

# 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 will meet for a regular District Governing Board Meeting, open to the public, on **October 20, 2020 beginning at 9:00 a.m.** The meetings will be held on [Zoom](#) and you can also join by calling **1 669 900 6833 and using meeting ID: 863 3107 0871.**

One or more Board members and/or staff members may participate in the meetings 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 Paul Hempsey at the above address or telephone number at least 24 hours prior to the scheduled start time.

The Board may vote to hold an executive session for discussion or consideration of a personnel matter(s) pursuant to A.R.S. §38-431.03(A)(1). 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, Paul Hempsey, certify that this notice of public meeting, prepared pursuant to A.R.S. § 38-431.02, was posted on or before the 19<sup>th</sup> day of October, 2020, at 9:00 a.m.

Paul Hempsey  
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. COUNTRY MOUNTAIN AIRWAVES [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



Northland Pioneer College Mission:

# NPC provides, supports and promotes lifelong learning.

## **Our Shared Vision:**

NPC provides a learner-centered environment, responds to community needs through effective and innovative service to our students, and fosters professional growth and collegial collaboration.

## **Our Shared Values:**

NPC upholds the following values:

- A quality learning environment
- Diversity and accessibility
- Integrity and accountability
- Collaboration toward success



**Northland Pioneer College**

Northland Pioneer College EXPANDING MINDS TRANSFORMING LIVES<sup>SM</sup>

# Governing Board Meeting Agenda

**ZOOM**

Or you can join by calling 1 669 900 6833 and using meeting ID: 863 3107 0871.

**Date:** October 20, 2020

**Time:** 9:00 a.m. (MST)

<u>Item</u>	<u>Description</u>	<u>Resource</u>
1.	Call to Order and Pledge of Allegiance .....	Chair Lucero
2.	Adoption of the Agenda..... <b>(Action)</b>	Chair Lucero
3.	Call for Public Comment..... <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 Lucero
4.	<b>Reports:</b>	
A.	<a href="#">Financial Position</a> .....	VPAS Ellison
B.	<a href="#">NPC Student Government Association (SGA)</a> .....	Written Report
C.	NPC Faculty Association .....	No Report
D.	Classified & Administrative Staff Organization (CASO).....	Donna Krieser
E.	NPC Friends and Family .....	Director Wilson
F.	<a href="#">Human Resources</a> .....	Written Report
5.	Consent Agenda..... <b>(Action)</b>	Chair Lucero
A.	<a href="#">September 15, 2020 Regular Meeting Minutes</a>	
B.	<a href="#">TALON to Consortium IGA Amendments</a> between Navajo County Community College District and Heber-Overgaard USD; Hopi Jr/Sr High School	
6.	<b>Old Business:</b> None.	
7.	<b>New Business:</b>	
A.	Executive Session: Pursuant to ARS 38-431.03(A)(3) – the District Governing Board may vote to enter Executive Session for discussion with the college attorney on a Network Security Incident..... <b>(Action)</b>	Chair Lucero
B.	Board Retreat – Fall 2020..... <b>(Action)</b>	CIO Estes
C.	<a href="#">NPC Component Unit Financial Audit Northeast Arizona Training Center 2019-20</a> .....	VPAS Ellison
D.	<a href="#">NPC Component Unit Financial Audit NPC Friends and Family 2019-20</a> .....	VPAS Ellison
E.	Presidential Search..... <b>(Action)</b>	Chair Lucero
8.	<b>Standing Business:</b>	
A.	President’s Report.....	CIO Estes
B.	DGB Agenda Items and Informational Needs for Future Meetings .....	Chair Lucero
9.	Board Report/Summary of Current Events .....	Board Members
10.	Announcement of Next Regular Meeting..... <b>November 17, 2020</b>	Chair Lucero
11.	Adjournment..... <b>(Action)</b>	Chair Lucero

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.



**Northland Pioneer College**

Post Office Box 610 • Holbrook, AZ 86025 • (928) 524-7311 • Fax (928) 524-7312 • www.npc.edu

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT

Statement of Financial Position

July 1, 2020 to August 30, 2020

Budget Period Expired

17%

Tax Supported Funds				
General Unrestricted				
	Current Month			
	Budget	Actual	Y-T-D Actual	%
<b>REVENUES</b>				
Primary Tax Levy	15,726,233	44,519	177,762	1%
State Aid:				
Maintenance and Operations	1,554,800	-	388,700	25%
Equalization	8,444,300	-	2,111,075	25%
Tuition and Fees	4,600,000	636,055	1,184,291	26%
Investment earnings	500,000	57,994	103,992	
Grants and Contracts	1,400,000	1,197	3,869	0%
Other Miscellaneous	200,000	27,331	42,165	
Fund Balance	-			
Transfers	(2,900,000)	(414,306)	(421,500)	15%
<b>TOTAL REVENUES</b>	<b>\$ 29,525,333</b>	<b>\$ 352,790</b>	<b>\$ 3,590,354</b>	<b>12%</b>
<b>EXPENDITURES</b>				
Salaries and Benefits	19,997,902	1,303,487	2,350,060	12%
Operating Expenditures	9,527,431	867,515	1,637,776	17%
Capital Expenditures				
<b>TOTAL EXPENDITURES</b>	<b>\$ 29,525,333</b>	<b>\$ 2,171,002</b>	<b>\$ 3,987,836</b>	<b>14%</b>
<b>Unrestricted Plant</b>				
	Current Month			
	Budget	Actual	Y-T-D Actual	%
<b>REVENUES</b>				
State Aid:				
Capital/STEM	334,800		83,700	25%
Fund Balance - WMC Facilities	12,000,000	9,023	18,030	0%
Transfers	2,000,000	250,249	250,249	13%
<b>TOTAL REVENUES</b>	<b>\$ 14,334,800</b>	<b>\$ 259,272</b>	<b>\$ 351,979</b>	<b>2%</b>
<b>EXPENDITURES</b>				
Capital Expenditures - WMC Facilities	12,334,800	9,023	18,030	0%
Capital Expenditures - Other	2,000,000	321,696	333,949	17%
<b>TOTAL EXPENDITURES</b>	<b>\$ 14,334,800</b>	<b>\$ 330,719</b>	<b>\$ 351,979</b>	<b>2%</b>

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
 Statement of Financial Position  
 July 1, 2020 to August 30, 2020

Budget Period Expired 17%

**Restricted and Auxiliary Funds**

	Restricted			
	Budget	Current Month Actual	Y-T-D Actual	%
<b>REVENUES</b>				
Grants and Contracts	6,000,000	76,354	297,056	5%
Fund Balance	-			
Transfers	600,000	150,000	150,000	25%
<b>TOTAL REVENUES</b>	<b>\$ 6,600,000</b>	<b>\$ 226,354</b>	<b>\$ 447,056</b>	<b>7%</b>
<b>EXPENDITURES</b>				
Salaries and Benefits	841,801	100,933	197,020	23%
Operating Expenditures	5,758,199	666,114	761,031	13%
Capital Expenditures				
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,600,000</b>	<b>\$ 767,047</b>	<b>\$ 958,051</b>	<b>15%</b>

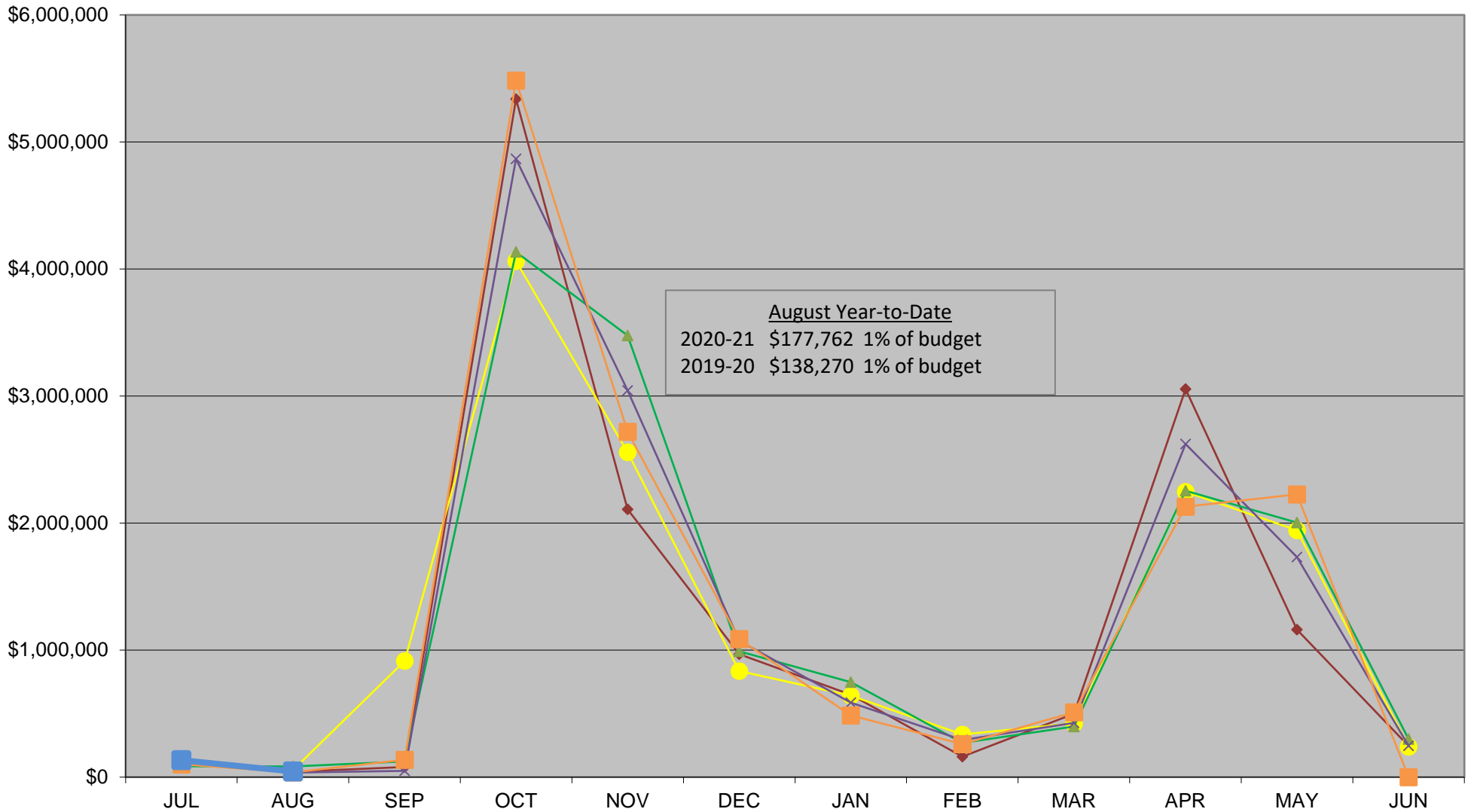
	Auxiliary			
	Budget	Current Month Actual	Y-T-D Actual	%
<b>REVENUES</b>				
Sales and Services	300,000	6,312	8,561	3%
Fund Balance	-			
Transfers	300,000	14,057	21,251	7%
<b>TOTAL REVENUES</b>	<b>\$ 600,000</b>	<b>\$ 20,369</b>	<b>\$ 29,812</b>	<b>5%</b>
<b>EXPENDITURES</b>				
Salaries and Benefits	239,418	12,273	21,634	9%
Operating Expenditures	360,582	8,096	8,178	2%
Capital Expenditures				
<b>TOTAL EXPENDITURES</b>	<b>\$ 600,000</b>	<b>\$ 20,369</b>	<b>\$ 29,812</b>	<b>5%</b>

**Cash Flows**

Cash flows from all activities (YTD) .....	\$4,419,201
Cash used for all activities (YTD) .....	\$5,327,678
Net Cash for all activities (YTD) .....	(\$908,477)

### Monthly Primary Property Tax Receipts

◆ 2015-16   
 ● 2016-17   
 ▲ 2017-18   
 × 2018-19   
 ■ 2019-20   
 ■ 2020-21 AUGUST YTD



August Year-to-Date  
 2020-21 \$177,762 1% of budget  
 2019-20 \$138,270 1% of budget

15 October 2020

Dear NPC Governing Board,

We are successfully meeting twice per month via Zoom. Our previous meetings were via connected classroom and the change to Zoom seems to help it be more personal because we can see each other clearly. As we navigate the online classes and trying to come up with relevant student-body virtual activities, we are definitely being stretched.

We welcomed two additional advisors in August, 2020. They are Rhonda Paladino, assistant to the campus manager at WMC, and Melody Niesen, English faculty. As our lead advisor Ryan Orr transitions to his new position we are thankful for their willingness to step up and help him. They have already proven valuable to the work of SGA.

We have spent considerable time brainstorming ideas to help support our students during this unique time. We will be hosting some virtual movie viewing parties and also a Leadership Speaker Series. Our next report will have firm names and dates for these campus wide events.

At a recent meeting we welcomed Judy Yip-Reyes to answer questions regarding the proposed College mission-values-vision. She provided some important information to our members. Our meeting on October 9, 2020 was spent crafting our feedback and completing the survey we were sent. We appreciate being included in this important work to help move NPC forward.

Sincerely,

Cindy Dies Owen  
SGA President, 2020-2021

**DGB Human Resources Update  
October 20, 2020**

**OPEN POSITIONS**

1. **Administrative Assistant to the Associate Dean of Education & College and Career Preparation – Open until filled. 0 applicants.**
2. **Carl Perkins Grant Specialist – Open until filled. 31 applicants.**
3. **Chief Human Resources Officer – Open until filled. 34 applicants.**
4. **Community Recruiter – Open until filled. 0 applicants**
5. **Data Analyst – Adult Education Program. Open until filled. 0 applicants.**
6. **Early College Advisor. Open until filled. 19 applicants.**
7. **Instructional Designer. Open until filled. 17 applicants.**
8. **Marketing Writer – Open until filled. 9 applicants.**
9. **Maintenance III – Open until filled. 0 applicants.**
10. **Records & Registration Grade Entry Clerk – Open until filled. 0 applicants.**
11. **System Support Technician – Open until filled. 16 applicants.**
12. **Technology Support Technician – Open until filled. 65 applicants.**

**CLOSED & IN REVIEW**

1. **Auto Mechanic – Closed. 12 applicants.**

**FILLED**

1. **Administrative System Analyst-Lynette Chapo-Started on October 1, 2020.**
2. **Center Manager – Kayenta. Diane Joe. Started on October 1, 2020.**
3. **Lead Audio/Video Support Technician. Michael Meeks. Started on October 1, 2020.**
4. **Lead Support Technician. Jonathan Lawrence. Started on October 1, 2020.**



# Navajo County Community College District Governing Board Meeting Minutes

September 15, 2020 – 10:00 a.m.

ZOOM

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**Governing Board Member Present:** Mr. Frank Lucero; Mr. Derrick Leslie; Mr. Everett Robinson; Mr. Daniel Peaches (joined at 10:27 a.m.).

**Governing Board Member Present by Phone:**

**Governing Board Member Absent:** Mr. Elias Jouen.

**Staff Present:** President Mark Vest; Vice President for Learning and Student Services (VPLSS) Jessica Clark; Vice President for Administrative Services (VPAS) Maderia Ellison; Chief Information Officer (CIO) Scott Estes; Interim Chief Human Resources Officer (CHRO) Peggy Belknap; Recording Secretary to the Board Paul Hempsey.

**Others Present:** Robert Johnson; Donna Krieser; Gary Santillanes; Judy Yip-Reyes; Ann Hess; Betsy Wilson; Ryan Patterson; Amber Hill; Terrie Shevat; China Cassidy; Ryan Orr; Lia Keenan; Josh Rogers; Ryan Rademacher; Lauren Maestas; Rickey Jackson; Tamara Osborne; Rebecca Hunt; Ruth Zimmerman; Gail Campbell.

**Others Present by Phone:**

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

Chair Lucero called the meeting to order at 10:02 a.m. and asked Mr. Robinson to lead the Pledge of Allegiance.

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

*Mr. Robinson moved to adopt the agenda as presented. Mr. Leslie seconded the motion. The motion carried upon a roll-call vote with Mr. Leslie, Mr. Robinson, and Chair Lucero voting in favor. There were no votes against.*

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

None.

## **Agenda Item 4: Reports**

### **4.A. Financial Position**

VPAS Ellison addressed the Board and reviewed the Financial Position Report.

### **4.B. NPC Student Government Association (SGA)**

No Report.



#### **4.C. Faculty Association**

No Report.

#### **4.D. Classified & Administrative Staff Organization (CASO)**

Donna Krieser, President of CASO, addressed the Board and provided an update from the organization.

#### **4.E. NPC Friends and Family**

Director Wilson addressed the Board and provided an update on recent Friends and Family activities highlighting the virtual Pedal the Petrified ride.

Director Wilson informed the Board of the recent contact from Janice Witt to set up a scholarship in the memory of Jennifer Witt. Director Wilson asked Ryan Orr to speak about Jennifer, who started by reading a statement from Magda Gluszek before providing his own perspective. Director Wilson then introduced Ryan Rademacher who thanked the speakers for the kind words on Jennifer and for the efforts to remember her through the scholarship.

#### **4.F. Human Resources**

Written Report.

Mr. Robinson asked whether there were two Learning Assistant positions at the White Mountain Campus. Interim CHRO Belknap confirmed there were.

Mr. Leslie asked if there was a timeline for the CHRO search. Interim CHRO Belknap responded that committee members were currently reviewing the applications with interviews planned in October.

Mr. Robinson asked if there were really 516 applicants for the Early College Advisor position. Interim CHRO Belknap confirmed this was correct.

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

- A. **August 18, 2020 Regular Meeting Minutes**
- B. **August 18, 2020 Executive Session Meeting Minutes**
- C. **TALON to Consortium IGA Amendments between Navajo County Community College District and Ganado USD; Shonto Preparatory School.**
- D. **Policy Deletion: 1541 - Harassment**

*Mr. Robinson made a motion to accept the consent agenda. Mr. Leslie seconded. The motion carried upon a roll-call vote with Mr. Robinson, Chair. Lucero, and Mr. Leslie, voting in favor. There were no votes against.*

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

None.



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

### **7.A. Amend Regular Board Meetings Start Time**

President Vest asked the Board to consider amending the start time for regular meetings to assist with Board attendance.

Mr. Peaches joined the meeting at 10:27 a.m.

*Mr. Leslie made a motion to change the start time for regular District Governing Board meetings to 9 a.m. for the remainder of meetings taking place via remote format. Mr. Robinson seconded. **The motion carried upon a roll-call vote with Mr. Peaches, Mr. Robinson, Chair. Lucero, and Mr. Leslie, voting in favor. There were no votes against.***

### **7.B. Request to Approve 2021-22 Budget Development Calendar**

VPAS Ellison reviewed the Budget Development Calendar for 2021-22 and offered to answer any questions the Board may have.

*Mr. Robinson made a motion to adopt the 2021-22 Budget Development Calendar as presented. Mr. Peaches seconded. **The motion carried upon a roll-call vote with Mr. Peaches, Mr. Robinson, Chair. Lucero, and Mr. Leslie, voting in favor. There were no votes against.***

### **7.C. Request to Award Contract for Payroll Services and Human Resources Information Systems (HRIS)**

VPAS Ellison reviewed the request to award a contract for Payroll Services and Human Resources Information Systems, walking the Board through the process used to arrive at the recommendation.

Chair Lucero asked if the new system will talk to Jenzabar. VPAS Ellison responded that it would transfer data to Jenzabar. Chair Lucero asked if we would eventually receive a discount from Jenzabar for not utilizing their Human Resources software. VPAS Ellison noted that it would require negotiations with Jenzabar to determine whether there might be any future savings.

Chair Lucero asked if the price would be the same for the additional four years. VPAS Ellison confirmed it would.

*Mr. Robinson made a motion to award the contract for Payroll Services and Human Resources Information Systems to Payday Inc. for a total of \$77,043.24. Mr. Peaches seconded. **The motion carried upon a roll-call vote with Mr. Peaches, Mr. Robinson, Chair. Lucero, and Mr. Leslie, voting in favor. There were no votes against.***



**7.D. Request to Approve Annual Cisco Smartnet for Support and Maintenance for 20/21**

CIO Estes addressed the Board and reviewed the request to purchase of Annual Cisco Smartnet for Support and Maintenance for 2020-2021 through the National IPA Technology Solutions for Education Contract (201811-01) for total price of \$179,863.17.

*Mr. Peaches made a motion to approve the purchase as presented. Mr. Robinson seconded. The motion carried upon a roll-call vote with Mr. Peaches, Mr. Robinson, Chair. Lucero, and Mr. Leslie, voting in favor. There were no votes against.*

**7.E. Request to Approve Cisco 5-year FLEX EA Licensing**

CIO Estes reviewed the request to purchase Cisco 5-year FLEX EA licensing from CDWG for a total cost of \$163,948.05.

*Mr. Robinson made a motion to approve the purchase of Cisco 5-year FLEX EA licensing from CDWG for \$163,948.05.as presented. Mr. Peaches seconded. The motion carried upon a roll-call vote with Mr. Peaches, Mr. Robinson, Chair. Lucero, and Mr. Leslie, voting in favor. There were no votes against.*

**7.F. NATC: Membership Dues & In-Kind Match (2 Year Analysis)**

VPLSS Clark addressed the Board and reviewed the 2-Year Analysis from the Northeast Arizona Training Center (NATC) and offered to answer questions.

**Agenda Item 8: Standing Business**

**8.A. President's Report**

President Vest reported that the Arizona Community College Coordinating Council would hold a planning retreat for the upcoming legislative session next week. President Vest also suggested a Board retreat after the November elections to allow any new members to participate if they desired.

Mr. Leslie left the meeting at 10:49 a.m.

**8.B. Agenda Items/Informational Needs for future meetings**

Mr. Robinson asked staff to research appropriate recognition for Board Member Peaches for his 30 plus years of service.

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

None.

**Agenda Item 10: Announcement of Next Regular Meeting:** Regular District Governing Board meeting on Tuesday, October 20, 2020 at 9 a.m.



**Agenda Item 11: Adjournment**

*The meeting was adjourned at 10:53 p.m. upon a motion by Mr. Peaches and a second by Mr. Robinson. The motion carried upon a roll-call vote with Mr. Peaches, Mr. Robinson, and Chair. Lucero, voting in favor. There were no votes against.*

Respectfully submitted,



Paul Hempsey  
Recording Secretary to the Board

Draft



**FIRST AMENDMENT TO  
INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
AND  
HEBER-OVERGAARD UNIFIED SCHOOL DISTRICT NO 6**

This First Amendment is entered by and between Navajo County Community College District (dba Northland Pioneer College; "College"), and Heber-Overgaard Unified School District No. 6 ("School District") (collectively "Parties").

**WHEREAS**, College and School District are authorized to enter into this Agreement pursuant to A.R.S. § 15-342(13), § 15-701.01(F), and § 15-1444(B)(4);

**WHEREAS**, College and School District entered into an Intergovernmental Agreement for the provision of Concurrent Enrollment Courses via video conferencing to eligible School District students for the 2020-2021 school year ("Concurrent Enrollment IGA"); and

**WHEREAS**, due to economic conditions arising after the Concurrent Enrollment IGA was signed, the College has amended its course offerings and tuition, media and course fees for the programs and School District desires to incorporate those changes into the Concurrent Enrollment IGA;

**NOW THEREFORE**, in consideration of the mutual agreements set forth, the Parties agree as follows:

1. Course Offerings. The list of courses offered by the College as available for Concurrent Enrollment in Section 6.4 and Exhibit A shall be amended to include any online course offered by the College.

2. Tuition, media and course fees. Exhibit B, Paragraph 3, "Tuition", is deleted and amended as follows:

Tuition for academic year 2020-2021 is \$79/ credit hour. Due to current economic conditions, a waiver of \$39/credit hour will be issued for all students, bringing tuition to \$40/credit hour. Further, a scholarship of \$40/credit hour will be applied for early college courses, including all courses available for concurrent enrollment, bringing tuition to \$0/credit hour. Scholarship funds will also pay any applicable course and media fees.

3. Effect of the Amendment. Except as modified by this Amendment, and only to the extent so modified, all other terms and conditions of the Concurrent Enrollment IGA will remain unmodified and in full force and effect.

4. Counterparts. This Amendment may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument, and photocopy, facsimile, electronic and other copies will have the same effect for all purposes as an ink-signed original.

5. Effective date. The Effective Date of this Amendment shall be July 1, 2020.

IN WITNESS HEREOF, the Parties sign this Agreement:

COLLEGE

SCHOOL DISTRICT

\_\_\_\_\_  
By: Mark Vest  
Title: President

\_\_\_\_\_  
*For Jimmy*  
By:  
Title: Superintendent

\_\_\_\_\_  
Date

\_\_\_\_\_  
*9/29/2020*  
Date

**APPROVAL AS TO FORM**

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 the State of Arizona to the Governing Board.

By: *Kushi Haski*  
Legal Counsel for College

9/30/2020  
Dated

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

\_\_\_\_\_  
Dated

**FIRST AMENDMENT TO  
INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
AND  
HOPI JR/SR HIGH SCHOOL**

This First Amendment is entered by and between Navajo County Community College District (dba Northland Pioneer College; "College"), and Hopi Jr/Sr High School ("School District") (collectively "Parties").

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**WHEREAS**, College and School District entered into an Intergovernmental Agreement for the provision of Concurrent Enrollment Courses via video conferencing to eligible School District students for the 2020-2021 school year ("Concurrent Enrollment IGA"); and

**WHEREAS**, due to economic conditions arising after the Concurrent Enrollment IGA was signed, the College has amended its course offerings and tuition, media and course fees for the programs and School District desires to incorporate those changes into the Concurrent Enrollment IGA;

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2. Tuition, media and course fees. Exhibit B, Paragraph 3, "Tuition", is deleted and amended as follows:

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3. Effect of the Amendment. Except as modified by this Amendment, and only to the extent so modified, all other terms and conditions of the Concurrent Enrollment IGA will remain unmodified and in full force and effect.

4. Counterparts. This Amendment may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument, and photocopy, facsimile, electronic and other copies will have the same effect for all purposes as an ink-signed original.

5. Effective date. The Effective Date of this Amendment shall be July 1, 2020.



IN WITNESS HEREOF, the Parties sign this Agreement:

**COLLEGE**

**SCHOOL DISTRICT**

\_\_\_\_\_  
**By: Mark Vest**  
**Title: President**

\_\_\_\_\_  
*Ala Noh*  
**By:**  
**Title: Superintendent**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
*9-9-2020*  
**Date**

**APPROVAL AS TO FORM**

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 the State of Arizona to the Governing Board.

By: *Kuski Haski*  
Legal Counsel for College

September 15, 2020  
Dated

By: *[Signature]*  
Legal Counsel for School District

Sept. 9, 2020  
Dated

# NPC Component Unit Financial Audit Northeast Arizona Training Center 2019-20

## Summary:

Northeast Arizona Training Center (NATC) is a separate legal entity but is considered a component unit of Northland Pioneer College (NPC) as defined by the Governmental Accounting Standards Board (GASB) Statement of Standards No. 14. NATC Financial Statements are therefore included in the audited financial statements for NPC by discrete presentation.

BDR Richards, CPA's, PLC, completed the FY 2019-20 financial audit for NATC on August 25, 2020. The auditor issued an opinion that the financial statements were presented fairly, in all material respects and in conformity with Generally Accepted Accounting Principles (GAAP.)

Below are brief highlights from the report:

- Total Assets and Total Net Assets increased \$923,943 primarily due to receiving a Legislative appropriation of \$1,000,000.
- Total revenue increased \$1,001,497 primarily due to the Legislative appropriation of \$1,000,000.
- Total expenses increased \$3,509, due to increases in depreciation and administrative expenses.
- Overall Cash position increased \$923,943 due to the Legislative appropriation.

A copy of the final FY 2019-20 Financial Statements are included for additional review.



NORTHEAST ARIZONA TRAINING CENTER, INC.



FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019

NORTHEAST ARIZONA TRAINING CENTER, INC.

Financial Statements

June 30, 2020 and 2019

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Northeast Arizona Training Center, Inc.

We have audited the accompanying financial statements of Northeast Arizona Training Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020, and 2019, 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 audits 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 Northeast Arizona Training Center, Inc. as of June 30, 2020, and 2019, 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.

*BDR Richards, CPA's, PLLC*

Snowflake, AZ  
August 25, 2020

Northeast Arizona Training Center, Inc.  
 Statements of Financial Position  
 June 30, 2020 and 2019

	2020	2019
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,125,680	\$ 99,934
Contributions receivable	8,750	-
Prepaid expenses	14,952	14,331
Total current assets	1,149,382	114,265
Property and equipment		
Land	110,000	110,000
Buildings	620,740	620,740
Training facilities	2,151,697	2,151,697
Other Capital Equipment	25,730	25,730
Less accumulated depreciation	(1,232,520)	(1,121,346)
Net property and equipment	1,675,647	1,786,821
Total assets	\$ 2,825,029	\$ 1,901,086
<b>Net Assets</b>		
Without donor restrictions-undesignated	2,825,029	1,901,086
Total net assets	2,825,029	1,901,086
Total liabilities and net assets	\$ 2,825,029	\$ 1,901,086

Northeast Arizona Training Center, Inc.  
 Statements of Activities  
 Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Operating Revenue</b>		
Fire department membership fees	\$ 14,500	\$ 13,750
Law enforcement membership fees	16,250	13,750
In-kind donations	-	25,730
Grants	1,000,000	-
Interest	16,343	
Private agency usage	14,500	6,713
Miscellaneous	-	153
	<u>1,061,593</u>	<u>60,096</u>
<b>Operating expenses</b>		
Administrative and office	26,476	23,244
Maintenance expenses	-	4,869
Depreciation	111,174	106,028
	<u>137,650</u>	<u>134,141</u>
<b>Operating income (loss)</b>	<u>923,943</u>	<u>(74,045)</u>
<b>Change in net assets</b>	923,943	(74,045)
<b>Net assets at beginning of year</b>	<u>1,901,086</u>	<u>1,975,131</u>
<b>Net assets at end of year</b>	<u><u>\$ 2,825,029</u></u>	<u><u>\$ 1,901,086</u></u>

Northeast Arizona Training Center, Inc.  
 Statements of Cash Flows  
 June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Receipts from members and users	\$ 36,500	\$ 34,365
Grants	1,000,000	-
Interest income	16,343	-
Payments to vendors	<u>(27,097)</u>	<u>(29,647)</u>
Net cash provided by operating activities	1,025,746	4,718
<b>Net change in cash</b>	1,025,746	4,718
<b>Cash at beginning of year</b>	<u>99,934</u>	<u>95,216</u>
<b>Cash at end of year</b>	<u><u>\$ 1,125,680</u></u>	<u><u>\$ 99,934</u></u>
<b>Reconciliation of change in net assets to net cash provided by operating activities:</b>		
<b>Change in net assets</b>	\$ 923,943	\$ (74,045)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	111,174	106,028
Asset additions funded with non-cash donations	-	(25,730)
Changes in assets and liabilities:		
Contributions receivable	(8,750)	-
Prepaid expenses	<u>(621)</u>	<u>(1,535)</u>
Net cash provided by operating activities	<u><u>\$ 1,025,746</u></u>	<u><u>\$ 4,718</u></u>



Northeast Arizona Training Center, Inc.  
Notes to Financial Statements  
June 30, 2020

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

The significant accounting policies of Northeast Arizona Training Center, Inc. (NATC) are described below to enhance the usefulness of the financial statements to the reader.

**Nature of the Organization**

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. The training facility 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.

**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.

**Net Assets**

NATC presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification ASU 2016-14. Accordingly, NATC reports information regarding its financial position and activities according to revenues, gains, and losses that are classified based on the existence or absence of donor or grantor-imposed restrictions. Net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for us in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor – (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. At June 30, 2020, NATC had no net assets with donor restrictions, at June 30, 2019 NATC had no net assets with donor restrictions.

**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.

**Cash and Investments**

Highly liquid investments with an original maturity of three months or less are classified as cash equivalents and are stated at fair value. Investments held by the State Treasurer's Local Government Investment Pool are considered cash equivalents and are stated at fair value.

**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.

Northeast Arizona Training Center, Inc.  
Notes to Financial Statements  
June 30, 2020

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

**Contributions receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are met. As of June 30, 2020, contributions receivable consisted of unconditional promises to give in the amount of \$8,750. There were no contributions receivable in the year ended June 30, 2019.

**Income Taxes**

NATC 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. Continued tax-exempt status is contingent on future operations being in compliance with the Internal Revenue Code.

**Revenue**

Revenue is recognized when earned.

**Date of Management's Review**

Management has reviewed events subsequent to June 30, 2020 up through the financial statement report date, August 25, 2020. As of the report date, there have been no events subsequent to June 30, 2020, that are required to be disclosed in order to present fairly the financial position and changes in net assets of NATC.

**NOTE 2 – IN-KIND DONATIONS**

During the fiscal year ending June 30, 2020 NATC did not receive any in-kind donations. During fiscal year ending June 30, 2019, NATC received in-kind donations consisting of two 2013 Chevrolet Tahoe's from the White Mountain Apache Tribe valued at \$25,730. The vehicles were capitalized during the year as they were above the capitalization threshold.

**NOTE 3 – CASH AND INVESTMENTS**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

<b>Cash and cash equivalents</b>	<b>2020</b>	<b>2019</b>
Cash - demand deposit	\$ 134,160	\$ 99,934
Investments - State Treasurer's Local Government Investment Pool 5	991,520	-
<b>Total unrestricted cash and cash equivalents</b>	<b>\$ 1,125,680</b>	<b>\$ 99,934</b>

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares held by NATC. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

*Credit Risk* – NATC does not have a formal policy for credit risk. At June 30, 2020, credit risk for NATC's investments were invested in the State Treasurer's investment pool 5, rated by Standard and Poor's, as AAAf/S1+ in the amount of \$991,520.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, NATC will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. NATC does not have a formal investment policy for custodial credit risk.

Northeast Arizona Training Center, Inc.  
Notes to Financial Statements  
June 30, 2020

**NOTE 3 – CASH AND INVESTMENTS (continued)**

*Concentration of Credit Risk* – NATC does not have a formal policy for concentration of credit risk.

*Interest Rate Risk* – NATC does not have a formal policy for interest rate risk. At June 30, 2020 NATC had the following investments in debt securities: \$991,520 invested in State Treasurer’s investment pool 5, with a weighted average maturity of 1.56 months.

**NOTE 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 pays all utility costs for NATC.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<b>2020</b>	<b>2019</b>
Land	\$ 110,000	\$ 110,000
Buildings	620,740	620,740
Training facilities	2,151,697	2,151,697
Other Capital Equipment	25,730	25,730
	2,908,167	2,908,167
Less accumulated depreciation	(1,232,520)	(1,121,346)
	<b>\$1,675,647</b>	<b>\$1,786,821</b>

Depreciation expense for the period ending June 30, 2020 was \$111,174 and for the period ending June 30, 2019 was \$106,028.

**NOTE 6 - CASH FLOW INFORMATION**

There were no non-cash financing transactions during the fiscal years 2020 or 2019. NATC paid no interest or income tax during the fiscal years 2020 or 2019.

**NOTE 7 – FUNCTIONAL EXPENSES**

Functional expenses are classified on the Statements of Activities for the years ending June 30, 2020, and 2019 by nature and function.

## NPC Component Unit Financial Audit NPC Friends and Family 2019-20

### Summary:

NPC Friends and Family (NPCFF) is a separate legal entity but is considered a component unit of Northland Pioneer College (NPC) as defined by the Governmental Accounting Standards Board (GASB) Statement of Standards No. 14. NPCFF Financial Statements are therefore included in the audited financial statements for NPC by discrete presentation.

BDR Richards, CPA's, PLC, completed the FY 2019-20 financial audit for NPCFF on August 21, 2020. The auditor issued an opinion that the financial statements were presented fairly, in all material respects and in conformity with Generally Accepted Accounting Principles (GAAP.)

Below are brief highlights from the report:

- Total Assets increased by \$65,779 due to donations to endowed scholarship funds including the Jon Graff PhD Scholarship Fund, the Claude Endfield Endowment, the Lisitzky Endowment, the Pres Winslow Memorial Scholarship fund, and the NPC Friends and Family Endowment.
- Total Net Assets also increased by \$65,779 as a result of the above increases.
- Total revenue decreased \$35,569 due to a reduction in contributions of \$40,724, which includes sponsorships for special events, due to the pandemic and a loss on investments. These losses were slightly offset by an increase in Special Events Revenue of \$19, 513 – mostly from AZ Gives Day.
- Total expenses rose \$20,432 due to increase in scholarships awarded \$11,225, plus an increase of \$9,207 in general operating expenses with the purchase of Chromebooks and hotspots in April.
- Overall, Cash position increased \$65,779, due to the increase in restricted marketable securities.

A copy of the final FY 2019-20 Financial Statements are included for additional review.



**NORTHLAND PIONEER COLLEGE FRIENDS AND FAMILY, INC.**



**FINANCIAL STATEMENTS  
JUNE 30, 2020 and 2019**



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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Northland Pioneer College Friends and Family, Inc., which comprise the statements of financial position as of June 30, 2020 and 2019, 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 the 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 audits 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 judgement, 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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*BDR Richards, CPA's PLLC*

Snowflake, AZ  
August 21, 2020



Northland Pioneer College Friends and Family, Inc.  
 Statements of Financial Position  
 June 30, 2020 and 2019

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	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash - checking and savings	\$ 130,042	\$ 144,221
Cash - checking and savings - restricted	33,764	32,438
Investments - marketable securities	377,951	368,191
Investments - marketable securities - restricted	312,130	243,258
Real estate held for investment	6,789	6,789
Total assets	<b>\$ 860,676</b>	<b>\$ 794,897</b>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	136,830	151,009
Designated by the Board for endowment	527,770	448,360
Designated by the Board for scholarships	33,764	32,438
	698,364	631,807
With donor restrictions		
Purpose restrictions	162,312	163,090
Total net assets	860,676	794,897
Total liabilities and net assets	<b>\$ 860,676</b>	<b>\$ 794,897</b>

Northland Pioneer College Friends and Family, Inc.  
Statement of Activities  
Year Ended June 30, 2020

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues and other support</b>			
Contributions	\$ 35,768	\$ 49,659	\$ 85,427
Interest and dividends	30	-	30
Net investment return	3,122	5,588	8,710
Gross special events revenue	77,311	-	77,311
Less cost of direct benefits to donors	(23,623)	-	(23,623)
Net special events revenue	53,688	-	53,688
 Net assets released from restrictions	 94,692	 (94,692)	 -
 Total revenues and other support	 187,300	 (39,445)	 147,855
<b>Expenses</b>			
Program services expense			
Scholarships	29,586	9,615	39,201
Scholarships - Other	25,301	-	25,301
 Total program expenses	 54,887	 9,615	 64,502
Supporting services expense:			
Management and general	17,574	-	17,574
 Total supporting services expense	 17,574	 -	 17,574
 Total expenses	 72,461	 9,615	 82,076
 <b>Change in net assets</b>	 114,839	 (49,060)	 65,779
 <b>Net assets, beginning of year</b>	 585,813	 209,084	 794,897
 <b>Net assets, end of year</b>	 \$ 700,652	 \$ 160,024	 \$ 860,676

Northland Pioneer College Friends and Family, Inc.  
Statement of Activities  
Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues and other support</b>			
Contributions	\$ 4,621	\$ 121,530	\$ 126,151
Interest and dividends	26	-	26
Net investment return	6,127	16,945	23,072
Gross special events revenue	76,462	-	76,462
Less cost of direct benefits to donors	<u>(42,287)</u>	<u>-</u>	<u>(42,287)</u>
Net special events revenue	34,175	-	34,175
Net assets released from restrictions	<u>80,169</u>	<u>(80,169)</u>	<u>0</u>
Total revenues and other support	<u>125,118</u>	<u>58,306</u>	<u>183,424</u>
<b>Expenses</b>			
Program services expense			
Scholarships	40,411	1,500	41,911
Scholarships - Other	<u>11,366</u>	<u>-</u>	<u>11,366</u>
Total program expenses	<u>51,777</u>	<u>1,500</u>	<u>53,277</u>
Supporting services expense:			
Management and general	<u>8,367</u>	<u>-</u>	<u>8,367</u>
Total supporting services expense	<u>8,367</u>	<u>-</u>	<u>8,367</u>
Total expenses	<u>60,144</u>	<u>1,500</u>	<u>61,644</u>
<b>Change in net assets</b>	64,974	56,806	121,780
<b>Net assets, beginning of year</b>	<u>520,839</u>	<u>152,278</u>	<u>673,117</u>
<b>Net assets, end of year</b>	<u>\$ 585,813</u>	<u>\$ 209,084</u>	<u>\$ 794,897</u>

Northland Pioneer College Friends and Family, Inc.  
 Statements of Cash Flows  
 Years Ended June 30, 2020 and 2019

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	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Cash received from contributions	\$ 85,427	\$126,151
Cash received from special events	77,311	76,462
Payments for scholarships	(64,502)	(53,277)
Payments to vendors	(41,196)	(50,653)
Interest and dividends received	30	64
Net cash provided by (used in) operating activities	57,070	98,747
<b>Cash flows from investing activities</b>		
Purchase of investments	(69,923)	(68,354)
Net cash used in investing activities	(69,923)	(68,354)
Net increase (decrease) in cash	(12,853)	30,393
<b>Cash and cash equivalents, beginning of year</b>	176,659	146,266
<b>Cash and cash equivalents, end of year</b>	<b>\$163,806</b>	<b>\$176,659</b>

## **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 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 government.

### Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) 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.

### 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.

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

Cash and Cash Equivalents

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.

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, 2020 is reported as real estate investments.

Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investment advisory fees were \$7,774 for the year ended June 30, 2020 and \$6,278 for the year ended June 30, 2019.

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, 2020 up through the date the financial statements were available to be issued, August 21, 2020, 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, 2020 that are required to be disclosed in order to present fairly the financial position and changes in net assets of the Organization.

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

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$163,806	\$176,659
Investments	690,081	611,450
Total financial assets	853,887	788,109
Less amounts not available to be used within one year:		
Net assets with donor restrictions	162,312	163,090
Designated by the Board for scholarships	33,764	32,438
	196,076	195,528
Financial assets available to meet general expenditures over the next twelve months	\$657,811	\$592,581

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

**NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES**

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorized the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

A significant portion of our investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis at June 30, 2020:

Assets	Level 1	Level 3
Cash	\$ 163,806	\$ -
Endowment Investments	690,081	-
Real Estate Investments	-	6,789
Total	\$ 853,887	\$ 6,789

The following table presents assets measured at fair value on a recurring basis at June 30, 2019:

Assets	Level 1	Level 3
Cash	\$ 176,659	\$ -
Endowment Investments	611,449	-
Real Estate Investments	-	6,789
Total	\$ 788,109	\$ 6,789

**NOTE 4 - PROPERTY & EQUIPMENT**

There is no listed property and equipment for the Organization.

**NOTE 5 - 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, 2020 or June 30, 2019.



## NOTE 6 - ENDOWMENT FUNDS

As of June 30, 2020, NPC Friends and Family's endowments consisted of five funds: One fund established for the Martia A. Smith Memorial Art Scholarship, one for the Charles E. Listizky Scholarship, one for Prescott Winslow Memorial Scholarship, one for the Claude Endfield Early Childhood Scholarship Fund, one for Jon Graff Ph.D. for endowed scholarships, 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.

The six 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, 2020, 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 June 30, 2020, all funds had balances greater than \$10,000.

**NOTE 6 - ENDOWMENT FUNDS (continued)**

The contributor to the fund may impose additional provisions for the scholarships paid from endowments. In the fiscal year ending June 30, 2020, transfers were made from the investment earnings on select endowed scholarships to the Restricted Scholarship fund. It was determined there were sufficient gains on the investments to make the awards without invading the principal and preserving sufficient return to keep the fund growing in perpetuity. 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.

*Net Assets with Donor Restrictions* - 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, 2020, 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. 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.

*Net Assets without Donor Restrictions* - 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.

As of June 30, 2020 and 2019, the Organization had the following net asset composition by type of fund:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 448,360	\$ 163,089	\$ 611,449
Investment return, net	3,122	5,588	8,710
Contributions	76,288	9,139	85,427
Distributions from board-designated endowment pursuant to policy	-	(15,505)	(15,505)
<b>Endowment net assets, end of year</b>	<b>\$ 527,770</b>	<b>\$ 162,311</b>	<b>\$ 690,081</b>
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 366,573	\$ 152,277	\$ 518,851
Investment return, net	6,127	16,945	23,072
Contributions	75,660	41,361	117,021
Distributions from board-designated endowment pursuant to policy	-	(47,494)	(47,494)
<b>Endowment net assets, end of year</b>	<b>\$ 448,360</b>	<b>\$ 163,089</b>	<b>\$ 611,449</b>

**NOTE 7 - FUNCTIONAL EXPENSES**

	2020		
	Program Services	Support Services	Total
Bank service charges	\$ -	\$ 45	\$ 45
Contract services	-	5,500	5,500
Insurance	-	1,646	1,646
Office expenses	-	10,383	10,383
Event expenses	23,623	-	23,623
Scholarships	64,502	-	64,502
	\$ 88,127	\$ 17,574	\$ 105,699

	2019		
	Program Services	Support Services	Total
Contract services	\$ -	\$ 5,500	\$ 5,500
Insurance	-	313	313
Office expenses	-	2,553	2,553
Event expenses	42,287	-	42,287
Scholarships	53,277	-	53,277
	\$ 95,564	\$ 8,366	\$ 103,930