

# HITCHCOCK INDEPENDENT SCHOOL DISTRICT

FISCAL YEAR 2025: FINANCIAL STATEMENT AUDIT AND FEDERAL SINGLE AUDIT



## ENGAGEMENT LEADERSHIP TEAM



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*Engagement Quality  
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## TYPES OF AUDIT OPINIONS

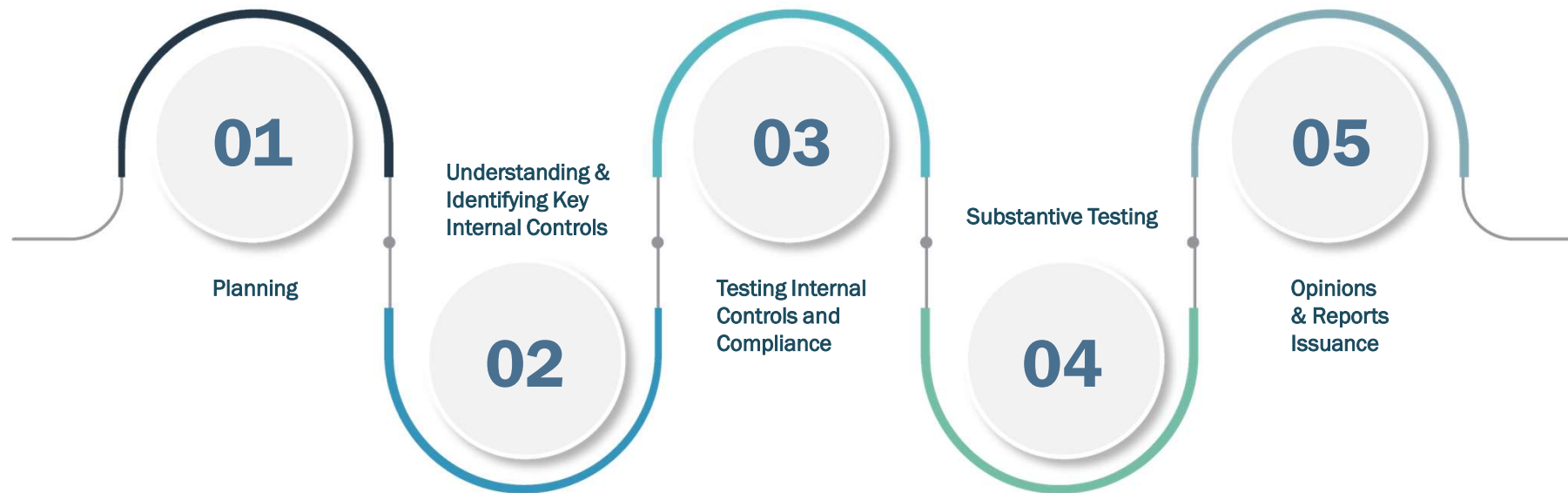


**Disclaimer**

**Qualification**  
(modification due  
to scope limitation  
or departure from  
GAAP)

**Unmodified**  
(Clean Opinion)

# AUDIT PROCESS



# SCHEDULE OF FINDINGS & QUESTIONED COSTS

## Summary



### Financial Statements

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Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes (2025-001 and 2025-002)
Noncompliance material to financial statements noted?	No

### Federal Awards

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Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes (2025-003)
Type of auditors' report issued on compliance with major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	Yes (2025-003)

## AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

- Unmodified Opinion
- Financial statements are presented fairly, in all material respects, in accordance with GAAP
- Audit conducted in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*

## AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE STATUS OF PRIOR AUDIT FINDINGS



Finding Reference Number	Original Finding Description	Finding Type	Fiscal Year of Initial Occurrence	Status	Explanation if Not Corrected
2024-001	Bank Reconciliations	Material Weakness	2023	Partially corrected	Finding severity reduced to significant deficiency. See current year finding #2025-001.
2024-002	Unauthorized Use of Restricted Funds	Material Noncompliance and Material Weakness	2023	Corrected	N/A
2024-003	Financial Close and Reporting	Material Weakness	2023	Partially corrected	Finding severity reduced to significant deficiency. See current year finding #2025-002.
2024-004	Transfer of Bond Funds to the General Fund	Material Noncompliance and Material Weakness	2024	Corrected	N/A
2024-005	General Fund Expenditures in Excess of Appropriations	Material Noncompliance	2024	Corrected	N/A

# FEDERAL SINGLE AUDIT REPORT



## Major Federal Programs

2023	2024	2025
Child Nutrition Cluster	Child Nutrition Cluster	Child Nutrition Cluster
ESSER	Special Education Cluster	Special Education Cluster
	CACFP	CACFP
		Head Start Cluster

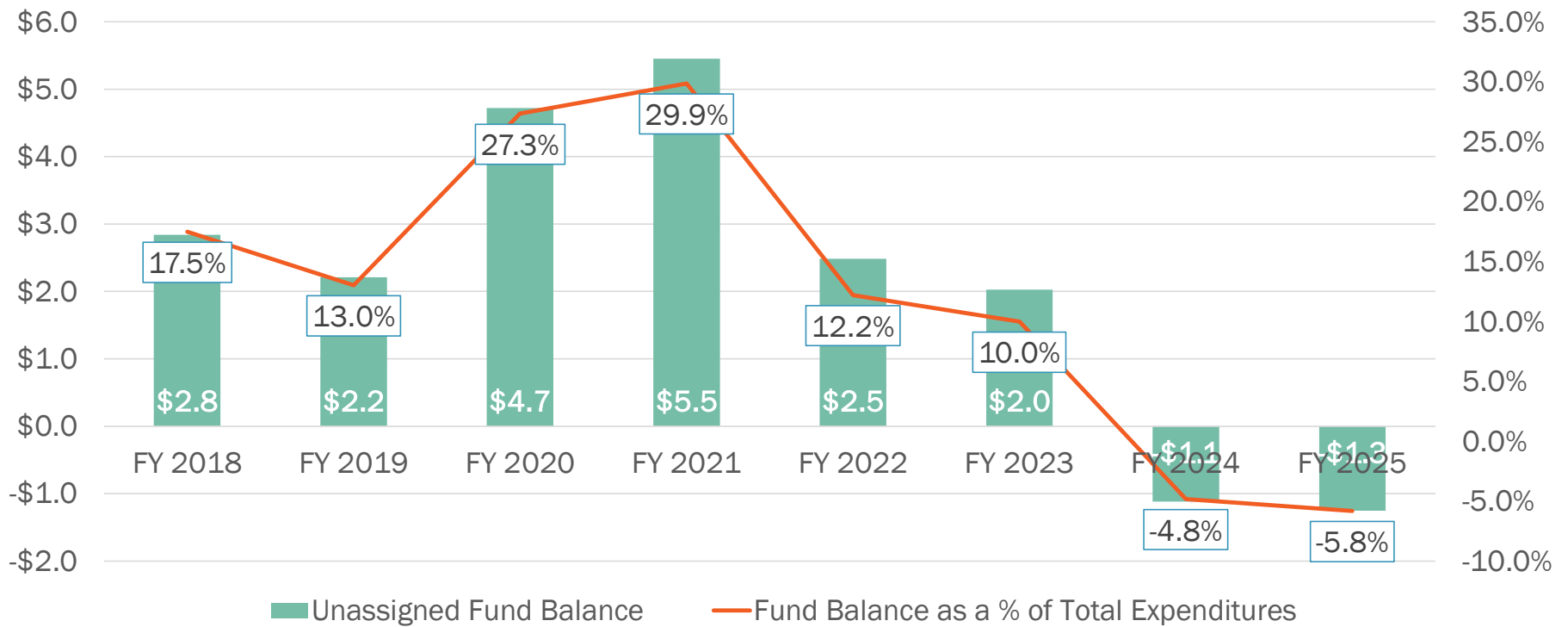
- Unmodified opinion on compliance over each major federal program
- Internal control findings related to each major program
- No noncompliance material to program or questioned costs noted

# FEDERAL SINGLE AUDIT REPORT STATUS OF PRIOR AUDIT FINDINGS



Finding Reference Number	Original Finding Description	Finding Type	Fiscal Year of Initial Occurrence	Status	Explanation if Not Corrected
2024-006	Unauthorized Use of Child Nutrition Funds; Department of Agriculture; Internal Controls Over Compliance - Activities Allowed/Allowable Costs - Child Nutrition, ALN 10.553, 10.555	Material Weakness	2023	Corrected	N/A
2024-007	Lack of Semi-Annual Certifications for Special Education Personnel; Department of Education; Internal Controls Over Compliance - Allowable Costs / Cost Principles - Special Education Cluster, ALN 84.027, 84.173	Material Weakness	2023	Partially corrected	Finding severity reduced to significant deficiency. See current year finding #2025-003.

# FUND BALANCE (\$M) AS A PERCENTAGE OF EXPENDITURES GENERAL FUND



## REQUIRED COMMUNICATIONS

### Significant Accounting Policies

- The District's accounting policies and methods are appropriate and in accordance with industry standards.

### Accounting Estimates

- The preparation of the financial statements requires that certain estimates and judgments be made by management. We concluded that management has a reasonable basis for significant judgments and estimates that impact the financial statements.

### Difficulties Encountered in Performing the Audit

- We encountered no difficulties obtaining sufficient audit evidence.

### Corrected or Uncorrected Misstatements

- There were material misstatements that were identified by us that required management's correction.

### Disagreements with Management

- We had no disagreements with management over the application of accounting principles or management's judgments about accounting estimates.

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# REQUIRED COMMUNICATIONS



## Management Representations

- We will request certain representations from management prior to issuance of final report.

## Consultation with Other Accountants

- We are not aware of any situations in which management consulted with other accountants on accounting or financial reporting matters.

## Major Issues Discussed with Management Prior to Retention

- We discussed the application of accounting principles and auditing standards; however, our responses were not a condition to our retention.

QUESTIONS?

