

Notice of Public Meeting

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Navajo County Community College District Governing Board (Board) and to the general public that the Board will hold a Regular District Governing Board Meeting open to the public, on **February 18, 2025 beginning at 10am**. The meetings will be held at the Northland Pioneer College Painted Desert Campus, Tiponi Community Center meeting room, located at 2251 E. Navajo Blvd., Holbrook, Arizona. The meeting can also be joined remotely using [WebEx](#). A passcode is required under certain circumstances and it is FEB25DGB.

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

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

The Board may vote to hold an executive session for discussion or consideration of a personnel matter(s) pursuant to A.R.S. §38-431.03(A)(1). The Board may vote to hold an executive session for the purpose of obtaining legal advice from the District's attorney on any matter listed on the agenda pursuant to A.R.S. §38-431.03 (A)(3). The Board may vote to hold an executive session for the purpose of considering its position and instructing its attorney regarding the public body's position regarding contracts that are the subject of negotiations pursuant to A.R.S. §38-431.03 (A)(4). Should the District's attorney not be present in person, notice is further given that the attorney may appear by speakerphone.

I, Farah Bughio, certify that this notice of public meeting, prepared pursuant to A.R.S. § 38-431.02, was posted on or before the 17th day of February, 2025, at 10:00am.

Farah Bughio
Recording Secretary to the Board

NOTICE DISTRIBUTION

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

M I S S I O N

**NORTHLAND PIONEER COLLEGE
PROVIDES EDUCATIONAL
EXCELLENCE THAT IS AFFORDABLE
AND ACCESSIBLE FOR THE
ENRICHMENT OF COMMUNITIES
ACROSS NORTHEASTERN ARIZONA.**

V I S I O N

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.

V A L U E S

INTEGRITY
INCLUSION
ADAPTABILITY
CIVILITY
ACCESS



Northland Pioneer College

Governing Board Meeting Agenda

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

The meeting location will be open to the public at 9:55 a.m. at the latest.

Or you can join on [WebEx](#) (Passcode FEB25DGB).

Date February 18, 2025

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

<u>Item</u>	<u>Description</u>	<u>Resource</u>
1.	Call to Order and Pledge of Allegiance	Chair Robinson
2.	Adoption of the Agenda (Action)	Chair Robinson
3.	Call for Public Comment	Chair Robinson
	Individuals may address the Board on any relevant issue for up to 5 minutes. At the close of the call to the public, Board members may not respond to any comments but may respond to criticism, ask staff to review a matter or ask that a matter be placed on a future agenda.	
4.	Discussion Items:	
	A. Standing Presentations:	
	1. Financial Position	VPAS Ellison
	VPAS Maderia Ellison will provide a report on the financial position of the college for period July 1, 2024 to December 31, 2024.	
	2. NPC Student Government Association (SGA)	Pamela Bishop
	SGA President Pamela Bishop will give a report.	
	3. NPC Faculty Association	No report
	No report.	
	4. Classified & Administrative Staff Organization (CASO)	Cynthia Blevins Rebecca Diggs
	CASO Vice President, Cynthia Blevins, will provide the Board with an update followed by a spotlight on libraries by Rebecca Diggs.	
	5. Northland Pioneer College (NPC) Friends and Family	Director Wilson
	Friends & Family Director, Betsy Wilson, will provide the Board with an update.	
	6. Human Resources	AVPHR Schaefer
	AVPHR Christine Schaefer will elaborate on the report provided in the packet.	
	7. Construction Report	Director White
	Director of Facilities and Transportation, Justin White, will provide the Board with an update.	
	8. Enterprise Resource Planning (ERP) Implementation Update .	Colleen Marsh
	Project Manager, Colleen Marsh, will provide the Board with an update.	
	9. Arizona Association of Community College Trustees (AACCT) And update to the Presidential Search	Chair Robinson
	Report if available.	
5.	Compensation Committee Salary Budget Recommendation	Associate Dean Landy Director White
	Associate Dean Allison Landy and Director Justin White, will be presenting the Compensation Committee salary budget recommendation.	
6.	2025-2026 Tuition and Fees	VPAS Ellison
	VPAS Maderia Ellison will present the proposed 2025-2026 Tuition and Fees	
7.	Consent Agenda for Action	Chair Robinson
	A. January 21, 2025 Board Meeting Minutes (Farah Bughio)	
	B. January 21, 2025 Work Session Minutes (Farah Bughio)	
	C. Program Modification – Early Childhood Program (AAEC, CAS, AAS). (Michael Broyles)	
	D. Program Modification – Associates of Science (AS). (Michael Broyles)	
	E. Program Modification – Associates of Arts (AA). (Michael Broyles)	
	F. Program Modification – Associates of General Studies (AGS). (Michael Broyles)	

8. For Discussion and Possible Action:

A. Old Business

B. New Business:

1. **Request to Accept the Financial and Single Audits for Fiscal Year Ended June 30, 2024**..... Director Kupfer
Director of Financial Services Russell Kupfer and Signing Director Director Dietrich
Jean Dietrich will request the Board accept the financial and Single audits for fiscal year ended June 30, 2024.
2. **Request to Approve the Purchase of Modern Campus USA Inc.**.. Colleen Marsh
Project Manager Colleen Marsh will request the Board approve the purchase of Modern Campus USA Inc.
3. **Request to Approve the Purchase of ACA Compliance Service.**.. AVPHR Schaefer
AVPHR Christine Schaefer will request the Board approve the purchase of Affordable Care Act Compliance Service.
4. **Request to Approve the Revision of Policy 1102** VPLSS Solomonson
VPLSS Michael Solomonson will request the Board approve the revision of policy 1102.
5. **Executive Session 1** Chair Robinson
The Governing Board may convene in executive session pursuant to A.R.S. § 38-431.03(A)(4) to discuss and consult with its attorney to consider its position and instruct its attorney regarding the College's position on service of a subpoena for documents by Matt Brown Trucking.
6. **Action from Executive Session 1** Chair Robinson
The Board may take action related to Executive Session 1
7. **Request to Approve Board Member Travel** Farah Bughio
Farah Bughio, Recording Secretary to the Board, will present a request for Board member Leslie to travel to the annual HLC Conference in April 2025.

9. DGB Agenda Items and Informational Needs for Future MeetingsChair Robinson

10. Board Report/Summary of Current Events..... Board Members

11. Announcement of Next Regular Meeting.....**March 18, 2025** Chair Robinson

12. Adjournment..... **(Action)** Chair Robinson

The District Governing Board may consider any item on this agenda in any order and at any time during the meeting. The District Governing Board may take action regarding any items in sections 7 & 8. The Board may vote to hold an executive session for the purpose of discussing Presidential employment goals listed on the agenda pursuant to A.R.S. §38-431.03 (A)(4). Should the District's attorney not be present in person, notice is further given that the attorney may appear by speakerphone.



Northland Pioneer College

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

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
Statement of Financial Position
July 1, 2024 to December 31, 2024

Budget Period Expired 50%

Tax Supported Funds				
Current General Fund				
	Revised Budget	Current Month Actual	Y-T-D Actual	%
REVENUES				
Primary Tax Levy	18,340,750	1,300,999	11,370,869	62%
State Aid:				
Maintenance and Operations	1,375,600	-	682,800	50%
Equalization	12,016,200	-	6,008,100	50%
Rural Aid	815,000	-	407,500	50%
Tuition and Fees	3,800,000	1,130,049	3,043,655	80%
Investment earnings	2,000,000	200,079	2,120,967	106%
Grants and Contracts	2,730,000	1,837,786	2,549,269	93%
Other Miscellaneous	350,000	10,545	82,762	24%
Fund Balance	15,626,726	-	-	0%
Transfers	(18,226,726)	(336,771)	(1,568,094)	9%
TOTAL REVENUES	\$ 38,827,550	\$ 4,142,687	\$ 24,697,828	64%
EXPENDITURES				
Salaries and Benefits	26,487,637	2,109,850	12,715,038	48%
Operating Expenditures	12,339,913	859,907	4,809,064	39%
TOTAL EXPENDITURES	\$ 38,827,550	\$ 2,969,757	\$ 17,524,102	45%
Unrestricted Plant				
	Revised Budget	Current Month Actual	Y-T-D Actual	%
REVENUES				
State Aid:				
Capital/STEM	273,600	-	136,800	50%
NAVIT Automotive Remodel	-	-	400,000	
Fund Balance	13,626,729	326,199	1,520,029	11%
Transfers In	4,000,000	16,418	1,216,313	11%
TOTAL REVENUES	\$ 17,900,329	\$ 342,617	\$ 3,273,142	18%
EXPENDITURES				
Capital Expenditures - Construction and ERP	10,000,000	326,199	1,520,029	15%
Capital Expenditures - Other	7,900,329	16,418	1,407,944	18%
TOTAL EXPENDITURES	\$ 17,900,329	\$ 342,617	\$ 2,927,975	16%

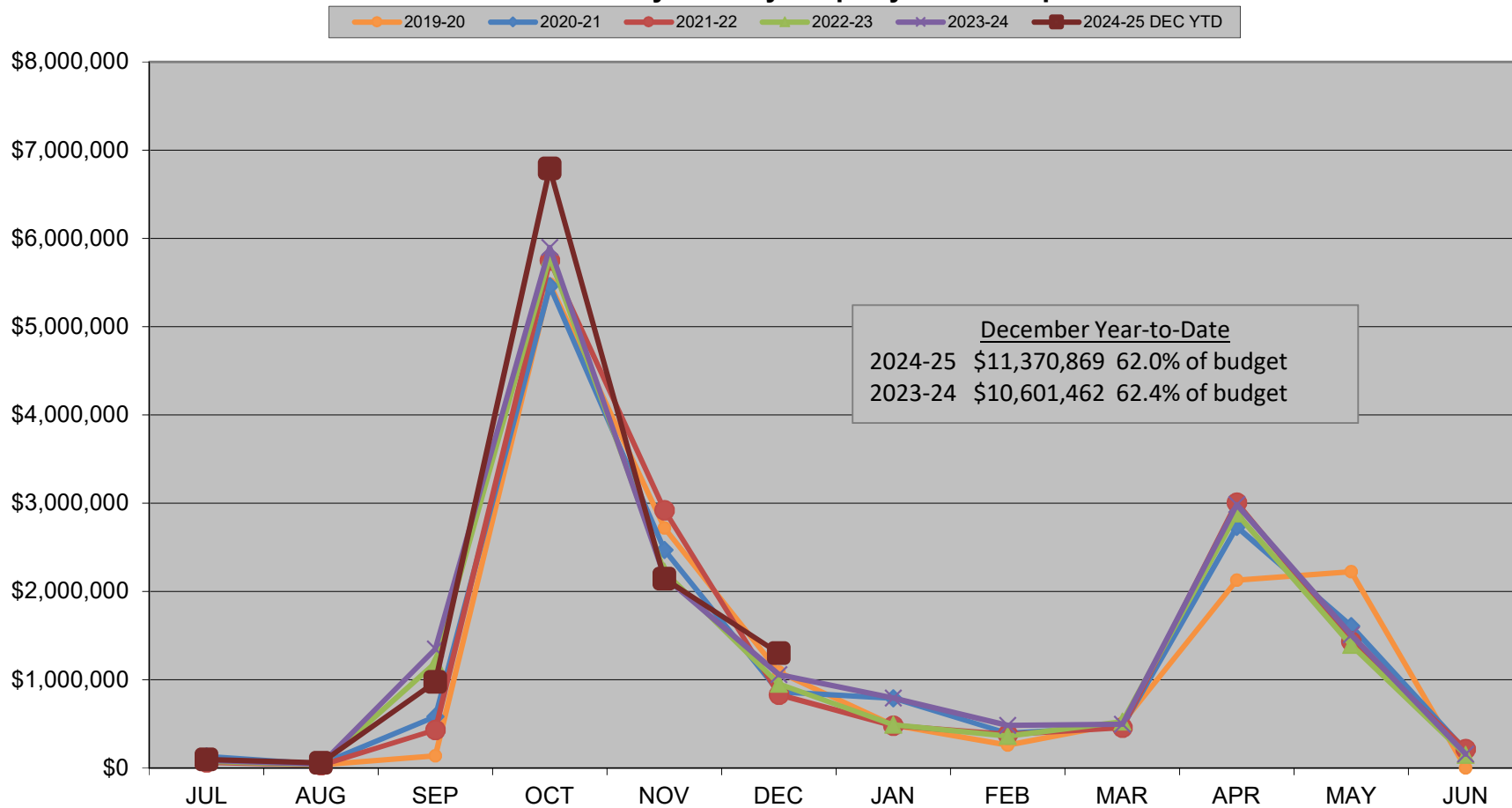
NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
Statement of Financial Position
July 1, 2024 to December 31, 2024

Budget Period Expired 50%

Restricted and Auxiliary Funds				
Restricted				
	Current Month			
	Budget	Actual	Y-T-D Actual	%
REVENUES				
Grants and Contracts	8,800,000	1,222,055	3,103,289	35%
Kayenta Grant	-	-	8,895,684	
Fund Balance	-	-	-	
Transfers In	400,000	-	-	0%
TOTAL REVENUES	\$ 9,200,000	\$ 1,222,055	\$ 11,998,973	130%
EXPENDITURES				
Salaries and Benefits	3,250,000	131,799	984,631	30%
Operating Expenditures	5,950,000	47,506	1,487,167	25%
TOTAL EXPENDITURES	\$ 9,200,000	\$ 179,305	\$ 2,471,798	27%
Auxiliary				
	Current Month			
	Budget	Actual	Y-T-D Actual	%
REVENUES				
Sales and Services	240,000	29,742	99,883	42%
Fund Balance	-	-	-	
Transfers	200,000	10,572	48,065	24%
TOTAL REVENUES	\$ 440,000	\$ 40,314	\$ 147,948	34%
EXPENDITURES				
Salaries and Benefits	349,654	14,081	78,246	22%
Operating Expenditures	90,346	22,028	69,700	77%
TOTAL EXPENDITURES	\$ 440,000	\$ 36,109	\$ 147,948	34%

Cash Flows	
Cash flows from all activities (YTD)	\$ 40,117,891
Cash used for all activities (YTD)	\$ 23,071,823
Net Cash for all activities (YTD)	\$17,046,068

Monthly Primary Property Tax Receipts



December Year-to-Date
 2024-25 \$11,370,869 62.0% of budget
 2023-24 \$10,601,462 62.4% of budget



CLASSIFIED ADMINISTRATIVE STAFF ORGANIZATION (CASO)

February Spotlight - NPC Library

Meet Your NPC Librarians

- Luann Crosby, Library Director - SCC
- Michael Wetta - PDC
- Susan Jensen and Jodie Humphrey - LCC
- Daphne Brimhall - SCC
- Rebecca Diggs - WMC

- Phone: (928) 524-7310
- Email: <https://www.npc.edu/ask-librarian>
- Text: (928) 351-4204



We are available 8 am - 9 pm M - Th, 8 am - 4 pm Fridays

Laptops for Students

- Started Summer 2024 allowing students to take laptops home.
- 130 laptops available for checkout across all locations.
- Available to all NPC students



**LAPTOPS
FOR
STUDENTS**



Northland Pioneer College

Available at all
campus and center
locations.

Eligible for check
out by students for
on/off campus use
during semesters.

Visit your NPC
Library for more
details.

Need Information?

NPC Library - Your Information Resource!

- ❖ Find books, eBooks, online resources, organizations, and more in our **Subject Guides**
- ❖ Get answers to general **Questions** and help with **Research**
- ❖ Learn about **Information Literacy** - sessions for individuals or classes
- ❖ Obtain **Library Materials** from all 9 of our NPC locations, or use our Interlibrary Loan service and receive items from around the United States
- ❖ Check-out the latest **NPC Library News** at:
 - **Library Website**
 - **Newsletter**

NPC Library Events

Fantastic Books and Where to Find Them

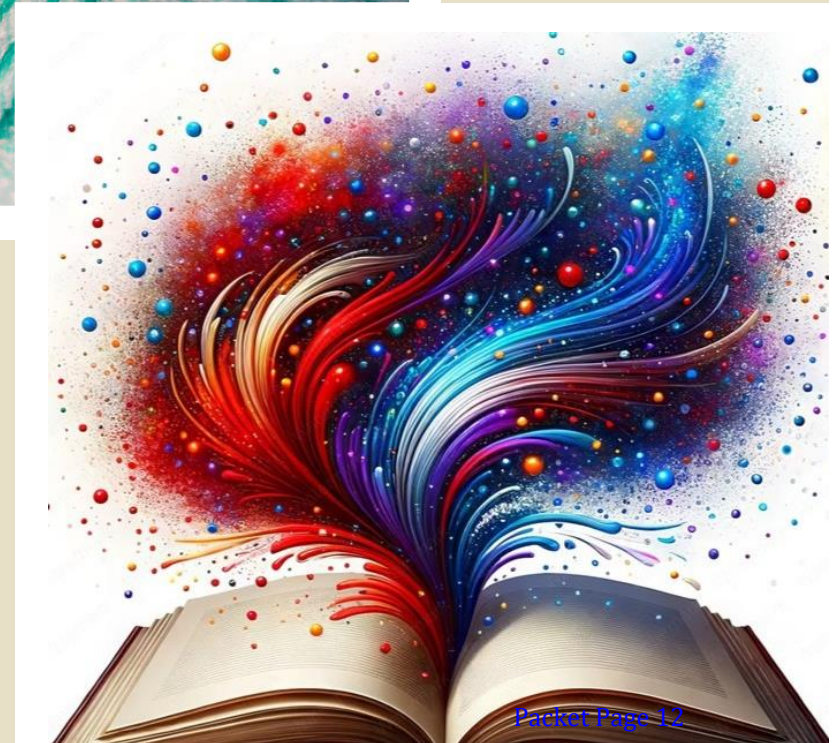
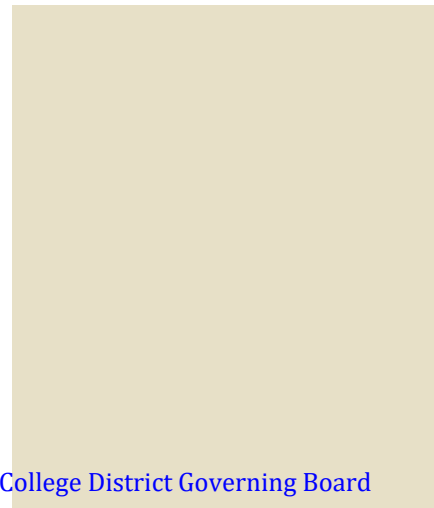
- Virtual Book Club
- Second Wednesday of each month at 2:00 pm

Fiber Folke

- Join us in creating items made of fiber.
- First Friday of each month at LCC & SPE at 1:00 pm

Discovery Nest

- Creative activities for children ages 5 and up.
- Located at SCC throughout the year.





Northland Pioneer College

EXPANDING MINDS • TRANSFORMING LIVESSM

HUMAN RESOURCES

MONTHLY REPORT

February 2025

EMPLOYEE RELATIONS AND STAFFING

On March 27th the department will host our next new employee onboarding session. This session is open to all NPC employees who wish to register for a refresher, or if they have never attended a session before.

WELCOME AND RECOGNITION

We would like to welcome the following new employees to Northland Pioneer College

Congratulations to the below employees as they transition to new positions

❖ Jonathan Lawrence Director of Technical Services

The following employees have left the institution since the last report

None

RECRUITMENT

	Location	# Qualified Applicants	Date Opened	Closing Date	Status
Director of Total Rewards	Painted Desert Campus		4/12/24	Open Until Filled	Out Sourced
Maintenance I	Painted Desert Campus	106	06/05/24	Open Until Filled	Offer in Progress
Faculty in Educator Preparation Programs	Painted Desert Campus	13	8/7/24	Open Until Filled	In Review
Faculty in Psychology	Silver Creek Campus	20	10/7/24	1/31/25	In Review
Faculty in History	Little Colorado Campus	45	10/7/24	1/31/25	In Review
Systems Analyst 1	REMOTE	24	10/15/24	10/29/24	Offer in Progress
Registration Clerk ERP-TEMP	Painted Desert Campus	27	12/4/24	1/2/25	In Review
Technical Support Technician	District Wide	45	12/16/24	Open Until Filled	Offer in Progress
Dean of Nursing	White Mountain Campus	4	1/15/25	Open Until Filled	In Review

Library Specialist (I, II, or III)	White Mountain Campus	10	1/21/25	2/4/25	In Review
Information Security Analyst	White Mountain Campus	1	1/29/25	2/21/25	Interview in Progress
Director of Enterprise & Data Systems	REMOTE	10	1/29/25	2/7/25	In Review
Testing Manager	Silver Creek Campus	2	1/29/25	Open Until Filled	Interview in Progress

EMPLOYEE CENSUS DATA

Turnover Rate for FY24/25	Employee Count	Separated	Turnover Rate
Total Employees as of 7/1/2024	373	17	4.56%
Total Faculty Turnover FY24/25 to date		5	1.34%
Total Staff Turnover FY24/25 to date		12	3.22%

Turnover Rate for the Last 12 Months	Employee Count	Separated	Turnover Rate
Totals for February 2024 – February 2025	350	32	9.14%
Total Faculty Turnover February 2024 – February 2025		8	2.28%
Total Staff Turnover February 2024 – February 2025		24	6.86%

*Turnover Rate Calculated by dividing the number of separated employees during the period by the number of employees at the beginning of the period. This figure reflects contract employees only and excludes temporary employees

TOTAL REWARDS

BENEFITS AND COMPENSATION

Compensation: The Committee will be presenting their salary budget recommendation and highlight the remaining work of the committee at the DGB meeting on February 18, 2025. Dr. Allison Landy and Justin White will be the presenters.

Salary Budget Recommendation

Northland Pioneer College Compensation Committee

NPC Compensation Committee

Members

- **Rickey Jackson**, Learning Community Coordinator, CASO
- **Ryan Jones**, Faculty in English
- **Dr. Allison Landy**, Associate Dean Educator Preparation Programs
- **Dawn Marie Palen**, Academic Advisor, CASO
- **Dr. Gary Santillanes**, Faculty in Philosophy & English
- **Christine Schaefer, Chair**, Associate Vice President of Human Resources
- **Justin D. White II**, Director of Facilities and Transportation

NPC Compensation Committee

Salary Budget Recommendation

Our recommendation is rooted in our new Compensation Philosophy and based on:

- Projected budget as presented to the Board
- Salary Trends/Data
- Cost of Living Increases/Living Wage Information
- State-level, County-level, and Like Industry Data
- Outcomes of most recent competitive analysis (Gallagher Study)
- Discussions with Shared Governance and Other Represented Groups

NPC Compensation Committee Salary Budget Recommendation

Economic Adjustments

- **2.5%** for all eligible* Staff and Faculty
- **1.5%** for eligible* Administrators (*D2 and Above*)

Estimated Cost = \$406,000.

Other Adjustments Budget

- **0.6%** Budgeted amount to be held for off-cycle adjustments to address internal equity/salary compression and market competitiveness

Estimated Cost = \$103,000

Total Budget Recommendation: 2.96%

Total Estimated Cost \$509,000.

Our recommendation is aligned with our Compensation Philosophy. It takes into consideration our available resources while allowing us to be market competitive and will help us to address internal compensation issues.

Salary Survey Data

Payscale 2024-25 Salary Budget Survey

Planned 2025 Increases at Colleges and Universities

College/University	2024 Actual Increases								2025 Planned Increases							
	General/COLA		Merit Increases		Other Increases		Total Increases		General/COLA		Merit Increases		Other Increases		Total Increases	
	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average
Non-exempt Employees	14	1.5%	19	3.0%	15	1.4%	18	3.6%	12	1.3%	16	2.5%	12	1.0%	14	3.0%
Exempt (Non-management) Employees	13	1.3%	19	2.9%	15	1.4%	17	3.4%	12	1.3%	16	2.4%	12	1.0%	14	2.9%
Managers	13	1.3%	19	3.1%	15	1.4%	17	3.4%	11	1.4%	16	2.6%	12	1.0%	14	2.9%
Officers & Executives	13	1.3%	19	3.0%	15	1.4%	17	3.3%	12	1.3%	16	2.4%	12	0.9%	14	2.8%



Looking Ahead

- Compensation Guidelines
- Salary Structures
- Internal/Market Analysis
- Recognition and Pay for Performance Programs
- Total Rewards Approach (including Benefits)

References

Northland Pioneer College

Compensation Philosophy

We aim to attract and retain highly qualified employees with the education, credentials, experience, and skills necessary to achieve the College's mission and vision.

We will accomplish this by becoming an employer of choice and creating compensation opportunities that are competitive with our peers and industry, support internal equity, and are an integral part of a total rewards program.

We are committed to being fiscally responsible and good stewards of public funds and available resources.

Guiding Principles

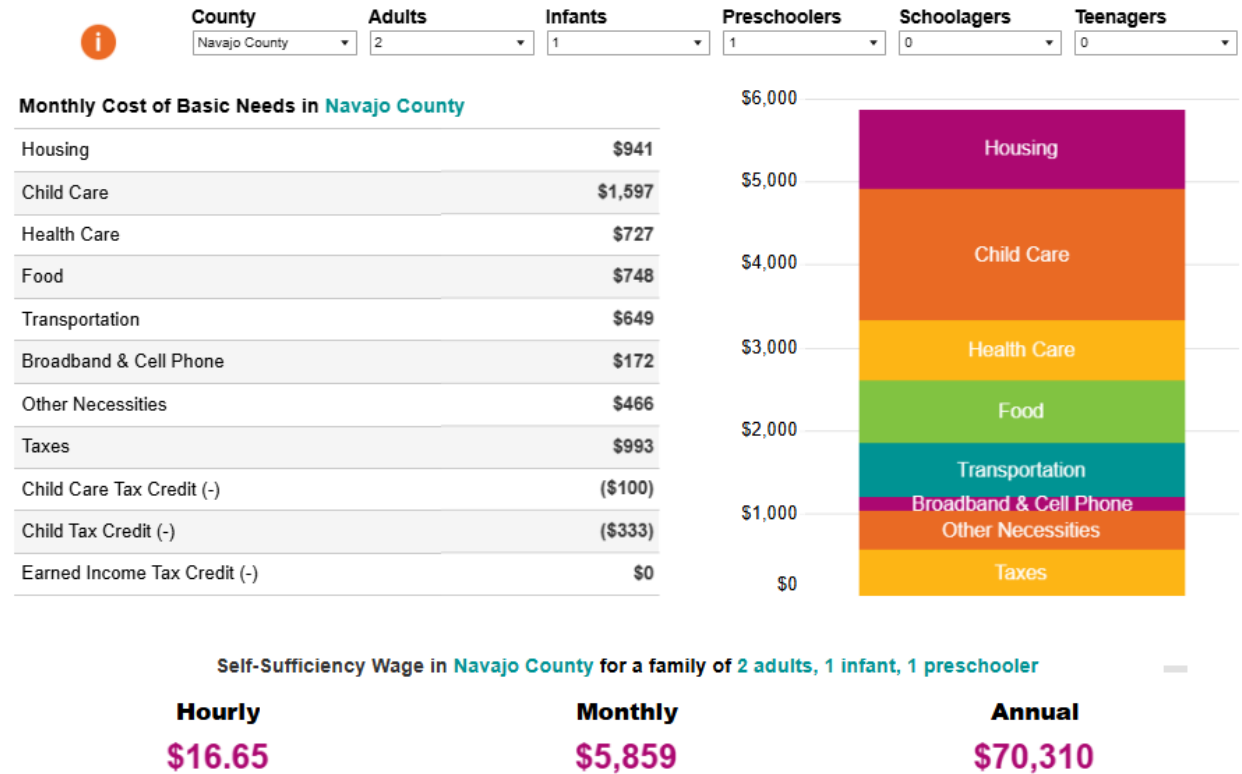
- **Market Competitiveness** ensured through regular, periodic benchmarking.
- **Internal equity** among employees performing similar functions based on the requisite educational attainment, knowledge, skills, complexity, autonomy, experience, scope, and decision-making or supervisory responsibility.
- **Consistency and Fairness** enabled by a set of compensation **guidelines** that will:
 - Set salaries using transparent, equitable, market-driven processes,
 - Enable salary adjustments to be applied consistently and fairly across the organization, and
 - Recognize the contributions and outstanding performance of our employees.
- **Transparency** to foster a culture of openness and trust and ensure everyone understands and appreciates the value we place on fair and equitable compensation.
- Promotion of relevant, engaging **professional development** opportunities.
- Encouragement of **work-life balance** for a sustainable workforce.

The Arizona 2022 Self-Sufficiency Standard

The Self-Sufficiency Standard defines the amount of income necessary to meet the basic needs of working-age families in Arizona without public or private assistance.

[Explore How Much is Enough](#)
[The Standard Varies by Family Type](#)
[The Standard Varies by County](#)
[Compare the Standard to Other Benchmarks](#)

Exploring the Self-Sufficiency Standard by County in Arizona



Source: The cost of basic needs are based on the Self-Sufficiency Standard for Arizona 2022 calculated by the University of Washington Center for Women's Welfare.

Living Wage Calculation for Navajo County, Arizona

The living wage shown is the hourly rate that an **individual** in a household must earn to support themselves and/or their family, working full-time, or 2080 hours per year. The tables below provide living wage estimates for individuals and households with one or two working adults and zero to three children. In households with two working adults, all hourly values reflect what one working adult requires to earn to meet their families' basic needs, assuming the other adult also earns the same.

The poverty wage and state minimum wage are for reference purposes. Poverty wage estimates come from the Department of Health and Human Services' [Poverty Guidelines](#) for 2024 and have been converted from an annual value to an hourly wage for ease of comparison. The state minimum wage data is sourced from the [Labor Law Center](#) and includes the minimum wage in a given state as of January of that year.

For further detail, please reference the [Methodology](#) page. The data on this page was last updated on February 14, 2024.

	1 ADULT				2 ADULTS (1 WORKING)				2 ADULTS (BOTH WORKING)		
	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children	3 Children	0 Children	1 Child	2 Children
Living Wage	\$20.77	\$37.40	\$46.78	\$60.32	\$29.49	\$36.19	\$40.99	\$42.91	\$14.74	\$21.02	\$26.07
Poverty Wage	\$7.24	\$9.83	\$12.41	\$15.00	\$9.83	\$12.41	\$15.00	\$17.59	\$4.91	\$6.21	\$7.50
Minimum Wage	\$14.35	\$14.35	\$14.35	\$14.35	\$14.35	\$14.35	\$14.35	\$14.35	\$14.35	\$14.35	\$14.35

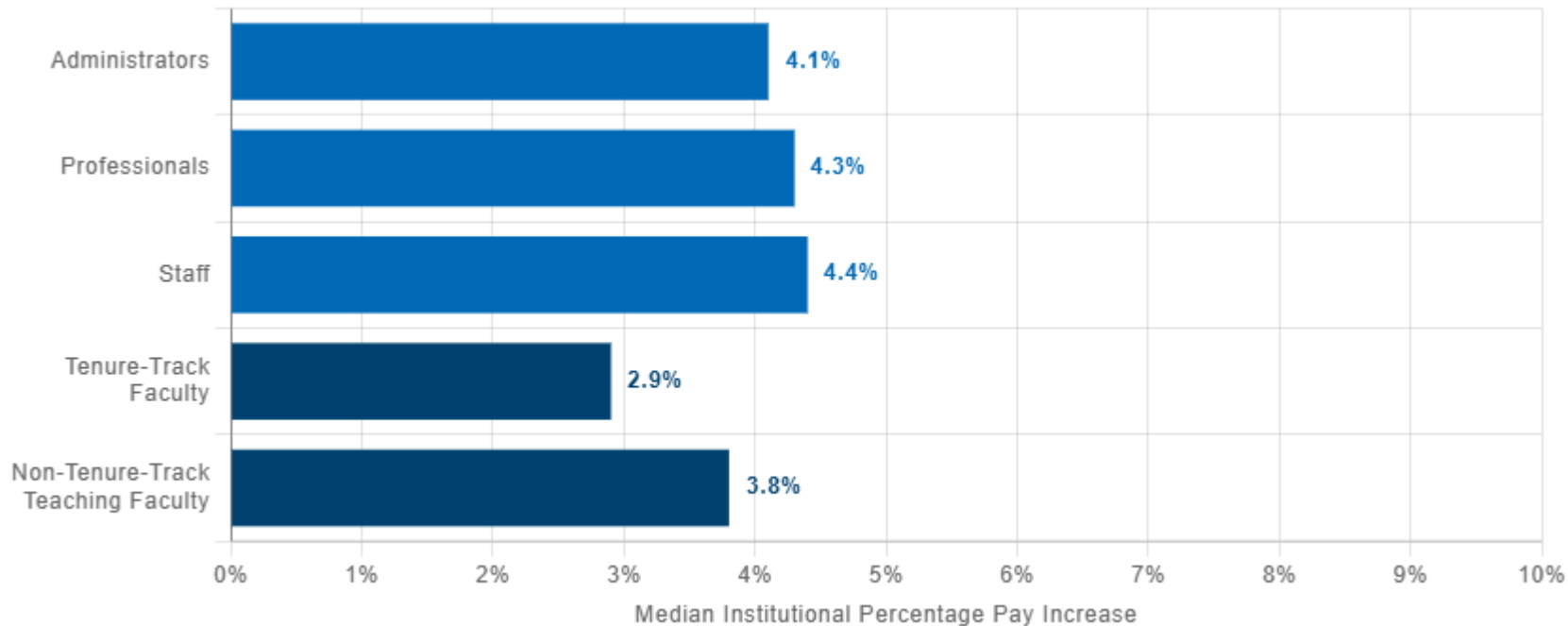
Source: MIT Living Wage Calculator

Salary Survey Data



2017-2024 Workforce Surveys

Annual Pay Increases by Position Type



Actual Pay Increases 2023-24, All US Participants

Source: CUPA-HR Higher Education Workforce Surveys

Salary Survey Data

Payscale 2024-25 Salary Budget Survey



United States

TOTAL SAMPLE

All Respondents	2024 Actual Increases								2025 Planned Increases							
	General/COLA		Merit Increases		Other Increases		Total Increases		General/COLA		Merit Increases		Other Increases		Total Increases	
	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average
Non-exempt Employees	856	1.5%	1211	3.2%	898	0.9%	1059	3.6%	725	1.1%	1079	3.1%	789	0.7%	959	3.5%
Exempt (Non-management) Employees	851	1.4%	1220	3.2%	903	0.9%	1061	3.6%	721	1.1%	1089	3.2%	790	0.8%	966	3.5%
Managers	850	1.4%	1221	3.2%	906	0.9%	1058	3.6%	721	1.1%	1085	3.2%	792	0.7%	964	3.6%
Officers & Executives	837	1.3%	1165	3.0%	868	0.7%	1025	3.4%	709	1.1%	1037	3.0%	771	0.6%	933	3.4%

Arizona	2024 Actual Increases								2025 Planned Increases							
	General/COLA		Merit Increases		Other Increases		Total Increases		General/COLA		Merit Increases		Other Increases		Total Increases	
	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average
Non-exempt Employees	238	0.9%	393	3.4%	288	0.9%	332	3.5%	216	0.7%	357	3.3%	252	0.8%	301	3.5%
Exempt (Non-management) Employees	238	0.9%	394	3.3%	287	0.9%	333	3.5%	216	0.6%	358	3.3%	251	0.8%	303	3.5%
Managers	237	0.8%	394	3.4%	288	0.8%	332	3.5%	216	0.6%	358	3.3%	252	0.8%	303	3.5%
Officers & Executives	235	0.8%	373	3.2%	276	0.6%	319	3.4%	212	0.6%	338	3.2%	243	0.6%	290	3.4%

College/University	2024 Actual Increases								2025 Planned Increases							
	General/COLA		Merit Increases		Other Increases		Total Increases		General/COLA		Merit Increases		Other Increases		Total Increases	
	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average	Count	Average
Non-exempt Employees	14	1.5%	19	3.0%	15	1.4%	18	3.6%	12	1.3%	16	2.5%	12	1.0%	14	3.0%
Exempt (Non-management) Employees	13	1.3%	19	2.9%	15	1.4%	17	3.4%	12	1.3%	16	2.4%	12	1.0%	14	2.9%
Managers	13	1.3%	19	3.1%	15	1.4%	17	3.4%	11	1.4%	16	2.6%	12	1.0%	14	2.9%
Officers & Executives	13	1.3%	19	3.0%	15	1.4%	17	3.4%	12	1.3%	16	2.4%	12	0.9%	14	2.8%

2025-2026 Tuition and Fees

Summary:

Based on the Budget Development calendar, staff is providing information on tuition and fees. Staff has developed the tuition and fee information based on Board approval of the Budget Development Guidelines, which include the following assumptions:

Tuition and general fees will be set at a rate that:

- A. gives consideration to the impact on students, student enrollment, and student retention rates;*
- B. increases incrementally; and*
- C. is competitive in our market by maintaining a comparative position to the average tuition at other Arizona community colleges.*

Course fees will be set at a rate calculated to offset expendable supplies and equipment.

Tuition

The District Governing Board (DGB) approves tuition on a three-year cycle to help students properly plan for tuition costs. The attached schedule covers the period 2025 to 2026 and was approved in March 2023.

Course Fees

Instructional staff review course fees to assure fees are based on cost of consumable supplies and other course specific expenses. Proposed course fee changes are expected to cover new courses and the increased cost of course supplies, equipment maintenance, and course-specific operational expenses. Changes in the fees are noted by bold type.

General Fees

General fees include the Media Fee, transcript fees, testing fees and other. These fees are per transaction and not assessed on a credit hour basis. Changes in the fees are noted by bold type.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
NORTHLAND PIONEER COLLEGE**

Approved 3/21/23

Summer Tuition Revised & Approved 2/20/24

TUITION	Approved 2023-24	Approved 2024-25	Approved 2025-26
IN-DISTRICT (Navajo & Apache Counties)	Approximately 80% of in-state rate (\$70 per credit hour)	Approximately 80% of in-state rate (\$73 per credit hour)	Approximately 80% of in-state rate (\$75 per credit hour)
IN-STATE (All AZ Counties except Navajo & Apache)	\$88 per credit hour	\$91 per credit hour	\$94 per credit hour
OUT-OF-STATE	\$410 per credit hour	\$410 per credit hour	\$410 per credit hour
EARLY COLLEGE IN-DISTRICT (Navajo & Apache Counties)	Approximately 80% of in-state rate (\$70 per credit hour)	Approximately 80% of in-state rate (\$73 per credit hour)	Approximately 80% of in-state rate (\$75 per credit hour)
EARLY COLLEGE IN-STATE (All AZ Counties except Navajo & Apache)	\$88 per credit hour	\$91 per credit hour	\$94 per credit hour
EARLY COLLEGE OUT-OF-STATE	\$88 per credit hour	\$91 per credit hour	\$94 per credit hour
SENIOR CITIZENS 60 years or older	50% of the applicable rate: In-District, In-State, or Out-of-State. (Does not apply to non-credit courses)		
BACHELOR COURSES (3XX & 4XX)	150% of the applicable In-State or Out-State rate. No discounts.		
CCP COURSES	50% of the applicable rate: In-District, In-State, or Out-of-State. (Does not apply to non-credit courses)		
SUMMER SESSION COURSES	Summer course will be discounted 100%. Free tuition for In-District, In-State, or Out-of-State. (Does not apply to non-credit courses or Bachelor Courses) <i>Effective for Summer 2024, 2025 & 2026 only</i>		
WICHE WUE	150% of the In-State rate		
REFUNDS FOR TUITION	100% through the second week of the semester. 100% if NPC cancels the class.		
SUMMER SESSION REFUNDS	100% through the first week of the semester. 100% if NPC cancels the class.		
SHORT-TERM COURSE REFUNDS	100% before the first day of class. 100% if NPC cancels the class.		

Notes:

*50% discounts are not to be combined

Bold items indicate a change from prior year

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
NORTHLAND PIONEER COLLEGE
2025-2026 Course Fees
DGB Approved:**

ARTS & SCIENCES			Approved 2024-25	Proposed 2025-26
ANT	104	Biological Anthropology & Human Origins	\$40	\$40
ART	103	Basic Design	\$0	\$0
ART	105	Beginning Drawing I	\$25	\$25
ART	110	Figure Drawing I	\$25	\$25
ART	121	Digital Photography I	\$25	\$25
ART	140	Lettering	\$25	\$25
ART	150	Advertising Design	\$25	\$25
ART	155	Printmaking	\$25	\$25
ART	170	Sculpture I	\$25	\$25
ART	175	Painting	\$25	\$25
ART	180	Watercolor	\$25	\$25
ART	185	Hand Building Pottery	\$40	\$40
ART	186	Clay Sculpture	\$40	\$40
ART	187	Raku Pottery	\$40	\$40
ART	190	Ceramics	\$40	\$40
ART	199	Photography Enrichment	\$25	\$25
ART	199	Ceramic Enrichment	\$40	\$40
ART	205	Drawing II	\$25	\$25
ART	206	Figure Drawing II	\$25	\$25
ART	220	Painting II	\$25	\$25
ART	221	Digital Photography II	\$25	\$25
ART	222	Digital Photography Practicum	\$25	\$25
ART	225	Watercolor II	\$25	\$25
ART	245	Ceramics II	\$40	\$40
ART	246	Ceramics III	\$40	\$40
ART	247	Ceramics IV	\$40	\$40
ART	280	Art Studio – 2 Dimensional	\$25	\$25
ART	281	Art Studio – 3 Dimensional	\$25	\$25
ART	289	Figurative Ceramics	\$40	\$40
BIO	100	Biological Concepts	\$40	\$40
BIO	105	Environmental Biology	\$0	\$40
BIO	160	Intro. to Human Anatomy & Physiology	\$40	\$40
BIO	181	General Biology I	\$40	\$40
BIO	182	General Biology II	\$40	\$40
BIO	201	Human Anatomy & Physiology I	\$40	\$40
BIO	202	Human Anatomy & Physiology II	\$40	\$40
BIO	205	Microbiology	\$40	\$40
CHM	ALL	All Courses	\$40	\$40

ARTS & SCIENCES (cont'd)			Approved 2024-25	Proposed 2025-26
ECD	128	Culture, Language and Community	\$20	\$20
ECD	141	Healthy and Safe Early Childhood Practices	\$40	\$40
ECD	175	Professionalism	\$20	\$20
ECD	184	Early Social and Emotional Development	\$40	\$40
ECD	186	Effective Interactions for Learning	\$20	\$20
ECD	187	Supporting STEM in Early Childhood	\$20	\$20
ECD	208	Observation and Assessment in Early Childhood (new course number, no change in fee)	\$20	\$20
ECD	290	Early Childhood Practicum I	\$40	\$60
ECD	297	ECD Capstone I	\$40	\$20
ECD	387	STEM Instruction in the Early Childhood Classroom	\$0	\$0
ECD	390	EC Practicum II	\$60	\$60
ECD	391	EC Practicum III	\$60	\$60
ECD	490	Capstone/Student Teaching B-PreK	\$60	\$60
ECD	491	Capstone/Student Teaching K-3 (Traditional)	\$60	\$100
ECD	491	Capstone/Student Teaching K-3 (Student Teaching Intern Certificate)	\$300	\$300
EDP	301	Foundations in Reading	\$145	\$145
EDU	223	Classroom Observation Skills	\$20	\$20
EDU	280	Introduction to Structured English Immersion	\$30	\$30
EDU	390	Elementary Practicum I	\$0	\$60
EDU	391	Elementary Practicum II	\$0	\$80
EDU	392	Elementary Practicum III	\$0	\$80
EDU	490	Elementary Education Capstone	\$0	\$100
GEO	111	Physical Geography	\$40	\$40
GLG	ALL	All Geology Courses	\$40	\$40
MUS	155	Music Applied (all)	\$120	\$120
POS	221	Arizona Constitution and Government	\$20	\$20
POS	222	U.S. Constitution	\$20	\$20
PHY	ALL	All Physics Courses	\$40	\$40
SPT	130	Introduction to Theatre	\$50	\$50
SPT	178	Stage Makeup	\$100	\$100

Notes:

- **Items** indicate a change from prior year.
 - Adding BIO105 to correct historical oversight.
 - ECD290 - Increasing to align with other practicum classes.
 - ECD297 - Reducing cost to offset practicum increase.
 - ECD491 - Assists with the cost of stipends to Student Teaching supervisors.
 - EDU390 - Fee aligns with other practicum courses in the EPP program.
 - EDU391 and EDU 392 - These courses are 2 credits (vs other practicum courses at 1 credit) and require an additional student visit by the faculty.
 - EDU490 - Covers a small portion of the Supervising Practitioner stipend paid per student.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
NORTHLAND PIONEER COLLEGE
2025-2026 Course Fees
DGB Approved:**

CAREER & TECHNICAL EDUCATION			Approved 2024-25	Proposed 2025-26
AJS	ALL	All Administration of Justice courses except AJS102	\$15	\$15
AJS	102	Intensive Police Academy	\$300	\$300
ATO	ALL	All Automotive Courses except ATO116	\$155	\$155
ATO	116	Introduction to Auto and Safety	\$160	\$160
BUS	179	Medical Coding	\$85	\$85
CIS	ALL	All CIS Courses except CIS 141, 142, 145, and 146	\$15	\$15
CIS	141	A+ Certification Preparation I	\$150	\$150
CIS	142	A+ Certification Preparation II	\$150	\$150
CIS	145	Network+ Certification Preparation	\$150	\$150
CIS	146	Security+ Certification Preparation	\$0	\$150
CIS	171	Linux Operating System	\$0	\$100
CON	ALL	All Construction Courses except CON102 & CON107	\$50	\$50
CON	102	Introduction to Construction Methods	\$75	\$75
CON	107	Safety and Job Hazard Recognition	\$25	\$50
COS	ALL	All Cosmetology Courses except COS143	\$30	\$40
COS	142	Introduction to Hair Care	\$30	\$40
COS	143	Introduction to Basic Skin Care	\$50	\$50
DRF	ALL	All Drafting Courses	\$30	\$30
EIT	ALL	All Energy and Industrial Technician Courses except EIT100 & EIT201	\$150	\$150
EIT	100	Introduction to Advanced Manufacturing	\$175	\$175
EIT	201	Introduction to an Industrial Environment	\$175	\$175
EMT	104	Healthcare Provider CPR & First Aid	\$20	\$20
EMT	130	EMT Preparation Course	\$10	\$10
EMT	131	Emergency Medical Training	\$365	\$365
EMT	133	Refresher Course - EMT Recertification	\$50	\$50
EMT	135	EMT IVC	\$90	\$90
EMT	240	Basic ECG & Pharmacy	\$30	\$30
EMT	241	ALS Refresher	\$210	\$210
EMT	246	Paramedic Training I	\$1,045	\$1,045
EMT	247	Paramedic Training II	\$1,045	\$1,045

CAREER & TECHNICAL EDUCATION			Approved 2024-25	Proposed 2025-26
FRS	101	Principles of Fire and Emergency Service Administration	\$15	\$15
FRS	103	Firefighter I	\$220	\$220
FRS	105	Firefighter II	\$220	\$220
FRS	110	HazMat First Responder	\$55	\$55
FRS	126	Rope Rescue I	\$60	\$60
FRS	127	Rope Rescue II	\$60	\$60
FRS	128	Rope Rescue III	\$60	\$60
FRS	130	Incident Command System	\$15	\$15
FRS	132	Fire Investigation I	\$15	\$15
FRS	135	Fire Protection Hydraulics & Water Supply	\$15	\$15
FRS	137	Strategies and Tactics	\$15	\$15
FRS	138	Legal Aspects of Emergency Services	\$15	\$15
FRS	139	Confined Space Operations	\$40	\$40
FRS	141	Fire Service Communication	\$15	\$15
FRS	150	Wild Land Firefighter	\$35	\$35
FRS	200	Fire Behavior and Combustion	\$15	\$15
FRS	201	Fire Protection Systems	\$15	\$15
FRS	202	Principles of Emergency Services	\$15	\$15
FRS	203	Fire Prevention	\$15	\$15
FRS	207	Building Construction for Fire Prevention	\$15	\$15
FRS	208	Principles of Fire Emergency Services, Safety & Survival	\$15	\$15
HES	ALL	All Health Science courses except HES 109 and HES 190	\$0	\$25
HES	109	Phlebotomy	\$275	\$275
HES	180	Basic Pharmacology	\$10	\$25
HES	190	Human Body in Health and Disease—ON CAMPUS	\$60	\$60
HES	190	Human Body in Health and Disease---ONLINE	\$0	\$0
HES	201	Micro	\$0	\$60
HPE	113	Foundations of Strength and Conditioning	\$35	\$35
HPE	146	Personal Training	\$35	\$35
HPE	162	Exercise Physiology	\$35	\$35
HPE	178	Professional Activities in Weight Training	\$35	\$35
HPE	179	Professional Activities in Aerobic Training	\$35	\$35
HPE	200	Rehabilitative Techniques	\$35	\$35
HPE	210	Prevention and Care of Athletic Injuries	\$35	\$35
HPE	250	Physical Therapy Technician	\$35	\$35
INA	ALL	All Industrial Arts Courses	\$45	\$45
ITT	ALL	All Industrial Technology Trades Courses except ITT100	\$150	\$150
ITT	100	Craft Skills Core Curriculum	\$175	\$175

CAREER & TECHNICAL EDUCATION			Approved 2024-25	Proposed 2025-26
MDA	124	Clinical Procedures I	\$295	\$345
MDA	125	Clinical Procedures II	\$345	\$395
PHT	103	Pharmacy Technician	\$55	\$125
PHT	104	Pharmacy Technician	\$105	\$125
SGT	ALL	All Surgical Technology courses except SGT 122, 221, 222, and 229	\$0	\$250
SGT	121	Surgical Sterile Techniques and Instrumentation	\$175	\$250
SGT	122	Surgical Techniques	\$310	\$310
SGT	221	Perioperative Procedures	\$310	\$310
SGT	222	Surgical Concepts and Specialty Procedures	\$310	\$310
TMP	ALL	All Therapeutic Massage courses except TMP 240	\$0	\$50
TMP	108	A & P with Kinesiology Techniques I	\$65	\$50
TMP	109	A & P with Kinesiology Techniques II	\$65	\$50
TMP	240	Massage Therapy Clinical Practice	\$115	\$115
WLD	ALL	All Welding Courses except WLD 100 and WLD170	\$180	\$200
WLD	100	Safety and Math	\$60	\$60

Notes:

- **Bold** items indicate a change from prior year.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
NORTHLAND PIONEER COLLEGE
2025-2026
Course Fees**

NURSING			Approved 2024-2025	Proposed 2025-26
NAT	101	Nursing Assistant	\$160	\$170
NUR	116	LPN to RN Transition	\$495	\$495
NUR	117	Pharmacology I	\$10	\$10
NUR	118	Pharmacology II	\$10	\$10
NUR	121	Nursing I	\$495	\$500
NUR	122	Nursing II	\$495	\$500
NUR	123	Paramedic to Nurse Bridge	\$495	\$495
NUR	199	IV Cert for LPN	\$120	\$130
NUR	221	Nursing III	\$495	\$500
NUR	222	Nursing IV	\$495	\$500
NUR	291	RN Refresher Course	\$450	\$450

Notes:

- **Bold** items indicate a change from prior year.
 - NUR121, 122, 221, 222: Cost of annual drug screen increasing by \$10, so adding \$5 to each semester.
 - NUR199: Increased cost of consumables
 - NAT101: Drug screen cost increasing by \$10

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
NORTHLAND PIONEER COLLEGE
2025-2026**

FEES	Approved 2024-25	Proposed 2025-26
GENERAL		
Media Fee ①	\$47/semester	\$50/Semester
SPECIAL		
Transcript (each) Online Order	\$12	\$14.50
Transcript + On Demand Fee (\$5)	\$17	\$19
Diploma/Certificate Replacement	\$15	\$17
Credit by Exam	\$0	\$0
Proctoring	\$25	\$25
Credit by Evaluation Fee (non-refundable) ②	\$45	\$45
ACCUPLACER Testing ③	\$20	\$20
HESI Testing	\$65	\$65
NSF Check Collection	\$35	\$35
Money Card Replacement (Bank Mobile):		
ACTIVE card	\$10	\$10
INACTIVE card	\$10	\$10
Student ID Replacement Fee	\$5	\$5

Bold items indicate a change from prior year.

① Assessed to all students enrolling in three (3) or more credit hours.

② Evaluation of Learning Certificates (Assessed Credits) from business, industry, government, and non-regionally accredited institutions without waiver agreement.

③ Includes up to three (3) tests.

- **Notes to Preparer:**
- Media Fee – contact CIO, Michael Jacobs – should align with 3 year tuition cycle
- Transcripts – contact Records & Reg – Raea Wood or Deena Gillespie
- Credit by Exam/Eval – contact Advising – Paul Hempsey
- Accuplacer Testing – contact Advising – Josh Rogers
- HESI Testing – contact Dean of Nursing – Ruth Zimmerman
- NSF Check Collection – contact Dir of Financial Services – Russell Kupfer
- Money Card Replacement – contact Dir of Financial Services – Russell Kupfer
- Student ID Replacement Fee – contact Lead Campus Mgr – Jessica Kitchens

Navajo County Community College District Governing Board Meeting Minutes

January 21 – 10:00a.m.

Painted Desert Campus, Tiponi Community Center Board Room
2251 East Navajo Boulevard, Holbrook, AZ 86025

Governing Board Member Present: Chair. Everett Robinson, Ms. Kristine Laughter; Mr. Frank Lucero; Mr. Derrick Leslie; Ms. Rosie Sekayumptewa

Governing Board Member Absent:

Others Present: President Von Lawson; VPLSS Michael Solomonson; CIO Michael Jacob; Betsy Wilson; Judy Yip-Reyes; Norvita Charleston; Tabitha Stickel; AVPHR Christine Schafer; Amanda Sutter; Colleen Marsh; Katie Matott; Josh Rogers; Justin White; Russell Kupfer; Allison Landy; Michael Broyles; Maria Jaquez; Paul Hempsey; Ruth Zimmerman; Talaina Fisher; Farah Bughio; Karen Zimmerman; Tamara Osborne; Wei Ma; Cynthia Blevins; Lia Keenan; Michael Colwell; Melissa Willis; Melody Niesen; Kate Buckhorn;

Agenda Item 1: Call to Order and Pledge of Allegiance

Chair Robinson called the meeting to order at 10:00 a.m. and Mr. Lucero led the Pledge of Allegiance.

Agenda Item 2: Adoption of Agenda

Chair Robinson asked if there was a motion to adopt the agenda. Mr. Leslie made a motion to adopt the agenda. Ms. Sekayumptewa seconded the motion.

The motion carried upon a roll-call vote with Mr. Lucero, Mr. Leslie, Ms. Laughter, Ms. Sekayumptewa and Chair Robinson voting in favor. There were no votes against.

Agenda Item 3: Election of Board Officers and AACCTT Representatives

Chair Robinson asked if there was a nomination for Chair of the Board. Ms. Laughter nominated Mr. Robinson for Chair. Mr. Lucero seconded the motion. *The nomination carried upon a roll-call vote with Mr. Lucero, Mr. Leslie, Ms. Laughter, Ms. Sekayumptewa. Chair Robinson abstained. There were no votes against.*

Chair Robinson asked if there was a nomination for Secretary of the Board. Mr. Leslie nominated Ms. Laughter for Secretary. Ms. Sekayumptewa seconded the motion. *The nomination carried upon a roll-call vote with Mr. Leslie, Ms. Sekayumptewa and Chair Robinson voting in favor. Ms. Laughter abstained. Mr. Lucero voted against.*

Chair Robinson asked if there was a nomination for AACCT Representative. Ms. Laughter nominated Mr. Leslie for AACCT Representative. Ms. Sekayumptewa seconded the motion. *The*

nomination carried upon a roll-call vote with Mr. Lucero, Ms. Laughter, Ms. Sekayumptewa and Chair Robinson voting in favor. Mr. Leslie abstained. There were no votes against.

Chair Robinson asked if there was a nomination for an alternate AACCT Representative. Ms. Sekayumptewa nominated Ms. Laughter as an alternate. Chair Robinson seconded the motion. *The nomination carried upon a roll-call vote with Mr. Leslie, Ms. Sekayumptewa and Chair Robinson voting in favor. Ms. Laughter abstained. Mr. Lucero voted against.*

Agenda Item 4: Call for Public Comment

None.

Agenda Item 5: Discussion Items

5.A.1. Financial Position

Director Russell Kupfer expanded on the report provided in the packet.

No questions.

5.A.2. NPC Student Government Association (SGA)

No report.

5.A.3. NPC Faculty Association

No report.

5.A.4. Classified and Administrative Staff Organization (CASO)

CASO President Melissa Willis gave an update on payment in arrears and an upcoming Cost of Living Adjustment (COLA) discussion. Kate Buckhorn gave an overview of the Office of Accessibility and Inclusion (OAI).

Mr. Lucero stated that he disagrees with a straight COLA for all employees. Ms. Willis responded to his concern. Mr. Lucero added that employees at NPC make more money than anyone else in Navajo County. Mr. Lucero further stated that the additional 1% COLA was taken away from the Board for approval. Ms. Laughter asked why it was taken from the Board. Mr. Lucero stated that only Chair Robinson was consulted. Chair Robinson intervened and explained the sequence of events regarding a reconsideration of the COLA. Chair Robinson asked Ms. Willis to work with the Compensation Committee for this year's COLA. Ms. Laughter asked AVPHR Schaefer to be involved in those discussions. Both Ms. Willis and AVPHR Schaefer stated they would comply with these requests.

Ms. Laughter asked if there were physical postings of OAI at the campuses and centers and who the resources were for each location. Ms. Buckhorn responded with how resources are shared with students.

5.A.5. Northland Pioneer College (NPC) Friends and Family

Betsy Wilson, Director of NPC Friends and Family gave an update on scholarships and NPC Friends and Family.

Ms. Sekayumtewa asked if it was a consideration that no students at Hopi applied for scholarships. Director Wilson responded that there is low enrollment at Hopi and students at this location aren't applying.

Ms. Laughter informed President Lawson of her experience with scholarships at Kayenta and asked President Lawson to create a workshop for essay writing for students. She further stated that campus managers don't appear to be informed on scholarship resources. Director Wilson responded with a suggestion to view the scholarship website where lots of resources are available.

5.A.6. Strategic Planning

Director Betsy Wilson gave an update to the 2025-2030 Strategic Plan.

No questions.

5.A.7. Human Resources

AVPHR Christine Schaefer elaborated on a report provided in the packet.

No questions.

5.A.8. Construction Report

Director Justin White gave the Board an update on construction projects.

Mr. Lucero asked when classes would start at the new PDC automotive center. Director White responded in August.

Mr. Lucero Asked how long construction would take on the Blunk Building. Director White responded 1.5 year.

Mr. Lucero asked if the cosmetology building would take two years for construction. Director White responded it would take less time.

Mr. Lucero asked if there was a plan for the space where the modular buildings currently are. Director White responded that there is not a plan yet.

Chair Robinson asked if the Goldwater walkway would be enclosed. Director White responded with the plan for construction.

5.A.9. Enterprise Resource Planning (ERP) Implementation Update

Project Manager Colleen Marsh elaborated on the report provided in the packet.

No questions.

5.A.10. Arizona Association of Community College Trustees (AACCT)

Derrick Leslie gave an update.

Agenda Item 6: All Arizona Academic Team

All-AZ Advisor, Michael Colwell, elaborated on a report provided in the packet.

Chair Robinson asked for an invitation. Michael Colwell gave Board members flyers for the event.

Agenda Item 7: Review Budget Information

Director Kupfer elaborated on information provided in the packet.

Mr. Leslie asked if the Compensation Committee has already met. Director Kupfer responded no.

Agenda Item 8: Tower Project Update

CIO Michael Jacob elaborated on a report in the packet.

Ms. Laughter expressed concern over internet outages on Tribal lands.

Agenda Item 9: Consent Agenda

- A. **November 15, 2024 Special Meeting Minutes** (Farah Bughio)
- B. **November 19, 2024 Board Meeting Minutes** (Farah Bughio)
- C. **November 25, 2024 Special Meeting Minutes** (Farah Bughio)
- D. **December 19, 2024 Special Meeting Minutes** (Farah Bughio)
- E. **Intergovernmental Agreement** between Navajo County Community College District and Northeastern Arizona Law Enforcement Training Academy for the White Mountain Apache Tribe.
- F. **Intergovernmental Agreement** between Navajo County Community College District and Northeastern Arizona Law Enforcement Training Academy for the City of St. Johns.
- G. **Program Modification** – Early Childhood Education (BAS-ECE). (Michael Broyles)
- H. **Program Modification** – Elementary Education (AAEE). (Michael Broyles).

Mr. Leslie made a motion to approve all items on the consent agenda. Ms. Laughter seconded the motion. The motion carried upon a roll-call vote with Mr. Lucero, Mr. Leslie, Ms. Sekayumptewa, Ms. Laughter and Chair Robinson voting in favor. There were no votes against.

Agenda Item 10: For Discussion and Possible Action

10.A. Old Business

10.B. New Business

10.B.1. Request to Accept Grant Funds for the Nurse Education Investment Pilot Program

Dean of Nursing, Ruth Zimmerman, requested that the Board accept grant funds.

No questions.

*Mr. Lucero made a motion to accept grant funds in the amount of \$666,320. Mr. Leslie seconded the motion. **The motion carried upon a roll-call vote with Mr. Lucero, Mr. Leslie, Ms. Sekayumptewa, Ms. Laughter and Chair Robinson voting in favor. There were no votes against.***

10.B.2. Request to Approve Changes to Policy 1048

VPLSS Michael Solomonson asked the Board to accept changes made to Policy 1048.

No questions.

*Mr. Leslie made a motion to accept changes made to Policy 1048 Ms. Laughter seconded the motion. **The motion carried upon a roll-call vote with Mr. Lucero, Mr. Leslie, Ms. Sekayumptewa, Ms. Laughter and Chair Robinson voting in favor. There were no votes against.***

10.B.3. Request to Approve Additional Fees for Goldwater Addition

Director Justin White requested the Board approve additional fees for the Goldwater addition.

No questions.

*Mr. Lucero made a motion to approve additional fees in the amount of \$28,650. Ms. Laughter seconded the motion. **The motion carried upon a roll-call vote with Mr. Lucero, Mr. Leslie, Ms. Sekayumptewa, Ms. Laughter and Chair Robinson voting in favor. There were no votes against.***

10.B.4. Request to Approve Job Order Contract for PDC Automotive Project

Director White requested the Board approve a Job Order Contract for construction.

Mr. Lucero asked if the fee would cover everything. Director White responded that there have been unforeseen costs on other projects.

Mr. Lucero asked if was possible that not all of this fee would be required. Director White responded yes.

Chair Robinson asked if lifts would be covered in this contract. Director White responded no, but that NAVIT would be covering equipment costs.

Chair Robinson asked about completion time. Director White elaborated on the timeline.

*Mr. Lucero made a motion to approve the JOC in the amount of \$1,397,884. Ms. Laughter seconded the motion. **The motion carried upon a roll-call vote with Mr. Lucero, Mr. Leslie, Ms. Sekayumptewa, Ms. Laughter and Chair Robinson voting in favor. There were no votes against.***

10.B.5. Request to Approve Additional Fees for PDC Automotive Project

Director Justin White requested the Board approve additional fees for the PDC Automotive Project.

No questions.

*Mr. Lucero made a motion to approve the additional fees in the amount of \$75,599. Ms. Laughter seconded the motion. **The motion carried upon a roll-call vote with Mr. Lucero, Mr. Leslie, Ms. Sekayumptewa, Ms. Laughter and Chair Robinson voting in favor. There were no votes against.***

10.B.6. Executive Session 1.

The Board voted to enter Executive Session at 11:40am.

*Ms. Laughter made a motion to enter into Executive Session 1. Ms. Sekayumptewa seconded the motion. **The motion carried upon a roll-call vote with Mr. Lucero, Mr. Leslie, Ms. Sekayumptewa, Ms. Laughter and Chair Robinson voting in favor. There were no votes against.***

10.B.7. Action from Executive Session 1.

There was action taken.

Agenda Item 11: DGB Agenda Items and Informational Needs for Future Meetings.

Mr. Leslie requested information on how signed Executive Orders affect NPC.

Chair Robinson requested information on the distinction between centers and campuses according to HLC.

Ms. Sekayumptewa requested a Board retreat, possibly for March.

Agenda Item 12: Board Report/Summary of Current and Upcoming Events

Agenda Item 13: Announcement of Next Regular Meeting

February 18, 2025

Agenda Item 14: Adjournment

The meeting was adjourned at 12:43 p.m. upon a motion by Mr. Lucero and a second by Ms. Laughter. The motion carried upon a roll-call vote with Ms. Sekayumptewa, Mr. Leslie, Mr. Lucero, Ms. Laughter and Chair Robinson voting in favor. There were no votes against.

Respectfully submitted,



Farah Bughio
Recording Secretary to the Board

Draft

Navajo County Community College District Governing Board Work Session Minutes

January 21 – 12:50 p.m.
Painted Desert Campus, Tiponi Community Center Board Room
2251 East Navajo Boulevard, Holbrook, AZ 86025

Governing Board Member Present: Chair. Everett Robinson, Ms. Kristine Laughter; Mr. Frank Lucero; Mr. Derrick Leslie; Ms. Rosie Sekayumptewa

Governing Board Member Absent:

Others Present: President Von Lawson; Farah Bughio; Kristin Mackin

Agenda Item 1: Call to Order

Chair Robinson called the meeting to order at 12:50pm.

Agenda Item 2: Adoption of Agenda

Chair Robinson asked if there was a motion to adopt the agenda. Ms. Sekayumptewa made a motion to adopt the agenda. Ms. Laughter seconded the motion.

The motion carried upon a roll-call vote with Mr. Lucero, Mr. Leslie, Ms. Laughter, Ms. Sekayumptewa and Chair Robinson voting in favor. There were no votes against.

Agenda Item 3A: Open Meeting Law Training

This training was postponed.

Agenda Item 3B: Board Training

College Attorney Kristin Mackin conducted a training on Board policies.

Agenda Item 4: Adjournment

None.

The meeting was adjourned at 1:24 p.m. upon a motion by Mr. Lucero and a second by Ms. Laughter. The motion carried upon a roll-call vote with Ms. Sekayumptewa, Mr. Leslie, Mr. Lucero, Ms. Laughter and Chair Robinson voting in favor. There were no votes against.

Respectfully submitted,



Farah Bughio
Recording Secretary to the Board

Draft

REQUEST TO APPROVE MODIFICATION OF THE EARLY CHILDHOOD PROGRAM

Recommendation:

The Instructional Council (IC) recommends approval of modifications to the Early Childhood Program, including the Associate of Arts in Early Childhood (AAEC), Early Childhood Studies Certificate of Applied Science (CAS), and Early Childhood Studies Associate of Applied Science (AAS).

Summary:

The Early Childhood Studies Department proposes to incorporate the recently approved General Education Certificate of Proficiency (CP) into the AAEC so students can continue to complete their Arizona General Education Curriculum (AGEC) requirements while pursuing this degree. Needed modifications include adjustments to the curriculum and edits to the catalog language.

These changes are in response to the following:

- a. Statewide changes to the AGEC
- b. Recent approval of modifications to the General Education Course Options
- c. Recent approval of the General Education Certificate of Proficiency (CP).

In addition, the department proposes changes to the CAS and AAS that are responsive to the new General Education Course Options. These likewise include curricular adjustments and language edits.

Early Childhood Studies (ECD)

Associate of Arts in Early Childhood (AAEC)

The Associate of Arts in Early Childhood (AAEC) degree offers foundational knowledge and competencies aligned with state and national standards for early childhood educator professional preparation. In Arizona, certified and endorsed early childhood educators are required to have specific coursework and practicum experiences **working with children birth to age eight, in early childhood.** The AAEC supports students who wish to continue their education toward a bachelor's degree and who may have an interest in teaching in a public school (preschool-3rd grade) as a state certified and/or endorsed educator.

The AAEC degree is an appropriate option for students pursuing transfer **into NPC's Bachelor of Applied Science in Early Childhood Education or to an Arizona Department of Education approved Educator Preparation Program another public university in Arizona.**

The AAEC fulfills both the set of lower division general education requirements of the Arizona General Education Curriculum and a portion of Arizona's requirements for teacher certification and/or endorsement.

Associate of Arts in Early Childhood (AAEC) • **64 61 credits**

Completion of the 35 general education course credits fulfills requirements for the Arizona General Education Curriculum (AGECA) for the Associate of Arts in Early Childhood degree also fulfills the requirements for the Arizona General Education Certificate of Proficiency.

General Education Courses **35 32 credits**

Arts and Humanities..... 6 credits
(Select two courses under Arts and Humanities in the General Education Course List)

Communication..... 6 credits
ENL 101 College Composition I 3 credits
ENL 102 College Composition II 3 credits

Natural Sciences..... 4 credits
(Select one course under Natural Sciences in the General Education Course List)

Quantitative Reasoning 3 credits
Select **one** of the following:
MAT 142 College Mathematics with Contemporary Applications 3 credits
MAT 152 Advanced Algebra 3 credits

Social and Behavioral Sciences 6 credits
(Select two courses under Social and Behavioral Sciences in the General Education Course List. Between Social and Behavioral Sciences and Institutions in the Americas, students must take courses within at least two different prefixes.)

Institutions in the Americas 3 credits
Select **one** of the following. Between Social and Behavioral Sciences and Institutions in the Americas, students must take courses within at least two different prefixes.
HIS 105 U.S. History to 1877..... 3 credits
POS 110 American Government..... 3 credits

Additional Requirements..... 4 credits
Select one of the following:

Foreign Language..... 4 credits
One foreign language course in the General Education Course Options

OR
Natural Sciences..... 4 credits
One unduplicated course under Natural Sciences in the General Education Course Options

Communications..... 6 credits
ENL 101 College Composition I 3 credits
ENL 102 College Composition II 3 credits

Mathematics..... 3 credits
Select one of the following:
MAT 142 College Mathematics with Contemporary Applications 3 credits
MAT 152 Advanced Algebra 3 credits
Or any mathematics course for which MAT 152 is a prerequisite.

Discipline Studies
Arts and Humanities..... 9 credits

Section IV Programs

(Select three courses from at least two disciplines from the list on page 66)

Physical and Biological

Science..... 8

credits

(Select two courses from the list on page 66)

Social and Behavioral Sciences 9 credits

(From the general education course list on page 66, select three courses from at least two disciplines and that includes one of the courses below. One of the three chosen courses must also meet the requirement for Contemporary Global, International, or Historical awareness by choosing any course with an asterisk from the list, including HIS105):

POS 110 American Government..... 3 credits

OR

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

Core Requirements 29 credits

- ECD 110 Building Relationships with Families..... 1 credit
- ECD 128 Culture, Language, and Community.....1 credit
- ECD 135 Survey of Child Development.....3 credits
- ECD 141 Healthy and Safe Early Childhood Practices..... 2 credits
- ECD 145 Foundations in Early Childhood Education.....3 credits
- ECD 175 Professionalism.....1 credit
- ECD 184 Early Social and Emotional Development 2 credits
- ECD 186 Effective Interactions for Learning1 credit
- ECD 187 Supporting STEM in Early Childhood.....1 credit
- ECD 188 Policies and Procedures in Early Childhood Programs.....1 credit
- ECD 208 Observation and Assessment in Early Childhood.....1 credit
- ECD 217 Early Childhood Language and Literacy1 credit
- ECD 222 Introduction to Early Childhood Special Education 3 credits
- ECD 290 Early Childhood Practicum I..... 1 credit
- ECD 297 Capstone in Early Childhood Education1 credit
- MAT 161 Algebra-based Mathematics for Elementary Teachers I..... 3 credits
- MAT 162 Algebra-based Mathematics for Elementary Teachers II..... 3 credits

Early Childhood Studies (CP, CAS, AAS)

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

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

ECD – Early Childhood Studies (CP) • 19 credits

ECD 110 Building Relationships with Families.....	1 credit
ECD 128 Culture, Language and Community	1 credit
ECD 135 Survey of Child Development	3 credits
ECD 141 Healthy and Safe Early Childhood Practices.....	2 credits
ECD 145 Foundations in Early Childhood Education.....	3 credits
ECD 175 Professionalism	1 credit
ECD 184 Early Social and Emotional Development	2 credits
ECD 186 Effective Interactions for Learning.....	1 credit
ECD 187 Supporting STEM in Early Childhood.....	1 credit
ECD 188 Policies and Procedures in Early Childhood Programs.....	1 credit
ECD 208 Observation and Assessment in Early Childhood.....	1 credit
ECD 217 Early Childhood Language and Literacy.....	1 credit
ECD 290 Early Childhood Practicum I.....	1 credit

ECD – Early Childhood Studies (CAS) • 28 credits

Complete the ECD – Early Childhood CP 19 credits
PLUS

General Education Courses 6 credits

Communications 3 credits

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

Mathematics Quantitative Reasoning 3 credits

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

Core Requirements 3 credits

Select any course within ECD/CFS/EDU 3 credits

ECD – Early Childhood Studies (AAS)

• **64 61 credits**

Complete the ECD – Early Childhood Studies CAS 28 credits
PLUS

General Education Courses 16 credits

Communications 3 credits

ENL 102 College Composition II 3 credits

Discipline Studies 13 credits

Arts and Humanities 3 credits

Physical and Biological Natural Sciences 4 credits

Social and Behavioral Sciences 6 credits

Core Requirements 11 credits

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

EDU 223 Classroom Observation Skills..... 1 credit

ECD 297 Early Childhood Capstone..... 1 credit

PLUS

Select any courses within ECD/CFS/EDU..... 6 credits

Electives 9 6 credits

Select a minimum of 9 6 unduplicated non-ECD/CFS/EDU credits at 100 level or above. Students are encouraged to take university transferable General Education courses as described on page X. **099, 199, 299 courses are unallowable to meet this requirement**

REQUEST TO APPROVE MODIFICATION OF THE ASSOCIATE OF SCIENCE

Recommendation:

The Instructional Council (IC) recommends approval of modifications to the Associate of Science (AS)

Summary:

The Arts and Science Division proposes to incorporate the recently approved General Education Certificate of Proficiency (CP) into the AS so students can continue to complete their Arizona General Education Curriculum (AGEC) requirements while pursuing this degree. Needed modifications include adjustments to the curriculum and edits to the catalog language.

These changes are in response to the following:

- a. Statewide changes to the AGEC
- b. Recent approval of modifications to the General Education Course Options
- c. Recent approval of the General Education Certificate of Proficiency (CP).

Transfer Degree

Associate of Science (AS) Degree

The Associate of Science (AS) degree helps develop comprehensive knowledge and good communications skills while providing a firm grounding in mathematics and the natural sciences. An Associate of Science degree is foundational for students looking toward biological, health and medical undergraduate degrees. Students who plan on going into business, engineering or agriculture may also want to consider this degree.

The Associate of Science degree is a transfer degree designed for students planning to continue their education by transferring to one of the three Arizona public universities. The electives component must consist of credits that will transfer to all three Arizona public universities. Check with your academic adviser on transferability.

NPC Requirements

- The Associate of Science (AS) degree requires a minimum of 64 hours of course credits with a grade of “C” or better in all courses and a minimum cumulative grade-point average of 2.0 on a 4.0 scale.

- Some courses have placement requirements or prerequisites that may result in coursework beyond 64 credits. These courses, too, require a grade of “C” or better. For information about prerequisites, see an academic adviser.
- In most general education courses, special emphasis is placed on developing written communication skills with intensive writing requirements. Race and ethnic issue awareness is embedded throughout the general education requirements. Specific courses, as noted, meet the requirement for Contemporary Global/International or Historical Awareness.

Associate of Science (AS) • 64 credits

Completion of the ~~36 general education and discipline studies course credits~~ **General Education CP** fulfills requirements for the Arizona General Education Curriculum (AGEC-S) for the Associate of Science degree. **Between the CP and the AS requirements, students must take at least two Natural Sciences courses in the same discipline and must at least complete MAT 221 in Quantitative Reasoning.**

General Education Courses

Communications	6 credits
ENL 101 College Composition I.....	3 credits
ENL 102 College Composition II.....	3 credits
Mathematics	4 credits
MAT 221 Calculus I.....	4 credits
Or any mathematics course for which MAT 221 is a prerequisite.	

Complete the General Education CP.....32 credits

AS students should use the following to complete the General Education CP

Arts and Humanities..... 6 credits
(Select two courses under Arts and Humanities in the General Education Course List)

Written and Oral Communication.....6 credits
ENL 101 College Composition I.....3 credits
ENL 102 College Composition II.....3 credits

Natural Sciences..... 8 credits
(Select two courses from the **SAME** discipline)
BIO 181 General Biology I.....4 credits
BIO 182 General Biology II.....4 credits
CHM 151 General Chemistry I.....4 credits
CHM 152 General Chemistry II.....4 credits
GLG 101 Introduction to Geology I - Physical.....4 credits
GLG 102 Introduction to Geology II - Historical.....4 credits
PHY 111 General Physics I.....4 credits
PHY 112 General Physics II.....4 credits

Quantitative Reasoning..... 3 credits
MAT 189 Pre-Calculus Algebra/Trigonometry.....3 credits
OR
MAT 221 Calculus I.....4 credits
(Students who do not complete MAT 221 to fulfill Quantitative Reasoning in the CP should meet this requirement in the Natural Sciences/Quantitative Reasoning Option below)

Social and Behavioral Sciences..... 6 credits
(Select two courses under Social and Behavioral Sciences in the General Education Course List. Between Social and Behavioral Sciences and Institutions of the Americas, students must take courses within at least two different prefixes.)

Institutions of the Americas.....3 credits
(Select one course under Institutions of the Americas in the General Education Course List. Between Social and Behavioral Sciences and Institutions of the Americas, students must take courses within at least two different prefixes.)

PLUS

Discipline Studies

Arts and Humanities..... 6 credits
(Select two courses from at least two disciplines from the list on page 66)

Physical and Biological Science Natural Sciences

8 4 credits

(Select two courses from the SAME discipline)

BIO 181 General Biology I.....	4 credits
BIO 182 General Biology II.....	4 credits
CHM 151 General Chemistry I.....	4 credits
CHM 152 General Chemistry II.....	4 credits
GLG 101 Introduction to Geology I - Physical.....	4 credits
GLG 102 Introduction to Geology II - Historical.....	4 credits
PHY 111 General Physics I.....	4 credits
PHY 112 General Physics II.....	4 credits

Social and Behavioral Sciences

6 credits

(Select two courses from two different disciplines, with at least one asterisk (*) course to meet requirements for Contemporary Global, International or Historical Awareness from the list on page 66)

Science/Mathematics Natural Sciences/Quantitative Reasoning Option

6-9 credits

(Select two courses unduplicated courses below not taken to satisfy Physical and Biological Sciences requirements listed above.)

ANT 104 Biological Anthropology and Human Origins.....	4 credits
BIO 105 Environmental Biology.....	4 credits
BIO 160 Introduction to Human Anatomy and Physiology.....	4 credits
BIO 181 General Biology I.....	4 credits
BIO 182 General Biology II.....	4 credits
BIO 201 Human Anatomy and Physiology I.....	4 credits
BIO 202 Human Anatomy and Physiology II.....	4 credits
BIO 205 Microbiology.....	4 credits
BIO 241 Human Genetics.....	3 credits
CHM 151 General Chemistry I.....	4 credits
CHM 152 General Chemistry II.....	4 credits
GEO 111 Physical Geography.....	4 credits
GLG 101 Introduction to Geology I - Physical.....	4 credits
GLG 102 Introduction to Geology II - Historical.....	4 credits
GLG 110 Natural Disasters.....	4 credits
*MAT 221 Calculus I.....	4 credits
MAT 231 Calculus II.....	4 credits
MAT 241 Calculus III.....	4 credits
PHY 111 General Physics I.....	4 credits
PHY 112 General Physics II.....	4 credits

* Students who do not complete MAT 221 to fulfill Quantitative Reasoning in the CP should meet this requirement in the Natural Sciences/Quantitative Reasoning Option.

Transferable Electives.....25-28 19-22 credits

Successful completion of 25-28 19-22 credits of unduplicated-transferable electives, as described on page 67 in the Educational Definitions.

REQUEST TO APPROVE MODIFICATION OF THE ASSOCIATE OF ARTS

Recommendation:

The Instructional Council (IC) recommends approval of modifications to the Associate of Arts (AA)

Summary:

The Arts and Science Division proposes to incorporate the recently approved General Education Certificate of Proficiency (CP) into the AA so students can continue to complete their Arizona General Education Curriculum (AGEC) requirements while pursuing this degree. Needed modifications include adjustments to the curriculum and edits to the catalog language.

These changes are in response to the following:

- a. Statewide changes to the AGEC
- b. Recent approval of modifications to the General Education Course Options
- c. Recent approval of the General Education Certificate of Proficiency (CP).

Transfer Degree

Associate of Arts (AA) Degree

The Associate of Arts (AA) transfer degree offers foundational education that enhances good communications skills and provides wide general knowledge. This degree is the basis for a wide range of bachelor's degree programs and careers in liberal arts fields such as languages, literature, political science and more.

The AA degree is designed for students planning to continue their education by transferring to one of the three Arizona public universities. The ~~general education component of our AA degree~~ **required General Education CP** fulfills the requirements of the Arizona General Education Curriculum (AGEC-A), which when completed, will transfer to any of the three public Arizona state universities as a block meeting all lower division general education requirements. (see ~~What is AGEC?~~ **page 65 General Education CP**)

NPC Requirements

- The Associate of Arts (AA) degree requires a minimum of 64 hours of course credits with a grade of "C" or better in all courses and a minimum cumulative grade-point average of 2.0 on a 4.0 scale.
- Some courses have placement requirements or prerequisites that may result in coursework beyond 64 credits. These courses, too, require a grade of "C" or better. For information about prerequisites, see an academic adviser.

- In most general education courses, special emphasis is placed on developing written communication skills with intensive writing requirements. **These courses also emphasize developing and engaging in critical thinking around course topics.**
- Race and ethnic issue awareness is embedded throughout the general education requirements. **Specific courses, as noted, meet the requirement for Contemporary Global/International or Historical Awareness.**

Associate of Arts (AA) • 64 credits

Completion of the ~~35 general education and discipline studies course credits~~ **General Education CP** fulfills requirements for the Arizona General Education Curriculum (AGEC-A) for the Associate of Arts degree.

General Education Courses

Communications.....6 credits

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

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

Mathematics.....3 credits

Select one of the following:

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

MAT 152 Advanced Algebra.....3 credits

Or any mathematics course for which MAT 142 or MAT 152 is a prerequisite.

Discipline Studies

Arts and Humanities.....9 credits

(Select three courses from at least two disciplines from the list on page 66)

Physical and Biological Science.....8 credits

(Select two courses from the list on page 66)

Social and Behavioral Sciences.....9 credits

(Select three courses from at least two disciplines from page 66. At least one of these must be an asterisked (*) course to meet requirements for Contemporary Global, International, or Historical Awareness.)

Complete the General Education CP.....32 credits

PLUS

Arts and Humanities 3 credits

(Select any course from the General Education Course List)

Transferable Electives29 credits

Successful completion of 29 credits of unduplicated university-transferable electives, as described on page 67 in the Educational Definitions.

REQUEST TO APPROVE MODIFICATION OF THE ASSOCIATE OF GENERAL STUDIES

Recommendation:

The Instructional Council (IC) recommends approval of modifications to the Associate of General Studies (AGS)

Summary:

The Arts and Science Division proposes the following modifications to the AGS:

1. Updates to the categories in conjunction with an appropriate reorganization.
2. Removal of references to Discipline Studies.
3. Removal of courses that are redundant when referencing the recently modified General Education Course Options list.
4. Expansion of course choices in some areas.
5. Reduction of total credits from 64 to 60 by reducing the Electives requirements by 4.
6. Edits to the catalog language for accuracy and clarity.

These modifications will bring the AGS into alignment with the recently approved General Education Course Options list, encourage student completion, enhance clarity, and promote student course choice.

General Degree

Associate of General Studies (AGS) Degree

The Associate of General Studies (AGS) Degree is the most flexible of the degrees offered at NPC. With this degree you learn the basics of mathematics, English, science, history and a wide variety of other subjects, allowing you the chance to explore many different disciplines while enhancing your personal development with the equivalent of two years of post-high school education.

While an AGS degree does not totally fulfill AGECE transfer requirements (see page 65), many courses transfer directly to the three Arizona public universities. Work with your NPC academic adviser to ensure courses meet your specific goals.

NPC Requirements

- The Associate of General Studies (AGS) degree requires a minimum of ~~64~~ 60 hours of course credits with a minimum cumulative grade-point average of 2.0 on a 4.0 scale.

- Students must complete 31 general education credits, listed at right (labeled both General Education Courses and ~~Discipline Studies~~ **Additional Requirements**).
- Some courses have placement requirements or prerequisites that may result in coursework beyond the minimum credits. For information about prerequisites, see your academic adviser.
- Incoming students with 12 or more credits must meet with an NPC academic adviser to select a program of study to best meet the student's goals.
- In most general education courses, special emphasis is placed on developing written communication skills with intensive writing requirements. Race and ethnic issue awareness is embedded throughout the general education requirements. ~~Specific courses, as noted,~~ meet the requirement for Contemporary Global/International or Historical Awareness.

Associate of General Studies (AGS) • ~~64~~ **60** credits

Incoming students with an associate or higher degree will not be considered for this degree. The AGS degree requires completion of these 31 general education and ~~discipline studies~~ **additional requirements** course credits:

General Education Courses

Communications Written and Oral Communication	6 credits
ENL 101 College Composition I.....	3 credits
PLUS ONE of the following:	
ENL 102 College Composition II.....	3 credits
ENL 109 Technical Writing.....	3 credits
SPT 110 Fundamentals of Oral Communications.....	3 credits
SPT 120 Public Speaking.....	3 credits

Mathematics Quantitative Reasoning	3 credits
MAT 112 Algebra II: Intermediate.....	3 credits
Or any mathematics course for which MAT 112 is a prerequisite.	

Discipline Studies

Arts and Humanities	6 credits
(Select two courses from at least two disciplines from the list on page 66 under Arts and Humanities in the General Education Course List)	

Physical and Biological Science Natural Sciences	4 credits
(Select one course from the list on page 66 under Natural Sciences in the General Education Course List)	

Social and Behavioral Sciences	6 credits
(Select two courses from at least two disciplines from the list on page 66) (Select two courses from at least two disciplines under Social and Behavioral Sciences in the General Education Course List.)	

Additional ~~Discipline Studies~~ **Requirements**..... **6 credits**

Select a minimum of six additional **unduplicated** credits from the ~~Discipline Studies~~ **General Education Course** list on page 66, or from these courses the following:

Foreign Language	
FRE 101 Elementary French I.....	4 credits
FRE 102 Elementary French II.....	4 credits
GER 101 Elementary German I.....	4 credits
GER 102 Elementary German II.....	4 credits
SPA 101 Elementary Spanish I.....	4 credits
SPA 102 Elementary Spanish II.....	4 credits

Computer Science	
CIS 105 Computer Applications and Information Technology	3 credits

Verbal Communications	
SPT 120 Public Speaking.....	3 credits

Required Electives ~~33~~ **29** credits

From **Select** any unduplicated courses at 100 or higher level.

Request to Accept the Financial and Single Audits for Fiscal Year Ended June 30, 2024

Recommendation:

Staff recommends accepting the Annual Comprehensive Financial Report (“ACFR”) and Single Audit Report for the fiscal year ended June 30, 2024. The ACFR focuses on the financial audit and financial condition of the college. The audit opinion for this report is “unmodified,” which is positive and no findings related to the financials were identified.

The Single Audit focuses on the District’s compliance with requirements applicable to each major federal program the District administers and on its internal control over compliance. The audit opinion for this report is that the District maintained adequate internal control over compliance and complied with federal compliance requirements for the major federal program tested.

Summary:

NPC issues two separate audit reports - the Annual Comprehensive Financial Report (ACFR) and the Single Audit. Both audits are conducted by CliftonLarsonAllen, LLP with oversight from the Arizona Auditor General (AG). The ACFR and Single Audit report will be reviewed with the District Governing Board this month. Both reports were distributed electronically to the District Governing Board on Wednesday January 29, 2025 by the AG and is available on their website at <https://www.azauditor.gov>.

The audited financial statements for the Northeast Arizona Training Center and the NPC Friends and Family are incorporated into the ACFR; both entities received a “clean” audit and were reviewed with the District Governing Board on October 15, 2024.

The ACFR will be submitted to the Government Finance Officers Association (GFOA) to be evaluated for the Certificate of Achievement for Excellence in Financial Reporting for the ninth consecutive year. It will also be submitted to the US Department of Education by March 31, 2025 and submitted to other external partners and the NPC Audit Committee.

Preparing for the audit and the issuance of the ACFR and Single Audit is a large annual undertaking, but what really makes the audit successful year after year is the daily commitment of all college departments and divisions to the internal controls and processes carefully put in place to ensure accuracy, efficiency and accountability. Numerous individuals from various departments and divisions worked on the audit and the related reports and all deserve a

heartfelt thanks: Business Office, Technology Advancement and Support, Financial Aid, Human Resources/Payroll, Records & Registration, Marketing, the Instructional Division and the President.

College staff also acknowledges the contribution of the Office of the Arizona Auditor General. They play an important role in the audit and continue to provide excellent professional work. We appreciate the working relationship we have with all members of the Auditor General's staff.



Northland Pioneer College

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024



Northland Pioneer College

Navajo County Community College District

Holbrook, AZ

Annual Comprehensive Financial Report
Year Ended June 30, 2024

Prepared by the NPC District Financial Services Office

Navajo County Community College District
(Northland Pioneer College)
Annual Comprehensive Financial Report
June 30, 2024

Table of Contents

Introductory Section

President's Letter	1
Transmittal Letter	2-8
Certificate of Achievement for Excellence in Financial Reporting	9
Principal Officers	10
Organization Chart	11
Mission, Vision, Values	12

Financial Section

Independent Auditors' Report.....	14-16
Management 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 the Financial Statements.....	32-53

Required Supplementary Information

Schedule of District's Proportionate Share of Net Pension Liability	55
Schedule of District's Pension Contributions.....	56

Statistical Section

Statistical Section Introduction	57
Financial Trends:	
Net Position by Component – Last Ten Fiscal Years	58
Changes in Net Position – Last Ten Fiscal Years	59
Expenses by Function – Last Ten Fiscal Years	60
Expenses by Use – Last Ten Fiscal Years.....	61
Revenues by Source – Last Ten Fiscal Years	62

Navajo County Community College District
(Northland Pioneer College)
Annual Comprehensive Financial Report
June 30, 2024

Table of Contents

Statutory Limit to Budgeted Expenditures – Last Ten Fiscal Years	63
Revenue Capacity:	
Assessed Valuation, Tax Rate, and Estimated Actual Value – Last Ten Fiscal Years	64
Property Tax Levies and Collections – Last Ten Fiscal Years	65
Property Tax Rates, Direct and Overlapping Governments – Last Ten Fiscal Years (Per \$100 of Assessed Value).....	66
Principal Taxpayers– Current Year and Ten Years Ago	67
Historic General Resident Tuition – Last Ten Fiscal Years	68
Debt Capacity:	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	69
Computation of Legal Debt Margin – Last Ten Fiscal Years.....	70
Demographic and Economic Information:	
Schedule of Demographic and Economic Statistics – Last Ten Years.....	71
Schedule of Employment by Sector and Major Employers – Last Ten Calendar Years	72
Operating Information:	
Enrollment and Degree Statistics – Last Ten Years.....	73
Student Enrollment and Demographic Statistics – Last Ten Years.....	74-75
Employee Statistics (Headcount) – Last Ten Fiscal Years.....	76
Schedule of Capital Asset Information – Last Ten Fiscal Years.....	77

Introductory Section



Northland Pioneer College
EXPANDING MINDS • TRANSFORMING LIVESSM



Greetings,

Our work together at Northland Pioneer College (NPC) over the past year has allowed us to continue serving our communities in meaningful and impactful ways. As I reflect on our journey, I'm reminded that everything we do is driven by a shared purpose: to support our students and meet the ever-changing needs of our local industries.

This year, we've made some exciting changes that reflect this commitment. One of which is the creation of our Industrial Technology Trades program, which evolved from the Energy and Industrial Technology Program. This change wasn't just about a new name; it was about ensuring our students and community members are prepared for the decline of our regional reliance on power plant careers. We listened to what our students and industry partners needed, and this program is equipped to help our students succeed in high-demand fields.

I'm also excited to share the completion of the Skills Center in Show Low, a project close to our hearts. This new space, with its industry-focused design, offers students the chance to learn in environments that mirror the real-world workplaces they'll enter after graduation. Whether it's welding or automotive repair, we've made sure that this facility gives our students the tools and experience they need to confidently step into their new careers. I know this space will make a lasting difference for our students and local employers alike.

At NPC, workforce development is at the core of our mission. We know that the best way to strengthen our community is by preparing our students for the jobs our region truly needs. That's why we've worked closely with industry partners to identify high-demand areas, leading to the development of new bachelor's degrees in fields like early childhood education, elementary education, and applied management. These programs open new doors for our students, empowering them to build successful futures locally while helping our community thrive.

While we're proud of what we've accomplished, we're even more excited about what's still to come. We are exploring new partnerships, and planning future initiatives that will keep NPC at the forefront of education and workforce development. Together, we will ensure that NPC remains a driving force in shaping the future of our region, creating opportunities for generations of students to come.

Thank you for being a part of this journey with us. Your continued support is what allows Northland Pioneer College to grow and serve our students and community.

Sincerely,

Dr. Michael Solomonson
Interim President, Northland Pioneer College



December 20, 2024

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, 2024.

Arizona Revised Statutes requires community college districts to prepare annual financial statements and for those financial statements to be audited. CliftonLarsonAllen, LLP audited the District's financial statements for the fiscal year ended June 30, 2024 and issued an unmodified opinion, indicating they believe the financial statements were fairly presented. See Independent Auditors' Report on page 14.

The 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 the 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 (GAAP). 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.

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 based on 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 65 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.

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 the 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.

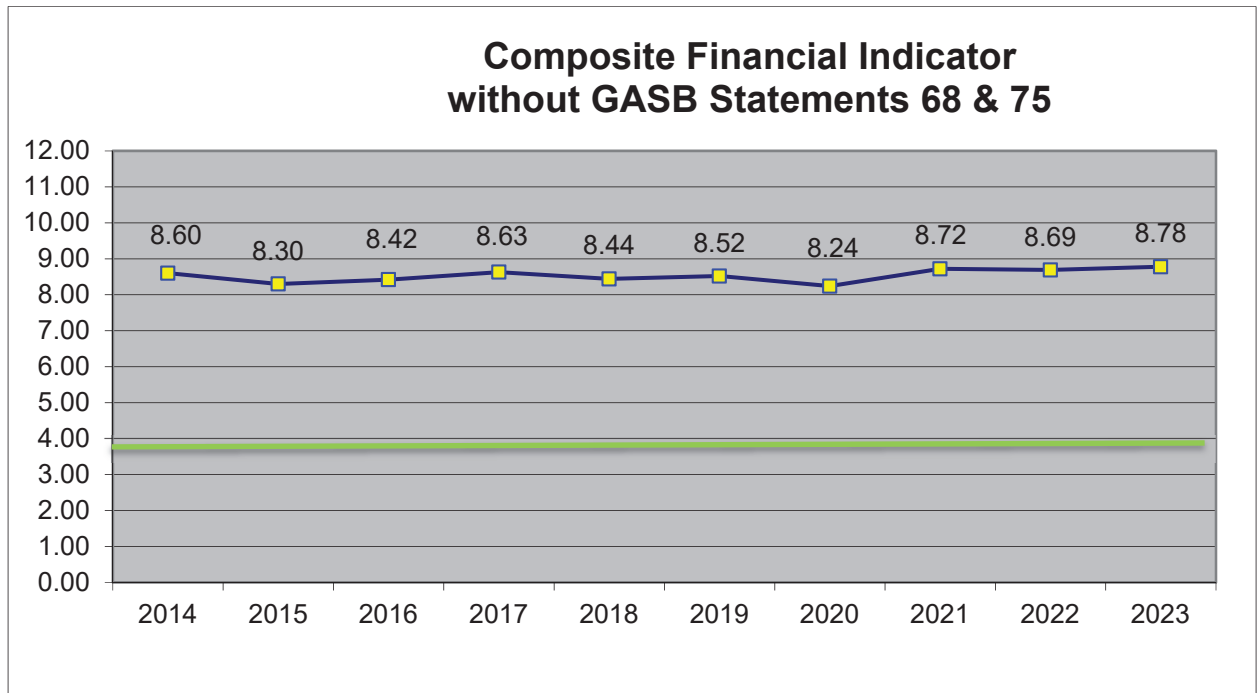
History and Service Area – Established in 1972, the District first enrolled students starting with the fall semester of 1974. The District serves Navajo County as well as Apache County, which it does via an Intergovernmental Agreement. The combined service area is 21,158 square miles with a 2023 U.S. Census Bureau population of 172,738. The Navajo, Hopi, and White Mountain Apache Indian Reservations occupy more than 66% of the total land in the District's service area and account for 60% 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 increased between fall of 2023 and fall of 2022 by 3%. Of the 2,825 headcount, approximately 81% of students were in-state and 62% (or 1,765) were 19 years of age and younger. 67% of our students were racial/ethnic minorities and with 63% being females. Full time students made up only 18% of the unduplicated headcount while the remaining 82% were part time attendees. The full-time student equivalent per faculty is 7.0 down from 7.17 the year before, the increase in faculty over the prior year impacted this ratio. The average class size decreased slightly to 13 from 14 the year before.

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) is an institutional accreditor charged with evaluating the District to ensure its students of an up-to-date, nationally recognized and accredited educational experience. The District continues to conduct accreditation activities as required by HLC following a 10-year Open Pathway cycle. Every year, the District is required to complete its annual institutional update for HLC. During FY2324, the District completed its Year 4 Assurance Review with HLC and received “Met” status in all but one accreditation criteria. The area that received a “Met with concern” status is related to the District’s strategic planning. HLC review team noted that while progress in this area has been made, the strategic planning process is still in development and has not fully matured. The review team recommended an embedded monitoring report in the HLC’s 2029-30 comprehensive evaluation.

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 2014 to 2023 was greater than 8.0. In 2015, the HLC requested the CFI be calculated with and without the new accounting and financial reporting guidelines for pensions adopted in 2015. The HLC recognized it would have a significant impact to the financials and related indicators. The District’s 2023 CFI including pensions was 8.94 and excluding pensions was 8.78. The chart below indicates the CFI excluding pensions for 2023.



REGIONAL ECONOMIC OUTLOOK

Navajo and Apache Counties continue to struggle in spite of other signs of state and national recovery according to the Federal Reserve Economic Data (FRED), which uses the Bureau of Labor Statistics data as its source. Arizona's unemployment rate for August 2024 was 3.4% which is slightly lower than it was a year ago when it was 4.1%. The national unemployed rate of 4.2% for August 2024 is up from 3.8% the year before. In Navajo County, unemployment was 5.4% in August 2024, which is higher than the national, state rates and the prior year of 6.1%. For Apache County, the unemployment rate is even higher at 7.9% for August 2024, which is a decrease compared to the year before of 8.2%.

The District uses full time student equivalents to evaluate student enrollment, which increased when comparing fall 2023 to fall 2022, the District had an enrollment increase of 2%. This is in line with enrollment figures tracked by the National Student Clearinghouse Research Center which shows an enrollment increase of 2.1% for fall 2023 compared to fall 2022.

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 \$35 to \$50 million set aside for financial stability.

CURRENT MAJOR INITIATIVES

President Chato Hazelbaker made the decision to leave the College in June 2024. The District has partnered with a search firm to find candidates fill this vacancy and the search for a new president has continued subsequent to the issuance of these financial statements. The Collage hopes to have a new president in the spring of 2025 or shortly after.

Construction on at three locations are underway:

- The remodeling of the Goldwater building at the White Mountain Campus in Show Low is underway and will add approximately 9,000 sq. ft to the building. The remodel will add a number of additional offices, a conference room, and service as the reception area for the campus students and visitors. The Goldwater building is expected to be completed by the fall of 2025.
- The College has accepted a grant from the Arizona Commerce Authority for the purpose of building a new center in Kayenta. The new center will allow for better classrooms, a science lab and an economic development office. The College has selected a Construction Manager at Risk and is in the planning phase of this project. The project is required to be completed by the summer of 2027.
- The remodeling of the Construction program area of Skills Center at the Painted Desert Campus in Holbrook will begin before the end of 2024. The remodeling will include retro fitting this area to accommodating the needs of the Automotive and CDL programs. This

remodel is currently in the design phase and is expected to be completed for the Fall 2025 semester.

The Construction program has moved to a new location in Holbrook that will give them more space and will also enable them to more easily implement an on-site build approach to constructing residential homes. This is expected to be fully implemented for the Fall 2025 semester.

The Enterprise Resource Planning (ERP) system used by the District is in the process of being replaced. The District, in collaboration with another Arizona Community College, issued a request for proposal in Fall 2022 for possible options. A new ERP system was chosen in June 2023, implementation began in December 2023 and is currently in the build phase of the project. The new ERP system is expected to have cascading go-live dates between October 2025 through February 2026.

Two years ago the District received a Title III grant, "A Relational Model for Student Success", that provides funding of \$1.6 million over 5 years to help implement five initiatives that will make information easier to find and navigate for students, create five virtual One-Stop Centers that will allow students to engage face to face with support staff, train in and implement a Relational Advising model, Create and establish Learning Communities for students, and implement programs for Native American students success.

In the 2021 Arizona legislature session, community college districts were given authority to offer 4-year degrees. In September 2023 the District was approved to offer as its first degree, a Bachelors of Applied Science in Early Childhood Education. The first graduates of this program are expected to occur in May 2025. In July 2024 the District was approved to offer Bachelor degrees of, Applied Science in Elementary Education and Business's Applied Management. Classes for the new programs will be offered in Spring 2025. Planning for other 4-year degrees are also in progress.

UPCOMING MAJOR INITIATIVES

NPC continues to strengthen its strategic planning process including incorporating recommendations from the Higher Learning Commission. College leadership has received training on strategic planning and how to integrate these plans into its goals, action items and budgeting process. The College is evaluating its planning process and intends to make all the needed changes to this process to make it as effective as possible. This initiative will enable to College to more effectively intertwine the needs of students, employees and the community into the long and short term strategic plans.

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 planning process. The current strategic initiatives identify the strategic direction of the District in support of its mission and vision. They include increasing enrollment, improving student outcomes and improving college sustainability. These are monitored and updated and involve all levels of the organization. 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, management 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 the 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 the 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, 2024.

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, 2024.

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

Russell Kupfer
Director of Financial Services

Scott Flake
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, 2023

Christopher P. Morill

Executive Director/CEO

PRINCIPAL OFFICERS

As of June 30, 2024

DISTRICT GOVERNING BOARD

Mrs. Kristine Laughter, District 1

Mrs. Rosabel Sekayumtewa, District 2

Mr. Frank Lucero, District 3

Mr. Everett Robinson, District 4

Mr. Derrick Leslie, District 5

EXECUTIVE TEAM

Dr. Michael Solomonson, Acting President

Dr. Wei Ma, Acting Vice President for Learning

Jeremy Raisor, Acting Vice President for Student Services

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

Judy Yip-Reyes, Director for Institutional Effectiveness

Christine Schaefer, Associate Vice President Human Resources

Michael Jacob, Chief Information Officer

Navajo County Taxpayers

Navajo County Community College District Governing Board

(Northland Pioneer College)

President

Assistant to the President

Vice President for Learning & Student Services

Arts & Sciences
Career & Technical Education
Early College
Education and College & Career Preparation
Enrollment Services
Instructional Innovation
Instructional Support/Carl Perkins Grant
Library Services
Marketing & Public Relations
Nursing & Allied Health
Student Services

Vice President for Administrative Services

Bookstore
Campus and Center Facilities/Transportation/Maintenance
Financial Services/Business Office
Printing & Duplicating
Payroll
Purchasing

Small Business Development Center

Chief Information Officer

Administrative Systems Support
Technical Services Dept.
Network Services Dept.

Director of Institutional Effectiveness

Accreditation Services
Institutional Research

Chief Human Resources Officer

Apache County Coordinator

Director of Friends & Family



Northland Pioneer College
EXPANDING MINDS • TRANSFORMING LIVESSM

MISSION

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

VISION

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

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



INDEPENDENT AUDITORS' REPORT

The Arizona Auditor General and The Governing Board of
Navajo County Community College District
Holbrook, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and discretely presented component units of the Navajo County Community College District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Navajo County Community College District's basic financial statements as listed in the table of contents.

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 discretely presented component units of the Navajo County Community College District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Navajo County Community College District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The other auditors did not audit the discretely presented component units' financial statements in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Navajo County Community College District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Navajo County Community College District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Navajo County Community College District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, schedule of Navajo County Community College District's proportionate share of the net pension liability, and schedule of Navajo County Community College District pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025, on our consideration of the Navajo County Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Navajo County Community College 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 Navajo County Community College District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
January 13, 2025

Navajo County Community College District
(Northland Pioneer College)
Management's Discussion and Analysis
Year Ended June 30, 2024

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, 2024. 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 District's financial position on June 30, 2024. 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, represents 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 ending June 30, 2024. 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 ending June 30, 2024. 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 the 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. Current liabilities are made up of accounts payable, unearned revenues, and accrued payroll and employee benefits. Net position is divided

Navajo County Community College District
(Northland Pioneer College)
Management's Discussion and Analysis
Year Ended June 30, 2024

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 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, 2024 and June 30, 2023:

Condensed Statement of Net Position - Primary Government
As of June 30

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Current assets	\$ 97,476,470	\$ 92,050,285	\$ 5,426,185	6%
Noncurrent assets, other than capital assets	893,150	1,047,703	(154,553)	-15%
Capital assets, net	<u>51,898,681</u>	<u>49,940,967</u>	<u>1,957,714</u>	<u>4%</u>
Total assets	<u>150,268,301</u>	<u>143,038,955</u>	<u>7,229,346</u>	<u>5%</u>
Deferred Outflow of Resources:				
Deferred outflows related to pensions	<u>3,205,221</u>	<u>3,200,000</u>	<u>5,221</u>	<u>0%</u>
Liabilities:				
Current liabilities	3,036,088	3,874,923	(838,835)	-22%
Long-term liabilities	<u>20,717,870</u>	<u>20,125,651</u>	<u>592,219</u>	<u>3%</u>
Total liabilities	<u>23,753,958</u>	<u>24,000,574</u>	<u>(246,616)</u>	<u>-1%</u>
Deferred Inflow of Resources:				
Deferred inflows related to pensions	804,498	726,609	77,889	11%
Deferred inflows related to leases	<u>358,329</u>	<u>384,077</u>	<u>(25,748)</u>	<u>-7%</u>
	<u>1,162,827</u>	<u>1,110,686</u>	<u>52,141</u>	<u>5%</u>
Net Position:				
Net investment in capital assets	50,866,575	48,777,972	2,088,603	4%
Restricted	266,706	276,408	(9,702)	-4%
Unrestricted	<u>77,423,456</u>	<u>72,073,315</u>	<u>5,350,141</u>	<u>7%</u>
Total net position	<u>\$ 128,556,737</u>	<u>\$ 121,127,695</u>	<u>\$ 7,429,042</u>	<u>6%</u>

Total assets increased by \$7.2 million, or 5%. Current assets increased by \$5.4 million or 6% primarily related to an increase in cash and investments of \$4.4 million and an increase in grant and contract accounts receivable of approximately \$848,000. The District has a policy to preserve and maintain ample operational and capital cash reserves. Net capital assets increased by \$2.0 million or 4% primarily due to the completion of the new Skills Center in Show Low. The total cost of the Skills Center was Approximately \$14.5 million, of which \$14.2 million capitalized in construction in progress as of June 30, 2023. The \$2.0 million increase in net capital assets is

Navajo County Community College District
(Northland Pioneer College)
Management's Discussion and Analysis
Year Ended June 30, 2024

mainly due to various building improvements and the purchase of replacement technology equipment and vehicles.

Current liabilities decreased by approximately \$839,000, or 22% primarily related to a decrease in accounts payable at the end of the fiscal year.

Total net position increased by \$7.4 million or 6% primarily in net investment in capital assets. Net investment in capital assets increased by \$2.1 million or 4% related to the completion of the new Skills Center at the White Mountain Location in Show Low. In addition, unrestricted net position increased by \$5.4 million or 7% mainly due to increases in property taxes, state appropriations and investment earnings. 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 (i.e., 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 and amortization 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, 2024

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

	2024	2023	\$ Change	% Change
Revenues:				
Operating				
Tuition and fees, net	\$ 1,444,133	\$ 1,633,882	\$ (189,749)	-12%
Government contracts	3,625,420	3,300,742	324,678	10%
Bookstore income, net	58,781	48,043	10,738	22%
Other	313,427	349,500	(36,073)	-10%
Total operating revenues	<u>5,441,761</u>	<u>5,332,167</u>	<u>109,594</u>	<u>2%</u>
Nonoperating				
Property taxes	16,995,277	16,111,315	883,962	5%
State appropriations	15,666,643	14,412,238	1,254,405	9%
Government grants	4,777,109	6,206,433	(1,429,324)	-23%
Share of state sales taxes	708,503	688,629	19,874	3%
Private grants	410,279	451,493	(41,214)	-9%
Investment earnings	3,602,828	2,007,405	1,595,423	79%
Total nonoperating revenues	<u>42,160,639</u>	<u>39,877,513</u>	<u>2,283,126</u>	<u>6%</u>
Total revenues	<u>47,602,400</u>	<u>45,209,680</u>	<u>2,392,720</u>	<u>5%</u>
Expenses:				
Operating	40,140,056	35,737,031	4,403,025	12%
Nonoperating	33,302	14,709	18,593	
Total expenses	<u>40,173,358</u>	<u>35,751,740</u>	<u>4,421,618</u>	<u>12%</u>
Increase in net position	7,429,042	9,457,940	(2,028,898)	-21%
Total net position, July 1	<u>\$ 121,127,695</u>	<u>\$ 111,669,755</u>	<u>\$ 9,457,940</u>	<u>8%</u>
Total net position, June 30	<u>\$ 128,556,737</u>	<u>\$ 121,127,695</u>	<u>\$ 7,429,042</u>	<u>6%</u>

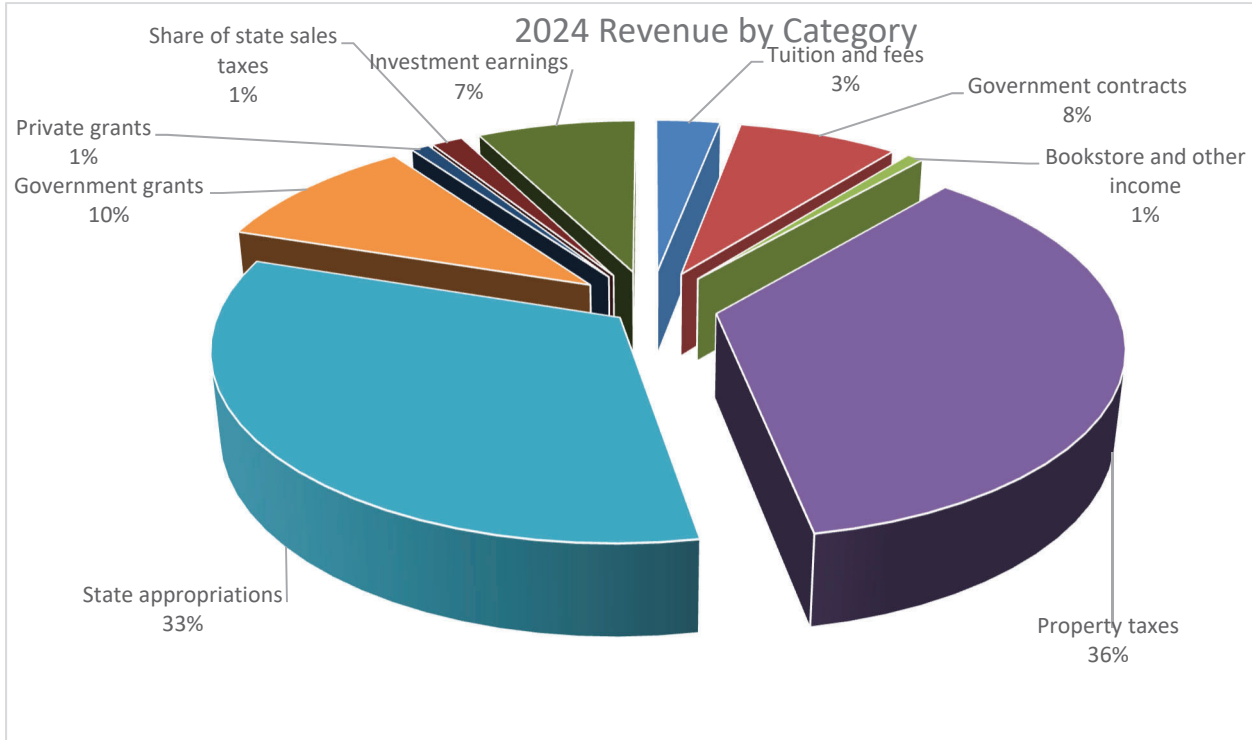
Total revenues exceed total expenses by \$7.4 million, a decrease of \$2 million compared to the prior year. The available funds will support future capital needs by setting aside resources as outlined in the District's *Future Capital Reserve* policy.

Total operating revenues increased approximately \$110,000, or 2%. Tuition and fees revenue decreased by approximately \$190,000, or 12%. Government contracts increased approximately \$325,000 or 10%, related to providing educational services to Apache County via an intergovernmental agreement.

Total nonoperating revenues increased by \$2.3 million, or 6%. The increase is primarily related to an increase in state appropriations of approximately \$1.3 million or 9%, that is mainly the result of an increase in equalization funding. State appropriations include state aid, equalization, rural aid, Science, Technology, Engineering, and Mathematics (STEM) and Proposition 207 funding from the Smart and Safe Fund. Property taxes increased approximately \$884,000 or 5% over the prior fiscal year. Property tax revenues account for approximately 36% of total revenues each year and is the largest revenue source for the District. Government grants decreased

Navajo County Community College District
 (Northland Pioneer College)
 Management's Discussion and Analysis
 Year Ended June 30, 2024

approximately \$1.4 million or 23% primarily related to the remaining HEERF funds spent and an increase in Pell Grant funds.

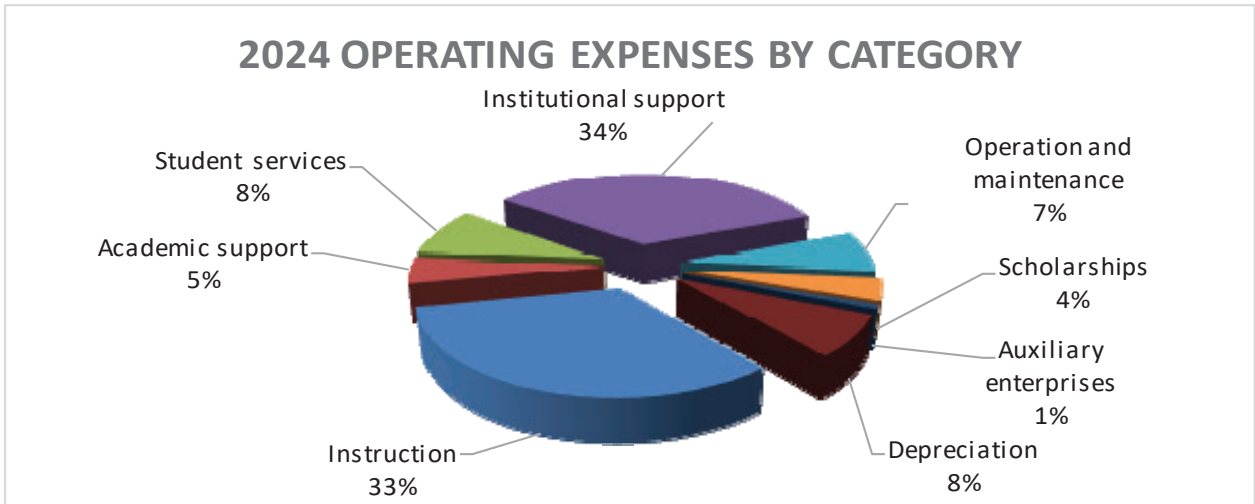


The District has historically, up until fiscal year 2022, set the property tax levy at the maximum rate allowed by statute, which is 2% plus an additional increase for new construction valuation and requires a Truth in Taxation Hearing. For the fiscal year 2023, the District set the property tax levy below the maximum to continue to help local taxpayers as the economy is still in recovery and assessed property values have shown small increases in Navajo County. For the fiscal year 2024, the District set the property tax at the maximum rate allowable by statute.

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, 2024

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Expenses				
Educational and general:				
Instruction	\$ 13,239,101	\$ 11,782,418	\$ 1,456,683	12%
Academic support	1,862,186	1,558,098	304,088	20%
Student services	3,423,838	3,078,409	345,429	11%
Institutional support	13,696,705	11,617,772	2,078,933	18%
Operation and maintenance	2,905,614	1,919,900	985,714	51%
Scholarships	1,611,754	2,547,638	(935,884)	-37%
Auxiliary enterprises	334,562	318,139	16,423	5%
Depreciation	3,066,296	2,914,657	151,639	5%
Total operating expense	<u>40,140,056</u>	<u>35,737,031</u>	<u>4,403,025</u>	<u>12%</u>
Nonoperating Expenses				
Pass through grant to component unit	5,805	11,989	(6,184)	-52%
Loss on disposal of capital assets	27,497	2,720	24,777	911%
Total nonoperating expense	<u>33,302</u>	<u>14,709</u>	<u>18,593</u>	<u>126%</u>
Total expenses	<u>\$ 40,173,358</u>	<u>\$ 35,751,740</u>	<u>\$ 4,421,618</u>	<u>12%</u>



Total expenses increased by approximately \$4.4 million or 12%. 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 increase is an

Navajo County Community College District
(Northland Pioneer College)
Management's Discussion and Analysis
Year Ended June 30, 2024

approximately \$1.2 million in increases in salaries and benefits as well as vacant positions being filled compared to the prior year. Academic Support increased by approximately \$304,000 or 20%, Student Services increased approximately \$345,000 or 11% and Institutional Support increased approximately \$2 million or 18%. Operations and Maintenance increased by \$986,000 or 51%. These increases were due to the filling of open positions and an increase in the use of contracted services throughout the year. Auxiliary Enterprises all saw modest increases of approximately \$16,000.

Total change in net position decreased by approximately \$2.0 million or 21%.

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. The new Skills Center at its White Mountain Campus in Show Low opened in fall 2023. The completion of the child care center at its Little Colorado Campus in Winslow, in partnership with Head Start, was completed in August 2023 and opened for use in fall 2023. Construction on the Goldwater building at its White Mountain Campus in Show Low began in August 2024 and is expected to be completed in the fall of 2025. The District has accepted a grant from the Arizona Commerce Authority for the purpose of building a new center in Kayenta. This project is in the planning phase and is required to be completed by the summer of 2027. The District is considering next steps for future expansion of its facilities.

Additional information on the District's capital assets can be found in Note 4.

The District currently has no long-term debt other than compensated absences, lease obligations, SBITA obligations, and pension liabilities. Total long-term liabilities increased by approximately \$592,000 or 3%. This increase is due to an increase in pension liabilities of approximately \$690,000 and a net decrease of approximately \$98,000 between compensated absences, lease obligations and SBITA obligations.

Current Factors Having Probable Future Financial Significance

Property taxes is the largest revenue source for the District. During fiscal years 2022 and 2023 the District has set its tax levy below the maximum allowed. During this time Arizona Public Service, and its partners, have significantly reduced its presence at the Cholla powerplant in Joseph City with closure expected in 2025. A large portion of assets associated with the power plant has been removed from the tax rolls reducing property tax revenues. The District in fiscal year 2024 and moving forward will set the property tax at the maximum rate allowable by statute, which is 2% plus an additional increase for new construction valuation and requires a Truth in Taxation Hearing.

Retaining and recruiting talented employees is important to the District and properly compensating employees helps in that effort. The District has completed a compensation study lead by an external vendor. The recommendations from the study were implemented on July 1, 2024.

The Enterprise Resource Planning (ERP) system used by the District is in the process of being replaced. A new ERP system was chosen in June 2023, implementation of the new ERP began

Navajo County Community College District
(Northland Pioneer College)
Management's Discussion and Analysis
Year Ended June 30, 2024

in December 2023 and is currently in the build phase of the project. The new ERP system is expected to have cascading go-live dates between October 2025 through February 2026.

President Chato Hazelbaker made the decision to leave the College in June 2024. The District has partnered with a search firm to find candidates fill this vacancy and the search for a new president has continued subsequent to the issuance of these financial statements. The College hopes to have a new president in the spring of 2025 or shortly after.

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, 2024

	Business-Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 93,828,775
Receivables (net of allowances for uncollectibles):	
Grants	1,019,176
Contracts	723,034
State Appropriations	256,970
Property taxes	442,938
Leases receivable	17,234
Other	2,995
Student (net of allowance of \$596,011)	500,836
Inventories	17,884
Prepaid items	666,628
Total current assets	97,476,470
Noncurrent assets:	
Restricted assets:	
Cash and investments	266,706
Property taxes receivable (net of allowances of \$90,000)	19,154
Student receivable (net of allowances of \$281,269)	236,333
Leases receivable	370,957
Capital assets, not being depreciated/amortized	2,163,905
Capital assets, being depreciated/amortized, net	49,734,776
Total noncurrent assets	52,791,831
Total assets	150,268,301
Deferred Outflows of Resources	
Deferred outflows related to pensions	3,205,221
Liabilities	
Current liabilities:	
Accounts payable	589,577
Accrued payroll and employee benefits	276,097
Due to component unit	107,947
Unearned revenues	1,294,716
Current portion of compensated absences payable	548,677
Current portion of SBITA obligations	156,460
Current portion of lease obligations	62,614
Total current liabilities	3,036,088
Noncurrent liabilities:	
Compensated absences payable	182,893
Lease obligations	708,599
SBITA obligations	104,433
Net pension liability	19,721,945
Total noncurrent liabilities	20,717,870
Total liabilities	\$ 23,753,958
Deferred Inflows of Resources	
Deferred inflows related to pensions	\$ 804,498
Deferred Inflows related to leases	358,329
Total deferred inflows of resources	\$ 1,162,827

(Continued)

See accompanying notes to financial statements.

Navajo County Community College District
(Northland Pioneer College)
Statement of Net Position - Primary Government
June 30, 2024
(Concluded)

	Business-Type Activities
Net Position	
Net investment in capital assets	\$ 50,866,575
Restricted:	
Expendable:	
Scholarships	266,706
Unrestricted	\$ 77,423,456
Total net position	128,556,737

See accompanying notes to financial statements.

Navajo County Community College District
(Northland Pioneer College)
Statement of Financial Position - Component Units
June 30, 2024

	NPC Friends & Family	Northeast Arizona Training Center, Inc.	Total
Assets			
Cash and cash equivalents	\$ 335,223	\$ 121,756	\$ 456,979
Restricted cash - savings	382,533	-	382,533
Accounts receivable	-	8,500	8,500
Investments:			
Marketable securities	569,825	-	569,825
Marketable securities - restricted	1,223,146	-	1,223,146
Prepaid expense	-	25,248	25,248
Property and equipment, net of accumulated depreciation	-	2,154,576	2,154,576
Total assets	<u>\$ 2,510,727</u>	<u>\$ 2,310,080</u>	<u>\$ 4,820,807</u>
Net Assets			
Without donor restrictions	\$ 905,048	\$ -	\$ 905,048
Undesignated	-	2,310,080	2,310,080
	-	2,310,080	3,215,128
With donor restrictions	<u>1,605,679</u>	<u>-</u>	<u>1,605,679</u>
Total net assets	<u>2,510,727</u>	<u>2,310,080</u>	<u>4,820,807</u>
 Total liabilities and net assets	 <u>\$ 2,510,727</u>	 <u>\$ 2,310,080</u>	 <u>\$ 4,820,807</u>

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, 2024

	Business-Type Activities
Operating revenues:	
Tuition and fees, net of scholarship allowances of \$3,238,707	\$ 1,444,133
Government contracts	3,625,420
Bookstore income, net of scholarship allowances of \$22,877	58,781
Other sales and services	159,996
Other	153,431
Total operating revenues	5,441,761
Operating expenses:	
Educational and general:	
Instruction	13,239,101
Academic support	1,862,186
Student services	3,423,838
Institutional support	13,696,705
Operation and maintenance	2,905,614
Scholarships	1,611,754
Auxiliary enterprises	334,562
Depreciation and amortization	3,066,296
Total operating expenses	40,140,056
Operating loss	(34,698,295)
Nonoperating revenues and expenses:	
Property taxes	16,995,277
State appropriations	15,666,643
Government grants	4,777,109
Share of state sales taxes	708,503
Private grants	410,279
Investment earnings	3,602,828
Gain (loss) on disposal of capital assets	(27,497)
Pass through grant to component unit	(5,805)
Total nonoperating revenues and expenses	42,127,337
Increase in net position	\$ 7,429,042
Total net position, July 1, 2023	121,127,695
Total net position, June 30, 2024	\$ 128,556,737

See accompanying notes to financial statements.

Navajo County Community College District
(Northland Pioneer College)
Statement of Activities - Component Units
Year Ended June 30, 2024

	NPC Friends & Family	Northeast Arizona Training Center, Inc.	Total
Changes in Net Assets Without Donor Restrictions			
Contributions	\$ 81,423	\$ -	\$ 81,423
Memberships and usage fees	-	43,900	43,900
Interest income	2,800	15	2,815
Unrestricted support	-	3,600	3,600
Donated capital items	-	12,252	12,252
Net investment return	49,064	-	49,064
Net special events revenue	57,337	-	57,337
Total unrestricted support	<u>190,624</u>	<u>59,767</u>	<u>250,391</u>
Net assets released from restrictions	3,192	-	3,192
Total unrestricted revenues and support	<u>193,816</u>	<u>59,767</u>	<u>253,583</u>
Expenses:			
Program services	63,500	-	63,500
Support services	8,697	133,629	142,326
Total expenses	<u>72,197</u>	<u>133,629</u>	<u>205,826</u>
Increase (Decrease) in net assets without donor restrictions	<u>121,619</u>	<u>(73,862)</u>	<u>47,757</u>
Changes in Net Assets with donor restrictions			
Contributions	337,086	-	337,086
Interest income	3,106	-	3,106
Net assets released from restrictions	(3,192)	-	(3,192)
Net investment return	73,858	-	73,858
Total restricted revenues and support	<u>410,858</u>	<u>-</u>	<u>410,858</u>
Expenses:			
Program services	110,507	-	110,507
Total expenses	<u>110,507</u>	<u>-</u>	<u>110,507</u>
Increase (Decrease) in net assets with donor restrictions	<u>300,351</u>	<u>-</u>	<u>300,351</u>
Increase (Decrease) in net assets	421,970	(73,862)	348,108
Net assets, beginning of year	2,088,757	2,383,942	4,472,699
Net assets, end of year	<u>\$ 2,510,727</u>	<u>\$ 2,310,080</u>	<u>\$ 4,820,807</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, 2024

	Business-type Activities
Cash flows from operating activities:	
Tuition and fees	\$ 1,638,457
Government contracts	3,347,559
Bookstore receipts	81,658
Other receipts	303,618
Payments to suppliers and providers of goods and services	(9,774,497)
Payments for employee wages and benefits	(26,125,509)
Payments to students for scholarships and loans	(1,611,757)
Net cash used for operating activities	(32,140,471)
Cash flows from noncapital financing activities:	
Property taxes	17,028,315
State appropriations	15,666,643
Government grants	4,207,495
Private grants	410,279
Share of State sales taxes	710,757
Net cash provided by noncapital financing activities	38,023,489
Cash flows from capital and related financing activities:	
Purchase and construction of capital assets	(5,051,508)
Net cash used by capital and related financing activities	(5,051,508)
Cash flows from investing activities:	
Interest received on investments	3,602,828
Net cash provided by investing activities	3,602,828
Net increase in cash and cash equivalents	4,434,338
Cash and cash equivalents, July 1, 2023	89,661,143
Cash and cash equivalents, June 30, 2024	\$ 94,095,481

(Continued)

See accompanying notes to financial statements.

Navajo County Community College District
(Northland Pioneer College)
Statement of Cash Flows - Primary Government
Year Ended June 30, 2024
(Concluded)

	Business-Type Activities
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (34,698,295)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation and Amortization	3,066,296
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
Accounts receivable	(277,860)
Student accounts receivable	36,021
Inventories	10,634
Prepaid items	(87,705)
Lease receivable	15,938
Deferred outflows related to pensions	(5,221)
Accounts payable	(1,052,080)
Accrued payroll and employee benefits	(3,661)
Unearned revenue	181,180
Compensated absences payable	62,795
Lease obligations	16,873
SBITA obligations	(147,762)
Net pension liability	690,235
Deferred inflows related to pensions	77,889
Deferred inflows related to leases	(25,748)
Net cash used for operating activities	\$ (32,140,471)
Reconciliation of cash and cash equivalents, as presented on the Statement of Net Position:	
Cash and cash equivalents	\$ 93,828,775
Restricted assets:	
Cash and cash equivalents	266,706
Total cash and cash equivalents, June 30, 2024	\$ 94,095,481

See accompanying notes to financial statements.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Navajo County Community College District's accounting policies conform to U.S. 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, 2024, NPC Friends & Family distributed \$174,007 to the District for both restricted and unrestricted purposes. In addition, NPC turned over \$23,578 of restricted nonexpendable endowments to NPC Friends and Family 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.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

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

During the year ended June 30, 2020, the District received \$1 million in legislative appropriations for facility improvements at NATC. These funds are recorded as state appropriations and a pass-through grant to the component unit in the prior year's financial statements. Of these funds, \$898,857 has been passed through to NATC as of June 30, 2024, resulting in a liability of \$107,947 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 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/amortization less any outstanding liabilities incurred to acquire or construct the assets. 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/amortization on capital assets. Other expenses, such as interest expense, are considered to be nonoperating expenses.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

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.

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/amortization methods, and estimated useful lives of capital assets reported in the financial statements are as follows:

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

	Capitalization Threshold	Depreciation/ Amortization 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:			
Right-to-use subscription assets	100,000	Straight-line	See below
Right-to-use lease assets	100,000	Straight-line	See below
Equipment	5,000	Straight-line	5 - 10 years
Library books	All	Straight-line	10 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District has determined is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

F. Postemployment Benefits

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.

G. Investment Earnings

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

H. Scholarship Allowances

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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

I. 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.

J. Leases and Subscription-Based Information Technology Arrangements

Leases

As lessee, the District recognizes lease liabilities with an initial, individual value of \$100,000 or more. The District uses an estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The estimated incremental borrowing rate is based on adding one percent to the treasury yield curve since the district has no recent debt issuance.

As lessor, the District recognizes lease receivables with an initial, individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an estimated incremental borrowing rate as the discount rate to measure lease receivables. The estimated incremental borrowing rate is calculated as described above.

Subscription-Based Information Technology Arrangements

The District recognizes subscription liabilities with an initial, individual value of \$100,000 or more. The District uses an estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The District's estimated incremental borrowing rate is calculated as described above.

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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

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.

Deposits - At June 30, 2024, the carrying amount of the District’s deposits was \$1,491,274 and the bank balance was \$3,064,168. The District does not have a policy for custodial credit risk.

Investments - The District’s investments at June 30, 2024, were as follows:

External investment pools measured at fair value	Amounts
State Treasurer’s investment pool 5	\$ 50,368,696
State Treasurer’s investment pool 500	107,947
County Treasurer’s investment pool	<u>42,122,828</u>
Total investments measured at fair value	<u>\$ 92,599,471</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, 2024, 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	\$ 50,368,696
State Treasurer’s investment pool 500	AA-3	Standard and Poor’s	107,947
County Treasurer’s investment pool	Unrated	Not applicable	<u>42,122,828</u>
Total			<u>\$ 92,599,471</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.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

Interest Rate Risk - The District does not have a formal policy for interest rate risk. At June 30, 2024, the District had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (In Years)
State Treasurer’s investment pool 5	\$ 50,368,696	0.10
State Treasurer’s investment pool 500	107,947	0.99
County Treasurer’s investment pool	<u>42,122,828</u>	0.84
Total	<u>\$ 92,599,471</u>	

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

Cash, Deposits, and Investments:		Statement of Net Position:	
Cash on hand	\$ 4,736	Cash and cash equivalents	\$ 93,828,775
Amount of deposits	1,491,274	Restricted assets:	
Amount of investments	<u>92,599,471</u>	Cash and investments	<u>266,706</u>
Total	<u>\$ 94,095,481</u>	Total	<u>\$ 94,095,481</u>

Note 3 – Receivables

As lessor, the District recognizes lease receivables with an initial, individual value of \$100,000 or more. The District leases tower space to third parties under the provisions of various lease agreements that are used to mount communications equipment. If there is no stated rate in the lease contract and the implicit rate cannot be determined, the District uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The district's estimated incremental borrowing rate is calculated as described in Note 1 J above. During the fiscal year ended June 30, 2024 the District recognized lease revenue of \$27,368.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

Note 4 – Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance 7/1/2023	Increases	Decreases	Balance 6/30/2024
Capital assets not being depreciated/amortized:				
Land	\$ 733,365	\$ -	\$ -	\$ 733,365
Construction in progress	14,267,954	450,515	14,251,363	467,106
Right-of-use subscription assets work in process	-	963,434		963,434
<i>Total capital assets not being depreciated/amortized:</i>	<u>15,001,319</u>	<u>1,413,949</u>	<u>14,251,363</u>	<u>2,163,905</u>
Capital assets being depreciated/amortized:				
Buildings	44,835,927	15,810,049	672,114	59,973,862
Equipment	11,219,321	1,923,388	1,127,776	12,014,933
Improvements other than buildings	11,021,878	6,583	274,351	10,754,110
Library books	489,941	43,539	-	533,480
Intangibles:				
Right-of-use subscription assets	556,137	-	-	556,137
Right-of-use lease assets:				
Buildings	553,072	-	266,468	286,604
Land	642,407	105,360	-	747,767
<i>Total capital assets being depreciated/amortized:</i>	<u>69,318,683</u>	<u>17,888,919</u>	<u>2,340,709</u>	<u>84,866,893</u>
Less accumulated depreciation for:				
Buildings	20,520,086	1,221,307	666,113	21,075,280
Equipment	7,151,642	1,071,881	1,106,279	7,117,244
Improvements other than buildings	5,826,789	462,732	274,351	6,015,170
Library books	287,712	43,516	-	331,228
Intangibles:				
Right-of-use subscription assets	125,581	152,487	-	278,068
Right-of-use lease assets:				
Buildings	391,648	67,801	266,468	192,981
Land	75,577	46,569	-	122,146
<i>Total accumulated depreciation</i>	<u>34,379,035</u>	<u>3,066,293</u>	<u>2,313,211</u>	<u>35,132,117</u>
Total capital assets being depreciated, amortized net.	<u>34,939,648</u>	<u>14,822,626</u>	<u>27,498</u>	<u>49,734,776</u>
Capital assets, net	<u>\$49,940,967</u>	<u>\$16,236,575</u>	<u>\$ 14,278,861</u>	<u>\$51,898,681</u>

Note 5 –Commitments

As of June 30, 2024, the District had entered into a contract for a remodel and addition to the Goldwater building, at the White Mountain Campus. The amount spent on this project as of June 30, 2024 was \$242,611. The remaining commitment on this project is approximately \$5,200,000 and is expected to be completed in the summer of 2025. This project is being financed by unrestricted net position designated by the District Governing Board for this purpose. The District had also entered into a contract to build a student center at Kayenta. No funds had been spent at June 30, 2024, the amount of the commitment is about \$8,900,000 and is expected to be completed in the spring of 2027. This project is being financed by restricted funds provided by Arizona Economic Transition Resources.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

Additionally, the District completed the building for the Skills Center at the White Mountain Campus in the Fall of 2023.

The District had contractual commitments related to subscription-based information technology arrangement for which the subscription term had not yet commenced at June 30, 2024, for implementation of a new District wide ERP. At June 30, 2024, the District had made payment of \$753,392 to the vendor and had remaining contractual commitments with the vendor of \$2,755,625 including the subscription liabilities that will be recognized at the commencement of the subscription terms.

Note 6 – Long-Term Liabilities

The following schedule details the District’s long-term liability and obligation activity for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due within 1 Year
Compensated absences payable \$	668,775	\$ 536,577	\$ 473,782	\$ 731,570	\$ 548,677
Lease obligations	754,340	105,360	88,487	771,213	62,614
SBITA obligations	408,655	-	147,762	260,893	156,460
Net pension liability	19,031,710	4,694,733	4,004,498	19,721,945	-
Total long-term liabilities	<u>\$ 20,863,480</u>	<u>\$ 5,336,670</u>	<u>\$ 4,714,529</u>	<u>\$ 21,485,621</u>	<u>\$ 767,751</u>

Leases: The district has entered into certain leases that convey control of the right to use another entity’s nonfinancial asset for a period of time in an exchange or exchange-like transaction. These are generally for real property.

The total amount of lease assets and the related accumulated amortization are as follows:

Total intangible right-to-use lease assets	\$ 1,034,371
Less: accumulated amortization	<u>(315,127)</u>
Carrying value	<u>\$ 719,244</u>

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

The following schedule details minimum payments to maturity for leases greater than \$100,000.

Year	Principal	Interest
2025	\$ 62,614	\$ 23,691
2026	56,019	22,189
2027	59,524	20,581
2028	56,481	18,874
2029	39,789	17,454
2030-2034	255,005	64,691
2035-2038	241,781	26,817
Total	\$ 771,213	\$ 194,296

Subscription-Based Information Technology Arrangements (SBITAs): The District has entered into certain SBITAs giving the District the right to use various IT software and underlying assets. Significant arrangements that the District has entered into include cloud platforms.

The total amount of subscription assets and related accumulated amortization are as follows:

Total intangible right-to-use subscription assets	\$ 556,137
Less: accumulated amortization	<u>(278,068)</u>
Carrying value	<u>\$ 278,069</u>

The following schedule details minimum subscription payments to maturity for the District's subscriptions liability at June 30, 2024:

Year	Principal	Interest
2025	\$ 156,460	\$ 8,003
2026	104,433	2,600
Total	\$ 260,893	\$ 10,603

Note 7 – 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 \$3 million per

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

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 \$3 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 \$93 million with a \$1,000 deductible per occurrence. The coverage limit for automobile physical damage is Actual Cash Value per occurrence with \$250 deductible. 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, 2024. 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 (MPEB Trust). MPEB Trust provides medical insurance program for its members. MPEB Trust is funded by irrevocable contributions from the District for employee coverage and from employees for dependent coverage. MPEB Trust, which is managed by a separate board of trustees, allows the fund to be self-funded, insured, or both. Additionally, if MPEB 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 MPEB Trust, it would then be responsible for its proportional share of claims and would forfeit all rights to the return of any surplus, unearned contributions, or other legally permitted distributions from MPEB Trust. Whether the District withdraws or MPEB Trust becomes insolvent, the District remains liable for assessments for liabilities of MPEB Trust incurred during the District's period of membership in MPEB Trust.

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, Article 2. 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.

Navajo County Community College District
 (Northland Pioneer College)
 Notes to Financial Statements
 June 30, 2024

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.

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 earnings. 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, 2024, statute required active ASRS members to contribute at the actuarially determined rate of 12.14 percent for retirement of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.03 percent for retirement of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.94 percent for retirement 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, 2024, were \$2,223,753.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

Pension liability—At June 30, 2024, the District reported a liability of \$19,721,945 for its proportionate share of the ASRS’ net pension liability.

The net liability was measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023.

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, 2023. The District’s proportion measured as of June 30, 2023, was 0.12188 percent, which was an increase of .00528 from its proportion measured as of June 30, 2022.

Pension expense and deferred outflows/inflows of resources - For the year ended June 30, 2024 the District recognized pension expense for ASRS of \$2,969,147. At June 30, 2024, 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	\$ 445,637	\$ -
Change of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments	-	697,780
Changes in proportion and differences between district contributions and proportionate share of contributions	535,831	106,718
District contributions subsequent to the measurement date	<u>2,223,753</u>	<u>-</u>
Total	<u>\$ 3,205,221</u>	<u>\$ 804,498</u>

The \$2,223,753 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, 2025. 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,	
2025	\$ 90,430
2026	(578,750)
2027	752,000
2028	(86,710)

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

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

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9 - 8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 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. 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
Public equity	44%	3.50%
Credit	23%	5.90%
Real estate	17%	5.90%
Private equity	10%	6.70%
Interest rate sensitive	6%	1.50%
Total	<u>100%</u>	

Discount rate – At June 30, 2023, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ 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 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 7.0 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 29,540,577	\$ 19,721,945	\$ 11,534,943

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	\$	26,947,546
Contract services		2,244,524
Supplies and other services		4,746,534
Communications and utilities		1,510,175
Scholarships		1,611,754
Depreciation		3,066,296
Other		13,227
Total		\$ 40,140,056

The District uses credit cards to pay certain vendors for goods or services. The District received \$7,034 in rebates from the use of credit cards in the year ended June 30, 2024.

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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

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 fiscal year 2020. The District invested the funds in a State LGIP Pool 500 and the investments gained \$5,805, resulting in a balance due to the component unit of \$107,947 as of June 30, 2024.

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 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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

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, 2024 is reported as real estate investments.

Date of Management’s Review - Management has reviewed events subsequent from June 30, 2024, up through the financial statements report date, for NPC Friends & Family, July 31, 2024, and for NATC, August 28, 2024. 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, 2024, 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, 2024

B. Cash

The total cash held by NPC Friends & Family and NATC at June 30, 2024, are as follows:

	NPC Friends & Family	NATC
Checking	\$ 335,223	\$ 121,756
Money market	1,792,971	-
Savings	382,533	-
	\$ 2,510,727	\$ 121,756
Unrestricted cash	\$ 905,048	\$ 121,756
Restricted cash	1,605,679	-
	\$ 2,510,727	\$ 121,756

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, 2024.

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.

The following table presents assets measured at fair value on a recurring basis at June 30, 2024.

Assets	Level 1	Total
Cash	\$ 717,756	\$ 717,756
Endowment Investments	1,792,971	1,792,971
Total	\$ 2,510,727	\$ 2,510,727

Navajo County Community College District
 (Northland Pioneer College)
 Notes to Financial Statements
 June 30, 2024

D. Investments

Investments are stated at fair value as of June 30, 2024.

For the year ended June 30, 2024, 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 \$1,792,971 as of June 30, 2024.

E. Property and Equipment

The total property and equipment held by NATC at June 30, 2024 are as follows:

	NATC
Land	\$ 110,000
Construction in progress	872,778
Buildings	637,742
Training facilities	2,151,697
Other Capital Equipment	37,982
	3,810,199
Less accumulated depreciation	(1,655,623)
	\$ 2,154,576

F. Restrictions on Net Assets

NPC Friends & Family had net assets with donor restrictions in the amount of \$1,605,679 as of June 30, 2024, consisting of donated contributions and investment earnings, which are available for scholarships in future years.

G. Endowment Funds

As of June 30, 2024, NPC Friends and Family’s endowments consisted of the following funds: One fund established for the Martia A. Smith Memorial Art Scholarship, one for the Charles E. Listizky Scholarship, one for Prescott Winslow Memorial Scholarship, one for the Claude Endfield Early Childhood Scholarship Fund, one for Jon Graff Ph.D. for endowed scholarships, one for Jennifer Lee Witt Memorial Scholarship, one for Taking Flight Scholarships in memory of Dr. Eric B. Henderson, one for Mary Kath Smith Lindy Native American Scholarship, and one for NPC Friends and Family. The latter was established in October 2014 to assure the future viability of the organization. In addition, a Donor Restricted fund, Andy Von for Native American student Scholarships, is held in a cash only account with plans to continue donations to ensure long-term viability of the fund.

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

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

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

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

The 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, 2024, the endowment assets were invested in marketable securities with Edward Jones. The amount of deposits uninsured by the Securities Investor Protection Corporation (SIPC) as of June 30, 2024, was \$69,825.

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

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

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, 2024, 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, 2024, 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, 2024, the Martia A. Smith Memorial Art Scholarship endowment agreement requires the average rate of inflation for the prior calendar year of investment earnings to be added back to permanently restricted funds. Contributions designated by donors for use by particular entities or programs or for specific purposes or earnings from permanently restricted endowments, which have not been appropriated for their intended purpose. Term endowments are temporarily restricted, because they are permanent-type endowments, which include an expiration date or stated period of time or occurrence of a specified event, after which all or part of the principal may be expended.

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

As of June 30, 2024, NPC Friends and Family Endowment had the following net asset composition by fund type:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 525,760	\$ 1,094,454	\$ 1,620,214
Investment return, net	49,064	73,858	122,922
Contributions	84,615	333,894	418,509
Distributions from board-designated endowment pursuant to policy	<u>(89,614)</u>	<u>(279,060)</u>	<u>(368,674)</u>
Endowment net assets, end of year	<u>\$ 569,825</u>	<u>\$ 1,223,146</u>	<u>\$ 1,792,971</u>

Navajo County Community College District
(Northland Pioneer College)
Notes to Financial Statements
June 30, 2024

H. Related Parties

For the year ended June 30, 2024, 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, 2024 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

Navajo County Community College District
(Northland Pioneer College)
Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Liability
June 30, 2024

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Arizona State Retirement System										
District's proportion of the net pension liability	0.12188%	0.11660%	0.11882%	0.11508%	0.117950%	0.121000%	0.122840%	0.129700%	0.135990%	0.132141%
District's proportionate share of the net pension liability	\$19,721,945	\$19,031,710	\$15,612,420	\$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	\$15,964,572	\$13,919,615	\$13,489,573	\$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	123.54%	136.73%	115.74%	158.04%	137.58%	139.88%	159.09%	171.26%	168.09%	163.79%
Plan fiduciary net position as percentage of the total pension liability	75.47%	74.26%	78.58%	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, 2024

Arizona State Retirement System	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$2,223,753	\$1,913,995	\$1,695,704	\$1,566,826	\$1,440,999	\$1,392,742	\$1,310,764	\$1,292,303	\$1,317,742	\$1,362,612
District's contributions in relation to the statutorily required contribution	<u>2,223,753</u>	<u>1,913,995</u>	<u>1,695,704</u>	<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>
District's contribution deficiency (excess)	<u>\$18,425,287</u>	<u>\$15,964,572</u>	<u>\$13,919,615</u>	<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>
District's covered payroll	12.07%	11.99%	12.18%	11.62%	11.42%	11.16%	10.86%	10.74%	10.78%	10.81%
District's contributions as a percentage of covered payroll										

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's) 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

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.

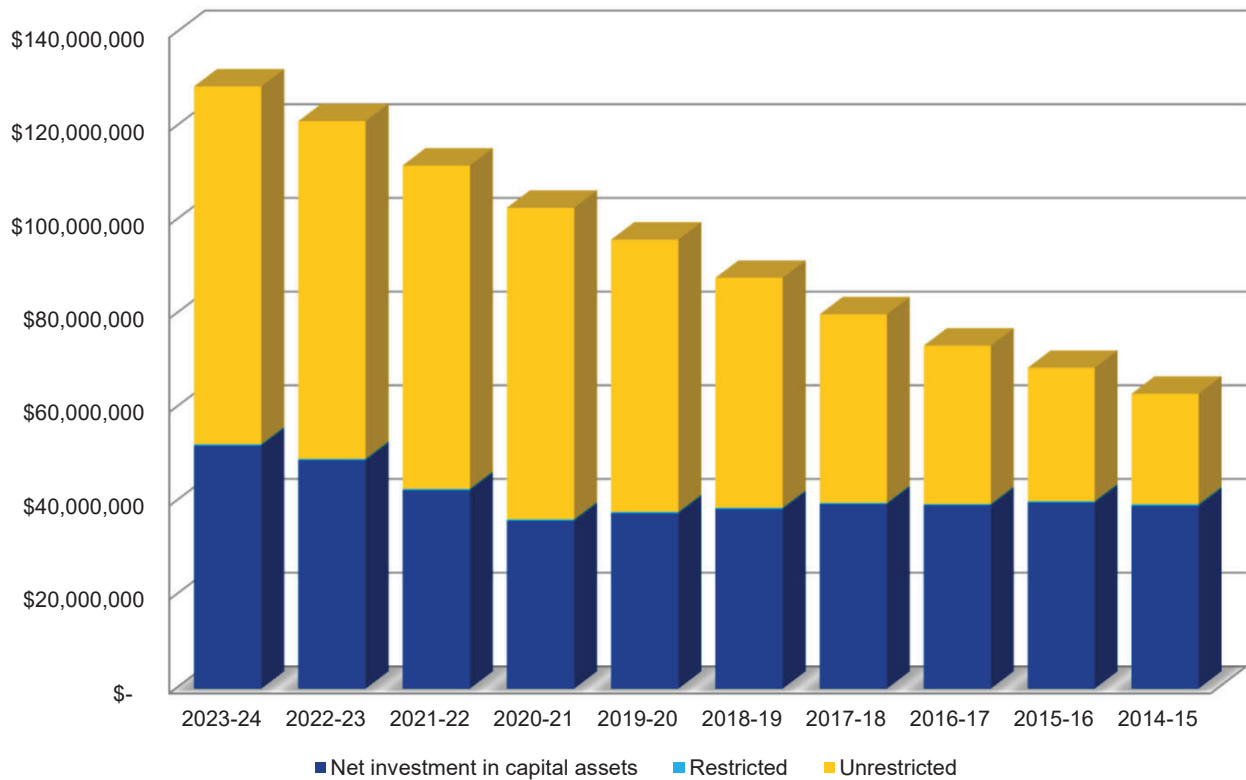
- Enrollment and Degree Statistics
- Student Enrollment and Demographic Statistics
- Employee Statistics
- Schedule of Capital Asset Information

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

	2023-24	2022-23	2021-22	2020-21	2019-20
Primary government					
Net investment in capital assets	\$ 50,866,575	\$ 48,777,972	\$ 42,368,870	\$ 35,863,021	\$ 37,439,475
Restricted	266,706	276,408	266,879	266,230	265,935
Unrestricted	77,423,456	72,073,315	69,034,006	66,516,263	58,138,746
Total primary government net position	\$ 128,556,737	\$ 121,127,695	\$ 111,669,755	\$ 102,645,514	\$ 95,844,156

	2018-19	2017-18	2016-17	2015-16	2014-15
Primary government					
Net investment in capital assets	\$ 38,343,148	\$ 39,379,263	\$ 39,149,874	\$ 39,736,346	\$ 39,022,715
Restricted	262,066	256,361	253,180	251,756	314,958
Unrestricted	49,094,260	40,260,419	33,813,905	28,481,396	23,599,386
Total primary government net position	\$ 87,699,474	\$ 79,896,043	\$ 73,216,959	\$ 68,469,498	\$ 62,937,059

Net Position by Component



Source:
Audited financial statements.

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

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Operating revenues:										
Tuition and fees,										
net scholarship allowances	\$ 1,444,133	\$ 1,633,882	\$ 1,652,679	\$ 1,169,747	\$ 2,320,187	\$ 2,400,758	\$ 2,328,188	\$ 2,388,164	\$ 2,478,625	\$ 2,357,891
Government contracts	3,625,420	3,300,742	2,478,267	2,736,560	2,642,769	3,021,888	2,516,324	2,808,825	2,606,064	3,283,218
Bookstore income, net of scholarship allowances	58,781	48,043	50,861	25,106	29,420	9,471	8,549	12,231	61,854	48,491
Other	313,427	349,500	488,412	189,002	234,592	281,638	270,958	412,543	330,747	334,987
Total operating revenues	5,441,761	5,332,167	4,670,219	4,120,415	5,226,968	5,713,755	5,124,019	5,621,763	5,477,290	6,024,587
Operating expenses:										
Instruction	13,239,101	11,782,418	10,616,851	9,768,640	10,214,313	9,181,020	9,555,791	9,592,910	10,304,514	10,927,034
Public service	-	-	-	-	15,407	23,644	32,012	35,657	29,904	29,159
Academic support	1,862,186	1,558,098	1,307,586	1,127,395	1,060,798	1,051,367	1,042,887	1,087,234	1,048,291	1,074,313
Student services	3,423,838	3,078,409	2,158,546	1,980,909	2,158,033	4,042,358	2,068,628	2,161,513	2,155,979	2,116,755
Institutional Support	13,696,705	11,617,772	10,815,738	11,112,076	9,809,049	7,489,043	8,484,090	8,204,043	7,959,606	8,719,606
Operation and maintenance	2,905,614	1,919,900	1,901,482	1,749,827	1,583,140	1,681,903	1,481,875	2,270,571	1,780,832	194,119
Scholarships	1,611,754	2,547,638	2,302,757	2,054,658	2,247,251	2,163,155	2,000,677	2,133,721	2,292,036	2,273,228
Auxiliary enterprises	334,562	318,139	206,714	180,188	227,810	353,347	375,564	371,401	592,749	399,147
Depreciation	3,066,296	2,914,657	2,681,507	2,527,514	2,272,980	2,185,385	2,200,669	2,375,273	2,172,776	2,053,133
Total operating expenses	40,140,056	35,737,031	31,991,181	30,501,207	29,588,781	28,171,222	27,242,192	28,232,323	28,336,687	29,533,567
Operating loss	(34,698,295)	(30,404,864)	(27,320,962)	(26,380,792)	(24,361,813)	(22,457,467)	(22,118,173)	(22,610,560)	(22,859,397)	(23,508,980)
Nonoperating revenues (expenses):										
Property taxes	16,995,277	16,111,315	16,052,117	15,645,227	15,470,410	15,085,682	14,879,623	14,383,804	14,430,117	13,980,187
State appropriations	15,666,643	14,412,238	13,584,833	10,990,474	11,548,300	9,026,200	8,690,200	8,041,200	7,777,000	7,276,900
Government grants	4,777,109	6,206,433	5,442,154	6,011,021	4,308,940	3,986,711	3,921,699	3,800,723	5,126,742	4,728,837
Private grants (1)	708,503	688,629	600,253	264,994	444,916	411,170	326,482	381,230	436,779	297,567
Share of state sales taxes	410,279	451,493	323,417	664,780	533,294	550,981	471,721	474,310	427,216	423,082
Investment earnings	3,602,828	2,007,405	322,013	414,898	1,216,955	1,200,154	549,641	279,951	188,535	160,532
Pass through to component unit	(5,805)	(2,720)	-	-	(1,016,320)	-	-	(1,574)	(3,037)	(3,470)
Gain/(loss) on disposal of capital assets	(27,497)	(11,989)	-	(803,710)	-	-	(42,109)	(1,623)	8,484	41,100
Other	-	-	20,416	(5,534)	-	-	-	-	-	-
Total nonoperating revenues and expenses	42,127,337	39,862,804	36,345,203	33,182,150	32,506,495	30,260,898	28,797,257	27,358,021	28,391,836	26,904,735
Income before other revenues, expenses, gains or loss	7,429,042	9,457,940	9,024,241	6,801,358	8,144,682	7,803,431	6,679,084	4,747,461	5,532,439	3,395,755
Capital appropriations	-	-	-	-	-	-	-	-	-	-
Increase in net position	7,429,042	9,457,940	9,024,241	6,801,358	8,144,682	7,803,431	6,679,084	4,747,461	5,532,439	3,395,755
Total net position, July 1 (1)	121,127,695	111,669,755	102,645,514	95,844,156	87,699,474	79,896,043	73,216,959	68,469,498	62,937,059	59,541,304
Total net position, June 30	\$ 128,556,737	\$ 121,127,695	\$ 111,669,755	\$ 102,645,514	\$ 95,844,156	\$ 87,699,474	\$ 79,896,043	\$ 73,216,959	\$ 68,469,498	\$ 62,937,059

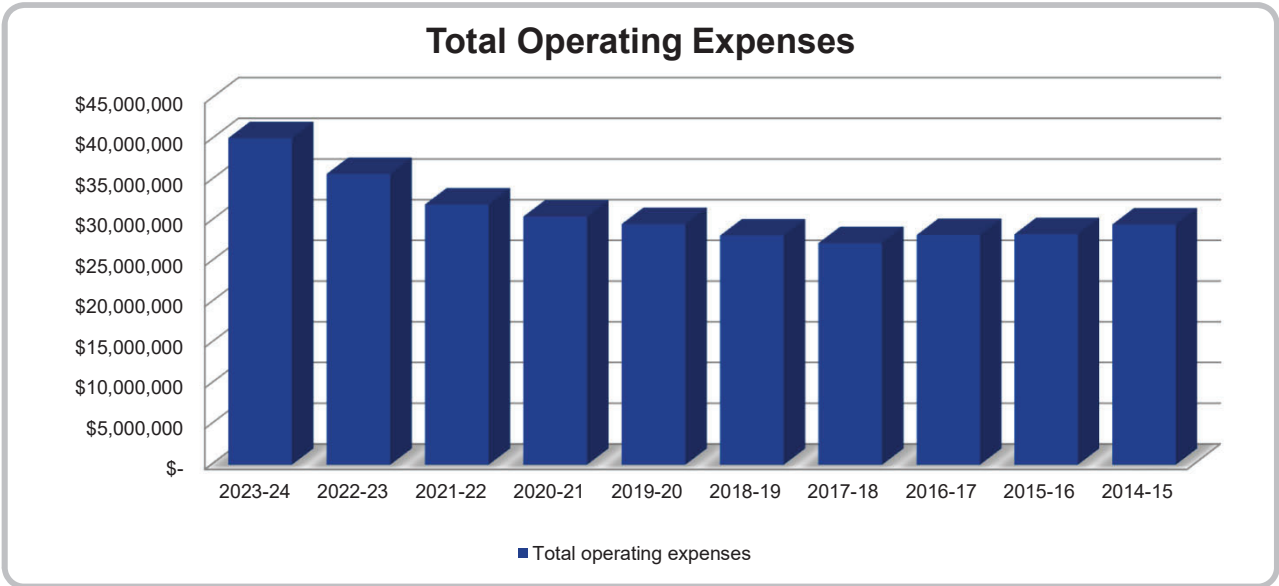
Source:
Audited financial statements except as reclassified in (1).

Notes:
(1) 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**

	2023-24	2022-23	2021-22	2020-21	2019-20
Instruction	\$ 13,239,101	\$ 11,782,418	\$ 10,616,851	\$ 9,768,640	\$ 10,214,313
Public service	-	-	-	-	15,407
Academic support	1,862,186	1,558,098	1,307,586	1,127,395	1,060,798
Student services	3,423,838	3,078,409	2,158,546	1,980,909	2,158,033
Institutional support	13,696,705	11,617,772	10,815,738	11,112,076	9,809,049
Operation and maintenance of plant	2,905,614	1,919,900	1,901,482	1,749,827	1,583,140
Scholarships	1,611,754	2,547,638	2,302,757	2,054,658	2,247,251
Auxiliary enterprises	334,562	318,139	206,714	180,188	227,810
Depreciation	3,066,296	2,914,657	2,681,507	2,527,514	2,272,980
Total operating expenses	<u>40,140,056</u>	<u>35,737,031</u>	<u>31,991,181</u>	<u>30,501,207</u>	<u>29,588,781</u>
Interest expense	-	-	-	-	-
Loss on disposal of capital assets	27,497	11,989	-	803,710	-
Pass through grant to component unit	5,805	2,720	-	5,534	1,016,320
Total nonoperating expenses	<u>33,302</u>	<u>14,709</u>	<u>-</u>	<u>809,244</u>	<u>1,016,320</u>
Total expenses	<u>\$ 40,173,358</u>	<u>\$ 35,751,740</u>	<u>\$ 31,991,181</u>	<u>\$ 31,310,451</u>	<u>\$ 30,605,101</u>

	2018-19	2015-16	2014-15	2013-14	2012-13
Instruction	\$ 9,181,020	\$ 9,555,791	\$ 9,592,910	\$ 10,304,514	\$ 10,927,034
Public service	23,644	32,012	35,657	29,904	29,159
Academic support	1,051,367	1,042,887	1,087,234	1,048,291	1,074,313
Student services	4,042,358	2,068,628	2,161,513	2,155,979	2,116,755
Institutional support	7,489,043	8,484,090	8,204,043	7,959,606	8,719,606
Operation and maintenance of plant	1,681,903	1,481,875	2,270,571	1,780,832	1,941,192
Scholarships	2,163,155	2,000,677	2,133,721	2,292,036	2,273,228
Auxiliary enterprises	353,347	375,564	371,401	592,749	399,147
Depreciation	2,185,385	2,200,669	2,375,273	2,172,776	2,053,133
Total operating expenses	<u>28,171,222</u>	<u>27,242,193</u>	<u>28,232,323</u>	<u>28,336,687</u>	<u>29,533,567</u>
Interest expense	-	-	1,574	3,037	3,470
Loss on disposal of capital assets	-	42,109	1,623	-	-
Pass through grant to component unit	-	-	-	-	-
Total nonoperating expenses	<u>-</u>	<u>42,109</u>	<u>3,197</u>	<u>3,037</u>	<u>3,470</u>
Total expenses	<u>\$ 28,171,222</u>	<u>\$ 27,284,302</u>	<u>\$ 28,235,520</u>	<u>\$ 28,339,724</u>	<u>\$ 29,537,037</u>



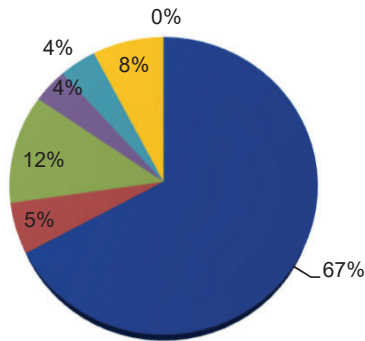
Source:
Audited financial statements.

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

	2023-24	2022-23	2021-22	2020-21	2019-20
Compensation and benefits	\$ 26,947,546	\$ 23,025,293	\$ 19,870,792	\$ 19,415,939	\$ 18,226,508
Contract services	2,244,524	2,443,829	1,930,441	2,374,117	2,012,642
Supplies and other services	4,746,534	3,450,067	3,625,362	2,995,478	3,750,161
Communications and utilities	1,510,172	1,304,929	1,206,037	1,091,638	1,098,021
Scholarships	1,611,757	2,572,455	2,302,031	2,057,607	2,247,251
Depreciation	3,066,296	2,914,657	2,681,507	2,527,514	2,272,980
Other	13,227	25,801	375,011	38,914	(18,782)
Total operating expenses	40,140,056	35,737,031	31,991,181	30,501,207	29,588,781
Non operating expenses	-	-	-	809,244	1,016,320
Total expenses	\$ 40,140,056	\$ 35,737,031	\$ 31,991,181	\$ 31,310,451	\$ 30,605,101

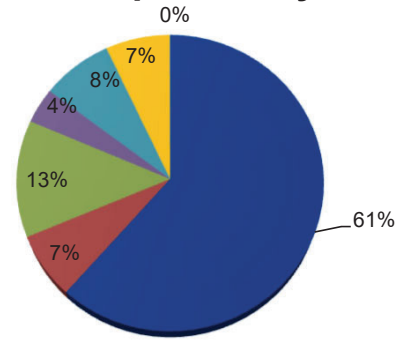
	2018-19	2017-18	2016-17	2015-16	2014-15
Compensation and benefits	\$ 16,677,080	\$ 16,818,499	\$ 17,121,078	\$ 17,635,444	\$ 18,189,910
Contract services	2,129,192	2,089,793	1,862,246	2,346,731	2,109,597
Supplies and other services	3,812,499	2,995,683	3,627,164	2,703,472	3,775,418
Communications and utilities	1,153,436	1,142,965	1,098,569	1,178,132	1,146,620
Scholarships	2,163,155	1,998,572	2,133,721	2,292,036	2,273,228
Depreciation	2,185,385	2,200,669	2,375,273	2,172,776	2,053,133
Other	50,474	(3,990)	14,272	8,096	(14,339)
Total operating expenses	28,171,222	27,242,192	28,232,323	28,336,687	29,533,567
Non operating expenses	-	42,109	3,197	3,037	3,470
Total expenses	\$ 28,171,222	\$ 27,284,301	\$ 28,235,520	\$ 28,339,724	\$ 29,537,037

FY23-24 Expenses by Use



- Compensation and benefits
- Contract services
- Supplies and other services
- Communications and utilities
- Scholarships
- Depreciation
- Other

FY14-15 Expenses by Use



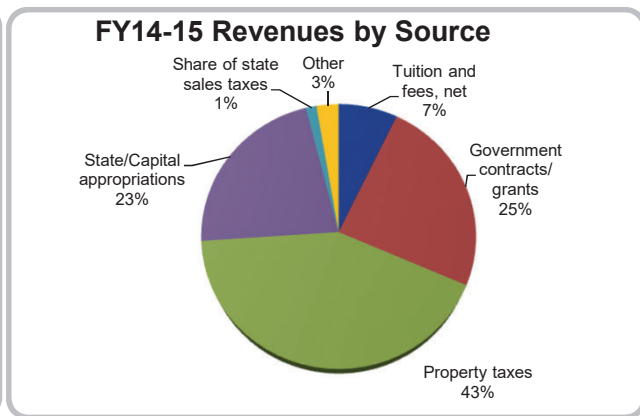
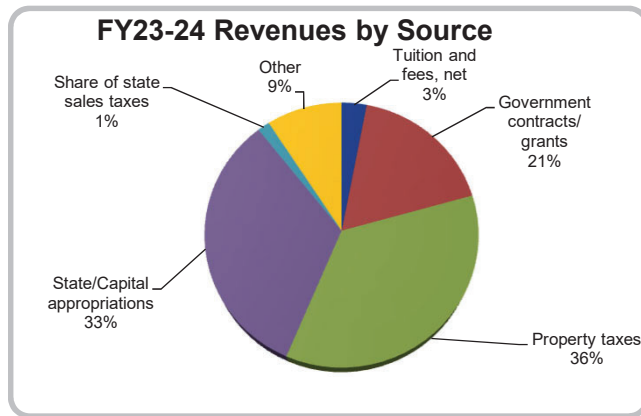
- Compensation and benefits
- Contract services
- Supplies and other services
- Communications and utilities
- Scholarships
- Depreciation
- Other

Source:
Audited financial statements.

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

	2023-24	2022-23	2021-22	2020-21	2019-20
Tuition and fees, net	\$ 1,444,133	\$ 1,633,882	\$ 1,652,679	\$ 1,169,747	\$ 2,320,187
Government contracts	3,625,420	3,300,742	2,478,267	2,736,560	2,642,769
Bookstore income, net	58,781	48,043	50,861	25,106	29,420
Other	313,427	349,500	488,412	189,002	234,592
Total operating revenue	5,441,761	5,332,167	4,670,219	4,120,415	5,226,968
Property taxes	16,995,277	16,111,315	16,052,117	15,645,227	15,470,410
State appropriations	15,666,643	14,412,238	13,584,833	10,990,474	11,548,300
Government grants	4,777,109	6,206,433	5,442,154	6,011,021	4,308,940
Private grants	410,279	451,493	323,417	264,994	444,916
Share of state sales taxes	708,503	688,629	600,253	664,780	533,294
Investment earnings	3,602,828	2,007,405	342,429	414,898	1,216,955
Total nonoperating revenues	42,160,639	39,877,513	36,345,203	33,991,394	33,522,815
Capital appropriations	-	-	-	-	-
Total revenues	\$ 47,602,400	\$ 45,209,680	\$ 41,015,422	\$ 38,111,809	\$ 38,749,783

	2018-19	2017-18	2016-17	2015-16	2014-15
Tuition and fees, net	\$ 2,400,758	\$ 2,328,188	\$ 2,388,164	\$ 2,478,625	\$ 2,357,891
Government contracts	3,021,888	2,516,324	2,808,825	2,606,064	3,283,218
Bookstore income, net	9,471	8,549	12,231	61,854	48,491
Other	281,638	270,958	412,543	330,747	334,987
Total operating revenue	5,713,755	5,124,019	5,621,763	5,477,290	6,024,587
Property taxes	15,085,682	14,879,623	14,383,804	14,430,117	13,980,187
State appropriations	9,026,200	8,690,200	8,041,200	7,777,000	7,276,900
Government grants	3,986,711	3,921,699	3,800,723	5,126,742	4,728,837
Private grants	411,170	326,482	381,230	436,779	297,567
Share of state sales taxes	550,981	471,721	474,310	427,216	423,082
Investment earnings	1,200,154	549,641	279,951	188,535	160,532
Gain on disposal of capital assets	-	-	-	8,484	41,100
Total nonoperating revenues	30,260,898	28,839,366	27,361,218	28,394,873	26,908,205
Capital appropriations	-	-	-	-	-
Total revenues	\$ 35,974,653	\$ 33,963,385	\$ 32,982,981	\$ 33,872,163	\$ 32,932,792



Source:
Audited financial statements

**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
2023-24	15,470,441	15,470,441	-
2022-23	15,255,258	16,018,020	(762,762)
2021-22	15,503,375	16,278,527	(775,152)
2020-21	15,268,903	14,839,288	429,615
2019-20	14,732,390	14,732,390	-
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

(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 2024 is an estimate, audited numbers not yet available.

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

Fiscal Year	Primary Assessed Valuation			Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as Percentage of Actual Value
	Centrally Assessed (1)	Locally Assessed Real Property (1)	Locally Assessed Personal Property (1)				
2023-24	166,972,163	783,021,565	19,419,373	969,413,101	1.7536	9,076,099,748	10.68%
2022-23	169,122,752	733,097,533	16,625,655	918,845,940	1.7505	8,539,919,964	10.76%
2021-22	200,661,019	695,202,180	15,614,890	911,478,089	1.7505	8,278,095,822	11.01%
2020-21	203,330,423	663,774,856	15,052,837	882,158,116	1.7827	8,000,295,495	11.03%
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%

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.

**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
2022-23	17,025,924	16,569,885	97.32%	-	16,569,885	97.32%
2022-23	16,090,784	15,677,802	97.43%	389,607	16,067,409	99.85%
2021-22	15,963,958	15,569,461	97.53%	367,910	15,937,371	99.83%
2020-21	15,708,778	15,257,643	97.13%	342,105	15,599,748	99.31%
2019-20	15,463,486	14,995,661	96.97%	363,924	15,359,585	99.33%
2018-19	14,791,984	14,607,735	98.75%	378,143	14,985,878	101.31%
2017-18	14,868,982	14,382,042	96.73%	356,571	14,738,613	99.12%
2016-17	14,307,638	13,890,497	97.08%	354,966	14,245,463	99.57%
2015-16	14,485,871	13,969,344	96.43%	482,455	14,451,799	99.76%
2014-15	13,961,545	13,498,333	96.68%	428,309	13,926,642	99.75%

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.

**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
2023-24	1.7536		1.7536	0.8114	0.4784	1.3245	0.1114	3.5000	1.6549	7.3012
2022-23	1.7505		1.7505	0.8114	0.4854	1.3542	0.1196	3.3751	1.7133	7.3012
2021-22	1.7505		1.7505	0.8501	0.4866	1.3625	0.1266	3.1874	1.7694	7.3012
2020-21	1.7827		1.7827	0.8657	0.5022	1.3871	0.1318	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

Source:

District records and Navajo County Treasurer.

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

	2023			2014		
	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	\$ 105,405,238	1	11.47%	\$ 96,593,064	1	10.69%
Transwestern Pipeline Co	10,087,418	2	1.10%	12,839,040	6	1.42%
El Paso Natural Gas Company	8,507,800	3	0.93%	7,160,409	3	0.79%
Burlington Northern/Santa Fe Railway	8,506,754	4	0.93%	7,633,285	5	0.84%
Navopache Electric Co-Op Inc	7,407,279	5	0.81%	6,417,901	8	0.71%
Unisource Energy Corporation	7,117,302	6	0.77%	3,958,786	10	0.44%
Wal-Mart Stores, Inc.	5,068,965	7	0.55%	N/A	N/A	N/A
Smith Bagley Inc	3,506,109	8	0.38%	4,994,177	9	0.55%
Citizens Telecomm of White Mtns	3,347,658	9	0.36%	5,433,659	7	0.60%
Copperstate Farms Properties LLC	1,973,799	10	0.21%	N/A	N/A	N/A
Navajo County Assessed Value	\$ 918,845,940			\$ 903,351,854		

Source:

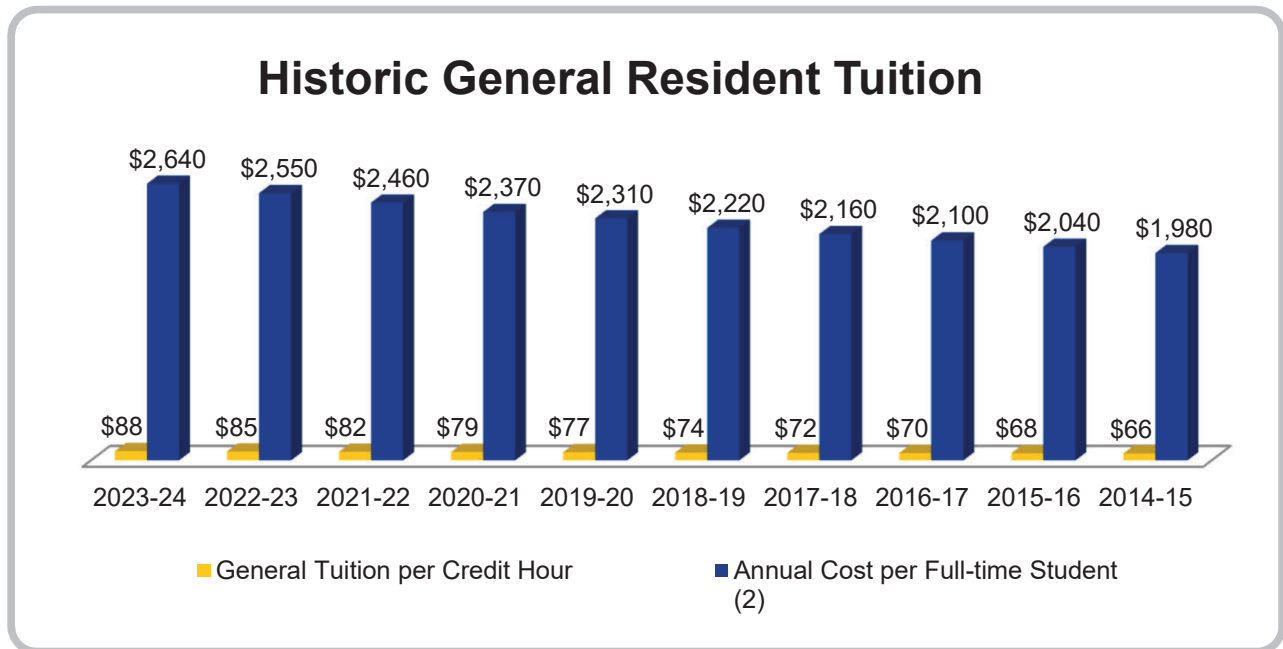
Navajo County Finance Department, 2023 Annual Comprehensive Financial Report.

Note:

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
2023-24	\$ 88	\$ 2,640	\$ 3	4%
2022-23	85	2,550	3	4%
2021-22	82	2,460	3	4%
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%



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	Lease Obligations (1)	Total Outstanding Debt	Per FTSE (2)	Per Capita
2023-24	1,032,106	1,032,106	760.02	9.50
2022-23	1,256,060	1,256,060	946.54	11.61
2021-22	1,034,005	1,034,005	805.30	9.22
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

Source:

Audited financial statements, Audited FTSE report.

Notes:

- (1) Obligations prior to 2021-22 were Capital Lease Obligations
- (2) 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**

	2023-24	2022-23	2021-22	2020-21	2019-20
Secondary Assessed Value of Real and Personal Property	\$ 1,320,575,800	\$ 1,048,845,359	\$ 1,027,632,739	\$ 987,306,973	\$ 912,719,174
Debt Limit, 15% of Secondary Assessed Value	198,086,370	157,326,804	154,144,911	148,096,046	136,907,876
Amount of Debt Applicable to Debt Limit: General Obligation Bonded Debt	-	-	-	-	-
Total net debt applicable to the limit	-	-	-	-	-
Legal debt margin	<u>\$ 198,086,370</u>	<u>\$ 157,326,804</u>	<u>\$ 154,144,911</u>	<u>\$ 148,096,046</u>	<u>\$ 136,907,876</u>
Total net debt as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

	2018-19	2017-18	2016-17	2015-16	2014-15
Secondary Assessed Value of Real and Personal Property	\$ 872,110,638	\$ 865,076,310	\$ 841,423,700	\$ 843,018,904	\$ 846,247,083
Debt Limit, 15% of Secondary Assessed Value	130,816,596	129,761,447	126,213,555	126,452,836	126,937,062
Amount of Debt Applicable to Debt Limit: General Obligation Bonded Debt	-	-	-	-	-
Total net debt applicable to the limit	-	-	-	-	-
Legal debt margin	<u>\$ 130,816,596</u>	<u>\$ 129,761,447</u>	<u>\$ 126,213,555</u>	<u>\$ 126,452,836</u>	<u>\$ 126,937,062</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
2023	108,652	\$ 4,573,815	\$ 42,096	5.5%
2022	108,147	4,507,525	41,680	4.2%
2021	106,802	4,114,493	38,524	9.9%
2020	106,191	3,584,565	33,756	8.5%
2019	106,174	3,489,921	32,870	7.9%
2018	105,384	3,302,610	31,339	7.6%
2017	105,331	3,137,542	29,787	7.6%
2016	104,989	2,983,303	28,415	9.4%
2015	105,543	2,895,102	27,431	9.6%
2014	105,487	2,816,887	26,704	11.2%

Sources:

Navajo County Finance Department, 2023 Annual Comprehensive Financial Report.

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

Employment by Sector (1)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Mining and Construction	1,549	1,469	1,162	1,252	1,164	1,725	2,625	1,525	1,725	1,625
Educational & Health Svcs	4,563	4,259	4,422	4,459	4,586	4,550	4,400	4,125	3,900	3,575
Financial Activities	525	577	554	492	640	625	525	650	625	700
Government	9,645	9,525	9,400	9,195	9,897	9,725	8,850	8,925	9,775	9,325
Leisure & Hospitality	3,960	3,986	3,141	3,243	3,824	3,925	3,850	3,450	3,200	3,700
Manufacturing	269	321	318	248	333	300	275	250	175	150
Information	224	165	156	232	92	950	950	1,050	1,200	1,150
Professional & Business Svcs	1,364	1,359	1,288	1,037	1,094	1,500	1,300	1,325	1,150	1,425
Trade, Transportation & Utilities	4,923	5,163	4,816	4,406	4,810	5,100	5,500	5,475	4,875	4,700
Other Services	562	554	447	489	595	650	450	975	950	925

Sources:

Navajo County Finance Department, 2023 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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Holbrook	330	442	284	181	399	450	469	443	469	480
Show Low	1,079	1,497	1,027	660	1,199	1,098	983	1,020	1,024	960
Snowflake	312	565	237	175	353	369	334	411	367	407
Winslow	259	292	177	72	344	365	416	359	422	376
Kayenta	26	26	14	3	100	110	77	74	75	74
Hopi	45	62	25	10	72	92	101	77	97	113
Whiteriver	163	216	109	144	257	252	239	206	212	195
St Johns	117	101	103	118	158	165	183	176	199	191
Springerville/Eager	118	145	94	59	85	97	107	174	180	227
Navajo County Misc.	3	7	8	6	16	77	40	33	58	1
Apache County Misc.	26	58	51	35	86	114	123	96	112	97
Department of Corrections	-	-	-	-	-	28	33	32	92	65
Other	781	1,323	1,108	1,372	468	441	377	461	559	515
Total District (1)	2,825	2,740	2,786	2,703	3,008	3,182	3,021	3,044	3,354	3,211

Location	Fall Historic FTSE (2)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Holbrook	137	128	120	94	189	190	201	202	213	200
Show Low	500	484	423	304	533	501	490	470	493	473
Snowflake	144	166	118	89	170	186	161	164	131	169
Winslow	116	83	74	39	142	154	174	160	186	158
Kayenta	7	6	4	1	33	35	26	24	21	23
Hopi	13	13	9	6	25	34	34	26	34	39
Whiteriver	64	59	46	65	115	109	93	92	98	86
St Johns	65	48	53	61	83	78	95	80	99	89
Springerville/Eager	31	29	21	19	28	33	26	46	55	71
Navajo County Misc	2	2	3	2	4	17	9	7	16	0
Apache County Misc	11	16	19	19	32	33	35	22	24	22
Department of Corrections	-	-	-	-	-	15	19	24	95	60
Other	268	292	464	609	135	115	104	122	136	139
Total District	1,358	1,327	1,284	1,308	1,491	1,500	1,468	1,440	1,601	1,529

Degrees & Certificates	Degrees and Certificates Awarded									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Associate of Arts	42	43	39	25	48	30	39	33	30	28
Associate of Arts in Early Childhd	-	2	3	3	3	1	1	1	-	-
Associate of Arts in Elementary Ed	9	7	7	6	5	4	10	7	11	4
Associate of Business	2	4	4	5	4	5	3	3	8	9
Associate of Science	8	11	9	6	12	12	13	17	15	11
Associate of General Studies	10	11	8	6	14	16	11	22	16	20
Associate of Applied Science	82	82	99	99	82	113	123	125	121	125
Certificate of Proficiency	461	103	321	314	435	468	472	734	545	399
Certificate of Applied Science	83	438	84	98	99	85	102	97	82	68

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
2023	18%	82%	81%	18%	0.18%	1,766	1,059
2022	19%	81%	89%	11%	0.29%	1,749	991
2021	16%	84%	89%	11%	0%	1,694	1,092
2020	17%	83%	92%	8%	1%	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

Fall Semester	Ethnic Background						
	White (Caucasian)	American Indian	Black	Hispanic	Asian	Pacific Islander	Other/ Unknown
2023	37%	29%	1%	18%	1%	1%	9%
2022	39%	29%	1%	8%	1%	1%	19%
2021	51%	28%	1%	15%	1%	1%	3%
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%

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
19 & Under	1,765	1,621	1,692	1,579	1,668	1,772	1,534	1,618	1,651	1,461
20 - 24	306	324	296	316	372	409	447	462	505	525
25 - 29	177	219	227	234	292	313	322	313	332	316
30 - 39	296	304	290	311	356	346	356	330	425	444
40 - 49	152	143	166	160	176	185	206	164	228	263
50 - 59	72	74	69	64	92	106	104	97	158	151
60 & Over	57	55	46	39	52	51	52	60	55	51
Unknown	-	-	-	-	-	-	-	-	-	-
Total (1)	2,825	2,740	2,786	2,703	3,008	3,182	3,021	3,044	3,354	3,211

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	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 (3)
Faculty											
Full-time	88	85	77	78	69	74	74	75	78	75	77
Part-time	106	100	82	68	74	73	86	70	83	83	82
Subtotal of Faculty	194	185	159	146	143	147	160	145	161	158	159
Administrative & Support Staff											
Full-time	169	165	111	140	138	140	124	130	129	135	137
Part-time	131	134	94	151	128	146	184	168	131	138	136
Subtotal of Staff	300	299	205	291	266	286	308	298	260	273	273
Total Employees	494	484	364	437	409	433	468	443	421	431	432
Students per Faculty (1)	7.00	7.17	8.08	8.96	10.42	11.85	11.08	12.60	12.06	11.72	11.48
Students per Staff (1)	4.53	4.44	6.27	4.49	5.61	6.09	5.75	6.13	7.46	6.78	6.68
Average class size (2)	13	14	13	14	13	14	15	14	14	13	11

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									
	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Maintenance/PAD										
Total Square Footage	8,000	11,320	11,320	11,320	11,320	11,320	11,320	11,320	11,320	11,320
102 N. 1st Avenue	6,000	8,320	8,320	8,320	8,320	8,320	8,320	8,320	8,320	8,320
PAD/Receiving (3)	2,000	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	0.89	0.89	0.89	0.54	0.54	0.54	0.54
Holbrook Campus										
Total Square Footage	101,287	101,287	101,287	101,287	101,287	101,287	101,287	101,287	101,287	101,287
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	114,426	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	60,404	61,921	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	53,434	52,880	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	3,000	3,000
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	14,194	14,194	14,194	12,992	12,054	12,054	12,054
St Johns Center (1)										
Total Square Footage	12,943	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320	5,320
Springerville/Eager Center (1)										
Total Square Footage	3,050	25,670	25,670	25,670	25,670	25,670	25,670	25,670	25,670	25,670
Tower Buildings										
Total Square Footage	1,120	1,120	1,120	1,120	1,120	1,120	980	980	980	980
Greens Peak	360	140	140	140	140	140	-	-	-	-
Wht River Point (3)	192	140	140	140	140	140	140	140	140	140
McKays Peak (3)	284	420	420	420	420	420	420	420	420	420
Dry Lake (3)	284	420	420	420	420	420	420	420	420	420
Total District										
Total Square Footage	368,601	372,164	368,143	368,143	368,143	368,143	366,661	365,723	365,723	365,723
Total Acreage	105.51	105.51	105.51	105.51	105.51	105.51	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



MAKE A DIFFERENCE!

Fifty 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 make a difference 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. In 2023, the new skills center opened allowing NPC to bring the automotive, welding and energy and industrial technology (EIT) programs onto the Show Low Campus so students would have access to the latest tools and technology. Most recently, NPC has also added three Bachelor Degree Programs, a Business Administration Management (BAM), a Bachelor of Applied Science in Early Childhood Education (BAS-ECE) and a Bachelor of Arts in Elementary Education (BAEE). These programs allow students with associate degrees to build upon their educational foundation and apply their credits toward a bachelor's degree, making it more affordable to earn a bachelor's degree through NPC than elsewhere.

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 make a difference for students.



Northland Pioneer College

Locations

Show Low | Snowflake/Taylor | Holbrook | Winslow
Springerville/Eager | St. Johns | Whiteriver | Hopi | Kayenta

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND REPORT ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
SUMMARY OF AUDITORS' RESULTS	6
FINANCIAL STATEMENT FINDINGS	7
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	12
DISTRICT SECTION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	13
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	14
DISTRICT RESPONSE	
CORRECTIVE ACTION PLAN	
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	
REPORTS ISSUED SEPARATELY	
ANNUAL COMPREHENSIVE FINANCIAL REPORT	



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND REPORT ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Arizona Auditor General
The Governing Board of
Navajo County Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component units of the Navajo County Community College District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2025. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the District's financial statements. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the aggregate discretely presented component units.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

The Arizona Auditor General
The Governing Board of
Navajo County Community College District

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, 2024-003, 2024-004 and 2024-005 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

Navajo County Community College District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Navajo County Community College District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Navajo County Community College District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



CliftonLarsonAllen LLP

Phoenix, Arizona
January 13, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

The Arizona Auditor General
The Governing Board of
Navajo County Community College District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Navajo County Community College District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

The Arizona Auditor General
The Governing Board of
Navajo County Community College District

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and discretely presented component units of the District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon, dated January 13, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



CliftonLarsonAllen LLP

Phoenix, Arizona
January 13, 2025

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

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

2. Is a going concern emphasis-of-matter paragraph included in the auditors’ report? No

3. Internal control over financial reporting:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported

4. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported

2. Type of auditors’ report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Numbers

84.007, 84.033, 84.063

Name of Federal Program or Cluster

Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

SECTION II – FINANCIAL STATEMENT FINDINGS

2024-001

Change Management

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: The District was unable to provide sufficient documentation for selected financial application and network changes that occurred during the audit period from July 1, 2023, to June 30, 2024.

Criteria: Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to effectively manage risk related to IT systems and data.

Cause: District administration and IT management reported that the volume of users and short staffing within the IT department have made the record keeping and tracking challenging.

Effect: The risk of unauthorized programs being introduced into the production environment increases. Unauthorized programs include programs that have not been approved by the user community, may perform illegitimate functions, have not been properly tested, etc. This lack of documentation presents several challenges:

- **Verification of Appropriateness and Authorization:** Without adequate records, it is difficult to confirm that the changes made were appropriate and authorized by the relevant personnel. This raises concerns about the integrity and security of the financial applications and network systems.
- **Tracking and Auditing Changes:** Proper documentation is essential for tracking changes over time and conducting thorough audits. The absence of detailed records hinders the ability to trace the history of modifications, identify potential issues, and ensure that all changes were implemented correctly and effectively.
- **Compliance with Industry Standards and Regulations:** Many industry standards and regulations require organizations to maintain comprehensive documentation of system changes. The District's inability to provide this documentation may result in noncompliance, which could lead to penalties, increased scrutiny from regulatory bodies, and a loss of stakeholder trust.

Recommendation: Management should develop a more formalized policy detailing which documents need to be retained as evidence that known controls are performed. This policy should specify the types of documentation required, the format in which they should be maintained, and the duration for which they should be kept. Once all procedures are completed, the supporting evidence should be retained to ensure proper accountability and to facilitate future audits or reviews. This will help in maintaining a clear and consistent record of control activities and their effectiveness.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

2024-002

Disaster Recovery Plan Test

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: The District has a disaster recovery plan; however, it has not been regularly tested. CLA noted that the Disaster Recovery Plan (DRP) was not reviewed or revised during the audit period.

Criteria: Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to effectively manage risk related to IT systems and data.

Effect: The District is at significant risk of losing valuable data and may experience substantial delays in its ability to recover technical infrastructure within an acceptable time period. An outdated and untested DRP may result in an inadequate response to disruptions, leading to prolonged downtime and potential data loss, which could impact the District's operations and compliance.

Cause: District administration and IT management reported that limited resources, including time, budget, and personnel, have prevented regular testing and review of the DRP.

Recommendation: The District should create a comprehensive test plan to evaluate the effectiveness of its disaster recovery plan through a combination of tabletop exercises and technical testing. This approach will ensure that the recovery plan is robust, practical, and capable of addressing various types of disruptions. The test results will also provide the District with additional knowledge to revise the recovery plan to have a more successful recovery in the event of a disaster.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

2024-003

Authentication Enforcement Misalignment

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: The current authentication requirements for the organization's IT systems are insufficient to ensure robust security.

Criteria: Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to effectively manage risk related to IT systems and data.

Effect: The absence of enhanced authentication requirements exposes the District to increased risks of unauthorized access, data breaches, and potential loss of sensitive information. This vulnerability could lead to significant financial and reputational damage.

Cause: District administration and IT management reported that it was cost-prohibitive due to the significant financial investment required.

Recommendation: To address the need for more enhanced authentication, it is recommended to enhance controls over authentication, enforce strong password policies, integrate biometric authentication, conduct regular security reviews, provide comprehensive user training and awareness programs, allocate sufficient resources for security enhancements, and regularly monitor and audit authentication logs.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

2024 – 004

Vendor Management

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: The District's written information security program does not include a vendor due diligence program as required by The Gramm-Leach-Bliley Act (Pub. L. No. 106-102) (GLBA) 16 CFR 314.4(f).

Criteria: Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to effectively manage risk related to IT systems and data. CFR Guidance (Based on GLBA 16 CFR - 314.4) - Addresses how the institution will oversee its information system service providers (16 CFR 314.4(f)).

Cause: Absence of established policies and standards specifically addressing vendor risk management.

Effect: The District is exposed to loss of revenue, reputation damage, disclosure of non-public data, loss of technology assets as a result of the following:

- Potential security breaches due to insufficient evaluation and monitoring of vendors who interact with sensitive data.
- Inadequate assessment of risks associated with outsourcing services or managing services through vendors.
- Establishing relationships with vendors that do not support the District's strategic objectives, lack financial stability, or have inadequate controls.

This absence makes it difficult to ensure that vendors who interact with sensitive data are properly evaluated, selected, and monitored, potentially leading to security breaches and noncompliance with regulatory requirements.

Recommendation: The District should ensure that the written information security program includes a vendor due diligence program. This program should include:

- Standards for evaluating and selecting vendors who interact with sensitive data.
- Contract provisions that require third-party vendors to maintain safeguards.
- Ongoing monitoring based on the risk the vendor presents.

Also, appropriate policy and standards documentation should be established to support the vendor management program.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

2024 – 005

Periodic Reviews of User Access

Type of Finding:

- Significant Deficiency in Internal Control over Financial Reporting

Condition: The District did not regularly review user accounts for appropriate access rights.

Criteria: Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the District to effectively manage risk related to IT systems and data.

Effect: Not performing a regular, standardized user account audit increases the risk that the District may not identify all old and unused user accounts, users with improper access to the system, and/or unauthorized system users. Without regular reviews, there is a risk that users may have access rights that are not aligned with their job functions, potentially leading to unauthorized access to sensitive information and non-compliance with industry standards.

Cause: District administration and IT management reported that the volume of users and the numerous systems made the review of user accounts challenging.

Recommendation: The District should conduct a formal review of all user accounts, and their access level. The review process should be documented, and sign-off should be obtained from IT personnel completing the review. The review should ensure that all user accounts are assigned to current employees by comparing a system account listing to a current employee list from Human Resources. In addition, a review of access levels should be performed by comparing the user's current access rights listed on the system to those listed on their access form, and by confirming the user's access rights with their departmental manager.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce				
Economic Adjustment Assistance	11.307		\$ -	\$ 32,500
Total U.S. Department of Commerce			<u>-</u>	<u>32,500</u>
U.S. Department of Labor				
Passed through Navajo County				
Workforce Innovation and Opportunity Act (WIOA) Youth Activities	17.259	D121-0002285	-	40,315
Total U.S. Department of Labor			<u>-</u>	<u>40,315</u>
Small Business Administration				
Passed through Maricopa County Community College District				
Small Business Development Centers	59.037	SBAHQ-22-B0041	-	131,325
Total Small Business Administration			<u>-</u>	<u>131,325</u>
U.S. Department of Education				
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
Federal Supplemental Educational Opportunity Grants	84.007		-	111,005
Federal Work-Study Program	84.033		-	34,757
Federal Pell Grant Program	84.063		-	1,571,755
Total Student Financial Assistance Cluster			<u>-</u>	<u>1,717,517</u>
Higher Education-Institutional Aid	84.031		-	396,065
COVID-19, Higher Education Emergency Relief Fund - Institutional Aid	84.425F		-	313,791
COVID-19, Institutional Resilience and Expanded Postsecondary Opportunity	84.425P		-	440,266
Total Department of Education Direct Programs			<u>-</u>	<u>2,867,639</u>
Passed through Arizona Department of Education				
Adult Education-Basic Grants to States	84.002	V002A210003	-	496,121
Career and Technical Education - Basic Grants to States	84.048	V048A210003	-	501,486
Passed through Yavapai County Community College District				
Fund for the Improvement of Postsecondary Education	84.116	P116T210013	-	45,199
Total U.S. Department of Education			<u>-</u>	<u>3,910,445</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 4,114,585</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

NOTE 1 BASIS OF PRESENTATION

The information in this schedule of expenditures of federal awards (Schedule) is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 FEDERAL ASSISTANCE LISTING NUMBERS

The program titles and Federal Assistance Listings numbers were obtained from the federal or pass-through grantor or the 2024 *Federal Assistance Listings*.

NOTE 4 INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate as established in 2 CFR 200.414.



January 13, 2025

Jean Dietrich
Clifton Larson Allen LLP
20 E Thomas Rd #2300
Phoenix, AZ 85012

Dear Ms. Dietrich:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Specifically, for each finding, we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Maderia J. Ellison
Vice President for Administrative Services/CFO

Navajo County Community College District
Northland Pioneer College
Corrective action plan
Year ended June 30, 2024

Financial Statement Findings

2024-001

The District was unable to provide sufficient documentation for selected financial application and network changes that occurred during the audit period from July 1, 2023, to June 30, 2024.

Michael Jacob, Associate Vice President Chief Information Officer
Anticipated completion date: June 30, 2025

Corrective Action Plan:

The District has been made aware of the issues related to documentation policies and concurs with the findings and recommendations.

The District will take the following actions to address the identified concerns:

- **Develop a System Change Documentation Policy:**
Define required documentation, formats, and retention periods for control activities.

These actions will ensure proper accountability and effective documentation practices that will facilitate future audits and reviews. We believe this plan will address the audit's concerns and improve the transparency and consistency of our control activities.

Navajo County Community College District
Northland Pioneer College
Corrective action plan
Year ended June 30, 2024

2024-002

The District has a disaster recovery plan; however, it has not been regularly tested. CLA noted that the Disaster Recovery Plan (DRP) was not reviewed or revised during the audit period.

Michael Jacob, Associate Vice President Chief Information Officer
Anticipated completion date: June 30, 2025

Corrective Action Plan:

The District has been made aware of the issues related to an outdated Disaster Recovery Plan and concurs with the findings and recommendations.

The District will take the following actions to address the identified concerns:

- **Establish an Ongoing Disaster Recovery Plan Procedure:**

The District will conduct an annual review of the Disaster Recovery Plan to ensure it accurately reflects the current state of the District, its technology, and systems, and that it is effective in addressing potential disruptions and recovery procedures.

This action will help ensure the Disaster Recovery Plan is up-to-date and aligned with the District's needs. We believe this approach will address the audit's recommendation and strengthen our preparedness for potential disruptions.

Navajo County Community College District
Northland Pioneer College
Corrective action plan
Year ended June 30, 2024

2024-003

The current authentication requirements for the organization's IT systems are insufficient to ensure robust security.

Michael Jacob, Associate Vice President Chief Information Officer
Anticipated completion date: June 30, 2025

Corrective Action Plan:

The District acknowledges the recommendation and confirms that the following measures will be taken to mitigate the identified risk:

- The District will implement the necessary changes to improve existing IT access and security over information technology resources. The District will develop policies and procedures documenting the control processes over IT access and the security protocols. These policies and procedures will be implemented and allow the District to better monitor, manage and control access to data and IT devices, as well as maintain IT security.

These actions will ensure proper authentication requirements and a robust security of the organization's IT systems. We believe this plan will address the audit's concerns and improve the transparency and consistency of our control activities.

Navajo County Community College District
Northland Pioneer College
Corrective action plan
Year ended June 30, 2024

2024-004

The District's written information security program does not include a vendor due diligence program as required by The Gramm-Leach-Bliley Act (Pub. L. No. 106-102) (GLBA) 16 CFR 314.4(f).

Michael Jacob, Associate Vice President Chief Information Officer
Anticipated completion date: June 30, 2025

Corrective Action Plan:

The District has been made aware of the issues related to existing vendor management procedures and concurs with the findings and recommendations.

The District will take the following actions to address the identified concerns:

- **Develop Standards for Vendor Evaluation and Selection:**
The District will establish guidelines for evaluating and selecting vendors that interact with sensitive data, ensuring alignment with industry best practices.
- **Incorporate Contract Provisions:**
Where appropriate, the District will include provisions in new vendor contracts to ensure adequate safeguards are maintained for sensitive data and that the District is notified promptly in the event of a data breach.
- **Establish Ongoing Monitoring Procedures:**
The District will conduct an annual review of vendors' compliance with security and data protection standards to ensure risks are managed appropriately.

These steps will strengthen the District's overall vendor management practices and ensure that appropriate safeguards are in place for handling sensitive data. We believe this approach effectively addresses the audit's recommendation and ensures the continued security of our systems.

Navajo County Community College District
Northland Pioneer College
Corrective action plan
Year ended June 30, 2024

2024-005

The District did not regularly review user accounts for appropriate access rights.

Michael Jacob, Associate Vice President Chief Information Officer
Anticipated completion date: June 30, 2025

Corrective Action Plan:

The District has been made aware of the issues related to documentation policies and concurs with the findings and recommendations.

The District will take the following actions to address the identified concerns:

- **Establish a User Management Policy:**
Implement formal steps and approval requirements for creating, modifying, and deactivating user accounts, requiring a ticket submission with proper approvals and documentation before work begins.

These actions will ensure proper accountability and effective documentation practices that will facilitate future audits and reviews. We believe this plan will address the audit's concerns and improve the transparency and consistency of our control activities.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
(NORTHLAND PIONEER COLLEGE)
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024**

STATUS OF FINANCIAL STATEMENT FINDINGS

Finding No. **2023-01**—This finding initially occurred in fiscal year 2017.

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

Status: *Partially Corrected*

Reason for recurrence: The finding was made in fiscal year 2017 and it was not anticipated for it to be reoccurring in fiscal year 2024. The District is in the process of improving controls but have not fully implemented the changes.

As of June 30, 2024, the District has partially implemented the necessary changes to improve existing IT access and security over information technology resources. The District has developed policies and procedures documenting the control processes over IT access and the security protocols. These policies and procedures will be implemented and allow the District to better monitor, manage and control access to data and IT devices, as well as maintain IT security.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no Federal Award Findings in the prior year.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAglobal.com/disclaimer](https://claglobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Request to Approve Purchase of Modern Campus USA Inc

Recommendation:

Staff recommends approval to purchase and implement new, Anthology-compatible software for Community and Corporate Learning for a total cost of \$143,277.74 over 3 years to Modern Campus USA Inc.

Procurement Process and Budget Information:

Funds for the two-phase project and initial software subscription were included in the fiscal year 2024-2025 ERP budget and 2025-2026 ERP budget request.

Modern Campus PHASE 1

Phase 1 Implementation	\$31,920	One-time project fees
Workforce & Community	\$17,100 / year	Annual subscription fees
Phase 1 Subtotal	\$49,020	Paid with ERP FY2425+FY2526 funds

Modern Campus PHASE 2

Phase 2 Implementation	\$23,920	One-time project fees @ AS go-live
Anthology Integration	\$10,636 / year	Annual subscription fees
Phase 2 Subtotal	\$34,556	Paid with ERP FY2526 funds

Summary:

NPC's Community and Corporate Learning (CCL) platform needs to integrate with our new ERP, Anthology, for the following data (information) and transactions to flow between systems: student, instructor, course, class/section, registration, financial transactions, and grades. The current CCL platform, Xenegrade, does not integrate with Anthology, and CCL requires a 'shopping cart' tool for charging direct class fees to our community and corporate learners. The NPC staff compared go-forward options of either (A) paying for a highly customized integration between Xenegrade and Anthology, built and maintained by a third-party consulting firm, or (B) working with Anthology's specified partner, Modern Campus, for a sustainable solution and native two-way integrations between Anthology and Modern Campus, which the committee ultimately decided was the superior tool in feature sets and ease-of-use for our CCL teachers, staff/admin and, most importantly, our community students and corporate partners.

THIS AGREEMENT is made between Modern Campus USA Inc., a Company with its principal place of business at 330 N Lantana Street, Suite 28, PMB 1014, Camarillo, CA 93010 ("**Modern Campus**"), and Northland Pioneer College with its principal place of business at P.O. Box 610 Holbrook, Arizona 86025-0610 ("**Customer**").

This agreement consists of this signature page and the following appendixes and exhibits (collectively the "**Agreement**");

- Appendix 1 - Term, Software, Service, Fees
- Appendix 2 - General Terms and Conditions
- Exhibit A - Support
- Exhibit B - Software Hosting
- Exhibit C - 3rd Party Hosting
- Exhibit D - Software Description
- Exhibit E - Service Description

Capitalized terms not otherwise defined in the body of the Agreement, shall have the meaning ascribed to them in Section 11 of Appendix 2.

The Fees provided in this Agreement are predicated on a fully executed agreement by March 20, 2025.

The effective date of this Agreement is the date of last signature of this Agreement. ("**Effective Date**").

Subject to the payment of the Fees by Customer, Modern Campus shall perform the Services in accordance with the terms hereof.

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, between the parties. Except as expressly provided in this Agreement, there are no representations, warranties, conditions, other agreements or acknowledgements, whether direct or collateral, express or implied, that form part of or affect this Agreement.

This Agreement may be executed in any number of counterparts, including facsimile, PDF, and other electronic copies, each of which shall be deemed an original, but all of which taken together shall constitute one single agreement between the Parties.

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be duly executed by an officer authorized in that behalf as of and with effect on the Effective Date.

Northland Pioneer College

Modern Campus USA Inc.

per: _____

per: _____

Name:

Name:

Title:

Title:

Date:

Date:

per: _____

Name:

Title:

Date:

APPENDIX 1

TERM, SOFTWARE, SERVICE, FEES

1. TERM

- a) License Start Date: The License shall commence on the 1st day of the month after the Effective Date.
- b) Initial Term: The initial term (the "**Initial Term**") of this Agreement shall commence on the License Start Date and continue for a period of 36 months, unless terminated earlier pursuant to Section 4 of Appendix 2.
- c) Renewal Term: This Agreement shall automatically renew for successive periods of 12 months (each a "**Renewal Term**") unless either Party notifies the other at least ninety (90) Business Days prior to the expiration of the Initial Term or the then Renewal Term of its desire not to renew this Agreement.

2. SOFTWARE SUBSCRIPTION

- a) Subscription: Subject to the terms and conditions of this Agreement, including the Appendices identified on the signature page, Customer shall be entitled to use the following Software modules as defined in Exhibit D in accordance with the license set out in Appendix 2 to this Agreement and any specific licensing restrictions as listed below (the "**Use Rights**"):
 - i) Subscription Package:
 - Lifelong Learning Workforce & Community Subscription
 - b) Add-On Subscription: Customer may make additional purchases from time to time through this agreement by ordering the applicable Software as per the then current Pricing Schedule.

Also, see bottom of Section 4, page 5. 3. SERVICE PACKAGE

- a) Scope: The Service Fees below are for Modern Campus' implementation methodology and Software configuration as set out in Exhibit E to this Agreement. Service Fees do not include custom integrations, functional customizations, or change request development unless identified as Additional Services. The Implementation Fees assume a maximum number of hours expended as per the chosen Service Package. If the implementation definition exceeds the stated package, then Modern Campus shall be entitled to charge additional service fees at an hourly rate as set forth in the then current Pricing Schedule, upon approval by Customer of an applicable signed Change Request or statement of work (SOW).
- b) Service Package:
 - LLL W&C Accelerator Implementation – 190 hours
 - i. Additional Services:
See bottom of Section 4, page 5.

4. FEES AND PAYMENT TERMS

a) Currency: The Fees listed below are in U.S. dollars (USD) and are exclusive of any applicable taxes.

b) Subscription Fees:

i) Description: The Subscription Fees are for the use of the Software set out in Section 2 of this Appendix commencing on the Effective Date.

ii) Fees: The Subscription Fee for use of the Software is calculated at a rate indicated below and may be subject to change at the completion of the Initial Term or any Renewal Term.

- Subscription Fee: \$17,100.00 USD/ year for up to \$500,000 in Revenue per year ("Revenue limit").

- Additional Fees:

- Lifelong Learning Workforce & Community Subscription: \$17,100.00

Total Subscription Fees Year 1: \$17,100.00 USD

- Renewal Fee: The following additional fee is due after Year 3 and upon each Renewal Term thereafter: the greater of:

- An additional fee of \$3,600 USD per annum for every \$100,000 USD, or part thereof, of Revenue in excess of the Revenue Limit for the previous 12 months

- An increase of 5%

iii) Payment Terms: The Subscription Fee and Renewal Fee are payable annually in advance, with payment due Net 30 days from invoice date. Late Payments will be subject to a late fee calculated at 1% per month. If payment of Subscription Fees with annual recurring costs is not received prior to the start date of the Renewal Term, Modern Campus reserves the right to suspend access to the Software until payment is received.

c) Service Fees:

i) Description: The Service Fees are for the services and number of hours as set out in Section 3 of this Appendix.

ii) Package Fee: Accelerator Implementation Service Pak (190 hours) – LLL W&C: \$31,920.00

iii) Additional Service Fees:

A \$210/hour USD fee will be charged for any additional hours as per change requests approved by both Modern Campus and the Customer.

iv) Payment Terms: The Service Fee is billed monthly based on reported work effort hours and applicable hourly rate with payment due Net 30 days. Late Payments will be subject to a late fee calculated at 1% per month.

v) Expiry Date: All services contracted in Section 3 of this Appendix expire 12 months from the License Start Date, or on the termination of this Agreement, and any remaining Package or Additional Service Fees are then due.

vi) Out-of-Pocket Expenses: Customer will reimburse Modern Campus for reasonable out of pocket expenses incurred during the Modern Campus Implementation process. Out of Pocket Expenses include but are not limited to reasonable air travel, lodging, ground transportation, meals, incidentals, and other project related expenses. Modern Campus shall submit the foregoing reasonable expenses and Customer shall reimburse Modern Campus upon receipt of the expense claim. Modern Campus will provide Customer with expected expense information in advance to approve expenditures or to provide reasonable expenditure guidelines.

- d) Taxes: Customer shall, in addition to the other amounts payable under this Agreement, pay all sales, use, value added, excise or other taxes, federal, provincial, state or otherwise, however designated, which are levied or imposed on the transactions contemplated by this Agreement and each Order Form, except for any taxes based on Modern Campus' net income.

Grand Total for Year One

Total Year One Subscription: \$17,100.00*

Total Year One Services: \$31,920.00*

Total Year 1 Fees (Subscription and Services): \$49,020.00*

Total Year 2 Fees (Subscription): \$17,955.00

Total Year 3 Fees (Subscription): \$18,853.00

**Incentivized pricing is predicated on a fully executed agreement by March 20, 2025.*

Additional Software and Services: Customer may purchase the following software and services at the incentivized rate below if purchased within the first 12 months of this Agreement (that is, by March 31, 2026 and assuming this agreement is executed by March 20, 2025):

- Workforce & Community Anthology Integration (to be purchased post Go-Live of Northland Pioneer College's Anthology Student). Annual Subscription Fee = \$10,636.00.
- Workforce & Community Anthology Integration (to be purchased post Go-Live of Northland Pioneer College's Anthology Student). One-time Setup Fee= \$23,920.00.

APPENDIX 2

GENERAL TERMS AND CONDITIONS

1. THE SYSTEM

- (a) Provision and Access to the System: Modern Campus shall operate and maintain the System in accordance with Exhibit B of this Agreement. Access to the System is through a secure connection over the public Internet. Customer acknowledges and agrees that Modern Campus is not responsible or liable for any communication over the public Internet or any failure to deliver communication to and from the System on a timely basis.
- (b) Required and Infrastructure Changes: From time to time, it will be necessary for Modern Campus to perform maintenance on the System. Such maintenance includes routine maintenance to ensure the continued provision of the Services through the continued operation of the System or upgrading, updating or enhancing the System. Modern Campus shall use its commercially reasonable efforts to perform such maintenance at such times to minimize the impact of any downtime of the System to Customer. Modern Campus may, at any time, with or without notice to Customer: (i) make changes that are necessary to comply with applicable safety, security or other statutory requirements or orders from applicable governmental authorities; (ii) supplement or make changes to its user documentation and to its rules of operations, access procedures, security and privacy procedures and policies; and (iii) change the components, type and location of the System; provided that any such changes do not impair the provision of the Services.
- (c) Software Revisions: Modern Campus reserves the right to modify, revise, upgrade, replace, or reconfigure the Software features and functions at any time, provided that for those revisions that will materially affect System functionality Modern Campus will give Customer at least ninety (90) calendar days' advance notice of such revision. Occasionally, these changes may require Customer to adapt integration files, or otherwise update data in the Software.
- (d) Modern Campus' Ownership: Customer acknowledges and agrees that Modern Campus owns all worldwide rights, titles and interests, including all intellectual property rights, in and to: (i) the System; (ii) Software; (iii) User Documentation; and (iv) any modifications, enhancements, upgrades, updates or customization to any of the foregoing. Customer does not acquire any rights, title or ownership interests of any kind whatsoever, express or implied, in any of the foregoing other than the licenses granted herein.
- (e) Artificial Intelligence: At the request of Customer or via a product release, Modern Campus may integrate and/or configure third party Artificial Intelligence ("AI") features into the Software or into the public usage such as onto the Customer's public website. In such event, Customers understand, acknowledge and agree that the interactions of its Authorized Users within the Software shall be processed by said third party applications to generate responses and insights tailored to improve user experience and productivity. Customer further acknowledges that AI features are considered experimental and may contain errors, inconsistencies, or outdated information and is provided 'as-is' without any warranties or guarantees of accuracy. Customer agrees to independently verify the content generated by AI and to confirm its output. Modern Campus shall not be responsible for any inaccuracies or mistakes and Modern campus further disclaims any and all liability for damages or losses resulting from the use or reliance on the AI features. The parties agree that the use of the AI features may be

subject to additional costs which may be charged by Modern Campus to Customer upon the mutual written agreement of the parties.

2. USE OF SERVICES

- (a) Grant by Modern Campus: For the duration of the Term, Modern Campus grants to Customer a non-exclusive, non-transferable, revocable right, for Customer's internal business purposes to access the System in accordance with the security protocols as set out herein for the purpose of:
 - (i) using the Software identified in Appendix 1 subject to the Use Rights associated with such Software;
 - (ii) viewing and displaying the User Documentation; and
 - (iii) uploading, processing, viewing, displaying, using and downloading Customer Data to and from the System.
- (b) Authorized Users: Customer shall be responsible and liable for the actions and omissions of each Authorized User and their compliance of the provisions of this Agreement.
- (c) Support: Modern Campus shall provide support to Customer and its Authorized Users in accordance with the provisions set out in Exhibit A to this Agreement.
- (d) Reservation of Rights: Any rights not granted herein are strictly reserved by Modern Campus. Customer shall not (i) permit any Person other than Authorized Users to use the System; (ii) process or permit to be processed any data other than Customer Data; and (iii) itself or permit others to, reverse engineer, decompile, disassemble or translate the Software or any other software used by Modern Campus to deliver the Services, or otherwise attempt to view, display or print such software, including but not limited to the Software's, source code. Modern Campus may monitor Customer's use of the System and Software, including compiling reports evidencing Customer's usage thereof, gather statistics, track aggregated data, and satisfy any support requirements, provided such monitoring does not unreasonably interfere with Customer's use of the System.
- (e) Prohibited Activities: Customer shall not:
 - (i) use the Services for improper or unlawful purposes or in contravention of Customer's own policies and regulatory requirements;
 - (ii) include, or knowingly allow others to include, any Objectionable Content or introduce Viruses to the System and shall institute such security procedures and safeguards as Customer deems necessary to prevent the posting, uploading or inclusion of any Objectionable Content or Viruses to the System;
 - (iii) intercept or attempt to intercept any messages transmitted to and from the System that are not intended for Customer or any of its Authorized Users;
 - (iv) take any action that may damage, disable, overburden, or impair the System or attempt to circumvent, disable, damage or impair the System's security features;
 - (v) remove any copyright or other proprietary rights notice on the Software or the User Documentation or any copies thereof;
 - (vi) use any robot, spider or other automatic device or manual process to monitor or copy portions of the System;
 - (vii) perform any vulnerability scanning or penetration testing on the System or Software without Modern Campus' explicit prior written consent for each such scan or test; and
 - (viii) reproduce, duplicate, copy, sell, trade, repurpose, resell, or utilize, the Software and/or Services or any portion thereof, for any commercial purposes not contemplated under this Agreement. The

rights granted in this Agreement, are intended for the use of the Customer and its Authorized Users, and shall not be transferred, assigned, or sublicensed, temporarily or permanently, to any other person or third party.

- (f) Viruses: If Modern Campus, in its absolute discretion, forms the view that any Customer Data or any other information or files uploaded by Customer or any of its Authorized Users contains or includes a Virus, Modern Campus may remove such Customer Data, information or file from the System and take such other action as Modern Campus deems necessary to protect the integrity and operation of the Services, System and the Software. Any costs associated with such removal may be charged by Modern Campus to Customer. Modern Campus shall notify Customer of its actions under this Section as soon as reasonably possible.

3. SECURITY AND CUSTOMER DATA

- (a) Security: Modern Campus agrees to protect the privacy and security of Customer Data according to all applicable laws and regulations, by commercially-acceptable standards, and no less rigorously than it protects its own confidential information, but in no case less than reasonable care. Modern Campus shall implement and maintain reasonable safeguards and controls to deter and for the detection, prevention and correction of any unauthorized intrusion, access or use of the System.
- (b) PCI Compliance: For Modern Campus applications incorporating credit card processing, Modern Campus represents that, as of the Effective Date, it retains appropriate PCI-DSS certification and will provide periodic notification of ongoing certification renewals.
- (c) Authentication IDs: Customer shall control and maintain the security of all Authentication IDs. Customer shall be solely responsible for all instructions, commitments and other actions or communications taken under any of Its Authentication IDs. Customer shall promptly report to Modern Campus any errors or irregularities in the Service or the System or any unauthorized use of any part thereof and inform Modern Campus immediately if any Authentication ID becomes known to any third person who is not authorized to possess such password. Customer hereby indemnifies and holds harmless Modern Campus from any actions, claims, suits, proceeding or damages made against Modern Campus from a third person as a result of any use of Customer's Authentication IDs, whether or not such use is authorized by Customer.
- (d) Customer Data: Customer acknowledges and agrees that Modern Campus: (i) will not be responsible for the accuracy, completeness or adequacy of any Customer Data or the results generated from any Customer Data uploaded to the System and processed by the Software; (ii) has no control over any Customer Data or the results therefrom; and (iii) does not purport to monitor Customer Data.
- (e) Customer's Ownership: Modern Campus acknowledges and agrees that all worldwide right, title and interest including, all intellectual property rights in and to the Customer Data shall be the exclusive property of Customer. Modern Campus does not acquire any rights, title or ownership interest of any kind whatsoever, express or implied, in any of the Customer Data, other than the license granted herein. Modern Campus shall not be held responsible for accessibility-related issues concerning Customer website. While Modern Campus may provide accessibility tools within the Software, it is the responsibility of the Customer to use these tools to identify and correct accessibility issues with Customer website.

- (f) Compliance with Privacy Laws: Modern Campus will comply with applicable privacy laws, including the Family Educational Rights and Privacy Act ("**FERPA**") and the Health Insurance Portability and Accountability Act ("**HIPAA**") and the data security standards set out therein regarding personally identifiable information contained within Customer Data. To the extent that Modern Campus has access to "Education Records", it is deemed a "school official" as each of these terms is defined in FERPA.
- (g) Data Breach: Modern Campus has implemented and shall maintain a program for managing unauthorized disclosure or exposure of Customer Data stored by or accessible through the Services ("**Data Breaches**"). Both Customer and Modern Campus shall take reasonable steps to prevent unauthorized access to the System. Each party shall notify the other immediately of any known or suspected unauthorized use of the System or breach of its security and shall use best efforts to stop said Data Breach.
- (h) Use of Customer Data: Modern Campus may use Customer Data for the sole purposes of: (i) providing the Services to Customer; and (ii) on an aggregated and anonymous basis for System analytics and improvement. Modern Campus may disclose Customer Data as required by applicable law or by proper legal or governmental authority. Modern Campus shall give Customer prompt notice of any such legal or governmental demand and reasonably cooperate with Customer in any effort to seek a protective order or otherwise to contest such required disclosure, at Customer's expense.

4. SUSPENSION AND TERMINATION

- (a) Suspension of Services: Modern Campus may suspend Customer's and each of its Authorized Users' right to receive the Services and access and use of the Software if, in consultation with Customer, it has been determined that a Customer Authorized user, or other party has undermined or attempted to undermine, the security or integrity of the System.
- (b) Customer's Right of Termination for Breach by Modern Campus: Subject to Section 4(d) and 4(e) of this Appendix, Customer may terminate this Agreement and the rights granted hereunder, if Modern Campus breaches any material provision of this Agreement and such breach continues for a period of thirty (30) Business Days after delivery of a written notice by Customer requiring Modern Campus to correct such failure.
- (c) Modern Campus' Right of Termination for Breach by Customer: Subject to Sections 4(d) and 4(e) of this Appendix. Modern Campus may terminate this Agreement and the rights granted hereunder without prejudice to enforcement of any other legal right or remedy, immediately upon giving written notice of such termination if Customer:
 - (i) fails to pay in full any Fees owing by it under this Agreement by the due date thereof or breaches any other material provision of this Agreement and such failure or breach continues for a period of fifteen (15) Business Days for non-payment or thirty (30) Business Days for other breach, after delivery of a written notice by Modern Campus requiring Customer to correct such failure or breach; or
 - (ii) infringes the intellectual property rights of Modern Campus.
- (d) Effect of Termination: Upon the termination of this Agreement for any reason:
 - (i) Modern Campus shall submit to Customer any Customer Data contained in the System in the form of an encrypted database backup file within ten (10) Business Days of receipt of written request by Customer.

- (ii) Customer shall immediately discontinue use of the System, Software and User Documentation and Modern Campus shall discontinue the provision of the Services;
 - (iii) Customer shall pay to Modern Campus the full amount of all Fees payable hereunder outstanding as of the effective date of termination, if any, whether invoiced or not and any other monies owing to Modern Campus; and
 - (iv) within fifteen (15) Business Days from the effective date of termination and subject to Modern Campus' back-up policies, each Party will return to the other Party, or confirm destruction, of all Confidential Information of the other Party which is then in its possession or control.
- (e) Survival of Covenants: Notwithstanding the termination or expiration of this Agreement for any reason, the covenants set out in this Section 4(e) and in Sections 1(d), 3(e), 4(d), 5, 6(c), 7, 9, 10(a), 10(c) and 11 of this Appendix shall survive any such termination or expiration.

5. CONFIDENTIAL INFORMATION

Each Party acknowledges that Confidential Information consists of confidential and proprietary information. Except as required by law, each Party shall, and shall cause its employees, agents and contractors to hold Confidential Information of the other Party in confidence, and shall use the same degree of care by instruction, agreement or otherwise, to maintain the confidentiality of the other Party's Confidential Information that it uses to maintain the confidentiality of its own Confidential Information, but with at least a reasonable degree of care. Each Party agrees not to make use of Confidential Information other than for the exercise of rights or the performance of obligations under this Agreement, and not to release, disclose, communicate it or make it available to any third party other than employees, agents and contractors of the Party who reasonably need to know it in connection with the exercise of rights or the performance of obligations under this Agreement. In the event that any Party receives a request to disclose all or any part of the Confidential Information under the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction or by a governmental body, such Party agrees, to the extent permitted by applicable law, to (i) immediately notify the other Party of the existence, terms and circumstances surrounding such a request; (ii) consult with the other Party on the advisability of taking legally available steps to resist or narrow such request; and (iii) if disclosure of such information is required, permit the other Party to obtain an order or other reliable assurance that confidential treatment will be accorded to such portion of the disclosed information as the other Party designates.

6. WARRANTIES

- (a) Software Warranties: Modern Campus hereby warrants to Customer that during the Term the Software will substantially operate in accordance with, and have the functions set out in, the User Documentation.
- (b) Remedy: For any breach of the above warranty, Customer's exclusive remedy and Modern Campus' entire liability and sole obligation is to correct the defects in the Software that caused the breach of the above warranty in accordance with the terms set out in Exhibit A to this Agreement.
- (c) Exclusion of Other Warranties: EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS IN RELATION TO THE SERVICES, SYSTEM, SOFTWARE OR USER DOCUMENTATION THAT ARE THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT, OR THAT THE SERVICES, SYSTEM OR SOFTWARE WILL MEET CUSTOMER'S NEEDS OR WILL BE AVAILABLE FOR USE AT ANY PARTICULAR TIME OR WILL BE ERROR FREE.

7. INDEMNIFICATION

- (a) Modern Campus' Indemnity: Modern Campus shall defend at its own expense any claim, proceeding or suit brought against Customer, its affiliates, directors, officers, employees and agents, by a third person (referred to as a "Claim") to the extent such Claim alleges that the Software furnished hereunder infringes any U.S. or Canadian copyright, valid registered patent or trademark of a third person, and will indemnify and pay all damages which by final judgment or settlement may be assessed against Customer on account of such Claim, provided that:
- (i) prompt written notice of the Claim or of any allegations or circumstances known to Customer which could result in a Claim is provided to Modern Campus;
 - (ii) reasonable information and assistance are received from Customer, at Modern Campus' expense, which Modern Campus may require to defend the Claim;
 - (iii) Modern Campus is given sole control of the defense of the Claim, and all negotiations for its settlement or compromise thereof; and
 - (iv) the alleged infringement does not result from any non-permitted uses, alterations, modifications or enhancements carried out by Customer or on its behalf by a third person.

If such Claim has occurred, or in Modern Campus' opinion is likely to occur, Customer agrees to permit Modern Campus, at Modern Campus' option and expense, either to procure for Customer the right to continue using the Service, including the System and Software, or to replace or modify the Software so that it becomes non-infringing without substantial loss of functionality, or if none of the foregoing alternatives is reasonably available and at Modern Campus' discretion, require the Customer to discontinue use of the Services, including the System and Software and Modern Campus shall issue a refund to Customer for the remaining pro-rata portion of any pre-payments corresponding to the current Term Subscription Fees. The foregoing states the entire obligations and liabilities of Modern Campus with respect to any infringement of intellectual property rights of any third person.

8. INSURANCE

Modern Campus shall maintain, at Modern Campus' sole expense, the following insurance coverages and limits:

- (i) Commercial General Liability Insurance with limits of liability not less than \$3,500,000 USD per occurrence and in the aggregate, including liability coverage for bodily injury or property damage;
- (ii) Professional Liability insurance including Errors and Omissions Insurance with limits of liability not less than \$3,500,000 USD per occurrence and in the aggregate; and
- (iii) Cyber Liability insurance with limits of liability not less than \$3,500,000 USD per occurrence and in the aggregate.

Modern Campus' insurance shall be primary, and any applicable insurance maintained by Customer shall be excess and non-contributing.

9. LIMITATION OF LIABILITY

- (a) Consequential Damages: IN NO EVENT SHALL MODERN CAMPUS, OR ANY OF ITS EMPLOYEES, DIRECTORS, OFFICERS, OR AGENTS, BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, EXEMPLARY OR PUNITIVE DAMAGES OR FOR ANY LOST REVENUE, LOST PROFITS, EVEN IF ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES OR LOSS.

- (b) Limitation of Direct Damages: SUBJECT TO SECTION 9(c) OF THIS APPENDIX, IN RESPECT OF ANY CLAIM, DEMAND OR ACTION BY CUSTOMER AGAINST MODERN CAMPUS OR ANY OF ITS EMPLOYEES, DIRECTORS, OFFICERS, OR AGENTS WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE, INCLUDING A BREACH BY MODERN CAMPUS OF ANY OF ITS OBLIGATIONS UNDER THIS AGREEMENT (WHETHER OR NOT A FUNDAMENTAL BREACH), OR DAMAGES RESULTING FROM MODERN CAMPUS' NEGLIGENCE OR WILLFUL MISCONDUCT, CUSTOMER'S EXCLUSIVE REMEDY SHALL BE TO RECEIVE FROM MODERN CAMPUS PAYMENT FOR ACTUAL AND DIRECT DAMAGES TO A MAXIMUM AGGREGATE AMOUNT EQUAL TO THE AMOUNT PAID BY CUSTOMER TO MODERN CAMPUS IN THE TWELVE (12) MONTHS PRECEDING THE EVENT THAT CAUSED THE CLAIM, DEMAND OR ACTION UNDER THE CATEGORY OF SUBSCRIPTION FEES.
- (c) Exception: NOTWITHSTANDING SECTION 9(b) ABOVE, THE LIMITATION SET OUT THEREIN SHALL NOT APPLY TO ANY DATA BREACH CAUSED BY MODERN CAMPUS' GROSS NEGLIGENCE, IN WHICH CASE CUSTOMER'S EXCLUSIVE REMEDY SHALL BE TO RECEIVE FROM MODERN CAMPUS PAYMENT FOR ACTUAL AND DIRECT DAMAGES TO A MAXIMUM AGGREGATE AMOUNT EQUAL TO FIVE MILLION DOLLARS (\$ USD 5,000,000).

10. MISCELLANEOUS

- (a) Governing Law: This Agreement shall be governed by, and construed and enforced in accordance with, the laws in force in the state of Delaware. The Parties hereto agree to submit to the jurisdiction of the courts of the state of Delaware and waive any objection relating to improper venue or forum non conveniens to the conduct of any proceeding in any such court.
- (b) Modifications: This Agreement may be modified only upon written agreement by the Parties hereto.
- (c) Severability: In the event that any provision (or any portion of a provision) of this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision (or portion of a provision) had never been contained herein in regards to that particular jurisdiction.
- (d) Assignment: Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either Party in whole or in part without the prior written consent of the other Party, except that either Party may assign this Agreement with all of its obligations and rights to an Affiliate or to an entity which acquires all or substantially all of the assets and business of the Party by merger, sale of assets, sale of stock, operation of law or otherwise.
- (e) No Agency: Nothing herein shall be deemed to constitute either Party as an agent, representative or employee of the other Party, or both Parties as joint venturers or partners for any purpose. Each Party shall act solely as an independent contractor and shall not be responsible for the acts or omissions of the other Party. Neither Party will have the authority or right to represent nor obligate the other Party in any way.
- (f) Modern Campus and Learning Workforce & CommunityBrand Protection: The logo "Powered by Modern Campus" or "Powered by Learning Workforce & Community", with embedded link to Modern Campus website, will appear in appropriate visible locations within the Software including Login pages.

- (g) Customer List: Modern Campus is permitted to list the Customer's logo and name in marketing materials including within a customer list composed of other Modern Campus customers.
- (h) Force Majeure: No delay, failure, or default, other than a failure to pay Fees when due, will constitute a breach of this Agreement to the extent caused by acts of war, terrorism, hurricanes, earthquakes, other acts of God or of nature, strikes or other labor disputes, riots or other acts of civil disorder, embargoes, or other causes beyond the performing party's reasonable control provided that written notice of delay (including anticipated duration of the delay) shall be given by the affected Party to the other Party within ten (10) days of the affected Party first becoming aware of such event.
- (i) No Waiver: Neither Party will be deemed to have waived any of its rights under this Agreement by lapse of time or by any statement or representation other than by an authorized representative in an explicit written waiver. No waiver of a breach of this Agreement will constitute a waiver of any other breach of this Agreement.
- (j) Cooperative Purchasing: Any university, college or other educational institution in Colleges and Universities in the state of Arizona shall be eligible to purchase any Modern Campus products under the terms of, and be governed by, this Agreement at the then rate set by Modern Campus. Each such purchase will be reflected on a separate Order Form or Statement of Work, executed specifically for that purchase. Each purchaser shall be responsible for its own purchases and shall be liable only for goods or services ordered and received under the Order Form or Statement of Work to which it is a party.

11. DEFINITIONS

In this Agreement, the following terms shall have the following meanings:

"Affiliate" means any corporation or entity controlling, controlled by or under common control, directly or indirectly with Modern Campus or the Customer, as applicable.

"Authentication ID" means a security mechanism by which an Authorized User identifies herself or himself to the System and gains access thereto, which security mechanism may include user identification, passwords, digital certificates or any other similar process mechanism for authentication and recognition as determined by Modern Campus from time to time.

"Authorized User" means any company or individual, including Customer's employees, agents, clients, consumers, students or instructors, who Customer has authorized to access and use the Services.

"Business Day" means any calendar day except for Saturday or Sunday or any statutory holiday observed in the state of California and in the State of Arizona.

"Change Request" means any document detailing Customer service requests or Software customizations, along with pricing, that requires approval in writing by both parties.

"Confidential Information" means this Agreement; all data and information relating to the business and management of either Party, including Customer Data; the Software, including its design, ideas embodied therein, models and databases; and marketing, financial or personnel data of a Party, provided, however, that Confidential Information shall not include any data or information which:

- (i) is or becomes publicly available through no fault of the Party to whom disclosure is made;
- (ii) is disclosed to a Party by a third party under no obligation of confidentiality to the other Party; or
- (iii) is further disclosed with the prior written consent of the disclosing Party.

"Customer Data" means any data, content, and information in electronic form input or collected through the System by or from Customer, including without limitation by Customer's clients.

"Customer's Point of Contact" has the meaning ascribed to it in Section 2(c)(i) of Exhibit A.

"Fees" means collectively the Service Fees, Subscription Fees, and any Other Fees, where "Service Fees", "Subscription Fees", and any "Other Fees" are set out in Appendix 1 to this Agreement.

"Hours of Support" means between the hours of 9:00 a.m. and 8 p.m. Eastern Time (standard or daylight, as the case may be) on Business Days. Hours of support for Severity 1 issues (out of service) are 24 hours a day, 7 days per week.

"Objectionable Content" means content that infringes any applicable laws, regulations or third person's rights, and content which is in breach of any person's intellectual property rights.

"Person" means any individual, estate, sole proprietorship, firm, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, limited liability company, corporation, body corporate, trustee, trust, governmental authority or other entity or organization and includes any successor to any of the foregoing.

"Resolution" has the meaning ascribed to it in Section 1(f)(iv) of Exhibit A.

"Revenue" is defined as all revenues, net of discounts and refunds, that Customer charges, bills, invoices, or receives through the direct or indirect usage of the Software and may include, but is not limited to tuition fees, event or add-on fees, special requests, administrative fees, supplementary fees, other purchases through any use of the Software whatsoever, and includes indirect Revenue received in another system as a result of the purchased program, course, or other item being marketed through Modern Campus.

"Service" means collectively the services to be provided by Modern Campus to Customer as described and set out in this Agreement.

"SLA" – means Modern Campus' standard service level agreement as defined in Exhibit B.

"Software" means the software, modules, tools, and other features provisioned and made available to Customer set out in Appendix 1 to this Agreement.

"Statement of Work (SOW)" is a document detailing Customer service requests or Software customizations that contains schedule, roles and responsibilities, and other project-based information and requires approval in writing by both parties.

"System" means collectively: (i) the Software; and (ii) the computer server that houses the Software and those devices and peripherals physically located with such server located behind Modern Campus' border router, which is used to establish connectivity from the System to the public Internet.

"Term" means collectively the Initial Term and any Renewal Term; where the "Initial Term" and any "Renewal Term" are set out and defined in Appendix 1 to this Agreement.

"User Documentation" means online help and any additional materials published by Modern Campus with respect to System functionality.

"Use Rights" means the parameters by which Customer may use the Software set out in Appendix 1 to this Agreement.

"Virus" means a piece of code usually (but not necessarily) disguised as something else that causes some unexpected and, for the victim, usually undesirable, event and which is designed so that it may automatically spread to other computer users; the term 'Virus' will also be deemed to include worms, cancelbots, trojan horses, harmful contaminants (whether self-replicating or not) and nuisance causing or otherwise harmful applets.

Exhibit A

SUPPORT

1. SCOPE

- (a) Generally: Modern Campus shall provide the Support Services in accordance with the provisions of this Exhibit.
- (b) Provision of Updates: From time to time, Modern Campus shall deploy updates to the Software as and when developed by Modern Campus. Modern Campus reserves the right to update any production hosted environment, in collaboration with the Customer, within 30 days of the availability of the Software update.
- (c) Exclusions: Modern Campus' obligations hereunder do not include maintenance services on any third-party software, or monitoring or otherwise managing customer's on-premise computing environments. Under no circumstances do Modern Campus' obligations under the SLA include, without a separate services engagement, any onsite support services, or training.
- (d) Description of Support: Subject to Customer providing First Level Support and performing its other obligations as described herein, Modern Campus shall provide support through its online support portal during the Hours of Support. Support shall consist of:
 - a. Verifying and/or confirming the Severity Level of Customer's query; and
 - b. Providing Customer with any readily available Resolution, which may be a temporary Resolution until a permanent Resolution can be developed, or a work around to rectify an Error.
- (e) Severity Level Classifications: Modern Campus' help desk and Customer's Point of Contact will reach agreement on the severity of each issue according to the severity classifications contained in this Section. If agreement cannot be reached, the issue will be escalated to a representative of Modern Campus' and Customer's management to reach agreement. Modern Campus will use commercially reasonable means to address the issue within the specified timeframes contained herein depending on the severity level.

Severity 1

- A problem fits the classification of Severity 1 when any one of the criteria shown below is met.
- o No access to the Software's core functionality for all Customer end users due to Software.
 - o Severely limited ability to use major functionality of the Software AND there is an imminent mission-critical business deadline and/or significant business impact for all Customer users.

Severity 2

- A problem fits the classification of Severity 2 when any one of the criteria shown below is met.
- o Limited ability to use a major feature or functionality of the Software and there is no reasonable Workaround.
 - o Complete inability to use the Software for a small or non-significant portion of Customer's organization.

Severity 3

Severity 3 is the default severity of new tickets unless specific criteria for Severity 1 or Severity 2 can be demonstrated. A problem fits the classification of Severity 3 when any one of the criteria shown below is met.

- o Loss of Software functionality to an individual user or group with minor overall business impact.
 - o Identified errors that require final resolution in software but whereby a suitable workaround has been provided.
 - o Minor cosmetic or functional errors that do not stop users from performing required task
- (f) Response Times and Resolution:
- (i) For any problems that are outside of the scope of Customer's First Level of Support, Customer's Point of Contact shall contact Modern Campus' online support portal.
 - (ii) Any issues left from the Customer Point of Contact to the Modern Campus online support portal will be responded to through the creation of a trouble ticket according to the following Response Times only during Hours of Support from the time the message was left:
 - Severity 1: 1 hour
 - Severity 2: 4 hours
 - Severity 3: Next business day
 - (iii) Modern Campus shall attend to each of Customer's reported Incidents based upon Severity Level, and, for Incidents of the same Severity Level, based upon the date and time of receipt of the reported Incident unless otherwise directed.
 - (iv) "Resolution" means any action, software, script, workaround or other means to enable the Software to run as per the User Documentation.
 - (iv) Targeted time for Resolution of problems from start of Resolution efforts are shown below.
 - Severity 1: 4 hours
 - Severity 2: 8 hours only during the Hours of Support
 - Severity 3: to be considered for correction in the next fix pack, or product release
 - (v) Modern Campus does not warrant that, in all circumstances, it will be able to provide a Resolution in the time frames specified. Customer shall co-operate promptly with Modern Campus in the investigation, diagnosis, and Resolution of incidents. If Modern Campus anticipates that the expected resolution time will not be met then a revised resolution time will be communicated to Customer's Point of Contact before the expected resolution time expires.

2. CUSTOMER'S OBLIGATIONS

- (a) Customer's Help Desk: Customer shall establish and maintain a help desk to provide First Level Support for Customer's users of the Software. Each individual on the Customer's help desk must be knowledgeable with respect to the use and operation of the Software and have the ability to diagnose the source of the problem. For greater certainty, such diagnostic ability means the ability to determine whether the problem relates to hardware, network, third party software or an issue with the Modern Campus Software.
- (b) First Level Support: Customer shall provide to its users and perform First Level Support prior to contacting Modern Campus regarding any issues. The First Level Support consists of the following requirements:
 - o Customer end user support regarding the use and operation of the Software;

- o Resolution of Customer internal tickets that represent Software that is working as designed according to documentation, training, or help materials;
- o User identification and password maintenance;
- o Customer equipment support;
- o Maintenance of Customer internal network;
- o Problem detection and escalation to Modern Campus' help desk;
- o Customer internal problem ticket management (Open/Notification, Documentation/Logging, Follow-ups, Reporting) and
- o Problem diagnosis and resolution in conjunction with Modern Campus' help desk.

Customer will perform an analysis of the problem identified by its users and resolve those problems within its scope of responsibility. If the problem is within the scope of Modern Campus' responsibility then Customer shall escalate the problem to Modern Campus' help desk by contacting Modern Campus' help desk.

(c) Contacting Modern Campus:

- (i) The Customer will provide a single point of contact to the Modern Campus Help Desk and two (2) alternatives (collectively referred to as the "Customer's Point of Contact").
- (ii) Only those individuals designated by Customer as Customer's Point of Contact may contact Modern Campus' help desk to resolve problems regarding the use of the Software that Customer's help desk cannot otherwise resolve. Modern Campus shall not be obligated and may not respond to any users or from any employees of Customer other than the Customer's Point of Contacts or, at the discretion of Modern Campus, employees on Customer's help desk.
- (iii) Customer shall not contact Modern Campus for any issues that are to be resolved by Customer under "First Level Support". In the event that Customer contacts Modern Campus' help desk with "First Level Support" issues, Modern Campus shall notify Customer of the improper use of Modern Campus' help desk. If the situation persists after receipt by Customer of such notice then, if mutually agreed upon, Modern Campus may charge Customer additional fees based on time for handling such "First Level Support" issues. Notwithstanding the preceding, and at any time, Modern Campus may refuse to respond or process any issues classified as "First Level Support".
- (iv) Modern Campus will provide Customer with complete contact information for the Modern Campus Help Desk and will notify the Customer single point of contact at least 24 hours in advance of changes in the contact information.

Exhibit B

SOFTWARE HOSTING

- (a) Description of Application Hosting: Modern Campus will provide application hosting for the Customer as described herein, on the intended environment defined by Modern Campus, and those ongoing activities required to make the Software available to the Customer on an ongoing basis.
- (b) Service Levels: Modern Campus will maintain 99.95% availability for Customer on a monthly basis. Availability as defined by the ability for authorized users to access and/or login to the application as well as ability for regular use of the Software and Services (excluding downtime due to required services outside of Software or Modern Campus control such as identity management integration, credit card merchant service availability etc.). Scheduled routine maintenance, critical maintenance, denial of service attacks or any event, or a series of related events, which are outside the reasonable control of Modern Campus for affecting normal availability, will not be included in availability calculations. Routine maintenance is defined as general enhancement to the application. Critical maintenance is defined as updates requiring immediate application to ensure security or stability in response to potential environmental threats.

Under no circumstances will availability calculations include any downtime that can be identified as resulting from Customer network, Customer computers, or other reasons outside of Modern Campus' control.

Routine maintenance is scheduled at such times to minimize the impact of any downtime of the System to Customer.

In the event that, during the Initial Term or Renewal Term, the Application Hosting fails to meet the availability commitment set out for the Application Availability then Modern Campus shall issue service credits calculated in accordance with the following to the Customer for that particular month, such service credits to be deducted by Modern Campus from future Charges.

$$\text{Service Credit} = (3 \times (\text{Up-Time Target Percentage} - \text{Actual Up-Time Percentage})) * (\text{Annual Subscription Fee}/12 \text{ months})$$

- (c) Service Level Monitoring: Modern Campus will utilize appropriate measurement and monitoring tools and procedures necessary to measure its performance of the Support Services and compare such performance to that required by the service levels.
- (d) Redundant Systems: The Software will at all times be maintained on servers and other hardware (the "Primary Hardware") maintained by or on behalf of Modern Campus that will be located in a data center ("Data Center") that employs industry-leading security measures, with regard to both physical security (e.g., restricted access to servers, etc.) and electronic security (e.g., firewalls). Modern Campus will also provide for redundant servers and other hardware ("Redundant Hardware") at such Data Center so that, if the Primary Hardware malfunctions, the Redundant Hardware will host the Software according to the specifications set forth herein.
- (e) Backup: Modern Campus encrypts all database backups at rest and targets a recovery point objective of 1 day (RPO). Database backups are kept for 31 days.
- (f) System Access: Modern Campus does not give Customers direct access to the production database, except through the use of the Software, for security and data protection purposes. Access to

Customer data without utilizing the production database can be done through the use of the Archive database subscription option for the Learning Workforce & Community product.

- (g) Disaster Recovery: Learning Workforce & Community is hosted on a fully redundant infrastructure that ensures that the Learning Workforce & Community application will operate under normal circumstances with minimal or no downtime in the case of specific, individual component hardware failure. Automated messaging is in place and designed to alert Modern Campus staff of any potential service degradation.

Application data is also redundantly stored in multiple physical locations as part of normal operations of these services. Modern Campus performs database backups as per the Backup Plan. Database backups will be encrypted during storage.

A detailed Disaster Recovery Planning Checklist is developed collaboratively between the Customer and Modern Campus Solutions prior to a production go-live to ensure that roles and responsibilities of both organizations are understood.

Without limiting the foregoing, Customer reserves the right to test the validity of the disaster recovery instance on a quarterly basis through a Modern Campus assisted process whereby the instance will be logged into, and reasonable review of functionality and existing data will be performed, to determine that the instance is valid and up to date.

Exhibit C

3RD PARTY HOSTING

1. ON-PREMISE HOSTING

Modern Campus staff may be requested by Customer, as indicated in the Agreement, to install or configure software or components on Customer owned equipment (e.g. Customer production web hosting server), and Customer will provide all approvals and authorizations required to carry out such activities in writing.

2. 3RD PARTY WEB HOSTING

If Customer purchases production web server hosting services from Modern Campus, this hosting may be provided by a third-party vendor if indicated in the Agreement. Any inability to connect to 3rd party arranged hosted services due to failures or improperly configured services at a third-party hosting facility (including but not limited to DNS services, VPNs, or Internet transport solutions) shall not be considered as outages of Modern Campus hosted solutions.

Exhibit D

SOFTWARE DESCRIPTION – Modern Campus Lifelong Learning Workforce & Community Edition

Modern Campus Lifelong Learning Workforce & Community Core Software	Lifelong Learning Workforce & Community Software installed on one production installation providing access to documented functionality a single branded Site.
Certificate Essentials	Lifelong Learning Workforce & Community software module for managing certificate programs with completion criteria, electives, and related features.
Contract Training Essentials	Lifelong Learning Workforce & Community software module for managing relationships with corporate partners and run contract training classes, and related features.
Contract Training Premium	Lifelong Learning Workforce & Community software module for managing contract lifecycle, from proposals to contract and services, and related features.
Badging, Powered by Credly®	Lifelong Learning Workforce & Community integration with Credly® Badging service to allow for issuing of badges directly from Workforce & Community.
Dashboards	Lifelong Learning Workforce & Community software module for viewing graphical and interactive data visualizations.
Supported State Reporting	Lifelong Learning Workforce & Community software module for state-specific reporting (PA, WI, CA, TX, OK, OH, ID, SC, MD)
Modern Campus Career Pathways	Modern Campus software that drives engagement and enrollment growth by providing relevant job information to prospects and students to understand what programs and courses they should take to meet their goals.
Payment Processors	Lifelong Learning Workforce & Community PCI-DSS compliant gateway to a supported Payment Processor. Customer is required to provide all necessary processor-specific licensing, merchant account services, and credentials to third-party payment processor. USA ePay is an exception where licensing will be coordinated by Modern Campus.
LMS Integration	Lifelong Learning Workforce & Community supplied code and tools, and documentation, to facilitate creation of interface files or API integration to supported LMS.

Authentications Service

Lifelong Learning Workforce & Community software for integration with external authentication service provider. Customer is required to provide all necessary provider-specific licensing, services, and credentials to third-party authentication service.

API (Web Services)

Lifelong Learning Workforce & Community supplied code and tools, and documentation, to facilitate access to Workforce & Community data objects through a SOAP API.

Data Import and Export Tools

Lifelong Learning Workforce & Community standard import file formats for large volume imports into Workforce & Community database for data migration purposes. Default export file formats for large volume data exports are also provided.

ed2go Integration

Lifelong Learning Workforce & Community software for integration with ed2go course catalogs. Customer is required to provide all necessary provider-specific licensing, services, and credentials to ed2go.

Genoo Essentials

Lifelong Learning Workforce & Community software for integration with Genoo CRM. Customer is required to provide all necessary provider-specific licensing, services, and credentials to Genoo. Essentials includes up to 180,000 emails sent through Genoo annually. Emails sent over this cap will be billed by Modern Campus to the client at a market rate set by Genoo.

Genoo Premium

Lifelong Learning Workforce & Community software for integration with Genoo CRM. Customer is required to provide all necessary provider-specific licensing, services, and credentials to Genoo. Premium includes up to 600,000 emails sent through Genoo annually. Emails sent over this cap will be billed by Modern Campus to the client at a market rate set by Genoo.

PeopleSoft Integration

Lifelong Learning Workforce & Community supplied code and tools, and documentation, to facilitate integration between Workforce & Community data objects and PeopleSoft Campus Solutions data objects, for supported use cases, using the Workforce & Community Middleware Cloud.

Ellucian Banner Integration

Lifelong Learning Workforce & Community supplied code and tools, and documentation, to facilitate integration between Workforce & Community data objects and Ellucian Banner data objects, for supported use cases, using the Workforce & Community Middleware Cloud.

Ellucian Colleague Integration

Lifelong Learning Workforce & Community supplied code and tools, and documentation, to facilitate integration between Workforce & Community data objects and Ellucian Colleague data objects, for supported use cases, using the Workforce & Community Middleware Cloud.

Anthology Integration5

Lifelong Learning Workforce & Community supplied code and tools, and documentation, to facilitate integration between Workforce & Community data objects and Anthology Student data objects, for supported use cases, using the Workforce & Community Middleware Cloud.

Messaging Connector for Workforce & Community

Lifelong Learning Workforce & Community supplied code and tools, and documentation, to facilitate integration between Workforce & Community and Modern Campus Message for conversational text messaging.

Automated Back Up and Disaster Recovery

Lifelong Learning Workforce & Community automated processes to backup the production database on a scheduled basis and Modern Campus shall manage a recovery plan and process to quickly restore access in the event of a disaster.

Test (Staging) Instance 7X24 Availability

Lifelong Learning Workforce & Community utilized on an additional Software instance for test purposes.

Exhibit E

SERVICE DESCRIPTION – Modern Campus Lifelong Learning Workforce & Community

MODERN CAMPUS IMPLEMENTATION APPROACH

The implementation approach consists of both Modern Campus-led and Customer-led activities utilizing Modern Campus Subject Matter Expertise. Modern Campus, in collaboration with Customer, will perform the following activities during implementation as applicable for the Service Package defined in Section 3 of Appendix 1 of this Agreement.

SETUP AND IMPLEMENTATION ACTIVITIES

Guided Tour: Product functional overviews delivered via video conference to ensure project participants have the required level of Learning Workforce & Community (LLL W&C) functional knowledge in order to effectively start using their LLL W&C test instance.

Instance Activation & Configuration: A starter LLL W&C Software instance will be activated and made available to Customer for review, training, and configuration purposes. Clients will be guided on how to configure their instances leveraging the LLL W&C Configuration Editor.

Discovery Sessions: Online sessions to review implementation options and gather preliminary requirements related to integrations (including payment processor), data migration and Public View.

Access to Online Project Site: An online project and task management application that provides a centralized communication and document repository, efficient task management, effective project milestone and timeline management, integrated project plan, project status tracking and updates, risks and issues log and decision log.

BOOTCAMP

A core group of the Customer's subject matter experts work with the Modern Campus implementation consultant to map business processes to LLL W&C, verify and validate 'day in the life' scenarios, execute initial import of core curriculum operational data, and complete as many of the configuration changes as possible.

During this step, multiple workshop sessions are held in specific areas including: (1) system configuration, (2) program office and costing unit set up, (3) roles and permissions, (4) accounting, (5) curriculum base data set up, (6) Public View enrollment, (7) reports, (8) data migration and (9) system integration. Each session is tailored to the Customer's specific requirements and schedule.

SUBJECT MATTER EXPERTISE AND MENTORING

Customer may rely on Modern Campus for subject matter expertise in a number of areas including: (1) implementation planning & execution, (2) post onsite configuration, (3) data migration, and (4) leveraging the LLL W&C Middleware Cloud to implement required integrations between LLL W&C and other campus systems.

LLL W&C MIDDLEWARE CLOUD MENTORING AND TRAINING

LLL W&C Middleware Cloud documentation is reviewed and mentoring / training provided to assist Customer in adopting the LLL W&C Middleware Cloud services into Customer IT/development process.

PROJECT MANAGEMENT SUPPORT

While Customer is assumed to own overall project management of the implementation, Modern Campus staff may provide project management assistance, and support for various implementation tasks as required.

GAP ANALYSIS AND PROJECT DEFINITION

If customizations are anticipated and required, a formal Gap Analysis process will be undertaken to identify all gaps, prioritize them, size mandatory customizations, and document for Customer approval.

DATA MIGRATION PLANNING AND EXECUTION SUPPORT

For large data migration projects, additional support, guidance and subject matter expertise when using Modern Campus' data import tools may be required.

UAT PLANNING AND EXECUTION SUPPORT

While it is assumed that Customer owns all acceptance testing processes, Modern Campus can provide assistance and guidance on the creation of an appropriate User Acceptance Test Plan and Execution process based on the identified configurations and/or customizations.

PRODUCT TRAINING

Modern Campus led training geared to the Customer's specific requirements delivered by the consultant in person or via video conference. Training presentations and templates are provided to the Customer upon completion of the training.

Request to Approve Purchase of ACA (Affordable Care Act) Compliance Service

Recommendation:

Staff recommends approval to purchase the ACA (Affordable Care Act) Health Compliance module from ADP for \$14,119.80.

Procurement Process and Budget Information:

This annual fee is included in the HR annual budget for 2526. As it is an integral application to the required annual IRS compliance and takes 26 weeks to implement the service with the vendor, we need to purchase this service now so we meet the filing deadline in first quarter 2026. This is an add-on module to ADP's payroll and time & attendance.

Summary:

The IRS requires the employer to electronically file their ACA report (1094) and also distribute to each eligible employee their IRS form (1095). Our current vendor (iSolved/Payday) electronically files for NPC and each employee can access their form in employee self-service. This IRS filing service is outside of the scope of what Anthology provides: Anthology instead provides to HR the mass file with all employee forms and expects HR to either email or snail-mail the forms to the employee. Since the form has the employee's social security number listed, this option is not preferred. Our current vendor's service is being turned off as Anthology and ADP are implemented; we will no longer have the current vendor for the 2025 filing deadline. Hence, we need to replace the vendor. The ACA compliance reporting is closely tied to payroll and benefits, therefore for continuity and accurate reporting it certainly makes sense to purchase the ADP ACA Health Compliance service. Their service will file on behalf of NPC and provide the employee form on employee self-service.

The cost breakdown is as follows:

YEAR ONE:

ADP payroll first year	\$35,245.18
ADP ACA compliance	<u>\$14,119.80</u>
Total	\$49,364.98

YEAR TWO:

ADP payroll second year	\$45,835.24
ADP ACA compliance	<u>\$14,119.80</u>
Total	\$59,955.04



January 10, 2025

Northland Pioneer College
2251 Navajo Blvd
Holbrook, AZ 86025-1824

Dear Christine Shaefer:

This Letter of Intent ("LOI") contains the terms for ADP, Inc. ("ADP") to provide certain services to Northland Pioneer College ("Client") in advance of the parties executing a more definitive agreement substantially in the form of ADP's applicable standard service agreement or via an amendment to the existing service agreement between the parties (the "Agreement") not later than May 28, 2025 (or other date mutually agreed to by ADP and Client). The intent of this LOI is to provide ADP with the necessary authorization to assign specific resources and perform necessary implementation/set up services as listed in the pricing agreed for inclusion in the Agreement set forth below.

Product/Service	Estimated Live Date
Health Compliance	June 27, 2025

The parties acknowledge that it is ADP's policy to require the execution of a final agreement prior to the commencement of live processing services or access to software that is licensed from ADP.

Client agrees to pay ADP at the pricing set forth below in accordance with ADP's standard billing procedures (or such other rates and procedures as set forth in the Agreement) for services rendered and reasonable travel expenses incurred under this LOI. Such pricing is conditional upon Client's execution of an Agreement. Payment shall be due 30 days from invoice date.

This LOI may be terminated by either party on 10 days prior written notice to the other party. Notwithstanding anything to the contrary herein, in the event (i) either party terminates this LOI for any reason or (ii) parties are unable to reach good faith agreement with respect to the Agreement by the date set forth above, all fees and expenses for services provided prior to the date of termination shall become immediately due and payable. Such amounts shall be calculated by multiplying the actual hours incurred by ADP (prior to termination) by \$95.00 per hour plus actual expenses incurred.

Please indicate your acceptance of this LOI by signing it below and returning one copy to Carolina Storms at WWCO_CoE_CoSoDADISM@adp.com. This LOI will otherwise expire in 90 days if not signed and returned to ADP.

Sincerely,
ADP, Inc.
Carolina Storms
Corporate Sales Manager
WWCO_CoE_CoSoDADISM@adp.com

ACCEPTED AND AGREED TO:
Client: Northland Pioneer College
By:
Name: Christine Shaefer
Title: VP HR
Date:



FINANCIAL DETAILS

ADP Implementation and Integration	One-Time Fee
Health Compliance	\$0.00

ADP Health Compliance	Quantity Assumed	Rate	Base	Annualized
Health Compliance	505	\$2.25 Per EE Per Month	\$0.00	\$13,635.00
ACA Solicitation and Tracking Services*****	505	\$0.08 Per EE Per Month	\$0.00	\$484.80
Total Estimated Fees				\$14,119.80

Billing for Health Compliance will begin on the date Health Compliance is available for use by CLIENT. The billing count is based on all lives in the database that are marked as either Active or Leave.

*****There will be additional charges of \$14 per mailing for required annual solicitations following client's receipt of IRS penalty Notice 972CG.

Client shall pay ADP for the above services based on Client's actual quantities or usage.

No Additional Pricing Information Follows

Revision of Policy 1102—Equal Opportunity, Harassment and Nondiscrimination

Recommendation:

Staff recommends revising Policy 1102, Equal Opportunity, Harassment and Nondiscrimination to reflect the changes made when a circuit court struck down the 2024 Title IX regulations, which returns the college to using the 2020 regulations. VPLSS Solomonson consulted with the college attorney on this policy change and the recommended wording for the revision of Policy 1102 is included below in the Summary section.

Summary:

NPC adheres to all federal, state, and local civil rights laws prohibiting discrimination and harassment in employment and education. NPC does not discriminate in its admissions practices, employment practices, or educational programs or activities on the basis of sex, except as may be permitted by law. As a recipient of federal financial assistance for education activities, NPC is required by Title IX of the Education Amendments of 1972 (Title IX) to ensure that all of its education programs and activities do not discriminate on the basis of sex. Discrimination or harassment on the basis of sex is prohibited under Title IX and by NPC Policy, and it includes sex-based harassment, sexual assault, dating and domestic violence, stalking, quid pro quo harassment, hostile environment harassment, disparate treatment, and disparate impact.

NPC also prohibits retaliation against any person opposing discrimination or harassment or participating in any internal or external investigation or complaint process related to allegations of sex discrimination or sexual harassment.

Any NPC faculty member, employee, or student who acts to deny, deprive, or limit the educational, employment, residential, or social access, opportunities, and/or benefits of any member of NPC community on the basis of sex is in violation of the Equal Opportunity, Harassment, and Nondiscrimination Policy.

Any person may report sex discrimination (whether or not the person reporting is alleged to have experienced the conduct) in person, by mail, by telephone, by video, or by email, using the contact information listed for the Title IX Coordinator (below). A report may be made at any time (including during non-business hours) by contacting the Title IX Office.

Questions regarding Title IX, including its application and/or concerns about noncompliance, should be directed to the Title IX Coordinator. For a complete copy of the Policy or more information, please visit <https://www.npc.edu/title-ix> or contact the Title IX Coordinator.

Mike Solomonson
Title IX Coordinator
SCC—PAC 114
928-536-6217
michael.solomonson@npc.edu

A person may also file a complaint with the appropriate federal, state, or local agency within the time frame required by law. Depending upon the nature of the complaint, the appropriate agency may be the U.S. Department of Education Office for Civil Rights (OCR), the Department of Justice, the Equal Opportunity Commission, and/or another appropriate federal or state agency.

- **Office for Civil Rights (OCR)**
Denver Office
Cesar E. Chavez Memorial Building, 1244 Speer Boulevard, Suite 310
Denver, CO, 80204-3582
Telephone: (303) 844-5695
Facsimile: (303) 844-4303
Email: OCR.Denver@ed.gov
- **Assistant Secretary for Civil Rights**
Office for Civil Rights, National Headquarters
U.S. Department of Education
Lyndon Baines Johnson Dept. of Education Building
400 Maryland Avenue, SW
Washington, DC 20202-1100
Telephone: 800-421-3481
Fax: 202-453-6012; TDD: 800-877-8339
Email: OCR@ed.gov

Within any Procedure related to this Policy, NPC provides reasonable accommodations to persons with disabilities and religious accommodations, when that accommodation is consistent with federal and state law.

Regular Meeting
Agenda Item 8.B.7
February 18, 2025
Action Item

Request to Approve Board Member Travel

Recommendation:

Staff recommends approval for Board Member Leslie to travel for the Higher Learning Commission Conference in Chicago, IL.

Summary:

Per Procedure 2036 – District Governing Board Travel “All travel for DGB members exceeding \$1000 must be approved by the DGB prior to travel.” Higher Learning Commission Conference is an important professional development opportunity for community college trustees, and other college affiliates concerned with accreditation. It is a time for community college leaders to hear the latest topics regarding college accreditation. The approximate cost to send a participant will be around \$3500 and money is available in the 2024-25 budget.



Northland Pioneer College

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