

Northland Pioneer College Audit Committee Meeting

MINUTES NOVEMBER 6, 2018 10:00 AM PDC – TIPONI CENTER

ATTENDEES	Mark Vest, Northland Pioneer College President (Chair) Maderia Ellison, Associate VP, Chief Business Officer Paige Peterson, Navajo County Finance Director; Local Government Business Officer Neal Ranstrom, (CPA – AZ); Local Community Member with CPA Amber Hill, Controller Terrie Shevat, Assistant to CBO (Secretary)
ELECTRONIC HANDOUTS	1. Agenda; NCCCD 2018 CAFR Preliminary Draft Report; FY1718 SEFA Draft
ABSENT	
DISCUSSION	Maderia called the meeting to order at 10:00 AM

Introductions

Introductions/Guests: Maderia introduced Mark Vest as the new College President and Chair of the NPC Audit Committee. Audit Committee members, Paige Peterson and Neal Ranstrom, introduced themselves and shared their background with President Vest.

Fiscal Year 1718 Audit and CAFR

CAFR issuance – November 9: The draft introduction and financial section of the CAFR was provided to members as a handout. Amber stated the target issuance date for the CAFR is November 9. She mentioned the auditor's report is not final; however, she was informed by the auditors they do expect to have an unmodified opinion. Amber briefly discussed the transmittal letter and the Management Discussion and Analysis (MD&A) section. Amber reviewed the financials and reported an increase in the fund balance of \$4.9M, which she said will help pay for future construction. Amber reported that revenue was up slightly and expenses down slightly from the prior year, noting the college has been working conservatively to keep expenses down and revenues steady. Maderia mentioned the component units remain unchanged, adding that both NPC Friends & Family and NATC completed their audits nearly two months ago. Maderia invited Paige and Neal to share their thoughts and provide feedback after reviewing the MD&A and notes. Paige asked where the college plans to build. President Vest briefly reviewed the plan for new construction at the White Mountain Campus.

Single Audit – November 16: The draft Schedule of Expenditures of Federal Awards (SEFA) was provided to members as a handout. Amber stated the issuance date for the Single Audit is November 16. Amber briefly reviewed audit findings, noting that several findings we had last year are continuing this year. The findings are largely related to IT and include risk assessment process for technology and security, improving access controls over technology and resources, configuration management, and security over IT resources. The college is working to have policies and procedures in place that address our overall entity and risk assessment. Amber stated we will see a lot of improvement in this area over the next year.

Fiscal Year 1718 Expenditure Limit Report

Target date for submission to Auditors – December 7: Amber said the target date to submit the ELR to the Auditor General is December 7, and she is hopeful the ELR will be finalized and issued by December 21.

Formula calculations: Amber reported that FY1718 was the first year the college was able to use the new calculations for CTE, which increased FTSE to 1.3. Maderia explained the new formula allows the college to count each student in the CTE program as 1.3 student, which increases the population component in that formula.

Exclusions: Amber noted some exclusions were added this year; this allows the college to exclude expenditures from some of our commercial enterprises.

General Fund carry forward: Amber reported the ending carry forward we have available is currently \$32.7M and our fund balance is \$29M. Amber stated she does not expect a large shift in this carry forward amount.

NEXT MEETING	TUESDAY, FEBRUARY 5, 2019 - 10:00 A.M. - NPC PDC TIPONI CENTER BOARD RM #308
APPROVED	November 26, 2018