

Coldspring-Oakhurst Consolidated Independent School District

Independent Accountant's Report on Applying
Agreed-Upon Procedures Related to House Bill 3
Efficiency Audit Guidelines
Data from the Fiscal Year Ended August 31, 2023

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Trustees and Citizens
of Coldspring-Oakhurst Consolidated Independent School District

We have performed the procedures enumerated in Section III, as listed in the table of contents, which were agreed to by Coldspring-Oakhurst Consolidated 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 August 31, 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 August 31, 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 August 31, 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.

The Woodlands, Texas
August 14, 2024

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 August 31, 2023 and prior, maintained by the Texas Education Agency (the 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

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 school year 2025. M&O taxes are for the operation of public schools. The proposed M&O tax rate for school year 2025 is \$0.6975, which is a decrease from school years 2024 and 2023, which were \$0.7159 and \$0.8545, respectively. The proposed M&O tax rate exceeds the District’s maximum compressed tax rate by \$0.08, 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 total estimated M&O tax revenue at the proposed rate is \$16 million, and the incremental M&O tax revenue is estimated to be \$700 thousand, which represents 3.5% of the general fund’s operating budget. The increase in M&O tax revenue is not projected to generate excess local revenues under Texas Education Code Chapter 49.

The average home taxable value of a single-family residential property in San Jacinto County in school year 2025 is \$161,129 (adjusted for \$100,000 homestead exemption). The average tax bill as a result of the M&O rate change would increase approximately \$129, above the maximum compressed rate, if the VATRE is passed.

If a VATRE is successful, the District will use these funds to sustain compensation and positions as well as programs of study and cocurricular activities. The District intends to position itself to increase its competitiveness for recruiting and compensating teachers and staff through salaries. The district intends to restore the annual purchase of busses to sustain a bus fleet with a lower average age as to not burden the general fund with costly repairs. This funding will also allow the District to improve its air quality and learning environments through the replacement of old air conditioners and performance of preventative maintenance. It will also be used to take on student growth, fund unfunded mandates related to safety and security, special education, and the overall expense of providing a quality education.

Some key information about the District:

- The District’s school year 2025 proposed M&O tax rate is \$0.6975 compared to the peer districts average of \$0.7078
- The District’s total operating revenue for all funds, for fiscal year 2023 totaled \$15,960 per student, while its peer districts and State averages totaled \$13,038 per student and \$12,823 per student, respectively. Note that for the fiscal year 2023, the total revenue per student includes a significant amount of ESSER federal funding equivalent to \$2,099 per student.
- The District’s total operating expenditures for all funds for fiscal year 2023 totaled \$14,358 per student, while its peer districts and State averages were \$12,990 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 school 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, was “Not Rated” (65 out of 100) 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	0
B	0
C	3
Not Rated	1

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)
 - 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 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
- 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.
- 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 latest available TEA 2022 Snapshot Peer Search, to identify peer districts. We selected 9 peer districts based on similar size, community type, property wealth, and student and other characteristics. The peer districts selected are shown below:

Figure 1	
Peer Districts	
District Name	County
Winona ISD	Smith
Shepherd ISD	San Jacinto
Crane ISD	Crane
Franklin ISD	Robertson
Pottsboro ISD	Grayson
Tatum ISD	Rusk
Marion ISD	Guadalupe
Bushland ISD	Potter
Tarkington ISD	Liberty

2. Accountability Rating

Accountability ratings are based on school year 2022, as school year 2023 information is not yet publicly available. The release of school year 2023 data is pending judicial ruling and decisions from the 88th Legislature.

The 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			
2022-2023			
	Coldspring-Oakhurst CISD		Peer Districts
	District Rating (A-F)	District Score (1-100)	Average Score (1-100)
Rating/Score	Not Rated	65	89

3. Accountability Rating by Campus

Accountability ratings by campus are based on school year 2022, as school year 2023 information is not yet publicly available. The release of school year 2023 data is pending judicial ruling and decisions from the 88th Legislature.

The “F” accountability rating was not applicable for school year 2022. The results for the District’s 3 campuses that were assigned a rating are shown below.

Figure 3
Accountability Rating by Campus Level
2022-2023

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

The District did not have any campuses with a required Campus Turnaround Plan. The Coldspring Intermediate School was identified as a comprehensive support and improvement progress school, the Lincoln Junior High School was identified as needing additional targeted support, and the Coldspring-Oakhurst High School was identified as needing targeted support and improvement.

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 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 a minimum number of points for an additional ten (10) indicators. Beginning with 2015-2016 Rating (based on the 2014-2015 financial data), the TEA 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 2022-2023	
	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 TEA on an annual basis. Figure 5 provides student counts for five 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 (TEC §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
2022-2023

	Coldspring-Oakhurst CISD		Peer Districts Average Percentage	State Average Percentage
	Total Student Population Count	Percentage of Student Population		
Total Students	1,622	100.0%	N/A	N/A
Economically Disadvantaged	1,007	62.1%	53.7%	62.0%
English Learners	29	1.8%	11.2%	23.0%
Bilingual/ESL Education	28	1.7%	10.7%	23.2%
Special Education	241	14.9%	13.9%	12.7%
Career and Technical Education	490	30.2%	30.1%	26.5%

The peer districts average total student count was 1,499. Of the peer districts evaluated, Shepherd Independent School District had the highest total student count of 1,958, while Winona Independent School District had the lowest student count of 1,104.

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 62.1 percent, which is 8.4 percent and 0.1 percent more than the peer districts and State averages, respectively. Winona Independent School District had the highest economically disadvantaged student percentage of 87.0 percent, while Bushland Independent School District had the lowest percentage of 15.7 percent.

The District had a significant difference in the student population percentages for English Learners and Bilingual/ESL Education students compared to its peer districts and State averages. The difference in English Learners was 9.4 percent and 21.2 percent less than the peer districts and State averages, while Bilingual/ESL Education was 9.0 percent and 21.5 percent less than the peer districts and State averages.

6. Attendance

Figure 6
Attendance Rate
2022-2023

	District Total	Peer Districts Average	State Average
Attendance Rate	91.7%	93.6%	92.2%

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 1.9 percent and 0.5 percent less than its peer districts and the State averages, 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 0.9 percent. When the projected enrollment data for 2024 is incorporated, the average decreases to 0.8 percent.

Figure 7
5-Year Enrollment
2022-2023

	Enrollment	% Change
2023	1,622	1.9%
2022	1,591	3.8%
2021	1,533	-2.0%
2020	1,565	-0.1%
2019	1,567	
Average annual percentage change based on the previous five years		0.9%
2024 (1)	1,626	0.2%
Average annual percentage change based on the previous five years and the projected next school year		0.8%

Note: (1) Based on fiscal year 2024 PEIMS Data from the District.

8. District Revenue

Figure 8
District Total Revenue
2022-2023

	District		Peer Districts 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)	\$ 9,074	56.85%	\$ 6,896	53.50%	\$ 5,214	40.66%
State (2)	2,317	14.52%	3,354	25.30%	4,310	33.61%
Federal	4,185	26.22%	1,829	13.92%	2,568	20.03%
Other Local and Intermediate	384	2.41%	959	7.28%	731	5.70%
Total Revenue	\$ 15,960	100.0%	\$ 13,038	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 debt service fund. The District received \$2,922 and \$3,137 more total revenue per student compared to its peer districts and the State averages, respectively. This difference, in part, is due to the District's aggregate local M&O tax plus state revenue totaling \$1,141 and \$1,867 more per student than the peer districts and state averages, respectively. These revenue sources can be evaluated in conjunction as they are the primary funding sources of the District's operations. These sources also often share an inverse relationship, in which higher local M&O tax revenues will generate less state revenue. During fiscal year 2023, the District was subject to recapture which totaled \$1,732,722 or \$1,069 per student and is excluded from local M&O tax revenue above. Also contributing to this variance is the District's federal revenue per student which is \$2,356 and \$1,617 more per student than the peer districts and state averages, respectively. The District's federal revenue per student was largely impacted by the recognition of ESSER funding during fiscal year 2023 which totaled \$3,404,756 or \$2,099 per student. This funding is temporary in nature and only \$550,053 remains available for recognition during fiscal year 2024. The remainder of the per student revenue variance from the peer districts and state averages is due to fluctuations in other local and intermediate revenue sources totaling (\$575) and (\$347) per student.

9. District Expenditures

Figure 9
District Actual Operating Expenditures
2022-2023

	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	\$ 7,327	51.0%	\$ 6,707	51.8%	\$ 6,849	55.3%
Instruction Resources and Media	456	3.2%	169	1.3%	121	1.0%
Curriculum and Staff Development	127	0.9%	183	1.4%	308	2.5%
Instructional Leadership	234	1.6%	179	1.4%	223	1.8%
School Leadership	726	5.1%	687	5.3%	710	5.7%
Guidance Counseling Services	463	3.2%	464	3.5%	497	4.0%
Social Work Services	-	0.0%	15	0.1%	46	0.4%
Health Services	139	1.0%	130	1.0%	133	1.1%
Transportation	809	5.6%	443	3.4%	374	3.0%
Food Service Operation	879	6.1%	675	5.2%	631	5.1%
Extra curricular	412	2.9%	673	5.1%	384	3.1%
General Administration	647	4.5%	611	4.7%	411	3.3%
Facilities Maintenance and Operations	1,606	11.2%	1,569	12.1%	1,227	9.9%
Security and Monitoring Services	371	2.6%	208	1.6%	165	1.3%
Data Processing Services	110	0.8%	250	1.9%	239	1.9%
Community Services	52	0.3%	26	0.2%	64	0.6%
Total Expenditures	\$ 14,358	100.0%	\$ 12,989	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 and are excluded from the table above.

Overall, the District spent \$1,368 and \$1,976 more per student than the peer districts and the State average, respectively. The largest variances in expenditures per student were in the Instruction, Instruction Resources and Media, and Transportation categories in which the District spent \$620, \$278, and \$366 and \$478, \$335, and \$435 more per student than the peer districts and state average, respectively. These three functional categories account for 90.2 percent and 63.2 percent, respectively, of the peer districts and state expenditures by student variance.

In evaluating the percentage of total expenditures for the same three categories, the District's percentage spent on Instruction was 0.8 percent less than the peer districts average and 4.3 percent less than the State average, respectively. The District's percentage spent on Instruction Resources and Media and Transportation was 1.9 percent and 2.2 percent and 2.2 percent and 2.6 percent more than the peer districts and state average respectively. Additionally, the District's percentage for School Leadership and General Administration was (0.2) percent and (0.2) percent and (0.6) percent and 1.2 percent more or (less) than the peer districts and state average.

10. District Payroll Expenditures Summary

Figure 10
Payroll Expenditure Summary
2022-2023

	District	Peer Districts Average	State Average
Payroll as a Percentage of All Funds	75.6%	75.3%	77.8%
Average Teacher Salary	53,731	57,578	60,716
Average Administrative Salary	88,887	91,702	92,683
Superintendent Salary	160,000	164,404	201,312

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

The District spent 0.3 percent more on payroll costs than its peer districts average and 2.2 percent less than the State average. Additionally, the District, on average, spends less per teacher, administrator, and superintendent than its peer districts and the State averages.

11. Fund Balance

Figure 11
General Fund Balance
2022-2023

	District			Peer Districts 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	\$ 3,111	27.6%	110.6%	\$ 3,962	37.3%	149.2%
2022	2,861	25.5%	102.1%	3,599	35.0%	140.0%
2021	3,242	28.7%	114.9%	3,526	33.2%	132.7%
2020	2,849	27.7%	110.8%	5,176	50.9%	203.7%
2019	3,276	33.7%	134.8%	5,375	56.2%	224.9%

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 TEA evaluates unassigned fund balance by comparing it to three-months (25 percent) of annual operating expenditures. If the District does not meet the TEA 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	\$	5,043,589	\$ 4,562,206	\$ 481,383	10.6%
2022		4,538,095	4,445,882	92,213	2.1%
2021		4,953,285	4,312,348	640,937	14.9%
2020		4,453,643	4,020,787	432,856	10.8%
2019		5,127,151	3,804,358	1,322,793	34.8%

The District's unassigned fund balance as of August 31, 2023 totaled \$5.0 million and General Fund operating expenditures for the year ended August 31, 2023 totaled \$18.2 million. Three months average operating expenditures would equate to \$4.6 million. The District's unassigned fund balance is \$481,384 (or 10.6 percent) more than this amount.

12. District Staffing Levels

Figure 12
Staff Ratio Comparison
2022-2023

	District	Peer Districts Average	State Average
Teaching Staff (Percentage of Total Staff)	41.6%	49.8%	48.6%
Support Staff (Percentage of Total Staff)	10.5%	7.0%	11.0%
Administrative Staff (Percentage of Total Staff)	5.5%	5.4%	4.6%
Paraprofessional Staff (Percentage of Total Staff)	8.9%	12.7%	11.3%
Auxiliary Staff (Percentage of Total Staff)	33.4%	25.1%	24.6%
Students Per Total Staff	5.6	6.6	7.2
Students Per Teaching Staff	13.5	13.4	14.8

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

The District's total staff for the year ended August 31, 2023 was 289 compared to that of its peer districts average of 227. The District has 1.0 less students per total staff than its peer districts average and 1.6 less than the State average. The District's students per teaching staff ratio is more than its peer districts average by 0.1 and is less than the State average by 1.3 students, respectively. The percentage of the District's teaching staff is 8.2 percent and 7.0 percent lower than the peer districts and State averages, respectively. The percentage of the District's Auxiliary staff is 8.3 percent and 8.8 percent higher than the peer districts and State averages, respectively.

13. Teacher Turnover Rates and Special Programs

Figure 13
Teacher Turnover Rates
2022-2023

	District Turnover Rate	Average Peer Districts Turnover Rate	Average State Turnover Rate
Teachers	39.9%	24.4%	21.4%

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

The District's turnover rate is 15.5 percent and 18.5 percent more than the peer districts and State averages. The highest turnover rate within the peer districts was 35.5 percent while the lowest turnover rate was 9.8 percent.

Figure 14
Special Programs Characteristics
2022-2023

	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	1,622	100.0%	N/A	N/A	N/A	N/A
Economically Disadvantaged	1,007	62.1%	12,914	62.0%	68	15
English Learners	29	1.8%	385	0.1%	4	7
Special Education	241	14.9%	6,976	8.0%	22	11
Bilingual/ESL Education	28	1.7%	385	0.1%	4	8
Career and Technical Education	490	30.2%	2,118	4.9%	12	41

Source: Information provided by the district.

SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION

1. State and Regional Resources

The District takes advantage of the services and products offered by the Regional Education Service Center. These services include instructional trainings for staff and administrators and deeply discounted educational and operational software products. The Regional Education Service Center is able to provide these services and products due to scalability and cost sharing amongst the participating districts.

2. Reporting

For the year ended August 31, 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

Not applicable.

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	