

Navajo County Community College District, Holbrook, AZ



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



Northland Pioneer College
EXPANDING MINDS • TRANSFORMING LIVESSM



Northland Pioneer College

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Navajo County Community College District

Holbrook, AZ

Comprehensive Annual Financial Report
Year Ended June 30, 2020

Prepared by the NPC District Financial Services Office

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

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Introductory Section



Northland Pioneer College
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NORTHLAND PIONEER COLLEGE

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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Navajo County Community College District • P.O. Box 610, Holbrook, AZ 86025-0610 • (800) 266-7845 • www.npc.edu

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.

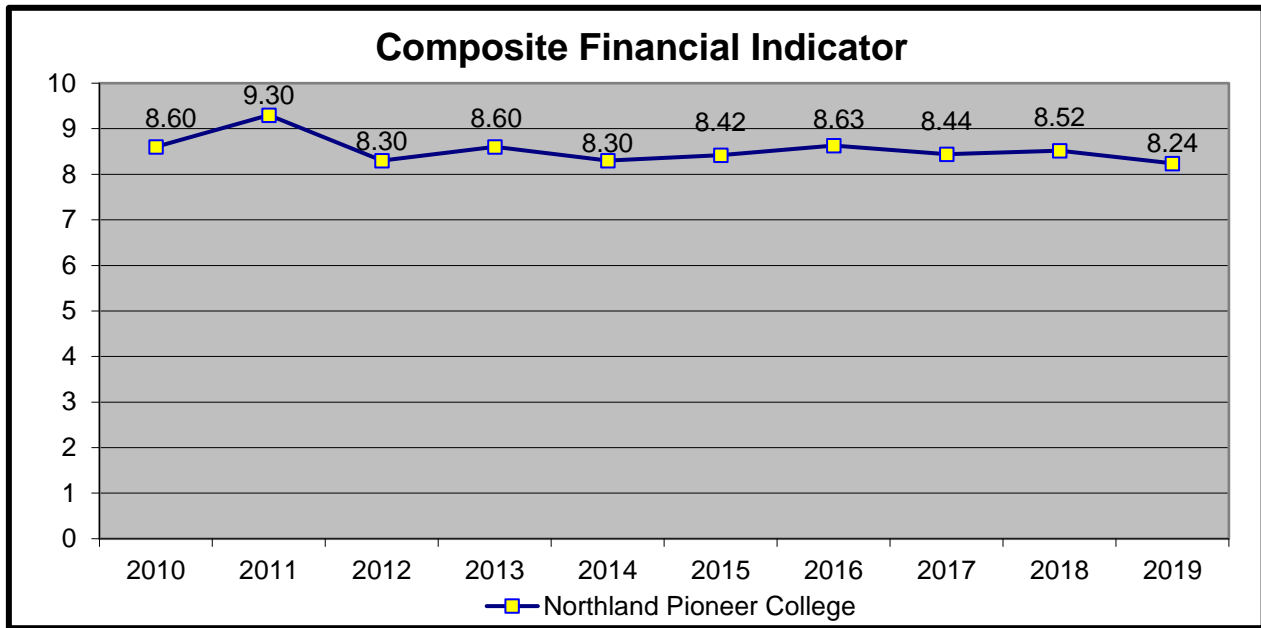
History and Service Area – Established in 1972, the District first enrolled students starting with the fall semester of 1974. The District serves Navajo and Apache counties, an area of 21,158 square miles with a 2010 U.S. Census Bureau population of 178,967. The Navajo, Hopi, and White Mountain Apache 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

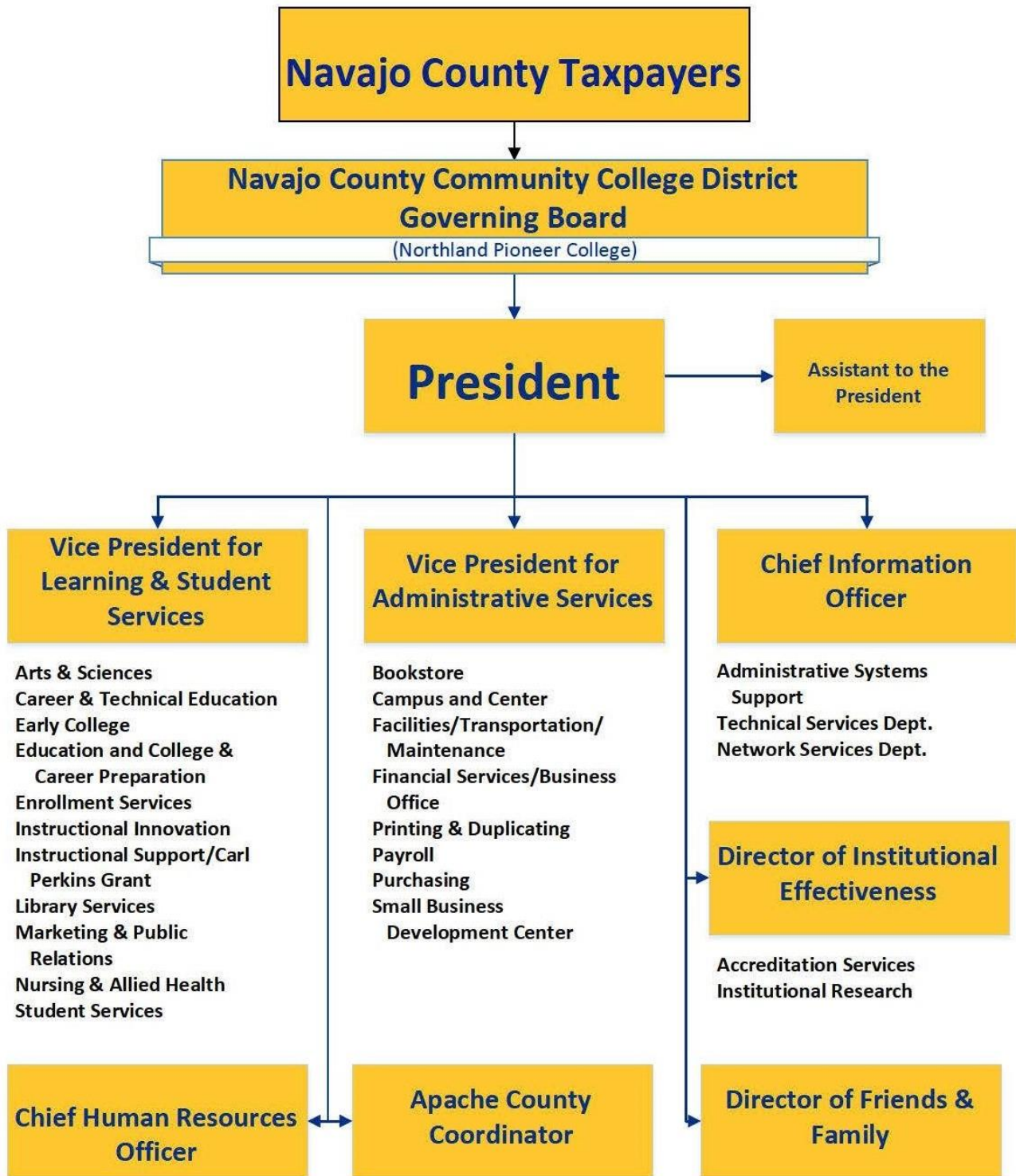
Dr. Jessica Clark, Vice President for Learning & Student Services

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.

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

Financial Section



Northland Pioneer College
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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

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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**

	<u>2020</u>	<u>2019</u>	<u>% Change</u>
Assets:			
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%
Deferred Outflow of Resources:			
Deferred outflows related to pensions	<u>1,823,604</u>	<u>2,304,191</u>	-21%
Liabilities:			
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%
Deferred Inflow of Resources			
Deferred inflows related to pensions	<u>1,537,390</u>	<u>2,672,946</u>	-42%
Net Position:			
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
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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>
Revenues:			
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	<u>234,592</u>	<u>281,638</u>	-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	<u>1,216,955</u>	<u>1,200,154</u>	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%
Expenses:			
Operating	29,588,781	28,171,222	5%
Nonoperating	<u>1,016,320</u>	-	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%

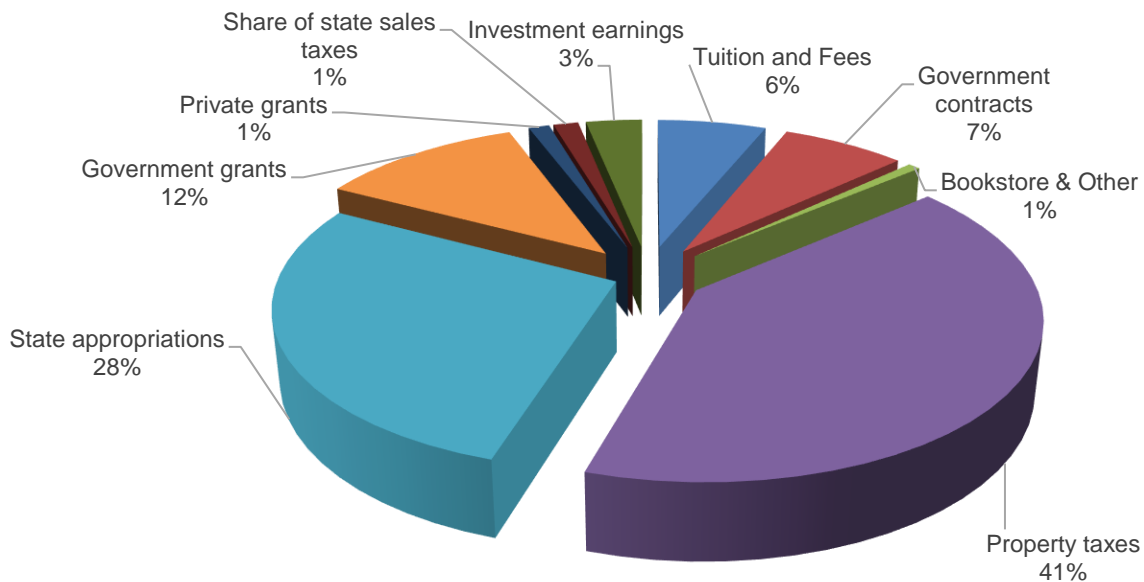
Total revenues exceed total expenses by \$8.1 million. The available funds will support future capital needs by setting aside resources as outlined in the District’s *Future Capital Reserve* policy.

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
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Total nonoperating revenues increased by \$3.3 million, or 11 percent. Property taxes increased \$.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 \$.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 \$.6 million or 9 percent from the prior year. STEM funding, previously known as capital appropriations remained constant \$.3 million in fiscal year 2020.

2020 Revenue by Category



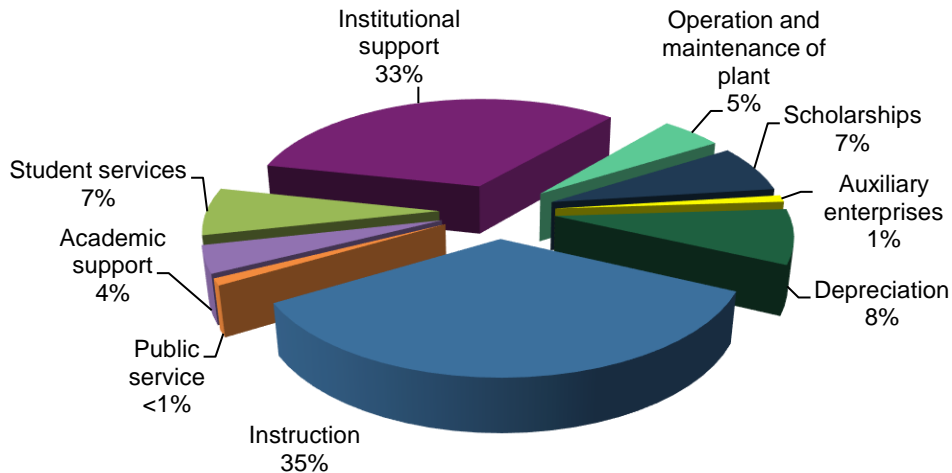
The District has historically set the property tax levy at the maximum rate allowed by statute, which is 2 percent plus an additional increase for new construction valuation and requires a Truth in Taxation Hearing. For fiscal year 2020, the District set the property tax levy at 2 percent without an 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>
Operating Expenses			
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%
Nonoperating Expenses			
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
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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

	Business-Type Activities
Assets	
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	<u>526,241</u>
Total current assets	<u>77,232,858</u>
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	<u>36,504,569</u>
Total noncurrent assets	<u>38,704,878</u>
Total assets	<u>115,937,736</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions	<u>1,823,604</u>
Liabilities	
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	<u>339,315</u>
Total current liabilities	<u>3,103,593</u>
Noncurrent liabilities:	
Compensated absences payable	113,104
Net pension liability	<u>17,163,097</u>
Total noncurrent liabilities	<u>17,276,201</u>
Total liabilities	<u>20,379,794</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	<u>1,537,390</u>

(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)

	Business-Type Activities
Net Position	
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

	NPC Friends & Family	Northeast Arizona Training Center, Inc.	Total
Assets			
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, net of accumulated depreciation	-	1,675,647	1,675,647
Total assets	\$ 860,676	\$ 1,833,509	\$ 2,694,185
Net Assets			
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
 Total liabilities and net assets	 \$ 860,676	 \$ 1,833,509	 \$ 2,694,185

See accompanying notes to financial statements.

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

	Business-Type Activities
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

	NPC Friends & Family	Northeast Arizona Training Center, Inc.	Total
Changes in Unrestricted Net Assets			
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	92,608	70,073	162,681
 Net assets released from restrictions	94,692	-	94,692
Total unrestricted revenues and support	187,300	70,073	257,373
 Expenses:			
Program services	54,887	-	54,887
Support services	17,574	137,650	155,224
Total expenses	72,461	137,650	210,111
Increase (Decrease) in net assets without donor restrictions	114,839	(67,577)	47,262
 Changes in net assets with donor restrictions			
Contributions	49,659	-	49,659
Net assets released from restrictions	(94,692)	-	(94,692)
Net investment return	5,588	-	5,588
Total restricted revenues and support	(39,445)	-	(39,445)
 Expenses:			
Program services	9,615	-	9,615
Total expenses	9,615	-	9,615
Increase (Decrease) in net assets with donor restrictions	(49,060)	-	(49,060)
 Increase (Decrease) in net assets	65,779	(67,577)	(1,798)
 Net assets, beginning of year	794,897	1,901,086	2,695,983
Net assets, end of year	\$ 860,676	\$ 1,833,509	\$ 2,694,185

See accompanying notes to financial statements.

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

	Business-Type Activities
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>
 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>
 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>
 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
 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)

	Business-Type Activities
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (24,361,813)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	2,272,980
Changes in assets, deferred outflows of resources, liabilities and 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, 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>

See accompanying notes to financial statements.

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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
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

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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.

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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 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:

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Investment Type	Amount	Weighted Average 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 July 1, 2019	Increases	Decreases	Balance 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:

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	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within 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>	-
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

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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.

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:

	Retirement	
	Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equal 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* 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.

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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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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>

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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:

Asset Class	Target Allocation	Long-term expected geometric real rate of return
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>	

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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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
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.

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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

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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.

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B. Cash

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

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

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

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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)

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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:

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowment net assets, beginning of year	\$448,360	\$163,089	\$611,449
Investment return, net	3,122	5,588	8,710
Contributions	76,288	9,139	85,427
Distributions from board-designated endowment pursuant to policy	-	(15,505)	(15,505)
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 LIVESSM

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 (Measurement Date)						2014 through 2011
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (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 not 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 through 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 LIVESSM

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.

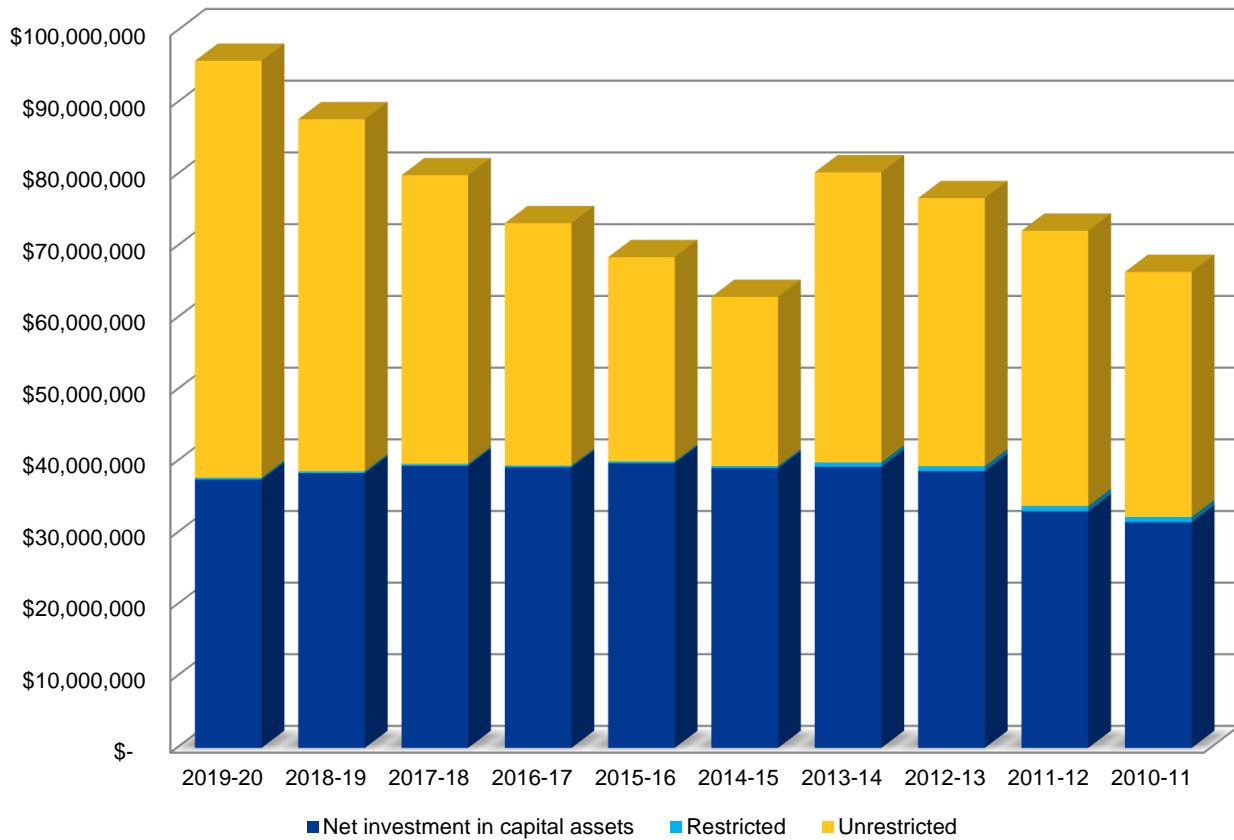
- Enrollment and Degree Statistics
- Student Enrollment and Demographic Statistics
- Employee Statistics
- Schedule of Capital Asset Information

**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 (1)	2010-11 (2)
Operating revenues:										
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 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	5,226,968	5,713,755	5,124,019	5,621,763	5,477,290	6,024,587	5,871,088	5,858,204	5,653,521	4,777,940
Operating expenses:										
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 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	29,588,781	28,171,222	27,242,192	28,232,323	28,336,687	29,533,567	28,220,910	27,631,411	26,984,441	24,905,008
Operating loss	(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)
Nonoperating revenues (expenses):										
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 capital assets	-	-	(42,109)	(1,623)	8,484	41,100	(112,752)	18,627	(180,305)	3,563
Other	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenues and expenses	32,506,495	30,260,898	28,797,257	27,358,021	28,391,836	26,904,735	25,824,770	26,319,150	27,069,595	28,015,641
Income before other revenues, expenses, gains or loss	8,144,682	7,803,431	6,679,084	4,747,461	5,532,439	3,395,755	3,474,948	4,545,943	5,738,675	7,888,573
Capital appropriations	-	-	-	-	-	-	122,600	-	-	-
Increase in net position	8,144,682	7,803,431	6,679,084	4,747,461	5,532,439	3,395,755	3,597,548	4,545,943	5,738,675	7,888,573
Total net position, July 1 (4)	87,699,474	79,896,043	73,216,959	68,469,498	62,937,059	59,541,304	76,701,210	72,155,267	66,416,592	58,528,019
Total net position, June 30	\$95,844,156	\$87,699,474	\$79,896,043	\$73,216,959	\$68,469,498	\$62,937,059	\$80,298,758	\$76,701,210	\$72,155,267	\$66,416,592

Source:

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

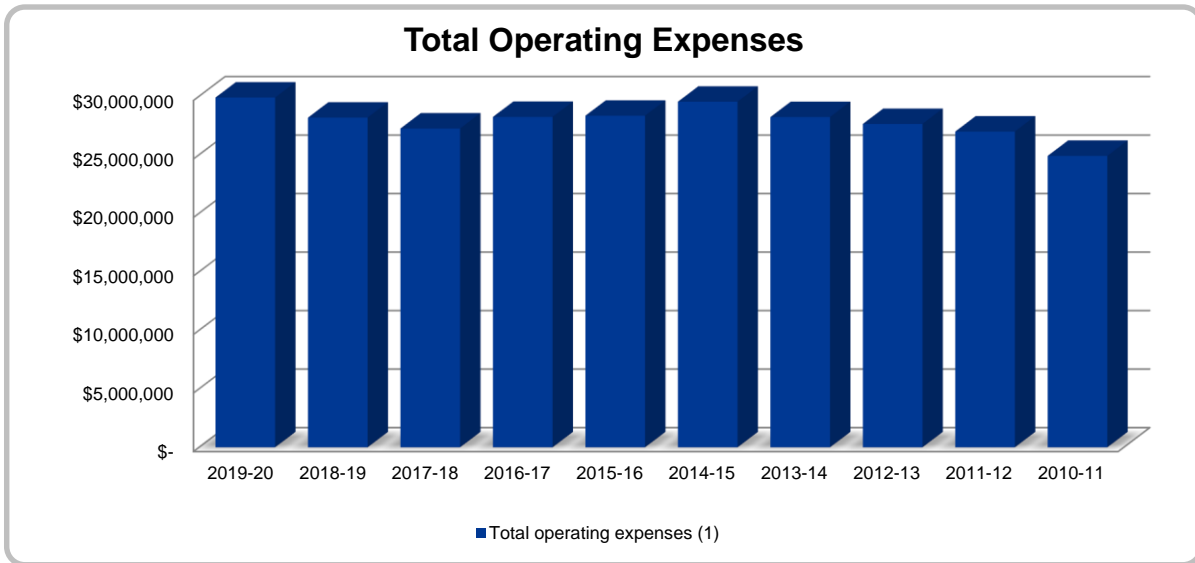
Notes:

- (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
Total operating expenses	29,888,781	28,171,221	27,242,192	28,232,323	28,336,687
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	-	-	-	-
Total nonoperating expenses	1,016,320	-	42,109	3,197	3,037
Total expenses	\$ 30,905,101	\$ 28,171,221	\$ 27,284,301	\$ 28,235,520	\$ 28,339,724

	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
Total operating expenses	29,533,567	28,220,910	27,631,411	26,984,441	24,905,008
Interest expense	3,470	5,138	-	6,854	3,428
Loss on disposal of capital assets	-	112,752	-	180,305	-
Total nonoperating 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



Source:
Audited financial statements.

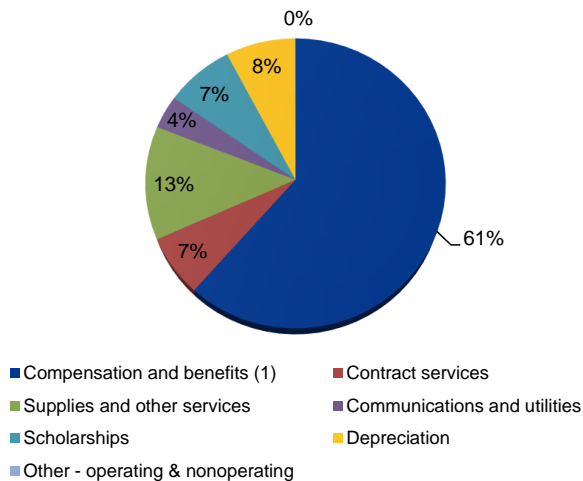
Note:
(1) Starting in fiscal year 2010-11, expenses for Scholarships and Student services were adjusted to reclassify payments made to students for student financial aid and scholarships. These payments were reported as Student services in prior years.

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

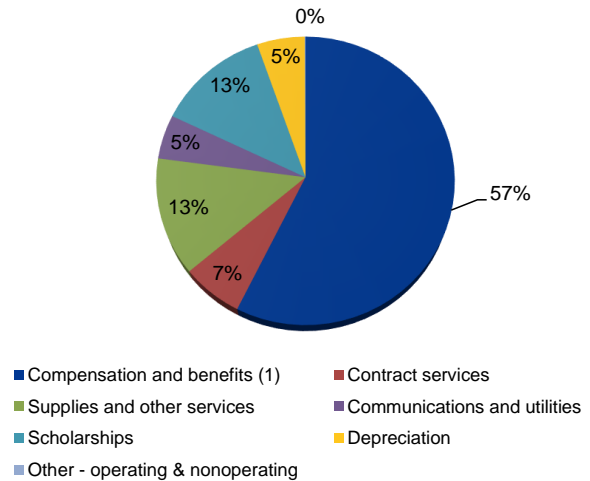
	2019-20	2018-19	2017-18	2016-17	2015-16
Compensation and benefits (1)	\$ 18,226,510	\$ 16,677,080	\$ 16,818,499	\$ 17,121,078	\$ 17,635,444
Contract services	2,012,642	2,129,192	2,089,793	1,862,246	2,346,731
Supplies and other services	3,750,161	3,812,499	2,995,683	3,627,164	2,703,472
Communications 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:

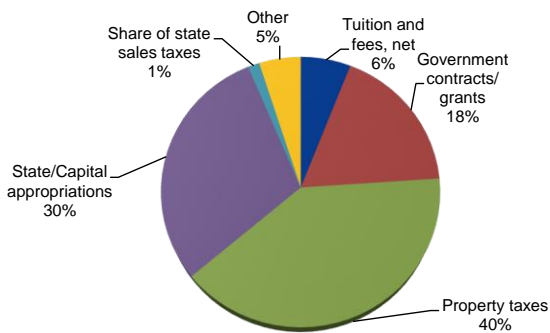
- (1) Starting in fiscal year 2013-14, Compensation and benefits replaced Personal services to more accurately describe the expense category.
- (2) Starting in fiscal year 2010-11, expenses for Scholarships and Student services were adjusted to reclassify payments made to students for student financial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

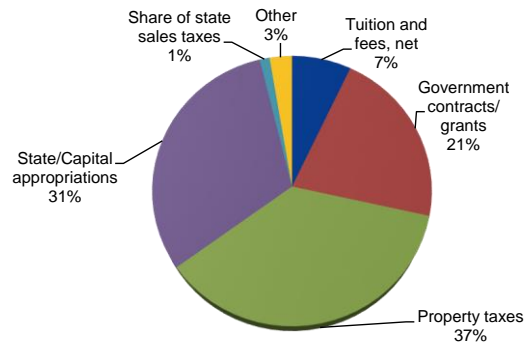
	2019-20	2018-19	2017-18	2016-17	2015-16
Tuition and fees, net	\$ 2,320,187	\$ 2,400,758	\$ 2,328,188	\$ 2,388,164	\$ 2,478,625
Government contracts	2,642,769	3,021,888	2,516,324	2,808,825	2,606,064
Bookstore income, net	29,420	9,471	8,549	12,231	61,854
Other	234,592	281,638	270,958	412,543	330,747
Total 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

FY19-20 Revenues by Source



FY10-11 Revenues by Source



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 (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**

Fiscal Year	Total Adjusted Tax Levy (1)	Current Tax Collections (2)	Percent of Current Tax Collections to Total Tax Levy	Collections in Subsequent Years (2)	Total Tax Collections (2)	Percent of Total Tax Collections to Total Tax Levy
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:

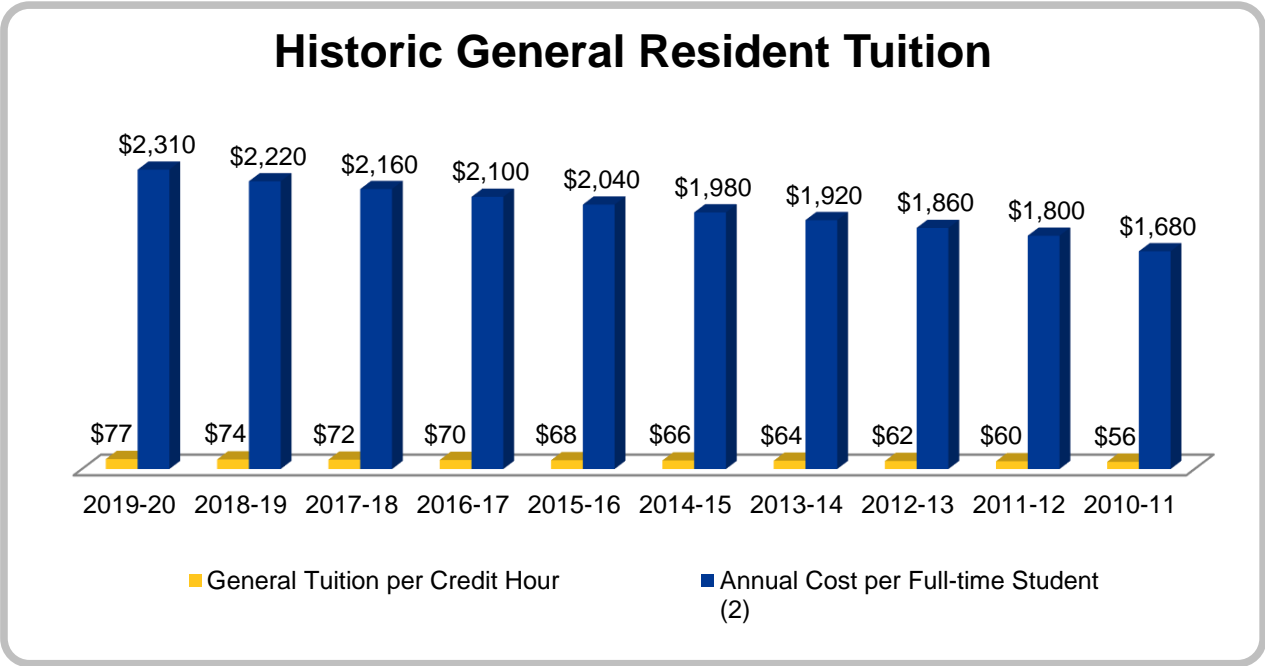
Navajo County Finance Department, 2019 Comprehensive Annual Financial Report.
Navajo County Finance and Assessor Offices.

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 (1)	District Historic Tuition			
	General Tuition per Credit Hour	Annual Cost per Full-Time Student (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**

Fiscal Year	Capital Lease Obligations	Total Outstanding Debt	Per FTSE (1)	Per Capita
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**

Calendar Year	County Population (1)	County Personal Income (In Thousands)	County Personal Income Per Capita	County Unemployment Rate
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**

Employment by Sector	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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**

Fall Semester	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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 (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 LIVESSM

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