



**ACCREDITING
COMMISSION
for COMMUNITY and
JUNIOR COLLEGES**

*Western Association
of Schools and Colleges*

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February 7, 2014

Mr. Rodney Beilby, President
Yuba College
2088 North Beale Road
Marysville, CA 95901

Dear President Beilby:

In August the Commission notified Yuba College that it was identified for additional financial review by the Financial Review Task Force. The report of the Financial Reviewer Panel that resulted from this review is attached to this letter.

At its meeting of January 8-10, 2014, the Accrediting Commission for Community and Junior Colleges acted to continue regular monitoring of Yuba College. No further action is required by the College. Please do not hesitate to contact Associate Vice President Norv Wellsfry (nwellsfry@accjc.org) if you have questions.

Sincerely,

Barbara A. Beno, PhD
President

BAB/tl

Yuba College

FINANCIAL REVIEWER PANEL REPORT

FINANCIAL REVIEWER PANEL MEETING DATE: September 12-13, 2013

The Financial Reviewer Panel recommendation to the Accrediting Commission for Community and Junior Colleges is:

- Continue under regular monitoring
- Provide a Special Report to the Commission (purpose noted below)
- Provide a Special Report to the Commission to be followed by a visit from Commission representatives (purpose noted below)

The financial review of Yuba College included looking at audited financial statements, ACCJC annual financial reports, campus reports submitted to the CCCCO, ACCJC action letter resulting from comprehensive team visit and report. Items presented for the panel to review included, decline in enrollment, increase in default rates, decrease in cash balance, and audit deficiencies.

In Jun2 2013, the Commission acted to impose Probation and requires Yuba to submit a follow-up report on October 15, 2013. Items that Yuba must report to the Commission are based on 5 district recommendations and 11 college recommendations. Planning and resource allocation are included in these recommendations. This information should address how they will manage through the decline in enrollments and their annual deficits. (III.D.1.a-d) The Financial Review Panel recommends to continue monitoring Yuba College and review their follow-up report to ensure they address their annual deficits in the planning process.

The team reviewed the Yuba fiscal trend analysis report submitted to the CCCCO and it confirms the decrease in student population from ~8,500 in 09/10 to ~7,400 in 11/12 and the ~7,400 forecasted for 12/13. The report also confirmed the actual and planned deficits in revenue less expenses for 2012 (\$2.3M) and planned for 2013 (\$1.7M). However, even with these actual and planned deficits, the College maintains a budgeted cash reserve of 12.4%. (III.D.3) The Financial Review Panel recommends to continue monitoring Yuba College and review their follow-up report to ensure they address their utilization of cash reserves in the planning process.

The increase in cohort default rates (CDR) was addressed at the June 13, 2013 board meeting at which time the board made the decision to suspend its participation in the federal student loan program. We confirmed that the 2-year default rate has increased from 2008 to 2011 (9.1%, 13.2%, 22.1%, and 29.4%, respectively) and the 3-year rate has also increased from 2009 to 2010 (18.6% to 31.0%). The board made the decision to suspend participation in this program in order to protect other types of student aid.

The Financial Reviewer Panel concludes that since they are no longer participating in the federal student loan program that CDR will not be an issue in the future. (III.D.3.b)

The Financial Reviewer Panel reviewed the most current set of audited financial statements and the auditors reported that there were no material weaknesses in internal controls with their financial reporting [pg 51 2012 audit] (III.D.2.e) However, Yuba College continues having audit findings in their financial aid (federal and state) portion of the audit. Yuba had 4 significant deficiencies in 2012, down from 10 deficiencies in 2011. Two of the 2012 findings were repeat findings from 2011.

The Financial Reviewer Panel recommends continued monitoring.

Data Examined for this report:

Annual Financial Report: 2009-10 _x_; 2010-11: __x__; 2011-12: __x__

Audited Financial Statements: 2011-2012

Other Data Reviewed:

- Yuba Community College District - Board minutes – 06/13/2013
<http://www.boarddocs.com/ca/yccd/Board.nsf/goto?open&id=93K79A18808B>
- Fiscal trend analysis of the Unrestricted General Fund and Other Fiscal Data – Yuba Community College District
http://extranet.cccco.edu/Divisions/FinanceFacilities/FiscalAccountability/DistrictFiscalTrendAnalysis.aspx#08-09_Actual_to_12-13_Budget

Issues and elements identified related to the financial condition and challenges of this institution:

The College is currently on Probation and is expected to address the planning recommendation that would address the financial concerns noted earlier by the financial reviewer panel and the Evaluation Team that conducted the comprehensive site visit.