



Northside Independent School District

Business and Finance

January 21, 2025



Annual Comprehensive Financial Report (ACFR)
Fiscal Year 2023-2024

Financial Statement and Single Audits

Responsibilities of the Audit

PARTY	ROLE
Management	Responsible for internal control and the preparation of the financial statements.
Board of Trustees	Responsible for ensuring management meets its responsibility for internal control and financial reporting.
Independent Auditors	Accumulate the evidence necessary to support an opinion on the fair presentation of the financial statements.

Responsibilities of the Audit

PURPOSE

The purpose of a financial statement audit is to provide users of financial statements with reasonable assurance that they can rely upon those financial statements to make informed decisions.

EVALUATION

The independent audit is an evaluation of the reliability of the District's financial statements, not an assessment of its economic well-being. The independent auditor does not opine or comment on management's financial forecast of future fiscal periods.

GOAL

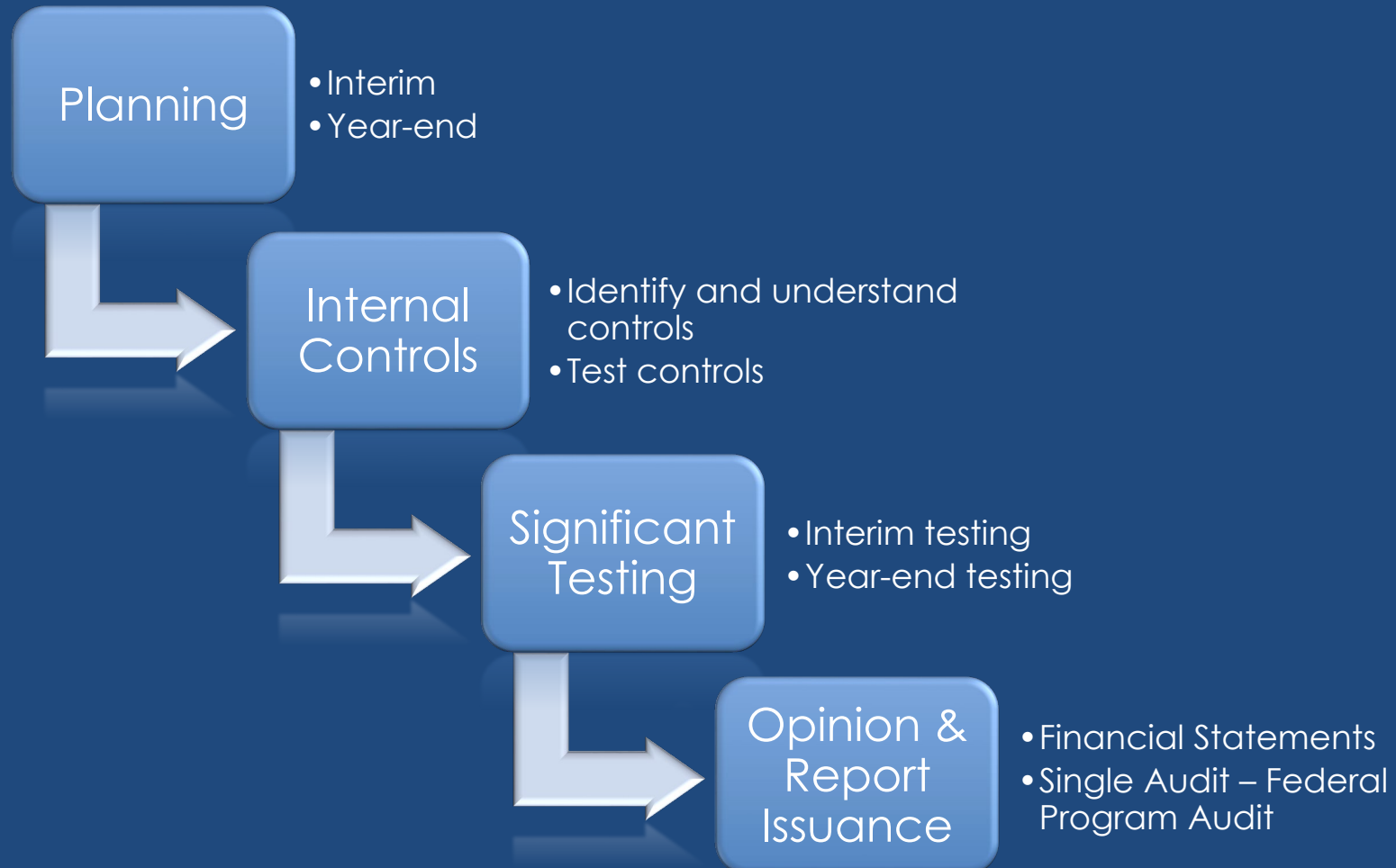
The independent auditor's goal is to obtain reasonable assurance concerning the fair presentation of financial statements, not absolute certainty and after evaluation, report that the financial statements are free from material misstatements.

Financial Report Content

Independent Auditor's Responsibility

ITEM	STATUS	RESPONSIBILITY
Introductory section	Unaudited	The independent auditor reads for consistency.
Managements discussion and analysis	Required supplementary information (RSI)	The independent auditor conducts comparisons and inquiries.
Basic financial statements	Audited	The independent auditor will render an opinion on fair presentation.
General fund budgetary comparison, pension, and OPEB information	Required supplementary information (RSI)	The independent auditor conducts comparisons and inquiries.
Combining and individual fund statements, other budgetary comparisons, and required TEA schedules	Other supplementary information (OSI)	The independent auditor will render an opinion on fair presentation in relation to the basic financial statements.
Statistical section	Unaudited	The independent auditor reads for consistency.

The Audit Process



Interim Audit Planning

Interim planning begins in **May** of each year where the independent auditor provides a “prepared by client or PBC” list of items for district management to gather and provide to the auditors. Examples of those requested items are:

- General ledger detail
- Internal control questionnaires
- Risk assessment questionnaires
- Fraud questionnaires
- Bank statements and reconciliations
- Other agency audit reports
- Accrued payroll details
- Proof of various payroll payments such as payments to the IRS, TRS, etc.
- Proof of revenue payments from TEA and other grant agencies
- Copies of check registers from payroll and accounts payable
- Other schedules and roll forwards for large transactions

The independent auditors request these items in May to begin their review and testing over the first nine months of the fiscal year, September 1 through May 31.

Internal Controls



Internal Controls - Review and Test

AUDITORS	DISTRICT MANAGEMENT AND STAFF
Provides and reviews internal control questionnaires	Responsible for completing questionnaires
Performs internal control walk-throughs	Participate in walk-throughs
Identifies various samples to test internal controls	Provides supporting documentation for invoices, purchase orders, and other non-payroll transactions

Year-end Planning

Year-end planning is the continuation of the audit with new items on the “prepared by client or PBC” list that District management must gather and provide to the auditors. The same information requested during interim will also be requested at year-end; however, it will be for activity that occurred after May through August 31. Examples of items provided are:

- Respond to variances in all areas, if any
- Provide roll forwards for various general ledger balances
- Coordinate legal letters
- Coordinate confirmations with third parties
- Proof of various payroll payments such as payments to the IRS, TRS, etc.
- Proof of revenue payments from TEA and other grant agencies
- Copies of check registers from payroll and accounts payable
- Draft ACFR
- Revise the ACFR based on comments from auditor

Year-end work takes place from September through January. The report is compiled by district staff normally around October and November. The independent auditor works with district staff from November through January to review and finalize the audit report for board review and approval.

Significant Testing

Analytical Procedures

Flux and Ratio Analysis

Predictive Tests

For potential issues or areas of risk

Vouching

Verifying entries

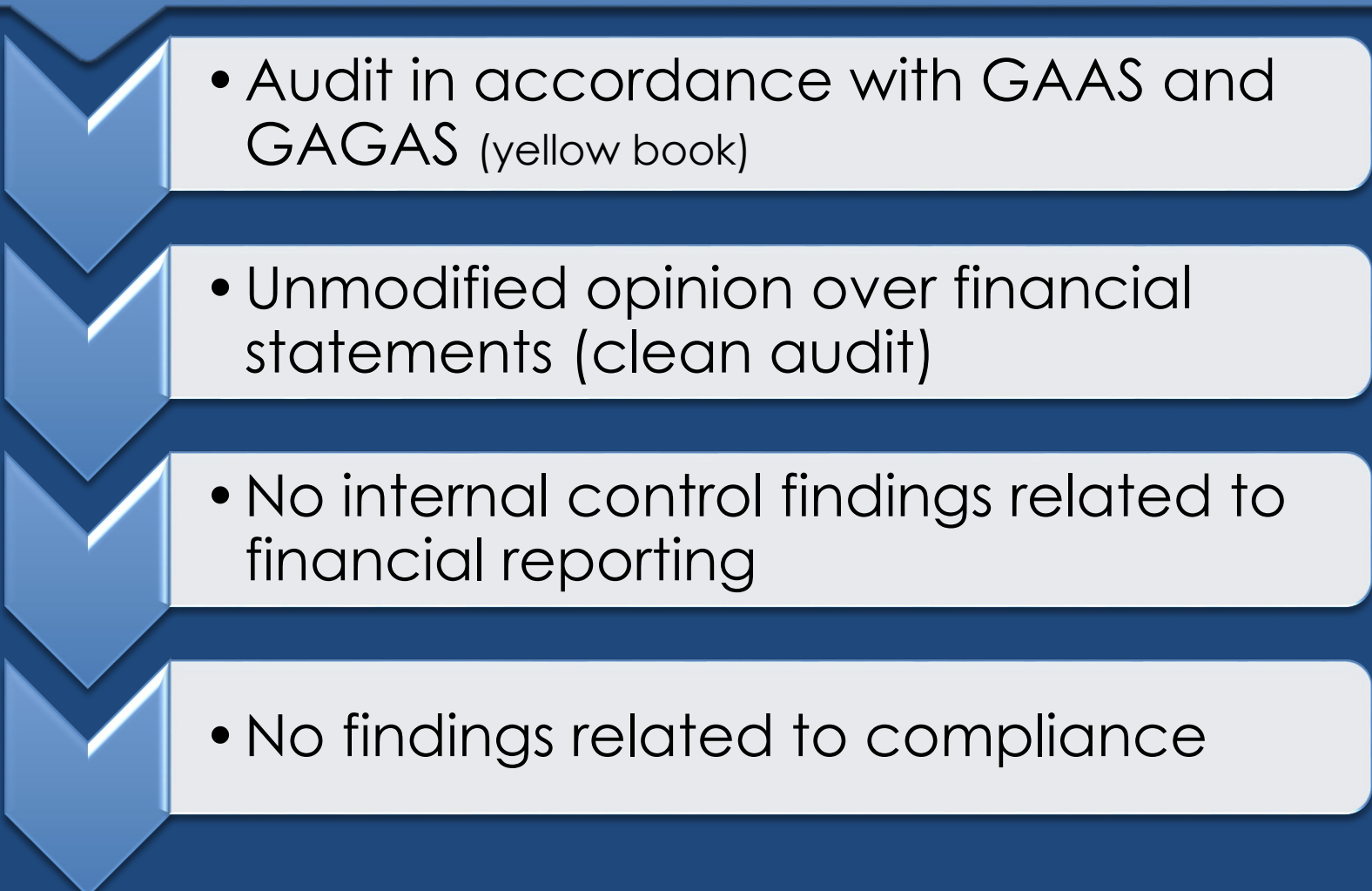
Confirmations

Validating information directly with the third party

Third Party Reports

Payment and ledger reports from agencies such as TEA and Comptroller

Results – Opinion on Financial Statements



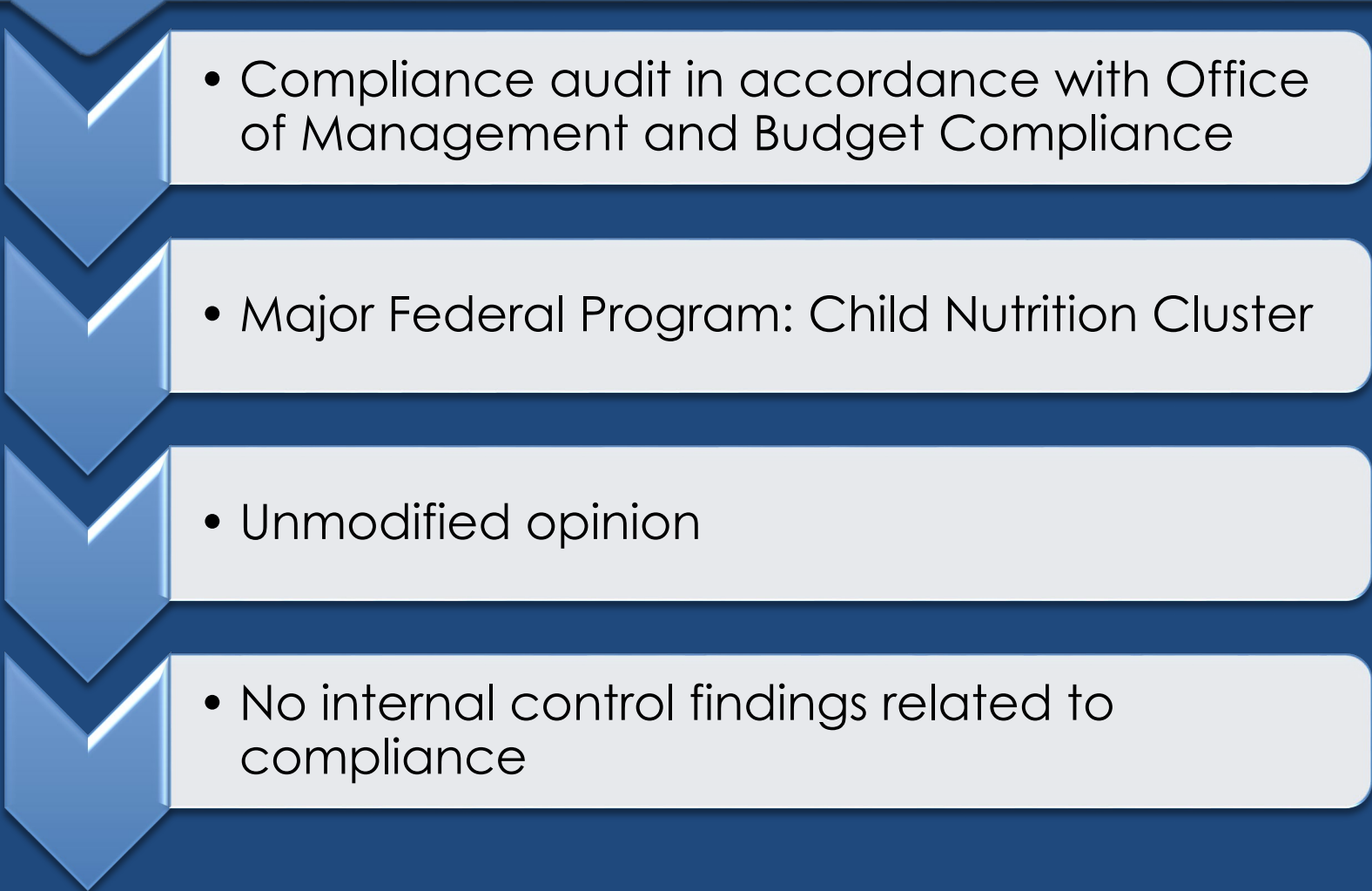
- Audit in accordance with GAAS and GAGAS (yellow book)

- Unmodified opinion over financial statements (clean audit)

- No internal control findings related to financial reporting

- No findings related to compliance

Opinion on Federal Program



- Compliance audit in accordance with Office of Management and Budget Compliance

- Major Federal Program: Child Nutrition Cluster

- Unmodified opinion

- No internal control findings related to compliance



Results of Operations and Projections

Fiscal Year Actual and Instructional Continuity History

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue	\$905,376,631	\$968,861,674	\$927,329,841	\$952,894,072	\$982,572,759	\$1,005,472,308
Expenditures	\$893,472,980	\$922,531,935	\$927,269,838	\$931,683,172	\$976,132,591	\$1,044,169,720
Results of Operations - Surplus/(Deficit)	\$11,903,651	\$46,329,739	\$60,003	\$21,210,900	\$6,440,168	(\$38,697,412)
Instructional Continuity Commitment	\$0	\$177,180,954	\$190,000,000	\$215,000,000	\$200,000,000	\$140,000,000
Increase/ (Reduction) from prior year			\$12,819,046	\$25,000,000	(\$15,000,000)	(\$60,000,000)

Fiscal Year Budget and Instructional Continuity Projection

	Prior Year Actuals	Projections		
	2023-24	2024-25	2025-26	2026-27
Revenue	\$1,005,472,308	\$1,001,276,845	\$992,588,552	\$986,492,899
Expenditures	\$1,044,169,720	\$1,095,236,321	\$1,097,736,321	\$1,041,129,076
Budget Reductions	\$0	\$0	(\$59,107,245)	(\$54,636,177)
Results of Operations - Surplus/(Deficit)	(\$38,697,412)	(\$93,959,476)	(\$46,040,524)	\$0
Instructional Continuity Forecast	\$140,000,000	\$46,040,524	\$0	\$0
Increase/ (Reduction) from prior year		(\$93,959,476)	(\$46,040,524)	\$0



Thank you