

Navajo County Community College District (Northland Pioneer College)

Annual Budgeted Expenditure
Limitation Report

Year Ended June 30, 2020



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





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Audit Staff

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LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent accountants' report

Members of the Arizona State Legislature

The Governing Board of
Navajo County Community College District

We have examined the accompanying Annual Budgeted Expenditure Limitation Report of Navajo County Community College District for the year ended June 30, 2020, and the related notes to the report. The District's management is responsible for presenting this report in accordance with the Uniform Expenditure Reporting System as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the Uniform Expenditure Reporting System in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Budgeted Expenditure Limitation Report referred to above is presented in accordance with the Uniform Expenditure Reporting System as described in Note 1 in all material respects.

Donna Miller, CPA
Director, Financial Audit Division

January 22, 2021

**Navajo County Community College District
(Northland Pioneer College)
Annual Budgeted Expenditure Limitation Report—Part I
Year ended June 30, 2020**

| | |
|--|-------------------|
| 1. Economic Estimates Commission expenditure limitation | \$14,732,390 |
| 2. Total amount subject to the limitation (from Part II, Line C) | <u>14,732,390</u> |
| 3. Amount under the expenditure limitation | <u>\$ 0</u> |

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the Uniform Expenditure Reporting System.

Signature of chief fiscal officer: (Signature removed for website presentation.)

Name and title: Maderia Ellison, Vice President for Administrative Services/Chief Financial Officer

Telephone number: (928) 532-6743 Date: January 22, 2021

See accompanying notes to report.

**Navajo County Community College District
(Northland Pioneer College)
Annual Budgeted Expenditure Limitation Report—Part II
Year ended June 30, 2020**

| Description | Current funds | | | Plant funds | |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
| | Unrestricted | | Restricted | Unexpended | Total |
| | General | Auxiliary enterprises | | | |
| A. Total budgeted expenditures | \$ 22,836,076 | \$ 230,755 | \$ 5,311,346 | \$ 1,557,399 | \$ 29,935,576 |
| B. Less exclusions claimed: | | | | | |
| Dividends, interest, and gains on the sale or redemption of investment securities | 1,177,322 | | 16,354 | 23,279 | 1,216,955 |
| Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 2) | 13,329 | | 4,295,611 | 339,500 | 4,648,440 |
| Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes | | | 444,916 | | 444,916 |
| Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 3) | | | | 304,098 | 304,098 |
| Contracts with other political subdivisions or tribal governments (Note 2) | 2,628,612 | | 14,157 | | 2,642,769 |
| Tuition and fees (Note 4) | 4,882,664 | 70,398 | | | 4,953,062 |
| Refunds, reimbursements, and other recoveries (Note 5) | 13,389 | | | | 13,389 |
| Amounts earned through research and entrepreneurial activities (Note 6) | 205,360 | 8,823 | 7,014 | | 221,197 |
| Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472 | | | 533,294 | | 533,294 |
| Prior years carryforward (Note 7) | 225,066 | | | | 225,066 |
| Total exclusions claimed | <u>9,145,742</u> | <u>79,221</u> | <u>5,311,346</u> | <u>666,877</u> | <u>15,203,186</u> |
| C. Amounts subject to the expenditure limitation | <u>\$ 13,690,334</u> | <u>\$ 151,534</u> | <u>\$ -</u> | <u>\$ 890,522</u> | <u>\$ 14,732,390</u> |

See accompanying notes to report.

**Navajo County Community College District
 (Northland Pioneer College)
 Notes to Annual Budgeted Expenditure Limitation Report
 Year ended June 30, 2020**

Note 1 - Summary of significant accounting policies

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07. The ABELR excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21, and A.R.S. §§15-792.03, 15-795.01, 15-1444, and 15-1472, as applicable, from the total budgeted expenditures.

The information reported in both the ABELR and the financial statements is derived from the same underlying accounting data. However, the formats of the ABELR and the financial statements differ. The ABELR presents budgeted expenditures, exclusions, and amounts subject to the limitation by fund type as required by A.R.S. §41-1279.07. The financial statements present the net position, changes in net position, and cash flows in accordance with U.S. generally accepted accounting principles.

In accordance with the UERS requirements, a note to the ABELR is presented below for any exclusion reported in the total column on part II that cannot be traced directly to an amount reported in the annual financial statements.

Note 2

The following schedule presents revenues from which exclusions have been claimed for government grants, aid, contributions, and contracts:

Statement of revenues, expenses, and changes in net position—primary government:

| | |
|----------------------|---------------------|
| Government contracts | \$ 2,642,769 |
| Government grants | 4,308,940 |
| State appropriations | <u>11,548,300</u> |
| Total | <u>\$18,500,009</u> |

Annual Budgeted Expenditure Limitation Report:

| | |
|--|---------------------|
| Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts | \$ 4,648,440 |
| Contracts with other political subdivisions or tribal governments | <u>2,642,769</u> |
| Total exclusions claimed | 7,291,209 |
| Other revenues (nonexcludable) | <u>11,208,800</u> |
| Total | <u>\$18,500,009</u> |

Note 3

Of the \$1,369,310 reported as purchase and construction of capital assets on the statement of cash flows—primary government, \$304,098 was expended from amounts authorized and accumulated for purchasing land and purchasing or constructing buildings or improvements and was therefore claimed as an exclusion in the plant funds.

**Navajo County Community College District
 (Northland Pioneer College)
 Notes to Annual Budgeted Expenditure Limitation Report
 Year ended June 30, 2020**

Note 4

The District does not budget tuition and fees and bookstore income revenues net of scholarship allowances. Gross tuition and fees of \$4,899,129 reported on the statement of revenues, expenses, and changes in net position—primary government was claimed as an exclusion. The entire amount of the gross bookstore income of \$53,933 was also claimed as an exclusion for a total of \$4,953,062 excluded as tuition and fees in the current funds.

Note 5

Amounts totaling \$13,389 in the General fund are reported as insurance reimbursement and included in other revenue on the statement of revenues, expenses, and changes in net position—primary government.

Note 6

Amounts totaling \$221,197 earned through entrepreneurial activities are included in other sales and services and other revenue on the statement of revenues, expenses, and changes in net position—primary government.

Note 7

Prior years carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current years as follows:

| Description | Current - general fund |
|---|-----------------------------------|
| Tuition and fees | <u>\$225,066</u> |
| Total prior years carryforward expended | <u>\$225,066</u> |

