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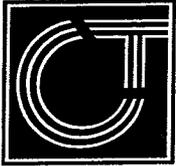
NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
(NORTHLAND PIONEER COLLEGE)

**REPORT ON AUDIT OF ANNUAL BUDGETED
EXPENDITURE LIMITATION REPORT**

YEAR ENDED JUNE 30, 1999

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
(NORTHLAND PIONEER COLLEGE)
**REPORT ON AUDIT OF ANNUAL BUDGETED
EXPENDITURE LIMITATION REPORT**
YEAR ENDED JUNE 30, 1999

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CRONSTROM & TRBOVICH

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Auditor General of the State of Arizona

The Governing Board of
Navajo County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Navajo County Community College District for the year ended June 30, 1999. This report is the responsibility of the District's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Budgeted Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with generally accepted accounting principles.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Navajo County Community College District for the year ended June 30, 1999, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the Annual Budgeted Expenditure Limitation Report taken as a whole. The accompanying Annual Expenditure Comparison Report is presented for purposes of additional analysis and is not a required part of the Annual Budgeted Expenditure Limitation Report. Such information has been subjected to the auditing procedures applied in the audit of the Annual Budgeted Expenditure Limitation Report and, in our opinion, is fairly stated in all material respects in relation to the Annual Budgeted Expenditure Limitation Report taken as a whole.

This report is intended solely for the information and use of the members of the Arizona State Legislature and the Governing Board, and for filing with the Auditor General of the State of Arizona and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Cronstrom & Trbovich, P.C.

Cronstrom & Trbovich, P.C.

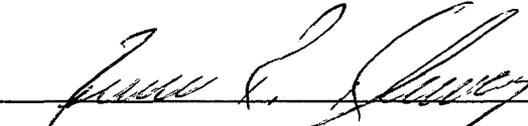
October 15, 1999

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
(NORTHLAND PIONEER COLLEGE)
Annual Budgeted Expenditure Limitation Report - Part I
Year Ended June 30, 1999

DRAFT

| | | |
|----|--|-------------------|
| 1. | Economic Estimates Commission expenditure limitation | \$ 11,911,074 |
| 2. | Budgeted expenditures subject to the expenditure limitation (from Part II, Line C) | <u>11,911,073</u> |
| 3. | Amount under the expenditure limitation. | <u>\$ 1</u> |

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: 

Name and Title: Bruce Klewer, Vice President of Administrative Services

Telephone Number: (520) 524-7680 Date: October 15, 1999

See accompanying notes to report.

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
(NORTHLAND PIONEER COLLEGE)
Annual Budgeted Expenditure Limitation Report--Part II
Year Ended June 30, 1999

| Description | Current Funds | | | Plant Funds | | Total |
|---|---------------|--------------------------|-------------|-------------|-------------------------------|--------------|
| | Unrestricted | | | Unexpended | Retirement of Indebtedness | |
| | General | Auxiliary Enterprises | Restricted | | | |
| A. Total budgeted expenditures | \$ 12,000,000 | \$1,158,790 | \$2,400,000 | \$1,800,000 | \$1,821,448 | \$19,180,238 |
| B. Less exclusions claimed: | | | | | | |
| 1. Bond Proceeds (Note 2) | | | | 797,793 | | 797,793 |
| Debt Service requirements on bonded indebtedness (Note 3) | | | | | 1,519,626 | 1,519,626 |
| Debt service requirements on other long-term obligations (Note 3) | | | | | 254,300 | 254,300 |
| 2. Dividends, interest, and gains on the sale or redemption of investment securities | 236,594 | | 472 | 337,627 | 47,522 | 622,215 |
| 3. Grants and aid from the federal government (Note 4) | 19,550 | | 2,057,669 | | | 2,077,219 |
| 4. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes | | | 127,655 | | | 127,655 |
| 5. Amounts received from the state for the purchase of land, and the purchase or construction of buildings or improvements | | | | | | - |
| 6. Contracts with other political subdivisions | 644,865 | | | | | 644,865 |
| 7. Tuition and fees (Note 5) | 1,133,030 | 92,462 | | | | 1,225,492 |
| 8. Prior years carryforward | | | | | | |
| 9. Total exclusions claimed | \$2,034,039 | \$92,462 | \$2,185,796 | \$1,135,420 | \$1,821,448 | \$7,269,165 |
| C. Amounts subject to the expenditure limitation | \$9,965,961 | \$1,066,328 | \$214,204 | \$664,580 | \$0 | \$11,911,073 |

See accompanying notes to financial statements.

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
(NORTHLAND PIONEER COLLEGE)
NOTES TO ANNUAL BUDGETED EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented on the basis of accounting prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes §41-1279.07, which excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21 from the total budgeted expenditures.

In accordance with the UERS requirements, a note to the ABELR is presented below for any exclusion claimed on Part II that cannot be traced directly to an amount reported in the annual financial statements.

NOTE 2 - Of the \$1,746,234 reported as expended for plant facilities in the Unexpended Plant Fund on the Statement of Changes in Fund Balances, only \$797,793 was expended from bond proceeds and, therefore, claimed as an exclusion.

NOTE 3 - Debt service requirements on bonded indebtedness and other long-term obligations in the Retirement of Indebtedness Fund consists of retirement of indebtedness and interest on indebtedness on the Statement of Changes in Fund Balances. Only \$1,773,926 was claimed as an exclusion. The remaining \$41,649 will be carried to future years.

NOTE 4 - Other revenues of \$97,704 reported in the Unrestricted Fund on the Statement of Current Funds Revenues, Expenditures, and Other Changes include \$19,550 from the reimbursement of indirect costs. Governmental grants and contracts revenues of \$2,199,330 reported in the Restricted Fund on the Statement of Current Funds Revenues, Expenditures, and Other Changes includes \$2,057,669 from federal grants and contracts.

NOTE 5 - Of the Tuition and Fees revenue of \$1,979,012 reported in the Unrestricted Fund on the Statement of Current Funds, Revenues, and Other Changes, only \$1,133,030 was included as an exclusion. The remaining \$845,982 will be carried to future years.

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
(NORTHLAND PIONEER COLLEGE)
Annual Expenditure Comparison Report
Year Ended June 30, 1999

| Description | Current Funds | | | Plant Funds | | Total |
|---|-------------------------|----------------------------|------------------------|------------------------|-------------------------------|-------------------------|
| | Unrestricted | | | Unexpended | Retirement of Indebtedness | |
| | General | Auxiliary Enterprises | Restricted | | | |
| A. Total budgeted expenditures reported within the Annual Budgeted Expenditure Limitation Report, Part II, Line A | <u>\$12,000,000</u> | <u>\$1,158,790</u> | <u>\$2,400,000</u> | <u>\$1,800,000</u> | <u>\$1,821,448</u> | <u>\$19,180,238</u> |
| B. Total expenditures and other deductions reported in the annual financial statements | <u>11,792,652</u> | <u>1,184,929</u> | <u>2,381,684</u> | <u>1,746,234</u> | <u>1,815,575</u> | <u>18,921,074</u> |
| C. Variance - favorable (unfavorable) | <u><u>\$207,348</u></u> | <u><u>(\$26,139) 1</u></u> | <u><u>\$18,316</u></u> | <u><u>\$53,766</u></u> | <u><u>\$5,873</u></u> | <u><u>\$259,164</u></u> |

1 The unfavorable variance resulted because the District received and spent more auxiliary operations revenue than was anticipated.