

# 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 meet for a Special District Governing Board Meeting, open to the public, on **January 19, 2021 beginning at 9:00 a.m.** The meeting will be held on [Zoom](#) and you can also join by calling **1 669 900 6833 and using meeting ID: 840 5212 4809.**

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). The Board may vote to hold an executive session for the purpose of considering its position and instructing its attorney regarding the public body's position regarding contracts that are the subject of negotiations pursuant to A.R.S. §38-431.03 (A)(4). 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 18<sup>th</sup> day of January, 2021, 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. KINO RADIO
5. KNNB RADIO
6. COUNTRY MOUNTAIN AIRWAVES [KQAZ/KTHQ/KNKI RADIO]
7. KWKM RADIO
8. WHITE MOUNTAIN RADIO
9. NPC WEB SITE
10. NPC ADMINISTRATORS AND STAFF
11. NPC FACULTY ASSOCIATION PRESIDENT
12. NPC CLASSIFIED AND ADMINISTRATIVE SUPPORT ORGANIZATION PRESIDENT
13. 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

# Governing Board Meeting Agenda

**ZOOM**

Or you can join by calling 1 669 900 6833 and using meeting ID: 840 5212 4809.

**Date:** January 19, 2021

**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..... (Action)  | Chair Lucero                |
| 3.          | <a href="#">Request to Approve Administrator Emeritus – Tracy Holt-Mancuso</a> .....  | Interim President Swarthout |
| 4.          | <b>Emeritus and Meritorious awards</b> .....  | Interim CHRO Belknap        |
|             | a. Dr. Eric Henderson – Administrator & Faculty Emeritus  |                             |
|             | b. Eli Blake – Faculty Emeritus   |                             |
|             | c. Myrtle Dayzie-Grey – Meritorious Service   |                             |
|             | d. Bobbi Sample – Meritorious Service   |                             |
|             | e. Tracy Holt-Mancuso – Administrator Emeritus  |                             |
|             | f. Dr. Debra McGinty – Administrator Emeritus   |                             |
|             | g. Mark Vest – Administrator Emeritus   |                             |
| 5.          | <b>Election of Board Officers and Appoint AACCT Representative(s) ..(Action)</b>  | Chair Lucero                |
| 6.          | <b>Call for Public Comment</b> .....  | Chair                       |
|             | <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> |                             |
| 7.          | <b>Reports:</b>   |                             |
| A.          | <a href="#">Financial Position</a> .....  | VPAS Ellison                |
| B.          | <b>NPC Friends and Family</b> .....   | Director Wilson             |
| C.          | <b>NPC Faculty Association</b> .....  | Kevin Jones                 |
| D.          | <b>Classified &amp; Administrative Staff Organization (CASO)</b> .....  | No Report                   |
| E.          | <b>NPC Student Government Association</b> .....   | No Report                   |
| F.          | <a href="#">Human Resources</a> .....   | Written Report              |
| G.          | <a href="#">President’s Report</a> .....  | Interim President Swarthout |
| 8.          | <b>Consent Agenda</b> .....   | Chair                       |
|             | <b>(Action)</b>   |                             |
| A.          | <a href="#">December 15, 2020 Regular Meeting Minutes</a>   |                             |
| B.          | <a href="#">January 8, 2021 Special Meeting Minutes</a>   |                             |
| C.          | <a href="#">Policies 1710 through 1730</a>  |                             |
| D.          | <a href="#">Dual Enrollment IGA between Navajo County Community College District and Chinle USD.</a>  |                             |
| E.          | <b>Curriculum Modifications</b>   |                             |
|             | i. <a href="#">Program Modifications – AAS, CAS, and CP Construction Technology (CON)</a>   |                             |
|             | ii. <a href="#">Program Modifications – AAEC, AAS, and CP Early Childhood (ECD)</a>   |                             |
|             | iii. <a href="#">Program Modifications – AAS, and CAS Medical Office Administration and CP Medical Office Administration Fundamentals</a>   |                             |
|             | iv. <a href="#">Program Deletions – AAS, CAS, and CP Accounting Specialization</a>  |                             |
|             | v. <a href="#">Program Deletions – AAS, CAS, and CP Modern Office Technologies</a>  |                             |
| 9.          | <b>Old Business:</b>  |                             |
| A.          | <a href="#">Presidential Search – Finalist Interview Schedule</a> .....   | Interim President Swarthout |
| 10.         | <b>New Business</b>   |                             |
| A.          | <a href="#">Request to Accept the Comprehensive Annual Financial Report and Single Audit Report for the Fiscal Year Ended June 30, 2020 ... (Action)</a>  | VPAS Ellison                |
| B.          | <a href="#">Request to Approve the Mission, Values, and Vision Statements</a> .....   | Director Yip-Reyes          |
|             | <b>(Action)</b>   |                             |
| C.          | <b>Strategic Planning Goals</b> .....   | Interim President Swarthout |
| D.          | <a href="#">Update on WMC Facilities Expansion</a> .....  | VPAS Ellison                |
| E.          | <a href="#">Update on Transwestern Litigation</a> .....   | VPAS Ellison                |

- 11. **Board Self-Assessment** ..... Chair
- 12. **DGB Agenda Items and Informational Needs for Next Meeting** ..... Chair
- 13. **Board Report/Summary of Current Events** ..... Board Members
- 14. **Announcement of Next Regular Meeting** ..... **February 16, 2021** Chair
- 15. **Adjournment** ..... **(Action)** Chair

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



December 8, 2020

Peggy Belknap

Interim Director of Human Resources

Northland Pioneer College

P.O. Box 610

Holbrook, AZ 86025

Dear Peggy,

Please accept this letter requesting the Northland Pioneer College District Governing Board confer emeritus status on Tracy Mancuso, retired director of the Small Business Development Center. Tracy's professional accomplishments are well-known and well-documented. She brought the Small Business Development Center national acclaim and served as an invaluable advocate to numerous small businesses in Navajo and Apache counties during her eight-year tenure as SBDC director. She continues to be a tremendous advocate for the college.

Tracy volunteered as the White Mountain Campus representative on the board of NPC Friends and Family for three years. She assisted me in making valuable connections in our college communities. She brought wise, carefully considered perspectives to our meetings and discussions, and her contributions made a positive impact in many ways.

I appreciate the NPC District Governing Boards' consideration of this request.

Respectfully submitted,

*Betsyann Wilson*, Executive Director

NPC Friends & Family

1611 South Main Street

Snowflake, AZ 85937

928-536-6245

[www.npcfriensfamily.org](http://www.npcfriensfamily.org)

*Never believe that a few caring people can't change the world. For indeed, that's all who ever have.*

-Margaret Mead

# NORTHLAND PIONEER COLLEGE

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Jennifer Bishop | jennifer.bishop@npc.edu

December 8, 2020

To Whom It May Concern:

It is with great honor that I recommend Tracy Mancuso for Emeritus Status at Northland Pioneer College. This award recognizes someone that has achieved distinction in career, community service, and service to the college, and as such I feel that Tracy is an outstanding candidate for this award.

For more than 10 years Tracy dedicated herself to the betterment of local communities through service leadership in entrepreneurship. Countless small business owners and students have developed and grown their businesses under Tracy's guidance and mentorship. In addition, Tracy has served on numerous committees at NPC in service to students and colleagues, offering invaluable advice and counsel.

I believe that Tracy's diligence, determination and meticulous ability have made her an ideal candidate for this prestigious award, and I offer my recommendation without reservation. Please feel free to contact me with any questions that you may have regarding this recommendation.

Sincerely,

*Jennifer Bishop*

Jennifer Bishop, BSB, MBA, M.Ed. CTE  
Interim Associate Dean of Career and Technical Education

P.O. Box 610, Holbrook, AZ

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Office: 928-532-6152



Northland Pioneer College – SBDC  
1001 W Deuce of Clubs, GWB Rm 105, Show Low, AZ 85901  
Office: 928-532-6170 | Fax 928-532-6171  
[www.npc.edu/sbdc](http://www.npc.edu/sbdc)

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December 7, 2020

District Governing Board  
Northland Pioneer  
Via: Human Resources

Ref.: Letter of Support

District Governing Board

I write in support of the District Governing Board conferring Emeritus Status on the retired Small Business Development Center Director Tracy Mancuso. During the past 8 years, it was my pleasure to watch Tracy masterfully run the day-to-day operations of the Center leading to numerous statewide accolades. This recognition culminated in Tracy selected as The State Star in 2018, which is the highest honor available through the Small Business Development Centers.

Tracy's Emeritus behavior and constant advocacy for NPC and the SBDC extended to community events, college meetings and statewide gatherings. Even in retirement, she remains one of the bright lights in our community for our College and our Center.

I would ask your serious consideration.

Best wishes

Sincerely yours,

*Rich Chanick* - Director

Northland Pioneer College, SBDC  
1001 W. Deuce of Clubs, Goldwater Building, Room 108  
Show Low, AZ 85901  
928-532-6706  
[richard.chanick@npc.edu](mailto:richard.chanick@npc.edu)  
[www.npc.edu/sbdc](http://www.npc.edu/sbdc)

Helping Launch, Grow & Sustain Arizona Small Businesses Since 1988

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT

Statement of Financial Position

July 1, 2020 to November 20, 2020

Budget Period Expired

42%

| Tax Supported Funds                   |                      |                     |                      |            |
|---------------------------------------|----------------------|---------------------|----------------------|------------|
| General Unrestricted                  |                      |                     |                      |            |
|                                       | Current Month        |                     |                      |            |
|                                       | Budget               | Actual              | Y-T-D Actual         | %          |
| <b>REVENUES</b>                       |                      |                     |                      |            |
| Primary Tax Levy                      | 15,726,233           | 2,472,323           | 8,691,810            | 55%        |
| State Aid:                            |                      |                     |                      |            |
| Maintenance and Operations            | 1,554,800            | -                   | 777,400              | 50%        |
| Equalization                          | 8,444,300            | -                   | 4,222,150            | 50%        |
| Tuition and Fees                      | 4,600,000            | 499,723             | 1,996,974            | 43%        |
| Investment earnings                   | 500,000              | 13,349              | 168,921              | 34%        |
| Grants and Contracts                  | 1,400,000            | 172                 | 7,573                | 1%         |
| Other Miscellaneous                   | 200,000              | 6,191               | 71,744               |            |
| Fund Balance                          | -                    | -                   | -                    |            |
| Transfers                             | (2,900,000)          | (191,688)           | (579,119)            | 20%        |
| <b>TOTAL REVENUES</b>                 | <b>\$ 29,525,333</b> | <b>\$ 2,800,070</b> | <b>\$ 15,357,453</b> | <b>52%</b> |
| <b>EXPENDITURES</b>                   |                      |                     |                      |            |
| Salaries and Benefits                 | 19,997,902           | 1,654,556           | 7,393,754            | 37%        |
| Operating Expenditures                | 9,527,431            | 356,970             | 3,316,117            | 35%        |
| Capital Expenditures                  |                      |                     |                      |            |
| <b>TOTAL EXPENDITURES</b>             | <b>\$ 29,525,333</b> | <b>\$ 2,011,526</b> | <b>\$ 10,709,871</b> | <b>36%</b> |
| <b>Unrestricted Plant</b>             |                      |                     |                      |            |
|                                       | Current Month        |                     |                      |            |
|                                       | Budget               | Actual              | Y-T-D Actual         | %          |
| <b>REVENUES</b>                       |                      |                     |                      |            |
| State Aid:                            |                      |                     |                      |            |
| Capital/STEM                          | 334,800              | -                   | 167,400              | 50%        |
| Fund Balance                          | 12,000,000           | 60,497              | 186,146              | 2%         |
| Transfers                             | 2,000,000            | 191,688             | 379,858              | 19%        |
| <b>TOTAL REVENUES</b>                 | <b>\$ 14,334,800</b> | <b>\$ 252,185</b>   | <b>\$ 733,404</b>    | <b>5%</b>  |
| <b>EXPENDITURES</b>                   |                      |                     |                      |            |
| Capital Expenditures - WMC Facilities | 12,000,000           | 60,497              | 186,146              | 2%         |
| Capital Expenditures - Other          | 2,334,800            | 191,688             | 547,258              | 23%        |
| <b>TOTAL EXPENDITURES</b>             | <b>\$ 14,334,800</b> | <b>\$ 252,185</b>   | <b>\$ 733,404</b>    | <b>5%</b>  |



NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
 Statement of Financial Position  
 July 1, 2020 to November 20, 2020

Budget Period Expired 42%

**Restricted and Auxiliary Funds**

|                           | Restricted          |                      |                     |            |
|---------------------------|---------------------|----------------------|---------------------|------------|
|                           | Budget              | Current Month Actual | Y-T-D Actual        | %          |
| <b>REVENUES</b>           |                     |                      |                     |            |
| Grants and Contracts      | 6,000,000           | 50,920               | 483,269             | 8%         |
| Fund Balance              |                     |                      |                     |            |
| Transfers                 | 600,000             |                      | 150,000             | 25%        |
| <b>TOTAL REVENUES</b>     | <b>\$ 6,600,000</b> | <b>\$ 50,920</b>     | <b>\$ 633,269</b>   | <b>10%</b> |
| <b>EXPENDITURES</b>       |                     |                      |                     |            |
| Salaries and Benefits     | 841,801             | 111,175              | 502,756             | 60%        |
| Operating Expenditures    | 5,758,199           | 204,257              | 1,497,871           | 26%        |
| Capital Expenditures      |                     |                      |                     |            |
| <b>TOTAL EXPENDITURES</b> | <b>\$ 6,600,000</b> | <b>\$ 315,432</b>    | <b>\$ 2,000,627</b> | <b>30%</b> |

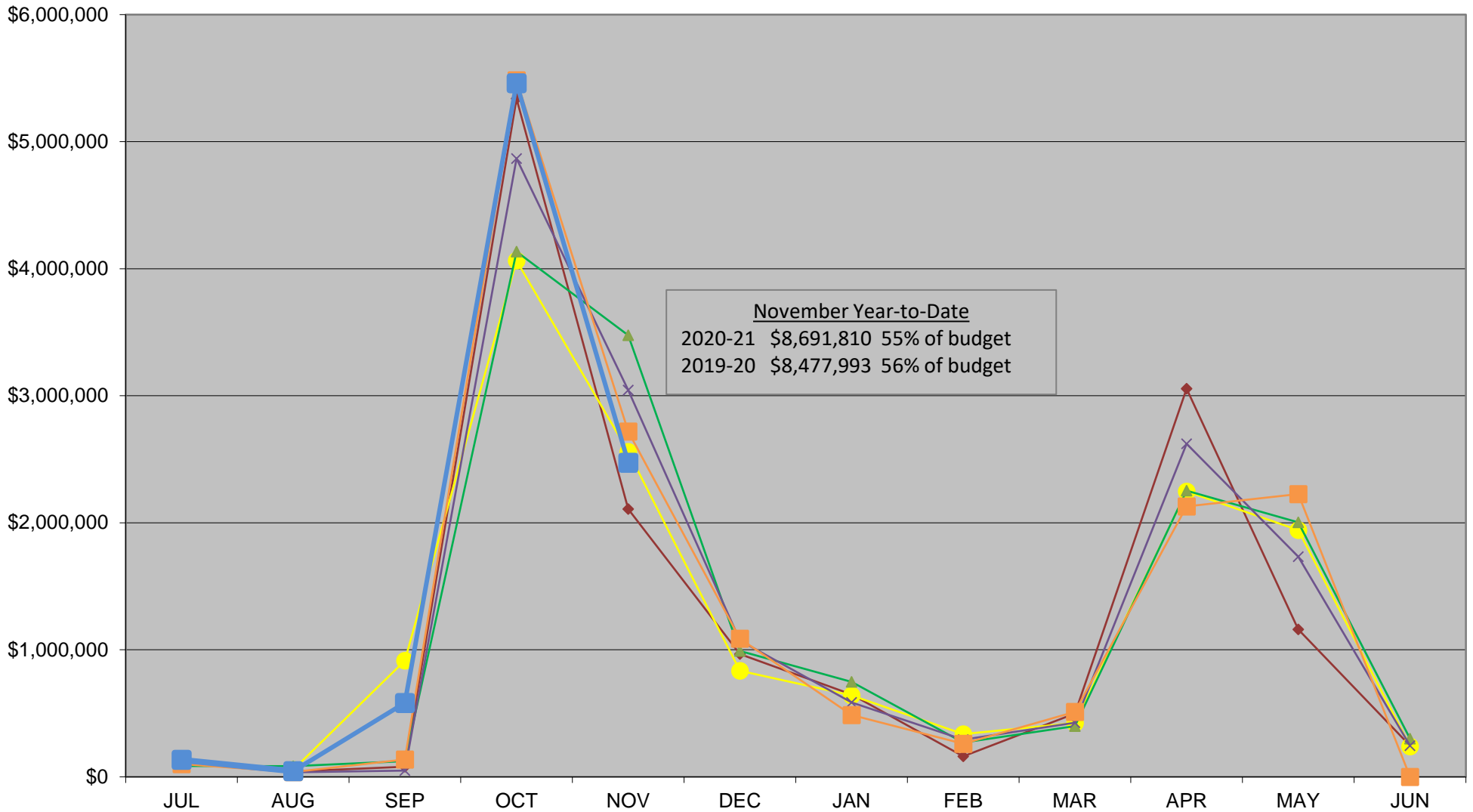
|                           | Auxiliary         |                      |                  |            |
|---------------------------|-------------------|----------------------|------------------|------------|
|                           | Budget            | Current Month Actual | Y-T-D Actual     | %          |
| <b>REVENUES</b>           |                   |                      |                  |            |
| Sales and Services        | 300,000           | 101                  | 10,967           | 4%         |
| Fund Balance              | -                 |                      |                  |            |
| Transfers                 | 300,000           |                      | 49,261           | 16%        |
| <b>TOTAL REVENUES</b>     | <b>\$ 600,000</b> | <b>\$ 101</b>        | <b>\$ 60,228</b> | <b>10%</b> |
| <b>EXPENDITURES</b>       |                   |                      |                  |            |
| Salaries and Benefits     | 239,418           | 16,714               | 59,792           | 25%        |
| Operating Expenditures    | 360,582           | (4,633)              | 12,416           | 3%         |
| Capital Expenditures      |                   |                      |                  |            |
| <b>TOTAL EXPENDITURES</b> | <b>\$ 600,000</b> | <b>\$ 12,081</b>     | <b>\$ 72,208</b> | <b>12%</b> |

**Cash Flows**

|  |              |
|--|--------------|
| Cash flows from all activities (YTD) ..... | \$16,784,354 |
| Cash used for all activities (YTD) .....   | \$13,516,110 |
| Net Cash for all activities (YTD) .....    | \$3,268,244  |

## Monthly Primary Property Tax Receipts

◆ 2015-16   
 ◆ 2016-17   
 ▲ 2017-18   
 ✕ 2018-19   
 ■ 2019-20   
 ■ 2020-21 November YTD



**DGB Human Resources Update  
January 19, 2021**

**OPEN POSITIONS**

1. **Carl Perkins Grant Specialist** – Open until filled. 39 applicants.
2. **Nursing Assistant Training (NAT) Coordinator/Faculty.** Position closes January 14, 2021. 1 applicant.
3. **Record & Registration Admissions Clerk.** Position closes January 14, 2021. 1 applicant.
4. **System Support Technician** – Open until filled. 22 applicants.
5. **Technology Support Technician** – Open until filled. 84 applicants.

**CLOSED & IN REVIEW**

1. **Dean of Career and Technical Education** – Closed. 2 applicants.
2. **Maintenance III** – Closed. 7 applicants.

**FILLED**

1. **Chief Human Resources Officer.** Robert Ficken., MA, BS, & SHRM-CP. Will start February 1, 2021. Mr. Ficken has 19 years of Human Resources Director experience and currently resides in Danville, CA.
2. **Surgical Technology Faculty.** Marjorie St. Michel. Starts on January 11, 2021. Ms. St. Michel has 37 years of experience as a Surgical Technician and currently resides in Tucson, Arizona.



# Northland Pioneer College 2021 All-Arizona Academic Team Members

Northland Pioneer College has nominated nine students to the **2021 All-USA/All-Arizona Academic Team**. Each will receive a tuition waiver, for up to 60 credits, from the Arizona Board of Regents to complete their bachelor's degree at a state public university. The waivers are valued at nearly \$50,000.

Team members will also receive a scholarship check from NPC, based on their ranking by national judges from business, civic, government and education.

NPC can nominate two students from each campus and center location to the All-Arizona team. A student must have taken a class at or originating from that location to be considered for one of the two nominations.

To qualify, a student must have a cumulative 3.5 or higher GPA, be in good academic standing working toward an associate degree and have demonstrated college and community volunteerism and leadership. Applicants do not have to be members of Phi Theta Kappa, the international honor society of two-year colleges.

All-Arizona Academic Team members from throughout the state will be honored at a virtual ceremony, **Thursday, March 4, 2021** from 12:00 p.m. to 1:30 p.m.

For the past 25 years Arizona has separately recognized the state's top two-year college students as a part of the All-USA Academic Team program, co-sponsored by the American Association of Community Colleges, Phi Theta Kappa International Honor Society (PTK), Follet Higher Education Group, the Coca Cola Scholars Foundation and USA Today.

A complete list of past NPC recipients of the All-Arizona Academic Team honor can be viewed online at [www.npc.edu/past-AllAZ](http://www.npc.edu/past-AllAZ).

## Holbrook – Painted Desert Campus



Layton Bauer

### Layton Bauer

Transferring to: ASU

**Major (4-Year):** Science

**Career Goal:** Layton plans to earn his bachelor's degree and would ultimately like to work for the Arizona Game and Fish Department to help monitor and conduct studies on wildlife species.

**College/Community Activities:** Holbrook Youth Football League volunteer, member of NPC's Student Government Association.

**College Honors:** Phi Theta Kappa Honor Society, NPC Presidents List.

## Show Low – White Mountain Campus



Tyler Allen

### Tyler Allen

Transferring to: NAU

**Major (4-Year):** Nursing

**Career Goal:** Tyler plans to earn her master's degree in nursing education, a post-master's certificate as a nurse practitioner, and earn a doctorate in public health. She plans to work as a hospice nurse in a home health setting and develop a non-profit organization that will provide a pop-up no cost/low-cost health clinic in the White Mountain area.

**College/Community Activities:** Phi Theta Kappa Chapter President, Alzheimer's Association and Walk to End Alzheimer's community organizer/volunteer tech for Pet Allies Spay and Neuter Clinic.

**College Honors:** NPC President's List, Phi Theta Kappa Honor's Case Study 2020 Honorable Mention.



Angela Colwell

### Angela Colwell

Transferring to: NAU

**Major (4-Year):** Nursing

**Career Goal:** Angela plans to earn her Bachelor of Science in nursing and become a psychiatric nurse practitioner.

**College/Community Activities:** Science and chemistry tutor, parent volunteer at Blue Ridge Unified School District, Director at Hunt for Hunger.

**College Honors:** Phi Theta Kappa Honor Society, NPC President's and Dean's Lists, 2019 outstanding graduate.

## Snowflake/Taylor – Silver Creek Campus



Trace Hancock

### Trace Hancock

Transferring to: U of A

**Major (4-Year):** Science

**Career Goal:** Trace plans to join the University of Arizona Veterinary Medicine Program and earn his Doctorate of Veterinary Medicine. Ultimately, he wants to operate his own veterinary clinic and primarily work with large animals.

**College/Community Activities:** Eagle Scout, Vice President of the NAVIT Welding Morning Class, officer in the Horse Sense 4-H Club.

**College Honors:** President's Scholar Scholarship recipient, NPC President's and Dean's Lists.



Jocilyn McCleve

### Jocilyn McCleve

Transferring to: U of A

**Major (4-Year):** Visual, Fine & Performing Arts

**Career Goal:** Jocilyn plans to obtain her masters degree and wants to teach at the university level.

**College/Community Activities:** Music/costume assistant for productions, photography, tutoring.

**College Honors:** Phi Theta Kappa Honor Society, NPC President's List, Presidential Honors Scholarship recipient.

## Kayenta Center



Jessica Austin

### Jessica Austin

Transferring to: ASU

**Major (4Year):** Elementary and Special Education

**Career Goal:** Jessica plans to earn a bachelor's in elementary and special education and work as a teacher on the Navajo Nation to ensure children are receiving the educations they deserve.

**College/Community Activities:** Kayenta Unified School District volunteer, dedicated food service worker for Kayenta Unified School District.

**College Honors:** Phi Theta Kappa Honor Society, NPC Dean's List, NPC Friends and Family Scholarship recipient (multiple awards).

## Saint Johns Center



**Kiarra Yazzie**

### **Kiarra Yazzie**

Transferring to: NAU

**Major (4Year):** Business - International Affairs and Leadership.

**Career Goal:** Kiarra will pursue a masters degree and plans to work with a humanitarian or governmental agency helping with problems related to poverty or political unrest among different nations.

**College/Community Activities:** Volunteer for Concho Elementary School, Saint John's Food Bank and the International Language Program. Volunteer pianist for the White Mountain community.

**College Honors:** Phi Theta Kappa Honor Society, NPC President's List, SkillsUSA recipient.

## Springerville/Eagar Center



**John McGaughey**

### **John McGaughey**

Transferring to: NAU

**Major (4Year):** Business

**Career Goal:** John plans to receive his master's in career and technical education and would like to teach at Northland Pioneer College in the business department.

**College/Community Activities:** NPC Student Government Association, Future Business Leaders of America advisor for the Round Valley Middle Division, Cultural Diversity Instructor, Little League baseball and softball manager and Boys and Girls Club basketball coach

**College Honors:** Phi Theta Kappa Honor Society, NPC President's and Dean's Lists, recipient of the AZ Food Marketing Alliance Wayne Manning Scholarship.

## Whiteriver Center



**Emmalee Hall**

### **Emmalee Hall**

Transferring to: NAU

**Major (4Year):** Allied Health

**Career Goal:** Emmalee is pursuing her Bachelor's of Applied Science in General Allied Health. She plans to work in the field of occupational therapy.

**College/Community Activities:** OJack Daley Primary School work-study/volunteer, Discovery Park keeper, Eastern Arizona College Marching Band, Church of Jesus Christ of Latter Day Saints Institute volunteer and member.

**College Honors:** Phi Theta Kappa Honor Society, NPC President's List, Kathryn Murphy-Spencer Kimball Scholarship recipient.

# Navajo County Community College District Governing Board Meeting Minutes

December 15, 2020 – 9:00 a.m.

ZOOM

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**Governing Board Member Present:** Mr. Frank Lucero; Mr. Everett Robinson; Mr. Derrick Leslie; Mr. Elias Jouen (Joined at 9:04 a.m.); Mr. Peaches (joined at 9:30 a.m.).

**Governing Board Member Present by Phone:**

**Governing Board Member Absent:**

**Staff Present:** Interim President Jeanne Swarhout; 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:** Nicole Ulibarri; Tamara Osborne; Cecelia Cervantes; David Huish; Ernie Hess; Amber Hill; Michael Broyles; Curtis Stevens; Colleen Readell; Lia Keenan; Terrie Shevat; China Cassidy; Betsy Wilson; Julie Golder; Gary Santillanes; Judy Yip-Reyes; Rickey Jackson; Ryan Orr; Kevin Jones; Allison Landy; Kristine Laughter; Gail Campbell; Jeremy Raisor; Ruth Zimmerman; Daphne Brimhall; Olivia Jaquez; Robert Johnson; Rebecca Hunt.

**Others Present by Phone:**

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

Chair Lucero called the meeting to order at 9:01 a.m. and led 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 noting the second quarter allocation from the State had been received.

Board Member Jouen joined at 9:04 a.m.



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

Written Report.

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

Dr. Kevin Jones, Faculty Association President, addressed the Board and provided a report on Faculty activities highlighting the letter provided to the Board regarding the Presidential Search. Dr. Jones asked Dr. Allison Landy, Vice-President of Faculty Association, if she wished to add anything and Dr. Landy reiterated the request to add additional faculty to the search committee.

Chair Lucero asked Dr. Jones if he felt the Navajo County taxpayers should participate in the search. Dr. Jones provided his response and noted that the Board was elected by Navajo County taxpayers and would make the final decision on the new President.

Derrick Leslie asked who was represented on the Search Committee and Recording Secretary to the Board provided the information.

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

No Report.

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

Director Wilson addressed the Board and provided an update on recent Friends and Family activities highlighting the award of scholarships for the Spring semester.

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

Written Report.

Chair Lucero asked for an update on the search for a Chief Human Resources Officer, which Interim CHRO Belknap provided. Board Member Jouen asked if the process had taken too long and that was the reason the college was seeing applicants drop out. Interim CHRO Belknap responded that the applicants who have dropped out have not mentioned that as a reason for their withdrawal.

#### **4.G. President's Report**

Interim President Swarouth addressed the Board and informed them of a short-term effort to provide paid leave, to those employees that would be adversely affected by the closure of facilities at the college, through donations from other employees. The college will also be catching up on necessary changes to college procedures over the coming months.

Board Member Peaches joined the meeting at 9:30 a.m.

Interim President Swarouth also asked for any Board Members who were interested in attending the Higher Learning Commission annual conference to let her, or Recording Secretary Hempsey, know. Chair Lucero asked if a schedule of sessions could be provided. Interim President Swarouth offered to provide one as soon as it was made available.





Board Member Jouen asked for details on what leave could be donated to the bank for employees affected by the pandemic and facility closures, which Interim President Swarhout provided.

**Agenda Item 5: Consent Agenda**

- A. November 17, 2020 Regular Meeting Minutes
- B. Policy 1102 – Equal Opportunity, Harassment, and Nondiscrimination

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

**Agenda Item 6: Old Business**

**6A.I. ACCT Introduction and Update**

Dr. Cecelia Cervantes, ACCT Search Consultant, and Julie Golder, ACCT Vice President of Search Services, provided an update on activities and noted the expected timeline for choosing the next President of the college.

Board Member Robinson echoed the need for speed for the search, so as not to lose good candidates.

**Agenda Item 7: New Business**

**7.A. Recognition for Board Secretary Peaches**

Interim President Swarhout asked Chair Lucero to start the recognition for Board Secretary Peaches. Chair Lucero and the other Board members offered their own thoughts and appreciation of Secretary Peaches' outstanding service to the college. Interim President Swarhout followed by saying it had been a pleasure and an honor to have worked with Mr. Peaches during his service to the college.

Board Secretary Peaches thanked everyone and wished the college all the best for the future.

**7.B. Request to Approve 2021-22 Budget Development Assumptions and Guidelines**

VPAS Ellison reviewed the 2021-22 Budget Development Assumptions and Guidelines, highlighting the Development Calendar, and running through the additional information provided.

Board Member Leslie left the meeting at 10:09 a.m.

Board Member Peaches left the meeting at 10:15 a.m.

Chair Lucero confirmed that the assumptions could be amended at a later date.

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



### **7.C. Request to Approve Purchase of MuddTrax Vehicle**

VPAS Ellison reviewed the request to purchase a MuddTrax Vehicle for a total cost of \$99,876.16.

Chair Lucero asked if the vehicle could be rubber-wheeled instead. Director Huish noted the restrictions put in place by the White Mountain Apache Tribe, during wet and snowy conditions, on rubber-wheeled vehicles and informed the Board that the Tribe had approved the MuddTrax rubber-tracked vehicle when shown the details.

Chair Lucero offered the opinion that other rubber-tracked vehicles would be cheaper. Director Huish noted the RFP was sent to thirty manufacturers of tracked vehicles, denoting the requirements the college had for the vehicle, and only one response was received.

Chair Lucero asked where Delve International was based. Director Huish responded they were in Utah.

Board Member Jouen noted that this type of vehicle was already subject to a competitive bid process in New Mexico and offered the opinion that piggybacking on an existing contract was a much simpler and faster process wondering why this had not happened in this case. VPAS Ellison agreed it was always preferable to utilize an existing contract when available and walked the Board through the related current procurement procedure at the college.

Chair Lucero and Board Member Robinson asked what research had been conducted to make sure the vehicle was appropriate and cost effective for the college. Director Huish responded with the research and contacts the college had made in an effort to provide the necessary vehicle with a long-term view on use and maintenance.

*Mr. Robinson made a motion to approve the purchase of a MuddTrax Vehicle from Delve International dba LiteTrax, as a sole-source provider, for a total cost of \$99,876.16, as presented. Mr. Jouen seconded. **The motion carried upon a roll-call vote with Mr. Robinson, Mr. Jouen, voting in favor. Chair Lucero voted against.***

### **7.D. Request to Approve Annual Moodle/eThink LMS Auto-Renewal for Support and Hosting for 20/21.**

CIO Estes reviewed the request to approve the cost for the auto-renewal of the Moodle/eThink Learning Management System, noting this was the final year of auto-renewals.

*Mr. Jouen made a motion to approve the auto-renewal of the Moodle eThink Learning Management System for a total cost of \$50,315.17, from CDWG as presented. Mr. Robinson seconded. **The motion carried upon a roll-call vote with Mr. Robinson, Mr. Jouen, and Chair Lucero voting in favor. There were no votes against.***



**7.E. Request to Approve Purchase of Servers, Storage, and Network Switches**

CIO Estes reviewed the request to approve the purchase of servers, storage, and network switches, noting they were for lifecycle replacements of current equipment.

*Mr. Robinson made a motion to approve the purchase of Servers, Storage, and Network Switches from HyTech for a total cost of \$593,210.44, as presented. Mr. Jouen seconded.*

Board Member Jouen asked if Board Member Robinson would consider amending his motion to include the competitive contract being utilized for the purchase. Chair Lucero and Board Member Robinson did not see the need but Board Member Robinson offered to amend anyway.

*Board Member Robinson amended the motion to include that the college was utilizing IGPA Contract 16-11PV-09 for the purchase. Board Member Jouen re-affirmed his second.*

*The amended motion carried upon a roll-call vote with Mr. Robinson, Mr. Jouen, and Chair Lucero voting in favor. There were no votes against.*

**Agenda Item 8: Board Self-Assessment**

Deferred to January.

**Agenda Item 9: DGB Agenda Items and Informational Needs for Future Meetings**

None.

**Agenda Item 10: Board Report/Summary of Current Event**

Board Member Jouen mentioned how happy he was to continue on the Northland Pioneer College Governing Board after his appointment and looked forward to continuing the work with the other members.

**Agenda Item 11: Announcement of Next Regular Meeting:** Regular District Governing Board meeting on Tuesday, January 19, 2021 at 9 a.m.

**Agenda Item 12: Adjournment**

*The meeting was adjourned at 10:45 a.m. upon a motion by Mr. Jouen and a second by Mr. Robinson. The motion carried upon a roll-call vote with Mr. Jouen, Mr. Robinson, and Chair Lucero, voting in favor. There were no votes against.*

Respectfully submitted,



Paul Hempsey  
Recording Secretary to the Board



# Navajo County Community College District Governing Board Meeting Minutes

January 8, 2021 – 9:00 a.m.  
ZOOM

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**Governing Board Member Present:** Mr. Frank Lucero; Mr. Derrick Leslie; Mr. Everett Robinson; Mr. Elias Jouen; Ms. Kristine Laughter (joined at 9:29 a.m.).

**Governing Board Member Present by Phone:**

**Governing Board Member Absent:**

**Staff Present:** Interim President Jeanne Swarhout; 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:** David Huish; Nicole Ulibarri; Cecilia Cervantes; Betsy Wilson; Matt Weber; Frank Pinnell; Colleen Readell; Rebecca Hunt; Gail Campbell; Rickey Jackson; Terrie Shevat; Jennifer Bishop; Lia Keenan; Bobbi Sample; Ryan Jones; Diane Joe; Ben Sandoval; China Cassidy; Xander Henderson; Robert Johnson.

**Others Present by Phone:**

## **Agenda Item 1: Call to Order**

Chair Lucero called the meeting to order at 9:06 a.m.

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

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

## **Agenda Item 3: Request to Approve the Presidential Profile for Search**

Dr. Cecilia Cervantes, ACCT Search Consultant, addressed the Board and presented the Presidential Profile for review.

Board Member Robinson presented suggested edits to the document for the Board to consider.

*Mr. Jouen made a motion to accept the NPC Presidential Profile with the discussed modifications from Board Member Robinson. Mr. Robinson seconded. The motion carried upon a roll-call vote with Mr. Leslie, Mr. Robinson, Mr. Jouen, and Chair Lucero voting in favor. There were no votes against.*

Ms. Laughter joined the meeting at 9:29 a.m.

Navajo County Community College District Governing Board Meeting – 01/08/2021 – Page 1 of 2



# Northland Pioneer College

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**Agenda Item 4: Recommendation to Approve Native Environmental, LLC to Clean Welding Shops**

VPAS Ellison addressed the Board and reviewed the recommendation to approve a contract with Native Environmental, LCC to clean college welding shops, providing background as to why this was necessary.

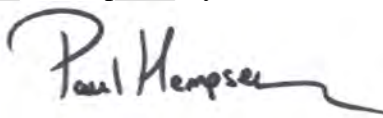
Chair Lucero asked for the particular particle counts that had been discovered by testing and what level the cleaning company would be aiming to get under when complete. David Huish, Director of Facilities and Vehicles, noted that he did not have the particular particle counts but Native Environmental would be required to meet EPA standards before the contract would be considered complete. VPAS Ellison noted this was stated in the contract but perhaps did not contain the detail Chair Lucero would like to see. Director Huish mentioned that he had verbal confirmation from Native Environmental that they would meet the EPA requirements but would see that it was clearly written in to the contract before it is signed by the college. Chair Lucero stated he felt that would be the best way to proceed.

*Mr. Jouen made a motion to approve the contract with Native Environmental, LLC in the amount of \$70,550.00 and authorize staff to move forward. Ms. Laughter seconded. **The motion carried upon a roll-call vote with Ms. Laughter, Mr. Leslie, Mr. Robinson, Mr. Jouen, and Chair Lucero voting in favor. There were no votes against.***

**Agenda Item 5: Adjournment**

*The meeting was adjourned at 9:53 a.m. upon a motion by Mr. Robinson and a second by Mr. Leslie. **The motion carried upon a roll-call vote with Ms. Laughter, Mr. Leslie, Mr. Robinson, Mr. Jouen, and Chair. Lucero voting in favor. There were no votes against.***

Respectfully submitted,



Paul Hempsey  
Recording Secretary to the Board



### **Policy 1710 Faculty Workload**

The President shall establish procedures for the determination of faculty workload.

(New 8/8/74; Reviewed only 2/20/18)

### **Policy 1720 Extended or Extra Duty Contracts**

The Board authorizes the President to issue extended or extra duty contracts to those personnel who may elect to provide instructional services over and above that required by their regular contract.

(Revised 6/8/93; Reviewed only 2/20/18)

### **Policy 1730 Faculty Assessment**

The President, or designee, is authorized to establish faculty assessment procedures.

(Revised 3/10/98; Reviewed only 2/20/18)

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
NORTHLAND PIONEER COLLEGE COMMUNITY COLLEGE DISTRICT  
AND  
CHINLE UNIFIED SCHOOL DISTRICT NO. 24**

This Intergovernmental Agreement (“Agreement”) is entered into between Navajo County Community College District (“College”), and Chinle Unified School District No. 24 (“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**

“Dual Enrollment Course” shall have the same definition as set forth in A.R.S. § 15-101(11). Pursuant to A.R.S. § 15-1821.01(3), 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, 2022 (“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 F 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 A attached to this Agreement, which shall be updated annually by College.

C. Students enrolled in Dual Enrollment Courses shall be admitted to College for college level credit under the College’s 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. For students under the age of 18, the College’s admission policies shall comply, at a minimum, with the provisions of A.R.S. § 15-1805.01. In addition, the College may admit such students if they satisfy an alternative standard established by College.

D. College retains the right to refuse admission to and remove a student from Dual Enrollment Courses in accordance with College policy.

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

F. 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 25% of the students enrolled in Dual Enrollment Courses by College. College shall have written criteria for waiving the requirement for each Dual Enrollment Course, which shall comply with A.R.S. § 15-1821.01(2)(b). College shall report all exceptions and the justification for each exception as required by A.R.S. § 15-1821.01(2)(b).



- G. 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.
- H. 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.
- I. For each student, College will assign an identification number to the student that shall correspond to or reference the State Student ID number assigned to the student. School District will provide College with the State Student ID number for each student as provided in Section 5.1(G).
- J. 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 Dual Enrollment Course selection and implementation, and in Dual Enrollment Course faculty selection, orientation, professional development and evaluation, as required by A.R.S. § 15-1821.01(4) & (5).
- 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 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 for a Dual Enrollment Course, 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 be responsible for ensuring that the student receives a free appropriate public education (“FAPE”) in conformity with his or her 504 Plan or individualized education program (“IEP”), including special education and related services, as applicable, and shall continue to have the financial and administrative responsibility for providing and implementing all necessary accommodations or services. This Agreement does not relieve School District of any of its legal duties under applicable Federal or State law, including but not limited to School District’s obligations relating to child find, evaluation, and placement of students with disabilities.

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 the 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 a School District facility.

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(F) 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 State Student ID 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 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 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 College admissions and registration process;
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 eligibility for College in-state tuition, if applicable under the terms of this Agreement.

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 Dual Enrollment Courses 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 be responsible for ensuring that each qualified student receives a FAPE in conformity with his or her 504 Plan or IEP, including special education and related services, as applicable, and shall continue to have the financial and administrative responsibility for providing and implementing all necessary accommodations or services. This Agreement does not relieve School District of any of its legal duties under applicable Federal or State law, including but not limited to School District's obligations relating to child find, evaluation, and placement of students with disabilities.

## **5.6 Reporting**

School District will provide to College in a timely fashion any data or other information that is required for the submission of any and all reports required by A.R.S. § 15-1821.01.

**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, any local fire and safety regulations, and all other applicable federal and state laws.
- B. Payment, if any, for facilities and ancillary services shall be designated in Exhibit B attached to this Agreement, which shall be updated annually by College.

**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 Students**

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 applicable for Dual Enrollment Courses, 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.

**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 B attached to this Agreement, which shall be updated annually by College.

#### **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 B.

B. College may provide grants, scholarships or financial aid in accordance with College policies and as set forth on Exhibit B, which may be amended annually by College. 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 19 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, to the extent such separate rates are established by this Agreement.

#### **7.4 Billing Format**

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

#### **7.5 Manner of Financing**

School District and College will each fund their respective obligations under this Agreement through their respective budgeting process.

### **8. RECORDS**

All accounts, reports, files and other records relating to this Agreement shall be kept for a minimum of 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 No Relief from Obligations**

Termination of this Agreement 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.

### **10.3 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 non-discrimination policies and all state and federal non-discrimination laws and regulations, including Executive Order 2009-09.

## **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 addresses listed below.

**20. LEGALWORKER REQUIREMENT**

To the extent applicable under Arizona Revised Statutes § 41-4401, each Party may not award a contract to any contractor who fails, or whose subcontractors fail, to verify the employment eligibility through the e-verify program of any employee it hires, and who does not comply with federal immigration laws and regulations relating to their employees. As mandated by A.R.S. § 41-4401, this provision provides notice of those requirements.

**21. WORKERS COMPENSATION**

For purposes of workers' compensation, an employee of a Party to this Agreement, who works under the jurisdiction or control of, or who works within the jurisdictional boundaries of another Party pursuant to this Agreement, is deemed to be an employee of both the Party who is her primary employer and the Party under whose jurisdiction or control or within whose jurisdictional boundaries she is then working, as provided in A.R.S. §23-1022(D). The primary employer of such employee shall be solely liable for payment of workers' compensation benefits for the purposes of this section. Each Party herein shall comply with the provisions of A.R.S. §23-1022(E) by posting the notice required.

If to College:

Mark Vest, President  
Northland Pioneer College  
P.O. Box 610  
Holbrook, AZ 86025

If to School District:

Quincy Natay, Superintendent  
Chinle Unified School District No. 24  
P O Box 587  
Chinle, AZ 86503

COLLEGE

SCHOOL DISTRICT

By: Jeanne Swarhout  
Title: Interim President

Date

By: Quincy Natay  
Title: Superintendent

Date

6/10/2020

**REVIEWED AND APPROVED AS TO FORM**

Pursuant to A.R.S. § 11-952(D), the attorney for each of the parties has determined that the foregoing Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the party represented by such attorney.

*Kristin Mackin*

\_\_\_\_\_  
By: Kristin M. Mackin  
Title: Partner, Sims Mackin, Ltd.  
Counsel for Navajo County Community  
College District  
Dated: 1/9/2021

\_\_\_\_\_  
By:  
Title:  
Counsel for School District  
Dated: \_\_\_\_\_

## EXHIBIT A

### TYPE OF INSTRUCTION DUAL ENROLLMENT COURSES

#### COURSES AND CREDITS

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

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

|      |      |        |                                 |            |      |
|------|------|--------|---------------------------------|------------|------|
| APAC | CHCO | COS107 | BUSINESS SKILLS I               | MITCHEL, K | 3.00 |
| APAC | CHCO | COS108 | BUSINESS SKILLS II              | MITCHEL, K | 3.00 |
| APAC | CHCO | COS142 | INTRODUCTION TO HAIR CARE       | MITCHEL, K | 6.00 |
| APAC | CHCO | COS143 | INTRODUCTION TO BASIC SKIN CARE | MITCHEL, K | 2.00 |
| APAC | CHCO | COS145 | LAWS AND ETHICS                 | MITCHEL, K | 3.00 |
| APAC | CHCO | COS146 | SCIENTIFIC CONCEPTS I           | MITCHEL, K | 3.00 |
| APAC | CHCO | COS147 | SCIENTIFIC CONCEPTS II          | MITCHEL, K | 3.00 |
| APAC | CHCO | COS231 | ADVANCED HAIR CARE I            | MITCHEL, K | 3.00 |
| APAC | CHCO | COS232 | ADVANCED HAIR CARE II           | MITCHEL, K | 3.00 |
| APAC | CHCO | COS233 | ADVANCED HAIR CARE III          | MITCHEL, K | 3.00 |
| APAC | CHCO | COS240 | PREPARE FOR LICENSURE           | MITCHEL, K | 2.00 |
| APAC | CHCO | BUS100 | INTRO TO BUSINESS               | YAZZIE, L  | 3.00 |
| APAC | CHCO | WLD100 | SAFETY AND MATH                 | WAGNER, WO | 2.00 |
| APAC | CHCO | WLD171 | WELDING CUTTING PROCESS         | WAGNER, WO | 3.00 |
| APAC | CHCO | WLD172 | SMAW ARC                        | WAGNER, WO | 3.00 |

**EXHIBIT B**

**FINANCIAL PROVISIONS**

*Fill in the blanks. If the information is not applicable, indicate N/A 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. *(Indicate N/A if there is no cap.)*

Invoices from the School District to the College shall be based on College course rosters and include the information listed in Exhibit A of this Agreement.

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

College tuition is Seventy-nine Dollars (\$ 79) per credit hour for each in-state student and three hundred seventy nine Dollars (\$ 379) 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   | 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 grants, scholarships or financial aid are available, specify that information here]: Tuition for academic year 2020-2021 is \$79. Due to current economic conditions, a waiver of \$39/credit will be issued for all students, bringing tuition to \$40/credit. Further, a scholarship of \$40/credit will be applied for dual enrollment courses, bringing tuition to \$0/credit. Scholarship funds will also pay any applicable course and media fees.

Tuition for academic year 2021-2022 is estimated at \$82. A scholarship of an estimated \$82 per credit will be applied for all dual enrollment courses, bringing tuition to \$0/credit. Scholarship funds will also pay any applicable course and media fees.

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)

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

Amount College received in FTSE in prior academic year:

(Specify dollar amount)

\$ \$1,576,500

Portion of that FTSE distributed to School District:

(Specify percentage or dollar amount)

Less than 1%

Amount School District returned to College:

(Specify percentage or dollar amount)

-0-

## REQUEST TO APPROVE MODIFICATION OF CONSTRUCTION TECHNOLOGY PROGRAM

**Recommendation:** The Instructional Council (IC) recommends approval of the Construction Technology (CON) program modification for Associate of Applied Science (AAS), Certificate of Applied Science (CAS), and Certificate of Proficiency (CP)

### Summary:

The rationale behind the following minimal changes is to align our program with updates made to the National Center for Construction Education and Research (NCCER) Construction Technology curriculum. The NCCER Construction Technology is discontinuing the 3<sup>rd</sup> edition of the book and moving to the 4<sup>th</sup> edition. The 4<sup>th</sup> edition of the book removed a module on “Jobsite Layout” and added a module on “Cabinetmaking.” These changes need to be implemented for students by Fall 2021 so we can continue to award NCCER certifications. In order to meet the competencies of the new edition, we are requesting the following:

- Remove CON 101- Jobsite Layout (3 credits) from the Construction Technology CP. We would like the course to remain in the course bank, as the Masonry CP will still utilize this course. –Request to Proceed
- Add CON 121- Cabinetmaking (3 credits)-already a course in ACRES) to the Construction Technology CP- Request to Proceed.
- Change catalog language for the Construction Technology CP by removing CON 101 and adding CON 121. (total credits will not change)
- Remove CON 101 as a prerequisite to CON 265 and add CON 121 instead (already approved by IC and VPLSS).



# Construction Technology



## (CON)

### Certificate Options – CP & CAS

The Construction Technology program emphasizes general residential and commercial construction by teaching basic hands-on skills applicable across a wide range of industrial and manufacturing processes.

If you are thinking about a building trades career, consider these benefits of NPC’s Construction Technology program:

- Highly qualified and experienced construction professionals provide instruction in small, personalized classroom and workshop settings.
- Hands-on classes take place in the Painted Desert Campus (Holbrook) NPC Skills Center. This state-of-the-art facility is an ideal setting for learning construction skills basics. Classes are also offered at the Whiteriver Center.
- NPC tuition and fees are among the lowest in the entire state. And you may even qualify for federal grants to help defray your education-related expenses!
- OSHA-10 construction certification to prepare you for entry into the workforce is standard.
- Coursework is geared to fulfill the requirements of NCCER, the national agency for standardized construction training and credentialing. Successful completion provides a portable certification of skills that heightens employability in any location.

For more information regarding this program, contact the program chair at (800) 266-7845, ext. 6236.

#### Cost & Time for Completion

The U.S. Department of Education requires NPC to annually publish cost and time for completion data on Career & Technical Education certificate programs.

You can access the current data online at [www.npc.edu/construction](http://www.npc.edu/construction).

#### Construction Technology (CP) • 25 credits

|   |           |
|---|-----------|
| CON 101 Jobsite Layout* .....                                   | 3 credits |
| CON 121 Cabinetmaking* .....                                    | 3 Credits |
| CON 102 Introduction to Construction Methods* .....             | 3 credits |
| CON 111 Plan Reading and Employment* .....                      | 3 credits |
| CON 120 Concrete and Masonry Systems* .....                     | 3 credits |
| CON 126 Framing Systems* .....                                  | 4 credits |
| CON 145 Roofing, Thermal and Moisture Protection Systems* ..... | 3 credits |
| CON 228 Electrical Systems* .....                               | 3 credits |

on IV  
ams



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CON 229 Plumbing and Mechanical Systems\* ..... 3 credits

\* NCCER Certified Course

---

## Construction Technology (CAS) • 31 credits

Complete the Construction Technology CP ..... 25 credits

### PLUS

Communications ..... 3 credits

ENL 101 College Composition I ..... 3 credits

Mathematics ..... 3 credits

Select any course under the **Mathematics** General Education Course Options (for CAS and AAS Degrees) on page 66

# Associate of Applied Science (AAS) Degree

## Why Study Construction Technology?

The economic downturn that has slowed the construction industry in Arizona the past few years is easing. Prospects for the building trades are greatly improved and increasing every day! Now is the opportune time to learn construction technology skills that will serve you a lifetime.

At NPC, you'll find a degree program that emphasizes building fundamentals for any number of career fields including: masonry and concrete systems, framing, roofing, thermal and moisture protection, electrical, mechanical and plumbing systems. Effective communication and job success strategies are emphasized throughout the program.

## Career Opportunities

Employment of construction laborers and helpers is projected to grow 13 percent through 2024.

According to the U.S. Bureau of Labor Statistics (USBLS), entry-level construction positions in the non-metropolitan northern Arizona area average \$46,700 per year (May 2019). With experience in specialized areas of construction, salaries rise along with increases in skill and expertise.

Some typical annual salaries for skilled construction workers as listed by the USBLS:

- Highway maintenance worker:  
\$44,630
- Cement masons/concrete finishers:  
\$48,330.
- Carpenters: \$52,850;
- Electricians: \$60,370;
- Drywall and ceiling tile installers:



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\$50,560; first-line construction supervisor: \$71,440.  
Bureau of Labor Statistics, U.S. Department of Labor, May 2019.

## **Construction Technology (AAS) • 64 credits**

Complete the Construction Technology CAS ..... 31 credits

### PLUS

General Education Courses..... 3 credits

Communications..... 3 credits

Select any course under the Communications General Education Course Options (for AAS Degrees) on page 66.

Discipline Studies..... 7 credits

(Select one course from the **Physical and Biological Sciences** and one course from either the **Arts and Humanities** or **Social and Behavioral Sciences** lists on page 66.)

Core Courses..... 8 credits

CON 200 Integrated Construction Management/Design Laboratory..... 3 credits

CON 230 Sustainable Construction\* ..... 3 credits

CON 265 Construction Capstone Portfolio..... 2 credits

\* NCCER Certified Course

### AND

Electives..... 15 credits

Select any unduplicated 100-level or above courses.

### **CON 265 • Construction Capstone Portfolio**

2 credits

Integration of construction processes including: operations, trades (masonry, concrete, carpentry, finishes, and electrical), and management processes. Prerequisites: CON 404, 102, 111, 120, 121, 126, 145, 228, 229 or instructor permission. One and a half lecture; one lab. Spring semester.



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## REQUEST TO APPROVE MODIFICATION OF EARLY CHILDHOOD PROGRAM

### **Recommendation:**

The Instructional Council (IC) recommends approval of the Early Childhood (ECD) program modification for Associate of Arts in Early Childhood (AAEC), Associate of Applied Science (AAS), and Certificate of Proficiency (CP).

### **Summary:**

The catalog is inaccurate and does not reflect current practice. These modifications ensure that current practice is reflected in the catalog.

## Associate of Arts in Early Childhood (AAEC)

The Associate of Arts in Early Childhood (AAEC) degree offers foundational knowledge and competencies aligned with state and national standards for pursuit of teacher certification in early childhood education. In Arizona, public preschool and kindergarten teachers are encouraged to have specific coursework and practicum experiences in early childhood, including experiences with children birth through age five. The AAEC supports students who wish to continue their education toward a Bachelor of Arts (BA) or Bachelor of Science (BS) degree in early childhood education and who may have an interest in early childhood teacher certification and/ or endorsement. Additionally, the AAEC includes the Certificate of Proficiency (CP) in Early Childhood Studies to allow students to enter the workforce while continuing their education.

The AAEC degree is designed for students planning to transfer to one of the three Arizona public university early childhood teacher preparation programs. It is specifically designed to fulfill the set of lower division general education requirements of the Arizona General Education Curriculum (AGEC-A, see page 65) which, when completed, transfers as a block to any of three public universities. Additionally, the AAEC provides the education student with a portion of their BA/BS degree requirements for early childhood teacher certification/ endorsement.

**Associate of Arts in Early Childhood (AAEC) • 64 credits**



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Completion of the 35 general education course credits fulfills requirements for the Arizona General Education Curriculum (AGEC-A) for the Associate of Arts in Early Childhood degree. (see *What is AGEC?*– page 61)

**General Education Courses ..... 35 credits**

**Communications ..... 6 credits**

ENL 101 College Composition I ..... 3 credits

ENL 102 College Composition II ..... 3 credits

**Mathematics..... 3 credits**

Select one of the following:

MAT 142 College Mathematics with Contemporary Applications ..... 3 credits

MAT 152 Advanced Algebra..... 3 credits

Or any mathematics course for which MAT 152 is a prerequisite.

**Discipline Studies..... 26 credits**

**Arts and Humanities..... 6 credits**

(Select two courses from at least two disciplines from the list on page 62)

**Physical and Biological Science..... 8 credits**

(Select two courses from the list on page 62)

**Social and Behavioral Sciences ..... 9 credits**

(Select one of the following courses and two additional courses from the list on page 62. Courses must include at least two different disciplines, and at least one of the courses chosen must meet the requirement for Contemporary Global, International or Historical awareness by choosing a course with an asterisk from the list on page 62).

POS 110 American Government..... 3 credits

**OR**

HIS 105 U.S. History to 1877..... 3 credits

(Select two additional courses from the list on page 62. At least one of the courses chosen must meet the requirement for Contemporary Global, International or Historical awareness by choosing a course with an asterisk from the list on page 62).

**Computer Science..... 3 credits**

CIS 105 Computer Applications and Information Technology ..... 3 credits

**Core Requirements ..... 25 credits**

ECD 100 Providing a Healthy Environment ..... 1 credit

ECD 102 Ensuring a Safe Environment..... 1 credit



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|  |                     |
|--|---------------------|
| ECD 105 Understanding Behavior and Encouraging Self-Discipline.....              | 1 credit            |
| ECD 108 Observation and Assessment in Early Childhood .....                      | 1 credit            |
| ECD 110 Building Relationships with Families.....                                | 1 credit            |
| <del>ECD 120 Guidance and Development of Social-Emotional Development.....</del> | <del>1 credit</del> |
| ECD 128 Culture, Language and Community.....                                     | 1 credit            |
| <b>ECD 141 Healthy and Safe Early Childhood Practices .....</b>                  | <b>2 credits</b>    |
| ECD 175 Professionalism.....   | 1 credits           |
| <b>ECD 184 Early Social and Emotional Development.....</b>                       | <b>2 credits</b>    |
| ECD 186 Effective Interactions for Learning .....                                | 1 credit            |
| ECD 187 Supporting STEM in Early Childhood.....                                  | 1 credit            |
| ECD 200 Introduction to Early Childhood Education .....                          | 3 credits           |
| ECD 217 Early Childhood Language and Literacy .....                              | 1 credit            |
| ECD 233 Policies and Procedures in Early Childhood Programs .....                | 2 credits           |
| ECD 250 Survey of Child Development .....  | 3 credits           |
| MAT 161 Algebra-based Mathematics for Elementary Teachers I.....                 | 3 credits           |
| MAT 162 Algebra-based Mathematics for Elementary Teachers II.....                | 3 credits           |

**Transferable Electives ..... 4 credits**

Successful completion of four credits of unduplicated university transferable electives courses, as described on page 59 as defined in the catalog. POS 221 is STRONGLY recommended, though not required as an elective choice.

## Early Childhood Studies

The Early Childhood Studies degree is designed for individuals who wish to work directly with, or on behalf of, young children in a variety of settings including: health settings, childcare settings, faith-based settings, libraries, parent support or education programs and many others.

An AAS in Early Childhood Studies may be an appropriate option for individuals pursuing a career in early childhood or a related field, such as social work or child and family studies. The AAS Early Childhood Studies degree does not supply the AGEC (see page 63) requirements for university transfer, but does support pursuit of a Bachelor of Applied Science (BAS) degree at each of the three state public universities. See your adviser to design an educational pathway that meets your needs if you wish to pursue a BAS degree.

### ECD – Early Childhood Studies (CP) • 19 credits



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|   |                  |
|---|------------------|
| ECD 100 Providing a Healthy Environment.....  | 1 credit         |
| ECD 102 Ensuring a Safe Environment.....  | 1 credit         |
| ECD 105 Understanding Behavior and Encouraging Self-Discipline.....                       | 1 credit         |
| ECD 108 Observation and Assessment in Early Childhood.....                                | 1 credit         |
| ECD 110 Building Relationships with Families.....   | 1 credit         |
| ECD 120 Guidance and Development of Social-Emotional Development.....                     | 1 credit         |
| ECD 128 Culture, Language and Community.....  | 1 credit         |
| <b>ECD 141 Healthy and Safe Early Childhood Practices.....</b>                            | <b>2 credits</b> |
| ‡ECD 136 Understanding How Children Learn.....  | 1 credit         |
| ‡ECD 142 Designing Developmentally Effective Learning Environments.....                   | 2 credits        |
| *ECD 147 Prenatal and Infant Development.....   | 1 credit         |
| *ECD 148 Toddler Development.....   | 1 credit         |
| *ECD 149 Development of the Preschool Child.....  | 1 credit         |
| ECD 175 Professionalism.....  | 1 credit         |
| <b>ECD 184 Early Social and Emotional Development .....</b>                               | <b>2 credits</b> |
| ECD 186 Effective Interactions for Learning.....  | 1 credit         |
| ECD 187 Supporting STEM in Early Childhood.....   | 1 credit         |
| ‡ECD 200 Introduction to Early Childhood Edu.....   | 3 credits        |
| ECD 217 Early Childhood Language and Literacy.....  | 1 credit         |
| ECD 233 Policies and Procedures in Early Childhood Programs.....                          | 2 credits        |
| *ECD 250 Survey of Child Development.....   | 3 credits        |
| ‡ECD 136, 142 may be taken in combination or ECD 200 as a single three-credit class.      |                  |
| *ECD 147, 148, 149 may be taken in combination or ECD 250 as a single three-credit class. |                  |



## ECD – Early Childhood Studies (CAS) • 28 credits

Complete the ECD – Early Childhood CP.....19 credits

**PLUS**

**General Education Courses.....6 credits**

*Communications*.....3 credits

ENL 101 College Composition I.....3 credits

*Mathematics*.....3 credits

Select any course under the Mathematics General Education Course Options (for CAS and AAS Degrees) on page 64

**Core Requirements ..... 3 credits**

Select any course within ECD/CFS/EDU..... 3 credits

## ECD – Early Childhood Studies (AAS) • 64 credits

Complete the ECD – Early Childhood Studies CAS 28 credits

**PLUS**

**General Education Courses..... 6 16 credits**

*Communications*.....3 credits

ENL 102 College Composition II.....3 credits

Select any course under the Communications General Education Course Options (for AAS degrees) on page 64.

**Discipline Studies..... 13 credits**



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(Select one course from the Physical and Biological Sciences and one course from the Arts and Humanities and two courses from the Social and Behavioral Sciences lists on page 64.)

*Arts and Humanities..... 3 credits*

*Physical and Biological Science..... 4 credits*

*Social and Behavioral Sciences ..... 6 credits*

**Core Requirements.....11 credits**

ECD 222 Introduction to Early Childhood Special Education.....3 credits

PLUS

Select any courses within ECD/CFS/EDU..... 8 credits

**Required Electives.....9 credits**

*Select a minimum of 9 unduplicated non-ECD/CFS/EDU credits at 100 level or above. Students are encouraged to take university transferable General Education courses as described on page XX.*

May be in, though not required, a related area to ECD, such as SOC, EDU, or HUS.



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# REQUEST TO APPROVE MODIFICATION OF THE BUSINESS PROGRAM'S MEDICAL OFFICE ADMINISTRATION SPECIALIZATION DEGREES

**Recommendation:** The Instructional Council (IC) recommends approval of the following program modifications within Business Studies (BUS): (1) Medical Office Administration Associate of Applied Science (AAS) and Certificate of Applied Science (CAS); (2) Medical Office Administration Fundamentals Certificate of Proficiency (CP). These are represented together in the summary and strike-through below.

## **Summary:**

In the CP program, we would like to remove the BIO160 – Introduction to Human Anatomy and Physiology as one of the anatomy and physiology prerequisite options for BUS183 – Electronic Medical Records, leaving HES190 – Human Body in Health and Disease as the anatomy and physiology requirement. In reviewing both HES190 and BIO160 course objectives, HES190's objectives align with the medical industry standards and would provide the students the foundation needed to be successful in this medical program. HES190 is also taught online in both the fall and spring semesters, giving our students more opportunities to take the course. We would like to add HES120 – Law and Ethics of the Healthcare Professional to the CP program. This course will provide the legal foundation needed in the medical industry, will align to program outcomes, and will replace the credits from the moving of BUS189 Medical Billing into the AAS (see below). This would maintain the CP at 22 credit hours.

In the CAS program, we would like to change the course number for BUS227 – Medical Coding to a course number lower than BUS189 – Medical Billing. This is due to us also requesting that BUS227 become a prerequisite for BUS189. This adjustment in course number will streamline the program when reviewed by students and advisors. No credit changes to complete the CAS (35 credits). Medical coding provides the foundation required before being introduced to the medical billing process in BUS189. A new course number will not affect the content being taught in the class.

In the AAS program, we would like to modify BUS188 – Medical Transcription Fundamentals by adjusting the class to include BUS184 – Medical Scribe. When reviewing the course objectives



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and materials for both BUS188 and BUS184 we have found duplication in the material being taught. Creating a new course that combines both of these modalities that are similar in job performance will reduce duplicative courses for our students and streamline our program to better meet the program objectives and industry standards as technology and demand changes. We would like to move BUS189 – Medical Billing from the CP program into the AAS and require BUS227 Medical Coding (to be renumbered if approved) as the prerequisite. The medical billing course requires knowledge obtained in HES170 – Medical Terminology for Clinical Health Professionals, HES190 – Human Body in Health and Disease, and BUS227 – Medical Coding. Moving BUS189 to the AAS will ensure the students are getting the foundation in the medical coding course prior to taking the medical billing course. This move will also replace the credit loss created by combining BUS188 and BUS184, ensuring 64 credits to complete the AAS program. Additionally, the BUS250 Medical Administration Capstone course prerequisites need to be updated to reflect BUS188 Medical Transcription Fundamental and BUS189 Medical Billing.

## Business Studies (BUS)

# Medical Office Administration Specialization

Medical office administrative assistants are multi-skilled individuals essential in providing clerical support for the running of an efficient and profitable medical practice. They ensure quality, accuracy, accessibility and security in both paper and electronic systems. Because they work in the health care field, medical office administrative assistants also need specialized knowledge about the types of various classification systems to code and categorize patient information for insurance reimbursement purposes, for databases and registries and to maintain patients’ medical histories.

Employment of health information technicians is projected to grow 15 percent through 2024, much faster than the average for all occupations. The demand for health services is expected to increase as the population ages.

The annual mean salary for northeastern Arizona is \$42,190.  
(May 2019, SOC 43-6013)

### Cost & Time for Completion

The U.S. Department of Education requires NPC to annually publish cost and time for completion data on Career & Technical Education certificate programs.

You can access the current data online at [www.npc.edu/Medical-Office- Administration](http://www.npc.edu/Medical-Office-Administration).

### Medical Office Administration Fundamentals (CP) • 22 credits

BIO160 Introduction to Human Anatomy and Physiology ..... 3 credits

BUS105 Techniques of Supervision ..... 3 credits



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|  |           |
|--|-----------|
| BUS119 Medical Office Administrative Procedures .....              | 3 credits |
| BUS183 Electronic Medical Records .....                            | 3 credits |
| BUS189 Computerized Medical Billing .....                          | 3 credits |
| BUS231 Microsoft Office Level I .....                              | 3 credits |
| HES120 Law and Ethics of the Healthcare Professional .....         | 3 credits |
| HES170 Medical Terminology for Clinical Health Professionals ..... | 3 credits |
| HES190 Human Body in Health and Disease .....                      | 4 credits |

### Medical Office Administration (CAS) • 35 credits

**Complete the Medical Office Administration Fundamentals CP .....** 22 credits

BUS210 Principles of Management .....

BUS227 Medical Coding .....

BUS179 Medical Coding .....

**Communications .....** 3 credits

ENL 101 College Composition I .....

**Mathematics .....** 3 credits

BUS 133 or select any course under the **Mathematics** General Education Course Options (for CAS and AAS Degrees) on page 66 **EXCEPT** for MAT 101, MAT 109, MAT 112 or MAT 125.

### Medical Office Administration (AAS) • 64 credits

**Complete the Medical Office Administration CAS .....** 35 credits

**PLUS**

General Education Courses .....

**Communications .....** 3 credits

Select any course under the **Communications** General Education Course Options (for AAS Degrees) on page 66

**EXCEPT** for SPT 110 and SPT 120.

Discipline Studies .....

Select one course from the **Physical and Biological Sciences** and one course from either the **Arts and Humanities** or **Social and Behavioral Sciences** lists on page 66.

Core Requirements .....

BUS189 Medical Billing .....

BUS184 Medical Scribe .....



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BUS188 MedicalTranscriptionFundamentals ..... 3 credits

BUS230OrganizationalLeadership ..... 3 credits

BUS250MedicalAdministrationCapstone ..... 3 credits

**AND**

Unrestricted Electives ..... 7 credits

(Choose from any unduplicated courses at the 100-level or above)



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## REQUEST TO APPROVE DELETION OF ACCOUNTING SPECIALIZATION PROGRAMS

### **Recommendation:**

The Instructional Council (IC) recommends approval of the Accounting Specialization program deletions for Associate of Applied Science (AAS), Certificate of Applied Science (CAS), and Certificate of Proficiency (CP).

### **Summary:**

Accounting (AAS, CAS) and Accounting Fundamentals (CP): The Accounting Specialization Degree is misleading for potential students to believe that they will be able to enter the accounting profession. In order to obtain accounting credentials, the student must transfer to a University and earn a Bachelor's Degree at a minimum. NPC's current program Accounting CP/CAS/AAS degrees are not blocked transfers per NPC's website <https://www.npc.edu/accounting>. This degree was designed to prepare students for a career in bookkeeping, which according to the Occupational Outlook Handbook, by 2028 is expected to decline by 4%. The decline in bookkeeping and other clerical positions is being caused by outsourcing, technological change, and automation, which are expected to reduce demand for these workers. Employers still hiring for this position typically require only a High School Diploma to apply. In light of the research regarding this program, and the advice of the Business Advisory Committee, this program should be retired. The removal of this program will encourage students interested in a career in accounting to complete the Associate Degree in Business, which is a block transfer degree with all three state universities. (AGEC-B)



# Business Studies (BUS)



## *Accounting Specialization*

Bookkeeping, accounting, and auditing clerks produce financial records for organizations. They record financial transactions, update statements, and check financial records for accuracy. Employment in these occupations is projected to grow 11 percent through 2024, faster than average for all occupations. The U.S. Bureau of Labor Statistics lists the median annual wage for bookkeeping, accounting, and auditing clerks in non-metropolitan northern Arizona as \$40,770 in May 2019. As the number of organizations increases and financial regulations becomes stricter, there will be greater demand for these workers to maintain books and provide accounting services.

### **Cost & Time for Completion**

The U.S. Department of Education requires NPC to annually publish cost and time for complete data on Career & Technical Education certificate programs. You can access the current data online at [www.npc.edu/accounting](http://www.npc.edu/accounting).

### ***Accounting Fundamentals (CP) • 18 credits***

|   |           |
|---|-----------|
| BUS 100 Introduction to Business .....                  | 3 credits |
| BUS 103 Success on Your Job .....                       | 2 credits |
| BUS 122 Computerized Accounting with QuickBooks™ .....  | 3 credits |
| BUS 128 Microsoft Excel Applications for Business ..... | 3 credits |
| BUS 202 Professional Customer Service .....             | 1 credit  |
| BUS 203 Introduction to Business Communication.....     | 3 credits |
| BUS 217 Principles of Financial Accounting ‡ .....      | 3 credits |

### ***Accounting (CAS) • 30 credits***

*Complete the Accounting Fundamentals CP..... 18 credits*

#### PLUS

BUS 206 Legal, Ethical, Global and Regulatory Environment



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of Business ‡ .....3 credits  
 BUS 218 Principles of Managerial Accounting ‡ .....3 credits  
     *Communications* .....3 credits  
 ENL 101 College Composition I .....3 credits  
     *Mathematics* .....3 credits

BUS 133 or select any course under the **Mathematics** General Education Course Options (for CAS and AAS Degrees) on page 65 **EXCEPT** for MAT 101, MAT 109, MAT 112 or MAT 125.

~~**Accounting (AAS) • 64 credits**~~

~~*Complete the Accounting CAS* .....30 credits~~

PLUS

General Education Courses .....3 credits  
     *Communications* .....3 credits

Select any course under the **Communications** General Education Course Options (for AAS Degrees) on page 66

**EXCEPT** for SPT 110 and SPT 120.

Discipline Studies .....7 credits

(Select one course from the **Physical and Biological Sciences** and one course from either the **Arts and Humanities** or **Social and Behavioral Sciences** lists on page 66.)

Core Requirements .....18 credits

~~BUS 123 Income Tax Procedures .....3 credits~~

~~BUS 125 Payroll Accounting .....3 credits~~

BUS 185 Ethics in Management .....3 credits

BUS 201 Quantitative Methods ‡ .....3 credits

BUS 210 Principles of Management .....3 credits

ECN 212 Principles of Microeconomics ‡ .....3 credits

‡ Direct Transfer Course to NAU; Elective Transfer Course to ASU, U of A

Unrestricted Electives .....6 credits

(Choose from any unduplicated courses at the 100-level or above)



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## REQUEST TO APPROVE DELETION OF MODERN OFFICE TECHNOLOGIES PROGRAMS

### **Recommendation:**

The Instructional Council (IC) recommends approval of the Modern Office Technologies program deletions for Associate of Applied Science (AAS), Certificate of Applied Science (CAS), and Certificate of Proficiency (CP).

### **Summary:**

Modern Office Technologies (AAS, CAS) and Modern Office Technologies Fundamentals (CP): The Modern Office Technologies Degree has seen declining enrollment for the last several years, and, according to the U.S. Bureau of Labor Statistics' Occupational Outlook Handbook, the job rate for an administrative assistant is expected to decline over the next ten years by 7%. The administrative assistant job is changing into a position that requires multi-skilled roles such as online sales and marketing, website development, budgeting, management, and online customer service. Many companies are also outsourcing these tasks to specialized firms. Employers still hiring for this position typically require only a High School Diploma to apply. In light of the research regarding this program, and the advice of the Business Advisory Committee, this program should be retired.

## Business Studies (BUS)

### ~~Modern Office Technologies Specialization~~

Secretaries and administrative assistants perform routine clerical and administrative duties. They organize files, draft messages, schedule appointments, and



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support other staff.

Graduates with basic office and computer skills usually qualify for entry-level positions. Although most secretaries learn their job in several weeks, many legal and medical secretaries require several months of training to learn industry-specific terminology. Executive secretaries usually need several years of related work experience.

**Career Opportunities**

The employment of secretaries and administrative assistants is projected to grow 3 percent through 2022. Many job openings will result from the need to replace workers who leave the occupation.

The U.S. Bureau of Labor Statistics lists the national median annual wage for secretaries and administrative assistants is \$34,450 (BLS, May 2019 SOC 43-6014).

**Cost & Time for Completion**

The U.S. Department of Education requires NPC to annually publish cost and time for complete data on Career & Technical Education certificate programs. You can access the current data online at [www.npc.edu/Modern-Office-Technologies](http://www.npc.edu/Modern-Office-Technologies).

**Modern Office Technologies Fundamentals (CP) • 18 credits**

|  |                      |
|--|----------------------|
| BUS 103 Success on Your Job.....                                   | 2 credits            |
| <del>BUS 108 Basic Keyboarding and Document Processing .....</del> | <del>3 credits</del> |
| BUS 144 Professional Office Skills .....                           | 3 credits            |
| BUS 155 Microsoft Word Level I.....                                | 3 credits            |
| <del>BUS 182 Records Management .....</del>                        | <del>3 credits</del> |
| BUS 202 Professional Customer Service .....                        | 1 credit             |
| BUS 203 Introduction to Business Communication .....               | 3 credits            |

**Modern Office Technologies (CAS) • 27 credits**

|  |                       |
|--|-----------------------|
| <del>Complete the Modern Office Technologies Fundamentals CP .....</del> | <del>18 credits</del> |
| BUS 231 Microsoft Office Level I .....                                   | 3 credits             |
| <i>Communications</i> .....  | <i>3 credits</i>      |
| ENL 101 College Composition I .....                                      | 3 credits             |
| <i>Mathematics</i> .....   | <i>3 credits</i>      |



BUS 133 or select any course under the **Mathematics** General Education Course Options (for CAS and AAS Degrees) on page 66 **EXCEPT** for MAT 101, MAT 109, MAT 112 or MAT 125.

**Modern Office Technologies (AAS) • 64 credits**

*Complete the Modern Office Technologies CAS.....27 credits*

**PLUS**

**General Education Courses .....3 credits**

*Communications .....3 credits*

Select any course under the **Communications** General Education Course Options (for AAS Degrees) on page 66

**EXCEPT** for SPT 110 and SPT 120.

**Discipline Studies .....7 credits**

(Select one course from the **Physical and Biological Sciences** and one course from either the **Arts and Humanities** or **Social and Behavioral Sciences** lists on page 66.)

**Core Requirements ..... 12 credits**

BUS 105 Techniques of Supervision..... 3 credits

BUS 106 Techniques of Personal Finance ..... 3 credits

BUS 122 Computerized Accounting with QuickBooks™ ..... 3 credits

BUS 128 Microsoft Excel Applications for Business..... 3 credits

**Unrestricted Electives ..... 15 credits**

(Choose from any unduplicated courses at the 100-level or above)



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## Northland Pioneer College (NPC) – Presidential Search Timeline\*

|                                |   |
|--------------------------------|---|
| <b>December 2020</b>           | <b>Presidential Search Committee Meeting:</b> Introductions, orientation, and training; Reviews and edits the draft Presidential Profile  |
| <b>December 11, 2020</b>       | ACCT Search Consultant facilitates a series of virtual open Public Forums (Administrators, Staff, Faculty, Students, Community members invited to attend) to solicit feedback to inform the development of the draft Presidential Profile. Electronic survey distributed to solicit feedback to assist with the development of the Presidential Profile. Forum times for Dec. 11: Noon – 1pm and 3:00pm – 4:00pm. |
| <b>January 8, 2021</b>         | Special or Regular Board meeting to discuss, edit and finalize the Presidential Profile.  |
| <b>Early January 2021</b>      | Presidential Profile is posted on NPC and ACCT websites. ACCT and Search Consultant conduct targeted local, state-wide and national one-to-one recruitment of highly competitive and diverse candidates. Advertisements placed.   |
| <b>February 24, 2021</b>       | <b>Target Date for Receipt of Applications.</b> Position open until filled.   |
| <b>Early March 2021</b>        | <b>Presidential Search Committee Meeting:</b> Presidential Search Committee meets to discuss and select confidential semifinalists.   |
| <b>Mid-March 2021</b>          | <b>Search Committee Meeting:</b> Presidential Search Committee meets for confidential interviews of semifinalists. Search Committee deliberates and selects finalists and forwards recommendations to Board of Trustees.  |
| <b>Week of March 22, 2021</b>  | Finalists visit the College for tours, participate in public forums, etc. Finalists will interview with the full Board of Trustees. Visits will be virtual or in-person.  |
| <b>Early-to-mid April 2021</b> | New President Northland Pioneer College is announced.   |
| <b>July 1, 2021 or TBD</b>     | Start date for next President of Northland Pioneer College.   |

**\* Timeline Subject to Change**

# Request to Accept the Comprehensive Annual Financial Report and Single Audit Report for the Fiscal Year Ended June 30, 2020

## **Recommendation:**

Staff recommends accepting the Comprehensive Annual Financial Report (CAFR) and the Single Audit Report for the fiscal year ended June 30, 2020.

## **Summary:**

The audits are conducted by the State of Arizona Office of the Auditor General (AG). The Staff from the AG's office will present the following:

- provide an overview of their responsibilities and the audit process;
- review NPC's audit process and results; and
- review the Governance Letter associated with the audit.

The AG's audit opinion, for both reports, is "unmodified". This opinion provides a high level of assurance that the financial statements are prepared in all material respect and comply with accounting standards.

The 2020 audit was completed ahead of the submission deadline established by the US Department of Education of March 31, 2021 and has been submitted to the US Department of Education and other external partners. The CAFR and the Single Audit Report have also been distributed to the NPC Audit Committee.

NPC issues two separate reports related to its audits - the CAFR and the Single Audit - which were distributed electronically to the District Governing Board in November 2020 by the AG's office and posted to their website at <https://www.azauditor.gov>.

### 1. CAFR

- a. Focuses on the financial audit and financial condition of the college.
- b. Two findings were included in the report related to IT security and risk management. NPC has made progress in addressing these areas but additional work is needed.



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## 2. Single Audit Report

- a. Focuses on compliance with federal financial awards.
- b. One finding was identified related to IT security. The corrective action plan is expected to be resolved by June 2021.

The audited financial statements for the Northeast Arizona Training Center (NATC) and the NPC Friends and Family are incorporated into the CAFR; both entities received a “clean” audit and were reviewed with the Board in November 2020.

The CAFR has also been submitted to the Government Finance Officers Association (GFOA) to be evaluated for the Certificate of Achievement for Excellence in Financial Reporting.

Preparing for the audit and the issuance of the financial statements is a considerable annual undertaking, but what really makes the audit successful year after year is the daily commitment of all college departments and divisions to the internal controls and processes carefully put in place to ensure accuracy, efficiency and accountability.

Numerous individuals across all departments and divisions worked on the audit and the related schedules and reports and their committed efforts are hereby appreciated and recognized.

NPC appreciates the working relationship we have with all members of the Auditor General’s staff and the contributions they provide. They play an important role in the audit and continue to provide timely and professional work.



Navajo County Community College District, Holbrook, AZ



**Comprehensive Annual  
Financial Report**  
Year Ended June 30, 2020





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**Northland Pioneer College**

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**Navajo County Community College District**

Holbrook, AZ

Comprehensive Annual Financial Report  
Year Ended June 30, 2020

Navajo County Community College District  
 (Northland Pioneer College)  
 Comprehensive Annual Financial Report  
 June 30, 2020

| <b>Table of Contents</b>  | <b>Page</b> |
|---|-------------|
| <b>Introductory Section</b>   |             |
| President’s Letter  | 1           |
| Transmittal Letter  | 2-7         |
| Certificate of Achievement for Excellence in Financial Reporting                | 8           |
| Principal Officers  | 9           |
| Organization Chart  | 10          |
| Mission, Vision, Values   | 11          |
| <b>Financial Section</b>  |             |
| Independent Auditors’ Report  | 12-13       |
| Management’s Discussion and Analysis  | 14-21       |
| Basic Financial Statements  |             |
| Statement of Net Position—Primary Government                                    | 22-23       |
| Statement of Financial Position—Component Units                                 | 24          |
| Statement of Revenues, Expenses, and Changes in Net Position—Primary Government | 25          |
| Statement of Activities—Component Units   | 26          |
| Statement of Cash Flows—Primary Government                                      | 27-28       |
| Notes to Financial Statements   | 29-45       |
| <b>Required Supplementary Information</b>                                       |             |
| Schedule of District’s Proportionate Share of Net Pension Liability             | 46          |
| Schedule of District’s Pension Contributions                                    | 47          |
| <b>Statistical Section</b>  |             |
| Statistical Section Introduction  | 48          |
| Financial Trends:   |             |
| Net Position by Component—Last Ten Fiscal Years                                 | 49          |
| Changes in Net Position—Last Ten Fiscal Years                                   | 50          |
| Expenses by Function—Last Ten Fiscal Years                                      | 51          |
| Expenses by Use—Last Ten Fiscal Years   | 52          |
| Revenues by Source—Last Ten Fiscal Years  | 53          |
| Statutory Limit to Budgeted Expenditures—Last Ten Fiscal Years                  | 54          |



Navajo County Community College District  
 (Northland Pioneer College)  
 Comprehensive Annual Financial Report  
 June 30, 2020

| <b>Table of Contents</b>  | <b>Page</b> |
|---|-------------|
| <b>Revenue Capacity:</b>  |             |
| Assessed Valuation, Tax Rate, and Estimated Actual Value—Last Ten Fiscal Years                      | 55          |
| Property Tax Levies and Collections—Last Ten Fiscal Years   | 56          |
| Property Tax Rates, Direct and Overlapping Governments—Last Ten Years (Per \$100 of Assessed Value) | 57          |
| Principal Taxpayers—Current Year and Ten Years Ago  | 58          |
| Historic General Resident Tuition—Last Ten Fiscal Years   | 59          |
| <b>Debt Capacity:</b>   |             |
| Ratios of Outstanding Debt by Type—Last Ten Fiscal Years  | 60          |
| Computation of Legal Debt Margin—Last Ten Fiscal Years  | 61          |
| <b>Demographic and Economic Information:</b>  |             |
| Schedule of Demographic and Economic Statistics—Last Ten Years                                      | 62          |
| Schedule of Employment by Sector  | 63          |
| <b>Operating Information:</b>   |             |
| Enrollment and Degree Statistics—Last Ten Years   | 64          |
| Student Enrollment and Demographic Statistics—Last Ten Years  | 65-66       |
| Employee Statistics (Headcount)—Last Ten Fiscal Years   | 67          |
| Schedule of Capital Asset Information—Last Ten Fiscal Years   | 68          |

# Introductory Section



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**Northland Pioneer College**  
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# NORTHLAND PIONEER COLLEGE

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*Office of the President*

November 20, 2020

Greetings! As the president of Northland Pioneer College (NPC), it is my privilege to work with a dedicated and talented group of employees to meet the needs of you, the students, and community members of the district. While NPC has focused much of its public communications this year on the college's response to the coronavirus pandemic, we are also proud of the efficiency and transparency of the financial processes that support our instructional effort.

I value serving as the president of this college largely because of our students, staff and communities. NPC is an important place to work because we get to change peoples' lives for the better. Not all Americans are blessed with the opportunity to have a demonstrably positive impact on the lives of their neighbors and friends — at NPC, we do. The events of the past year have forced the college to pivot its instructional and student support operations to a hybrid of distance learning and hands-on instruction, while continuing to build a new college vision and strategic planning process. That vision and the resulting strategic plan will be based in part, on what we have learned from the experiences of 2020.

NPC maintains the most lean administrative staff of the state's 10 community college districts and remains committed to fulfilling its mission — to provide, support and promote lifelong learning. In doing so, NPC places emphasis on education delivery, not overhead. I am particularly proud that our business operations and long-term budget planning were singled out this year in a national education publication, in a story focused on how colleges can best respond to crises such as the global COVID pandemic.

NPC began to issue a Comprehensive Annual Financial Report (CAFR) seven years ago, to supplement the basic financial statements prepared by staff and audited by the Arizona Office of the Auditor General. Every CAFR since then has been recognized by the Government Finance Officers Association of the United States and Canada (GFOA) with Certificates of Achievement for Excellence in Financial Reporting, the highest form of recognition in the area of governmental accounting and financial reporting. This CAFR continues those high standards, demonstrating NPC's proper management of those public funds through transparent financial reporting.

In the coming months, NPC will move ahead with exciting changes. These include implementing improved instruction and support for distance learning environments; construction projects – paid for with an accumulated capital reserve, instead of debt issuance; improving our internal processes and controls, and forging new partnerships to increase access to the college's services.

It is an honor and a blessing to enjoy the opportunity to serve our students and community, and I hope to engage each and every member of this district in the exciting endeavors that lay ahead.

Sincerely,

Mark H. Vest  
President, Northland Pioneer College

*Navajo County Community College District  
Mailing Address: P.O. Box 610, Holbrook, AZ 86025-0610*

November 20, 2020

To the Citizens and District Governing Board of the Navajo County Community College District:

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the Navajo County Community College District (also referred to as Northland Pioneer College, NPC, or the District), for the fiscal year ended June 30, 2020.

Arizona Revised Statutes requires community college districts to prepare annual financial statements and for those financial statements to be audited. The State of Arizona Office of the Auditor General audited the District's financial statements for the fiscal year ended June 30, 2020 and issued an unmodified opinion, indicating they believe the financial statements were fairly presented. See Independent Auditors' Report on page 12.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures rests with the District's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement so that the cost of the internal controls does not outweigh the benefits.

The Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **REPORTING ENTITY**

The District is an independent reporting entity within the criteria established by Generally Accepted Accounting Principles (GAAP) and the Governmental Accounting Standards Board (GASB). In accordance with GASB Statement No. 14, 39 and 61, the financial reporting entity consists of a primary government and two component units, NPC Friends & Family and Northeast Arizona Training Center (NATC). The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. The financial activity of NPC Friends & Family and NATC are discretely presented as component units of the District. The District is not included in any other governmental financial reporting entity.

## **INSTITUTIONAL PROFILE**

The District is a comprehensive community college providing services in northeast Arizona. It offers postsecondary degrees in over 63 occupational programs and specialty areas of study and offers lower division general education courses that are transferrable to a university for a degree. It has one of the lowest tuition rates in the state.

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As a political subdivision of the State of Arizona, the District is subject to the oversight of its Governing Board which is comprised of five elected members representing each of the five districts of Navajo County. These members are elected for six-year terms on a staggered basis. The District's Governing Board is granted full authority by Arizona Revised Statutes to manage the business and educational needs of the District. The administrative staff of the District, led by the President, is responsible for the operation and administration of all District functions.

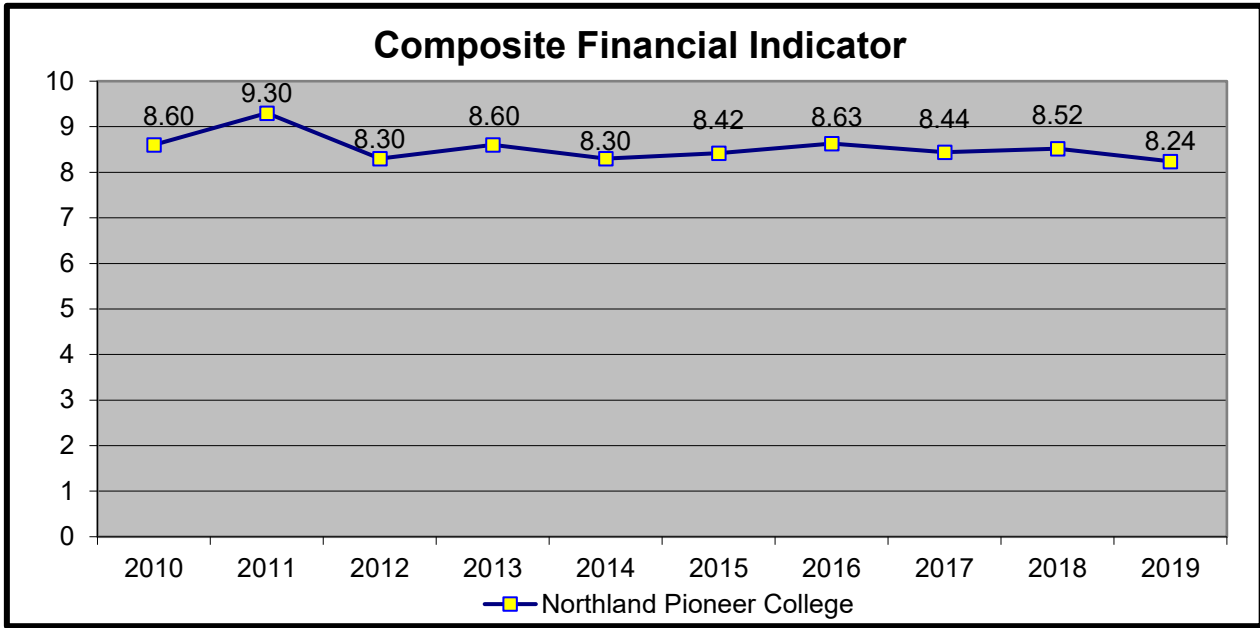
**History and Service Area** – Established in 1972, the District first enrolled students starting with the fall semester of 1974. The District serves Navajo and Apache counties, an area of 21,158 square miles with a 2010 U.S. Census Bureau population of 178,967. The Navajo, Hopi, and White Mountain Apache Indian Reservations occupy more than 66 percent of the total land in the District's service area and account for 60 percent of the area's population.

Campuses are located within four of the largest Navajo County communities of Holbrook, Show Low, Snowflake/Taylor and Winslow. Five center locations are located in Keams Canyon (Hopi), Kayenta, St. Johns, Springerville/Eager and Whiteriver. Central District Offices are located on the Holbrook Campus.

**Staff and Student Demographics** – Enrollment for the District decreased slightly with fall of 2019 by 5 percent over fall 2018. Of the 3,008 headcount 55.6 percent or 1,668 was comprised of students 19 years of age and younger. Full time students made up only 20 percent of the unduplicated headcount while the remaining 80 percent were part time attendees. The student per faculty ratio increased by less than 1 percent in 2019 from 2018 and student per staff ratio also increased by less than 1 percent with the average class size dropping to 13. The student population was 52 percent minority with 60 percent female majority.

**Accreditation** – In order to award college degrees and certificates, institutions of higher education must be evaluated by a nationally recognized accrediting agency. The Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools is charged with evaluating the District. The District is proud to report having met all but one HLC criteria with no concern during the most recent (2019) comprehensive evaluation. The Institutional Action Council's final letter was issued in March of 2020. This model ensures the District's students of an up-to-date, nationally recognized and accredited educational experience. The Open Pathway Re-affirmation process was completed in November 2019 and consisted of a holistic review, federal compliance, and a multi-day on site visit. The HLC required an Interim report be filed in two years addressing integrated strategic planning, the one area the District received a "met with concern" designation.

**Accreditation Financial Ratios** – On an annual basis the HLC requires member institutions to provide financial information. The information is used to calculate a Composite Financial Index (CFI) made up of four financial ratios, each one weighted differently. The CFI evaluates an institution's financial health; a CFI of 1.1 or higher indicates adequate financial health and requires no HLC review. The District's composite ratio for the years 2010 to 2019 was greater than 8.0. In 2015, the HLC requested the CFI be calculated with and without the new accounting and financial reporting guidelines for pensions adopted in 2015. The HLC recognized it would have a significant impact to the financials and related indicators. The District's 2019 CFI including pensions was 8.95 and excluding pensions was 8.24. The chart below indicates the CFI excluding pensions for 2019.



**REGIONAL ECONOMIC OUTLOOK**

Navajo and Apache Counties continue to struggle in spite of other signs of state and national recovery. According to the Bureau of Labor Statistics, Arizona’s unemployment rate for August 2020 was 5.9 percent which is higher than it was a year ago for the same period when it was 4.9 percent and lower than the nation’s unemployment rate of 8.4 percent for August 2020. In Navajo County, the unemployment rate is up .1 percent from August 2019 at 8.8 percent for August 2020 and Apache County is still in the double digits at 10.3 percent, which is a decrease of .8 percent from prior year.

The District saw student enrollment using full time student equivalents decrease. When comparing fall 2019 to fall 2018, the District had an enrollment decrease of 1 percent and comparing spring 2020 to spring 2019 there was an enrollment decrease of 9 percent. According to the National Student Clearinghouse Research Center enrollment decreased 1.4 percent for fall 2019 and spring 2020 2.3 percent for 2-year public institutions.

**FINANCIAL POLICIES**

The District adopted the *Cash Reserve Policy* and the *Future Capital Reserve Policy* in prior years and they had a significant impact on current financials. The *Cash Reserve Policy* recognizes the importance of maintaining adequate reserves in order to ensure financial and operational stability and requires the College to maintain unallocated cash levels equal to at least one (1) year of budgeted expenses. The *Future Capital Reserve Policy* recognizes the importance of maintaining adequate reserves to ensure future capital financial resources and to reduce the cost of capital acquisitions. These policies result in more than \$50 million set aside for financial stability of the District annually.

**CURRENT MAJOR INITIATIVES**

The biggest challenge of this fiscal year is adapting COVID-19 pandemic and evolving changes. The District is addressing this emergent situation in the following manners:

- COVID Planning and response – A Fall (and Spring) Operations Group has been formed to consult weekly and adapt the District’s operational plan based on the most current pandemic guidance and recommendations to ensure a safe campus for students and employees.

- Remote worker environment and procedures – The District adapted quickly to transition essential employees to a remote working environment and instruction to a distance learning modality. The majority of these changes put into place for spring and summer of 2020 remain in place for fall 2020.
- Tuition structure – In anticipation of financial hardships, loss of jobs, and evolving family childcare, schooling and caretaking situations the District adopted a 50 percent tuition waiver for fall 2020 and spring 2021 to remove barriers to beginning or continuing education.

The Learning and Student Services area restructuring, beginning with the creation of the Instructional Innovation Division to address ever adapting and advancing instructional technologies and modalities. Departments re-organized under the Instructional Innovation division include Early College, which combines the multiple High School program deliveries of dual enrollment, TALON and Early college offerings, simplifying the enrollment, registration and advising processes.

Master planning for District-wide facilities is underway and includes major construction projects at the White Mountain campus in Show Low. A construction manager position has been added to the budget to closely plan, monitor and oversee all aspects of the planning and construction phases.

**UPCOMING MAJOR INITIATIVES**

Transitioning to a more user-friendly web-based registration and enrollment process tops the District’s priorities as online modalities become not just a convenience, but a necessity in the COVID and Post-COVID instructional environment. The Technology Advancement department, formerly Information Systems, and the Registration department have prioritized this adaptation to better align the District’s goals and student expectations.

Construction of the new Skills center at the White Mountain Campus will be bid and begin in the upcoming year, as well as other renovations on the same campus estimated to cost \$20 million. These projects are in response to specific campus and student needs that support enrollment and growth.

The District is migrating to a new Human Resource and Information System/payroll solutions (HRIS) in the next fiscal year with an operational date of January 1, 2021. This project will improve payroll efficiency and accuracy by streamline the onboarding, compensation and reporting processes for the District and create an anticipated savings over current manual processes.

The District is preparing the college for new Title IX regulations that seek to provide strong due process protections to those who are accused of sexual misconduct while also balancing the rights of those who experience sexual harassment, assault, dating violence, domestic violence, retaliation, and/or sex/gender discrimination. The District will be adapting to comply with all requirements in the revised regulations.

The President of NPC tendered his resignation effective October 27, 2020. The District Governing Board will select an interim president to take over and will commence a nationwide presidential search.

**FINANCIAL INFORMATION**

Effective management of the District’s funds through internal controls, budgetary controls, cash management, financial policies and fiscal reporting comprises the District’s responsibilities for stewardship, safeguarding of assets, and accountability of resource providers. Additional information relating to the District’s financial management can be found in the statistical section towards the end of this report.

**Internal Control** – The District is responsible for establishing and maintaining a system of internal controls. Internal controls are designed to ensure reasonable, but not absolute assurance that the assets of the District are protected from loss, theft or misuse and that the accounting records used to prepare the financial statements are reliable and conform to generally accepted accounting principles (GAAP). The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control element, and that the evaluation of costs and benefits requires estimates and judgments from management. All internal control evaluations occur within the above framework. The District believes the internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

**Budgetary Controls** – The District engages in an annual financial planning cycle that begins with the Strategic Plan. The Strategic Plan is updated annually and involves all levels of the organization – it identifies the strategic direction of the District and establishes operating goals in support of its mission and vision. The District maintains budgetary controls in the form of detailed balanced budgets and budget transfer restrictions by fund, department and account. On a monthly basis the District presents various financial reports to the District Governing Board including a report of revenues, expenditures and budgets by fund, a report on property tax receipts, cash flow position, and a narrative discussing budget deviations by fund. The objective of these budgetary controls is to ensure compliance with the annual budget and to fulfill the requirements of the District Governing Board’s monitoring reports.

The District complies with Arizona Revised Statutes requiring that a report of the District’s adopted budget be published annually based on the prescribed format established by the Office of the Auditor General. The District also complies with Arizona Revised Statutes regarding Truth in Taxation Notice and Hearing when the District’s primary property tax levy is greater than the amount levied in the preceding year.

The District also demonstrates compliance by issuance of an annual budgeted expenditure limitation report that is examined by the Office of the Auditor General. The expenditure limitation calculation determines the maximum allowable expenditure supported by local revenues.

**Cash Management** – The District is governed by the Arizona Revised Statutes relating to overall investment of public funds. The fiduciary responsibility for such investments is entrusted to the District Governing Board and facilitated through the Vice President of Administrative Services. The District invests unrestricted funds in a prudent, conservative, and secure manner for the highest available yield, given cash flow constraints, as prescribed by Arizona Revised Statutes. The principal investment vehicles used during the fiscal year were the Navajo County Treasurer’s investment pool and the Local Government Investment Pool (LGIP) managed by the Arizona State Treasurer. Both have provided the District with safe liquid investments.

**Financial Reporting** – The District has an automated financial accounting system that captures all financial transactions to prepare the audited financial statements, data for the CAFR, and to develop internal management reports for decision-making needs and to aid in the allocation of resources.

The CAFR for the District was formulated with data from several sources including District records and the Navajo County Finance, Treasurer’s and Assessor’s Offices. These statements present information on the financial condition of the District and whether resources were adequate to cover the costs of providing services during the reporting period. The District’s CAFR is distributed to the District Governing Board and administrators, the State legislature, Federal and State agencies, and financial institutions as well as others throughout the general public.



## **INDEPENDENT AUDIT**

The District is audited by Office of the Auditor General for the State of Arizona. The audit determines if the financial statements are free of material misstatements and ensures compliance with the Arizona Revised Statutes that require an annual audit of the District's financial statements. The Independent Auditors' Report is included in the financial section of this CAFR. The District received an unmodified opinion for the fiscal year ended June 30, 2020.

The District's component units, NPC Friends & Family and NATC, are audited by a local CPA. Both component units received unmodified opinions for the fiscal year ended June 30, 2020.

## **GFOA CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Navajo County Community College District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal regulations.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGEMENTS**

We express our appreciation to all those who assisted and contributed to the preparation of this report. Our deepest gratitude goes to the dedicated staff in the Business Office. We also express our appreciation to the State of Arizona Office of the Auditor General and the Navajo County Finance, Treasurer's and Assessor's Offices for their assistance with this report. Lastly, we thank the members of the District Governing Board and the President for their guidance and support in maintaining the financial stability of the District.

Respectfully submitted,

Maderia J. Ellison  
Vice President for Administrative Services/Chief Financial Officer

Amber L. Hill, MBA, CGFM  
Director for Financial Services, Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Navajo County Community College District  
Arizona**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

## **PRINCIPAL OFFICERS**

As of June 30, 2020

## **DISTRICT GOVERNING BOARD**

Mr. Daniel Peaches, District 1

Mr. Elias Jouen, District 2

Mr. Frank Lucero, District 3

Mr. Everett Robinson, District 4

Mr. Derrick Leslie, District 5

## **EXECUTIVE TEAM**

Mark Vest, President

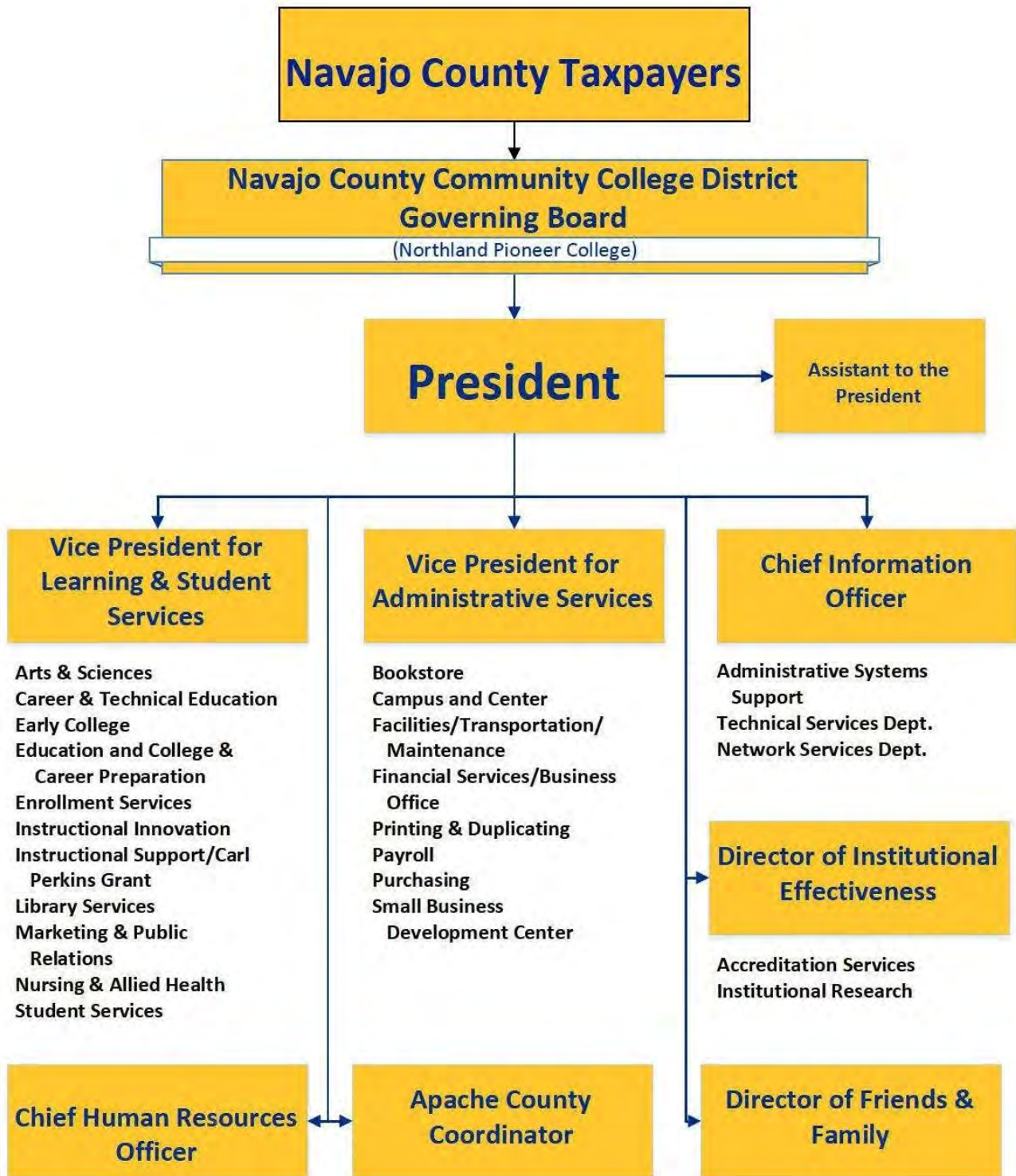
Dr. Jessica Clark, Vice President for Learning & Student Services

Maderia J. Ellison, Vice President for Administrative Services, Chief Financial Officer

Scott Estes, Chief Information Officer

Dr. Judy Yip-Reyes, Director of Institutional Effectiveness

**ORGANIZATION CHART  
JUNE 30, 2020**



## **MISSION**

**Northland Pioneer College provides, supports and promotes lifelong learning.**

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## **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.

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## **OUR SHARED VALUES**

NPC upholds the following Values

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

# Financial Section



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



LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

## Independent auditors' report

Members of the Arizona State Legislature

The Governing Board of  
Navajo County Community College District

### Report on the financial statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of the Navajo County Community College District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; 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.

### *Auditors' responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the other auditors' reports. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The other auditors did not audit the aggregate discretely presented component units' financial statements in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the District'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 District'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 opinions.

### **Opinions**

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of the District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

### **Other matters**

#### *Required supplementary information*

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 14 through 21, schedule of the District's proportionate share of the net pension liability on page 46, and schedule of District pension contributions on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other reporting required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lindsey Perry, CPA, CFE  
Auditor General

November 20, 2020



Navajo County Community College District  
(Northland Pioneer College)  
Management's Discussion and Analysis  
Year Ended June 30, 2020

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2020. Please read it in conjunction with the transmittal letter which precedes this section and the District's basic financial statements, which immediately follow.

### Basic Financial Statements

The District's annual financial statements are presented in accordance with U.S. generally accepted accounting principles prescribed by the Governmental Accounting Standards Board (GASB), the authoritative body for establishing Generally Accepted Accounting Principles (GAAP) for state and local governments, including public institutions of higher education. These standards permit public colleges and universities to use the guidance for special-purpose governments engaged in business-type activities. The standards allow for the presentation of the District's financial activity in a consolidated, single-column, entity-wide format. This format is similar to the type of financial statements typical of a business enterprise or not-for-profit organization. The basic financial statements consist of the following:

The *Statement of Net Position* reflects the financial position of the District on June 30, 2020. It shows the various assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflow of resources and the various categories of net position. Net position is an accounting concept defined as total assets plus deferred outflows of resources, less total liabilities and deferred inflows of resources, and as such, represent institutional equity or ownership in the District's total assets.

The *Statement of Revenues, Expenses, and Changes in Net Position* reflects the results of operations and other changes for the year ended June 30, 2020. It shows the various revenues and expenses, both operating and nonoperating, reconciling the beginning net position amount to the ending net position amount, which is shown on the *Statement of Net Position* described above.

The *Statement of Cash Flows* reflects the inflows and outflows of cash and cash equivalents for the year ended June 30, 2020. It shows the various cash activities by type, reconciling the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the *Statement of Net Position* described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position* described above.

### Financial Highlights and Analysis

Consistent with its mission, the District provides, supports and promotes lifelong learning. Major funding sources supporting all functions include property taxes, state appropriations, government grants and contracts, and tuition and fees. The District may exercise primary and secondary property tax levy authority for generation of funds used for operating, capital equipment, and debt retirement purposes.

The condensed financial information below highlights the main categories of the *Statement of Net Position*. Assets are distinguished as either current or noncurrent. Current assets are resources available to meet the District's operating needs. Other liabilities are made up of accounts payable, unearned revenues, and accrued payroll and employee benefits. Net position is divided into three categories reflecting the broad characteristics of institutional equity in the assets of the District. In addition to the District's capital assets, the District holds resources that external parties have restricted for specific

Navajo County Community College District  
(Northland Pioneer College)  
Management's Discussion and Analysis  
Year Ended June 30, 2020

programs or purposes. The remaining net position is unrestricted but is dedicated to the District's primary mission. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

Condensed Financial Information

The following is a listing of condensed financial information for the District as of June 30, 2020 and June 30, 2019:

**Condensed Statement of Net Position—Primary Government  
As of June 30**

|  | 2020                 | 2019                 | % Change |
|--|----------------------|----------------------|----------|
| <b>Assets:</b>                               |                      |                      |          |
| Current assets                               | \$ 77,232,858        | \$ 68,138,082        | 13%      |
| Noncurrent assets, other than capital assets | 1,265,403            | 1,308,462            | -3%      |
| Capital assets, net                          | <u>37,439,475</u>    | <u>38,343,148</u>    | -2%      |
| Total assets                                 | <u>115,937,736</u>   | <u>107,789,692</u>   | 8%       |
| <b>Deferred Outflow of Resources:</b>        |                      |                      |          |
| Deferred outflows related to pensions        | <u>1,823,604</u>     | <u>2,304,191</u>     | -21%     |
| <b>Liabilities:</b>                          |                      |                      |          |
| Other liabilities                            | 3,103,593            | 2,742,328            | 13%      |
| Long-term liabilities                        | <u>17,276,201</u>    | <u>16,979,135</u>    | 2%       |
| Total liabilities                            | <u>20,379,794</u>    | <u>19,721,463</u>    | 3%       |
| <b>Deferred Inflow of Resources</b>          |                      |                      |          |
| Deferred inflows related to pensions         | <u>1,537,390</u>     | <u>2,672,946</u>     | -42%     |
| <b>Net Position:</b>                         |                      |                      |          |
| Net investment in capital assets             | 37,439,475           | 38,343,148           | -2%      |
| Restricted                                   | 265,935              | 262,066              | 1%       |
| Unrestricted                                 | <u>58,138,746</u>    | <u>49,094,260</u>    | 18%      |
| Total net position                           | <u>\$ 95,844,156</u> | <u>\$ 87,699,474</u> | 9%       |

Total assets increased \$8.1 million, or 8 percent. Concentrated in current assets increase of \$9.1 million or 13 percent of which cash and investments made up \$8.7 million of the increase. This increase was due to the District's policy to preserve and maintain ample operational and capital cash reserves. Prepaid items decreased \$.2 million, or 22 percent due to reaching a plateau in technology license purchases. Account receivables increased \$.7 million or 51 percent due to delayed payments from intergovernmental agreements and contract re-negotiations. Student account receivables declined by \$.2 million or 73 percent due to enhancing communications and payment options with students early and often throughout the semester.

Navajo County Community College District  
(Northland Pioneer College)  
Management's Discussion and Analysis  
Year Ended June 30, 2020

Total noncurrent assets, other than capital assets decreased 3 percent or less than \$.1 million primarily due to a concentrated effort to collect student accounts receivable. Net capital assets decreased \$.9 million or less than 2 percent.

Deferred outflows related to pensions decreased by \$.5 million or 21 percent. This was due primarily to a combination of \$.3 million increase in differences between expected and actual experience, \$.1 million increase in changes of assumptions.

Total liabilities increased \$.7 million or 3 percent. Current Liabilities increased 13 percent or \$.4 million. Non-current liabilities increased \$.3 million or 2 percent primarily due to a increase in net pension liability.

Deferred inflows decreased overall by 42 percent or \$1.1 million due to a combination of \$.7 million increase in changes of assumptions, \$.4 million increase in difference between projected and actual investment earnings and \$.5 million increase due to differences between employer contributions and share of proportionate contributions.

Total net position increased \$8.1 million or 9 percent primarily in unrestricted net position which increased by \$9 million or 18 percent. This was accomplished due to an increase in total revenues of \$1.8 million or 5 percent offset by expenses increasing \$1.4 million or 5 percent. The District continues to focus on cost reduction in all areas of operations. Net investment in capital assets decreased \$.9 million or 2 percent resulting from depreciation accelerating faster than additional capital investment. The increase in net position will be added to operational and capital reserves to bolster current and future financial health and strategic initiatives.

The condensed financial information highlights the main categories of the *Statement of Revenues, Expenses, and Changes in Net Position*. Generally, revenues generated by the District from exchange transactions are considered operating revenues. Other revenues such as state appropriations, property taxes, and certain government grants are considered nonoperating revenues. In compliance with U.S. generally accepted accounting principles, scholarships applied to tuition and fees are recorded as an offset to operating revenues instead of being reported as an expense to the District.

The District shows an operating loss because the three largest revenue sources, property taxes, state appropriations, and government grants, are considered nonoperating revenues. Please refer to the Summary of Significant Accounting Policies (Note 1), which directly follows the presentation of the basic financial statements, for a description of the differences between operating and nonoperating revenues.

Depreciation expense is recorded in accordance with the adoption of the economic resources measurement focus. The construction and acquisition of capital assets, although budgeted and tracked as expenditures in the accounting system, are not reflected as expenses in these statements. Such transactions are instead capitalized and reported as assets, with the systematic depreciation of the costs expensed over the useful lives of the assets constructed or acquired.

Navajo County Community College District  
(Northland Pioneer College)  
Management's Discussion and Analysis  
Year Ended June 30, 2020

The District has four primary revenues sources: property taxes, state appropriations, government grants and contracts, and tuition and fees.

**Condensed Statement of Revenues, Expenses, and  
Changes in Net Position—Primary Government  
Year Ended June 30**

|                             | <u>2020</u>         | <u>2019</u>         | <u>% Change</u> |
|-----------------------------|---------------------|---------------------|-----------------|
| <b>Revenues:</b>            |                     |                     |                 |
| Operating                   |                     |                     |                 |
| Tuition and fees, net       | \$ 2,320,187        | \$ 2,400,758        | -3%             |
| Government contracts        | 2,642,769           | 3,021,888           | -13%            |
| Bookstore income, net       | 29,420              | 9,471               | 211%            |
| Other                       | 234,592             | 281,638             | -17%            |
| Total operating revenues    | <u>5,226,968</u>    | <u>5,713,755</u>    | -9%             |
| Nonoperating                |                     |                     |                 |
| Property taxes              | 15,470,410          | 15,085,682          | 3%              |
| State appropriations        | 11,548,300          | 9,026,200           | 28%             |
| Government grants           | 4,308,940           | 3,986,711           | 8%              |
| Private grants              | 444,916             | 411,170             | 8%              |
| Share of state sales taxes  | 533,294             | 550,981             | -3%             |
| Investment earnings         | 1,216,955           | 1,200,154           | 1%              |
| Total nonoperating revenues | <u>33,522,815</u>   | <u>30,260,898</u>   | 11%             |
| Total revenues              | <u>38,749,783</u>   | <u>35,974,653</u>   | 8%              |
| <b>Expenses:</b>            |                     |                     |                 |
| Operating                   | 29,588,781          | 28,171,222          | 5%              |
| Nonoperating                | 1,016,320           | -                   | 100%            |
| Total expenses              | <u>30,605,101</u>   | <u>28,171,222</u>   | 9%              |
| Increase in net position    | 8,144,682           | 7,803,431           | 4%              |
| Total net position, July 1  | <u>87,699,474</u>   | <u>79,896,043</u>   | 10%             |
| Total net position, June 30 | <u>\$95,844,156</u> | <u>\$87,699,474</u> | 9%              |

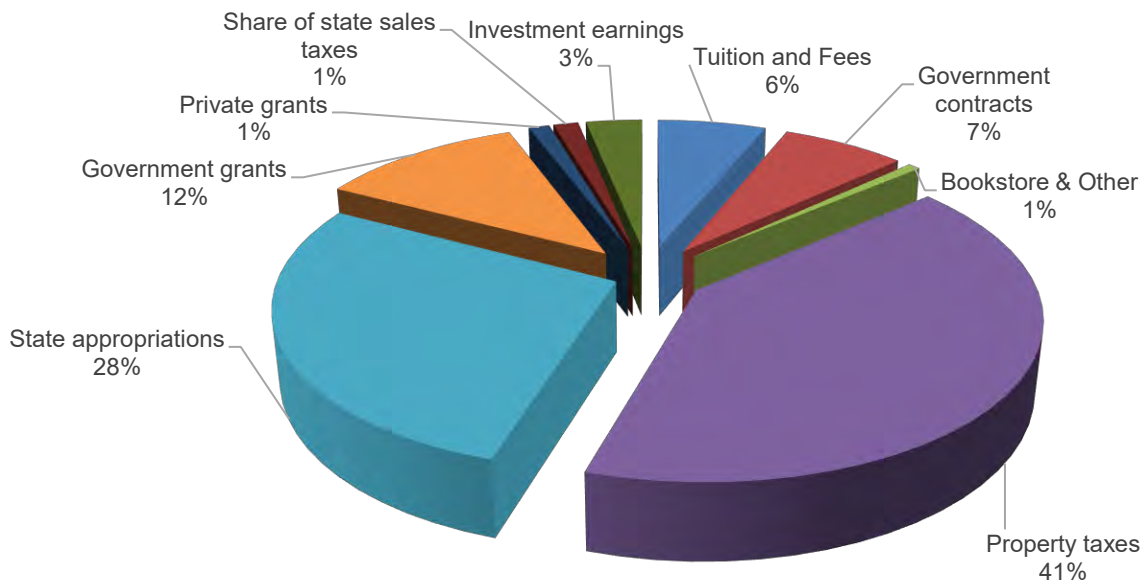
Total revenues exceed total expenses by \$8.1 million. The available funds will support future capital needs by setting aside resources as outlined in the District's *Future Capital Reserve* policy.

Total operating revenues decreased \$.5 million, or 9 percent. Government contracts decreased \$.4 million or 13 percent related to a delay in biannual payment for two intergovernmental agreements under renegotiation. Tuition and fees revenue decreased \$.1 million, or 3 percent primarily due to the class cancellations and refunds from COVID responses.

Navajo County Community College District  
 (Northland Pioneer College)  
 Management's Discussion and Analysis  
 Year Ended June 30, 2020

Total nonoperating revenues increased by \$3.3 million, or 11 percent. Property taxes increased \$0.4 million or 3 percent over the prior fiscal year. Property tax revenues account for 41 percent of total revenues. The District saw an increase in state appropriations of \$2.5 million, or 28 percent, which includes operating state aid, equalization aid and Science, Technology, Engineering, and Mathematics (STEM) funding. The District also received a one time \$1 million legislative appropriation for a component unit facility expansion. The District's state appropriations account for 28 percent of total revenues. Government grants increased 8 percent or \$0.3 million largely due to spending in the Title III Technology and CARES Act Grants to account for 12 percent of total revenue. The District received equalization aid of \$7.8 million in fiscal year 2020, which was an increase of \$0.6 million or 9 percent from the prior year. STEM funding, previously known as capital appropriations remained constant \$0.3 million in fiscal year 2020.

**2020 Revenue by Category**



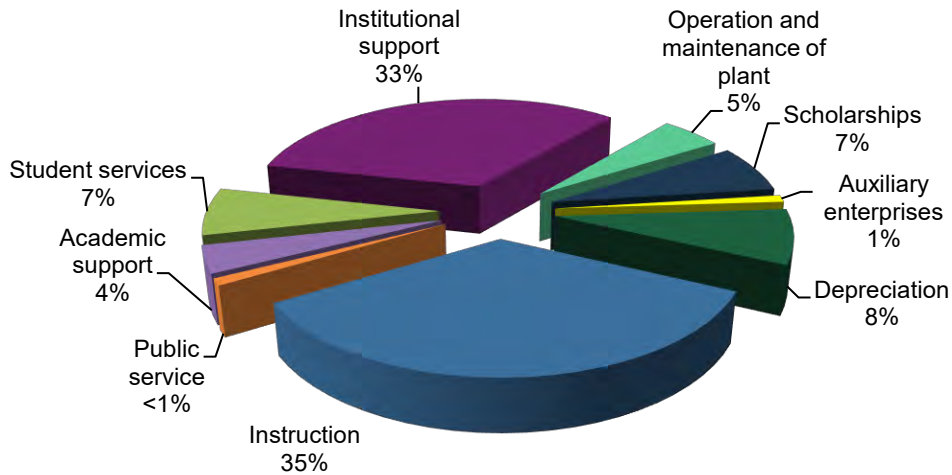
The District has historically set the property tax levy at the maximum rate allowed by statute, which is 2 percent plus an additional increase for new construction valuation and requires a Truth in Taxation Hearing. For fiscal year 2020, the District set the property tax levy at 2 percent without an increase for new construction therefore no Truth in Taxation Hearing was necessary. Taxpayer opposition to increases in property taxes continues especially with the stagnant local economy and declining assessed values in Navajo and Apache Counties.

Funding from external sources, including federal and local grants and contracts along with community and business partnerships, is important to the District. The District continuously pursues additional grant and partnership opportunities.

Navajo County Community College District  
 (Northland Pioneer College)  
 Management's Discussion and Analysis  
 Year Ended June 30, 2020

|                                      | <u>2020</u>         | <u>2019</u>         | <u>% Change</u> |
|--------------------------------------|---------------------|---------------------|-----------------|
| <b>Operating Expenses</b>            |                     |                     |                 |
| Educational and general:             |                     |                     |                 |
| Instruction                          | \$10,214,313        | \$ 9,181,020        | 11%             |
| Public service                       | 15,407              | 23,644              | -35%            |
| Academic support                     | 1,060,798           | 1,051,367           | 1%              |
| Student services                     | 2,158,033           | 4,042,358           | -47%            |
| Institutional support                | 9,809,049           | 7,489,043           | 31%             |
| Operation and maintenance            | 1,583,140           | 1,681,903           | -6%             |
| Scholarships                         | 2,247,251           | 2,163,155           | 4%              |
| Auxiliary enterprises                | 227,810             | 353,347             | -36%            |
| Depreciation                         | <u>2,272,980</u>    | <u>2,185,385</u>    | 4%              |
| Total operating expenses             | <u>29,588,781</u>   | <u>28,171,222</u>   | 5%              |
| <b>Nonoperating Expenses</b>         |                     |                     |                 |
| Pass through grant to component unit | 1,016,320           | -                   | 100%            |
| Total nonoperating expenses          | <u>1,016,320</u>    | <u>-</u>            | 100%            |
| Total expenses                       | <u>\$30,605,101</u> | <u>\$28,171,222</u> | 9%              |

**2020 Operating Expenses by Category**



Total expenses increased by \$2.4 million or 9 percent. \$1 million of this increase is due to a pass through grant to a component unit expensed in the same year it was received for NATC. The District continues to focus on maintaining comprehensive and quality services to the students and the needs of communities in its service area while practicing responsible stewardship. Contributing to this is an increase of \$2.3 million or 31 percent in institutional support, including heavy investment in upgrading technology and facilities maintenance upgrades. Auxiliary enterprises decreased \$.1 million or 36% due to staffing turnover in the Community and Corporate Learning department and the paralyzing effects of COVID campus closures in the spring. A decrease of \$1.9 million or 47% of student services signaled the completion of software upgrade projects in Financial Aid and a realignment of staffing. Instruction

Navajo County Community College District  
(Northland Pioneer College)  
Management's Discussion and Analysis  
Year Ended June 30, 2020

saw an increase for \$1 million or 11% due in part to filling vacancies, providing additional distance learning components and grant funding for this area.

Total net position increased by \$8.1 million or 9 percent.

### Capital Assets and Debt Administration

The District has a rolling 3-year plan to manage capital needs; it sets aside a portion of its unrestricted net position to address these needs. Over the next three years the District plans to spend \$20 million on capital assets.

Additional information on the District's capital assets can be found in Note 3.

The District currently has no long-term debt other than compensated absences and pension liabilities and does not anticipate acquiring new debt in the near future.

### Current Factors Having Probable Future Financial Significance

Navajo County's largest taxpayer, Arizona Public Service is reducing its presence in the region; reducing the assessed valuation of the District annually and laying off or re-assigning plant employees to other facilities out of district. This activity results in a decline in property tax, industrial client portfolio and employer base for the area.

The District is completing a Title III grant from the U.S. Department of Education for \$1.8 million over a five-year period for its Technology to Advance Learning Outcomes at Northland (TALON.) This project expanded the early college program, focused on high school students, and brings 16 remote high school districts together through a distance learning environment to provide higher education credits and classes to underserved populations and regions of the District.

The District also continues to evaluate its tuition and fee structure. The District is sensitive to the amount of increases it can implement based on the demographics of its service area. The District's service area covers approximately 21,158 square miles and is comprised of one of the poorest, most remote, and least populated areas in both Arizona and the United States. In-state tuition increased 4 percent, up \$3 from \$74 to \$77 per credit hour in fiscal year 2020. The District is anticipating a negative financial impact to students due to COVID-19 and has adopted a 50 percent reduction in tuition for fall of 2020 and spring 2021.

Entity-wide risk assessment and capital facilities improvements will be a concentrated focus this upcoming year. Cyber and personal information security are in the forefront of District concerns in order to maintain and enhance employee and student safety and District exposure.

Streamlining the student admission and enrollment process tops the district's priorities as the District proceeds to implement those strategic activities related to growing student enrollment and enhancing student learning outcomes.

Navajo County Community College District  
(Northland Pioneer College)  
Management's Discussion and Analysis  
Year Ended June 30, 2020

### Requests for Information

This discussion and analysis is designed to provide a general overview of the Navajo County Community College District's finances for all those with an interest in such matters. Questions concerning any of the information provided in the basic financial statements or requests for additional information should be addressed to Administrative Services, Northland Pioneer College, PO Box 610, Holbrook, AZ 86025.

Separate financial statements are issued for Northland Pioneer College Friends & Family and Northeast Arizona Training Center, Inc., which are both discretely presented component units of Navajo County Community College District. Complete financial statements for component units can be obtained from Northland Pioneer College, PO Box 610, Holbrook, AZ 86025.



Navajo County Community College District  
(Northland Pioneer College)  
Statement of Net Position - Primary Government  
June 30, 2020

|   | <b>Business-Type<br/>Activities</b> |
|---|-------------------------------------|
| <b>Assets</b>   |                                     |
| Current assets:   |                                     |
| Cash and cash equivalents                                 | \$ 73,937,799                       |
| Receivables (net of allowances for uncollectibles):       |                                     |
| Grants  | 935,625                             |
| Contracts   | 1,000,758                           |
| State appropriations                                      | 237,589                             |
| Other   | 48,930                              |
| Property taxes  | 469,632                             |
| Student   | 75,627                              |
| Inventories   | 657                                 |
| Prepaid items   | 526,241                             |
| Total current assets                                      | 77,232,858                          |
| Noncurrent assets:  |                                     |
| Restricted assets:  |                                     |
| Cash and investments                                      | 265,935                             |
| Property taxes receivable (net of allowances of \$90,000) | 55,414                              |
| Student receivable (net of allowances of \$1,189,477)     | 944,054                             |
| Capital assets, not being depreciated                     | 934,906                             |
| Capital assets, being depreciated, net                    | 36,504,569                          |
| Total noncurrent assets                                   | 38,704,878                          |
| Total assets  | 115,937,736                         |
| <b>Deferred Outflows of Resources</b>                     |                                     |
| Deferred outflows related to pensions                     | 1,823,604                           |
| <b>Liabilities</b>  |                                     |
| Current liabilities:                                      |                                     |
| Accounts payable  | 793,938                             |
| Accrued payroll and employee benefits                     | 260,331                             |
| Due to component unit                                     | 991,520                             |
| Unearned revenues   | 718,489                             |
| Current portion of compensated absences payable           | 339,315                             |
| Total current liabilities                                 | 3,103,593                           |
| Noncurrent liabilities:                                   |                                     |
| Compensated absences payable                              | 113,104                             |
| Net pension liability                                     | 17,163,097                          |
| Total noncurrent liabilities                              | 17,276,201                          |
| Total liabilities   | 20,379,794                          |
| <b>Deferred Inflows of Resources</b>                      |                                     |
| Deferred inflows related to pensions                      | 1,537,390                           |

(Continued)

See accompanying notes to financial statements.

Navajo County Community College District  
 (Northland Pioneer College)  
 Statement of Net Position - Primary Government  
 June 30, 2020  
 (Concluded)

|                                  | <b>Business-Type<br/>Activities</b> |
|----------------------------------|-------------------------------------|
| <b>Net Position</b>              |                                     |
| Net investment in capital assets | \$ 37,439,475                       |
| Restricted:                      |                                     |
| Nonexpendable                    |                                     |
| Endowments                       | 12,414                              |
| Expendable:                      |                                     |
| Scholarships                     | 253,521                             |
| Unrestricted                     | 58,138,746                          |
| Total net position               | \$ 95,844,156                       |

See accompanying notes to financial statements.

Navajo County Community College District  
(Northland Pioneer College)  
Statement of Financial Position - Component Units  
June 30, 2020

|  | <b>NPC Friends &amp;<br/>Family</b> | <b>Northeast<br/>Arizona Training<br/>Center, Inc.</b> | <b>Total</b>     |
|--|-------------------------------------|--|------------------|
| <b>Assets</b>  |                                     |  |                  |
| Cash and cash equivalents                                  | \$ 130,042                          | \$ 134,160   | \$ 264,202       |
| Restricted cash - savings                                  | 33,764                              | -  | 33,764           |
| Investments:   |                                     |  |                  |
| Marketable securities                                      | 377,951                             | -  | 377,951          |
| Marketable securities - restricted                         | 312,130                             | -  | 312,130          |
| Real estate  | 6,789                               | -  | 6,789            |
| Contributions receivable                                   | -                                   | 8,750  | 8,750            |
| Prepaid expense  | -                                   | 14,952   | 14,952           |
| Property and equipment,<br>net of accumulated depreciation | -                                   | 1,675,647  | 1,675,647        |
| Total assets   | \$ 860,676                          | \$ 1,833,509   | \$ 2,694,185     |
| <b>Net Assets</b>  |                                     |  |                  |
| Without donor restrictions                                 |                                     |  |                  |
| Undesignated   | \$ 136,830                          | \$ 1,833,509   | \$ 1,970,339     |
| Designated by the Board for endowment                      | 527,770                             | -  | 527,770          |
| Designated by the Board for scholarships                   | 33,764                              | -  | 33,764           |
|  | 698,364                             | 1,833,509  | 2,531,873        |
| With donor restrictions                                    |                                     |  |                  |
| Purpose restrictions                                       | 162,312                             | -  | 162,312          |
| Total net assets   | 860,676                             | 1,833,509  | 2,694,185        |
| <br>Total liabilities and net assets                       | <br>\$ 860,676                      | <br>\$ 1,833,509                                       | <br>\$ 2,694,185 |

Navajo County Community College District  
(Northland Pioneer College)  
Statement of Revenues, Expenses, and Changes in Net Position - Primary Government  
Year Ended June 30, 2020

|  | <b>Business-Type<br/>Activities</b> |
|--|-------------------------------------|
| Operating revenues:  |                                     |
| Tuition and fees, net of scholarship allowances of \$2,578,942 | \$ 2,320,187                        |
| Government contracts   | 2,642,769                           |
| Bookstore income, net of scholarship allowances of \$24,513    | 29,420                              |
| Other sales and services                                       | 103,358                             |
| Other  | 131,234                             |
| Total operating revenues                                       | 5,226,968                           |
| Operating expenses:  |                                     |
| Educational and general:                                       |                                     |
| Instruction  | 10,214,313                          |
| Public service   | 15,407                              |
| Academic support   | 1,060,798                           |
| Student services   | 2,158,033                           |
| Institutional support  | 9,809,049                           |
| Operation and maintenance of plant                             | 1,583,140                           |
| Scholarships   | 2,247,251                           |
| Auxiliary enterprises  | 227,810                             |
| Depreciation   | 2,272,980                           |
| Total operating expenses                                       | 29,588,781                          |
| Operating loss   | (24,361,813)                        |
| Nonoperating revenues (expenses):                              |                                     |
| Property taxes   | 15,470,410                          |
| State appropriations   | 11,548,300                          |
| Government grants  | 4,308,940                           |
| Private grants   | 444,916                             |
| Share of state sales taxes                                     | 533,294                             |
| Investment earnings  | 1,216,955                           |
| Pass through grant to component unit                           | (1,016,320)                         |
| Total nonoperating revenues                                    | 32,506,495                          |
| Increase in net position                                       | 8,144,682                           |
| Total net position, July 1, 2019                               | 87,699,474                          |
| Total net position, June 30, 2020                              | \$ 95,844,156                       |

See accompanying notes to financial statements.

Navajo County Community College District  
(Northland Pioneer College)  
Statement of Activities - Component Units  
Year Ended June 30, 2020

|  | <b>NPC Friends &amp;<br/>Family</b> | <b>Northeast<br/>Arizona Training<br/>Center, Inc.</b> | <b>Total</b>        |
|--|-------------------------------------|--|---------------------|
| <b>Changes in Unrestricted Net Assets</b>                    |                                     |  |                     |
| Contributions  | \$ 35,768                           | -  | \$ 35,768           |
| Memberships and usage fees                                   | -                                   | \$ 30,750  | 30,750              |
| Interest income  | 30                                  | 23   | 53                  |
| Unrestricted Support   | -                                   | 14,500   | 14,500              |
| Grant income   | -                                   | 24,800   | 24,800              |
| Net investment return  | 3,122                               | -  | 3,122               |
| Net special events revenue                                   | 53,688                              | -  | 53,688              |
| Total unrestricted support                                   | <u>92,608</u>                       | <u>70,073</u>  | <u>162,681</u>      |
| Net assets released from restrictions                        | <u>94,692</u>                       | -  | <u>94,692</u>       |
| Total unrestricted revenues and support                      | <u>187,300</u>                      | <u>70,073</u>  | <u>257,373</u>      |
| Expenses:  |                                     |  |                     |
| Program services   | 54,887                              | -  | 54,887              |
| Support services   | <u>17,574</u>                       | <u>137,650</u>   | <u>155,224</u>      |
| Total expenses   | <u>72,461</u>                       | <u>137,650</u>   | <u>210,111</u>      |
| Increase (Decrease) in net assets without donor restrictions | <u>114,839</u>                      | <u>(67,577)</u>  | <u>47,262</u>       |
| <b>Changes in net assets with donor restrictions</b>         |                                     |  |                     |
| Contributions  | 49,659                              | -  | 49,659              |
| Net assets released from restrictions                        | (94,692)                            | -  | (94,692)            |
| Net investment return  | <u>5,588</u>                        | -  | <u>5,588</u>        |
| Total restricted revenues and support                        | <u>(39,445)</u>                     | <u>-</u>   | <u>(39,445)</u>     |
| Expenses:  |                                     |  |                     |
| Program services   | <u>9,615</u>                        | -  | <u>9,615</u>        |
| Total expenses   | <u>9,615</u>                        | -  | <u>9,615</u>        |
| Increase (Decrease) in net assets with donor restrictions    | <u>(49,060)</u>                     | <u>-</u>   | <u>(49,060)</u>     |
| Increase (Decrease) in net assets                            | 65,779                              | (67,577)   | (1,798)             |
| Net assets, beginning of year                                | <u>794,897</u>                      | <u>1,901,086</u>                                       | <u>2,695,983</u>    |
| Net assets, end of year                                      | <u>\$ 860,676</u>                   | <u>\$ 1,833,509</u>                                    | <u>\$ 2,694,185</u> |

Navajo County Community College District  
(Northland Pioneer College)  
Statement of Cash Flows - Primary Government  
Year Ended June 30, 2020

|   | <b>Business-Type<br/>Activities</b> |
|---|-------------------------------------|
| Cash flows from operating activities:                         |                                     |
| Tuition and fees  | \$ 2,133,377                        |
| Government contracts  | 2,307,731                           |
| Bookstore receipts  | 29,420                              |
| Other receipts  | 234,592                             |
| Payments to suppliers and providers of goods and services     | (6,841,940)                         |
| Payments for employee wages and benefits                      | (18,633,938)                        |
| Payments to students for scholarships and loans               | <u>(2,247,251)</u>                  |
| Net cash used for operating activities                        | <u>(23,018,009)</u>                 |
| <br>Cash flows from noncapital financing activities:          |                                     |
| Property taxes  | 15,455,008                          |
| State appropriations  | 11,548,300                          |
| Government grants   | 3,933,737                           |
| Private grants  | 444,916                             |
| Share of state sales taxes                                    | 520,712                             |
| Pass through grant to component unit                          | <u>(24,800)</u>                     |
| Net cash provided by noncapital financing activities          | <u>31,877,873</u>                   |
| <br>Cash flows from capital and related financing activities: |                                     |
| Purchase and construction of capital assets                   | <u>(1,369,310)</u>                  |
| Net cash used by capital and related financing activities     | <u>(1,369,310)</u>                  |
| <br>Cash flows from investing activities:                     |                                     |
| Interest received on investments                              | <u>1,216,955</u>                    |
| Net cash provided by investing activities                     | <u>1,216,955</u>                    |
| Net increase in cash and cash equivalents                     | 8,707,510                           |
| <br>Cash and cash equivalents, July 1, 2019                   | <u>65,496,224</u>                   |
| Cash and cash equivalents, June 30, 2020                      | <u>\$ 74,203,734</u>                |

(Continued)

Navajo County Community College District  
(Northland Pioneer College)  
Statement of Cash Flows - Primary Government  
Year Ended June 30, 2020  
(Concluded)

|  | <b>Business-Type<br/>Activities</b> |
|--|-------------------------------------|
| Reconciliation of operating loss to net cash<br>used for operating activities:                       |                                     |
| Operating loss   | \$ (24,361,813)                     |
| Adjustments to reconcile operating loss to net cash<br>used for operating activities:                |                                     |
| Depreciation   | 2,272,980                           |
| Changes in assets, deferred outflows of resources, liabilities and<br>deferred inflows of resources: |                                     |
| Inventories  | 10,675                              |
| Student accounts receivable  | 258,115                             |
| Accounts receivable  | (360,471)                           |
| Prepaid items  | 150,663                             |
| Accounts payable   | (161,238)                           |
| Compensated absences payable   | 36,846                              |
| Accrued payroll and employee benefits  | (51,727)                            |
| Unearned revenue   | (444,925)                           |
| Net pension liability  | 287,855                             |
| Deferred inflows related to pensions   | (1,135,556)                         |
| Deferred outflows related to pensions  | 480,587                             |
| Net cash used for operating activities   | <u>\$ (23,018,009)</u>              |
| Reconciliation of cash and cash equivalents,<br>as presented on the Statement of Net Position:       |                                     |
| Cash and cash equivalents  | \$ 73,937,799                       |
| Restricted assets:   |                                     |
| Cash and cash investments  | 265,935                             |
| Total cash and cash equivalents, June 30, 2020   | <u>\$ 74,203,734</u>                |

Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

## Note 1 - Summary of Significant Accounting Policies

Navajo County Community College District's accounting policies conform to Generally Accepted Accounting Principles (GAAP) applicable to public institutions engaged only in business-type activities adopted by the Governmental Accounting Standards Board (GASB).

### A. Reporting Entity

The District is a special-purpose government that a separately elected governing body governs. It is legally separate and fiscally independent of other state and local governments. The accompanying financial statements present the activities of the District (the primary government) and its discretely presented component units, NPC Friends & Family, Inc., and the Northeast Arizona Training Center, Inc. (NATC).

NPC Friends & Family is a legally separate, tax-exempt organization. It acts primarily as a fund-raising organization that receives gifts and bequests, administers those resources, and disburses payments to, or on behalf of, the District for scholarships and other educational purposes. Although the District does not control the timing or amount of the receipts from NPC Friends & Family, its restricted resources can be used only by or for the benefit of the District or its constituents. Consequently, NPC Friends & Family is considered a component unit of the District and is discretely presented in the District's financial statements.

For financial reporting purposes, NPC Friends & Family follows the Financial Accounting Standards Board (FASB) standards for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the NPC Friends & Family's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the District's respective counterpart financial statements. For financial reporting purposes, only NPC Friends & Family's statements of financial position and activities are included in the District's financial statements as required by GAAP for public colleges and universities. NPC Friends & Family has a June 30 year-end.

During the year ended June 30, 2020, NPC Friends & Family distributed \$39,201 to the District for both restricted and unrestricted purposes. Complete financial statements for them can be obtained from NPC Friends & Family, P.O. Box 610, Holbrook, AZ 86025-0610.

NATC is a legally separate, tax-exempt organization. It acts primarily as a certified regional training center to meet the educational and testing needs of fire and law enforcement professionals in Northeast Arizona. The enabling legislation for NATC calls for the District to exercise operating control over NATC. The voting members of NATC's Board of Directors are employees of the District and the District is able to significantly influence the programs, activities or level of services provided by NATC. Consequently, NATC is considered a component unit of the District and is discretely presented in the District's financial statements.

For financial reporting purposes, NATC follows the FASB standards for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue



Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

recognition criteria and presentation features. No modifications have been made to NATC's financial information included in the District's financial report. Accordingly, those financial statements have been reported on separate pages following the District's respective counterpart financial statements. For financial reporting purposes, only NATC's statements of financial position and activities are included in the District's financial statements as required by GAAP for public colleges and universities. NATC has a June 30 year-end.

During the year ended June 30, 2020, the District received \$1 million in legislative appropriations for facility improvements at NATC. These funds are recorded as state appropriations and a pass-through grant to the component unit. Of these funds, \$24,800 has been passed through to NATC as of June 30, 2020, resulting in a liability of \$991,520 remaining due to the component unit after the accumulation of \$16,320 in interest.

Complete financial statements of NATC can be obtained from the Northeast Arizona Training Center, P.O. Box 610, Holbrook, AZ 86025-0610.

## B. Basis of Presentation and Accounting

The basic financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows.

A statement of net position provides information about the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the year. Assets and liabilities are classified as either current or noncurrent. Net position is classified according to external donor restrictions or availability of assets to satisfy the District's obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation. Nonexpendable restricted net position includes gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

A statement of revenues, expenses, and changes in net position provides information about the District's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues such as tuition and bookstore charges, in which each party receives and gives up essentially equal values, are considered operating revenues. Other revenues, such as property taxes, state appropriations and government grants, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered to be nonoperating expenses.

A statement of cash flows provides information about the District's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as operating, noncapital financing, capital financing, or investing.

Navajo County Community College District  
 (Northland Pioneer College)  
 Notes to Financial Statements  
 June 30, 2020

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met. The District eliminates all internal activity.

The District’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**C. Cash and Investments**

For the statement of cash flows, the District’s cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer’s Local Government Investment Pool, and highly liquid investments with a maturity of 3 months or less when purchased. All investments are stated at fair value.

**D. Inventories**

Resale inventory is stated at the lower of cost (first-in, first-out method) or market.

**E. Capital Assets**

Capital assets are reported at actual cost, or estimated historical cost if historical records are not available. Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the financial statements are as follows:

|                                   | <b>Capitalization<br/>Threshold</b> | <b>Depreciation<br/>Method</b> | <b>Estimated<br/>Useful Life</b> |
|-----------------------------------|-------------------------------------|--------------------------------|----------------------------------|
| Land                              | All                                 | Not applicable                 | Not applicable                   |
| Buildings                         | 5,000                               | Straight-line                  | 10 – 40 years                    |
| Improvements other than buildings | 5,000                               | Straight-line                  | 20 – 40 years                    |
| Intangibles                       | 5,000                               | Straight-line                  | 10 – 40 years                    |
| Equipment                         | 5,000                               | Straight-line                  | 5 – 10 years                     |
| Library books                     | All                                 | Straight-line                  | 10 years                         |

**F. Deferred Outflows and Inflows of Resources**

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources

Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

represent an acquisition of net position that applies to future periods and will be recognized as revenue in future periods.

## G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## H. Investment Earnings

Investment earnings are composed of interest, dividends, and net changes in the fair value of applicable investments.

## I. Scholarship Allowances

A scholarship allowance is the difference between the stated charge for goods and services the District provides and the amount that the student or third parties making payments on the student's behalf pays. Accordingly, some types of student financial aid, such as Pell grants and scholarships the District awards, are considered scholarship allowances. These allowances are netted against tuition and fees revenues and bookstore income in the statement of revenues, expenses, and changes in net position.

## J. Compensated Absences

Compensated absences payable consists of vacation leave employees earned based on services already rendered.

Employees may carry forward up to 224 hours of annual leave, but they forfeit any unused vacation hours in excess of the maximum amount at the end of August each year. Upon terminating employment, the District pays all unused and un-forfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate up to 1040 hours of sick leave. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but employees forfeit them upon terminating employment. Because sick leave benefits do not vest with employees a liability for sick leave benefits is not accrued in the financial statements.

## Note 2 - Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires the District to deposit special tax levies for the District's maintenance or capital outlay with the County Treasurer. A.R.S. does not require the District to deposit other public monies in its custody with the County Treasurer; however, the District must act as a prudent person dealing with another's property when making investment decisions about those monies. A.R.S.

Navajo County Community College District  
 (Northland Pioneer College)  
 Notes to Financial Statements  
 June 30, 2020

requires collateral for deposits at 102 percent of all deposits not covered by federal depository insurance. A.R.S. does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

**Deposits**—At June 30, 2020, the carrying amount of the District's deposits was \$3,767,731 and the bank balance was \$4,064,324. The District does not have a policy for custodial credit risk.

**Investments**—The District's investments at June 30, 2020, were as follows:

| External investment pools<br>measured at fair value | Amounts             |
|---|---------------------|
| State Treasurer's investment pool 5                 | \$46,373,830        |
| State Treasurer's investment pool 500               | 991,520             |
| County Treasurer's investment pool                  | <u>23,065,717</u>   |
| Total investments measured at fair value            | <u>\$70,431,067</u> |

Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the District held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The investment in the County Treasurer's pool is valued using the District's proportionate participation in the pool because the pool's structure does not provide for shares. The State Board of Investment provides oversight for the State Treasurer's investment pools. No comparable oversight is provided for the County Treasurer's investment pool.

**Credit Risk**—The District does not have a formal policy for credit risk. At June 30, 2020, credit risk for the District's investments was as follows:

| Investment Type                       | Rating   | Rating Agency       | Amount              |
|---------------------------------------|----------|---------------------|---------------------|
| State Treasurer's investment pool 5   | AAAf/S1+ | Standard and Poor's | \$46,373,830        |
| State Treasurer's investment pool 500 | AA-2     | Standard and Poor's | 991,520             |
| County Treasurer's investment pool    | Unrated  | Not applicable      | <u>23,065,717</u>   |
| Total                                 |          |                     | <u>\$70,431,067</u> |

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

**Concentration of Credit Risk**—The District does not have a formal policy for concentration of credit risk.

**Interest Rate Risk**—The District does not have a formal policy for interest rate risk. At June 30, 2020, the District had the following investments in debt securities:

Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

| Investment Type                       | Amount              | Weighted Average<br>Maturity |
|---------------------------------------|---------------------|------------------------------|
| State Treasurer's investment pool 5   | \$46,373,830        | 1.56 months                  |
| State Treasurer's investment pool 500 | 991,520             | 21.96 months                 |
| County Treasurer's investment pool    | <u>23,065,717</u>   | 13.86 months                 |
| Total                                 | <u>\$70,431,067</u> |                              |

A reconciliation of cash, deposits, and investments to amounts shown on the Statement of Net Position follows:

|                                  |                     |                            |                     |
|----------------------------------|---------------------|----------------------------|---------------------|
| Cash, deposits, and investments: |                     | Statement of Net Position: |                     |
| Cash on hand                     | \$ 4,936            | Cash and cash equivalents  | \$73,937,799        |
| Amount of deposits               | 3,767,731           | Restricted assets:         |                     |
| Amount of investments            | <u>70,431,067</u>   | Cash and investments       | <u>265,935</u>      |
| Total                            | <u>\$74,203,734</u> | Total                      | <u>\$74,203,734</u> |

### Note 3 - Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

|   | Balance<br>July 1, 2019 | Increases           | Decreases        | Balance<br>June 30, 2020 |
|---|-------------------------|---------------------|------------------|--------------------------|
| Capital assets not being depreciated:       |                         |                     |                  |                          |
| Land  | \$ 733,365              | -                   | -                | \$ 733,365               |
| Construction in progress                    | -                       | \$ 201,541          | -                | 201,541                  |
| Total capital assets not being depreciated  | <u>733,365</u>          | <u>201,541</u>      | <u>-</u>         | <u>934,906</u>           |
| Capital assets being depreciated:           |                         |                     |                  |                          |
| Buildings                                   | 43,365,617              | 102,557             | -                | 43,468,174               |
| Equipment                                   | 8,407,170               | 1,080,399           | \$353,939        | 9,133,630                |
| Improvements other than buildings           | 11,897,923              | -                   | -                | 11,897,923               |
| Library books                               | <u>647,939</u>          | <u>4,579</u>        | <u>129,916</u>   | <u>525,602</u>           |
| Total capital assets being depreciated      | <u>64,318,649</u>       | <u>1,187,535</u>    | <u>480,855</u>   | <u>65,025,329</u>        |
| Less accumulated depreciation for:          |                         |                     |                  |                          |
| Buildings                                   | 15,870,988              | 1,151,992           | -                | 17,022,980               |
| Equipment                                   | 6,102,467               | 716,027             | 334,167          | 6,484,327                |
| Improvements other than buildings           | 4,396,564               | 352,856             | -                | 4,749,420                |
| Library books                               | <u>338,847</u>          | <u>52,102</u>       | <u>126,916</u>   | <u>264,033</u>           |
| Total accumulated depreciation              | <u>26,708,866</u>       | <u>2,272,977</u>    | <u>461,083</u>   | <u>28,520,760</u>        |
| Total capital assets being depreciated, net | <u>37,609,783</u>       | <u>(1,085,442)</u>  | <u>19,772</u>    | <u>36,504,569</u>        |
| Capital assets, net                         | <u>\$38,343,148</u>     | <u>\$ (883,901)</u> | <u>\$ 19,772</u> | <u>\$37,439,475</u>      |

### Note 4 - Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2020:

Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

|                              | Balance<br>July 1, 2019 | Additions          | Reductions         | Balance<br>June 30, 2020 | Due within<br>1 year |
|------------------------------|-------------------------|--------------------|--------------------|--------------------------|----------------------|
| Compensated absences payable | \$ 415,573              | \$ 443,065         | \$ 406,219         | \$ 452,419               | \$339,315            |
| Net pension liability        | <u>16,875,242</u>       | <u>4,129,436</u>   | <u>3,841,581</u>   | <u>17,163,097</u>        | <u>-</u>             |
| Total long-term liabilities  | <u>\$17,290,815</u>     | <u>\$4,572,502</u> | <u>\$4,247,800</u> | <u>\$17,615,516</u>      | <u>\$339,315</u>     |

## Note 5 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates with other Arizona community college districts and school districts in the Arizona School Risk Retention Trust, Inc. (Trust), a public entity risk pool. The Trust insures the District against liabilities arising from general liability, employer's liability, cyber liability, professional liability, property, automobile, and commercial crime risks. The coverage limit for general liability is \$10 million per occurrence with no deductible. The coverage limit for employer's liability is \$2 million with a \$500,000 deductible. The coverage limit for cyber liability is \$1 million per occurrence with a \$15 million aggregate limit shared with all Trust members with a \$5,000 per occurrence deductible. The coverage limit for professional liability is \$1 million per occurrence and \$10 million aggregate limit with no deductible. Coverage limit for property insurance is based on the district's total insurable value at an estimated amount of \$65.8 million with a \$1,000 deductible per occurrence. The coverage limit for automobile liability is \$10 million per occurrence with no deductible. The coverage limit for commercial crime is \$1.5 million per occurrence with a \$100 per occurrence deductible.

The Trust's membership agreement includes a provision for the member to be charged an additional assessment should the Trust become insolvent or unable to make payments for which it is legally obligated. In the event of an assessment, the District would be assessed based on its pro rata share of the amount to satisfy the deficiency, which cannot exceed the amount of the District's annual contribution for the assessed year. The District would be obligated to pay the assessment amount in the timeframe detailed in the assessment notice. The District has never been charged such an assessment.

The District also carries commercial insurance for other risks of loss, including workers' compensation, accidental death and dismemberment for employees, employee travel, and extended reporting for errors and omissions. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past 3 fiscal years. There were no uninsured losses in the year ended June 30, 2020. Property damage insurance continues to be available for occurrences reported within 30 days of the event.

The District participates with several other entities in the Mountain Public Employee Benefit (Trust). The District uses the Trust to manage risks of loss related to employee health and accident claims. The Trust is a public entity risk pool operating as a common risk management and insurance program for its members. The Trust is funded by irrevocable contributions from the District for employee coverage and from employees for dependent coverage. The Trust, which is managed by a separate board of trustees, allows the fund to be self-funded, insured, or both. Additionally, if the Trust becomes insolvent, the District may be assessed, on a pro-rata basis, an additional assessment not to exceed the amount of the annual contribution. Should the District withdraw from the Trust, it would then be responsible for its proportional share of claims and would forfeit all rights to the return of any surplus, unearned contributions, or other legally permitted distributions from the Trust. Whether the District withdraws or the Trust becomes

Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

insolvent, the District remains liable for assessments for liabilities of the Trust incurred during the District's period of membership in the Trust.

**Note 6 - Operating Leases**

The District leases land, classroom and office space under the provisions of various long-term lease agreements classified as operating leases for accounting purposes. Rental expenses under the terms of the operating leases were \$254,622 for the year ended June 30, 2020. The operating leases have remaining non-cancelable terms of 1 to 5 years and provide renewal options.

The following future minimum payments were required under the operating leases at June 30, 2020:

| Year ending June 30          |                  |
|------------------------------|------------------|
| 2021                         | \$248,315        |
| 2022                         | 252,333          |
| 2023                         | 249,238          |
| 2024                         | <u>182,553</u>   |
| Total minimum lease payments | <u>\$932,439</u> |

**Note 7 - Pension Benefits**

**Plan description**—District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

**Benefits provided**—The ASRS provides retirement and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

|  | <b>Retirement</b>  |   |
|--|--|---|
|  | <b>Initial membership date:</b>  |   |
|  | <u>Before July 1, 2011</u>   | <u>On or after July 1, 2011</u>   |
| Years of service and age required to receive benefit | Sum of years and age equal 80<br>10 years, age 62<br>5 years, age 50*<br>any years, age 65 | 30 years, age 55<br>25 years, age 60<br>10 years, age 62<br>5 years, age 50*<br>any years, age 65 |
| Final average salary is based on                     | Highest 36 consecutive months of last 120 months   | Highest 60 consecutive months of last 120 months  |
| Benefit percent per year of service                  | 2.1% to 2.3%   | 2.1% to 2.3%  |

\* With actuarially reduced benefits.

Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contributions and employer’s contributions, plus interest earned.

**Contributions**—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2020, statute required active ASRS members to contribute at the actuarially determined rate of 11.94 percent of the members’ annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.45 percent of the active members’ annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 10.29 percent of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District’s contributions to the pension plan for the year ended June 30, 2020, were \$1,440,999.

**Pension liability**—At June 30, 2020, the District reported a liability of \$17,163,097 for its proportionate share of the ASRS’ net pension liability. The net liability was measured as of June 30, 2019. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019.

The District’s proportion of the net liability was based on the District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2019. The District’s proportion measured as of June 30, 2019, was .11795 percent, which was a decrease of .00305 from its proportion measured as of June 30, 2018.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2020 the District recognized pension expense for ASRS of \$1,071,897. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Difference between expected and actual experience  | \$ 310,056                                    | \$ 3,227                                     |
| Changes in assumptions   | 72,549  | 683,468                                      |
| Difference between projected and actual earnings on pension plan investments                       | -   | 385,767                                      |
| Proportion and differences between district contributions and proportionate share of contributions | -   | 464,928                                      |
| District contributions subsequent to the measurement date  | <u>1,440,999</u>                              | <u>-</u>                                     |
| Total  | <u>\$1,823,604</u>                            | <u>\$1,537,390</u>                           |



Navajo County Community College District  
 (Northland Pioneer College)  
 Notes to Financial Statements  
 June 30, 2020

The \$1,440,999 reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

| Year ending June 30, |             |
|----------------------|-------------|
| 2021                 | \$(585,641) |
| 2022                 | (598,379)   |
| 2023                 | (74,084)    |
| 2024                 | 103,319     |

**Actuarial assumptions**—The significant actuarial assumptions used to measure the total pension liability are as follows:

|                            |                     |
|----------------------------|---------------------|
| Actuarial valuation date   | June 30, 2018       |
| Measurement date           | June 30, 2019       |
| Actuarial cost method      | Entry age normal    |
| Discount rate              | 7.5%                |
| Projected salary increases | 2.7 – 7.2%          |
| Inflation                  | 2.3%                |
| Permanent benefit increase | Included            |
| Mortality rates            | 2017 SRA Scale U-MP |

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <b>Asset Class</b> | <b>Target<br/>Allocation</b> | <b>Long-term<br/>expected<br/>geometric real<br/>rate of return</b> |
|--------------------|------------------------------|---|
| Equity             | 50%                          | 6.09%   |
| Credit             | 20%                          | 5.36%   |
| Interest Rate      |                              |   |
| Sensitive Bonds    | 10%                          | 1.62%   |
| Real estate        | <u>20%</u>                   | 5.85%   |
| Total              | <u>100%</u>                  |   |

Navajo County Community College District  
 (Northland Pioneer College)  
 Notes to Financial Statements  
 June 30, 2020

**Discount rate**—The discount rate used to measure the ASRS total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District’s proportionate share of the ASRS net pension liability to changes in the discount rate**—The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

|   | <b>1% Decrease<br/>(6.5%)</b> | <b>Current<br/>Discount Rate<br/>(7.5%)</b> | <b>1% Increase<br/>(8.5%)</b> |
|---|-------------------------------|---|-------------------------------|
| District’s proportionate share of the net pension liability | \$24,427,063                  | \$17,163,097                                | \$11,092,292                  |

**Pension plan fiduciary net position**—Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

**Pension contributions payable**—The District had no pension contributions due as of June 30, 2020.

### Note 8 - Operating Expenses

The District’s operating expenses are presented by functional classification in the Statement of Revenues, Expenses, and Changes in Net Position – Primary Government. The operating expenses can also be classified into the following:

|                              |                     |
|------------------------------|---------------------|
| Compensation and benefits    | \$18,226,510        |
| Contract services            | 2,012,642           |
| Supplies and other services  | 3,750,161           |
| Communications and utilities | 1,098,021           |
| Scholarships                 | 2,247,251           |
| Depreciation                 | 2,272,980           |
| Other                        | (18,784)            |
| Total                        | <u>\$29,588,781</u> |

The District uses credit cards to pay certain vendors for goods or services. The District did not receive any reward, discount, incentive or other financial consideration resulting from credit card payments for the year ended June 30, 2020.

Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

## Note 9 – Subsequent Event

On October 29, 2020, a stipulated judgment was reached in Transwestern Pipeline Company LLC vs the Arizona Department of Revenue. According to the judgment, properties taxed to the Transwestern Pipeline Company LLC since 2015 are to be re-assessed with a significantly reduced valuation. The District's portion of the estimated property tax refund to Transwestern Pipeline Company LLC as of June 30, 2020, is approximately \$300,000. Since this amount was determined by the courts and not through a settlement, the District can defray payment for one year and levy these taxes in the following year.

## Note 10 - Discretely Presented Component Units Disclosures

### A. Summary of Significant Accounting Policies

The significant accounting policies of NPC Friends & Family and NATC are described below to enhance the usefulness of the financial statements to the reader.

**Nature of the Component Units**—NPC Friends & Family is a not-for-profit corporation operating in accordance with Section 501(c)(3) of the Internal Revenue Code. It is located in Snowflake, AZ, and provides supplemental philanthropic support for students, programs and services that advance the mission of Northland Pioneer College (College). NPC Friends & Family receives cash contributions, gifts, membership dues, and rental income, and administers and invests securities and property, conducts special-event fundraisers, and disburses payments to the College for educational purposes.

NATC is a not-for-profit corporation operating in accordance with Section 501(c)(3) of the Internal Revenue Code. NATC owns and operates a regional training center located in Taylor, AZ, 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. NATC received a state appropriation distributed to the District as a pass-through grant as of June 30, 2020. The District recorded the revenue as state appropriations of \$1 million and expense as a grant to the component unit during the fiscal year. The District invested the funds in a State LGIP Pool 500 and earned \$16,320 in interest, resulting in a balance due to the component unit of \$991,520 as of June 30, 2020.

**Basis of Accounting**—The financial statements of NPC Friends & Family and NATC have been prepared on the accrual basis of accounting. All revenues received for support of current operations are immediately recorded as revenues while revenues received for support of future operations are deferred and recognized over the periods to which the revenues relate.

**Financial Statement Presentation**—NPC Friends & Family and NATC are required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Income Taxes**—NPC Friends & Family and NATC are 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

Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

addition, NPC Friends & Family qualifies for the charitable deduction under Internal Revenue Section 170(b)(1)(A).

NPC Friends & Family and NATC file informational tax returns with the U.S. federal and Arizona state governments.

**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.

**Cash and Cash Equivalents**—NPC Friends & Family and NATC recognize highly liquid investments with an original maturity of three months or less as cash equivalents and are stated at fair value.

**Investments**—NPC Friends & Family recognizes investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets.

**Property & Equipment**—NATC capitalizes purchased property and equipment 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 their estimated fair value on the date of donation. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets, which range from 5 to 50 years.

**Contributions**—NPC Friends & Family and NATC record contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**Endowment Funds**—NPC Friends & Family 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 NPC Friends & Family with guidance on accounting for the net asset classification of such endowment funds.

**Property Held for Sale**—NPC Friends & Family receives certain assets from donors that are held for resale. Such assets are recorded at their approximate fair market values at the date of donation. Property held for sale as of June 30, 2020 is reported as real estate investments.

**Date of Management's Review**—Management has reviewed events subsequent to June 30, 2020, up through the financial statements report date, for NPC Friends & Family, August 21, 2020, and for NATC, November 12, 2020. Management has also reviewed events subsequent to the component units' financial statement report date up through the District's financial statements report date to evaluate their effect on the fair presentation of the financial statements. As of the District's 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 either NPC Friends & Family or of NATC.

Navajo County Community College District  
 (Northland Pioneer College)  
 Notes to Financial Statements  
 June 30, 2020

**B. Cash**

The total cash held by NPC Friends & Family and NATC at June 30, 2020, are as follows:

|                   | <b>NPC Friends<br/>and Family</b> | <b>NATC</b>             |
|-------------------|-----------------------------------|-------------------------|
| Checking          | \$130,042                         | \$134,160               |
| Money market      | 690,081                           | -                       |
| Savings           | <u>33,764</u>                     | <u>-</u>                |
|                   | <u><b>\$853,887</b></u>           | <u><b>\$134,160</b></u> |
| <br>              |                                   |                         |
| Unrestricted cash | \$691,575                         | \$134,160               |
| Restricted cash   | <u>162,312</u>                    | <u>-</u>                |
|                   | <u><b>\$853,887</b></u>           | <u><b>\$134,160</b></u> |

**C. Fair Value Measurements**

The following table represents the NPC Friends & Family fair value hierarchy for its financial assets (cash and investments) measured at fair value on a recurring basis as of June 30, 2020.

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.

| <b>Assets</b>           | <b>Level 1</b>          | <b>Level 3</b>        | <b>Total</b>            |
|-------------------------|-------------------------|-----------------------|-------------------------|
| Cash                    | \$163,806               | -                     | \$163,806               |
| Endowment investments   | 690,081                 | -                     | 690,081                 |
| Real estate investments | <u>-</u>                | <u>\$6,789</u>        | <u>6,789</u>            |
| Total                   | <u><b>\$853,887</b></u> | <u><b>\$6,789</b></u> | <u><b>\$860,676</b></u> |

**D. Investments**

Investments are stated at fair market value as of June 30, 2020.

For the year ended June 30, 2020, NPC Friends & Family had investments consisting of marketable securities held with Edward Jones and real estate comprising several lots of land. The marketable securities have a fair value of \$690,081 and the real estate value was approximately \$6,789 as of June 30, 2020.

Navajo County Community College District  
 (Northland Pioneer College)  
 Notes to Financial Statements  
 June 30, 2020

**E. Property and Equipment**

The total property and equipment held by NATC at June 30, 2020 are as follows:

|                               | NATC                |
|-------------------------------|---------------------|
| Land                          | \$ 110,000          |
| Buildings                     | 620,740             |
| Training facilities           | 2,151,697           |
| Other capital equipment       | <u>25,730</u>       |
|                               | 2,908,167           |
| Less accumulated depreciation | <u>(1,232,520)</u>  |
|                               | <u>\$ 1,675,647</u> |

**F. Restrictions on Net Assets**

NPC Friends & Family had net assets with donor restrictions in the amount of \$162,312 as of June 30, 2020, consisting of donated contributions and investment earnings, which are available for scholarships in future years.

**G. Endowment Funds**

As of June 30, 2020, NPC Friends and Family’s endowments consisted of six funds: One fund established for the Martia A. Smith Memorial Art Scholarship, one for the Charles E. Lizitsky Scholarship, one for the Prescott Winslow Memorial Scholarship, one for the Claude Endfield Early Childhood Scholarship Fund, one for the 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)

Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

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.

The contributor to the fund may impose additional provisions for the scholarships paid from endowments. As of June 30, 2020, there were no distributions from the investment earnings on endowed scholarships. 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.

Navajo County Community College District  
(Northland Pioneer College)  
Notes to Financial Statements  
June 30, 2020

*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, NPC Friends and Family had the following net asset composition by fund type:

|   | <b>2020</b>                           |                                    | <b>Total</b>     |
|---|---------------------------------------|------------------------------------|------------------|
|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> |                  |
| 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<br>endowment pursuant to policy | -                                     | (15,505)                           | (15,505)         |
| Endowment net assets, end of year                                   | <u>\$527,770</u>                      | <u>\$162,311</u>                   | <u>\$690,081</u> |

## H. Related Parties

For the year ended June 30, 2020, NPC Friends & Family received support from the College. The Executive Director for NPC Friends & Family is an employee of the College. The value for this service is not recorded on NPC Friends & Family’s financial statements.

For the year ended June 30, 2020 NATC received certain use of facilities and staff services from the College. However, since these provided facilities and services also benefit NPC’s educational programs, no value for these amounts are recorded on NATC’s financial statements.



# Required Supplementary Information



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

Navajo County Community College District  
(Northland Pioneer College)  
Required Supplementary Information  
Schedule of District's Proportionate Share of the Net Pension Liability  
June 30, 2020

| Arizona State Retirement System  | Reporting Fiscal Year<br>(Measurement Date) |                |                |                |                |                | 2014<br>through<br>2011         |
|--|---|----------------|----------------|----------------|----------------|----------------|---------------------------------|
|  | 2020<br>(2019)                              | 2019<br>(2018) | 2018<br>(2017) | 2017<br>(2016) | 2016<br>(2015) | 2015<br>(2014) |                                 |
| District's proportion of the net pension liability   | 0.117950%                                   | 0.121000%      | 0.122840%      | 0.129700%      | 0.135990%      | 0.132141%      |                                 |
| District's proportionate share of the net pension liability  | \$17,163,097                                | \$16,875,242   | \$19,136,078   | \$20,934,883   | \$21,181,785   | \$19,552,338   |                                 |
| District's covered payroll   | \$12,475,283                                | \$12,064,178   | \$12,028,742   | \$12,224,338   | \$12,601,405   | \$11,937,540   | Information<br>not<br>available |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 137.58%                                     | 139.88%        | 159.09%        | 171.26%        | 168.09%        | 163.79%        |                                 |
| Plan fiduciary net position as percentage of the total pension liability                           | 73.24%                                      | 73.40%         | 69.92%         | 67.06%         | 68.35%         | 69.49%         |                                 |

Navajo County Community College District  
 (Northland Pioneer College)  
 Required Supplementary Information  
 Schedule of District's Pension Contributions  
 June 30, 2020

**Arizona State  
 Retirement System**

|   | Reporting Fiscal Years |                  |                  |                  |                  |                  |                  | 2013<br>through<br>2010   |
|---|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------------------|
|   | 2020                   | 2019             | 2018             | 2017             | 2016             | 2015             | 2014             |                           |
| Statutorily required contribution   | \$ 1,440,999           | \$ 1,392,742     | \$ 1,310,764     | \$ 1,292,303     | \$ 1,317,742     | \$ 1,362,612     | \$ 1,223,689     |                           |
| District's contributions in relation to the statutorily required contribution | <u>1,440,999</u>       | <u>1,392,742</u> | <u>1,310,764</u> | <u>1,292,303</u> | <u>1,317,742</u> | <u>1,362,612</u> | <u>1,223,689</u> | Information not available |
| District's contribution deficiency (excess)                                   | <u>-</u>               | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>         |                           |
| District's covered payroll  | \$12,616,819           | \$12,475,283     | \$12,064,178     | \$12,028,742     | \$12,224,338     | \$12,601,405     | \$11,937,540     |                           |
| District's contributions as a percentage of covered payroll                   | 11.42%                 | 11.16%           | 10.86%           | 10.74%           | 10.78%           | 10.81%           | 10.25%           |                           |

# Statistical Section



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

## Statistical Section Introduction

In accordance with Governmental Accounting Standards Boards Statement No. 44, Economic Condition Reporting: This is the statistical section of Navajo County Community College District's (the District) comprehensive annual financial report (CAFR). The information in this section is presented in detail and is compiled data over ten years that addresses key areas that relate to the overall nature of the institution.

### Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over-time.

- Net Position by Component
- Changes in Net Position
- Expenses by Function
- Expenses by Use
- Revenues by Source
- Statutory Limit to Budgeted Expenditures

### Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources: tuition and property tax.

- Assessed Valuation, Tax Rate, and Estimated Actual Value
- Property Tax Levies and Collections
- Property Tax Rates, Direct and Overlapping Governments
- Principal Taxpayers
- Historic General Resident Tuition

### Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Computation of Legal Debt Margin

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

- Schedule of Demographic and Economic Statistics
- Schedule of Employment by Sector and Major Employers

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

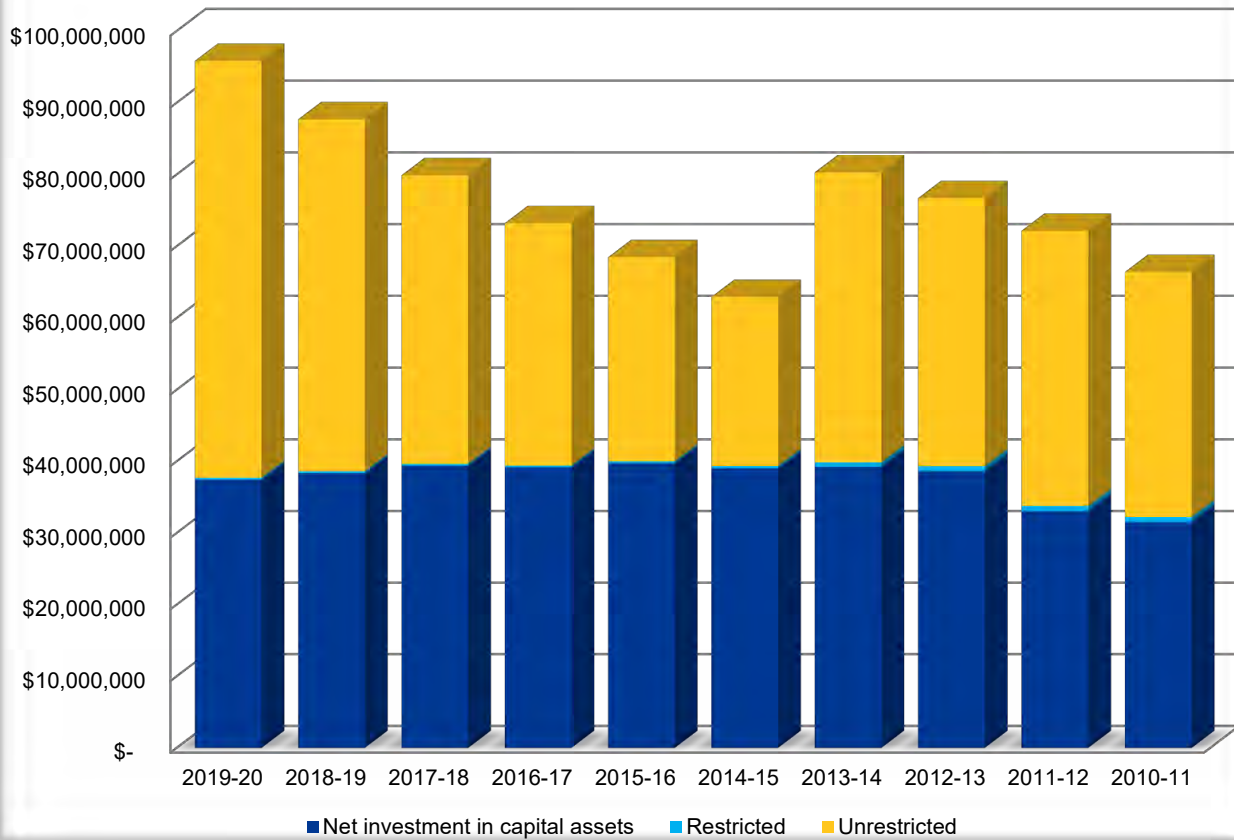
- Enrollment and Degree Statistics
- Student Enrollment and Demographic Statistics
- Employee Statistics
- Schedule of Capital Asset Information

**Navajo County Community College District  
(Northland Pioneer College)  
Net Position by Component  
Last Ten Fiscal Years**

|                                       | 2019-20       | 2018-19       | 2017-18       | 2016-17       | 2015-16       |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Primary government                    |               |               |               |               |               |
| Net investment in capital assets      | \$ 37,439,475 | \$ 38,343,148 | \$ 39,379,263 | \$ 39,149,874 | \$ 39,736,346 |
| Restricted                            | 265,935       | 262,066       | 256,361       | 253,180       | 251,756       |
| Unrestricted                          | 58,138,746    | 49,094,260    | 40,260,419    | 33,813,905    | 28,481,396    |
| Total primary government net position | \$ 95,844,156 | \$ 87,699,474 | \$ 79,896,043 | \$ 73,216,959 | \$ 68,469,498 |

|                                       | 2014-15       | 2013-14       | 2012-13       | 2011-12       | 2010-11       |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Primary government                    |               |               |               |               |               |
| Net investment in capital assets      | \$ 39,022,715 | \$ 39,231,822 | \$ 38,626,891 | \$ 33,030,762 | \$ 31,503,651 |
| Restricted                            | 314,958       | 612,712       | 691,628       | 735,512       | 717,570       |
| Unrestricted                          | 23,599,386    | 40,454,224    | 37,382,691    | 38,388,993    | 34,195,371    |
| Total primary government net position | \$ 62,937,059 | \$ 80,298,758 | \$ 76,701,210 | \$ 72,155,267 | \$ 66,416,592 |

**Net Position by Component**



**Source:**

Audited financial statements.

**Navajo County Community College District  
(Northland Pioneer College)  
Changes in Net Position  
Last Ten Fiscal Years**

|  | 2019-20              | 2018-19              | 2017-18              | 2016-17              | 2015-16              | 2014-15              | 2013-14              | 2012-13              | 2011-12<br>(1)       | 2010-11<br>(2)       |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Operating revenues:</b>                                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Tuition and fees,  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| net scholarship allowances                                       | \$ 2,320,187         | \$ 2,400,758         | \$ 2,328,188         | \$ 2,388,164         | \$ 2,478,625         | \$ 2,357,891         | \$ 2,295,137         | \$ 2,466,640         | \$ 2,690,260         | \$ 2,319,373         |
| Government contracts   | 2,642,769            | 3,021,888            | 2,516,324            | 2,808,825            | 2,606,064            | 3,283,218            | 3,156,936            | 2,969,273            | 2,638,049            | 2,060,376            |
| Bookstore income, net of<br>scholarship allowances               | 29,420               | 9,471                | 8,549                | 12,231               | 61,854               | 48,491               | 66,720               | 42,460               | 33,564               | 28,892               |
| Other  | 234,592              | 281,638              | 270,958              | 412,543              | 330,747              | 334,987              | 352,295              | 379,831              | 291,648              | 369,299              |
| Total operating revenues   | <u>5,226,968</u>     | <u>5,713,755</u>     | <u>5,124,019</u>     | <u>5,621,763</u>     | <u>5,477,290</u>     | <u>6,024,587</u>     | <u>5,871,088</u>     | <u>5,858,204</u>     | <u>5,653,521</u>     | <u>4,777,940</u>     |
| <b>Operating expenses:</b>                                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Instruction  | 10,214,313           | 9,181,020            | 9,555,791            | 9,592,910            | 10,304,514           | 10,927,034           | 9,761,727            | 9,660,102            | 8,827,606            | 8,450,971            |
| Public service   | 15,407               | 23,644               | 32,012               | 35,657               | 29,904               | 29,159               | 35,889               | 29,387               | 25,647               | 13,128               |
| Academic support   | 1,060,798            | 1,051,367            | 1,042,887            | 1,087,234            | 1,048,291            | 1,074,313            | 1,046,927            | 1,047,037            | 1,009,880            | 996,556              |
| Student services   | 2,158,033            | 4,042,358            | 2,068,628            | 2,161,513            | 2,155,979            | 2,116,755            | 2,143,989            | 2,151,538            | 2,015,021            | 1,532,942            |
| Institutional Support  | 9,809,049            | 7,489,043            | 8,484,090            | 8,204,043            | 7,959,606            | 8,719,606            | 8,475,611            | 8,308,926            | 8,481,782            | 6,681,808            |
| Operation and maintenance<br>of plant                            | 1,583,140            | 1,681,903            | 1,481,875            | 2,270,571            | 1,780,832            | 1,941,192            | 2,118,547            | 1,867,890            | 1,758,007            | 1,563,034            |
| Scholarships   | 2,247,251            | 2,163,155            | 2,000,677            | 2,133,721            | 2,292,036            | 2,273,228            | 2,240,669            | 2,570,647            | 3,094,923            | 3,128,320            |
| Auxiliary enterprises  | 227,810              | 353,347              | 375,564              | 371,401              | 592,749              | 399,147              | 559,067              | 451,470              | 404,767              | 1,217,755            |
| Depreciation   | 2,272,980            | 2,185,385            | 2,200,669            | 2,375,273            | 2,172,776            | 2,053,133            | 1,838,484            | 1,544,414            | 1,366,808            | 1,320,494            |
| Total operating expenses   | <u>29,588,781</u>    | <u>28,171,222</u>    | <u>27,242,192</u>    | <u>28,232,323</u>    | <u>28,336,687</u>    | <u>29,533,567</u>    | <u>28,220,910</u>    | <u>27,631,411</u>    | <u>26,984,441</u>    | <u>24,905,008</u>    |
| <b>Operating loss</b>  | (24,361,813)         | (22,457,467)         | (22,118,173)         | (22,610,560)         | (22,859,397)         | (23,508,980)         | (22,349,822)         | (21,773,207)         | (21,330,920)         | (20,127,068)         |
| <b>Nonoperating revenues<br/>(expenses):</b>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Property taxes   | 15,470,410           | 15,085,682           | 14,879,623           | 14,383,804           | 14,430,117           | 13,980,187           | 13,153,327           | 13,180,294           | 12,703,703           | 11,988,497           |
| State appropriations   | 11,548,300           | 9,026,200            | 8,690,200            | 8,041,200            | 7,777,000            | 7,276,900            | 7,160,800            | 7,059,800            | 8,181,800            | 10,214,000           |
| Government grants  | 4,308,940            | 3,986,711            | 3,921,699            | 3,800,723            | 5,126,742            | 4,728,837            | 4,740,596            | 5,018,111            | 5,502,290            | 4,955,825            |
| Private grants (3)   | 444,916              | 411,170              | 326,482              | 381,230              | 436,779              | 297,567              | 304,219              | 325,919              | 360,370              | 345,534              |
| Share of state sales taxes                                       | 533,294              | 550,981              | 471,721              | 474,310              | 427,216              | 423,082              | 435,192              | 545,682              | 372,308              | 386,743              |
| Investment earnings  | 1,216,955            | 1,200,154            | 549,641              | 279,951              | 188,535              | 160,532              | 148,526              | 170,717              | 136,283              | 124,907              |
| Pass through to component unit                                   | (1,016,320)          | -                    | -                    | (1,574)              | (3,037)              | (3,470)              | (5,138)              | -                    | (6,854)              | (3,428)              |
| Gain/(loss) on disposal of<br>capital assets                     | -                    | -                    | (42,109)             | (1,623)              | 8,484                | 41,100               | (112,752)            | 18,627               | (180,305)            | 3,563                |
| Other  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Total nonoperating revenues<br>and expenses                      | <u>32,506,495</u>    | <u>30,260,898</u>    | <u>28,797,257</u>    | <u>27,358,021</u>    | <u>28,391,836</u>    | <u>26,904,735</u>    | <u>25,824,770</u>    | <u>26,319,150</u>    | <u>27,069,595</u>    | <u>28,015,641</u>    |
| <b>Income before other revenues,<br/>expenses, gains or loss</b> | <u>8,144,682</u>     | <u>7,803,431</u>     | <u>6,679,084</u>     | <u>4,747,461</u>     | <u>5,532,439</u>     | <u>3,395,755</u>     | <u>3,474,948</u>     | <u>4,545,943</u>     | <u>5,738,675</u>     | <u>7,888,573</u>     |
| <b>Capital appropriations</b>                                    | -                    | -                    | -                    | -                    | -                    | -                    | 122,600              | -                    | -                    | -                    |
| <b>Increase in net position</b>                                  | <u>8,144,682</u>     | <u>7,803,431</u>     | <u>6,679,084</u>     | <u>4,747,461</u>     | <u>5,532,439</u>     | <u>3,395,755</u>     | <u>3,597,548</u>     | <u>4,545,943</u>     | <u>5,738,675</u>     | <u>7,888,573</u>     |
| Total net position, July 1 (4)                                   | <u>87,699,474</u>    | <u>79,896,043</u>    | <u>73,216,959</u>    | <u>68,469,498</u>    | <u>62,937,059</u>    | <u>59,541,304</u>    | <u>76,701,210</u>    | <u>72,155,267</u>    | <u>66,416,592</u>    | <u>58,528,019</u>    |
| Total net position, June 30                                      | <u>\$ 95,844,156</u> | <u>\$ 87,699,474</u> | <u>\$ 79,896,043</u> | <u>\$ 73,216,959</u> | <u>\$ 68,469,498</u> | <u>\$ 62,937,059</u> | <u>\$ 80,298,758</u> | <u>\$ 76,701,210</u> | <u>\$ 72,155,267</u> | <u>\$ 66,416,592</u> |

**Source:**

Audited financial statements except as reclassified in (3) and (4).

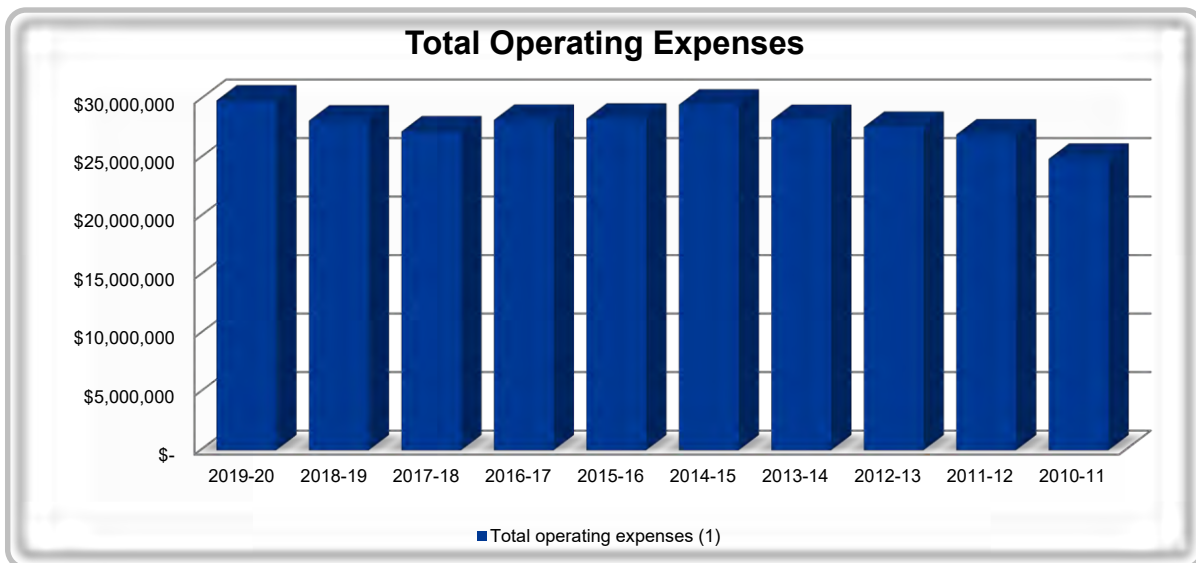
**Notes:**

- (1) Starting in fiscal year 2011-12, Tuition and fees, net of scholarship allowances and Government contracts were adjusted to reclassify tuition waivers associated with an intergovernmental agreement as a scholarship allowance.
- (2) Starting in fiscal year 2010-11, expenses for Scholarships and Student services were adjusted to reclassify payments made to students for student financial aid and scholarships. These payments were reported as Student services in prior years.
- (3) In fiscal year 2011-12, Private grants were adjusted to reclassify the amounts from operating to nonoperating revenues. For comparability purposes, prior years have been reclassified.
- (4) In fiscal year 2014-15, beginning net position was restated for implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

**Navajo County Community College District  
(Northland Pioneer College)  
Expenses by Function  
Last Ten Fiscal Years**

|                                      | 2019-20              | 2018-19              | 2017-18              | 2016-17              | 2015-16              |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Instruction                          | \$ 10,214,314        | \$ 9,181,020         | \$ 9,555,791         | \$ 9,592,910         | \$ 10,304,514        |
| Public service                       | 15,407               | 23,644               | 32,012               | 35,657               | 29,904               |
| Academic support                     | 1,060,798            | 1,051,367            | 1,042,887            | 1,087,234            | 1,048,291            |
| Student services                     | 2,158,033            | 4,042,358            | 2,068,628            | 2,161,513            | 2,155,979            |
| Institutional support                | 10,109,049           | 7,489,043            | 8,484,090            | 8,204,043            | 7,959,606            |
| Operation and maintenance of plant   | 1,583,140            | 1,681,903            | 1,481,875            | 2,270,571            | 1,780,832            |
| Scholarships                         | 2,247,251            | 2,163,155            | 2,000,677            | 2,133,721            | 2,292,036            |
| Auxiliary enterprises                | 227,810              | 353,347              | 375,564              | 371,401              | 592,749              |
| Depreciation                         | 2,272,980            | 2,185,385            | 2,200,669            | 2,375,273            | 2,172,776            |
| <b>Total operating expenses</b>      | <b>29,888,781</b>    | <b>28,171,221</b>    | <b>27,242,192</b>    | <b>28,232,323</b>    | <b>28,336,687</b>    |
| Interest expense                     | -                    | -                    | -                    | 1,574                | 3,037                |
| Loss on disposal of capital assets   | -                    | -                    | 42,109               | 1,623                | -                    |
| Pass through grant to component unit | 1,016,320            | -                    | -                    | -                    | -                    |
| <b>Total nonoperating expenses</b>   | <b>1,016,320</b>     | <b>-</b>             | <b>42,109</b>        | <b>3,197</b>         | <b>3,037</b>         |
| <b>Total expenses</b>                | <b>\$ 30,905,101</b> | <b>\$ 28,171,221</b> | <b>\$ 27,284,301</b> | <b>\$ 28,235,520</b> | <b>\$ 28,339,724</b> |

|                                    | 2014-15              | 2013-14              | 2012-13              | 2011-12              | 2010-11 (1)          |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Instruction                        | \$ 10,927,034        | \$ 9,761,727         | \$ 9,660,102         | \$ 8,827,606         | \$ 8,450,971         |
| Public service                     | 29,159               | 35,889               | 29,387               | 25,647               | 13,128               |
| Academic support                   | 1,074,313            | 1,046,927            | 1,047,037            | 1,009,880            | 996,556              |
| Student services                   | 2,116,755            | 2,143,989            | 2,151,538            | 2,015,021            | 1,532,942            |
| Institutional support              | 8,719,606            | 8,475,611            | 8,308,926            | 8,481,782            | 6,681,808            |
| Operation and maintenance of plant | 1,941,192            | 2,118,547            | 1,867,890            | 1,758,007            | 1,563,034            |
| Scholarships                       | 2,273,228            | 2,240,669            | 2,570,647            | 3,094,923            | 3,128,320            |
| Auxiliary enterprises              | 399,147              | 559,067              | 451,470              | 404,767              | 1,217,755            |
| Depreciation                       | 2,053,133            | 1,838,484            | 1,544,414            | 1,366,808            | 1,320,494            |
| <b>Total operating expenses</b>    | <b>29,533,567</b>    | <b>28,220,910</b>    | <b>27,631,411</b>    | <b>26,984,441</b>    | <b>24,905,008</b>    |
| Interest expense                   | 3,470                | 5,138                | -                    | 6,854                | 3,428                |
| Loss on disposal of capital assets | -                    | 112,752              | -                    | 180,305              | -                    |
| <b>Total nonoperating expenses</b> | <b>3,470</b>         | <b>117,890</b>       | <b>-</b>             | <b>187,159</b>       | <b>3,428</b>         |
| <b>Total expenses</b>              | <b>\$ 29,537,037</b> | <b>\$ 28,338,800</b> | <b>\$ 27,631,411</b> | <b>\$ 27,171,600</b> | <b>\$ 24,908,436</b> |



Source:  
Audited financial statements.

Note:  
(1) Starting in fiscal year 2010-11, expenses for Scholarships and Student services were adjusted to reclassify payments made to students for student financial aid and scholarships. These payments were reported as Student services in prior years.

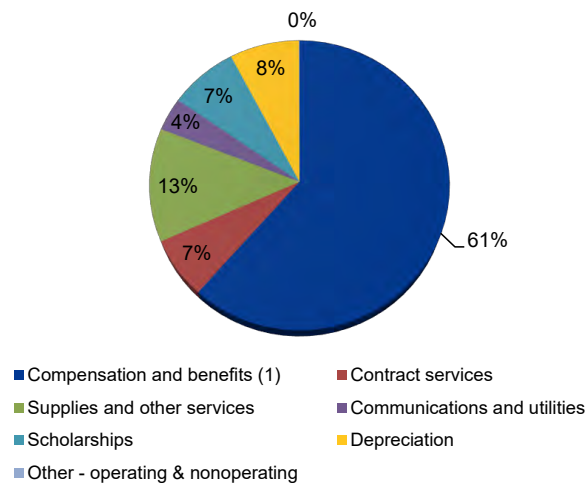


**Navajo County Community College District  
(Northland Pioneer College)  
Expenses by Use  
Last Ten Fiscal Years**

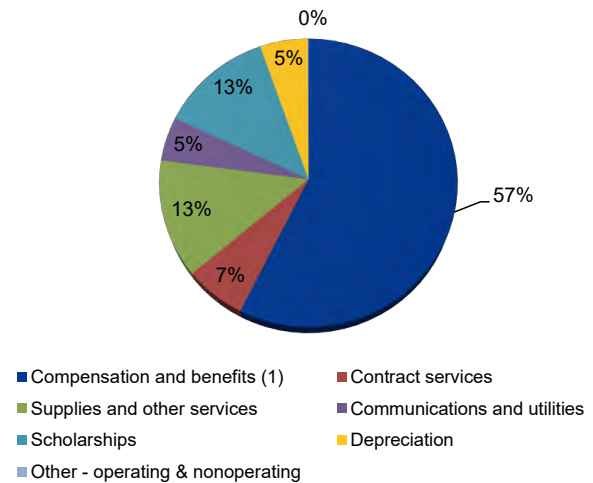
|                               | 2019-20       | 2018-19       | 2017-18       | 2016-17       | 2015-16       |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Compensation and benefits (1) | \$ 18,226,510 | \$ 16,677,080 | \$ 16,818,499 | \$ 17,121,078 | \$ 17,635,444 |
| Contract services             | 2,012,642     | 2,129,192     | 2,089,793     | 1,862,246     | 2,346,731     |
| Supplies and other services   | 3,750,161     | 3,812,499     | 2,995,683     | 3,627,164     | 2,703,472     |
| Communications and utilities  | 1,098,021     | 1,153,436     | 1,142,965     | 1,098,569     | 1,178,132     |
| Scholarships                  | 2,247,251     | 2,163,155     | 1,998,572     | 2,133,721     | 2,292,036     |
| Depreciation                  | 2,272,980     | 2,185,385     | 2,200,669     | 2,375,273     | 2,172,776     |
| Other                         | (18,784)      | 50,474        | (3,990)       | 14,272        | 8,096         |
| Total operating expenses      | 29,588,781    | 28,171,222    | 27,242,192    | 28,232,323    | 28,336,687    |
| Non operating expenses        | 1,016,320     | -             | 42,109        | 3,197         | 3,037         |
| Total expenses                | \$ 30,605,101 | \$ 28,171,222 | \$ 27,284,301 | \$ 28,235,520 | \$ 28,339,724 |

|                               | 2014-15       | 2013-14       | 2012-13       | 2011-12       | 2010-11 (2)   |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Compensation and benefits (1) | \$ 18,189,910 | \$ 17,200,507 | \$ 16,939,312 | \$ 15,550,537 | \$ 14,290,694 |
| Contract services             | 2,109,597     | 2,243,436     | 2,138,098     | 2,680,066     | 1,621,476     |
| Supplies and other services   | 3,775,418     | 3,550,497     | 3,223,900     | 3,086,612     | 3,289,474     |
| Communications and utilities  | 1,146,620     | 1,086,284     | 1,191,308     | 1,183,082     | 1,232,953     |
| Scholarships                  | 2,273,228     | 2,240,669     | 2,570,647     | 3,094,923     | 3,128,320     |
| Depreciation                  | 2,053,133     | 1,838,484     | 1,544,414     | 1,366,808     | 1,320,494     |
| Other                         | (14,339)      | 61,033        | 23,732        | 22,413        | 21,597        |
| Total operating expenses      | 29,533,567    | 28,220,910    | 27,631,411    | 26,984,441    | 24,905,008    |
| Non operating expenses        | 3,470         | 117,890       | -             | 187,159       | 3,428         |
| Total expenses                | \$ 29,537,037 | \$ 28,338,800 | \$ 27,631,411 | \$ 27,171,600 | \$ 24,908,436 |

**FY19-20 Expenses by Use**



**FY10-11 Expenses by Use**



**Source:**

Audited financial statements except as adjusted in (3).

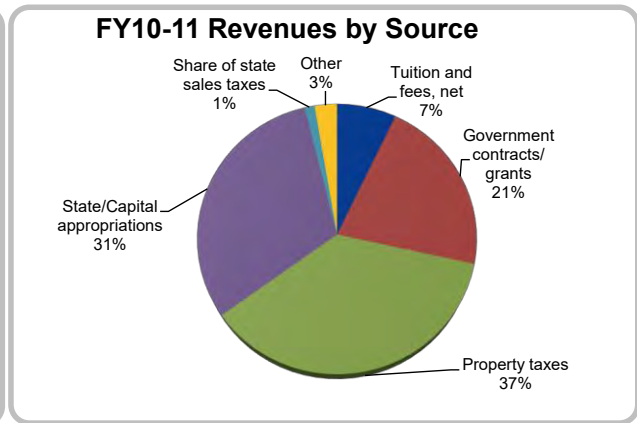
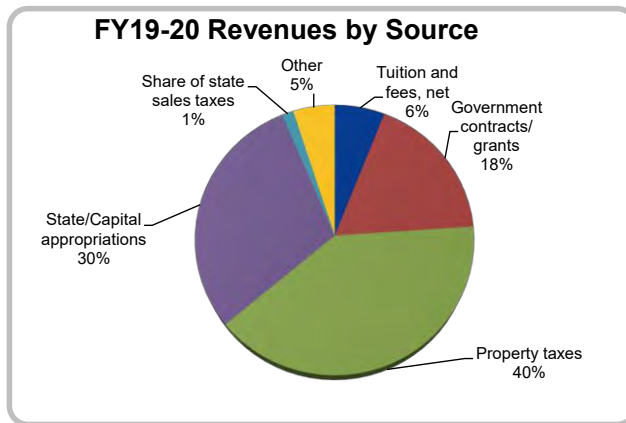
**Notes:**

- (1) Starting in fiscal year 2013-14, Compensation and benefits replaced Personal services to more accurately describe the expense category.
- (2) Starting in fiscal year 2010-11, expenses for Scholarships and Student services were adjusted to reclassify payments made to students for student financial aid and scholarships. These payments were reported as Supplies and other services in prior year.

**Navajo County Community College District  
(Northland Pioneer College)  
Revenues by Source  
Last Ten Fiscal Years**

|                                    | 2019-20       | 2018-19       | 2017-18       | 2016-17       | 2015-16       |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Tuition and fees, net              | \$ 2,320,187  | \$ 2,400,758  | \$ 2,328,188  | \$ 2,388,164  | \$ 2,478,625  |
| Government contracts               | 2,642,769     | 3,021,888     | 2,516,324     | 2,808,825     | 2,606,064     |
| Bookstore income, net              | 29,420        | 9,471         | 8,549         | 12,231        | 61,854        |
| Other                              | 234,592       | 281,638       | 270,958       | 412,543       | 330,747       |
| Total operating revenue            | 5,226,968     | 5,713,755     | 5,124,019     | 5,621,763     | 5,477,290     |
| Property taxes                     | 15,470,410    | 15,085,682    | 14,879,623    | 14,383,804    | 14,430,117    |
| State appropriations               | 11,548,300    | 9,026,200     | 8,690,200     | 8,041,200     | 7,777,000     |
| Government grants                  | 4,308,940     | 3,986,711     | 3,921,699     | 3,800,723     | 5,126,742     |
| Private grants (2)                 | 444,916       | 411,170       | 326,482       | 381,230       | 436,779       |
| Share of state sales taxes         | 533,294       | 550,981       | 471,721       | 474,310       | 427,216       |
| Investment earnings                | 1,216,955     | 1,200,154     | 549,641       | 279,951       | 188,535       |
| Gain on disposal of capital assets | -             | -             | -             | -             | 8,484         |
| Total nonoperating revenues        | 33,522,815    | 30,260,898    | 28,839,366    | 27,361,218    | 28,394,873    |
| Capital appropriations             | -             | -             | -             | -             | -             |
| Total revenues                     | \$ 38,749,783 | \$ 35,974,653 | \$ 33,963,385 | \$ 32,982,981 | \$ 33,872,163 |

|                                    | 2014-15       | 2013-14       | 2012-13       | 2011-12 (1)   | 2010-11       |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Tuition and fees, net              | \$ 2,357,891  | \$ 2,295,137  | \$ 2,466,640  | \$ 2,690,260  | \$ 2,319,373  |
| Government contracts               | 3,283,218     | 3,156,936     | 2,969,273     | 2,638,049     | 2,060,376     |
| Bookstore income, net              | 48,491        | 66,720        | 42,460        | 33,564        | 28,892        |
| Other                              | 334,987       | 352,295       | 379,831       | 291,648       | 369,299       |
| Total operating revenue            | 6,024,587     | 5,871,088     | 5,858,204     | 5,653,521     | 4,777,940     |
| Property taxes                     | 13,980,187    | 13,153,327    | 13,180,294    | 12,703,703    | 11,988,497    |
| State appropriations               | 7,276,900     | 7,160,800     | 7,059,800     | 8,181,800     | 10,214,000    |
| Government grants                  | 4,728,837     | 4,740,596     | 5,018,111     | 5,502,290     | 4,955,825     |
| Private grants (2)                 | 297,567       | 304,219       | 325,919       | 360,370       | 345,534       |
| Share of state sales taxes         | 423,082       | 435,192       | 545,682       | 372,308       | 386,743       |
| Investment earnings                | 160,532       | 148,526       | 170,717       | 136,283       | 124,907       |
| Gain on disposal of capital assets | 41,100        | -             | 18,627        | -             | 3,563         |
| Total nonoperating revenues        | 26,908,205    | 25,942,660    | 26,319,150    | 27,256,754    | 28,019,069    |
| Capital appropriations             | -             | 122,600       | -             | -             | -             |
| Total revenues                     | \$ 32,932,792 | \$ 31,936,348 | \$ 32,177,354 | \$ 32,910,275 | \$ 32,797,009 |



**Source:**  
Audited financial statements except as reclassified in (2).

**Notes:**  
(1) Starting in fiscal year 2011-12, Tuition and fees, net of scholarship allowances and Government contracts were adjusted to reclassify tuition waivers associated with an intergovernmental agreement as a scholarship allowance.  
(2) In fiscal year 2011-12, Private grants were adjusted to reclassify the amounts from operating to nonoperating revenues. For comparability purposes, prior years have been reclassified.

**Navajo County Community College District  
(Northland Pioneer College)  
Expenditure Limitation  
Statutory Limit to Budgeted Expenditures  
Last Ten Fiscal Years**

| Fiscal Year | Statutory Expenditure Limitation<br>(1) | Budgeted Expenditures Subject to Limitation (2) | Amount Under/(Over) Expenditure Limitation |
|-------------|---|---|--|
| 2019-20     | \$ 14,732,390                           | \$ 14,732,390                                   | \$ - (3)                                   |
| 2018-19     | 14,288,001                              | 13,317,976                                      | 970,025                                    |
| 2017-18     | 13,982,552                              | 13,982,552                                      | 293,926                                    |
| 2016-17     | 13,857,022                              | 13,857,022                                      | 49,052                                     |
| 2015-16     | 13,327,460                              | 13,327,460                                      | 1,624,055                                  |
| 2014-15     | 13,412,368                              | 13,412,368                                      | 994,180                                    |
| 2013-14     | 14,894,360                              | 14,894,360                                      | 1,134,433                                  |
| 2012-13     | 15,978,265                              | 15,561,404                                      | 416,861                                    |
| 2011-12     | 16,251,916                              | 15,751,979                                      | 499,937                                    |
| 2010-11     | 17,086,770                              | 14,738,989                                      | 2,347,781                                  |

**Source:**

Audited annual budgeted expenditure limitation reports.

**Notes:**

(1) The Statutory Expenditure Limitation is calculated by the Arizona Department of Revenue Economic Estimates Commission and applies to Current (General, Auxiliary Enterprises, and Restricted) and Plant Funds (Unexpended and Retirement of Indebtedness).

(2) Budgeted expenditures are net of allowable exclusions.

(3) Budgeted expenditures for fiscal year 2020 is an estimate, audited numbers not yet available.

**Navajo County Community College District  
(Northland Pioneer College)  
Assessed Valuation, Tax Rate, and Estimated Actual Value  
Last Ten Fiscal Years**

| Fiscal Year | Primary Assessed Valuation |                                    |  | Total Assessed Value | Total Direct Tax Rate | Estimated Actual Value | Assessed Value as Percentage of Actual Value |
|-------------|----------------------------|------------------------------------|--|----------------------|-----------------------|------------------------|--|
|             | Centrally Assessed (1)     | Locally Assessed Real Property (1) | Locally Assessed Personal Property (1) |                      |                       |                        |  |
| 2019-20     | \$205,630,301              | \$ 631,342,222                     | \$ 15,667,722                          | \$ 852,640,245       | 1.8164                | \$ 7,660,041,799       | 11.13% (2)                                   |
| 2018-19     | 209,252,253                | 605,890,780                        | 13,705,100                             | 828,848,133          | 1.8164                | 7,393,828,127          | 11.21%                                       |
| 2017-18     | 219,892,518                | 587,340,948                        | 13,874,290                             | 821,107,756          | 1.8067                | 7,768,285,298          | 10.57%                                       |
| 2016-17     | 222,928,447                | 565,872,581                        | 14,261,438                             | 803,062,466          | 1.7884                | 7,320,532,963          | 10.97%                                       |
| 2015-16     | 261,979,130                | 556,128,109                        | 14,662,934                             | 832,770,173          | 1.7423                | 7,462,098,324          | 11.16%                                       |
| 2014-15     | 274,277,258                | 553,959,727                        | 16,781,251                             | 845,018,236          | 1.6610                | 7,511,273,209          | 11.25%                                       |
| 2013-14     | 272,274,079                | 612,397,229                        | 18,680,546                             | 903,351,854          | 1.4769                | 8,197,385,245          | 11.02%                                       |
| 2012-13     | 270,501,880                | 683,203,369                        | 20,587,141                             | 974,292,390          | 1.3515                | 8,881,425,615          | 10.97%                                       |
| 2011-12     | 260,662,273                | 745,626,178                        | 19,848,674                             | 1,026,137,125        | 1.2387                | 9,236,157,741          | 11.11%                                       |
| 2010-11     | 234,930,409                | 802,594,776                        | 21,479,665                             | 1,059,004,850        | 1.1308                | 9,472,315,295          | 11.18%                                       |

**Source:**

District records, Arizona Department of Revenue, Navajo County Finance and Assessor offices.

**Notes:**

(1) Categories presented are based on information provided by the Property Tax Oversight Commission for the Arizona Department of Revenue. Categories based on Residential, Commercial and Personal Property is not available but is expected in future years. Centrally assessed property is assessed by the State of Arizona versus the County and includes railroads, pipelines, utilities and other real property. Assessed values include certain tax exempt properties.

(2) Assessed Value as Percentage of Actual Value for fiscal year 2019-20 is based on 2018-19 information, current year information not available.

**Navajo County Community College District  
(Northland Pioneer College)  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Total Adjusted Tax Levy (1)</b> | <b>Current Tax Collections (2)</b> | <b>Percent of Current Tax Collections to Total Tax Levy</b> | <b>Collections in Subsequent Years (2)</b> | <b>Total Tax Collections (2)</b> | <b>Percent of Total Tax Collections to Total Tax Levy</b> |
|--------------------|------------------------------------|------------------------------------|---|--|----------------------------------|---|
| 2019-20            | \$ 15,465,293                      | \$ 14,995,661                      | 96.96%  | \$ -                                       | \$ 14,995,661                    | 96.96%  |
| 2018-19            | 15,068,091                         | 14,607,735                         | 96.94%  | \$ 408,224                                 | 15,015,959                       | 99.65%  |
| 2017-18            | 14,861,908                         | 14,382,042                         | 96.77%  | \$ 435,099                                 | 14,817,141                       | 99.70%  |
| 2016-17            | 14,364,227                         | 13,890,497                         | 96.70%  | \$ 442,556                                 | 14,333,053                       | 99.78%  |
| 2015-16            | 14,475,580                         | 13,969,344                         | 96.50%  | \$ 477,213                                 | 14,446,557                       | 99.80%  |
| 2014-15            | 13,963,030                         | 13,498,333                         | 96.67%  | \$ 424,239                                 | 13,922,572                       | 99.71%  |
| 2013-14 (3)        | 13,267,899                         | 12,815,737                         | 96.59%  | \$ 407,751                                 | 13,223,488                       | 99.67%  |
| 2012-13            | 13,059,169                         | 12,671,313                         | 97.03%  | \$ 371,701                                 | 13,043,014                       | 99.88%  |
| 2011-12            | 12,647,564                         | 12,187,235                         | 96.36%  | \$ 447,918                                 | 12,635,153                       | 99.90%  |
| 2010-11            | 11,898,901                         | 11,303,655                         | 95.00%  | \$ 583,730                                 | 11,887,385                       | 99.90%  |

**Source:**

Navajo County Treasurer and Assessor Offices and District records.

**Notes:**

(1) The Total Adjusted Tax Levy amounts include cumulative adjustments from the year of levy until the present year for tax exempt property and/or court settlements.

(2) Tax collections are recorded on a cash basis.

(3) In fiscal year 2014 an adjustment was made for a court settlement with Transwestern Pipeline in the amount of \$120,000. This adjustment reduced the tax levies for fiscal years 2013, 2012 and 2011.

**Navajo County Community College District  
(Northland Pioneer College)  
Property Tax Rates, Direct and Overlapping Governments  
Last Ten Years (Per \$100 of Assessed Value)**

| Fiscal Year | Overlapping Rates         |           |        |               |                  |        |                            |        |                  |        |
|-------------|---------------------------|-----------|--------|---------------|------------------|--------|----------------------------|--------|------------------|--------|
|             | Northland Pioneer College |           |        | Navajo County | Cities and Towns |        | Fire and Special Districts |        | School Districts |        |
|             | Primary                   | Secondary | Total  |               | From             | To     | From                       | To     | From             | To     |
| 2019-20     | 1.8164                    |           | 1.8164 | 0.8820        | 0.5115           | 1.3916 | 0.0500                     | 3.2500 | 1.8954           | 8.0000 |
| 2018-19     | 1.8164                    |           | 1.8164 | 0.8951        | 1.4231           | 1.4231 | 0.0500                     | 3.2500 | 1.9679           | 8.0000 |
| 2017-18     | 1.8067                    |           | 1.8067 | 0.8903        | 1.4231           | 1.4231 | 0.0500                     | 3.5500 | 2.0234           | 8.0000 |
| 2016-17     | 1.7884                    |           | 1.7884 | 0.8417        | 1.4021           | 1.4021 | 0.0500                     | 3.5500 | 0.0813           | 7.3012 |
| 2015-16     | 1.7423                    |           | 1.7423 | 0.8417        | 1.3646           | 1.3646 | 0.0500                     | 3.5500 | 0.5261           | 7.3012 |
| 2014-15     | 1.6610                    |           | 1.6610 | 0.8185        | 1.2831           | 1.2831 | 0.0500                     | 3.5500 | 0.6338           | 8.0000 |
| 2013-14     | 1.4769                    |           | 1.4769 | 0.6995        | 0.2789           | 1.1934 | 0.0500                     | 3.5500 | 0.4312           | 8.0000 |
| 2012-13     | 1.3515                    |           | 1.3515 | 0.6401        | 0.2789           | 0.9880 | 0.0500                     | 3.5500 | 0.1255           | 8.0000 |
| 2011-12     | 1.2387                    |           | 1.2387 | 0.5984        | 0.2789           | 0.9815 | 0.0500                     | 3.5500 | 1.7682           | 7.2564 |
| 2010-11     | 1.1308                    |           | 1.1308 | 0.5572        | 0.2789           | 0.8567 | 0.0500                     | 3.5500 | 1.4797           | 8.0000 |

**Source:**

District records and Navajo County Treasurer.

**Navajo County Community College District  
(Northland Pioneer College)  
Principal Taxpayers  
Current Year and Ten Years Ago**

| Principal Taxpayers                  | 2019                       |      |   | 2010 (1)                   |      |   |
|--------------------------------------|----------------------------|------|---|----------------------------|------|---|
|                                      | Primary Assessed Valuation | Rank | Percent of Navajo County's Primary Assessed Valuation | Primary Assessed Valuation | Rank | Percent of Navajo County's Primary Assessed Valuation |
| Arizona Public Service Company       | \$ 101,575,711             | 1    | 51.92%  | \$ 107,346,606             | 1    | 55.61%  |
| PacifiCorp Electric Operations       | 36,000,000                 | 2    | 18.40%  | 31,068,621                 | 2    | 16.09%  |
| Transwestern Pipeline Co             | 12,433,250                 | 3    | 6.35%   | 16,669,389                 | 3    | 8.64%   |
| Burlington Northern/Santa Fe Railway | 9,149,593                  | 4    | 4.68%   | 11,923,788                 | 4    | 6.18%   |
| Peabody Western Coal Co              | 6,883,740                  | 5    | 3.52%   | 4,483,725                  | 8    | 2.32%   |
| Kinder Morgan                        | 7,773,791                  | 6    | 3.97%   | 9,163,477                  | 5    | 4.75%   |
| Navopache Electric Co-Op Inc         | 6,547,903                  | 7    | 3.35%   | 3,328,331                  | 9    | 1.72%   |
| Unisource Energy Corporation         | 6,133,317                  | 8    | 3.13%   | 6,231,982                  | 7    | 3.23%   |
| Wal-Mart Stores, Inc.                | 4,971,870                  | 9    | 2.54%   | 2,821,246                  | 10   | 1.46%   |
| Smith Bagley, Inc.                   | 4,176,333                  | 10   | 2.13%   | N/A                        | N/A  | N/A   |
| Navajo County Assessed Value         | 195,645,508                |      |   | 193,037,165                |      |   |

**Source:**

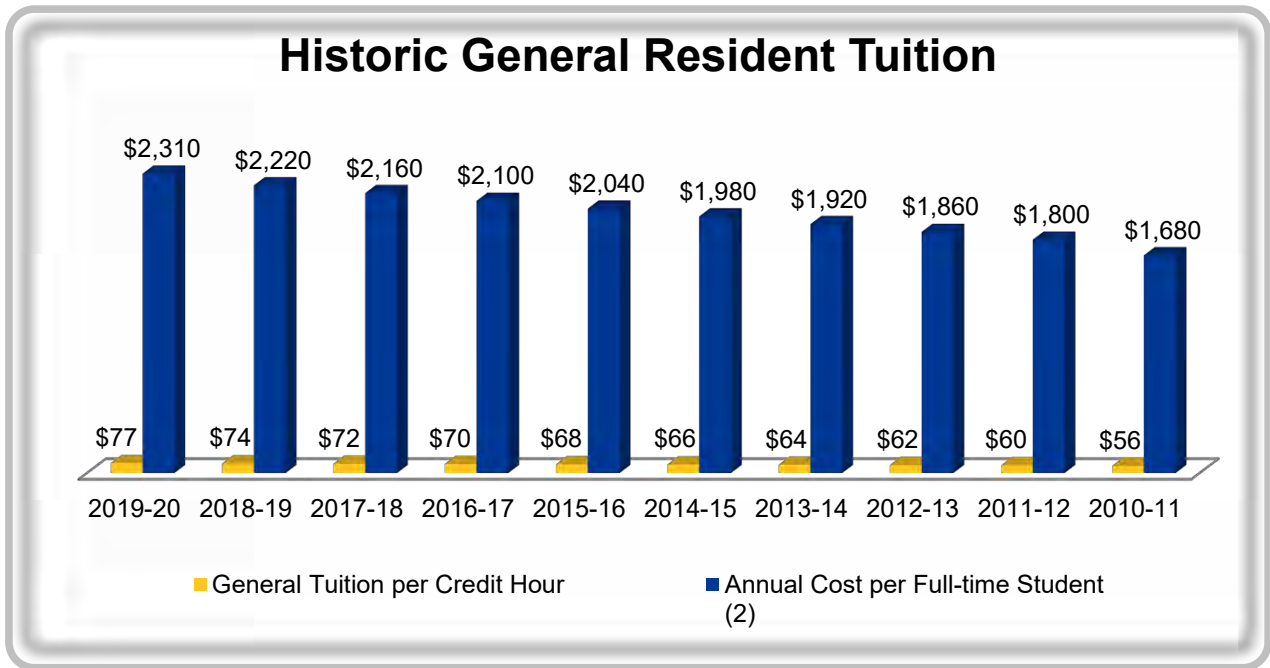
Navajo County Finance Department, 2019 Comprehensive Annual Financial Report.  
Navajo County Finance and Assessor Offices.

**Note:**

- (1) Information for principal property taxpayers was not available prior to fiscal year 2010; consequently the comparison is for a 9 year period.
- (2) Information presented is based on tax year.

**Navajo County Community College District  
(Northland Pioneer College)  
Historic General Resident Tuition  
Last Ten Fiscal Years**

| Fiscal Year<br>(1) | District Historic Tuition          |  |                     |         |
|--------------------|------------------------------------|--|---------------------|---------|
|                    | General Tuition<br>per Credit Hour | Annual Cost<br>per Full-Time<br>Student<br>(2) | Increase (Decrease) |         |
|                    |                                    |  | Dollars             | Percent |
| 2019-20            | \$ 77                              | \$ 2,310                                       | \$ 3                | 4%      |
| 2018-19            | 74                                 | 2,220  | 2                   | 3%      |
| 2017-18            | 72                                 | 2,160  | 2                   | 3%      |
| 2016-17            | 70                                 | 2,100  | 2                   | 3%      |
| 2015-16            | 68                                 | 2,040  | 2                   | 3%      |
| 2014-15            | 66                                 | 1,980  | 2                   | 3%      |
| 2013-14            | 64                                 | 1,920  | 2                   | 3%      |
| 2012-13            | 62                                 | 1,860  | 2                   | 3%      |
| 2011-12            | 60                                 | 1,800  | 4                   | 7%      |
| 2010-11            | 56                                 | 1,680  | 4                   | 8%      |



**Source:**  
District records.

**Notes:**  
(1) Tuition rate changes are effective beginning the fall term each year.  
(2) Full-time students are defined as taking 30 credit hours in an academic year.



**Navajo County Community College District  
(Northland Pioneer College)  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>Capital Lease Obligations</b> | <b>Total Outstanding Debt</b> | <b>Per FTSE (1)</b> | <b>Per Capita</b> |
|--------------------|----------------------------------|-------------------------------|---------------------|-------------------|
| 2019-20            | -                                | -                             | -                   | -                 |
| 2018-19            | -                                | -                             | -                   | -                 |
| 2017-18            | -                                | -                             | -                   | -                 |
| 2016-17            | -                                | -                             | -                   | -                 |
| 2015-16            | 20,676                           | 20,676                        | 10.66               | 0.19              |
| 2014-15            | 38,964                           | 38,964                        | 21.04               | 0.36              |
| 2013-14            | 57,745                           | 57,745                        | 31.64               | 0.53              |
| 2012-13            | 74,336                           | 74,336                        | 37.89               | 0.69              |
| 2011-12            | -                                | -                             | -                   | -                 |
| 2010-11            | 83,123                           | 83,123                        | 37.46               | 0.77              |

**Source:**

Audited financial statements, Audited FTSE report.

**Notes:**

(1) Full Time Student Equivalent (FTSE) is based on a fiscal year.

**Navajo County Community College District  
(Northland Pioneer College)  
Computation of Legal Debt Margin  
Last Ten Fiscal Years**

|   | 2019-20        | 2018-19        | 2017-18        | 2016-17        | 2015-16        |
|---|----------------|----------------|----------------|----------------|----------------|
| Secondary Assessed Value of Real and Personal Property                  | \$ 912,719,174 | \$ 872,110,638 | \$ 865,076,310 | \$ 841,423,700 | \$ 843,018,904 |
| Debt Limit, 15% of Secondary Assessed Value                             | 136,907,876    | 130,816,596    | 129,761,447    | 126,213,555    | 126,452,836    |
| Amount of Debt Applicable to Debt Limit: General Obligation Bonded Debt | -              | -              | -              | -              | -              |
| Total net debt applicable to the limit                                  | -              | -              | -              | -              | -              |
| Legal debt margin   | \$ 136,907,876 | \$ 130,816,596 | \$ 129,761,447 | \$ 126,213,555 | \$ 126,452,836 |
| Total net debt as a percentage of debt limit                            | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          |

|   | 2014-15        | 2013-14        | 2012-13        | 2011-12          | 2010-11          |
|---|----------------|----------------|----------------|------------------|------------------|
| Secondary Assessed Value of Real and Personal Property                  | \$ 846,247,083 | \$ 904,776,443 | \$ 978,263,926 | \$ 1,040,412,117 | \$ 1,116,355,302 |
| Debt Limit, 15% of Secondary Assessed Value                             | 126,937,062    | 135,716,466    | 146,739,589    | 156,061,818      | 167,453,295      |
| Amount of Debt Applicable to Debt Limit: General Obligation Bonded Debt | -              | -              | -              | -                | -                |
| Total net debt applicable to the limit                                  | -              | -              | -              | -                | -                |
| Legal debt margin   | \$ 126,937,062 | \$ 135,716,466 | \$ 146,739,589 | \$ 156,061,818   | \$ 167,453,295   |
| Total net debt as a percentage of debt limit                            | 0.00%          | 0.00%          | 0.00%          | 0.00%            | 0.00%            |

**Source:**

Navajo County Assessor's Office and District records.

**Notes:**

The Arizona Constitution, Article 9, Section 8, states that a county or school district may become indebted for an amount not to exceed 15% of taxable property.

**Navajo County Community College District  
(Northland Pioneer College)  
Schedule of Demographic and Economic Statistics  
Last Ten Years**

| <b>Calendar Year</b> | <b>County Population (1)</b> | <b>County Personal Income (In Thousands)</b> | <b>County Personal Income Per Capita</b> | <b>County Unemployment Rate</b> |
|----------------------|------------------------------|--|--|---------------------------------|
| 2019                 | 109,144                      | Not available                                | Not available                            | 7.9%                            |
| 2018                 | 110,445                      | 3,400,882                                    | \$ 31,213                                | 7.6%                            |
| 2017                 | 111,266                      | 3,472,946                                    | 31,213                                   | 7.6%                            |
| 2016 (1)             | 110,413                      | 3,235,693                                    | 29,408                                   | 9.4%                            |
| 2015 (1)             | 108,277                      | 3,154,284                                    | 29,132                                   | 9.6%                            |
| 2014                 | 109,185                      | 2,965,679                                    | 27,162                                   | 11.2%                           |
| 2013                 | 108,694                      | 2,869,655                                    | 26,401                                   | 13.1%                           |
| 2012                 | 107,094                      | 2,826,523                                    | 26,393                                   | 15.2%                           |
| 2011                 | 107,174                      | 2,780,847                                    | 25,947                                   | 15.8%                           |
| 2010                 | 107,449                      | 2,742,716                                    | 25,526                                   | 16.0%                           |

**Sources:**

Navajo County Finance Department, 2019 Comprehensive Annual Financial Report.

1 - US Bureau of Economic Analysis for 2015 and 2016 (<https://bea.gov>)

**Navajo County Community College District  
(Northland Pioneer College)  
Schedule of Employment by Sector  
Last Ten Calendar Years**

| <b>Employment by Sector</b>       | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Mining and Construction           | 1,164       | 1,725       | 2,625       | 1,525       | 1,725       | 1,625       | 1,600       | 1,600       | 1,325       | 1,450       |
| Educational & Health Svcs         | 4,586       | 4,550       | 4,400       | 4,125       | 3,900       | 3,575       | 3,575       | 3,550       | 3,200       | 3,550       |
| Financial Activities              | 640         | 625         | 525         | 650         | 625         | 700         | 600         | 575         | 425         | 400         |
| Government                        | 9,897       | 9,725       | 8,850       | 8,925       | 9,775       | 9,325       | 9,675       | 9,850       | 9,500       | 9,650       |
| Leisure & Hospitality             | 3,824       | 3,925       | 3,850       | 3,450       | 3,200       | 3,700       | 3,875       | 3,600       | 3,625       | 3,500       |
| Manufacturing                     | 333         | 300         | 275         | 250         | 175         | 150         | 125         | 475         | 525         | 525         |
| Information                       | 92          | 950         | 950         | 1,050       | 1,200       | 1,150       | 1,175       | 1,175       | 1,150       | 1,150       |
| Professional & Business Svcs      | 1,094       | 1,500       | 1,300       | 1,325       | 1,150       | 1,425       | 1,175       | 1,000       | 1,025       | 1,000       |
| Trade, Transportation & Utilities | 4,810       | 5,100       | 5,500       | 5,475       | 4,875       | 4,700       | 5,175       | 5,150       | 5,025       | 5,250       |
| Other Services                    | 595         | 650         | 450         | 975         | 950         | 925         | 1,050       | 950         | 525         | 700         |

**Sources:**

Navajo County Finance Department, 2019 Comprehensive Annual Financial Report.

**Navajo County Community College District  
(Northland Pioneer College)  
Enrollment and Degree Statistics  
Last Ten Years**

| Location                  | Fall Historic Headcount |       |       |       |       |       |       |       |       |       |
|---------------------------|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                           | 2019                    | 2018  | 2017  | 2016  | 2015  | 2014  | 2013  | 2012  | 2011  | 2010  |
| Holbrook                  | 399                     | 450   | 469   | 443   | 469   | 480   | 493   | 445   | 486   | 500   |
| Show Low                  | 1,199                   | 1,098 | 983   | 1,020 | 1,024 | 960   | 955   | 1,173 | 1,409 | 1,439 |
| Snowflake                 | 353                     | 369   | 334   | 411   | 367   | 407   | 390   | 499   | 525   | 554   |
| Winslow                   | 344                     | 365   | 416   | 359   | 422   | 376   | 396   | 393   | 419   | 387   |
| Kayenta                   | 100                     | 110   | 77    | 74    | 75    | 74    | 79    | 81    | 72    | 65    |
| Hopi                      | 72                      | 92    | 101   | 77    | 97    | 113   | 130   | 130   | 135   | 152   |
| Whiteriver                | 257                     | 252   | 239   | 206   | 212   | 195   | 164   | 187   | 170   | 231   |
| St Johns                  | 158                     | 165   | 183   | 176   | 199   | 191   | 188   | 180   | 167   | 191   |
| Springerville/Eager       | 85                      | 97    | 107   | 174   | 180   | 227   | 149   | 183   | 236   | 186   |
| Navajo County Misc.       | 16                      | 77    | 40    | 33    | 58    | 1     | 11    | 36    | 35    | 37    |
| Apache County Misc.       | 86                      | 114   | 123   | 96    | 112   | 97    | 179   | 211   | 113   | 87    |
| Department of Corrections | -                       | 28    | 33    | 32    | 92    | 65    | 47    | 127   | 118   | 101   |
| Other                     | 468                     | 441   | 377   | 461   | 559   | 515   | 536   | 709   | 748   | 743   |
| Total District (1)        | 3,008                   | 3,182 | 3,021 | 3,044 | 3,354 | 3,211 | 3,234 | 3,718 | 3,917 | 3,951 |

| Location                  | Fall Historic FTSE (2) |       |       |       |       |       |       |       |       |       |
|---------------------------|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                           | 2019                   | 2018  | 2017  | 2016  | 2015  | 2014  | 2013  | 2012  | 2011  | 2010  |
| Holbrook                  | 189                    | 190   | 201   | 202   | 213   | 200   | 190   | 179   | 182   | 200   |
| Show Low                  | 533                    | 501   | 490   | 470   | 493   | 473   | 470   | 526   | 638   | 667   |
| Snowflake                 | 170                    | 186   | 161   | 164   | 131   | 169   | 143   | 223   | 184   | 208   |
| Winslow                   | 142                    | 154   | 174   | 160   | 186   | 158   | 172   | 184   | 176   | 175   |
| Kayenta                   | 33                     | 35    | 26    | 24    | 21    | 23    | 24    | 26    | 27    | 29    |
| Hopi                      | 25                     | 34    | 34    | 26    | 34    | 39    | 47    | 43    | 49    | 40    |
| Whiteriver                | 115                    | 109   | 93    | 92    | 98    | 86    | 64    | 75    | 81    | 105   |
| St Johns                  | 83                     | 78    | 95    | 80    | 99    | 89    | 89    | 85    | 72    | 79    |
| Springerville/Eager       | 28                     | 33    | 26    | 46    | 55    | 71    | 43    | 72    | 84    | 72    |
| Navajo County Misc        | 4                      | 17    | 9     | 7     | 16    | -     | 2     | 5     | 7     | 9     |
| Apache County Misc        | 32                     | 33    | 35    | 22    | 24    | 22    | 42    | 48    | 27    | 20    |
| Department of Corrections | -                      | 15    | 19    | 24    | 95    | 60    | 14    | 61    | 53    | 43    |
| Other                     | 135                    | 115   | 104   | 122   | 136   | 139   | 146   | 216   | 227   | 205   |
| Total District            | 1,491                  | 1,500 | 1,468 | 1,440 | 1,601 | 1,529 | 1,446 | 1,743 | 1,807 | 1,852 |

| Degrees & Certificates             | Degrees and Certificates Awarded |      |      |      |      |      |      |      |      |      |
|------------------------------------|----------------------------------|------|------|------|------|------|------|------|------|------|
|                                    | 2019                             | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Associate of Arts                  | 48                               | 30   | 39   | 33   | 30   | 28   | 39   | 26   | 21   | 31   |
| Associate of Arts in Early Childhd | 3                                | 1    | 1    | 1    | -    | -    | -    | -    | -    | -    |
| Associate of Arts in Elementary Ed | 5                                | 4    | 10   | 7    | 11   | 4    | 6    | 6    | 7    | 2    |
| Associate of Business              | 4                                | 5    | 3    | 3    | 8    | 9    | 8    | 9    | 7    | 4    |
| Associate of Science               | 12                               | 12   | 13   | 17   | 15   | 11   | 5    | 3    | 10   | 3    |
| Associate of General Studies       | 14                               | 16   | 11   | 22   | 16   | 20   | 33   | 17   | 15   | 16   |
| Associate of Applied Science       | 82                               | 113  | 123  | 125  | 121  | 125  | 91   | 93   | 116  | 87   |
| Certificate of Proficiency         | 435                              | 468  | 472  | 734  | 545  | 399  | 341  | 215  | 236  | 271  |
| Certificate of Applied Science     | 99                               | 85   | 102  | 97   | 82   | 68   | 63   | 41   | 9    | 12   |

**Source:**

District records.

**Notes:**

(1) Totals are unduplicated headcounts.

(2) FTSE refers to Full Time Student Equivalent which is calculated by dividing total enrolled credit hours per semester by 15 credit hours.

**Navajo County Community College District  
(Northland Pioneer College)  
Student Enrollment and Demographic Statistics—Page 1  
Last Ten Years**

| Fall Semester | Attendance |           | Residency |                   |              | Gender |       |
|---------------|------------|-----------|-----------|-------------------|--------------|--------|-------|
|               | Full-Time  | Part-Time | In State  | Out of County (1) | Out of State | Female | Male  |
| 2019          | 20%        | 80%       | 89%       | 11%               | 0%           | 1,791  | 1,217 |
| 2018          | 20%        | 80%       | 88%       | 12%               | 0%           | 1,902  | 1,262 |
| 2017          | 20%        | 80%       | 86%       | 14%               | 0%           | 1,809  | 1,212 |
| 2016          | 21%        | 79%       | 87%       | 13%               | 0%           | 1,778  | 1,266 |
| 2015          | 24%        | 76%       | 89%       | 11%               | 0%           | 1,952  | 1,402 |
| 2014          | 23%        | 77%       | 86%       | 14%               | 0%           | 1,922  | 1,289 |
| 2013          | 21%        | 79%       | 88%       | 12%               | 0%           | 1,969  | 1,265 |
| 2012          | 22%        | 78%       | 87%       | 13%               | 0%           | 2,221  | 1,497 |
| 2011          | 22%        | 78%       | 86%       | 13%               | 1%           | 2,333  | 1,584 |
| 2010          | 24%        | 76%       | 88%       | 11%               | 1%           | 2,393  | 1,558 |

| Fall Semester | Ethnic Background |                 |       |          |       |                  |                |
|---------------|-------------------|-----------------|-------|----------|-------|------------------|----------------|
|               | White (Caucasian) | American Indian | Black | Hispanic | Asian | Pacific Islander | Other/ Unknown |
| 2019          | 45%               | 34%             | 0%    | 9%       | 1%    | 0%               | 10%            |
| 2018          | 43%               | 37%             | 1%    | 7%       | 1%    | 0%               | 12%            |
| 2017          | 45%               | 37%             | 1%    | 5%       | 1%    | 0%               | 11%            |
| 2016          | 49%               | 34%             | 1%    | 3%       | 1%    | 0%               | 12%            |
| 2015          | 46%               | 36%             | 1%    | 1%       | 1%    | 0%               | 14%            |
| 2014          | 47%               | 35%             | 1%    | 11%      | 1%    | 0%               | 5%             |
| 2013          | 49%               | 36%             | 1%    | 8%       | 1%    | 0%               | 5%             |
| 2012          | 49%               | 35%             | 1%    | 9%       | 1%    | 0%               | 5%             |
| 2011          | 52%               | 30%             | 1%    | 7%       | 1%    | 0%               | 9%             |
| 2010          | 48%               | 31%             | 0%    | 7%       | 1%    | 0%               | 13%            |

**Source:**

District records.

**Notes:**

(1) The District's Enterprise Resource Planning system tracks in-state and out-of-state students; a customized tracking system was created to specifically track students in Apache County. The Out of County amounts listed on this schedule represent Apache County students taking classes in Apache County.

**Navajo County Community College District  
(Northland Pioneer College)  
Student Enrollment and Demographic Statistics—Page 2  
Last Ten Years**

| <b>Fall Semester</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 19 & Under           | 1,668       | 1,772       | 1,534       | 1,618       | 1,651       | 1,461       | 1,437       | 1,697       | 1,748       | 1,726       |
| 20 - 24              | 372         | 409         | 447         | 462         | 505         | 525         | 508         | 575         | 657         | 641         |
| 25 - 29              | 292         | 313         | 322         | 313         | 332         | 316         | 304         | 365         | 381         | 402         |
| 30 - 39              | 356         | 346         | 356         | 330         | 425         | 444         | 447         | 516         | 558         | 557         |
| 40 - 49              | 176         | 185         | 206         | 164         | 228         | 263         | 275         | 314         | 313         | 316         |
| 50 - 59              | 92          | 106         | 104         | 97          | 158         | 151         | 200         | 182         | 174         | 231         |
| 60 & Over            | 52          | 51          | 52          | 60          | 55          | 51          | 63          | 69          | 86          | 78          |
| Unknown              | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Total (1)            | 3,008       | 3,182       | 3,021       | 3,044       | 3,354       | 3,211       | 3,234       | 3,718       | 3,917       | 3,951       |

**Source:**

District records.

**Note:**

(1) Totals are unduplicated headcounts.

**Navajo County Community College District  
(Northland Pioneer College)  
Employee Statistics  
(Headcount)  
Last Ten Fiscal Years**

| Employees                      | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14<br>(3) | 2012-13 | 2011-12 | 2010-11 |
|--------------------------------|---------|---------|---------|---------|---------|---------|----------------|---------|---------|---------|
| Faculty                        |         |         |         |         |         |         |                |         |         |         |
| Full-time                      | 69      | 74      | 74      | 75      | 78      | 75      | 77             | 76      | 77      | 70      |
| Part-time FTE                  | 74      | 73      | 86      | 70      | 83      | 83      | 82             | 85      | 64      | 66      |
| Subtotal of Faculty            | 143     | 147     | 160     | 145     | 161     | 158     | 159            | 161     | 141     | 136     |
| Administrative & Support Staff |         |         |         |         |         |         |                |         |         |         |
| Full-time                      | 138     | 140     | 124     | 130     | 129     | 135     | 137            | 133     | 134     | 125     |
| Part-time FTE                  | 128     | 146     | 184     | 168     | 131     | 138     | 136            | 151     | 156     | 164     |
| Subtotal of Staff              | 266     | 286     | 308     | 298     | 260     | 273     | 273            | 284     | 290     | 289     |
| Total Employees                | 409     | 433     | 468     | 443     | 421     | 431     | 432            | 445     | 431     | 425     |
| Students per Faculty (1)       | 10.42   | 11.85   | 11.08   | 12.60   | 12.06   | 11.72   | 11.48          | 12.19   | 14.68   | 16.32   |
| Students per Staff (1)         | 5.61    | 6.09    | 5.75    | 6.13    | 7.46    | 6.78    | 6.68           | 6.91    | 7.14    | 7.68    |
| Average class size (2)         | 13      | 14      | 15      | 14      | 14      | 13      | 11             | 12      | 13      | 11      |

**Source:**

District records.

**Notes:**

- (1) Audited annual Full Time Student Equivalent (FTSE) divided by Subtotal Faculty or Subtotal Staff.
- (2) Average class size is based on an academic year and is calculated using only classes for Liberal Arts and Nursing excluding multicourse labs and two internet classes (POS221 & POS222).
- (3) Average class size for 2013-14 was corrected from 12 to 11



**Navajo County Community College District  
(Northland Pioneer College)  
Schedule of Capital Asset Information  
Last Ten Fiscal Years**

| Location                   | Fiscal Years |         |         |         |         |         |         |         |         |         |
|----------------------------|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                            | 2019-20      | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
| Old Holbrook Campus        |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | -            | -       | -       | -       | -       | -       | -       | -       | -       | 12,360  |
| Total Acreage              | -            | -       | -       | -       | -       | -       | -       | -       | -       | 40.00   |
| Maintenance/PAD            |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | 11,320       | 11,320  | 11,320  | 11,320  | 11,320  | 11,320  | 11,320  | 11,320  | 11,320  | 11,320  |
| 102 N. 1st Avenue          | 8,320        | 8,320   | 8,320   | 8,320   | 8,320   | 8,320   | 8,320   | 8,320   | 8,320   | 8,320   |
| PAD/Receiving (3)          | 3,000        | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   |
| Total Acreage              | 0.89         | 0.89    | 0.54    | 0.54    | 0.54    | 0.54    | 0.54    | 0.54    | 0.54    | 0.54    |
| New Holbrook Campus        |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | 101,287      | 101,287 | 101,287 | 101,287 | 101,287 | 101,287 | 101,287 | 56,220  | 56,220  | 56,220  |
| Total Acreage              | 27.71        | 27.71   | 27.71   | 27.71   | 27.71   | 27.71   | 27.71   | 27.71   | 27.71   | 27.71   |
| Show Low Campus            |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | 84,646       | 84,646  | 84,646  | 84,646  | 84,646  | 84,646  | 84,646  | 84,646  | 84,646  | 84,646  |
| Total Acreage              | 31.69        | 31.69   | 31.69   | 31.69   | 31.69   | 31.69   | 31.69   | 31.69   | 31.69   | 31.69   |
| Snowflake Campus           |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | 60,240       | 60,240  | 60,240  | 60,240  | 60,240  | 60,240  | 60,240  | 60,240  | 60,240  | 60,240  |
| Total Acreage              | 18.5         | 18.5    | 18.5    | 18.5    | 18.5    | 18.5    | 18.5    | 18.5    | 18.5    | 18.5    |
| Winslow Campus             |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | 50,540       | 50,540  | 50,540  | 50,540  | 50,540  | 50,540  | 50,540  | 50,540  | 50,540  | 50,540  |
| Total Acreage              | 26.72        | 26.72   | 26.72   | 26.72   | 26.72   | 26.72   | 26.72   | 26.72   | 26.72   | 26.72   |
| Kayenta Center (1)         |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | 3,000        | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | 3,532   | 3,532   | 1,700   |
| Hopi Center (2)            |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage (3)   | 9,686        | 9,686   | 9,686   | 9,686   | 9,686   | 9,686   | 9,686   | 9,686   | 9,686   | 9,686   |
| Whiteriver Center (2)      |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | 14,194       | 14,194  | 12,992  | 12,054  | 12,054  | 12,054  | 12,054  | 12,054  | 12,054  | 12,054  |
| St Johns Center (1)        |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       |              |         |         |         |         |         |         |         |         |         |
| Cosmetology/Welding        | 5,320        | 5,320   | 5,320   | 5,320   | 5,320   | 5,320   | 5,320   | 5,320   | 5,320   | 5,320   |
| Springerville/Eager Center |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | 25,670       | 25,670  | 25,670  | 25,670  | 25,670  | 25,670  | 25,670  | 25,670  | 6,880   | 6,880   |
| 940 E Maricopa (1)         | 25,670       | 25,670  | 25,670  | 25,670  | 25,670  | 25,670  | 25,670  | 25,670  | -       | -       |
| 578 N. Main                | -            | -       | -       | -       | -       | -       | -       | -       | 4,000   | 4,000   |
| District Owned Modulars    | -            | -       | -       | -       | -       | -       | -       | -       | 2,880   | 2,880   |
| Tower Buildings            |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | 1,120        | 1,120   | 980     | 980     | 980     | 980     | 980     | 980     | 980     | 980     |
| Greens Peak                | 140          | 140     | -       | -       | -       | -       | -       | -       | -       | -       |
| Wht River Point (3)        | 140          | 140     | 140     | 140     | 140     | 140     | 140     | 140     | 140     | 140     |
| McKays Peak (3)            | 420          | 420     | 420     | 420     | 420     | 420     | 420     | 420     | 420     | 420     |
| Dry Lake (3)               | 420          | 420     | 420     | 420     | 420     | 420     | 420     | 420     | 420     | 420     |
| Total District             |              |         |         |         |         |         |         |         |         |         |
| Total Square Footage       | 364,023      | 364,023 | 362,681 | 361,743 | 361,743 | 361,743 | 361,743 | 317,208 | 298,418 | 308,946 |
| Total Acreage              | 105.51       | 105.51  | 105.16  | 105.16  | 105.16  | 105.16  | 105.16  | 105.16  | 105.16  | 145.16  |

**Source:**

District records.

**Notes:**

- (1) Leased facilities, only square footage of facilities included.
- (2) District owned building on Tribal lands, only square footage of building included.
- (3) Corrections to square footage made in FY 2019-20 represented retroactively

## Navajo County Community College District, Holbrook, AZ



### Expanding Minds, Transforming Lives

In 1974, locations throughout Navajo County became centers for higher learning opportunities that would transform lives for generations to come. Located close to population clusters, these centers provided college courses, workshops and vocational training from Northland Pioneer College (NPC), utilizing a decentralized concept unique in Arizona.

Now, NPC is recognized as a leader in innovative applications of distance learning technology, steadily expanding educational opportunities throughout its vast geographic coverage area. NPC pioneered the use of microwave technology to provide interactive video instruction, allowing instructors at one campus to teach students at multiple locations.

Today, NPC's modern wireless wide area network connects 9 campus and center locations and 16 of the region's high schools, scattered over an area nearly equal in size to the state of West Virginia! This innovative system allows NPC to bring higher education courses to high school students in the remote, rural areas of Northeastern Arizona. Without this opportunity, a college education would be beyond the geographical and financial reach of many of these students. NPC truly is expanding minds and transforming lives.



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

**Locations:** Show Low, Snowflake/Taylor, Holbrook, Winslow  
Kayenta, Hopi, Springerville/Eagar, St. Johns, Whiteriver

# Navajo County Community College District (Northland Pioneer College)

Single Audit Report

Year Ended June 30, 2020



A Report to the Arizona Legislature

Lindsey A. Perry  
Auditor General



The Arizona Office of the Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, State agencies, and the programs they administer.

## The Joint Legislative Audit Committee

Representative **Anthony T. Kern**, Chair  
Representative **John Allen**  
Representative **Timothy M. Dunn**  
Representative **Mitzi Epstein**  
Representative **Jennifer Pawlik**  
Representative **Rusty Bowers** (ex officio)

Senator **Rick Gray**, Vice Chair  
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Senator **Andrea Dalessandro**  
Senator **David C. Farnsworth**  
Senator **David Livingston**  
Senator **Karen Fann** (ex officio)

## Audit Staff

**Donna Miller**, Director  
**David Glennon**, Manager

## Contact Information

**Arizona Office of the Auditor General**  
**2910 N. 44th St., Ste. 410**  
**Phoenix, AZ 85018-7271**

**(602) 553-0333**

**contact@azauditor.gov**

**www.azauditor.gov**

## Auditors Section

**Independent auditors’ report** on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards* 1

**Independent auditors’ report** on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance 3

## Schedule of Findings and Questioned Costs 6

Summary of auditors’ results 6

Financial statement findings 7

Federal award findings and questioned costs 9

## District Section

Schedule of expenditures of federal awards 11

Notes to schedule of expenditures of federal awards 12

## District response

Corrective action plan

Summary schedule of prior audit findings

## Report Issued Separately

Comprehensive Annual Financial Report



LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

**Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards***

Members of the Arizona State Legislature

The Governing Board of  
Navajo County Community College District

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and aggregate discretely presented component units of Navajo County Community College District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2020. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the aggregate discretely presented component units.

**Internal control over financial reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-01 and 2020-02, that we consider to be significant deficiencies.

## **Compliance and other matters**

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **District response to findings**

The District's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address each finding. The District's responses and corrective action plan were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

## **Purpose of this report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindsey Perry, CPA, CFE  
Auditor General

November 20, 2020



LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

**Independent auditors' report on compliance for each major federal program;  
report on internal control over compliance; and report on schedule of  
expenditures of federal awards required by the Uniform Guidance**

Members of the Arizona State Legislature

The Governing Board of  
Navajo County Community College District

**Report on compliance for each major federal program**

We have audited Navajo County Community College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.



## ***Opinion on each major federal program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## ***Other matters***

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the Uniform Guidance and that is described in the accompanying schedule of findings and questioned costs as item 2020-101. Our opinion on each major federal program is not modified with respect to this matter.

## **Report on internal control over compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-101, that we consider to be a significant deficiency.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **District response to findings**

The District's response to the finding identified in our audit is presented in its corrective action plan at the end of this report. The District is responsible for preparing a corrective action plan to address the finding. The District's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

## **Report on schedule of expenditures of federal awards required by the Uniform Guidance**

We have audited the financial statements of the District's business-type activities and aggregate discretely presented component units as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 20, 2020, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the District's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lindsey Perry, CPA, CFE  
Auditor General

November 20, 2020

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Summary of auditors' results

### Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles Unmodified

### Internal control over financial reporting

Material weaknesses identified? No

Significant deficiencies identified? Yes

Noncompliance material to the financial statements noted? No

### Federal awards

#### Internal control over major programs

Material weaknesses identified? No

Significant deficiencies identified? Yes

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? Yes

#### Identification of major programs

| Assistance Listings number | Name of federal program or cluster   |
|----------------------------|--------------------------------------|
| 84.007, 84.033, 84.063     | Student Financial Assistance Cluster |
| 84.031                     | Higher Education Institutional Aid   |

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

# Financial statement findings

## 2020-01

The District's deficiencies in its process for managing and documenting its risks may put its operations and IT systems and data at unintended and unnecessary risk

**Condition**—The District's process for managing and documenting its risks did not include an overall risk assessment process that included identifying, analyzing, and responding to the District-wide information technology (IT) risks, such as potential harm from unauthorized access, use, disclosure, disruption, modification, or destruction of IT data and systems.

**Effect**—Without correcting these deficiencies, the District's administration and IT management may put the District's operations and IT systems and data at unintended and unnecessary risk.

**Cause**—The District relied on an informal and undocumented process to manage, assess, and respond to IT risks.

**Criteria**—The District should follow a credible industry source such as the National Institute of Standards and Technology to help effectively manage risk at the District. Effectively managing risk includes an entity-wide risk assessment process that involves members of the District's administration and IT management. The risk assessment should determine the risks the District faces as it seeks to achieve its objectives to not only report accurate financial information and protect its IT systems and data but to also carry out its overall mission and service objectives. The process should provide the basis for developing appropriate responses based on identified risk tolerances and specific potential risks to which the District might be subjected. To help ensure the District's objectives can be met, an annual risk assessment should consider IT risks. For each identified risk, the District should analyze the identified risk and develop a plan to respond within the context of the District's defined objectives and risk tolerances.

**Recommendations**—The District should:

1. Develop, document, and implement entity-wide risk assessment written policies and procedures.
2. Perform an annual entity-wide IT risk assessment process that includes evaluating and documenting risks and safeguards. Such risks may include inappropriate access that would affect financial data, system changes that could adversely impact or disrupt system operations, and inadequate or outdated system security.

The District's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2019-01.

## 2020-02

The District's control procedures over IT systems and data were not sufficient, which increases the risk that the District may not adequately protect those systems and data

**Condition**—The District's control procedures were not sufficiently developed, documented, and implemented to respond to risks associated with its IT systems and data. The District lacked sufficient procedures over the following:

- **Restricting access**—Procedures did not consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data.
- **Securing systems and data**—IT security policies and procedures lacked controls to respond to unauthorized or inappropriate access or use, manipulation, damage, or loss.

**Effect**—There is an increased risk that the District may not adequately protect its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data.

**Cause**—The District had limited staff to develop formal IT control procedures because of IT management-level employee turnover.

**Criteria**—The District should follow a credible industry source such as the National Institute of Standards and Technology to implement effective internal controls that protect its IT systems and help ensure the integrity and accuracy of the data it maintains, as follows.

- **Restricting access through logical access controls**—Help to ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, and key systems and data access is monitored and reviewed.
- **Securing systems and data through IT security internal control policies and procedures**—Help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT systems and data.

**Recommendations**—The District should:

1. Fill vacant IT management-level positions in a timely manner to develop formal IT control procedures.

**Restricting access**—To restrict access to its IT systems and data, develop, document, and implement processes to:

2. Assign and periodically review employee user access ensuring appropriateness and compatibility with job responsibilities.
3. Remove terminated employees' access to IT systems and data.
4. Review all other account access to ensure it remains appropriate and necessary.
5. Evaluate the use and appropriateness of accounts shared by 2 or more users and manage the credentials for such accounts.
6. Enhance authentication requirements for IT systems.

**Securing systems and data**—To secure IT systems and data, develop, document, and implement processes to:

7. Prepare and implement a security incident response plan clearly stating how to report and handle such incidents.

The District's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2019-02.

## Federal award findings and questioned costs

### 2020-101

|   |   |
|---|---|
| <b>Cluster name:</b>                          | <b>Student Financial Assistance Cluster</b>   |
| <b>Assistance Listings numbers and names:</b> | 84.007 <b>Federal Supplemental Educational Opportunity Grants</b><br>84.033 <b>Federal Work-Study Program</b><br>84.063 <b>Federal Pell Grant Program</b> |
| <b>Award numbers and years:</b>               | P007A180127; P033A180127; P063P183482;<br>July 1, 2019 through June 30, 2020  |
| <b>Federal agency:</b>                        | <b>U.S. Department of Education (U.S. ED)</b>   |
| <b>Compliance requirement:</b>                | Special tests and provisions  |
| <b>Questioned costs:</b>                      | N/A   |

**Condition**—The District did not document that it identified reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of its student financial aid information and that it implemented safeguards for each risk identified.

**Effect**—Without correcting these deficiencies, the District's administration and information technology (IT) management may put the District's operations and IT systems and data, including student financial aid information, at unintended and unnecessary risk.

**Cause**—The District designated an individual to coordinate its information security program over its student financial aid information but relied on an informal and undocumented process to manage, assess, and respond to IT risks.

**Criteria**—The District's Program Participation Agreement with the U.S. ED requires the District to protect student financial aid information by designating an employee to coordinate its information security program. The District must also perform a risk assessment and document a safeguard for each risk identified. (Title 16 U.S. Code of Federal Regulations, Parts 313 and 314, as required by the Gramm-Leach-Bliley Act, P.L. 106-102)

**Recommendations**—To help ensure that the District protects student financial aid information, the District should:

1. Develop, document, and implement entity-wide risk assessment written policies and procedures.

2. Perform a risk assessment to identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of student financial aid information that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information. The risk assessment should consider risks related to:
  - o Employee training and management.
  - o Information systems, including network and software design, as well as information processing, storage, transmission, and disposal.
  - o Detecting, preventing, and responding to attacks, intrusions, or other system failures.
3. Document and implement a safeguard for each risk identified.

The District's responsible officials' views and planned corrective action are in its corrective action plan at the end of this report.

This finding is similar to prior-year finding 2019-101.

# DISTRICT SECTION



**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Fiscal Period 7/1/2019 - 6/30/2020**

| <i>Federal Awarding Agency/Program Title</i>             | <i>Federal<br/>CFDA<br/>Number</i> | <i>Name of Funder<br/>Pass-Through<br/>Entity</i> | <i>Identifying Number<br/>Assigned By Funder<br/>Pass-Through<br/>Entity</i> | <i>Federal<br/>Expenditures</i> | <i>Federal<br/>Program<br/>Total</i> | <i>Cluster<br/>Name</i>      | <i>Cluster<br/>Total</i> |
|--|------------------------------------|---|--|---------------------------------|--------------------------------------|------------------------------|--------------------------|
| <b>DEPARTMENT OF LABOR</b>                               |                                    |   |  |                                 |                                      |                              |                          |
| WIA YOUTH ACTIVITIES                                     | 17.259                             | NAVAJO COUNTY                                     | 1006048  | \$26,803                        | \$26,803                             | N/A                          | \$0                      |
| <b>TOTAL DEPARTMENT OF LABOR</b>                         |                                    |   |  | <u>\$26,803</u>                 |                                      |                              |                          |
| <b>SMALL BUSINESS ADMINISTRATION</b>                     |                                    |   |  |                                 |                                      |                              |                          |
| SMALL BUSINESS DEVELOPMENT CENTERS                       | 59.037                             | MARICOPA COUNTY COMMUNITY<br>COLLEGE DISTRICT     | SBAHQ-19-B-0026<br>SBAHQ-20-C0012  | \$130,598                       | \$130,598                            | N/A                          | \$0                      |
| <b>TOTAL SMALL BUSINESS ADMINISTRATION</b>               |                                    |   |  | <u>\$130,598</u>                |                                      |                              |                          |
| <b>DEPARTMENT OF EDUCATION</b>                           |                                    |   |  |                                 |                                      |                              |                          |
| <i>ARIZONA DEPARTMENT OF EDUCATION</i>                   |                                    |   |  |                                 |                                      |                              |                          |
| ADULT EDUCATION - BASIC GRANTS TO STATES                 | 84.002                             | ARIZONA DEPARTMENT OF<br>EDUCATION                | V002A1900003   | \$504,170                       | \$504,170                            | N/A                          | \$0                      |
| FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS      | 84.007                             |   |  | \$131,683                       | \$131,683                            | STUDENT FINANCIAL ASSISTANCE | \$2,413,795              |
| HIGHER EDUCATION INSTITUTIONAL AID                       | 84.031                             |   |  | \$328,619                       | \$328,619                            | N/A                          | \$0                      |
| FEDERAL WORK-STUDY PROGRAM                               | 84.033                             |   |  | \$65,134                        | \$65,134                             | STUDENT FINANCIAL ASSISTANCE | \$2,413,795              |
| <i>ARIZONA DEPARTMENT OF EDUCATION</i>                   |                                    |   |  |                                 |                                      |                              |                          |
| CAREER AND TECHNICAL EDUCATION -- BASIC GRANTS TO STATES | 84.048                             | ARIZONA DEPARTMENT OF<br>EDUCATION                | V048A190003  | \$347,781                       | \$347,781                            | N/A                          | \$0                      |
| FEDERAL PELL GRANT PROGRAM                               | 84.063                             |   |  | \$2,216,978                     | \$2,216,978                          | STUDENT FINANCIAL ASSISTANCE | \$2,413,795              |
| EDUCATION STABILIZATION FUND                             | 84.425                             |   |  | \$124,941                       | \$124,941                            | N/A                          | \$0                      |
| <b>TOTAL DEPARTMENT OF EDUCATION</b>                     |                                    |   |  | <u>\$3,719,306</u>              |                                      |                              |                          |
| <b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>               |                                    |   |  | <u>\$3,876,707</u>              |                                      |                              |                          |

**Please Note:**

*Italicized award lines indicate pass-through funding*

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Period 7/1/2019 - 6/30/2020**

**Significant Accounting Policies Used in Preparing the SEFA**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**10% De Minimis Cost Rate**

The District did not use the de minimis cost rate.

**Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Navajo County Community College District for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

**Catalog of Federal Domestic Assistance (CFDA) numbers**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2020 Catalog of Federal Domestic Assistance.

# DISTRICT RESPONSE



November 20, 2020

Lindsey Perry  
Auditor General  
2910 N. 44th St., Ste. 410  
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for each finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Maderia J. Ellison  
Vice President for Administrative Services

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2020

**Financial statement findings**

**2020-01**

**The District's deficiencies in its process for managing and documenting its risks may put its operations and IT systems and data at unintended and unnecessary risk**

Maderia Ellison, Vice President for Administrative Services/Chief Financial Officer  
Ernest Hess, Network Administrator  
Anticipated completion date: June 30, 2021

**Corrective Action Plan:**

The District has been made aware of the issues related to risk-assessment process and concurs with the finding and recommendations.

The District will make the necessary changes to improve an entity-wide risk-assessment process that includes District Administration and IT management to develop an appropriate risk response that defines objectives to identify risks, define risk tolerance, identify, analyze and respond to identified risk; specifically, it will evaluate and identify risk scenarios, including likelihood and magnitude; document and disseminate results, review, and prioritize for mitigation.

**2020-02**

**The District's control procedures over IT systems and data were not sufficient, which increases the risk that the District may not adequately protect those systems and data**

Henry Scott Estes, Chief Information Officer  
Anticipated completion date: June 30, 2021

**Corrective Action Plan:**

The District has been made aware of the issues related to improving existing access and security and concurs with the finding and recommendations.

The District will make the necessary changes to improve existing access controls over information technology resources; specifically, it will:

- Evaluate and update existing controls and processes to review user access to network and systems. Process development to establish supervisory responsibilities at all leadership levels to ensure compliance with IS/IT mandates.
- Evaluate and update existing policies and procedures across the District departments to effectively provide timely employee status updates that notify IS/IT for timely removal of employee access and/or removal of account.

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2020

- Evaluate and update existing contractor and nonentity account access audit procedure for annual review.
- Evaluate and document shared network access account procedure to include revision of credentials when group members leave a shared account.
- Evaluate and update existing password policy for all account users and apply to all network and system accounts.

The District will make the necessary changes to improve existing security over information technology resources; specifically, it will evaluate and establish an incident response plan scenario and test cycle to ensure effective incident response measures.

Navajo County Community College District  
Northland Pioneer College  
Corrective action plan  
Year ended June 30, 2020

**Federal award findings and questioned costs**

**2020-101**

|                                 |   |
|---------------------------------|---|
| <b>Cluster name:</b>            | <b>Student Financial Assistance Cluster</b>   |
| <b>CFDA numbers and names:</b>  | 84.007 <b>Federal Supplemental Educational Opportunity Grants</b><br>84.033 <b>Federal Work-Study Program</b><br>84.063 <b>Federal Pell Grant Program</b> |
| <b>Award numbers and years:</b> | P007A180127; P033A180127;<br>P063P183482;<br>July 1, 2019 through June 30, 2020   |
| <b>Federal agency:</b>          | <b>U.S. Department of Education</b>   |
| <b>Compliance requirement:</b>  | Special tests and provisions  |
| <b>Questioned costs:</b>        | N/A   |

Maderia Ellison, Associate Vice President and Chief Business Officer  
Henry Scott Estes, Chief Information Officer  
Anticipated completion date: June 30, 2021

The District will make the necessary changes to improve existing security over information technology resources; specifically, it will ensure that the District protects student financial aid information in accordance with the Gramm-Leach-Bliley Act and specifically, will:

- Designate an employee to coordinate the information security program.
- Perform an annual risk assessment of its maintained student financial aid information to identify, analyze and respond to IT risks related to its employee training and management; IT systems and data; and detecting, preventing, and responding to attacks, intrusions, or other systems failures.
- Document a safeguard for each risk identified.
- Monitor the effectiveness of the safeguards' key controls, systems, and procedures on a periodic basis.
- Evaluate and adjust the information security program in light of the results of the testing and monitoring any material changes to the District's operations or business arrangements; or any other circumstances that may have a material impact on the information security program.



# Northland Pioneer College

November 20, 2020

Lindsey Perry  
Auditor General  
2910 N. 44th St., Ste. 410  
Phoenix, AZ 85018

Dear Ms. Perry:

We have prepared the accompanying summary schedule of prior audit findings per the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

Maderia J. Ellison  
Vice President for Administrative Services

**EXPANDING MINDS • TRANSFORMING LIVES**<sup>SM</sup>



Navajo County Community College District  
(Northland Pioneer College)  
Summary schedule of prior year audit findings  
Year Ended June 30, 2020

**FINANCIAL STATEMENT FINDINGS**

**Managing risk**

Finding No. **2019-01, 2018-01 & 2017-01**

Status: *Partially Corrected*

As of June 30, 2020, the District has not fully implemented the necessary changes to improve and document an entity-wide risk-assessment process that includes District Administration and IT management due to the complexity of the requirement. The District has developed policies and procedures documenting and addressing the IT risk-assessment process and continues to develop entity-wide risk assessment processes in addition to improving its IT risk assessments and documenting remediation, prioritization and responses.

**Information technology (IT) controls—access and security**

Finding No. **2019-02, 2018-02, 2017-02 (access), & 2019-02, 2018-02, 2017-04 (security)**

Status: *Partially Corrected*

As of June 30, 2020, the District has not fully implemented the necessary changes to improve existing IT access and security over information technology resources due to the complexity of the requirements. The District has developed policies and procedures documenting the control processes over IT access and the security protocols. These policies and procedures will allow the District to better monitor, manage and control access to data and IT devices, as well as maintain IT security.

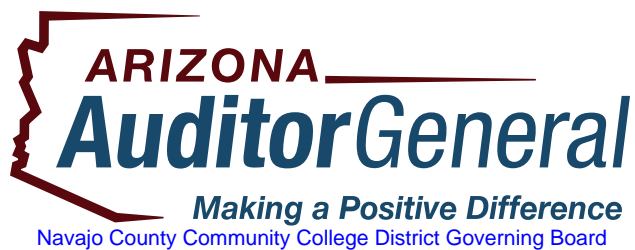
**FEDERAL AWARD FINDING**

**CFDA numbers and program names:** 84.007 Federal Supplemental Educational Opportunity Grants  
84.033 Federal Work-Study Program  
84.063 Federal Pell Grant Program

Finding No. **2019-101**

Status: *Partially Corrected*

As of June 30, 2020, the District has not fully implemented the necessary changes to improve and document an entity-wide risk-assessment process that includes District Administration and IT management due to the complexity of the requirement. The District has developed policies and procedures documenting and addressing the IT risk-assessment process and continues to develop entity-wide risk assessment processes in addition to improving its IT risk assessments and documenting remediation, prioritization and responses.



## Request to Approve the Mission, Values, and Vision Statements

### **Recommendation:**

Staff recommends approval of the mission, values, and vision statements for the College.

### **Summary:**

Since early 2020, the Leadership Council has been working on improving NPC's integrated strategic planning process. A draft version of the new mission, values, and 2030 vision statements was shared with the college at the Fall 2020 Convocation. Comments on the drafts were collected in September and October via surveys from the entire college as well as external stakeholder groups. Several shared governance groups and college departments conducted detailed discussion before submitting their feedback. In November, the Leadership Council charged a small task force to make changes to the draft version by reviewing and incorporating all comments. In December, the task force produced the revised version which was discussed and approved by the Leadership Council.



## Mission

Northland Pioneer College provides educational excellence that is affordable and accessible for the enrichment of communities across northeastern Arizona.

## Vision

NPC continually responds to the needs of our communities by cultivating generations of learners. By 2030, NPC will transform lives by advancing student success and socio-economic well-being through a spirit of innovation, partnership, and creative problem-solving.

### **NPC will live our vision through the following Shared Values**

#### At NPC, we value Integrity.

By **Integrity**, we mean consistently taking responsibility for our actions and preserving the trust communities place in us.

We demonstrate **Integrity** by:

- Setting achievable and measurable goals.
- Maintaining transparency in project planning, implementation, and reporting while honoring the college's shared governance process.
- Being consistently truthful and fair in our internal and external interactions.

#### At NPC, we value Inclusion.

By **Inclusion**, we mean empowering all people – regardless of individual differences and/or historical under-representation – to have the right to be involved, engaged, respected, and appreciated as valuable members of our communities.

We demonstrate **Inclusion** by:

- Ensuring all individuals, regardless of race, color, religion, national origin, gender, or sexual orientation have opportunities to equitably engage with, participate in, and benefit from the NPC community.
- Recruiting individuals and partnering with organizations that reflect and represent the diverse backgrounds, perspectives, and interests of our area.
- Using diverse perspectives to make better-informed decisions.



**Northland Pioneer College**

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

## At NPC, we value Adaptability.

By Adaptability, we mean commitment to being agile in responding to the ever-changing needs of our diverse communities through collaboration, innovation, and informed risk-taking. We demonstrate **Adaptability** by:

- Keeping an open mind to learn or develop new ways to respond to changes.
- Experimenting with different styles of working and adjusting as needed.
- Using valid and reliable data to make decisions with confidence and efficiency.

## At NPC, we value Civility.

By **Civility**, we mean maintaining one's own beliefs and perspectives without demeaning the beliefs and perspectives of others<sup>1</sup>.

We demonstrate **Civility** by:

- Using active listening and acknowledgment without judgment while interacting with others, even when there are deep-rooted and fierce disagreements.
- Seeking common ground as the starting point for dialogue about differences.
- Modeling, teaching, and promoting the practices of civility and expecting others to do the same.

## At NPC, we value Access.

By **Access**, we mean striving to minimize barriers to lifelong learning.

We demonstrate **Access** by:

- Striving to keep costs low and connect students with available resources and financial support.
- Offering education, student services, information, and resources in multiple formats to optimize equitable opportunities across our communities.
- Implementing the principles of universal design to promote access to campus spaces, events, and activities.

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<sup>1</sup> Language for Civility definition and descriptions adapted and adopted from The Institute for Civility in Government. <https://www.instituteforcivility.org/who-we-are/what-is-civility/>



## Update on WMC Facilities Expansion

### Summary:

SPS+ Architects (SPS+) is designing the Skills Center at White Mountain Campus (WMC). This summary provides information on the current status.

The design fees approved by the District Governing Board is \$593,290 based on a building size of 26,500 square foot. The building will house the Automotive, Welding, Energy & Industrial Technician programs along with the Maintenance department. The square footage of the building is a challenge

The WMC facilities expansion has been progressing as scheduled. SPS+ continues to work on the design of the Skills Center. Elevations of the building exterior have been reviewed with NPC Executive Team and the City of Show Low with no changes. Interior floor plans are currently under review by the CTE faculty for programs that will be housed in the building; they are assessing room sizes, equipment placement, and other needs. NPC Director of Facilities and the Construction Manager held several meetings with the City of Show Low to review the preliminary exterior elevation designs, set back requirements on the property, landscape options in the green belt along 8<sup>th</sup> Avenue, water flow drainage, and design options for program storage requirements. All these meetings with the City of Show Low Planning and Zoning Department have been productive. NPC continues their good working relationship with the City.

Final design plans for site, elevations, floor plans, landscape, etc., are expected to be reviewed and approved by the City of Show Low by the end of January.

### Target Dates for Skills Center:

- February 2021 Finalize Construction Design Documents
- February 2021 Permit and Design Approval from City of Show Low
- March 2021 Issue RFP for General Contractor
- April 2021 Receive and evaluate bids from General Contractors
- May 2021 DGB Approval to Award Contract to General Contractor
- June 2021 Start Construction



## Update on Transwestern Litigation

### **Summary:**

Northland Pioneer College (NPC, the District) receives property taxes from Transwestern Pipeline Company (Transwestern). The natural gas pipeline crosses seven counties in Arizona and is valued or assessed by the Department of Revenue (DOR), who oversees utilities. The outcome of recent litigation has resulted in a refund due to Transwestern. The estimated impact for the District is \$299,083, without any interest.

Transwestern filed a complaint against the DOR and also identified the seven counties as defendants. Those counties include Apache, Coconino, Maricopa, Mohave, Navajo, Pinal and Yavapai. The complaint stated the DOR was improperly valuing the pipeline for tax years 2016 and 2017. Later, Transwestern made a settlement offer to resolve all property tax appeals for tax years 2016 to 2021, and agree to a methodology for valuing property for tax year 2022 and subsequent years. Transwestern argues that the full cash value of the pipeline exceeds the market value in accordance with state statute.

The settlement offer allows the defendants to provide a refund or credit amounts to unpaid property taxes. This process will be administered by Navajo County Treasurer's office. The college is waiting for the final refund and interest amounts before it determines how the refund will be paid.

The seven counties are working with state legislators and other key stakeholders to introduce legislation that would prevent future assessment issues and to develop a financial package that would hold all impacted parties harmless. Any legislative action will be provided when it is available.

