

Clear Creek Independent School District

Independent Accountant's Report on Applying
Agreed-Upon Procedures -

Voter-Approved Tax Rate Election

Data for the Fiscal Year Ended August 31, 2022

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Report of Independent Accountant on Applying Agreed-Upon Procedures

To the Board of Trustees and Citizens
of Clear Creek Independent School District

We have performed the procedures enumerated in Section III, as listed in the table of contents, solely for the purpose of reporting our findings to the Clear Creek Independent School District (the "District"), on the results of comparing the District to the criteria set forth in the Legislative Budget Board's House Bill 3 Efficiency Audit Guidelines for the year ended August 31, 2022. The District's management is responsible for the results of comparing the District to the criteria set forth in the Legislative Budget Board's House Bill 3 Efficiency Audit Guidelines for the year ended August 31, 2022.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in assessing the District's fiscal management, efficiency, and utilization of resources for the year ended August 31, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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, respectively, on the results of comparing the District to the criteria set forth in the Legislative Budget Board's House Bill 3 Efficiency Audit Guidelines for the year ended August 31, 2022. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
September 20, 2023

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SECTION I - EXECUTIVE SUMMARY

Overview of Procedures Performed

In conducting the agreed-upon procedures (AUP) engagement for the Clear Creek Independent School District (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 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 AUP engagement is provided in Section III of this report. District data on accountability, students, staffing and finances, with peer districts and state comparisons is described in Section IV of this report.

SECTION II - KEY INFORMATION ABOUT THE DISTRICT

The District is holding a voter-approved tax ratification election (Election) to adopt its maintenance and operations (M&O) property tax rate for the tax year 2023. The proposed M&O tax rate is \$0.7046, which is a decrease of \$0.14 or 16.58% from the prior tax year. This proposed rate exceeds the District's maximum compressed tax rate (MCR) by more than \$0.05 (Proposed Rate \$0.7046 – MCR \$0.6246 = \$0.08), which by statute requires an election and efficiency Audit (hereafter referred to as "AUP engagement").

The District engaged Weaver and Tidwell, LLP to conduct the AUP engagement. AUP engagement's 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.

The District's administration presented a balanced budget for the general fund for fiscal year 2024 using the proposed M&O tax rate. M&O property taxes are used for the general operations of the District. The budgeted general fund current M&O tax revenue is estimated to decrease by \$40.55 million from the prior year budget. This decrease is projected to be offset by an increase in state funding through the Foundation School Program.

The general fund budgeted expenditures are estimated to increase by \$14.76 million from the prior year budget. The overall budgeted activities of the general fund are such that it allows for the District to achieve its goal of maintaining two months of unassigned fund balance.

The average taxable value of residential property for the tax year 2023 is \$240,998. The average tax bill as a result of the proposed M&O rate would be \$2,349, or a \$649 decrease compared to the prior year.

Based on the outcome of the AUP engagement, the District will first address any cost inefficiencies reflected in the AUP engagement. Secondly, the District will determine if any other funds are available to cover general fund needs in fiscal year 2024.

If the Election passes, the District intends to use the resources as presented in the fiscal year 2024 budget to continue to provide for student programs as well as teacher and staff salaries. The District will also monitor and identify opportunities for operational efficiencies within the budget in order to create capacity to accommodate future needs.

If the Election does not to pass, the District will have to reduce operational expenditures and use unassigned fund balance to cover operating deficits.

Some key information about the District:

- The District's total operating revenue for all funds, for fiscal year 2022 totaled \$9,686 per student, while its peer districts' average and State average totaled \$11,487 per student and \$12,504 per student, respectively.
- The District's total operating expenditures for all funds for fiscal year 2022 totaled \$10,493 per student, while its peer districts' average and State average were \$11,385 per student and \$11,939 per student, respectively.
- The District received a preliminary rating of "Superior" for the School Financial Integrity Rating System of Texas for the 2022-2023 fiscal year, which is based on financial data from the 2021-2022 fiscal year.

- 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 "B" (89 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:

Rating	# of Campuses
A	17
B	23
C	4
Not Rated	2

Additional details and AUP engagement results are included in Section IV.

SECTION III - OBJECTIVES AND APPROACH

Objectives

The objective of this AUP engagement is 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, Weaver and Tidwell, LLP performed the following procedures:

- 1.** Selected peer districts, developed a simple average and used the same comparison group throughout the AUP engagement.
- 2.** Reported on the overall accountability rating (A-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 - excludes 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, 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, 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.

- 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?
 - iv.** Does the District have an active and current energy management plan?
 - v.** 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.

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) 2021 Snapshot Peer Search identified a total of 36 peer districts based on size (25,000 to 49,999 students). We selected 7 out of the 36 peer districts which are shown below. (Note: The Legislative Budget Board suggests selecting between 5 and 10 peer districts for testing.)

Figure 1 Peer Districts	
District Name	County
ALIEF ISD	HARRIS
MESQUITE ISD	DALLAS
LAMAR CISD	FORT BEND
HUMBLE ISD	HARRIS
MANSFIELD ISD	TARRANT
RICHARDSON ISD	DALLAS
LEANDER ISD	WILLIAMSON

2. Accountability Rating

The TEA annually assigns an A-F rating and a corresponding scale 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			
	District Rating (A-F)	District Score (1-100)	Peer Districts Average Score (1-100)
Rating/Score	B	89	86

The "F" accountability rating was not applicable for 2021 – 2022. The results for the District's 44 campuses that were assigned a rating are shown below.

Figure 3
Accountability Rating by Campus Level
2021-2022

	Elementary Schools	Middle Schools	High Schools
A	11	2	4
B	14	6	3
C	2	2	-
D	-	-	-
Not Rated	-	1	1

Campuses with a "F" Accountability Rating - N/A due to Senate Bill 1365

Campuses with Required to Implement a Campus Turnaround Plan - None Noted

Campuses assigned a label of Not Rated: Senate Bill 1365 were Harris Co JJAEP and Clear Path Alternative School.

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. 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.

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 "Pass/Fail" system and began assigning a letter rating. The ratings and corresponding points are shown below:

Rating	Points
A = Superior	90 - 100
B = Above Standard	80 - 89
C = Meets Standards	60 - 79
F = Substandard Achievement	Less than 60

The District's 2022-2023 preliminary rating based on the fiscal year 2021-2022 data is an "A" (Superior).

Figure 4	
School FIRST Rating	
2021-2022	
	District Rating
	(A-F)
Rating	A

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
2021-2022

	Total Student Population Count	Percentage of Student Population	Peer Districts Average Percentage	State Average Percentage
Total Students	40,832	100.0%	N/A	N/A
Economically Disadvantaged	14,545	35.6%	53.0%	60.6%
English Learners	4,850	11.9%	22.7%	21.7%
Special Education	5,243	12.8%	12.1%	11.7%
Bilingual/ESL Education	5,139	12.6%	22.6%	21.8%
Career and Technical Education	N/A	N/A	NA	N/A

Source: Texas Education Agency - Texas Academic Performance Reports

Data for the Career and Technical Education was not provided by the TEA in 2021 – 2022.

There are 5.4 million students served by public schools in the State of Texas and of those students 3.3 million or 60.6% are economically disadvantaged. The percentage of economically disadvantaged students served by the District is 35.6%, which is 17.4% and 25.0% less than the peer districts and State averages, respectively. Alief Independent School District had the highest economically disadvantaged student percentage of 83.2%, while Leander Independent School District had the lowest percentage of 18.5%.

The peer districts' average total student count was 40,244. Of the peer districts evaluated, Humble Independent School District had the highest total student count of 48,112, while Mansfield Independent School District had the lowest student count of 35,559.

Attendance

Figure 6
Attendance Rate
2021-2022

	District Total	Peer Districts Average	State Average
Attendance Rate	95.7%	95.6%	95.0%

Source: Texas Education Agency - Public Education Information Management System (PEIMS) 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 0.1% and 0.7% greater than the peer districts and State averages, respectively.

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 -0.39% and when taking into account enrollment for fiscal year 2023 an average decrease of -0.38%. These decreases are primarily due to the COVID-19 pandemic and its effects on students returning to school.

Figure 7
5-Year Enrollment
2018-2022

	Enrollment	% Change
2022	40,832	0.23%
2021	40,737	-3.89%
2020	42,388	0.43%
2019	42,205	0.13%
2018	42,152	1.13%
Average annual percentage change based on the previous five years		-0.39%
2023 (1)	40,693	-0.34%
Average annual percentage change based on the previous five years and the 2023 fiscal year		-0.38%

Source: Texas Education Agency - PEIMS Standard Reports, Student Enrollment Reports

Note: (1) Based on fiscal year 2023 PEIMS Data from the District.

5. District Revenue

Figure 8
District Tax Revenue
2021-2022

	District		Peer Districts		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)	\$ 6,024	62.2%	\$ 4,935	43.9%	\$ 4,960	39.7%
State (2)	1,881	19.4%	4,129	35.4%	4,516	36.1%
Federal	1,193	12.3%	2,084	17.6%	2,611	20.9%
Other Local and Intermediate	588	6.1%	339	3.0%	417	3.3%
Total Revenue	\$ 9,686	100.0%	\$ 11,487	100.0%	\$ 12,504	100.0%

Note (1): Excludes Recapture

Note (2): Excludes TRS on-behalf

Source: Texas Education Agency - PEIMS District Financial Actual Reports

The District's M&O revenue per student is 18.3% and 22.5% higher than the peer districts' and State averages, respectively. Of the peer districts evaluated, Richardson Independent School District had the highest M&O revenue per student of \$7,351, while Mesquite Independent School District had the lowest M&O revenue per student of \$2,510. The District's state revenue per student is 16.0% and 16.7% less than the peer districts and State averages, respectively. Of the peer districts evaluated, Leander Independent School District had the lowest state revenue per student of \$1,292, while Mesquite Independent School District had the highest state revenue per student of \$6,719.

The financial data above includes all funds, except for the District's capital projects fund and debt service fund. Approximately \$19.9 million of the Teacher Retirement System (TRS) contributions made by the State of Texas on-behalf of the District were also excluded from the 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 \$19.9 million equates to \$495 per student.

The District receives less revenue per student compared to its peer districts' average and the State average.

6. District Expenditures

Figure 9
District Actual Operating Expenditures
2021-2022

	District		Peer Districts Average		State Average	
	Expenditure Per Student	Percentage of Total	Expenditure Per Student	Percentage of Total	Expenditure Per Student	Percentage of Total
Instruction	\$ 6,413	61.1%	\$ 6,796	59.7%	\$ 6,671	55.9%
Instruction Resources and Media	110	1.0%	118	1.0%	120	1.0%
Curriculum and Staff Development	315	3.0%	271	2.4%	291	2.4%
Instructional Leadership	102	1.0%	169	1.5%	206	1.7%
School Leadership	563	5.4%	626	5.5%	688	5.8%
Guidance Counseling Services	439	4.2%	518	4.6%	468	3.9%
Social Work Services	24	0.2%	28	0.2%	43	0.4%
Health Services	103	1.0%	140	1.2%	139	1.2%
Transportation	332	3.2%	347	3.0%	353	3.0%
Food Service Operation	399	3.8%	508	4.5%	598	5.0%
Extracurricular	393	3.7%	295	2.6%	355	3.0%
General Administration	196	1.9%	252	2.2%	393	3.3%
Facilities Maintenance and Operations	744	7.1%	949	8.4%	1,177	9.9%
Security and Monitoring Services	139	1.3%	133	1.2%	131	1.1%
Data Processing Services	192	1.8%	187	1.7%	246	2.1%
Community Services	29	0.3%	48	0.4%	60	0.5%
Total Expenditures	\$ 10,493	100.0%	\$ 11,385	100.0%	\$ 11,939	100.0%

Source: Texas Education Agency - PEIMS 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 the peer districts and the State averages, respectively. The percentage spent in Instruction is 1.4% and 5.2% more than the peer districts and the State averages, respectively. The District's percentage of expenditures spent in remaining areas is within plus or minus 3.0% of the peer districts' and State averages.

7. District Payroll Expenditures Summary

Figure 10
Payroll Expenditure Summary
2021-2022

	District	Peer Districts Average	State Average
Payroll as a Percentage of All Funds	82.8%	83.4%	78.0%
Average Teacher Salary	64,477	62,142	58,887
Average Administrative Salary	109,382	97,415	92,806
Superintendent Salary	345,409	334,258	158,721

Source: Texas Education Agency - PEIMS District Financial Actual Reports and FTE Counts and Salary Reports

The District spent 0.6% less on payroll than its peer districts' average and 4.8% more than the State average. Additionally, on average, the District spends more per teacher, administrator, and superintendent than both comparison groups. Of the peer districts evaluated, Leander Independent School District had the lowest teacher salary of \$56,510, while Lamar Independent School District had the highest teacher salary of \$65,178; Mansfield Independent School District had the lowest administrator salary of \$93,369, while Lamar Independent School District had the highest administrator salary of \$107,533; and Mansfield Independent School District had the lowest superintendent salary of \$282,491, while Alief Independent School District had the highest superintendent salary of \$395,968.

8. Fund Balance

Figure 11
General Fund Balance
2021-2022

	District		Peer Districts Average	
	General Fund Unassigned Fund Balance Per Student	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 3 Month Operating Expenditures
2022	1,741	78.9%	2,560	107.4%
2021	1,739	81.0%	2,665	118.9%
2020	1,670	81.8%	2,400	113.8%
2019	1,680	84.9%	2,424	116.2%
2018	1,546	80.9%	2,252	110.3%

Source: Texas Education Agency - PEIMS District Financial Actual Reports

The General Fund is the District's primary operating fund. 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.

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 goal of three-months, the percentage is shown as less than 100 percent. Amounts that exceed three-months are reflected as a percentage greater than 100 percent. The District did not meet the three-month goal during the 5 year period being evaluated. The District's internal goal and budgeting plan is to maintain unassigned fund balance within the general fund of two-months of annual operating expenditures. The District achieved its internal goal for each year evaluated.

Of the peer districts evaluated:

- Lamar Independent School District had the lowest 5 year unassigned fund balance per student average of \$1,818, while Leander Independent School District had the highest 5 year unassigned fund balance per student average of \$3,238.
- Alief Independent School District had the lowest 5 year three-month operating expenditure average of 75.8%, while Leander Independent School District had the highest 5 year three-month operating expenditure average of 158.1%.

9. District Staffing Levels

Figure 12
Staff Ratio Comparison
2021-2022

	District	Peer Districts Average	State Average
Teaching Staff (Percentage of Total Staff)	48.6%	52.0%	49.1%
Support Staff (Percentage of Total Staff)	14.7%	11.2%	11.1%
Administrative Staff (Percentage of Total Staff)	2.8%	3.6%	4.1%
Paraprofessional Staff (Percentage of Total Staff)	8.2%	9.8%	11.0%
Auxiliary Staff (Percentage of Total Staff)	25.7%	23.4%	24.7%
Students Per Total Staff	7.7	7.5	7.2
Students Per Teaching Staff	15.9	14.4	14.7

Source: Texas Education Agency - PEIMS District Staff Information Reports

The District's total staff for the year ended August 31, 2022 was 5,296 compared to that of its peer districts' average of 5,424. The District has 0.2 and 0.5 more students per total staff than its peer districts and State averages. The District's students per teaching staff ratio is greater than its peer districts' average and the State average by 1.4 students and 1.2 students, respectively. The District's goal is to maximize efficient use of staffing resources to serve students while achieving high accountability ratings.

10. Teacher Turnover Rates

Figure 13
Teacher Turnover Rates
2021-2022

	District Turnover Rate	Average Peer Districts Turnover Rate	State Turnover Rate
Teachers	13.1%	16.0%	17.7%

Source: Texas Education Agency - PEIMS District Staff Information Reports

The District's turnover rate is 2.9% and 4.6% lower than the average peer districts and State turnover rates, respectively. The highest turnover rate within the peer districts was 19.5% (Richardson ISD) while the lowest turnover rate was 13.0% (Alief ISD).

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	40,235	100.0%	N/A	N/A	N/A	N/A
Economically Disadvantaged	14,333	35.6%	796	3.1%	112	128
English Learners	4,757	11.8%	235	0.3%	100	47
Special Education	5,058	12.6%	10,977	15.1%	369	14
Bilingual/ESL Education	5,045	12.5%	235	0.3%	107	47
Career and Technical Education	9,080	22.6%	1,275	3.2%	144	63
Athletics and Extracurricular Activities	21,767	54.1%	345	2.0%	535	41
Alternative Education Program/ Disciplinary Alternative Education Program	786	2.0%	3,028	0.6%	36	22
Juvenile Justice Alternative Education Program	21	0.1%	531	0.0%	N/A	N/A

Source: Information provided by the District

SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION

1. State and Regional Resources

The District uses the State's Foundation School Program and Available School Fund allotments to fund state mandated programs. Additionally, the District provides supplemental programs such as WAVE, Dual Language, Clear Horizons Early College High School, Clear View High School, and specialized Career and Technology Programs. All funding, state, local or federal, is aligned with the District's priorities and/or directly tied to the District Improvement Plan or individual Campus Improvement Plans. The District also takes advantage of the regional education service center's expertise when needed.

2. Reporting

For the year ended August 31, 2022, Weaver and Tidwell, LLP issued an unmodified opinion on the District's 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

Program revenues are sufficient to cover program costs. The District's self-funded workers' compensation program, dental program and short term disability program are accounted for and reported in the District's internal service funds. At August 31, 2022, the workers compensation program fund reported net position of \$609,925, which was an increase in net position from the prior fiscal year of \$982. At August 31, 2022, the dental program fund reported a net position of \$791,642, which was a decrease in net position from the prior fiscal year of \$90,827. At August 31, 2022, the short term disability program fund reported net position of \$1,734,738, which was an increase in net position from the prior fiscal year of \$255,011.

6. Staffing

All district administrators are evaluated annually. Leaders utilize data collected to develop department and system goals. Further, professional learning is provided system wide to ensure that favorable performance results are reinforced and areas of concern are addressed.

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	

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	

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	