

LINDALE INDEPENDENT SCHOOL DISTRICT

EFFICIENCY AUDIT REPORT

Data for the Year Ended
August 31, 2022



**LINDALE INDEPENDENT SCHOOL DISTRICT
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WILF & HENDERSON, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Trustees of
Lindale Independent School District

Wilf & Henderson, P.C. conducted an efficiency audit as prescribed by the State of Texas Legislative Budget Board for Lindale 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 is 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.

Wilf & Henderson, P.C.

Wilf & Henderson, P.C.
Texarkana, Texas

May 5, 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 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 - SUMMARY OF AUDIT RESULTS AND KEY INFORMATION ABOUT THE DISTRICT

Lindale Independent School District ("the District"), is exploring holding an election to increase the District's maintenance and operations property tax rate in fiscal year 2024 (tax year 2023). Maintenance and Operations (M&O) taxes are for the operation of public schools.

The Board Plans to adopt the District's M&O tax rate at the August 21, 2023 Board Meeting. The VATRE will be voted on by taxpayers at the uniform election on November 7, 2023.

The previous TREs were as follows:

- > October 4, 2008 - Passed
- > October 8, 2013 - Passed

The M&O tax rate for fiscal years 2022 and 2023 were \$0.902000 and \$0.9346, respectively, and the rate will be further compressed for fiscal year 2024. Although the District is not proposing to increase the M&O tax rate for fiscal year 2024, the District is projecting a budget shortfall for fiscal year 2024. An efficiency audit was deemed necessary to determine if the District can achieve cost efficiencies before deciding on next steps to close the budget gap for fiscal year 2024. The results of this report are to consider if efficiencies can be achieved and if a Voter Approved Tax Rate Election (VATRE) is warranted.

The current and proposed M&O tax rates are \$0.9346 and \$0.7592, respectively. Following are the current M&O tax rates for peer districts and the state average.

The estimated tax revenue from the potential increase in tax rate is \$1,240,000 and represents about 2.73% percent of the 2022-2023 estimated expenditure budget of \$45,465,620.

The average taxable value of a single-family residential property for tax year 2023 is \$207,966. The average tax bill increase as a result of the proposed M&O rate change is a \$125 increase compared to what the average resident would pay without the proposed M&O tax rate increase.

Even with the potential M&O tax rate increase, 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.

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 can also determine if budget assumptions such as staffing ratios need adjusting in 2024.

If a VATRE is proposed for fiscal year 2024, the District intends to consider using the additional tax revenue for improvements to teacher and staff pay scales. Other considerations could be facility needs, such as HVAC, roofing, driveway and parking lot improvements, and general building maintenance or bus purchases.

If the VATRE were not to pass, the district will not increase teacher and staff pay and will delay HVAC, maintenance, and capital outlay spending, as necessary.

The District engaged Wilf & Henderson, 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 \$10,347 per student, while its peer districts average and State average were \$10,059 per student and \$12,504 per student, respectively.
- The District's total operating expenditures for all funds for fiscal year 2022 totaled \$9,162 per student, while its peer districts average and State average were \$9,099 per student and \$11,939 per student, respectively.
- The District has earned a Superior Achievement Rating for the School Financial Integrity Rating System of Texas (FIRST) for the last five years.

- The Texas Education Agency reviews and tracks the performance of both school districts and individual schools with the Texas A-F Accountability System. The District, as a whole, earned an “A” (98 out of 100 points) in 2021-2022.

- Peer districts are as follows:
 - Henderson ISD
 - Kilgore ISD
 - Pine Tree ISD
 - Terrell ISD
 - Whitehouse ISD
 - Palestine ISD
 - Mabank ISD
 - Chapel Hill ISD
 - Hallsville ISD

No findings of the efficiency audit have been noted. 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, Wilf & Henderson, P. C. performed the following procedures:

1. Selected 9 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 ratings 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. 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 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. Average teacher salary
 - b. Average administrative salary
 - c. Average central office 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 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 Technical 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 program, if any, and analyzed whether program revenues are sufficient to cover program costs.
19. Reported whether the District administrators are evaluated annually and, if so, explained how the results inform District operations.
20. In 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 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 conditions?
 - d. Does the District have an active and current energy management plan?
 - e. Does the District maintain a clearly defined staffing formula for staff in maintenance, custodial, food service, and transportation?
22. In regard to District academic information, we will provide a response for each of the following questions:
 - a. Does the District have a teacher mentoring program?
 - b. Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?
 - c. When adopting new programs, does the District define expected results?
 - d. Does the District analyze student test results at the district and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?
23. 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 9 peer districts based on size and community type. Using other similar characteristics for tax rate, district type, and TEA Snapshot, the District selected the nine (9) peer districts shown below. All peer districts, except for Hallsville ISD, are similar in student count of 3,000 – 5,000 students.

**FIGURE 1
PEER DISTRICTS**

<u>DISTRICT NAME</u>	<u>COUNTY</u>	<u>M&O TAX</u>	<u>Rating</u>
Henderson ISD	Rusk	0.8999	C
Kilgore ISD	Gregg	0.8953	B
Pine Tree ISD	Gregg	0.9806	B
Terrell ISD	Kaufman	0.9429	B
Whitehouse ISD	Smith	0.8846	A
Palestine ISD	Anderson	0.9575	B
Mabank ISD	Kaufman	0.8546	A
Chapel Hill ISD	Smith	0.9105	B
Hallsville ISD	Harrison	0.8914	Not Rated
State Average		0.9144	

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.

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

	<u>DISTRICT RATING</u> <u>A-F</u>	<u>DISTRICT SCORE</u> <u>1-100</u>	<u>PEER DISTRICT</u> <u>AVERAGE SCORE</u> <u>1-100</u>
Rating / Score	A	98	88

There were no campuses with an F rating. The results for the District’s 6 campuses are shown below.

FIGURE 3
ACCOUNTABILITY RATING BY CAMPUS LEVEL
2021-2022

	ELEMENTARY CAMPUS	MIDDLE SCHOOL CAMPUS	HIGH SCHOOL CAMPUS
A	4	1	1
B	-	-	-
C	-	-	-
D	-	-	-
F	-	-	-

Campuses with F Accountability Rating - None

Campuses Required to Implement a Campus Turnaround Plan – None

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 a “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 Ratings in 2021, 2020, 2019, and 2018.

FIGURE 4
SCHOOL FIRST RATING
2021-2022

<u>DISTRICT RATING (A-F)</u>	
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 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 Texas Education Agency 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 – The Texas Education Code §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
Total Students	4,244	100.0%	N/A
Economically Disadvantaged	2,118	49.9%	68.9%
English Learners	166	3.9%	15.2%
Special Education	649	15.3%	12.2%
Bilingual/ESL Education	170	4.0%	14.9%
Career and Technology Education	1,205	28.4%	32.4%

SOURCE: Texas Education Agency, Texas Academic Performance Reports

There are 5.4 million students served by public schools in the State of Texas. Of those students, 3.2 million or 59% are economically disadvantaged. The percentage of economically disadvantaged students served by the District compared to its total student population totaled 49.9 %, which is 19% less than the peer districts average. Palestine Independent School District had the highest economically disadvantaged student percentage of 81.6%, while Lindale Independent School District had the lowest percentage of 49.9%.

The peer districts average total student count, excluding Hallsville ISD, was 4,030. Of the peer districts evaluated, Terrell Independent School District had the highest total student count of 4,962, while Palestine Independent School District had the lowest student count of 3,360.

Attendance

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 96%, which is 1.5% greater than its peer districts average and 1% greater than the State average.

**FIGURE 6
ATTENDANCE RATE
2021-2022**

	DISTRICT TOTAL	PEER DISTRICTS AVERAGE	STATE AVERAGE
Attendance Rate	96.0%	94.5%	95.0%

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 1%. When the current enrollment data for 2023 is incorporated, the average increase in enrollment is 1.7%.

**FIGURE 7
ACCOUNTABILITY RATING BY CAMPUS LEVEL
2021-2022**

YEAR	ENROLLMENT	% CHANGE
2022	4,244	2.81%
2021	4,148	-2.20%
2020	4,236	2.68%
2019	4,120	0.93%
2018	4,073	0.79%
Average annual percentage change based on previous five years		1.00%
Projected enrollment for 2023 (Based on FY 2023 PEIMS Data Submission)		5.30%

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	3,916	37.8%	3,922	39.0%	4,960	39.7%
STATE	6,053	58.5%	5,792	57.6%	4,516	36.1%
FEDERAL	173	1.7%	153	1.5%	2,611	20.9%
OTHER LOCAL AND INTERMEDIATE	205	2.0%	192	1.9%	417	3.3%
TOTAL REVENUE	10,347	100%	10,059	100%	12,504	100%

The District receives more revenue per student compared to the peer district average but less than the State average. State funding provides 58.5% of the District's revenue and property taxes provide 37.8%.

6. District Expenditures

FIGURE 9
DISTRICT ACTUAL OPERATING EXPENDITURES
2021-2022

	DISTRICT		PEER DISTRICT AVERAGE		STATE AVERAGE	
	EXPENDITURE PER STUDENT	PERCENTAGE OF TOTAL	EXPENDITURE PER STUDENT	PERCENTAGE OF TOTAL	EXPENDITURE PER STUDENT	PERCENTAGE OF TOTAL
INSTRUCTION	\$ 5,510	60.1%	\$ 5,399	59.3%	\$ 6,671	55.9%
INSTRUCTIONAL RESOURCES AND MEDIA	\$ 103	1.1%	\$ 100	1.1%	\$ 120	1.0%
CURRICULUM AND STAFF DEVELOPMENT	\$ 114	1.2%	\$ 135	1.5%	\$ 291	2.4%
INSTRUCTIONAL LEADERSHIP	\$ 115	1.3%	\$ 124	1.4%	\$ 206	1.7%
SCHOOL LEADERSHIP	\$ 481	5.2%	\$ 507	5.6%	\$ 688	5.8%
GUIDANCE COUNSELING SERVICES	\$ 284	3.1%	\$ 324	3.6%	\$ 468	3.9%
SOCIAL WORK SERVICES	\$ 23	0.3%	\$ 23	0.3%	\$ 43	0.4%
HEALTH SERVICES	\$ 109	1.2%	\$ 96	1.1%	\$ 139	1.2%
TRANSPORTATION	\$ 452	4.9%	\$ 369	4.1%	\$ 353	3.0%
FOOD SERVICE OPERATION	\$ 7	0.1%	\$ 4	0.0%	\$ 598	5.0%
EXTRACURRICULAR	\$ 454	5.0%	\$ 358	3.9%	\$ 355	3.0%
GENERAL ADMINISTRATION	\$ 312	3.4%	\$ 401	4.4%	\$ 393	3.3%
PLANT MAINTENANCE AND OPERATIONS	\$ 1,074	11.7%	\$ 1,009	11.1%	\$ 1,177	9.9%
SECURITY AND MOINTORING SERVCIES	\$ 70	0.8%	\$ 90	1.0%	\$ 131	1.1%
DATA PROCESSING SERVICES	\$ 43	0.5%	\$ 149	1.6%	\$ 246	2.1%
COMMUNITY SERVICE	\$ 11	0.1%	\$ 11	0.1%	\$ 60	0.5%
TOTAL EXPENDITURES	\$ 9,162	100%	\$ 9,099	63%	\$ 11,939	61%

Source: Texas Education Agency PEIMS District Financial Actual Reports

Overall, the District spends about the same per student than its peer districts average and less than the State average. Majority of the expenditures for the District are in the area of Instruction at 60.1%.

7. District Payroll Expenditures Summary

**FIGURE 9
PAYROLL EXPENDITURES SUMMARY
2021-2022**

	DISTRICT	PEER DISTRICT AVERAGE	STATE AVERAGE
AVERAGE TEACHER SALARY	\$ 52,792	\$ 51,956	\$ 58,887
AVERAGE ADMINISTRATIVE SALARY	\$ 76,756	\$ 77,679	\$ 84,990
AVERAGE CENTRAL OFFICE SALARY	\$ 117,334	\$ 112,008	\$ 112,797

Source: Texas Education Agency PEIMS District Financial Actual Reports

The District spends more on payroll than its peer districts average and but less than the State average on teacher salaries. The District spends less than its peer district average and the State average on administrative salaries. Also, the District, on average, spends more per central office salary than its peer districts average and the State average.

8. Fund Balance

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 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%) of annual operating expenditures. If the District does not meet the goal of three-months, the percentage is shown as less than 100%. Amounts that exceed three (3) months are reflected as percentage greater than 100%. The District did not meet the three-month average goal. However, the District has transferred unassigned fund balance to a Capital Project Fund over the last several years to fund future construction projects. The table below shows the amount by which the District did or did not meet the three-month goal.

**FIGURE 11
GENERAL FUND BALANCE
2021-2022**

	GENERAL FUND UNASSIGNED FUND BALANCE PER STUDENT	GENERAL FUND UNASSIGNED FUND BALANCE AS A PERCENTAGE OF 3 MONTH OPERATING EXPENDITURES
2022	\$2,502	89.4%
2021	\$2,193	107.0%
2020	\$2,547	83.6%
2019	\$1,511	152.3%
2018	\$2,317	88.1%

The District's unassigned fund balance as of August 31, 2022 totaled \$10,619,000 compared to its General Fund operating expenditures of \$37,987,000. Three months average operating expenditures would equate to \$9,497,000, which is less than actual by \$1,122,000 (12%).

9. District Staffing Levels

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

	DISTRICT	PEER DISTRICTS AVERAGE	STATE AVERAGE
TEACHING STAFF (PERCENT TO TOTAL STAFF)	45.4%	47.8%	49.4%
SUPPORT STAFF (PERCENT OF TOTAL STAFF)	9.0%	9.4%	10.7%
ADMINISTRATIVE STAFF (PERCENT OF TOTAL STAFF)	3.4%	4.6%	4.1%
PARAPROFESSIONAL STAFF (PERCENT OF TOTAL STAFF)	13.9%	13.1%	11.0%
AUXILARY STAFF (PERCENTAGE OF TOTAL STAFF)	28.1%	23.0%	24.7%
STUDENTS PER TOTAL STAFF	6.4%	6.7%	7.2%
STUDENTS PER TEACHING STAFF	14.0%	13.9%	15.0%

The District’s total staff for the year ended August 31, 2022 was very comparable to that of its peer districts averages and State averages. The District has 0.3% less number of students per total staff than its peer districts average and 0.8% more students per total staff than the State average. The District’s students per teaching staff ratio is same as its peer districts average and less than the State average. The District is maximizing efficient use of staffing resources to serve students while achieving high accountability ratings compared to peer districts.

10. Teacher Turnover Rates

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

	DISTRICT TURNOVER RATE	AVERAGE PEER DISTRICTS TURNOVER RATE	STATE AVERAGE TURNOVER RATE
TEACHERS	12.8%	21.5%	17.7%

The District’s turnover rate is less than the peer districts average and the State average. The highest turnover rate within the peer districts was 32.9% while the lowest turnover rate was 12.9%.

11. Special Programs

FIGURE 14
SPECIAL PROGRAM CHARACTERISTICS
2021-2022

	NUMBER OF STUDENTS SERVED	PERCENTAGE OF ENROLLED STUDENTS SERVED	PROGRAM BUDGET PER STUDENT SERVED	PROGAM BUDGET AS A PERCENTAGE OF DISTRICT BUDGET	TOTAL STAFF FOR PROGRAM	STUDENTS PER TOTAL STAFF FOR PROGRAM
SPECIAL EDUCATION	648	15.3%	\$1,175	10.8%	29.1	22.3
BILINGUAL EDUCATION	166	3.9%	\$39	0.4%	1.0	166.0
MIGRANT PROGRAMS	0	0.0%	\$0	0.0%	0.0	0.0
GIFTED AND TALENTED PROGRAMS	325	7.7%	\$54	0.5%	1.6	203.1
CAREER AND TECHNICAL EDUCATION	1,205	28.4%	\$426	4.4%	19.5	61.8
EXTRACURRICULAR ACTIVITIES	2,013	47.4%	\$352	5.3%	148.0	13.6
ALTERNATIVE EDUCATION PROGRAM/DAEP	77	1.8%	\$52	0.2%	1.0	77.0
JUVENILE JUSTICE ALTERNATIVE EDUCATION PROGRAM	11	0.3%	\$3,084	0.1%	0.0	0.0

LISD student enrollment: 4,244

SECTION V - ADDITIONAL FINANCIAL, OPERATIONAL, AND ACADEMIC INFORMATION

Financial Information

12. State and Regional Resources

The District continuously explores all options for funding, including state and federal sources and local grant sources. The District seeks out and researches potential grants that may be beneficial for the District. The District provides assistance in obtaining external funding for educational programs of distinction which prepare students for academic achievement and graduation. Sources of grants vary widely from State or Federal sources to local options. All funding, state, local or federal, is tied directly to the District Strategic Plan and student performance.

13. Reporting

For the year ended August 31, 2022, Wilf & Henderson, P.C. expressed 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.

14. Oversight

Not Applicable

15. Budget Process

Lindale ISD has a long budget planning process starting in early spring. Lindale ISD uses historical data and trends to project enrollment and staffing needs. The budget is monitored daily by business officials and monthly reports are presented to the Superintendent and School Board. Average Daily Attendance is used to determine campus and program budgets. The District uses an annual needs assessment to determine the potential cost of services and resources for LISD students. Student needs and inflation are constantly discussed among business officials, administrators and the school board during the budget planning process.

**FIGURE 15
BUDGET PROCESS
2021-2022**

QUESTION	YES/NO	NOT APPLICABLE
Does the district's budget planning process include projections for enrollment and staffing?	YES	
Does the district's budget process include monthly and quarterly reviews to determine the status of annual spending?	YES	
Does the district use cost allocation procedures to determine campus budgets and cost centers?	YES	
Does the district analyze educational costs and student needs to determine campus budgets?	YES	

16. Self-funded Programs

The District’s self-funded workers’ compensation program is accounted for and reported in the District’s internal service funds. At August 31, 2022, the workers’ compensation fund reported net position of \$638,400, which was an \$87,000 decrease in net position from the prior fiscal year.

District Operational Information

17. Staffing

All District administrators are evaluated annually. Evaluations help to ensure that highly qualified and effective administrators lead campuses and departments to successfully develop and implement the District’s Strategic Plan and focus on student achievement.

18. Compensation System

Lindale completes an annual comparison to local and similar districts to remain competitive in terms of employee compensation. Lindale ISD does have a retainage program in place to help keep and attract quality staff members. Lindale ISD does not incorporate a merit pay system. However, in 2022 the Board adopted a Teacher Incentive Allotment Program. The District reviews pay scales annually. Pay adjustments are usually a percentage based on previous salary levels. Annually the District makes adjustments to pay scales based on trends and market changes.

**FIGURE 16
COMPENSATION SYSTEM
2021-2022**

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

19. Planning

The District develops a District Improvement Plan (DIP) annually using a comprehensive needs assessment and stakeholder feedback. The school board reviews and adopts the DIP annually each October. All campuses develop a Campus Improvement Plan (CIP) annually using a comprehensive needs assessment and stakeholder feedback. The school board reviews and adopts the CIP annually each October.

Lindale ISD uses a master facility plan to plan properly for facility needs and services to students and staff. The facility plan is reviewed annually. The facility plan includes facility sizes, student capacity, age and condition of buildings, future projected needs.

Lindale ISD does use staff ratios to help determine the number of staff for campuses and departments.

FIGURE 17
OPERATIONAL INFORMATION
2021-2022

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

District Academic Information

20. Programs

The District implements a district-created teacher mentor program annually to better ensure the success of new teachers. The district reviews usage, achievement, and quantitative student growth data and current research to make decisions to continue or to discontinue existing programs. The district defines expected results through continuous needs assessment, which are aligned to district goals and campus goals.

The District continuously reviews and adjusts curriculum and instruction based on state, local, and classroom data, including usage data and student achievement. The District modifies programs, plans, staff development and evaluation of staff based on an analysis of student achievement and program and staff effectiveness.

FIGURE 18
ACADEMIC INFORMATION
2021-2022

QUESTION	YES/NO	NOT APPLICABLE
Does the district have a teacher mentoring program?	YES	
Are decisions to adopt new programs or discontinue existing programs made based on quantifiable data and research?	YES	
When adopting new programs, does the district define expected results?	YES	
Does the district analyze student test results at the district and/or campus level to design, implement and/or monitor the use of curriculum and instructional programs?	YES	
Does the district modify programs, plan staff development opportunities, or evaluate staff based on analysis of student test results?	YES	