

# Navajo County Community College District (Northland Pioneer College)

Annual Budgeted Expenditure  
Limitation Report

Year Ended June 30, 2019



A Report to the Arizona Legislature

Lindsey A. Perry  
Auditor General





The Arizona Office of the Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office 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 **Rick Gray**, Chair  
Senator **Lupe Contreras**  
Senator **Andrea Dalessandro**  
Senator **David C. Farnsworth**  
Senator **David Livingston**  
Senator **Karen Fann** (ex officio)

Representative **Anthony T. Kern**, Vice Chair  
Representative **John Allen**  
Representative **Timothy M. Dunn**  
Representative **Mitzi Epstein**  
Representative **Jennifer Pawlik**  
Representative **Rusty Bowers** (ex officio)

## Audit Staff

**Donna Miller**, Director  
**David Glennon**, Manager

## Contact Information

**Arizona Office of the Auditor General**  
**2910 N. 44th St., Ste. 410**  
**Phoenix, AZ 85018-7271**

**(602) 553-0333**

**[contact@azauditor.gov](mailto:contact@azauditor.gov)**

**[www.azauditor.gov](http://www.azauditor.gov)**



# TABLE OF CONTENTS

<b>Independent accountants' report</b>	1
<b>Annual Budgeted Expenditure Limitation Report—Part I</b>	2
<b>Annual Budgeted Expenditure Limitation Report—Part II</b>	3
<b>Notes to Annual Budgeted Expenditure Limitation Report</b>	4



**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

**ARIZONA AUDITOR GENERAL**  
**LINDSEY A. PERRY**

**JOSEPH D. MOORE**  
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, 2019, 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 8, 2020

**Navajo County Community College District  
(Northland Pioneer College)  
Annual Budgeted Expenditure Limitation Report—Part I  
Year ended June 30, 2019**

1. Economic Estimates Commission expenditure limitation	\$14,288,001
2. Total amount subject to the expenditure limitation (from Part II, Line C)	<u>13,317,976</u>
3. Amount under the expenditure limitation	<u>\$ 970,025</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 8, 2020

See accompanying notes to report.

**Navajo County Community College District  
(Northland Pioneer College)  
Annual Budgeted Expenditure Limitation Report—Part II  
Year ended June 30, 2019**

Description	Current funds			Plant fund	Total
	Unrestricted		Restricted	Unexpended	
	General	Auxiliary enterprises			
A. Total budgeted expenditures	\$ 21,682,887	\$ 377,819	\$ 5,091,926	\$ 1,586,358	\$ 28,738,990
B. Less exclusions claimed:					
Dividends, interest, and gains on the sale or redemption of investment securities	1,178,922		139	21,093	1,200,154
Grants, aid, or contributions from the federal government, the State of Arizona, other political subdivisions, tribal governments, or special taxing districts (Note 2)	9,304		3,977,407	342,600	4,329,311
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			411,170		411,170
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 3)				471,452	471,452
Contracts with other political subdivisions or tribal governments (Note 2)	2,879,003		142,885		3,021,888
Tuition and fees (Note 4)	5,045,648	117,734			5,163,382
Refunds, reimbursements, and other recoveries (Note 5)	7,170				7,170
Amounts earned through research and entrepreneurial activities (Note 6)	231,444	24,718	9,344		265,506
Amounts received from the State of Arizona for workforce development in accordance with A.R.S. §15-1472			550,981		550,981
Total exclusions claimed	<u>9,351,491</u>	<u>142,452</u>	<u>5,091,926</u>	<u>835,145</u>	<u>15,421,014</u>
C. Amounts subject to the expenditure limitation	<u>\$ 12,331,396</u>	<u>\$ 235,367</u>	<u>\$ -</u>	<u>\$ 751,213</u>	<u>\$ 13,317,976</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, 2019**

**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	\$ 3,021,888
Government grants	3,986,711
State appropriations	<u>9,026,200</u>
Total	<u>\$16,034,799</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	\$ 4,329,311
Contracts with other political subdivisions or tribal governments	<u>3,021,888</u>
Total exclusions claimed	7,351,199
Other revenues (nonexcludable)	<u>8,683,600</u>
Total	<u>\$16,034,799</u>

**Note 3**

Of the \$1,149,269 reported as purchase and construction of capital assets on the statement of cash flows—primary government, \$471,452 was expended from amounts authorized and accumulated for purchasing land and purchasing or constructing buildings or improvements and was, therefore, claimed as an exclusion.

**Navajo County Community College District  
(Northland Pioneer College)  
Notes to Annual Budgeted Expenditure Limitation Report  
Year ended June 30, 2019**

**Note 4**

The District does not budget tuition and fees and Bookstore income revenues net of scholarship allowances. Of the gross tuition and fees of \$5,128,121 reported on the statement of revenues, expenses, and changes in net position—primary government, the entire amount was claimed as an exclusion. The entire amount of the gross Bookstore income of \$35,261 was also claimed as an exclusion for a total of \$5,163,382 excluded as tuition and fees.

**Note 5**

Amounts totaling \$7,170 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 \$265,506 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.



