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, Net	<u>\$ 8,583,247</u>	<u>\$ 1,200</u>	<u>\$ (1,287,596)</u>	<u>\$ 7,296,851</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 7 - Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2022 was as follows:

	<u>Balance</u> <u>September 1,</u> <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>August 31,</u> <u>2022</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Bonds and loan payable:					
Revenue bonds	\$ 13,065,000	\$ 9,770,000	\$ (11,345,000)	\$ 11,490,000	\$ 1,875,000
Issuance premiums	453,162	-	(453,162)	-	-
Loan payable	750,000	-	(75,000)	675,000	-
Total bonds and loan payable	<u>14,268,162</u>	<u>9,770,000</u>	<u>(11,873,162)</u>	<u>12,165,000</u>	<u>1,875,000</u>
Lease payable	499,152	238,668	(330,754)	407,066	225,164
Notes payable	2,630,795	-	(464,327)	2,166,468	456,468
Other liabilities:					
Net pension liability	9,940,128	-	(5,467,229)	4,472,899	-
Net OPEB liability	27,920,295	2,827,172	-	30,747,467	631,911
Compensated absences	2,324,618	-	(288,702)	2,035,916	20,461
Claims and judgments	80,889	-	(7,297)	73,592	-
	<u>\$ 57,664,039</u>	<u>\$ 12,835,840</u>	<u>\$ (18,431,471)</u>	<u>\$ 52,068,408</u>	<u>\$ 3,209,004</u>

Long-term liability activity for the year ended August 31, 2021 was as follows:

	<u>Balance</u> <u>September 1,</u> <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>August 31,</u> <u>2021</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Bonds and loan payable:					
Revenue bonds	\$ 14,715,000	-	\$ (1,650,000)	\$ 13,065,000	\$ 1,710,000
Issuance premiums	519,478	-	(66,316)	453,162	-
Loan payable	825,000	-	(75,000)	750,000	-
Total bonds and loan payable	<u>16,059,478</u>	<u>-</u>	<u>(1,791,316)</u>	<u>14,268,162</u>	<u>1,710,000</u>
Lease payable	3,259,621	411,380	(3,171,849)	499,152	284,881
Notes payable	-	3,078,719	(447,924)	2,630,795	464,552
Other liabilities:					
Net pension liability	10,392,525	-	(452,397)	9,940,128	-
Net OPEB liability	28,168,947	-	(248,652)	27,920,295	931,321
Compensated absences	2,578,793	-	(254,175)	2,324,618	40,979
Claims and judgments	53,918	26,971	-	80,889	-
	<u>\$ 60,513,282</u>	<u>\$ 3,517,070</u>	<u>\$ (6,366,313)</u>	<u>\$ 57,664,039</u>	<u>\$ 3,431,733</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 7 - Long-Term Liabilities (continued)

During fiscal year 2022, the District issued \$9,770,000 Revenue Refunding Bonds, Series 2022 to refund certain maturities of the District’s outstanding bonds for debt service savings and to pay the costs of issuing the bonds. The refunding resulted in a gross debt service savings of \$534,086 and a net present value savings of \$492,898.

Revenue bonds at August 31, 2022 and 2021, which were all issued to provide funds for the acquisition and construction of major capital facilities, are comprised of the following individual issues:

	<u>2022</u>	<u>2021</u>
\$3,550,000 series 2006 revenue bonds due in annual installments of \$95,000 to \$245,000 through May 2027; interest at 3.7%	\$ 935,000	\$ 1,150,000
\$3,550,000 series 2007 revenue bonds due in annual installments of \$120,000 to \$250,000 through May 2027; interest at 4.08%	1,160,000	1,365,000
\$4,075,000 series 2009 revenue bonds due in annual installments of \$135,000 to \$300,000 through May 2022; interest at 4.56%	-	2,060,000
\$21,370,000 series 2012 revenue and refunding bonds due in annual installments of \$955,000 to \$2,035,000 through May 2022; interest at 2% to 5%	-	8,490,000
\$9,770,000 series 2022 revenue refunding bonds due in annual installments of \$375,000 to \$1,595,000 through May 2029; interest at 2.04%	<u>9,395,000</u>	<u> </u>
	<u>\$ 11,490,000</u>	<u>\$ 13,065,000</u>

Loan Payable

The District entered into a \$1,500,000 loan agreement with the Corporation for the Economic Development of Midlothian on July 24, 2009, which is forgivable under certain conditions. If these conditions are not met and maintained during a 20-year period, the remaining outstanding loan balance may be demanded and, if not paid in full within ten days of the date of such demand, will accrue interest at a rate of 4.5% per year. The Corporation for Economic Development of Midlothian agreed to make the 20-year forgivable loan to the District in order to construct a 25,000 sq. ft. classroom/workforce training facility on the Midlothian Navarro College Campus site. During fiscal year 2022, the Economic Development of Midlothian forgave \$75,000 of the loan balance.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 7 - Long-Term Liabilities (continued)

Debt service requirements as of August 31, 2022, are as follows:

For the Year Ended	Revenue Bonds			
	August 31,	Principal	Interest	Total
2023	\$	1,875,000	\$ 273,581	\$ 2,148,581
2024		1,930,000	227,293	2,157,293
2025		1,975,000	179,513	2,154,513
2026		2,020,000	130,548	2,150,548
2027		1,810,000	80,376	1,890,376
2028-2029		1,880,000	44,166	1,924,166
	\$	<u>11,490,000</u>	<u>\$ 935,477</u>	<u>\$ 12,425,477</u>

The District has pledged certain future tuition and fees to repay \$11.5 million in revenue bonds issued from 2006 to 2022. Proceeds from the bonds provided financing for the construction of classroom buildings and dormitories. Annual principal and interest payments on the bonds are expected to require approximately 20% of the pledged tuition and fees. As of August 31, 2022, the total principal and interest remaining to be paid on the bonds is \$12.4 million. Principal and interest paid for the current year and total of pledged tuition and fees were \$2.2 million and \$9.2 million, respectively.

Notes Payable

In 2004, the District entered into a purchase agreement for \$4,750,000 with the City of Midlothian, Texas to finance the construction of a building to be used for educational training by the District. The City of Midlothian, Texas sold combination tax and revenue bonds to pay for construction and other costs. The bonds are payable by the District pursuant to the purchase agreement between the City of Midlothian, Texas and the District. The annual principal payments remaining range from \$245,000 to \$315,000 with annual interest rates of 2.000% to 3.125%. The note matures in August 2029.

In 2019, the District entered into an agreement for \$1,071,079 to finance the purchase and installation of equipment to deliver internet service. The note will be repaid over five years, \$19,500 paid monthly, with an annual interest rate of 2.9%. The note matures in July 2023.

The future principal and interest payments as of August 31, 2022 are as follows:

For the Year Ended	Notes Payable			
	August 31,	Principal	Interest	Total
2023	\$	456,468	\$ 67,953	\$ 524,421
2024		255,000	57,525	312,525
2025		270,000	49,875	319,875
2026		275,000	39,075	314,075
2027		290,000	28,075	318,075
2028-2029		620,000	29,219	649,219
	\$	<u>2,166,468</u>	<u>\$ 271,722</u>	<u>\$ 2,438,190</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 - Leases

Effective September 1, 2021, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

In 2021, the District entered into a lease agreement for the use and installation of multifunction office equipment. The term of the lease is four years, \$5,496 paid monthly, with an annual interest rate of 5.0%. The lease matures in November 2025. The value of the right to use asset as of August 31, 2022 is \$188,946 with accumulated amortization of \$49,723.

In 2019, the District entered into a lease agreement for the use and installation of equipment to deliver telephone service. The term of the lease is four years, \$8,190 paid monthly, with an annual interest rate of 2.9%. The lease matured in July 2022. The value of the right to use asset as of August 31, 2022 is \$0 with accumulated amortization of \$180,902.

In 2018, the District entered into a lease agreement for the use of 11,800 square feet of space. The term of the lease is six years, \$4,781 paid monthly, with an annual interest rate of 5.0%. The lease matures in June 2024. The value of the right to use asset as of August 31, 2022 is \$147,646 with accumulated amortization of \$52,110.

In 2017, the District entered into a lease agreement for the use of three residential cottages and parking. The term of the lease is five years, \$39,600 paid annually, with an annual interest rate of 5.0%. The lease matured in August 2022. The value of the right to use asset as of August 31, 2022 is \$0 with accumulated amortization of \$73,633.

In 2015, the District entered into a lease agreement for the use of laundry equipment. The term of the lease is two years, \$11,250 paid semi-annually, with an annual interest rate of 5.0%. The lease matures in August 2023. The value of the right to use asset as of August 31, 2022 is \$20,655 with accumulated amortization of \$41,311.

In 2013, the District entered into a lease agreement for the use of 28,341 square feet of space. The term of the lease is ten years, \$7,900 paid monthly, with an annual interest rate of 5.0%. The lease matures in August 2023. The value of the right to use asset as of August 31, 2022 is \$87,863 with accumulated amortization of \$175,726.

The future principal and interest payments as of August 31, 2022 are as follows:

For the Year Ended	Leases		Total
	Principal	Interest	
August 31,			
2023	\$ 225,164	\$ 15,464	\$ 240,628
2024	107,305	6,461	113,766
2025	63,672	2,284	65,956
2026	10,925	68	10,993
	<u>\$ 407,066</u>	<u>\$ 24,277</u>	<u>\$ 431,343</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 8 – Leases (continued)

Lessor

In 2018, the District entered into a tower lease agreement with a telecommunications company. The term of the lease is ten years, \$4,100 paid monthly, with an annual interest rate of 3.0%. The lease matures in February 2038. The value of the receivable and deferred inflow of resources as of August 31, 2022, are \$609,260 and \$592,732, respectively. During 2022, the District recognized lease revenue and interest income of \$38,241 and \$18,774 respectively. The lessee has the option to renew the agreement for two (2) additional five (5) year terms.

Note 9 - Employees' Retirement Plan

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/Pages/about_archive_cafcr.aspx, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 9 - Employees' Retirement Plan (continued)

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates	
	Plan Fiscal Year	
	2022	2021
Member (Employee)	8.0%	7.7%
District (Employer) / Non-Employer Contributing Entity (State)	7.8%	7.5%

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 9 - Employees' Retirement Plan (continued)

Contributions (continued)

	<u>Fiscal Year 2022</u>
	<u>TRS</u>
	<u>Contributions</u>
Member (Employee)	\$ 1,330,021
District (Employer)	755,125
Non-employer contributing entity (State)	1,183,149

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate, times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year, reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 9 - Employees' Retirement Plan (continued)

Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation, rolled forward to August 31, 2021, was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	1.95% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The TRS Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2017 and were adopted in July 2018. The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020.

Discount Rate

A single discount rate of 7.25 percent 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 percent. The projection of flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payment 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 long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 9 - Employees' Retirement Plan (continued)

Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 are summarized below:

<u>Asset Class*</u>	<u>Target Allocation**</u>	<u>Long-Term Expected Geometric Real Rate of Return***</u>	<u>Expected Contribution to Long-Term Portfolio Returns</u>
Global Equity			
USA	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources, and Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity			
Risk Parity	8.00%	2.80%	0.28%
Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag****			-0.95%
Total	<u>100.00%</u>		<u>6.90%</u>

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY 2021 policy model.

*** Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).

**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
District's proportional share of the net pension liability	\$9,773,994	\$4,472,899	\$172,102

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 9 - Employees' Retirement Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At August 31, 2022, the District reported a liability of \$4,472,899 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportion of the net pension liability		0.0175639%
District's proportional share of the net pension liability	\$	4,472,899
State's proportionate share of the net pension liability associated with the District		<u>6,902,963</u>
Total	\$	<u>11,375,862</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020 rolled forward to August 31, 2021. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At the measurement date of August 31, 2021, the District's proportion of the collective net pension liability was 0.0176% which was a decrease of 0.0010% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2022, the District recognized pension expense of \$235,949. The District also recognized an additional on-behalf revenue and expense of \$12,481 representing for support provided by the State.

At August 31, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,485	\$ 314,896
Changes of assumptions	1,581,082	689,216
Difference between projected and actual earnings on pension plan investments	-	3,750,468
Changes in proportion and differences between District contributions and proportionate share of contributions	14,821	1,132,544
District contributions subsequent to the measurement date	<u>755,125</u>	<u>-</u>
Total	<u>\$ 2,358,513</u>	<u>\$ 5,887,124</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 9 - Employees' Retirement Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$755,125 will be recognized as a reduction of the net pension liability in the year ended August 31, 2022. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending August 31,</u>	<u>Amount</u>
2023	\$ (857,393)
2024	(820,575)
2025	(1,118,151)
2026	(1,323,014)
2027	(133,274)
Thereafter	<u>(31,329)</u>
	<u>\$ (4,283,736)</u>

Note 10 - Compensated Absences

Full-time employees earn vacation at a rate of 6.67 hours per month for the first five years of employment, then at a rate of 10.00 hours per month thereafter. The District's policy is that any employee may carry accrued vacation forward from one fiscal year to another fiscal year with a maximum number of paid hours upon termination of 160. The District recognized an accrued liability for the unpaid vacation of \$430,999 and \$527,739 at August 31, 2022 and 2021, respectively. Sick leave, which can be accumulated up to 480 hours, is earned at the rate of 8 hours per month. Unused sick leave will be compensated at termination of employment based upon the following years of service to the District:

<u>Full Years of Service</u>	<u>Vesting %</u>
1 - 5 years	0%
6 years	20%
7 years	40%
8 years	60%
9 years	80%
10 years	100%

The District recognized an accrued liability for the unpaid sick leave of \$1,577,928 and \$1,780,350 at August 31, 2022 and 2021, respectively. The District recognized an accrued liability for unpaid compensatory time of \$26,989 and \$16,528 at August 31, 2022 and 2021, respectively.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 11 - Risk Management

Workers' Compensation Aggregate Deductible

During the year ended August 31, 2022, the District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The District participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims liability.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. For the year-ended August 31, 2022, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Auto, Liability, and Property Programs

During the year ended August 31, 2022, the District participated in the following TASB Risk Management Fund (the Fund) programs: Auto Liability, Auto Physical Damage, Legal Liability, and Property.

The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability and Property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2022, the Fund anticipates that the District has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 11 - Risk Management (continued)

Unemployment Compensation Pool

During the year ended August 31, 2022, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2022, the Fund anticipates that the District has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Note 12 - Defined Other Post-Employment Benefits (OPEB)

Plan Description

The District participates in a cost-sharing, multiple-employer, other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position

Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Annual Comprehensive Financial Report (ACFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/about-ers/reports-and-studies/reports-on-overall-ers-operations-and-financial-management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

Benefits Provided

Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 12 - Defined Other Post-Employment Benefits (OPEB) (continued)

Contributions

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

The following table summarizes the maximum monthly employer contribution toward eligible retirees’ health and basic life premium. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

Employer Contribution Rates
Retiree Health and Basic Life Premium
Plan Years 2021 and 2020

	2021	2020
Retiree Only	\$ 624.82	\$ 624.82
Retiree & Spouse	1,339.90	1,340.82
Retiree & Children	1,103.58	1,104.22
Retiree & Family	1,818.66	1,820.22

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

Premium Contributions by Source
Group Benefits Program Plan
For the Plan Years Ended August 31, 2021 and 2020

	2021	2020
Employers	\$ 657,099	\$ 632,317
Members (Employees)	164,921	31,885
Nonemployer Contributing Entity (State of Texas)	33,587	194,461

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 12 - Defined Other Post-Employment Benefits (OPEB) (continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions
ERS Group Benefits Program Plan

Valuation Date	August 31, 2021
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Not applicable
Actuarial Assumptions:	
Discount Rate	2.14%
Projected Annual Salary Increase	2.30% to 9.05%, including inflation
Annual Healthcare Trend Rate	5.25% for FY 2023, 5.15% for FY 2024, 5.00% for FY 2025, 4.75% for FY 2026, 4.60% for FY 2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2030 and later years
Inflation Assumption Rate	2.30%
Ad hoc Post-employment Benefit Changes	None
Mortality Assumptions:	
Service retirees, survivors and other inactive members	Tables based on Teachers Retirement System of Texas experience with Ultimate MP Projection Scale from the year 2018.
Disability retirees	Tables based on Teachers Retirement System of Texas experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014.

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS retirement plan actuaries for the 7-year period (September 1, 2010 to August 31, 2017) for higher education members.

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bond rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.20%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.14%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 12 - Defined Other Post-Employment Benefits (OPEB) (continued)

Changes Since the Prior Actuarial Valuation

Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect recent health plan experience and its effects on our short-term expectations.
- Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.

The discount rate was changed from 2.20% as of August 31, 2020 to 2.14% as of August 31, 2021 as a result of requirements by GASB No. 74 to reflect the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Changes of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

Investment Policy

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System’s Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the District’s proportionate share of the collective net OPEB liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.14%) in measuring the 2021 net OPEB liability.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rate	1.14%	2.14%	3.14%
District's proportionate share of the net OPEB liability	\$ 36,621,403	\$ 30,747,467	\$ 26,151,994

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 12 - Defined Other Post-Employment Benefits (OPEB) (continued)

Discount Rate Sensitivity Analysis (continued)

The following schedule shows the impact on the District’s proportionate share of the collective net OPEB liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.20%) in measuring the 2020 net OPEB liability.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rate	1.20%	2.20%	3.20%
District's proportionate share of the net OPEB liability	\$ 33,185,239	\$ 27,920,295	\$ 23,795,683

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 5.25% and the ultimate rate is 4.3%. The following schedule shows the impact on the District’s proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (5.25% decreasing to 4.3%) in measuring the 2021 net OPEB Liability.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Rate	4.25% decreasing to 3.30%	5.25 % decreasing to 4.30%	6.25% decreasing to 5.30%
District's proportionate share of the net OPEB liability	\$ 25,747,386	\$ 30,747,467	\$ 37,298,468

The initial healthcare trend rate is 8.8% and the ultimate rate is 4.3%. The following schedule shows the impact on the District’s proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (8.8% decreasing to 4.3%) in measuring the 2020 net OPEB Liability.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Rate	7.8% decreasing to 3.3%	8.8% decreasing to 4.3%	9.8% decreasing to 5.3%
District's proportionate share of the net OPEB liability	\$ 23,367,450	\$ 27,920,295	\$ 33,888,599

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 12 - Defined Other Post-Employment Benefits (OPEB) (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

At August 31, 2022, the District reported a liability of \$30,747,467 for its proportionate share of the ERS net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportion of the net OPEB liability	0.08570602%
District's proportionate share of the collective net OPEB liability	\$ 30,747,467
State's proportionate share that is associated with the District	<u>20,470,039</u>
	<u>\$ 51,217,506</u>

At August 31, 2021, the District reported a liability of \$27,920,295 for its proportionate share of the ERS net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportion of the net OPEB liability	0.08449268%
District's proportionate share of the collective net OPEB liability	\$ 27,920,295
State's proportionate share that is associated with the District	<u>18,850,573</u>
	<u>\$ 46,770,868</u>

The net OPEB liability was measured as of August 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2020, thru August 31, 2021.

At the measurement date of August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.08570602%, which was an increase of 0.00121334% from its proportion measured as of August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.08449268%, which was an increase of 0.00299162% from its proportion measured as of August 31, 2019.

For the fiscal year ended August 31, 2022, the District recognized OPEB expense of \$2,174,937 and an additional negative expense of \$249,752 representing negative OPEB expense incurred by the State on behalf of the District.

For the fiscal year ended August 31, 2021, the District recognized OPEB expense of \$2,202,701 and an additional negative expense of \$222,413 representing negative OPEB expense incurred by the State on behalf of the District.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 12 - Defined Other Post-Employment Benefits (OPEB) (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

At August 31, 2022, the District reported its proportionate share of the ERS plan’s collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 754,201
Changes of assumptions	2,105,092	3,424,580
Difference between projected and actual earnings on OPEB plan investments	5,446	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,311,873	1,371,546
District contributions subsequent to the measurement date	<u>290,162</u>	<u>-</u>
Total	<u>\$ 7,712,573</u>	<u>\$ 5,550,327</u>

The \$290,162 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2023. The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending August 31,	Amount
2023	\$ 993,518
2024	884,095
2025	(191,666)
2026	51,161
2027	<u>134,975</u>
	<u>\$ 1,872,083</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 12 - Defined Other Post-Employment Benefits (OPEB) (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

At August 31, 2021, the District reported its proportionate share of the ERS plan’s collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,091,977
Changes of assumptions	1,616,391	6,015,673
Difference between projected and actual earnings on OPEB plan investments	8,333	-
Changes in proportion and differences between District contributions and proportionate share of contributions	8,309,644	1,920,164
District contributions subsequent to the measurement date	<u>311,939</u>	<u>-</u>
Total	<u>\$ 10,246,307</u>	<u>\$ 9,027,814</u>

The \$311,939 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2022. The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending August 31,	Amount
2022	\$ (447)
2023	800,269
2024	675,862
2025	(405,585)
2026	<u>(163,545)</u>
	<u>\$ 906,554</u>

Note 13 - Voluntary Contributory Pension Plan

The District has a contributory, defined contribution, money-purchase pension plan which is administered by the trust department at a local bank. Any employee who has completed one year of service, has attained age 21, and is actively employed on the last day of the plan year is eligible to participate. In order to participate, the employee must agree to contribute 5% of total compensation to the plan. The District then contributes 8% of total compensation to the plan. The employee is 100% vested in their contributions to the plan. Employer contributions to the plan are vested at 20% after one year of service, and then at the rate of 20% per year of service. District contributions were \$1,056,099 and \$1,057,888 in 2022 and 2021, respectively. Participant contributions were \$660,062 and \$661,180 in 2022 and 2021, respectively.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 14 - Ad Valorem Property Taxes

The District’s ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real, business and personal property located in the District as follows:

	<u>2022</u>	<u>2021</u>
Assessed valuation of the District	\$ 5,185,880,155	\$ 4,961,015,702
Less: Abatements	81,294,802	80,091,355
Less: Exemptions	<u>645,788,542</u>	<u>637,142,514</u>
Net assessed valuation of the District	<u>\$ 4,458,796,811</u>	<u>\$ 4,243,781,833</u>

Tax rates authorized and assessed during fiscal year 2022 are as follows:

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$ 0.500000	\$ 0.500000	\$1.000000
Tax rate per \$100 valuation for assessed	0.116400	0.000000	0.116400

Tax rates authorized and assessed during fiscal year 2021 are as follows:

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$ 0.500000	\$ 0.500000	\$1.000000
Tax rate per \$100 valuation for assessed	0.116400	0.000000	0.116400

Taxes levied for the year ended August 31, 2022 are \$5,293,403. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Tax collections for the year ended August 31, 2022 are as follows:

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 5,170,259	\$ -	\$ 5,170,259
Delinquent taxes collected	114,100	-	114,100
Penalties and interest collected	<u>93,168</u>	-	<u>93,168</u>
Total collections	<u>\$ 5,377,527</u>	<u>\$ -</u>	<u>\$ 5,377,527</u>

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 14 - Ad Valorem Property Taxes (continued)

Taxes levied for the year ended August 31, 2020 are \$5,048,279. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Tax collections for the year ended August 31, 2021 are as follows:

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 4,926,476	\$ -	\$ 4,926,476
Delinquent taxes collected	118,541	-	118,541
Penalties and interest collected	<u>45,107</u>	<u>-</u>	<u>45,107</u>
Total collections	<u>\$ 5,090,124</u>	<u>\$ -</u>	<u>\$ 5,090,124</u>

Current tax collections for the years ended August 31, 2022 and 2021 were 97.67% and 97.59%, respectively, of the current tax levy. An allowance for uncollectible taxes is based upon the historical experience in collecting property taxes.

Note 15 - Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The District’s Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor’s Office of Budget and Planning by December 1.

Note 16 - Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B). The District had no unrelated business income tax liability for 2022 or 2021.

The Foundation is an organization generally exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

Note 17 - Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects any such amounts to be immaterial.

Note 18 - Grants and Contracts

Contract and grant revenues are recognized in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. For contract and grant awards, funds expended but not collected are reported as accounts receivable in the accompanying Statements of Net Position. Contract and grant awards that are not yet funded and for which the District has not yet performed services are not included in the financial statements.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 19 - Business Concentrations

The District generally serves a limited geographic area in Central Texas; consequently, it is impacted by the general economy of the area. Also, the District receives a substantial portion of its funding from federal and state sources; consequently, the District is dependent upon continued funding from these sources.

Note 20 - Transactions with Component Unit

The Foundation made contributions to the District in the amount of \$204,841 in fiscal year 2022, including scholarships of \$111,660, and \$93,181 in support of various other activities at the District. The Foundation made contributions to the District in the amount of \$313,314 in fiscal year 2021, including scholarships of \$227,654, and \$85,660 in support of various other activities at the District.

Note 21 - Tax Abatements

The District is committed to the promotion of high-quality development in all parts of Navarro County; and to ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the District will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development in Navarro County. It is the policy of the District to make available tax abatement for both new facilities and for the expansion or modernization of existing buildings or structures. For the purpose of establishing a policy on economic development incentives, and pursuant to Chapter 312 of the Texas Property Tax Code, the District is authorized to participate in tax abatement in Reinvestment Zones designated by the City of Corsicana and by Navarro County, and to enter into tax abatement agreements in all areas of Navarro County.

The amount of ad valorem taxes abated for the year ended August 31, 2022 is \$84,787 in total for the following companies:

<u>Company</u>	<u>Assessed Valuation</u>	<u>Abatement</u>	<u>Property Tax Abated</u>
Guardian Industries Corp	\$ 4,504,730	\$ 1,621,015	\$ 1,887
Muncaster	604,830	26,125	30
Pactiv LLC	83,247,230	66,204,522	77,062
PolyGuard	8,206,400	4,103,210	4,776
Russel Stover Candies Inc.	2,355,780	886,620	1,032
Total	<u>\$ 98,918,970</u>	<u>\$ 72,841,492</u>	<u>\$ 84,787</u>

The amount of ad valorem taxes abated for the year ended August 31, 2021 is \$93,226 in total for the following companies:

<u>Company</u>	<u>Assessed Valuation</u>	<u>Abatement</u>	<u>Property Tax Abated</u>
Guardian Industries Corp	\$ 4,976,050	\$ 1,856,680	\$ 2,161
Muncaster	907,040	192,230	224
Pactiv LLC	92,405,170	72,368,855	84,237
PolyGuard	8,647,810	4,323,910	5,033
Russel Stover Candies Inc.	3,281,890	1,349,680	1,571
Total	<u>\$ 110,217,960</u>	<u>\$ 80,091,355</u>	<u>\$ 93,226</u>

The Board of Trustees has the authority to recapture all taxes abated in the event the taxpayer violates any term or condition of their tax abatement agreement.

NAVARRO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

Note 21 - Prior Period Adjustments

The implementation of GASB Statement No. 87, *Leases*, required that the District restate balances for right to use assets, lease liabilities, lease receivables, and deferred inflows of resources.

Net Position at 09/01/2020, as previously presented	\$ 27,877,610
Right to Use Assets	401,499
Lease Liabilities	(411,380)
Lease Receivables	639,686
Deferred Inflows of Resources	<u>(630,973)</u>
	(1,168)
Net Position at 09/01/2020, as restated	<u>\$ 27,876,442</u>
Net Position at 08/31/2021, as previously presented	\$ 35,068,551
Right to Use Assets	401,499
Lease Liabilities	(411,380)
Lease Receivables	639,686
Deferred Inflows of Resources	<u>(630,973)</u>
	(1,168)
Net Position at 08/31/2021, as restated	<u>\$ 35,067,383</u>

REQUIRED SUPPLEMENTARY INFORMATION

NAVARRO COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Teachers Retirement System of Texas
For the Last Eight Measurement Years Ended August 31st

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability	0.0175639%	0.0185596%	0.0199212%	0.0210995%
District's proportionate share of the net pension liability	\$ 4,472,899	\$ 9,940,128	\$ 10,392,525	\$ 11,613,681
State's proportionate share of the net pension liability associated with the District	<u>3,121,807</u>	<u>6,902,963</u>	<u>6,961,880</u>	<u>7,402,944</u>
Total	<u>\$ 7,594,706</u>	<u>\$ 16,843,091</u>	<u>\$ 17,354,405</u>	<u>\$ 19,016,625</u>
District's covered payroll (for Measurement Year)	\$ 16,980,141	\$ 17,331,819	\$ 17,389,423	\$ 16,665,963
District's proportionate share of the net pension liability as a percentage of it's covered payroll	26.3%	57.4%	59.8%	69.7%
Plan fiduciary net position as a percentage of the total pension liability*	88.79%	75.54%	75.24%	73.74%
Plan's net pension liability as a percentage of covered payroll*	51.08%	110.36%	114.93%	126.11%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0209821%	0.0214610%	0.0224276%	0.0251149%
District's proportionate share of the net pension liability	\$ 6,708,957	\$ 8,109,789	\$ 7,927,858	\$ 6,708,538
State's proportionate share of the net pension liability associated with the District	<u>4,324,880</u>	<u>5,590,154</u>	<u>5,440,480</u>	<u>4,924,826</u>
Total	<u>\$ 11,033,837</u>	<u>\$ 13,699,943</u>	<u>\$ 13,368,338</u>	<u>\$ 11,633,364</u>
District's covered payroll (for Measurement Year)	\$ 16,064,631	\$ 16,685,062	\$ 16,418,480	\$ 16,125,155
District's proportionate share of the net pension liability as a percentage of it's covered payroll	41.8%	48.6%	48.3%	41.6%
Plan fiduciary net position as a percentage of the total pension liability*	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll*	75.93%	92.75%	91.94%	72.89%

Note: Ten years of data should be presented in this schedule but data was unavailable prior to 2014. Net pension liability and related ratios will be presented prospectively as data becomes available.

* Per TRS' ACFR

NAVARRO COLLEGE DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
Teachers Retirement System of Texas
For the Last Nine Fiscal Years Ended August 31st

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 755,125	\$ 749,090	\$ 765,730	\$ 660,787	\$ 630,439
Contributions in relation to the contractual required contributions	<u>755,125</u>	<u>749,090</u>	<u>765,730</u>	<u>660,787</u>	<u>630,439</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 16,625,261	\$ 16,980,143	\$ 17,331,819	\$ 17,389,423	\$ 16,665,963
Contributions as a percentage of covered payroll	4.54%	4.41%	4.42%	3.80%	3.78%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually required contributions	\$ 687,672	\$ 681,870	\$ 656,368	\$ 636,733	
Contributions in relation to the contractual required contributions	<u>687,672</u>	<u>681,870</u>	<u>656,368</u>	<u>636,733</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
District's covered payroll	\$ 16,064,631	\$ 16,685,062	\$ 16,418,480	\$ 16,125,155	
Contributions as a percentage of covered payroll	4.28%	4.09%	4.00%	3.95%	

Note: Ten years of data should be presented in this schedule but data was unavailable prior to 2014. Additional years will be presented prospectively as data becomes available.

NAVARRO COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
For the Year Ended August 31, 2022

Changes in Assumptions

2021: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

2018: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

Changes in Benefit Terms

There were no changes of benefit terms that affect measurement of the total pension liability during the measurement period.

NAVARRO COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Employee Retirement System of Texas - State Retiree Health Plan
For the Last Five Measurement Years Ended August 31st

	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net OPEB liability	0.08570602%	0.08449268%	0.08150106%
District's proportionate share of the net OPEB liability	\$ 30,747,467	\$ 27,920,295	\$ 28,168,947
State's proportionate share of the net OPEB liability associated with the District	<u>20,470,039</u>	<u>18,850,573</u>	<u>20,891,014</u>
Total	<u>\$ 51,217,506</u>	<u>\$ 46,770,868</u>	<u>\$ 49,059,961</u>
District's covered employee payroll (for Measurement Year)	\$ 16,900,119	\$ 19,689,855	\$ 19,470,653
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	181.9%	141.8%	144.7%
Plan fiduciary net position as a percentage of the total OPEB liability*	0.38%	0.32%	0.17%
	<u>2018</u>	<u>2017</u>	
District's proportion of the net OPEB liability	0.08840775%	0.04959155%	
District's proportionate share of the net OPEB liability	\$ 26,202,062	\$ 16,897,335	
State's proportionate share of the net OPEB liability associated with the District	<u>17,521,512</u>	<u>13,828,416</u>	
Total	<u>\$ 43,723,574</u>	<u>\$ 30,725,751</u>	
District's covered employee payroll (for Measurement Year)	\$ 19,818,994	\$ 19,360,250	
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	132.2%	87.3%	
Plan fiduciary net position as a percentage of the total OPEB liability*	1.27%	2.04%	

Note: Ten years of data should be presented in this schedule but data was unavailable prior to 2017. Net

* Per ERS' ACFR

NAVARRO COLLEGE DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
Employee Retirement System of Texas - State Retiree Health Plan
For the Last Six Fiscal Years Ended August 31st

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions	\$ 290,162	\$ 311,939	\$ 326,053
Contributions in relation to the contractual required contributions	<u>\$ 290,162</u>	<u>311,939</u>	<u>326,053</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 18,038,091	\$ 16,900,119	\$ 19,689,855
Contributions as a percentage of covered employee-payroll	1.61%	1.85%	1.66%
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 164,435	\$ 489,694	\$ 466,638
Contributions in relation to the contractual required contributions	<u>164,435</u>	<u>489,694</u>	<u>466,638</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 19,470,653	\$ 19,818,994	\$ 19,360,250
Contributions as a percentage of covered employee-payroll	0.84%	2.47%	2.41%

Note: Ten years of data should be presented in this schedule but data was unavailable prior to 2017. Additional years will be presented prospectively as data becomes available.

NAVARRO COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB
For the Year Ended August 31, 2022

Changes in Demographic Assumptions

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.

Changes in Economic Assumptions

Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.

Annual rate of increase in the Patient-Centered Outcome Research Institute fee payable under the Affordable Care Act have been updated to reflect recent health plan experience and its effects on our short-term expectations.

Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.

The discount rate was changed from 2.20% as of August 31, 2020 to 2.14% as of August 31, 2021 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit revisions have been adopted since the prior valuation. These changes are not expected to have a significant impact on plan costs for FY2022.

Changes in Benefit Terms

There were no changes of benefit terms that affect measurement of the total pension liability during the measurement period.



SUPPLEMENTARY INFORMATION

NAVARRO COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES

For the Year Ended August 31, 2022

(With Totals for the Year Ended August 31, 2021)

Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Total	
					2022	2021
Tuition and Fees						
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 730,254	\$ -	\$ 730,254	\$ -	\$ 730,254	\$ 839,986
Out-of-district resident tuition	4,732,086	-	4,732,086	-	4,732,086	5,035,679
Non-resident tuition	390,669	-	390,669	-	390,669	438,405
TPEG - credit (set aside)	401,863	-	401,863	-	401,863	358,432
State funded continuing education	508,085	-	508,085	-	508,085	388,826
TPEG - non-credit (set aside)	30,485	-	30,485	-	30,485	21,512
Non-state funded educational programs	21,894	-	21,894	-	21,894	37,822
Total Tuition	6,815,336	-	6,815,336	-	6,815,336	7,120,662
Fees:						
Building use fees	3,363,556	-	3,363,556	-	3,363,556	3,632,775
Student services fees	2,608,755	-	2,608,755	-	2,608,755	2,856,842
Laboratory fees	248,898	-	248,898	-	248,898	255,895
Out-of-district fees	4,416,312	-	4,416,312	-	4,416,312	4,710,957
Other fees	458,045	-	458,045	-	458,045	437,061
Total Fees	11,095,566	-	11,095,566	-	11,095,566	11,893,530
Scholarship Allowances and Discounts:						
Scholarship allowance	(4,320,808)	-	(4,320,808)	-	(4,320,808)	(4,707,946)
TPEG awards	(399,153)	-	(399,153)	-	(399,153)	(579,895)
Total Scholarship Allowances and Discounts	(4,719,961)	-	(4,719,961)	-	(4,719,961)	(5,287,841)
Total Net Tuition and Fees	13,190,941	-	13,190,941	-	13,190,941	13,726,351
Additional Operating Revenues:						
Sales and services of educational activities	584,477	-	584,477	-	584,477	514,849
Other operating revenues	192,276	-	192,276	100,000	292,276	180,812
Total Additional Operating Revenues	776,753	-	776,753	100,000	876,753	695,661
Auxiliary Enterprises:						
Bookstore	-	-	-	3,252,401	3,252,401	3,028,403
less discounts	-	-	-	(923,877)	(923,877)	(981,108)
Dining services	-	-	-	2,192,117	2,192,117	1,993,440
less discounts	-	-	-	(563,282)	(563,282)	(598,175)
Housing	-	-	-	2,561,797	2,561,797	2,424,167
less discounts	-	-	-	(524,331)	(524,331)	(556,812)
Athletic sales and student programs	-	-	-	7,303	7,303	8,917
Gift shop	-	-	-	3,555	3,555	2,413
Other auxiliary enterprises	-	-	-	5,855	5,855	40,230
Total Net Auxiliary Enterprises	-	-	-	6,011,538	6,011,538	5,361,475
Total Operating Revenues	\$ 13,967,694	\$ -	\$ 13,967,694	\$ 6,111,538	\$ 20,079,232	\$ 19,783,487

In accordance with Texas Education Code 56.033, \$432,348 and \$379,944 of tuition was set aside for Texas Public Education Grants (TPEG) for the years ended August 31, 2022 and 2021, respectively.

NAVARRO COLLEGE DISTRICT
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2022
(With Totals for the Year Ended August 31, 2021)

Schedule B

	Operating Expenses				Total	
	Salaries and Wages	Benefits		Other Expenses	2022	2021
		State	Local			
Unrestricted - Educational Activities:						
Instruction	\$ 10,329,101	\$ -	\$ 3,089,234	\$ 780,260	\$ 14,198,595	\$ 15,826,855
Public service	1,900	-	49,465	2,975	54,340	109,266
Academic support	1,531,364	-	359,250	250,207	2,140,821	2,480,381
Student services	2,390,762	-	771,562	567,901	3,730,225	3,793,374
Institutional support	4,063,817	-	1,116,105	2,824,398	8,004,320	7,469,415
Operation and maintenance of plant	749,900	-	225,428	2,731,140	3,706,468	3,079,241
Total Unrestricted - Educational Activities	19,066,844	-	5,611,044	7,156,881	31,834,769	32,758,532
Restricted - Educational Activities:						
Instruction	593,449	1,114,033	77,384	721,102	2,505,968	3,463,034
Public service	255,822	17,854	78,009	50,264	401,949	2,070,227
Academic support	-	131,469	-	-	131,469	178,839
Student services	381,725	286,269	101,069	125,144	894,207	936,516
Institutional support	54,012	397,652	11,211	2,030,038	2,492,913	2,394,538
Operation and maintenance of plant	-	81,559	-	-	81,559	52,364
Scholarships and fellowships	29,012	-	173	17,321,791	17,350,976	6,749,113
Total Restricted - Educational Activities	1,314,020	2,028,836	267,846	20,248,339	23,859,041	15,844,631
Total Educational Activities	20,380,864	2,028,836	5,878,890	27,405,220	55,693,810	48,603,163
Auxiliary Enterprises	1,687,774	-	352,659	6,045,333	8,085,766	8,001,990
Amortization/Depreciation Expense:						
Buildings and other improvements	-	-	-	1,615,150	1,615,150	1,566,673
Equipment and furniture	-	-	-	1,420,345	1,420,345	912,577
Library books	-	-	-	14,595	14,595	19,837
Right-to-use lease assets	-	-	-	247,167	247,167	-
Total Amortization/Depreciation Expense	-	-	-	3,297,257	3,297,257	2,499,087
Total Operating Expenses	\$ 22,068,638	\$ 2,028,836	\$ 6,231,549	\$ 36,747,810	\$ 67,076,833	\$ 59,104,240

NAVARRO COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2022
(With Totals for the Year Ended August 31, 2021)

Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	Total	
				2022	2021
Nonoperating Revenues:					
State Appropriations:					
Education and general state support	\$ 12,710,363	\$ -	\$ -	\$ 12,710,363	\$ 13,366,926
State group insurance	-	2,028,835	-	2,028,835	2,026,831
State retirement matching	-	341,369	-	341,369	301,952
Total State Appropriations	12,710,363	2,370,204	-	15,080,567	15,695,709
Maintenance ad valorem taxes	5,340,603	-	-	5,340,603	5,144,366
Federal grants and contracts	-	31,983,714	-	31,983,714	23,862,000
State grants and contracts	-	901,751	-	901,751	844,100
Local grants and contracts	-	140,881	-	140,881	288,972
Investment income	84,222	1,984	9,050	95,256	78,407
Gifts and donations	-	993,944	-	993,944	970,167
Other nonoperating revenues	85,047	-	-	85,047	299,827
Total Nonoperating Revenues	18,220,235	36,392,478	9,050	54,621,763	47,183,548
Nonoperating Expenses:					
Interest on capital related debt	552,601	-	-	552,601	668,295
Other nonoperating expenses	19,279	-	-	19,279	3,559
Total Nonoperating Expenses	571,880	-	-	571,880	671,854
Net Nonoperating Revenues	\$ 17,648,355	\$ 36,392,478	\$ 9,050	\$ 54,049,883	\$ 46,511,694

NAVARRO COLLEGE DISTRICT
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
For the Year Ended August 31, 2022

Schedule D

	Detail by Source				Available for Current Operation	
	Unrestricted	Restricted - Expendable	Net Investment	Total	Yes	No
			in Capital Assets			
Current:						
Unrestricted Scholarships and fellowships	\$ (6,473,892)	\$ -	\$ -	\$ (6,473,892)	\$ (6,473,892)	\$ -
Plant:						
Debt service	-	1,232,046	-	1,232,046	-	1,232,046
Investment in plant	-	377,936	-	377,936	-	377,936
	-	-	46,983,575	46,983,575	-	46,983,575
Total net position, August 31, 2022	(6,473,892)	1,609,982	46,983,575	42,119,665	(6,473,892)	48,593,557
Total net position, August 31, 2021	(9,292,178)	2,112,703	42,246,858	35,067,383	(9,292,178)	44,359,561
Net increase (decrease) in net position	\$ 2,818,286	\$ (502,721)	\$ 4,736,717	\$ 7,052,282	\$ 2,818,286	\$ 4,233,996

NAVARRO COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2022

Schedule E

Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass Through Grantor Number	Federal Expenditures
U.S. Department of Education			
Direct Programs:			
<i>TRIO - Student Support Services</i>	84.042A	PO42A200094-22	\$ 405,718
<i>Total TRIO Cluster (ALN 84.042)</i>			<u>405,718</u>
<i>Federal Supplemental Education Opportunity Grant Program</i>	84.007	N/A	62,719
<i>Federal Work Study Program</i>	84.033	N/A	152,240
<i>Federal Pell Grant Program</i>	84.063	N/A	11,233,699
<i>Federal Direct Student Loans</i>	84.268	N/A	7,593,901
<i>Total Student Financial Assistance Cluster (ALN 84.007, 84.033, 84.063, 84.268)</i>			<u>19,042,559</u>
<i>COVID-19 CRRSAA - Higher Education Emergency Relief Fund - Student Emergency Aid</i>	84.425E	P425E201049	1,569,926
<i>COVID-19 CRRSAA - Higher Education Emergency Relief Fund - Institutional Portion</i>	84.425F	P425F202768	870,827
<i>COVID-19 CRRSAA - Higher Education Emergency Relief Fund - Strengthening Institutions Program</i>	84.425M	P425M201086	369,950
<i>COVID-19 ARP - Higher Education Emergency Relief Fund - Student Portion</i>	84.425E	P425E201049	7,988,012
<i>COVID-19 ARP - Higher Education Emergency Relief Fund - Institutional Portion - Lost Revenue</i>	84.425F	P425M201086	6,739,634
Pass Through From University of North Texas Dallas:			
<i>COVID-19 Governor's Emergency Education Relief (GEER)</i>	84.425C	24305	175,981
Pass-Through From Texas Higher Education Coordinating Board:			
<i>COVID-19 Governor's Emergency Education Relief (GEER)</i>	84.425C	25909	36,563
<i>COVID-19 Governor's Emergency Education Relief (GEER)</i>	84.425C	2020-GE-84425C26161	4,853
<i>COVID-19 Governor's Emergency Education Relief (GEER)</i>	84.425C	25737	393,429
<i>Total ALN 84.425</i>			<u>18,149,175</u>
Pass Through From Texas Workforce Commission:			
<i>Adult Education & Family Literacy Act (AEFLA)-Fed Y3 (Core, IET, & Professional Development)</i>	84.002A	0418ALAC101	12,809
<i>Adult Education & Family Literacy Act (AEFLA)-Fed Y4 (Core, IET, & Professional Development)</i>	84.002A	0418ALAD01	3,329
<i>Adult Education & Family Literacy Act (AEFLA)-EL Civics Y3</i>	84.002A	0418ALAC101	18,079
<i>Adult Education & Family Literacy Act (AEFLA)-EL Civics Y4</i>	84.002A	0418ALAD01	8,795
<i>Adult Education & Family Literacy Act (AEFLA)-Fed IET Y4</i>	84.002A	0418ALAD01	102,363
<i>Adult Education & Family Literacy Act (AEFLA)-Civics IET Y3</i>	84.002A	0418ALAC101	8,353
<i>Adult Education & Family Literacy Act (AEFLA)-Combined Y3</i>	84.002A	0418ALAC101	114,637
<i>Adult Education & Family Literacy Act (AEFLA)-Combined Y4</i>	84.002A	0418ALAD01	637,242
<i>Total ALN 84.002</i>			<u>905,607</u>
Pass Through From Texas Higher Education Coordinating Board:			
<i>Vocational Education - Carl Perkins</i>	84.048A	224243	316,359
Total U. S. Department of Education			<u><u>38,819,418</u></u>
U. S. Small Business Administration			
Pass Through From Dallas County Community College District:			
<i>Small Business Development Center 2021</i>	59.037	SBAHQ-20-B-0014	15,611
<i>Small Business Development Center 2022</i>	59.037	SBAHQ-22-B-0006	120,572
<i>COVID-19 Small Business Development Center CARES Act</i>	59.037	SBAHQ-20-C-0059	100,693
<i>Total ALN 59.037</i>			<u>236,876</u>
Total U. S. Small Business Administration			<u><u>236,876</u></u>
Total Federal Awards			<u><u>\$ 39,056,294</u></u>

NAVARRO COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2022

Note 1 - Federal Revenue Reconciliation

Federal revenues for the year ended August 31, 2022 are reported in the basic financial statements as follows:

Federal grants and contracts per Schedule C	\$ 31,983,714
Add: Federal Direct Student Loans made	7,593,901
Less: Indirect Costs	<u>(521,321)</u>
Total per Schedule of Expenditures of Federal Awards	<u>\$ 39,056,294</u>

Note 2 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2022. The information in this Schedule is presented in accordance with the *Uniform Guidance*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available. The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NAVARRO COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2022

Schedule F

Grantor/Pass-Through Grantor/ Program Title	Grant Contract Number	Indirect Costs and Expenditures
Texas Higher Education Coordinating Board		
Direct Programs:		
<i>Texas Education Opportunity Grant</i>	N/A	\$ 604,951
<i>Texas Tomorrow Fund</i>	N/A	49,049
<i>Texas Promise Fund</i>	N/A	3,597
<i>Nursing Shortage Reduction Program</i>	23172	55,661
<i>Reporting Modernization Grant</i>	16905	<u>6,500</u>
Total Texas Higher Education Coordinating Board		<u>719,758</u>
Texas Workforce Commission		
Direct Programs:		
<i>Interpreting Services</i>	3021VRS038	8,445
<i>TWC Apprenticeship</i>	0421ATG001	66,190
<i>TWC Apprenticeship</i>	0421ATG003	<u>16,369</u>
Total Texas Workforce Commission		<u>91,004</u>
Small Business Development Center		
Pass Through From Dallas County Community College District:		
<i>Small Business Development Center 2021</i>	SBAHQ-20-B-0014	5,136
<i>Small Business Development Center 2022</i>	SBAHQ-22-B-0006	<u>85,853</u>
Total Small Business Development Center		<u>90,989</u>
Total State Awards		<u>\$ 901,751</u>

NAVARRO COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2022

Note 1 - State Revenue Reconciliation

State revenues for the year ended August 31, 2022 are reported in the basic financial statements as follows:

State grants and contracts per Schedule C	<u>\$ 901,751</u>
Total per Schedule of Expenditures Year Ended August 31, 2022	<u>\$ 901,751</u>

Note 2 - Basis of Presentation

The accompanying Schedule of Expenditures of State Awards includes the state grant activity of the District under programs of the state government for the year ended August 31, 2022. The information in this Schedule is presented in accordance with the requirements of the *State of Texas Single Audit Circular* contained in the Texas Grant Management Standards. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Texas Grant Management Standards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.



STATISTICAL SECTION

Financial Trends Information

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

- Net Position by Component
- Revenues by Source
- Expenses by Function and Changes in Net Position

Revenue Capacity Information

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its primary revenues.

- Tuition and Fees
- Assessed Value and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Taxpayers
- Property Tax Levies and Collections

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the District's current levels of debt and the District's ability to issue additional debt in the future.

- Ratios of Outstanding Debt
- Legal Debt Margin Information
- Pledged Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with each other.

- Demographic and Economic Statistics
- Principal Employers

Operating Information

These schedules contain other information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

- State Appropriation per Full-Time Student Equivalents and Contact Hour Faculty, Staff, and Administrators Statistics

NAVARRO COLLEGE DISTRICT
NET POSITION BY COMPONENT (UNAUDITED)
LAST TEN FISCAL YEARS

Table 1
Page 1 of 2

	<u>2022</u>	<u>2021 (4)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net investment in capital assets	\$ 46,983,575	\$ 42,246,858	\$ 41,768,930	\$ 40,746,545	\$ 40,339,844
Restricted	1,609,982	2,112,703	2,289,080	2,482,390	2,373,273
Unrestricted	<u>(6,473,892)</u>	<u>(9,292,178)</u>	<u>(16,180,400)</u>	<u>(15,703,625)</u>	<u>(13,846,618)</u>
Total Net Position	<u><u>\$ 42,119,665</u></u>	<u><u>\$ 35,067,383</u></u>	<u><u>\$ 27,877,610</u></u>	<u><u>\$ 27,525,310</u></u>	<u><u>\$ 28,866,499</u></u>

(1) Fiscal year 2013 was restated for implementation of GASBS No. 65

(2) Fiscal year 2014 was restated for implementation of GASBS No. 68 and No. 71

(3) Fiscal year 2017 was restated for implementation of GASBS No. 75

(4) Fiscal year 2021 was restated for implementation of GASBS No. 87

Source: Navarro College District's financial statements

NAVARRO COLLEGE DISTRICT
NET POSITION BY COMPONENT (UNAUDITED)
LAST TEN FISCAL YEARS

Table 1
Page 2 of 2

	<u>2017 (3)</u>	<u>2016</u>	<u>2015</u>	<u>2014 (2)</u>	<u>2013 (1)</u>
Net investment in capital assets	\$ 39,660,444	\$ 38,280,836	\$ 37,553,998	\$ 35,321,947	\$ 32,024,197
Restricted	2,132,341	2,295,108	2,447,086	2,372,830	2,901,585
Unrestricted	<u>(13,825,426)</u>	<u>4,384,898</u>	<u>4,623,822</u>	<u>2,542,212</u>	<u>13,317,142</u>
Total Net Position	<u><u>\$ 27,967,359</u></u>	<u><u>\$ 44,960,842</u></u>	<u><u>\$ 44,624,906</u></u>	<u><u>\$ 40,236,989</u></u>	<u><u>\$ 48,242,924</u></u>

(1) Fiscal years 2013 and 2012 were restated for implementation of GASBS No. 65

(2) Fiscal year 2014 was restated for implementation of GASBS No. 68 and No. 71

(3) Fiscal year 2017 was restated for implementation of GASBS No. 75

(4) Fiscal year 2021 was restated for implementation of GASBS No. 87

Source: Navarro College District's financial statements

**NAVARRO COLLEGE DISTRICT
REVENUES BY SOURCE (UNAUDITED)
LAST TEN FISCAL YEARS**

**Table 2
Page 1 of 2**

	2022	2021	2020	2019	2018
Tuition and fees (net of discounts)	\$ 13,190,941	\$ 13,726,351	\$ 14,857,047	\$ 14,804,719	\$ 15,201,312
Sales and services of educational activities	584,477	514,849	651,534	540,312	552,267
Auxiliary enterprises (net of discounts)	6,011,538	5,361,475	5,144,333	5,701,386	6,073,701
Other operating revenues	292,276	180,812	148,483	170,263	267,904
Total Operating Revenues	20,079,232	19,783,487	20,801,397	21,216,680	22,095,184
State appropriations	15,080,567	15,695,709	15,310,636	16,641,393	17,091,034
Ad valorem taxes for maintenance and operations	5,340,603	5,144,366	4,757,104	4,225,699	3,980,582
Federal grants and contracts	31,983,714	23,862,000	15,883,929	15,439,330	16,250,333
State grants and contracts	901,751	844,100	847,085	1,234,927	1,238,978
Local grants and contracts	140,881	288,972	685,252	243,494	277,015
Investment income	95,256	78,407	235,077	153,046	123,628
Gifts	993,944	970,167	1,008,001	1,041,306	926,182
Other non-operating revenues	85,047	299,827	140,945	432,662	77,119
Total Non-Operating Revenues	54,621,763	47,183,548	38,868,029	39,411,857	39,964,871
Total Revenues	\$ 74,700,995	\$ 66,967,035	\$ 59,669,426	\$ 60,628,537	\$ 62,060,055
Tuition and fees (net of discounts)	17.66%	20.50%	24.90%	24.42%	24.49%
Sales and services of educational activities	0.78%	0.77%	1.09%	0.89%	0.89%
Auxiliary enterprises (net of discounts)	8.05%	8.01%	8.62%	9.40%	9.79%
Other operating revenues	0.39%	0.27%	0.25%	0.28%	0.43%
Total Operating Revenues	26.88%	29.55%	34.86%	34.99%	35.60%
State appropriations	20.19%	23.44%	25.66%	27.45%	27.54%
Ad valorem property taxes for maintenance and operations	7.15%	7.68%	7.97%	6.97%	6.41%
Federal grants and contracts	42.82%	35.63%	26.62%	25.47%	26.18%
State grants and contracts	1.21%	1.26%	1.42%	2.04%	2.00%
Local grants and contracts	0.19%	0.43%	1.15%	0.40%	0.45%
Investment income	0.13%	0.12%	0.39%	0.25%	0.20%
Gifts	1.33%	1.45%	1.69%	1.72%	1.49%
Other non-operating revenues	0.11%	0.45%	0.24%	0.71%	0.12%
Total Non-Operating Revenues	73.12%	70.46%	65.14%	65.01%	64.40%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

(1) Fiscal year 2013 was restated for implementation of GASBS No. 65.

Source: Navarro College District's financial statements

**NAVARRO COLLEGE DISTRICT
REVENUES BY SOURCE (UNAUDITED)
LAST TEN FISCAL YEARS**

**Table 2
Page 2 of 2**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (1)</u>
Tuition and fees (net of discounts)	\$ 16,982,906	\$ 16,205,416	\$ 17,535,426	\$ 14,029,788	\$ 14,202,493
Sales and services of educational activities	492,709	451,427	474,901	521,857	508,065
Auxiliary enterprises (net of discounts)	7,024,329	7,044,650	7,186,797	7,779,024	8,035,390
Other operating revenues	217,531	196,380	243,507	155,344	182,078
Total Operating Revenues	<u>24,717,475</u>	<u>23,897,873</u>	<u>25,440,631</u>	<u>22,486,013</u>	<u>22,928,026</u>
State appropriations	17,690,587	17,758,716	18,332,879	18,288,097	17,919,724
Ad valorem taxes for maintenance and operations	3,645,253	3,553,400	3,533,309	3,359,627	3,301,143
Federal grants and contracts	15,292,945	17,463,377	22,684,063	22,588,765	23,451,372
State grants and contracts	1,361,855	1,432,635	2,352,975	2,083,489	1,668,721
Local grants and contracts	103,202	81,545	76,322	94,685	63,216
Investment income	102,303	93,031	93,269	129,125	160,404
Gifts	903,810	856,846	867,114	1,414,538	975,840
Other non-operating revenues	157,019	221,698	813,949	349,148	291,260
Total Non-Operating Revenues	<u>39,256,974</u>	<u>41,461,248</u>	<u>48,753,880</u>	<u>48,307,474</u>	<u>47,831,680</u>
Total Revenues	<u>\$ 63,974,449</u>	<u>\$ 65,359,121</u>	<u>\$ 74,194,511</u>	<u>\$ 70,793,487</u>	<u>\$ 70,759,706</u>
Tuition and fees (net of discounts)	26.55%	24.79%	23.63%	19.82%	20.07%
Sales and services of educational activities	0.77%	0.69%	0.64%	0.74%	0.72%
Auxiliary enterprises (net of discounts)	10.98%	10.78%	9.69%	10.99%	11.36%
Other operating revenues	0.34%	0.30%	0.33%	0.22%	0.26%
Total Operating Revenues	<u>38.64%</u>	<u>36.56%</u>	<u>34.29%</u>	<u>31.76%</u>	<u>32.40%</u>
State appropriations	27.65%	27.17%	24.71%	25.83%	25.32%
Ad valorem property taxes for maintenance and operations	5.70%	5.44%	4.76%	4.75%	4.67%
Federal grants and contracts	23.90%	26.72%	30.57%	31.91%	33.14%
State grants and contracts	2.13%	2.19%	3.17%	2.94%	2.36%
Local grants and contracts	0.16%	0.12%	0.10%	0.13%	0.09%
Investment income	0.16%	0.14%	0.13%	0.18%	0.23%
Gifts	1.41%	1.31%	1.17%	2.00%	1.38%
Other non-operating revenues	0.25%	0.34%	1.10%	0.49%	0.41%
Total Non-Operating Revenues	<u>61.36%</u>	<u>63.44%</u>	<u>65.71%</u>	<u>68.24%</u>	<u>67.60%</u>
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

(1) Fiscal year 2013 was restated for implementation of GASBS No. 65.

Source: Navarro College District's financial statements

NAVARRO COLLEGE DISTRICT
EXPENSES BY FUNCTION AND CHANGES IN NET POSITION (UNAUDITED)
LAST TEN FISCAL YEARS

Table 3
Page 1 of 2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Instruction	\$ 16,704,563	\$ 19,298,272	\$ 19,388,245	\$ 20,462,044	\$ 19,801,849
Public service	456,289	2,195,369	1,362,008	346,517	351,097
Academic support	2,272,290	2,647,529	3,064,442	3,198,198	3,321,324
Student services	4,624,432	4,724,573	4,870,434	4,900,914	4,752,342
Institutional support	10,497,233	9,860,142	7,700,104	7,324,796	7,388,738
Operation and maintenance of plant	3,788,027	3,128,165	3,662,680	4,108,475	4,189,188
Scholarships and fellowships	17,350,976	6,749,113	7,120,406	7,874,880	8,330,076
Auxiliary enterprises	8,085,766	8,001,990	8,884,866	10,542,824	10,132,772
Depreciation	3,297,257	2,499,087	2,377,550	2,415,665	2,059,675
Total Operating Expenses	<u>67,076,833</u>	<u>59,104,240</u>	<u>58,430,735</u>	<u>61,174,313</u>	<u>60,327,061</u>
Interest on capital related debt	552,601	668,295	744,800	795,413	833,854
Other non-operating expenses	19,279	3,559	141,591	-	-
Total Non-Operating Expenses	<u>571,880</u>	<u>671,854</u>	<u>886,391</u>	<u>795,413</u>	<u>833,854</u>
Total Expenses	<u>\$ 67,648,713</u>	<u>\$ 59,776,094</u>	<u>\$ 59,317,126</u>	<u>\$ 61,969,726</u>	<u>\$ 61,160,915</u>
Special item	-	-	-	-	-
Change in net position	<u>\$ 7,052,282</u>	<u>\$ 7,190,941</u>	<u>\$ 352,300</u>	<u>\$ (1,341,189)</u>	<u>\$ 899,140</u>
Instruction	24.69%	32.28%	32.69%	33.02%	32.38%
Public service	0.67%	3.67%	2.30%	0.56%	0.57%
Academic support	3.36%	4.43%	5.17%	5.16%	5.43%
Student services	6.84%	7.90%	8.21%	7.91%	7.77%
Institutional support	15.52%	16.50%	12.98%	11.82%	12.08%
Operation and maintenance of plant	5.60%	5.23%	6.17%	6.63%	6.85%
Scholarships and fellowships (net of discounts)	25.65%	11.29%	12.00%	12.71%	13.62%
Auxiliary enterprises	11.95%	13.39%	14.98%	17.01%	16.57%
Depreciation	4.87%	4.18%	4.01%	3.90%	3.37%
Total Operating Expenses	<u>99.15%</u>	<u>98.87%</u>	<u>98.51%</u>	<u>98.72%</u>	<u>98.64%</u>
Interest on capital related debt	0.82%	1.12%	1.26%	1.28%	1.36%
Other non-operating expenses	0.03%	0.01%	0.24%	0.00%	0.00%
Total Non-Operating Expenses	<u>0.85%</u>	<u>1.13%</u>	<u>1.50%</u>	<u>1.28%</u>	<u>1.36%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

(1) Fiscal year 2013 was restated for implementation of GASBS No. 65

Source: Navarro College District's financial statements

NAVARRO COLLEGE DISTRICT
EXPENSES BY FUNCTION AND CHANGES IN NET POSITION (UNAUDITED)
LAST TEN FISCAL YEARS

Table 3
Page 2 of 2

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (1)</u>
Instruction	\$ 19,545,759	\$ 20,148,443	\$ 21,368,604	\$ 20,213,672	\$ 19,104,050
Public service	331,537	289,941	279,188	275,807	270,869
Academic support	3,123,899	3,588,737	3,475,922	3,972,411	3,748,138
Student services	4,540,335	4,550,759	4,245,023	4,360,373	4,608,363
Institutional support	7,899,625	8,221,330	7,101,168	6,998,131	6,144,442
Operation and maintenance of plant	4,013,560	3,774,689	3,840,350	3,748,746	4,030,618
Scholarships and fellowships	9,879,276	11,467,584	15,670,742	16,571,886	15,761,613
Auxiliary enterprises	8,904,115	9,833,242	10,609,202	11,825,269	11,504,077
Depreciation	<u>2,081,025</u>	<u>2,120,128</u>	<u>2,142,219</u>	<u>1,997,893</u>	<u>1,968,446</u>
Total Operating Expenses	<u>60,319,131</u>	<u>63,994,853</u>	<u>68,732,418</u>	<u>69,964,188</u>	<u>67,140,616</u>
Interest on capital related debt	924,665	1,028,332	1,074,176	1,234,432	1,257,512
Other non-operating expenses	-	-	-	-	-
Total Non-Operating Expenses	<u>924,665</u>	<u>1,028,332</u>	<u>1,074,176</u>	<u>1,234,432</u>	<u>1,257,512</u>
Total Expenses	<u>\$ 61,243,796</u>	<u>\$ 65,023,185</u>	<u>\$ 69,806,594</u>	<u>\$ 71,198,620</u>	<u>\$ 68,398,128</u>
Special item	-	-	-	-	1,539,061
Change in net position	<u>\$ 2,730,653</u>	<u>\$ 335,936</u>	<u>\$ 4,387,917</u>	<u>\$ (405,133)</u>	<u>\$ 2,361,578</u>
Instruction	31.91%	30.99%	30.61%	28.39%	27.93%
Public service	0.54%	0.45%	0.40%	0.39%	0.40%
Academic support	5.10%	5.52%	4.98%	5.58%	5.48%
Student services	7.41%	7.00%	6.08%	6.12%	6.74%
Institutional support	12.90%	12.64%	10.17%	9.83%	8.98%
Operation and maintenance of plant	6.55%	5.81%	5.50%	5.27%	5.89%
Scholarships and fellowships (net of discounts)	16.13%	17.64%	22.45%	23.28%	23.04%
Auxiliary enterprises	14.54%	15.12%	15.20%	16.61%	16.82%
Depreciation	<u>3.40%</u>	<u>3.26%</u>	<u>3.07%</u>	<u>2.81%</u>	<u>2.88%</u>
Total Operating Expenses	<u>98.49%</u>	<u>98.42%</u>	<u>98.46%</u>	<u>98.27%</u>	<u>98.16%</u>
Interest on capital related debt	1.51%	1.58%	1.54%	1.73%	1.84%
Other non-operating expenses	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Non-Operating Expenses	<u>1.51%</u>	<u>1.58%</u>	<u>1.54%</u>	<u>1.73%</u>	<u>1.84%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

(1) Fiscal years 2013 and 2012 were restated for implementation of GASBS No. 65

Source: Navarro College District's financial statements

NAVARRO COLLEGE DISTRICT
TUITION AND FEES
LAST TEN FISCAL YEARS (UNAUDITED)

Table 4
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Resident Students (1)

Fiscal Year (Fall)	Tuition		Matriculation Fee	Building Use Fee	Vehicle Registration Fee	Technology Fee
	In-District	Out-of-District				
2022	\$ 540	\$ 1,224	\$ 30	\$ 372	\$ 19	\$ 168
2021	540	1,224	30	372	19	168
2020	540	1,224	30	372	19	168
2019	540	1,224	17	372	19	156
2018	504	1,116	14	336	16	108
2017	504	1,092	14	336	16	96
2016	480	1,020	14	312	15	72
2015	444	972	14	288	15	72
2014	432	852	11	228	15	-
2013	432	840	11	228	15	-

NAVARRO COLLEGE DISTRICT
TUITION AND FEES
LAST TEN FISCAL YEARS (UNAUDITED)

Table 4
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Resident Students (1)

Fiscal Year (Fall)	Total Cost		Increase from Prior Year		Semester Credit Hours
	In-District	Out-of-District	In-District	Out-of-District	
2022	\$ 1,129	\$ 1,813	0.00%	0.00%	\$ 8,647
2021	1,129	1,813	0.00%	0.00%	8,560
2020	1,129	1,813	2.26%	1.40%	10,727
2019	1,104	1,788	12.88%	12.45%	13,200
2018	978	1,590	1.24%	2.32%	13,620
2017	966	1,554	8.17%	8.44%	13,477
2016	893	1,433	7.20%	5.29%	14,088
2015	833	1,361	21.43%	23.06%	16,129
2014	686	1,106	0.00%	1.10%	17,399
2013	686	1,094	2.54%	1.58%	19,659

NAVARRO COLLEGE DISTRICT
TUITION AND FEES
LAST TEN FISCAL YEARS (UNAUDITED)

Table 4
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Non-Resident Students (1)

Fiscal Year (Fall)	Tuition	Out-of-District Fee	Matriculation Fee	Building Use Fee	Vehicle Registration Fee
2022	\$1,392	\$ 576	\$ 30	\$ 372	\$ 19
2021	1,392	576	30	372	19
2020	1,392	576	30	372	19
2019	1,356	576	17	372	19
2018	1,248	528	14	336	16
2017	1,188	516	14	336	16
2016	1,140	480	14	312	15
2015	1,080	468	14	288	15
2014	1,044	408	11	228	15
2013	1,044	408	11	228	15

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.

(1) Based on twelve semester credit hour load.

Source: Navarro College District Finance Department

NAVARRO COLLEGE DISTRICT
TUITION AND FEES
LAST TEN FISCAL YEARS (UNAUDITED)

Table 4
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Non-Resident Students (1)

<u>Fiscal Year (Fall)</u>	<u>Technology Fee</u>	<u>Total Cost</u>	<u>Increase from Prior Year</u>	<u>Semester Credit Hours</u>
2022	\$ 168	\$ 2,557	0.00%	2,200
2021	168	2,557	0.00%	2,120
2020	168	2,557	2.44%	2,357
2019	156	2,496	10.93%	2,463
2018	108	2,250	3.88%	2,463
2017	96	2,166	6.54%	3,123
2016	72	2,033	4.96%	3,519
2015	72	1,937	13.54%	2,877
2014	-	1,706	0.00%	3,366
2013	-	1,706	6.29%	3,876

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.

(1) Based on twelve semester credit hour load.

Source: Navarro College District Finance Department

NAVARRO COLLEGE DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (UNAUDITED)

Table 5
Page 1 of 2

Fiscal Year	Assessed Valuation of Property	Less: Abatement and Exemptions	Net Taxable Assessed Value	Ratio of Taxable Value to Assessed Value
2022	\$ 4,648,678,986	\$ 189,882,175	\$ 4,458,796,811	95.92%
2021	4,507,970,668	264,188,835	4,243,781,833	94.14%
2020	4,243,050,975	226,852,287	4,016,198,688	94.65%
2019	3,648,741,269	197,099,255	3,451,642,014	94.60%
2018	3,423,751,510	190,745,064	3,233,006,446	94.43%
2017	3,232,166,233	186,096,906	3,046,069,327	94.24%
2016	3,175,167,202	181,024,673	2,994,142,529	94.30%
2015	3,083,281,070	165,743,597	2,917,537,473	94.62%
2014	2,903,869,194	138,171,442	2,765,697,752	95.24%
2013	2,870,855,246	96,595,879	2,774,259,367	96.64%

Source: Navarro County Tax Assessor - Collector

Notes: Property is assessed at full market value.
 Assessed value of taxable property by class of real and personal property is not available from the Navarro County Tax Assessor-Collector.

(1) per \$100 taxable assessed valuation

NAVARRO COLLEGE DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (UNAUDITED)

Table 5
Page 2 of 2

Fiscal Year	Estimated Actual Value	Direct Rates (1)		
		Maintenance and Operations	Debt Service	Total
2022	\$ 4,458,796,811	\$ 0.11640	\$ -	\$ 0.11640
2021	4,507,970,668	0.11640	-	0.11640
2020	4,243,050,975	0.11640	-	0.11640
2019	3,648,741,269	0.12180	-	0.12180
2018	3,423,751,510	0.12180	-	0.12180
2017	3,232,166,233	0.11830	-	0.11830
2016	3,175,167,202	0.11830	-	0.11830
2015	3,083,281,070	0.12020	-	0.12020
2014	2,903,869,194	0.12020	-	0.12020
2013	2,870,855,246	0.11900	-	0.11900

Source: Navarro County Tax Assessor - Collector

Notes: Property is assessed at full market value.
 Assessed value of taxable property by class of real and personal property is not available from the Navarro County Tax Assessor-Collector.

(1) per \$100 taxable assessed valuation

NAVARRO COLLEGE DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS (UNAUDITED)

Table 6
Page 1 of 2

	2022	2021	2020	2019	2018
Navarro College District	\$ 0.1164	\$ 0.1164	\$ 0.1164	\$ 0.1218	\$ 0.1218
County:					
Navarro County	0.6045	0.6045	0.6270	0.6270	0.6270
Cities:					
Barry	0.3938	0.3871	0.4053	0.4034	0.4034
Blooming Grove	0.4175	0.4175	0.4550	0.4230	0.4801
Corsicana	0.6120	0.6120	0.6272	0.6272	0.6272
Dawson	0.4271	0.4190	0.4324	0.4308	0.4324
Emhouse	0.2296	0.2350	0.2524	0.2943	0.2943
Frost	0.4860	0.4901	0.5394	0.5504	0.5690
Goodlow	0.0839	0.0862	0.0897	0.0897	0.0897
Kerens	0.6805	0.6805	0.6805	0.6922	0.6735
Rice	0.5500	0.5500	0.5728	0.5990	0.5990
Richland	0.2732	0.2760	0.2800	0.2341	0.2359
School Districts:					
Blooming Grove	0.9601	0.9587	1.0762	1.1300	1.1300
Corsicana	1.2443	1.2666	1.2831	1.3279	1.3703
Dawson	1.1756	1.1939	1.3894	1.4654	1.2922
Frost	1.2367	1.2326	1.2130	1.5925	1.1743
Kerens	1.1920	1.2291	1.5400	1.4400	1.4400
Mildred	1.1114	1.2242	1.3300	1.3928	1.2812
Rice	1.4168	1.4263	1.5249	1.6265	1.6265

Source: Navarro County Appraisal District

Note: Overlapping rates are those of other governments that apply to property owners within the Navarro College District. Not all overlapping rates apply to all District property owners; for example, although the Navarro County tax rate applies to all District property owners, the City of Barry, Texas rate applies only to a small portion of District property owners whose property is located within the City's geographic boundaries.

NAVARRO COLLEGE DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS (UNAUDITED)

Table 6
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	2017	2016	2015	2014	2013
Navarro College District	\$ 0.1183	\$ 0.1183	\$ 0.1202	\$ 0.1202	\$ 0.1190
County:					
Navarro County	0.6270	0.6270	0.6270	0.6270	0.6270
Cities:					
Barry	0.3851	0.3851	0.3851	0.3851	0.3851
Blooming Grove	0.4801	0.4512	0.4821	0.4821	0.4821
Corsicana	0.6272	0.6272	0.6272	0.6272	0.6272
Dawson	0.4234	0.4000	0.4000	0.4000	0.4000
Emhouse	0.2943	0.2943	0.2943	0.2943	0.2943
Frost	0.5690	0.5611	0.5573	0.5657	0.5600
Goodlow	0.0897	0.0897	0.0897	0.0897	0.0897
Kerens	0.6839	0.6803	0.6817	0.6817	0.6434
Rice	0.5990	0.5844	0.5500	0.5351	0.4999
Richland	0.2330	0.2330	0.2330	0.2330	0.2330
School Districts:					
Blooming Grove	1.1300	1.1300	1.1300	1.1300	1.1300
Corsicana	1.3703	1.3703	1.2803	1.2803	1.2830
Dawson	1.2922	1.2922	1.2900	1.2900	1.2900
Frost	1.2208	1.2308	1.2404	1.2550	1.2550
Kerens	1.1100	1.1100	1.1100	1.1100	1.1100
Mildred	1.2812	1.2812	1.2812	1.2980	1.2906
Rice	1.3365	1.3365	1.3800	1.4200	1.4200

Source: Navarro County Appraisal District

Note: Overlapping rates are those of other governments that apply to property owners within the Navarro College District. Not all overlapping rates apply to all District property owners; for example, although the Navarro County tax rate applies to all District property owners, the City of Barry, Texas rate applies only to a small portion of District property owners whose property is located within the City's geographic boundaries.

NAVARRO COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 7
Page 1 of 4

Taxpayer	Type of Business	Taxable Assessed Value				
		2022	2021	2020	2019	2018
Guardian Industry - Abated	Glass Manufacturer	\$ 69,952,830	\$ 65,174,790	\$ 69,082,510	\$ 70,065,430	\$ 67,057,775
Oncor Electric Delivery	Electric Utility	109,908,400	103,667,790	102,730,190	74,965,750	62,045,430
Energy Transfer Fuel LP	Electric Company	68,821,190	-	43,575,030	49,214,430	44,001,370
Championx LLC (formerly Nalco Company)	Energy Services	-	-	45,472,170	51,807,050	46,053,410
Lone Star Transmission	Electric Company	-	-	-	-	42,704,910
Seaway Crude Pipeline LP	Oil Distribution	173,696,570	155,115,820	158,640,260	148,696,190	43,662,200
Pactiv-Foam - Abated	Foam Manufacturer	62,823,082	53,414,580	52,073,880	48,548,330	41,620,920
Russell Stover Candies-Abated	Candy Manufacturer	-	51,495,300	46,424,360	42,771,170	36,695,360
Union Pacific	RR Company	-	45,030,380	-	-	38,078,610
Permian Express Partners (formerly Sunoco Pipeline LP)	Pipeline company	-	51,055,800	48,680,760	47,859,090	30,305,330
True Value Co. - Non-Abated	Retail Distribution	-	43,136,610	-	46,146,090	-
Burlington Northern Santa Fe	Rail Road	-	-	-	-	-
Magellan Pipeline Co, LP	Pipeline company	-	47,034,770	52,491,240	51,552,560	-
Grand Prix Pipeline LLC	Pipeline company	62,500,710	51,581,010	58,766,670	-	-
Briar Creek Solar LLC-Abated	Solar Energy	11,996,380	-	-	-	-
Audubon Metals Texas LLC-Abated	Metal Manufacturer	40,521,960	-	-	-	-
Corsicana Technologies Inc.	Manufacturer	-	-	-	-	-
Total		<u>\$ 600,221,122</u>	<u>\$ 666,706,850</u>	<u>\$ 677,937,070</u>	<u>\$ 631,626,090</u>	<u>\$ 452,225,315</u>
Net taxable assessed value		<u>\$ 4,458,796,811</u>	<u>\$ 4,243,781,833</u>	<u>\$ 4,016,198,688</u>	<u>\$ 3,451,642,014</u>	<u>\$ 3,233,006,446</u>

NAVARRO COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 7
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Taxpayer	Type of Business	Taxable Assessed Value				
		2017	2016	2015	2014	2013
Guardian Industry - Abated	Glass Manufacturer	\$ 53,276,715	\$ 47,069,805	\$ 45,928,470	\$ 48,580,980	\$ 46,198,430
Oncor Electric Delivery	Electric Utility	52,248,010	48,107,140	49,835,890	49,116,350	45,617,500
Energy Transfer Fuel LP	Electric Company	47,606,870	65,033,230	66,068,120	61,634,770	73,136,440
Championx LLC (formerly Nalco Company)	Energy Services	46,116,150	51,736,240	56,587,750	49,772,120	-
Lone Star Transmission	Electric Company	44,756,720	48,825,700	50,788,550	52,908,350	38,442,150
Seaway Crude Pipeline LP	Oil Distribution	44,330,040	44,743,340	45,366,960	-	-
Pactiv-Foam - Abated	Foam Manufacturer	37,706,553	27,569,810	24,800,084	-	-
Russell Stover Candies-Abated	Candy Manufacturer	35,939,480	35,933,935	40,899,980	37,232,300	40,755,175
Union Pacific	RR Company	35,828,790	33,922,684	31,648,440	28,615,140	25,687,460
Permian Express Partners (formerly Sunoco Pipeline LP)	Pipeline company	28,550,040	-	-	20,287,000	21,311,840
True Value Co. - Non-Abated	Retail Distribution	-	33,680,970	27,651,750	29,579,080	29,969,010
Burlington Northern Santa Fe	Rail Road	-	-	-	18,882,520	-
Magellan Pipeline Co, LP	Pipeline company	-	-	-	-	18,925,180
Grand Prix Pipeline LLC	Pipeline company	-	-	-	-	-
Briar Creek Solar LLC-Abated	Solar Energy	-	-	-	-	-
Audubon Metals Texas LLC-Abated	Metal Manufacturer	-	-	-	-	-
Corsicana Technologies Inc.	Manufacturer	-	-	-	-	43,215,390
Total		\$ 426,359,368	\$ 436,622,854	\$ 439,575,994	\$ 396,608,610	\$ 383,258,575
Net taxable assessed value		\$3,046,069,327	\$2,994,142,529	\$2,917,537,473	\$2,765,697,752	\$2,774,259,367

NAVARRO COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 7
Page 3 of 4

Taxpayer	Type of Business	Taxable Assessed Value				
		2022	2021	2020	2019	2018
Guardian Industry - Abated	Oil Distribution	1.57%	1.54%	1.72%	2.03%	2.07%
Oncor Electric Delivery	Electric Utility	2.46%	2.44%	2.56%	2.17%	1.92%
Energy Transfer Fuel LP	Glass Manufacturer	1.54%	-	1.08%	1.43%	1.36%
(formerly Nalco Company)	Pipeline Company	-	-	1.13%	1.50%	1.42%
Lone Star Transmission	Pipeline Company	-	-	-	-	1.32%
Seaway Crude Pipeline LP	Foam Manufacturer	3.90%	3.66%	3.95%	4.31%	1.35%
Pactiv-Foam - Abated	Pipeline Company	1.41%	1.26%	1.30%	1.41%	1.29%
Russell Stover Candies-Abated	Candy Manufacturer	-	1.21%	1.16%	1.24%	1.14%
Union Pacific	Energy Services	-	1.06%	-	-	1.18%
(formerly Sunoco Pipeline LP)	Electric Company	-	1.20%	1.21%	1.39%	0.94%
True Value Co. - Non-Abated	Retail Distribution	-	1.02%	-	1.34%	-
Burlington Northern Santa Fe	Electric Company	-	-	-	-	-
Magellan Pipeline Co, LP	RR Company	-	1.11%	1.31%	1.49%	-
Grand Prix Pipeline LLC	Rail Road	1.40%	1.22%	1.46%	-	-
Briar Creek Solar LLC-Abated	Manufacturer	0.27%	-	-	-	-
Audubon Metals Texas LLC-Abated		0.91%	-	-	-	-
Corsicana Technologies Inc.		-	-	-	-	-
Total		13.46%	15.71%	16.88%	18.30%	13.99%

Source: Navarro County Appraisal District

**NAVARRO COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN FISCAL YEARS (UNAUDITED)**

**Table 7
Page 4 of 4**

Taxpayer	Type of Business	Taxable Assessed Value				
		2017	2016	2015	2014	2013
Guardian Industry - Abated	Oil Distribution	1.75%	1.57%	1.57%	1.76%	1.67%
Oncor Electric Delivery	Electric Utility	1.72%	1.61%	1.71%	1.78%	1.64%
Energy Transfer Fuel LP	Glass Manufacturer	1.56%	2.17%	2.26%	2.23%	2.64%
(formerly Nalco Company)	Pipeline Company	1.51%	1.73%	1.94%	1.80%	-
Lone Star Transmission	Pipeline Company	1.47%	1.63%	1.74%	1.91%	1.39%
Seaway Crude Pipeline LP	Foam Manufacturer	1.46%	1.49%	1.55%	-	-
Pactiv-Foam - Abated	Pipeline Company	1.24%	0.92%	0.85%	-	-
Russell Stover Candies-Abated	Candy Manufacturer	1.18%	1.20%	1.40%	1.35%	1.47%
Union Pacific	Energy Services	1.18%	1.13%	1.08%	1.03%	0.93%
(formerly Sunoco Pipeline LP)	Electric Company	0.94%	-	-	0.73%	0.77%
True Value Co. - Non-Abated	Retail Distribution	-	1.12%	0.95%	1.07%	1.08%
Burlington Northern Santa Fe	Electric Company	-	-	-	0.68%	-
Magellan Pipeline Co, LP	RR Company	-	-	-	-	0.68%
Grand Prix Pipeline LLC	Rail Road	-	-	-	-	-
Briar Creek Solar LLC-Abated	Manufacturer	-	-	-	-	-
Audubon Metals Texas LLC-Abated		-	-	-	-	-
Corsicana Technologies Inc.		-	-	-	-	1.56%
Total		14.00%	14.58%	15.07%	14.34%	13.81%

Source: Navarro County Appraisal District

NAVARRO COLLEGE DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 8
Page 1 of 2

<u>Fiscal Year</u>	<u>Original Levy</u>	<u>Cumulative Levy Adjustments</u>	<u>Total Adjusted Tax Levy</u>
2022	\$ 5,195,739	\$ 97,664	\$ 5,293,403
2021	4,947,222	101,057	5,048,279
2020	4,680,613	(25,667)	4,654,946
2019	4,211,190	(10,836)	4,200,354
2018	3,942,804	(25,305)	3,917,499
2017	3,608,756	(13,267)	3,595,489
2016	3,546,947	(12,587)	3,534,360
2015	3,515,366	(11,022)	3,504,344
2014	3,330,770	(10,678)	3,320,092
2013	3,308,730	(14,469)	3,294,261

Source: Navarro County Tax Assessor-Collector

Note: Property tax only - does not include penalties and interest.

NAVARRO COLLEGE DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 8
Page 2 of 2

Fiscal Year	Collections - Year of Levy		Collections in Subsequent Years	Total Collections To Date	
	Amount	Percent		Amount	Percent
2022	\$ 5,170,259	0.00%	\$ -	\$ 5,170,259	97.67%
2021	4,926,476	97.59%	67,773	4,994,249	98.93%
2020	4,510,539	96.90%	105,326	4,615,865	99.16%
2019	4,081,123	97.16%	94,141	4,175,264	99.40%
2018	3,810,491	97.27%	87,189	3,897,680	99.49%
2017	3,501,564	97.39%	79,713	3,581,277	99.60%
2016	3,432,700	97.12%	90,211	3,522,911	99.68%
2015	3,427,941	97.82%	66,401	3,494,342	99.71%
2014	3,241,206	97.62%	71,354	3,312,560	99.77%
2013	3,203,423	97.24%	83,388	3,286,811	99.77%

Source: Navarro County Tax Assessor-Collector

Note: Property tax only - does not include penalties and interest.

NAVARRO COLLEGE DISTRICT
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS (UNAUDITED)

Table 9
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	<u>2022</u>	<u>2021 (2)</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Bonded Debt					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt					
Revenue bonds	11,490,000	13,518,162	15,234,478	16,895,796	18,502,111
Leases payable	407,066	499,152	3,259,621	3,784,979	2,855,000
Loans payable	675,000	750,000	825,000	900,000	975,000
Notes payable	<u>2,166,468</u>	<u>2,630,795</u>	-	-	-
Total other debt	<u>14,738,534</u>	<u>17,398,109</u>	<u>19,319,099</u>	<u>21,580,775</u>	<u>22,332,111</u>
Total outstanding debt	<u>\$ 14,738,534</u>	<u>\$ 17,398,109</u>	<u>\$ 19,319,099</u>	<u>\$ 21,580,775</u>	<u>\$ 22,332,111</u>
Total Outstanding Debt Ratios					
Per capita	\$ 280	\$ 323	\$ 386	\$ 435	\$ 459
Per student	1,330	1,533	1,549	1,591	1,574
As a percentage of taxable assessed value	0.35%	0.40%	0.48%	0.54%	0.65%
As a percentage of personal income	0.70%	0.81%	1.03%	1.15%	1.24%

Note: Navarro College District does not have any general obligation debt. Per student ratio is calculated based on debt per full-time student equivalent.

(1) Fiscal years 2013 and 2012 were restated for implementation of GASBS No. 65

(2) Fiscal year 2021 was restated for implementation of GASBS No. 87, *Leases*. Prior years were not restated.

Source: Navarro College District Finance Department

NAVARRO COLLEGE DISTRICT
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS (UNAUDITED)

Table 9
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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (1)</u>
General Bonded Debt					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt					
Revenue bonds	20,063,427	22,689,743	25,216,060	27,667,376	30,043,692
Loans payable	1,050,000	1,125,000	1,200,000	1,275,000	1,275,000
Capital lease obligations	<u>3,060,000</u>	<u>3,260,000</u>	<u>3,450,000</u>	<u>3,496,116</u>	<u>3,651,116</u>
Total other debt	<u>24,173,427</u>	<u>27,074,743</u>	<u>29,866,060</u>	<u>32,438,492</u>	<u>34,969,808</u>
Total outstanding debt	<u>\$ 24,173,427</u>	<u>\$ 27,074,743</u>	<u>\$ 29,866,060</u>	<u>\$ 32,438,492</u>	<u>\$ 34,969,808</u>
Total Outstanding Debt Ratios					
Per capita	\$ 498	\$ 561	\$ 620	\$ 675	\$ 729
Per student	1,680	1,804	1,830	1,905	1,996
As a percentage of taxable assessed value	0.75%	0.89%	1.00%	1.11%	1.26%
As a percentage of personal income	1.41%	1.57%	1.58%	1.83%	2.10%

Note: Navarro College District does not have any general obligation debt. Per student ratio is calculated based on debt per full-time student equivalent.

(1) Fiscal years 2013 and 2012 were restated for implementation of GASBS No. 65

Source: Navarro College District Finance Department

NAVARRO COLLEGE DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table 10
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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Taxable Assessed Value	<u>\$ 4,458,796,811</u>	<u>\$ 4,243,781,833</u>	<u>\$ 4,016,198,688</u>	<u>\$ 3,451,642,014</u>	<u>\$ 3,233,006,446</u>
General Obligation Bonds					
Statutory tax levy limit for debt service	\$ 22,293,984	\$ 21,218,909	\$ 20,080,993	\$ 17,258,210	\$ 16,165,032
Current year debt service requirements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of statutory limit for debt service over current requirements	<u>\$ 22,293,984</u>	<u>\$ 21,218,909</u>	<u>\$ 20,080,993</u>	<u>\$ 17,258,210</u>	<u>\$ 16,165,032</u>
Net current requirements as a percentage of statutory limit	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars assessed valuation.

NAVARRO COLLEGE DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table 10
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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Taxable Assessed Value	<u>\$ 3,046,069,327</u>	<u>\$ 2,994,142,529</u>	<u>\$ 2,917,537,473</u>	<u>\$ 2,765,697,752</u>	<u>\$ 2,774,259,367</u>
General Obligation Bonds					
Statutory tax levy limit for debt service	\$ 15,230,347	\$ 14,970,713	\$ 14,587,687	\$ 13,828,489	\$ 13,871,297
Current year debt service requirements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of statutory limit for debt service over current requirements	<u>\$ 15,230,347</u>	<u>\$ 14,970,713</u>	<u>\$ 14,587,687</u>	<u>\$ 13,828,489</u>	<u>\$ 13,871,297</u>
Net current requirements as a percentage of statutory limit	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars assessed valuation.

NAVARRO COLLEGE DISTRICT
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS (UNAUDITED)

Table 11
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Fiscal Year	Pledged Revenues					
	Tuition Pledged (1)	Building Fee	Out of District Fee	Other Fees	Pledged Auxiliary Revenue	Less Auxiliary Expenses
2022	\$ 214,268	\$ 3,363,556	\$ 4,416,312	\$ 3,315,698	\$ 5,998,380	\$ 8,085,766
2021	234,098	3,632,775	4,710,957	3,549,798	5,312,328	8,001,990
2020	266,580	4,098,329	5,189,721	3,397,648	5,082,945	8,884,866
2019	288,428	4,082,169	5,300,687	3,015,864	5,671,011	10,542,824
2018	304,845	4,271,589	5,414,730	2,707,238	6,043,317	10,132,772
2017	316,995	3,961,300	5,026,019	2,824,645	8,818,670	8,904,115
2016	325,635	3,942,353	4,997,878	2,614,210	8,876,011	9,833,242
2015	340,350	4,203,104	5,564,752	2,832,475	9,027,034	10,609,202
2014	346,658	3,753,843	5,344,521	1,605,731	10,207,759	11,825,268
2013	348,578	3,816,433	5,624,975	1,673,432	10,545,568	11,504,077

Notes:

(1) Calculated at \$15.00 per semester headcount (\$7.50 per summer semester).

NAVARRO COLLEGE DISTRICT
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS (UNAUDITED)

Table 11
Page 2 of 2

Fiscal Year	Pledged Revenues			Debt Service Requirements			Coverage Ratio
	Net Available	Interest Income	Total	Principal	Interest	Total	
2022	\$ 9,222,448	\$ 95,256	\$ 9,317,704	\$ 1,875,000	\$ 273,581	\$ 2,148,581	4.34
2021	9,437,966	78,407	9,516,373	1,710,000	533,691	2,243,691	4.24
2020	9,150,357	235,077	9,385,434	1,650,000	590,062	2,240,062	4.19
2019	7,815,335	153,046	7,968,381	1,595,000	644,484	2,239,484	3.56
2018	8,608,947	123,628	8,732,575	1,540,000	696,976	2,236,976	3.90
2017	12,043,514	102,303	12,145,817	1,495,000	740,656	2,235,656	5.43
2016	10,922,845	93,031	11,015,876	2,560,000	843,632	3,403,632	3.24
2015	11,358,513	93,269	11,451,782	2,460,000	942,574	3,402,574	3.37
2014	9,433,244	129,125	9,562,369	2,385,000	1,019,449	3,404,449	2.81
2013	10,504,909	160,404	10,665,313	2,310,000	1,088,537	3,398,537	3.14

Notes:

(1) Calculated at \$15.00 per semester headcount (\$7.50 per summer semester).



NAVARRO COLLEGE DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 12

Calendar Year	Navarro County Population	Navarro County Personal Income	Navarro County Personal Income Per Capita	Navarro County Unemployment Rate
2021	53,591	\$ 2,376,748,127	\$ 44,350	5.1%
2020	52,624	2,100,760,031	41,461	6.2%
2019	50,113	1,987,095,000	39,652	3.3%
2018	49,565	1,879,580,000	37,922	3.7%
2017	48,701	1,799,965,000	35,446	3.9%
2016	48,523	1,719,814,000	36,960	4.2%
2015	48,255	1,729,595,000	35,792	4.2%
2014	48,195	1,887,318,000	39,245	5.2%
2013	48,038	1,776,684,000	36,985	5.2%
2012	47,979	1,666,050,000	34,725	7.9%

Source: Texas Workforce Commission

Note: The final 2020 amounts are not yet available and are estimated in the table above.

NAVARRO COLLEGE DISTRICT
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 13
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Employer	2022		2021	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Navarro College (includes part time)	265	1.06%	740	3.11%
Watkins Construction	750	2.99%	685	2.88%
Russell Stover Candies (seasonal)	936	3.73%	936	3.93%
Corsicana ISD	886	3.53%	886	3.72%
Navarro Regional Hospital (Includes Contract Employees)	352	1.40%	365	1.53%
Walmart Super Center	350	1.39%	350	1.47%
Collin Street Bakery (seasonal)	347	1.38%	347	1.46%
Navarro County	300	1.19%	300	1.26%
Guardian Industries, Corp.	268	1.07%	268	1.13%
Corsicana Bedding (Corsicana Mattress Company)	220	0.88%	350	1.47%
City of Corsicana (includes part time)	275	1.10%	275	1.15%
Kohl's Distribution Center	200	0.80%	200	0.84%
Pactiv	520	2.07%	533	2.24%
Oil City Iron Works	229	0.91%	215	0.90%
Heritage Oaks/Heritage Oaks West	191	0.76%	191	0.80%
NALCO Champion		0.00%	120	0.50%
Morgan Corp.	157	0.63%	150	0.63%
Angels at Home	-	0.00%	-	0.00%
Tru-Serve Distribution Center	151	0.60%	145	0.61%
Tremco CPG and Nudura	109	0.43%	-	0.00%
Audubon Metals Texas	90	0.36%	-	0.00%
Cresline Plastic Pipe Co.	47	0.19%	-	0.00%
Holcim Building Development	46	0.18%	-	0.00%
Greenbrier Rail	26	0.10%	-	0.00%
Polyguard	53	0.21%	52	0.22%
Community National Bank & Trust	98	0.39%	98	0.41%
Cargo Craft	-	0.00%	-	0.00%
Plasson	60	0.24%	100	0.42%
Navarro Pecan	60	0.24%	60	0.25%
EXXON/Mobil Pipeline	-	0.00%	-	0.00%
Enterprise Pre-Cast	80	0.32%	80	0.34%
Total	7,066	28.14%	7,446	31.27%

Source: City of Corsicana, Texas and the Texas Workforce Commission

NAVARRO COLLEGE DISTRICT
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 13
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Employer	2020		2019	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Navarro College (includes part time)	872	3.75%	991	4.35%
Watkins Construction	500	2.15%	1,020	4.48%
Russell Stover Candies (seasonal)	650	2.79%	850	3.73%
Corsicana ISD	886	3.81%	810	3.56%
Navarro Regional Hospital (Includes Contract Employees)	365	1.57%	450	1.98%
Walmart Super Center	350	1.50%	350	1.54%
Collin Street Bakery (seasonal)	347	1.49%	347	1.52%
Navarro County	300	1.29%	300	1.32%
Guardian Industries, Corp.	325	1.40%	325	1.43%
Corsicana Bedding (Corsicana Mattress Company)	367	1.58%	367	1.61%
City of Corsicana (includes part time)	275	1.18%	275	1.21%
Kohl's Distribution Center	200	0.86%	200	0.88%
Pactiv	400	1.72%	425	1.87%
Oil City Iron Works	215	0.92%	194	0.85%
Heritage Oaks/Heritage Oaks West	191	0.82%	191	0.84%
NALCO Champion	120	0.52%	150	0.66%
Morgan Corp.	150	0.64%	150	0.66%
Angels at Home	-	0.00%	-	0.00%
Tru-Serve Distribution Center	145	0.62%	145	0.64%
Tremco CPG and Nudura	-	0.00%	-	0.00%
Audubon Metals Texas	-	0.00%	-	0.00%
Cresline Plastic Pipe Co.	-	0.00%	-	0.00%
Holcim Building Development	-	0.00%	-	0.00%
Greenbrier Rail	-	0.00%	-	0.00%
Polyguard	125	0.54%	125	0.55%
Community National Bank & Trust	98	0.42%	80	0.35%
Cargo Craft	-	0.00%	-	0.00%
Plasson	100	0.43%	100	0.44%
Navarro Pecan	60	0.26%	60	0.26%
EXXON/Mobil Pipeline	-	0.00%	-	0.00%
Enterprise Pre-Cast	80	0.34%	80	0.35%
Total	7,121	30.58%	7,985	35.08%

Source: City of Corsicana, Texas and the Texas Workforce Commission

NAVARRO COLLEGE DISTRICT
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 13
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Employer	2018		2017	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Navarro College (includes part time)	820	3.74%	1,042	4.87%
Watkins Construction	800	3.65%	500	2.33%
Russell Stover Candies (seasonal)	726	3.31%	850	3.97%
Corsicana ISD	700	3.19%	811	3.79%
Navarro Regional Hospital (Includes Contract Employees)	350	1.60%	350	1.63%
Walmart Super Center	350	1.60%	350	1.63%
Collin Street Bakery (seasonal)	347	1.58%	150	0.70%
Navarro County	337	1.54%	284	1.33%
Guardian Industries, Corp.	325	1.48%	312	1.46%
Corsicana Bedding (Corsicana Mattress Company)	314	1.43%	257	1.20%
City of Corsicana (includes part time)	276	1.26%	284	1.33%
Kohl's Distribution Center	200	0.91%	200	0.93%
Pactiv	194	0.88%	250	1.17%
Oil City Iron Works	194	0.88%	255	1.19%
Heritage Oaks/Heritage Oaks West	191	0.87%	72	0.34%
NALCO Champion	150	0.68%	150	0.70%
Morgan Corp.	150	0.68%	149	0.70%
Angels at Home	150	0.68%	150	0.70%
Tru-Serve Distribution Center	145	0.66%	180	0.84%
Tremco CPG and Nudura	-	0.00%	-	0.00%
Audubon Metals Texas	-	0.00%	-	0.00%
Cresline Plastic Pipe Co.	-	0.00%	-	0.00%
Holcim Building Development	-	0.00%	-	0.00%
Greenbrier Rail	-	0.00%	-	0.00%
Polyguard	125	0.57%	-	0.00%
Community National Bank & Trust	80	0.36%	114	0.53%
Cargo Craft	75	0.34%	-	0.00%
Plasson	70	0.32%	-	0.00%
Navarro Pecan	60	0.27%	-	0.00%
EXXON/Mobil Pipeline	55	0.25%	-	0.00%
Enterprise Pre-Cast	-	0.00%	-	0.00%
Total	7,184	32.74%	6,710	31.33%

Source: City of Corsicana, Texas and the Texas Workforce Commission

NAVARRO COLLEGE DISTRICT
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 13
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Employer	2016		2015	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Navarro College (includes part time)	1,042	4.84%	1,090	5.02%
Watkins Construction	500	2.32%	500	2.30%
Russell Stover Candies (seasonal)	850	3.95%	850	3.91%
Corsicana ISD	811	3.77%	811	3.73%
Navarro Regional Hospital (Includes Contract Employees)	350	1.63%	350	1.61%
Walmart Super Center	350	1.63%	350	1.61%
Collin Street Bakery (seasonal)	150	0.70%	150	0.69%
Navarro County	284	1.32%	284	1.31%
Guardian Industries, Corp.	312	1.45%	318	1.46%
Corsicana Bedding (Corsicana Mattress Company)	257	1.19%	257	1.18%
City of Corsicana (includes part time)	284	1.32%	284	1.31%
Kohl's Distribution Center	200	0.93%	315	1.45%
Pactiv		0.00%		0.00%
Oil City Iron Works	255	1.18%	255	1.17%
Heritage Oaks/Heritage Oaks West	72	0.33%	72	0.33%
NALCO Champion	150	0.70%	-	0.00%
Morgan Corp.	-	0.00%	-	0.00%
Angels at Home	-	0.00%	-	0.00%
Tru-Serve Distribution Center	180	0.84%	180	0.83%
Tremco CPG and Nudura	-	0.00%	-	0.00%
Audubon Metals Texas	-	0.00%	-	0.00%
Cresline Plastic Pipe Co.	-	0.00%	-	0.00%
Holcim Building Development	-	0.00%	-	0.00%
Greenbrier Rail	-	0.00%	-	0.00%
Polyguard	-	0.00%	-	0.00%
Community National Bank & Trust	-	0.00%	-	0.00%
Cargo Craft	-	0.00%	-	0.00%
Plasson	-	0.00%	-	0.00%
Navarro Pecan	-	0.00%	-	0.00%
EXXON/Mobil Pipeline	-	0.00%	-	0.00%
Enterprise Pre-Cast	-	0.00%	-	0.00%
Total	6,047	28.10%	6,066	27.92%

Source: City of Corsicana, Texas and the Texas Workforce Commission



NAVARRO COLLEGE DISTRICT
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 13
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Employer	2014		2013	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Navarro College (includes part time)	1,106	5.21%	1,134	5.50%
Watkins Construction	-	0.00%	-	0.00%
Russell Stover Candies (seasonal)	850	4.00%	795	3.85%
Corsicana ISD	811	3.82%	800	3.88%
Navarro Regional Hospital (Includes Contract Employees)	350	1.65%	385	1.87%
Walmart Super Center	350	1.65%		0.00%
Collin Street Bakery (seasonal)	150	0.71%	379	1.84%
Navarro County	284	1.34%	300	1.45%
Guardian Industries, Corp.	318	1.50%	360	1.75%
Corsicana Bedding (Corsicana Mattress Company)	257	1.21%	449	2.18%
City of Corsicana (includes part time)	284	1.34%	277	1.34%
Kohl's Distribution Center	315	1.48%	333	1.61%
Pactiv		0.00%		0.00%
Oil City Iron Works	255	1.20%	212	1.03%
Heritage Oaks/Heritage Oaks West	72	0.34%	245	1.19%
NALCO Champion	-	0.00%	-	0.00%
Morgan Corp.	-	0.00%	-	0.00%
Angels at Home	-	0.00%	-	0.00%
Tru-Serve Distribution Center	180	0.85%	165	0.80%
Tremco CPG and Nudura	-	0.00%	-	0.00%
Audubon Metals Texas	-	0.00%	-	0.00%
Cresline Plastic Pipe Co.	-	0.00%	-	0.00%
Holcim Building Development	-	0.00%	-	0.00%
Greenbrier Rail	-	0.00%	-	0.00%
Polyguard	-	0.00%	-	0.00%
Community National Bank & Trust	-	0.00%	-	0.00%
Cargo Craft	-	0.00%	-	0.00%
Plasson	-	0.00%	-	0.00%
Navarro Pecan	-	0.00%	-	0.00%
EXXON/Mobil Pipeline	-	0.00%	-	0.00%
Enterprise Pre-Cast	-	0.00%	-	0.00%
Total	5,582	26.28%	5,834	28.28%

Source: City of Corsicana, Texas and the Texas Workforce Commission

NAVARRO COLLEGE DISTRICT
STATE APPROPRIATION PER FULL-TIME STUDENT EQUIVALENT AND CONTACT HOUR
LAST TEN FISCAL YEARS (UNAUDITED)

Table 14
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Fiscal Year	State Appropriation	Appropriation per FTSE	
		FTSE	State Appropriation per FTSE
2021	\$ 12,689,698	11,984	\$ 1,059
2020	13,362,834	11,082	1,206
2019	13,362,834	12,476	1,071
2018	14,052,370	13,564	1,036
2017	14,052,371	14,187	991
2016	15,302,879	14,388	1,064
2015	15,288,429	15,007	1,019
2014	16,262,313	16,316	997
2013	16,319,691	17,028	958
2012	15,861,991	17,518	905

Note: Full-time student equivalent (FTSE) is defined as the number of full-time students plus the total hours taken by part-time students divided by 12.

NAVARRO COLLEGE DISTRICT
STATE APPROPRIATION PER FULL-TIME STUDENT EQUIVALENT AND CONTACT HOUR
LAST TEN FISCAL YEARS (UNAUDITED)

Table 14
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Fiscal Year	Appropriation per Contact Hour			State Appropriation per Contact Hour
	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	
2021	1,852,968	967,942	2,820,910	\$ 4.50
2020	2,219,520	776,262	2,995,782	4.46
2019	2,443,726	1,058,224	3,501,950	3.82
2018	2,648,800	1,139,020	3,787,820	3.71
2017	2,736,720	1,239,884	3,976,604	3.53
2016	2,768,430	1,302,964	4,071,394	3.76
2015	2,861,376	1,443,484	4,304,860	3.55
2014	3,057,872	1,647,476	4,705,348	3.46
2013	3,258,256	1,616,032	4,874,288	3.35
2012	3,392,912	1,675,572	5,068,484	3.13

Note: Full-time student equivalent (FTSE) is defined as the number of full-time students plus the total hours taken by part-time students divided by 12.

NAVARRO COLLEGE DISTRICT
FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 15
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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Faculty					
Full-Time	112	117	122	122	132
Part-Time	<u>195</u>	<u>201</u>	<u>113</u>	<u>284</u>	<u>361</u>
Total	<u><u>307</u></u>	<u><u>318</u></u>	<u><u>235</u></u>	<u><u>406</u></u>	<u><u>493</u></u>
Full-Time	36.5%	36.8%	51.9%	30.0%	26.8%
Part-Time	<u>63.5%</u>	<u>63.2%</u>	<u>48.1%</u>	<u>70.0%</u>	<u>73.2%</u>
Total	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>
Average Annual Faculty Salary	<u>\$ 57,006</u>	<u>\$ 57,190</u>	<u>\$ 58,162</u>	<u>\$ 56,037</u>	<u>\$ 54,654</u>
Staff and Administrators					
Full-Time	228	239	231	245	216
Part-Time	<u>79</u>	<u>85</u>	<u>120</u>	<u>78</u>	<u>77</u>
Total	<u><u>307</u></u>	<u><u>324</u></u>	<u><u>351</u></u>	<u><u>323</u></u>	<u><u>293</u></u>
Full-Time	74.3%	73.8%	65.8%	75.9%	73.7%
Part-Time	<u>25.7%</u>	<u>26.2%</u>	<u>34.2%</u>	<u>24.1%</u>	<u>26.3%</u>
Total	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

NAVARRO COLLEGE DISTRICT
FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 15
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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Faculty					
Full-Time	136	133	128	127	121
Part-Time	<u>361</u>	<u>382</u>	<u>405</u>	<u>415</u>	<u>446</u>
Total	<u><u>497</u></u>	<u><u>515</u></u>	<u><u>533</u></u>	<u><u>542</u></u>	<u><u>567</u></u>
Full-Time	27.4%	25.8%	24.0%	23.4%	21.3%
Part-Time	<u>72.6%</u>	<u>74.2%</u>	<u>76.0%</u>	<u>76.6%</u>	<u>78.7%</u>
Total	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>
Average Annual Faculty Salary	<u>\$ 55,863</u>	<u>\$ 55,134</u>	<u>\$ 54,396</u>	<u>\$ 55,602</u>	<u>\$ 53,781</u>
Staff and Administrators					
Full-Time	234	252	244	244	252
Part-Time	<u>119</u>	<u>89</u>	<u>94</u>	<u>79</u>	<u>71</u>
Total	<u><u>353</u></u>	<u><u>341</u></u>	<u><u>338</u></u>	<u><u>323</u></u>	<u><u>323</u></u>
Full-Time	66.3%	73.9%	72.2%	75.5%	78.0%
Part-Time	<u>33.7%</u>	<u>26.1%</u>	<u>27.8%</u>	<u>24.5%</u>	<u>22.0%</u>
Total	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

NAVARRO COLLEGE DISTRICT
ENROLLMENT DETAILS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 16
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	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Student Classification										
00-30 hours	4,769	72.64%	5,264	73.74%	6,056	74.10%	6,393	74.33%	6,496	72.44%
31-60 hours	1,262	19.22%	1,233	17.27%	1,350	16.52%	1,447	16.82%	1,622	18.09%
> 60 hours	534	8.13%	642	8.99%	767	9.38%	761	8.85%	850	9.48%
Total	6,565	100.00%	7,139	100.00%	8,173	100.00%	8,601	100.00%	8,968	100.00%
Semester Hour Load										
Less than 3	9	0.14%	6	0.08%	8	0.10%	16	0.19%	56	0.62%
3-5 semester hours	1,476	22.48%	1,501	21.03%	1,852	22.66%	1,982	23.04%	1,993	22.22%
6-8 semester hours	1,628	24.80%	1,768	24.77%	2,083	25.49%	2,206	25.65%	2,373	26.46%
9-11 semester hours	1,110	16.91%	1,284	17.99%	1,311	16.04%	1,270	14.77%	1,489	16.60%
12-14 semester hours	1,557	23.72%	1,516	21.24%	1,725	21.11%	1,768	20.56%	1,916	21.36%
15-17 semester hours	580	8.83%	847	11.86%	951	11.64%	1,100	12.79%	948	10.57%
18 & over	205	3.12%	217	3.04%	243	2.97%	259	3.01%	193	2.15%
Total	6,565	100.00%	7,139	100.00%	8,173	100.00%	8,601	100.00%	8,968	100.00%
Tuition Status										
Texas Resident (in-District)	926	14.11%	1,138	15.94%	1,475	18.05%	1,572	18.28%	1,549	17.27%
Texas Resident (out-of-District)	5,472	83.35%	5,816	81.47%	6,533	79.93%	6,837	79.49%	7,163	79.87%
Non-Resident Tuition	167	2.54%	185	2.59%	165	2.02%	192	2.23%	256	2.85%
Total	6,565	100.00%	7,139	100.00%	8,173	100.00%	8,601	100.00%	8,968	100.00%

NAVARRO COLLEGE DISTRICT
ENROLLMENT DETAILS
LAST TEN FISCAL YEARS (UNAUDITED)

Table 16
Page 2 of 2

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Student Classification										
00-30 hours	6,741	73.03%	6,772	71.45%	7,036	70.37%	7,353	71.69%	7,060	69.91%
31-60 hours	1,592	17.25%	1,741	18.37%	1,895	18.95%	1,871	18.24%	1,958	19.39%
> 60 hours	897	9.72%	965	10.18%	1,068	10.68%	1,033	10.07%	1,080	10.70%
Total	9,230	100.00%	9,478	100.00%	9,999	100.00%	10,257	100.00%	10,098	100.00%
Semester Hour Load										
Less than 3	60	0.65%	239	2.52%	220	2.20%	251	2.45%	201	1.99%
3-5 semester hours	2,196	23.79%	1,931	20.37%	1,902	19.02%	1,717	16.74%	1,592	15.77%
6-8 semester hours	2,346	25.42%	2,370	25.01%	2,345	23.45%	2,236	21.80%	2,173	21.52%
9-11 semester hours	1,447	15.68%	1,383	14.59%	1,588	15.88%	1,604	15.64%	1,422	14.08%
12-14 semester hours	1,921	20.81%	2,327	24.55%	2,561	25.61%	2,739	26.70%	2,866	28.38%
15-17 semester hours	1,037	11.24%	1,040	10.97%	1,102	11.02%	1,411	13.76%	1,480	14.66%
18 & over	223	2.42%	188	1.98%	281	2.81%	299	2.92%	364	3.60%
Total	9,230	100.00%	9,478	100.00%	9,999	100.00%	10,257	100.00%	10,098	100.00%
Tuition Status										
Texas Resident (in-District)	1,633	17.69%	1,809	19.09%	1,814	18.14%	1,927	18.79%	1,922	19.03%
Texas Resident (out-of-District)	7,320	79.31%	7,446	78.56%	7,920	79.21%	8,052	78.50%	7,883	78.06%
Non-Resident Tuition	277	3.00%	223	2.35%	265	2.65%	278	2.71%	293	2.90%
Total	9,230	100.00%	9,478	100.00%	9,999	100.00%	10,257	100.00%	10,098	100.00%

NAVARRO COLLEGE DISTRICT
STUDENT PROFILE
LAST TEN FISCAL YEARS (UNAUDITED)

Table 17
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Gender	Fall 2021		Fall 2020	
	Number	Percent	Number	Percent
Female	4,072	62.03%	4,474	62.67%
Male	2,493	37.97%	2,665	37.33%
Total	6,565	100.00%	7,139	100.00%
Ethnic Origin				
White	3,802	57.91%	4,143	58.03%
Hispanic	1,107	16.86%	1,231	17.24%
African American	1,066	16.24%	1,187	16.63%
Asian	66	1.01%	72	1.01%
Foreign	41	0.62%	47	0.66%
Native American	23	0.35%	32	0.45%
Other	460	7.01%	427	5.98%
Total	6,565	100.00%	7,139	100.00%
Age				
Under 18	2,373	36.15%	2,688	37.65%
18 - 21	2,614	39.82%	2,739	38.37%
22 - 24	448	6.82%	500	7.00%
25 - 35	780	11.88%	783	10.97%
36 - 50	292	4.45%	363	5.08%
51 & over	58	0.88%	66	0.92%
Total	6,565	100.00%	7,139	100.00%
Average Age	21		21	

NAVARRO COLLEGE DISTRICT
STUDENT PROFILE
LAST TEN FISCAL YEARS (UNAUDITED)

Table 17
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Gender	Fall 2019		Fall 2018	
	Number	Percent	Number	Percent
Female	4,983	60.97%	5,153	59.91%
Male	3,190	39.03%	3,448	40.09%
Total	8,173	100.00%	8,601	100.00%
Ethnic Origin				
White	4,654	56.94%	4,886	56.81%
Hispanic	1,589	19.44%	1,687	19.61%
African American	1,319	16.14%	1,432	16.65%
Asian	80	0.98%	83	0.97%
Foreign	55	0.67%	76	0.88%
Native American	37	0.45%	42	0.49%
Other	439	5.37%	395	4.59%
Total	8,173	100.00%	8,601	100.00%
Age				
Under 18	3,062	37.46%	3,122	36.30%
18 - 21	3,062	37.46%	3,272	38.04%
22 - 24	591	7.23%	628	7.30%
25 - 35	944	11.55%	1,003	11.66%
36 - 50	436	5.33%	481	5.59%
51 & over	78	0.95%	95	1.10%
Total	8,173	100.00%	8,601	100.00%
Average Age	21		21	

NAVARRO COLLEGE DISTRICT
STUDENT PROFILE
LAST TEN FISCAL YEARS (UNAUDITED)

Table 17
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Gender	Fall 2017		Fall 2016	
	Number	Percent	Number	Percent
Female	5,314	59.26%	5,270	57.10%
Male	3,654	40.74%	3,960	42.90%
Total	8,968	100.00%	9,230	100.00%
Ethnic Origin				
White	4,864	54.24%	5,208	56.42%
Hispanic	1,987	22.16%	1,980	21.45%
African American	1,596	17.80%	1,599	17.32%
Asian	89	0.99%	102	1.11%
Foreign	104	1.16%	130	1.41%
Native American	54	0.60%	62	0.67%
Other	274	3.06%	149	1.61%
Total	8,968	100.00%	9,230	100.00%
Age				
Under 18	3,212	35.82%	3,383	36.65%
18 - 21	3,385	37.75%	3,393	36.76%
22 - 24	655	7.30%	694	7.52%
25 - 35	1,090	12.15%	1,070	11.59%
36 - 50	522	5.82%	560	6.07%
51 & over	104	1.16%	130	1.41%
Total	8,968	100.00%	9,230	100.00%
Average Age	21		21	

NAVARRO COLLEGE DISTRICT
STUDENT PROFILE
LAST TEN FISCAL YEARS (UNAUDITED)

Table 17
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Gender	Fall 2015		Fall 2014	
	Number	Percent	Number	Percent
Female	5,565	58.71%	5,904	59.05%
Male	3,913	41.29%	4,095	40.95%
Total	9,478	100.00%	9,999	100.00%
Ethnic Origin				
White	5,404	57.02%	5,710	57.11%
Hispanic	1,830	19.31%	1,795	17.95%
African American	1,859	19.61%	2,109	21.09%
Asian	80	0.84%	74	0.74%
Foreign	111	1.17%	131	1.31%
Native American	58	0.61%	62	0.62%
Other	136	1.43%	118	1.18%
Total	9,478	100.00%	9,999	100.00%
Age				
Under 18	3,037	32.04%	2,474	24.74%
18 - 21	3,584	37.81%	3,855	38.55%
22 - 24	787	8.30%	905	9.05%
25 - 35	1,217	12.84%	1,587	15.87%
36 - 50	685	7.23%	927	9.27%
51 & over	168	1.77%	251	2.51%
Total	9,478	100.00%	9,999	100.00%
Average Age	22		23	



NAVARRO COLLEGE DISTRICT
STUDENT PROFILE
LAST TEN FISCAL YEARS (UNAUDITED)

Table 17
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Gender	Fall 2013		Fall 2012	
	Number	Percent	Number	Percent
Female	6,103	59.50%	6,087	60.28%
Male	4,154	40.50%	4,011	39.72%
Total	10,257	100.00%	10,098	100.00%
Ethnic Origin				
White	5,672	55.30%	5,759	57.03%
Hispanic	1,929	18.81%	1,774	17.57%
African American	2,333	22.75%	2,200	21.79%
Asian	70	0.68%	54	0.53%
Foreign	129	1.26%	159	1.57%
Native American	47	0.46%	61	0.60%
Other	77	0.75%	91	0.90%
Total	10,257	100.00%	10,098	100.00%
Age				
Under 18	2,428	23.67%	2,206	21.85%
18 - 21	4,052	39.50%	3,959	39.21%
22 - 24	923	9.00%	972	9.63%
25 - 35	1,657	16.15%	1,704	16.87%
36 - 50	933	9.10%	1,014	10.04%
51 & over	264	2.57%	243	2.41%
Total	10,257	100.00%	10,098	100.00%
Average Age	23		24	

NAVARRO COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
(Includes only Public Senior Colleges in Texas)
LAST TEN FISCAL YEARS (UNAUDITED)

Table 18
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Name	2020-2021 Graduate as of Fall 2020				
	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 Angelo State University	3	0	0	3	0.29%
2 Lamar University	1	0	0	1	0.10%
3 Midwestern State University	6	0	0	6	0.59%
4 Prairie View A&M University	13	0	0	13	1.27%
5 Sam Houston State University	59	4	0	63	6.15%
6 Stephen F. Austin State University	31	5	0	36	3.51%
7 Sul Ross State University	0	0	0	0	0.00%
8 Sul Ross State University - Rio Grande College	0	0	0	0	0.00%
9 Tarleton State University	127	15	0	142	13.85%
10 Texas A&M International University	1	0	0	1	0.10%
11 Texas A&M University	102	4	0	106	10.34%
12 Texas A&M University at Commerce	70	6	0	76	7.41%
13 Texas A&M University at Corpus Christi	7	0	0	7	0.68%
14 Texas A&M University at Galveston	4	0	0	4	0.39%
15 Texas A&M University at Kingsville	3	0	0	3	0.29%
16 Texas A&M University at San Antonio	0	0	0	0	0.00%
17 Texas A&M University at Texarkana	4	0	0	4	0.39%
18 Texas Southern University	1	1	0	2	0.20%
19 Texas State University	52	1	0	53	5.17%
20 Texas Tech University	84	4	0	88	8.59%
21 Texas Woman's University	33	2	0	35	3.41%
22 The University of Texas - Pan American	0	0	0	0	0.00%
23 The University of Texas at Arlington	146	8	0	154	15.02%
24 The University of Texas at Austin	35	2	0	37	3.61%
25 The University of Texas at Dallas	19	3	0	22	2.15%
26 The University of Texas at El Paso	1	0	0	1	0.10%
27 The University of Texas at Rio Grand Valley	0	0	0	0	0.00%
28 The University of Texas at San Antonio	6	0	0	6	0.59%
29 The University of Texas at Tyler	36	3	0	39	3.80%
30 The University of Texas of the Permian Basin	3	0	0	3	0.29%
31 University of Houston	9	1	0	10	0.98%
32 University of Houston at Clear Lake	0	0	0	0	0.00%
33 University of Houston at Downtown	1	0	0	1	0.10%
34 University of Houston at Victoria	1	0	0	1	0.10%
35 University of North Texas	80	7	0	87	8.49%
36 University of North Texas at Dallas	14	0	0	14	1.37%
37 West Texas A&M University	7	0	0	7	0.68%
Totals	<u>959</u>	<u>66</u>	<u>-</u>	<u>1,025</u>	<u>100.00%</u>

Source: Texas Higher Education Coordinating Board

Note: Information not available for ten years of trend information.

NAVARRO COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
(Includes only Public Senior Colleges in Texas)
LAST TEN FISCAL YEARS (UNAUDITED)

Table 18
Page 2 of 9

Name	2019-2020 Graduate as of Fall 2020				
	Transfer	Transfer	Transfer	Total of	% of
	Student	Student	Student	all Sample	all Sample
	Count	Count	Count	Transfer	Transfer
	Academic	Technical	Tech-Prep	Students	Students
1 Angelo State University	6	1	0	7	#DIV/0!
2 Lamar University	2	0	0	2	#DIV/0!
3 Midwestern State University	9	0	0	9	#DIV/0!
4 Prairie View A&M University	15	1	0	16	#DIV/0!
5 Sam Houston State University	76	5	0	81	#DIV/0!
6 Stephen F. Austin State University	39	0	0	39	#DIV/0!
7 Sul Ross State University	0	0	0	0	#DIV/0!
8 Sul Ross State University - Rio Grande College	0	0	0	0	#DIV/0!
9 Tarleton State University	174	16	0	190	#DIV/0!
10 Texas A&M International University	0	0	0	0	#DIV/0!
11 Texas A&M University	111	1	0	112	#DIV/0!
12 Texas A&M University at Commerce	87	3	0	90	#DIV/0!
13 Texas A&M University at Corpus Christi	9	0	0	9	#DIV/0!
14 Texas A&M University at Galveston	1	1	0	2	#DIV/0!
15 Texas A&M University at Kingsville	6	0	0	6	#DIV/0!
16 Texas A&M University at San Antonio	0	0	0	0	#DIV/0!
17 Texas A&M University at Texarkana	2	0	0	2	#DIV/0!
18 Texas Southern University	4	1	0	5	#DIV/0!
19 Texas State University	56	1	0	57	#DIV/0!
20 Texas Tech University	82	5	0	87	#DIV/0!
21 Texas Woman's University	26	1	0	27	#DIV/0!
22 The University of Texas - Pan American	0	0	0	0	#DIV/0!
23 The University of Texas at Arlington	208	24	0	232	#DIV/0!
24 The University of Texas at Austin	35	2	0	37	#DIV/0!
25 The University of Texas at Dallas	28	0	0	28	#DIV/0!
26 The University of Texas at El Paso	1	0	0	1	#DIV/0!
27 The University of Texas at Rio Grand Valley	0	0	0	0	#DIV/0!
28 The University of Texas at San Antonio	9	0	0	9	#DIV/0!
29 The University of Texas at Tyler	36	2	0	38	#DIV/0!
30 The University of Texas of the Permian Basin	4	0	0	4	#DIV/0!
31 University of Houston	5	0	0	5	#DIV/0!
32 University of Houston at Clear Lake	1	0	0	1	#DIV/0!
33 University of Houston at Downtown	0	0	0	0	#DIV/0!
34 University of Houston at Victoria	0	0	0	0	#DIV/0!
35 University of North Texas	85	3	0	88	#DIV/0!
36 University of North Texas at Dallas	25	3	0	28	#DIV/0!
37 West Texas A&M University	6	0	0	6	#DIV/0!
Totals	<u>1,148</u>	<u>70</u>	<u>-</u>	<u>1,218</u>	<u>#DIV/0!</u>

Source: Texas Higher Education Coordinating Board

Note: Information not available for ten years of trend information.

NAVARRO COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
(Includes only Public Senior Colleges in Texas)
LAST TEN FISCAL YEARS (UNAUDITED)

Table 18
Page 3 of 9

Name	2018-2019 Graduate as of Fall 2019				
	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Angelo State University	9	0	0	9	#DIV/0!
2 Lamar University	5	1	0	6	#DIV/0!
3 Midwestern State University	8	0	0	8	#DIV/0!
4 Prairie View A&M University	5	1	0	6	#DIV/0!
5 Sam Houston State University	95	2	0	97	#DIV/0!
6 Stephen F. Austin State University	48	2	0	50	#DIV/0!
7 Sul Ross State University	0	0	0	0	#DIV/0!
8 Sul Ross State University - Rio Grande College	0	0	0	0	#DIV/0!
9 Tarleton State University	180	8	0	188	#DIV/0!
10 Texas A&M International University	0	0	0	0	#DIV/0!
11 Texas A&M University	133	1	0	134	#DIV/0!
12 Texas A&M University at Commerce	125	5	0	130	#DIV/0!
13 Texas A&M University at Corpus Christi	2	0	0	2	#DIV/0!
14 Texas A&M University at Galveston	5	0	0	5	#DIV/0!
15 Texas A&M University at Kingsville	2	0	0	2	#DIV/0!
16 Texas A&M University at San Antonio	1	0	0	1	#DIV/0!
17 Texas A&M University at Texarkana	1	0	0	1	#DIV/0!
18 Texas Southern University	10	2	0	12	#DIV/0!
19 Texas State University	81	6	0	87	#DIV/0!
20 Texas Tech University	78	1	0	79	#DIV/0!
21 Texas Woman's University	30	0	1	31	#DIV/0!
22 The University of Texas - Pan American	0	0	0	0	#DIV/0!
23 The University of Texas at Arlington	193	22	0	215	#DIV/0!
24 The University of Texas at Austin	33	2	0	35	#DIV/0!
25 The University of Texas at Dallas	21	0	0	21	#DIV/0!
26 The University of Texas at El Paso	1	0	0	1	#DIV/0!
27 The University of Texas at Rio Grand Valley	1	0	0	1	#DIV/0!
28 The University of Texas at San Antonio	11	1	0	12	#DIV/0!
29 The University of Texas at Tyler	49	4	0	53	#DIV/0!
30 The University of Texas of the Permian Basin	3	0	0	3	#DIV/0!
31 University of Houston	9	1	0	10	#DIV/0!
32 University of Houston at Clear Lake	0	0	0	0	#DIV/0!
33 University of Houston at Downtown	2	0	0	2	#DIV/0!
34 University of Houston at Victoria	2	0	0	2	#DIV/0!
35 University of North Texas	104	6	0	110	#DIV/0!
36 University of North Texas at Dallas	33	2	0	35	#DIV/0!
37 West Texas A&M University	4	0	0	4	#DIV/0!
Totals	<u>1,284</u>	<u>67</u>	<u>1</u>	<u>1,352</u>	<u>#DIV/0!</u>

Source: Texas Higher Education Coordinating Board

Note: Information not available for ten years of trend information.

NAVARRO COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
(Includes only Public Senior Colleges in Texas)
LAST TEN FISCAL YEARS (UNAUDITED)

Table 18
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Name	2017-2018 Graduate as of Fall 2018				
	Transfer	Transfer	Transfer	Total of	% of
	Student	Student	Student	all Sample	all Sample
	Count	Count	Count	Transfer	Transfer
	Academic	Technical	Tech-Prep	Students	Students
1 Angelo State University	5	0	0	5	0.37%
2 Lamar University	3	0	0	3	0.22%
3 Midwestern State University	12	1	0	13	0.96%
4 Prairie View A&M University	13	0	0	13	0.96%
5 Sam Houston State University	90	7	0	97	7.14%
6 Stephen F. Austin State University	56	3	0	59	4.34%
7 Sul Ross State University	0	0	0	0	0.00%
8 Sul Ross State University - Rio Grande College	0	0	0	0	0.00%
9 Tarleton State University	174	13	0	187	13.76%
10 Texas A&M International University	0	0	0	0	0.00%
11 Texas A&M University	126	2	0	128	9.42%
12 Texas A&M University at Commerce	142	6	0	148	10.89%
13 Texas A&M University at Corpus Christi	8	0	0	8	0.59%
14 Texas A&M University at Galveston	2	0	0	2	0.15%
15 Texas A&M University at Kingsville	1	0	0	1	0.07%
16 Texas A&M University at San Antonio	2	1	0	3	0.22%
17 Texas A&M University at Texarkana	1	0	0	1	0.07%
18 Texas Southern University	5	2	0	7	0.52%
19 Texas State University	63	0	0	63	4.64%
20 Texas Tech University	76	5	0	81	5.96%
21 Texas Woman's University	27	4	0	31	2.28%
22 The University of Texas - Pan American	0	0	0	0	0.00%
23 The University of Texas at Arlington	184	28	0	212	15.60%
24 The University of Texas at Austin	46	3	0	49	3.61%
25 The University of Texas at Dallas	20	0	0	20	1.47%
26 The University of Texas at El Paso	0	0	0	0	0.00%
27 The University of Texas at Rio Grand Valley	2	0	0	2	0.15%
28 The University of Texas at San Antonio	7	0	0	7	0.52%
29 The University of Texas at Tyler	58	2	0	60	4.42%
30 The University of Texas of the Permian Basin	2	0	0	2	0.15%
31 University of Houston	15	1	0	16	1.18%
32 University of Houston at Clear Lake	1	0	0	1	0.07%
33 University of Houston at Downtown	2	0	0	2	0.15%
34 University of Houston at Victoria	3	0	0	3	0.22%
35 University of North Texas	88	5	1	94	6.95%
36 University of North Texas at Dallas	28	4	0	32	2.37%
37 West Texas A&M University	9	0	0	9	0.67%
Totals	<u>1,271</u>	<u>87</u>	<u>1</u>	<u>1,359</u>	<u>100.05%</u>

Source: Texas Higher Education Coordinating Board

Note: Information not available for ten years of trend information.

NAVARRO COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
(Includes only Public Senior Colleges in Texas)
LAST TEN FISCAL YEARS (UNAUDITED)

Table 18
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Name	2016 - 2017 Graduate as of Fall 2017				
	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Angelo State University	4	0	0	4	0.29%
2 Lamar University	4	0	0	4	0.29%
3 Midwestern State University	15	1	0	16	1.18%
4 Prairie View A&M University	7	1	0	8	0.59%
5 Sam Houston State University	86	7	1	94	6.92%
6 Stephen F. Austin State University	59	4	2	65	4.78%
7 Sul Ross State University	1	0	0	1	0.07%
8 Sul Ross State University - Rio Grande College	0	0	0	0	0.00%
9 Tarleton State University	167	9	1	177	13.02%
10 Texas A&M International University	1	0	0	1	0.07%
11 Texas A&M University	140	2	0	142	10.45%
12 Texas A&M University at Commerce	177	13	1	191	14.05%
13 Texas A&M University at Corpus Christi	10	0	0	10	0.74%
14 Texas A&M University at Galveston	8	0	0	8	0.59%
15 Texas A&M University at Kingsville	2	0	0	2	0.15%
16 Texas A&M University at San Antonio	0	0	0	0	0.00%
17 Texas A&M University at Texarkana	0	0	0	0	0.00%
18 Texas Southern University	7	0	0	7	0.52%
19 Texas State University	82	2	0	84	6.18%
20 Texas Tech University	93	4	1	98	7.21%
21 Texas Woman's University	34	5	0	39	2.87%
22 The University of Texas - Pan American	0	0	0	0	0.00%
23 The University of Texas at Arlington	189	17	0	206	15.16%
24 The University of Texas at Austin	35	3	0	38	2.80%
25 The University of Texas at Dallas	20	1	2	23	1.69%
26 The University of Texas at El Paso	4	0	0	4	0.29%
27 The University of Texas at Rio Grand Valley	0	0	0	0	0.00%
28 The University of Texas at San Antonio	10	1	0	11	0.81%
29 The University of Texas at Tyler	53	3	0	56	4.12%
30 The University of Texas of the Permian Basin	26	2	0	28	2.06%
31 University of Houston	24	0	0	24	1.77%
32 University of Houston at Clear Lake	0	0	0	0	0.00%
33 University of Houston at Downtown	0	0	0	0	0.00%
34 University of Houston at Victoria	6	0	0	6	0.44%
35 University of North Texas	87	4	0	91	6.70%
36 University of North Texas at Dallas	32	3	0	35	2.58%
37 West Texas A&M University	6	0	0	6	0.44%
Totals	1,389	82	8	1,479	108.83%

Source: Texas Higher Education Coordinating Board

Note: Information not available for ten years of trend information.

NAVARRO COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
(Includes only Public Senior Colleges in Texas)
LAST TEN FISCAL YEARS (UNAUDITED)

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Name	2015 - 2016 Graduate as of Fall 2016				
	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Angelo State University	5	0	0	5	0.34%
2 Lamar University	5	1	1	7	0.48%
3 Midwestern State University	9	0	1	10	0.69%
4 Prairie View A&M University	3	1	0	4	0.28%
5 Sam Houston State University	93	5	4	102	7.03%
6 Stephen F. Austin State University	56	0	2	58	4.00%
7 Sul Ross State University	3	0	0	3	0.21%
8 Sul Ross State University - Rio Grande College	0	0	0	0	0.00%
9 Tarleton State University	166	8	8	182	12.54%
10 Texas A&M International University	0	0	0	0	0.00%
11 Texas A&M University	134	5	1	140	9.65%
12 Texas A&M University at Commerce	202	13	4	219	15.09%
13 Texas A&M University at Corpus Christi	15	1	1	17	1.17%
14 Texas A&M University at Galveston	5	0	0	5	0.34%
15 Texas A&M University at Kingsville	3	0	0	3	0.21%
16 Texas A&M University at San Antonio	0	0	0	0	0.00%
17 Texas A&M University at Texarkana	0	0	0	0	0.00%
18 Texas Southern University	5	1	0	6	0.41%
19 Texas State University	73	5	1	79	5.44%
20 Texas Tech University	71	3	1	75	5.17%
21 Texas Woman's University	27	3	1	31	2.14%
22 The University of Texas - Pan American	0	0	0	0	0.00%
23 The University of Texas at Arlington	186	21	4	211	14.54%
24 The University of Texas at Austin	28	1	0	29	2.00%
25 The University of Texas at Dallas	29	1	1	31	2.14%
26 The University of Texas at El Paso	2	1	0	3	0.21%
27 The University of Texas at Rio Grand Valley	0	0	0	0	0.00%
28 The University of Texas at San Antonio	16	1	1	18	1.24%
29 The University of Texas at Tyler	40	9	1	50	3.45%
30 The University of Texas of the Permian Basin	5	0	0	5	0.34%
31 University of Houston	12	0	0	12	0.83%
32 University of Houston at Clear Lake	0	0	0	0	0.00%
33 University of Houston at Downtown	1	0	0	1	0.07%
34 University of Houston at Victoria	0	0	0	0	0.00%
35 University of North Texas	114	6	1	121	8.18%
36 University of North Texas at Dallas	16	2	0	18	1.22%
37 West Texas A&M University	5	1	0	6	0.41%
Totals	<u>1,329</u>	<u>89</u>	<u>33</u>	<u>1,451</u>	<u>99.81%</u>

Source: Texas Higher Education Coordinating Board

Note: Information not available for ten years of trend information.

NAVARRO COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
(Includes only Public Senior Colleges in Texas)
LAST TEN FISCAL YEARS (UNAUDITED)

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Name	2014 - 2015 Graduate as of Fall 2015				
	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Angelo State University	11	1	1	13	0.89%
2 Lamar University	10	1	0	11	0.75%
3 Midwestern State University	15	0	0	15	1.02%
4 Prairie View A&M University	7	1	0	8	0.54%
5 Sam Houston State University	79	1	4	84	5.72%
6 Stephen F. Austin State University	60	7	2	69	4.70%
7 Sul Ross State University	1	0	0	1	0.07%
8 Sul Ross State University - Rio Grande College	0	0	0	0	0.00%
9 Tarleton State University	145	13	11	169	11.51%
10 Texas A&M International University	0	0	0	0	0.00%
11 Texas A&M University	161	0	3	164	11.17%
12 Texas A&M University at Commerce	161	13	7	181	12.33%
13 Texas A&M University at Corpus Christi	8	1	0	9	0.61%
14 Texas A&M University at Galveston	6	0	0	6	0.41%
15 Texas A&M University at Kingsville	3	0	0	3	0.20%
16 Texas A&M University at San Antonio	0	0	0	0	0.00%
17 Texas A&M University at Texarkana	0	0	0	0	0.00%
18 Texas Southern University	6	0	0	6	0.41%
19 Texas State University	101	2	1	104	7.08%
20 Texas Tech University	86	6	1	93	6.34%
21 Texas Woman's University	33	8	0	41	2.79%
22 The University of Texas - Pan American	0	0	0	0	0.00%
23 The University of Texas at Arlington	198	30	2	230	15.67%
24 The University of Texas at Austin	34	1	0	35	2.38%
25 The University of Texas at Dallas	30	1	1	32	2.18%
26 The University of Texas at El Paso	1	0	0	1	0.07%
27 The University of Texas at Rio Grand Valley	0	0	0	0	0.00%
28 The University of Texas at San Antonio	7	0	0	7	0.48%
29 The University of Texas at Tyler	41	2	1	44	3.00%
30 The University of Texas of the Permian Basin	5	0	0	5	0.34%
31 University of Houston	14	1	0	15	1.02%
32 University of Houston at Clear Lake	0	0	0	0	0.00%
33 University of Houston at Downtown	0	0	0	0	0.00%
34 University of Houston at Victoria	0	0	0	0	0.00%
35 University of North Texas	104	1	0	105	7.24%
36 University of North Texas at Dallas	12	3	1	16	1.10%
37 West Texas A&M University	1	0	0	1	0.07%
Totals	<u>1,340</u>	<u>93</u>	<u>35</u>	<u>1,468</u>	<u>100.10%</u>

Source: Texas Higher Education Coordinating Board

Note: Information not available for ten years of trend information.

NAVARRO COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
(Includes only Public Senior Colleges in Texas)
LAST TEN FISCAL YEARS (UNAUDITED)

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Name	2013 - 2014 Graduate as of Fall 2014				
	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Angelo State University	10	1	1	12	0.77%
2 Lamar University	11	0	0	11	0.71%
3 Midwestern State University	17	1	1	19	1.22%
4 Prairie View A&M University	3	2	1	6	0.39%
5 Sam Houston State University	76	4	2	82	5.27%
6 Stephen F. Austin State University	61	7	4	72	4.62%
7 Sul Ross State University	1	0	0	1	0.06%
8 Sul Ross State University - Rio Grande College	0	0	0	0	0.00%
9 Tarleton State University	149	11	7	167	10.73%
10 Texas A&M International University	0	0	1	1	0.06%
11 Texas A&M University	150	5	5	160	10.28%
12 Texas A&M University at Commerce	182	20	15	217	13.94%
13 Texas A&M University at Corpus Christi	8	1	1	10	0.64%
14 Texas A&M University at Galveston	7	0	1	8	0.51%
15 Texas A&M University at Kingsville	7	1	0	8	0.51%
16 Texas A&M University at San Antonio	0	0	0	0	0.00%
17 Texas A&M University at Texarkana	0	0	0	0	0.00%
18 Texas Southern University	6	0	1	7	0.45%
19 Texas State University	101	5	2	108	6.94%
20 Texas Tech University	86	7	1	94	6.04%
21 Texas Woman's University	44	4	0	48	3.08%
22 The University of Texas - Pan American	2	0	0	2	0.13%
23 The University of Texas at Arlington	195	19	8	222	14.26%
24 The University of Texas at Austin	30	1	2	33	2.12%
25 The University of Texas at Dallas	22	0	1	23	1.48%
26 The University of Texas at El Paso	0	0	0	0	0.00%
27 The University of Texas at Rio Grand Valley	0	0	0	0	0.00%
28 The University of Texas at San Antonio	11	0	0	11	0.71%
29 The University of Texas at Tyler	40	3	1	44	2.83%
30 The University of Texas of the Permian Basin	4	0	0	4	0.26%
31 University of Houston	19	0	1	20	1.28%
32 University of Houston at Clear Lake	0	0	0	0	0.00%
33 University of Houston at Downtown	2	1	0	3	0.20%
34 University of Houston at Victoria	3	0	1	4	0.27%
35 University of North Texas	115	2	3	120	8.17%
36 University of North Texas at Dallas	29	2	1	32	2.18%
37 West Texas A&M University	5	3	0	8	0.54%
Totals	<u>1,396</u>	<u>100</u>	<u>61</u>	<u>1,557</u>	<u>100.65%</u>

Source: Texas Higher Education Coordinating Board

Note: Information not available for ten years of trend information.



NAVARRO COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
(Includes only Public Senior Colleges in Texas)
LAST TEN FISCAL YEARS (UNAUDITED)

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Name	2012 - 2013 Graduate as of Fall 2013				
	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Angelo State University	9	2	2	13	0.87%
2 Lamar University	7	0	2	9	0.60%
3 Midwestern State University	7	0	1	8	0.54%
4 Prairie View A&M University	6	2	0	8	0.54%
5 Sam Houston State University	104	5	5	114	7.63%
6 Stephen F. Austin State University	64	3	2	69	4.62%
7 Sul Ross State University	0	1	0	1	0.07%
8 Sul Ross State University - Rio Grande College	0	0	0	0	0.00%
9 Tarleton State University	151	14	13	178	11.91%
10 Texas A&M International University	0	0	0	0	0.00%
11 Texas A&M University	136	6	7	149	9.97%
12 Texas A&M University at Commerce	185	15	3	203	13.59%
13 Texas A&M University at Corpus Christi	16	0	1	17	1.14%
14 Texas A&M University at Galveston	3	0	0	3	0.20%
15 Texas A&M University at Kingsville	2	3	0	5	0.33%
16 Texas A&M University at San Antonio	0	0	0	0	0.00%
17 Texas A&M University at Texarkana	0	0	0	0	0.00%
18 Texas Southern University	5	0	1	6	0.40%
19 Texas State University	77	0	2	79	5.29%
20 Texas Tech University	66	4	2	72	4.82%
21 Texas Woman's University	35	4	2	41	2.74%
22 The University of Texas - Pan American	2	0	1	3	0.20%
23 The University of Texas at Arlington	169	24	8	201	13.45%
24 The University of Texas at Austin	40	1	2	43	2.88%
25 The University of Texas at Dallas	33	1	0	34	2.28%
26 The University of Texas at El Paso	0	0	0	0	0.00%
27 The University of Texas at Rio Grand Valley	0	0	0	0	0.00%
28 The University of Texas at San Antonio	8	1	0	9	0.60%
29 The University of Texas at Tyler	38	6	0	44	2.95%
30 The University of Texas of the Permian Basin	7	1	0	8	0.54%
31 University of Houston	14	0	0	14	0.94%
32 University of Houston at Clear Lake	0	0	0	0	0.00%
33 University of Houston at Downtown	2	0	0	2	0.13%
34 University of Houston at Victoria	0	0	0	0	0.00%
35 University of North Texas	122	7	6	135	8.67%
36 University of North Texas at Dallas	20	0	1	21	1.35%
37 West Texas A&M University	5	0	0	5	0.32%
Totals	1,333	100	61	1,494	99.56%

Source: Texas Higher Education Coordinating Board

Note: Information not available for ten years of trend information.

NAVARRO COLLEGE DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table 19
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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Academic buildings	19	19	19	19	19
Square footage (in thousands)	296,531	296,531	296,531	296,531	296,531
Libraries	3	3	3	3	3
Square footage (in thousands)	30,000	30,000	30,000	30,000	29,540
Number of Volumes (in thousands)	57,212	57,212	56,875	56,875	61,047
Administrative and support buildings	10	10	10	10	10
Square footage (in thousands)	208,514	208,514	208,514	208,514	208,514
Dormitories/Apartments	27	22	22	22	22
Square footage (in thousands)	200,487	174,848	174,848	174,848	174,848
Number of Beds	860	860	860	860	860
Dining Facilities	1	2	2	2	2
Square footage (in thousands)	21,888	25,100	25,100	25,100	25,100
Average daily customers	555	991	1,337	1,337	1,564
Athletic Facilities	12	12	12	12	12
Square footage (in thousands)	77,658	77,658	77,658	77,658	77,658
Gymnasiums/Weight Room	2	2	2	2	2
Tennis Court	-	-	-	-	-
Physical Plant Facilities	3	5	5	5	5
Square footage (in thousands)	23,123	23,140	23,140	23,140	23,140
Houses	16	16	16	16	16
Square footage (in thousands)	29,207	29,207	29,207	29,207	29,207
Transportation	63	45	55	55	60
Cars	17	17	20	20	22
Light Trucks/Vans	42	21	31	31	34
Buses	4	7	4	4	4

NAVARRO COLLEGE DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

Table 19
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	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Academic buildings	22	22	22	22	15
Square footage (in thousands)	355,002	355,002	355,002	355,002	321,117
Libraries	3	3	3	3	3
Square footage (in thousands)	29,540	29,540	29,540	29,540	29,540
Number of Volumes (in thousands)	60,617	56,507	59,898	60,894	60,078
Administrative and support buildings	5	5	5	5	3
Square footage (in thousands)	108,847	108,847	108,847	104,287	95,819
Dormitories/Apartments	24	24	24	24	24
Square footage (in thousands)	169,304	169,304	169,304	169,304	169,304
Number of Beds	860	860	860	860	883
Dining Facilities	2	2	2	2	1
Square footage (in thousands)	25,100	25,100	25,100	25,100	22,100
Average daily customers	1,074	1,198	1,302	1,450	1,108
Athletic Facilities	7	7	7	7	7
Square footage (in thousands)	81,708	81,708	81,708	81,708	81,708
Gymnasiums/Weight Room	2	2	2	2	2
Tennis Court	-	-	-	-	-
Physical Plant Facilities	3	3	3	3	2
Square footage (in thousands)	23,023	23,023	23,023	23,023	16,030
Houses	15	14	14	14	14
Square footage (in thousands)	26,835	25,535	25,535	25,535	25,535
Transportation	53	48	48	48	43
Cars	14	12	11	11	12
Light Trucks/Vans	35	32	33	33	27
Buses	4	4	4	4	4



**OVERALL COMPLIANCE, INTERNAL CONTROL, AND
FEDERAL AND STATE AWARDS SECTION**



INDEPENDENT AUDITOR’S 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

To the Board of Trustees
Navarro College District
Corsicana, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Navarro College District (the “District”), as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 15, 2022. Our report includes a reference to other auditors who audited the financial statements of Navarro College Foundation (the “Foundation”), as described in our report on the District’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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Board of Trustees
Navarro College District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the *Public Funds Investment Act* (Chapter 2256, Texas Government Code), 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*.

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 entity'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.

The image shows a handwritten signature in blue ink that reads "Whitley Penn LLP". The signature is written in a cursive, professional style.

Houston, Texas
December 15, 2022

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND THE TEXAS GRANT MANAGEMENT STANDARDS**

To the Board of Trustees
Navarro College District
Corsicana, Texas

Report on Compliance for Each Major Federal and State Program

Opinion On Each Major Program

We have audited Navarro College District’s (the “District”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the Texas Grant Management Standards (TxGMS) that could have a direct and material effect on each of the District’s major federal and state programs for the year ended August 31, 2022. The District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2022.

Basis for Opinion On Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the audit requirements of the TxGMS. Our responsibilities under those standards, the Uniform Guidance, and the TxGMS are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District’s federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Board of Trustees
Navarro College District

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the TxGMS. Accordingly, this report is not suitable for any other purpose.

Whitley Penn LLP

Houston, Texas
December 15, 2022

NAVARRO COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ?	No

Identification of Federal major programs:

Name of Federal Program or Cluster Assistance Listing Number (ALN)

US Department of Education

<i>Adult Education & Family Literacy Act (AEFLA)</i>	84.002A
<i>COVID-19 CRRSAA - Higher Education Emergency Relief Fund - Student Emergency Aid</i>	84.425E
<i>COVID-19 CRRSAA - Higher Education Emergency Relief Fund - Institutional Portion</i>	84.425F
<i>COVID-19 CRRSAA - Higher Education Emergency Relief Fund - Institutional Portion - Lost Revenue</i>	84.425F
<i>COVID-19 ARP - Higher Education Emergency Relief Fund - Student Portion</i>	84.425E
<i>COVID-19 ARP - Higher Education Emergency Relief Fund - Institutional Portion - Lost Revenue</i>	84.425F
<i>Governor's Emergency Education Relief (GEER)</i>	84.425C

Identification of State major program:

Name of State Program

<i>Texas Education Opportunity Grant</i>	N/A
Dollar Threshold Considered Between Type A and Type B Federal Programs:	\$1,171,689
Dollar Threshold Considered Between Type A and Type B State Programs:	\$750,000
Federal Single Audit - Auditee qualified as low risk auditee?	Yes
Federal Single Audit - Auditee qualified as low risk auditee?	Yes

II - Financial Statement Findings

None noted.

III - Federal Award Findings and Questioned Costs

None noted.

IV - State Award Findings and Questioned Costs

None noted.

NAVARRO COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended August 31, 2022

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings". The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

The Summary Schedule of Prior Audit Findings for the year ended August 31, 2022 has been prepared to address these responsibilities.

I. Prior Audit Findings

Not Applicable.

NAVARRO COLLEGE DISTRICT

CORRECTIVE ACTION PLAN

Year Ended August 31, 2022

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

As part of this responsibility, the District's corrective action plans are presented below.

I. Corrective Action Plan

Not Applicable.