

Audit Committee Meeting

MINUTES MAY 6, 2010 10:00 AM DISTRICT OFFICE

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| ATTENDEES | Jeanne Swarthout, Phd, - College President (Chair) V. Blaine Hatch - VP for Administrative Services Neal Ranstrom, (CPA – AZ) - Local Community Member with CPA Tad Spader - Controller Terrie Shevat – Secretary |
| ABSENT | James Menlove, (CPA – AZ) - Local Government Business Officer Maderia Ellison (CPA – CO) - Director of Financial Services |
| HANDOUTS | 1. Agenda; 2. Official Budget Forms Fiscal Year 2010-11; 3. Draft – NPC Report on Audit of Annual Budgeted Expenditure Limitation Report Year Ended June 30, 2009; |
| DISCUSSION | |

FY1011 Budget: Tad reviewed the NPC Official Budget Forms for Fiscal Year 2010/2011 (handout 2).

Preliminary Budget approved by Board: The preliminary budget was approved by the District Governing Board on April 20, 2010.

General Fund: The general fund was approved at \$24.4 million, just over 50k from 2009/2010.

Tuition changes effective Fall 2010: Tad discussed two major changes that will affect NPC students beginning Fall 2010. 1) Students will see a \$4 increase in tuition from \$52 to \$56 a credit hour. 2) NPC will no longer offer a tiered tuition scale using plateaus at each enrollment level. Tuition cost will now be determined by the number of credit hours a student is enrolled in.

Salaries and benefits: Employee salaries were reduced by up to 2%, accounting for approximately \$250,000. The 2% reduction of employee salaries will help subsidize the increase in cost for employee health insurance and ASRS.

Final Budget to be approved by Board: The Board will take action on the final budget on May 18, 2010.

FY0809 Expenditure Limit Report: Tad discussed the Draft – Budgeted Expenditure Limitation Report (handout 3).

Overview/status: The expenditure limitation for 2008/2009 totaled \$16,823,427, a 6% increase from 2007/2008. Carry forward was used for the first time to reduce the expenditure limitation. The 2008/2009 ELR was submitted to Heindfeld Meech for its second review and expected to be finalized soon.

NPC Online Bookstore: Tad discussed the virtual bookstore through e-Campus.

Overview/status: The new virtual bookstore will eliminate the expense of excess inventory to the college and decrease the cost of textbooks for the students. Tad indicated that while this change is positive, faculty and students will struggle with the adjustment. Sales totaled approximately \$3,000 in the first two weeks of operation. Students have the option to purchase hard copy textbooks, electronic textbooks, or rent if applicable. Payment arrangements vary from credit card, check, e-cashier, PayPal or pay-me-later. Students who are unable to order online have the option to order over the phone using a toll-free number.

Higher One/Refund Card: Tad discussed the new process for students to receive refunds through Higher One.

Proposal/status: NPC is working with a company called Higher One to issue student Pell awards or other student refunds as an electronic transfer to a debit card (Master Card). Through Higher One, students will be issued a debit card, choosing to have their refund loaded to the debit card, transferred to a savings or checking account, or issued as a manual check. The debit card is reusable, can be used anywhere a MasterCard is accepted and is not limited to NPC funds. This new process for issuing student refunds is expected to increase efficiency and reduce cost. Costs to NPC associated with Higher One are minimal and include a 40 cent per transaction charge for each student receiving a refund card (approximately \$1,200 annually.) Savings to the college include the elimination of paper checks and postage cost. Tad stated the disbursement of Pell awards will take place earlier than in the past due to the need of students to purchase textbooks online. The Administrative Team will submit to the Board as an information item on May 18 for implementation by Fall 2010.

NEXT MEETING THURSDAY, SEPTEMBER 2, 2010 - 10:00 A.M. - NPC PDC TAWA CENTER CONFERENCE RM

APPROVED June 7, 2010