

**GRANDVIEW-HOPKINS
INDEPENDENT SCHOOL DISTRICT**

EFFICIENCY AUDIT

August 31, 2023



JOHNSON & SHELDON, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

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JOHNSON & SHELDON, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees and Citizens of
Grandview-Hopkins Independent School District
Groom, Texas

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

Johnson & Sheldon, PLLC conducted an efficiency audit as prescribed by the State of Texas Legislative Budget Board for **Grandview-Hopkins 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.

Johnson & Sheldon, PLLC

Johnson & Sheldon, PLLC
Amarillo, Texas
September 22, 2023

GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

August 31, 2023

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.



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

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SECTION II - KEY INFORMATION ABOUT THE DISTRICT

Grandview-Hopkins Independent School District (the District), is exploring holding an election to increase the District's maintenance and operations property tax rate in tax year 2023 (fiscal year 2024). Maintenance and Operations (M&O) taxes are for the operation of public schools. The District has not held a voter-approved tax ratification election (VATRE) in the past.

The M&O tax rate for fiscal year 2024 is \$0.8031 and the rate will be further compressed for fiscal year 2024. District administration 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 is projecting a budget shortfall of \$422,506 for fiscal year 2024 and has implemented some cost efficiencies that have been factored into the fiscal year 2024 budget.

The estimated revenue from the proposed increase in tax rate is \$44,560 million and represents about 10.5 percent of the total 2023-2024 adopted budget of \$1,095,722.

The average home taxable value of a single-family residential property for tax year 2023 is \$56,929. The average tax bill as a result of the M&O rate change is \$457, or a \$29.32 increase compared to what the average resident would pay without an M&O tax rate change.

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 2025.

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.

District can 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 assist in reducing the budget deficit. 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 offer less or no compensation increases for teachers and staff, consider reducing student programs and activities and not be able to reduce the budget deficit.

The District engaged Johnson & Sheldon, PLLC 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.



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

August 31, 2023

SECTION II - KEY INFORMATION ABOUT THE DISTRICT (continued)

Some key information about the District:

- The District’s total operating revenue for all funds, for fiscal year 2022 totaled \$21,467 per student, while its peer districts average and State average totaled \$21,311 per student and \$12,504 per student, respectively.
- The District’s total operating expenditures for all funds for fiscal year 2022 totaled \$25,620 per student, while its peer districts average and State average were \$19,079 per student and \$11,939 per student, respectively.
- The District earned an Above Standard Achievement Rating for the School Financial Integrity Rating System of Texas (FIRST) for 2021-2022. The District also earned an Above Standard Achievement Rating for the FIRST for 2020 and 2021 and a Superior Rating for the FIRST for 2018 and 2019.
- 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” (82 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># of Campuses</u>
A	-
B	1
C	-
Not Rated	-

Additional details and audit results are included in Section IV.



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

August 31, 2023

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, Johnson & Sheldon, PLLC 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



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

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SECTION III - OBJECTIVES AND APPROACH (continued)

Approach (continued)

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 (continued):
 - j. Food service operation
 - k. Extracurricular
 - l. General administration
 - m. Facilities 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. Special Education
 - b. Bilingual Education
 - c. Career and Technical 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. Report on the District's annual external audit report's independent auditor's opinion as required by Government Auditing Standards.



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

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SECTION III - OBJECTIVES AND APPROACH (continued)

Approach (continued)

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?
 - 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 provided 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.



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

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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 413 peer districts based on district size (under 500 students). The District selected 10 out of the 413 peer districts and are shown below.

Figure 1: Peer Districts

<u>District Name</u>	<u>County</u>
Adrian ISD	Oldham
Blackwell CISD	Nolan
Follett ISD	Lipscomb
Fort Elliott CISD	Wheeler
Groom ISD	Carson
Guthrie CSD	King
Kelton ISD	Wheeler
Lefors ISD	Gray
McLean ISD	Gray
Pringle-Morse CISD	Hansford

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

	Peer District		
	District Rating (A-F)	District Rating (1-100)	Average Score (1-100)
Rating / Score	B	82	89

The “F” accountability rating was not applicable for 2021-2022. The results for the District’s one (1) campus that was assigned a rating is shown below.

Figure 3: Accountability Rating by Campus Level 2021-2022

	Elementary School
A	-
B	1
C	-
D	-
F	-
Not Rated	-

Campuses with a “F” Accountability Rating - N/A due to Senate Bill 1365.

Campuses with Required to Implement a Campus Turnaround Plan - None Noted.

Campuses assigned a label of Not Rated: Senate Bill 1365 - None Noted.



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

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

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 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 rating 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 a "B" (Above Standard Achievement). The District also earned a "B" (Above Standard Achievement) Rating in 2021 and 2020. The District earned an "A" (Superior) Rating in 2019 and 2018.

Figure 4: School FIRST Rating

<u>Rating</u>	<u>District Rating (A - F)</u>
	B

The District's FIRST indicators not met for the 2021-2022 rating were:

- Did the school district not have a fifteen (15) percent decline in the students to staff ratio over three (3) years (total enrollment to total staff)? If the student enrollment did not decrease, the school district will automatically pass this indicator.

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

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



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

August 31, 2023

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)

Student Characteristics (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 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

	Total Student Population Count	Percentage of Student Population	Peer District Average Percentage	State Average Percentage
Total Students	46	100.00%	N/A	N/A
Economically Disadvantaged	5	10.90%	47.77%	60.60%
English Learners	-	0.00%	6.20%	21.70%
Special Education	7	15.20%	13.87%	11.70%
Bilingual/ESL Education	-	0.00%	6.20%	21.80%
Career and Technical Education	N/A	N/A	N/A	N/A

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, 3.3 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 10.9 percent, which is 36.87 percent and 49.70 percent less than the peer districts and State average, respectively. Pringle-Morse Independent School had the highest economically disadvantaged student percentage of 67.4 percent, while Guthrie Independent School District had the lowest percentage of 19.1 percent.

The peer districts average total student count was 151. Of the peer districts evaluated, McLean Independent School District had the highest total student count of 187, while Adrian Independent School District had the lowest student count of 113.

Attendance

Figure 6: Attendance Rate 2020-2021

	District Total	Peer District Average	State Average
Attendance Rate	96.70%	96.67%	95.00%

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



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

August 31, 2023

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 0.03 percent greater than its peer districts average and 1.70 percent greater than the State average. It should be noted that the District’s 2020 - 2021 attendance rate had decreased slightly from the previous year (2019 - 2020), at which time it was 99.10 percent. The 2018 - 2019 attendance rate was 96.80 percent and 2017 - 2018 attendance rate was 96.50 percent.

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 decrease over the last five years of 0.43 percent. When the current enrollment data for 2023 is incorporated, the average decrease in enrollment is 2.26 percent:

Figure 7: 5-Year Enrollment 2018-2022

	<u>Enrollment</u>	<u>% Change</u>
2022	46	21.05%
2021	38	-20.83%
2020	48	-4.00%
2019	50	2.04%
2018	49	
Average annual percentage change based on the previous five years		
		-0.43%
2023 (1)	52	13.04%
Average annual percentage change based on the previous five years and the 2023 fiscal year		
		2.26%

Note: (1) Based on fiscal year 2023 PEIMS Data from the District.

5. District Revenue

Figure 8: District Tax Revenue 2021-2022

	<u>District</u>		<u>Peer District</u>		<u>State Average</u>	
	<u>Revenue Per Student</u>	<u>Percentage of Total</u>	<u>Revenue Per Student</u>	<u>Percentage of Total</u>	<u>Revenue Per Student</u>	<u>Percentage of Total</u>
Local M&O Tax (retained) (1)	\$ 16,593	77.29%	\$ 8,096	39.08%	\$ 4,960	39.67%
State (2)	3,876	18.06%	10,390	47.06%	4,516	36.12%
Federal	816	3.80%	1,714	9.61%	2,611	20.88%
Other Local and Intermediate	182	0.85%	1,111	4.25%	417	3.33%
Total Revenue	\$ 21,467	100.00%	\$ 21,311	100.00%	\$ 12,504	100.00%

Note (1): Excludes Recapture.

Note (2): Excludes TRS on-behalf.

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



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

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

5. District Revenue (continued)

The financial data above includes all funds, except for the District’s capital projects fund and debt service fund. Approximately \$43,000 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 \$43,000 equates to \$939 per student.

The District received slightly more revenue per student compared to its peer districts average. The District received more total revenue per student compared to the State average.

6. District Expenditures

Figure 9: District Actual Operating Expenditures 2021-2022

	District		Peer District		State Average	
	Expenditure Per Student	Percentage of Total	Expenditure Per Student	Percentage of Total	Expenditure Per Student	Percentage of Total
Instruction	\$ 13,561	52.93%	\$ 9,604	51.15%	\$ 6,671	55.85%
Instruction Resources Media	218	0.85%	203	0.96%	120	1.00%
Curriculum & Staff Development	23	0.09%	105	0.51%	291	2.43%
Instructional Leadership	-	-%	10	0.04%	206	1.73%
School Leadership	112	0.44%	922	4.99%	688	5.76%
Guidance Counseling Services	93	0.36%	181	1.03%	468	3.92%
Social Work Services	-	-%	-	-%	43	0.36%
Health Services	56	0.22%	129	0.57%	139	1.17%
Transportation	1,614	6.30%	734	3.63%	353	2.95%
Food Service Operation	1,626	6.35%	720	3.49%	598	5.00%
Extracurricular	49	0.19%	1,012	5.25%	355	2.97%
General Administration	4,766	18.60%	2,100	10.84%	393	3.29%
Facilities Maintenance & Operations	2,743	10.71%	2,861	14.81%	1,177	9.86%
Security & Monitoring Services	50	0.19%	57	0.29%	131	1.10%
Data Processing Services	709	2.77%	441	2.43%	246	2.06%
Community Services	-	-%	2	0.51%	60	0.51%
Total Operating Expenditures	\$ 25,620	100.00%	\$ 19,079	100.00%	\$ 11,939	100.00%

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 spent more per student than the peer district average and the State average. The percentage spent in Instruction is 1.78 percent more than the peer districts average and 2.92 percent less than the state average. The percentage spent in Transportation is 2.67 percent and 3.35 percent more than the peer districts average and the state average, respectively. The percent spent on Food Services is 2.87 percent and 1.35 percent more than the peer districts average and the state average, respectively. The percent spent on General Administration is 7.76 percent and 15.31 percent more than the peer districts average and the state average, respectively. The District’s percentage of expenditures spent in remaining areas is 0.34 percent or less than the peer districts.

It should be noted that the District’s Board of Trustees has elected to provide free breakfast and lunch meals to all students and employees, regardless of socio-economic demographics. The District has elected not to participate in the Federal Child Nutrition Program and all cafeteria operations are supported by local revenue dollars.



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

August 31, 2023

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

	<u>District</u>	<u>Peer District Average</u>	<u>State Average</u>
Payroll as a Percentage of All Funds	67.10%	68.57%	77.97%
Average Teacher Salary	\$ 57,465	\$ 50,815	\$ 58,887
Average Administrative Salary	\$ 85,000	\$ 89,881	\$ 92,806
Superintendent Salary	\$ 85,000	\$ 104,555	\$ 159,574

Source: Texas Education Agency, Public Education Information Management System District Financial Actual and Staff Salaries and FTE Counts Reports

The District spent less on payroll costs than its peer district average and the State average. The District, on average, spent more per teacher than its peer districts average and slightly less per teacher than the State average.

The average administrative salary is lower than the two comparison groups. The Superintendent's salary is lower than the peer district average and the State average. It is important to note that the data for the State average for the Superintendent is comprised of school districts across the State with enrollments ranging from 7 to 194,000 students.

8. Fund Balance

Figure 11: General Fund Balance School Year Range 2018-2022

<u>Year</u>	<u>General Fund Unassigned Fund Balance per Student</u>	<u>General Fund Unassigned Fund Balance as a Percentage of Operating Expenditures</u>	<u>General Fund Unassigned Fund Balance as a Percentage of 3 Month Operating Expenditures</u>
2022	\$ 38,823	151.53%	606.13%
2021	\$ 50,920	169.47%	677.88%
2020	\$ 42,015	179.87%	719.49%
2019	\$ 49,101	258.92%	1035.66%
2018	\$ 45,161	257.00%	1027.99%

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

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

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



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

August 31, 2023

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

8. Fund Balance (continued)

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 a percentage greater than 100 percent. The District did meet the three-month average goal for each of the years presented.

The District's unassigned fund balance as of August 31, 2022 totaled approximately \$1,786,000 and General Fund operating expenditures for the year ended August 31, 2022 totaled approximately \$1,179,000. Three months average operating expenditures would equate to approximately \$295,000, which is approximately \$1,491,000 (or 506.13 percent) less than the District's actual unassigned fund balance. The District had no committed or assigned fund balance as of August 31, 2022.

The following figures reflect the unassigned, assigned, committed and restricted fund balances for the last five years.

	<u>Unassigned</u>	<u>Assigned</u>	<u>Committed</u>	<u>Restricted</u>
2022	\$ 1,785,845	\$ -	\$ -	\$ -
2021	\$ 1,934,947	\$ -	\$ -	\$ -
2020	\$ 2,016,697	\$ -	\$ -	\$ -
2019	\$ 2,455,049	\$ -	\$ -	\$ -
2018	\$ 2,212,905	\$ -	\$ -	\$ -

In reviewing the District's 2022 annual comprehensive financial report, the General Fund reflected no committed or assigned fund balance. As defined by board policy, fund balance can be committed by the District's Board and assigned by the District's Administration. It should also be noted that unassigned fund balance should be used for one-time expenditures or for emergencies related to an unforeseen event. However, fund balance should not be relied upon for on-going operational expenditures.

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)	45.95%	54.56%	49.08%
Support Staff (Percentage of Total Staff)	0.00%	2.51%	11.10%
Administrative Staff (Percentage of Total Staff)	7.79%	5.27%	4.10%
Paraprofessional Staff (Percentage of Total Staff)	22.98%	12.55%	11.04%
Auxiliary Staff (Percentage of Total Staff)	23.21%	25.11%	24.69%
Students Per Total Staff	3.58	4.42	7.20
Students Per Teaching Staff	7.80	8.12	14.68

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 13 compared to that of its peer districts average of 34. The District has 0.84 and 3.62 fewer students per total staff than its peer districts average and the State average, respectively. The District's students per teaching staff ratio is lower than its peer districts average and the State average by 0.32 students and 6.88 students, respectively.



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

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

10. Teacher Turnover Rates

Figure 13: Teacher Turnover Rates 2021-2022

	<u>District</u>	<u>Peer District Average</u>	<u>State Average</u>
Teachers	12.60%	16.80%	17.70%

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

The District’s turnover rate is 4.20 percent and 5.10 percent lower than the average of its peer districts and the State average, respectively. The highest turnover rate within the peer districts was Guthrie CISD at 26.40 percent while the lowest turnover rate was Kelton ISD at 7.70 percent.

11. Special Programs

Figure 14: Special Programs Characteristics 2021-2022

	<u>Number of Students Served</u>	<u>Percentage of Enrolled Students Served</u>	<u>Program Budget Per Student Served</u>	<u>Program Budget as a Percentage of District Budget</u>	<u>Total Staff For Program</u>	<u>Number of Students Per Total Staff For Program</u>
Total Students	11	23%	\$ 8,273	7.0%	12	1.25
Economically Disadvantaged	2	4%	\$ 25,338	4.0%	6	1.50
English Learners	-	-%	\$ -	-%	-	-
Special Education	9	19%	\$ 4,470	3.0%	2	4.50
Bilingual/ESL Education	-	-%	\$ -	-%	-	-
Athletics and Extracurricular Activities	-	-%	\$ -	-%	-	-
Alternative Education Programs / Disciplinary Alternative Education Program	-	-%	\$ -	-%	-	-
Juvenile Justice Alternative Education Program	-	-%	\$ -	-%	-	-
Career and Technical Education	N/A	N/A	N/A	N/A	N/A	N/A

Source: Information provided by the District



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

August 31, 2023

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, Johnson & Sheldon, PLLC issued an unmodified opinion on the audited financial statements. There are three possible opinions: unmodified, modified (e.g. scope limitation or departure from generally accepted accounting principles) or a disclaimer of an opinion. An unmodified opinion is considered a clean opinion.

3. Oversight

Not Applicable

4. Budget Process

Figure 15: Budget Process

<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 participate in the United States Department of Agriculture (USDA) Child Nutrition Program, including the National School Breakfast Program and the National School Lunch Program. As a result of the District opting out of this USDA Program, all expenditures for the operation of the District's Child Nutrition Program are covered by a transfer from the District's General Fund to the District's Child Nutrition Fund. Participation in the USDA Program would entitle the District to reimbursement for qualifying meals served to students (dependent on the student's classification as free, reduced or full-price); however, would require the District to comply with other Federal Program requirements, including charges to students for meals served and following USDA nutrition guidelines. The District believes a transfer from the General Fund to the Child Nutrition Fund would still be necessary to cover remaining operating expenditures for the fund, including increased expenses for compliance with Federal requirements, if the District elected to participate.

6. Staffing

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



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

August 31, 2023

SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL AND ACADEMIC INFORMATION (continued)

7. Compensation System

Figure 16: Compensation System

Question	Yes / No	Not Applicable
Does the District use salary bonuses or merit pay systems? If yes, explain the performance-based systems and the factors used.	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?	No	
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?	No	

8. Planning

Figure 17: Operational Information

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



GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

August 31, 2023

SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL AND ACADEMIC INFORMATION (continued)

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?	No	
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	

