

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 th 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

- No significant changes to audit risk assessment and plan
- No changes in scope of engagement

Estimates

- Estimates present in financial statements
 - Allowance on receivables
 - SWAP valuation
 - OPEB liability valuation
 - Pension liability valuation
- Estimates are reasonable based on evaluation of key factors and assumptions

Difficulties

- No difficulties encountered
- No disagreements with management

Other

- Audit adjustment
- Passed adjustments
- Significant deficiency in internal controls over financial reporting
- Significant deficiencies in internal controls over compliance
- Noncompliance



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		
Total	5	10	10	10



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



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Questions?

