



Northland Pioneer College

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024



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**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

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# Introductory Section



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

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.

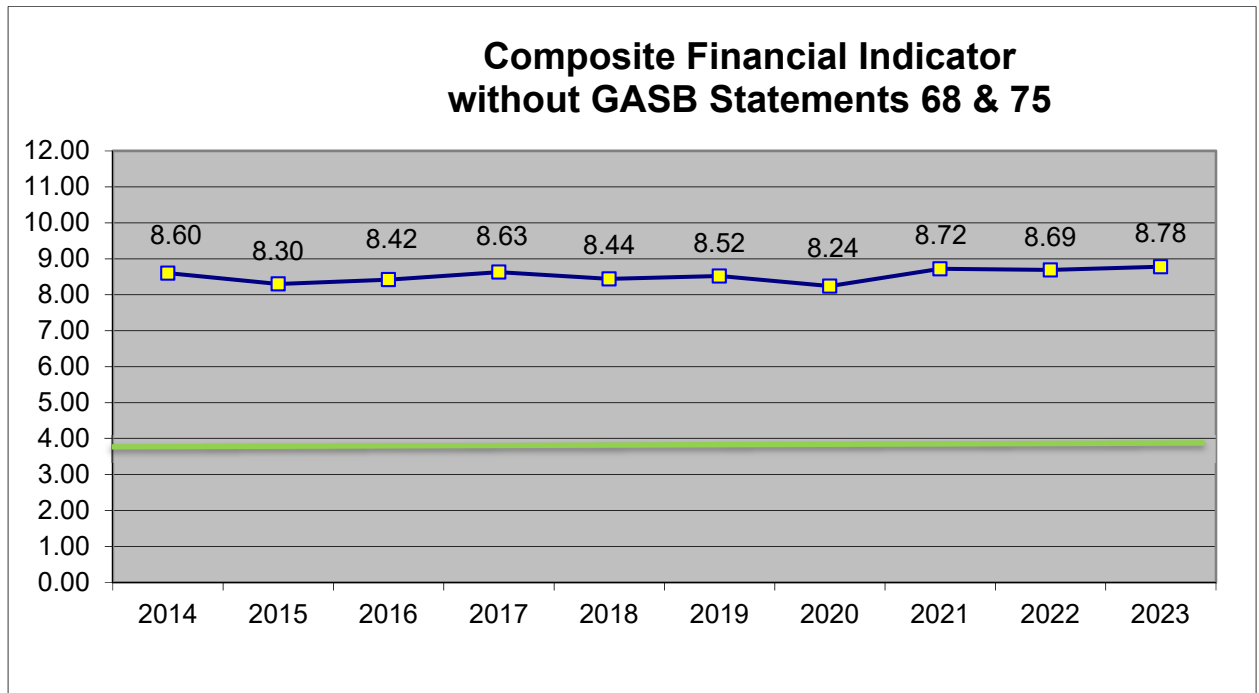
Campuses are located within four of the largest Navajo County communities of Holbrook, Show Low, Snowflake/Taylor and Winslow. Five center locations are located in Keams Canyon (Hopi), Kayenta, St. Johns, Springerville/Eager and Whiteriver. Central District Offices are located on the Holbrook campus.

**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 LIVES<sup>SM</sup>

## MISSION

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

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## 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.

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## VALUES

NPC upholds the following Values

- Integrity
- Inclusion
- Adaptability
- Civility
- Access

Read more at [www.npc.edu/mission-vision-values](http://www.npc.edu/mission-vision-values).

# Financial Section



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**Northland Pioneer College**  
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## 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.

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

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

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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>
<b>Assets:</b>				
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>
<b>Deferred Outflow of Resources:</b>				
Deferred outflows related to pensions	<u>3,205,221</u>	<u>3,200,000</u>	<u>5,221</u>	<u>0%</u>
<b>Liabilities:</b>				
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>
<b>Deferred Inflow of Resources:</b>				
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>
<b>Net Position:</b>				
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

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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.



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

	2024	2023	\$ Change	% Change
<b>Revenues:</b>				
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>
<b>Expenses:</b>				
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>

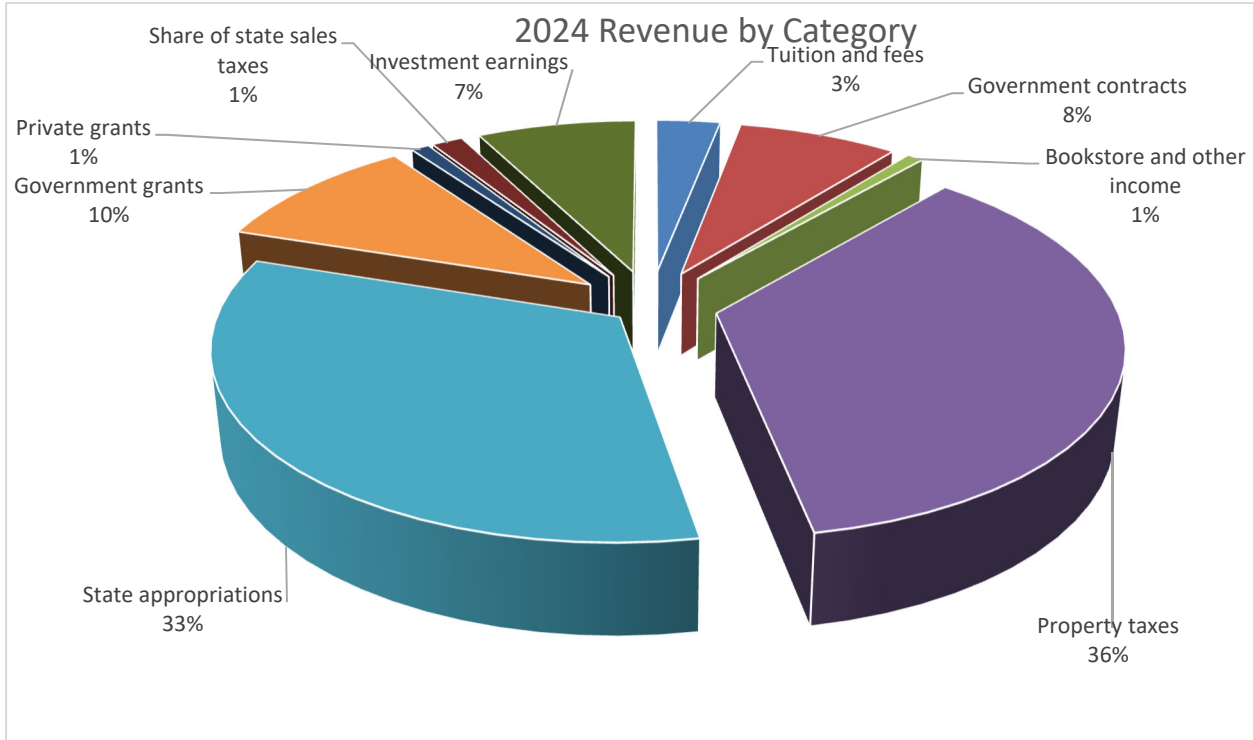
Total revenues exceed total expenses by \$7.4 million, a decrease of \$2 million compared to the prior year. The available funds will support future capital needs by setting aside resources as outlined in the District's *Future Capital Reserve* policy.

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

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

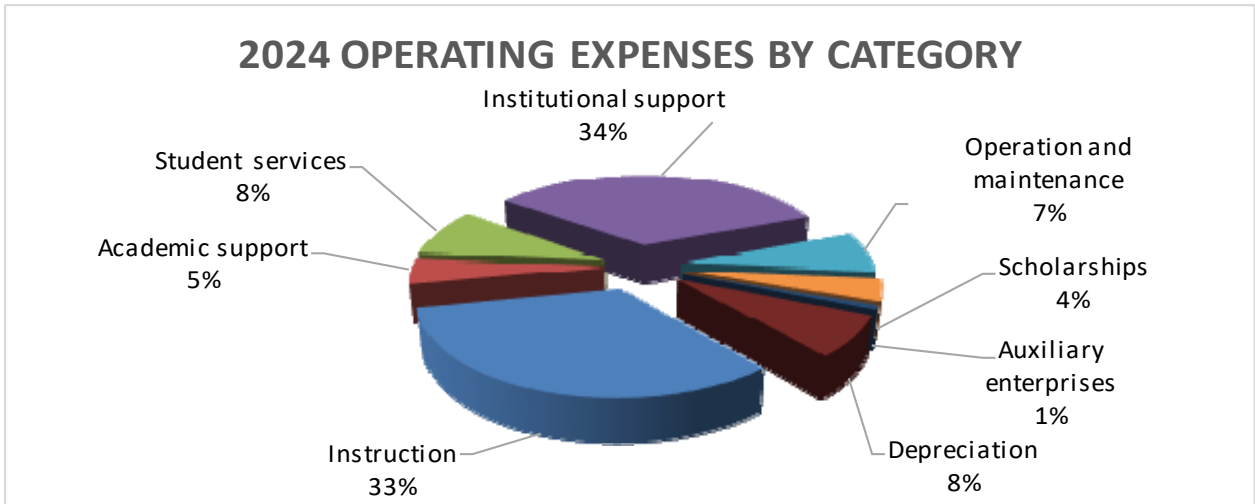


The District has historically, up until fiscal year 2022, set the property tax levy at the maximum rate allowed by statute, which is 2% plus an additional increase for new construction valuation and requires a Truth in Taxation Hearing. For the fiscal year 2023, the District set the property tax levy 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.

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	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Operating Expenses</b>				
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>
<b>Nonoperating Expenses</b>				
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

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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

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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

	<b>Business-Type Activities</b>
<b>Assets</b>	
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
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions	3,205,221
<b>Liabilities</b>	
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
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions	\$ 804,498
Deferred Inflows related to leases	358,329
Total deferred inflows of resources	\$ 1,162,827

(Continued)

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

	<b>Business-Type Activities</b>
<b>Net Position</b>	
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

	<u>NPC Friends &amp; Family</u>	<u>Northeast Arizona Training Center, Inc.</u>	<u>Total</u>
<b>Assets</b>			
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>
<b>Net Assets</b>			
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

	<b>Business-Type Activities</b>
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

	<b>NPC Friends &amp; Family</b>	<b>Northeast Arizona Training Center, Inc.</b>	<b>Total</b>
<b>Changes in Net Assets Without Donor Restrictions</b>			
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>
<b>Changes in Net Assets with donor restrictions</b>			
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

	<b>Business-type Activities</b>
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)

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

	<b>Business-Type Activities</b>
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.

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**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.

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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.

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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:

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	<b>Capitalization Threshold</b>	<b>Depreciation/ Amortization Method</b>	<b>Estimated Useful Life</b>
Land	All	Not applicable	Not applicable
Buildings	5,000	Straight-line	10 - 40 years
Improvements other than buildings	5,000	Straight-line	20 - 40 years
Intangibles:			
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.



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**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

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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:

<b>External investment pools measured at fair value</b>	<b>Amounts</b>
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:

<b>Investment Type</b>	<b>Rating</b>	<b>Agency</b>	<b>Amounts</b>
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.

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*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:

<b>Investment Type</b>	<b>Amount</b>	<b>Weighted Average Maturity (In Years)</b>
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.

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**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.

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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>

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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
<b>Total</b>	<b>\$ 771,213</b>	<b>\$ 194,296</b>

**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
<b>Total</b>	<b>\$ 260,893</b>	<b>\$ 10,603</b>

**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

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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](http://www.azasrs.gov).

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

	<b>Retirement</b>	
	<b>Initial membership date:</b>	
	<b>Before July 1, 2011</b>	<b>On or after July 1, 2011</b>
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.



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**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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
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)

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**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

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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

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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

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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.

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**B. Cash**

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

	<b>NPC Friends &amp; Family</b>	<b>NATC</b>
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.

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

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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:

	<b>NATC</b>
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.

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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



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(Northland Pioneer College)  
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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:

	Without Donor Restrictions	With Donor Restrictions	Total
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	(89,614)	(279,060)	(368,674)
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

**Arizona State Retirement System**

	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)
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**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
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><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
District's covered payroll	\$18,425,287	\$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
District's contributions as a percentage of covered payroll	12.07%	11.99%	12.18%	11.62%	11.42%	11.16%	10.86%	10.74%	10.78%	10.81%

# Statistical Section



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

## Statistical Section Introduction

In accordance with Governmental Accounting Standards Boards Statement No. 44, Economic Condition Reporting: This is the statistical section of Navajo County Community College District's (the District'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.

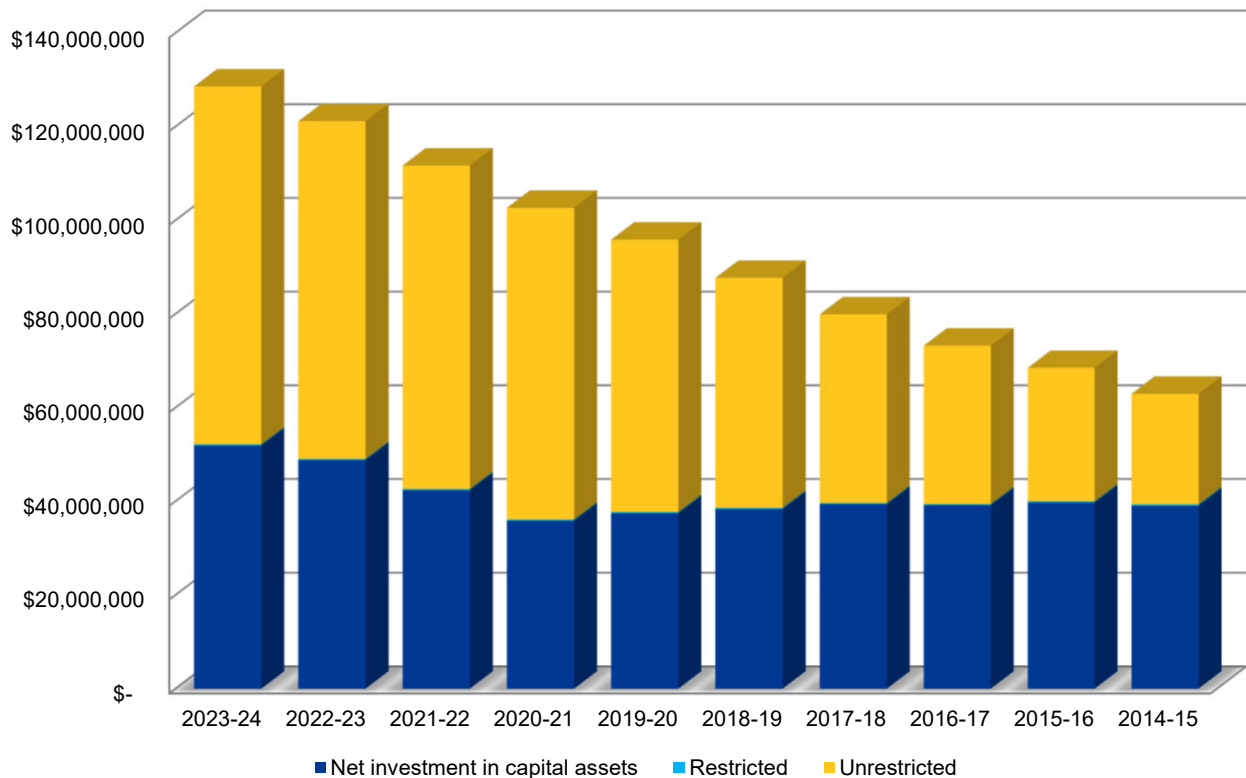
- Enrollment and Degree Statistics
- Student Enrollment and Demographic Statistics
- Employee Statistics
- Schedule of Capital Asset Information

**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
<b>Operating revenues:</b>										
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
<b>Total operating revenues</b>	<b>5,441,761</b>	<b>5,332,167</b>	<b>4,670,219</b>	<b>4,120,415</b>	<b>5,226,968</b>	<b>5,713,755</b>	<b>5,124,019</b>	<b>5,621,763</b>	<b>5,477,290</b>	<b>6,024,587</b>
<b>Operating expenses:</b>										
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	1,941,192
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
<b>Total operating expenses</b>	<b>40,140,056</b>	<b>35,737,031</b>	<b>31,991,181</b>	<b>30,501,207</b>	<b>29,588,781</b>	<b>28,171,222</b>	<b>27,242,192</b>	<b>28,232,323</b>	<b>28,336,687</b>	<b>29,533,567</b>
<b>Operating loss</b>	<b>(34,698,295)</b>	<b>(30,404,864)</b>	<b>(27,320,962)</b>	<b>(26,380,792)</b>	<b>(24,361,813)</b>	<b>(22,457,467)</b>	<b>(22,118,173)</b>	<b>(22,610,560)</b>	<b>(22,859,397)</b>	<b>(23,508,980)</b>
<b>Nonoperating revenues (expenses):</b>										
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)	-	-	-	-	-	-
<b>Total nonoperating revenues and expenses</b>	<b>42,127,337</b>	<b>39,862,804</b>	<b>36,345,203</b>	<b>33,182,150</b>	<b>32,506,495</b>	<b>30,260,898</b>	<b>28,797,257</b>	<b>27,358,021</b>	<b>28,391,836</b>	<b>26,904,735</b>
<b>Income before other revenues, expenses, gains or loss</b>	<b>7,429,042</b>	<b>9,457,940</b>	<b>9,024,241</b>	<b>6,801,358</b>	<b>8,144,682</b>	<b>7,803,431</b>	<b>6,679,084</b>	<b>4,747,461</b>	<b>5,532,439</b>	<b>3,395,755</b>
<b>Capital appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase in net position</b>	<b>7,429,042</b>	<b>9,457,940</b>	<b>9,024,241</b>	<b>6,801,358</b>	<b>8,144,682</b>	<b>7,803,431</b>	<b>6,679,084</b>	<b>4,747,461</b>	<b>5,532,439</b>	<b>3,395,755</b>
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).

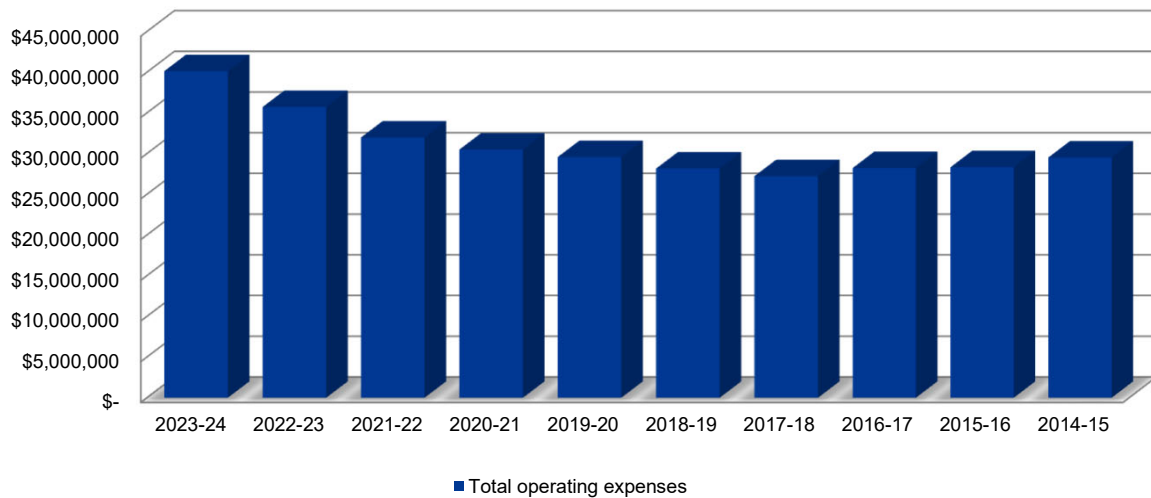
**Notes:**  
(1) In fiscal year 2014-15, beginning net position was restated for implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

**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>

**Total Operating Expenses**



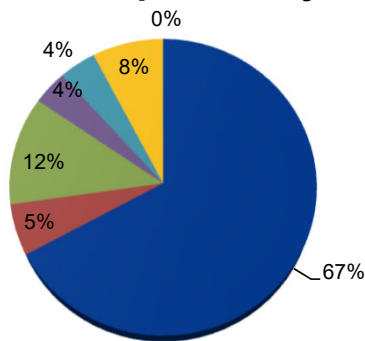
Source:  
Audited financial statements.

**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)
<b>Total operating expenses</b>	<b>40,140,056</b>	<b>35,737,031</b>	<b>31,991,181</b>	<b>30,501,207</b>	<b>29,588,781</b>
Non operating expenses	-	-	-	809,244	1,016,320
<b>Total expenses</b>	<b>\$ 40,140,056</b>	<b>\$ 35,737,031</b>	<b>\$ 31,991,181</b>	<b>\$ 31,310,451</b>	<b>\$ 30,605,101</b>

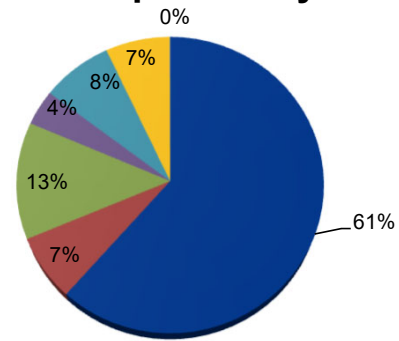
	2018-19	2017-18	2016-17	2015-16	2014-15
Compensation and benefits	\$ 16,677,080	\$ 16,818,499	\$ 17,121,078	\$ 17,635,444	\$ 18,189,910
Contract services	2,129,192	2,089,793	1,862,246	2,346,731	2,109,597
Supplies and other services	3,812,499	2,995,683	3,627,164	2,703,472	3,775,418
Communications and 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)
<b>Total operating expenses</b>	<b>28,171,222</b>	<b>27,242,192</b>	<b>28,232,323</b>	<b>28,336,687</b>	<b>29,533,567</b>
Non operating expenses	-	42,109	3,197	3,037	3,470
<b>Total expenses</b>	<b>\$ 28,171,222</b>	<b>\$ 27,284,301</b>	<b>\$ 28,235,520</b>	<b>\$ 28,339,724</b>	<b>\$ 29,537,037</b>

**FY23-24 Expenses by Use**



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

**FY14-15 Expenses by Use**



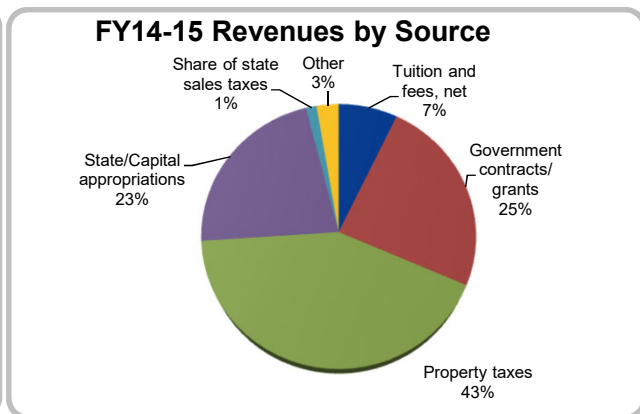
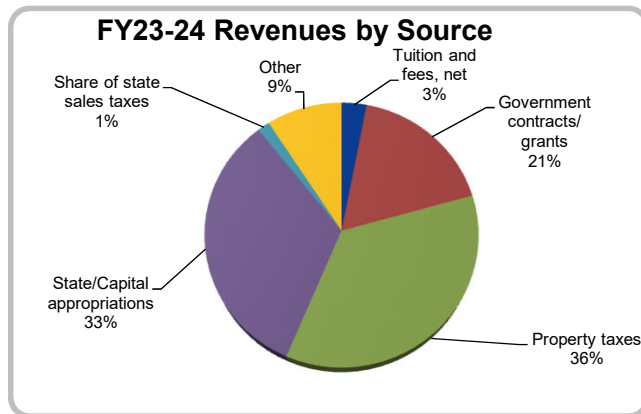
- Compensation and benefits
- Supplies and other services
- Scholarships
- Other
- Contract services
- Communications and utilities
- Depreciation

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
<b>Total operating revenue</b>	<b>5,441,761</b>	<b>5,332,167</b>	<b>4,670,219</b>	<b>4,120,415</b>	<b>5,226,968</b>
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
<b>Total nonoperating revenues</b>	<b>42,160,639</b>	<b>39,877,513</b>	<b>36,345,203</b>	<b>33,991,394</b>	<b>33,522,815</b>
Capital appropriations	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 47,602,400</b>	<b>\$ 45,209,680</b>	<b>\$ 41,015,422</b>	<b>\$ 38,111,809</b>	<b>\$ 38,749,783</b>

	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
<b>Total operating revenue</b>	<b>5,713,755</b>	<b>5,124,019</b>	<b>5,621,763</b>	<b>5,477,290</b>	<b>6,024,587</b>
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
<b>Total nonoperating revenues</b>	<b>30,260,898</b>	<b>28,839,366</b>	<b>27,361,218</b>	<b>28,394,873</b>	<b>26,908,205</b>
Capital appropriations	-	-	-	-	-
<b>Total revenues</b>	<b>\$ 35,974,653</b>	<b>\$ 33,963,385</b>	<b>\$ 32,982,981</b>	<b>\$ 33,872,163</b>	<b>\$ 32,932,792</b>



**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**

<b>Fiscal Year</b>	<b>Total Adjusted Tax Levy (1)</b>	<b>Current Tax Collections (2)</b>	<b>Percent of Current Tax Collections to Total Tax Levy</b>	<b>Collections in Subsequent Years (2)</b>	<b>Total Tax Collections (2)</b>	<b>Percent of Total Tax Collections to Total Tax Levy</b>
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:**

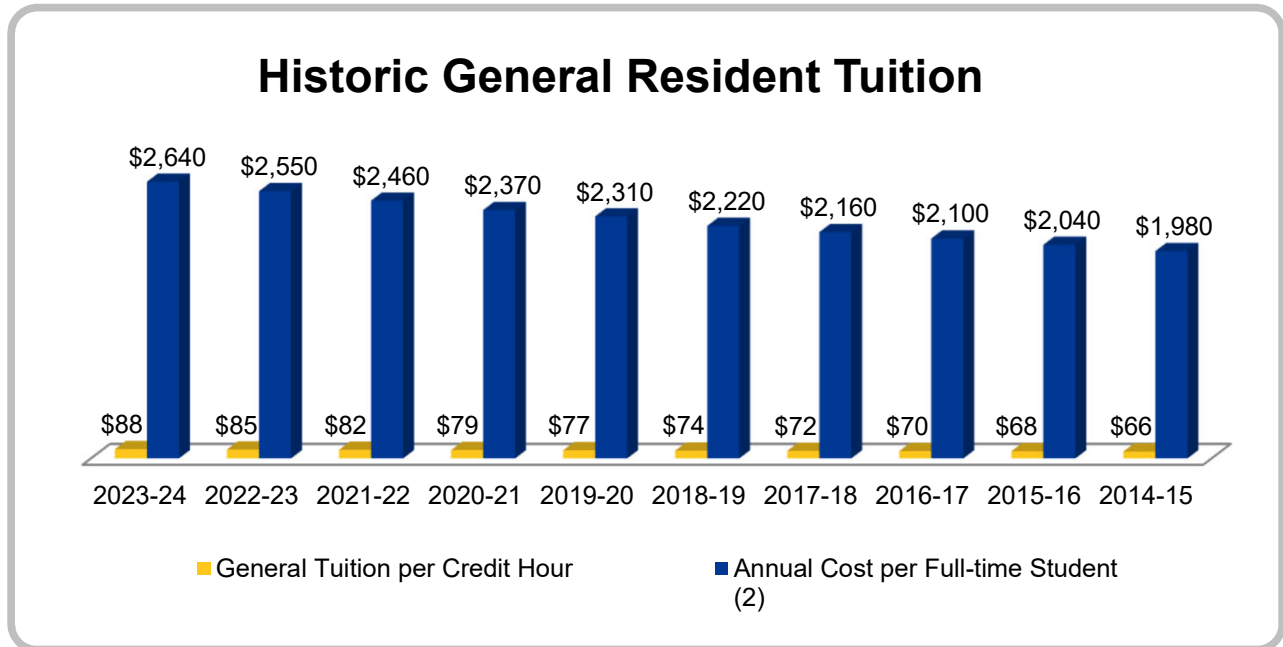
Navajo County Finance Department, 2023 Annual Comprehensive Financial Report.

**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**

<b>Fiscal Year</b>	<b>Lease Obligations (1)</b>	<b>Total Outstanding Debt</b>	<b>Per FTSE (2)</b>	<b>Per Capita</b>
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**

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

<b>Employment by Sector (1)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
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
<b>Total District (1)</b>	<b>2,825</b>	<b>2,740</b>	<b>2,786</b>	<b>2,703</b>	<b>3,008</b>	<b>3,182</b>	<b>3,021</b>	<b>3,044</b>	<b>3,354</b>	<b>3,211</b>

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
<b>Total District</b>	<b>1,358</b>	<b>1,327</b>	<b>1,284</b>	<b>1,308</b>	<b>1,491</b>	<b>1,500</b>	<b>1,468</b>	<b>1,440</b>	<b>1,601</b>	<b>1,529</b>

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**

<b>Fall Semester</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
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