

## Navajo County Community College District (Northland Pioneer College)

**CONCLUSION:** Based on our audit, we issued opinions on the District's financial statements and federal expenditure schedule concluding that the information in those statements and schedule is reliable. We also issued reports over the District's internal control and compliance over financial reporting and select federal programs, which identified internal control weaknesses over financial reporting that are explained on the next page.

### District overview

**District provides post-secondary education in Navajo and Apache Counties**—In fiscal year 2018, the District provided post-secondary education to over 3,000 students of which about 80 percent were part-time. It has campuses and centers throughout Navajo and Apache Counties, which encompasses an area of 21,158 square miles, and reservations occupy more than 66 percent of the land. The District provides distance learning through technology to serve this size of a geographical region with a diverse population.

**District responsible for accurate financial report**—The District is responsible for accurately preparing its [Comprehensive Annual Financial Report \(CAFR\)](#), maintaining effective internal controls, and being accountable for its use of public monies. Select financial information from the District's CAFR is presented below. However, the District's CAFR should be read to fully understand its financial information. Our Office's [Financial Report User Guide for Colleges and Universities](#) will help readers identify and understand important and useful information in the District's CAFR.

### District financial information

#### Asset, liability, and net position balances on June 30, 2018

**Total assets/deferred outflows = \$103.6 million**

**Select asset balances:**

\$58.2 M	Cash/cash equivalents
39.4	Capital assets
2.9	Receivables

**Total liabilities/deferred inflows = \$23.7 million**

**Select liability balances:**

\$21.5 M	Noncurrent employee benefits
2.2	Current payables

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**District's net position = \$79.9 million**

\$40.3 million, or 50 percent, is unrestricted

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#### Revenues and expenses during fiscal year 2018

**Total revenues = \$34.0 million**

**Select revenue sources:**

\$14.9 M	Property taxes
9.2	State assistance
6.4	Government grants/contracts
2.3	Tuition and fees, net of financial assistance

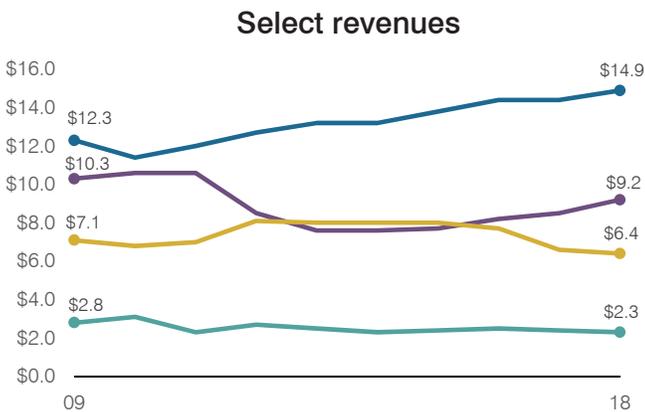
**Total expenses = \$27.3 million**

**Select expenses by function:**

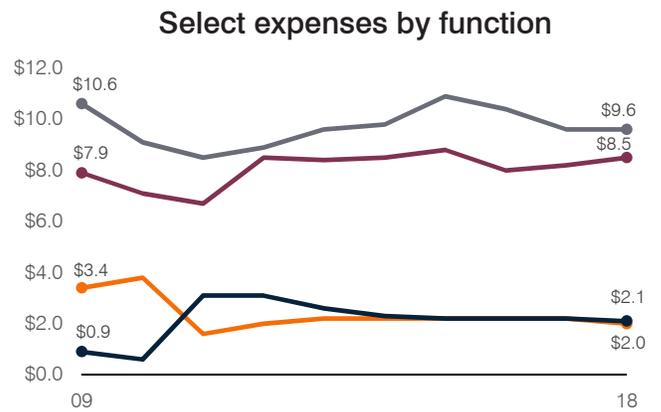
\$9.6 M	Instruction
8.5	Institutional support
2.1	Student services
2.0	Scholarships

## Select revenues and expenses by function Fiscal years 2009 through 2018

(In millions)



- **Property taxes**—Taxes levied by the District on the assessed value of real and personal property within Navajo County. The county treasurer collects the tax revenues and remits them to the District.
- **State assistance**—State appropriations for general operations and maintenance, workforce programs, equalization aid, and the District’s share of state sales taxes. In fiscal year 2018, 73 percent was from state equalization aid.
- **Government grants and contracts**—State and federal government grant programs awarded primarily for student financial aid and contracts to provide educational services.
- **Tuition and fees, net of financial assistance**—Charges to students for educational services, net of any district student financial assistance revenues that were used to cover the students’ tuition and fees. In fiscal year 2018, 78 percent was from tuition charges.



- **Instruction**—Instruction programs for all sessions and online learning, including instruction for general academics, vocational/technical programs, and community education.
- **Institutional support**—District-wide planning and administrative support, including executive management, general and fiscal operations, information technology support, and public relations/development.
- **Student services**—Social and cultural development, career guidance, financial aid administration, admissions, records, and information technology.
- **Scholarships**—Student grants, scholarships, and tuition and fee waivers.

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

## Audit findings and recommendations

Below is a summary of our reports over the District’s internal control and compliance over financial reporting and over federal programs that are included in the District’s [Single Audit Reporting Package](#) where there is detailed information about our findings and the District’s response. For help in understanding important information presented in these reports, please refer to our Office’s [Internal Control and Compliance Reports User Guide](#).

### Financial reporting internal control

We found that the District did not have adequate policies and procedures over IT systems and data to adequately identify and respond to risks and to prevent, detect, and respond to unauthorized or inappropriate access or use, manipulation, damage, or loss, including protecting sensitive student data. To ensure its financial and other sensitive data is protected, the District needs to continue to update and implement policies and procedures over its IT systems and data. We reported similar IT security findings in the prior year.

### IT security findings and recommendations

### Federal internal control and compliance

The District spent over \$3.7 million of federal program monies during the fiscal year. We tested two federal programs selected under the major program guidelines established by the Single Audit Act, including the Student Financial Assistance Cluster and Higher Education—Institutional Aid programs that totaled nearly \$2.8 million in federal expenditures. We reported no weaknesses in internal control or instances of noncompliance over those federal programs.

### No reported findings