Andrews 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 June 30, 2024

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Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated in Section III, as listed in the table of contents, which were agreed to by Andrews 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, 2024. 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, 2024.

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, 2024. 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. 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
July 11, 2025

SECTION I - EXECUTIVE SUMMARY

Overview of Procedures Performed

Andrews 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 operations. 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 a District adopts a maintenance and operations "M&O" rate above the maximum allowed under Texas Tax Code, Chapter 26, also known as a voter-approval tax rate.

In conducting our agreed-upon procedures for the District, we gained an understanding of the District's fiscal management, efficiency, and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts. This was accomplished by analyzing data from the fiscal year ended June 30, 2024, 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 and V of this report.

SECTION II - KEY INFORMATION ABOUT THE DISTRICT

The District is proposing to hold a voter-approved tax rate election "VATRE" on November 4, 2025, to authorize a $0.02 increase above the $0.6769 M&O voter-approval tax rate. The District's last three tax ratification elections occurred as follows:

- October 4th, 2008
  - Proposal - $0.02 rate increase above the rollback rate
  - Results - **476 for (Carried)**, 59 against
- November 8th, 2005
  - Proposal - $0.0889 rate increase above the rollback rate
  - Results – **944 for (Carried)**, 527 against
- November 2nd, 2004
  - Proposal - $0.03927 rate higher than the rollback rate
  - Results – 397 for, **435 against (Defeated)**

The current M&O rate and proposed rate are identified as follows:

	Andrews ISD	Peer Districts	State Average
M&O Tax Rate - Tax Year 2024 (FY 2025)	$ 0.6769	$ 0.7155	$ 0.7279
M&O Tax Rate - Tax Year 2025 (FY 2026) - Proposed	$ 0.6969		

The District is estimated to generate $1.7 million, or 2.2 percent, more in revenue under the proposed rate based on preliminary 2025-2026 tax values (tax year 2025). The estimated increase for the average single-family residential property under the proposed rate is $95. The District intends to use the $0.02 tax rate increase to improve 1) staff salaries 2) staff benefits and 3) maintaining healthy classroom student to teacher ratios.

Some other key information about the District:

- The District's total operating revenue for all funds, for fiscal year 2024 totaled $12,425 per student, while its peer districts average and State average totaled $12,838 per student and $13,037 per student, respectively.
- The District's total operating expenditures for all funds for fiscal year 2024 totaled $12,768 per student, while its peer districts average and State average were $12,360 per student and $12,944 per student, respectively.
- The District earned a Superior "A" Rating for the School Financial Integrity Rating System of Texas for school year 2023 (rating year 2024).
- The TEA 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 "C" (78 out of 100 points) for school year 2023 (rating year 2024), compared to the peer districts that earned an average score of 79. The District's ratings by campus are noted below.

Rating	# of Campuses
A	2
B	1
C	2
D	1

Additional details and audit results are included in Section IV and V.

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 efficiency 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.*** Special Education
- ***c.*** Bilingual/ESL Education
- ***d.*** Gifted and Talented
- ***e.*** Career and Technical Education
- ***f.*** Athletics and Extracurricular Activities
- ***g.*** Alternative Education Program / Disciplinary Alternative Education Program

14. Described how the District maximizes available resources from state sources and regional education service centers to develop or implement programs or deliver services.

15. Report on the District's annual external audit report's independent auditor's opinion.

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, plans 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 TEA 2023 Snapshot Peer Search to identify peer districts. We selected 10 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
BIG SPRING ISD	HOWARD
BURNET CISD	BURNET
GREENWOOD ISD	MIDLAND
GREGORY-PORTLAND ISD	SAN PATRICIO
LUMBERTON ISD	HARDIN
MABANK ISD	KAUFMAN
SPRINGTOWN ISD	PARKER
TULOSO-MIDWAY ISD	NUECES
VIDOR ISD	ORANGE
WHITEHOUSE ISD	SMITH

2. Accountability Rating

Accountability ratings are based on school year 2023, as school year 2024 information is not yet publicly available. The release of school year 2024 data is pending judicial ruling and decisions from the 89th Texas 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 2022-2023

	Andrews ISD		Peer Districts
	District Rating (A-F)	District Score (1-100)	Average Score (1-100)
Rating/Score	C	78	79

3. Accountability Rating by Campus

Accountability ratings by campus are based on school year 2023, as school year 2024 information are not yet publicly available. The release of school year 2024 data is pending judicial ruling and decisions from the 89th Legislature.

The "F" accountability rating was not applicable for school year 2023. The results for the District's 6 campuses that were assigned a rating are shown below.

Figure 3
Accountability Rating by Campus Level
School Year 2022-2023

Rating	Elementary Schools	Middle Schools	High Schools
A	-	-	2
B	-	1	-
C	2	-	-
D	1	-	-

The District did not have any campuses with a required Campus Turnaround Plan.

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 2023-2024 rating based on school year 2022-2023 data was an "A" (Superior). The FIRST rating for school year 2023-2024 is not yet publicly available.

Figure 4
School FIRST Rating
School Year 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
School Year 2023-2024

	Total Student Population Count	Percentage of Student Population	Peer Districts Average Percentage	State Average Percentage
Total Students	4,256	100.0%	N/A	N/A
Economically Disadvantaged	2,109	49.6%	56.2%	62.3%
English Learners	764	18.0%	7.5%	24.4%
Bilingual/ESL Education	792	18.6%	7.2%	24.5%
Special Education	581	13.7%	15.3%	13.9%
Career and Technical Education	1,006	23.6%	29.0%	26.9%

The peer districts average total student count was 4,007. Of the peer districts evaluated, Gregory-Portland Independent School District had the highest total student count of 4,948, while Greenwood Independent School District had the lowest student count of 3,253.

There are 5.5 million students served by public schools in the State of Texas. Of those students, 3.4 million or 62.3 percent are economically disadvantaged. The percentage of economically disadvantaged students served by the District compared to its total student population totaled 49.6 percent, which is 6.6 percent less than peer districts and 12.7 percent less than the State averages. Big Spring Independent School District had the highest economically disadvantaged student percentage of 75.5 percent, while Lumberton Independent School District had the lowest percentage of 38.8 percent.

6. Attendance

Figure 6
Attendance Rate
School Year 2023-2024

	District Total	Peer Districts Average	State Average
Attendance Rate	93.2%	93.9%	93.3%

Source: Texas Education Agency, Public Education Information Management System District Attendance, Graduation, and Dropout Rates Reports. Based on school year 2023 - 2024 data.

A school district's State funding is a complex calculation with many inputs. One of the primary drivers used in the calculation is student attendance. The District's attendance rate is 0.7 percent and 0.1 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 decrease over the last five years of 0.5 percent. When the projected enrollment data for 2025 is incorporated, the average decreases to 0.7 percent.

Figure 7
5-Year Enrollment
School Years 2020-2024

School Year	Enrollment	% Change
2024	4,269	1.7%
2023	4,198	1.2%
2022	4,147	0.5%
2021	4,128	-5.3%
2020	4,359	
Average annual percentage change based on the previous five years		-0.5%
2025 (1)	4,209	-1.4%
Average annual percentage change based on the previous five years and the projected next school year		-0.7%

Note: (1) Based on fiscal year 2025 PEIMS Data from the District.

8. District Revenue

Figure 8
District Total Revenue
School Year 2023-2024

	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)	$ 9,001	72.44%	$ 6,139	46.90%	$ 4,553	34.92%
State (2)	623	5.01%	4,414	35.41%	5,545	42.53%
Federal	1,186	9.55%	1,337	10.64%	2,138	16.40%
Other Local and Intermediate	1,615	13.00%	948	7.04%	801	6.14%
Total Revenue	$ 12,425	100.0%	$ 12,838	100.0%	$ 13,037	100.0%

Note (1) Excludes Debt Service and 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 $413 and $612 less total revenue per student compared to its peer districts and the State averages, respectively. The District's aggregate local M&O tax plus state revenue per student totaled $9,624, which was $929 and $474 less 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.

Also contributing to this variance is the District's federal revenue per student which is $151 and $952 less 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 2024 which totaled $1,476,463 or $345 per student. This funding is temporary in nature and only $839,351 remains available for recognition during fiscal year 2025.

The remainder of the per student revenue variance is due to fluctuations in other local and intermediate revenue sources, where the District received $667 and $814 more per student compared to the peer districts and state averages, respectively. Other local and intermediate revenues include investment income, food sales (child nutrition services), activity funds and other miscellaneous (non-recurring) inflows and are not typically relied upon to fund the core operating activities of the District.

9. District Expenditures

Figure 9
District Actual Operating Expenditures
School Year 2023-2024

	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	$ 6,899	54.0%	$ 6,661	53.9%	$ 7,101	54.9%
Instructional Resources and Media	113	0.9%	117	0.9%	119	0.9%
Curriculum and Staff Development	173	1.4%	226	1.8%	320	2.5%
Instructional Leadership	255	2.0%	161	1.3%	236	1.8%
School Leadership	635	5.0%	631	5.1%	741	5.7%
Guidance Counseling Services	485	3.8%	462	3.7%	525	4.1%
Social Work Services	21	0.2%	10	0.1%	45	0.3%
Health Services	96	0.8%	133	1.1%	132	1.0%
Transportation	292	2.3%	405	3.3%	395	3.1%
Food Service Operation	698	5.5%	649	5.3%	683	5.3%
Extracurricular	753	5.9%	547	4.4%	400	3.1%
General Administration	458	3.6%	466	3.8%	427	3.3%
Facilities Maintenance and Operations	1,469	11.5%	1,486	12.0%	1,303	10.1%
Security and Monitoring Services	41	0.3%	176	1.4%	209	1.6%
Data Processing Services	240	1.9%	207	1.7%	241	1.9%
Community Services	140	1.1%	23	0.2%	67	0.5%
Total Expenditures	$ 12,768	100.0%	$ 12,360	100.0%	$ 12,944	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. The District's TRS on-behalf expenditures of $590 per student, when excluded from the table above, provide a net revenue of $247 per student when comparing to Figure 8.

Overall, the District spent $408 more per student than the peer districts and $176 less per student than the State average. The largest expenditures per student were in the Instruction and Facilities Maintenance and Operations categories, which account for 65.5 percent, 65.9 percent and 64.9 percent of total expenditures per student for the District, peer districts and the State average, respectively. The District spent $238 more than peer districts and $202 less than the State average for Instruction and $17 less than peer districts and $166 more than the State average for Facilities Maintenance and Operations.

10. District Payroll Expenditures Summary

Figure 10
Payroll Expenditure Summary
School Year 2023-2024

	District	Peer Districts Average	State Average
Payroll as a Percentage of All Funds	79.7%	75.9%	77.8%
Average Teacher Salary	62,190	57,738	62,463
Average Administrative Salary	103,410	91,952	94,609
Superintendent Salary	202,604	199,290	166,708

Source: Texas Education Agency, Public Education Information Management System District Financial Actual Reports. Based on school year 2023-2024 data.

The District spent 3.8 percent and 1.9 percent more on payroll costs than its peer districts and State average, respectively. Additionally, the District on average spends more (less) per teacher, administrator, and superintendent than its peer districts and the State averages as noted in the table below.

	District vs. Peer Districts More (Less)	District vs. State Average More (Less)	District vs. Peer Districts [Excluding Outliers] More (Less)
Payroll as a Percentage of All Funds	3.8%	1.9%	3.4%
Average Teacher Salary	4,452	(273)	3,223
Average Administrative Salary	11,458	8,801	9,125
Superintendent Salary	3,314	35,896	(14,388)

Labor markets across Texas may be significantly affected by its geography and access to talent, leading to outliers in the peer District evaluation. To provide an alternative comparison, two outlier Districts (Lumberton ISD and Mabank ISD) were excluded and compared above.

11. Fund Balance

Figure 11
General Fund Balance
School Years 2020-2024

	District			Peer Districts Average		
	General Fund Unassigned Fund Balance Per Student	General Fund Unassigned Fund Balance as a Percentage of Operating Expenditues	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 Expenditues	General Fund Unassigned Fund Balance as a Percentage of 3 Month Operating Expenditures
2024	$ 4,260	38.8%	155.0%	$ 4,448	41.1%	164.3%
2023	4,259	38.6%	154.4%	4,179	41.2%	164.9%
2022	3,996	37.9%	151.7%	4,075	42.0%	168.2%
2021	4,586	44.6%	178.6%	4,596	49.7%	198.9%
2020	4,593	49.3%	197.3%	3,504	40.4%	161.8%

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 following this paragraph 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
2024	$ 18,131,378	$ 11,696,040	$ 6,435,338	55.0%
2023	17,823,841	11,544,398	6,279,444	54.4%
2022	16,508,717	10,881,440	5,627,277	51.7%
2021	18,897,268	10,582,276	8,314,992	78.6%
2020	19,986,864	10,128,592	9,858,272	97.3%

The District's unassigned fund balance as of June 30, 2024, totaled $18.1 million and General Fund operating expenditures for the year ended June 30, 2024 totaled $46.8 million. Three months average operating expenditures would equate to $11.7 million. The District's unassigned fund balance is $6.4 million (or 55.0 percent) more than this amount.

12. District Staffing Levels

Figure 12
Staff Ratio Comparison
School Year 2023-2024

	District	Peer Districts Average	State Average	District vs. Peer Districts More (Less)	District vs. State Average More (Less)
Teaching Staff (Percentage of Total Staff)	46.8%	47.8%	48.2%	-1.0%	-1.4%
Support Staff (Percentage of Total Staff)	6.9%	9.0%	11.2%	-2.0%	-4.3%
Administrative Staff (Percentage of Total Staff)	4.5%	4.6%	4.6%	-0.1%	0.0%
Paraprofessional Staff (Percentage of Total Staff)	18.1%	15.1%	11.4%	3.0%	6.7%
Auxiliary Staff (Percentage of Total Staff)	23.7%	23.5%	24.7%	0.1%	-1.0%
Students Per Total Staff	7.2	6.8	7.1	0.3	0.1
Students Per Teaching Staff	15.3	14.3	14.7	1.0	0.6

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

The District's total staff for the year ended June 30, 2024, was 594 full time equivalents (FTEs) compared to that of its peer districts average of 588. The differences between the District and its peer districts and the State average are presented in Figure 12.

13. Teacher Turnover Rates and Special Programs

Figure 13
Teacher Turnover Rates
School Year 2023-2024

	District Turnover Rate	Average Peer Districts Turnover Rate	Average State Turnover Rate
Teachers	21.2%	19.4%	19.1%

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

The District's turnover rate is 1.8 percent and 2.1 percent more than the peer districts and State average. The highest turnover rate within the peer districts was 24.9 percent while the lowest turnover rate was 12.1 percent.

Figure 14
Special Programs Characteristics
School Year 2023-2024

	Number of Students Served	Percentage Of Enrolled Students Served	Program Budget Per Student Served	Program Budget As A Percentage of District Budget	Total Staff For Program	Students Per Total Staff For Program
Total Students	4,269	100.0%	N/A	N/A	N/A	N/A
Economically Disadvantaged	2,112	49.5%	$ 2,419	9.4%	16.6	127
Special Education	594	13.9%	9,382	10.3%	94.7	6
Bilingual/ESL Education	792	18.6%	1,166	1.7%	22.5	35
Gifted and Talented Programs	293	6.9%	2,607	1.4%	4.2	70
Career and Technical Education	1,006	23.6%	1,583	2.9%	264.0	4
Athletics and Extracurricular Activities	1,422	33.3%	1,956	5.1%	25.0	57
Alternative Education Program/ Disciplinary Alternative Education Program	173	4.1%	4,618	1.5%	11.2	15

Source: Information provided by the district.

The special program information includes all District funds. Capital outlay, debt service payments, and other intergovernmental expenditures are not considered operating expenditures and are excluded from the budget information in the table above.

SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION

1. State and Regional Resources

The District utilizes state and regional resources to maximize their use of quality instructional materials and professional development for educators to provide the best outcomes for their students. They utilize the service center for general instruction, special services support (Special Education, 504, GT, Bilingual Education, TEKS Resource, etc,), business finance support and technology support.

2. Reporting

For the year ended June 30, 2024, Wayne M. Manning, CPA, Inc. 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

The District has not been assigned a finance related monitoring or oversight role during the past three years; therefore, this is 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 has an Employee Benefit Fund for self-funded health insurance, reported as an internal service fund in the District's annual financial report. The District terminated this plan on August, 31 2024, and as of that date had approximately $835,000 remaining in this fund to use for residual claims for the required 18 months after terminating the plan. The remaining funds are anticipated to cover all residual claim costs and the District is expected to have $500,000 or more to put back in the General Fund after the 18 months to use for employer paid portions of employee health care plan premiums.

6. Staffing

All District administrators are evaluated annually, and those are utilized to recommend contract extensions. Evaluations address any areas of improvement that are required.

7. Compensation System

Figure 16
Compensation System

Question	Yes/No	Not Applicable
Does the District use salary bonuses or merit pay systems?	No	
Do the District's salary ranges include minimum, midpoint, and maximum increments to promote compensation equity based on the employee's education, experience, and other relevant factors?	Yes	
Does the District periodically adjust its compensation structure using verifiable salary survey information, benchmarking, and comparable salary data?	Yes	
Has the District made any internal equity and/or market adjustments to salaries within the past two years?	Yes	

The District's salary schedules detail salary scales for each year of service for teachers, aides, auxiliary staff, secretaries, etc. The District Administrator salaries are "negotiated" and there are no minimum, midpoint and maximum increments used for 12 month full time administrators (Principals, Directors, Assistant Superintendents).

The District periodically runs payroll reports from 3rd party sources to gauge if the District's salary and pay scales are following market trends. Decisions are made during the budgeting process regarding compensation adjustments for the next fiscal year.

Salary schedules increased by 1% during fiscal year 2024-2025 for all District employees.

8. Planning

Figure 17
Operational Information

Question	Yes/No	Not Applicable
Does the District develop a District Improvement Plan (DIP) annually?	Yes	
Do all campuses in the District develop a Campus Improvement Plan (CIP) annually?	Yes	
Does the District have an active and current facilities master plan? If yes, does the District consider these factors to inform the plan:	Yes	
Does the District use enrollment projections?	Yes	
Does the District analyze facility capacity?	Yes	
Does the District evaluate facility condition?	Yes	
Does the District have an active and current energy management plan?	Yes	
Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?*	No	

*The District uses yearly state data trends through Texas Association of School Boards (TASB) to ensure staffing needs are adequately met for these positions.

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	