Cypress-Fairbanks 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, 2025

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CONTENTS

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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, 2025. 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, 2025.

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, 2025. 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
August 3, 2026

SECTION I - EXECUTIVE SUMMARY

Overview of Procedures Performed

In conducting our agreed-upon procedures for Cypress-Fairbanks Independent School District (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, 2025, 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

Cypress-Fairbanks Independent School District (the District) is considering holding a voter-approval tax rate election (VATRE) on November 3, 2026 to adopt its maintenance and operations (M&O) property tax rate for tax year 2026 or school year 2026-2027. M&O taxes are used for the operation of public schools.

The District's 2025-26 M&O tax rate of $0.6669 was less than the peer districts and State M&O tax rate averages of $0.7352 and $0.7142, respectively. Without an election, the District's M&O tax rate would be $0.6669. The District is proposing to increase the M&O tax rate by $0.12 through the VATRE to $0.7869. The District's 2026-2027 proposed M&O tax rate is more than the peer districts 2025-26 M&O tax rate average of $0.7352 and the State 2025-26 M&O tax rate average of $0.7142. [Note: the 2026-2027 proposed M&O tax rates for the peer districts and the State were not available as of the date of this report.]

The District expects to generate approximately $102.4 million in additional M&O tax revenue from the proposed increase in tax rate as compared to the preceding year. The increase represents about 8.2 percent of the District's proposed operating budget for the 2026-27 school year. The rate increase is expected to increase the taxes paid by the owner of a single-family residential property at the current average taxable value ($350,000) of homesteads in the District by $126.

The District intends to use the tax rate increase to remain competitive with neighboring districts, strengthen recruitment and retention of support staff and highly effective teachers, reduce the budget deficit, and sustain specialized programming. If the VATRE does not pass, it would be necessary for the District to review District needs to determine priorities within the budget limitations.

The District has not previously held a VATRE. The district has also proposed an interest and sinking tax rate of $0.37 to service its debt for the tax year 2026. These proposed tax rates are in addition to the tax rates adopted by the city, county, and special taxing districts.

Some other key information about the District:

- The District's total operating revenue for all funds, for fiscal year 2025 totaled $11,330 per student, while its peer districts average and State average totaled $12,592 per student and $13,256 per student, respectively.
- The District's total operating expenditures for all funds for fiscal year 2025 totaled $11,193 per student, while its peer districts average and State average were $12,643 per student and $12,948 per student, respectively.
- The District earned a Superior "A" Rating for the School Financial Integrity Rating System of Texas for school year 2024 (rating year 2025).
- 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 "B" (85 out of 100 points) for school year 2024 (rating year 2025), compared to the peer districts that earned an average score of 82. The District's ratings by campus are noted below.

Rating	# of Campuses
A	34
B	37
C	20
D	0

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. 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 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/ESL Education
    d. Gifted and Talented
    e. Career and Technical Education
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. Report on the District's annual external audit report's independent auditor's opinion.
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 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?
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 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?

23. 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 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
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

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. This Not Rated 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 2024-2025

	Cypress-Fairbanks ISD		Peer Districts
	District Rating (A-F)	District Score (1-100)	Average Score (1-100)
Rating/Score	B	85	82

3. Accountability Rating by Campus

The results for the District's 91 campuses that were assigned a rating are shown below.

Figure 3
Accountability Rating by Campus Level
School Year 2024-2025

Rating	Elementary Schools	Middle Schools	High Schools
A	23	8	3
B	24	4	9
C	12	8	-
D	-	-	-

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 2024-2025 rating based on school year 2023-2024 data was an “A” (Superior). The FIRST rating for school year 2024-2025 is not yet publicly available.

Figure 4
School FIRST Rating
2024-2025

	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).

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 (TEC §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
School Year 2024-2025

	Total Student Population Count	Percentage of Student Population	Peer Districts Average Percentage	State Average Percentage
Total Students	117,658	100.0%	N/A	N/A
Economically Disadvantaged	69,291	58.9%	57.8%	60.5%
English Learners	24,897	21.2%	27.9%	24.3%
Bilingual/ESL Education	23,782	20.2%	27.6%	24.3%
Special Education	16,375	13.9%	14.2%	15.3%
Career and Technical Education	30,739	26.1%	26.1%	27.7%

The peer districts average total student count was 90,424, and of the peer districts evaluated, Houston Independent School District had the highest total student count of 176,039, while Klein Independent School District had the lowest student count of 52,297.

There are 5.5 million students served by public schools in the State of Texas, and of those students, 3.3 million or 60.5 percent are economically disadvantaged. The percentage of economically disadvantaged students served by the District compared to its total student population totaled 58.9 percent, which is 1.1 percent more than peer districts and 1.6 percent less than the State averages. Of the peer districts evaluated, Dallas Independent School District had the highest economically disadvantaged student percentage of 89.3 percent, while Frisco Independent School District had the lowest percentage of 13.9 percent.

6. Attendance

Figure 6
Attendance Rate
School Year 2024-2025

	District Total	Peer Districts Average	State Average
Attendance Rate	93.2%	94.0%	93.9%

Source: Texas Education Agency, Public Education Information Management System District Attendance, Graduation, and Dropout Rates Reports. Based on school year 2024 - 2025 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 0.8 percent and 0.7 percent less than its peer districts and the State averages, respectively.

7. Five-Year Enrollment

The attendance rate should be evaluated in conjunction with the number of students enrolled. As shown in Figure 7, the District experienced an average annual increase over the last five years of 0.7 percent. When the projected enrollment data for 2026 is incorporated, the average decreases to 2.7 percent.

Figure 7
5-Year Enrollment
School Years 2021-2025

School Year	Enrollment	% Change
2025	117,927	-0.5%
2024	118,470	0.4%
2023	118,010	0.7%
2022	117,217	2.0%
2021	114,881 (2)	
Average annual percentage change based on the previous five years		0.7%
2026 (1)	114,697	-2.7%
Average annual percentage change based on the previous five years and the projected next school year		0.0%

Note: (1) Based on fiscal year 2026 PEIMS Data from the District
(2) Variance due to TEA calculation of enrollment due to COVID-19

8. District Revenue

Figure 8
District Total Revenue
School Year 2024-2025

	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)	$ 4,044	35.69%	$ 5,928	47.08%	$ 4,776	36.03%
State (2)	5,362	47.33%	4,679	37.16%	6,226	46.97%
Federal	1,192	10.52%	1,286	10.21%	1,471	11.10%
Other Local and Intermediate	732	6.46%	699	5.55%	783	5.91%
Total Revenue	$ 11,330	100.0%	$ 12,592	100.0%	$ 13,256	100.0%

Note (1) Excludes Debt Service and Recapture.
(2): Includes 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. The District received $1,262 and $1,926 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 $9,406 which was $1,201 and $1,596 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. The District's local and state revenue per student is impacted by the 20% local optional homestead exemption offered by the District.

Also contributing to this variance is the District's federal revenue per student which is $94 and $279 less per student than the peer districts and State averages, respectively.

The remainder of the per student revenue variance is due to fluctuations in other local and intermediate revenue sources, where the District received $33 more per student compared to the peer districts and $51 less than the State averages. 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 2024-2025

	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	$ 6,934	61.9%	$ 7,173	56.7%	$ 7,064	54.6%
Instructional Resources and Media	36	0.3%	117	0.9%	114	0.9%
Curriculum and Staff Development	202	1.8%	323	2.6%	296	2.3%
Instructional Leadership	119	1.1%	240	1.9%	227	1.8%
School Leadership	572	5.1%	760	6.0%	752	5.8%
Guidance Counseling Services	492	4.4%	615	4.9%	537	4.1%
Social Work Services	7	0.1%	43	0.3%	40	0.3%
Health Services	117	1.1%	144	1.1%	132	1.0%
Transportation	398	3.6%	361	2.9%	395	3.1%
Food Service Operation	736	6.6%	609	4.8%	690	5.3%
Extracurricular	207	1.8%	326	2.6%	406	3.1%
General Administration	155	1.4%	281	2.2%	424	3.3%
Facilities Maintenance and Operations	772	6.9%	1,101	8.7%	1,327	10.3%
Security and Monitoring Services	150	1.3%	258	2.0%	238	1.8%
Data Processing Services	204	1.8%	222	1.8%	239	1.8%
Community Services	92 *	0.8%	70	0.6%	67	0.5%
Total Expenditures	$ 11,193	100%	$ 12,643	100.0%	$ 12,948	100%

*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 $59.

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. All funds are included.

Overall, the District spent $1,450 and $1,755 less per student than the peer districts and the State averages, respectively. The largest expenditures per student were for the Instruction, which account for 61.9 percent, 56.7 percent and 54.6 percent of total expenditures per student for the District, peer districts and the State averages, respectively. The percentage spent in Facilities Maintenance and Operations is 1.8 percent less and 3.4 percent less than the peer districts average and the State average, respectively. The percentage spent in General Administration is 0.8 percent less and 1.9 percent less than the peer districts average and the State average, respectively. The percentage spent in Extracurricular is 0.8 percent less and 1.3 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 District spent $239 less than peer districts and $130 less than the State averages for Instruction while spending a greater percentage on instruction to total expenditures compared to peer districts and the State. The District also spent $329 less than peer districts and $555 less than the State averages for Facilities Maintenance and Operations.

10. District Payroll Expenditures Summary

Figure 10
Payroll Expenditure Summary
School Year 2024-2025

	District	Peer Districts Average	State Average
Payroll as a Percentage of All Funds	83.8%	83.2%	78.4%
Average Teacher Salary	$ 68,146	$ 68,709	$ 63,749
Average Administrative Salary	$ 98,302	$ 102,177	$ 96,824
Superintendent Salary	$ 458,908	$ 366,117	$ 174,680

Source: Texas Education Agency, Public Education Information Management System District Financial Actual Reports. Based on school year 2024-2025 data.

The District spent 0.6 percent and 5.4 percent more on payroll costs than its peer districts and state averages, respectively. Additionally, the District spent more for superintendent salary than both the peer districts and State averages.

Note: Approximately 74% of the administrators included above are principals and assistant principals.

11. Fund Balance

Figure 11
General Fund Balance
School Years 2021-2025

	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
2025	$ 3,868	40.1%	160.5%	$ 3,106	28.0%	111.9%
2024	3,693	40.8%	163.0%	3,209	30.0%	119.9%
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%

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

Within the peer district group, several districts have an August 31 year-end, which generally results in lower fund balance requirements because a larger portion of current-year property tax collections is received prior to fiscal year-end. As a result, these districts may have less need to maintain reserves to fund operations until the next tax collection cycle.

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
2025	$ 455,084,990	$ 283,509,993	$ 171,574,997	60.5%
2024	436,443,934	267,697,682	168,746,252	63.0%
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%

The District's unassigned fund balance as of June 30, 2025, totaled $455.1 million and General Fund operating expenditures for the year ended June 30, 2025 totaled $1.1 billion. Three months average operating expenditures would equate to $283.5 million. The District's unassigned fund balance is $171.6 million (or 60.5 percent) more than this amount. During 2024-2025, the District's 2024 tax rate included the adoption of two disaster pennies which increased total revenues by $34.0 million.

12. District Staffing Levels

Figure 12
Staff Ratio Comparison
School Year 2024-2025

	District	Peer Districts Average	State Average	District vs. Peer Districts More (Less)	District vs. State Average More (Less)
Teaching Staff (Percentage of Total Staff)	48.7%	49.1%	48.3%	-0.4%	0.4%
Support Staff (Percentage of Total Staff)	10.2%	12.1%	10.8%	-1.9%	-0.6%
Administrative Staff (Percentage of Total Staff)	3.2%	4.0%	4.6%	-0.8%	-1.4%
Paraprofessional Staff (Percentage of Total Staff)	14.2%	8.9%	10.7%	5.3%	3.5%
Auxiliary Staff (Percentage of Total Staff)	23.7%	25.9%	25.5%	-2.2%	-1.8%
Students Per Total Staff	7.5	7.3	7.2	0.2	0.3
Students Per Teaching Staff	15.4	14.9	15.0	0.5	0.4

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

The District's total staff for the year ended June 30, 2025, was 15,729 full time equivalents compared to that of its peer districts average of 12,416. The differences between the District and its peer districts and the state averages are presented in Figure 12.

13. Teacher Turnover Rates and Special Programs

Figure 13
Teacher Turnover Rates
School Year 2024-2025

	District Turnover Rate	Average Peer Districts Turnover Rate	Average State Turnover Rate
Teachers	17.7%	17.3%	18.8%

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

The District's turnover rate is 0.4 percent more than the peer districts and 1.1 percent less than State averages. The highest turnover rate within the peer districts was 32.0 percent while the lowest turnover rate was 13.0 percent.

14. Special Programs

Figure 14
Special Programs Characteristics
School Year 2024-2025

	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	117,658	100.0%	N/A	N/A	N/A	N/A
Economically Disadvantaged	69,291	58.9%	$ 922	4.8%	198	350
Special Education	16,375	13.9%	$ 10,391	12.9%	1,268	13
Bilingual/ESL Education	23,782	20.2%	$ 324	0.6%	240	99
Gifted and Talented Programs	10,075	8.6%	$ 677	0.5%	310	33
Career and Technical Education	30,739	26.1%	$ 1,316	3.1%	446	69

Source: Texas Academic Performance Report (TAPR) and 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

15. 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.

16. Reporting

For the year ended June 30, 2025, Weaver and Tidwell L.L.P. 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.

17. Oversight

The District has not been assigned a finance related monitoring or oversight role during the past three years; therefore, this is not applicable.

18. 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	

19. 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, 3025 these programs reported operating income of $2.4 million. The District's self funded workers' compensation program is accounted for in the District's internal service fund. At June 30, 2025, the net position was $807,676, which was an increase from the prior year of $502,973.

20. 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.

21. 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

22. 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	

23. 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	