



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021



NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT, HOLBROOK, AZ



Northland Pioneer College

EXPANDING MINDS • TRANSFORMING LIVESSM

Navajo County Community College District

Holbrook, AZ

Annual Comprehensive Financial Report
Year Ended June 30, 2021

Prepared by the NPC District Financial Services Office

Navajo County Community College District
 (Northland Pioneer College)
 Annual Comprehensive Financial Report
 June 30, 2021

Table of Contents	Page
Introductory Section	
President’s Letter	1
Transmittal Letter	2-7
Certificate of Achievement for Excellence in Financial Reporting	8
Principal Officers	9
Organization Chart	10
Mission, Vision, Values	11
Financial Section	
Independent Auditors’ Report	15-16
Management’s Discussion and Analysis	17-24
Basic Financial Statements	
Statement of Net Position—Primary Government	25-26
Statement of Financial Position—Component Units	27
Statement of Revenues, Expenses, and Changes in Net Position—Primary Government	28
Statement of Activities—Component Units	29
Statement of Cash Flows—Primary Government	30-31
Notes to Financial Statements	32-48
Required Supplementary Information	
Schedule of District’s Proportionate Share of Net Pension Liability	51
Schedule of District’s Pension Contributions	52
Statistical Section	
Statistical Section Introduction	55
Financial Trends:	
Net Position by Component—Last Ten Fiscal Years	56
Changes in Net Position—Last Ten Fiscal Years	57
Expenses by Function—Last Ten Fiscal Years	58
Expenses by Use—Last Ten Fiscal Years	59
Revenues by Source—Last Ten Fiscal Years	60
Statutory Limit to Budgeted Expenditures—Last Ten Fiscal Years	61

Navajo County Community College District
(Northland Pioneer College)
Annual Comprehensive Financial Report
June 30, 2021

Table of Contents	Page
Revenue Capacity:	
Assessed Valuation, Tax Rate, and Estimated Actual Value—Last Ten Fiscal Years	62
Property Tax Levies and Collections—Last Ten Fiscal Years	63
Property Tax Rates, Direct and Overlapping Governments—Last Ten Years (Per \$100 of Assessed Value)	64
Principal Taxpayers—Current Year and Ten Years Ago	65
Historic General Resident Tuition—Last Ten Fiscal Years	66
Debt Capacity:	
Ratios of Outstanding Debt by Type—Last Ten Fiscal Years	67
Computation of Legal Debt Margin—Last Ten Fiscal Years	68
Demographic and Economic Information:	
Schedule of Demographic and Economic Statistics—Last Ten Years	69
Schedule of Employment by Sector	70
Operating Information:	
Enrollment and Degree Statistics—Last Ten Years	71
Student Enrollment and Demographic Statistics—Last Ten Years	72-73
Employee Statistics (Headcount)—Last Ten Fiscal Years	74
Schedule of Capital Asset Information—Last Ten Fiscal Years	75

Introductory Section



Northland Pioneer College
EXPANDING MINDS • TRANSFORMING LIVESSM



Northland Pioneer College
Office of the President

EXPANDING MINDS • TRANSFORMING LIVES

November 19, 2021

Greetings,

During my first few months as the new President of Northland Pioneer College, it has been great to get to know faculty, staff, and students. It has also been a joy to get to know the communities we serve throughout northeastern Arizona. I have discovered that NPC and northeastern Arizona are unique, with many qualities that make them remarkable. One of the things that NPC and the state of Arizona values in public institutions is transparency, and I'm happy to share this report with you as one way we provide information on the state of the college and our financial position.

As I have started to get to know the college, I have seen the direct impact that NPC has and appreciate the essential role the college will play in the future. Graduates of NPC fill important jobs in the community in health care, government, business, and more. Our partnerships with high schools are getting students ready for jobs right after college or to be successful when they transfer to a four-year college or university. And, our current students often hold jobs in the district or contribute in other ways to the high quality of life found in northeastern Arizona.

We know that this is a time of transition in our economy, and through our strategic planning process, NPC is recommitting itself to be a partner with the community for what comes next. As we continue to work through the COVID-19 pandemic, we have not forgotten that many economic challenges face our communities, from an overall lack of broadband internet access to the continued closure of public utilities that provided many jobs. We face challenges ahead, but it is also a time of tremendous opportunity. The college is looking at what new programs we can add, how we can provide more service to a broader array of students, and partner with organizations who want to move Arizona forward.

As you will read in this report, NPC has been a good steward of our resources and is well-positioned for the future. Because of the college's conservative fiscal approach, we have been able to save enough money to start new building projects in Show Low and Winslow that will be paid for entirely with our reserves, not by borrowing any funds or raising taxes. This is just one example of how our financial stewardship is benefiting students and the communities we serve.

NPC began to issue an Annual Comprehensive Financial Report (ACFR) eight years ago to supplement the basic financial statements prepared by staff and audited by the Arizona Office of the Auditor General. Every ACFR 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 ACFR continues those high standards, demonstrating NPC's proper management of those public funds through transparent financial reporting.

It was an honor to be named President at NPC, and it has been pure joy to get started. I look forward to continuing to build bridges throughout northeastern Arizona and finding solutions to the challenges that we will encounter as we rethink some of our approaches in this era of rapid change.

Sincerely,

Dr. Chato Hazelbaker, Ed.D.
President, Northland Pioneer College

November 19, 2021

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

We are pleased to provide you with the Annual Comprehensive Financial Report 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, 2021.

Arizona Revised Statutes requires community college districts to prepare annual financial statements and for those financial statements to be audited. The Arizona Auditor General audited the District's financial statements for the fiscal year ended June 30, 2021 and issued an unmodified opinion, indicating they believe the financial statements were fairly presented. See Independent Auditors' Report on page 15.

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.

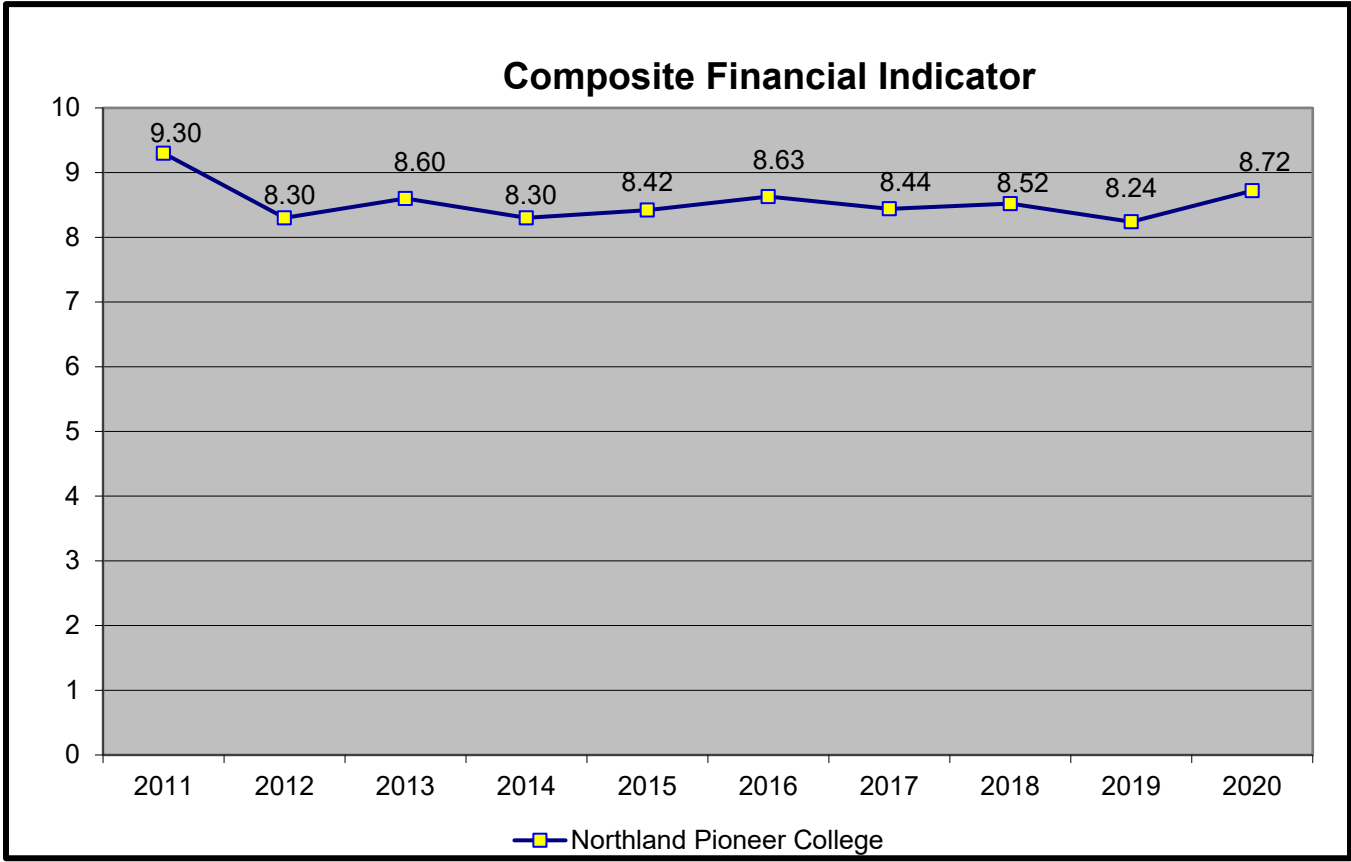
History and Service Area – Established in 1972, the District first enrolled students starting with the fall semester of 1974. The District serves Navajo and Apache counties, an area of 21,158 square miles with a 2020 U.S. Census Bureau population of 172,738. The Navajo, Hopi, and White Mountain Apache 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 2020 by 12 percent over fall 2019. Of the 2703 headcount 58 percent or 1,579 was comprised of students 19 years of age and younger. Full-time students made up only 17 percent of the unduplicated headcount while the remaining 83 percent were part-time attendees. The student per faculty ratio decreased by less than 16 percent in 2020 from 2019 and student per staff ratio also decreased by less than 25 percent with the average class size rising to 14. The student population was 58 percent minority with 59 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. The District has prioritized these recommendations and is actively preparing for the interim report.

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 2011 to 2020 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 on the financials and related indicators. The District's 2020 CFI including pensions was 8.90 and excluding pensions was 8.72. The chart below indicates the CFI excluding pensions for 2020.



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 2021 was 6.2 percent which is higher than it was a year ago for the same period when it was 5.9 percent and higher than the nation’s unemployment rate of 5.2 percent for August 2021. In Navajo County, the unemployment rate is down 1.5 percent from August 2020 at 7.3 percent for August 2021 and Apache County is still in the double digits at 10.1 percent, which is a decrease of .2 percent from prior year.

The District saw student enrollment using full time student equivalents decrease. When comparing fall 2020 to fall 2019, the District had an enrollment decrease of 12 percent and comparing spring 2021 to spring 2020 there was an enrollment decrease of 9.6 percent. According to the National Student Clearinghouse Research Center enrollment decreased 10.1 percent for fall 2020 and spring 2021 9.5 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 continues to be adapting to the COVID-19 pandemic. The District is addressing this emergent situation in the following manners:

- Remote worker environment and procedures – A telework procedure and request process was put into effect to provide structure to employees with flexible work schedules and/or locations.
- Employee contracts reflected remote status if they were hired to work entirely remotely for their job.
- Tax levies have not been increased to their maximum as has been the practice in previous years to provide some financial relief to property tax payers.

New construction of a Skills Center at the White Mountain Campus is underway. This facility will house state of the art Construction, Welding, Auto and Energy programs as well as the Facilities Department.

UPCOMING MAJOR INITIATIVES

The District has adopted a “Guided Pathways” approach, falling more into line with the “Student Success Initiative” which is a more relational and “hands-on” approach to recruiting, onboarding and maintaining contact with students and potential students as they navigate through post-secondary investigation and engagement. A cross-departmental group of individuals representing all areas of the District collaborate on best practices and moving the initiative forward with recommendations.

The District has entered into a partnership with Yavapai College to expand its Open Educational Resources (OER) to enhance the use of low or no cost resource material to students. This effort is led by Library Director Shannon Motter under the recently restructured Innovation Division. As more faculty turn to OER to reduce student access barriers and improve the learning environment, the District will support OER and subscriptions that enhance and improve these ever-expanding resources.

A Funds for the Improvement of Postsecondary Education (FIPSE) grant has been awarded to the District to provide Early College Opportunities to Advance Degree Attainment (ECOADA.) This project will entail the hiring of a project director and facilitator to oversee initiatives in the student services area that impact the District’s efficacy in reaching prospective students and engaging current students through changes in onboarding, advising, counseling and other support.

NPC hired a new President effective July 1, 2021. Other critical roles vacant needing to be filled in the upcoming fiscal year including: Chief Human Resource Officer, Vice President for Learning and Student Services, and Chief Information Officer.

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 Arizona 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 Arizona 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 ACFR, and to develop internal management reports for decision-making needs and to aid in the allocation of resources.

The ACFR 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 ACFR 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 the Arizona Auditor General. 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 ACFR. The District received an unmodified opinion for the fiscal year ended June 30, 2021.

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, 2021.

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 annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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 Arizona 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/CFO

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

PRINCIPAL OFFICERS

As of June 30, 2021

DISTRICT GOVERNING BOARD

Mr. Kristine Laughter, District 1

Mr. Elias Jouen, District 2

Mr. Frank Lucero, District 3

Mr. Everett Robinson, District 4

Mr. Derrick Leslie, District 5

EXECUTIVE TEAM

Chato Hazelbaker, President

(Jeanne Swarthout, Former President)

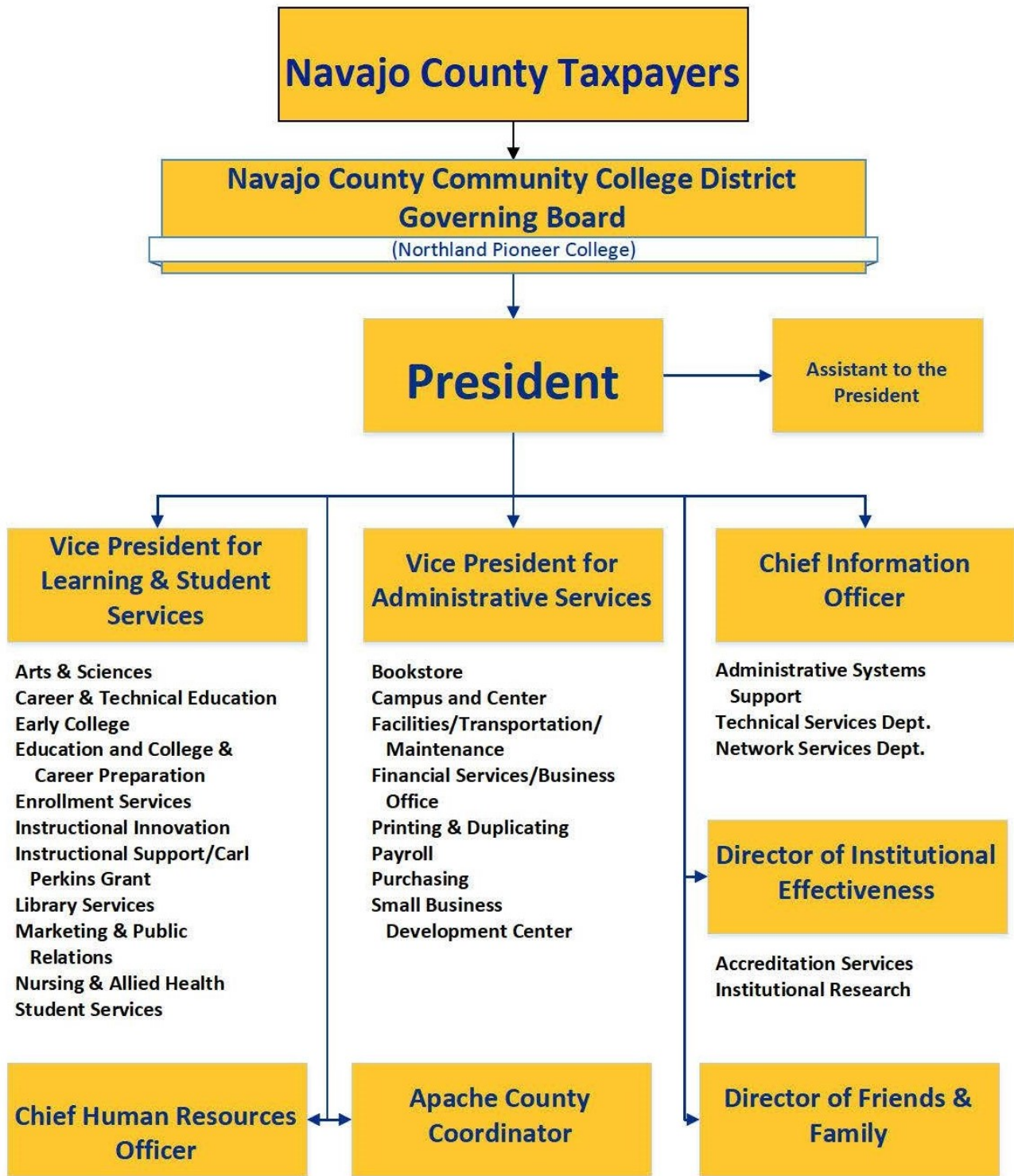
Dr. Michael Solomonson, Vice President for Learning & Student Services

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

Scott Estes, Chief Information Officer

Judy Yip-Reyes, Director for Institutional Effectiveness

**ORGANIZATION CHART
JUNE 30, 2021**





Northland Pioneer College
EXPANDING MINDS • TRANSFORMING LIVES_{SM}

Northland Pioneer College provides educational excellence that is affordable and accessible for the enrichment of communities across northeastern Arizona.

VISION

NPC continually responds to the needs of our communities by cultivating generations of learners. By 2030, NPC will transform lives by advancing student success and socio-economic well-being through a spirit of innovation, partnership, and creative problem-solving.

VALUES

NPC upholds the following Values

- Integrity
- Inclusion
- Adaptability
- Civility
- Access

Read more at www.npc.edu/mission-vision-values.

Financial Section



Northland Pioneer College
EXPANDING MINDS • TRANSFORMING LIVESSM



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, 2021, 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, 2021, 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 17 through 24, schedule of District's proportionate share of the net pension liability on page 51, and schedule of District's pension contributions on page 52 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 will issue our report 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 at a future date. 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 A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

November 19, 2021

Navajo County Community College District
(Northland Pioneer College)
Management's Discussion and Analysis
Year Ended June 30, 2021

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, 2021. 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, 2021. It shows the various assets owned or controlled, deferred outflows of resources, related liabilities and other obligations, deferred inflows 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, 2021. 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, 2021. It shows the various cash activities by type, reconciling the beginning cash and cash equivalents amount to the ending cash and cash equivalents amount, which is shown on the *Statement of Net Position* described above. In addition, this statement reconciles cash flows from operating activities to operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position* described above.

Financial Highlights and Analysis

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

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

Navajo County Community College District
(Northland Pioneer College)
Management's Discussion and Analysis
Year Ended June 30, 2021

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, 2021 and June 30, 2020:

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

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Assets:			
Current assets	\$ 86,022,775	\$ 77,232,858	11%
Noncurrent assets, other than capital assets	731,477	1,265,403	-42%
Capital assets, net	<u>35,863,021</u>	<u>37,439,475</u>	-4%
Total assets	<u>122,617,273</u>	<u>115,937,736</u>	6%
Deferred Outflow of Resources:			
Deferred outflows related to pensions	<u>3,670,387</u>	<u>1,823,604</u>	101%
Liabilities:			
Other liabilities	3,117,662	3,103,593	0%
Long-term liabilities	<u>20,096,362</u>	<u>17,276,201</u>	16%
Total liabilities	<u>23,214,024</u>	<u>20,379,794</u>	14%
Deferred Inflow of Resources			
Deferred inflows related to pensions	<u>428,122</u>	<u>1,537,390</u>	-72%
Net Position:			
Net investment in capital assets	35,863,021	37,439,475	-4%
Restricted	266,230	265,935	0%
Unrestricted	<u>66,516,263</u>	<u>58,138,746</u>	14%
Total net position	<u>\$102,645,514</u>	<u>\$ 95,844,156</u>	7%

Total assets increased \$6.7 million, or 6 percent. Concentrated in the current assets increase of \$8.9 million or 11 percent, cash and investments made up \$8.3 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 \$.1 million, or 13 percent due to reaching a plateau in technology license purchases. Account receivables increased \$.3 million or 15 percent due to increased grant activity and reimbursement status. Property taxes receivable decreased \$.1 million, or 22 percent due to a higher payment rate. Student account receivables increased by \$.4 million or 469 percent due to high non-pay statuses, shifting from noncurrent receivables.

Navajo County Community College District
(Northland Pioneer College)
Management's Discussion and Analysis
Year Ended June 30, 2021

Total noncurrent assets, other than capital assets decreased 42 percent or \$.5 million primarily due to a shift in student accounts receivable. Net capital assets decreased \$1.6 million or 4 percent due to more assets depreciating than being replaced.

Deferred outflows related to pensions increased by \$1.8 million or 101 percent. This was due primarily to an increase in difference between projected and investment earnings.

Total liabilities increased \$2.8 million or 14 percent primarily related to an increase in the net pension liability of \$2.8 million. Current Liabilities remained static. Non-current liabilities made up the majority of the total liability increase with an increase of 16% or \$2.8 primarily from the net pension liability.

Deferred inflows decreased overall by 72 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.

Total net position increased \$6.8 million or 7 percent primarily in unrestricted net position which increased by \$8.4 million or 14 percent. This was accomplished in spite of a decrease in total revenues of \$.6 million or 2 percent and operating expenses increasing \$.9 million or 3 percent. Non-operating expenses decreased \$.2 million or 20 percent during the fiscal year as a result of a loss on the disposal of capital assets. Net investment in capital assets decreased \$1.6 million or 4 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.

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

Navajo County Community College District
(Northland Pioneer College)
Management's Discussion and Analysis
Year Ended June 30, 2021

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

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Revenues:			
Operating			
Tuition and fees, net	\$ 1,169,747	\$ 2,320,187	-50%
Government contracts	2,736,560	2,642,769	4%
Bookstore income, net	25,106	29,420	-15%
Other	<u>189,002</u>	<u>234,592</u>	-19%
Total operating revenues	<u>4,120,415</u>	<u>5,226,968</u>	-21%
Nonoperating			
Property taxes	15,645,227	15,470,410	1%
State appropriations	10,990,474	11,548,300	-5%
Government grants	6,011,021	4,308,940	40%
Private grants	264,994	444,916	-40%
Share of state sales taxes	664,780	533,294	25%
Investment earnings	<u>414,898</u>	<u>1,216,955</u>	-66%
Total nonoperating revenues	<u>33,991,394</u>	<u>33,522,815</u>	1%
Total revenues	<u>38,111,809</u>	<u>38,749,783</u>	-2%
Expenses:			
Operating	30,501,207	29,588,781	3%
Nonoperating	<u>809,244</u>	<u>1,016,320</u>	-20%
Total expenses	<u>31,310,451</u>	<u>30,605,101</u>	2%
Increase in net position	6,801,358	8,144,682	-16%
Total net position, July 1	<u>95,844,156</u>	<u>87,699,474</u>	9%
Total net position, June 30	<u>\$102,645,514</u>	<u>\$95,844,156</u>	7%

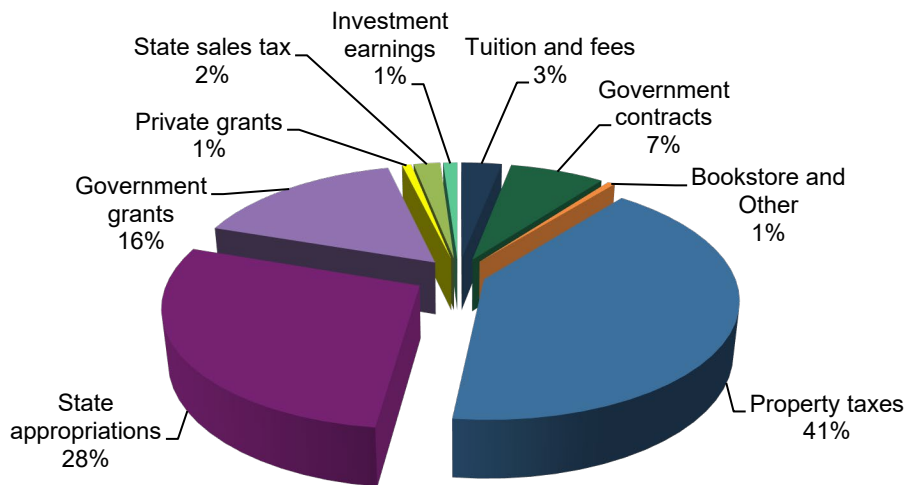
Total revenues exceed total expenses by \$6.8 million. The available funds will support future capital needs by setting aside resources as outlined in the District's *Future Capital Reserve* policy.

Total operating revenues decreased \$1.1 million, or 21 percent. Government contracts increased \$.1 million or 4 percent. Tuition and fees revenue decreased \$1.2 million, or 50 percent primarily due to a proactive pandemic response of 50% tuition reduction for spring and fall 2020.

Navajo County Community College District
 (Northland Pioneer College)
 Management's Discussion and Analysis
 Year Ended June 30, 2021

Total nonoperating revenues decreased by \$.5 million, or 1 percent. Property taxes increased \$.2 million or 1 percent over the prior fiscal year. Property tax revenues account for 41 percent of total revenues. The District saw a decrease in state appropriations of \$.6 million, or 5 percent, which includes operating state aid, rural aid, equalization aid and Science, Technology, Engineering, and Mathematics (STEM) and Proposition 207 funding from the Smart and Safe Fund. Government grants increased 41 percent or \$1.7 million largely due to receiving COVID-19 awards to account for 16 percent of total revenue.

2021 Revenue by Category



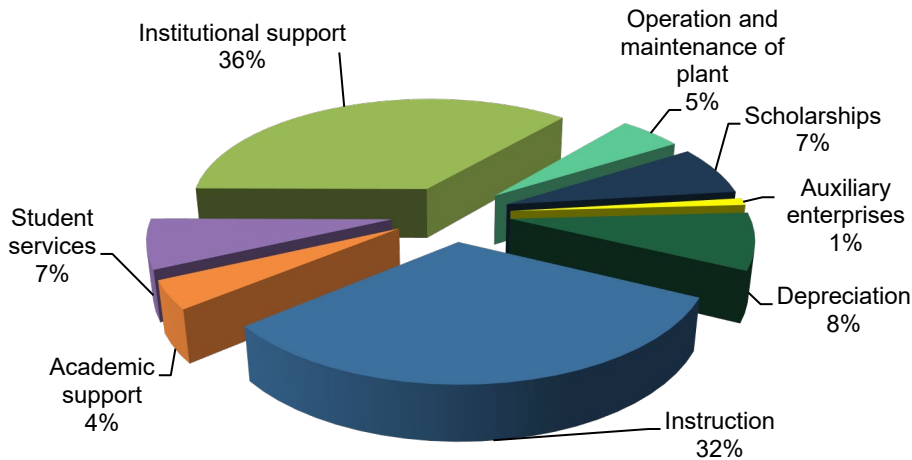
The District has historically set the property tax levy at the maximum rate allowed by statute, which is 2 percent plus an additional increase for new construction valuation and requires a Truth in Taxation Hearing. For fiscal year 2021, the District set the property tax levy at 2 percent without an 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 County.

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, 2021

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
Operating Expenses			
Educational and general:			
Instruction	\$ 9,768,640	\$10,214,313	-4%
Public service		15,407	-100%
Academic support	1,127,395	1,060,798	6%
Student services	1,977,960	2,158,033	-8%
Institutional support	11,112,076	9,809,049	13%
Operation and maintenance	1,749,827	1,583,140	11%
Scholarships	2,057,607	2,247,251	-8%
Auxiliary enterprises	180,188	227,810	-21%
Depreciation	<u>2,527,514</u>	<u>2,272,980</u>	11%
Total operating expenses	<u>30,501,207</u>	<u>29,588,781</u>	3%
Nonoperating Expenses			
Pass through grant to component unit	5,534	1,016,320	-99%
Loss on disposal of capital assets	<u>803,710</u>	<u>-</u>	100%
Total nonoperating expenses	<u>809,244</u>	<u>1,016,320</u>	-20%
Total expenses	<u>\$31,310,451</u>	<u>\$30,605,101</u>	2%

2021 Operating Expenses by Category



Total expenses increased by \$.7 million or 2 percent. \$.8 million of this increase was due to an increase in the Institution support with the disposal of capital assets. 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 \$1.3 million or 13 percent in institutional support, including heavy investment in upgrading technology. Facilities and operations resulted in an increase of 11 percent or \$.2 million in operational and maintenance expenses. A decrease of \$.2 million or 8 percent of student services signaled the completion of software upgrade projects in Financial Aid and a realignment of staffing. Instruction saw a decrease of \$.5 million or 4 percent due in

Navajo County Community College District
(Northland Pioneer College)
Management's Discussion and Analysis
Year Ended June 30, 2021

part to filling vacancies offset by providing additional distance learning components and grant funding for this area.

Total net position increased by \$6.8 million or 7 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 primarily at its White Mountain campus in Show Low and Little Colorado Campus in Winslow, Arizona.

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 expanding and restructuring its early college program, focused on high school students, bringing 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 transition of this early college program from grant to college funded will have an increasing impact on upcoming budgets and financials.

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 an effort to provide additional COVID-19 relief to students in the District, the Governing Board adopted a reduced in-district tuition rate of \$65 and out of district rate of \$82 for fiscal year 21-22.

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, 2021

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, 2021

	Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 82,195,384
Receivables (net of allowances for uncollectibles):	
Grants	2,042,525
Contracts	189,402
State appropriations	307,778
Other	26,009
Property taxes	364,882
Student	430,449
Inventories	7,340
Prepaid items	459,006
Total current assets	86,022,775
Noncurrent assets:	
Restricted assets:	
Cash and investments	266,230
Property taxes receivable (net of allowances of \$90,000)	55,402
Student receivable (net of allowances of \$851,994)	409,845
Capital assets, not being depreciated	1,557,975
Capital assets, being depreciated, net	34,305,046
Total noncurrent assets	36,594,498
Total assets	122,617,273
Deferred Outflows of Resources	
Deferred outflows related to pensions	3,670,387
Liabilities	
Current liabilities:	
Accounts payable	605,634
Accrued payroll and employee benefits	228,956
Due to component unit	922,054
Unearned revenues	890,009
Current portion of compensated absences payable	471,009
Total current liabilities	3,117,662
Noncurrent liabilities:	
Compensated absences payable	157,003
Net pension liability	19,939,359
Total noncurrent liabilities	20,096,362
Total liabilities	23,214,024
Deferred Inflows of Resources	
Deferred inflows related to pensions	428,122

See accompanying notes to financial statements.

(Continued)

Navajo County Community College District
(Northland Pioneer College)
Statement of Net Position - Primary Government
June 30, 2021
(Concluded)

	Business-Type Activities
Net Position	
Net investment in capital assets	\$ 35,863,021
Restricted:	
Nonexpendable	
Endowments	12,414
Expendable:	
Scholarships	253,816
Unrestricted	66,516,263
Total net position	\$ 102,645,514

See accompanying notes to financial statements.

Navajo County Community College District
(Northland Pioneer College)
Statement of Financial Position - Component Units
June 30, 2021

	NPC Friends & Family	Northeast Arizona Training Center, Inc.	Total
Assets			
Cash and cash equivalents	\$ 186,475	\$ 168,302	\$ 354,777
Restricted cash - savings	179,632	-	179,632
Investments:			
Marketable securities	458,341	-	458,341
Marketable securities - restricted	643,218	-	643,218
Contributions receivable	-	2,810	2,810
Prepaid expense	-	17,050	17,050
Property and equipment, net of accumulated depreciation	-	1,630,766	1,630,766
Total assets	\$ 1,467,666	\$ 1,818,928	\$ 3,286,594
Net Assets			
Without donor restrictions			
Undesignated	\$ 701,155	\$ 1,818,928	\$ 2,520,083
Designated by the Board for endowments	393,292	-	393,292
Designated by the Board for scholarships	179,632	-	179,632
	1,274,079	1,818,928	3,093,007
With donor restrictions			
Purpose restrictions	193,587	-	193,587
Total net assets	1,467,666	1,818,928	3,286,594
 Total liabilities and net assets	 \$ 1,467,666	 \$ 1,818,928	 \$ 3,286,594

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, 2021

	Business-Type Activities
Operating revenues:	
Tuition and fees, net of scholarship allowances of \$3,366,733	\$ 1,169,747
Government contracts	2,736,560
Bookstore income, net of scholarship allowances of \$16,412	25,106
Other sales and services	26,908
Other	162,094
Total operating revenues	4,120,415
Operating expenses:	
Educational and general:	
Instruction	9,768,640
Academic support	1,127,395
Student services	1,977,960
Institutional support	11,112,076
Operation and maintenance of plant	1,749,827
Scholarships	2,057,607
Auxiliary enterprises	180,188
Depreciation	2,527,514
Total operating expenses	30,501,207
Operating loss	(26,380,792)
Nonoperating revenues (expenses):	
Property taxes	15,645,227
State appropriations	10,990,474
Government grants	6,011,021
Private grants	264,994
Share of state sales taxes	664,780
Investment earnings	414,898
Loss on disposal of capital assets	(803,710)
Pass through grant to component unit	(5,534)
Total nonoperating revenues	33,182,150
Increase in net position	6,801,358
Total net position, July 1, 2020	95,844,156
Total net position, June 30, 2021	\$ 102,645,514

See accompanying notes to financial statements.

Navajo County Community College District
(Northland Pioneer College)
Statement of Activities - Component Units
Year Ended June 30, 2021

	NPC Friends & Family	Northeast Arizona Training Center, Inc.	Total
Changes in Unrestricted Net Assets			
Contributions	\$ 102,228	-	\$ 102,228
Memberships and usage fees	-	\$ 31,250	31,250
Interest income	37	26	63
Unrestricted support	-	12,500	12,500
Grant income	-	75,000	75,000
Net investment return	71,213	-	71,213
Net special events revenue	(3,909)	-	(3,909)
Total unrestricted support	<u>169,569</u>	<u>118,776</u>	<u>288,345</u>
Net assets released from restrictions	<u>166,396</u>	-	<u>166,396</u>
Total unrestricted revenues and support	<u>335,965</u>	<u>118,776</u>	<u>454,741</u>
Expenses:			
Program services	23,365	-	23,365
Support services	<u>13,656</u>	<u>133,357</u>	<u>147,013</u>
Total expenses	<u>37,021</u>	<u>133,357</u>	<u>170,378</u>
Increase (Decrease) in net assets without donor restrictions	<u>298,944</u>	<u>(14,581)</u>	<u>284,363</u>
Changes in net assets with donor restrictions			
Contributions	399,718	-	399,718
Net assets released from restrictions	(166,396)	-	(166,396)
Net investment return	<u>98,173</u>	-	<u>98,173</u>
Total restricted revenues and support	<u>331,495</u>	-	<u>331,495</u>
Expenses:			
Program services	<u>23,449</u>	-	<u>23,449</u>
Total expenses	<u>23,449</u>	-	<u>23,449</u>
Increase (Decrease) in net assets with donor restrictions	<u>308,046</u>	-	<u>308,046</u>
Increase (Decrease) in net assets	606,990	(14,581)	592,409
Net assets, beginning of year	<u>860,676</u>	<u>1,833,509</u>	<u>2,694,185</u>
Net assets, end of year	<u>\$ 1,467,666</u>	<u>\$ 1,818,928</u>	<u>\$ 3,286,594</u>

See accompanying notes to financial statements.

Navajo County Community College District
(Northland Pioneer College)
Statement of Cash Flows - Primary Government
Year Ended June 30, 2021

	Business-Type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 1,520,654
Government contracts	3,547,916
Bookstore receipts	25,106
Other receipts	189,002
Payments to suppliers and providers of goods and services	(6,627,899)
Payments for employee wages and benefits	(19,428,588)
Payments to students for scholarships and loans	(2,057,607)
Net cash used for operating activities	(22,831,416)
Cash flows from noncapital financing activities:	
Property taxes	15,749,989
State appropriations	10,990,474
Government grants	4,904,120
Private grants	264,994
Share of state sales taxes	594,591
Pass through grant to component unit	(75,000)
Net cash provided by noncapital financing activities	32,429,168
Cash flows from capital and related financing activities:	
Purchase and construction of capital assets	(1,754,770)
Net cash used by capital and related financing activities	(1,754,770)
Cash flows from investing activities:	
Interest received on investments	414,898
Net cash provided by investing activities	414,898
Net increase in cash and cash equivalents	8,257,880
Cash and cash equivalents, July 1, 2020	74,203,734
Cash and cash equivalents, June 30, 2021	\$ 82,461,614

(Continued)

Navajo County Community College District
(Northland Pioneer College)
Statement of Cash Flows - Primary Government
Year Ended June 30, 2021
(Concluded)

	<u>Business-Type Activities</u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (26,380,792)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	2,527,514
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
Inventories	(6,683)
Student accounts receivable	179,387
Accounts receivable	834,278
Prepaid items	67,235
Accounts payable	(188,304)
Compensated absences payable	175,593
Accrued payroll and employee benefits	(31,375)
Unearned revenue	171,520
Net pension liability	2,776,262
Deferred inflows related to pensions	(1,109,268)
Deferred outflows related to pensions	<u>(1,846,783)</u>
Net cash used for operating activities	<u>\$ (22,831,416)</u>
Reconciliation of cash and cash equivalents, as presented on the Statement of Net Position:	
Cash and cash equivalents	\$ 82,195,384
Restricted assets:	
Cash and cash investments	<u>266,230</u>
Total cash and cash equivalents, June 30, 2021	<u>\$ 82,461,614</u>
Noncash Transactions:	
Loss on disposal of capital assets	\$ (803,710)
CARES act receivable	1,604,724

See accompanying notes to financial statements.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

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, 2021, NPC Friends & Family distributed \$46,814 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, 2021

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 were recorded as state appropriations and a pass-through grant to the component unit in the prior year's financial statements. Of these funds, \$75,000 has been passed through to NATC during fiscal year 2021, resulting in a liability of \$922,054 remaining due to the component unit.

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, 2021

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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

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 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 200 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. 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.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

Deposits—At June 30, 2021, the carrying amount of the District’s deposits was \$4,509,924 and the bank balance was \$5,130,844. The District does not have a policy for custodial credit risk.

Investments—The District’s investments at June 30, 2021, were as follows:

External investment pools measured at fair value	Amounts
State Treasurer’s investment pool 5	\$37,852,848
State Treasurer’s investment pool 500	922,054
County Treasurer’s investment pool	<u>39,172,908</u>
Total investments measured at fair value	<u>\$77,947,810</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, 2021, credit risk for the District’s investments was as follows:

Investment Type	Rating	Agency	Amounts
State Treasurer’s investment pool 5	AAAf/S1+	Standard and Poor’s	\$37,852,848
State Treasurer’s investment pool 500	AA-3	Standard and Poor’s	922,054
County Treasurer’s investment pool	Unrated	Not applicable	<u>39,172,908</u>
Total			<u>\$77,947,810</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, 2021, the District had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity
State Treasurer’s investment pool 5	\$37,852,848	2.16 months
State Treasurer’s investment pool 500	922,054	21.24 months
County Treasurer’s investment pool	<u>39,172,908</u>	19.79 months
Total	<u>\$77,947,810</u>	

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

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	\$ 4,780	Cash and cash equivalents	\$82,195,384
Amount of deposits	4,509,024	Restricted assets:	
Amount of investments	<u>77,947,810</u>	Cash and investments	<u>266,230</u>
Total	<u>\$82,461,614</u>	Total	<u>\$82,461,614</u>

Note 3 - Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 733,365			\$ 733,365
Construction in progress	<u>201,541</u>	\$ 623,069	-	<u>824,610</u>
Total capital assets not being depreciated	<u>934,906</u>	<u>623,069</u>	-	<u>1,557,975</u>
Capital assets being depreciated:				
Buildings	43,468,174			43,468,174
Equipment	9,133,630	1,076,833	\$1,657,460	8,553,003
Improvements other than buildings	11,897,923	49,654	1,082,901	10,864,676
Library books	<u>525,602</u>	<u>5,214</u>	<u>16,315</u>	<u>514,501</u>
Total capital assets being depreciated	<u>65,025,329</u>	<u>1,131,701</u>	<u>2,756,676</u>	<u>63,400,354</u>
Less accumulated depreciation for:				
Buildings	17,022,980	1,162,245		18,185,225
Equipment	6,484,327	830,619	1,611,780	5,703,166
Improvements other than buildings	4,749,420	483,720	324,871	4,908,269
Library books	<u>264,033</u>	<u>50,930</u>	<u>16,315</u>	<u>298,648</u>
Total accumulated depreciation	<u>28,520,760</u>	<u>2,527,514</u>	<u>1,952,966</u>	<u>29,095,308</u>
Total capital assets being depreciated, net	<u>36,504,569</u>	<u>(1,395,813)</u>	<u>803,710</u>	<u>34,305,046</u>
Capital assets, net	<u>\$37,439,475</u>	<u>\$ (772,744)</u>	<u>\$ 803,710</u>	<u>\$35,863,021</u>

Note 4 – Construction Commitment

As of June 30, 2021, the District had entered into a contract for construction of a Skills Center, at the White Mountain Campus. The amount spent on this project as of June 30, 2021 was \$779,610. The remaining commitment on this project is approximately \$11,000,000 and is expected to be completed in fiscal year 2023. This project is being financed by unrestricted net position designated by the District Governing Board for this purpose.

Additionally, an all-terrain vehicle was commissioned in FY2020-21 and a payment for percentage of completion was made of \$45,000, leaving an estimated \$45,000 to complete the vehicle and take delivery in fiscal year 2021-22. This project is being financed by unrestricted net position designated by the District Governing Board for this purpose.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

Note 5 – Long-Term Liabilities

The following schedule details the District's long-term liability and obligation activity for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due within 1 year
Compensated absences payable	\$ 452,419	\$ 581,811	\$ 406,218	\$ 628,012	\$471,009
Net pension liability	<u>17,163,097</u>	<u>5,027,988</u>	<u>2,251,726</u>	<u>19,939,359</u>	-
Total long-term liabilities	<u>\$17,615,516</u>	<u>\$5,609,799</u>	<u>\$2,657,944</u>	<u>\$20,567,371</u>	<u>\$471,009</u>

Note 6 - 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, 2021. 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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

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

Note 7 - 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 \$256,979 for the year ended June 30, 2021. The operating leases have remaining non-cancelable terms of 1 to 3 years and provide renewal options.

The following future minimum payments were required under the operating leases at June 30, 2021:

Year ending June 30	
2022	\$253,143
2023	248,608
2024	<u>168,394</u>
Total minimum lease payments	<u>\$670,145</u>

Note 8 - 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.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

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, 2021, statute required active ASRS members to contribute at the actuarially determined rate of 12.04 percent of the members’ annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 11.65 percent of the active members’ annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 10.14 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, 2021, were \$1,166,826.

Pension liability—At June 30, 2021, the District reported a liability of \$19,939,359 for its proportionate share of the ASRS’ net pension liability. The net liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020.

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, 2020. The District’s proportion measured as of June 30, 2021, was .11508 percent, which was a decrease of .00287 from its proportion measured as of June 30, 2020.

Pension expense and deferred outflows/inflows of resources - For the year ended June 30, 2021 the District recognized pension expense for ASRS of \$1,386,311. At June 30, 2021, 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
Differences between expected and actual experience	\$ 180,386	-
Change of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	1,923,175	-
Changes in proportion and differences between district contributions and proportionate share of contributions	-	\$428,122
District contributions subsequent to the measurement date	<u>1,566,826</u>	<u>-</u>
Total	<u>\$3,670,387</u>	<u>\$428,122</u>

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

The \$1,566,826 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, 2022. 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,	
2022	\$ (68,818)
2023	453,796
2024	695,633
2025	594,828

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

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	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, 2019 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%	6.39%
Fixed income - credit	20%	5.44%
Fixed income - interest rate sensitive	10%	0.22%
Real estate	<u>20%</u>	5.85%
Total	<u>100%</u>	

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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

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	\$27,266,803	\$19,939,359	\$13,813,993

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

Note 9 - 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	\$19,415,939
Contract services	2,374,117
Supplies and other services	2,995,478
Communications and utilities	1,091,638
Scholarships	2,057,607
Depreciation	2,527,514
Other	38,914
Total	<u>\$30,501,207</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, 2021.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

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. The District recorded the revenue as state appropriations of \$1 million and expense as a grant to the component unit during the fiscal year 2020. The District invested the funds in a State LGIP Pool 500 and earned \$21,854 in interest, resulting in a balance due to the component unit of \$922,054 as of June 30, 2021.

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 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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

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 values at the date of donation. Property held for sale as of June 30, 2021 is reported as real estate investments.

Date of Management's Review—Management has reviewed events subsequent to June 30, 2021, up through the financial statements report date, for NPC Friends & Family, August 27, 2021, and for NATC, September 7, 2021. 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, 2021, that are required to be disclosed in order to present fairly the financial position and changes in net assets of either NPC Friends & Family or of NATC.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

B. Cash

The total cash held by NPC Friends & Family and NATC at June 30, 2021, are as follows:

	NPC Friends and Family	NATC
Checking	\$ 186,475	\$168,302
Money market	1,101,559	-
Savings	<u>179,632</u>	<u>-</u>
	<u>\$1,467,666</u>	<u>\$168,302</u>
Unrestricted cash	\$1,274,079	\$168,302
Restricted cash	<u>193,587</u>	<u>-</u>
	<u>\$1,467,666</u>	<u>\$168,302</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, 2021.

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 assets, 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 assets which are therefore based primarily upon management's own estimates, the economic and competitive environment, the characteristics of the assets 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 assets.

Assets	Level 1	Total
Cash	\$ 366,107	\$ 366,107
Endowment investments	<u>1,101,559</u>	<u>1,101,559</u>
Total	<u>\$1,467,666</u>	<u>\$1,467,666</u>

D. Investments

Investments are stated at fair value as of June 30, 2021.

For the year ended June 30, 2021, 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 \$1,467,666 as of June 30, 2021.

Navajo County Community College District
 (Northland Pioneer College)
 Notes to Financial Statements
 June 30, 2021

E. Property and Equipment

The total property and equipment held by NATC at June 30, 2021 are as follows:

	NATC
Land	\$ 110,000
Construction in progress	46,597
Buildings	634,689
Training facilities	2,151,697
Other capital equipment	<u>25,730</u>
	2,968,713
Less accumulated depreciation	<u>(1,337,947)</u>
	<u>\$ 1,630,766</u>

F. Restrictions on Net Assets

NPC Friends & Family had net assets with donor restrictions in the amount of \$193,587 as of June 30, 2021, consisting of donated contributions and investment earnings, which are available for scholarships in future years.

G. Endowment Funds

As of June 30, 2021, NPC Friends and Family's endowments consisted of eight funds: One fund established for the Martia A. Smith Memorial Art Scholarship, one for the Charles E. Lisitzky 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, one for Jennifer Lee Witt Memorial Scholarship, one for Taking Flight Scholarships in memory of Dr. Eric B. Henderson, 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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

funds: (1) The duration and preservation of the various funds; (2) The purposes of the donor-restricted endowment funds; (3) General economic conditions; (4) The possible effect of inflation and deflation; (5) The expected total return from income and the appreciation of investments; (6) Other resources of NPC Friends and Family; and (7) NPC Friends and Family's investment policies.

The eight 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, 2021, 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, 2021, all funds had balances greater than \$10,000.

The contributor to the fund may impose additional provisions for the scholarships paid from endowments. In the fiscal year ending June 30, 2021, transfers were made from the investment earnings on select endowed scholarships to the Restricted Scholarship fund. It was determined there were sufficient gains on the investments to make the awards without invading the principal and preserving sufficient return to keep the fund growing in perpetuity. To ensure observance of limitations and restrictions placed on the use of resources available to NPC Friends and Family, net assets, revenues and expenses are classified and reported as follows, based on the existence or absence of donor-imposed restrictions.

Net Assets with Donor Restrictions—include permanent endowments. Such funds are generally subject to donor restrictions requiring the principal to be invested in perpetuity for the purpose of producing income that may be expended or added to principal in accordance with the donor's wishes. As of June 30, 2021, 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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2021

temporarily restricted, because they are permanent-type endowments, which include an expiration date or stated period of time or occurrence of a specified event, after which all or part of the principal may be expended.

Net Assets without Donor Restrictions—are not subject to donor-imposed restrictions. They also include Board Restricted endowments, of which the corpus can be invaded upon a vote by the Board. The NPC Friends and Family Endowment, established October 2014, falls into this category.

As of June 30, 2021, NPC Friends and Family had the following net asset composition by fund type:

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowment net assets, beginning of year	\$ 527,770	\$162,311	\$ 690,081
Investment return, net	78,002	98,173	176,175
Contributions	268,624	233,322	501,946
Distributions from board-designated endowment pursuant to policy	<u>(259,854)</u>		<u>(259,854)</u>
Endowment net assets, end of year	<u>\$ 607,753</u>	<u>\$493,806</u>	<u>\$1,101,559</u>

H. Related Parties

For the year ended June 30, 2021, 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, 2021 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, 2021

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)							2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
District's proportion of the net pension liability	0.11508%	0.117950%	0.121000%	0.122840%	0.129700%	0.135990%	0.132141%	
District's proportionate share of the net pension liability	\$19,939,359	\$17,163,097	\$16,875,242	\$19,136,078	\$20,934,883	\$21,181,785	\$19,552,338	
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 proportionate share of the net pension liability as a percentage of its covered payroll	158.04%	137.58%	139.88%	159.09%	171.26%	168.09%	163.79%	Information not available
Plan fiduciary net position as percentage of the total pension liability	69.33%	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, 2021

Arizona State
Retirement System

	Reporting Fiscal Years								2013 through 2012
	2021	2020	2019	2018	2017	2016	2015	2014	
Statutorily required contribution	\$ 1,566,826	\$ 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>1,566,826</u>	<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>	<u>-</u>	
District's covered payroll	<u>\$13,489,573</u>	<u>\$12,616,819</u>	<u>\$12,475,283</u>	<u>\$12,064,178</u>	<u>\$12,028,742</u>	<u>\$12,224,338</u>	<u>\$12,601,405</u>	<u>\$11,937,540</u>	
District's contributions as a percentage of covered payroll	11.62%	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) annual comprehensive financial report (ACFR). 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.

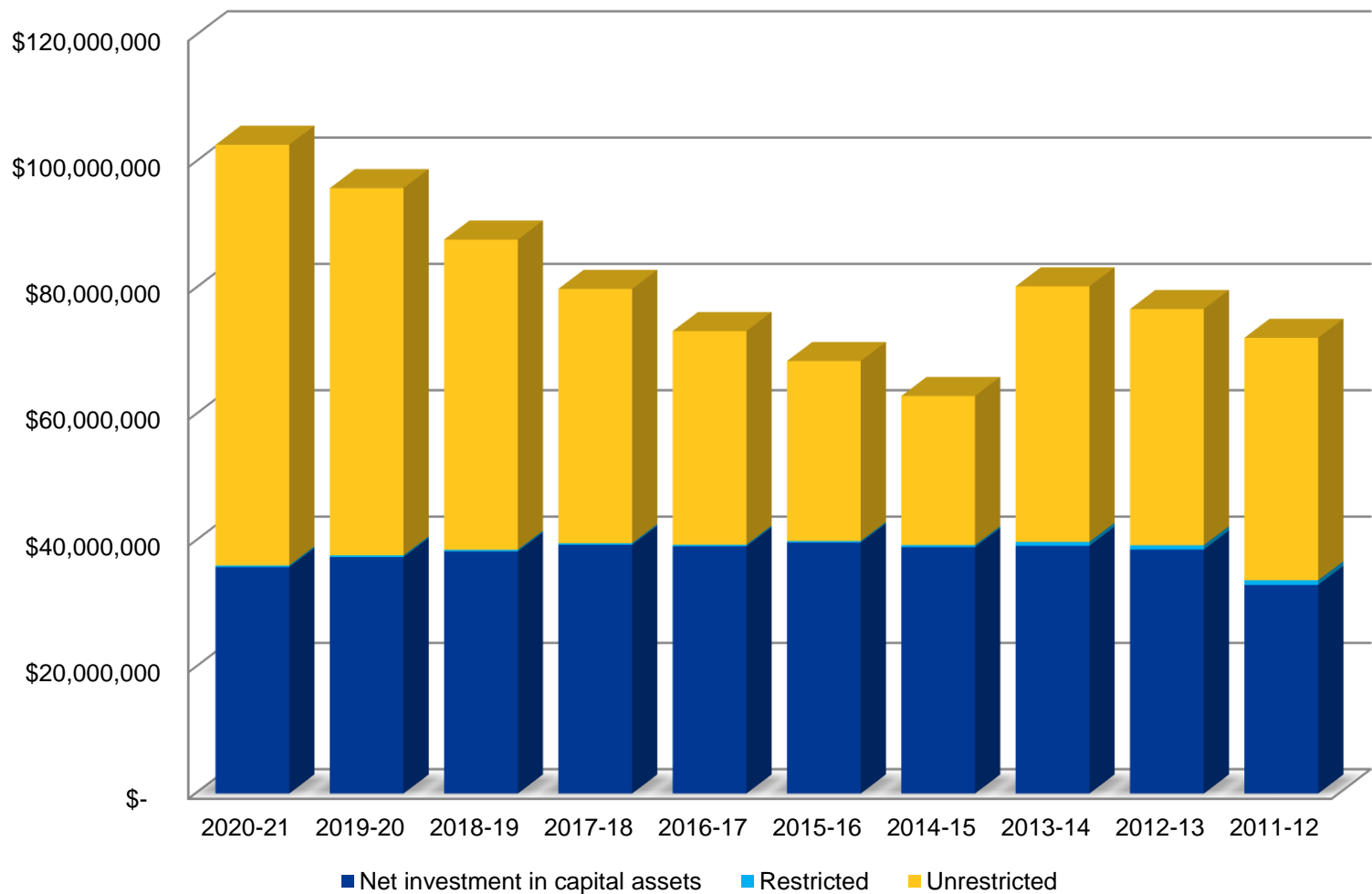
- Enrollment and Degree Statistics
- Student Enrollment and Demographic Statistics
- Employee Statistics
- Schedule of Capital Asset Information

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

	2020-21	2019-20	2018-19	2017-18	2016-17
Primary government					
Net investment in capital assets	\$ 35,863,021	\$ 37,439,475	\$ 38,343,148	\$ 39,379,263	\$ 39,149,874
Restricted	266,230	265,935	262,066	256,361	253,180
Unrestricted	66,516,263	58,138,746	49,094,260	40,260,419	33,813,905
Total primary government net position	\$ 102,645,514	\$ 95,844,156	\$ 87,699,474	\$ 79,896,043	\$ 73,216,959

	2015-16	2014-15	2013-14	2012-13	2011-12
Primary government					
Net investment in capital assets	\$ 39,736,346	\$ 39,022,715	\$ 39,231,822	\$ 38,626,891	\$ 33,030,762
Restricted	251,756	314,958	612,712	691,628	735,512
Unrestricted	28,481,396	23,599,386	40,454,224	37,382,691	38,388,993
Total primary government net position	\$ 68,469,498	\$ 62,937,059	\$ 80,298,758	\$ 76,701,210	\$ 72,155,267

Net Position by Component



Source:
Audited financial statements.

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

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12 (1)
Operating revenues:										
Tuition and fees, net scholarship allowances	\$ 1,169,747	\$ 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
Government contracts	2,736,560	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
Bookstore income, net of scholarship allowances	25,106	29,420	9,471	8,549	12,231	61,854	48,491	66,720	42,460	33,564
Other	189,002	234,592	281,638	270,958	412,543	330,747	334,987	352,295	379,831	291,648
Total operating revenues	4,120,415	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
Operating expenses:										
Instruction	9,768,640	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
Public service	-	15,407	23,644	32,012	35,657	29,904	29,159	35,889	29,387	25,647
Academic support	1,127,395	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
Student services	1,980,909	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
Institutional Support	11,112,076	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
Operation and maintenance of plant	1,749,827	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
Scholarships	2,054,658	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
Auxiliary enterprises	180,188	227,810	353,347	375,564	371,401	592,749	399,147	559,067	451,470	404,767
Depreciation	2,527,514	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
Total operating expenses	30,501,207	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
Operating loss	(26,380,792)	(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)
Nonoperating revenues (expenses):										
Property taxes	15,645,227	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
State appropriations	10,990,474	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
Government grants	6,011,021	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
Private grants (2)	264,994	444,916	411,170	326,482	381,230	436,779	297,567	304,219	325,919	360,370
Share of state sales taxes	664,780	533,294	550,981	471,721	474,310	427,216	423,082	435,192	545,682	372,308
Investment earnings	414,898	1,216,955	1,200,154	549,641	279,951	188,535	160,532	148,526	170,717	136,283
Pass through to component unit		(1,016,320)	-	-	(1,574)	(3,037)	(3,470)	(5,138)	-	(6,854)
Gain/(loss) on disposal of capital assets	(803,710)	-	-	(42,109)	(1,623)	8,484	41,100	(112,752)	18,627	(180,305)
Other	(5,534)	-	-	-	-	-	-	-	-	-
Total nonoperating revenues and expenses	33,182,150	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
Income before other revenues, expenses, gains or loss	6,801,358	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
Capital appropriations	-	-	-	-	-	-	-	122,600	-	-
Increase in net position	6,801,358	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
Total net position, July 1 (3)	95,844,156	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
Total net position, June 30	\$102,645,514	\$ 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

Source:

Audited financial statements except as reclassified in (2) and (3).

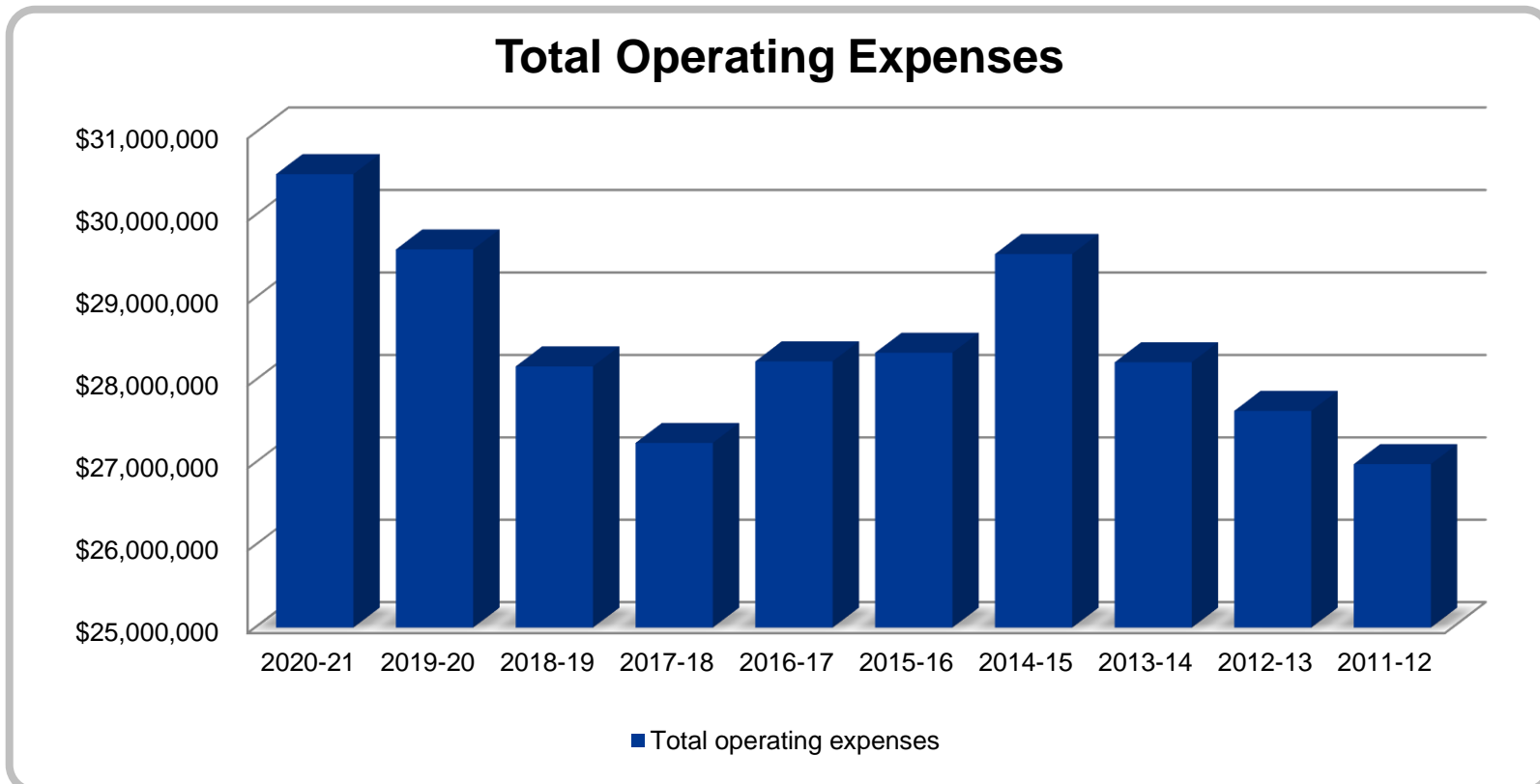
Notes:

- (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.
- (3) 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**

	2020-21	2019-20	2018-19	2017-18	2016-17
Instruction	\$ 9,768,640	\$ 10,214,313	\$ 9,181,020	\$ 9,555,791	\$ 9,592,910
Public service	-	15,407	23,644	32,012	35,657
Academic support	1,127,395	1,060,798	1,051,367	1,042,887	1,087,234
Student services	1,980,909	2,158,033	4,042,358	2,068,628	2,161,513
Institutional support	11,112,076	9,809,049	7,489,043	8,484,090	8,204,043
Operation and maintenance of plant	1,749,827	1,583,140	1,681,903	1,481,875	2,270,571
Scholarships	2,054,658	2,247,251	2,163,155	2,000,677	2,133,721
Auxiliary enterprises	180,188	227,810	353,347	375,564	371,401
Depreciation	2,527,514	2,272,980	2,185,385	2,200,669	2,375,273
Total operating expenses	30,501,207	29,588,781	28,171,222	27,242,192	28,232,323
Interest expense	-	-	-	-	1,574
Loss on disposal of capital assets	803,710	-	-	42,109	1,623
Pass through grant to component unit	5,534	1,016,320	-	-	-
Total nonoperating expenses	809,244	1,016,320	-	42,109	3,197
Total expenses	\$ 31,310,451	\$ 30,605,101	\$ 28,171,222	\$ 27,284,301	\$ 28,235,520

	2015-16	2014-15	2013-14	2012-13	2011-12
Instruction	\$ 10,304,514	\$ 10,927,034	\$ 9,761,727	\$ 9,660,102	\$ 8,827,606
Public service	29,904	29,159	35,889	29,387	25,647
Academic support	1,048,291	1,074,313	1,046,927	1,047,037	1,009,880
Student services	2,155,979	2,116,755	2,143,989	2,151,538	2,015,021
Institutional support	7,959,606	8,719,606	8,475,611	8,308,926	8,481,782
Operation and maintenance of plant	1,780,832	1,941,192	2,118,547	1,867,890	1,758,007
Scholarships	2,292,036	2,273,228	2,240,669	2,570,647	3,094,923
Auxiliary enterprises	592,749	399,147	559,067	451,470	404,767
Depreciation	2,172,776	2,053,133	1,838,484	1,544,414	1,366,808
Total operating expenses	28,336,687	29,533,567	28,220,910	27,631,411	26,984,441
Interest expense	3,037	3,470	5,138	-	6,854
Loss on disposal of capital assets	-	-	112,752	-	180,305
Pass through grant to component unit	-	-	-	-	-
Total nonoperating expenses	3,037	3,470	117,890	-	187,159
Total expenses	\$ 28,339,724	\$ 29,537,037	\$ 28,338,800	\$ 27,631,411	\$ 27,171,600



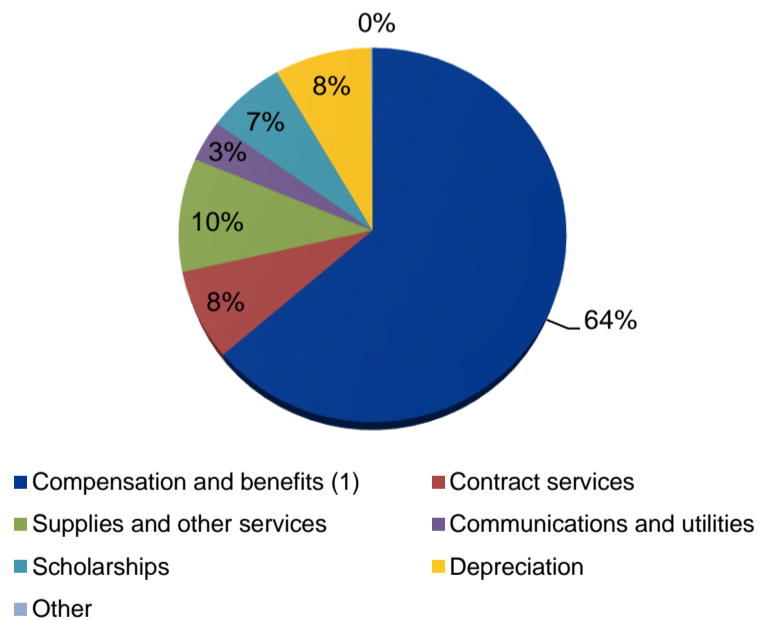
Source:
Audited financial statements.

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

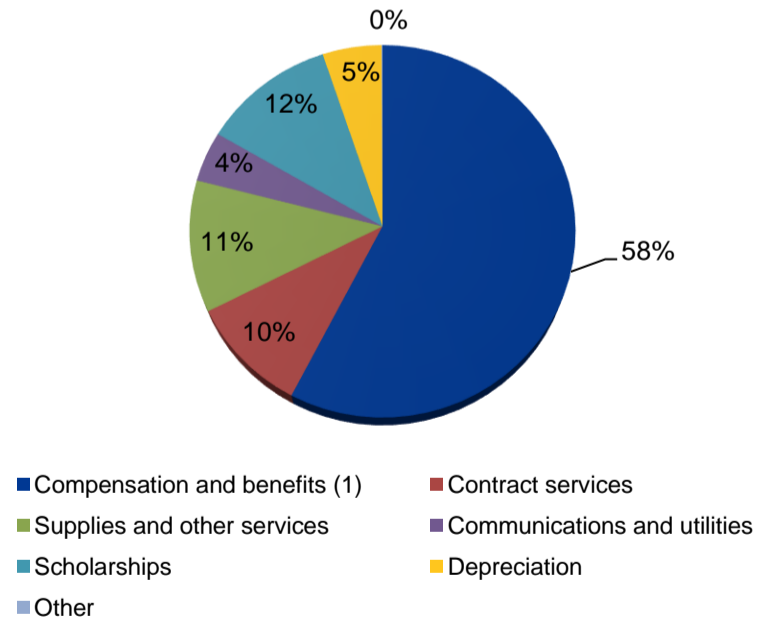
	2020-21	2019-20	2018-19	2017-18	2016-17
Compensation and benefits (1)	\$ 19,415,939	\$ 18,226,508	\$ 16,677,080	\$ 16,818,499	\$ 17,121,078
Contract services	2,374,117	2,012,642	2,129,192	2,089,793	1,862,246
Supplies and other services	2,995,478	3,750,161	3,812,499	2,995,683	3,627,164
Communications and utilities	1,091,638	1,098,021	1,153,436	1,142,965	1,098,569
Scholarships	2,057,607	2,247,251	2,163,155	1,998,572	2,133,721
Depreciation	2,527,514	2,272,980	2,185,385	2,200,669	2,375,273
Other	38,914	(18,782)	50,474	(3,990)	14,272
Total operating expenses	30,501,207	29,588,781	28,171,222	27,242,192	28,232,323
Non operating expenses	809,244	1,016,320	-	42,109	3,197
Total expenses	\$ 31,310,451	\$ 30,605,101	\$ 28,171,222	\$ 27,284,301	\$ 28,235,520

	2015-16	2014-15	2013-14	2012-13	2011-12
Compensation and benefits (1)	\$ 17,635,444	\$ 18,189,910	\$ 17,200,507	\$ 16,939,312	\$ 15,550,537
Contract services	2,346,731	2,109,597	2,243,436	2,138,098	2,680,066
Supplies and other services	2,703,472	3,775,418	3,550,497	3,223,900	3,086,612
Communications and utilities	1,178,132	1,146,620	1,086,284	1,191,308	1,183,082
Scholarships	2,292,036	2,273,228	2,240,669	2,570,647	3,094,923
Depreciation	2,172,776	2,053,133	1,838,484	1,544,414	1,366,808
Other	8,096	(14,339)	61,033	23,732	22,413
Total operating expenses	28,336,687	29,533,567	28,220,910	27,631,411	26,984,441
Non operating expenses	3,037	3,470	117,890	-	187,159
Total expenses	\$ 28,339,724	\$ 29,537,037	\$ 28,338,800	\$ 27,631,411	\$ 27,171,600

FY20-21 Expenses by Use



FY11-12 Expenses by Use



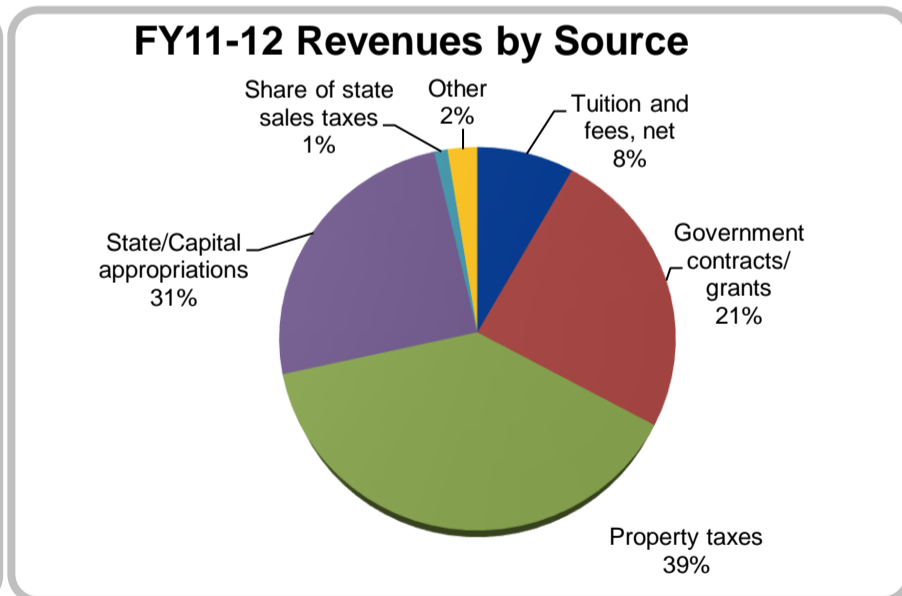
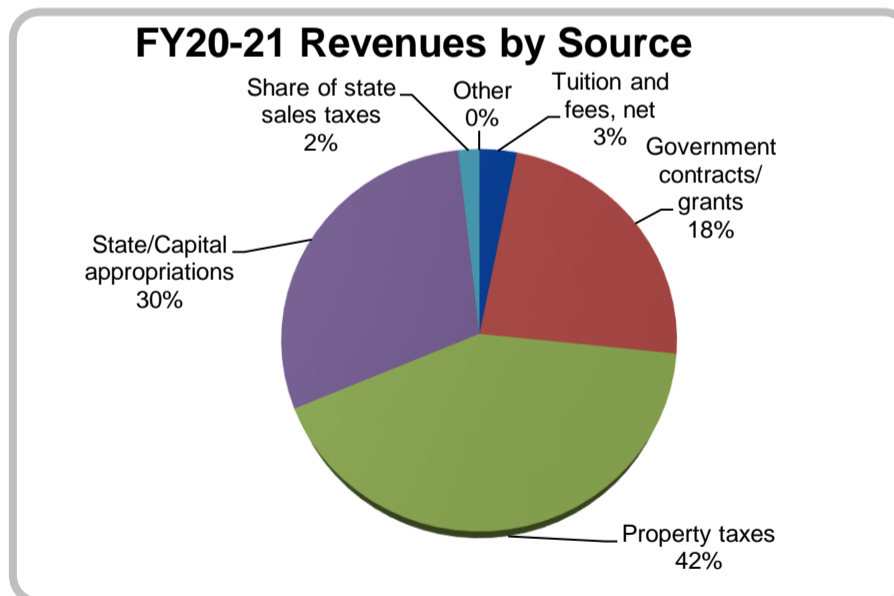
Source:
Audited financial statements.

Notes:
(1) Starting in fiscal year 2013-14, Compensation and benefits replaced Personal services to more accurately describe the expense category.

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

	2020-21	2019-20	2018-19	2017-18	2016-17
Tuition and fees, net	\$ 1,169,747	\$ 2,320,187	\$ 2,400,758	\$ 2,328,188	\$ 2,388,164
Government contracts	2,736,560	2,642,769	3,021,888	2,516,324	2,808,825
Bookstore income, net	25,106	29,420	9,471	8,549	12,231
Other	189,002	234,592	281,638	270,958	412,543
Total operating revenue	4,120,415	5,226,968	5,713,755	5,124,019	5,621,763
Property taxes	15,645,227	15,470,410	15,085,682	14,879,623	14,383,804
State appropriations	10,990,474	11,548,300	9,026,200	8,690,200	8,041,200
Government grants	6,011,021	4,308,940	3,986,711	3,921,699	3,800,723
Private grants (2)	264,994	444,916	411,170	326,482	381,230
Share of state sales taxes	664,780	533,294	550,981	471,721	474,310
Investment earnings	414,898	1,216,955	1,200,154	549,641	279,951
Total nonoperating revenues	33,991,394	33,522,815	30,260,898	28,839,366	27,361,218
Total revenues	\$ 38,111,809	\$ 38,749,783	\$ 35,974,653	\$ 33,963,385	\$ 32,982,981

	2015-16	2014-15	2013-14	2012-13	2011-12 (1)
Tuition and fees, net	\$ 2,478,625	\$ 2,357,891	\$ 2,295,137	\$ 2,466,640	\$ 2,690,260
Government contracts	2,606,064	3,283,218	3,156,936	2,969,273	2,638,049
Bookstore income, net	61,854	48,491	66,720	42,460	33,564
Other	330,747	334,987	352,295	379,831	291,648
Total operating revenue	5,477,290	6,024,587	5,871,088	5,858,204	5,653,521
Property taxes	14,430,117	13,980,187	13,153,327	13,180,294	12,703,703
State appropriations	7,777,000	7,276,900	7,160,800	7,059,800	8,181,800
Government grants	5,126,742	4,728,837	4,740,596	5,018,111	5,502,290
Private grants (2)	436,779	297,567	304,219	325,919	360,370
Share of state sales taxes	427,216	423,082	435,192	545,682	372,308
Investment earnings	188,535	160,532	148,526	170,717	136,283
Gain on disposal of capital assets	8,484	41,100	-	18,627	-
Total nonoperating revenues	28,394,873	26,908,205	25,942,660	26,319,150	27,256,754
Capital appropriations	-	-	122,600	-	-
Total revenues	\$ 33,872,163	\$ 32,932,792	\$ 31,936,348	\$ 32,177,354	\$ 32,910,275



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
2020-21	14,733,169	14,733,169	-
2019-20	14,732,390	14,732,390	225,066
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

(3)

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 2021 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 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)	Total Assessed Value			
2020-21	203,330,423	663,774,856	15,052,837	882,158,116	1.7827	8,000,295,495	11.03% (2)
2019-20	205,630,301	631,342,222	15,667,722	852,640,245	1.8164	7,660,041,799	11.13%
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%

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 2020-21 is based on 2019-20 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
2020-21	\$ 15,622,526	\$ 15,257,643	97.66%	\$ -	\$ 15,257,643	97.66%
2019-20	15,465,293	14,995,661	96.96%	435,690	15,431,351	99.78%
2018-19	15,068,091	14,607,735	96.94%	421,433	15,029,168	99.74%
2017-18	14,861,908	14,382,042	96.77%	439,686	14,821,728	99.73%
2016-17	14,364,227	13,890,497	96.70%	445,322	14,335,819	99.80%
2015-16	14,475,580	13,969,344	96.50%	478,775	14,448,120	99.81%
2014-15	13,963,030	13,498,333	96.67%	426,968	13,925,301	99.73%
2013-14 (3)	13,267,899	12,815,737	96.59%	409,919	13,225,656	99.68%
2012-13	13,059,169	12,671,313	97.03%	371,957	13,043,270	99.88%
2011-12	12,647,564	12,187,235	96.36%	448,182	12,635,417	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
2020-21	1.7827		1.7827	0.8657	0.5022	1.3871	0.4033	3.2500	1.8371	7.3012
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

Source:

District records and Navajo County Treasurer.

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

	2020			2011		
	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	\$ 101,784,627	1	52.77%	\$ 116,232,825	1	53.72%
PacifiCorp Electric Operations	34,200,000	2	17.73%	39,885,091	2	18.44%
Transwestern Pipeline Co	12,986,457	3	6.73%	13,530,348	4	6.25%
Burlington Northern/Santa Fe Railway	8,554,363	4	4.43%	5,096,633	8	2.36%
El Paso Natural Gas Company	7,853,077	5	4.07%	9,462,004	5	4.37%
Navopache Electric Co-Op Inc	6,821,066	6	3.54%	4,850,600	10	2.24%
Unisource Energy Corporation	6,451,116	7	3.34%	4,854,664	9	2.24%
Wal-Mart Stores, Inc.	5,171,176	8	2.68%	N/A	N/A	N/A
Citizens Telecomm of White Mtns	4,572,977	9	2.37%	7,214,064	6	3.33%
Peabody Western Coal Co	4,500,000	10	2.33%	15,225,000	3	7.04%
Navajo County Assessed Value	192,894,859			216,351,229		

Source:

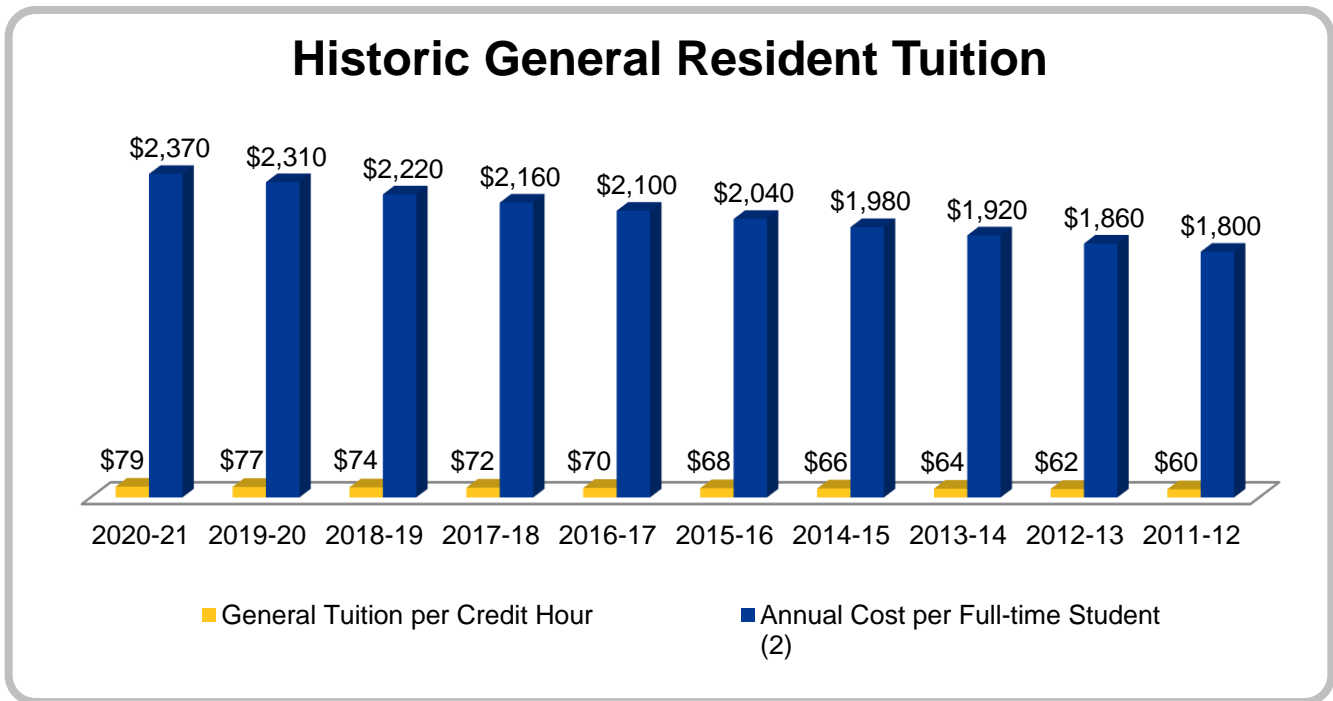
Navajo County Finance Department, 2020 Annual Comprehensive Financial Report.
Navajo County Finance and Assessor Offices.

Note:

(1) 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
2020-21	\$ 79	\$ 2,370	\$ 2	3%
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%



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
2020-21	-	-	-	-
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	-	-	-	-

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**

	2020-21	2019-20	2018-19	2017-18	2016-17
Secondary Assessed Value of Real and Personal Property	\$ 987,306,973	\$ 912,719,174	\$ 872,110,638	\$ 865,076,310	\$ 841,423,700
Debt Limit, 15% of Secondary Assessed Value	148,096,046	136,907,876	130,816,596	129,761,447	126,213,555
Amount of Debt Applicable to Debt Limit: General Obligation Bonded Debt	-	-	-	-	-
Total net debt applicable to the limit	-	-	-	-	-
Legal debt margin	<u>\$ 148,096,046</u>	<u>\$ 136,907,876</u>	<u>\$ 130,816,596</u>	<u>\$ 129,761,447</u>	<u>\$ 126,213,555</u>
Total net debt as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	2015-16	2014-15	2013-14	2012-13	2011-12
Secondary Assessed Value of Real and Personal Property	\$ 843,018,904	\$ 846,247,083	\$ 904,776,443	\$ 978,263,926	\$ 1,040,412,117
Debt Limit, 15% of Secondary Assessed Value	126,452,836	126,937,062	135,716,466	146,739,589	156,061,818
Amount of Debt Applicable to Debt Limit: General Obligation Bonded Debt	-	-	-	-	-
Total net debt applicable to the limit	-	-	-	-	-
Legal debt margin	<u>\$ 126,452,836</u>	<u>\$ 126,937,062</u>	<u>\$ 135,716,466</u>	<u>\$ 146,739,589</u>	<u>\$ 156,061,818</u>
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
2020	110,924	Not available	Not available	8.5%
2019	109,144	\$ 3,690,208	\$ 33,268	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%

Sources:

Navajo County Finance Department, 2020 Annual Comprehensive 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 and Major Employers
Last Ten Calendar Years**

Employment by Sector	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Mining and Construction	1,252	1,164	1,725	2,625	1,525	1,725	1,625	1,600	1,600	1,325
Educational & Health Svcs	4,459	4,586	4,550	4,400	4,125	3,900	3,575	3,575	3,550	3,200
Financial Activities	492	640	625	525	650	625	700	600	575	425
Government	9,195	9,897	9,725	8,850	8,925	9,775	9,325	9,675	9,850	9,500
Leisure & Hospitality	3,243	3,824	3,925	3,850	3,450	3,200	3,700	3,875	3,600	3,625
Manufacturing	248	333	300	275	250	175	150	125	475	525
Information	232	92	950	950	1,050	1,200	1,150	1,175	1,175	1,150
Professional & Business Svcs	1,037	1,094	1,500	1,300	1,325	1,150	1,425	1,175	1,000	1,025
Trade, Transportation & Utilities	4,406	4,810	5,100	5,500	5,475	4,875	4,700	5,175	5,150	5,025
Other Services	489	595	650	450	975	950	925	1,050	950	525

Sources:

Navajo County Finance Department, 2020 Annual Comprehensive Financial Report.

Note:

(1) The number of employees for the 10 largest employers in the County is not available due to State of Arizona non-disclosure restrictions.

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

Location	Fall Historic Headcount									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Holbrook	181	399	450	469	443	469	480	493	445	486
Show Low	660	1,199	1,098	983	1,020	1,024	960	955	1,173	1,409
Snowflake	175	353	369	334	411	367	407	390	499	525
Winslow	72	344	365	416	359	422	376	396	393	419
Kayenta	3	100	110	77	74	75	74	79	81	72
Hopi	10	72	92	101	77	97	113	130	130	135
Whiteriver	144	257	252	239	206	212	195	164	187	170
St Johns	118	158	165	183	176	199	191	188	180	167
Springerville/Eager	59	85	97	107	174	180	227	149	183	236
Navajo County Misc.	6	16	77	40	33	58	1	11	36	35
Apache County Misc.	35	86	114	123	96	112	97	179	211	113
Department of Corrections	-	-	28	33	32	92	65	47	127	118
Other	1,372	468	441	377	461	559	515	536	709	748
Total District (1)	2,703	3,008	3,182	3,021	3,044	3,354	3,211	3,234	3,718	3,917

Location	Fall Historic FTSE (2)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Holbrook	94	189	190	201	202	213	200	190	179	182
Show Low	304	533	501	490	470	493	473	470	526	638
Snowflake	89	170	186	161	164	131	169	143	223	184
Winslow	39	142	154	174	160	186	158	172	184	176
Kayenta	1	33	35	26	24	21	23	24	26	27
Hopi	6	25	34	34	26	34	39	47	43	49
Whiteriver	65	115	109	93	92	98	86	64	75	81
St Johns	61	83	78	95	80	99	89	89	85	72
Springerville/Eager	19	28	33	26	46	55	71	43	72	84
Navajo County Misc	2	4	17	9	7	16	0	2	5	7
Apache County Misc	19	32	33	35	22	24	22	42	48	27
Department of Corrections	-	-	15	19	24	95	60	14	61	53
Other	609	135	115	104	122	136	139	146	216	227
Total District	1,308	1,491	1,500	1,468	1,440	1,601	1,529	1,446	1,743	1,807

Degrees & Certificates	Degrees and Certificates Awarded									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Associate of Arts	25	48	30	39	33	30	28	39	26	21
Associate of Arts in Early Childhd	3	3	1	1	1	-	-	-	-	-
Associate of Arts in Elementary Ed	6	5	4	10	7	11	4	6	6	7
Associate of Business	5	4	5	3	3	8	9	8	9	7
Associate of Science	6	12	12	13	17	15	11	5	3	10
Associate of General Studies	6	14	16	11	22	16	20	33	17	15
Associate of Applied Science	99	82	113	123	125	121	125	91	93	116
Certificate of Proficiency	314	435	468	472	734	545	399	341	215	236
Certificate of Applied Science	98	99	85	102	97	82	68	63	41	9

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
2020	17%	83%	92%	8%	0.58%	1,616	1,147
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

Fall Semester	Ethnic Background						
	White (Caucasian)	American Indian	Black	Hispanic	Asian	Pacific Islander	Other/ Unknown
2020	42%	28%	1%	9%	1%	0%	20%
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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
19 & Under	1,579	1,668	1,772	1,534	1,618	1,651	1,461	1,437	1,697	1,748
20 - 24	316	372	409	447	462	505	525	508	575	657
25 - 29	234	292	313	322	313	332	316	304	365	381
30 - 39	311	356	346	356	330	425	444	447	516	558
40 - 49	160	176	185	206	164	228	263	275	314	313
50 - 59	64	92	106	104	97	158	151	200	182	174
60 & Over	39	52	51	52	60	55	51	63	69	86
Unknown	-	-	-	-	-	-	-	-	-	-
Total (1)	2,703	3008	3,182	3,021	3,044	3,354	3,211	3,234	3,718	3,917

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	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 (3)	2012-13	2011-12
Faculty										
Full-time	78	69	74	74	75	78	75	77	76	77
Part-time	<u>68</u>	<u>74</u>	<u>73</u>	<u>86</u>	<u>70</u>	<u>83</u>	<u>83</u>	<u>82</u>	<u>85</u>	<u>64</u>
Subtotal of Faculty	146	143	147	160	145	161	158	159	161	141
Administrative & Support Staff										
Full-time	140	138	140	124	130	129	135	137	133	134
Part-time	<u>151</u>	<u>128</u>	<u>146</u>	<u>184</u>	<u>168</u>	<u>131</u>	<u>138</u>	<u>136</u>	<u>151</u>	<u>156</u>
Subtotal of Staff	291	266	286	308	298	260	273	273	284	290
Total Employees	<u>437</u>	<u>409</u>	<u>433</u>	<u>468</u>	<u>443</u>	<u>421</u>	<u>431</u>	<u>432</u>	<u>445</u>	<u>431</u>
Students per Faculty (1)	8.96	10.42	11.85	11.08	12.60	12.06	11.72	11.48	12.19	14.68
Students per Staff (1)	4.49	5.61	6.09	5.75	6.13	7.46	6.78	6.68	6.91	7.14
Average class size (2)	14	13	14	15	14	14	13	11	12	13

Source:

District records.

Notes:

- (1) Audited Fall 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									
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
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	0.89	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	101,287	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	3,000	3,532	3,532
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	14,194	12,992	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	25,670	6,880
940 E Maricopa (1)	25,670	25,670	25,670	25,670	25,670	25,670	25,670	25,670	25,670	-
578 N. Main	-	-	-	-	-	-	-	-	-	4,000
District Owned Modulars	-	-	-	-	-	-	-	-	-	2,880
Tower Buildings										
Total Square Footage	1,120	1,120	1,120	980	980	980	980	980	980	980
Greens Peak	140	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	365,143	365,143	365,143	363,661	362,723	362,723	362,723	362,723	318,188	299,398
Total Acreage	105.51	105.51	105.51	105.16	105.16	105.16	105.16	105.16	105.16	105.16

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

Forty-seven years ago, Northland Pioneer College originated from a previously abandoned hospital, school, and a cluster of old commercial buildings spread throughout Navajo County. These deep-rooted centers at the college would transform lives for generations to come. Easily accessible to population clusters, these centers offered college courses, fun workshops, and vocational training, utilizing a decentralized concept unique in Arizona. Early on, computer labs and libraries were built in converted school buses that traveled between the various centers in the remote counties.

Currently, NPC is known for leading in the application of distance learning technology, always expanding educational opportunities to the college's vast geographic area. Pioneering the use of microwave technology to provide interactive video instruction, NPC's instructors can be on one campus teaching students at multiple locations. Today, NPC's modern wireless wide area network (WWAN) connects 9 different campuses, and centers reaching Apache and Navajo lands across 21,000 square miles, as well as 16 of the region's high schools, some located in remote, rural areas of Northeastern Arizona. Most recently, NPC's District Governing Board members, the college's new President, Dr. Chato Hazelbaker, and NPC administration and staff, joined Navajo County government and City of Show Low dignitaries to break ground on the college's newest development, a 28,820 square foot skills center at the Show Low Campus, tentatively opening in late 2022.

Without such growth, offering opportunities and essential tools of instruction, a college education would be beyond the geographical and financial reach of many of NPC's students. NPC works hard and tirelessly to expand minds and transform the lives of students.



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