

Audit Committee Meeting

MINUTES

APRIL 28, 2011

10:00 AM

PDC – TIPONI CENTER

ATTENDEES	Jeanne Swarthout, Phd, - College President (Chair) Maderia Ellison (CPA – CO) - Director of Financial Services V. Blaine Hatch - VP for Administrative Services John Bremer - Controller Neal Ranstrom, (CPA – AZ) - Local Community Member with CPA James Menlove, (CPA – AZ) - Local Government Business Officer Terrie Shevat – Secretary
ELECTRONIC HANDOUTS	1. Agenda; 2. CCD Budget Forms NPC FY1112 Corrected; 3. Strategic Plan Pillar 5; 4. SGA Survey Higher One Money Card; 5. SGA Survey eCampus Online bookstore; 6. FY10 Single Audit Report; 7. FY10 ELR; 8. FY10 HM Audit Letter.

DISCUSSION

FY1112 Budget: Blaine reviewed the NCCCD official Budget forms for FY 11/12 (handout 2).

Preliminary Budget approved by Board: The preliminary budget was approved by the District Governing Board on April 19, 2011. A three-year capital budget plan was submitted for approval.

General Fund: The general fund was approved at \$22.1 million, a 9.5% decrease from FY 10/11.

Revenues: Revenue was approved at 26.6 million, a 4 % reduction from FY 10/11. The Board approved a \$4 increase in tuition from \$56 to \$60 per credit hour. Recommendation to levy property tax at 2% (\$100k home = increased \$2.43). Operating State Aid reduced by 52% and Equalization Aid reduced at just under 3%.

Salaries and benefits: Board approved recommendation to restore employee salaries to the FY 09/10 rates for FY 11/12. Board approved the addition of 2% to each category to help subsidize the increase in employee cost for health insurance and ASRS.

Final Budget to be approved by Board: The Board will take action on the final budget on May 17, 2011.

Cost allocation – Navajo County: James discussed the County's decision to include Northland Pioneer College in the 11/12 cost allocation and cost for assessment and taxation. Total annual cost for NPC is approximately \$170,000 (\$2 per parcel). The college will receive a letter from Navajo County Finance detailing the statutes.

FY1011 Audit: Maderia reviewed process change for the upcoming audit.

State Auditors: The Office of the Auditor General will conduct the financial audit for FY 10/11.

Entrance meeting: Entrance meeting with Jay Zsorey, Financial Audit Director, is scheduled on May 24 at 11:00 a.m., in the Painted Desert Campus Tiponi Center Conference room #304.

Internal control & IT Systems: Audit will focus primarily on IT and internal control issues.

Financial Aid & Payroll: Financial Aid and Payroll testing will begin in May 2011.

Finalize audit: Audit will be finalized by December 2011.

Internal controls training: Internal controls training will be scheduled for all Administrators and Business Office staff in late May or early June, lasting approximately three or four hours. Heinfeld Meech will train.

Other FY1011 Items: Maderia discussed additional current year activities.

Strategic Plan – Pillar 5: Maderia introduced the Strategic Plan Pillar 5 document (handout 3). The Pillar 5 document is updated annually and will be included on future agendas as updates occur.

IPEDS report: John Bremer completed the IPEDS report in April. New reporting requirements make it necessary to allocate maintenance expenses and depreciation to other functions (Instruction, Academic Support, Student Services, and Institutional Support).

NPC Online Bookstore: The online bookstore has been operational for one year. Students are still learning to plan ahead for their book purchase. NPC is working with eCampus to resolve customer service and other related issues.

NPC Money Card: NPC is looking to educate students on managing/reducing fees associated with the NPC money card through a financial literacy program or marketing venue. One Higher One ATM machine is located at the Hopi Center. Maderia is requesting our current banker to provide a second ATM machine to help reduce student fees.

Student Government Surveys: Two surveys were created by SGA to obtain student input regarding the Higher One Money Card (handout 4) and eCampus online bookstore (handout 5). Few students participated.

FY0910: Maderia commented briefly on the FY 09/10 Single Audit, ELR, and HM audit letter.

Single Audit Reporting Package: FY 09/10 Single Audit Reporting Package (handout 6).

Expenditure Limitation Report: FY 09/10 Expenditure Limitation Report (handout 7).

Heinfeld Meech Audit Letter: FY 09/10 Heinfeld Meech audit letter (handout 8).

NEXT MEETING	THURSDAY, SEPTEMBER 8, 2011 - 10:00 A.M. - NPC PDC TIPONI CENTER CONFERENCE RM
APPROVED	May 19, 2011