

KIRBYVILLE CONSOLIDATED  
INDEPENDENT SCHOOL DISTRICT

EFFICIENCY AUDIT  
FOR THE YEAR ENDED AUGUST 31, 2023

# KIRBYVILLE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

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# J.R. Edwards & Associates, LLC

## Certified Public Accountants

### REPORT OF INDEPENDENT AUDITORS ON AN EFFICIENCY AUDIT CONDUCTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees and Citizens of  
Kirbyville Consolidated Independent School District

J.R. Edwards & Associates, LLC conducted an efficiency audit as prescribed by the State of Texas Legislative Budget Board for Kirbyville Consolidated Independent School District (the "District"). The purpose of this report is to communicate the results of the efficiency audit.

The purpose of our efficiency audit was to assess the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts before an election to adopt a Maintenance and Operations (M&O) property tax rate.

Our efficiency audit was conducted in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the performance audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our performance audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our performance audit objectives.

The procedures performed did not constitute an audit, a review, or a compilation of the District's financial statements or any part thereof, nor an examination of management's assertions concerning the effectiveness of the District's internal-control systems or compliance with laws, regulations, or other matters. Accordingly, the performance of the procedures did not result in the expression of an opinion or any other form of assurance on the District's financial statements or any part thereof, nor an opinion or any other form of assurance on the District's internal-control systems or its compliance with laws, regulations, or other matters.

*J. R. Edwards & Associates, LLC*

Beaumont, Texas  
September 26, 2024

## **SECTION 1 -EXECUTIVE SUMMARY**

### **Overview of Procedures Performed**

In conducting the efficiency audit 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 ("TEA") and the District. An overview of the objectives and approach performed during the efficiency audit 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

Kirbyville Consolidated Independent School District (the "District") is holding an election to increase the District's maintenance and operations property tax rate in tax year 2023 (fiscal year 2024) by 3 cents above the compression rate set by the state. This decision, if approved by the voters, will maximize state funding by utilizing available enrichment golden pennies as described by the state funding formulas. Maintenance and Operations (M&O) taxes are for the operation of public schools.

The M&O tax rate for fiscal year 2024-2025 will be \$0.7518 if approved by the voters. The District's Board of Trustees adopted an M&O rate above the voter approval tax rate, which triggered a voter approval tax rate election ("VATRE"). An efficiency audit, as required by law, is deemed necessary in order to provide full transparency to taxpayers. The District expects a budget shortfall due to state funding not being updated since 2019 despite substantial inflation and has implemented some cost efficiencies that have been factored into the fiscal year 2024-2025 budget. An administrative position at the elementary campus has been absorbed, as well as a paraprofessional position. The contracted services budget was also reduced by over \$300,000.

The estimated revenue from the proposed increase in tax rate is \$827,000 with approximately \$117,000 generated locally and \$710,000 from the state. This would represent about 4% of total local and state generated funds in the general maintenance budget.

The average taxable value of a residential property for tax year 2024 is \$53,387. The average tax bill as a result of the M&O rate change is \$570, or a \$1.60 increase compared to what the average resident would pay without an M&O tax rate change.

Even with the proposed M&O tax rate change, 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 2025-2026, especially if there is no additional state aid.

Based on the outcome of the efficiency audit, the District will first address any cost inefficiencies reflected in the efficiency audit. Secondly, the District will determine if any other funds are available to cover General Fund needs in fiscal year 2025 and beyond.

The District can also determine if budget assumptions such as staffing ratios need adjusting in fiscal year 2025 and beyond. If a VATRE is successful, the District intends to use the additional tax revenue to continue offering competitive teacher and staff salaries, continue offering quality student programs and activities, improve safety and security measures, and assist in offsetting the lack of state aid updates to address the cost of inflation. The District will continue to identify opportunities for operational efficiencies within the budget in order to create capacity to accommodate future student growth and needs.

If the VATRE were not to pass, the District would need to consider increases for teachers and staff that may not keep pace with inflation, consider staffing numbers that may increase student to teacher ratios, review student programs for possible revision, and may not be able to maintain even a modest increase in fund balances going forward without additional state aid.

The District has engaged J.R. Edwards and Associates, LLC to conduct the efficiency audit. Efficiency audits focus on informing voters about the District's fiscal management, efficiency, utilization of resources, and whether the District has implemented best practices. The information includes data and tools that the State of Texas currently utilizes to measure school district efficiency.

Some key information about the District:

- The District's total operating revenue for all funds, for fiscal year 2023 totaled \$13,842 per student, while its peer districts average and State average totaled \$13,711 per student and \$12,822 per student, respectively.
- The District's total operating expenditures for all funds for fiscal year 2023 totaled \$11,714 per student, while its peer districts average and State average were \$12,448 per student and \$12,389 per student, respectively.
- The District earned a Superior Rating for the School Financial Integrity Rating System of Texas (FIRST) for the past five years.
- The Texas Education Agency reviews and tracks the performance of both school districts and individual schools with the Texas A-F Accountability System. The results are posted year-to-year. The District, as a whole, earned a "B" (83 out of 100 points) in 2021 - 2022, the last year accountability ratings were issued. Due to legal challenges, the accountability ratings have not been released for 2023 and beyond. The detail by campus for the 2021 - 2022 accountability rating is shown below:

<u>Rating</u>	<u>Number of Campuses</u>
A	
B	2
C	1
Not Rated	

Additional details and audit results are included in Section IV.

## SECTION III - OBJECTIVES AND APPROACH

### Objectives

The objective of our efficiency audit was to assess the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts.

### Approach

In order to achieve the objectives, set forth above, J.R. Edwards & Associates, LLC 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).
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, 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.
  14. 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. Special Education
    - c. Bilingual Education / ESL Education
    - d. Athletics and Extracurricular Activities
    - e. Alternative Education Program/Disciplinary Alternative Education Program
    - f. Juvenile Justice Alternative Education Program
  15. Described how the District maximizes available resources from state sources and regional education service centers to develop or implement programs or deliver services.
  16. Reported on the District's annual external audit report's independent auditor's opinion as required by *Government Auditing Standards*.
  17. Explained the basis of the TEA assigning the District a financial-related monitoring/oversight role during the past three years, if applicable.

18. In regard 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?
19. Provided a description of the District's self-funded program, if any, and analyzed whether program revenues are sufficient to cover program costs.
20. Reported whether the District administrators are evaluated annually and, if so, explained how the results inform District operations.
21. 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?
22. 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 conditions?
    - 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?
23. 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?
24. 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 11 peer districts based on a community type similar to the District, a student population of 1,000 to 1,599, property wealth of \$234,712 to less than \$298,152, and a non-metropolitan stable community type. The District selected 5 out of the 10 peer districts are shown below.

**FIGURE 1  
PEER DISTRICTS**

<u>District Name</u>	<u>County</u>
Buna ISD	Jasper
Grand Saline ISD	Anderson
Grandview ISD	Johnson
Redwater ISD	Bowie
Warren ISD	Tyler

### 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  
2021-2022**

	<u>District Rating (A-F)</u>	<u>District Rating (1-100)</u>	<u>Peer District Average Score (1-100)</u>
Rating / Score	B	83	88

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

**FIGURE 3**  
**ACCOUNTABILITY RATING BY CAMPUS LEVEL**  
**2021-2022**

<u>Grade</u>	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High Schools</u>
A			
B		1	1
C	1		
D			
F			
Not Rated			

The District did not have any campuses with a "F" Accountability Rating  
Campuses with Required to Implement a Campus Turnaround Plan- None noted

### 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 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 a 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:

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

The District's 2022 - 2023 rating based on school year 2021 - 2022 data was an "A" (Superior).  
The District also earned a Superior Rating in 2018, 2019, 2020, 2021 and 2022.

**FIGURE 4**  
**SCHOOL FIRST RATING**  
**2022-2023**

	District Rating (A-F)
Rating	A (100)

4. Student Characteristics, Attendance, and 5-Year Enrollment

**Student Characteristics**

Every student is served differently in public schools based on their unique characteristics. Such data is captured by the Texas Education Agency on an annual basis. Figure 5 provides student counts for five (5) select student characteristics, which are described below:

**Economically Disadvantaged** - This term has an identical meaning to educationally disadvantaged, which is defined by the Texas Education Code (TEC) §5.001(4) as a student who is "eligible to participate in the national free or reduced-price lunch program".

**English Learners** - The TEA defines an English Learner as a student who is in the process of acquiring English and has another language as the primary language; it is synonymous with English Language Learner (ELL) and Limited English Proficient (LEP).

**Special Education** - These are students with a disability as defined by Federal regulations (34 CFR §§ 300.304 through 300.311), State of Texas Laws (Texas Education Code §29.003) or the Commissioner's/ State Board of Education Rules (§89.1040).

**Bilingual/ESL Education** - TEC §29.055 describes students enrolled in a bilingual education program as those students in a full-time program of dual-language instruction that provides for learning basic skills in the primary language of the students and for carefully structured and sequenced mastery of the English language skills. Students enrolled in an English as a Second Language (ESL) program receive intensive instruction in English from teachers trained in recognizing and dealing with language differences.

**Career and Technical Education** - Students enrolled in State approved Career and Technology Education programs.

**FIGURE 5**  
**SELECTED STUDENT CHARACTERISTICS**  
**2022-2023**

	<u>Total Student Population Count</u>	<u>Percentage of Student Populations</u>	<u>Peer District Average Percentage</u>	<u>State Average Percentage</u>
Total Students	1,499	100.0%	N/A	N/A
Economically Disadvantaged	973	64.9%	51.5%	62.0%
English Learners	39	2.6%	4.4%	23.0%
Special Education	268	17.9%	13.6%	12.7%
Bilingual/ESL Education	38	2.6%	4.1%	23.2%
Career and Technical	493	32.9%	28.6%	26.5%

Source: Texas Education Agency, Texas Academic Performance Reports

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 64.9 percent, which is 13.4 percent and 2.9 percent more than the peer districts and State average, respectively. Warren Independent School District had the highest economically disadvantaged student percentage of 60.2 percent, while Grandview Independent School District had the lowest percentage of 38.9 percent.

The peer districts average total student count was 1,282. Of the peer districts evaluated, Buna Independent School District had the highest total student count of 1,473, Redwater School District had the lowest student count of 1,059.

**FIGURE 6**  
**ATTENDANCE RATE**  
**2022-2023**

	<u>District Total</u>	<u>Peer District Average</u>	<u>State Average</u>
Attendance Rate	93.00%	93.40%	92.20%

Source: Texas Education Agency, Texas Academic Performance Reports.

A school district's State Funding is a complex calculation with many inputs. One of the primary drivers used in the calculation is student attendance. The District's attendance rate is 0.40 percent lower than the peer district average and is 0.8 percent greater than the State average.

### Five-Year Enrollment

The attendance rate should be evaluated in conjunction with the number of students enrolled. As shown in Figure 7, the District has experienced an average annual decrease over the last five years of 0.1 percent. When the current enrollment data for 2024 is incorporated, the average decrease in enrollment is 1.0 percent. Enrollment growth over the past five years is consistent with enrollment trends over the last two decades. Slow to moderate growth year over year with occasional dips related to hurricanes, floods, and the pandemic can have a negative impact. Thus far, the 23-24 enrollment trend is showing a decrease of 3.2%.

**FIGURE 7  
5-YEAR ENROLLMENT  
2019-2023**

	<u>Enrollment</u>	<u>Percentage Change</u>
2023	1,499	3.4%
2022	1,450	3.7%
2021	1,398	-5.7%
2020	1,483	-1.6%
2019	1,507	N/A
Average annual percentage change based on the previous five years		-0.1%
2024 (1)	1,451	-3.2%
Average annual percentage change based on the previous five years and the 2024 fiscal year		-0.7%

## 5. District Revenue

**FIGURE 8**  
**DISTRICT TAX REVENUE**  
**2022-2023**

	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)	\$ 2,329	16.8%	\$ 3,046	22.4%	\$ 5,214	40.7%
State	8,378	60.5%	8,072	58.9%	4,310	33.6%
Federal	2,648	19.1%	1,700	12.4%	2,568	20.0%
Other Local Intermediate	487	3.5%	893	6.5%	731	5.7%
Total Revenue	<u>\$ 13,842</u>	<u>100%</u>	<u>\$ 13,711</u>	<u>100%</u>	<u>\$ 12,823</u>	<u>100.0%</u>

Note (1): Excludes Recapture

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 services fund. The District receives more revenue per student compared to its peer districts' average and also more than the State average. Federal Funds are higher than the peer group due to higher economically disadvantaged and higher special education student numbers. Funding per student is higher than the state average due to the small district allotment for schools with fewer than 1600 average daily attendance (ADA).

## 6. District Expenditures

**FIGURE 9**  
**DISTRICT ACTUAL OPERATING EXPENDITURES**  
**2022-2023**

	District		Peer District Average		State Average	
	Expenditures Per Student	Percentage of Total	Expenditures Per Student	Percentage of Total	Expenditures Per Student	Percentage of Total
Instruction	\$ 5,806	49.6%	\$ 6,768	54.4%	\$ 6,849	55.3%
Instructional Resources and Media	112	0.9%	155	1.2%	121	1.0%
Curriculum and Staff Development	27	0.2%	127	1.0%	308	2.5%
Instructional Leadership	-	0.0%	72	0.6%	223	1.8%
School Leadership	537	4.6%	744	6.0%	710	5.7%
Guidance Counseling Services	251	2.1%	356	2.9%	497	4.0%
Social Work Services	2	0.0%	-	0.0%	46	0.4%
Health Services	102	0.9%	185	1.5%	133	1.1%
Transportation	492	4.2%	374	3.0%	374	3.0%
Food Service Operation	659	5.6%	584	4.7%	631	5.1%
Extracurricular	400	3.4%	671	5.4%	384	3.1%
General Administration	618	5.3%	563	4.5%	411	3.3%
Facilities Maintenance and Operations	2,372	20.2%	1,423	11.4%	1,227	9.9%
Security and Monitoring Services	164	1.4%	160	1.3%	165	1.3%
Data Processing Services	172	1.5%	266	2.1%	239	1.9%
Community Services	2	0.0%	-	0.0%	64	0.6%
Total Operating Expenditures	<u>\$ 11,716</u>	<u>100.0%</u>	<u>\$ 12,448</u>	<u>100.0%</u>	<u>\$ 12,382</u>	<u>100.0%</u>

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.

The percentage spent in Instruction is 4.8 percent and 5.7 percent less than the peer districts average and the State average, respectively.

The District was spending more on Facilities Maintenance and Operations than the peer district average and the State average by 8.8 percent and 10.3 percent, respectively.

## 7. District Payroll Expenditures Summary

**FIGURE 10**  
**DISTRICT PAYROLL EXPENDITURES SUMMARY**  
**2022-2023**

	<u>District</u>	<u>Peer District Average</u>	<u>State Average</u>
Payroll as a Percentage of All Funds	68.49%	75.39%	78.80%
Average Teacher Salary	\$ 52,044	\$ 53,782	\$ 60,716
Average Campus Administrative Salary	\$ 73,882	\$ 73,713	\$ 82,114
Average Central Administrative Salary	\$ 105,734	\$ 103,248	\$ 110,671
Superintendent Salary	\$ 157,200	\$ 143,612	\$ 165,700

Source: Texas Education Agency, Staff FTE Counts and Salary Reports

The District spends less than its peer group on payroll and the state average; and it is slightly less than the average of its peer group in teacher salaries and the state average. Campus administrative salaries are slightly higher than the peer group but less than the state average. The same is true for central office staff. Payroll as a percentage of all funds is significantly less than peers and state. Teacher salaries are below peer districts, and significantly below the state average. Administrative salaries are above peer districts and below state averages.

## 8. Fund Balance

**FIGURE 11  
GENERAL FUND BALANCE  
2019-2023**

	General Fund Unassigned Fund Balance Per Student	General Fund Unassigned Fund Balance as a Percentage of 3 Month Operating Expenditures
2023	\$ 5,569	250.5%
2022	4,769	223.4%
2021	4,047	177.2%
2020	3,520	162.4%
2019	3,352	167.1%

Source: Texas Education Agency, Public Education Information Management System and 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 the goal of three-months, the percentage is shown as less than 100 percent. Amounts that exceed three (3) months are reflected as a percentage greater than 100 percent. The District exceeded the three-month average goal in each of the past 5 years.

9. District Staffing Levels

**FIGURE 12**  
**STAFF RATIO COMPARISON**  
**2022-2023**

	<u>District</u>	<u>Peer District Average</u>	<u>State Average</u>
Teaching Staff (Percentage of Total Staff)	50.6%	52.9%	48.7%
Support Staff (Percentage of Total Staff)	4.5%	5.4%	10.9%
Administrative Staff (Percentage of Total Staff)	4.5%	5.0%	4.5%
Paraprofessional Staff (Percentage of Total Staff)	13.7%	15.5%	11.3%
Auxiliary Staff (Percentage of Total Staff)	26.8%	21.7%	24.6%
Students Per Total Staff	7.1	6.5	7.2

Source: Texas Education Agency, Texas Academic Performance Reports

The District's total staff for the year ended August 31, 2023 was 212 compared to that of its peer districts average of 198. The District has .60 more students per total staff than its peer districts average and 0.1 less students per total staff as the State average. The District is maximizing efficient use of staffing resources to serve students while achieving accountability ratings in the same range or as high as peer districts.

The District has a higher auxiliary staff as a percentage of total staff compared to the peer district average and a slightly higher percentage than that of the state average.

## 10. Teacher Turnover Rates

**FIGURE 13  
TEACHER TURNOVER RATES  
2022-2023**

	<u>District Turnover Rate</u>	<u>Average Peer District Turnover Rate</u>	<u>State Turnover Rate</u>
Teachers	22.2%	18.4%	21.4%

Source: Texas Education Agency, Texas Academic Performance Reports

The District's turnover rate is 3.8 higher than the average peer districts turnover rate, it is 0.8 percent more than the State average. The highest turnover rate within the peer districts was 25.5 percent while the lowest turnover rate was 14.2 percent.

**FIGURE14  
SPECIAL PROGRAMS CHARACTERISTICS  
2022-2023**

	<u>Number of Students Served</u>	<u>Percentage of Students Served</u>	<u>Program Budget Per Students Served</u>	<u>Program Budget as a Percentage of District Budget</u>	<u>Total Staff For Program</u>	<u>Student Per Total Staff For Program</u>
Economically Disadvantaged	973	64.9%	\$ 808	3.2%	23	41.5
Special Education	268	17.9%	\$ 5,167	5.5%	6	43.93
Bilingual / ESL Education	38	2.5%	\$ 1,852	30.0%	0	38.00
Athletics and Extracurricular Activities	619	41.3%	\$ 1,011	2.5%	26	23.81
Alternative Education Programs/ Disciplinary Alternative Education Programs	40	267.0%	\$ 1,612	26.0%	1	40.00
Juvenile Justice Alternative Education	0	0.0%	\$ -	0.0%	0	0

Source: Information provided by the District

## SECTION V – ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION

### 1. State and Regional Resources

The District uses the state's Available School Fund allotment to fund state mandated programs. Additionally, the District takes advantage of the Regional Education Service Center's expertise when needed. The District continuously explores all options for funding, including state and federal sources and local grant sources. All funding, state, local or federal, is tied directly to the District Strategic Plan and student performance.

### 2. Reporting

For the year ended August 31, 2023, J.R. Edwards & Associates, LLC 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 – the District is not and has not been under any TEA financial-related monitoring or oversight during the past three years.

### 4. Budget Process

**FIGURE 15  
BUDGET PROCESS**

<u>Question</u>	<u>Yes / No</u>	<u>Not Applicable</u>
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 does not operate any self-funded programs such as workers compensation or other self-funded insurance plans.

6. Staffing

All district administrators are evaluated annually by the end of the District's fiscal year end, August 31<sup>st</sup>. Evaluations help to ensure that highly qualified and effective administrators lead campuses and departments and focus on student achievement.

7. Compensation System

**FIGURE 16**  
**COMPENSATION SYSTEM**

<u>Question</u>	<u>Yes / No</u>	<u>Not Applicable</u>
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  
OPERATION INFORMATION**

<u>Question</u>	<u>Yes / No</u>	<u>Not Applicable</u>
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**

<u>Question</u>	<u>Yes / No</u>	<u>Not Applicable</u>
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	