

Northland Pioneer College Audit Committee Meeting

MINUTES

NOVEMBER 4, 2014

1:00 PM

PDC – TAWA CENTER

ATTENDEES	Jeanne Swarthout, PhD, - College President (Chair) V. Blaine Hatch –VP for Administrative Services Maderia Ellison – (CPA – CO) Director of Financial Services Neal Ranstrom, (CPA – AZ) - Local Community Member with CPA James Menlove, (CPA – AZ) - Local Government Business Officer John Bremer – Controller Terrie Shevat – Secretary
ELECTRONIC HANDOUTS	1. Agenda; 2. NATC 2014 Audited Financial Statements; 3. NPC Foundation, Inc. Audited Financial Statements; 4. Navajo College 2014 CAFR (Draft).

DISCUSSION

FY1314 Audits and CAFR

NATC & NPC Foundation: Maderia presented to Committee members the audited financial statements for the Northeast Arizona Training Center (NATC) and NPC Foundation (NPC Friends & Family). Maderia stated NATC received a clean audit with no issues in August. She noted this is the second year NPC has worked on the NATC audit and recognized Lauren Sedillo for her outstanding performance in preparing documents and maintaining the books. Maderia further discussed the NPC Foundation Audit which was recently completed in October, also receiving a clean audit with no issues. Maderia recognized Betsy Wilson, Director of NPC Friends & Family, for her performance in working with the auditors and providing documentation. Maderia noted The Foundation is now officially called NPC Friends & Family and will be referred to by this name following the submission of the NPC CAFR. Maderia encouraged Committee members to attend the Board meeting for The Foundation (NPC Friends & Family). Dr. Swarthout remarked on Betsy's success regarding the sale of The Foundation building located in downtown Holbrook.

NPC Audit: Maderia updated the Committee on the status of the NPC FY1314 audit. Maderia reported one finding related to capital assets, it identifies a judgment error related to the classification of the new Skills Center. Maderia also noted the need to enhance controls and provide training related to capital asset records which will be addressed soon. Maderia announced there were no Information Services (IS) findings and commended Eric Bishop and his team for their efforts. James extended his congratulations to Finance and Mr. Bishop.

11/14/14 Issue CAFR: Maderia reported on the CAFR stating it is complete and will be issued on November 14. Maderia thanked NPC employees and Mr. James Menlove and his team for their contribution to the CAFR.

11/21/14 Issue Single Audit Report: Maderia stated the Schedule of Expenditures of Federal Awards (SEFA) will be released on November 21. NPC will publish College financials and the State will publish the Single Audit. Both reports will be available online in late November or early December.

ELR Status

Maderia reported that NPC's focus is currently on the Expenditure Limitation Report (ELR). Blaine noted the college was successful last year by excluding Apache County expenditures which fall outside of the expenditure limit, however; he anticipates we will exceed the expenditure limitation this year without using carryforward funds. Blaine explained the College has identified some carryforward funds, but is in need of legislative assistance. Blaine updated the Committee on the efforts of the Arizona Community College Coordinating Council who put together a subcommittee of business officers and lobbyists to come up with plans to address the expenditure limit issue. Blaine discussed and identified three ways to approach expenditure limitation from a statutory perspective.

Performance Based Funding Status

Blaine discussed the status on performance based funding for two-year colleges in Arizona, noting it appears to be coming back. Blaine stated that Maricopa Community College is planning to make some efforts legislatively this session to pursue performance based funding. Blaine discussed challenges for NPC as an institution with performance based funding, noting NPC will struggle because of the nature of who we are and how we do business.

Other

Maderia discussed the County's desire to form a group that meets regularly for financial people in this area to discuss resource sharing. Jeanne suggested getting school districts involved. James agreed and will move forward with organizing a group.

James is unable to attend the February NPC Audit Committee meeting.

NEXT MEETING	TUESDAY, FEBRUARY 3, 2015 - 1:00 P.M. - NPC PDC TAWA CENTER CONFERENCE RM
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APPROVED	November 18, 2014
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