



LEE COLLEGE DISTRICT

FISCAL YEAR 2025 AUDIT RESULTS

AGENDA

- Overview of Audit Scope
- Financial Statement Audit Results
- Federal & State Single Audit Results
- Required Communications to Governance
- Key Takeaways and Q&A

AUDIT SCOPE & APPROACH

Engagement Objectives

- Provide reasonable assurance that the financial statements are free of material misstatement and to issue an independent audit opinion in accordance with:
 - Generally Accepted Auditing Standards (GAAS)
 - Governmental Auditing Standards (GAS)
- Provide assurance on compliance with major federal and state program requirements in accordance with:
 - Federal Single Audit - Uniform Guidance (UG)
 - State Single Audit - Texas Grant Management Standards (TxGMS)

Key Areas of Focus Using Materiality & Risk-based Approach

- Revenue recognition (tuition, grants)
- Compliance with Federal and State Major Programs
 - Student Financial Aid (SFA) Cluster = \$17.5 million (86% of total federal awards)
 - Texas Educational Opportunity Grant (TEOG) Program = \$957 thousand (72% of total state awards)

THE AUDIT PROCESS



Planning & Risk Assessment

Gain Understanding of Internal Controls and Perform Internal Control Testing



Substantive Testing

Opinion & Report Issuance



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FINANCIAL STATEMENT AUDIT RESULTS



Unmodified (“Clean”) Opinion

- Financial statements fairly presented in accordance with Governmental Auditing Standards Board (GASB) standards
- No material misstatements identified
- No material weaknesses or significant deficiencies in internal control noted
- No instances of noncompliance required to be reported under GAS

FINANCIAL STATEMENT AUDIT KEY OBSERVATIONS



Accounting records and supporting documentation were timely and complete



Effective internal control environment



Estimates appear reasonable



Significant accounting policies consistent with prior years



Implementation of new GASB standards completed appropriately

FEDERAL SINGLE AUDIT RESULTS

Major Program

SFA Cluster = \$17.5 million
(86% of total federal awards)



Unmodified Opinion on Compliance for Major Program

- No findings or questioned costs
- No material weaknesses or significant deficiencies in internal control over compliance
- Schedule of Expenditures of Federal Awards (SEFA) prepared accurately and timely

Direct & Material Compliance Requirements:

- Cash Management
- Eligibility
- Financial Reporting
- Special Reporting
- Institutional Eligibility
- Verification
- Disbursement to or on behalf of students
- Using a Servicer or Financial Institution to Deliver Title IV Credit Balances to a Card or Other Access Device
- Return of Title IV Funds
- NSLDS Reporting
- Program Eligibility
- Gramm-Leach-Bliley Act - Student Information Security

STATE SINGLE AUDIT RESULTS

Major Program

TEOG= \$957 thousand
(72% of total federal awards)



Unmodified Opinion on Compliance for Major Program

- No findings or questioned costs
- No material weaknesses or significant deficiencies in internal control over compliance
- Schedule of Expenditures of State Awards (SESA) prepared accurately and timely

Direct & Material Compliance Requirements:

- Activities Allowed or Unallowed
- Cash Management
- Eligibility
- Matching
- Period of Performance
- Financial Reporting

QUESTIONS?



THANK YOU!



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