

Navajo County Community College District Governing Board Study Session Minutes

January 20, 2015 – 9:30 a.m.
Painted Desert Campus, Tiponi Community Center
2251 East Navajo Boulevard, Holbrook, Arizona

Governing Board Members Present: Ms. Ginny Handorf, Mr. Prescott Winslow, Mr. Frank Lucero, and Mr. James Matteson

Staff Present: President Jeanne Swarhout; Vice President Blaine Hatch; Vice President Mark Vest; Institutional Effectiveness Director Dr. Leslie Wasson; Recording Secretary to the Board Lisa Jayne.

Introduction of Audit Staff – Jay Zsorey, Director of the Financial Audit Division of the Office of the Auditor General, introduced himself and his staff to the Board and provided a brief history to the Board of the Auditor General’s relationship with NPC. He stated that the College has completed its first Comprehensive Financial Audit Report (CAFR) and is one of the first entities to complete this year. Mr. Zsorey gave a brief description of Auditor General duties and responsibilities.

David Glennon addressed the Board and stated the Auditor General performs two separate but related audits each year; the financial statement audit that focuses on the district’s comprehensive financial report or the CAFR, and also, a federal compliance audit that focuses on the district’s compliance with its federal grant program’s laws and regulations.

The District received a clean opinion on its financial statements and disclosures, which mean the information in the report can be relied upon. The federal compliance audit, required under the US Office of Management and Budget, is different than the financial statement audit as it focuses on compliance with laws and regulations applicable to the District’s federal grant programs. This year the Student Financial Aid and Higher Education Institutional Aid federal programs were audited. The District complied with the laws and regulations for both federal programs tested an improvement over the last few years tested. However, there was a financial statement finding that is included in the single audit report that relates to capital asset reporting and stewardship.

Mr. Winslow asked if review of compliance with federal regulations is limited to financial recordkeeping. Dave Glennon stated it can be in relation to other compliance issues, such as eligibility records.

Mr. Winslow stated the reason he asks the question is because at a previous meeting it came to the Board’s attention that one federal agency was requiring something while another federal agency was prohibiting it.



Chair Handorf stated she said she was glad to see that the finding was also accompanied by an explanation of how it was quickly resolved.

Jay Judson reviewed the governance letter with the Board that was sent out after completion of the audit. He also stated that the Expenditure Limitation report is not completed yet, and is in the last stages of the review process and should be issued by Friday this week. There are concerns about the direction of the expenditure limitation and this is the first year the District had to use carry forward due to exceeding the limitation this year.

Blaine Hatch recognized Maderia Ellison for all her work on the audits and stated that much of the credit for the positive changes in the College's financial audits goes to her.

Respectfully submitted,



Lisa Jayne
Recording Secretary to the Board

