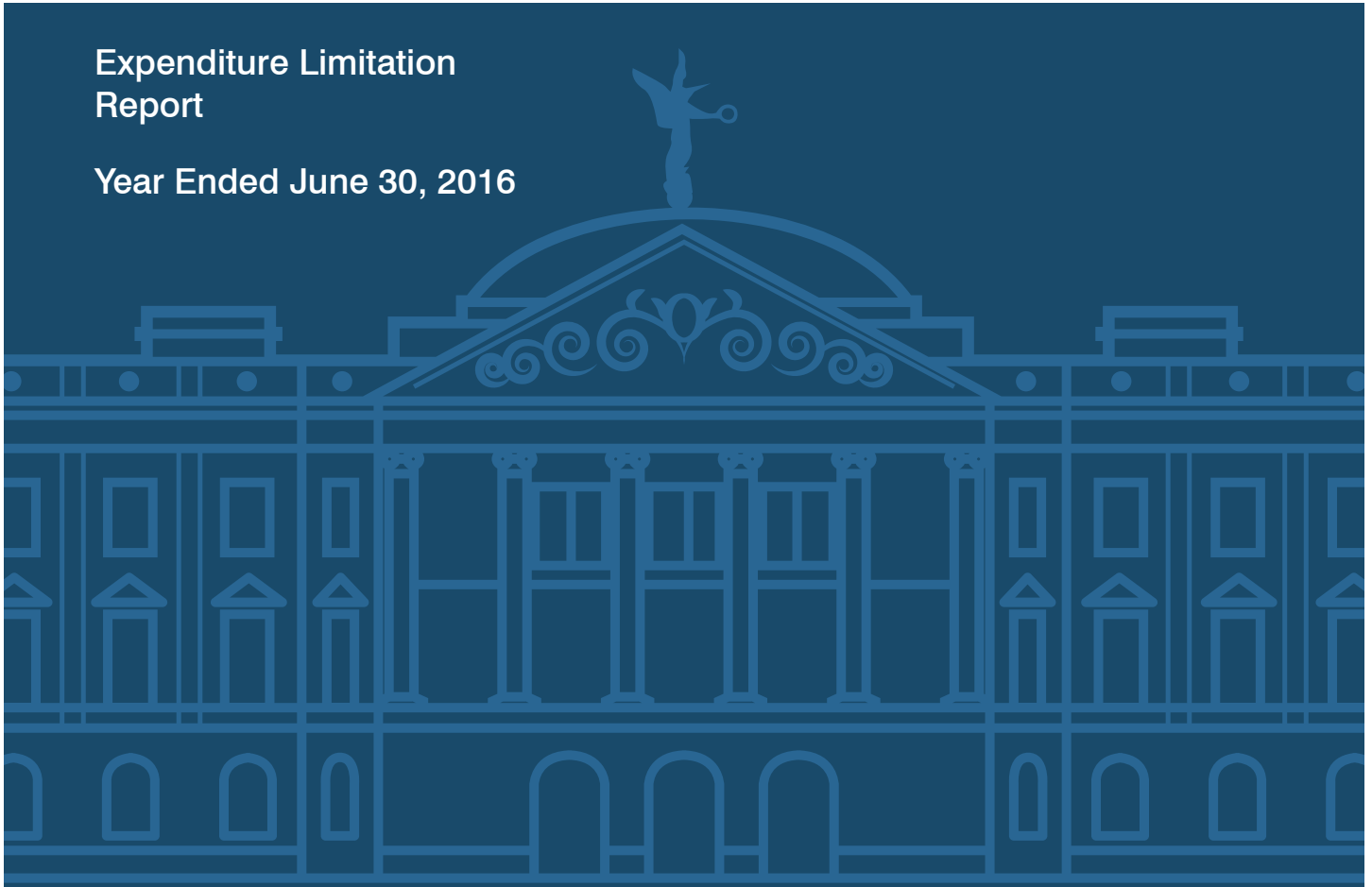


Navajo County Community College District

Expenditure Limitation
Report

Year Ended June 30, 2016



A Report to the Arizona Legislature

Debra K. Davenport
Auditor General





The Auditor General is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, state agencies, and the programs they administer.

The Joint Legislative Audit Committee

Senator **Bob Worsley**, Chair

Senator **Judy Burges**

Senator **John Kavanagh**

Senator **Sean Bowie**

Senator **Lupe Contreras**

Senator **Steve Yarbrough** (ex officio)

Representative **Anthony Kern**, Vice Chair

Representative **John Allen**

Representative **Rusty Bowers**

Representative **Rebecca Rios**

Representative **Athena Salman**

Representative **J.D. Mesnard** (ex officio)

Contact Information

Arizona Office of the Auditor General

2910 N. 44th St.

Ste. 410

Phoenix, AZ 85018

(602) 553-0333

www.azauditor.gov



TABLE OF CONTENTS

Independent accountants' report	1
Annual budgeted expenditure limitation report—part I	3
Annual budgeted expenditure limitation report—part II	4
Notes to annual budgeted expenditure limitation report	5



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
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, 2016. The District's management is responsible for this report. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the annual budgeted expenditure limitation report referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Jay Zsorey, CPA
Financial Audit Director

January 23, 2017



**Navajo County Community College District
 (Northland Pioneer College)
 Annual budgeted expenditure limitation report—part I
 Year ended June 30, 2016**

1. Economic Estimates Commission expenditure limitation		\$13,327,460
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$13,754,676	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>427,216</u>	
4. Adjusted amount subject to the expenditure limitation		<u>13,327,460</u>
5. 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: _____

Name and Title: Maderia Ellison, Interim Vice President for Administrative Services

Telephone number: (928) 524-7440 Date: January 23, 2017

See accompanying notes to report.

**Navajo County Community College District
(Northland Pioneer College)
Annual budgeted expenditure limitation report—part II
Year ended June 30, 2016**

Description	Current funds			Plant funds	Total
	Unrestricted		Restricted	Unexpended	
	General	Auxiliary enterprises			
A. Total budgeted expenditures	\$ 22,081,236	\$ 630,017	\$ 5,261,521	\$ 2,400,232	\$ 30,373,006
B. Less exclusions claimed:					
Debt service requirements on bonded indebtedness	21,325				21,325
Dividends, interest, and gains on the sale or redemption of investment securities	188,535				188,535
Grants and aid from the federal government (Note 2)	4,838		4,628,976		4,633,814
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 3)	47,882		436,779		484,661
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 4)				1,543,680	1,543,680
Contracts with other political subdivisions (Note 2)	2,626,948		195,766		2,822,714
Tuition and fees (Note 5)	5,071,403	213,938			5,285,341
Refunds, reimbursements, and other recoveries (Note 6)	14,205				14,205
Prior years carryforward (Note 7)	1,624,055				1,624,055
Total exclusions claimed	<u>9,599,191</u>	<u>213,938</u>	<u>5,261,521</u>	<u>1,543,680</u>	<u>16,618,330</u>
C. Amounts subject to the expenditure limitation	<u>\$ 12,482,045</u>	<u>\$ 416,079</u>	<u>\$ -</u>	<u>\$ 856,552</u>	<u>\$ 13,754,676</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, 2016**

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, 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 grants and aid from the federal government and contracts with other political subdivisions:

Statement of revenues, expenses, and changes in net position—primary government:		Annual budgeted expenditure limitation report:	
Government contracts	\$ 2,606,064	Grants and aid from the federal government	\$ 4,633,814
Government grants	5,126,742	Contracts with other political subdivisions	<u>2,822,714</u>
State appropriations	<u>7,777,000</u>	Total exclusions claimed	<u>7,456,528</u>
		Other revenues (nonexcludable)	<u>8,053,278</u>
Total	<u>\$15,509,806</u>	Total	<u>\$15,509,806</u>

Note 3

The exclusion claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes, consists of \$436,779 in private grants and \$47,882 in other contributions. These amounts are included on the statement of revenues, expenses, and changes in net position—primary government as private grants and other operating revenues.

**Navajo County Community College District
 (Northland Pioneer College)
 Notes to annual budgeted expenditure limitation report
 Year ended June 30, 2016**

Note 4

Of the \$2,868,119 reported as purchase and construction of capital assets on the statement of cash flows—primary government, \$1,543,680 was expended from amounts authorized and accumulated for the purchase of land, and the purchase or construction of buildings or improvements, and was therefore claimed as an exclusion.

Note 5

The District does not budget tuition and fees revenues net of scholarship allowances.

Note 6

The amount claimed for exclusion from other recoveries consists of an insurance loss recovery of \$14,205, which was included on the statement of revenues, expenses, and changes in net position—primary government as other operating revenue.

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 year as follows:

Description	Current general fund
Tuition and fees	<u>\$1,624,055</u>
Total prior years carryforward expended	<u>\$1,624,055</u>

