

**FRIENDSWOOD
INDEPENDENT SCHOOL DISTRICT**

**AGREED-UPON PROCEDURES RELATED TO THE
DISTRICT'S VOTER-APPROVED TAX
RATE ELECTION**

**Data for the Year Ended
August 31, 2022**

FRIENDSWOOD INDEPENDENT SCHOOL DISTRICT
Agreed-upon Procedures Related to the District's
Voter-Approved Tax Rate Election
Data for the Year Ended August 31, 2022

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**INDEPENDENT ACCOUNTANT'S
REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Trustees and Citizens
of Friendswood Independent School District

We have performed the agreed-upon procedures enumerated below, which were agreed to by Friendswood Independent School District (the "District"), solely for the purpose of reporting our findings regarding the results of the procedures as compared to the criteria set forth in the Legislative Budget Board's ("LBB") House Bill 3 Efficiency Audit Guidelines in relation to the District's peer districts.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion. Accordingly, we do not express an opinion or conclusion. Our report includes specific findings based on the procedures performed. Had we been engaged to perform additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of District management and the Board and is not intended to be and should not be used by anyone other than these specified parties.

Whitley Penn LLP

Houston, Texas
August 21, 2023



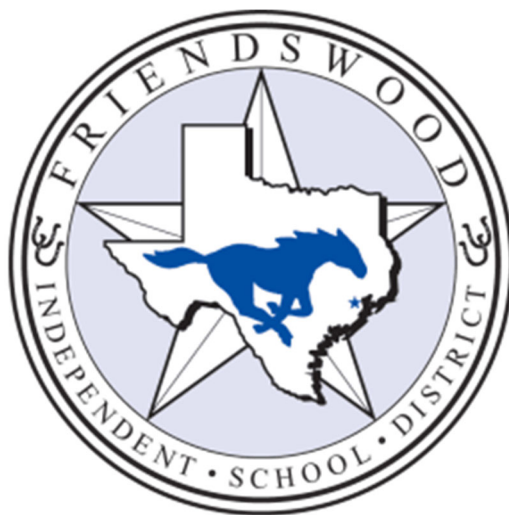
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SECTION I - EXECUTIVE SUMMARY

Overview of Procedures Performed

In conducting the agreed-upon procedures 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 year ended August 31, 2022 and prior, maintained by the Texas Education Agency ("TEA") and the District. An overview of the objectives and approach performed during the agreed-upon procedures 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.



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SECTION II - KEY INFORMATION ABOUT THE DISTRICT

Friendswood Independent School District ("the District"), is holding an election to increase the District's maintenance and operations property tax rate in fiscal year 2024. Maintenance and Operations (M&O) taxes are for the operation of public schools.

The M&O tax rate for fiscal years 2021 and 2022 were \$0.9835 and \$0.9344, respectively. In fiscal year 2023, the rate was further compressed to \$0.9170. The District is projecting a budget shortfall for fiscal year 2024 and an efficiency audit was deemed necessary to determine if the District can achieve cost efficiencies before deciding on next steps to close the budget gap. The results of this report are to consider if efficiencies can be achieved and if a Voter Approved Tax Rate Election (VATRE) is warranted.

The estimated revenue from the proposed increase in tax rate is \$1.2 million (\$2.05 million local M&O tax revenue less \$850 thousand decrease in state funds) and represents about 1.97 percent of the 2022 - 2023 amended expenditure budget of \$60.7 million.

The average taxable value of a single-family residential property for tax year 2023 is \$404,114. The average tax bill as a result of the proposed M&O rate change is \$4,364, or a \$233 increase compared to what the average resident would pay without the proposed M&O tax rate increase.

Even with the proposed 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 reduce the budget deficit 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 2024. The District can also determine if budget assumptions such as staffing ratios need adjusting in 2024.

If a VATRE is proposed for fiscal year 2024, the District intends to use the additional tax revenue to maintain staffing based on staffing guidelines and competitive teacher and staff compensation and as well continue to provide the same level of instructional opportunities for students.

The District engaged Whitley Penn, LLP to conduct agreed-upon procedures, following the guidelines of an efficiency audit established by the Legislative Budget Board. The purpose of the procedures is to inform 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.

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SECTION II - KEY INFORMATION ABOUT THE DISTRICT (continued)

Some key information about the District:

- The District's total operating revenue for all funds for fiscal year 2022 totaled \$10,093 per student, while its peer districts average and State average were \$12,739 per student and \$12,504 per student, respectively.
- Over the last five years, the District's total average operating revenues for all funds totaled \$9,602 per student, while its peer districts average and State average were \$11,308 per student and \$11,045 per student, respectively.
- Over the last five years, the District's average General Fund operating revenue per student totaled \$8,569, while its peer districts average totaled \$9,720 per student.
- The District's total operating expenditures for all funds for fiscal year 2022 totaled \$10,328, while its peer districts average and State average were \$11,988 per student and \$11,939 per student, respectively.
- Over the last five years, the District's average total operating expenditures for all funds totaled \$9,509 per student compared to its peer districts average of \$10,806 per student and the State average of \$10,621 per student.
- Over the last five years, the District's average General Fund operating expenditures per student was \$8,548 per student, while its peer districts average was \$9,294 per student.
- Preliminary results for the School Financial Integrity Rating System of Texas (FIRST) for 2023, based on 2021-2022 school year, reflect a Superior Rating. The District has earned a Superior Rating for FIRST for the years 2019, 2021, and 2022. The District earned an Above Standard Rating for 2018 and Meet Standards Rating for 2020.
- 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 earned an "A" (97 out of 100 points) in 2021 - 2022. The detail by campus for the 2021 - 2022 accountability rating is shown below:

Grade	# of Campuses
A	6
B	-
C	-
F	-
Not Rated: SB 1365	-

Additional details and the results of our procedures are included in Section IV.

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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 10 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, its 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, its 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
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 in any. In addition, explained the reasons for the District's expenditures exceeding revenue, if applicable.

<ol style="list-style-type: none">a. Instructionb. Instructional resources and mediac. Curriculum and staff developmentd. Instructional leadershipe. School leadershipf. Guidance counseling servicesg. Social work servicesh. Health servicesi. Transportation	<ol style="list-style-type: none">j. Food service operationk. Extracurricularl. General administrationm. Plant maintenance and operationsn. Security and monitoring serviceso. Data processing servicesp. Community servicesq. Total operating expenditures
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SECTION III - OBJECTIVES AND APPROACH (continued)

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 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, its 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
13. Reported on the District's teacher turnover rate as well as its 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 regards 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.

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SECTION III - OBJECTIVES AND APPROACH (continued)

20. In regards 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?
21. In regards 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 regards 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.



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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) Snapshot Peer Search identified a total of 74 peer districts based on size (5,000 to 9,999). Using other similar characteristics for tax rate, district type, and Texas Smart Schools, the District selected the ten (10) peer districts shown below.

DISTRICT NAME	COUNTY
Magnolia ISD	Montgomery County
Temple ISD	Bell County
San Benito CISD	Cameron County
Barbers Hill ISD	Chambers County
New Braunfels ISD	Comal County
Marshall ISD	Harrison County
San Marcos CISD	Hays County
Sharyland ISD	Hidalgo County
Nederland ISD	Jefferson County
Cleveland ISD	Liberty County

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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.

FIGURE 2
ACCOUNTABILITY RATING COMPARISON
2021 - 2022

	DISTRICT RATING (A-F)	DISTRICT SCORE (1-100)	PEER DISTRICT AVERAGE SCORE (1-100)
Rating/Score	A	97	86

There were no campuses with a F rating. The results for the District's 6 campuses are shown below.

FIGURE 3
ACCOUNTABILITY RATING BY CAMPUS LEVEL
2021 - 2022

	ELEMENTARY SCHOOLS	MIDDLE SCHOOLS	HIGH SCHOOLS
A	4	1	1
B	-	-	-
C	-	-	-
Not Rated: SB 1365	-	-	-

Campuses with F Accountability Rating

None

Campuses with Required to Implement a Campus Turnaround Plan

None

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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 FIRST rating is based on five (5) critical indicators as well as minimum number of points for an additional ten (10) indicators. Beginning with 2016-2017 Rating (based on the 2015-2016 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:

<u>Rating</u>	<u>Points</u>
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 also earned a Superior Rating in 2019 and 2021.

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

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

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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 Texas Education Agency 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 – The Texas Education Code §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
2021 - 2022

	TOTAL STUDENT POPULATION COUNT	PERCENTAGE OF STUDENT POPULATION	PEER DISTRICTS AVERAGE PERCENTAGE	STATE AVERAGE PERCENTAGE
Total Students	6,180	100.0%	N/A	N/A
Economically Disadvantaged	686	11.1%	64.4%	60.6%
English Learners	146	2.4%	22.1%	21.7%
Special Education	810	13.1%	11.6%	11.7%
Bilingual/ESL Education	139	2.2%	22.1%	21.7%
Career and Technical Education	2,246	36.3%	27.2%	25.8%

SOURCE: Texas Education Agency, Texas Academic Performance Reports.
Data for Career and Technical Education was not provided by the TEA in 2021 - 2022.

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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, 3.3 million or 60.6 percent are economically disadvantaged. The percentage of economically disadvantaged students served by the District compared to its total student population totaled 11.1 percent, which is 53.3 percent and 49.5 percent less than the peer districts average and State average, respectively. Cleveland Independent School District had the highest economically disadvantaged student percentage of 93.5%, while Friendswood Independent School District had the lowest percentage of 11.1%.

The peer districts average total student count was 8,642. Of the peer districts evaluated, Magnolia Independent School District had the highest total student count of 13,658, while Nederland Independent School District had the lowest student count of 5,009.

Attendance

FIGURE 6**ATTENDANCE RATE****2022 based on 2020-2021 District Attendance**

	DISTRICT TOTAL	PEER DISTRICTS AVERAGE	STATE AVERAGE
Attendance Rate	96.2%	94.7%	95.0%

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 1.5 percent greater than its peer districts average and 1.2 percent greater than the State average. It should be noted that the District's attendance rate has for the 2021 - 2022 year is currently unavailable.

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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 increase over the last five years of 0.39 percent. The District estimates an increase of enrollment of 0.39 percent for the 2023 school year and a decrease of 2.30 percent for the next school year.

FIGURE 7

5-YEAR ENROLLMENT

2017 - 2022

	ENROLLMENT	% CHANGE
2022	6,180	1.00%
2021	6,119	-1.73%
2020	6,227	2.89%
2019	6,052	0.08%
2018	6,047	-0.30%
Average annual percentage change based on the previous five years	0.39%	
Estimated 2023 Enrollment	6,204	0.39%
Projected Next School Year (2024)	6,023	-2.92%

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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
2021-2022

	DISTRICT		PEER DISTRICT 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)	\$ 5,963	59.1%	\$ 5,352	42.0%	\$ 4,960	39.7%
State (2)	2,391	23.7%	4,225	33.2%	4,516	36.1%
Federal	709	7.0%	2,640	20.7%	2,611	20.9%
Other Local and Intermediate	1,030	10.2%	522	4.1%	417	3.3%
Total Revenue	\$ 10,093	100.0%	\$ 12,739	100.0%	\$ 12,504	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 capital projects fund and debt service fund revenues. Approximately \$3.1 million of the Teacher Retirement System (TRS) contributions made by the State of Texas on-behalf of the District. In accordance with Governmental Accounting Standards Board, on-behalf contributions must be recorded as both revenue and expenditures. However, the source reports used for the analyses excluded on-behalf revenue but included the on-behalf expenditures. The on-behalf contributions of \$3.1 million equates to \$508 per student.

The District's receives less revenue per student than its peer district average and the State average.

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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

2021-2022

	DISTRICT		PEER DISTRICT AVERAGE		STATE AVERAGE	
	EXPENDITURES PER STUDENT	PERCENTAGE OF TOTAL	EXPENDITURES PER STUDENT	PERCENTAGE OF TOTAL	EXPENDITURES PER STUDENT	PERCENTAGE OF TOTAL
Instruction	\$ 5,747	55.6%	\$ 6,509	54.3%	\$ 6,671	55.9%
Instructional Resources and Media	114	1.1%	111	0.9%	120	1.0%
Curriculum and Staff Development	294	2.8%	247	2.1%	291	2.4%
Instructional Leadership	147	1.4%	220	1.8%	206	1.7%
School Leadership	503	4.9%	642	5.4%	688	5.8%
Guidance Counseling Services	475	4.6%	454	3.8%	468	3.9%
Social Work Services	3	0.0%	54	0.5%	43	0.4%
Health Services	105	1.0%	133	1.1%	139	1.2%
Transportation	368	3.6%	429	3.6%	353	3.0%
Food Service Operation	362	3.5%	616	5.1%	598	5.0%
Extracurricular	427	4.1%	391	3.3%	355	3.0%
General Administration	390	3.8%	394	3.3%	393	3.3%
Plant Maintenance and Operations	972	9.4%	1,176	9.8%	1,177	9.9%
Security and Monitoring Services	136	1.3%	141	1.2%	131	1.1%
Data Processing Services	227	2.2%	224	1.9%	246	2.1%
Community Services	58	0.6%	247	2.1%	60	0.5%
Total Operating Expenditures	\$ 10,328	100.0%	\$ 11,988	100.0%	\$ 11,939	100.0%

Note: (1) 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.

Overall, the District spends less per student than its peer districts average and the State average.

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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

2021-2022

	DISTRICT	PEER DISTRICT AVERAGE	STATE AVERAGE
Payroll as a Percentage of All Funds	79.9%	77.7%	78.0%
Average Teacher Salary	\$ 62,354	\$ 59,276	\$ 58,887
Average Administrative Salary	\$ 102,941	\$ 102,003	\$ 98,894
Superintendent Salary	\$ 208,401	\$ 252,402	\$ 159,385
Total Operating Expenditures	63,572,470	102,294,648	N/A

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

The District spends more on payroll costs than its peer districts average and the State average. Also, the District, on average, spends more per teacher than its peer districts average and the State average.

The average administrative salary is greater than the two comparison groups. The Superintendent's salary is less than its peer district average and greater than the state average. It is important to note that the data for the State average for the Superintendent is comprised of school districts across the State with enrollments ranging from 24 to 194,607 students.

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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
2018 - 2022

YEAR	DISTRICT			PEER DISTRICT AVERAGE (1)		
	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
2022	\$ 2,389	25.9%	103.5%	\$ 4,310	43.5%	173.9%
2021	2,411	27.0%	107.9%	3,939	40.4%	161.5%
2020	1,779	21.5%	85.9%	3,557	37.1%	148.4%
2019	1,784	21.8%	87.2%	3,488	37.4%	149.6%
2018	1,537	19.0%	75.8%	3,359	37.8%	151.1%

Note: (1) Includes Peer District with a policy requiring a minimum assigned fund balance equal to 90-days of operating expenses, which reduces the amount of Unassigned Fund Balance.

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

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 management for a specific purpose.
- Unassigned fund balance is the remaining amount that is not restricted, committed, or assigned for a specific purpose.

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8. Fund Balance (continued)

The Texas Education Agency evaluates unassigned fund balance by comparing it to three-months (25%) of annual operating expenditures. If the District does not meet goal of three-months, the percentage is shown as less than 100%. Amounts that exceed three (3) months are reflected as percentage greater than 100%. The District did not meet the three-month average goal. The table below shows the amount by which the District did or did not meet the three-month goal.

DISTRICT					
YEAR	GENERAL FUND UNASSIGNED FUND BALANCE (ACTUAL)	GENERAL FUND UNASSIGNED FUND BALANCE 3-MONTH GOAL	DIFFERENCE BETWEEN ACTUAL UNASSIGNED FUND BALANCE AND THREE-MONTH GOAL (\$)	DIFFERENCE BETWEEN ACTUAL UNASSIGNED FUND BALANCE AND THREE-MONTH GOAL (%)	
2022	\$ 14,705,297	\$ 14,201,844	\$ 503,453	3.5%	
2021	14,700,199	13,618,407	1,081,793	7.9%	
2020	11,030,013	12,840,755	(1,810,742)	-14.1%	
2019	10,797,050	12,376,860	(1,579,810)	-12.8%	
2018	9,293,564	12,258,381	(2,964,817)	-24.2%	

The District's unassigned fund balance as of August 31, 2022 totaled \$14.7 million compared to its General Fund operating expenditures of \$56.8 million. Three months average operating expenditures would equate to \$14.2 million, which was less than actual by \$0.5 million (or 3.5%).

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9. District Staffing Levels

FIGURE 12

STAFF RATIO COMPARISON

2021 - 2022

	DISTRICT	PEER DISTRICT AVERAGE	STATE AVERAGE
Teaching Staff (Percentage of Total Staff)	50.6%	48.7%	49.3%
Support Staff (Percentage of Total Staff)	12.0%	10.3%	10.7%
Administrative Staff (Percentage of Total Staff)	4.0%	4.1%	4.1%
Paraprofessional Staff (Percentage of Total Staff)	9.1%	11.1%	11.1%
Auxiliary Staff (Percentage of Total Staff)	24.3%	25.8%	24.8%
Students Per Total Staff	8.0	7.2	7.2
Students Per Teaching Staff	15.8	14.8	14.6

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

The District's total staff for the year ended August 31, 2022 was 772 compared to that of its peer districts of 1,195. The District's students per total staff ratio is 0.8 more number than its peer districts and State average. The District's students per teaching staff ratio is more than its peer districts average and the State average. The District is maximizing efficient use of staffing resources to serve students while achieving high accountability ratings as peer districts.

10. Teacher Turnover Rates

FIGURE 13

TEACHER TURNOVER RATES

2021-2022

	DISTRICT TURNOVER RATE	AVERAGE PEER DISTRICT TURNOVER RATE	STATE TURNOVER RATE
Teachers	13.5%	17.8%	17.7%

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

The District's turnover rate is less than the peer districts average and the State average. The highest turnover rate within the peer districts was 29.3% while the lowest turnover rate was 8.8%.

FRIENDSWOOD INDEPENDENT SCHOOL DISTRICT**Agreed-upon Procedures Related to the District's****Voter-Approved Tax Rate Election****Data for the Year Ended August 31, 2022****SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS (continued)****11. Special Programs****FIGURE 14****SPECIAL PROGRAMS CHARACTERISTICS****2021-2022**

	NUMBER OF STUDENTS SERVED	PERCENTAGE OF ENROLLED STUDENT SERVED	PROGRAM BUDGET PER STUDENTS SERVED	PROGRAM BUDGET AS A PERCENTAGE OF DISTRICT BUDGET	TOTAL STAFF FOR PROGRAM	STUDENTS PER TOTAL STAFF FOR PROGRAM
Total Students	6,180	100.0%	\$9,074	100.0%	772	8
Special Education	810	13.1%	9,838	14.2%	40	20
Bilingual/ESL Education	139	2.2%	473	0.1%	4	35
Gifted and Talented	541	8.8%	6,821	6.6%	4	129
Career and Technical Education (1)	2,760	44.7%	906	4.3%	25	110
Athletics and Extracurricular Activities (1)	2,097	33.9%	1,095	3.9%	173	12
Alternative Education Program/Disciplinary Alternative Education Program (1)	23	0.4%	4,348	0.2%	-	-

Note:

(1) Amounts provided by Friendswood ISD



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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 provides assistance in obtaining external funding for educational programs of distinction 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 August 31, 2022, Whitley Penn, LLP expressed 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

FIGURE 15

BUDGET PROCESS

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

The District's self-funded workers' compensation program ended in previous years and the remaining net position is accounted for and reported in the District's internal service fund. At August 31, 2022, the workers' compensation fund reported net position of \$27,159, which was a decrease in net position from the prior fiscal year of \$113,743. The District now participates in a fully funded workers' compensation program through the Texas Association of School Boards (TASB). The remaining net position of the self-funded program in the internal service fund was used to pay premiums for the TASB program in fiscal year 2023.

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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

FIGURE 16

COMPENSATION SYSTEM

QUESTION	YES/NO	NOT APPLICABLE
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	

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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?	No	

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

9. Programs

FIGURE 18

ACADEMIC INFORMATION

QUESTION	YES/NO	NOT APPLICABLE
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	