

EAST CHAMBERS INDEPENDENT  
SCHOOL DISTRICT

EFFICIENCY AUDIT  
FOR THE YEAR ENDED AUGUST 31, 2022

# EAST CHAMBERS INDEPENDENT SCHOOL DISTRICT

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# J.R. Edwards & Associates, LLC

## Certified Public Accountants

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

To the Board of Trustees and Citizens  
of East Chambers Independent School District

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

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

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

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

*J. R. Edwards & Associates, LLC*

Beaumont, Texas  
September 21, 2023

## **SECTION 1 -EXECUTIVE SUMMARY**

### **Overview of Procedures Performed**

In conducting the efficiency audit for the District, we gained an understanding of the District's fiscal management, efficiency and utilization of resources, and whether the District has implemented best practices utilized by Texas school districts. This was accomplished by analyzing data from the fiscal year ended August 31, 2022 and prior, maintained by the Texas Education Agency ("TEA") and the District. An overview of the objectives and approach performed during the efficiency audit are provided in Section III of this report. District data on accountability, students, staffing and finances, with peer districts and state comparisons are described in Section IV of this report.

## SECTION II - KEY INFORMATION ABOUT THE DISTRICT

East Chambers Independent School District (the "District") is holding an election to increase the District's maintenance and operations property tax rate in tax year 2023 (fiscal year 2024) by 3 cents above the compression rate and current golden and copper pennies. This decision, if approved by the voters, will maximize state funding by utilizing available copper pennies as described by the state funding formulas. Maintenance and Operations (M&O) taxes are for the operation of public schools. The District last held a tax ratification election (VATRE) in November of 2015.

The M&O tax rate for fiscal year 2023-2024 will be \$0.7892 and the assumption is that the rate may be further compressed for fiscal year 2024-2025. The District's Board of Trustees adopted an M&O rate above the voter approval tax rate, which triggered a voter approval tax rate election ("VATRE"). An efficiency audit, as required by law, is deemed necessary in order to provide full transparency to taxpayers. The District expects a budget shortfall due to the comptroller assigning state values in place of local values for fiscal year 2022-2023 and has implemented some cost efficiencies that have been factored into the fiscal year 2023-2024 budget.

The estimated revenue from the proposed increase in tax rate is \$330,000 with approximately \$115,000 generated locally and \$215,000 from the state. This would represent about 2% of total local and state generated funds in the general maintenance budget.

The average home taxable value of a single-family residential property for tax year 2023 is \$30,832. The average tax bill as a result of the M&O rate change is \$344, or a \$519 decrease compared to what the average resident would pay without an M&O tax rate change. The increase in the average tax bill as a result of the M&O tax rate increase is offset by the reduction in taxes due to the passage of the constitutional amendments in November related to property taxes. This results in a net decrease in the average tax bill.

Even with the proposed M&O tax rate change the District administration will be proposing, the District will need to achieve further cost efficiencies and review program cost savings that would allow the District to adopt a balanced budget for fiscal year 2024-2025, especially if there is not additional state aid or if the state values are assigned again.

Based on the outcome of the efficiency audit, the District will first address any cost inefficiencies reflected in the efficiency audit. Secondly, the District will determine if any other funds are available to cover General Fund needs in fiscal year 2024 and beyond.

The District can also determine if budget assumptions such as staffing ratios need adjusting in fiscal year 2024 and beyond. If a VATRE is successful, the District intends to use the additional tax revenue to continue offering competitive teacher and staff salaries, continue offering quality student programs and activities, improve safety and security measures, and assist in offsetting the cuts in state aid due to the comptroller rejecting local certified values. The District will continue to identify opportunities for operational efficiencies within the budget in order to create capacity to accommodate future student growth and needs.

If the VATRE were not to pass, the District would need to consider increases for teachers and staff that may not keep pace with inflation, consider delaying or limiting planned student CTE programs and activities and may not be able to maintain even a modest increase in fund balances going forward without additional state aid.

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

Some key information about the District:

- The District's total operating revenue for all funds, for fiscal year 2022 totaled \$11,696 per student, while its peer districts average and State average totaled \$15,548 per student and \$12,504 per student, respectively.
- The District's total operating expenditures for all funds for fiscal year 2022 totaled \$10,249 per student, while its peer districts average and State average were \$10,572 per student and \$11,939 per student, respectively.
- The District earned a Superior Rating for the School Financial Integrity Rating System of Texas (FIRST) for the past five years, scoring a perfect 100 each year.
- The Texas Education Agency reviews and tracks the performance of both school districts and individual schools with the Texas A-F Accountability System. The results are posted year-to-year. The District, as a whole, earned a "B" (89.4 out of 100 points) in 2021 - 2022, the last year accountability ratings were issued. The detail by campus for the 2021 - 2022 accountability rating is shown below:

<u>Rating</u>	<u>Number of Campuses</u>
A	
B	4
C	
Not Rated	

Additional details and audit results are included in Section IV.

## **SECTION III - OBJECTIVES AND APPROACH**

### **Objectives**

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

### **Approach**

In order to achieve the objectives, set forth above, J.R. Edwards & Associates, LLC performed the following procedures:

1. Selected peer districts, developed a simple average and used the same comparison group throughout the audit.
2. Reported on the overall accountability rating (A-to-F and a corresponding scale score of 1 to 100).
3. Compared the District's peer districts' average score and listed the following District's campus information:
  - a. Accountability rating count for each campus level within the district
  - b. Names of the campuses that received an F accountability rating
  - c. Campuses that are required to implement a campus turnaround plan
4. Reported on the District's School FIRST rating. For a rating of less than A, listed the indicators not met.
5. Reported on student characteristics for the District, its peer districts and the State average including:
  - a. Total Students
  - b. Economically Disadvantaged
  - c. English Learners
  - d. Special Education
  - e. Bilingual/ESL Education
  - f. Career and Technical Education
6. Reported on the attendance rate for the District, its peer districts and the State.
7. Reported on the five-year enrollment for the District for the most recent school year and four (4) years prior, the average annual percentage change based on the previous five years and the projected next school year.
8. Reported on the following indicators related to the District's revenue, its peer districts' average and the State average and explained any significant variances.
  - a. Local M&O Tax (Retained) (without debt service and recapture)
  - b. State
  - c. Federal
  - d. Other local and intermediate
  - e. Total revenue
9. Reported on the following indicators related to the District's expenditures, its peer districts' average, and the State average and explained significant variances from the peer districts' average, if any. In addition, explained the reasons for the District's expenditures exceeding revenue, if applicable.
  - a. Instruction
  - b. Instructional resources and media
  - c. Curriculum and staff development
  - d. Instructional leadership
  - e. School leadership
  - f. Guidance counseling services
  - g. Social work services
  - h. Health services

- i. Transportation
  - j. Food service operation
  - k. Extracurricular
  - l. General administration
  - m. Plant maintenance and operations
  - n. Security and monitoring services
  - o. Data processing services
  - p. Community services
  - q. Total operating expenditures
10. Reported on the following indicators for payroll and select District salary expenditures compared to its peer districts' average and the State average and explained any significant variances from the peer districts' average in any category.
    - a. Payroll as a percentage of all funds
    - b. Average teacher salary
    - c. Average administrative salary
    - d. Superintendent salary
  11. Reported on the General Fund operating fund balance, excluding debt service and capital outlay, for the past five years and per student for the District and its peer districts. Analyzed unassigned fund balance per student and as a percentage of three-month operating expenditures and explained any significant variances.
  12. Reported the District's allocation of staff, and student-to-teacher and student-to-total staff ratios for the District, its peer districts and the State average. The following staff categories were used:
    - a. Teaching
    - b. Support
    - c. Administrative
    - d. Paraprofessional
    - e. Auxiliary
    - f. Students per total staff
    - g. Students per teaching staff
  13. Reported on the District's teacher turnover rate as well as its peer districts and the State's average.
  14. Reported on the following programs offered by the District, including the number of students served, percentage of enrolled students served, program budget, program budget as a percentage of the District's budget, total staff for the program, and student-to-staff ratio for the program.
    - a. Economically Disadvantaged
    - b. Special Education
    - c. Bilingual Education / ESL Education
    - d. Athletics and Extracurricular Activities
    - e. Alternative Education Program/Disciplinary Alternative Education Program
    - f. Juvenile Justice Alternative Education Program
  15. Described how the District maximizes available resources from state sources and regional education service centers to develop or implement programs or deliver services.
  16. Reported on the District's annual external audit report's independent auditor's opinion as required by *Government Auditing Standards*.
  17. Explained the basis of the TEA assigning the District a financial-related monitoring/oversight role during the past three years, if applicable.



18. In regard to the District's budget process, provided a response to each of the following questions:
  - a. Does the District's budget planning process include projections for enrollment and staffing?
  - b. Does the District's budget process include monthly and quarterly reviews to determine the status of annual spending?
  - c. Does the District use cost allocation procedures to determine campus budgets and cost centers?
  - d. Does the District analyze educational costs and student needs to determine campus budgets?
19. Provided a description of the District's self-funded program, if any, and analyzed whether program revenues are sufficient to cover program costs.
20. Reported whether the District administrators are evaluated annually and, if so, explained how the results inform District operations.
21. In regards to the District's compensation system, provided a response to the following questions:
  - a. Does the District use salary bonuses or merit pay systems? If yes, explain the performance-based systems and the factors used.
  - b. Do the District's salary ranges include minimum, midpoint, and maximum increments to promote compensation equity based on the employee's education, experience, and other relevant factors?
  - c. Does the District periodically adjust its compensation structure using verifiable salary survey information, benchmarking, and comparable salary data?
  - d. Has the District made any internal equity and/or market adjustments to salaries within the past two years?
22. In regards to planning, provided a response for each of the following questions:
  - a. Does the District develop a District Improvement Plan (DIP) annually?
  - b. Do all campuses in the District develop a Campus Improvement Plan (CIP) annually?
  - c. Does the District have an active and current facilities master plan? If yes, does the District consider these factors to inform the plan:
    - i. Does the District use enrollment projections?
    - ii. Does the District analyze facility capacity?
    - iii. Does the District evaluate facility condition?
    - iv. Does the District have an active and current energy management plan?
    - v. Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?
23. In regards to District academic information, we will provide a response for each of the following questions:
  - a. Does the District have a teacher mentoring program?
  - b. Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?
  - c. When adopting new programs, does the District define expected results?
  - d. Does the District analyze student test results at the district and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?
24. Provided a response to the question if the District modifies programs, plans staff development opportunities, or evaluates staff based on analyses of student test results.

## SECTION IV - DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING AND FINANCES, WITH PEER DISTRICTS AND STATE COMPARISONS

### 1. Peer Districts

The Texas Education Agency's (TEA) Snapshot Peer Search identified a total of 8 peer districts based on a community type similar to the District, a student population of 1,000 to 1,599, property wealth of \$147,382 to less than \$212,479, and a non-metropolitan stable community type. The District selected 5 out of the 8 peer districts are shown below.

**FIGURE 1  
PEER DISTRICTS**

<u>District Name</u>	<u>County</u>
Central ISD	Angelina
Keene ISD	Johnson
Littlefield ISD	Lamb
Lyford ISD	Willacy
Muleshoe ISD	Bailey

### 2. Accountability Rating

The Texas Education Agency (TEA) annually assigns an A-to-F rating and a corresponding scaled score (1 to 100) to each district and campus based on student assessment results and other accountability measures. To align with Senate Bill 1365, school districts and campuses received an A, B or C rating or were assigned a label of Not Rated: Senate Bill 1365. This Not Rated: Senate Bill 1365 label was applied when the domain or overall scaled score for a district or campus was less than 70.

**FIGURE 2  
ACCOUNTABILITY RATING COMPARISON  
2021-2022**

	<u>District Rating (A-F)</u>	<u>District Rating (1-100)</u>	<u>Peer District Average Score (1-100)</u>
Rating / Score	B	89.4	90

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

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

<u>Grade</u>	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High Schools</u>
A			
B	2	1	1
C			
D			
F			
Not Rated			

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

### 3. Financial Rating

The State of Texas' school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices. The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

The School Financial Integrity Rating System of Texas (FIRST) holds school districts accountable for the quality of their financial management practices. The rating is based on five (5) critical indicators as well as a minimum number of points for an additional ten (10) indicators. Beginning with 2015-2016 Rating (based on the 2014-2015 financial data), the Texas Education Agency moved from "Pass/Fail" system and began assigning a letter rating. The ratings and corresponding points are shown below:

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

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

## FIGURE 4 SCHOOL FIRST RATING

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

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

#### **Student Characteristics**

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

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

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

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

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

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

**FIGURE 5**  
**SELECTED STUDENT CHARACTERISTICS**  
**2021-2022**

	<u>Total Student Population Count</u>	<u>Percentage of Student Populations</u>	<u>Peer District Average Percentage</u>	<u>State Average Percentage</u>
Total Students	1,540	100.0%	N/A	N/A
Economically Disadvantaged	994	64.5%	73.2%	60.6%
English Learners	430	27.9%	13.9%	21.7%
Special Education	184	12.1%	12.6%	11.7%
Bilingual/ESD Education	420	27.2%	13.7%	21.8%
Career and Technical	482	31.3%	33.9%	N/A

Source: Texas Education Agency, Texas Academic Performance Reports

State information for Career and Technical Education was not provided by the TEA in 2021 – 2022.

There are 5.4 million students served by public schools in the State of Texas, Of those students, 3.2 million or 60.6 percent are economically disadvantaged, The percentage of economically disadvantaged students served by the District compared to its total student population totaled 64.5 percent, which is 8.7 percent and 3.9 percent less than the peer districts and State average, respectively. Muleshoe Independent School District had the highest economically disadvantaged student percentage of 85.8 percent, while Central Independent School District had the lowest percentage of 56.4 percent.

The peer districts average total student count was 1,314. Of the peer districts evaluated, Lyford Consolidated Independent School District had the highest total student count of 1,449, while Keene Independent School District had the lowest student count of 1,075.

**FIGURE 6**  
**ATTENDANCE RATE**  
**2021-2022**

	<u>District Total</u>	<u>Peer District Average</u>	<u>State Average</u>
Attendance Rate	95.80%	93.24%	91.56%

Source: Texas Education Agency, Texas Academic Performance Reports.

A school district's State Funding is a complex calculation with many inputs. One of the primary drivers used in the calculation is student attendance. The District's attendance rate is 2.56 percent higher than the peer district average and is 4.24 percent greater than the State average.

### Five-Year Enrollment

The attendance rate should be evaluated in conjunction with the number of students enrolled. As shown in Figure 7, the District has experienced an average annual increase over the last five years of 0.9 percent. When the current enrollment data for 2023 is incorporated, the average increase in enrollment is 1.0 percent. Enrollment growth over the past five years is consistent with enrollment trends over the last two decades. Slow to moderate growth year over year with occasional dips related to hurricanes, floods, and the pandemic can have a negative impact. Thus far, the 23-24 enrollment trend is showing a return to regular growth patterns and the district is experiencing its highest historical enrollment figures. While there is anticipation of more rapid growth through housing developments, that has yet to occur.

**FIGURE 7**  
**5-YEAR ENROLLMENT**  
**2018-2022**

	<u>Enrollment</u>	<u>Percentage Change</u>
2022	1,540	2.3%
2021	1,506	-1.7%
2020	1,532	1.5%
2019	1,510	-0.5%
2018	1,517	3.0%
Average annual percentage change based on the previous five years		0.9%
2023 (1)	1,555	1.0%
Average annual percentage change based on the previous five years and the 2023 fiscal year		0.9%

Note (1): Based on fiscal year 2023 District projection

## 5. District Revenue

**FIGURE 8**  
**DISTRICT TAX REVENUE**  
**2021-2022**

	District		Peer District Average		State Average	
	Revenue Per Student	Percentage of Total	Revenue Per Student	Percentage of Total	Revenue Per Student	Percentage of Total
Local M & O Tax (retained(1))	\$ 2,215	14.5%	\$ 2,424	14.7%	\$ 4,960	39.7%
State	8,103	53.1%	8,863	53.9%	4,516	36.1%
Federal	3,729	24.4%	3,907	23.8%	2,611	20.9%
Other Local Intermediate	1,221	8.0%	1,249	7.6%	417	3.3%
Total Revenue	\$ 15,268	100%	\$ 16,443	100%	\$ 12,504	100.0%

Note (1): Excludes Recapture

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

The financial data above includes all funds, except for the District's capital projects fund and debt services fund.

The District receives less revenue per student compared to its peer districts' average but more than the State average.

## 6. District Expenditures

**FIGURE 9**  
**DISTRICT ACTUAL OPERATING EXPENDITURES**  
**2021-2022**

	District		Peer District Average		State Average	
	Expenditures Per Student	Percentage of Total	Expenditures Per Student	Percentage of Total	Expenditures Per Student	Percentage of Total
Instruction	\$ 7,014	51.9%	\$ 7,631	55.7%	\$ 6,671	55.7%
Instructional Resources and Media	142	1.0%	160	1.2%	120	1.0%
Curriculum and Staff Development	278	2.1%	177	1.3%	291	2.4%
Instructional Leadership	286	2.1%	214	1.6%	206	1.7%
School Leadership	618	4.6%	720	5.3%	688	5.8%
Guidance Counseling Services	351	2.6%	413	3.0%	468	3.9%
Social Work Services	-	0.0%	19	0.1%	43	0.4%
Health Services	110	0.8%	136	1.0%	139	1.2%
Transportation	373	2.8%	301	2.2%	353	3.0%
Food Service Operation	816	6.0%	780	5.7%	598	5.0%
Extracurricular	756	5.6%	657	4.8%	355	3.0%
General Administration	567	4.2%	699	5.1%	393	3.3%
Facilities Maintenance and Operations	1,967	14.5%	1,365	10.0%	1,177	9.9%
Security and Monitoring Services	113	0.8%	160	1.2%	131	1.1%
Data Processing Services	88	0.7%	251	1.8%	246	2.1%
Community Services	48	0.4%	8	0.1%	60	0.5%
Total Operating Expenditures	\$ 13,527	100.0%	\$ 13,691	100.0%	\$ 11,939	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.

Overall, the District spends less per student than the peer district average.

The percentage spent in Instruction is 3.8 percent and 3.8 percent less than the peer districts average and the State average, respectively.

The District was spending more on Facilities Maintenance and Operations than the peer district average and the State average by 4.5 percent and 4.6 percent, respectively.

## 7. District Payroll Expenditures Summary

**FIGURE 10**  
**DISTRICT PAYROLL EXPENDITURES SUMMARY**  
**2021-2022**

	<u>District</u>	<u>Peer District Average</u>	<u>State Average</u>
Payroll as a Percentage of All Funds	70.52%	73.67%	78.00%
Average Teacher Salary	\$ 57,652	\$ 49,414	\$ 58,887
Average Campus Administrative Salary	\$ 95,091	\$ 75,529	\$ 84,990
Average Central Administrative Salary	\$ 136,736	\$ 106,303	\$ 112,797
Superintendent Salary	\$ 240,142	\$ 154,408	\$ 159,475

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

The District spends slightly less than its peer group on payroll and the state average; however, it exceeds the average of its peer group in teacher salaries but is slightly lower than the state average. Campus administrative salaries are higher than the state and peer group due to market conditions as determined by the TASB market study the district conducts using local competitive market conditions rather than the peer group studied in this efficiency audit. The same is true for central office staff with another factor here being the longevity of service of a small administrative staff who have built their salaries over time with very little turnover over the past twenty years in the central office. The same is true of the Superintendent's salary; it's an anomaly because he has served as the District's Superintendent since 1997 causing his salary to exceed the peer group and state average. With tenure under five years on average for this position, having the same tenured Superintendent for 26 years will naturally skew the averages.



8. Fund Balance

**FIGURE 11**  
**GENERAL FUND BALANCE**  
**2018-2022**

	General Fund Unassigned Fund Balance Per Student	General Fund Unassigned Fund Balance as a Percentage of 3 Month Operating Expenditures
2022	\$ 6,023	178.1%
2021	5,285	169.9%
2020	4,570	151.8%
2019	3,766	132.8%
2018	3,211	131.8%

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

The General Fund is the operating fund in a governmental entity. Fund balance represents the current resources/assets available to the government less any current obligations/liabilities. Within fund balance there are five (5) categories: non-spendable, restricted, committed, assigned and unassigned. The categories are described below.

- Non-spendable fund balance cannot be spent because it is either (a) not in a spendable form, such as inventory or (b) legally or contractually required to be maintained intact.
- Restricted fund balance is net resources that are restricted as to use by an external party, such as a federal grantor.
- Committed fund balance is set aside for a specific purpose as resolved by the Board of Trustees.
- Assigned fund balance is fund balance that has been set aside by management for a specific purpose.
- Unassigned fund balance is the remaining amount that is not restricted, committed, or assigned for a specific purpose.

The Texas Education Agency evaluates unassigned fund balance by comparing it to three-months (25 percent) of annual operating expenditures. If the District does not meet the goal of three-months, the percentage is shown as less than 100 percent. Amounts that exceed three (3) months are reflected as percentage greater than 100 percent. The District exceeded the three-month average goal in each of the past 5 years.

## 9. District Staffing Levels

**FIGURE 12**  
**STAFF RATIO COMPARISON**  
**2021-2022**

	<u>District</u>	<u>Peer District Average</u>	<u>State Average</u>
Teaching Staff (Percentage of Total Staff)	54.2%	49.4%	49.3%
Support Staff (Percentage of Total Staff)	10.0%	7.3%	11.0%
Administrative Staff (Percentage of Total Staff)	5.7%	5.8%	4.0%
Paraprofessional Staff (Percentage of Total Staff)	6.1%	15.5%	11.0%
Auxiliary Staff (Percentage of Total Staff)	24.0%	22.0%	24.8%
Students Per Total Staff	7.3	6.0	7.0
Students Per Teaching Staff	13.4	12.2	14.6

Source: Texas Education Agency, Texas Academic Performance Reports

The District's total staff for the year ended August 31, 2022 was 212 compared to that of its peer districts average of 219. The District has 1.3 more students per total staff than its peer districts average and 0.3 more students per total staff as the State average. The District's students per teaching staff ratio is greater than its peer districts average and less than the State average by 1.2 students and 1.2 students, respectively. The District is maximizing efficient use of staffing resources to serve students while achieving accountability ratings in the same range or as high as peer districts.

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

## 10. Teacher Turnover Rates

**FIGURE 13  
TEACHER TURNOVER RATES  
2021-2022**

	<u>District Turnover Rate</u>	<u>Average Peer District Turnover Rate</u>	<u>State Turnover Rate</u>
Teachers	19.2%	19.3%	17.7%

Source: Texas Education Agency, Texas Academic Performance Reports

The District's turnover rate is 0.1 percent lower than the average peer districts turnover rate, it is 1.5 percent more than the State average. The highest turnover rate within the peer districts was 24.8 percent while the lowest turnover rate was 16.4 percent.

**FIGURE14  
SPECIAL PROGRAMS CHARACTERISTICS  
2021-2022**

	<u>Number of Students Served</u>	<u>Percentage of Students Served</u>	<u>Program Budget Per Students Served</u>	<u>Program Budget as a Percentage of District Budget</u>	<u>Total Staff For Program</u>	<u>Student Per Total Staff For Program</u>
Economically Disadvantaged	994	65.4%	\$ 860	3.6%	17	58.5
Special Education	184	12.0%	\$ 6,716	5.2%	30	6.13
Bilingual/ ESL Education	420	27.3%	\$ 453	0.8%	5	13.4
Athletics and Extracurricular Activities	400	26.0%	\$ 2,928	5.0%	20	20
Alternative Education Programs/ Disciplinary Alternative Education Programs	19	1.3%	\$ 3,900	0.4%	1	19
Juvenile Justice Alternative Education Program	0	0.0%	\$ -	0.0%	0	0

Source: Information provided by the District

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

### 1. State and Regional Resources

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

### 2. Reporting

For the year ended August 31, 2022, J.R. Edwards & Associates, LLC issued an unmodified opinion on the financial statements. There are three possible opinions: unmodified, modified (e.g., scope limitation or departure from generally accepted accounting principles: or a disclaimer of an opinion. An unmodified opinion is considered a clean opinion.

### 3. Oversight

Not Applicable – the District is not and has not been under any TEA financial-related monitoring or oversight during the past three years.

### 4. Budget Process

**FIGURE 15  
BUDGET PROCESS**

<u>Question</u>	<u>Yes / No</u>	<u>Not Applicable</u>
Does the District's budget planning process include projections for enrollment and staffing?	Yes	
Does the District's budget process include monthly and quarterly reviews to determine the status of annual spending?	Yes	
Does the District use cost allocation procedures to determine campus budgets and cost centers?	Yes	
Does the District analyze educational costs and student needs to determine campus budgets?	Yes	

### 5. Self-funded Programs

The District does not operate any self-funded programs such as workers compensation or other self-funded insurance plans.

6. Staffing

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

7. Compensation System

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

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

8. Planning

**FIGURE 17  
OPERATION INFORMATION**

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

9. Programs

**FIGURE 18  
ACADEMIC INFORMATION**

<u>Question</u>	<u>Yes / No</u>	<u>Not Applicable</u>
Does the District have a teacher mentoring program?	Yes	
Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?	Yes	
When adopting new programs, does the District define expected results?	Yes	
Does the District analyze student test results at the District and / or campus level to design, implement and / or monitor the use of curriculum and instructional programs?	Yes	
Does the District modify programs, plan staff development opportunities or evaluate staff based on analyses of student test results?	Yes	