

Navajo County Community College District Annual financial statement and compliance audits

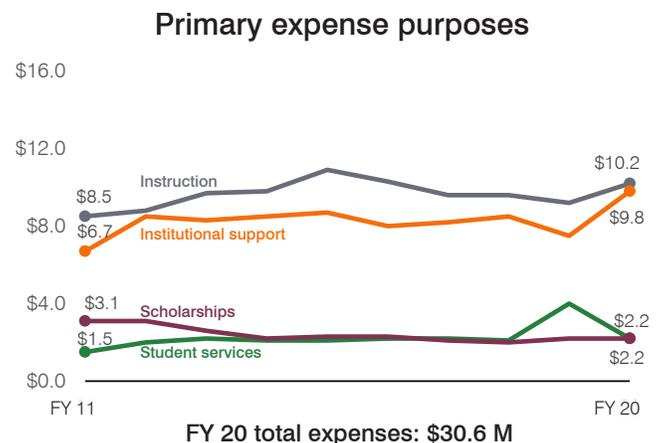
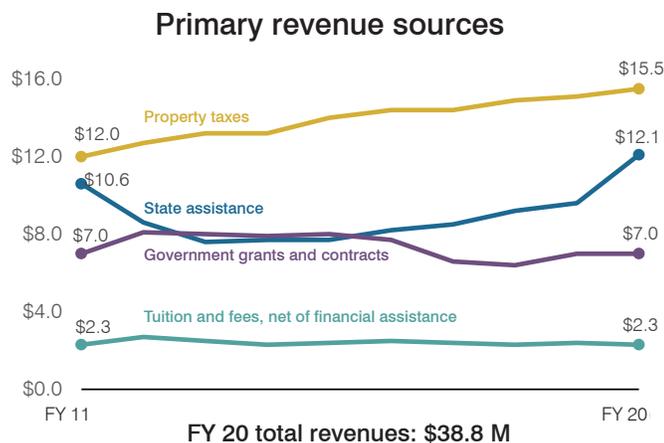
The District's fiscal year 2020 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting and federal programs, summarized on the next page.

Audits' purposes

To express our opinions on the District's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

Primary revenue sources and how they were spent

Fiscal years 2011 through 2020
(In millions)



Source: Auditor General staff summary of information obtained from the District's CAFRs.

Largest primary revenue sources

- **Property taxes—39.9% FY 20:** Levied and collected from property owners based on the assessed value of real and personal property within Navajo County.
- **State assistance—31.2% FY 20:** Includes State appropriations for general operations and maintenance, science/technology and workforce programs, equalization aid, and the District's share of State sales taxes.

Largest primary expense purposes

- **Instruction—33.4% FY 20:** Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support—32.1% FY 20:** Costs for District-wide planning and administrative support, including executive management, general and fiscal operations, information technology, and public relations/development.

District's net position increased in FY 20

District revenues were \$8.1 million greater than its expenses, increasing total net position to \$95.8 million at June 30, 2020. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations and accounts payable. Of the total net position, \$37.7 million is restricted by external parties or is not in spendable form, and the remaining \$58.1 million is unrestricted.

Auditor findings and recommendations

Summarized below are the findings and recommendations from our reports on the District's internal control and compliance over financial reporting and federal programs. These are included in the District's [Single Audit Report](#) where there is further information and the District's responses.

- The District needs to continue to develop, document, and implement certain processes to effectively protect its information technology (IT) systems and financial and other data, including protecting sensitive student data. We reported similar IT findings in the prior years.
- The District needs to develop, document, and implement entity-wide risk assessment over the security, confidentiality, and integrity of its student financial aid information.

Auditor General website report links

- The June 30, 2020, Navajo County Community College District Comprehensive Annual Financial Report and Single Audit Report that are summarized in these highlights can be found at this [link](#). These reports should be read to fully understand the District's overall financial picture and our reporting responsibilities.
- The District's reports from prior years are available at this [link](#).
- For help in understanding important information presented in these reports, please refer to our user guides at the following links:
 - [Financial Report User Guide for Colleges and Universities](#).
 - [Internal Control and Compliance Reports User Guide](#).