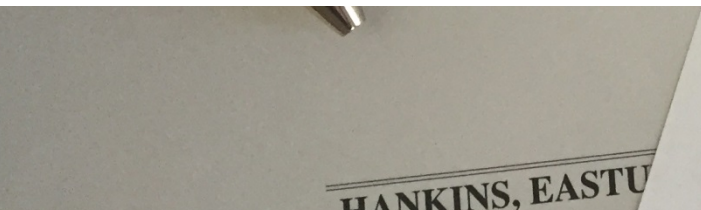


Little Elm ISD

2018-19 Annual Financial Management Report

Grant Anderson, Associate Superintendent & Chief Financial Officer

Board Meeting
November 18, 2019
6:00 pm

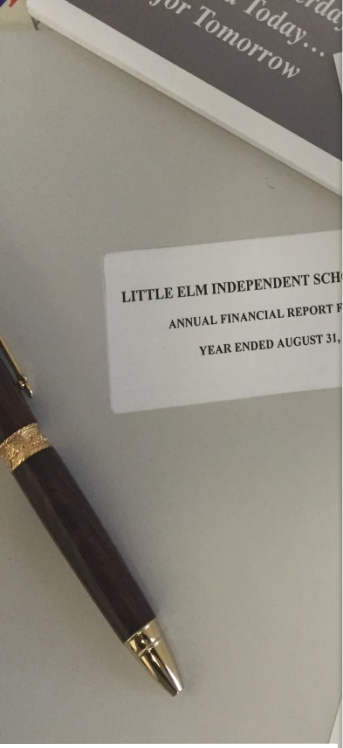


Freeze	Assessed	Taxable	Actual
DP	14,492,304		
DPS	89,114	11,578,345	
OV65	343,949,075	64	
Total			
Tax Rate	358		

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

2018-19 Schools First Financial Accountability Rating System

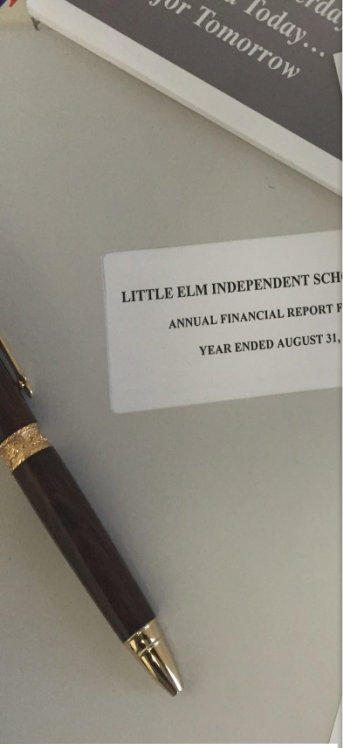
- FIRST = Financial Integrity Rating System of Texas
 - Adopted in by the Legislature in 1999 to achieve quality performance in the management of school district's financial resources.
 - Implemented in 2003
 - Changed in August 2015 and changes authorized by HB5, Section 49, 83rd Texas Legislature
 - ✓ Three phases requiring separate worksheet for 2015, 2016, & 2017
 - ✓ 2018-19 (this year's presentation from last year's (2017-18) 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.

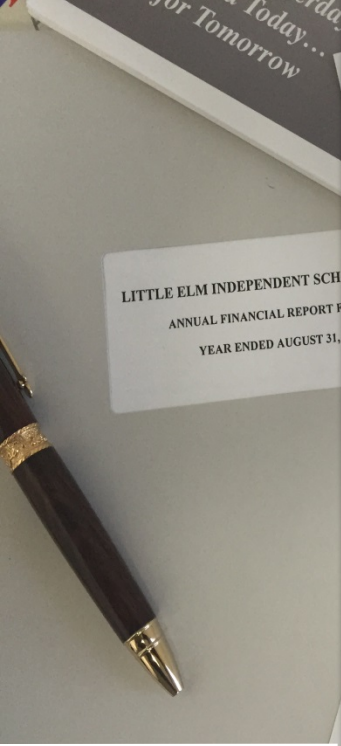


2018-19 Schools First Accountability Rating System

LEISD received the highest rating: A = Superior

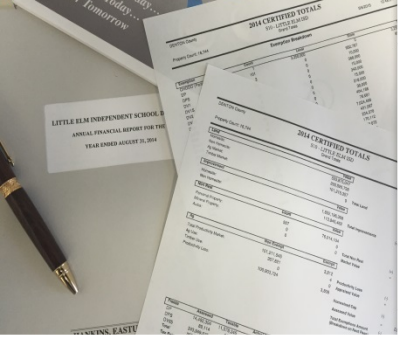
Passed all indicators and scored 98 points out of 100 possible





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 – Unrestricted Net Assets balance	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

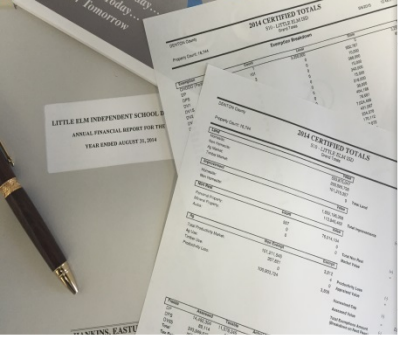


Indicator 1

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

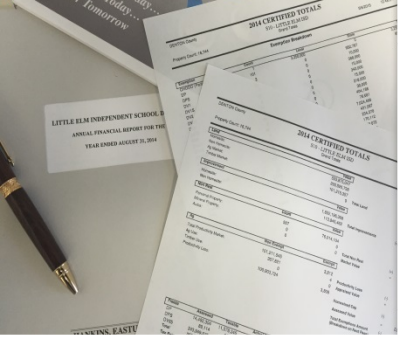


Indicator 2.A

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

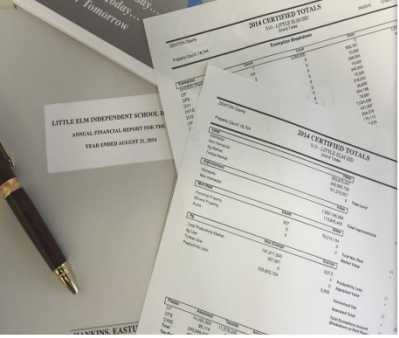


Indicator 2.B

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

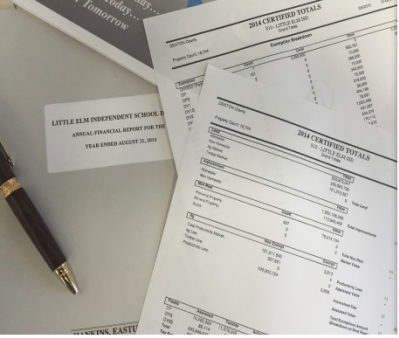


Indicator 3

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

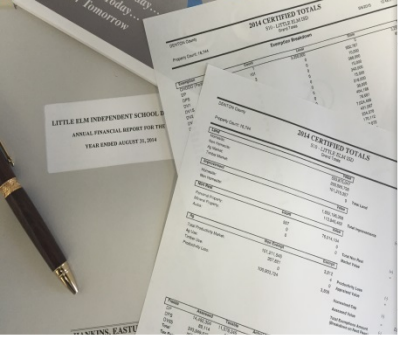


Indicator 4

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

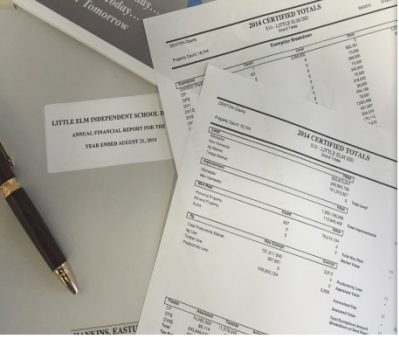


Indicator 5 – Not Scored for 2018-19

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 2018-19 Rating

Prior Year: Indicator 5 – Answer: Yes



Indicator 6

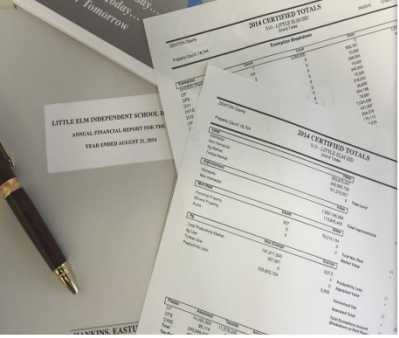
Question: Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures?

Answer: Yes

Threshold: 10 points if \Rightarrow 90 Days

LEISD Result: 188.33 days; Points: 10 (out of 10)

Prior Year: Indicator 6 – Answer: 179.9336



Indicator 7

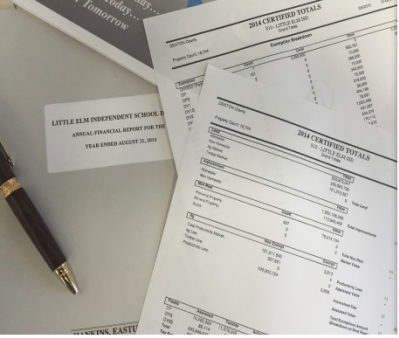
Question: Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

Answer: Yes

Threshold: 10 points if ratio \Rightarrow 3.00

LEISD Result: 15.2586; Points: 10 (out of 10)

Prior Year: Indicator 7 – Answer: 3.2576



Indicator 8

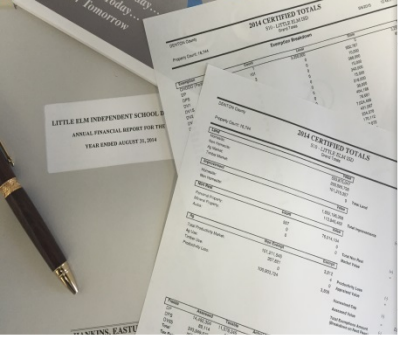
Question: Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school districts change of students in membership over 5 years is 7% or more, the school district passes this indicator)

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

LEISD Result: 0.9132, but growth of 13.73%;

Points: 10 (out of 10)

Prior Year: Indicator 8 – 0.8841, but growth of 15.41%



Indicator 9

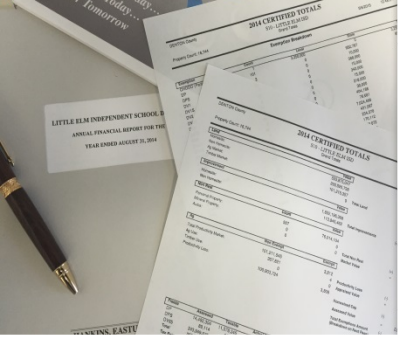
Question: Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?

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

LEISD Result: 0.1198 or 188.33 days;

Points: 10 (out of 10)

Prior Year: Indicator 9 – Answer: 0.0954 or 179.9336 days



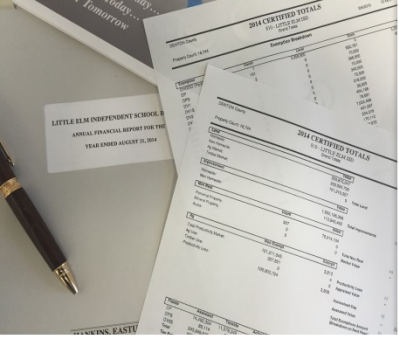
Indicator 10

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

Threshold: 10 points if \Rightarrow 1.2

LEISD Result: 1.8987; Points: 10 (out of 10)

Prior Year: Indicator 10 – 1.771



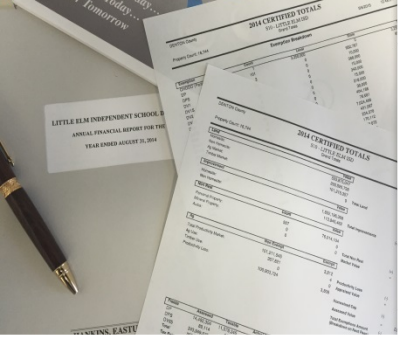
Indicator 11

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: 0.1062; Points: 8 (out of 10)

Prior Year: Indicator 11 – Answer: 0.0995



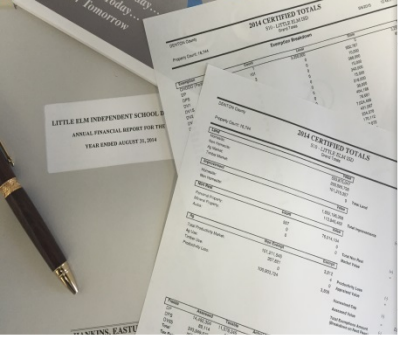
Indicator 12

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



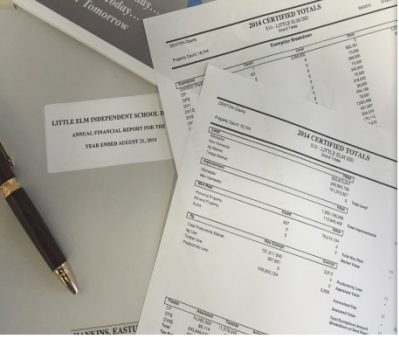
Indicator 13

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



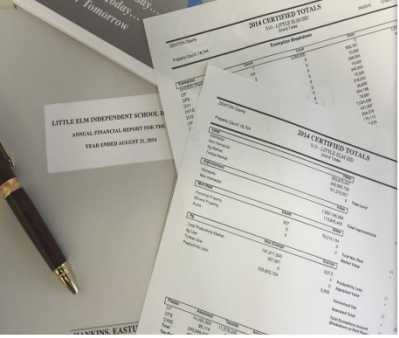
Indicator 14

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



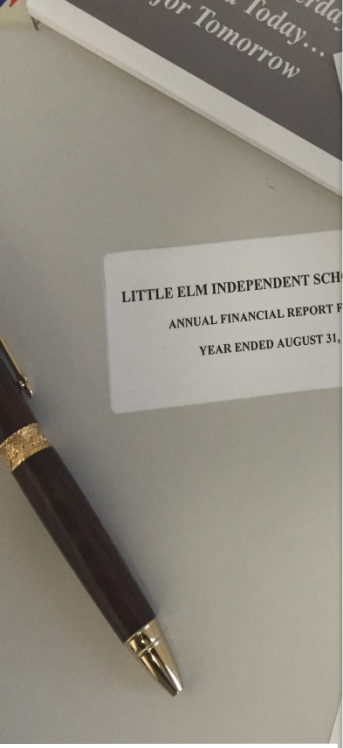
Indicator 15

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



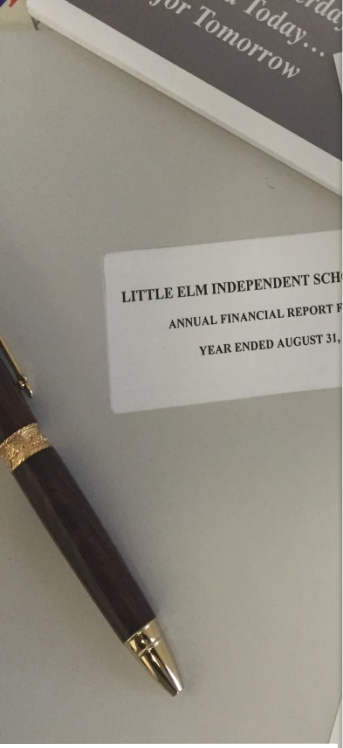
School First Summary

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



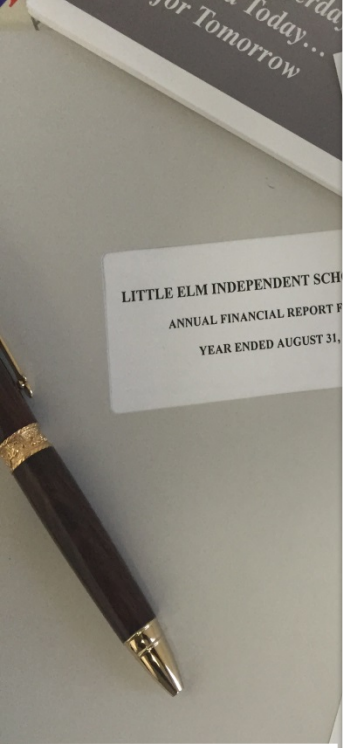
FIRST Rating Transparency Data

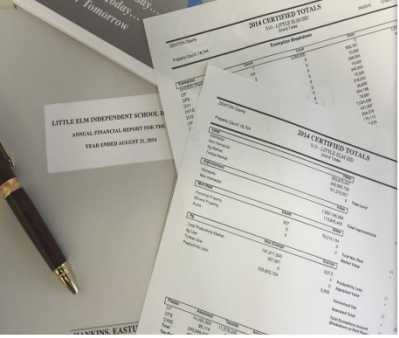
- ✓ Superintendent Employment Contract posted on Little Elm ISD's website:
<https://www.littleelmisd.net/cms/lib5/TX01918043/Centricity/Domain/134/Superintendents%20Contract%20Rev%2007.29.2019.pdf>
- ✓ Reimbursements received by the Superintendent and Board members posted on Little Elm ISD's website



FIRST Rating Transparency Data

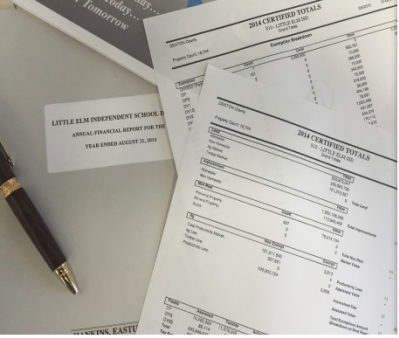
- ✓ No gifts have been reported by the Board members or Superintendent for the 2017-18 Fiscal Year.
- ✓ No business transactions between Little Elm ISD and the Board members have occurred for the 2017-18 Fiscal Year.





Reimbursements Received by the Superintendent and Board Members 2017-18

Description	Superintendent	L. Harding	M. Myers	D. English	A. Flores
Meals	105.23	-	128.12	145.66	106.07
Lodging	782.31	-	358.52	537.78	358.52
Transportation	277.52	-	50.00	75.00	50.00
Motor fuel	33.72	-	333.54	333.54	333.54
Other	5,036.00	50.00	1,340.00	1,290.00	1,290.00
Total	\$6,234.78	\$50.00	\$2,210.18	\$2,381.98	\$2,138.13



Reimbursements Received by the Superintendent and Board Members

Description	A. Flores	J. Olson	D Montemayor	D. Blackwood
Meals	106.07	153.37	144.98	263.44
Lodging	358.52	396.48	537.78	975.59
Transportation	50.00	-	75.00	-
Motor fuel	333.54	333.54	333.54	353.16
Other	1,290.00	965.00	1,340.00	1,705.00
Total	\$2,138.13	\$1,848.39	\$2,431.30	\$3,297.19