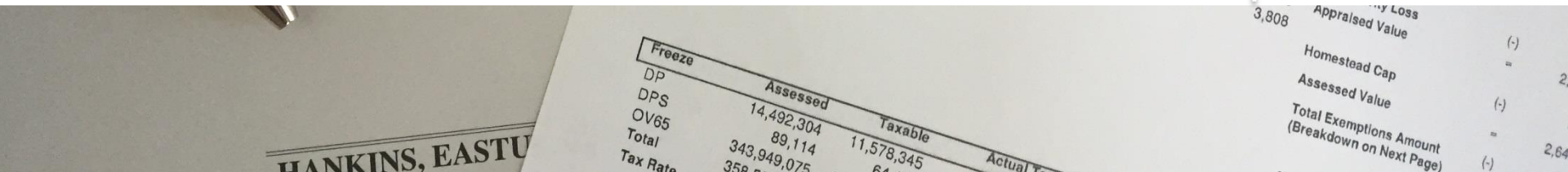


# Little Elm ISD

## 2019-20 Annual Financial Management Report

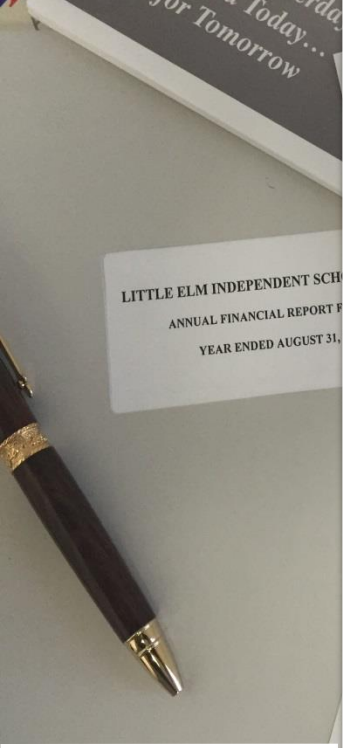
Grant Anderson, Associate Superintendent & Chief Financial Officer

Board Meeting  
November 16, 2020  
5:30 pm



## 2019-20 Schools First Financial Accountability Rating System reflects fiscal year 2018-19 Data

- 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, 83<sup>rd</sup> Texas Legislature
    - ✓ Three phases requiring separate worksheet for 2015, 2016, & 2017
    - ✓ 2019-20 (this year's presentation from last year's **2018-19 data** includes 15 indicators
    - ✓ Assigns financial rating of fail or pass for each of the first 4 indicators, indicator 5 is not scored this year, and 1 – 10 points for indicators 6 – 15. Highest possible points is 100.



## 2019-20 Schools First Accountability Rating System

LEISD received the highest rating: A = Superior

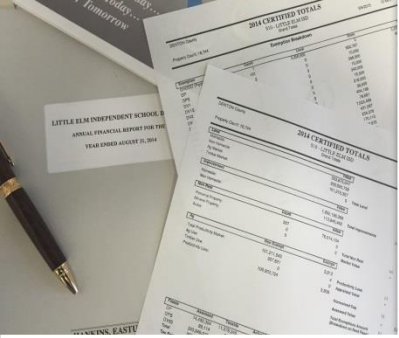
Passed all indicators and scored 98 points out of 100 possible





## FIRST Rating 15 Indicator Summary

Indicators	Pass/Fail
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	Unscored
Indicator 6 – Sufficient cash on hand to pay expenditures	10 Pts
Indicator 7 – Current assets to current liabilities ratio	10 Pts
Indicator 8 – Long-term liabilities to total asset ratio	10 Pts
Indicator 9 – Sufficient fund balance	10 Pts
Indicator 10 – Debt service coverage ratio	10 Pts
Indicator 11 – Administrative cost ratio	8 Pts
Indicator 12 – Student to staff ratio	10 Pts
Indicator 13 – PEIMS submission	10 Pts
Indicator 14 – Audit free of material weaknesses	10 Pts
Indicator 15 – No financial hardship adjustment	10 Pts

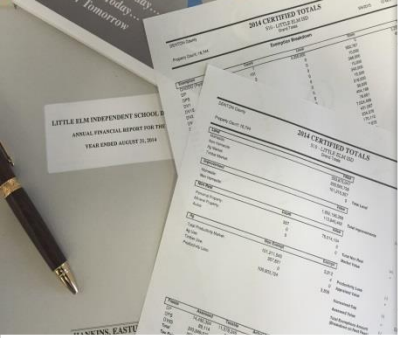


## Indicator 1

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

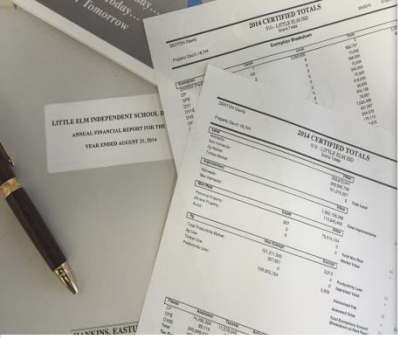


## Indicator 2.A

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

Answer: Yes

Prior Year: Indicator 2.A – Answer: Yes

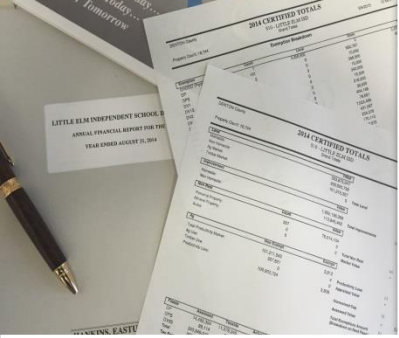


## Indicator 2.B

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

Prior Year: Indicator 2.B – Answer: Yes



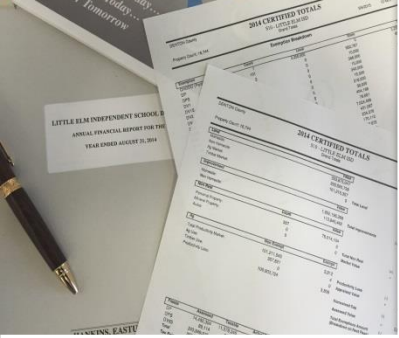
## Indicator 3

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



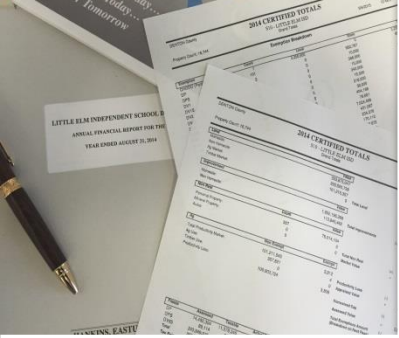


## Indicator 4

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

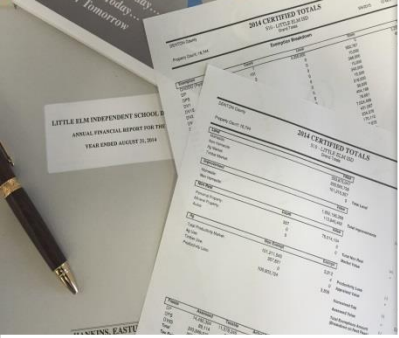


## Indicator 5 – Not Scored for 2019-20

Question: Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero?

Answer: Not Scored for 2019-20 Rating

Prior Year: Indicator 5 – Answer: Not Scored



## Indicator 6

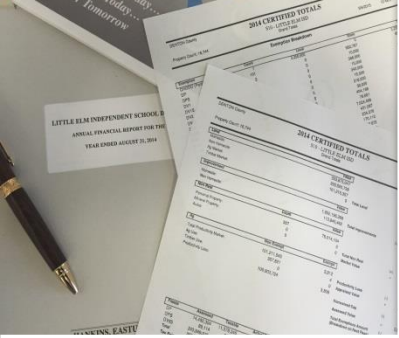
Question: Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures?

Answer: Yes

Threshold: 10 points if  $\Rightarrow$  90 Days

LEISD Result: 171.7108 days; Points: 10 (out of 10)

Prior Year: Indicator 6 – Answer: 188.33



## Indicator 7

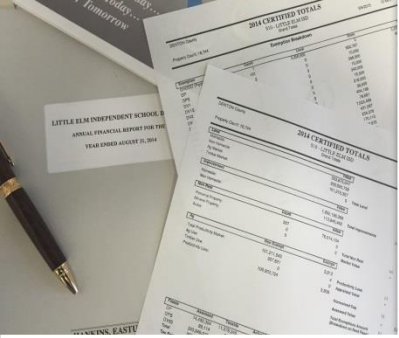
Question: Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

Answer: Yes

Threshold: 10 points if ratio  $\Rightarrow$  3.00

LEISD Result: 7.4934; Points: 10 (out of 10)

Prior Year: Indicator 7 – Answer: 15.2586



## Indicator 8

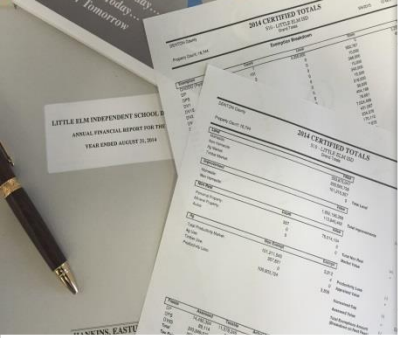
Question: Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school districts' increase of students in membership over 5 years was 7% or more, the school district passes this indicator)

Threshold: 10 points if ratio  $\leq$  .60

LEISD Result: 0.843, but growth of 12.09%;

Points: 10 (out of 10)

Prior Year: Indicator 8 – 0.9132, but growth of 13.73%



## Indicator 9

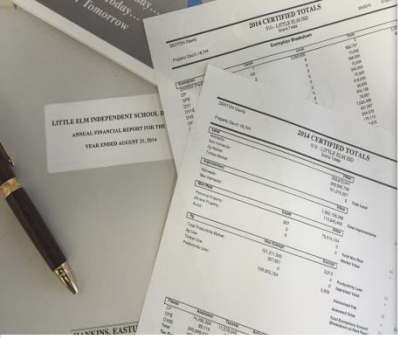
Question: Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

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

LEISD Result: 0.1064 or 171.7108 days;

Points: 10 (out of 10)

Prior Year: Indicator 9 – Answer: 0.1198 or 188.33 days



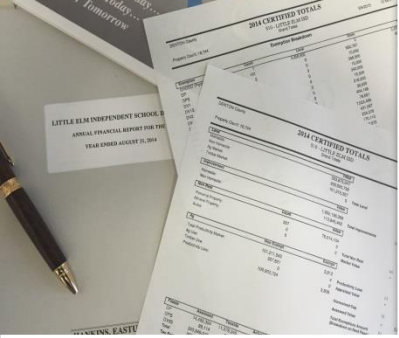
## Indicator 10

Question: Was the debt service coverage ratio sufficient to meet the required debt service?

Threshold: 10 points if  $\Rightarrow 1.2$

LEISD Result: 1.575; Points: 10 (out of 10)

Prior Year: Indicator 10 – 1.8987



## Indicator 11

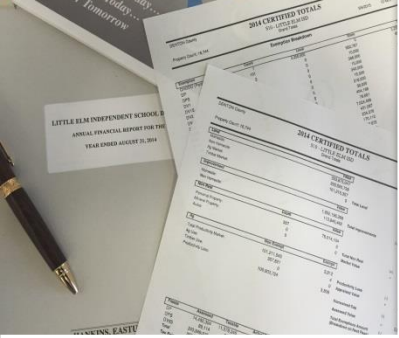
Question: Was the school district's administrative cost ratio equal to or less than the threshold ratio?

Threshold: 10 points if  $\leq 0.1$

LEISD Result: 0.1052; Points: 8 (out of 10)

Prior Year: Indicator 11 – Answer: 0.1062





## Indicator 11 Historical Ratios

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

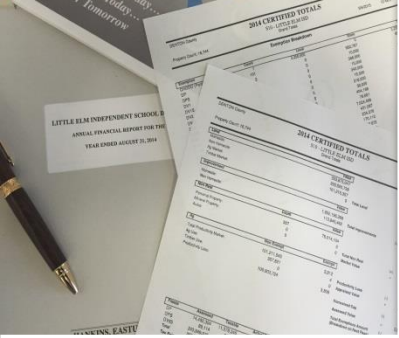
5,000 to 9,999 students need ratio to be equal to or less than .10000

PY 2017-18: Indicator 11 – Answer: .1062

**CY 2018-19: Indicator 11 – Answer: .1052**

2019-20 Estimated: Indicator 11 – Answer: .1009

2020-21 Estimated Current Year: Anticipate below .1



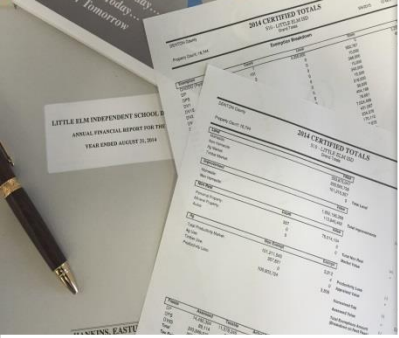
## Indicator 12

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 12 – Answer: Yes



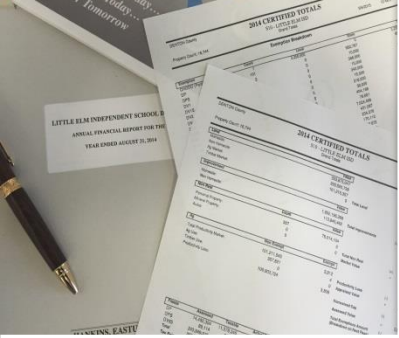
## Indicator 13

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

Points: 10 (out of 10)

Prior Year: Indicator 13 – Answer: Yes



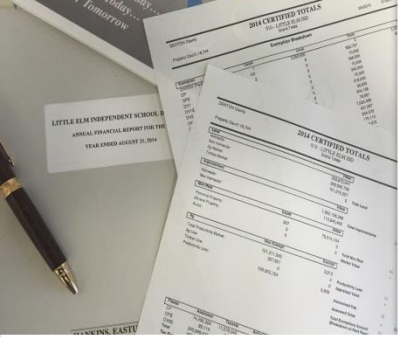
## Indicator 14

Question: Did the external independent auditor report that 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

Points: 10 (out of 10)

Prior Year: Indicator 14 – Answer: Yes



## Indicator 15

Question: Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?

Answer: Yes

Points: 10 (out of 10)

Prior Year: Indicator 15 – Answer: Yes



## School First Summary

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



## FIRST Rating Transparency Data

- ✓ Superintendent Employment Contract posted on Little Elm ISD's website:  
<https://www.littleelmisd.net/cms/lib5/TX01918043/Centricity/Domain/134/Daniels%20Contract%202020.pdf>
- ✓ Reimbursements received by or expenses paid for on behalf of the Superintendent and Board members posted on Little Elm ISD's website

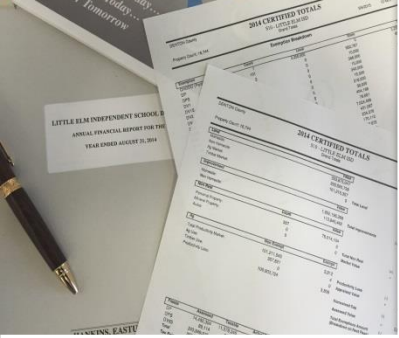


## FIRST Rating Transparency Data

- ✓ No gifts have been reported by the Board members or Superintendent for the 2018-19 Fiscal Year.
- ✓ No business transactions between Little Elm ISD and the Board members have occurred for the 2018-19 Fiscal Year.

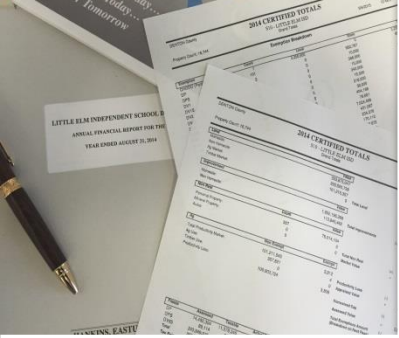






**Reimbursements Received by or Expenses Paid for on Behalf of the Superintendent and Board Members 2018-19**

<b>Description</b>	<b>Super-intendent</b>	<b>L. Harding</b>	<b>M. Myers</b>	<b>D. English</b>	<b>A. Flores</b>
Meals	18.88	-	-	89.79	105.23
Lodging	1,921.29	-	-	1,283.94	1,275.28
Transportation	482.59	-	-	930.07	836.52
Motor fuel	-	-	-	20.32	-
Other	295.00	120.00	130.00	1,115	985.00
<b>Total</b>	<b>\$2,717.76</b>	<b>\$120.00</b>	<b>\$130.00</b>	<b>\$3,439.12</b>	<b>\$3,202.03</b>



## Reimbursements Received by or Expenses Paid for on Behalf of the Superintendent and Board Members 2018-19

Description	A. Flores	J. Olson	D. Montemayor	D. Blackwood
Meals	105.23	-	110.82	220.42
Lodging	1,275.28	-	696.51	1,791.91
Transportation	836.52	-	136.41	1173.25
Motor fuel	-	-	-	109.58
Other	985.00	-	130.00	1,250.00
<b>Total</b>	<b>\$3,202.03</b>	<b>\$0.00</b>	<b>\$1,073.74</b>	<b>\$4,545.16</b>