
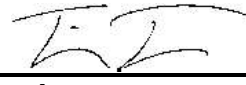



Subject: FY2020 Annual District and Measure MM Audit Presentation	Attachment: FY2020 Annual District Audit FY2020 Annual Measure MM Audit
Category: Presentations	Type of Board Consideration: <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  Information </div> <div style="text-align: center;">Consent</div> <div style="text-align: center;">Action</div> </div>
Recommended:  <hr/> Tim Flood Vice President, Administrative Services	Approved for Consideration:  <hr/> Sunita V. Cooke, Ph.D. Superintendent/President

BACKGROUND

California Education Code §84040.5 requires that the governing board of each community college district shall provide for an annual audit of all funds, books, and accounts of the district in accordance with the regulations of the Board of Governors in order to encourage sound fiscal management practices and fiscal accountability. The MiraCosta Community College District annual audit has been completed and is available on the district website at: <https://miracosta.edu/administrative/annual-district-audits/index.html>. The audit firm of Eide Bailly, LLP, certified public accountants licensed by the California Board of Accountancy, conducted the audit. The format and financial statement information is in accordance with the reporting standards of the California Community Colleges Contracted District Audit Manual (CDMA).

The MiraCosta Community College General Obligation Bond Fund (*Measure MM*) audit was completed by the audit firm of Eide Bailly, LLP, certified public accountants licensed by the California Board of Accountancy, and conducted in accordance with generally accepted government auditing standards. The audit was limited to the objectives listed within the report which included determining the district's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. The MiraCosta Community College General Obligation Bond Fund (*Measure MM*) is available on the district website at: <https://miracosta.edu/administrative/annual-district-audits/index.html>.

STATUS

The district financial audit included examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, along with assessing the accounting principles used and significant estimates made by management. The district received an Unmodified Opinion, that is, the district complied, in all material respects, with the compliance requirements for financial statements, federal awards, and state awards as of June 30, 2020. The result of the audit also noted that there were no material weaknesses or significant deficiencies on internal controls over financial reporting.

On the federal award program, there were two deficiencies identified, not considered a material weakness:

- Timing of the Return of Title IV funds within forty-five (45) days was not met for two instances (62 and 66 days) of the 40 records tested.
- Public Reporting of the CARES Act – Financial Aid within thirty (30) days following the award allocation date and update that information every 45 days thereafter. The district posted the report late by 81 days.

The district has implemented corrective action plans to address both findings.

The Measure MM audit included examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, along with assessing the accounting principles used and significant estimates made by management. The district received an Unmodified Opinion, that is, the district complied, in all material respects, with the compliance requirements for financial statements and that the statements present fairly the financial position of the General Obligation Bond Fund (Measure MM) as of June 30, 2020. The district's performance audit found that MiraCosta Community College District had properly accounted for the expenditures held in the General Obligation Bond Fund (*Measure MM*) and that such expenditures were made for authorized bond projects.

The summary of the auditor's results of the district audit may be found on page 103 of the attached FY2020 Annual District Audit, and the summary the auditor's results of the bond audit may be found on pages 2 and 20 of the attached FY2020 Annual Measure MM Audit. A representative of the audit firm of Eide Bailly, LLP will present the audit reports and will be available to answer any questions.

RECOMMENDATION

For information only.