



Financial and Performance Audits  
General Obligation Bond Fund (Measure MM)  
June 30, 2024

# MiraCosta Community College District

MiraCosta Community College District  
General Obligation Bond Fund (Measure MM)



Financial Audit

General Obligation Bond Fund (Measure MM)

June 30, 2024

MiraCosta Community College District



## Independent Auditor's Report

Board of Trustees and the  
Independent Citizens' Bond Oversight Committee  
MiraCosta Community College District  
Oceanside, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the General Obligation Bond Fund (Measure MM) of MiraCosta Community College District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the General Obligation Bond Fund (Measure MM) of MiraCosta Community College District, as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024, on our consideration of the General Obligation Bond Fund (Measure MM) of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the General Obligation Bond Fund (Measure MM) of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the General Obligation Bond Fund (Measure MM) of the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California  
December 23, 2024

MiraCosta Community College District  
General Obligation Bond Fund (Measure MM)

Balance Sheet  
June 30, 2024

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Assets	
Investments	\$ 132,780,988

MiraCosta Community College District  
General Obligation Bond Fund (Measure MM)  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year ended June 30, 2024

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Revenues	
Interest income	\$ 6,500,802
Change in fair value of investments	<u>3,730,239</u>
Total revenues	<u>10,231,041</u>
Expenditures	
Supplies and materials	193,812
Services and operating expenditures	56,822
Capital outlay	<u>82,174,667</u>
Total expenditures	<u>82,425,301</u>
Net Change in Fund Balance	(72,194,260)
Fund Balance - Beginning	<u>192,873,922</u>
Fund Balance - Ending	<u><u>\$ 120,679,662</u></u>





### **Encumbrances**

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances lapse at June 30.

### **Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates, and those differences could be material.

### **Fund Balance**

As of June 30, 2024, the fund balance was classified as follows:

#### **Restricted**



**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the San Diego County Treasury Investment Pool was rated AA+ by Fitch Rating, Inc., as of June 30, 2024.

**Note 3 - Accounts Receivable**

Accounts receivable at June 30, 2024, consisted of the following:

Interest	<u>\$ 1,809,346</u>
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**Note 4 - Interfund Transactions**

Interfund receivable (due from) balance at June 30, 2024, was as follows:

A balance of \$216,725 is due from the Capital Outlay Projects Fund to the General Obligation Bond Fund (Measure MM) for various reimbursement of expenditures.

Interfund payable (due to) balance at June 30, 2024, was as follows:

A balance of \$49,161 is due to the Capital Outlay Projects Fund from the General Obligation Bond Fund (Measure MM) for the transfer of qualified projects costs.

**Note 5 - Accounts Payable**

Accounts payable at June 30, 2024, consisted of the following:

Capital outlay	<u>\$ 14,078,236</u>
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**Series B General Obligation Bonds**

In September 2020, the District issued the Election of 2016 General Obligation Bonds, Series B in the amount of \$255,000,000. The bonds have a final maturity which occurs on August 1, 2045, with interest rates from 0.15% to 4.00%. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, construction, modernization, and equipping of District sites and facilities and pay the cost of issuing the bonds. At June 30, 2024, the principal balance outstanding was \$204,330,000.

**Series C General Obligation Bonds**

In November 2022, the District issued the Election of 2016 General Obligation Bonds, Series C in the amount of \$100,000,000. The bonds have a final maturity which occurs on August 1, 2042, with interest rates from 4.13% to 5.00%. The bonds were issued as current interest bonds. The bonds were issued to finance the acquisition, construction, modernization, and equipping of District sites and facilities and pay the cost of issuing the bonds. At June 30, 2024, the principal balance outstanding was \$98,895,000.

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding Beginning of Year	Issued	Redeemed	Bonds Outstanding End of Year
9/12/2017	8/1/2042	3.00% - 5.00%	\$ 100,000,000	56,680,000			





Independent Auditor's Report  
General Obligation Bond Fund (Measure MM)  
June 30, 2024

MiraCosta Community College District





**Independent Auditor's 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***

Board of Trustees and the  
Independent Citizens' Bond Oversight Committee  
MiraCosta Community College District  
Oceanside, California

We have audited, 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 (*Government Auditing Standards*), the financial

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's General Obligation Bond Fund (Measure MM) 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 financial statements. 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
December 23, 2024

None reported.

MiraCosta Community College District  
General Obligation Bond Fund (Measure MM)  
Summary Schedule of Prior Audit Findings  
June 30, 2024

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There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

None noted.



Performance Audit

General Obligation Bond Fund (Measure MM)

June 30, 2024

MiraCosta Community College District



**Purpose**

The net proceeds of the Bonds issued under the 2016 Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include the financing of the construction and modernization of certain District property and facilities, the acquisition of equipment, to pay the costs of issuance associated with the Bonds and to prepay the 2015 Lease. The proceeds from the Bonds are to be used for projects such as upgrade classrooms and career training facilities for science, healthcare, technology, advanced manufacturing, other growing local industries, provide job



## **Objectives of the Audit**

Our audit was limited to the objectives listed below which includes determining the 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. Management is responsible for the District compliance with those requirements.

1. Determine whether expenditures charged to the General Obligation Bond Fund (Measure MM) have been made in accordance with the bond project list approved by the voters through the approval of Measure MM.
2. Determine whether salary transactions, if any, charged to the General Obligation Bond Fund (Measure MM) were in support of Measure MM and not for District general administration or operations.

## **Scope of the Audit**

The scope of our performance audit covered the period of July 1, 2023 to June 30, 2024. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2024, were not reviewed or included within the scope of our audit.

*Eide Bailly LLP*

None reported.

None noted.