

**RAINS INDEPENDENT
SCHOOL DISTRICT
EFFICIENCY AUDIT
DATA FOR THE FISCAL YEAR
ENDED AUGUST 31, 2022**

RUTHERFORD, TAYLOR & COMPANY, P.C.
Certified Public Accountants
3500 Joe Ramsey Blvd.
Greenville, Texas 75401
(903) 455-6252

RAINS INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2022

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TAYLOR &
COMPANY, P.C.**
Certified Public Accountants

3500 Joe Ramsey Blvd.

Greenville, Texas 75401

(903) 455-6252

Fax (903) 455-6667

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

Members of the Board
Rains Independent School District

Rutherford, Taylor & Company, PC conducted an efficiency audit as prescribed by the State of Texas Legislative Budget Board for Rains Independent School District (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.

October 6, 2023
Greenville, Texas

RAINS INDEPENDENT SCHOOL DISTRICT
EFFICIENCY AUDIT
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SECTION I – 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.

RAINS INDEPENDENT SCHOOL DISTRICT
EFFICIENCY AUDIT
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SECTION II – KEY INFORMATION ABOUT THE DISTRICT

Rains Independent School District (District) has called an election to increase the District's maintenance and operation (M&O) property tax rate for tax year 2023 (fiscal year 2024). Maintenance and operation taxes are levied to provide revenue for the operation of public schools. The District held a voter-approved tax rate election (VATRE) in November 2022, and it was not approved. The District election to increase the proposed M&O property tax rate is on November 7, 2023.

The M&O property tax rate for fiscal year 2024 is \$ 0.7892 and the rate will be further compressed for fiscal year 2025 as required by HB3. The District Board anticipates adopting an M&O property tax rate above the State compressed tax rate which will trigger a VATRE. An efficiency audit, as required by Texas law, is deemed necessary in order to provide full transparency to taxpayers. The District has adopted a budget surplus of \$ 224 for fiscal year 2024 and has implemented cost efficiencies that have been factored into the fiscal year 2024 budget.

The District has adopted its 2024 budget with a property tax rate (tax year 2023) of \$ 0.7892 which is an decrease from the prior year property tax rate of \$ 0.8546. The estimated increased revenue from approval of the VATRE is approximately \$ 2 million and represents 10.8% of the District's 2023-2024 adopted budget for general fund total revenues.

The District's peer districts average M&O property tax rate is \$ 0.9158. The state average M&O property tax rate is \$ 0.9009. The two averages are approximately \$ 0.0612 and \$ 0.0463 more than the 2022 M&O property tax rate adopted by the District.

The average home taxable value (value used for tax levy) of a single-family residential property for tax year 2023 is \$ 200,616. The average tax bill as a result of the M&O property tax rate change is \$ 1,278, or a \$ 117 increase compared to what the average resident would pay without an M&O property tax rate change.

Based on the adopted 2024 budget the District has a balanced budget without the VATRE.

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.

The District will also determine if budget assumptions such as staffing ratios need adjusting in fiscal year 2024. 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, and general maintenance of the District facilities and programs. The District will continue to identify opportunities for operational effectiveness 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 less compensation increases for teachers and staff, consider reducing staff positions, and reducing student programs to offset the revenue loss (shortage).

The District engaged Rutherford, Taylor & Company, P.C. 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 \$ 12,995 per student, while its peer districts average and State average total \$ 13,402 per student and \$ 12,504 per student respectively.
- The District's total operating expenditures for all funds for fiscal year 2022 totaled \$ 12,095 per student, while its peer districts average and state average were \$ 12,302 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 last five years as determined and reported by the Texas Education Agency.
- 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 "C" (77 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.

RAINS INDEPENDENT SCHOOL DISTRICT
EFFICIENCY AUDIT
YEAR ENDED AUGUST 31, 2022

SECTION II – KEY INFORMATION ABOUT THE DISTRICT (CONTINUED)

<u>Ratings</u>	<u># of Campus</u>
A	
B	
C	3
Not Rated	1

Additional details and audit results are included in Section IV.

RAINS INDEPENDENT SCHOOL DISTRICT
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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, Rutherford, Taylor & Company, PC 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 Districts 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, explain 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 leader
 - 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
 - o. Data processing service
 - p. Community services
 - q. Total operating expenditures
10. Reported on the following indicators for payroll and selected 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

RAINS INDEPENDENT SCHOOL DISTRICT
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SECTION III – OBJECTIVES AND APPROACH (CONTINUED)

Approach (Continued)

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 district. 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. Special Education
 - b. Bilingual Education
 - c. Migrant Programs
 - d. Gifted and Talented Programs
 - e. Career and Technology Education
 - f. Athletics and Extracurricular Activities
 - g. Alternative Education Program/Disciplinary Alternative Education Program
 - h. Juvenile Justice 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 as required by Government Auditing Standards.
16. Explained the basis of the TEA assigning the District a financial-related monitoring/oversight role during the past three years, if applicable.
17. In 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?
18. Provided a description of the District's self-funded programs, if any, and analyzed whether program revenues are sufficient to cover program cost.
19. Reported whether the District administrators are evaluated annually and, if so, explained how the results inform District operations.
20. In regard 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 regard to planning, provided a response to 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?

RAINS INDEPENDENT SCHOOL DISTRICT
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SECTION III – OBJECIVES AND APPROACH (Continued)

Approach (Continued)

22. In regard to District academic information, we will provide a response to 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?
23. Provided a response to the question if the District modifies programs, plans staff development opportunities, or evaluates staff based on analyses of student results.

RAINS INDEPENDENT SCHOOL DISTRICT
EFFICIENCY AUDIT
YEAR ENDED AUGUST 31, 2022

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

1. Peer Districts

The Texas Education Agency (TEA) Snapshot Peer Search identified a total of 20 peer districts based on size (1,600 to 2,599 students). The District selected 10 out of 20 peer districts and are shown below.

Figure 1
Peer Districts

District Name	County	2021-2022 Enrollment
Bowie ISD	Montague	1,689
Quinlan ISD	Hunt	2,585
Pittsburg ISD	Camp	2,344
Sweetwater ISD	Nolan	2,076
Fairfield ISD	Freestone	1,700
Mineola ISD	Wood	1,632
Kemp ISD	Kaufman	1,692
Gladewater ISD	Gregg	1,703
Vernon ISD	Wilbarger	1,871
Pleasant Grove ISD	Bowie	2,321

2. Accountability Rating

The Texas Education Agency (TEA) annually assigns an A to F rating and a corresponding scaled score (1-100) 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 score for the district or campus was less than 70.

Figure 2
Accountability Rating Comparison
2021-2022

	District Rating (A-f)	District Rating (1-100)	Peer District Average Score (1-100)
Rating/Score	C	77	84

The “F” accountability rating was not applicable for 2021-2022. The results for the District’s 4 campuses that were assigned a rating are shown below:

Figure 3
Accountability Rating by Campus Level
2021-2022

	Elementary Schools	Middle Schools	High Schools
A			
B			
C	1	1	1
D			
F			
Not Rated		1	

RAINS INDEPENDENT SCHOOL DISTRICT
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**SECTION IV – DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING, AND FINANCES,
WITH PEER DISTRICTS AND STATE COMPARISONS (Continued)**

2. Accountability Rating (Continued)

Campuses with an “F” accountability Rating – N/A due to Senate Bill 1365
Campuses with Required to Implement a Campus Turnaround plan – None Noted

3. Financial Rating

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

Rating	Points
A=Superior	90-100
B=Above Standard	80-89
C=Meets Standard	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 Superior Rating in 2018, 2019, 2020, and 2021.

Rating	District Rating (A-F)
Rating	A

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 students 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 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).

RAINS INDEPENDENT SCHOOL DISTRICT
EFFICIENCY AUDIT
YEAR ENDED AUGUST 31, 2022

**SECTION IV – DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING, AND FINANCES,
WITH PEER DISTRICTS AND STATE COMPARISONS (Continued)**

4. Student Characteristics, Attendance and 5 year Enrollment (Continued)

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 the English language skills. Students enrolled in an English as a Second Language (ESL) program receive intensive instructions in English from teachers trained in recognizing and dealing with language difference.

Career and Technical Education – Students enrolled in State approved career and technology Education programs.

Figure 5
Selected Student Characteristics
2021-2022

	Total Student Population Count	Percentage of Student Population	Peer District Average Percentage	State Average Percentage
Total Students	1729	100%	NA	NA
Economically Disadvantaged	1019	58.9%	63.9%	60.6%
English Learners	116	6.7%	10.4%	21.7%
Special Education	224	13.0%	12.8%	11.7%
Bilingual / ESL Education	110	6.4%	10.0%	21.8%
Career and Technical Education	NA	NA	NA	NA

Source: Texas Education Agency, Texas Academic Performance Reports

Data for the 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% are economically disadvantaged. The percentage of economically disadvantaged students served by the District compared to its total student population totaled 58.9%, which is 5.0% and 1.7% less than the peer districts and state average, respectively. Pittsburg Independent School District has the highest economically disadvantaged students percentage of 78.4%, while Pleasant Grove Independent School District had the lowest percentage of 32.7%

The peer districts average total student count was 1,961. Of the peer districts evaluated, Quinlan Independent School District had the highest total student count of 2,585, while Mineola Independent School District had the lowest student count of 1,632.

Attendance

Figure 6
Attendance Rate
2020-2021

	District Total	Peer District Average	State Average
Attendance Rate	94.8%	96.1%	95.0%

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

RAINS INDEPENDENT SCHOOL DISTRICT
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**SECTION IV – DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING, AND FINANCES,
WITH PEER DISTRICTS AND STATE COMPARISONS (Continued)**

4. Student Characteristics, Attendance and 5 year Enrollment (Continued)

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 1.3% and 0.2% less than its peer districts average and the state average, respectively. It should be noted that the District's 2020-2021 attendance rate has decreased from the prior two years. The 2019-2020 attendance rate was 98.5% and 2018-2019 attendance rate was 95.1%.

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 year of 0.6%. When the current enrollment data for 2023 is incorporated, the average increase in enrollment is 0.7%.

Figure 7 5 - Year Enrollment 2018-2022		
	Enrollment	% Change
2022	1,729	1.2%
2021	1,709	-1.0%
2020	1,727	0.3%
2019	1,722	1.1%
2018	1,704	1.2%
Average annual percentage change based on the previous five years		0.6%
2023 (1)	1,754	1.4%
Average annual percentage changed based on the previous five years and the 2023 Fiscal year		0.7%

* Note (1) Based on Fiscal year 2023 PEIMS Data from the District.

5. District Revenue

	District		Peer District		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)	\$ 4,377	33.7%	\$ 4,673	34.9%	\$ 4,960	39.7%
State (2)	5,025	38.6%	5,202	38.8%	4,516	36.1%
Federal	2,961	22.8%	2,851	21.3%	2,611	20.9%
Other Local and Intermediate	632	4.9%	676	5.0%	417	3.3%
Total Revenue	\$ 12,995	100.0%	\$ 13,402	100.0%	\$ 12,504	100.0%

Note (1): Excludes Recapture

Note (2): Excludes TRS-on-Behalf

Source: Texas Education Agency, Texas Academic Performance Reports

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**SECTION IV – DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING, AND FINANCES,
WITH PEER DISTRICTS AND STATE COMPARISONS (Continued)**

The financial data above included all funds, except for the Districts capital projects fund and debt service fund. Approximately \$ 919 thousand of the Teacher Retirement System (TRS) contributions made by the State of Texas on-behalf of the District were also excluded from the state revenues. In accordance with Governmental Accounting Standards Board, on-behalf contributions must also be recorded as expenditures. However, the source reports used for the analyses did not exclude these on-behalf expenditures. The on-behalf contributions of \$ 919 thousand equates to \$ 532 per Student.

The District's revenue per student is \$ 407 less than the peer districts average, but \$ 491 more than the state's average.

6. District Expenditures

Figure 9
Actual Expenditures
2021-2022

	District		Peer District		State Average	
	Expenditures Per Student	Percentage of Total	Expenditures Per Student	Percentage of Total	Expenditures Per Student	Percentage of Total
Instruction	\$ 6,646	54.9%	\$ 6,829	55.3%	\$ 6,671	55.8%
instruction Resources and Media	107	0.9%	117	1.0%	120	1.0%
Curriculum and Staff Development	128	1.1%	112	0.9%	291	2.4%
Instructional Leadership	353	2.9%	130	1.1%	206	1.7%
School Leadership	578	4.8%	699	5.7%	688	5.8%
Gudiance Counseling Services	471	3.9%	430	3.5%	468	3.9%
Social Work Services	41	0.3%	9	0.1%	43	0.4%
Health Services	66	0.5%	134	1.1%	139	1.2%
Transportation	432	3.6%	389	3.2%	353	2.9%
Food Service Operation	695	5.7%	571	4.6%	598	5.0%
Extracurricular	626	5.2%	548	4.5%	355	3.0%
General Administration	399	3.3%	552	4.5%	393	3.3%
Facilities Maintenance and Operations	1,282	10.6%	1,374	11.2%	1,177	9.9%
Security and Monitoring Services	56	0.5%	103	0.8%	131	1.1%
Data Processing Service	71	0.6%	274	2.2%	246	2.1%
Community Services	144	1.2%	31	0.3%	60	0.5%
Total Expenditures	\$ 12,095	100.0%	\$ 12,302	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 expenses.

Overall, the District spends less per student than the peer district average. The percentage spent in Instruction is .4% and .9% less than the peer districts average and state average, respectively. The District's percentage of expenditures spent in remaining areas in 1.0% or less that the peer districts.

The District's percentage of expenditures spent in Food Service is more than the state average by 0.7%. The District's extracurricular percentage of expenditures are more than the state average by 2.2%. The facilities maintenance and operations were also more than the state average by 0.7%.

The overall expenditures per student compared to peer averages and the state appear to not have a deficiency to identify.

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**SECTION IV – DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING, AND FINANCES,
WITH PEER DISTRICTS AND STATE COMPARISONS (Continued)**

7. District Payroll Expenditures Summary

Figure 10

Payroll Expenditure Summary
2021-2022

	District	Peer District Average	State Average
Payroll as a Percentage of All Funds	78.5%	76.6%	78.0%
Average Teacher Salary	\$ 48,825	\$ 51,623	\$ 58,887
Average Administrative Salary	76,904	82,484	90,288
Superintendent Salary	135,000	161,138	159,574

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

The District spends more on payroll costs than its peer districts average and the state average. Also, the District, on average, spends less per teacher than its peer districts average and the State's average.

The average administrative salary is lower than the peer districts and the state average. The superintendent's salary is lower than the peer districts and state average in addition. It is important to note that the data for state average for Superintendent is comprised of school districts across the State with enrollment ranging from 24 to 194,607 students.

8. Fund Balance

Figure 11
Fund Balance
School Year Range

Year	DISTRICT			PEER DISTRICTS AVERAGE			
	General Fund Unassigned Fund Balance Per Student	General Fund Unassigned Balance as a percentage of Operating Expenditures	General Fund Unassigned Fund Balance as a Percentage of 3-Month Operating Expenditures	Year	General Fund Unassigned Fund Balance Per Student	General Fund Unassigned Balance as a percentage of Operating Expenditures	General Fund Unassigned Fund Balance as a Percentage of 3-Month Operating Expenditures
Current Year	\$ 2,403	26.1%	104.3%	Current Year	\$ 4,454	46.4%	185.7%
1 Year Prior	1,625	17.6%	70.6%	1 Year Prior	4,126	43.6%	174.4%
2 Years Prior	1,468	16.7%	66.8%	2 Years Prior	3,405	37.7%	150.7%
3 Years Prior	1,482	18.3%	73.2%	3 Years Prior	3,467	41.6%	166.4%
4 Years Prior	1,244	15.6%	62.4%	4 Years Prior	3,223	38.7%	154.7%

The General Fund is the operating fund in a governmental entity. Fund balance represents current resources/assets available to the government less any current obligation/liabilities. Within fund balances 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 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.

RAINS INDEPENDENT SCHOOL DISTRICT
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**SECTION IV – DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING, AND FINANCES,
WITH PEER DISTRICTS AND STATE COMPARISONS (Continued)**

The Texas Education Agency evaluates unassigned fund balance by comparing it to three months (25%) of annual operating expenditures. If the District does not meet the goal of three months, the percentage is shown as less than 100%. Amounts per student that exceed three (3) months are reflected as percentage greater than 100%.

The District did not meet the three month average goal in four of the five years. This is due to the increasing cost of operations and lack of local tax revenue to counter increase costs. The District in the past years has undergone improvement projects to the facilities to increase the quality of education given to its students. This in combination with other factors have contributed to the lack of adequate unassigned fund balances.

9. District Staffing Levels

Figure 12
Staff Ratio Comparisons
2021-2022

	District Total	Peer District Average	State Average
Teaching Staff (Percentage of Total Staff)	46.0%	50.1%	49.3%
Support Staff (Percentage of Total Staff)	6.3%	5.5%	10.7%
Administrative Staff (Percentage of Total Staff)	4.5%	4.6%	4.1%
Paraprofessional Staff (Percentage of Total Staff)	19.3%	14.3%	11.1%
Auxiliary Staff (Percentage of Total Staff)	23.9%	25.5%	24.8%
Students Per Total Staff	5.8	6.4	7.2
Students Per Teaching Staff	12.5	12.7	14.6

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

The District's total staff for the year ended August 31, 2022 was 300 compared to that of its peer district average of 311. The District has less students per staff than the peer districts average and state average. The District's students per teaching ratio is less than the peer district average and the State average of 0.2 and 2.1 students, respectively.

10. Teacher Turnover Rates

Figure 13
Teacher Turnover Rates
2021-2022

	District Turnover Rate	Average Peer District Turnover Rate	State Turnover Rate
Teachers	30.8%	24.6%	17.7%

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

The District's turnover rate is 6.2 percent and 13.1percent higher than the peer districts average and state average, respectively. The highest turnover rate within the peer districts was Kemp Independent School District at 39.1 percent while the lowest turnover rate was Mineola Independent School District at 16.1 percent.

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**SECTION IV – DISTRICT DATA ON ACCOUNTABILITY, STUDENTS, STAFFING, AND FINANCES,
WITH PEER DISTRICTS AND STATE COMPARISONS (Continued)**

11. Special Programs

Figure 14
Special Programs Characteristics
2021-2022

	Number of Students Served	Percentage Enrolled Student Served	Program Budget Per Students Served	Program Budget as a Percentage of District Budget	Total Staff for Program	Students for Total Staff for Program
English Learners	110	6.4%	\$ 679	0.40%	5	22
Special Education	224	13.0%	9,858	12.6%	54	4.1
Athletics and Extracurricular Activities	847	49.0%	892	26.1%	11	77
Gifted and Talented Programs	106	6.1%	81	0.1%	2	53
Career and Technical Education	381	22.0%	2,139	4.7%	11	36.3

RAINS INDEPENDENT SCHOOL DISTRICT
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SECTION V – ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION

1. State and Regional Resources

The District uses the states available school fund allotment to fund state mandated programs. Additionally, the District takes advantage of the Regional Educational Service centers 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, Rutherford, Taylor & Company, PC 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. And unmodified opinion is considered a clean opinion,

3. Oversight

Not Applicable

4. Budget Process

Figure 15

Budeget Process

Questions	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 camputs budget and cost centers?	Yes	
Does the District analyze educational costs and student needs to determine campus budgets?	Yes	

5. Self-funded Programs

The District's self-funded unemployment, insurance claims, and workers' compensation programs are accounted for and reported in the District's internal service fund. At August 31, 2022, the insurance claims and workers' compensation fund reported net position of \$ 427 thousand, which was an increase in net position from the prior fiscal year of \$ 405 thousand.

6. Staffing

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

RAINS INDEPENDENT SCHOOL DISTRICT
EFFICIENCY AUDIT
YEAR ENDED AUGUST 31, 2022

SECTION V – ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION (Continued)

7. Compensation System

Figure 16 Compensation System		
Questions	Yes/No	Not Applicable
Does the District use salary bonuses or merit pay?	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 certifiable salary survey information, benchmarking and comparable salary data?	Yes	
Has the District made an internal equity and/or market adjustments to salaries within the past two years?	Yes	

8. Planning

Figure 17 Operational Information		
Questions	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:	No	
Does the District use enrollment projections?		NA
Does the District analyze facility capacity?		NA
Does the District evaluate facility conditions?		NA
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	

RAINS INDEPENDENT SCHOOL DISTRICT
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SECTION V – ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION (Continued)

9. Programs

Figure 18 Academic Information		
Questions	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	