

**CEDAR HILL  
INDEPENDENT SCHOOL DISTRICT**

**EFFICIENCY AUDIT REPORT**

**Data for the Fiscal Year Ended  
June 30, 2021**



# CEDAR HILL INDEPENDENT SCHOOL DISTRICT

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8343 Douglas Avenue  
Suite 400  
Dallas, Texas 75225  
214.393.9300 Main

whitleypenn.com

**REPORT OF INDEPENDENT AUDITORS ON AN EFFICIENCY AUDIT  
CONDUCTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees and Citizens  
of Cedar Hill Independent School District

Whitley Penn, LLP conducted an efficiency audit as prescribed by the State of Texas Legislative Budget Board for Cedar Hill Independent School District (the "District"). The purpose of this report is to communicate the results of the efficiency audit.

The purpose of our efficiency audit was to assess the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts before an election to adopt a Maintenance and Operations (M&O) property tax rate.

Our efficiency audit was conducted in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the performance audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our performance audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our performance audit objectives.

The procedures performed did not constitute an audit, a review, or a compilation of the District's financial statements or any part thereof, nor an examination of management's assertions concerning the effectiveness of the District's internal-control systems or compliance with laws, regulations, or other matters. Accordingly, the performance of the procedures did not result in the expression of an opinion or any other form of assurance on the District's financial statements or any part thereof, nor an opinion or any other form of assurance on the District's internal-control systems or its compliance with laws, regulations, or other matters.

The image shows a handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Dallas, Texas  
January 19, 2022

To the Board of Trustees and Citizens of  
Cedar Hill Independent School District

## **SECTION I - EXECUTIVE SUMMARY**

### **Overview of Procedures Performed**

In conducting the efficiency audit for the District, we gained an understanding of the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts. This was accomplished by analyzing data from the fiscal year ended June 30, 2021 and prior, maintained by the Texas Education Agency ("TEA") and the District. An overview of the objectives and approach performed during the efficiency audit are provided in Section III of this report.

District data on accountability, students, staffing and finances, with peer districts and state comparisons are described in Section IV of this report.

To the Board of Trustees and Citizens of  
Cedar Hill Independent School District

**SECTION II - KEY INFORMATION ABOUT THE DISTRICT**

On August 22, 2022, Cedar Hill Independent School District (the “District”) called for a voter approved tax ratification election (VATRE) to increase the District’s maintenance and operations (M&O) property tax rate in tax year 2022 (fiscal year 2023) by \$0.12. M&O property taxes are for the operation of public schools. The District held a VATRE in September 2018 and it did not pass.

The M&O tax rate for fiscal year 2022 is \$0.9024 and the rate will be further compressed for fiscal year 2023 due to property tax relief from House Bill 3. The District is proposing to increase the M&O tax rate for fiscal year 2023 from \$0.8546 to \$0.9746. An efficiency audit, as required by law, was deemed necessary in anticipation of proposing a VATRE to the Board of Trustees to provide full transparency to taxpayers. Without a successful VATRE, the District is projecting a budget shortfall for fiscal year 2023 totaling \$4.5 million.

**Historical Tax Rates**

<b>Fiscal Year</b>	<b>Maintenance &amp; Operations (M&amp;O)</b>	<b>Interest &amp; Sinking (I&amp;S)</b>	<b>Total Tax Rate</b>
<b>2021-22</b>	\$0.9024	\$0.3360	\$1.2384
<b>2020-21</b>	\$0.9473	\$0.3360	\$1.2833
<b>2019-20</b>	\$0.9700	\$0.3360	\$1.3060
<b>2018-19</b>	\$1.0400	\$0.3360	\$1.3760
<b>2017-18</b>	\$1.0400	\$0.4760	\$1.5160

The estimated revenue from the proposed \$0.12 increase in the M&O tax rate is \$5.5 million and represents about 7.9 percent of the total 2022 - 2023 adopted general fund budget of \$69.5 million.

For a single-family residential property with a taxable value of \$300,000 and a homestead exemption of \$40,000, the tax levy as a result of the proposed M&O rate increase is \$3,407.56, or a \$312 increase compared to the tax levy without the proposed M&O rate increase.

<b>Potential Tax Impact</b>				
<b>Election Results</b>	<b>Maintenance &amp; Operations (M&amp;O) Tax Rate</b>	<b>Interest &amp; Sinking (I&amp;S) Tax Rate <sup>(1)</sup></b>	<b>Total Tax Rate</b>	<b>Tax Levy for \$300k Home <sup>(2)</sup></b>
VATRE Passes	\$0.9746	\$0.3360	\$1.3106	\$3,407.56
VATRE Does Not Pass	\$0.8546	\$0.3660	\$1.1906	\$3,095.56
Difference	\$0.1200	-	\$0.1200	\$312.00

<sup>(1)</sup> Potential \$0.005 I&S rate increase is not considered in this analysis

<sup>(2)</sup> Includes \$40,000 Homestead Exemption

Even with the M&O tax rate increase the District administration will be proposing, the District will need to achieve further cost efficiencies and review program cost savings that would allow the District to adopt a balanced budget for fiscal year 2024.

Based on the outcome of the efficiency audit, the District will first address any cost inefficiencies reflected in the efficiency audit. Secondly, the District will determine if any other funds are available to cover General Fund needs in fiscal year 2023. The District can also determine if budget assumptions such as staffing ratios need adjusting in fiscal year 2023.

If a VATRE is successful, the District intends to use the additional tax revenue to fund teacher and staff salaries, pay raises, classroom materials and academic programs.

**SECTION II - KEY INFORMATION ABOUT THE DISTRICT (continued)**

The District engaged Whitley Penn, LLP to conduct the efficiency audit. Efficiency audits focus on informing voters about the District’s fiscal management, efficiency, utilization of resources, and whether the District has implemented best practices. The information includes data and tools that the State of Texas currently utilizes to measure school district efficiency.

Some key information about the District:

- The District’s total operating revenue for all funds, for fiscal year 2021 totaled \$10,250 per student, while the peer districts average and the State average totaled \$11,530 per student and \$11,505 per student, respectively.
- Over the last five years, the District’s total average operating revenues for all funds totaled \$9,476 per student, while the peer districts average and the State average totaled \$10,373 per student and \$10,459 per student, respectively.
- Over the last five years, the District’s average General Fund operating revenue per student totaled \$8,167, while the peer districts average totaled \$9,053 per student.
- The District’s total operating expenditures for all funds for fiscal year 2021 totaled \$10,316 per student, while the peer districts average and the State average were \$11,023 per student and \$11,106 per student, respectively.
- Over the last five years, the District’s average total operating expenditure for all funds totaled \$9,527 per student compared to the peer districts average of \$10,143 per student and the State average of \$10,117 per student.
- Over the last five years, the District’s average General Fund operating expenditures per student was \$8,256 per student, while the peer districts average was \$8,850 per student.
- The District earned an “A” or a Superior Rating for the School Financial Integrity Rating System of Texas (FIRST) in 2022 based on 2020 - 2021 data.
- The Texas Education Agency reviews and tracks the performance of both school districts and individual schools with the Texas A-F Accountability System. The results are posted year-to-year. The District, as a whole, earned a “C” (70 out of 100 points) in 2021 - 2022, the last year accountability ratings were issued. The detail by campus for the 2021 - 2022 accountability rating is shown below:

<b>Rating</b>	<b># of Campuses</b>
<b>A</b>	2
<b>B</b>	1
<b>C</b>	6
<b>Not Rated: SB 1365</b>	3
<b>F</b>	-

Additional details and audit results are included in Section IV.



To the Board of Trustees and Citizens of  
Cedar Hill Independent School District

### **SECTION III - OBJECTIVES AND APPROACH**

#### **Objectives**

The objective of our efficiency audit was to assess the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts.

#### **Approach**

In order to achieve the objectives, set forth above, Whitley Penn, LLP performed the following procedures:

1. Selected peer districts, developed a simple average and used the same comparison group throughout the audit.
2. Reported on the overall accountability rating (A-to-F and a corresponding scale score of 1 to 100).
3. Compared the District's peer districts' average score and listed the following District's campus information:
  - a. Accountability rating count for each campus level within the district.
  - b. Names of the campuses that received an F accountability rating
  - c. Campuses that are required to implement a campus turnaround plan
4. Reported on the District's School FIRST rating. For a rating of less than A, listed the indicators not met.
5. Reported on student characteristics for the District, the peer districts and the State average including:
  - a. Total Students
  - b. Economically Disadvantaged
  - c. English Learners
  - d. Special Education
  - e. Bilingual/ESL Education
  - f. Career and Technical Education
6. Reported on the attendance rate for the District, the peer districts and the State.
7. Reported on the five-year enrollment for the District for the most recent school year and four (4) years prior, the average annual percentage change based on the previous five years and the projected next school year.
8. Reported on the following indicators related to the District's revenue, its peer districts' average and the State average and explained any significant variances.
  - a. Local M&O Tax (Retained) (without debt service and recapture)
  - b. State
  - c. Federal
  - d. Other local and intermediate
  - e. Total revenue

**SECTION III - OBJECTIVES AND APPROACH (continued)**

9. Reported on the following indicators related to the District's expenditures, its peer districts' average, and the State average and explained significant variances from the peer districts' average, if any. In addition, explained the reasons for the District's expenditures exceeding revenue, if applicable.
  - a. Instruction
  - b. Instructional resources and media
  - c. Curriculum and staff development
  - d. Instructional leadership
  - e. School leadership
  - f. Guidance counseling services
  - g. Social work services
  - h. Health services
  - i. Transportation
  - j. Food service operation
  - k. Extracurricular
  - l. General administration
  - m. Plant maintenance and operations
  - n. Security and monitoring services
  - o. Data processing services
  - p. Community services
  - q. Total operating expenditures
  
10. Reported on the following indicators for payroll and select District salary expenditures compared to its peer districts' average and the State average and explained any significant variances from the peer districts' average in any category.
  - a. Payroll as a percentage of all funds
  - b. Average teacher salary
  - c. Average administrative salary
  - d. Superintendent salary
  
11. Reported on the General Fund operating fund balance, excluding debt service and capital outlay, for the past five years and per student for the District and its peer districts. Analyzed unassigned fund balance per student and as a percentage of three-month operating expenditures and explained any significant variances.
  
12. Reported the District's allocation of staff, and student-to-teacher and student-to-total staff ratios for the District, the peer districts and the State average. The following staff categories were used:
  - a. Teaching
  - b. Support
  - c. Administrative
  - d. Paraprofessional
  - e. Auxiliary
  - f. Students per total staff
  - g. Students per teaching staff

**SECTION III - OBJECTIVES AND APPROACH (continued)**

13. Reported on the District's teacher turnover rate as well as the peer districts and the State's average. Reported on the following programs offered by the District, including the number of students served, percentage of enrolled students served, program budget, program budget as a percentage of the District's budget, total staff for the program, and student-to-staff ratio for the program.
  - a. Special Education
  - b. Bilingual Education
  - c. Migrant Programs
  - d. Gifted and Talented Programs
  - e. Career and Technical Education
  - f. Athletics and Extracurricular Activities
  - g. Alternative Education Program/Disciplinary Alternative Education Program
  - h. Juvenile Justice Alternative Education Program
14. Described how the District maximizes available resources from state sources and regional education service centers to develop or implement programs or deliver services.
15. Report on the District's annual external audit report's independent auditor's opinion as required by *Government Auditing Standards*.
16. Explained the basis of the TEA assigning the District a financial-related monitoring/oversight role during the past three years, if applicable.
17. In regard to the District's budget process, provided a response to each of the following questions:
  - a. Does the District's budget planning process include projections for enrollment and staffing?
  - b. Does the District's budget process include monthly and quarterly reviews to determine the status of annual spending?
  - c. Does the District use cost allocation procedures to determine campus budgets and cost centers?
  - d. Does the District analyze educational costs and student needs to determine campus budgets?
18. Provided a description of the District's self-funded program, if any, and analyzed whether program revenues are sufficient to cover program costs.
19. Reported whether the District administrators are evaluated annually and, if so, explained how the results inform District operations.
20. In regard to the District's compensation system, provided a response to the following questions:
  - a. Does the District use salary bonuses or merit pay systems? If yes, explain the performance-based systems and the factors used.
  - b. Do the District's salary ranges include minimum, midpoint, and maximum increments to promote compensation equity based on the employee's education, experience, and other relevant factors?
  - c. Does the District periodically adjust its compensation structure using verifiable salary survey information, benchmarking, and comparable salary data?
  - d. Has the District made any internal equity and/or market adjustments to salaries within the past two years?

**SECTION III - OBJECTIVES AND APPROACH (continued)**

21. In regard to planning, provided a response for each of the following questions:
  - a. Does the District develop a District Improvement Plan (DIP) annually?
  - b. Do all campuses in the District develop a Campus Improvement Plan (CIP) annually?
  - c. Does the District have an active and current facilities master plan? If yes, does the District consider these factors to inform the plan:
    - i. Does the District use enrollment projections?
    - ii. Does the District analyze facility capacity?
    - iii. Does the District evaluate facility condition?
  - d. Does the District have an active and current energy management plan?
  - e. Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?
  
22. In regard to District academic information, we will provide a response for each of the following questions:
  - a. Does the District have a teacher mentoring program?
  - b. Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?
  - c. When adopting new programs, does the District define expected results?
  - d. Does the District analyze student test results at the district and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?
  
23. Provided a response to the question if the District modifies programs, plans staff development opportunities, or evaluates staff based on analyses of student test results.

To the Board of Trustees and Citizens of  
Cedar Hill Independent School District

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS**

**1. Peer Districts**

The Texas Education Agency's (TEA) 2020 Snapshot Peer Search identified a total of seventy-four (74) peer districts based on size (5,000 - 9,999 students). Using other similar characteristics for tax rate (\$1.3141 to under \$1.4301), district type (major suburban), and Texas Smart Schools, the nine (9) peer districts shown below were identified.

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**FIGURE 1**  
**PEER DISTRICTS**

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<b>DISTRICT NAME</b>	<b>COUNTY</b>	<b>2020 - 2021 ENROLLMENT</b>
Azle ISD	Tarrant County	6,685
Boerne ISD	Kendall County	9,617
Channelview ISD	Harris County	11,748
DeSoto ISD	Dallas County	7,176
Duncanville ISD	Dallas County	9,572
Edgewood ISD	Bexar County	7,929
La Porte ISD	Harris County	9,152
Lancaster ISD	Dallas County	6,999
Manor ISD	Travis County	9,238

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**2. Accountability Rating**

The Texas Education Agency (TEA) annually assigns an A-to-F rating and a corresponding scaled score (1 to 100) to each district and campus based on student assessment results and other accountability measures. To align with Senate Bill 1365, school districts and campuses received an A, B or C rating or were assigned a label of Not Rated: Senate Bill 1365. This Not Rated: Senate Bill 1365 label was applied when the domain or overall scaled score for a district or campus was less than 70.

**FIGURE 2**  
**ACCOUNTABILITY RATING COMPARISON**  
**2021 - 2022**

	<b>DISTRICT RATING (A-F)</b>	<b>DISTRICT SCORE (1-100)</b>	<b>PEER DISTRICTS AVERAGE SCORE (1-100)</b>
Rating/Score	C	70	83

The "F" accountability rating was not applicable for 2021 - 2022. The results for the District's 12 campuses that were assigned a rating are shown below.

**FIGURE 3**  
**ACCOUNTABILITY RATING BY CAMPUS LEVEL**  
**2021 - 2022**

	<b>ELEMENTARY SCHOOLS</b>	<b>MIDDLE SCHOOLS</b>	<b>HIGH SCHOOLS</b>
A	-	1	1
B	1	-	-
C	6	-	-
Not Rated: SB 1365	-	2	1

**Campuses with a "F" Accountability Rating**

N/A due SB 1365

**Campuses with Required to Implement a Campus Turnaround Plan**

None

Campuses assigned a label of Not Rated: Senate Bill 1365 were Coleman Middle School, Permenter Middle School, and Cedar Hill High School.

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**3. Financial Rating**

The State of Texas’ school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

The School Financial Integrity Rating System of Texas (FIRST) holds school districts accountable for the quality of their financial management practices. The rating is based on five (5) critical indicators as well as minimum number of points for an additional ten (10) indicators. Beginning with 2015-2016 Rating (based on the 2014-2015 financial data), the Texas Education Agency moved from a “Pass/Fail” system and began assigning a letter rating. The ratings and corresponding points are shown below:

<b><u>Rating</u></b>	<b><u>Points</u></b>
A = Superior	90 – 100
B = Above Standard	80 - 89
C = Meets Standards	60 – 79
F = Substandard Achievement	Less than 60

The District’s 2021 - 2022 rating based on school year 2020 - 2021 data was an “A” (Superior). The District earned an “A” (Superior) rating in 2019 and a “B” (Above Standard) rating in 2018, 2020, and 2021.

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**FIGURE 4**  
**SCHOOL FIRST RATING**  
**2022 Rating (Based on School Year 2020 - 2021 Data)**

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	<b><u>DISTRICT RATING (A-F)</u></b>
Rating	A

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**4. Student Characteristics, Attendance, and 5-Year Enrollment**

**Student Characteristics**

Every student is served differently in public schools based on their unique characteristics. Such data is captured by the Texas Education Agency on an annual basis. Figure 5 provides student counts for five (5) select student characteristics, which are described below:

Economically Disadvantaged - This term has an identical meaning to educationally disadvantaged, which is defined by the Texas Education Code (TEC) §5.001(4) as a student who is “eligible to participate in the national free or reduced-price lunch program”.

English Learners - The TEA defines an English Learner as a student who is in the process of acquiring English and has another language as the primary language; it is synonymous with English Language Learner (ELL) and Limited English Proficient (LEP).

Special Education - These are students with a disability as defined by Federal regulations (34 CFR§§ 300.304 through 300.311), State of Texas Laws (Texas Education Code §29.003) or the Commissioner’s/State Board of Education Rules (§89.1040).

Bilingual/ESL Education - TEC §29.055 describes students enrolled in a bilingual education program as those students in a full-time program of dual-language instruction that provides for learning basic skills in the primary language of the students and for carefully structured and sequenced mastery of the English language skills. Students enrolled in an English as a Second Language (ESL) program receive intensive instruction in English from teachers trained in recognizing and dealing with language differences.

Career and Technical Education - Students enrolled in State approved Career and Technology Education programs.

**FIGURE 5**  
**SELECTED STUDENT CHARACTERISTICS**  
**2020 - 2021**

	<b>TOTAL STUDENT POPULATION COUNT</b>	<b>PERCENTAGE OF STUDENT POPULATION</b>	<b>PEER DISTRICTS AVERAGE PERCENTAGE</b>	<b>STATE AVERAGE PERCENTAGE</b>
Total Students	7,253	100.0%	N/A	N/A
Economically Disadvantaged	4,504	62.1%	68.8%	60.2%
English Learners	589	8.1%	19.2%	20.6%
Special Education	590	8.1%	17.5%	11.3%
Bilingual/ESL Education	608	8.4%	12.5%	20.9%

SOURCE: Texas Education Agency, Texas Academic Performance Reports.

Data for Career and Technical Education was not provided by the TEA in 2020 - 2021.



**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**4. Student Characteristics, Attendance, and 5-Year Enrollment (continued)**

**Student Characteristics (continued)**

There are 5.4 million students served by public schools in the State of Texas. Of those students, 3.2 million or 60.2 percent are economically disadvantaged. The percentage of economically disadvantaged students served by the District compared to its total student population totaled 62.1 percent, which is 25.7 percent and 1.9 percent greater than the peer districts and the State average, respectively. Of the peer districts evaluated, Edgewood Independent School District had the highest economically disadvantaged student percentage of 93.4 percent, while Azle Independent School District had the lowest percentage of 46.1 percent.

The peer districts average total student count was 8,680. Of the peer districts evaluated, Duncanville Independent School District had the highest total student count of 11,748, while Azle Independent School District had the lowest student count of 6,685.

**Attendance**

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**FIGURE 6  
ATTENDANCE RATE  
2019 - 2020**

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	<b>DISTRICT TOTAL</b>	<b>PEER DISTRICTS AVERAGE</b>	<b>STATE AVERAGE</b>
Attendance Rate	98.5%	98.1%	98.3%

Source: Texas Education Agency, Public Education Information Management System District Attendance, Graduation, and Dropout Rates Reports.

A school district’s State Funding is a complex calculation with many inputs. One of the primary drivers used in the calculation is student attendance. The District’s attendance rate is 0.4 percent and 0.2 percent greater than the peer districts average and the State average, respectively. It should be noted that the District’s 2019 - 2020 attendance rate increased from the prior two years. The 2018 - 2019 and 2017 - 2018 attendance rates were both 95.7 percent.

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**4. Student Characteristics, Attendance, and 5-Year Enrollment (continued)**

**Five-Year Enrollment**

The attendance rate should be evaluated in conjunction with the number of students enrolled. As shown in Figure 7, the District has experienced an average annual decrease over the last five years of 1.99 percent. When the current enrollment data for 2022 is incorporated, the average decrease in enrollment is 2.26 percent.

**FIGURE 7**  
**5-YEAR ENROLLMENT**  
**2017 - 2021**

<b>YEAR</b>	<b>ENROLLMENT</b>	<b>% CHANGE</b>
2021	7,253	-4.88%
2020	7,625	-1.98%
2019	7,779	-1.03%
2018	7,860	-0.08%
2017	7,866	
Average annual percentage change based on the previous five years	-1.99%	
2022 (1)	7,010	-3.35%
Average annual percentage change based on the previous five years and the 2022 fiscal year	-2.26%	

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**5. District Revenue**

**FIGURE 8  
DISTRICT TAX REVENUE  
2020 - 2021**

	DISTRICT		PEER DISTRICTS AVERAGE		STATE AVERAGE	
	REVENUE PER STUDENT	PERCENTAGE OF TOTAL	REVENUE PER STUDENT	PERCENTAGE OF TOTAL	REVENUE PER STUDENT	PERCENTAGE OF TOTAL
Local M&O Tax (Retained) (1)	\$ 5,401	52.7%	\$ 5,476	47.5%	\$ 4,876	42.4%
State (2)	3,173	31.0%	4,150	36.0%	4,626	40.2%
Federal	1,407	13.7%	1,637	14.2%	1,661	14.4%
Other Local and Intermediate	269	2.6%	267	2.3%	341	3.0%
Total Revenue	\$ 10,250	100.0%	\$ 11,530	100.0%	\$ 11,504	100.0%

Note: (1) Excludes recapture

(2) Excludes TRS on-behalf revenue

SOURCE: Texas Education Agency, Public Education Information Management System District Financial Actual Reports.

The financial data above includes all funds, except for the District's debt service fund and capital projects fund. Approximately \$3.4 million of the Teacher Retirement System of Texas (TRS) contributions made by the State on-behalf of the District were excluded from State revenues. In accordance with Governmental Accounting Standards Board, on-behalf contributions must also be recorded as expenditures. However, the source reports used for the analyses did not exclude these on-behalf expenditures. The on-behalf contributions of \$3.4 million equates to \$467 per student.

The District's revenue per student is \$1,280 and \$1,254 less than the peer districts average and the State average, respectively.

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**6. District Expenditures**

**FIGURE 9**  
**DISTRICT ACTUAL OPERATING EXPENDITURES**  
**2020 - 2021**

	DISTRICT		PEER DISTRICTS AVERAGE		STATE AVERAGE	
	EXPENDITURES PER STUDENT	PERCENTAGE OF TOTAL	EXPENDITURES PER STUDENT	PERCENTAGE OF TOTAL	EXPENDITURES PER STUDENT	PERCENTAGE OF TOTAL
Instruction	\$ 5,849	56.7%	\$ 5,987	54.3%	\$ 6,358	57.3%
Instructional Resources and Media	88	0.9%	79	0.7%	116	1.0%
Curriculum and Staff Development	201	1.9%	266	2.4%	253	2.3%
Instructional Leadership	134	1.3%	306	2.8%	186	1.7%
School Leadership	586	5.7%	653	5.9%	654	5.9%
Guidance Counseling Services	340	3.3%	443	4.0%	435	3.9%
Social Work Services	-	0.0%	44	0.4%	35	0.3%
Health Services	107	1.0%	118	1.1%	132	1.2%
Transportation	354	3.4%	322	2.9%	299	2.7%
Food Service Operation	414	4.0%	432	3.9%	479	4.3%
Extracurricular	273	2.6%	284	2.6%	293	2.6%
General Administration	463	4.5%	451	4.1%	361	3.3%
Plant Maintenance and Operations	1,097	10.6%	1,109	10.1%	1,098	9.9%
Security and Monitoring Services	198	1.9%	160	1.5%	119	1.1%
Data Processing Services	183	1.8%	322	2.9%	228	2.1%
Community Services	31	0.3%	45	0.4%	57	0.5%
Total Operating Expenditures	\$ 10,318	100.0%	\$ 11,021	100.0%	\$ 11,103	100.0%

Note: Includes TRS on-behalf expenditures.  
Source: Texas Education Agency, Public Education Information Management System District Financial Actual Reports.

Capital outlay, debt service payments and other intergovernmental expenditures are not considered operating expenditures.

The District's expenditures per student are \$703 and \$785 less than the peer districts average and the State average, respectively.

Overall, the District spends less per student than the peer districts and the State on average. However, the percentage spent in Instruction is 2.4 percent greater than the peer districts average and 0.6 percent less than the State average.

The District's percentage of expenditures spent in Instructional and School Leadership are less than the peer districts average and the State average by 1.7 percent and 0.6 percent, respectively. The District's General Administration expenditures per student are 0.4 percent and 1.2 percent greater than the peer districts average and the State average, respectively.

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**7. District Payroll Expenditures Summary**

**FIGURE 10**  
**PAYROLL EXPENDITURE SUMMARY**  
**2020 - 2021**

	<b>DISTRICT</b>	<b>PEER DISTRICTS AVERAGE</b>	<b>STATE AVERAGE</b>
Payroll as a Percentage of All Funds	75.43%	79.38%	79.55%
Average Teacher Salary	\$ 58,497	\$ 58,431	\$ 57,641
Average Administrative Salary	\$ 93,629	\$ 105,940	\$ 96,543
Superintendent Salary	\$ 269,756	\$ 243,922	\$ 155,595

SOURCE: Texas Education Agency, Public Education Information Management System  
District Financial Actual Reports.

The District spends less on payroll costs than the peer districts average and the State average. The District spends more per average teacher salary than the peer districts average and the State average.

The District’s average administrative salary is less than the peer districts average and the State average. The District’s superintendent salary is greater than the peer districts average and the State average. It is important to note that data for the State average for average administrative salary and Superintendent salary is comprised of school districts with enrollments ranging from 5 to 196,000 students.

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**8. Fund Balance**

**FIGURE 11  
GENERAL FUND BALANCE  
2017 - 2021**

YEAR	DISTRICT			PEER DISTRICTS AVERAGE		
	GENERAL FUND UNASSIGNED FUND BALANCE PER STUDENT	GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENTAGE OF OPERATING EXPENDITURES	GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENTAGE OF 3-MONTH OPERATING EXPENDITURES	GENERAL FUND UNASSIGNED FUND BALANCE PER STUDENT	GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENTAGE OF OPERATING EXPENDITURES	GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENTAGE OF 3-MONTH OPERATING EXPENDITURES
2021	\$ 2,783	31.7%	126.8%	\$ 4,372	45.6%	182.3%
2020	2,433	29.5%	118.0%	3,494	37.7%	151.0%
2019	2,068	24.2%	96.8%	3,115	36.5%	145.8%
2018	1,996	24.7%	98.7%	2,686	32.5%	129.8%
2017	2,110	27.7%	110.8%	2,696	33.7%	134.7%

The General Fund is the operating fund in a governmental entity. Fund balance represents the current resources/assets available to the government less any current obligations/liabilities. Within fund balance there are five (5) categories: non-spendable, restricted, committed, assigned and unassigned. The categories are described below.

- Non-spendable fund balance cannot be spent because it is either (a) not in a spendable form, such as inventory or (b) legally or contractually required to be maintained intact.
- Restricted fund balance is net resources that are restricted as to use by an external party, such as a federal grantor.
- Committed fund balance is set aside for a specific purpose as resolved by the Board of Trustees.
- Assigned fund balance is fund balance that has been set aside by the District or by an official or body to which the Board of Trustees delegates the authority for a specific purpose.
- Unassigned fund balance is the remaining amount that is not restricted, committed, or assigned for a specific purpose.

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**8. Fund Balance (continued)**

The Texas Education Agency evaluates unassigned fund balance by comparing it to three months (25 percent) of annual operating expenditures. If the District does not meet the three month goal, the percentage is shown as less than 100 percent. Amounts that exceed the three month goal are reflected as percentage greater than 100 percent. The District has met the three-month goal in each of the last five fiscal years. The table below shows the amount by which the District met the three month goal.

YEAR	DISTRICT			
	GENERAL FUND UNASSIGNED FUND BALANCE (ACTUAL)	GENERAL FUND UNASSIGNED FUND BALANCE 3-MONTH GOAL	DIFFERENCE BETWEEN ACTUAL UNASSIGNED FUND BALANCE AND 3-MONTH GOAL (\$)	DIFFERENCE BETWEEN ACTUAL UNASSIGNED FUND BALANCE AND 3-MONTH GOAL (%)
2021	\$ 20,178,177	\$ 15,916,318	\$ 4,261,859	26.78%
2020	18,530,497	15,701,730	2,828,768	18.02%
2019	16,083,874	16,607,112	(523,238)	-3.15%
2018	15,689,647	15,898,929	(209,282)	-1.32%
2017	16,598,096	14,986,199	1,611,897	10.76%

The District's unassigned fund balance at June 30, 2021 totaled \$20.2 million and General Fund operating expenditures for the year ended June 30, 2021 totaled \$63.7 million. The District's actual unassigned fund balance of \$20.2 million is \$4.3 million (or 26.8 percent) greater than the three month average operating expenditures of \$15.9 million.

The District's Board Policy CE (Local) prior to January 2022: The District shall strive to maintain an unassigned fund balance at fiscal year-end in the general fund equal to a minimum of **two** months of the average spending for a year plus the projected cash flow deficit totals for each month, July through January.

The District's Board Policy CE (Local) effective January 2022: The District shall strive to maintain an unassigned fund balance at fiscal year-end in the general fund equal to a minimum of **three** months of the average spending for a year plus the projected cash flow deficit totals for each month, July through January.

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**8. District Staffing Levels**

**FIGURE 12  
STAFF RATIO COMPARISON  
2020 - 2021**

	DISTRICT	PEER DISTRICTS AVERAGE	STATE AVERAGE
Teaching Staff (Percentage of Total Staff)	47.2%	47.3%	49.6%
Support Staff (Percentage of Total Staff)	12.4%	11.1%	10.6%
Administrative Staff (Percentage of Total Staff)	2.7%	4.6%	4.2%
Paraprofessional Staff (Percentage of Total Staff)	10.2%	10.3%	10.6%
Auxiliary Staff (Percentage of Total Staff)	27.4%	26.7%	25.1%
Students Per Total Staff	8.2	7.2	7.2
Students Per Teaching Staff	15.8	15.5	14.5

SOURCE: Texas Education Agency, Public Education Information Management System District Staff Information Reports.

The District’s total staff for the year ended June 30, 2021 was 880 compared to that of the peer districts average of 1,198. The District has 1.0 more students per total staff than the peer districts average and the State average. The District’s students per teaching staff ratio is greater than the peer districts average and the State average by 0.3 students and 1.3 students, respectively.

**9. Teacher Turnover Rates**

**FIGURE 13  
TEACHER TURNOVER RATES  
2020 - 2021**

	DISTRICT TURNOVER RATE	AVERAGE PEER DISTRICTS TURNOVER RATE	STATE TURNOVER RATE
Teachers	21.5%	18.2%	14.3%

SOURCE: Texas Education Agency, Public Education Information Management System District Staff Information Reports.

The District’s turnover rate is 3.3 percent and 7.2 percent greater than the peer districts average and the State average, respectively. The highest turnover rate within the peer districts was Edgewood Independent School District at 25.3 percent while the lowest turnover rate was La Porte Independent School District at 12.5 percent.



To the Board of Trustees and Citizens of  
Cedar Hill Independent School District

**SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)**

**10. Special Programs**

FIGURE 14  
SPECIAL PROGRAMS CHARACTERISTICS  
2020 - 2021

	NUMBER OF STUDENTS SERVED	PERCENTAGE OF ENROLLED STUDENT SERVED	PROGRAM BUDGET PER STUDENTS SERVED (1)	PROGRAM BUDGET AS A PERCENTAGE OF DISTRICT BUDGET (1)	TOTAL STAFF FOR PROGRAM	STUDENTS PER TOTAL STAFF FOR PROGRAM
Special Education	590	8.1%	\$ 7,779	6.9%	33	18.1
Bilingual/ESL Education	608	8.4%	427	0.4%	4	148.3
Migrant Programs	0	0.0%	-	0.0%	-	0.0
Gifted and Talented	400	5.5%	736	0.4%	19	20.6
Career and Technical Education	2,980	41.1%	875	3.9%	31	95.8
Athletics and Extracurricular Activities (1)	1,087	15.0%	1,777	2.9%	64	17.0
Alternative Education Program/Disciplinary Alternative Education Program (1)	30	0.4%	9,406	0.4%	11	2.7
Juvenile Justice Alternative Education Program (1)	-	0.0%	-	0.0%	-	0.0

(1) Information provided by the District

**SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION**

**1. State and Regional Resources**

The District continuously explores all options for funding, including state and federal sources and local grant sources. The District seeks out and researches potential grants that may be beneficial for the District. The District obtains external funding for educational programs which prepare students for academic achievement and graduation. Sources of grants vary widely from State or Federal sources to local options. All funding, state, local or federal, is tied directly to the District Strategic Plan and student performance.

**2. Reporting**

For the year ended June 30, 2021, Whitley Penn, LLP issued an unmodified opinion on the financial statements. There are three possible opinions: unmodified, modified (e.g. scope limitation or departure from generally accepted accounting principles: or a disclaimer of an opinion. An unmodified opinion is considered a clean opinion.

**3. Oversight**

Not Applicable

**4. Budget Process**

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**FIGURE 15**  
**BUDGET PROCESS**

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QUESTION	YES/NO	NOT APPLICABLE
Does the District’s budget planning process include projections for enrollment and staffing?	Yes	
Does the District’s budget process include monthly and quarterly reviews to determine the status of annual spending?	Yes	
Does the District use cost allocation procedures to determine campus budgets and cost centers?	Yes	
Does the District analyze educational costs and student needs to determine campus budgets?	Yes	

**5. Self-funded Programs**

Not Applicable

**SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION (continued)**

**6. Staffing**

All District administrators are evaluated annually. Evaluations help to ensure that highly qualified and effective administrators lead campuses and departments to successfully develop and implement the District’s Strategic Plan and focus on student achievement.

**7. Compensation System**

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**FIGURE 16**  
**COMPENSATION SYSTEM**

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<b>QUESTION</b>	<b>YES/NO</b>	<b>NOT APPLICABLE</b>
Does the District use salary bonuses or merit pay systems?	No	
Do the District’s salary ranges include minimum, midpoint, and maximum increments to promote compensation equity based on the employee’s education, experience, and other relevant factors?	Yes	
Does the District periodically adjust its compensation structure using verifiable salary survey information, benchmarking, and comparable salary data?	Yes	
Has the District made any internal equity and/or market adjustments to salaries within the past two years?	Yes	

To the Board of Trustees and Citizens of  
 Cedar Hill Independent School District

**SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION (continued)**

**8. Planning**

**FIGURE 17**  
**OPERATIONAL INFORMATION**

QUESTION	YES/NO	NOT APPLICABLE
Does the District develop a District Improvement Plan (DIP) annually?	Yes	
Do all campuses in the District develop a Campus Improvement Plan (CIP) annually?	Yes	
Does the District have an active and current facilities master plan? If yes, does the District consider these factors to inform the plan:	Yes	
Does the District use enrollment projections?	Yes	
Does the District analyze facility capacity?	Yes	
Does the District evaluate facility condition?	Yes	
Does the District have an active and current energy management plan?	Yes	
Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?	Yes	

To the Board of Trustees and Citizens of  
Cedar Hill Independent School District

**SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION (continued)**

**9. Programs**

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**FIGURE 18**  
**ACADEMIC INFORMATION**

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<b>QUESTION</b>	<b>YES/NO</b>	<b>NOT APPLICABLE</b>
Does the District have a teacher mentoring program?	Yes	
Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?	Yes	
When adopting new programs, does the District define expected results?	Yes	
Does the District analyze student test results at the District and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?	Yes	
Does the District modify programs, plan staff development opportunities, or evaluate staff based on analyses of student test results?	Yes	