



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Navajo County Community College District

(Northland Pioneer College)

Year Ended June 30, 2012



Debra K. Davenport
Auditor General

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Navajo County Community College District
(Northland Pioneer College)
Report on Audit of Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2012

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

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, 2012. 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, 2012, 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.

Jay Zsorey, CPA
Financial Audit Director

March 13, 2013

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Navajo County Community College District
 (Northland Pioneer College)
 Annual Budgeted Expenditure Limitation Report—Part I
 Year Ended June 30, 2012

1. Economic Estimates Commission expenditure limitation		\$16,251,916
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$16,124,287	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes (A.R.S.) §15-1472 (workforce development)	<u>372,308</u>	
4. Adjusted amount subject to the expenditure limitation		<u>15,751,979</u>
5. Amount under the expenditure limitation		<u>\$ 499,937</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) 524-7440 Date: March 13, 2013

See accompanying notes to report.

Navajo County Community College District
(Northland Pioneer College)
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2012

Description	Current Funds			Plant Funds	Total
	Unrestricted		Restricted	Unexpended	
	General	Auxiliary Enterprises			
A. Total budgeted expenditures	\$ 18,249,477	\$ 408,272	\$ 5,507,512	\$ 3,207,611	\$ 27,372,872
B. Less exclusions claimed:					
Dividends, interest, and gains on the sale or redemption of investment securities	136,283				136,283
Grants and aid from the federal government (Note 2)			4,805,573		4,805,573
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			360,370		360,370
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 3)				1,748,385	1,748,385
Contracts with other political subdivisions (Note 2)	2,987,197	6,000	341,569		3,334,766
Tuition and fees (Note 4)	<u>863,208</u>				<u>863,208</u>
Total exclusions claimed	<u>3,986,688</u>	<u>6,000</u>	<u>5,507,512</u>	<u>1,748,385</u>	<u>11,248,585</u>
C. Amounts subject to the expenditure limitation	<u>\$ 14,262,789</u>	<u>\$ 402,272</u>	<u>\$ -</u>	<u>\$ 1,459,226</u>	<u>\$ 16,124,287</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, 2012

Note 1 - Summary of Significant Accounting Policies

The Annual Budgeted Expenditure Limitation Report is presented on the basis of accounting prescribed by the uniform expenditure reporting system, as required by Arizona Revised Statutes (A.R.S.) §41-1279.07, which excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21, from the total budgeted expenditures.

The information reported in both the report and the financial statements is derived from the same underlying accounting data. However, the formats of the report and the financial statements differ. The report 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 assets, changes in net assets, and cash flows in accordance with U.S. generally accepted accounting principles.

In accordance with the reporting requirements, a note to the report 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 Assets—Primary Government:		Annual Budgeted Expenditure Limitation Report:	
Government contracts	\$2,638,049	Grants and aid from the federal government	\$4,805,573
Government grants	<u>5,502,290</u>	Contracts with other political subdivisions	<u>3,334,766</u>
Total	<u>\$8,140,339</u>	Total	<u>\$8,140,339</u>

Navajo County Community College District
(Northland Pioneer College)
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2012

Note 3 - Of the \$2,996,632 reported as acquisition and construction of capital assets on the Statement of Cash Flows—Primary Government, \$1,748,385 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 4 - The District does not budget tuition and fees revenues net of scholarship allowances. Of the gross tuition and fees of \$4,920,016 reported on the Statement of Revenues, Expenses, and Changes in Net Assets—Primary Government, only \$863,208 was expended and claimed as an exclusion. The remaining \$4,056,808 has been carried forward to future years.



**Navajo County Community College District
(Northland Pioneer College)**

Expenditure Limitation Report
Year Ended June 30, 2012

State of Arizona
Office of the Auditor General