



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Navajo County Community College District

Year Ended June 30, 2013



Debra K. Davenport
Auditor General

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Navajo County Community College District
(Northland Pioneer College)
Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2013

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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 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, 2013. This report is the responsibility of the District's management. 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 of Navajo County Community College District 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 14, 2014

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Navajo County Community College District
(Northland Pioneer College)
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2013

1. Economic Estimates Commission expenditure limitation	\$15,978,265
2. Total amount subject to the expenditure limitation (from Part II, Line C)	\$15,927,657
3. Less expenditures of monies received pursuant to Arizona Revised Statutes (A.R.S.) §15-1472 (workforce development)	<u>366,253</u>
4. Adjusted amount subject to the expenditure limitation	<u>15,561,404</u>
5. Amount under the expenditure limitation	<u>\$ 416,861</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: January 14, 2014

See accompanying notes to report.

Navajo County Community College District
(Northland Pioneer College)
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2013

Description	Current Funds			Plant Funds	Total
	Unrestricted		Restricted	Unexpended	
	General	Auxiliary Enterprises			
A. Total budgeted expenditures	\$ 19,177,686	\$ 456,800	\$ 5,057,665	\$ 7,498,118	\$ 32,190,269
B. Less exclusions claimed:					
Debt service requirements on other long-term obligations	22,251				22,251
Dividends, interest, and gains on the sale or redemption of investment securities	170,717				170,717
Grants and aid from the federal government (Note 2)			4,731,746		4,731,746
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			325,919		325,919
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 3)				6,103,278	6,103,278
Contracts with other political subdivisions (Note 2)	3,478,012				3,478,012
Tuition and fees (Note 4)	1,430,689				1,430,689
Total exclusions claimed	<u>5,101,669</u>		<u>5,057,665</u>	<u>6,103,278</u>	<u>16,262,612</u>
C. Amounts subject to the expenditure limitation	<u>\$ 14,076,017</u>	<u>\$ 456,800</u>	<u>\$ -</u>	<u>\$ 1,394,840</u>	<u>\$ 15,927,657</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, 2013

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	\$ 2,969,273	Grants and aid from the federal government	\$ 4,731,746
Government grants	5,018,111	Contracts with other political subdivisions	<u>3,478,012</u>
State appropriations	<u>7,059,800</u>	Total exclusions claimed	<u>8,209,758</u>
Total	<u>\$15,047,184</u>	Other revenues (nonexcludable)	<u>6,837,426</u>
		Total	<u>\$15,047,184</u>

Note 3 - Of the \$7,148,809 reported as purchase and construction of capital assets on the Statement of Cash Flows—Primary Government, \$6,103,278 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.

Navajo County Community College District
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Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2013

Note 4 - The District does not budget tuition and fees revenues net of scholarship allowances. Of the gross tuition and fees of \$4,970,124 reported on the Statement of Revenues, Expenses, and Changes in Net Position—Primary Government, \$1,430,689 was expended and claimed as a tuition and fees exclusion. The remaining \$3,539,435 has been carried forward to future years.

