



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Annual Budgeted Expenditure Limitation Report

Navajo County Community College District

(Northland Pioneer College)

Year Ended June 30, 2001



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, 2001

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

WILLIAM THOMSON
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, 2001. 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, 2001, 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.

Our audit was made for the purpose of forming an opinion on the Annual Budgeted Expenditure Limitation Report taken as a whole. The accompanying Annual Expenditure Comparison Report is presented for purposes of additional analysis and is not a required part of the Annual Budgeted Expenditure Limitation Report. Such information has been subjected to the auditing procedures applied in the audit of the Annual Budgeted Expenditure Limitation Report and, in our opinion, is fairly stated in all material respects in relation to the Annual Budgeted Expenditure Limitation Report taken as a whole.

This report is intended solely for the information and use of the members of the Arizona State Legislature and the Governing Board, 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.

Dennis L. Mattheisen
Financial Audit Director

February 28, 2003

Navajo County Community College District
(Northland Pioneer College)
Annual Budgeted Expenditure Limitation Report—Part I
Year Ended June 30, 2001

1. Economic Estimates Commission expenditure limitation	\$10,924,132
2. Budgeted expenditures subject to the expenditure limitation (from Part II, Line C)	<u>11,514,058</u>
3. Amount in excess of the expenditure limitation	<u>\$ (589,926)</u>

(The District claimed just enough exclusions to have the amount in excess of the expenditure limitation to be an amount that allows the District to take full advantage of the reduced penalty under House Bill 2563, Laws 2000, Chapter 351.)

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) 524-7600 Date: July 9, 2003

See accompanying notes to report.

Navajo County Community College District
(Northland Pioneer College)
Annual Budgeted Expenditure Limitation Report—Part II
Year Ended June 30, 2001

Description	Current Funds			Plant Funds		Total
	Unrestricted			Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises	Restricted			
A. Total budgeted expenditures	\$ 13,058,518	\$ 1,597,556	\$ 3,013,769	\$ 3,782,894	\$ 1,910,007	\$ 23,362,744
B. Less exclusions claimed:						
Debt service requirements on bonded indebtedness (Note 2)					1,526,725	1,526,725
Debt service requirements on other long-term obligations (Note 3)					247,733	247,733
Dividends, interest, and gains on the sale or redemption of investment securities	308,942		1,559	442,184	65,644	818,329
Grants and aid from the federal government (Note 4)			2,624,000			2,624,000
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes			212,617			212,617
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 5)				3,330,396		3,330,396
Contracts with other political subdivisions (Note 6)	621,809					621,809
Tuition and fees (Note 7)	2,407,922	36,957	11,884			2,456,763
Refunds, reimbursements, and other recoveries (Note 8)				10,314		10,314
Total exclusions claimed	<u>3,338,673</u>	<u>36,957</u>	<u>2,850,060</u>	<u>3,782,894</u>	<u>1,840,102</u>	<u>11,848,686</u>
C. Amounts subject to the expenditure limitation	<u>\$ 9,719,845</u>	<u>\$ 1,560,599</u>	<u>\$ 163,709</u>	<u>\$ -</u>	<u>\$ 69,905</u>	<u>\$ 11,514,058</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, 2001

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 §41-1279.07, which excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21 from the total budgeted expenditures.

In accordance with the UERS requirements, a note to the ABELR is presented below for any exclusion claimed on Part II that cannot be traced directly to an amount reported in the annual financial statements.

Note 2 - Debt service requirements on bonded indebtedness in the Retirement of Indebtedness Fund consist of retirement of indebtedness of \$915,000 and interest on indebtedness of \$611,725 on the Statement of Changes in Fund Balances.

Note 3 - Debt service requirements on other long-term obligations in the Retirement of Indebtedness Fund consist of retirement of indebtedness of \$145,000 and interest on indebtedness of \$102,733 on the Statement of Changes in Fund Balances.

Note 4 - Governmental grants and contracts revenues reported in the Restricted Fund on the Statement of Current Funds Revenues, Expenditures, and Other Changes were \$2,726,693. Of these revenues, \$2,624,000 was expended from federal grants and contracts and claimed as an exclusion.

Note 5 - Of the \$3,782,894 reported as expended for plant facilities in the Unexpended Plant Fund on the Statement of Changes in Fund Balances, \$3,330,396 was expended from amounts authorized by the governing board that were accumulated for the purpose of purchasing or constructing buildings or improvements and were, therefore, claimed as an exclusion.

Note 6 - Governmental grants and contracts revenues of \$639,191 reported in the General Fund on the Statement of Current Funds Revenues, Expenditures, and Other Changes include \$621,809 from contracts with other political subdivisions, which are excludable revenues.

Note 7 - Of the tuition and fees of \$2,529,755 reported in the General Fund on the Statement of Current Funds Revenues, Expenditures, and Other Changes, only \$2,407,922 was expended and claimed as an exclusion. The remaining \$121,833 has been carried forward to future years.

Note 8 - Proceeds from lawsuit settlement revenues reported in the Unexpended Plant Fund on the Statement of Changes in Fund Balances include \$919,381 from damage awards. Of these excludable revenues, only \$10,314 was expended and claimed as an exclusion.

Navajo County Community College District
(Northland Pioneer College)
Annual Expenditure Comparison Report
Year Ended June 30, 2001

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures reported within the Annual Budgeted Expenditure Limitation Report, Part II, Line A	\$13,058,518	\$1,597,556	\$3,013,769	\$3,782,894	\$1,910,007	\$23,362,744
B. Total expenditures and other deductions reported in the annual financial statements	<u>13,058,518</u>	<u>1,597,556</u>	<u>3,013,769</u>	<u>3,782,894</u>	<u>1,910,007</u>	<u>23,362,744</u>
C. Variance—favorable (unfavorable)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>