

McLennan Community College

Report to the Board of Trustees

December 6, 2023



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

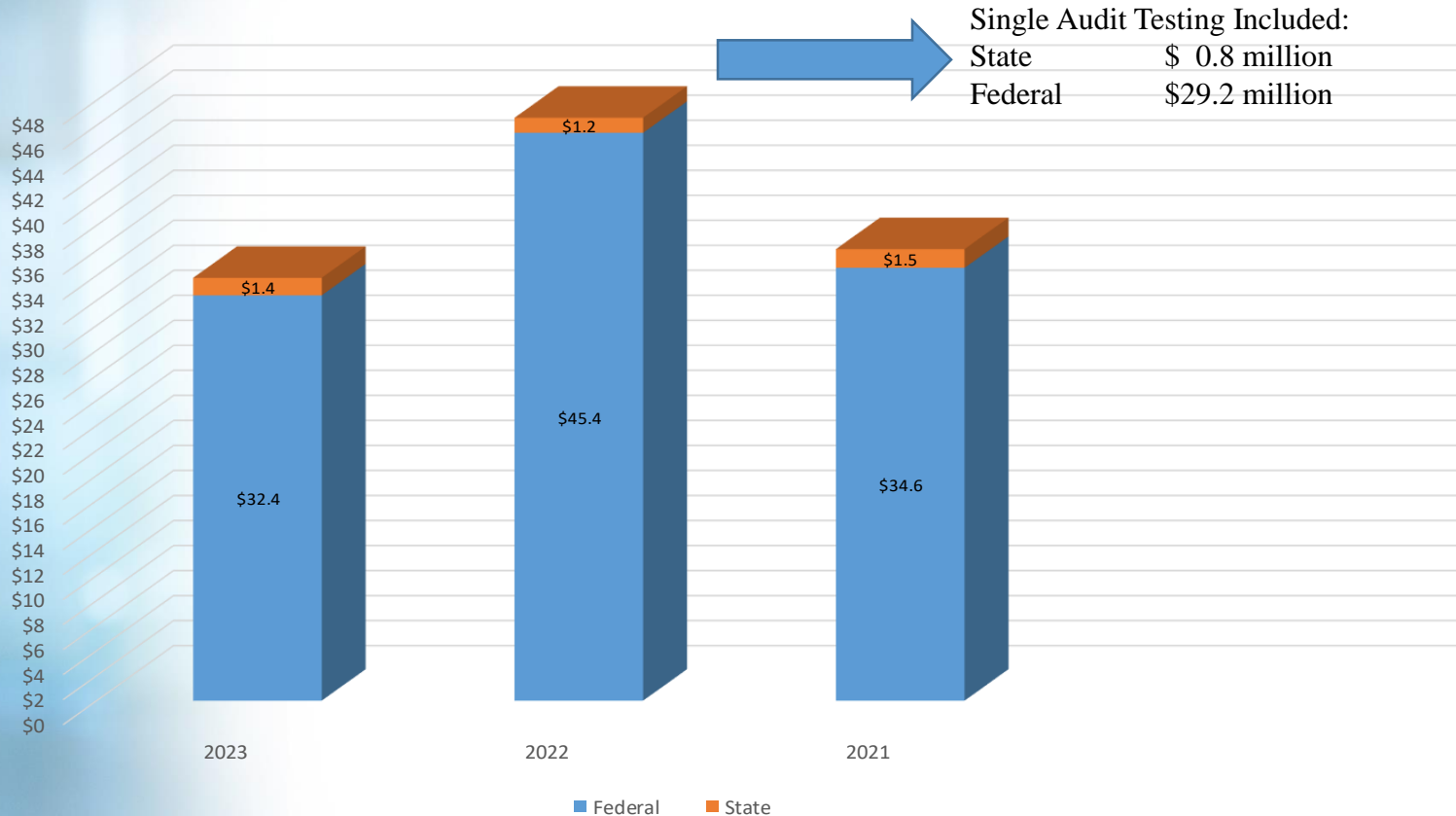
Results of the Audit Engagement

- ◎ **Certain Compliance Requirements of Major Federal and State Award Programs**
 - Major federal programs – Student Financial Aid, Education Stabilization Fund, and TRIP
 - Major state program – Texas Education Opportunity Grant
 - Other state compliance – Competitive bidding and 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)

	2023	2022
Current assets	\$ 46,649	\$ 41,531
Noncurrent assets	125,556	126,869
Total assets	172,205	168,400
Deferred outflows of resources	15,418	17,104
Current liabilities	22,423	22,963
Noncurrent liabilities	111,929	119,360
Total liabilities	134,352	142,323
Deferred inflows of resources	16,075	15,543
Total net position	\$ 37,196	\$ 27,638

Financial Highlights

(dollars in thousands)

Net investment in capital assets

Restricted

Unrestricted

Total net position

	2023	2022
	\$ 67,897	\$ 62,958
	989	582
	(31,690)	(35,902)
	\$ 37,196	\$ 27,638

Financial Highlights

(dollars in thousands)

Unrestricted net position (Schedule D)

Adjustments:

Cumulative adjustment for GASB 68

Cumulative adjustment for GASB 75

CIF Reserve Fund

Total unrestricted net position

2023	2022
(\$40,395)	(\$38,081)
11,744	11,357
48,285	48,060
7,192	2,140
\$26,826	\$23,476

Change for 2023 = \$3.4m



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

	2023	2022
Operating revenue	\$ 13,468	\$ 13,570
Operating expenses	81,969	87,553
Operating loss	(68,501)	(73,983)
Nonoperating:		
State appropriations	15,848	15,746
Property taxes	34,139	31,093
Grants and contracts	28,264	39,633
Other nonoperating, net	(192)	187
Increase in net position	\$ 9,558	\$ 12,676

Questions and/or Comments?

