



The Members of the Board of Trustees
Peralta Community College District
Oakland, California

We have audited the accompanying financial statements of the business-type activities of the Peralta Community College District (the "District") as of and for the year ended June 30, 2024 and have issued our report thereon dated December 6, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Peralta Community College District are described in Note 2 to the financial statements. No significant new accounting policies were adopted, and the application of existing policies was not changed.

We noted no transactions entered into by the Peralta Community College District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of capital assets is based on an analysis of the assets' condition and the District's previous experience. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the unfunded pension liability and net OPEB liability are based on actuarial reports prepared by other professionals. We reviewed the key assumptions used to estimate the liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive financial statement disclosures included:

- Other Post-Employment Benefits
- Pension

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify, and we did not notify them of any uncorrected financial statement misstatements.

Corrected Misstatements

No material misstatements were detected as a result of audit procedures. Material conversion entries were recorded by the auditors to convert the modified accrual basis of accounting governmental funds to the government-wide financial statements. This is part of the standard routine audit process.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We will request certain representations from management that are to be included in the management representation letter dated December 6, 2024, the date of the finalized audit report.

Management Consultations with Other Independent Accountant

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Peralta Community College District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Peralta Community College District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. During the course of the audit, we noted the following issues:

- There are a number of historical funds in the District's books that have legacy balances which have not been cleared out or reconciled. We recommend the District to review these accounts and update as necessary.
- Various employee deduction accounts need to be reconciled and cleared as necessary. Amounts appear to be automatically accruing and clearing via the HR/Payroll system.
- Large Due to/From balances are accruing across all funds. It is recommended that any amounts that are due to/from should be cleared in the same fiscal year, or in the following fiscal year.

Other Matters

We applied certain limited procedures to required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

The supplementary section accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

Restriction on Use

This information is intended solely for the information and use of the governing board and management of the Peralta Community College District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



CWDL, Certified Public Accountants
San Diego, California