

Navajo County Community College District Annual financial statement and compliance audits

The District's fiscal year 2023 reported financial information is reliable. However, we reported deficiencies over financial reporting, summarized on the next page.

Audits' purpose

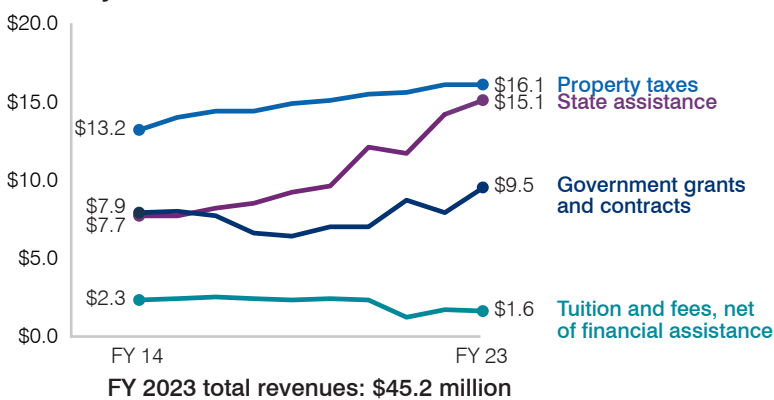
To express our opinions on the District's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

Primary revenue sources and how they were spent

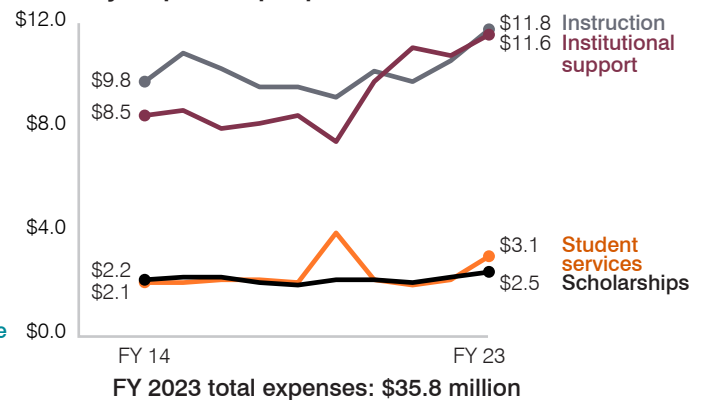
Fiscal years (FY) 2014 through 2023

(In millions)

Primary revenue sources



Primary expense purposes



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

Largest primary revenue sources FY 2023

- **Property taxes 35.6%**—Levied and collected from property owners based on the assessed value of real and personal property within Navajo County.
- **State assistance 33.4%**—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 2023

- **Instruction 33.0%**—Costs to provide instruction for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support 32.4%**—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 2023

District revenues were \$9.5 million greater than its expenses, increasing total net position to \$121.1 million at June 30, 2023. 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, \$49.0 million is restricted by external parties or is not in spendable form, and the remaining \$72.1 million is unrestricted.

Auditor findings and recommendations

Summarized below are our finding and recommendations included in the District's [Report on Internal Control and on Compliance](#) where there is further information and the District's responses. The District needs to:

- Make it a priority to develop and document IT policies and procedures for restricting access to IT systems and data and develop a process to ensure they are consistently followed and are effective for restricting access. In addition, develop, document, and implement processes to restrict access to its IT systems and data by enhancing authentication requirements for IT systems. We found that processes for restricting access over IT systems and data were not sufficiently developed, documented, and implemented to consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data. We reported a similar finding in the prior year.

Auditor General website report links

- The June 30, 2023, Navajo County Community College District Annual Comprehensive Financial Report, Report on Internal Control and on Compliance, 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](#).