

# Peralta Community College District

2021 External Audit Presentation

March 14, 2022

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



Create Opportunities

# Audit Scope & Deliverables

- Audit of the financial statements for Peralta Community College District (the District).
- Federal compliance audit of the District's federal awards (Uniform Guidance)
  - Student Financial Aid Cluster
  - COVID-19 Higher Education Emergency Relief Funds
  - Research and Development
- State compliance audit (Contracted District Audit Manual, CDAM)



# Engagement Timeline

Significant Milestones	Dates
Interim financial and student financial aid testing	April - June
Financial statement and state compliance testing	October and November
Federal compliance testing	January and February
Exit Meeting and Final reports issued	March 14 <sup>th</sup> with approval



# Financial statement highlights

## Overall

- Unmodified opinion which is the **highest level of assurance** a CPA firm can provide for a financial statement audit
- Implementation of GASB 84 regarding presentation of fiduciary activities

## Statement of Financial Position

- Total assets increased \$27.3M primarily due to an increase in Accounts Receivable at year-end.
- Total liabilities decreased \$22M primarily due to repayment on bonds payable
- Total net position increased \$58.3M

## Statement of Revenues and Expenses

- Total Operating Revenues increased \$3M
- Total operating expenses decreased \$67.9M
- Net nonoperating revenues and expenses increased \$31.5M
- Other revenues and expenses netted a \$28.2M gain (compared to \$5.2M loss in prior year)



# Governance communications

Overall	Estimates	Difficulties	Other
<ul style="list-style-type: none"><li>• No significant changes to audit risk assessment and plan</li><li>• No changes in scope of engagement</li></ul>	<ul style="list-style-type: none"><li>• Estimates present in financial statements<ul style="list-style-type: none"><li>• Allowance on receivables</li><li>• SWAP valuation</li><li>• OPEB liability valuation</li><li>• Pension liability valuation</li></ul></li><li>• Estimates are reasonable based on evaluation of key factors and assumptions</li></ul>	<ul style="list-style-type: none"><li>• No difficulties encountered</li><li>• No disagreements with management</li></ul>	<ul style="list-style-type: none"><li>• Audit adjustment</li><li>• Passed adjustments</li><li>• Significant deficiency in internal controls over financial reporting</li><li>• Significant deficiencies in internal controls over compliance</li><li>• Noncompliance</li></ul>



# Audit Findings - Trend

Type	2018	2019	2020 (CLA)	2021 (CLA)
Financial Statements –				
Material Weakness	1	3	2	
Significant Deficiency	1	1	1	1
Federal Compliance –				
Student Financial Aid	2	3	6	6
Other			1	3
State Compliance	1	3		
<b>Total</b>	<b>5</b>	<b>10</b>	<b>10</b>	<b>10</b>



# FY21 Audit Findings

## Financial Statements:

- 001: Closing Process

## Federal Compliance – Student Financial Aid

- 002: COD Reporting
- 003: Gramm-Leach-Bliley Act
- 004: Internal Controls Over Federal Awards
- 005: NSLDS Enrollment Reporting
- 006: Outstanding Student Refund Checks (*questioned costs of \$23,782*)
- 007: Return of Title IV Funds

## Federal Compliance – Other

- 008: HEERF Expenditures (*questioned costs of \$8,278*)
- 009: HEERF Reporting
- 010: Suspension and Debarment

# Steps for Finalization

- Communication of any changes to deliverables
- Update on any fraud, commitments, contingencies or subsequent events
- Signed representation letter from management.
- Corrective Action Plan and Summary Status of Prior Year Findings.
- Data Collection Form





Questions?

