



**ACCREDITING
COMMISSION
for COMMUNITY and
JUNIOR COLLEGES**

*Western Association
of Schools and Colleges*

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February 7, 2014

Dr. Walter Tribley, President
Monterey Peninsula College
980 Fremont Street
Monterey, CA 93940

Dear President Tribley:

In August the Commission notified Monterey Peninsula 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 Monterey Peninsula 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

Attachment

Monterey Peninsula Community College District

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)

Data Examined for this report:

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

Audited Financial Statements: Reviewed audited financial statements for previous 3 fiscal years.

Other Data Reviewed:

- Fiscal Trend Analysis (as prepared by the State Chancellor’s Office) for fiscal years 2008-09 through 2011-12;
- 2009-10 311A;
- 2010-11 311A;
- 2011-12 311A.

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

Salary as % of Budgeted Expenditures

	2011-12	2010-11	2009-10	2008-09
Academic Salaries	14,066,544	15,229,482	15,236,907	15,745,978
Classified Salaries	7,552,857	7,662,700	7,656,182	7,740,028
Benefits	4,431,421	4,379,524	4,205,163	4,159,078
Total Salary & Benfits	26,050,822	27,271,706	27,098,252	27,645,084
Total Unrestricted				
General Fund Expenditures	38,549,439	40,666,494	39,432,514	42,121,498
Total Salary & Benefits as				
Percentage of Total Expenditures	67.58%	67.06%	68.72%	65.63%

Over the past 4 fiscal years salaries and benefits as a percentage of unrestricted general fund expenditures ranged between 68.72% to 65.63%; with the most recent year being 67.58%. These percentages are on the lower end of statewide averages. When reviewing the Annual Fiscal Report for fiscal year 2011-12 the college reported annual salaries and benefits that included restricted expenditures. The result of this error caused the district's percentages to be much higher.

Decline in Cash Balances

Over the past two fiscal years the district's cash balance in its unrestricted general fund has decreased by \$922,640 or 48.68% (from \$1,895,554 in fiscal year 2010-11 to \$972,874 in fiscal year 2011-12). Despite this significant decrease, the district continues to maintain large cash balances and reserves in other funds from which the district has the ability to borrow on a short term basis (i.e. self-insurance fund as of 6-30-2012 had a cash balance of \$9,480,199).

It is recommended that this continued to be monitored.

Enrollment Loss

When reviewing the district's Exhibit C for Period 2 of the 2012-13 fiscal year, the district is being funded for all the FTES being served. Further, the district is not serving students and generating FTES beyond that which is being funded from the State.