

December 4, 2025

The Board of Trustees
McLennan County Junior College District:

We have audited the financial statements of McLennan County Junior College District (the District) as of and for the year ended August 31, 2025, and plan to issue our report thereon dated December 4, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 14, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 2 to the financial statements. Except as discussed in the following sentence, there have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. As described in Note 2 to the financial statements, effective September 1, 2024, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Accordingly, the implementation of this standard resulted in a restatement of previously reported amounts in the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is the net pension and total OPEB liabilities and their related deferred outflows and inflows of resources. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management in a letter dated December 4, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, schedule of the District's proportionate share of the net pension liability, schedule of the District's contributions to the Teacher Retirement System of Texas, schedule of the District's proportionate share of the OPEB liability, and schedule of the District's contributions to the Employee Retirement System of Texas which are 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.

We were engaged to report on the supplementary information, as listed in the table of contents, and the schedules of expenditures of federal and state awards, which accompany the financial statements, but are not RSI. With respect to this supplementary information and the schedules of expenditures of federal and state awards, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information and the schedules of expenditures of federal and state awards to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical schedules, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Trustees and management of McLennan County Junior College District and is not intended to be, and should not be, used by anyone other than these specified parties.



December 4, 2025

JRBT, PC
P.O. Box 7616
Waco, Texas 76714-7616

This representation letter is provided in connection with your audits of the respective financial position of the business-type activities and the discretely presented component unit of McLennan County Junior College District (the District) as of August 31, 2025 and 2024, and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they will influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 4, 2025:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 14, 2025, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all required supplementary information and notes to the basic financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. With respect to nonattest services provided, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained controls, including a process to monitor the system of internal control.
6. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
7. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. All related party relationships and transaction have been disclosed in accordance with the Financial Responsibility, Administrative Capability, Certification Procedures, Ability to Benefit regulation promulgated by the U.S. Department of Education.
9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
10. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements as a whole.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
12. All activities are properly classified.
13. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
14. All components of net position are properly classified, and if applicable, approved.
15. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
16. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.

17. All interfund and intra-entity transactions and balances have been properly classified and reported.
18. Deposit and investment risks have been properly and fully disclosed.
19. Capital assets, including infrastructure assets and right-to-use assets, are properly capitalized, reported, and if applicable, depreciated or amortized.
20. All required supplementary information is measured and presented within the prescribed guidelines.
21. Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
22. With regard to pensions and OPEB:
 - We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation or disclosed as a subsequent event.
23. There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Information Provided

24. We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
25. The financial statements and any other information included in the annual financial report are consistent with one another, and the other information does not contain any material misstatements.
26. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

27. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
28. We have provided to you our evaluation of the District's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
29. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
30. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
31. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
32. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
33. We have a process to track the status of audit findings and recommendations.
34. We have identified to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
35. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
36. We have disclosed to you the identity of all the District's related parties and the nature of all the related party relationships and transactions of which we are aware.
37. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
38. The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

39. We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.
40. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities.
41. There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
42. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
43. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
44. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62 and GASB - 102. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
45. With respect to the supplementary information accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
 - We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.

- The methods of measurement and presentation have not changed from those used in the prior period.
 - We believe the significant assumptions or interpretations underlying the measurement and presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
 - When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
46. With respect to the required supplementary information (RSI) accompanying the financial statements:
- We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP.
 - We believe the RSI, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - The methods of measurement and presentation have not changed from those used in the prior period.
 - We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Single Audit

47. With respect to federal and state awards, we represent the following to you:
- We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Texas Grant Management Standards*.
 - We are responsible for the preparation and presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and *Texas Grant Management Standards*.
 - We believe the schedule of expenditures of federal and state awards, including its form and content, is fairly presented in accordance with the Uniform Guidance and *Texas Grant Management Standards*.
 - The methods of measurement or presentation have not changed from those used in the prior period.

- We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- We are responsible for including the auditor's report on the schedule of expenditures of federal and state awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
- We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance and *Texas Grant Management Standards* compliance audit.
- We have notified you of federal awards and funding increments that were received before December 26, 2014 (if any) and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
- We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
- We have made available to you all federal and state awards (including amendments, if any) and any other correspondence relevant to federal and state programs and related activities that have taken place with federal and state agencies or pass-through entities.
- We have received no requests from a federal or state agency to audit one or more specific programs as a major program, except for the Department of Education as it pertains to the Student Financial Assistance Cluster.
- We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal and state awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.
- We have disclosed to you any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

- We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared and are prepared on a basis consistent with the schedule of expenditures of federal and state awards.
- The copies of federal and state program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal and state agency or pass-through entity, as applicable.
- We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
- We have charged costs to federal and state awards in accordance with applicable cost principles.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- The reporting package does not contain personally identifiable information.
- We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- We have reviewed, approved, and taken responsibility for the financial statements, related notes, and the schedule of expenditures of federal and state awards, and have an acknowledgment of the auditor's role in the preparation of this information.
- We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- We are responsible for understanding and complying with the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal and state programs and have identified and disclosed to you the federal and state statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major federal and state program; and we have complied with these direct and material compliance requirements.

- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provide reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state award that could have a material effect on our federal and state programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
- We are responsible for and have accurately completed the appropriate sections of the Data Collection Form.

Very truly yours,

MCLENNAN COUNTY JUNIOR COLLEGE DISTRICT



Johnette McKown, President

Mark Harmsen

Mark Harmsen, Vice President Finance and Administration

Summary of Uncorrected Misstatements

		<i>Financial Statement Effect of Uncorrected Misstatements: Debit (Credit) Statement</i>					
		<i>Total Assets and Deferred Outflows</i>	<i>Total Liabilities and Deferred Inflows</i>	<i>Net Position</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Change in Net Position</i>
Financial Statement Balances, as reported		\$ 192,226,201	(140,677,767)	(51,548,434)	(105,591,743)	97,343,789	(8,247,954)
Effect of Current Period Uncorrected Misstatements		\$ -	696,000	(696,000)	(696,000)	-	(696,000)
Effect of Prior Period Uncorrected Misstatements					575,000	-	575,000
Balance if Corrected		\$ 192,226,201	(139,981,767)	(52,244,434)	(105,712,743)	97,343,789	(8,368,954)
<i>No.</i>	<i>Description</i>						
1	To record Fall 2025 tuition revenue earned in fiscal year 2025	\$ -	696,000	(696,000)	(696,000)	-	(696,000)

Certificate of Completion

Request: Management Representation Letter
Document pages: 10
Time zone: America/Chicago

Signatures: 2
Initials: 0

Status: Completed
Originator: Destiny McElroy
JRBT
IP address: 10.12.123.156

Record Tracking

Status: Original
Wednesday, December 3, 2025 at 09:06 AM

Holder: JRBT
destiny_mcelroy@jrbt.com

Signer events

Johnette McKown
jmckown@mcclennan.edu

Authentication method: Basic

Electronic record and signature disclosure:
Acknowledged & Agreed

Signature


Signature method: Image
Using IP address: 10.12.93.202

Sent: Wednesday, December 3, 2025 at 09:06 AM
Signed: Wednesday, December 3, 2025 at 10:38 AM

Mark Harmsen
mharmsen@mcclennan.edu

Authentication method: Basic

Electronic record and signature disclosure:
Acknowledged & Agreed

Signature


Signature method: Image
Using IP address: 10.12.123.156

Sent: Wednesday, December 3, 2025 at 09:06 AM
Signed: Wednesday, December 3, 2025 at 10:03 AM

Document summary events

Document sent
Signing completed
Completed

Status

Encrypted
Security checked
Security checked

Timestamp

Wednesday, December 3, 2025 at 09:06 AM
Wednesday, December 3, 2025 at 10:38 AM
Wednesday, December 3, 2025 at 10:38 AM