

# McLennan Community College

## Report to the Board of Trustees

December 8, 2022

McLennan  
COMMUNITY  
COLLEGE

**JRBT**  
CERTIFIED PUBLIC ACCOUNTANTS

# Report to the Board of Trustees

- ◎ Overview
- ◎ Results of the Audit Engagement
- ◎ Financial Highlights
- ◎ Questions and/or Comments

# Overview

## ◎ Our Responsibilities

- The financial statements and compliance with laws and regulations are management's responsibility
- Our responsibility is to plan and perform the audit to provide reasonable assurance that the financial statements are free of material misstatement and are fairly presented
- We also examine evidence about the District's compliance with certain requirements applicable to each of its major federal and state award programs to express an opinion on the District's compliance with those requirements

# Overview

- ⦿ Accounting Estimates
- ⦿ Significant Risks and Transactions
- ⦿ Audit Adjustments
- ⦿ No Disagreements With Management or Difficulties Encountered

# Results of the Audit Engagement

## ◎ Financial Statements

- In our opinion, the financial statements . . . present fairly, in all material respects, the financial position . . . and the respective changes in financial position and cash flows . . .

## ◎ Internal Control Findings

- No material weaknesses or significant deficiencies

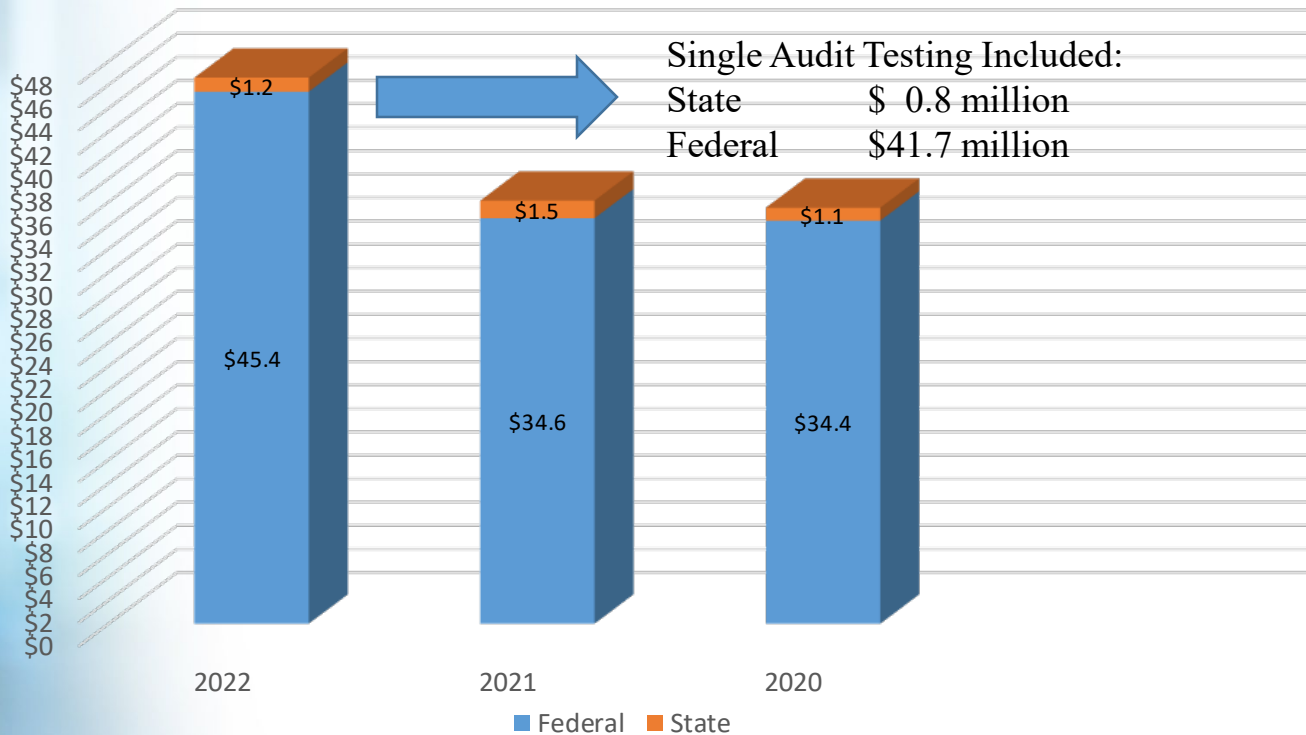
# Results of the Audit Engagement

- ◎ Certain Compliance Requirements of Major Federal and State Award Programs
  - Major federal programs – Student Financial Aid and Education Stabilization Fund
  - Major state program – Texas Education Opportunity Grant
  - Other state compliance – Competitive bidding, Public Funds Investment Act
  - In our opinion, the District complied, in all material respects, with the requirements . . . that could have a direct and material effect on each of its major federal and state programs . . .
- ◎ Internal Control Findings
  - No material weaknesses
  - No significant deficiencies

# Financial Highlights

(dollars in millions)

## Federal & State Expenditures



# Financial Highlights

(dollars in thousands)

	2022	2021
Current assets	\$ 41,531	\$ 35,932
Noncurrent assets	125,320	122,708
Total assets	166,851	158,640
Deferred outflows of resources	17,104	22,295
Current liabilities	22,236	21,227
Noncurrent liabilities	118,409	130,108
Total liabilities	140,645	151,335
Deferred inflows of resources	15,543	14,576
Total net position	\$ 27,767	\$ 15,024

# Financial Highlights

(dollars in thousands)

Net investment in capital assets

Restricted

Unrestricted

Total net position

	2022	2021
	\$ 62,958	\$ 54,140
	582	1,338
	(35,773)	(40,454)
	\$ 27,767	\$ 15,024

# Financial Highlights

(dollars in thousands)

Unrestricted net position (Schedule D)

Adjustments:

Cumulative adjustment for GASB 68

Cumulative adjustment for GASB 75

Total unrestricted net position

2022	2021
(\$37,953)	(\$41,420)
11,357	12,500
48,060	46,756
\$21,464	\$17,836

Change for 2022 = \$3.6m

# Financial Highlights

(dollars in thousands)

Operating revenue  
Operating expenses  
    Operating loss  
Nonoperating:  
    State appropriations  
    Property taxes  
    Grants and contracts  
    Other nonoperating, net  
    Increase in net position

	2022	2021
Operating revenue	\$ 13,570	\$ 14,613
Operating expenses	87,487	81,805
Operating loss	(73,917)	(67,192)
Nonoperating:		
State appropriations	15,746	17,245
Property taxes	31,093	29,469
Grants and contracts	39,633	28,459
Other nonoperating, net	188	(2,162)
Increase in net position	\$ 12,743	\$ 5,819

Questions and/or Comments?

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