

Audit Committee Meeting

MINUTES

NOVEMBER 1, 2012

10:00 AM

PDC – TIPONI CENTER

ATTENDEES	Jeanne Swarthout, PhD, - College President (Chair) James Menlove, (CPA – AZ) - Local Government Business Officer Maderia Ellison (CPA – CO) - Director of Financial Services John Bremer - Controller Terrie Shevat – Secretary
ELECTRONIC HANDOUTS	1. Agenda; 2. FY12 NPC Financials-Draft; 3. FY1314 Budget Development Calendar, 4. NPC AR Collections Proposal.
ABSENT	V. Blaine Hatch - VP for Administrative Services Neal Ranstrom, (CPA – AZ) - Local Community Member with CPA

DISCUSSION

FY1112 Draft Financials and Preliminary Audit Findings: Maderia discussed the FY12 draft financials (handout 2).

Net Assets: Maderia reported a potential re-class entry between the restricted and unrestricted net assets in regards to scholarship activity. Current assets are increasing about 15%, largely due to investments. Other liabilities have increased by 76%, which include outstanding payables to vendors for the White Mountain Campus Site improvement project.

Revenue: Tuition and fees are going up approximately \$600,000. Government contracts are increasing, largely due to agreements with Apache County and NAVIT. Private grants and contracts are up slightly. State appropriations is the largest decrease and will continue to decrease.

Operating Expenses: Operating expenses increased 8%, related primarily to Institutional support and Student services offset by Auxiliary enterprises.

Audit findings: Audit findings include a continuation of two prior year IS findings, suspension and debarment issues related to the Title III grant, and time and effort reports related to federal programs. The NATC noncompliance with State laws will not be in the report based on the progress made by the college this Fiscal year.

Other Items:

Third Party Collection Agencies: Maderia reviewed the NPC Accounts Receivable Collections Proposal (handout 4). Four collection agencies were interviewed and found to be comparable in their approach, offering state contracts and specializing in the education industry. It was recommended for the college to use two collection agencies, Enterprise Recovery Systems (ERS) and Williams & Fudge, to collect outstanding account receivables from students. Collection efforts related to third party receivables will be maintained in house. Collection fees will be passed onto students effective Fall 2013 after the fee is approved during the FY1314 budget cycle. After two years of collection activity, results from the two firms will be evaluated and a decision made to continue using one or both firms or look at using other collection firms. Jeanne will include as an informational agenda item for the December District Governing Board meeting.

FY1314 Budget Calendar: Maderia discussed the FY1314 Budget Development Calendar (handout 3) and noted the biggest difference in FY1314 from previous years relate to moving up the time line. The Board will review this calendar in November.

Board Membership: Northland Pioneer College's District Governing Board membership will change significantly at the beginning of the 2013 calendar year. The Board transition will include Mr. Frank Lucero seated in District 3, one appointment for District 2 and one appointment for District 4. Jeanne is working on Board training with the Community College Trustees Association.

Revised Meeting Schedule: Members will meet three times a year on the first Tuesday of the following months:

1st tri-annual meeting – February

2nd tri-annual meeting – June

3rd tri-annual meeting – October

NEXT MEETING	TUESDAY, FEBRUARY 5, 2013 - 10:00 A.M. - NPC PDC TAWA CENTER CONFERENCE RM
APPROVED	November 23, 2012