

**NAVAJO COUNTY COMMUNITY  
COLLEGE DISTRICT  
(NORTHLAND PIONEER COLLEGE)  
REPORT ON AUDIT OF ANNUAL  
BUDGETED EXPENDITURE  
LIMITATION REPORT  
YEAR ENDED JUNE 30, 2010**

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
(NORTHLAND PIONEER COLLEGE)  
REPORT ON AUDIT OF ANNUAL BUDGETED EXPENDITURE  
LIMITATION REPORT  
YEAR ENDED JUNE 30, 2010**

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HEINFELD, MEECH & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS



## INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona

The Governing Board of  
Navajo County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Navajo County Community College District for the year ended June 30, 2010. This report is the responsibility of the District's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Budgeted Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Navajo County Community College District for the year ended June 30, 2010, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Governing Board, management and others within the District, and for filing with the Auditor General of the State of Arizona, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
Certified Public Accountants

February 2, 2011

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT - PART I  
YEAR ENDED JUNE 30, 2010**

1. Economic Estimates Commission expenditure limitation		\$ 16,823,427
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$ 15,938,347	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>422,737</u>	
4. Adjusted amount subject to the expenditure limitation		<u>15,515,610</u>
5. Amount under the expenditure limitation		<u>\$ 1,307,817</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: V. Blaine Hatch, Vice President for Administrative Services

Telephone Number: (928) 524-7640 Date: February 2, 2011

See accompanying notes to report.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT - PART II  
YEAR ENDED JUNE 30, 2010**

<u>Description</u>	<u>Current Funds</u>			<u>Plant Funds</u>	
	<u>Unrestricted</u>		<u>Restricted</u>	<u>Unexpended</u>	<u>Total</u>
	<u>General</u>	<u>Auxiliary Enterprises</u>			
A. Total budgeted expenditures	\$ 16,844,260	\$ 1,286,565	\$ 5,715,625	\$ 602,021	\$ 24,448,471
B. Less exclusions claimed:					
1. Dividends, interest, and gains on the sale or redemption of investment securities (Note 2)	116,824				116,824
2. Grants and aid from the Federal government (Note 3)	180,016		4,673,264		4,853,280
3. Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			450,763		450,763
4. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 4)			227,952		227,952
5. Contracts with other political subdivisions (Note 3)	1,971,263				1,971,263
6. Tuition and fees (Note 5)	<u>526,396</u>	<u>          </u>	<u>363,646</u>	<u>          </u>	<u>890,042</u>
Total exclusions claimed	<u>2,794,499</u>	<u>          </u>	<u>5,715,625</u>	<u>          </u>	<u>8,510,124</u>
C. Amounts subject to the expenditure limitation	\$ <u><u>14,049,761</u></u>	\$ <u><u>1,286,565</u></u>	\$ <u><u>          </u></u>	\$ <u><u>602,021</u></u>	\$ <u><u>15,938,347</u></u>

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented on the basis of accounting prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes (A.R.S.) Section 41-1279.07, which excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, Section 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. Section 41-1279.07. The financial statements present the net assets, changes in net assets, and cash flows in accordance with U.S. generally accepted accounting principles.

In accordance with 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 amount of \$130,891 was reported as investment income on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government. Of this amount, all was claimed as an exclusion for dividends, interest, and gains on the sale or redemption of investment securities, except for \$14,067, which was unexpended and has been carried forward to future years.

**NOTE 3 -** 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 Assets –  
Primary Government:**

Government grants	\$ 4,956,184
Government contracts	1,868,359
	<hr/>
Total	<u><u>\$ 6,824,543</u></u>

**ABELR:**

Grants and aid from the federal government	\$ 4,853,280
Contracts with other political subdivisions	<u>1,971,263</u>
Total	<u><u>\$ 6,824,543</u></u>

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2010**

**NOTE 4 -** Of the \$498,369 reported as acquisition and construction of capital assets on the Statement of Cash Flows – Primary Government, \$227,952 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 revenue net of scholarship allowances. Of the gross tuition and fees of \$4,162,389 reported on the Statement of Revenues, Expenses, and Changes in Net Assets – Primary Government, only \$890,042 was expended and claimed as an exclusion. The remaining \$3,272,347 has been carried forward to future years.