whitleypenn

Cedar Hill Independent School District

FY 2026 Audit Results



Financial Statement Audit

- Obtain reasonable assurance that the financial statements are free from material misstatement.
- Express an independent opinion on whether the financial statements are fairly presented in accordance with generally accepted accounting principles.
- Evaluate historical financial information, not the District's economic condition or future forecasts.
- Reasonable assurance is a high level of assurance, but it is not absolute assurance.

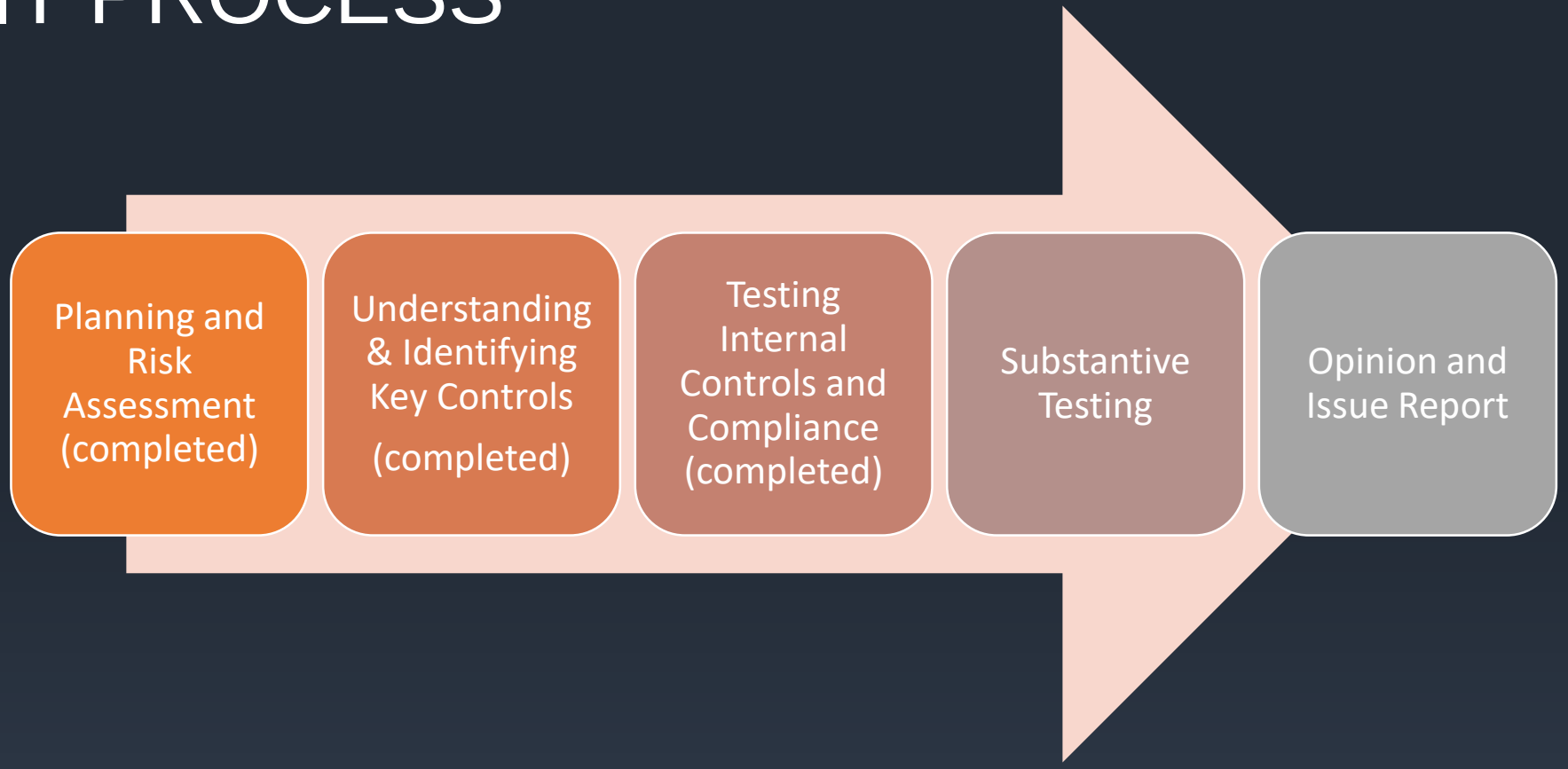
WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

RESPONSIBILITY FOR FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENT AUDIT

- **Management** – Responsible for internal control and the preparation of the financial statements.
- **Finance or Audit Committee** – Assist those charged with governance in making sure management is meeting its responsibility.
- **Those Charged with Governance** – Responsible for ensuring that management meets its responsibility for internal control and financial reporting.
- **Independent Auditors** – Plan and perform the audit, obtain sufficient appropriate audit evidence, and express an opinion on the financial statements

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

AUDIT PROCESS

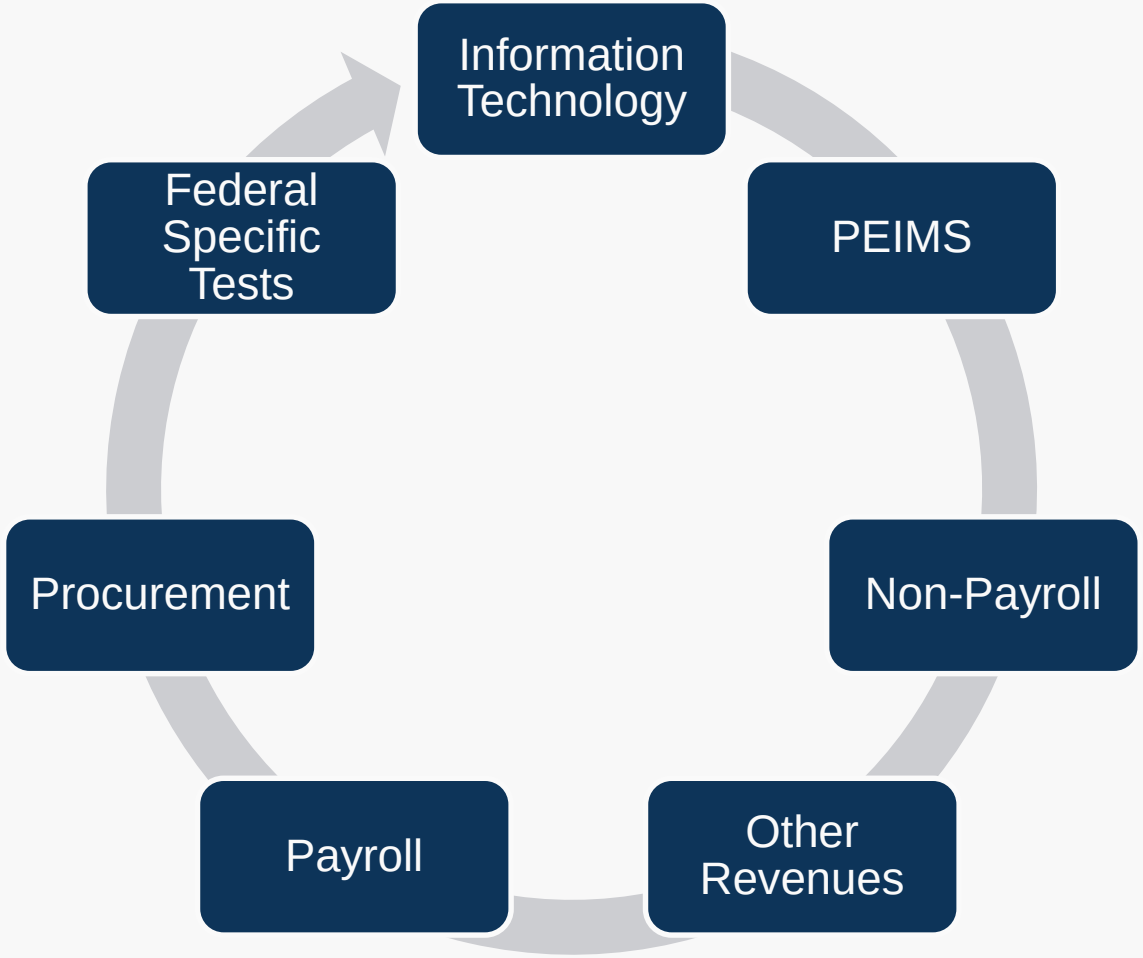


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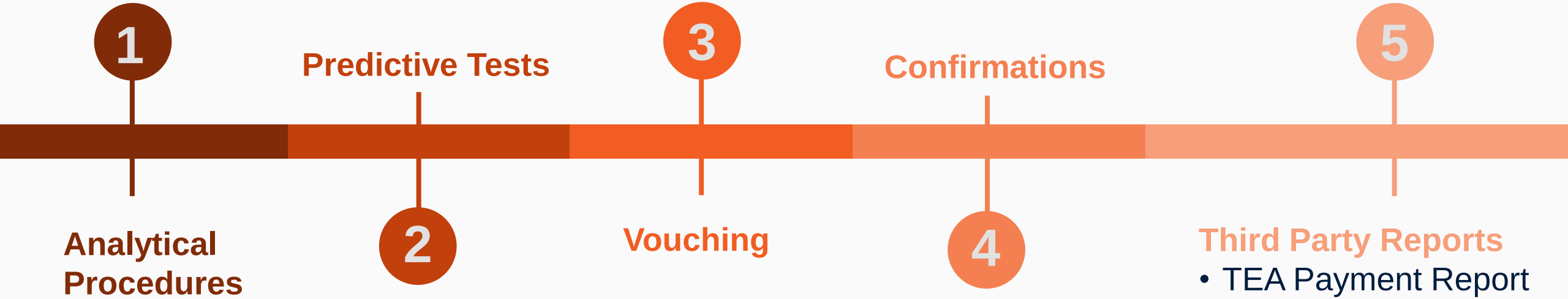
Purpose of the Audit – The Opinion on the Report



Areas of Focus



SUBSTANTIVE PROCEDURES



Analytical Procedures *(Flux and Ratio Analysis)*

Third Party Reports

- TEA Payment Report
- Comptroller's Payment Report
- TEA Payment Ledgers and Summary of Finances

RESULTS

- Audit in accordance with GAAS and GAGAS (Yellow Book)
- Unmodified Opinion over financial statements
- No internal control findings related to financial reporting
- No findings related to compliance



SINGLE AUDIT RESULTS

- Compliance audit in accordance with Office of Management and Budget Compliance Supplement and 2 CFR 200
- Preliminary results, subject to issuance of the 2026 Compliance Supplement
- **Major Federal Programs**
  - Child Nutrition Cluster
- **Unmodified Opinion over each major federal program**
- **No internal control findings related to each major program**

Government-wide Financial Statements

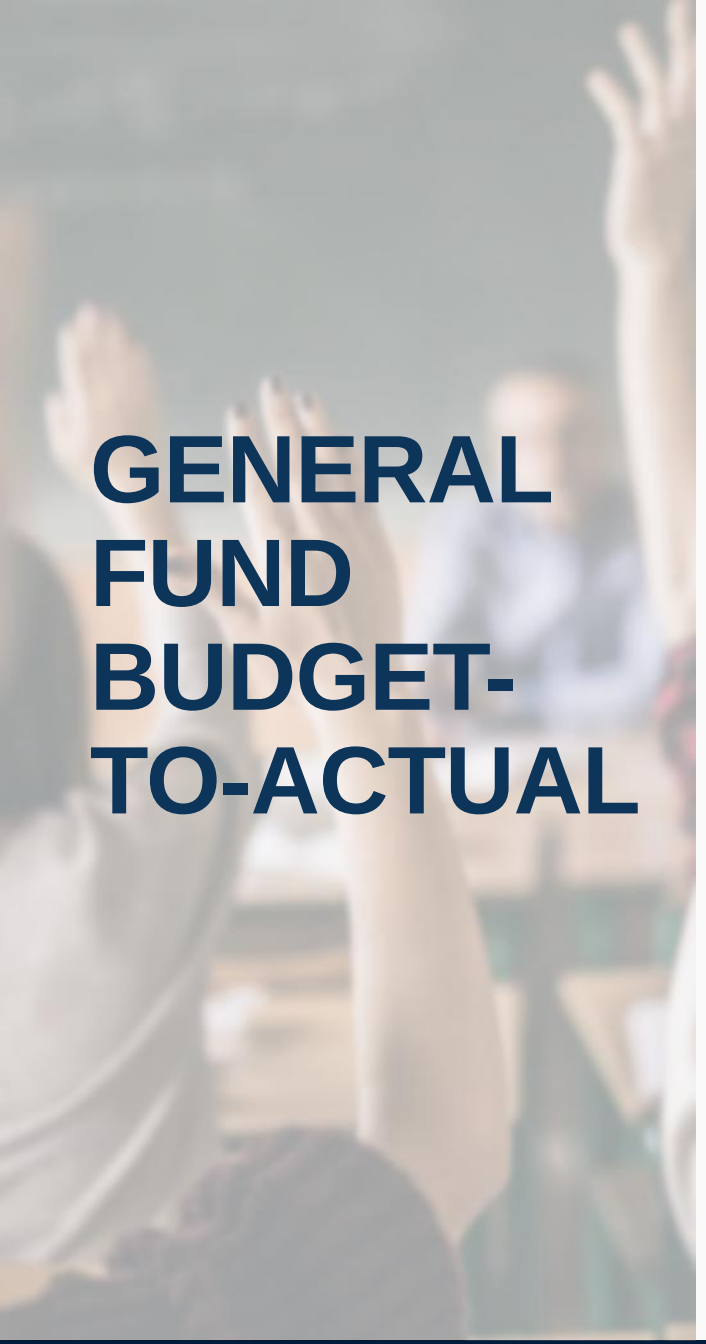
Total Assets and Deferred Outflows: $434.3 million

- Cash and investments: $323.2 million
- Capital assets, net: $101.8 million

Total Liabilities and Deferred Inflows : $421.1 million

- Bonds payable: $352.9 million
- Net pension liability: $20.1 million
- Net OPEB liability: $11.4 million

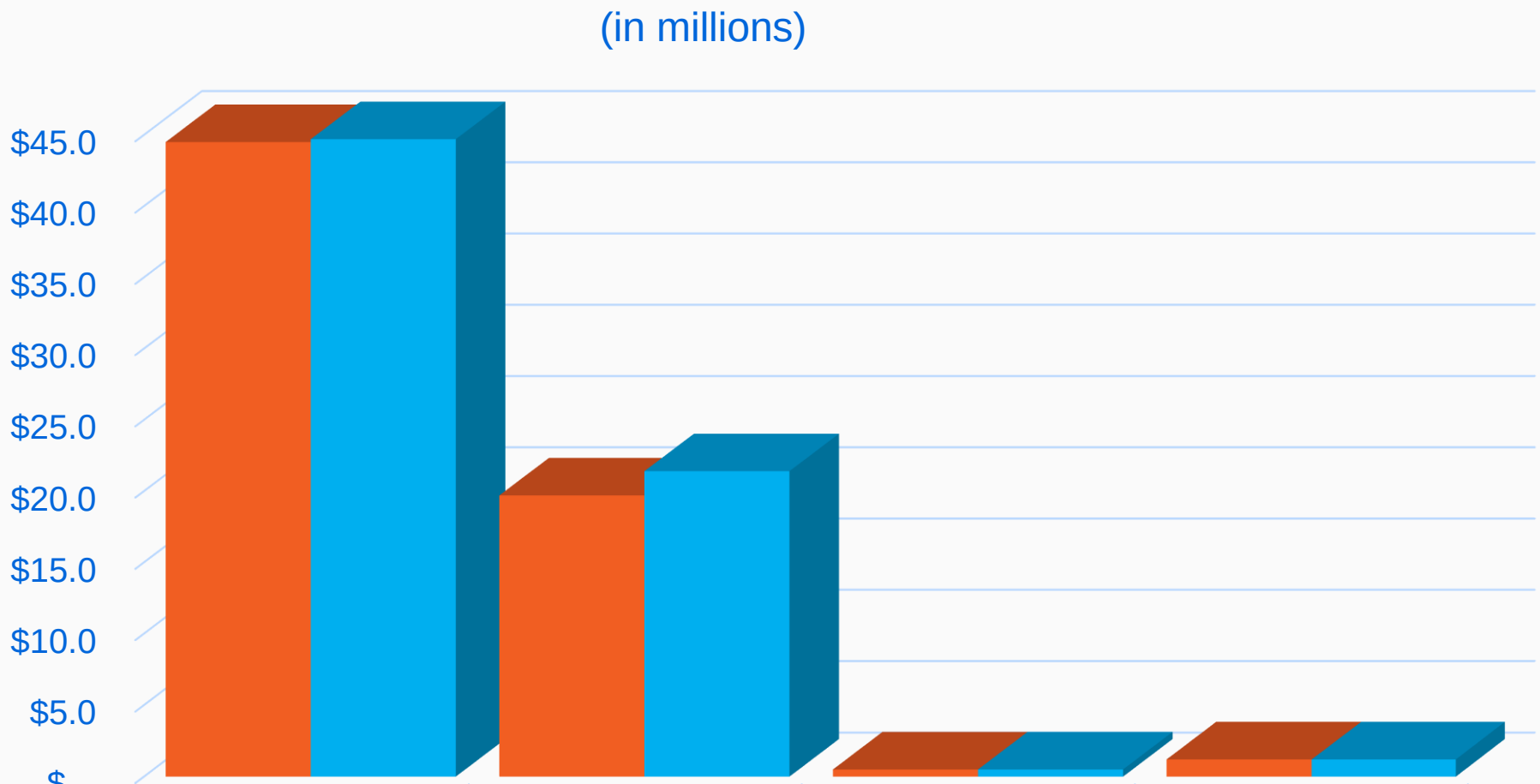
Ending Net Position: $13.1 million



GENERAL FUND BUDGET-TO-ACTUAL

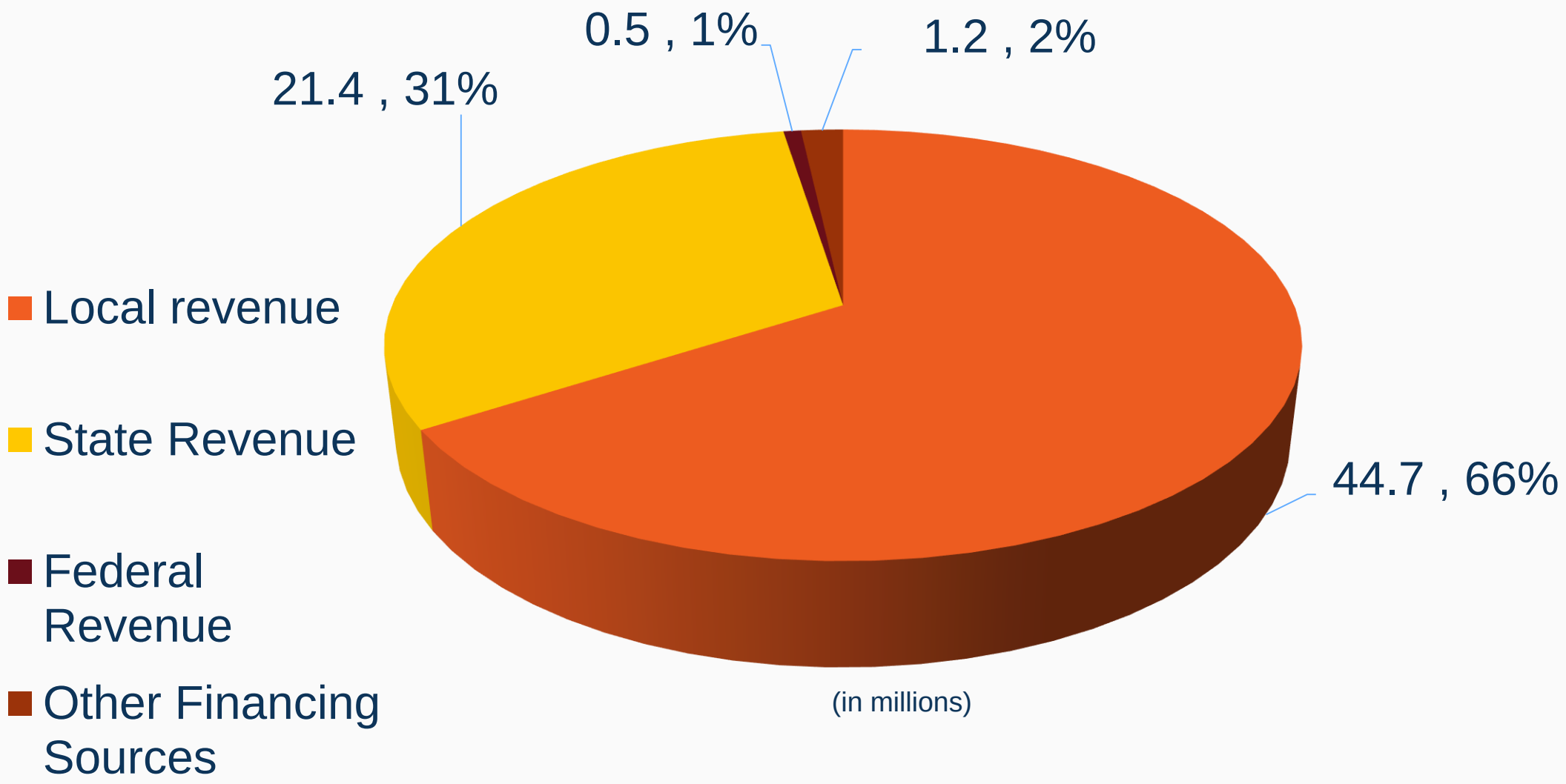
- Actual revenues of $66.6 million exceeded final budget by $1.9 million
- Other financing sources totaled $1.2 million
- Actual expenditures of $65.6 million were less than the final budgeted expenditures by $3.1 million
- Fund balance increased by $2.2 million
- Total ending balance for FY 2026 is $15.6 million

GENERAL FUND REVENUE BUDGET-TO-ACTUAL

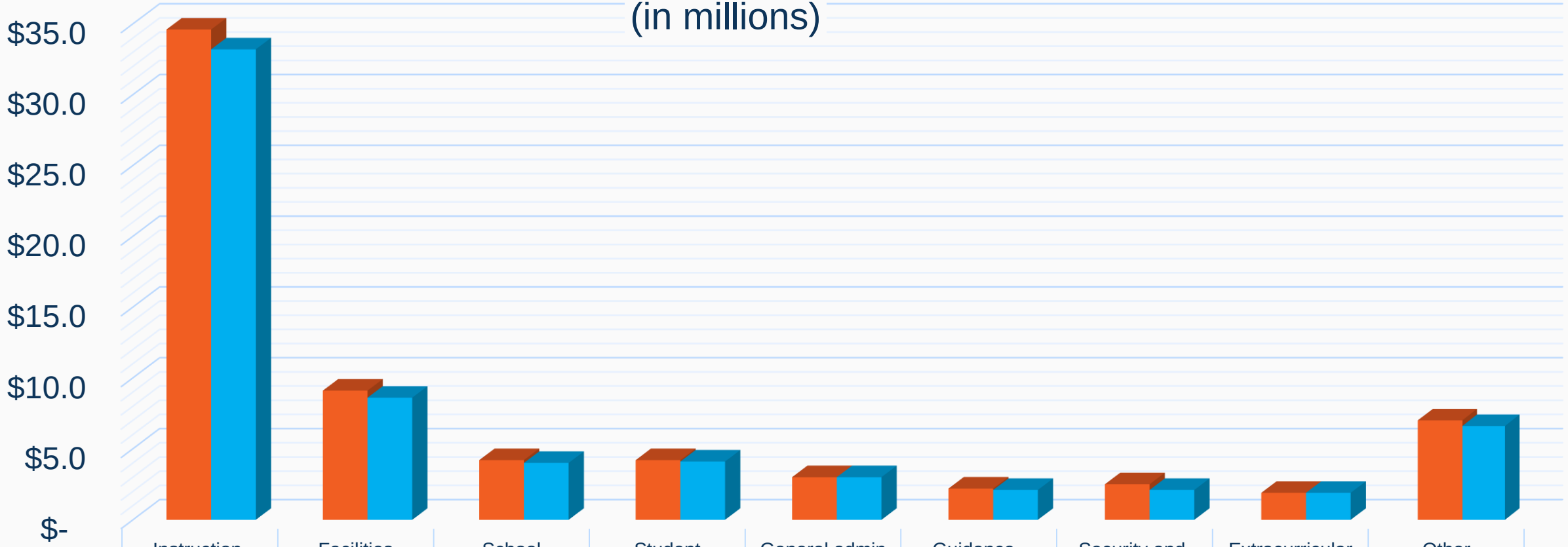


	Local revenue	State Revenue	Federal Revenue	Other resources
Final Budget ($65.9M)	$44.5	$19.7	$0.5	$1.2
Actual (67.8M)	$44.7	$21.4	$0.5	$1.2

GENERAL FUND REVENUE ($67.8M)

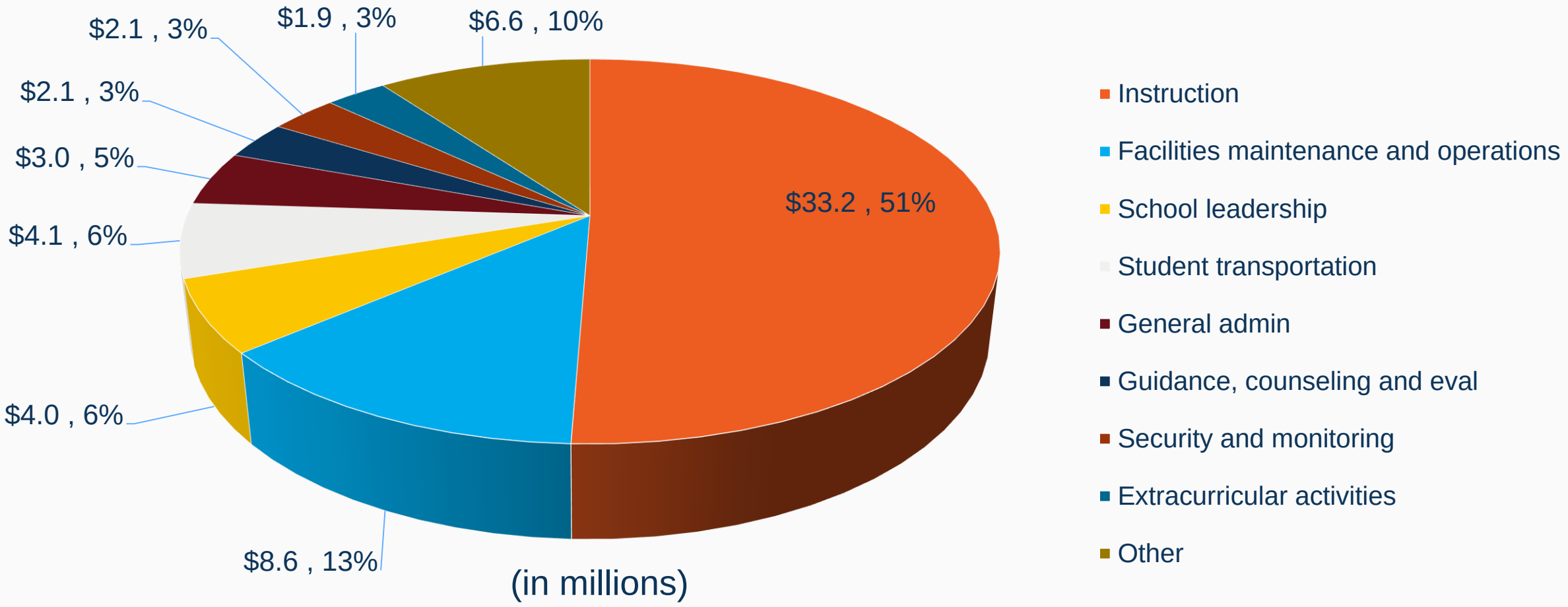


GENERAL FUND EXPENDITURES BUDGET-TO-ACTUAL

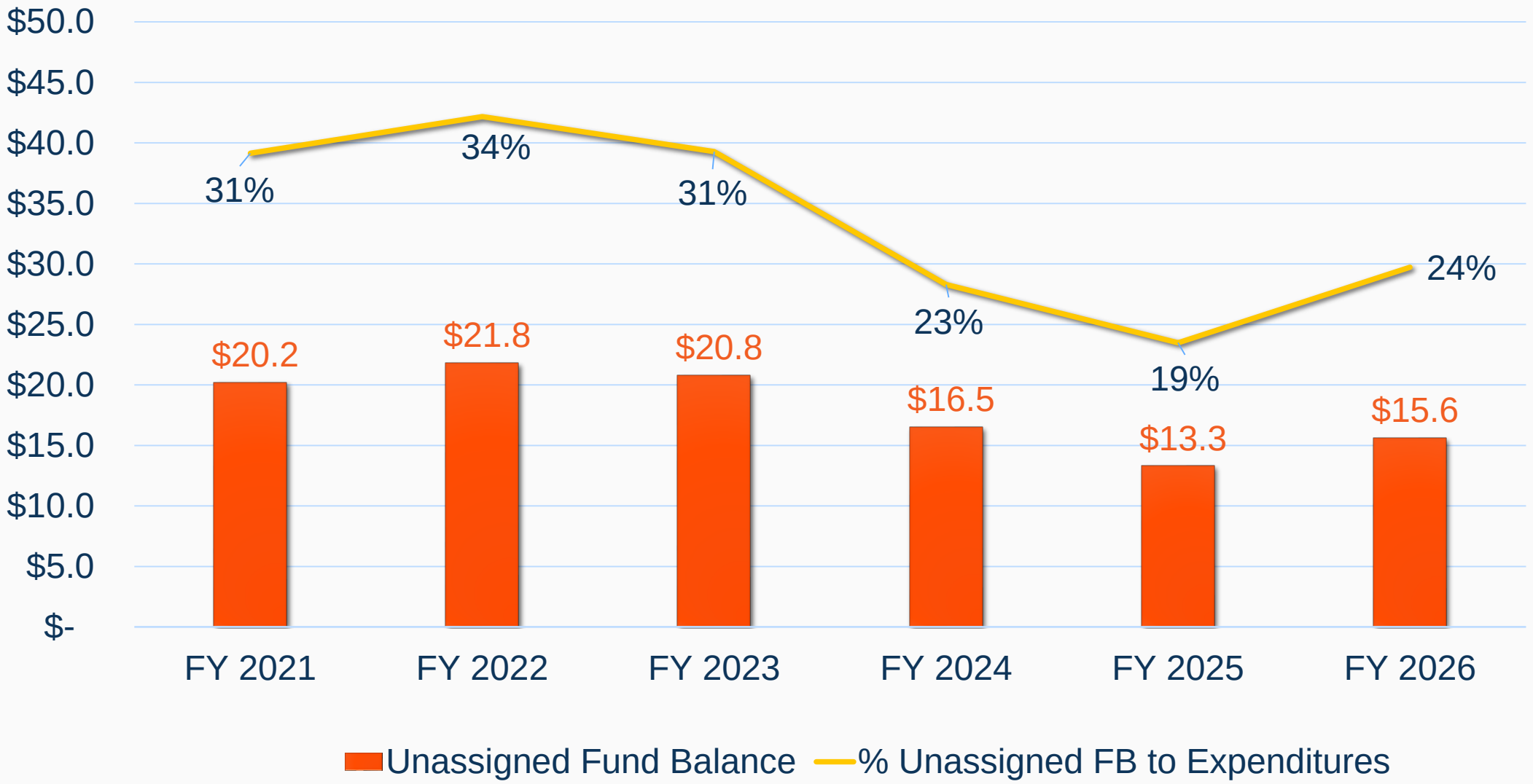


	Instruction	Facilities maintenance and operations	School leadership	Student transportation	General admin	Guidance, counseling and eval	Security and monitoring	Extracurricular activities	Other
Final Budget ($68.7M)	$34.6	$9.1	$4.2	$4.2	$3.0	$2.2	$2.5	$1.9	$7.0
Actual ($65.6M)	$33.2	$8.6	$4.0	$4.1	$3.0	$2.1	$2.1	$1.9	$6.6

GENERAL FUND FUNCTIONAL EXPENDITURES ($65.6M)



GF ASSIGNED AND UNASSIGNED FUND BALANCE AND AS A % OF EXPENDITURES (in millions)





REQUIRED COMMUNICATIONS

- Engagement Letter – February 5, 2026

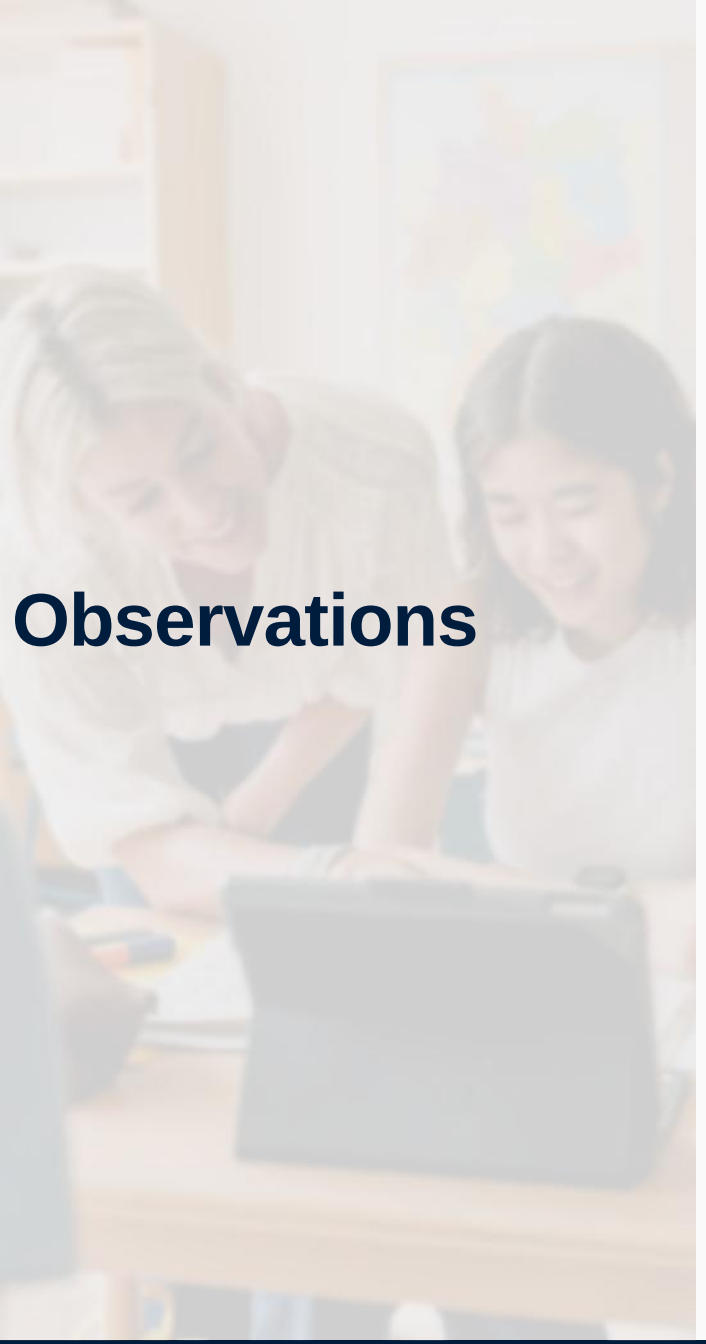
- Audit Risks (applies to all audited entities) - Revenue recognition

- No disagreements or difficulties
- We are independent of the District



REQUIRED COMMUNICATIONS

- The District's accounting policies and methods are appropriate and in accordance with industry standards.
  - The District implemented GASB Statement No. 103, *Financial Reporting Model Improvements*, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*
- Consultations with Other Accountants - We are not aware of any situations in which management consulted with other accountants on accounting or financial reporting matters.



Observations

The following matters were communicated to management as observations and recommendations. Based on our evaluation, they did not rise to the level of material weaknesses, significant deficiencies, or reportable compliance findings.

- **Teacher Retention Allotment (TRA) Eligibility** – Testing identified one of six employees who did not meet the required years-of-service criteria and three of eight employees whose TRA-eligible years of service were inaccurately reported through PEIMS. Management should strengthen its eligibility review and reconcile supporting service records to PEIMS before submission
- **Audit Adjustments** - Audit adjustments were recorded for retainage and the accounting and classification of bond issuance transactions. Management should use a year-end closing checklist that specifically addresses construction retainage, bond proceeds, issuance costs, premiums or discounts, and related capital-project activity
- **Journal Entries** - The same individual entered and approved certain journal entries. The District should require documented review and approval by an individual independent of journal-entry preparation. If staffing limitations prevent full segregation, management should establish a documented compensating review.

QUESTIONS ?

Thank you!

