

# Notice of Public Meeting

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Navajo County Community College District Governing Board (Board) and to the general public that the Board will hold a regular District Governing Board Meeting open to the public on **September 15, 2015 beginning at 10:00 a.m.** The meeting will be held at the Northland Pioneer College Painted Desert Campus, Tiponi Community Center meeting room, located at 2251 E. Navajo Blvd., Holbrook, Arizona.

One or more Board members and/or staff members may participate in the meeting by telephone if necessary.

The public is invited to check on addenda that may be posted up to 24 hours prior to the meetings. Copies of the meeting agenda may be obtained through the Office of the President, Northland Pioneer College, Painted Desert Campus, 2251 E. Navajo Blvd., Holbrook, AZ, telephone (928) 524-7418 or (800) 266-7845 Ext. 7418, at least 24 hours in advance of the meeting. If any disabled person needs any type of accommodation, please notify Lisa Jayne at the above address or telephone number at least 24 hours prior to the scheduled time.

The Board may vote to hold an executive session for the purpose of obtaining legal advice from the District's attorney on any matter listed on the agenda pursuant to A.R.S. §38-431.03 (A)(3). Should the District's attorney not be present in person, notice is further given that the attorney may appear by speakerphone.

I, Lisa Jayne, certify that this notice of public meeting, prepared pursuant to A.R.S. § 38-431.02, was posted on or before the 14th day of September 2015, at 10:00 a.m.

Lisa Jayne  
Recording Secretary to the Board

## NOTICE DISTRIBUTION

1. WHITE MOUNTAIN INDEPENDENT NEWSPAPER
2. TRIBUNE-NEWS & SNOWFLAKE HERALD NEWSPAPERS
3. NAVAJO TIMES
4. NAVAJO-HOPI OBSERVER
5. KINO RADIO
6. KNNB RADIO
7. KONOPNICKI COMMUNICATIONS [KQAZ/KTHQ/KNKI RADIO]
8. KWKM RADIO
9. WHITE MOUNTAIN RADIO
10. NPC WEB SITE
11. NPC ADMINISTRATORS AND STAFF
12. NPC FACULTY ASSOCIATION PRESIDENT
13. NPC CLASSIFIED AND ADMINISTRATIVE SUPPORT ORGANIZATION PRESIDENT
14. NPC STUDENT GOVERNMENT ASSOCIATION PRESIDENT

# OUR MISSION

Northland Pioneer College  
creates, supports  
and promotes  
lifelong learning.



## Northland Pioneer College

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# Governing Board Meeting Agenda

Painted Desert Campus, Tiponi Community Center  
2251 East Navajo Boulevard, Holbrook, Arizona

**Date:** September 15, 2015

**Time:** 10:00 a.m. (MST)

<u>Item</u>	<u>Description</u>	<u>Resource</u>
1.	<b>Call to Order and Pledge of Allegiance</b> .....	Chair Handorf
2.	<b>Adoption of the Agenda</b> ..... (Action)	Chair Handorf
3.	<b>Call for Public Comment</b> ..... <small>Individuals may address the Board on any relevant issue for up to 5 minutes. At the close of the call to the public, Board members may not respond to any comments but may respond to criticism, ask staff to review a matter or ask that a matter be placed on a future agenda.</small>	Chair Handorf
4.	<b>Reports:</b>	
	A. <b>Financial Position</b> .....	Vice President Hatch
	B. <b>Human Resources</b> .....	Vice President Hatch
	C. <b>CASO</b> .....	Margaret White
	D. <b>NPC Faculty Association</b> .....	Ryan Rademacher
	E. <b>NPC Student Government Association</b> .....	Director Rogers
	F. <b>NPC Friends and Family</b> .....	Director Wilson
5.	<b>Consent Agenda</b> ..... (Action)	Chair Handorf
	A. <b>August 18, 2015 Regular Board Minutes; August 18, 2015 Executive Session Minutes</b>	
	B. <b>Dual Enrollment Intergovernmental Agreement</b> between the Navajo County Community College District and Winslow USD	
	C. <b>Northeast Arizona Technological Institute of Vocational Education (NATIVE) IGA</b>	
6.	<b>Old Business:</b> None.	
7.	<b>New Business:</b>	
	A. <b>First Read: Strategic Plan</b> .....	Vice President Vest
	B. <b>Request to Approve Budget Development Calendar</b> ..... (Action)	Vice President Hatch
	C. <b>Financial Audits for NATC and NPC Friends and Family</b> .....	Vice President Hatch
8.	<b>Standing Business:</b>	
	A. <b>President's Report</b> .....	President Swarthout
	B. <b>Strategic Planning and Accreditation Steering Committee Report</b> ...	Vice President Vest
	C. <b>DGB Agenda Items and Informational Needs for Next Meeting</b> .....	Chair Handorf
9.	<b>Board Report/Summary of Current Events</b> .....	Board Members
10.	<b>Announcement of Next Regular Meeting</b>	
	<b>Board Retreat immediately following</b> ..... <b>October 20, 2015</b>	Chair Handorf
11.	<b>Adjournment</b> ..... (Action)	Chair Handorf

The District Governing Board may consider any item on this agenda in any order and at any time during the meeting. The District Governing Board may take action to approve, or may take other action, regarding all items of New Business, Old Business, Standing Business, or the President's Report. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the District's attorney on any matter listed on the agenda pursuant to A.R.S. §38-431.03 (A)(3). Should the District's attorney not be present in person, notice is further given that the attorney may appear by speakerphone.



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NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT

Statement of Financial Position

For the period

July 1, 2015 to July 31, 2015

Budget Period Expired 8%

Tax Supported Funds				
General Unrestricted				
Current Month				
	Budget	Actual	Y-T-D Actual	%
<b>REVENUES</b>				
Primary Tax Levy	14,470,753	126,112	126,112	1%
State Aid:				
Maintenance and Operations	1,582,200	395,525	395,525	25%
Equalization	5,834,300	1,462,350	1,462,350	25%
Tuition and Fees	4,600,000	438,987	351,190	8%
Investment earnings	140,000	8,156	8,156	6%
Grants and Contracts	1,800,000	5,500	5,500	0%
Other Miscellaneous	200,000	13,951	13,951	7%
Transfers:	(2,750,000)	(180,213)	(180,213)	7%
<b>TOTAL REVENUES</b>	<b>\$25,877,253</b>	<b>\$2,270,368</b>	<b>\$2,182,571</b>	<b>8%</b>
<b>EXPENDITURES</b>				
Salaries and Wages	17,296,292	929,106	929,106	5%
Operating Expenditures	8,780,961	644,820	644,820	7%
Capital Expenditures				
<b>TOTAL EXPENDITURES</b>	<b>\$26,077,253</b>	<b>\$1,573,926</b>	<b>\$1,573,926</b>	<b>6%</b>
Unrestricted Plant				
Current Month				
	Budget	Actual	Y-T-D Actual	%
<b>REVENUES</b>				
State Aid:				
Capital	345,500	86,375	86,375	25%
Other Miscellaneous				
Transfers:	2,000,000	166,667	166,667	8%
<b>TOTAL REVENUES</b>	<b>\$2,345,500</b>	<b>\$253,042</b>	<b>\$253,042</b>	<b>11%</b>
<b>EXPENDITURES</b>				
Salaries and Wages				
Operating Expenditures				
Capital Expenditures	5,145,500	216,955	216,955	4%
<b>TOTAL EXPENDITURES</b>	<b>\$5,145,500</b>	<b>\$216,955</b>	<b>\$216,955</b>	<b>4%</b>

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT

Statement of Financial Position

For the period July 1, 2014 to June 30, 2015

Budget Period Expired 100%

**Restricted and Auxiliary Funds**

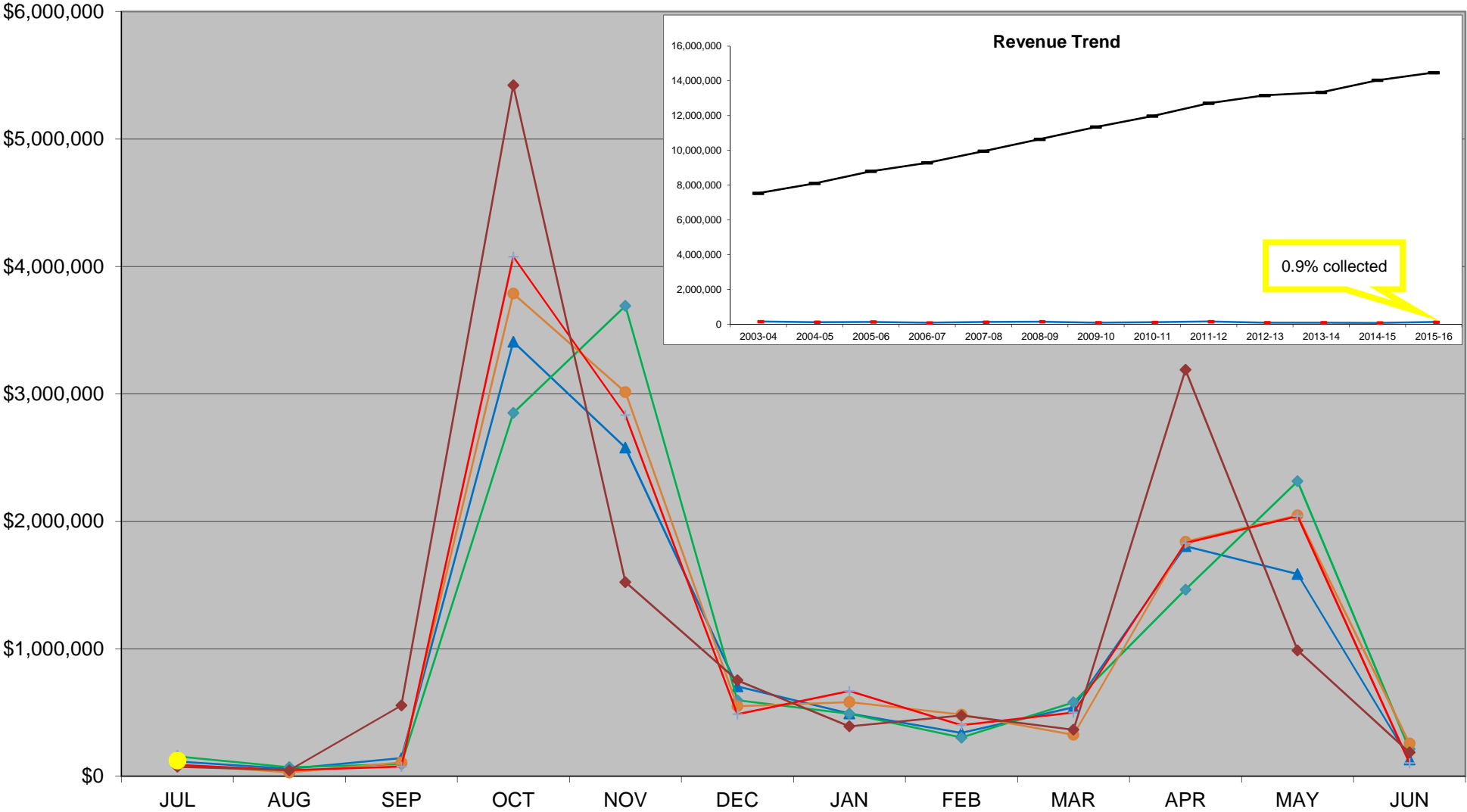
	Restricted			
	Budget	Current Month Actual	Y-T-D Actual	%
<b>REVENUES</b>				
Grants and Contracts	6,000,000	115,121	115,121	2%
Donations				
Transfers:	600,000	0	0	0%
<b>TOTAL REVENUES</b>	<b>\$6,600,000</b>	<b>\$115,121</b>	<b>\$115,121</b>	<b>2%</b>
<b>EXPENDITURES</b>				
Salaries and Wages	1,234,637	83,895	83,895	7%
Operating Expenditures	5,365,363	25,915	25,915	0%
Capital Expenditures				
<b>TOTAL EXPENDITURES</b>	<b>\$6,600,000</b>	<b>\$109,810</b>	<b>\$109,810</b>	<b>2%</b>
<b>Auxiliary</b>				
	Budget	Current Month Actual	Y-T-D Actual	%
<b>REVENUES</b>				
Sales and Services				
Bookstore	100,000	11,251	11,251	11%
Other	400,000	8,586	8,586	2%
Donations				
Transfers:	150,000	\$13,546	13,546	9%
<b>TOTAL REVENUES</b>	<b>\$650,000</b>	<b>\$33,383</b>	<b>\$33,383</b>	<b>5%</b>
<b>EXPENDITURES</b>				
Salaries and Wages	403,001	28,172	28,172	7%
Operating Expenditures	246,999	5,211	5,211	2%
Capital Expenditures				
<b>TOTAL EXPENDITURES</b>	<b>\$650,000</b>	<b>\$33,383</b>	<b>\$33,383</b>	<b>5%</b>

**Cash Flows**

Cash flows from all activities (YTD) .....	\$2,584,117
Cash used for all activities (YTD) .....	<b>\$1,934,074</b>
Net Cash for all activities (YTD) .....	\$650,043

# Monthly Primary Property Tax Receipts

2010-11 2011-12 2012-13 2013-14 2014-15 2015-16



**Human Resources UPDATE**  
**DGB-September 15, 2015**

**FILLED**

1. **Faculty in College and Career Preparation – Brandon Cook started August 24, 2015. Brandon received his Associate of Science, Bachelor of Science and Master of Science from New Mexico State University.**
2. **Support Center Operator – Jon-Daniel Delmar starts September 16. He received his Associates of Occupational Studies from College America.**
3. **Coordinator of High School Programs – Karen Hall starts September 16. Karen was previously the Academic Advisor at the White Mountain Campus.**

**EXTERNAL OPENINGS**

4. **Coordinator of Administrative Systems Support – Re-advertised. Open until filled. 7 applicants.**
5. **Information Services Manager. Closed July 31, 2015. 8 applicants.**
6. **Grant Accountant (2<sup>nd</sup> round) - Closes August 31, 2015. 7 applicants.**
7. **Network Support Technician – Closed July 17, 2015. 5 applicants**
8. **Business Analyst and Training Specialist – Open until filled. 6 applicants.**
9. **Faculty in Philosophy – Closes October 15, 2015. 22 applicants.**
10. **Director of Institutional Effectiveness – Closes September 30, 2015. 2 applicants.**
11. **Director of Human Resources – Closes September 17, 2015. 6 applicants.**
12. **Silver Creek Facilities Coordinator – Closed September 3, 2015. 13 applicants.**
13. **Maintenance II – Closes September 15, 2015. 8 applicants.**

**INTERNAL POSTINGS**

14. **Academic Advisor – Closes September 16, 2015.**
15. **Assistant to the Campus Manager (20-hrs. WMC) – Closes September 11, 2015.**

# Navajo County Community College District Governing Board Meeting Minutes

August 18, 2015 – 10:00 a.m.  
Painted Desert Campus, Tiponi Community Center  
2251 East Navajo Boulevard, Holbrook, Arizona

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**Governing Board Member Present:** Ms. Ginny Handorf, Mr. James Matteson, Mr. Prescott Winslow, Mr. Frank Lucero, Mr. Daniel Peaches

**Staff Present:** Vice President Blaine Hatch; Vice President Mark Vest; Director of Information Services PJ Way; Recording Secretary to the Board Lisa Jayne.

**Others Present:** Josh Rogers, Ryan Rademacher, Everett Robinson, Stuart Bishop, Margaret White, Tamara Martin, Ann Hess, Bill Fee, Peggy Belknap, Betsyann Wilson, Linda Kor, Bobbi Sample, John Spadaccini, Matt Weber, Maderia Ellison

## **Agenda Item 1: Call to Order and Pledge of Allegiance**

Chair Handorf called the meeting to order at 10:05 a.m. Chair Handorf led the Pledge of Allegiance.

## **Agenda Item 2: Adoption of Agenda**

*Mr. Matteson moved to adopt the agenda as presented. Mr. Lucero seconded the motion. The vote was unanimous in the affirmative.*

## **Agenda Item 3: Call for Public Comment**

None

## **Agenda Item 4: Reports**

### ***4.A. Financial Position – Vice President Hatch***

Vice President Hatch reviewed the financial position report with the Board.

Mr. Winslow asked if the total under tuitions and fees included all sources from tuition, such as Pell Grants. Vice President Hatch stated it does include all sources of tuition, even Pell and third party payers.

Mr. Winslow asked why the budgeted \$400,000 for the book store was only at 38%. Vice President Hatch stated that budget item also accounts for business and industry training, and revenues from this can be difficult to predict. Vice President Hatch stated that just after this report a contract with the Navajo Nation was signed that will most likely reach the budget goal for next year.

### ***4.B. Human Resources – Vice President Hatch***

Vice President Hatch reviewed the Human Resources report with the Board.





#### **4.C. NPC CASO**

Margaret White, Co-chair of CASO, addressed the Board and stated the CASO held a silent auction during convocation on August 17, 2015, and raised \$1,272 for student scholarships. CASO is still selling chocolate bars in the libraries and front offices for additional scholarship fundraising.

#### **4.D. Faculty Association**

Ryan Rademacher, the Faculty Association President, stated that the Faculty Association met after convocation on August 17 and largely worked on committee assignments. The Faculty Association is looking forward to having discussions with PJ Way, the new IS Director, regarding some faculty IS concerns, and PASS also updated on progress to FA during this meeting. Art Faculty Magda Gluszek will be spearheading an Empty Bowls project, and the “Make-a-thon” for this will be held on September 11, and September 25, where participants will get a chance to come and make a bowl that will be fired and glazed, and used on November 20<sup>th</sup> from 11 a.m. – 3 p.m. for a soup and bread sale, in which all money will be donated to the Love Kitchen in Pinetop. Empty Bowls is an organization that raises awareness of and funds for food for the hungry.

#### **4.E. NPC Student Government Association**

None.

#### **4.F. NPC Friends and Family – Betsyann Wilson**

Betsyann Wilson, Director of NPC Friends and Family, stated Saturday, September 19 is the 3<sup>rd</sup> Annual Pedal the Petrified. The ride met its rider quota at 200 riders. 75% of the riders are coming from out of the area. Pre-ride check-in event will be held Friday, September 18, the night before the ride between 3 p.m. and 9 p.m., and will be a fun-filled event providing food, vendors and tours of the campus. Director Wilson stated Mr. Matteson will be participating as a volunteer.

NPC Friends and Family just finished its annual financial audit for 2014-2015 fiscal year, and once the Friends and Family Board has approved it, it will be included as a component of the NPC audit. Director Wilson noted that in the White Mountain Independent, the inside front page is all about NPC’s two new MDA and Video Editing Programs, as well as a side bar that lists the College’s recent accomplishments.

#### **Agenda Item 5: Consent Agenda**

- A. June 16, 2015 Regular Board Minutes; June 18, 2015 Teleconference Minutes, June 16, 2015 Executive Session Minutes
- B. Dual Enrollment Intergovernmental Agreements between the Navajo County Community College District and Show Low USD; St. Johns USD; Window Rock USD; Holbrook USD; Snowflake USD; Round Valley USD; Red Mesa USD; Ganado USD
- C. Intergovernmental Agreement Regarding Northeast Arizona Law Enforcement Academy (NALETA) between the Navajo County Community College District and Town of Eagar Police Department; City of Holbrook Police Department; Town of Pinetop-Lakeside via the Town of Pinetop-Lakeside Police Department; The City of Show Low; Town of



- Springerville Police Department; City of St. Johns Police Department; City of Winslow Police Department; Town of Snowflake-Taylor and Navajo County Sheriff's Office
- D. Lease Agreement for Metal Arts Program with Mountain Oaks Development
  - E. Intergovernmental Agreement with Northern Arizona Vocational Institute of Technology (NAVIT)

*Mr. Matteson made a motion to approve the consent agenda. Mr. Winslow seconded. **The vote was unanimous in the affirmative.***

## **Agenda Item 6: Old Business**

**6.A.** None

## **Agenda Item 7: New Business**

### **7.A. Request to Approve Transit IGA**

Vice President Hatch addressed the Board and stated the College has participated in the Regional Connector Transit Services since 2009. Other partners include the City of Show Low, Navajo County, Town of Pinetop-Lakeside, and the Town of Snowflake-Taylor. This is a one-year contract with the option of two one-year automatic renewals. The City of Show Low serves as the lead participant for administration, and the College's role is financial and advisory in nature. Vice President Hatch represents the College on the advisory board. The College contributed \$6,036 in the first year, and that rate has stayed around that range, equaling around 11.1% of the total contribution required. Vice President Hatch stated that both students and employees benefit from this transportation program and staff recommends approval of both the resolution that authorizes the College's participation, and the actual Transit Regional Connector Transit Service IGA.

Chair Handorf asked if the College had been tracking use. Vice President Hatch stated there were not internal numbers. Vice President Vest stated that student numbers were relatively low, less than 200 annual passes were sold last year, but the students that use the bus do not have other means of transportation.

Mr. Winslow asked why the City of Holbrook was not included in the agreement. Vice President Hatch stated Holbrook withdrew from the IGA three years ago citing the cost of the program as well as questioning the benefits to their community.

Mr. Matteson stated 90% of the expense is paid for with federal monies, making it incredibly affordable.

*Mr. Matteson made a motion to approve the Transit Intergovernmental Agreement, as well as the Resolution, as presented. Mr. Winslow seconded the motion. Mr. Lucero voted in opposition. **The motion passed with a majority vote.***

### **7.B. Request to Approve LCC Pavement Project**

Vice President Hatch stated the City of Winslow Council approved a motion to enter into an Intergovernmental Agreement with the College to improve work on Bales Avenue, which is the roadway that provides access to Little Colorado Campus. Both NPC and the City of Winslow



will participate equally in the project, and these improvements would benefit students and other users. Neither the timing or overall cost of project has been determined yet, but after a plan is put together, the plan, with detailed costs, will be brought back to the District Governing Board for approval. Mr. Winslow spoke in favor of the project.

*Mr. Lucero made a motion to approve moving forward with the pavement project at Little Colorado Campus with the understanding that the City of Winslow and NPC would split the cost of the project at a price that will be approved by the Board at a later date. Mr. Winslow seconded the motion. **The motion passed unanimously.***

### **7.C. Request to Approve Reroof & Mechanical System Design at Painted Desert Campus**

Vice President Hatch stated this project is part of an ongoing project that has been completed at all other campus locations. The roof warranty at the Nizohoni Learning Center at PDC is expiring. The current mechanical units were moved to Nizhoni Learning Center from the old Hermosa Campus, so the units are the same age as all other replaced units. It is recommended that the roof membrane be removed and replaced, and that new mechanical units be installed. Staff recommends that the rooftop mechanical units be purchased separately, a purchase that will be brought back to the Board as a separate item, and the construction project will also be brought back to the Board. The Board is being asked to approve the design, contract administration, and construction administration services, and staff recommends entering into an agreement with DLR Group to provide design, contract documents, and construction administration services for the replacement of the roof membrane, and rooftop mechanical units on the Nizhoni Learning Center at PDC for a cost of \$77,850, plus an allowance for reimbursable expenses of \$3000.

*Mr. Matteson made a motion to approve the reroof and mechanical system design, contract administration, and construction administration services through DLR Group for a cost of \$77,850, plus an allowance for reimbursable expenses of \$3,000. Mr. Lucero seconded the motion. **The motion passed unanimously.***

### **7.D. Review of Annual Enrollment Report**

Vice President Vest stated the Director of Enrollment Services is required to do an annualized audit of the College's enrollment that incorporates the fall semester, the spring semester, as well as short-term courses. For clarification, the summer enrollment is the previous summer's enrollment numbers, not current.

Vice President Vest stated that the national enrollment trend for public community college's for 2014-2015 was declining. Final figures are not in yet, but will show around a 3% decline nationwide, and state enrollment decline will be greater than 3%. However, Northland Pioneer College has had a 1.4% enrollment increase, which to date, is only one of two districts in the State that will show an increase, despite the challenges of high schools with shrinking populations, and economic difficulties in the service area.

Mr. Lucero asked if the increase was in a specific area. Vice President Vest stated it was an across the board an increase, but the division of Arts and Sciences had some areas up and some that are down, but an overall small increase in Arts and Sciences, which is the first increase in a



few years. Career and Technical Education and Allied Health have had a stronger baseline enrollment because of dual enrollment and NAVIT enrollment in both of those areas. Both had a small increase in non-NAVIT participation. Dual enrollment was down a bit.

Mr. Winslow asked for a board retreat or board meeting drill-down on enrollment. Vice President Vest said that could happen.

#### ***7.E. Update on Proactive Advising for Student Success (PASS) Project***

Director Josh Rogers addressed the Board and stated that currently PASS is reviewing bids and starting the process of choosing a software program. There were five bids on the software that varied in price and package, and the PASS team will be choosing the top 2 or 3 vendors to come to the College and present their product before a decision is made.

Mr. Winslow asked for a future, in-depth presentation on how the PASS program will change the role of college staff and faculty in terms of a increased role in advising.

Director Rogers stated that after the software is implemented those changes will become clearer. Mr. Winslow asked if there would be a third party evaluator later on in the process. Director Rogers stated a third party evaluator had not been discussed, but the pilot program has been formed and there will be feedback from this group. Vice President Vest stated the Higher Learning Commission Academy will provide external assessment throughout the process.

Mr. Matteson expressed concern that a software program could lead to false alerts. Director Rogers stated there is a lot of human involvement in the program, a flag will only be raised if a faculty or staff feels it needs done, not if the software has determined it. Mr. Matteson asked if these programs have been widely used. Director PJ Way stated they have been, and largely used to help bridge a communication gap, as it is mainly a communication building tool.

#### ***7.I. Executive Session Pursuant to A.R.S. 38-431.03.A.3- Legal Advice***

Whiteriver Construction, Inc. v. Navajo County Community College  
District - Case No. CV201500265

*At 11:00 a.m. Mr. Matteson made a motion to move out of regular session into the scheduled Executive Session for legal advice. Mr. Winslow seconded the motion. **The motion passed unanimously.***

*At 11:44 a .m. the Board moved back into regular session and adjourned from executive session upon a motion by Mr. Matteson, seconded by Mr. Winslow **and a majority vote.***

#### ***7.F. Review of High School Changes to CTE Program***

Vice President Vest stated Mr. Winslow had requested a Board update on changes in high school CTE programs based on funding changes for school districts in the State. NAVIT Superintendent Matt Weber addressed the Board and stated that as budget cuts have come up, NAVIT has tracked central programs, where NAVIT partners with community colleges, as well as high



school based programs. Since 2009, NAVIT is down twenty-two programs at the eleven area high schools, and four central programs, three of which were with NPC.

Another issue was decreased busing routes, high schools going from twice a day busing to one time a day, which resulted in reduced enrollment. One of the deepest cuts was when the Arizona Department of Education quit funding general education courses, resulting in the loss of Health Related Occupations and Education Professions programs. Also, the 2011 legislature decided not to fund freshman in JTEDs, which was 40% of NAVIT's funding.

Since 2009, increased graduation requirements in math and sciences resulted in decreased opportunities for students in CTE courses. Some schools will only market certain programs. However, the skillscenter at PDC has opened up more opportunity for schools in the area.

Superintendent Weber stated that the cuts to JTEDs last year was meant to be 7.5% cut, but the legislature was way off on the percentage – it really is more like a 40-50% cut.

### ***7.G. Review of Mass Action Plan Exercise Scenario (MAPES)***

Vice President Hatch stated that two weeks ago, through the planning of Stuart Bishop, the College's Director of Public Safety Education, White Mountain Campus was used for a mass action plan exercise scenario. Emergency service agencies throughout Navajo and Apache Counties participated, and NPC students helped out as role players. It was a mock shooting event with explosives. The College used the event internally to discuss emergency response plans and emergency guidelines. The RAVE system was also tested and was used to contact students and staff through different devices, as well as a new alert system that scrolls across computers in classrooms.

Mr. Winslow asked if any changes were discussed after the exercise. Vice President Hatch stated certainly changes were discussed, but much of the change was probably more of an individual basis rather than to the overall plan and system.

### ***7.H. Discussion of Board Retreat Date***

Vice President Vest stated October 6 or October 13 has been discussed as possible dates for the fall Board retreat, and wanted to know which date was preferable. Several Board members stated October 13 was a better date.

## **Agenda Item 8: Standing Business**

### ***8.A. Strategic Planning and Accreditation Steering Committee (SPASC) Report – Vice President Vest***

Vice President Vest stated the Strategic Planning and Accreditation Steering Committee had a discussion with the College at convocation about the four priorities the College, the Board, and the President had identified in the spring to focus on for the upcoming year. This plan will be presented to the Board at the September meeting for a first read and then will be asked for formal approval at the October meeting. The Board will be apprised of the operational plans as they are developed to give general idea of objectives. SPASC presented a demo of a webpage for the strategic priorities, where key performance indicators (KPI) can be reported.

Navajo County Community College District Governing Board Meeting – 8/18/15 – Page 6 of 7



# **Northland Pioneer College**

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Mr. Matteson asked if the Director of Institutional Effectiveness would be responsible for keeping tracking of the KPIs. Vice President Vest stated that was the case.

**8.B. Agenda Items/Informational Needs**

Mr. Winslow asked for data on the College Bound Scholarship numbers. Vice President Vest stated the cutoff date for the College Bound for fall would be this Friday, and Finish Line scholarship data would be available in October, so this information could be presented at the October meeting.

**Agenda Item 9: Board Report/Summary of Current Event**

Chair Handorf stated the White Mountain Chorale was hosting a performance this Friday for a fundraiser for Meals on Wheels at Blue Ridge auditorium at 6:00 p.m.

Mr. Winslow stated that he will be working with advisors and teaching a non-credit enrichment class entitled Knowledge About College at Winslow High School.

**Agenda Item 10: Announcement of Next Regular Meeting:** Regular District Governing Board meeting September 15, 2015.

**Agenda Item 11: Adjournment**

*The meeting was adjourned at 12:19 p.m. upon a motion by Mr. Winslow, a second by Mr. Matteson, and a unanimous affirmative vote.*

Respectfully submitted,



Lisa Jayne  
Recording Secretary to the Board



**INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
AND  
WINSLOW UNIFIED SCHOOL DISTRICT NO.1**

This Intergovernmental Agreement ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, between Navajo County Community College District, dba Northland Pioneer College ("College"), and Winslow Unified School District No. 1 ("School District") (collectively "Parties"). Both Parties are public agencies of the State of Arizona as defined in Arizona Revised Statutes ("A.R.S.") § 11-951.

**BACKGROUND**

College and School District are authorized to enter into this Agreement pursuant to A.R.S. § 15-342(13), § 15-701.01(F), § 15-1444(B)(4), and § 15-1821.01. Grant schools are authorized to participate in this Agreement under the Tribally Controlled Schools Act, 25 U.S.C. § 2501 *et seq.* This Agreement and its use are mandated under A.R.S. § 15-1821.01(1).

College has determined that it is desirable to offer college level courses that may be counted toward both high school and college graduation requirements at the high school during the school day.

School District desires that College provide to high school students college level courses that may be counted toward both high school and college graduation requirements.

**AGREEMENT**

In consideration of the mutual promises contained herein, the Parties agree as follows:

**1. PURPOSE**

The purpose of this Agreement is to set forth the understanding of the Parties as to their respective responsibilities and rights in providing Dual Enrollment Courses, as defined in Section 2 below, to eligible School District students.

**2. DEFINITION**

Pursuant to A.R.S. § 15-101(11), a "Dual Enrollment Course" is defined as a college level course that is conducted on the campus of a high school or on the campus of a joint technological education district, and that is:

- A. applicable to an established community college academic degree or certificate program, and transferable to a university under the jurisdiction of the Arizona Board of Regents; or

- B. applicable to a community college occupational degree or certificate program.
- C. Notwithstanding the foregoing, physical education shall not be available as a Dual Enrollment Course.

**3. EFFECTIVE DATE AND TERM**

- A. This Agreement shall be effective:
  - i. After the governing boards of School District and College have approved it; and
  - ii. On the date that authorized representatives of both Parties have signed it (“Effective Date”).
- B. The term of this Agreement shall be from the Effective Date through June 30, 2016 (“Term”).

**4. OBLIGATIONS OF COLLEGE**

**4.1 General Course Requirements**

- A. College will offer Dual Enrollment Courses to School District juniors and seniors, and to freshman and sophomore students subject to Paragraph E in this Section 4.1 who meet College’s prerequisites.
- B. Pursuant to A.R.S. § 15-1821.01(3), College will ensure that all Dual Enrollment Courses offered to School District students are:
  - 1. of a quality and depth to qualify for college credit as determined by College;
  - 2. evaluated and approved through the College curriculum approval process;
  - 3. at a higher level than taught by the School District high school;
  - 4. transferable to an Arizona public university or applicable to an established community college occupational degree or certificate program; and
  - 5. compliant with all other standards for College courses.

Dual Enrollment Courses offered pursuant to this Agreement are listed in Exhibit B attached to this Agreement.

- C. Students enrolled in Dual Enrollment Courses shall be admitted to College for college level credit under current procedures for admission of students to College, and in compliance with A.R.S. § 15-1821.01 and A.R.S. § 15-1805.01. A student who is under eighteen (18) years of age may be



granted admission if the student meets the pre-requisites for the Dual Enrollment Course and the student achieves any one of the following:

1. a composite score of ninety-three (93) or more on the preliminary scholastic aptitude test;
2. a composite score of nine hundred thirty (930) or more on the scholastic aptitude test;
3. a composite score of twenty-two (22) or more on the American college test;
4. a passing score on the relevant portions of the Arizona instrument to measure standards test;
5. the completion of a college placement test designated by College that indicates the student is at the appropriate college level for the course; or
6. is a graduate of a private or public high school or has a high school certificate of equivalency.

Home schooled students are exempt from Sections 1-6 of this Paragraph C. Notwithstanding the above, a student who enrolls in a vocational or occupational education course may be admitted on an individual basis with the approval of College if the student meets the established requirements of the course for which the student enrolls and College determine that the student's admission is in the best interest of the student. College retains the right to refuse admission to and remove a student from Dual Enrollment Courses in accordance with College policy.

D. College shall determine residency status of students for tuition purposes in accordance with A.R.S. § 15-1801 *et seq.*

E. Pursuant to A.R.S. § 15-1821.01(2)(b) and subject to Section 5.1(E) below, College may waive the class status requirements set forth in Section 4.1(A) for up to twenty-five percent (25%) of the students enrolled for Dual Enrollment Courses by College. College shall have written criteria for waiving the requirement for each Dual Enrollment Course which shall include a demonstration, by an examination of the specific purposes and requirements of the course, that freshman and sophomore students who meet the Dual Enrollment Course prerequisites are prepared to benefit from the college level course. College shall report all exceptions and the justification for each exception.

F. College will provide to School District the instructional information necessary to meet the goals of the courses delivered, including but not limited to College approved textbook titles, syllabi, course outlines and grading standards applicable to the Dual Enrollment Courses.

G. College will ensure that instructors of Dual Enrollment Courses follow the Dual Enrollment Course guidelines, and that the same standards of expectation and assessment that are applied to other College courses are applied to the Dual Enrollment Courses.

H. For each student, College will assign an identification number to the student that shall correspond to or reference the Student Accountability Information System (SAIS) number assigned to the student. School District will provide College with the SAIS number for each student as provided in Section 5.1(G).

I. College will grant College credit for a Dual Enrollment Course when a student satisfactorily completes the course.

#### **4.2 Instructors and Instruction**

A. College will ensure that School District instructors teaching Dual Enrollment Courses have valid College teaching qualifications in the field being taught and are selected and evaluated by College using the same procedure and criteria that are used for instructors at College campus.

B. If College is providing the instructor for a Dual Enrollment Course, College will provide at College's expense a substitute instructor, as necessary and as agreed upon by School District, to cover the absence of any College instructor teaching a Dual Enrollment Course.

#### **4.3 Assessment and Monitoring**

A. Except for vocational and occupational Dual Enrollment Courses, and if required by College policy, College will assess each student who seeks enrollment in a Dual Enrollment Course through an assessment test prior to, or at the time of, enrollment to determine and assure proper placement in the Dual Enrollment Courses.

B. College will involve full-time College faculty who teach a particular discipline in the selection, orientation, ongoing professional development and evaluation of School District faculty teaching Dual Enrollment Courses.

C. College will designate a liaison officer to assist with dual enrollment activities and to meet with the liaison designated by School District as necessary and, at least once within a two-year period, to review Dual Enrollment Course outlines and School District's high school scope and sequence, and to review and amend the course outlines as necessary.

#### **4.4 Policy and Procedure**

A. College will comply with all applicable procedures and requirements for the Dual Enrollment Courses set out in state statute and College policy.

B. College will provide School District with College policies and procedures applicable to students enrolling in Dual Enrollment Courses.

C. College will provide School District access to the educational records of students as necessary to carry out the terms of this Agreement, and limit access to such records to employees who have a legitimate interest and a need to know the substance of the particular record, understanding that students enrolled in the Dual Enrollment Courses will be enrolled in both School District and College. Pursuant to the Family Educational Rights and Privacy Act of 1974, as amended ("FERPA"), and applicable regulations, School District and College may disclose educational records of students to each other as "officials of another school system" where the student is enrolled.

#### **4.5 Students with Disabilities**

A. After notification from School District of a student's need, if College is providing the instructor, College will cooperate with School District to ensure the instructor complies with Section

504 of the Rehabilitation Act of 1973, as amended, or the Individuals with Disabilities Education Act (“IDEA”), as applicable. College shall work with School District in determining appropriate accommodations or special education services, however, School District shall have the primary financial and administrative responsibility for providing and implementing necessary accommodations or services.

B. College will provide training and guidance to instructors and other personnel in the area of compliance with the Americans with Disabilities Act (“ADA”) and Rehabilitation Act of 1973, as amended, as the Acts specifically relate to instructing students in a postsecondary education situation.

#### **4.6 Reporting**

College will submit a report to the Joint Legislative Budget Committee pursuant to A.R.S. § 15-1821.01(2)(b) when necessary, and School District will provide College with data that is required for inclusion in any such report in a timely fashion, as specified in Section 5.6.

### **5. OBLIGATIONS OF SCHOOL DISTRICT**

#### **5.1 General Course Requirements**

A. School District will provide an opportunity for School District students who meet criteria pursuant to Paragraph B of this Section 5.1 to enroll in Dual Enrollment Courses and to receive college credit and credit toward high school graduation.

B. Pursuant to A.R.S. § 15-1821.01(6), School District will ensure that each student who enrolls for a Dual Enrollment Course pursuant to this Agreement is a full-time student and is currently enrolled in and attending a full-time instructional program, as defined in A.R.S. § 15-901, in a school in School District, except that high school seniors who satisfy high school graduation requirements with less than a full-time instructional program shall be exempt from this provision.

C. If School District is providing the instructor for the Dual Enrollment Course, School District will provide instruction in accordance with the policies, regulations and instructional standards of College in courses designated as Dual Enrollment Courses to students of School District at the School District facility during the day.

D. School District will verify that each student enrolled in a Dual Enrollment Course, including those not electing to enroll for College credit, satisfies the prerequisites for the Dual Enrollment Course as published in College’s catalog and complies with College policies and this Agreement regarding student placement in courses.

E. The School District Superintendent or designee may allow freshman and sophomore students to enroll in Dual Enrollment Courses subject to Section 4.1(E) above.

F. School District will adopt and utilize College approved textbooks, course outlines, and grading standards applicable to the Dual Enrollment Courses being taught. School District shall provide textbooks for the students. Each student shall be responsible to purchase other supplies, if

any, required for the Dual Enrollment Course. Classroom supplies normally supplied by College are included in tuition charges.

G. For each student enrolling in a Dual Enrollment Course, School District will enroll the student using the student's SAIS number and provide that number to College.

## **5.2 Instructors and Instruction**

A. If School District is to provide the instructor, School District will nominate an instructor qualified in the appropriate subject area for each Dual Enrollment Courses and submit each instructor's name and credentials to College for approval.

B. School District will ensure that School District instructors teaching Dual Enrollment Courses provide instruction in accordance with the policies, regulations and instructional standards of College and comply with College assessments.

C. If School District is providing the instructor, School District will provide at School District's expense a substitute instructor, as necessary and as agreed upon by College, to cover the absence of a School District instructor who teaches a Dual Enrollment Course. In the case of substitutions exceeding ten (10) consecutive school days, School District shall notify College in writing of the name and credentials of the substitute instructor.

## **5.3 Assessment and Monitoring**

School District will designate a liaison officer to assist with dual enrollment activities and to meet with the College designated liaison as necessary and, at least once within a two-year period, to review Dual Enrollment Course outlines and School District's high school scope and sequence to review and amend the course outlines as necessary.

## **5.4 Policy and Procedure**

A. School District will ensure that each student seeking enrollment in a Dual Enrollment Course:

1. has completed the necessary registration forms;
2. has completed College assessment examinations, if required by College;
3. is aware the student is subject to both School District policies and procedures and College policies and procedures;
4. is aware the student is participating in a college level course, even though provided at the School District, and should act appropriately; and
5. is aware of the requirements for determination of in-state tuition.

B. School District will ensure that each instructor of Dual Enrollment Courses agrees to be subject to School District policies and procedures and College policies and procedures, including the

right of College to withdraw authorization of the instructor's participation in the dual enrollment program for failure to follow College requirements.

C. School District will provide College access to the educational records of students as necessary to carry out the terms of this Agreement, and limit access to such records to employees who have a legitimate interest and a need to know the substance of the particular record, understanding that students enrolled in the Dual Enrollment Courses will be enrolled in both School District and College. Pursuant to FERPA and applicable regulations, School District and College may disclose educational records of students to each other as "officials of another school system" where the student is enrolled.

### **5.5 Students with Disabilities**

School District will determine the appropriate accommodations for each qualified student with disabilities in accordance with the ADA and Section 504 of the Rehabilitation Act of 1973 or the IDEA, as applicable, submit appropriate documentation on students with disabilities to the Disabilities Coordinator at College, and implement accommodations or special education services as required by Federal and State law and as negotiated between the College Disability Resource office and School District. School District shall work with College in determining appropriate accommodations or special education services. School District shall have the primary financial and administrative responsibility for providing and implementing necessary accommodations or services.

### **5.6 Reporting**

School District will provide to College any data or other information that is required for the submission of the report required by A.R.S. § 15-1821.01(2)(b).

### **5.7 Facilities and Funding**

A. School District will provide classroom/laboratory space in which Dual Enrollment Courses and activities will be conducted. Facilities and ancillary services provided for the delivery of Dual Enrollment Courses shall comply with all applicable provision of the state Fire Marshall Code, A.R.S. § 41-2161 et seq. (access for disabled persons), and all other applicable federal and state laws.

B. Payment, if any, for facilities and ancillary services shall be designated in Exhibit A attached to this Agreement.

## **6. MUTUAL AGREEMENTS**

### **6.1 Instructor**

A. Throughout the term of this Agreement, an instructor provided by School District shall remain an employee of School District, and shall be subject to the terms and conditions of the instructor's employment contract and School District policy, but shall also be subject to continuing approval by College. Should a School District instructor violate College procedure or policy, College may withdraw authorization for the instructor to participate in the dual enrollment program and School District, upon such withdrawal of authorization, shall substitute another qualified instructor and



notify College in writing of such substitution. The instructor must be approved by College pursuant to the terms of this Agreement.

B. Throughout the term of this Agreement, an instructor provided by College shall remain an employee of College, and shall be subject to the terms and conditions of the instructor's employment contract and College policy, but shall also be subject to School District policy. Should a College instructor violate School District procedure or policy, School District may ask College to withdraw authorization for the instructor to participate in the dual enrollment program and College, upon such withdrawal of authorization, shall substitute another qualified instructor and notify School District in writing of such substitution.

## **6.2 Student**

Each student enrolled in a Dual Enrollment Course, even though enrolled as a College student during the term of the Dual Enrollment Course, shall remain a student of School District and shall follow the schedule and calendar of classes as established by School District and approved by College.

## **6.3 Removal from Course**

School District retains the right to refuse to allow a student to enroll in a Dual Enrollment Course and to discipline and/or remove any student from the Dual Enrollment Course in accordance with School District policies. College shall have the right to request School District to remove a student from a Dual Enrollment Course in accordance with College policy.

## **6.4 Schedule and Number of Students**

School District and College shall mutually determine the schedule of, and maximum and minimum number of students to enroll in, each Dual Enrollment Course. Such schedule shall not be changed except by prior written agreement of School District and College. School District and College must mutually agree if any student who is not a student of School District will be enrolled in a Dual Enrollment Course; provided, however, that any such student must comply with the admissions requirements and course prerequisite requirement provisions of this Agreement.

## **6.5 Availability of Instructors**

Availability of Dual Enrollment Courses offered by College shall be dependent on the availability of appropriately qualified instructors. College may compensate School District for the services of a qualified instructor provided by School District or, alternatively, College may provide a qualified instructor to deliver any Dual Enrollment Course.

## **6.6 Guidelines**

School District and College shall ensure that each student enrolled in a Dual Enrollment Course, and all personnel of School District and all personnel of College who are involved in the dual enrollment program are provided with dual enrollment guidelines, and that such persons agree to review and comply with the guidelines.

## **6.7 Rigor of Courses**

College and School District agree that college level courses are rigorous and demanding courses, and the standards and criteria of any Dual Enrollment Course shall meet statutory and College criteria, and such criteria shall not be diminished for the purpose of the dual enrollment program.

## **7. FINANCIAL PROVISIONS AND FORMAT FOR BILLING: See Exhibit A attached.**

### **7.1 Fees**

Fees and charges for the Dual Enrollment Courses and program are provided on Exhibit A attached to this Agreement.

### **7.2 Supplies**

School District will provide and pay for basic textbooks, workbooks, supplies and other costs related to the teaching of and the administration of Dual Enrollment Courses within School District.

### **7.3 Tuition**

A. Either the student or School District shall be responsible for payment of tuition to College, as specified in Exhibit A.

B. College may provide grants, scholarships or financial aid in accordance with College policies and as set forth in Exhibit A. In addition, College may offset tuition payments owed to College by School District with payments due from College to School District.

C. School District understands and agrees that tuition charges for students enrolled under this program may vary from student to student depending upon the total number of student credit hours for which each student has enrolled each term, and depending upon the student's eligibility for in-state tuition. Pursuant to A.R.S. § 15-1802(C), the residency of an unemancipated student under the age of nineteen years will be that of the student's parent or legal guardian, and any student who does not meet the statutory requirements for in-state tuition will be charged out of state tuition rates.

### **7.4 Billing Format**

The format for the billing of all services pursuant to this Agreement is set forth on Exhibit A. The Billing Format shall include all information required by A.R.S. § 15-1821.01(1)(a).

## **8. RECORDS**

All accounts, reports, files and other records relating to this Agreement shall be kept for a minimum of five (5) years after termination of this Agreement and shall be open to reasonable inspection and audit by the other party during that period. Audits may be conducted, at a time mutually agreed upon by the parties.

by any appropriate political subdivision or agency of the State of Arizona or by representatives of the comptroller General of the United States or the Secretary of Education when required by applicable federal regulations.

## **9. CONFIDENTIALITY**

All written student records shall be kept confidential in accordance with FERPA and regulations adopted pursuant to FERPA, the IDEA and regulations adopted thereunder, and applicable state laws and School District policies controlling the disclosure of personally identifiable information from a student's education records.

## **10. TERMINATION/DISPOSITION OF PROPERTY**

### **10.1 Termination**

Either Party may terminate this Agreement for any reason following written notice to the other Party of intent to terminate delivered not less than 90 days prior to the intended date of termination. Except as provided in this section 10, termination shall only be effective at the end of a semester, and no Dual Enrollment Course shall be terminated prior to such effective date.

### **10.2 Risk to Health or Safety**

If either Party has reason to suspect that any activities undertaken pursuant to this Agreement present a risk to the health or safety of students or is contrary to the Party's mission or operations, that Party may request that a meeting between the Parties be convened within 48 hours and promptly confirm the meeting in writing. In such circumstances, the Parties to this Agreement will attempt to reconcile differences within five working days of such meeting. If reconciliation is not achieved within the five day period, this Agreement will automatically terminate.

### **10.3 No Relief from Obligations**

Termination shall not relieve either Party from its obligation to pay for services provided prior to termination and those for any student already admitted and enrolled in a course or courses and obtaining dual credit at the time of termination or notice thereof.

### **10.4 Disposition of Property**

The Parties do not contemplate joint acquisition of any property pursuant to this Agreement. Upon termination of this Agreement, equipment furnished or purchased by College for the program shall be retained by College, and equipment furnished or purchased by School District for the program shall be retained by School District.



## **11. RESPONSIBILITY**

### **11.1 Conduct of Operations**

Each Party agrees to be responsible for the conduct of its operations and performance of contract obligations and the actions of its own personnel while performing services under this Agreement, and each party shall be solely responsible for supervision, daily direction, control of payment of salary (including withholding for payment of taxes and social security), workers' compensation and disability benefits.

### **11.2 Indemnification**

Each Party, to the greatest extent legally permissible, shall indemnify, defend, and hold harmless the other Party from any liability resulting from the negligence, intentionally tortious, or willful misconduct of the indemnifying Party's employees, officers, students and agents.

## **12. CANCELLATION FOR CONFLICT OF INTEREST**

This Agreement may be canceled pursuant to A.R.S. § 38-511, the pertinent provisions of which are fully incorporated herein by reference.

## **13. NON-ASSIGNABILITY**

Neither Party may assign any right or delegate a duty or responsibility under this Agreement without the prior written consent of the other Party.

## **14. COMPLIANCE WITH NON-DISCRIMINATION LAWS**

To the extent applicable, the Parties shall comply with all College policies and State and Federal laws and regulations, including Executive Order 2009-09, which prohibit discrimination against any person based on race, religion, handicap, color, age, sex, sexual orientation, political affiliation or national origin, and the Parties shall prohibit discrimination in the employment or advancement in employment of a qualified person because of physical or mental disability including all applicable provisions of the ADA.

## **15. RIGHTS/OBLIGATIONS OF PARTIES ONLY**

The terms of this Agreement are intended only to define the respective rights and obligations of the Parties. Nothing expressed herein shall create any rights or duties in favor of any potential third party beneficiary or other person, agency or organization.

## **16. ENTIRE AGREEMENT**

This Agreement, and its attachments as noted herein, constitutes the entire agreement between the Parties, and, except as previously noted, all prior or contemporaneous oral or written agreements are

superseded by this Agreement. There are no representations or other provisions other than those contained herein, and any amendment or modification of this Agreement shall be made in writing and signed by the Parties to this Agreement.

**17. INVALIDITY OF PART OF THE AGREEMENT**

If any part of this Agreement is held to be illegal, invalid or void by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect with those offending portions omitted.

**18. GOVERNING LAW**

This Agreement shall be construed under the laws of the State of Arizona and shall incorporate by reference all laws governing intergovernmental agreements and mandatory contract provisions of state agencies required by statute or executive order.

All statutes and regulations referenced in this Agreement are incorporated herein as if fully stated in their entirety in the Agreement. Each Party agrees to comply with and be responsible for the provisions, the statutes, and the regulations set out in this Agreement.

**19. NOTICE**

All notices, requests for payment, or other correspondence between the Parties regarding this Agreement shall be mailed United States postage prepaid or delivered personally to the respective parties at the following addresses:

If to College:

Dr. Jeanne Swarthout, President  
Northland Pioneer College  
P.O. Box 610  
Holbrook, Arizona 86025


If to School District:

Richard L. Heister, Superintendent  
Winslow Unified School District No. 1  
P.O. Box 580  
Winslow, AZ 86047

COLLEGE

SCHOOL DISTRICT

By: Jeanne Swarthout, Ph.D.  
Title: President

  
By: Richard L. Heister  
Title: Superintendent

Date

  
Date

Attorney Approval: This Agreement has been reviewed pursuant to A.R.S. § 11-952 by the undersigned attorney who has determined that it is in proper form and is within the powers and authority granted under the laws of Arizona to the Governing Board of the College.

By: \_\_\_\_\_  
Legal Counsel for College

Attorney Approval: This Agreement has been reviewed pursuant to A.R.S. § 11-952 by the undersigned attorney who has determined that it is in proper form and is within the powers and authority granted under the laws of Arizona to the Governing Board of the School District.

By:   
Legal Counsel for School District

**EXHIBIT A**

**FINANCIAL PROVISIONS**

*Fill in the blanks. If the information is not applicable, indicate NA in the blank. Additional directions for completing this form are in italics.*

**1. INSTRUCTORS**

Instructors shall be provided as follows: *(Check the appropriate line)*

School District shall provide and pay all instructors.

College shall provide and pay all instructors.

Each party shall provide and pay for instructors as follows: \_\_\_\_\_

**2. PAYMENTS TO THE SCHOOL DISTRICT**

For each course for which the School District provides and pays for the instructor, the College shall pay the School District Ten Dollars (\$10) per credit hour for each properly enrolled student, capped at One hundred Dollars (\$100) per credit hour for each course. Invoices from the District to the College shall be based on College course rosters and include the information listed in Exhibit B of this Agreement.

**3. PAYMENTS OF TUITION AND FEES/COSTS TO THE COLLEGE**

**TUITION:**

College tuition is Sixty-eight Dollars (\$68) per credit hour for each in-state student and Three hundred twenty-five Dollars (\$325) per credit hour for each student who, pursuant to A.R.S. §15-1802 or A.R.S. §15-1803, does not qualify for in-state student status.

**ADDITIONAL FEES AND/OR COSTS:**

Set out below are additional fees and costs and, for each, a designation as to whether the School District or student is responsible for payment of each fee or cost.

Fees and Costs (Including special course fees; assessment costs, if any; etc.)	<i>For each fee or cost, check the appropriate line to indicate whether the School District or student is responsible for payment to the College of the fee or cost. .</i>		
1. Media Fee	District	Student	X
2. Course Fees (schedule attached)	District	Student	X
3.	District	Student	

**4. COLLECTION AND PAYMENT OF TUITION AND FEES/COSTS**

*Check the appropriate line:*

School District is responsible for payment of tuition to the College.

Each student is responsible for payment of tuition to the College.

For tuition and fee/cost payments required to be made by the School District to the College:

- A. School District is authorized and retains the discretion to collect tuition and fee/cost payments from its students to the extent School District deems appropriate; and
- B. School District may reduce its required payment of tuition and fees/costs owed to the College pursuant to paragraph 3 by the amount of any payment owed to School District by the College

pursuant to paragraph 2.  
 For any tuition and fee/cost payment required to be made by a student to the College, the College shall establish an individual billing account for that student and the billing for such tuition and/or fees and costs shall occur in accordance with College policies and procedures.

**5. FINANCIAL AID**

Except as indicated in this section, College offers no grant, scholarship or financial aid for the dual enrollment program.

If tuition and/or additional fees and costs are the responsibility of individual students, a student may be eligible for tuition and fee and cost scholarships in compliance with College policies and procedures.

**6. FORMAT OF INVOICES BETWEEN THE SCHOOL DISTRICT AND COLLEGE**

The School District and College shall send invoices to the other to the attention and at the address listed below no later than thirty (30) days after the end of each semester. Each invoice shall detail any payments due. Payments shall be due within thirty (30) days of receipt of an invoice.

Invoices to be sent to the College:  
*(specify administrator and address)*

Invoices to be sent to the School District:  
*(specify administrator and address)*

Not applicable  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**7. FULL TIME STUDENT EQUIVALENT FINANCIAL INFORMATION**

Amount College received in FTSE in prior academic year:  
*(Specify dollar amount)*

\$1,618,200

Portion of that FTSE distributed to School District:  
*(Specify percentage or dollar amount)*

Less than 1%

Amount School District returned to College:

-0-

## EXHIBIT B

### TYPE OF INSTRUCTION DUAL ENROLLMENT COURSES

#### COURSES AND CREDITS

For complete course descriptions, refer to the current College catalog.

All courses listed with an asterisk are also offered to freshmen and sophomore students.

The number of students admitted for any Dual Enrollment Course shall not be less than six (6) students per section and shall not exceed a maximum of thirty (30) students per section except and to the extent that the parties agree otherwise in writing in a specified circumstance.

COURSE	TITLE	CREDITS	SEMESTER	INSTRUCTOR
ENL101	COLLEGE COMPOSITION I	3.00	FALL	GILE, CHARLE
DRF120	TECHNICAL DRAFTING I	3.00	FALL	TURLEY, TODD
DRF130	ARCHITECTURAL DRAFTIN	3.00	FALL	TURLEY, TODD
DRF150	AUTOCAD I	3.00	FALL	TURLEY, TODD
DRF230	ARCITECTURAL DRAFTING II	3.00	FALL	TURLEY, TODD
DRF250	AUTOCAD II	3.00	FALL	TURLEY, TODD
DRF150	AUTOCAD I	3.00	SPRING	TURLEY, TODD
ENL102	COLLEGE COMPOSITION II	3.00	SPRING	GILE, CHARLE
DRF200	APPLIED DRAFTING AND	2.00	SPRING	TURLEY, TODD
DRF230	ARCHITECTURAL DRAFTIN	3.00	SPRING	TURLEY, TODD
DRF250	AUTOCAD II	3.00	SPRING	TURLEY, TODD

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
AND  
NORTHEAST ARIZONA TECHNOLOGICAL INSTITUTE OF VOCATIONAL EDUCATION**

This Intergovernmental Agreement (“Agreement”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2015 between Navajo County Community College District, dba Northland Pioneer College (“College”), and Northeast Arizona Technological Institute of Vocational Education (“School District”) (collectively “Parties”). Both Parties are public agencies of the State of Arizona as defined in Arizona Revised Statutes (“A.R.S.”) § 11-951.

**BACKGROUND**

College and School District are authorized to enter into this Agreement pursuant to A.R.S. § 15-342(13), § 15-701.01(F), § 15-1444(B)(4), and § 15-1821.01. Grant schools are authorized to participate in this Agreement under the Tribally Controlled Schools Act, 25 U.S.C. § 2501 *et seq.* This Agreement and its use are mandated under A.R.S. § 15-1821.01(1).

College has determined that it is desirable to offer college level courses that may be counted toward both high school and college graduation requirements at the high school during the school day.

School District desires that College provide to high school students college level courses that may be counted toward both high school and college graduation requirements.

**AGREEMENT**

In consideration of the mutual promises contained herein, the Parties agree as follows:

**1. PURPOSE**

The purpose of this Agreement is to set forth the understanding of the Parties as to their respective responsibilities and rights in providing Dual Enrollment Courses, as defined in Section 2 below, to eligible School District students.

**2. DEFINITION**

Pursuant to A.R.S. § 15-101(11), a “Dual Enrollment Course” is defined as a college level course that is conducted on the campus of a high school or on the campus of a joint technological education district, and that is:

- A. applicable to an established community college academic degree or certificate program, and transferable to a university under the jurisdiction of the Arizona Board of Regents; or

- B. applicable to a community college occupational degree or certificate program.
- C. Notwithstanding the foregoing, physical education shall not be available as a Dual Enrollment Course.

**3. EFFECTIVE DATE AND TERM**

- A. This Agreement shall be effective:
  - i. After the governing boards of School District and College have approved it; and
  - ii. On the date that authorized representatives of both Parties have signed it (“Effective Date”).
- B. The term of this Agreement shall be from the Effective Date through June 30, 2016 (“Term”).

**4. OBLIGATIONS OF COLLEGE**

**4.1 General Course Requirements**

- A. College will offer Dual Enrollment Courses to School District juniors and seniors, and to freshman and sophomore students subject to Paragraph E in this Section 4.1 who meet College’s prerequisites.
- B. Pursuant to A.R.S. § 15-1821.01(3), College will ensure that all Dual Enrollment Courses offered to School District students are:
  - 1. of a quality and depth to qualify for college credit as determined by College;
  - 2. evaluated and approved through the College curriculum approval process;
  - 3. at a higher level than taught by the School District high school;
  - 4. transferable to an Arizona public university or applicable to an established community college occupational degree or certificate program; and
  - 5. compliant with all other standards for College courses.

Dual Enrollment Courses offered pursuant to this Agreement are listed in Exhibit B attached to this Agreement.

- C. Students enrolled in Dual Enrollment Courses shall be admitted to College for college level credit under current procedures for admission of students to College, and in compliance with A.R.S. § 15-1821.01 and A.R.S. § 15-1805.01. A student who is under eighteen (18) years of age may be



granted admission if the student meets the pre-requisites for the Dual Enrollment Course and the student achieves any one of the following:

1. a composite score of ninety-three (93) or more on the preliminary scholastic aptitude test;
2. a composite score of nine hundred thirty (930) or more on the scholastic aptitude test;
3. a composite score of twenty-two (22) or more on the American college test;
4. a passing score on the relevant portions of the Arizona instrument to measure standards test;
5. the completion of a college placement test designated by College that indicates the student is at the appropriate college level for the course; or
6. is a graduate of a private or public high school or has a high school certificate of equivalency.

Home schooled students are exempt from Sections 1-6 of this Paragraph C. Notwithstanding the above, a student who enrolls in a vocational or occupational education course may be admitted on an individual basis with the approval of College if the student meets the established requirements of the course for which the student enrolls and College determine that the student's admission is in the best interest of the student. College retains the right to refuse admission to and remove a student from Dual Enrollment Courses in accordance with College policy.

D. College shall determine residency status of students for tuition purposes in accordance with A.R.S. § 15-1801 *et seq.*

E. Pursuant to A.R.S. § 15-1821.01(2)(b) and subject to Section 5.1(E) below, College may waive the class status requirements set forth in Section 4.1(A) for up to twenty-five percent (25%) of the students enrolled for Dual Enrollment Courses by College. College shall have written criteria for waiving the requirement for each Dual Enrollment Course which shall include a demonstration, by an examination of the specific purposes and requirements of the course, that freshman and sophomore students who meet the Dual Enrollment Course prerequisites are prepared to benefit from the college level course. College shall report all exceptions and the justification for each exception.

F. College will provide to School District the instructional information necessary to meet the goals of the courses delivered, including but not limited to College approved textbook titles, syllabi, course outlines and grading standards applicable to the Dual Enrollment Courses.

G. College will ensure that instructors of Dual Enrollment Courses follow the Dual Enrollment Course guidelines, and that the same standards of expectation and assessment that are applied to other College courses are applied to the Dual Enrollment Courses.

H. For each student, College will assign an identification number to the student that shall correspond to or reference the Student Accountability Information System (SAIS) number assigned to the student. School District will provide College with the SAIS number for each student as provided in Section 5.1(G).

I. College will grant College credit for a Dual Enrollment Course when a student satisfactorily completes the course.

#### **4.2 Instructors and Instruction**

A. College will ensure that School District instructors teaching Dual Enrollment Courses have valid College teaching qualifications in the field being taught and are selected and evaluated by College using the same procedure and criteria that are used for instructors at College campus.

B. If College is providing the instructor for a Dual Enrollment Course, College will provide at College's expense a substitute instructor, as necessary and as agreed upon by School District, to cover the absence of any College instructor teaching a Dual Enrollment Course.

#### **4.3 Assessment and Monitoring**

A. Except for vocational and occupational Dual Enrollment Courses, and if required by College policy, College will assess each student who seeks enrollment in a Dual Enrollment Course through an assessment test prior to, or at the time of, enrollment to determine and assure proper placement in the Dual Enrollment Courses.

B. College will involve full-time College faculty who teach a particular discipline in the selection, orientation, ongoing professional development and evaluation of School District faculty teaching Dual Enrollment Courses.

C. College will designate a liaison officer to assist with dual enrollment activities and to meet with the liaison designated by School District as necessary and, at least once within a two-year period, to review Dual Enrollment Course outlines and School District's high school scope and sequence, and to review and amend the course outlines as necessary.

#### **4.4 Policy and Procedure**

A. College will comply with all applicable procedures and requirements for the Dual Enrollment Courses set out in state statute and College policy.

B. College will provide School District with College policies and procedures applicable to students enrolling in Dual Enrollment Courses.

C. College will provide School District access to the educational records of students as necessary to carry out the terms of this Agreement, and limit access to such records to employees who have a legitimate interest and a need to know the substance of the particular record, understanding that students enrolled in the Dual Enrollment Courses will be enrolled in both School District and College. Pursuant to the Family Educational Rights and Privacy Act of 1974, as amended ("FERPA"), and applicable regulations, School District and College may disclose educational records of students to each other as "officials of another school system" where the student is enrolled.

#### **4.5 Students with Disabilities**

A. After notification from School District of a student's need, if College is providing the instructor, College will cooperate with School District to ensure the instructor complies with Section

504 of the Rehabilitation Act of 1973, as amended, or the Individuals with Disabilities Education Act (“IDEA”), as applicable. College shall work with School District in determining appropriate accommodations or special education services, however, School District shall have the primary financial and administrative responsibility for providing and implementing necessary accommodations or services.

B. College will provide training and guidance to instructors and other personnel in the area of compliance with the Americans with Disabilities Act (“ADA”) and Rehabilitation Act of 1973, as amended, as the Acts specifically relate to instructing students in a postsecondary education situation.

#### **4.6 Reporting**

College will submit a report to the Joint Legislative Budget Committee pursuant to A.R.S. § 15-1821.01(2)(b) when necessary, and School District will provide College with data that is required for inclusion in any such report in a timely fashion, as specified in Section 5.6.

### **5. OBLIGATIONS OF SCHOOL DISTRICT**

#### **5.1 General Course Requirements**

A. School District will provide an opportunity for School District students who meet criteria pursuant to Paragraph B of this Section 5.1 to enroll in Dual Enrollment Courses and to receive college credit and credit toward high school graduation.

B. Pursuant to A.R.S. § 15-1821.01(6), School District will ensure that each student who enrolls for a Dual Enrollment Course pursuant to this Agreement is a full-time student and is currently enrolled in and attending a full-time instructional program, as defined in A.R.S. § 15-901, in a school in School District, except that high school seniors who satisfy high school graduation requirements with less than a full-time instructional program shall be exempt from this provision.

C. If School District is providing the instructor for the Dual Enrollment Course, School District will provide instruction in accordance with the policies, regulations and instructional standards of College in courses designated as Dual Enrollment Courses to students of School District at the School District facility during the day.

D. School District will verify that each student enrolled in a Dual Enrollment Course, including those not electing to enroll for College credit, satisfies the prerequisites for the Dual Enrollment Course as published in College’s catalog and complies with College policies and this Agreement regarding student placement in courses.

E. The School District Superintendent or designee may allow freshman and sophomore students to enroll in Dual Enrollment Courses subject to Section 4.1(E) above.

F. School District will adopt and utilize College approved textbooks, course outlines, and grading standards applicable to the Dual Enrollment Courses being taught. School District shall provide textbooks for the students. Each student shall be responsible to purchase other supplies, if any, required for the Dual Enrollment Course. Classroom supplies normally supplied by College are included in tuition charges.

G. For each student enrolling in a Dual Enrollment Course, School District will enroll the student using the student's SAIS number and provide that number to College.

## **5.2 Instructors and Instruction**

A. If School District is to provide the instructor, School District will nominate an instructor qualified in the appropriate subject area for each Dual Enrollment Courses and submit each instructor's name and credentials to College for approval.

B. School District will ensure that School District instructors teaching Dual Enrollment Courses provide instruction in accordance with the policies, regulations and instructional standards of College and comply with College assessments.

C. If School District is providing the instructor, School District will provide at School District's expense a substitute instructor, as necessary and as agreed upon by College, to cover the absence of a School District instructor who teaches a Dual Enrollment Course. In the case of substitutions exceeding ten (10) consecutive school days, School District shall notify College in writing of the name and credentials of the substitute instructor.

## **5.3 Assessment and Monitoring**

School District will designate a liaison officer to assist with dual enrollment activities and to meet with the College designated liaison as necessary and, at least once within a two-year period, to review Dual Enrollment Course outlines and School District's high school scope and sequence to review and amend the course outlines as necessary.

## **5.4 Policy and Procedure**

A. School District will ensure that each student seeking enrollment in a Dual Enrollment Course:

1. has completed the necessary registration forms;
2. has completed College assessment examinations, if required by College;
3. is aware the student is subject to both School District policies and procedures and College policies and procedures;
4. is aware the student is participating in a college level course, even though provided at the School District, and should act appropriately; and
5. is aware of the requirements for determination of in-state tuition.

B. School District will ensure that each instructor of Dual Enrollment Courses agrees to be subject to School District policies and procedures and College policies and procedures, including the right of College to withdraw authorization of the instructor's participation in the dual enrollment program for failure to follow College requirements.

C. School District will provide College access to the educational records of students as necessary to carry out the terms of this Agreement, and limit access to such records to employees who have a legitimate interest and a need to know the substance of the particular record, understanding that students enrolled in the Dual Enrollment Courses will be enrolled in both School District and College. Pursuant to FERPA and applicable regulations, School District and College may disclose educational records of students to each other as “officials of another school system” where the student is enrolled.

## **5.5 Students with Disabilities**

School District will determine the appropriate accommodations for each qualified student with disabilities in accordance with the ADA and Section 504 of the Rehabilitation Act of 1973 or the IDEA, as applicable, submit appropriate documentation on students with disabilities to the Disabilities Coordinator at College, and implement accommodations or special education services as required by Federal and State law and as negotiated between the College Disability Resource office and School District. School District shall work with College in determining appropriate accommodations or special education services. School District shall have the primary financial and administrative responsibility for providing and implementing necessary accommodations or services.

## **5.6 Reporting**

School District will provide to College any data or other information that is required for the submission of the report required by A.R.S. § 15-1821.01(2)(b).

## **5.7 Facilities and Funding**

A. School District will provide classroom/laboratory space in which Dual Enrollment Courses and activities will be conducted. Facilities and ancillary services provided for the delivery of Dual Enrollment Courses shall comply with all applicable provision of the state Fire Marshall Code, A.R.S. § 41-2161 et seq. (access for disabled persons), and all other applicable federal and state laws.

B. Payment, if any, for facilities and ancillary services shall be designated in Exhibit A attached to this Agreement.

# **6. MUTUAL AGREEMENTS**

## **6.1 Instructor**

A. Throughout the term of this Agreement, an instructor provided by School District shall remain an employee of School District, and shall be subject to the terms and conditions of the instructor’s employment contract and School District policy, but shall also be subject to continuing approval by College. Should a School District instructor violate College procedure or policy, College may withdraw authorization for the instructor to participate in the dual enrollment program and School District, upon such withdrawal of authorization, shall substitute another qualified instructor and notify College in writing of such substitution. The instructor must be approved by College pursuant to the terms of this Agreement.

B. Throughout the term of this Agreement, an instructor provided by College shall remain an employee of College, and shall be subject to the terms and conditions of the instructor's employment contract and College policy, but shall also be subject to School District policy. Should a College instructor violate School District procedure or policy, School District may ask College to withdraw authorization for the instructor to participate in the dual enrollment program and College, upon such withdrawal of authorization, shall substitute another qualified instructor and notify School District in writing of such substitution.

## **6.2 Student**

Each student enrolled in a Dual Enrollment Course, even though enrolled as a College student during the term of the Dual Enrollment Course, shall remain a student of School District and shall follow the schedule and calendar of classes as established by School District and approved by College.

## **6.3 Removal from Course**

School District retains the right to refuse to allow a student to enroll in a Dual Enrollment Course and to discipline and/or remove any student from the Dual Enrollment Course in accordance with School District policies. College shall have the right to request School District to remove a student from a Dual Enrollment Course in accordance with College policy.

## **6.4 Schedule and Number of Students**

School District and College shall mutually determine the schedule of, and maximum and minimum number of students to enroll in, each Dual Enrollment Course. Such schedule shall not be changed except by prior written agreement of School District and College. School District and College must mutually agree if any student who is not a student of School District will be enrolled in a Dual Enrollment Course; provided, however, that any such student must comply with the admissions requirements and course prerequisite requirement provisions of this Agreement.

## **6.5 Availability of Instructors**

Availability of Dual Enrollment Courses offered by College shall be dependent on the availability of appropriately qualified instructors. College may compensate School District for the services of a qualified instructor provided by School District or, alternatively, College may provide a qualified instructor to deliver any Dual Enrollment Course.

## **6.6 Guidelines**

School District and College shall ensure that each student enrolled in a Dual Enrollment Course, and all personnel of School District and all personnel of College who are involved in the dual enrollment program are provided with dual enrollment guidelines, and that such persons agree to review and comply with the guidelines.

## **6.7 Rigor of Courses**

College and School District agree that college level courses are rigorous and demanding courses, and the standards and criteria of any Dual Enrollment Course shall meet statutory and College criteria, and such criteria shall not be diminished for the purpose of the dual enrollment program.

## **7. FINANCIAL PROVISIONS AND FORMAT FOR BILLING: See Exhibit A attached.**

### **7.1 Fees**

Fees and charges for the Dual Enrollment Courses and program are provided on Exhibit A attached to this Agreement.

### **7.2 Supplies**

School District will provide and pay for basic textbooks, workbooks, supplies and other costs related to the teaching of and the administration of Dual Enrollment Courses within School District.

### **7.3 Tuition**

A. Either the student or School District shall be responsible for payment of tuition to College, as specified in Exhibit A.

B. College may provide grants, scholarships or financial aid in accordance with College policies and as set forth in Exhibit A. In addition, College may offset tuition payments owed to College by School District with payments due from College to School District.

C. School District understands and agrees that tuition charges for students enrolled under this program may vary from student to student depending upon the total number of student credit hours for which each student has enrolled each term, and depending upon the student's eligibility for in-state tuition. Pursuant to A.R.S. § 15-1802(C), the residency of an unemancipated student under the age of nineteen years will be that of the student's parent or legal guardian, and any student who does not meet the statutory requirements for in-state tuition will be charged out of state tuition rates.

## **8. CONTINUATION OF AGREEMENT**

The continuation of this Agreement beyond the initial fiscal year is dependent on and subject to the appropriation and availability of funding for each Party in each subsequent fiscal year. If sufficient funding is not made available to allow a Party to continue meeting its contractual obligations under this Agreement, that Party shall so notify the other Party and either Party may cancel this Agreement and have no further obligation to the other Party. In the alternative, the Parties may by mutual written agreement, modify this Agreement to reduce the level of compensation, services or other consideration provided.

### **97.4 Billing Format**

The format for the billing of all services pursuant to this Agreement is set forth on Exhibit A. The Billing Format shall include all information required by A.R.S. § 15-1821.01(1)(a).



## **8. RECORDS**

All accounts, reports, files and other records relating to this Agreement shall be kept for a minimum of five (5) years after termination of this Agreement and shall be open to reasonable inspection and audit by the other party during that period. Audits may be conducted, at a time mutually agreed upon by the parties, by any appropriate political subdivision or agency of the State of Arizona or by representatives of the comptroller General of the United States or the Secretary of Education when required by applicable federal regulations.

## **9. CONFIDENTIALITY**

All written student records shall be kept confidential in accordance with FERPA and regulations adopted pursuant to FERPA, the IDEA and regulations adopted thereunder, and applicable state laws and School District policies controlling the disclosure of personally identifiable information from a student's education records.

## **10. TERMINATION/DISPOSITION OF PROPERTY**

### **10.1 Termination**

Either Party may terminate this Agreement for any reason following written notice to the other Party of intent to terminate delivered not less than 90 days prior to the intended date of termination. Except as provided in this section 10, termination shall only be effective at the end of a semester, and no Dual Enrollment Course shall be terminated prior to such effective date.

### **10.2 Risk to Health or Safety**

If either Party has reason to suspect that any activities undertaken pursuant to this Agreement present a risk to the health or safety of students or is contrary to the Party's mission or operations, that Party may request that a meeting between the Parties be convened within 48 hours and promptly confirm the meeting in writing. In such circumstances, the Parties to this Agreement will attempt to reconcile differences within five working days of such meeting. If reconciliation is not achieved within the five day period, this Agreement will automatically terminate.

### **10.3 No Relief from Obligations**

Termination shall not relieve either Party from its obligation to pay for services provided prior to termination and those for any student already admitted and enrolled in a course or courses and obtaining dual credit at the time of termination or notice thereof.

### **10.4 Disposition of Property**

The Parties do not contemplate joint acquisition of any property pursuant to this Agreement. Upon termination of this Agreement, equipment furnished or purchased by College for the program shall be retained by College, and equipment furnished or purchased by School District for the program shall be retained by School District.



## **11. RESPONSIBILITY**

### **11.1 Conduct of Operations**

Each Party agrees to be responsible for the conduct of its operations and performance of contract obligations and the actions of its own personnel while performing services under this Agreement, and each party shall be solely responsible for supervision, daily direction, control of payment of salary (including withholding for payment of taxes and social security), workers' compensation and disability benefits.

### **11.2 Indemnification**

Each Party, to the greatest extent legally permissible, shall indemnify, defend, and hold harmless the other Party from any liability resulting from the negligence, intentionally tortious, or willful misconduct of the indemnifying Party's employees, officers, students and agents.

## **12. CANCELLATION FOR CONFLICT OF INTEREST**

This Agreement may be canceled pursuant to A.R.S. § 38-511, the pertinent provisions of which are fully incorporated herein by reference.

## **13. NON-ASSIGNABILITY**

Neither Party may assign any right or delegate a duty or responsibility under this Agreement without the prior written consent of the other Party.

## **14. COMPLIANCE WITH NON-DISCRIMINATION LAWS**

To the extent applicable, the Parties shall comply with all College policies and State and Federal laws and regulations, including Executive Order 2009-09, which prohibit discrimination against any person based on race, religion, handicap, color, age, sex, sexual orientation, political affiliation or national origin, and the Parties shall prohibit discrimination in the employment or advancement in employment of a qualified person because of physical or mental disability including all applicable provisions of the ADA.

## **15. RIGHTS/OBLIGATIONS OF PARTIES ONLY**

The terms of this Agreement are intended only to define the respective rights and obligations of the Parties. Nothing expressed herein shall create any rights or duties in favor of any potential third party beneficiary or other person, agency or organization.

## **16. ENTIRE AGREEMENT**

This Agreement, and its attachments as noted herein, constitutes the entire agreement between the Parties, and, except as previously noted, all prior or contemporaneous oral or written agreements are superseded by this Agreement. There are no representations or other provisions other than those contained herein, and any amendment or modification of this Agreement shall be made in writing and signed by the Parties to this Agreement.

## **17. INVALIDITY OF PART OF THE AGREEMENT**

If any part of this Agreement is held to be illegal, invalid or void by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect with those offending portions omitted.

## **18. GOVERNING LAW**

This Agreement shall be construed under the laws of the State of Arizona and shall incorporate by reference all laws governing intergovernmental agreements and mandatory contract provisions of state agencies required by statute or executive order.

All statutes and regulations referenced in this Agreement are incorporated herein as if fully stated in their entirety in the Agreement. Each Party agrees to comply with and be responsible for the provisions, the statutes, and the regulations set out in this Agreement.

## **19. NOTICE**

All notices, requests for payment, or other correspondence between the Parties regarding this Agreement shall be mailed United States postage prepaid or delivered personally to the respective parties at the following addresses:

If to College:

Dr. Jeanne Swarhout, President  
Northland Pioneer College  
P.O. Box 610  
Holbrook, Arizona 86025

If to School District:

Ron Tsosie, Superintendent  
NATIVE District  
P.O. Box 710  
Kayenta, AZ 86033

IN WITNESS WHEREOF, the Parties have executed this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

COLLEGE

SCHOOL DISTRICT

\_\_\_\_\_  
By: Jeanne Swarhout, Ph.D.  
Title: President

\_\_\_\_\_  
By: Ron Tsosie  
Title: Superintendent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Attorney Approval: This Agreement has been reviewed pursuant to A.R.S. § 11-952 by the undersigned attorney who has determined that it is in proper form and is within the powers and authority granted under the laws of Arizona to the Governing Board of the College.

By: \_\_\_\_\_  
Legal Counsel for College

Attorney Approval: This Agreement has been reviewed pursuant to A.R.S. § 11-952 by the undersigned attorney who has determined that it is in proper form and is within the powers and authority granted under the laws of Arizona to the Governing Board of the School District.

By: \_\_\_\_\_  
Legal Counsel for School District

**EXHIBIT A**

**FINANCIAL PROVISIONS**

*Fill in the blanks. If the information is not applicable, indicate NA in the blank. Additional directions for completing this form are in italics.*

**1. INSTRUCTORS**

Instructors shall be provided as follows: *(Check the appropriate line)*

- School District shall provide and pay all instructors.
- College shall provide and pay all instructors.
- Each party shall provide and pay for instructors as follows: \_\_\_\_\_

**2. PAYMENTS TO THE SCHOOL DISTRICT**

College shall not reimburse the School District.

**3. PAYMENTS OF TUITION AND FEES/COSTS TO THE COLLEGE**

**TUITION:**

College tuition is Sixty-eight Dollars (\$68) per credit hour for each in-state student and Three hundred twenty-five Dollars (\$325) per credit hour for each student who, pursuant to A.R.S. §15-1802 or A.R.S. §15-1803, does not qualify for in-state student status.

**ADDITIONAL FEES AND/OR COSTS:**

Set out below are additional fees and costs and, for each, a designation as to whether the School District or student is responsible for payment of each fee or cost.

Fees and Costs (Including special course fees; assessment costs, if any; etc.)	<i>For each fee or cost, check the appropriate line to indicate whether the School District or student is responsible for payment to the College of the fee or cost. .</i>	
1. Media Fee	District _____	Student <u>  X  </u>
2. Course Fees (schedule attached)	District _____	Student <u>  X  </u>
3.	District _____	Student _____

**4. COLLECTION AND PAYMENT OF TUITION AND FEES/COSTS**

*Check the appropriate line:*

School District is responsible for payment of tuition to the College.

Each student is responsible for payment of tuition to the College.

For tuition and fee/cost payments required to be made by the School District to the College:

- A. School District is authorized and retains the discretion to collect tuition and fee/cost payments from its students to the extent School District deems appropriate; and
- B. School District may reduce its required payment of tuition and fees/costs owed to the College pursuant to paragraph 3 by the amount of any payment owed to School District by the College pursuant to paragraph 2.

For any tuition and fee/cost payment required to be made by a student to the College, the College shall establish an individual billing account for that student and the billing for such tuition and/or fees and costs shall occur in accordance with College policies and procedures.

**5. FINANCIAL AID**

Except as indicated in this section, College offers no grant, scholarship or financial aid for the dual enrollment program.

If tuition and/or additional fees and costs are the responsibility of individual students, a student may be eligible for tuition and fee and cost scholarships in compliance with College policies and procedures.

**6. FORMAT OF INVOICES BETWEEN THE SCHOOL DISTRICT AND COLLEGE**

Not applicable

**7. FULL TIME STUDENT EQUIVALENT FINANCIAL INFORMATION**

Amount College received in FTSE in prior academic year:

*(Specify dollar amount)*

\$1,618,200

Portion of that FTSE distributed to School District:

*(Specify percentage or dollar amount)*

-0-

Amount School District returned to College:

-0-

**EXHIBIT B**

**TYPE OF INSTRUCTION  
DUAL ENROLLMENT COURSES**

COURSES AND CREDITS

For complete course descriptions, refer to the current College catalog.

All courses listed with an asterisk are also offered to freshmen and sophomore students.

The number of students admitted for any Dual Enrollment Course shall not be less than **six (6)** students per section and shall not exceed a maximum of **thirty (30)** students per section.

Course	Title	Credits	Semester	Location	Instructor
HES170	Medical Terminology	3	Fall 2015	Chinle HS	Kathy Reynolds
HES170	Medical Terminology	3	Fall 2015	Ganado HS	Kathy Reynolds
HES170	Medical Terminology	3	Fall 2015	Pinon HS	Kathy Reynolds
HES170	Medical Terminology	3	Fall 2015	Red Mesa HS	Kathy Reynolds
HES170	Medical Terminology	3	Fall 2015	Monument Valley HS	Kathy Reynolds
HES170	Medical Terminology	3	Fall 2015	Window Rock HS	Kathy Reynolds
HES170	Medical Terminology	3	Fall 2015	Tuba City HS	Kathy Reynolds
HES170	Medical Terminology	3	Fall 2015	Valley HS	Kathy Reynolds
HES170	Medical Terminology	3	Fall 2015	NATIVE Central/Greyhills	Kathy Reynolds

Course	Title	Credits	Semester	Location	Instructor
NAT101	Nursing Assistant	4	Spring 2016	Chinle HS	Kathy Reynolds
NAT101	Nursing Assistant	4	Spring 2016	Ganado HS	Kathy Reynolds
NAT101	Nursing Assistant	4	Spring 2016	Pinon HS	Kathy Reynolds
NAT101	Nursing Assistant	4	Spring 2016	Red Mesa HS	Kathy Reynolds
NAT101	Nursing Assistant	4	Spring 2016	Monument Valley HS	Kathy Reynolds
NAT101	Nursing Assistant	4	Spring 2016	Window Rock HS	Kathy Reynolds
NAT101	Nursing Assistant	4	Spring 2016	Tuba City HS	Kathy Reynolds
NAT101	Nursing Assistant	4	Spring 2016	Valley HS	Kathy Reynolds
NAT101	Nursing Assistant	4	Spring 2016	NATIVE Central/Greyhills	Kathy Reynolds



## 2016-2017 STRATEGIC PRIORITIES

### Summary:

The Strategic Planning and Accreditation Steering Committee presents the District Governing Board with a first read of the NPC 2016-2017 strategic priorities and sample operational plan worksheets. The strategic priorities have been developed utilizing input from the college community, the District Governing Board, President Swarthout, and a review of local and national trends. SPASC members are happy to address any concerns the Board may have before returning in October with a request to approve the strategic priorities.



## **NPC 2016-2017 STRATEGIC PRIORITIES AND RESPONSIBILITY ASSIGNMENTS**

### **Removing Student Barriers**

- Implement PASS (OR – Director of Student Services)
- Take a fresh look at childcare options for students/employees (Defer to August, solicit study group interest from College)
- Take a fresh look at transportation options for students (Defer to August, solicit study group interest from College)
- Consider options for student funding (tuition, scholarships, etc) (Defer to 2017-2018)
- Listen to students and community and schedule accordingly (OR – VP for Learning and Student Services)
  - Continue development and advertising of course sequencing
- Review current programs/program offerings and look at potential new programs – where is our best return on investment for communities? (OR – Director of Institutional Effectiveness)

### **Technical Support for the College community**

- Training for faculty and staff that leads to a greater measure of self-sufficiency (reduces IS workload in the long run) (OR – Human Resources Director)
  - Instructional tech training that turns frustration with classroom tech into seeing tech as something that adds to teaching experience
  - “Just in Time” trainings that are accessible in video formats – training on what I need, when I need it, so I don’t have to remember something I was taught months ago
  - ISW for college technology – how to use the tech we have in our jobs
- MyNPC rewrite and redesign that improves ease-of-use and functionality for all (OR – VP for Admin Services)
- Public website redesign that improves ease-of-use and functionality for all (OR – VP for Learning and Student Services)

***OR = College employee with Overall Responsibility for completing the listed priority objective***

## OPERATIONAL PLAN

*This form is ONLY completed for year 1 goals. List goals in order of importance, 1 being top priority.*

Department Name: **Marketing & Public Relations (MPR)**

Fiscal Year of Execution: **2015-16**

GOAL #	SUPPORTS STRATEGIC PLAN #	GOAL DESCRIPTION	# OF STEPS TO COMPLETE GOAL	DEADLINE FOR GOAL COMPLETION	ASSIGNED TO	RESOURCES NEEDED	MEASUREMENT OF COMPLETION
<b>1</b>	Pres Initiative 6; 1.1.2; 2.1.1; 2.1.3; 3.1.1; 4.1.3; 6.1.4;	Rebuild entire www.npc.edu site in Drupal 8, make entire site mobile friendly, improve user experience.	8	06/30/17	Director of Marketing	RFP contract with Drupal vendor, board approval, Marketing staff time	1. Launch of new, fully functional Drupal 8 website at www.npc.edu. 2. Use Google Analytics data to document increased usage of mobile devices on website in following 12 months after new site launch.
<b>GOAL JUSTIFICATION</b>							
www.npc.edu is vital to current & potential students because it contains the only online application form, online class registration form, descriptions of what we offer, access to some NPC library services, news & announcements, emergency alerts and more. Drupal 6 (our site's current version) will not be supported 3 months after Drupal 8 releases (guess Oct. '15). New and current students want mobile friendly NPC information, current site has no mobile capability. Functionality of site has degraded, no major work done since 2010. Will improve site and page rankings in Google search results.							

### DETAIL OF GOAL STEPS

GOAL # 1	DESCRIPTION OF STEPS	Time Estimage
Step 1	Write and publish RFP for upgrade to www.npc.edu in Drupal 8.	3 months
Step 2	Get NPC board approval to award Drupal 8 RFP for www.npc.edu.	1 month
Step 3	MPR works with vendor to redesign www.npc.edu to improve user interface and make pages mobile friendly in Drupal 8	6 months
Step 4	Move current website content over to new unpublished Drupal 8 NPC website.	1 month
Step 5	Trouble shoot new unpublished site for functionality errors. Have vendor fix any issues.	1 month
Step 6	Move new redesigned NPC site over to www.npc.edu and publish to internet.	1 week
Step 7	Continue to work with Drupal vendor to resolve any issues remaining on functionality of new live site	2 months
Step 8	Give NPC faculty and staff editorial access to their webpages.	1 week
Step 9	Monitor mobile device usage on new site for one year using Google Analytics	1 year

SPASC APPROVAL?	APPROVAL DATE:
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## REQUEST TO APPROVE 2016-17 STRATEGIC PLANNING AND BUDGET DEVELOPMENT CALENDAR

**Recommendation:**

Staff recommends approval of the 2016-17 Strategic Planning and Budget Development Calendar.

**Summary:**

Several additional activities involving the strategic planning process have been added to the proposed calendar. Staff will review the proposed strategic planning and budget development for 2016-17 and answer questions.



# STRATEGIC PLANNING AND BUDGET DEVELOPMENT CALENDAR

FISCAL YEAR 2016 – 2017

PROPOSED

ACTIVITY	RESOURCE	DUE BY
1. Receive & approve calendar	DGB	15 September
2. Receive draft strategic plan	DGB	15 September
3. Approve strategic plan	DGB	20 October
4. Develop operational plans	SPASC	21 October
5. Executive team receives operational plans	SPASC	11 December
6. ERC receives wage/salary recommendations	FA-CASO	11 December
7. Receive and approve budget assumptions & overview	DGB	15 December
8. Review current strategic plan/budget at convocation	SPASC	4 January 2016
9. Solicit input for upcoming strategic plan at convocation	SPASC	4 January
10. Distribute budget materials for operational & capital	Director Fin Svcs	5 January
11. College Council receives wage & salary recommendation	ERC	8 January
12. President receives wage & salary recommendation	College Council	1 February
13. Executive team receives budget requests	Department Managers	4 February
14. Review of operational & capital plans/budget requests	Executive Team	8 February
15. Receive introductory budget analysis	DGB	16 February
16. Receive wage and salary recommendation	DGB	16 February
17. Receive tuition and fee schedules	DGB	16 February
18. Budget hearings	SPASC	29 February
19. Receive preliminary budget analysis	DGB	15 March
20. Receive operational plans	DGB	15 March
21. Approve salary schedules	DGB	15 March
22. Approve tuition and fee schedules	DGB	15 March
23. Receive complete budget analysis	DGB	19 April
24. Adopt tentative budgets & approve publication	DGB	19 April
25. Publish notice of budget public hearing/TNT hearing	VP Adm Svcs	28 April
26. Develop priorities for upcoming strategic plan	DGB	29 April
27. Publish notice of TNT hearing (2)	VP Adm Svcs	5 May
28. Publish notice of budget public hearing (2)/TNT hearing (3)	VP Adm Svcs	10 May
29. Conduct taxpayer public hearings	DGB	17 May
30. Adopt property tax levy and final budgets	DGB	17 May
31. Notify PTOC of primary property tax levy	VP Adm Svcs	20 May
32. Submit tax levy to Navajo County	VP Adm Svcs	20 May
33. Develop upcoming strategic plan draft	SPASC	July 29
34. Present strategic plan report & new draft at convocation	SPASC	August 15
35. Receive input for future strategic plans at convocation	SPASC	August 15
36. Receive annual report on strategic planning	DGB	August 16 2016

## NATC 2014-15 FINANCIAL AUDIT

### Summary:

Nordstrom & Associates, P.C., finalized the NATC fiscal year 2014-2015 financial audit on August 7, 2015. The auditor issued an opinion that the financial statements were presented fairly, in all material respects and in conformity with accounting principles generally accepted.

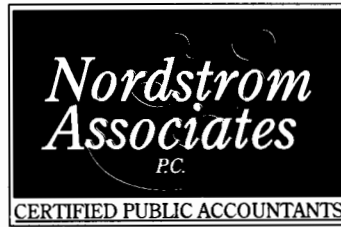
The audit included an evaluation of the effectiveness of NATC's internal controls and suggested an improvement on documenting the procedure for addressing unpaid membership dues. This is not considered a material weakness or significant deficiency. Although membership dues are voluntary and it is NATC procedure to write off any unpaid dues at the end of the year, the auditors believe that it would strengthen internal controls to have evidence of an approval process. An action plan to strengthen this internal control on this issue has been added to the NATC Business Controls and approved by the NATC Board of Directors:

A report of unpaid membership dues will be provided each month to the NATC Executive Director to review. Any unpaid membership dues as of June 30th will be approved by the Executive Director to allow the NATC Bookkeeper to write off unpaid dues at the end of each fiscal year.

A copy of the final FY1415 Financial Statements and 2015 Audit Communication to the Board is included. On page 7 of the audited financial statements the GADA loan payoff is included in the notes.



Bruce J. Nordstrom, CPA  
Godfrey C. Loper, Jr., CPA  
Marjorie T. McClanahan, CPA  
Timothy D. Hansen, CPA



MEMBER  
American Institute of  
Certified Public Accountants  
Arizona Society of Certified  
Public Accountants

August 7, 2015

Mr. Stuart Bishop  
The Board of Directors of  
Northeast Arizona Training Center, Inc.  
P.O. Box 1911  
Taylor, AZ 85939

In planning and performing our audit of the financial statements of Northeast Arizona Training Center, Inc. (NATC) as of June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered NATC's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of NATC's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We did not identify any deficiencies which we believe to be material weaknesses.

We did note a situation where membership dues receivable were written off without evidence of approval by a supervisor or board member. Membership dues are voluntary and it is NATC policy to write off any unpaid dues at the end of the year. However, we believe it would strengthen internal control to have evidence of secondary approval when writing off unpaid dues. This was not considered a material weakness or significant deficiency.



## **Other Communication to those charged with Governance**

### **Our responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered NATC's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether NATC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

### **Significant Accounting Policies**

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by NATC are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year 2015. We noted no transactions entered into by NATC during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

### **Accounting Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Depreciable lives of fixed assets

We evaluated the key factors and assumptions used to develop the above estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

### **Audit Adjustments**

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have an affect on NATC's financial reporting process (that is cause future financial statements to be materially misstated). Based on the above definition, we proposed no audit adjustments. There were client adjustments to depreciation, to capitalize donated county services, and to record an expense in the current rather than prior year, which were made in consultation with us.

### **Passed Adjustments**

During our audit procedures we identified no potential adjustments for which management elected to pass on making the adjustment.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to NATC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Issues Discussed Prior to Retention of Independent Auditors**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as NATC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

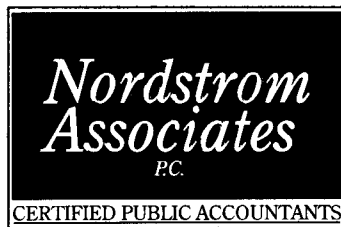
This communication is intended solely for the information and use of management, the board of directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

**NORTHEAST ARIZONA TRAINING CENTER, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2015 AND 2014**

Bruce J. Nordstrom, CPA  
Godfrey C. Loper, Jr., CPA  
Marjorie T. McClanahan, CPA  
Timothy D. Hansen, CPA



MEMBER  
American Institute of  
Certified Public Accountants  
Arizona Society of Certified  
Public Accountants

## Independent Auditors' Report

The Board of Directors  
Northeast Arizona Training Center, Inc.

We have audited the accompanying financial statements of Northeast Arizona Training Center, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Arizona Training Center, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Nordstrom & Associates, P.C.*

August 7, 2015

**Northeast Arizona Training Center, Inc.**  
**Statements of Financial Position**  
**June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
Current assets		
Cash	\$ 40,581	\$ 66,719
Accounts receivable	1,734	-
Prepaid expenses	<u>11,834</u>	<u>3,742</u>
Total current assets	<u>54,149</u>	<u>70,461</u>
Property and equipment	2,842,254	2,486,752
Less accumulated depreciation	<u>(718,154)</u>	<u>(626,291)</u>
Net property and equipment	<u>2,124,100</u>	<u>1,860,461</u>
Total assets	\$ <u>2,178,249</u>	\$ <u>1,930,922</u>
<u>Liabilities</u>		
Current liabilities		
Deferred revenue	\$ -	\$ 500
Long-term obligations due within one year	<u>-</u>	<u>25,000</u>
Total current liabilities	<u>-</u>	<u>25,500</u>
Long-term Debt		
Note payable - Town of Taylor	-	345,000
Less current portion of long-term obligations	<u>-</u>	<u>(25,000)</u>
Total long-term debt	<u>-</u>	<u>320,000</u>
Total liabilities	<u>-</u>	<u>345,500</u>
<u>Net assets</u>		
Unrestricted	<u>2,178,249</u>	<u>1,585,422</u>
Total net assets	<u>2,178,249</u>	<u>1,585,422</u>
Total liabilities and net assets	\$ <u>2,178,249</u>	\$ <u>1,930,922</u>

See accompanying notes to financial statements.

**Northeast Arizona Training Center, Inc.**  
**Statements of Activities**  
**Years ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Operating Revenue		
Fire department membership fees	\$ 19,000	\$ 13,500
Law enforcement membership fees	13,750	9,000
Facilities lease	24,000	26,000
Donations	700,046	-
In-kind donations	40,142	10,445
Private agency usage	<u>6,000</u>	<u>3,000</u>
Total operating revenue	<u>802,938</u>	<u>61,945</u>
Operating expenses		
Administrative and office	19,339	20,622
Maintenance expenses	60,344	18,279
Utilities	14,915	13,775
Depreciation	<u>91,863</u>	<u>92,433</u>
Total operating expenses	<u>186,461</u>	<u>145,109</u>
Operating loss	<u>616,477</u>	<u>(83,164)</u>
Other income/expenses		
Interest income	-	37
Interest expense	<u>(23,650)</u>	<u>(17,225)</u>
Total other income/expenses	<u>(23,650)</u>	<u>(17,188)</u>
Change in net assets	592,827	(100,352)
Net assets at beginning of year	<u>1,585,422</u>	<u>1,685,774</u>
Net assets at end of year	<u>\$ 2,178,249</u>	<u>\$ 1,585,422</u>

See accompanying notes to financial statements.

**Northeast Arizona Training Center, Inc.**  
**Statements of Cash Flows**  
**Years ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<u>Cash flows from operating activities</u>		
Receipts from members and users	\$ 62,250	\$ 60,100
Donations received	700,046	-
Payments to vendors	(93,015)	(42,659)
Interest income	-	36
Interest paid	<u>(23,650)</u>	<u>(26,150)</u>
 Net cash used by operating activities	 <u>645,631</u>	 <u>(8,673)</u>
<u>Cash flows from financing activities</u>		
Payment of long-term debt	<u>(345,000)</u>	<u>(25,000)</u>
 Net cash used by financing activities	 <u>(345,000)</u>	 <u>(25,000)</u>
<u>Cash flows from investing activities</u>		
Cash paid for asset acquisition and construction	<u>(326,769)</u>	<u>-</u>
 Net cash used by investing activities	 <u>(326,769)</u>	 <u>-</u>
 Net change in cash	 (26,138)	 (33,673)
 Cash at beginning of year	 <u>66,719</u>	 <u>100,392</u>
 Cash at end of year	 \$ <u><u>40,581</u></u>	 \$ <u><u>66,719</u></u>
 Reconciliation of change in net assets to net cash used by operating activities		
Change in net assets	\$ 592,827	\$ (100,352)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	91,863	92,433
Asset additions funded with non-cash donations	(28,733)	-
Loss on disposal of assets	-	-
Changes in assets and liabilities:		
Accounts receivable	(1,734)	8,100
Prepaid expenses	(8,092)	(429)
Deferred revenue	(500)	500
Accounts payable and accrued expenses	<u>-</u>	<u>(8,925)</u>
Net cash used by operating activities	\$ <u><u>645,631</u></u>	\$ <u><u>(8,673)</u></u>

See accompanying notes to financial statements.



NORTHEAST ARIZONA TRAINING CENTER, INC.

Notes to Financial Statements

June 30, 2015 and 2014

**(1) Organization**

Northeast Arizona Training Center, Inc. (NATC) was incorporated as a not-for-profit organization in the state of Arizona in 2004. NATC's mission is to own and operate a certified all risk regional training center to meet the educational and testing needs of fire and law enforcement personnel in Northeast Arizona. The voting members of the board of directors of NATC are personnel of Northland Pioneer College. Due to the control exercised by Northland Pioneer College, NATC is considered to be a component unit of Northland Pioneer College. Northland Pioneer College provides certain personnel and other expenses incurred for the benefit of NATC. Northland Pioneer College holds some of its classes in the NATC's training facility and owns certain educational assets utilized in the training facility. The revenue raised and expenses incurred by Northland Pioneer College for the operation of the Northeast Arizona Training Facility are not included in these financial statements.

**(2) Nature of Operations and Summary of Significant Accounting Principles**

**(a) Nature of Operations**

NATC owns and operates a regional training center which is utilized by Fire and Law Enforcement personnel throughout Northeast Arizona. NATC derives its operating revenues primarily through membership dues paid by the various user agencies and through user fees charged to other private organizations.

**(b) Basis of Accounting**

NATC maintains its accounts on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**(c) Financial Statement Presentation**

NATC presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Accordingly, NATC reports information regarding its financial position and activities according to three classes of net assets: permanently restricted, temporarily restricted, and unrestricted.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the NATC. Generally, the donors of these assets permit NATC to use all or part of the income earned on related investments for general or specific purposes. At June 30, 2015 and 2014, NATC had no permanently restricted net assets.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. At June 30, 2015 and 2014, NATC had no temporarily restricted net assets.

Unrestricted net assets – Net assets which include unrestricted resources which represent the funds that are available for the operating objectives of NATC.

NORTHEAST ARIZONA TRAINING CENTER, INC.

Notes to Financial Statements

June 30, 2015 and 2014

**(2) Summary of Significant Accounting Principles (cont.)**

**(d) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The most significant estimate impacting NATC is the depreciable lives of fixed assets.

**(e) Cash and Cash Equivalents**

Highly liquid investments with an original maturity of three months or less are classified as cash equivalents and are stated at fair value.

**(f) Property and Equipment**

NATC capitalizes all property and equipment expenditures with a cost of \$5,000 or more and having estimated useful lives of more than one year. Property and equipment are recorded at cost or, for donated items, at fair value as of the date received. Expenditures for minor replacements, maintenance and repairs are charged to expense when incurred. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to fifty years.

**(g) Income Taxes**

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for Federal or State taxes has been made. Continued tax-exempt status is contingent on future operations being in compliance with the Internal Revenue Code.

**(3) In-Kind Donations**

During the fiscal year ending June 30, 2015, NATC received in-kind donations consisting of a police vehicle from a member agency which was valued at \$1,500 and facility maintenance and improvement services from Navajo County which were valued at \$38,642. Of the improvement services received from Navajo County, \$28,733 was capitalized as training facility improvements. The vehicle received did not exceed NATC's capitalization threshold and thus was expensed when received.

**(4) Related Party Transactions**

Northland Pioneer College provides certain use of facilities and staff services which benefits NATC. However, since these provided facilities and services also benefit Northland Pioneer College's educational programs, no value for these amounts are recorded on NATC's financial statements.

Northland Pioneer College also leases the training facility and equipment on a year to year lease. The lease income to NATC from Northland Pioneer College was \$24,000 and \$26,000 for the years ended June 30, 2015 and 2014, respectively.

NORTHEAST ARIZONA TRAINING CENTER, INC.

Notes to Financial Statements

June 30, 2015 and 2014

**(4) Related Party Transactions, continued**

During the current fiscal year, Northland Pioneer College paid for the construction of a new classroom building at the NATC training facility. This building was capitalized as property and equipment and a corresponding donation from Northland Pioneer College was recognized. Northland Pioneer College also paid for other supply items for NATC, which were recorded as donations from Northland Pioneer College. The total donation from Northland Pioneer College for the building and other items was \$372,372.

In May, 2015, Northland Pioneer College paid off in full the outstanding loan to the Town of Taylor. The principal and interest paid off on this loan was \$327,675, which was recorded as a donation from Northland Pioneer College.

**(5) Property and Equipment**

Property and equipment consists of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land	\$ 110,000	\$ 110,000
Buildings	620,740	293,971
Training facilities	<u>2,111,514</u>	<u>2,082,781</u>
	2,842,254	2,486,752
Less accumulated depreciation	<u>(718,154)</u>	<u>(626,291)</u>
	<u>\$ 2,124,100</u>	<u>\$ 1,860,461</u>

**(6) Long-term Debt**

	<u>2015</u>	<u>2014</u>
Note payable to the Town of Taylor, due in annual principal payments, interest at rates of 2.75-5.00% due semi-annually, secured by a deed of trust on the property of NATC.	\$ <u>0</u>	<u>\$345,000</u>

**(7) Subsequent Events**

Management has evaluated subsequent events through August 7, 2015, the date that the financial statements were issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

## **NPC FRIENDS AND FAMILY 2014-15 FINANCIAL AUDIT**

### **Summary:**

Brian Richards, CPA, finalized the Northland Pioneer College Friends and Family fiscal year 2014-2015 financial audit on August 18, 2015. The auditor issued an opinion that the financial statements were presented fairly, in all material respects and in conformity with accounting principles generally accepted.

A copy of the final FY 2014-15 Financial Statements is included.



NORTHLAND PIONEER COLLEGE FRIENDS AND FAMILY, INC.



FINANCIAL STATEMENTS  
JUNE 30, 2015

NORTHLAND PIONEER COLLEGE FRIENDS AND FAMILY, INC.

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Statement of Activities	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-10



405 W F-Bar Ln, Snowflake, AZ 85937  
[brianrichardscpa@outlook.com](mailto:brianrichardscpa@outlook.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Northland Pioneer College Friends and Family, Inc.

We have audited the accompanying financial statements of Northland Pioneer College Friends and Family, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northland Pioneer College Friends and Family, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Brian Richards, CPA*

Brian Richards, CPA  
Snowflake, AZ

August 18, 2015



Northland Pioneer College Friends and Family, Inc.  
Statement of Financial Position  
Fiscal Year Ended June 30, 2015

ASSETS		2015
Assets		
Cash		
Checking and savings	\$	71,699
Checking and savings-restricted		38,091
Total cash		109,790
Investments		
Marketable securities		208,018
Marketable securities-restricted		128,843
Real Estate		8,000
Total investments		344,861
Prepaid expense		1,319
Total Assets	\$	455,970

LIABILITIES AND NET ASSETS

Net Assets		
Unrestricted		
Unrestricted, undesignated	\$	42,985
Board designated, scholarships		208,018
Temporarily restricted		113,211
Permanently restricted		91,757
Total Liabilities and Net Assets	\$	455,970

Northland Pioneer College Friends and Family, Inc.  
Statement of Activities  
Fiscal Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenues, Gains, and Other Support</b>				
Contributions	\$ 28,788	\$ 57,280	\$ 3,500	\$ 86,068
Interest & dividend income	3,205	1,113	2,107	6,425
Rental income	6,591	-	-	6,591
Realized gain on investments	506	1,604	5,147	7,257
Gain on sale of assets	183,940	-	-	183,940
Other income	14,246	-	-	14,246
Net assets released from restrictions	9,383	(9,383)	-	-
Total Revenues, Gains, and Other Support	<u>246,659</u>	<u>50,613</u>	<u>10,754</u>	<u>304,527</u>
<b>Expenses and Losses</b>				
Program services	32,821	-	-	32,821
Support services	28,974	-	-	28,974
Unrealized loss on investments	-	1,152	876	2,028
Investment fees	-	793	730	1,522
Total Expenses and Losses	<u>61,795</u>	<u>1,945</u>	<u>1,606</u>	<u>65,346</u>
Increase (Decrease) in Net Assets	184,864	48,669	9,148	242,681
Prior Period correction	(16,484)	-	16,484	-
Net Assets, Beginning of Year	<u>82,622</u>	<u>64,542</u>	<u>66,125</u>	<u>213,289</u>
Net Assets, End of Year	<u><u>\$ 251,002</u></u>	<u><u>\$ 113,211</u></u>	<u><u>\$ 91,757</u></u>	<u><u>\$ 455,970</u></u>

Northland Pioneer College Friends and Family, Inc.  
Statement of Cash Flows  
Fiscal Year Ended June 30, 2015

Cash Flows From Operating Activities	
Increase in net assets	\$ 242,681
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:	
Gain on sale of property and equipment	(183,940)
Realized gain on sale of investments	(7,257)
Unrealized gain (loss) on investments	2,028
(Increase) Decrease:	
Prepaid expense	7,205
Increase (Decrease):	
Accounts payable	<u>(671)</u>
Net Cash Provided by (Used in) Operating Activities	<u>60,046</u>
Cash Flows From Investing Activities	
Purchases of marketable securities	(235,536)
Proceeds from sales of marketable securities	33,132
Proceeds from sale of property and equipment	<u>215,190</u>
Net Cash Used in Investing Activities	<u>12,786</u>
Net Increase (Decrease) in Cash	72,832
Cash, Beginning of Year	<u>36,958</u>
Cash, End of Year	<u><u>\$ 109,790</u></u>

Northland Pioneer College Friends and Family, Inc.  
Notes to Financial Statements  
June 30, 2015

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

The significant accounting policies of Northland Pioneer College (NPC) Friends and Family, Inc. (the Organization) are described below to enhance the usefulness of the financial statements to the reader.

Nature of the Organization

The Organization is a not-for-profit corporation operating in accordance with Section 501(c)(3) of the Internal Revenue Code. The Organization is located in Snowflake, Arizona, and provides supplemental philanthropic support for students, and programs and services that advance the mission of Northland Pioneer College (NPC). The Organization receives cash contributions, gifts, and rental income; administers and invests securities and property; conducts special-event fundraisers; and disburses payments to the College for educational purposes.

Basis of Accounting

The financial statements have been prepared following the U.S. GAAP Financial Reporting Framework, using the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets in accordance with the existence or absence of donor restrictions.

Income Taxes

The Organization is a public non-profit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 43-1201 of the Arizona Revised Statutes. Therefore, the accompanying financial statements contain no provision or liability for income taxes. In addition, the Organization qualifies for the charitable deduction under Internal Revenue Section 170(b)(1)(A).

The Organization files information tax returns with the U.S. federal and Arizona state governments. With few exceptions, the Organization is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2011 (federal) and 2010 (Arizona) as of the year ended June 30, 2015. Federal tax year 2009 and Arizona tax year 2008 were open as of June 30, 2013.

Contributions

The Organization records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor imposed restrictions.

Endowment Funds

The Organization is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which requires enhanced disclosures for all its endowment funds. UPMIFA provides the Organization with guidance on accounting for the net asset classification of endowment funds.

Discounted or Donated Goods and Services

The Organization receives certain discounted or donated goods and services that directly benefit NPC and the Organization. Amounts for these discounts and donations have been included in the accompanying financial statements to the extent that a measurable basis exists for their fair values and the corresponding benefit to the Organization. These discounted or donated goods and services that are received by the Organization for no value in return are recorded as program and support service expenses and as in-kind donations and are reflected in the financial statements at their fair values. If donated goods merely pass through the Organization to charitable beneficiaries, and if the Organization is only an agent for the donors, no contribution is recorded.

Cash

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Northland Pioneer College Friends and Family, Inc.  
Notes to Financial Statements  
June 30, 2015

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property Held for Sale

Certain assets are received from donors by the Organization and are held for resale. Such assets are recorded at approximate fair market values at the date of donation which approximates their fair value at the dates of the Statements of Financial Position. Property held for sale as of June 30, 2015 is reported as real estate investments.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets.

Accounts Receivable

Accounts are determined to be delinquent on an individual basis depending on the nature of the receivable and are written off when deemed uncollectible in management's opinion.

Property & Equipment

Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value on the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Date of Management's Review

Management has reviewed events subsequent to June 30, 2015 up through the date the financial statements were available to be issued, August 18, 2015, to evaluate their effect on the fair presentation of the financial statements. As of the date the financial statements were available to be issued, there have been no events subsequent to June 30, 2015 that are required to be disclosed in order to present fairly the financial position and changes in net assets of the Organization.

**NOTE 2 - USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 3 - CASH FLOW INFORMATION**

There were no non-cash financing transactions during the fiscal year 2015. The Organization paid no interest or income tax during the fiscal year 2015.

**NOTE 4 - MAJOR CONCENTRATIONS**

During the year ended June 30, 2015, there were no major contributions by any one donor.

Northland Pioneer College Friends and Family, Inc.  
Notes to Financial Statements  
June 30, 2015

**NOTE 5 - CASH**

The total cash held by the Organization as of June 30, 2015 is as follows:

	2015
Checking	\$ 34,985
Money market	36,714
Restricted Scholarships account	38,091
Total	\$ 109,790
Unrestricted cash	\$ 34,985
Restricted cash	74,805
Total	\$ 109,790

**NOTE 6 – INVESTMENTS**

For the year ended June 30, 2015, investments consisted of marketable securities held with Edward Jones and real estate comprising several lots of land. As of June 30, 2015, the marketable securities had a fair market value of \$336,861, and the real estate value was approximately \$8,000.

The marketable securities investments are stated at the aggregate fair market value as of June 30, 2015 as follows:

	2015	
	Market Value	Cost
Mutual funds	\$ 336,861	\$ 319,396
Total	\$ 336,861	\$ 319,396
Unrestricted investments	\$ -	
Restricted investments	336,861	
Total	\$ 336,861	

**NOTE 7 - FAIR VALUE MEASUREMENTS**

The following table represents the Organization's fair value hierarchy for its financial assets (cash and investments) measured at fair value on a recurring basis as of June 30, 2015.

Level 1 inputs: Quoted prices in active markets for identical assets that the Organization has the ability to access at the measurement date.

Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include interest rates at commonly quoted intervals and other inputs not directly observable, but derived principally from, or corroborated by, observable market data.

Level 3 inputs: Unobservable inputs for the asset which are therefore based primarily upon management's own estimates, the economic and competitive environment, the characteristics of the asset and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset.

Northland Pioneer College Friends and Family, Inc.  
Notes to Financial Statements  
June 30, 2015

**NOTE 7 - FAIR VALUE MEASUREMENTS (continued)**

	Level 1	Level 2	Level 3	Total Fair Value
Cash	\$109,790	-	-	\$109,790
Investments:				
Marketable Securities	336,861	-	-	336,861
Real Estate	-	-	8,000	8,000
<b>Total</b>	<b>\$446,651</b>	<b>\$ -</b>	<b>\$8,000</b>	<b>\$454,651</b>

**NOTE 8 - PROPERTY & EQUIPMENT**

There is no listed property and equipment for the Organization.

**NOTE 9 - RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets in the amount of \$113,211 as of June 30, 2015, consist of donated contributions and investment earnings, which are available for scholarships in future years. Permanently restricted net assets of \$91,757 as of June 30, 2015, represent endowed scholarship funds which must be invested in perpetuity.

**NOTE 10 - RELATED PARTIES**

Northland Pioneer College provides the Organization with office space at no cost. Similarly, there is no charge for related items, such as utilities, insurance, and overhead. The value of these expenses is deemed minimal and has not been reflected on the financial statements as of June 30, 2015.

**NOTE 11 - ENDOWMENT FUNDS**

As of June 2015 and 2014, NPC Friends and Family's endowments consisted of three funds: One fund established for the Martia A. Smith Memorial Art Scholarship, one for the Charles E. Listizky Scholarship and one for NPC Friends and Family. The latter was established in October 2014 to assure the future viability of the organization.

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of NPC Friends and Family has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, NPC Friends and Family classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund earnings that are not classified in permanently restricted net assets are classified as temporarily restricted net assets, until those amounts are appropriated for expenditure by NPC Friends and Family in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, NPC Friends and Family considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) The duration and preservation of the various funds; (2) The purposes of the donor-restricted endowment funds; (3) General economic conditions; (4) The possible effect of inflation and deflation; (5) The expected total return from income and the appreciation of investments; (6) Other resources of NPC Friends and Family; and (7) NPC Friends and Family's investment policies.



Northland Pioneer College Friends and Family, Inc.  
Notes to Financial Statements  
June 30, 2015

**NOTE 11 - ENDOWMENT FUNDS (continued)**

The three endowments are managed in separate investment accounts. Transactions within each individual endowment are based on the unit market value at the end of the month during which the transaction takes place for withdrawals and additions. It is the goal of NPC Friends and Family that the total return from each endowment investment should be adequate to meet the following objectives:

- Preserve investment capital and its purchasing power
- Generate sufficient resources to meet spending needs (payout)
- Attain reasonable capital appreciation, through prudent acceptance of risk, to enhance the future purchasing power of the investment capital.

As of June 30, 2015, the endowment assets were invested in marketable securities with Edward Jones. The investments were fully insured by the Securities Investor Protection Corporation (SIPC).

All endowment investments are carried at fair value and classified as non-current regardless of maturity due to restrictions limiting NPC Friends and Family's ability to use these investments. Each endowed account shall have a minimum of \$10,000, said amount to be reached within a three (3) year period from the time of initial donation, which must be at least \$5,000. If, after the three (3) year period has expired, the account has not reached the minimum level prescribed, the contributors to the fund shall have two options: (a) Award the existing amount over a designated period; or (b) authorize combining the fund with another, compatible, existing endowment fund. The three-year period may be waived if a plan has been designed with another approved time period and approved by the Board of Directors. All interest earned in developing endowed accounts shall revert to the fund corpus during the three-year period. No awards shall be made from the developing fund during the three-year period, unless the minimum balance of \$10,000 is reached prior the end of the three-year period. For July 30, 2015, no NPC Friends and Family endowment investment accounts held less than \$10,000.

The contributor to the fund may impose additional provisions for the scholarships paid from endowments. As of June 20, 2015, there were no distributions from the investment earnings on endowed scholarships. The Martia A. Smith Memorial Art Scholarship was awarded to a student on May 1, 2015, but the funds will not be transferred until the student awarded registers for classes in August, 2015. To ensure observance of limitations and restrictions placed on the use of resources available to NPC Friends and Family, net assets, revenues and expenses are classified and reported as follows, based on the existence or absence of donor-imposed restrictions.

*Permanently restricted net assets* include permanent endowments. Such funds are generally subject to donor restrictions requiring the principal to be invested in perpetuity for the purpose of producing income that may be expended or added to principal in accordance with the donor's wishes. As of June 30, 2015, the Martia A. Smith Memorial Art Scholarship endowment agreement requires the average rate of inflation for the prior calendar year (approximately 0.0% and 1.6%, respectively) of investment earnings to be added back to permanently restricted funds.

As of June 30, 2015, the Charles E. Listizky Scholarship endowment was frozen, pending clarification of donor restrictions from the Listizky Family. While the Northland Pioneer College Foundation Financial Statements for June 30, 2014 and 2013 note, "Effective July 1, 2012, the Listizky Scholarship agreement was amended to allow the Foundation to use all of the original endowment, subsequent additions to the fund, and all investment earnings at its sole discretion," the Board of Directors of NPC Friends and Family can find no documentation that validates this statement.

*Temporarily restricted net assets* relate to contributions designated by donors for use by particular entities or programs or for specific purposes or earnings from permanently restricted endowments, which have not been appropriated for their intended purpose. Term endowments are temporarily restricted, because they are permanent-type endowments, which include an expiration date or stated period of time or occurrence of a specified event, after which all or part of the principal may be expended.

Northland Pioneer College Friends and Family, Inc.  
Notes to Financial Statements  
June 30, 2015

**NOTE 11 - ENDOWMENT FUNDS (continued)**

*Unrestricted net assets* are not subject to donor-imposed restrictions. They also include Board Restricted endowments, of which the corpus can be invaded upon a vote by the Board. The NPC Friends and Family Endowment, established October 2014, falls into this category.

Endowment funds consisted of the following as of June 30, 2015:

	Temporarily Restricted	Permanently Restricted	Total
Balance, June 30, 2014	\$ 21,701	\$ 66,125	\$ 87,826
Contributions received	-	3,500	3,500
Investment earnings, net of fees	1,551	5,648	7,199
Prior period correction	13,835	16,484	30,319
Balance, June 30, 2015	<u>\$ 37,087</u>	<u>\$ 91,757</u>	<u>\$ 128,844</u>

**NOTE 12 - FUNCTIONAL EXPENSES**

	For the year ended June 30, 2015		
	Program Services	Support Services	Total
Advertising	\$ -	\$ 3,519	\$ 3,519
Bank service charges	-	2,325	2,325
Contract services	-	8,460	8,460
Insurance	-	11,858	11,858
Investment fees	-	2,215	2,215
Office expenses	-	597	597
Scholarships	32,821	-	32,821
	<u>\$ 32,821</u>	<u>\$ 28,974</u>	<u>\$ 61,795</u>

**NOTE 13 – SALE OF PROPERTY AND EQUIPMENT**

The Organization sold a building and property in Holbrook, AZ during the year. Proceeds of the sale were \$215,190, resulting in a gain of \$183,940 after deducting the book value of the property. Depreciation expense was not charged this year as it was deemed minimal.