

Navajo County Community College District Annual financial statement and compliance audits

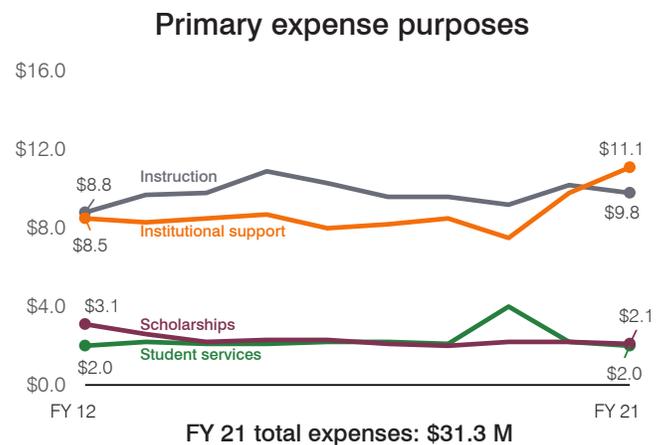
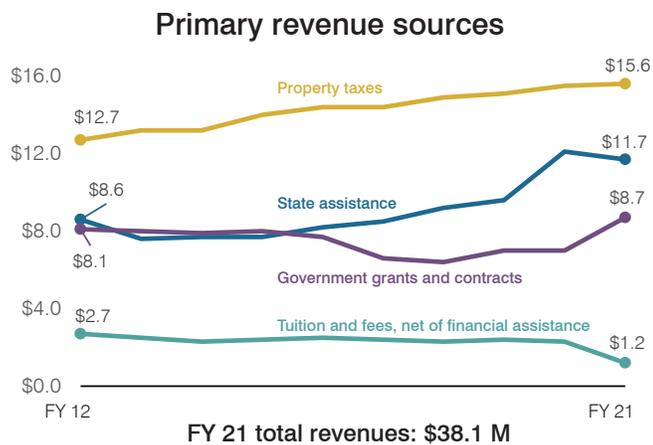
The District's fiscal year 2021 reported financial information is reliable. However, we reported deficiencies and noncompliance over financial reporting, summarized on the next page.

Audits' purpose

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 (FY) 2012 through 2021
(In millions)



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

Largest primary revenue sources FY 2021

- **Property taxes 41.1%**—Levied and collected from property owners based on the assessed value of real and personal property within Navajo County.
- **State assistance 30.6%**—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 FY 2021

- **Institutional support 35.5%**—Costs for District-wide planning and administrative support, including executive management, general and fiscal operations, information technology, and public relations/development.
- **Instruction 31.2%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.

District's net position increased in FY 2021

District revenues were \$6.8 million greater than its expenses, increasing total net position to \$102.6 million at June 30, 2021. 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, \$36.1 million is restricted by external parties or is not in spendable form, and the remaining \$66.5 million is unrestricted.

Auditor findings and recommendations

Summarized below are our findings and recommendations included in the District's [Single Audit Report](#) where there is further information and the District's responses.

- The District needs to implement policies and procedures to assess, identify, and respond to risks related to its information technology (IT) and needs to continue to develop, document, and implement certain processes to effectively protect IT systems and financial and other data, including sensitive student data. We reported similar findings in prior years.

Auditor General website report links

- The June 30, 2021, Navajo County Community College District Annual Comprehensive 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](#).