

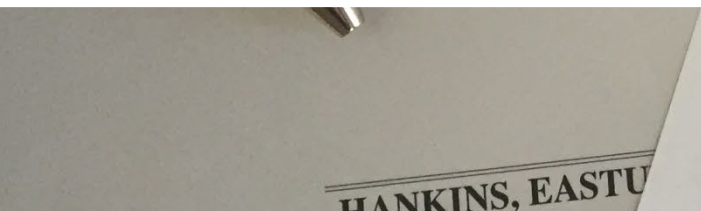
Little Elm ISD

2021-22 Annual Financial Management Report

Shay Adams, Assistant Superintendent for Business and Finance

Jesse Wyse, Director of Budget and Finance

Board Meeting
November 28, 2022
5:30 pm

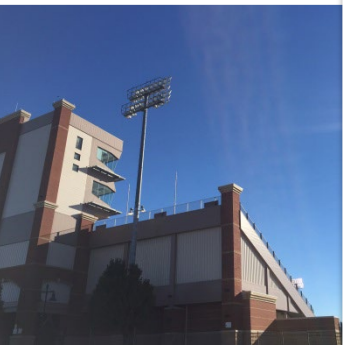
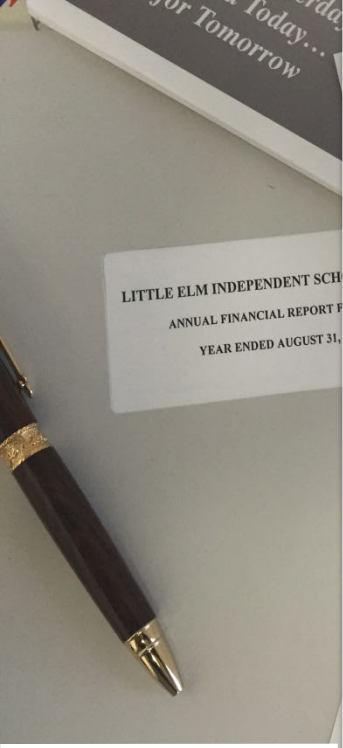


Freeze	Assessed	Taxable	Actual
DP			
DPS	14,492,304		
OV65	89,114		
Total	343,949,075	11,578,345	
Tax Rate	358	64	

3,808	Appraised Value	(-)	
	Homestead Cap	=	2,
	Assessed Value	(-)	
	Total Exemptions Amount (Breakdown on Next Page)	(-)	2,64

2021-22 Schools First Financial Accountability Rating System

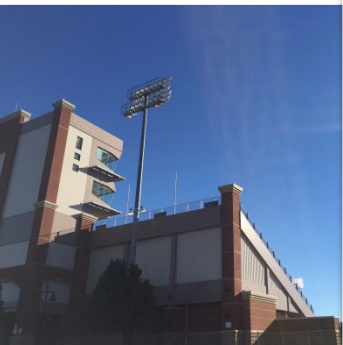
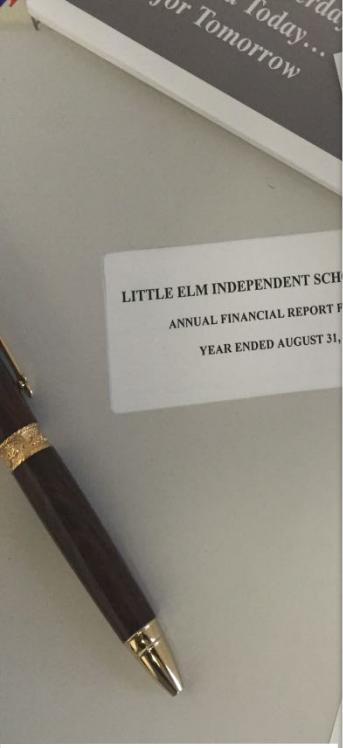
- FIRST = Financial Integrity Rating System of Texas
 - Adopted in by the Legislature in 1999 to achieve quality performance in the management of school district's financial resources.
 - Implemented in 2003
 - Changed in August 2015 and changes authorized by HB5, Section 49, 83rd Texas Legislature
 - ✓ 2021-22 (this year's presentation from last year's (2020-21) data) includes 20 indicators
 - ✓ Assigns financial rating of fail or pass for each of the first 4 indicators, indicators 5, 10 and 15 are not scored this year,
 - ✓ Indicators 6, 16, and 20 are ceiling indicators that are scored pass or fail. Failure caps the maximum score possible to a "B" rating and 89 points. Failing indicator 17 yields a ceiling of 79 points and the highest possible ratio of "C"
 - ✓ The remainder of the indicators are worth 0-5 or 0-10 points, and the highest possible cumulative score is 100 points

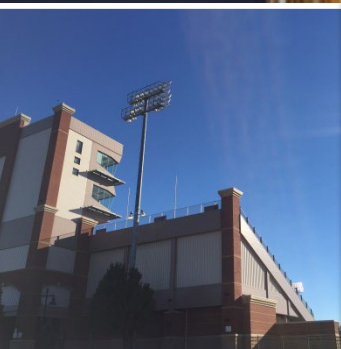
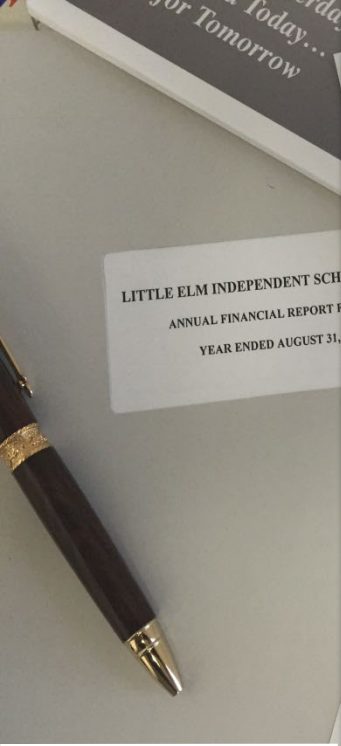


2021-22 Schools First Accountability Rating System

LEISD received the highest rating: A = Superior Achievement

Passed all indicators and scored 98 points out of 100 possible



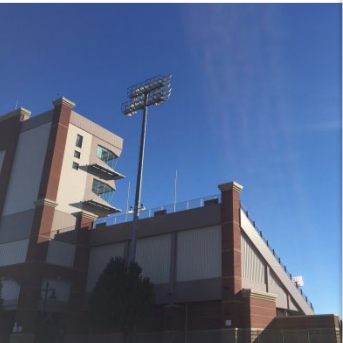
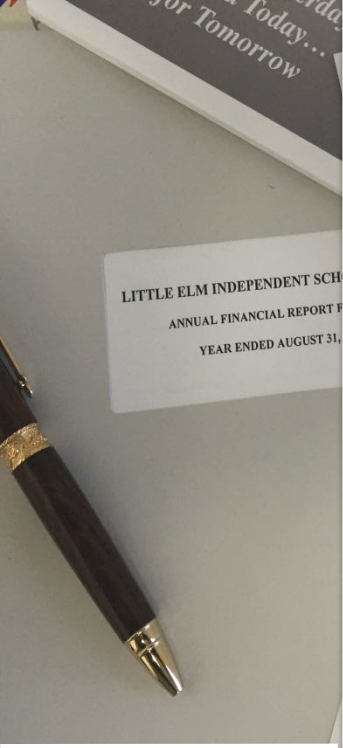


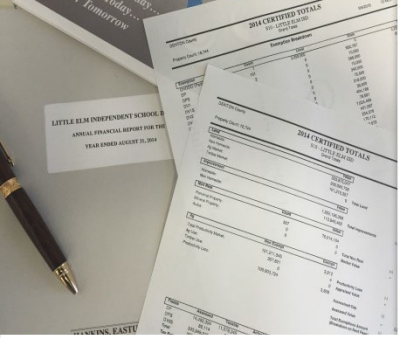
FIRST Rating 20 Indicator Summary

Indicators	Score
Indicator 1 – Audit submitted on time	Pass
Indicator 2 – Audit unmodified opinion	Pass
Indicator 3 – Debt paid on time	Pass
Indicator 4 – Timely payments to Government Agencies	Pass
Indicator 5 – This indicator is not being scored	-
Indicator 6 – Average change in fund balance	Pass
Indicator 7 – Sufficient cash on hand to pay expenditures	10
Indicator 8 – Current assets to current liabilities ratio	10
Indicator 9 – Sufficient fund balance	10
Indicator 10 – This indicator is not being scored	10
Indicator 11 – Long-term liabilities to total asset ratio	10
Indicator 12 – Debt to TAV sufficient ratio to cover payment	8
Indicator 13 – Administrative cost ratio	10
Indicator 14 – Student to staff ratio	10
Indicator 15 – This indicator is not being scored	5

FIRST Rating 20 Indicator Summary Continued

Indicators	Score
Indicator 16 – PEIMS Submission	Pass
Indicator 17 – Audit free of material weakness	Pass
Indicator 18 – Audit free of material noncompliance	10
Indicator 19 – Required financial information posted to website	5
Indicator 20 – Property values discussed at board meeting	Pass



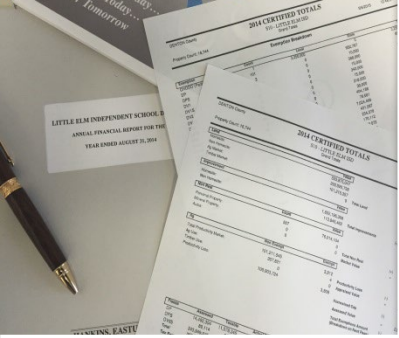


Indicator 1

Question: Was the complete Annual Financial Report (AFR) and data submitted to the Texas Education Agency (TEA) within 30 days of January 28 for school district's with fiscal year end date August 31?

Answer: Yes

Prior Year: Indicator 1 – Answer: Yes

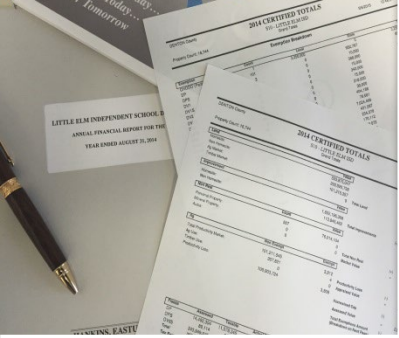


Indicator 2

Question: Was there an unmodified opinion in the Annual Finance Report on the financial statements as a whole?

Answer: Yes

Prior Year: Indicator 2 – Answer: Yes

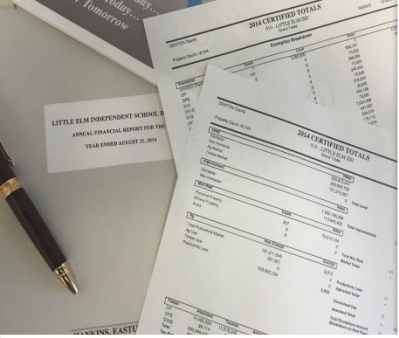


Indicator 3

Question: Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

Answer: Yes

Prior Year: Indicator 3 – Answer: Yes

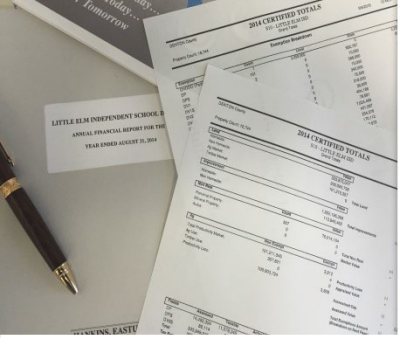


Indicator 4

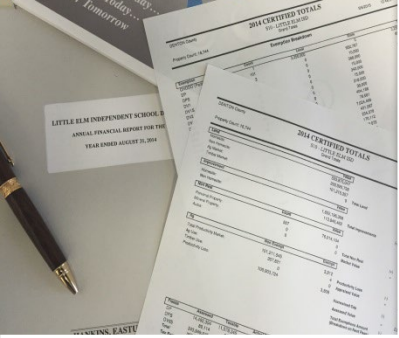
Question: Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?

Answer: Yes

Prior Year: Indicator 4 – Answer: Yes



Indicator 5 – Not Scored for 2021-22



Indicator 6

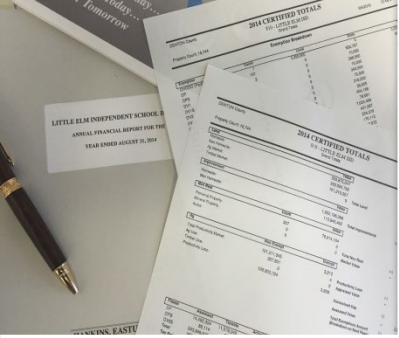
Question: Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures?

Answer: Yes

Threshold: Ceiling Passed if > -0.25 or 75 Days

LEISD Result: 0.0563 and 154 Days

Prior Year: Indicator 6 - Result: 0.0228 and 156 Days



Indicator 7

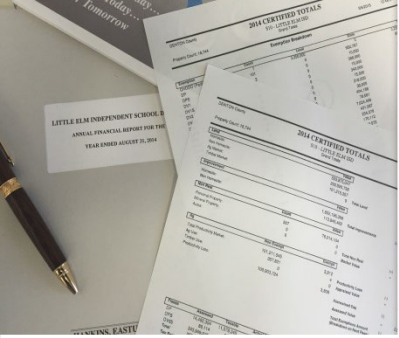
Question: Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures?

Answer: Yes

Threshold: 10 points if \Rightarrow 90 Days

LEISD Result: 174.7311; Points: 10 (out of 10)

Prior Year: Indicator 7 – Result: 182.2467



Indicator 8

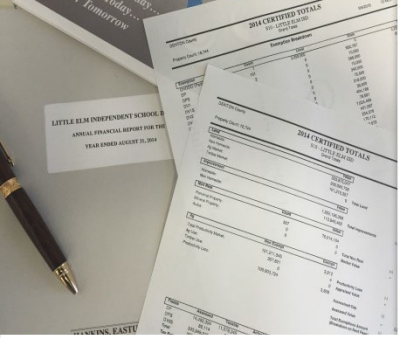
Question: Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

Answer: Yes

Threshold: 10 points if ratio \Rightarrow 3.00

LEISD Result: 5.2662; Points: 10 (out of 10)

Prior Year: Indicator 8 – Answer: 3.521



Indicator 9

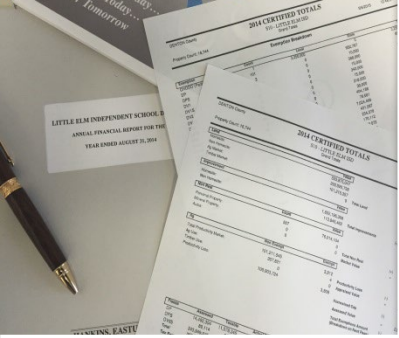
Question: Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

Threshold: 10 points if $(\text{Revenue}/\text{Expenditures}) - 1 > 0$

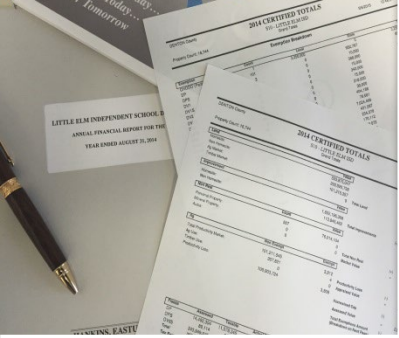
LEISD Result: 0.054 or 174.7311 days;

Points: 10 (out of 10)

Prior Year: Indicator 9 – Answer: 0.1299 or 182.2467 days



Indicator 10 - Not Scored for 2021-22



Indicator 11

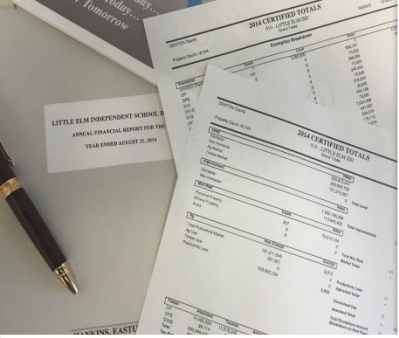
Question: Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school districts' increase of students in membership over 5 years was 7% or more, the school district passes this indicator)

Threshold: 10 points if ratio \leq .60

LEISD Result: 0.8214, but growth of 9.9%;

Points: 10 (out of 10)

Prior Year: Indicator 11 – 0.8042, but growth of 12.22%;



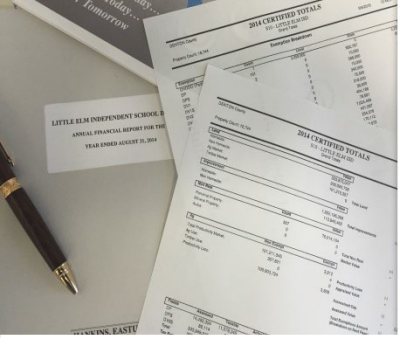
Indicator 12

Question: Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

Threshold: 10 Points if ≤ 4

LEISD Result: 6.5166; Points: 8 (out of 10)

Prior Year: Indicator 12 6.6619; Points: 8 (out of 10)



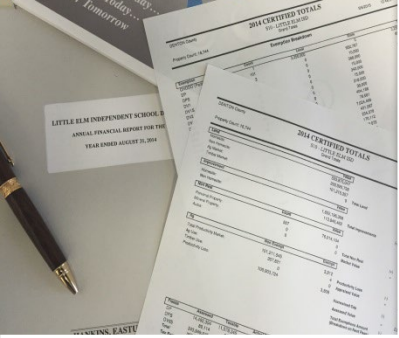
Indicator 13

Question: Was the school district's administrative cost ratio equal to or less than the threshold ratio?

Threshold: 10 points if ≤ 0.1

LEISD Result: 0.8570; Points: 10 (out of 10)

Prior Year: Indicator 13 – Answer: 0.1011



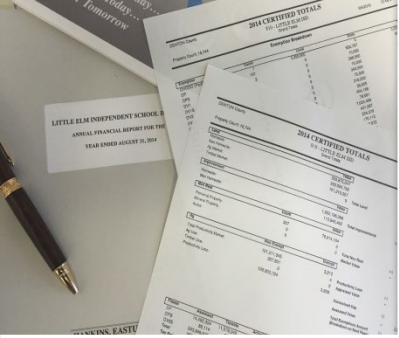
Indicator 14

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

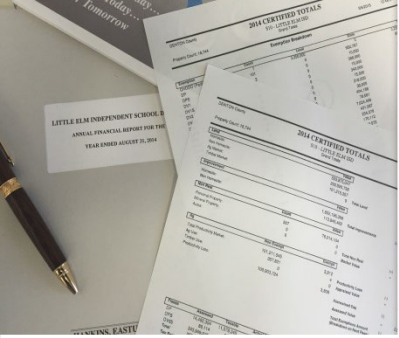
Answer: Yes

Points: 10 (out of 10)

Prior Year: Indicator 14 – Answer: Yes



Indicator 15 – Not Scored for 2021-22



Indicator 16

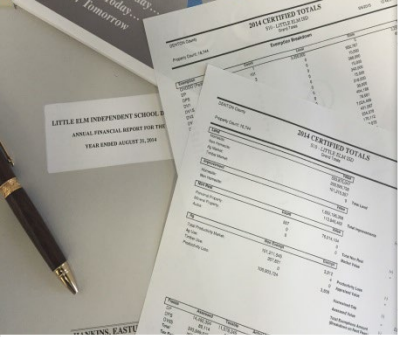
Question: Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?

Answer: Yes

Threshold: Ceiling Passed if ≤ 0.03

LEISD Result: 0.0000092

Prior Year: Indicator 16 – Answer: Yes



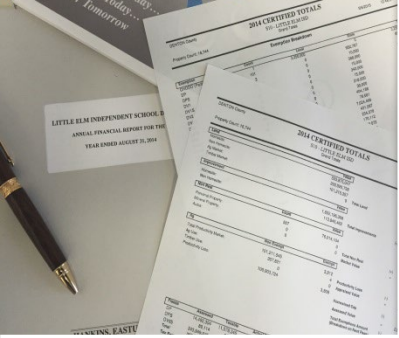
Indicator 17

Question: Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?

Answer: Yes

Threshold: Ceiling Passed if = Yes

Prior Year: Indicator 17 – Answer: Yes



Indicator 18

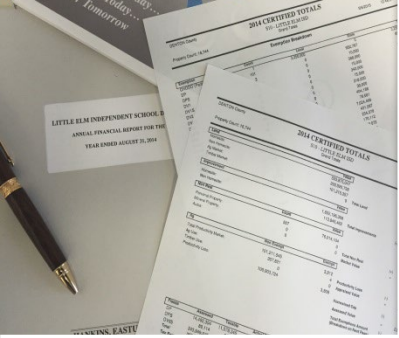
Question: Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?

Answer: Yes

Threshold: 10 Points if = Yes

Points: 10 (out of 10)

Prior Year: Indicator 18



Indicator 19

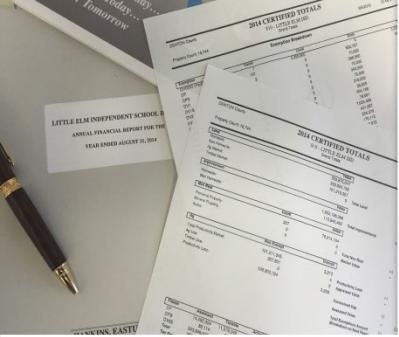
Question: Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?

Answer: Yes

Threshold: 5 Points if = Yes

Points: 5 (out of 5)

Prior Year: Indicator 19



Indicator 20

Question: Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?

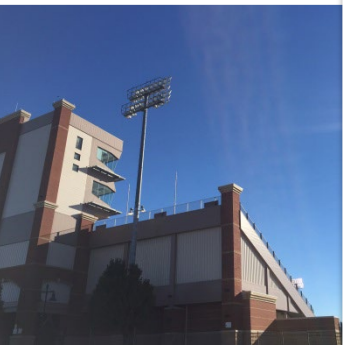
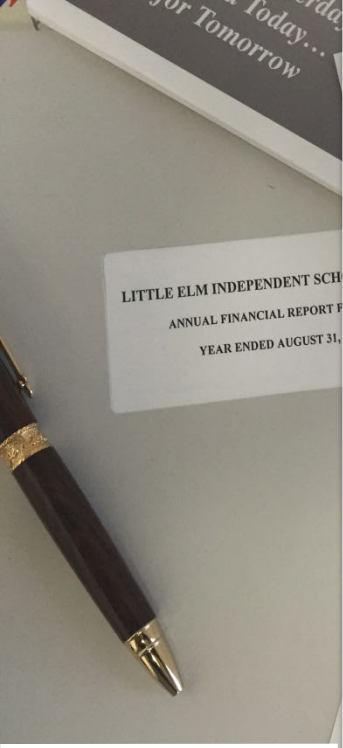
Answer: Yes

Threshold: Ceiling Passed if = Yes

Prior Year: Indicator 20

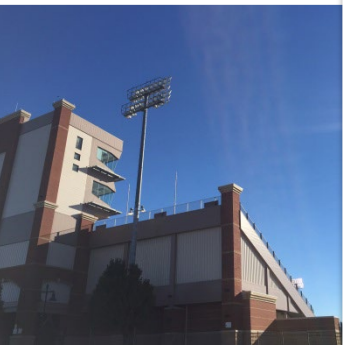
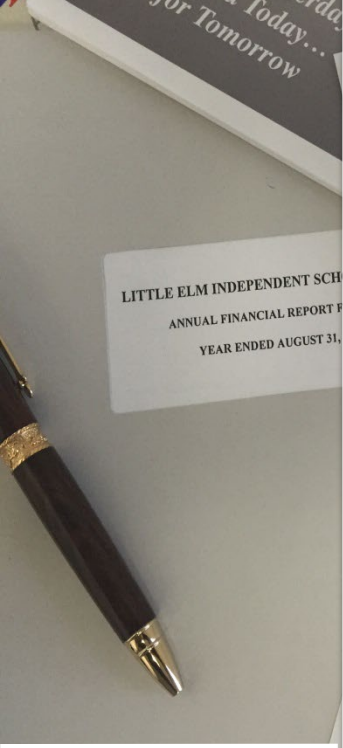
School First Summary

- Answered “Yes” to indicators 1-4, Indicator 5, 10, 15 not scored
- Scored 98 (out Of 100) of indicators 6-20
- Rating Received: A = Superior Achievement



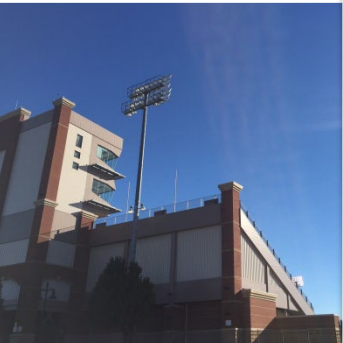
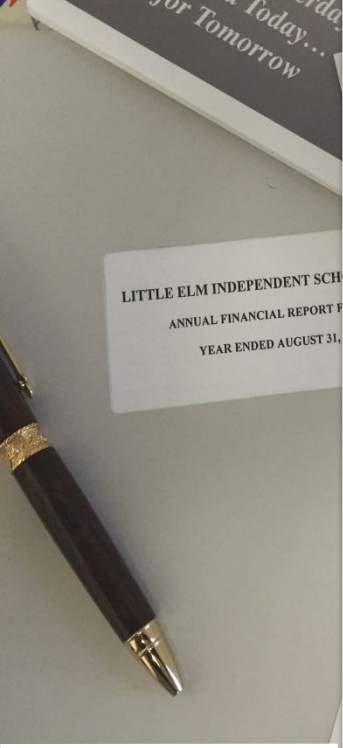
FIRST Rating Transparency Data

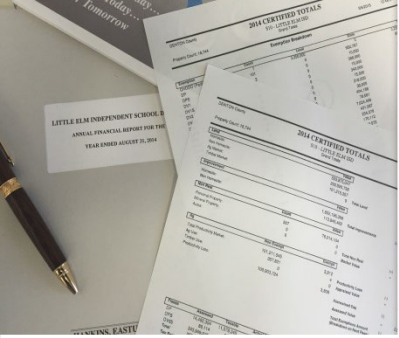
- ✓ Superintendent Employment Contract posted on Little Elm ISD's website:
<https://www.littleelmisd.net/cms/lib5/TX01918043/Centricity/Domain/134/D.%20Gallagher%20Contract%20July%202021.pdf>
- ✓ Reimbursements received by the Superintendent and Board members posted on Little Elm ISD's website



FIRST Rating Transparency Data

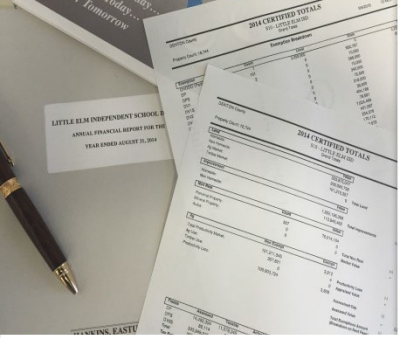
- ✓ No gifts have been reported by the Board members or Superintendent for the 2020-21 Fiscal Year.
- ✓ No business transactions between Little Elm ISD and the Board members have occurred for the 2020-21 Fiscal Year.





Reimbursements Received by the Superintendent and Board Members 2020-21

Description	Superintendent	M. Thompson	M. Myers	D. English
Meals	-	-	-	-
Lodging	-	-	-	-
Transportation	-	-	-	-
Motor fuel	-	-	-	-
Other	881.50	657.5	137.50	37.50
Total	\$881.50	\$657.50	\$137.50	\$37.50



Reimbursements Received by the Superintendent and Board Members 2020-21

Description	A. Flores	J. Olson	D. Montemayor	D. Blackwood
Meals	-	-	-	-
Lodging	-	-	-	-
Transportation	-	-	-	-
Motor fuel	-	-	-	-
Other	37.50	37.50	37.50	37.50
Total	\$37.50	\$37.50	\$37.50	\$37.50