



# Peralta Community College District

April 8, 2022

CliftonLarsonAllen LLP  
2210 E. Route 66, Suite 100  
Glendora, CA 91740

This representation letter is provided in connection with your audit of the financial statements of the Proposition A and G Bond Building Fund of the Peralta Community College District (the District), which comprise the respective Balance Sheet and Statement of Revenues, Expenditures and Change in Fund Balance as of June 30, 2021 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

## Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 26, 2021, for the preparation and fair presentation of the financial statements in accordance with the U.S. GAAP. The financial statements include all properly classified and other financial information of the Bond Building Fund required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud.
4. Significant assumptions we used in making accounting estimates are reasonable.
5. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in, the financial statements.
7. There was an uncorrected misstatement resulting from the allocation of an \$85,000 financial advisory expense to the Measure G Bond Fund that was also attributable to the Parcel Tax Measures and the OPEB Bond funds. The effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion.
8. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

10. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the Board of Trustees and the Citizens' Bond Oversight Committee, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - e. All communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
  - f. All communications from regulatory agencies concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
  - g. Access to all audit or relevant monitoring reports, if any, received from funding sources.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud affecting the entity and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Other where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
15. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements
16. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
17. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance in U.S. GAAP.
18. We have a process to track the status of audit findings and recommendations.
19. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
20. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the District, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds and in the Bond Building Funds.
21. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
22. The District has complied with all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance.

23. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

#### **Government – Specific**

24. We have made available to you all financial records and related data.
25. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
26. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
27. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity of the Bond Building Funds.
28. With respect to the Municipal Securities Board (MSRB) and Continuing Disclosure Requirements of the Securities and Exchange Commission Rule 15c2-12:
  - a. We have met the Annual Reporting Requirements, including audited financial statements that contain all information required from any outstanding bond issues.
  - b. We have filed through the Electronic Municipal Market Access (EMMA) within 10 business days any material or required listed events as defined in Rule 15c2-12.
29. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
30. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
31. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
32. Component of fund balance and equity amounts are properly classified and, if applicable, approved.
33. Expenses have been appropriately classified in or allocated to the Statement of Revenues, Expenditures and Change in Fund Balance, and allocations have been made on a reasonable basis.
34. Revenues are appropriately classified in the Balance Sheet, Statement of Revenues, Expenditures and Change in Fund Balance within operating activities and non-operating activities.
35. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

36. Deposits are properly classified as to risk and are properly disclosed.

In connection with your performance audit of Bond Building Funds of the District, as of and for the year ended June 30, 2021 for the purpose of communicating the results of your audit as to whether Bond proceeds were only expended on the voter approved project lists and that no proceeds were expended on ineligible salaries or operating expense, we confirm, to the best of our knowledge and belief, the following assertions subject to audit and representations and disclosure made to you during the course of your audit.

#### **Assertions Subject to Audit**

37. We are responsible for ensuring the Bond proceeds are only expended on the voter approved project lists and that no proceeds are expended on ineligible salaries or operating expense. We believe only authorized expenditures were made from Bond proceeds.
38. We are responsible for adopting sound accounting principles, establishing and maintaining internal control (including a Citizens' Bond Oversight Committee), and preventing and detecting fraud. We believe these procedures and controls are adequate to ensure Bond proceeds are only expended on the voter approved project list and proceeds are not expended on ineligible salaries or operating expense.
39. We have disclosed all Bond proceeds and expenditures including any proceeds and expenditures outside of the General Obligation Bond Fund.
40. We have disclosed all information of which we are aware that may affect the Bond proceeds of the General Obligation Bond Fund and other Funds, and we have disclosed all deficiencies of which we are aware.
41. There have been no changes during the fiscal year ended June 30, 2021 in the District's accounting principles and practices that would affect the Bond proceeds of the General Obligation Bond Fund Bond Building Fund and other Funds.
42. There have been no:
  - a. Fraudulent financial reporting or misappropriation of assets involving other employees that could have a material or significant effect on the Bond proceeds of the General Obligation Bond Fund.
  - b. Communications from regulatory agencies, the attorney general, grand juries, bond counsel or similar entities concerning noncompliance with, or deficiencies in, reporting or practices related to the Bond proceeds.
  - c. Violations or possible violations of laws or regulation which should be considered for disclosure in the Bonds proceeds of the General Obligation Bond Fund or other Funds or as a basis for recording an adjustment to the Bond Building Funds.

- 43. We have complied with all aspects of legal agreements that would have a significant or material effect on the Bond proceeds in the event of noncompliance.
- 44. No events have occurred that would require adjustment or disclosure regarding the Bond proceeds.
- 45. We have responded fully to all inquiries made to us by you during your audit.
- 46. We are responsible and intend to comply with the requirements of Education Code Section 15286 that states the independent and performance audits are to be submitted to the Citizens' Bond Oversight Committee of the District at the same time they are submitted to the district, no later than March 31 of each year.

Signature:   
Adil Ahmed (Apr 9, 2022 14:03 PDT)

Title: Interim Vice Chancellor for Finance & Administration

Signature: 

Title: Interim Chancellor