CEDAR HILL
INDEPENDENT SCHOOL DISTRICT

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

Data for the Year Ended
June 30, 2022

CEDAR HILL INDEPENDENT SCHOOL DISTRICT
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INDEPENDENT ACCOUNTANT'S
REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the agreed-upon procedures enumerated below, which were agreed to by Cedar Hill 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

Dallas, Texas
September 12, 2023

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

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

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 June 30, 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.

SECTION II - KEY INFORMATION ABOUT THE DISTRICT

Cedar Hill Independent School District ("the District"), is exploring 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 $0.9473 and $0.9024, respectively, and the rate was further compressed for fiscal year 2023. 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 for fiscal year 2024. 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 $6.8 million ($5.77 million local M&O tax revenue and $1.06 million in additional state funds) and represents about 9.9 percent of the 2022 - 2023 amended general fund expenditure budget of $69.3 million.

The average taxable value of a single-family residential property for tax year 2023 is $238,369. The average tax bill as a result of the proposed M&O rate change is $2,700, or a $286 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 adopt a balanced budget for fiscal year 2024.

Based on the outcome of the agreed-upon procedures, the District will first address any cost inefficiencies reflected in the agreed-upon procedures. 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 in 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.

Some key information about the District:

- The District's total operating revenue for all funds for fiscal year 2022 totaled $11,516 per student, while its peer districts average and State average were $12,593 per student and $12,504 per student, respectively.
- Over the last five years, the District's total average operating revenues for all funds totaled $10,059 per student, while its peer districts average and State average were $11,069 per student and $11,045 per student, respectively.
- Over the last five years, the District's average General Fund operating revenue per student totaled $8,397, while its peer districts average totaled $9,420 per student.
- The District's total operating expenditures for all funds for fiscal year 2022 totaled $11,409, while its peer districts average and State average were $12,088 per student and $11,943 per student, respectively.
- Over the last five years, the District's average total operating expenditures for all funds totaled $10,090 per student compared to its peer districts average of $10,685 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 $8,477 per student, while its peer districts average was $9,106 per student.
- The District has earned a Superior Rating for the School Financial Integrity Rating System of Texas (FIRST) for 2022.

SECTION II - KEY INFORMATION ABOUT THE DISTRICT (continued)

- 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 an "C" (70 out of 100 points) in 2021 - 2022. The detail by campus for the 2021 - 2022 accountability rating is shown below:

Grade	# of Campuses
A	2
B	1
C	6
D	-
F	-

Additional details and procedures results are included in Section IV.

SECTION III - OBJECTIVES AND APPROACH

Objectives

The objective of our agreed-upon procedures 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 agreed-upon procedures.
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.
    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

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.

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.

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 students). Using other similar characteristics for tax rate, district type, and Texas Smart Schools, the District selected the ten (10) peer districts shown below.

FIGURE 1
PEER DISTRICTS

DISTRICT NAME	COUNTY
Azle ISD	Tarrant County
Boerne ISD	Kendall County
Corsicana ISD	Navarro County
Desoto ISD	Dallas County
Duncanville ISD	Dallas County
Edgewood ISD	Bexar County
La Porte ISD	Harris County
Lancaster ISD	Dallas County
Manor ISD	Travis County
Temple ISD	Bell County

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.

FIGURE 2
ACCOUNTABILITY RATING COMPARISON
2021 - 2022

	DISTRICT RATING (A-F)	DISTRICT SCORE (1-100)	PEER DISTRICT AVERAGE SCORE (1-100)
Rating/Score	C	70	82.2

There were no campuses with a F rating. The results for the District's 12 campuses are shown below.

FIGURE 3
ACCOUNTABILITY RATING BY CAMPUS LEVEL
2021 - 2022

	ELEMENTARY SCHOOLS	MIDDLE SCHOOLS	HIGH SCHOOLS
A	0	1	1
B	1	0	0
C	6	0	0
Not Rated: SB 1365	0	2	1
F	0	0	0

Campuses with F Accountability Rating

None

Campuses with Required to Implement a Campus Turnaround Plan

None

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 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:

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 2021 - 2022 rating based on school year 2020 - 2021 data was an "A" (Superior). The District also earned an Above Standard Achievement Rating in 2018, 2020, 2021 and Superior Rating in 2019.

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

	DISTRICT RATING (A-F)
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 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	7,120	100.0%	N/A	N/A
Economically Disadvantaged	4,672	65.6%	66.4%	60.6%
English Learners	579	8.1%	17.8%	21.7%
Special Education	573	8.0%	11.9%	11.7%
Bilingual/ESL Education	594	8.3%	17.8%	21.7%
Career and Technical Education	2,625	36.9%	29.1%	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.

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 65.6 percent, which is 0.8 percent less than the peer districts average and 5.0 percent more than the State average, respectively. Edgewood Independent School District had the highest economically disadvantaged student percentage of 89.0%, while Boerne Independent School District had the lowest percentage of 16.8%.

The peer districts average total student count was 8,265. Of the peer districts evaluated, Duncanville Independent School District had the highest total student count of 11,946, while Corsicana Independent School District had the lowest student count of 6,006.

Attendance

FIGURE 6
ATTENDANCE RATE
2021 - 2022

	DISTRICT TOTAL	PEER DISTRICTS AVERAGE	STATE AVERAGE
Attendance Rate	96.0%	94.2%	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 1.8% and 1.0% more than its peer districts average and of the State average, respectively. It should be noted that the District's attendance rate has decreased from the prior year, which was 98.5 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 1.96 percent. Based on current student enrollment reports, the District expects enrollment to decrease by 2.81 percent from 2022 to 2023.

FIGURE 7
5-YEAR ENROLLMENT
2019 - 2023

	ENROLLMENT	% CHANGE
2023	6,920	-2.81%
2022	7,120	-1.83%
2021	7,253	-4.88%
2020	7,625	-1.98%
2019	7,779	-1.03%
Average annual percentage change based on the previous five years	-2.51%	
Projected next school year	6,283	-9.21%

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)	$ 5,535	48.1%	$ 5,453	43.3%	$ 4,960	39.7%
State (2)	2,797	24.3%	3,918	31.1%	4,516	36.1%
Federal	2,924	25.4%	2,807	22.3%	2,611	20.9%
Other Local and Intermediate	260	2.3%	416	3.3%	417	3.3%
Total Revenue	$ 11,516	100.0%	$ 12,593	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 $3.4 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 $3.4 million equates to $478 per student.

The District's receives less revenue per student compared to the State average but more than its peer district average.

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	$ 6,004	52.6%	$ 6,316	52.2%	$ 6,671	55.9%
Instructional Resources and Media	86	0.8%	93	0.8%	120	1.0%
Curriculum and Staff Development	237	2.1%	346	2.9%	291	2.4%
Instructional Leadership	159	1.4%	344	2.8%	206	1.7%
School Leadership	628	5.5%	709	5.9%	688	5.8%
Guidance Counseling Services	414	3.6%	453	3.7%	468	3.9%
Social Work Services	-	0.0%	63	0.5%	43	0.4%
Health Services	100	0.9%	128	1.1%	139	1.2%
Transportation	518	4.5%	387	3.2%	353	3.0%
Food Service Operation	616	5.4%	627	5.2%	598	5.0%
Extracurricular	363	3.2%	339	2.8%	355	3.0%
General Administration	515	4.5%	458	3.8%	393	3.3%
Plant Maintenance and Operations	1,233	10.8%	1,241	10.3%	1,177	9.9%
Security and Monitoring Services	227	2.0%	182	1.5%	131	1.1%
Data Processing Services	250	2.2%	354	2.9%	246	2.1%
Community Services	59	0.5%	49	0.4%	60	0.5%
Fund Raising (Charter Schools only)	-	0.0%	-	0.0%	4	0.0%
Total Operating Expenditures	$ 11,409	100.0%	$ 12,088	100.0%	$ 11,943	100.0%

Note: (1) Includes TRS on-behalf expenditures.

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.

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	74.4%	77.1%	78.0%
Average Teacher Salary	$ 57,989	$ 58,506	$ 58,887
Average Administrative Salary	$ 106,935	$ 104,418	$ 98,894
Superintendent Salary	$ 246,200	$ 270,400	$ 159,385

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

The District spends less on payroll costs than its peer districts average and the State average. This is due to unprecedented vacancy rates during FY22, raising to 12-13% vacancy for much of the year. Also, the District, on average, spends less per teacher than its peer districts average and the State average.

The average administrative salary is greater than its peer district average and State average. The Superintendent's salary is less than it 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.

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

	DISTRICT			PEER DISTRICT AVERAGE		
YEAR	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	$ 3,064	35.1%	140.5%	$ 4,156	43.1%	172.4%
2021	2,783	31.7%	126.8%	4,079	43.3%	173.3%
2020	2,433	29.5%	118.0%	3,273	35.8%	143.3%
2019	2,068	24.2%	96.8%	2,947	34.6%	138.3%
2018	1,996	24.7%	98.7%	2,517	30.5%	122.0%

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.

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%) 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	$ 21,791,490	$ 15,515,031	$ 6,276,459	40.5%
2021	20,178,177	15,916,318	4,261,859	26.8%
2020	18,530,497	15,701,730	2,828,768	18.0%
2019	16,083,874	16,607,112	(523,238)	-3.2%
2018	15,689,647	15,898,929	(209,282)	-1.3%

The District's unassigned fund balance as of June 30, 2022 totaled $21.8 million compared to its General Fund operating expenditures of $62 million. Three months average operating expenditures would equate to $15.5 million, which is less than actual by a $6.3 million (or 40.5%).

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

9. District Staffing Levels

FIGURE 12
STAFF RATIO COMPARISON
2021 - 2022

	DISTRICT	PEER DISTRICT AVERAGE	STATE AVERAGE
Teaching Staff (Percentage of Total Staff)	53.1%	47.8%	49.3%
Support Staff (Percentage of Total Staff)	11.4%	11.2%	10.7%
Administrative Staff (Percentage of Total Staff)	5.3%	4.6%	4.1%
Paraprofessional Staff (Percentage of Total Staff)	6.7%	11.0%	11.1%
Auxiliary Staff (Percentage of Total Staff)	23.4%	25.3%	24.8%
Students Per Total Staff	8.7	7.3	7.2
Students Per Teaching Staff	16.4	15.3	14.6

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

The District's total staff for the year ended June 30, 2022 was 815 compared to that of its peer districts average of 1,136. The District's student per total staff ratio is 1.4 and 1.5 greater than its peer districts average and State average, respectively. The District's students per teaching staff ratio is 1.1 greater than its peer districts average and 1.8 greater than 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	28.8%	21.9%	17.7%

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

The District's turnover rate is greater than the peer districts average and the State average. The highest turnover rate within the peer districts was 30% while the lowest turnover rate was 13.4%.

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 (1)	PROGRAM BUDGET AS A PERCENTAGE OF DISTRICT BUDGET (1)	TOTAL STAFF FOR PROGRAM	STUDENTS PER TOTAL STAFF FOR PROGRAM
Total Students	7,120	100.0%				
Special Education	573	8.0%	7,652	6.9%	23.2	24.70
Bilingual/ESL Education	594	8.3%	557	0.2%	5.3	112.08
Migrant Programs	-	0.0%	-	0.0%	-	-
Gifted and Talented Programs	481	6.8%	591	0.4%	18.1	26.57
Career and Technical Education (1)	2,625	36.9%	719	3.7%	0.8	3,281
Athletics and Extracurricular Activities (1)	1,169	16.4%	1,572	2.9%	N/A	N/A
Alternative Education Program/Disciplinary Alternative Education Program (1)	143	2.0%	3,091	0.7%	N/A	N/A
Juvenile Justice Alternative Education Program (1)	-	0.0%	-	0.0%	-	-

(1) Information was 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 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 June 30, 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

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

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	

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	

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	