

Rockwall Independent School District

Independent Accountant's Report on Applying
Agreed-Upon Procedures Related to House Bill 3
Efficiency Audit Guidelines
Data for the Fiscal Year Ended June 30, 2023

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Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated in Section III, as listed in the table of contents, which were agreed to by Rockwall Independent School District (the "District"), solely for the purpose of reporting our findings regarding 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 June 30, 2023. 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 June 30, 2023.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the District's fiscal management, efficiency, and utilization of resources for the year ended June 30, 2023. 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 (AICPA). 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 specified procedures above. Accordingly, we do not express such 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.

Dallas, Texas
June 12, 2024

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SECTION I- EXECUTIVE SUMMARY

Overview of Procedures Performed

In conducting our 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 fiscal year ended June 30, 2023 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

Rockwall Independent School District (the "District") is holding a voter-approved tax rate election (VATRE or "election") on November 5, 2024 to adopt its maintenance and operations (M&O) property tax rate for the 2024-2025 school year (fiscal year 2025). Maintenance and Operations (M&O) taxes are for the operation of public schools. The proposed M&O tax rate for fiscal year 2025 is \$0.7869, which is an increase from fiscal years 2024 and 2023, which were \$0.6692 and \$0.8546, respectively. The proposed fiscal year 2025 M&O tax rate exceeds the District's Voter Approval tax rate by \$0.0659, which by statute requires an election and an efficiency audit (also referred to as agreed-upon procedures or "AUP" engagement). The District has not held a VATRE in the past.

The District engaged Weaver and Tidwell, LLP to conduct the AUP engagement. The AUP engagement's focus is 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 estimated revenue from the proposed increase in tax rate is approximately \$16 million and represents a 8.9% increase in revenues for the general operating fund.

The average home taxable value of a single-family residential property in Rockwall County in fiscal year 2024 is approximately \$575,000. The average tax bill as a result of the M&O rate change is \$3,738, or a \$560 per year increase compared to fiscal year 2023. Taxes are still reduced year over year due to increase in Homestead Exemption and tax rate compression.

If a VATRE is successful, the District will use the additional funds to increase compensation for teacher and staff salaries, hire additional staff to open new buildings due to student growth, fund unfunded mandates related to safety and security.

Some key information about the District:

- The District's total operating revenue for all funds, for fiscal year 2023 totaled \$9,900 per student, while its peer districts average and State average totaled \$11,255 per student and \$12,823 per student, respectively. Note that for the fiscal year 2023, the total revenue per student referenced (\$9,900/student), includes a significant amount of ESSER federal funding that was temporary in nature that district no longer receives.
- The District's total operating expenditures for all funds for fiscal year 2023 totaled \$9,746 per student, while its peer districts average and State average were \$11,154 per student and \$12,382 per student, respectively.
- The District earned a Superior Rating for the School Financial Integrity Rating System of Texas (FIRST) for fiscal year 2023.
- 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 "A" (94 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 Campus'
A	12
B	9
C	1
Not Rated	0

Campus data as of 2022, was the latest data available. Additional details and audit 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, Weaver and Tidwell, LLP performed the following procedures:

- 1.** Selected peer districts, developed a simple average and used the same comparison group throughout the audit.
- 2.** Reported on the overall accountability rating (A-to-F and a corresponding scale score of 1 to 100) and compared to the District's peer districts' average score.
- 3.** Listed the following for the 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, 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.** Economically Disadvantaged
 - b.** English Learners
 - c.** Special Education
 - d.** Bilingual/ESL Education
 - 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

Weaver and Tidwell, LLP used the Texas Education Agency's (TEA) 2022 Snapshot Peer Search, which identified a total of 20 peer districts of similar size as Rockwall Independent School District (10,000 to 24,999 students). We selected 7 out of the 20 peer districts based on similar size, and 3 more using other characteristics listed on the TEA website, such as proximity, student needs, and financial resources. The District did not have input on the peer districts chosen. The peer districts selected are shown below.

**Figure 1
Peer Districts**

District Name	County
ABILENE ISD	TAYLOR
CROWLEY ISD	TARRANT
NEW CANEY ISD	MONTGOMERY
TYLER ISD	SMITH
WYLIE ISD	COLLIN
TOMBALL ISD	HARRIS
PEARLAND ISD	BRAZORIA
ALLEN ISD	COLLIN
PROSPER ISD	COLLIN
MCKINNEY ISD	COLLIN

2. Accountability Rating

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

**Figure 2
Accountability Rating Comparison**

	Rockwall ISD		Peer District
	District Rating (A-F)	District Rating (1-100)	Average Score (1-100)
Rating/Score	A	94	89

3. Accountability Rating by Campus

The "F" accountability rating was not applicable for 2021 – 2022. The results for the District's 22 campuses that were assigned a rating are shown below. Campus data as of 2022, was the latest data available.

Figure 3
Accountability Rating by Campus Level

	Elementary Schools	Middle Schools	High Schools
A	8	2	2
B	7	1	1
C	1	-	-
D	-	-	-
F	-	-	-
Not Rated	-	-	-

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

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

4. Financial Rating

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

The School Financial Integrity Rating System of Texas (FIRST) holds school districts accountable for the quality of their financial management practices. The rating is based on five (5) critical indicators as well as minimum number of points for an additional ten (10) indicators. Beginning with 2015-2016 Rating (based on the 2014-2015 financial data), the Texas Education Agency moved from "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 rating based on school year 2021 - 2022 data was an "A" (Superior).

Figure 4
School FIRST Rating

	District Rating (A-F)
Rating	A

5. 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 Disadvantage- 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

	Total Student Population Count	Percentage of Student Population	Peer District Average Percentage	State Average Percentage
Total Students	18,384	100.0%	N/A	N/A
Economically Disadvantaged	5,083	27.6%	45.4%	62.0%
English Learners	1,773	9.6%	15.9%	23.0%
Bilingual/ESL Education	1,723	9.4%	16.5%	23.2%
Special Education	2,509	13.6%	12.9%	12.7%
Career and Technical Education	4,203	22.9%	26.9%	26.5%

There are 5.5 million students served by public schools in the State of Texas. Of those students, 3.4 million or 62.0 percent are economically disadvantaged. The percentage of economically disadvantaged students served by the District compared to its total student population totaled 27.6 percent, which is 17.8 percent and 34.4 percent less than the peer districts and State average, respectively. Tyler Independent School District had the highest economically disadvantaged student percentage of 75.8 percent, while Prosper Independent School District had the lowest percentage of 6.8 percent.

The peer districts average total student count was 20,026. Of the peer districts evaluated, McKinney Independent School District had the highest total student count of 23,342, while Abilene Independent School District had the lowest student count of 15,523.

6. Attendance

Figure 6
Attendance Rate

	District Total	Peer District Average	State Average
Attendance Rate	93.5%	93.3%	95.0%

Source: Texas Education Agency, Public Education Information Management System District Attendance, Graduation, and Dropout Rates Reports. Based on school year 2022 - 2023 data.

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 0.2 percent greater than and 1.5 percent less than its peer districts average and the State average, respectively.

7. Five-Year Enrollment

The attendance rate should be evaluated in conjunction with the number of students enrolled. As shown in Figure 7, the District experienced an average annual increase over the last five years of 2.43 percent. When the current enrollment data for 2023 is incorporated, the average increase is 2.46 percent.

Figure 7		
5-Year Enrollment		
	Enrollment	% Change
2022	17,926	5.53%
2021	16,987	-0.12%
2020	17,007	2.53%
2019	16,587	1.79%
2018	16,295	
Average annual percentage change based on the previous five years		2.43%
2023 (1)	18,384	2.55%
Average annual percentage change based on the previous five years and the 2023 fiscal year		2.46%

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

8. District Revenue

Figure 8
District Tax Revenue

	District		Peer District		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)	\$ 6,677	67.44%	\$ 5,543	49.98%	\$ 5,214	40.66%
State (2)	1,470	14.85%	3,475	30.45%	4,310	33.61%
Federal	989	9.99%	1,542	13.28%	2,568	20.03%
Other Local and Intermediate	764	7.72%	695	6.29%	731	5.70%
Total Revenue	\$ 9,900	100.0%	\$ 11,255	100.0%	\$ 12,823	100.0%

Note (1): Excludes Recapture

(2): Excludes TRS on-behalf

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. Approximately \$8 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 \$8.7 million equates to \$479 per student.

The District receives less revenue per student compared to its peer districts average and the State average. In addition, for fiscal year 2023, the total revenue per student referenced (\$9,900/student), includes a significant amount of ESSER federal funding that was temporary in nature that the district no longer receives.

9. District Expenditures

Figure 9
District Actual Operating Expenditures

	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	\$ 5,407	55.48%	\$ 6,319	56.7%	\$ 6,849	55.31%
Instruction Resources and Media	101	1.04%	112	1.0%	121	0.98%
Curriculum and Staff Development	302	3.10%	273	2.5%	308	2.49%
Instructional Leadership	88	0.90%	177	1.6%	223	1.80%
School Leadership	512	5.25%	605	5.4%	710	5.73%
Guidance Counseling Services	454	4.66%	433	3.9%	497	4.01%
Social Work Services	14	0.14%	31	0.3%	46	0.37%
Health Services	113	1.16%	122	1.1%	133	1.07%
Transportation	384	3.94%	412	3.7%	374	3.02%
Food Service Operation	423	4.34%	516	4.6%	631	5.10%
Extracurricular	440	4.51%	390	3.5%	384	3.10%
General Administration	290	2.98%	362	3.2%	411	3.32%
Facilities Maintenance and Operations	910	9.34%	1,005	9.0%	1,227	9.91%
Security and Monitoring Services	138	1.42%	134	1.2%	165	1.33%
Data Processing Services	166	1.70%	236	2.1%	239	1.93%
Community Services	4	0.04%	27	0.2%	64	0.52%
Total Expenditures	\$ 9,746	100.0%	\$ 11,154	100.0%	\$ 12,382	100.0%

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 the peer district average and the State average. The percentage spent in Instruction is 1.2 percent less than the peer districts average and 0.2 percent more than the State average, respectively. The percentage spent in Extracurricular is 1.0 percent and 1.4 percent more than the peer districts average and the State average, respectively. The remaining areas are all within 1.0 percent or less than the peer districts and State. The percentage spent in General Administration is 0.2 percent and 0.3 percent less than the peer districts average and the State average, respectively. The percentage spent in Security and Monitoring is 0.2 percent and 0.1 percent more than the peer districts average and the State average, respectively. The remaining areas are all within 1.0 percent or less than the peer districts and State.

10. District Payroll Expenditures Summary

Figure 10
Payroll Expenditure Summary

	District	Peer District Average	State Average
Payroll as a Percentage of All Funds	80.02%	79.60%	77.83%
Average Teacher Salary	60,411	62,461	60,716
Average Administrative Salary	94,962	100,442	92,683
Superintendent Salary	269,062	312,796	163,949

Source: Texas Education Agency, Public Education Information Management System District Financial Actual Reports. Based on school year 2022 - 2023 data.

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

The average administrative salary is lower than the peer districts average but above the State average. The Superintendent's salary is higher than the State average but lower than the peer district 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 4 to 194,000 students.

11. Fund Balance

Figure 11
General Fund Balance

	District			Peer District Average		
	General Fund Unassigned Fund Balance Per Student	General Fund Unassigned Fund Balance as a Percentage of Operating Expenditures	General Fund Unassigned Fund Balance as a Percentage of 3 Month Operating Expenditures	General Fund Unassigned Fund Balance Per Student	General Fund Unassigned Fund Balance as a Percentage of Operating Expenditures	General Fund Unassigned Fund Balance as a Percentage of 3 Month Operating Expenditures
2023	\$ 3,354	39.0%	156.1%	\$ 2,993	31.4%	125.6%
2022	3,335	39.3%	157.3%	3,004	32.8%	131.2%
2021	3,333	39.3%	157.1%	2,855	31.5%	125.9%
2020	4,149	52.0%	207.8%	2,857	33.1%	132.5%
2019	3,887	49.3%	197.2%	2,596	31.0%	124.0%

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.

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 goal of three-months, the percentage is shown as less than 100 percent. Amounts that exceed three (3) months are reflected as percentage greater than 100 percent. The District met the three-month average goal in each of the past 5 years. The table below shows the amount by which the District's unassigned fund balance exceeded the three-month goal.

	General Fund Unassigned Fund Balance (Actual)	General Fund Unassigned Fund Balance 3 Month Goal	Difference between Actual Unassigned Fund Balance and 3 Month Goal in Dollars	Difference between Actual Unassigned Fund Balance and 3 Month Goal in Percentage
2023	\$ 61,292,212	\$ 39,262,281	\$ 22,029,931	56.1%
2022	59,423,928	37,771,733	21,652,196	57.3%
2021	56,188,255	35,760,053	20,428,203	57.1%
2020	70,079,088	33,719,948	36,359,141	107.8%
2019	64,104,432	32,501,123	31,603,309	97.2%

The District's unassigned fund balance as of June 30, 2023 totaled \$61.3 million and General Fund operating expenditures for the year ended June 30, 2023 totaled \$157.0 million. Three months average operating expenditures would equate to \$39.3 million. The District's unassigned fund balance is \$22.0 million (or 56.1 percent) more than this amount. It is important to note that the District also has a significant assigned fund balance. The fiscal year 2023 assigned fund balance totaled \$20.0 million. The figure on the next page reflects the assigned fund balance for the last five years.

Note that annually, the District assigns portions of its fund balance reserves to offset operating cash flow deficits due to the timing of tax collection receipts and state aid payments. The District began this process in 2021 which is why in 2019 and 2020 respectively, the difference between the actual unassigned fund balance and 3 month goal in percentage appears higher than in more recent years.

	General Fund Assigned Fund Balance (Actual)
2023	\$ 20,000,000
2022	18,000,000
2021	16,100,000
2020	2,071,317
2019	-

12. District Staffing Levels

Figure 12
Staff Ratio Comparison

	District	Peer District Average	State Average
Teaching Staff (Percentage of Total Staff)	52.4%	52.0%	48.6%
Support Staff (Percentage of Total Staff)	11.9%	11.3%	11.0%
Administrative Staff (Percentage of Total Staff)	4.3%	3.8%	4.6%
Paraprofessional Staff (Percentage of Total Staff)	9.4%	11.4%	11.3%
Auxiliary Staff (Percentage of Total Staff)	22.0%	21.4%	24.6%
Students Per Total Staff	8.6	8.0	7.2
Students Per Teaching Staff	16.5	15.3	14.8

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

The District's total staff for the year ended June 30, 2023 was 2,127 compared to that of its peer districts average of 2,512. The District has 0.6 more students per total staff than its peer districts average and 1.4 more than the number of students per total staff as the State average. The District's students per teaching staff ratio is less than its peer districts average and the State average by 1.2 students and 1.7 students, respectively. The percentage of the District's teaching staff is 0.4 percent and 3.8 percent higher than the peer districts average and State average, respectively. The District is maximizing efficient use of staffing resources to serve students while achieving high accountability ratings.

13. Teacher Turnover Rates and Special Programs

Figure 13
Teacher Turnover Rates

	District Turnover Rate	Average Peer District Turnover Rate	State Turnover Rate
Teachers	19.9%	21.1%	21.4%

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

The District's turnover rate is 1.2 percent lower than the average peer districts turnover rate and 1.5 percent less than the State average. The highest turnover rate within the peer districts was 27.5 percent while the lowest turnover rate was 17.3 percent.

Figure 14
Special Programs Characteristics

	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	18,384	100.0%	N/A	N/A	N/A	N/A
Economically Disadvantaged	5,083	27.6%	874	2.4%	409	12
English Learners	1,773	9.6%	298	0.3%	501	4
Special Education	2,509	13.6%	8,620	11.8%	384	7
Bilingual/ESL Education	1,723	9.4%	306	0.3%	41	42
Career and Technical Education	4,203	22.9%	1,453	3.3%	138	30
Athletics and Extracurricular Activities	9,517	51.8%	626	3.2%	270	35
Alternative Education Program/ Disciplinary Alternative Education Program	325	1.8%	587	0.1%	24.75	13
Juvenile Justice Alternative Education Program	-	0.0%	N/A	N/A	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 states ASF allotment to fund state mandated programs. Additionally, the District takes advantage of the Regional Education Service Center for services to maximize efficiency.

2. Reporting

For the year ended June 30, 2023, Weaver and Tidwell, LLP issued an unmodified opinion on the financial statements. There are three possible opinions: unmodified, modified (e.g., scope limitation or departure from generally accepted accounting principles) or a disclaimer of an opinion. An unmodified opinion is considered a clean opinion.

3. Oversight

Not Applicable

4. Budget Process

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 operates a self-funded after school care program for students. The District's after school care program routinely operates at a net profit year over year.

6. Staffing

All District administrators are evaluated, at least, annually. Those annual evaluations include analyzing prior years goals and achievements and are used to develop subsequent year's goals.

7. Compensation System

Figure 16
Compensation System

Question	Yes/No	Not Applicable
Does the District use salary bonuses or merit pay systems?	Yes	
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	