

Cypress-Fairbanks

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 Cypress-Fairbanks Independent School District

We have performed the procedures enumerated in Section III, as listed in the table of contents, which were agreed to by Cypress-Fairbanks 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.

The Woodlands, Texas
September 24, 2024

SECTION I- EXECUTIVE SUMMARY

Overview of Procedures Performed

To gain 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 the data maintained by the Texas Education Agency and the District. Total and per-student financial information from the fiscal year ended June 30, 2023, was used. An overview of the objectives and approach performed during the efficiency audit are provided in Section III of this report.

SECTION II- KEY INFORMATION ABOUT THE DISTRICT

Cypress-Fairbanks Independent School District (the "District"), has engaged Weaver and Tidwell, LLP to conduct agreed-upon procedures (an "efficiency audit") for the purpose of identifying inefficiencies in its General Fund budget. Efficiency audits focus on informing voters about the District's fiscal management, efficiency, utilization of resources, and whether the District has implemented best practices. An efficiency audit is required by law when District administration adopts an M&O rate above the voter approval tax rate. In this case, the District did not adopt such a rate and is instead utilizing the data and tools prescribed by the State of Texas to measure school district efficiency in order to inform the budget process.

The fiscal year 2025 budgeted expenditures exceeded anticipated revenues by \$77,474,389 after District Administration reduced expenditures by \$58,686,391. The District will analyze any cost inefficiencies reflected in the efficiency audit to assist in determining future budget reductions. Secondly, District Administration will continue to review program cost savings through its priorities-based budget process; and finally, the District will continue to explore opportunities to generate additional revenue to cover General Fund needs, including but not limited to the use of available M&O taxing authority.

The District engaged Weaver and Tidwell, LLP 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 \$11,046 per student, while its peer districts average and State average totaled \$11,993 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 that is temporary in nature.
- The District's total operating expenditures for all funds for fiscal year 2023 totaled \$10,906 per student, while its peer districts average and State average were \$11,904 per student and \$12,382 per student, respectively.
- The District earned a Superior Achievement Rating for the School Financial Integrity Rating System of Texas (FIRST) each year for 22 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 "A" (90 out of 100 points) in 2021 - 2022.

Rating	# of Campus'
A	30
B	48
C	9

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. Bilingual/ESL Education
 - e. Special 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.** Special Education
 - c.** Bilingual/ESL Education
 - d.** 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 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?
 - d.** Does the District have an active and current energy management plan?
 - e.** Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?
- 22.** In 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?
 - e.** Does the District modify programs, plan staff development opportunities, or evaluate 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 Texas Education Agency’s (TEA) 2022 Snapshot Peer Search, which identified a total of 17 peer districts of similar size as Cypress-Fairbanks Independent School District (50,000 and over students). We selected 10 out of the 17 peer districts based on similar size and using other characteristics listed on the TEA website, such as proximity, student needs, and financial resources. The peer districts selected are shown below:

**Figure 1
Peer Districts**

District Name	County
KLEIN ISD	HARRIS
ARLINGTON ISD	TARRANT
FRISCO ISD	COLLIN
CONROE ISD	MONTGOMERY
FORT WORTH ISD	TARRANT
FORT BEND ISD	FORT BEND
KATY ISD	HARRIS
NORTHSIDE ISD	BEXAR
DALLAS ISD	DALLAS
HOUSTON ISD	HARRIS

2. Accountability Rating

Accountability ratings are based on school year 2021-2022, as school year 2022-2023 information is not yet publicly available. The release of school year 2022-2023 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
School Year 2021-2022**

	CYPRESS-FAIRBANKS INDEPENDENT SCHOOL		
	DISTRICT	Peer Districts	
	District Rating (A-F)	District Rating (1-100)	Average Score (1-100)
Rating/Score	A	90	88

3. Accountability Rating by Campus

Accountability ratings by campus are based on school year 2021-2022, as school year 2022-2023 information is not yet publicly available. The release of school year 2022-2023 data is pending judicial ruling and decisions from the 88th Legislature.

The "F" accountability rating was not applicable for 2021 – 2022. The results for the District’s 87 campuses that were assigned a rating are shown below.

Figure 3
Accountability Rating by Campus Level
School Year 2021-2022

	Elementary Schools	Middle Schools	High Schools
A	19	8	3
B	30	10	8
C	7	1	1
D	-	-	-
F	-	-	-

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 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
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 (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).

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.

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).

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

Figure 5
Selected Student Characteristics
2022-2023

	District Total Student Population Count	District of Student Population	Peer Districts Average Percentage	State Average Percentage
Total Students	118,010	100.0%	N/A	N/A
Economically Disadvantaged	68,462	58.0%	58.4%	62.0%
English Learners	22,288	18.9%	26.3%	23.0%
Bilingual/ESL Education	21,069	17.9%	25.8%	23.2%
Special Education	13,786	11.7%	11.8%	12.7%
Career and Technical Education	30,901	26.2%	24.0%	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 58.0 percent, which is 0.4 percent and 4.0 percent less than the peer districts and State averages, respectively. Dallas Independent School District had the highest economically disadvantaged student percentage of 84.9 percent, while Frisco Independent School District had the lowest percentage of 14.2 percent.

The peer districts average total student count was 92,651. Of the peer districts evaluated, Houston Independent School District had the highest total student count of 189,934, while Klein Independent School District had the lowest student count of 53,712.

6. Attendance

Figure 6
Attendance Rate
2022-2023

	District Total	Peer District Average	State Average
Attendance Rate	92.6%	92.6%	92.2%

Source: Texas Education Agency, Public Education Information Management System District Attendance, Graduation, and Dropout Rates Reports.

A school district's State Funding is a complex calculation with many inputs. One of the primary drivers used in the calculation is student attendance. The District's attendance rate is the same as its peer districts average and 0.4 percent more than the State average.

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 0.33 percent. When the current enrollment data for 2024 is incorporated, the average increase is 0.34 percent.

Figure 7
5-Year Enrollment
2019-2023

	Enrollment	% Change
2023	118,010	0.68%
2022	117,217	1.22%
2021	115,801	-1.40%
2020	117,446	0.80%
2019	116,512	
Average annual percentage change based on the previous five years		0.33%
2024 (1)	118,470	0.39%
Average annual percentage change based on the previous five years and the 2024 fiscal year		0.34%

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

8. District Revenue

Figure 8
District Tax Revenue
2022-2023

	District		Peer Districts		State Average	
	Revenue Per Student	Percentage of Total	Revenue Per Student	Percentage of Total	Revenue Per Student	Percentage of Total
Local M&O Tax (retained) (1)	\$ 4,979	45.1%	\$ 6,560	54.7%	\$ 5,214	40.7%
State (2)	3,327	30.1%	2,433	20.3%	4,310	33.6%
Federal	2,123	19.2%	2,359	19.7%	2,568	20.0%
Other Local and Intermediate	617	5.6%	641	5.3%	731	5.7%
Total Revenue	\$ 11,046	100.0%	\$ 11,993	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 \$63.3 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 \$63.3 million equates to \$538 per student.

The District receives less revenue per student compared to its peer districts average and the State average. In addition, for school year 2022-2023, the total revenue per student referenced (\$11,046/student), includes \$736 dollars per student of ESSER federal funding that is temporary in nature and will expire on September 30, 2024. The District received \$8,306 total in State & Local funds, which is \$687 per student less than its peer districts and \$1,218 per student less than the state average.

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	\$ 6,897	63.2%	\$ 6,798	57.1%	\$ 6,849	55.4%
Instruction Resources and Media	69	0.6%	119	1.0%	121	1.0%
Curriculum and Staff Development	276	2.5%	365	3.0%	308	2.5%
Instructional Leadership	121	1.1%	237	2.0%	223	1.8%
School Leadership	481	4.4%	689	5.8%	710	5.7%
Guidance Counseling Services	485	4.5%	578	4.9%	497	4.0%
Social Work Services	12	0.1%	59	0.5%	46	0.4%
Health Services	125	1.2%	140	1.2%	133	1.1%
Transportation	383	3.5%	345	2.9%	374	3.0%
Food Service Operation	552	5.1%	538	4.5%	631	5.1%
Extracurricular	211	1.9%	296	2.5%	384	3.1%
General Administration	168	1.5%	263	2.2%	411	3.3%
Facilities Maintenance and Operations	751	6.9%	1,033	8.7%	1,227	9.9%
Security and Monitoring Services	132	1.2%	150	1.3%	165	1.3%
Data Processing Services	150	1.4%	227	1.9%	239	1.9%
Community Services	93 *	0.9%	67	0.5%	64	0.5%
Total Expenditures	\$ 10,906	100%	\$ 11,904	100%	\$ 12,382	100%

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. All funds are included.

Overall, the District spends less per student than the peer district average and the State average. The percentage spent in Instruction is 6.1 percent more and 7.8 percent more than the peer districts average and State average, respectively. The percentage spent in School Leadership is 1.4 percent less and 1.3 percent less than the peer districts average and State average, respectively. The percentage spent in Extracurricular is 0.6 percent less and 1.2 percent less than the peer districts average and the State average, respectively. The percentage spent in General Administration is 0.7 percent less and 1.8 percent less than the peer districts average and the State average, respectively. The percentage spent in Facilities Maintenance and Operations is 1.8 percent less and 3.0 percent less 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 expenditures to run the Early Learning Centers are charged to Community Services, however, they are not a true cost for the District because tuition revenue offsets the expenditures. With the offset of revenue to the expenditure, the per student spend for Community Services is \$66.

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	85.1%	82.7%	77.8%
Average Teacher Salary	\$ 65,538	\$ 64,807	\$ 60,717
Average Administrative Salary	\$ 96,479	\$ 95,602	\$ 92,683
Superintendent Salary	\$ 521,003	\$ 358,259	\$ 161,416

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

The District spends more on payroll costs than its peer districts average and the State average. Furthermore, the District, on average, spends more per teacher, administrator, and superintendent than its peer districts average and the State average.

Note: Approximately 70% of the administrators included in this calculation are principals and assistant principals.

11. Fund Balance

Figure 11
General Fund Balance
2019-2023

	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	\$ 3,150	35.2%	140.7%	\$ 3,133	31.9%	127.5%
2022	3,099	35.9%	143.6%	3,003	31.7%	127.0%
2021	3,338	38.6%	154.3%	2,764	29.6%	118.5%
2020	3,707	45.4%	181.7%	2,748	32.4%	129.4%
2019	3,890	49.9%	199.6%	2,450	29.4%	117.5%

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

Note: Some districts in the peer district group have an August 31st fiscal year end and require less fund balance before tax collections begin.

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 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	\$ 370,678,717	\$ 263,535,455	\$ 107,143,262	40.7%
2022	362,286,594	252,334,035	109,952,559	43.6%
2021	382,432,309	247,892,173	134,540,136	54.3%
2020	434,134,335	238,887,121	195,247,214	81.7%
2019	452,241,483	226,564,345	225,677,138	99.6%

The District's unassigned fund balance as of June 30, 2023 totaled \$370.7 million and General Fund operating expenditures for the year ended June 30, 2023 totaled \$1.1 billion. Three months average operating expenditures would equate to \$263.5 million. The District's unassigned fund balance is \$107.1 million (or 40.7 percent) more than this amount. It is important to note that the District also has a significant assigned fund balance. As of June 30, 2023 assigned fund balance totaled \$174.3 million, of which \$138.6 million is designated for future appropriations over estimated revenues.

Note: Beginning with Fiscal Year 2021, a significant amount of ESSER funds were used to offset a portion of general fund expenditures that has allowed the District to sustain a higher than expected fund balance.

12. District Staffing Levels

Figure 12
Staff Ratio Comparison
2022-2023

	District	Peer Districts Average	State Average
Teaching Staff (Percentage of Total Staff)	50.1%	49.6%	48.6%
Support Staff (Percentage of Total Staff)	10.6%	12.5%	11.0%
Administrative Staff (Percentage of Total Staff)	3.1%	4.1%	4.6%
Paraprofessional Staff (Percentage of Total Staff)	13.3%	9.0%	11.3%
Auxiliary Staff (Percentage of Total Staff)	22.8%	24.8%	24.6%
Students Per Total Staff	7.5	7.6	7.2
Students Per Teaching Staff	15.0	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 15,653 compared to that of its peer districts average of 12,341. The District has 0.1 less students per total staff than its peer districts average and 0.3 more than the number of students per total staff as the State average. The District's students per teaching staff ratio is 0.3 percent less than its peer districts average and 0.2 percent more than the State average. The percentage of the District's teaching staff is 0.5 percent and 1.5 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
2022-2023

	District Turnover Rate	Average Peer Districts Turnover Rate	State Turnover Rate
Teachers	18.3%	19.4%	21.4%

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

The District's turnover rate is 1.1 percent lower than the average peer districts turnover rate and 3.1 percent less than the State average. The highest turnover rate within the peer districts was 22.3 percent while the lowest turnover rate was 14.2 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	118,010	100.0%	N/A	N/A	N/A	N/A
Economically Disadvantaged	68,462	58.0%	\$ 681	4.0%	698	98
Special Education	13,786	11.7%	\$ 10,536	12.4%	941	15
Bilingual/ESL Education	21,069	17.9%	\$ 479	0.9%	164	128
Career and Technical Education	30,901	26.2%	\$ 1,377	3.6%	440	70

Source: Texas Academic Performance Report (TAPR) and information provided by the District.

SECTION V- ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION

1. State and Regional Resources

The District continuously explores all options for funding including state, federal, and local grant sources. The District also takes advantage of the regional Education Service Center offerings for professional development and teacher training.

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 several self-funded community programs which include a before and after school care program, an early learning center, and summer camps. These programs are principally supported by program revenues generated through program fees. For the year ended June 30, 2023 these programs reported operating income of \$1.3 million. The District's self funded workers' compensation program is accounted for in the District's internal service fund. At June 30, 2023, the net position was \$362,911, which was a decrease from the prior year of \$532,714.

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	

*This is limited to Teacher Incentive Allotment

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	