



**MIRACOSTA
COMMUNITY COLLEGE DISTRICT**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORTS**

JUNE 30, 2013



**MIRACOSTA COMMUNITY COLLEGE DISTRICT
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditors' Report.....	1
Management's Discussion and Analysis	4

FINANCIAL SECTION

Statement of Net Position	15
Statement of Revenues, Expenses, and Changes in Net Position.....	16
Statement of Cash Flows.....	17
Statement of Net Position – Fiduciary Funds.....	19
Statement of Changes in Net Position – Fiduciary Funds.....	20
Notes to Financial Statements.....	21

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress.....	42
Notes to Required Supplementary Information.....	43

SUPPLEMENTARY INFORMATION

Local Educational Agency Organizational Structure.....	44
Schedule of Expenditure of Federal Awards	45
Schedule of State Financial Assistance – Grants and Programs	46
Schedule of Workload Measures for State General Apportionment – Annual/Actual Attendance	47
Reconciliation of Annual Financial and Budget Report (CCFS311) with Fund Financial Statements	48
Reconciliation of the ECS 84362 (50 Percent Law) Calculations.....	49
Details of the Education Protection Account	50
Note to Supplementary Information.....	51

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
TABLE OF CONTENTS**

Page

OTHER INDEPENDENT AUDITORS' REPORTS

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*..... 52
Report on State Compliance Requirements 54
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A 133 56

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Report Findings 1

INDEPENDENT AUDITORS' REPORT

Governing Board
MiraCosta Community College District
Oceanside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the MiraCosta Community College District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the MiraCosta Community College District's basic financial statements as listed in the table of contents.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We have audited the financial statements of MiraCosta Community College District, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of MiraCosta Community College District, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles in United States

Other Reporting Required by

In

Emily White Associates

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of MiraCosta Community College District (the District) for the year ended June 30, 2013. This discussion has been prepared

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

SELECTED HIGHLIGHT (continued)

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S**

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Total Revenues

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Operating Expense

MIRACOSTA COMMUNITY COLLEGE DISTRICT

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL SECTION

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013**

	Business Type Activity
	Primary Government
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 22,652,458
Investments	318,712
Accounts receivable	3,482,445
Prepaid expenses	87,585
Due from fiduciary funds	1,141
Total Current Assets	26,542,341
NONCURRENT ASSETS	
Restricted cash and cash equivalents	6,911,481
Deferred cost on issuance	39,248
Capital assets, net of accumulated depreciation	90,859,064
Total Noncurrent Assets	97,809,793
TOTAL ASSETS	124,352,134
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	4,564,978
Due to fiduciary funds	3,812
Deferred revenue	2,855,705
Current Portion Long term liabilities	1,528,498
Total Current Liabilities	8,952,993
NONCURRENT LIABILITIES	
Noncurrent portion Long term liabilities	5,653,346
TOTAL LIABILITIES	14,606,339
NET POSITION	
Net investment in capital assets	87,577,877
Restricted for:	
Debt Service	486,394
Capital projects	4,953,987
Investments	318,712

The notes to financial statements are an integral part of this statement.

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Business Type Activity	
	Primary Government	
OPERATING REVENUES		
Student Tuition and Fees	\$	17,574,918
Less: Scholarship discount & allowance		(5,611,585)
Net tuition & fees		11,963,333
.5023102317.50231023102317.0004Tc(ENDED63)nD-002Tc4.2(61Tf.25660TD0069Tc(Ac)8.1(tiv)11(i9.2(s)27030.3(11)-008Tc02316j/TT61Tf.		

The notes to financial statements are an integral part of this statement.

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Business Type Activity
Primary Government**

CASH FLOWS FROM OPERATING ACTIary

The notes to financial statements are an integral part of this statement.

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS, continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Business Type Activity Primary Government	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$	(87,801,843)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation expense		3,297,204
Changes in Assets and Liabilities:		
Accounts receivable		(399,841)
Due from		

The notes to financial statements are an integral part of this statement.

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – ORGANIZATION

MiraCosta Community College District (the District) was established in 1934 as a political subdivision of the State of California. The District is a comprehensive, public, two year institution offering educational services to residents of the surrounding area. The District operates two campuses and one center. The main campus, MiraCosta College, is located on a 121 acre site in Oceanside, California. The District also operates the 42 acre San Elijo campus in Cardiff by the Sea and a 7.6 acre Community Learning Center in the city of Oceanside. The District is governed by a locally elected seven member Board of Trustees which establishes the policies and procedures by which the District operates. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39.

Financial Reporting Entity

The District has adopted GASB Statement No. 39, Determining Whether Certain Organizations are Component Units. This statement amends GASB Statement No. 14, The Financial Reporting Entity, to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles and GASB Statement No. 14 and Statement No. 39. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Board of Trustee's ability to exercise oversight responsibility. A second criterion used in evaluating potential component units is the scope of public service. A third criterion used to evaluate potential component units is the existence of special financing relationships, regardless of the whether the District is able to exercise oversight responsibilities.

Based on the application of the criteria listed above, no potential component units have been included in the District's reporting entity as blended component unit.

Based on the application of the criteria listed above, the following potential component unit has been excluded from the District's reporting entity:

MiraCosta College Foundation

The MiraCosta College Foundation (the Foundation) is a separate, not for profit corporation. The Board of Directors is elected independent of any District Board of Trustee's appointments. Their Board is responsible for the college's operations and service.

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 2 -

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time, therefore, the value of accumulated sick leave sick

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of San Diego bills and collects the taxes on behalf of

MIRACOSTA

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 3 – CASH AND INVESTMENTS (continued)

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2013**

NOTE 4 – ACCOUNTS RECEIVABLE

Receivables for the District consisted primarily of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

The accounts receivable balance as of June 30, 2013 is as follows:

	Primary Government	Fiduciary Funds
	<u> </u>	<u> </u>
Federal Categorical Aid	\$ 771,629	\$
State Categorical Aid	30,205	
Lottery	826,084	
Interest	30,856	1,045
NBS	285,946	
Other	1,506,038	5,000
Student	354,786	
Total	<u>\$ 3,805,544</u>	<u>\$ 6,045</u>

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MIRACOSTA COMMUNITY COLLEGE DISTRICT

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 7 – LONG TERM LIABILITIES

MIRACOSTA COMMUNITY COLLEGE

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 8 – POSTEMPLOYMENT BENEFITS (continued)

Funding Policy

The District's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 8 – POSTEMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress

As of July 1, ~~2011~~ ~~2012~~ ~~2013~~

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS

Public Employees' Retirement System (CalPERS)

Plan Description

The

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS,**

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 11 - COMMITMENTS AND CONTIGENCIES

The District is exposed to various risks of loss related to: torts; theft of; damage to; and destruction of assets; injuries to students, campus visitors, or employees; errors and omissions; natural disasters; medical and dental claims of District employees; and employment related liabilities.

Liability for Open Claims - Workers' Compensation

The District maintains a self insurance self

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 11 - COMMITMENTS AND CONTIGENCIES (continued)

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for

**REQUIRED SUPPLEMENTARY
INFORMATION**

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF FUNDING PROGRESS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (Entry Age Normal Cost Method) (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funding Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	2,329,815	26,074,844	23,745,029	8.9%	37,600,000	63.2%
7/1/2009	6,556,264	26,105,049	19,548,785	25.1%	42,176,000	46.4%
7/1/2011	10,439,411	25,431,972	14,992,561	41.0%	41,088,000	36.5%
7/1/2013	12,325,353	19,428,276	7,102,923	63.4%	43,072,000	16.5%

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

PURPOSE OF SCHEDULES

A. Schedule of Funding Progress

This schedule is prepared to show information for the most recent actuarial valuation and in future years, the information from the three most recent actuarial valuations in accordance with Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions*. The schedule is intended to show trends about the funding progress of the District's actuarially determined liability for post employment benefits other than pensions.

**SUPPLEMENTARY
INFORMATION SECTION**

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
LOCAL EDUCATIONAL AGENCY ORGANIZATIONAL STRUCTURE
JUNE 30, 2013**

MiraCosta Community College District (the District) was established in 1934 and serves an area of about 15 square miles in northern San Diego County (the County). The District includes the cities of Carlsbad, Del Mar, Encinitas, Oceanside, and Solana Beach, as well as adjacent unincorporated areas of the County. The District operates two campuses and one center. The main campus, MiraCosta College, is located on a 121 acre site in the City of Oceanside. The District also operates the 42 acre San Elijo campus in the city of Cardiff and a 7.6 acre Community Learning Center

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Federal Catalog Number	Pass Through Entity Identifying Number	Total Program Expenditures
U.S. Department of Education			
<i>Direct Program</i>			
Federal Supplemental Educational Opportunity Grant	84.007	N/A	\$ 175,868
Federal Work Study Program	84.033	N/A	159,884
Federal Pell Grant	84.063	N/A	7,109,240
Federal Direct Student			

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE – GRANTS AND**

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT –
ANNUAL/ACTUAL ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Factored FTES		
	Reported Data	Audit Adjustment	Revised Data
A. Summer Intersession (Summer 2012 Only)			
1. Noncredit	101.83		101.83
2. Credit	635.85		635.85
B. Summer Intersession (Summer 2012 Prior to July 1, 2012)			
1. Noncredit			
2. Credit	281.89		281.89
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedures Courses			
(a) Weekly Census Contact Hours	6,511.99		6,511.99
(b) Daily Census Contact Hours	498.28		498.28
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	615.84		615.84
(b) Credit	183.07		183.07
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Procedure Courses	1,581.16		1,581.16
(b) Daily Census Procedure Courses	468.37		468.37
(c) Noncredit Independent Study/Distance Education Courses	23.17		N/A
D. Total FTES	10,901.45		10,901.45

Supplemental Information (subset of information above)

In service Training Courses (FTES)

Basic Skills Courses and Immigrant Education

1. Noncredit	563.83
2. Credit	419.31

CCFS 320 Addendum

Centers FTES

1. Noncredit	614.92
2. Credit	1,867.10

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
 RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS 311) WITH FUND
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Summarized below are the adjustments necessary to reconcile the Annual Financial and Budget Report (CCFS 311) and the fund financial statements:

	Student Body Center Fee Trust
	<hr/>
June 30, 2013 Annual Financial and Budget Report (CCFS 311)	
Reported fund balance	\$ 1,266,462
Adjustments to increase fund balance	
Capital assets	5,164,131
Audited fund balance	<hr/> <u>\$ 6,430,593</u>

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
 RECONCILIATION OF THE ECS 84362 (50 PERCENT LAW) CALCULATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Object/ TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Instructional Salaries							
Contract or Regular	1100	15,734,570	-	15,734,570	15,734,570	-	15,734,570
Other	1300	12,651,008	-	12,651,008	12,668,733	-	12,668,733
Total Instructional Salaries		28,385,578	-	28,385,578	28,403,303	-	28,403,303

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
 DETAILS OF THE EDUCATION PROTECTION ACCOUNT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

1,043,043

	Activity Code	Salaries and Benefits (Obj 1000 3000)	Operating Expenses (Obj 4000 5000)	Capital Outlay (Obj 6000)	Total
Instructional Activities	0100 5900			176,708	176,708
Academic Administration	6010			49,697	49,697
Library	6120			8,507	8,507
Media	6130			51,573	51,573
Academic Information Systems and Technology	6150			40,356	40,356
Building Maintenance and Repairs	6510			109,891	109,891
Custodial Services	6530			11,619	11,619
Grounds Maintenance and Repairs	6550				

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
NOTE TO THE SUPPLEMENTARY INFORMATION
JUNE 30, 2013**

NOTE 1 - PURPOSE

OTHER INDEPENDENT AUDITORS' REPORTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH**

Independent Auditors'

Board of Trustees
MiraCosta Community College District
Oceanside, California

We have audited the financial statements of the governmental activities of MiraCosta Community College District, as of and for the year ended June 30, 2013, which collectively comprise the MiraCosta Community College District's basic financial statements and have issued our report thereon dated December 1, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of MiraCosta Community College District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered MiraCosta Community College District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MiraCosta Community College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of MiraCosta Community College District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, operation

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MiraCosta Community College District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or cTj4TT31Tf3.4

A handwritten signature in black ink on a grey rectangular background. The signature reads "Anthony White Associates".

**REPORT ON COMPLIANCE WITH REQUIREMENTS WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A 133**

Independent Auditors'

Board of Trustees
MiraCosta Community College District
Oceanside, California

Report on Compliance for Each Major Federal Program

We have audited MiraCosta Community College District's compliance with the types of compliance requirements described in the *OMB Circular A 133 Compliance Supplement* that could have a direct and material effect on each of MiraCosta Community College District's major federal programs for the year ended June 30, 2013. MiraCosta Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management is responsible for compliance with the requirements of laws, regulations

Opinion on Each Major Federal Program 1

1

In our opinion, MiraCosta Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. 1 1 1

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Report on Internal Control Over Compliance 1

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**SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS

Type of auditors report issued:

Unmodified

Internal control over

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by Circular A 133,

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS, continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section III – State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

**MIRACOSTA COMMUNITY COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**
