

Agenda of Regular Meeting

The Board of Trustees Little Elm ISD

A Regular Meeting of the Board of Trustees of Little Elm ISD will be held October 16, 2023, beginning at 6:00 PM in the Little Elm ISD Administration Building.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. Call to Order Open Session in the Board Room at Little Elm ISD Administration Building on 400 Lobo Lane, Little Elm, Texas 75068.
2. The Board will recess into Closed Meeting in the Board Support Conference Room as permitted by the Texas Open Meetings Act Code Subchapter 551.072 & 551.074. The Board and Superintendent will discuss:
 - A. Personnel
 - B. Land
3. Pledge of Allegiance
4. Invocation
5. Introduction and Roll Call
6. Superintendent Spotlight
 - A. Governor's Resolution Honoring Human Resources
Presenter: Donnie Bartlett
 - B. Students of the Month Recognition
Presenter: Donnie Bartlett
7. Reports of the Superintendent
 - A. Legislative Update
Presenter: Michael Lamb
 - B. Construction Update 4
Presenter: Mickey James
8. Citizen Input
Audience participation shall be permitted at regular Board meetings and shall be limited to the public comment portion designated for that purpose
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Presenter: Alfred Gaches	
12. Board President Comments	
Presenter: Jason Olson	
13. Board Comments	
14. Superintendent Comments	
15. Adjournment	

If, during the course of the meeting, the Board of Trustees should determine that a closed meeting should be conducted, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code Section 551.001 et seq. The meeting will be held by the School Board at the date, hour, and place given in this Notice or as soon after the commencement of the meeting covered by this Notice as the School Board may conveniently meet in such closed or executive meeting or session concerning any and all purposes permitted by the Act, including, but not limited to the following sections and purposes:

Texas Government Code Section:

551.071	Private consultation with the Board's attorney.
551.072	Discussing purchase, exchange, lease, or value of real property.
551.073	Discussing negotiated contracts for prospective gifts or donations.
551.074	Discussing personnel or to hear complaints against personnel.
551.075	To confer with employees of the school district to receive information or to ask questions.
551.076	Considering the deployment, specific occasions, for or implementation of security personnel or devices.
551.082	Considering discipline of a public school child, or complaint or charge against personnel.
551.0821	Considering personally identifiable information about public school student.

- 551.083 Considering the standards, guidelines, terms, or conditions the board will follow, or will instruct its representatives to follow, in consultation with representatives of employees groups,
- 551.084 Excluding witnesses from a hearing.

Before any closed meeting is convened, the presiding officer will publicly identify the section or sections or the Act authorizing the closed meeting.

Should any final action, final decision, or final vote be required in the opinion of the School Board with regard to any matter considered in such closed or executive session, then the final action, final decision, or final vote shall be either:

- (a) in the open meeting covered by the Notice upon the reconvening of the public meeting, or
- (b) at a subsequent public meeting of the School Board upon notice thereof; as the School Board shall determine.

Superintendent

Original copy of this agenda was posted on the bulletin board at the Little Elm ISD Administration Building 72 hours prior to the scheduled meeting.

Sonia S. Flores

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
10-16-2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Subject:	CONSTRUCTION UPDATE				
Presenter or Contact Person:	Mickey James, Executive Director of Construction				
Policy/Code:	CVD (LOCAL)				
Strategic Plan Goal:	To ensure fiscal health & sustainability.				
Summary:	Presenting the current status of active construction projects and upcoming projects.				
Financial Implications:	There is no financial impact to the budget.				
Attachments:	PowerPoint Sides under separate cover				
Recommendation:	Item is for informational purposes only. No recommendation is necessary.				
Motion:	Item is for informational purposes only. No motion is necessary.				



LEISD Construction Update

(10/16/2023)

Completed Program Projects (2017 Bond)

Brent Security Vestibule
Chavez Security Vestibule
Athletic Stadium
 Concessions A/C
 Electronic Scoreboard
 Turf Replacement
 Track & Field Replacements
 Drainage Corrections
Little Elm High School
 HVAC Replacements – ESPC I
 CTE Area Renovations
 Engineering & Robotics
 Health Sciences
 School Store
 Lecture Hall
 SPED Classroom Conversion
 Athletic Field Replacements
 Covered Bleachers
 Concessions Building
 Tennis Courts Refurbished
 Fence & Sidewalk
 Locker Room Conversions
Impact-resistant Safety Film Program

Roof Replacements
 Brent
 Chavez
 Hackberry
 Lakeside
 Zellars
PerryWeather Storm Warning Systems
French Settlement Replacement
Prestwick Sidewalk Replacements
Prestwick Plumbing Replacements
Walker Middle School
District-wide ESPC II
Lakeside Administration Conversion
Stadium & Chavez ESPC III
Indoor Facility & Locker Rooms
Welding Shop Expansions
Lebanon Drive @ Strike MS
High School Security Fencing
Strike Middle School Paving
 Scotty's Lake Lane Paving
Zellars Early Childhood Learning

2022 Bond Program Projects

Design and Planning

- Strike MS and Walker MS Orchestra Addition
- Elementary #7
- High School Additions & Renovations
- Brent and Chavez Interior Upgrades
- Monument Signs
- Doors Access Control

Currently Under Construction

- Playground Renovations
- High School Bistro Upgrades

Recently Completed

- Weapons Detection System
- Protective Window Film



In Design

Elementary #7

Designed by Corgan Architects, Elementary #7 will be located in the Town of Lakewood Village. Initial design meeting was held in late June. The programming and schematic design phases are done and is now currently in the design development phase. Expected to get the first pricing package back from the GC by the end of October.



Currently Under Construction



Playground Renovations

Playground renovations started mid-September. Noah's Park & Playgrounds is moving along completing one campus at a time and is expected to finish all playgrounds by the end of November.





Recently Completed

Zellars Early Childhood Learning Center



Typical Corridors





Recently Completed

Zellars Early Childhood Learning Center



Indoor Play Area



Outdoor Playground



Storytelling



Recently Completed

Zellars Early Childhood Learning Center



All new classroom furniture



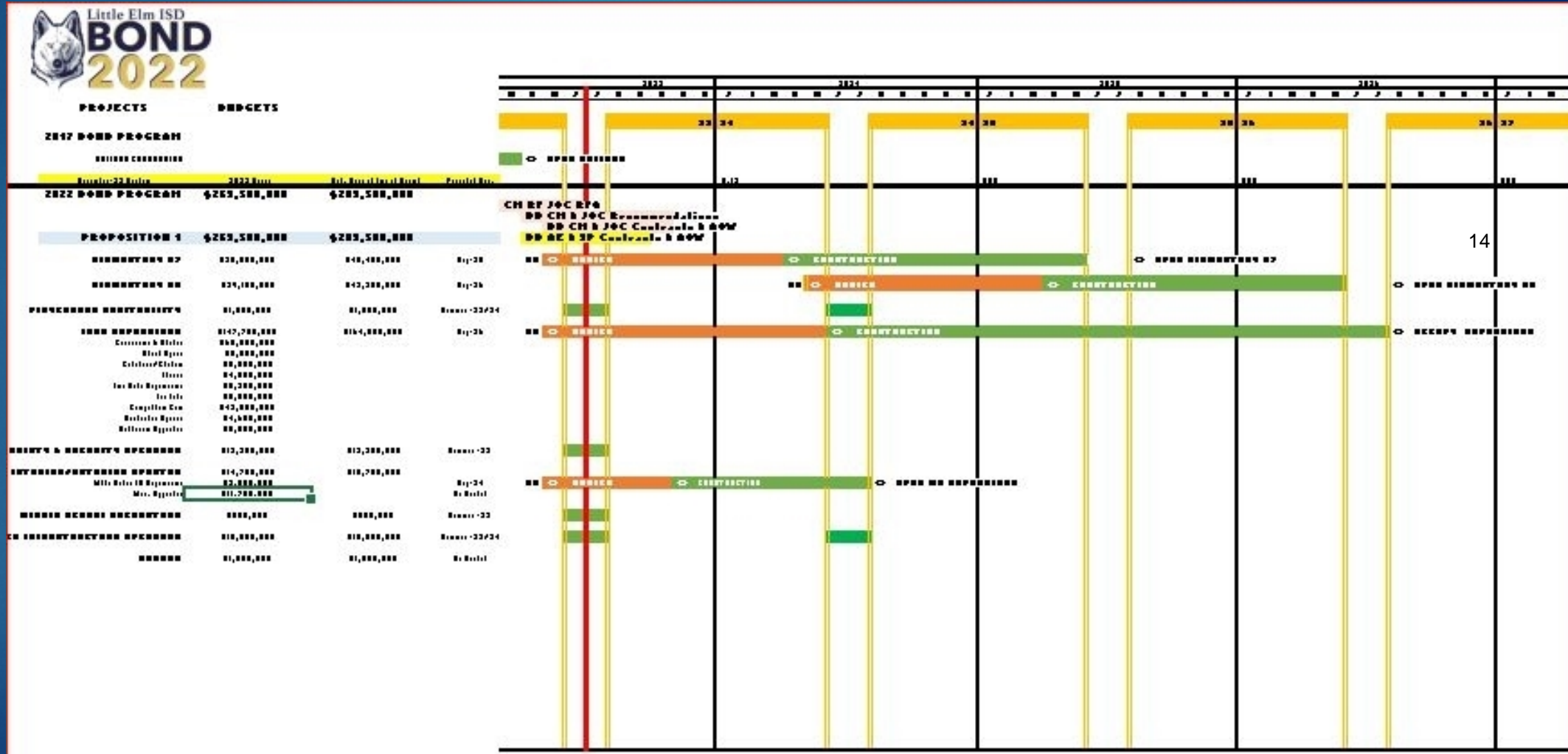
2022 Bond Scope

NOVEMBER BOND PROPOSAL

Project	May 2022		November 2022
High School Additions & Renovations	\$147,700,000	Escalate	\$164,550,000
Elementary #7	\$35,500,000	Escalate	\$40,400,000
Daycare Relocation	\$8,000,000		
Orchestra	\$800,000		\$800,000
Elementary #8	\$39,100,000	Escalate	\$42,300,000
Elementary #9	\$44,000,000		
Middle School #3	\$95,400,000		
Interior/Exterior Updates	\$15,500,000	Escalate	\$15,750,000
Technology Infrastructure	\$10,000,000		\$10,000,000
Playground Equitability	\$1,500,000		\$1,500,000
Buses	\$1,000,000		\$1,000,000
Safety & Security		Added	\$13,200,000
TOTAL			\$289,500,000



2022 Bond Schedule





2022 Phase I Scope



2022 PROGRAM BUDGET ANALYSIS

Including Unscheduled Purchases

March '23 PHASE I

Updated 10/10/2023

\$289,500,000 TOTAL TO BE SOLD

\$181,600,000 FIRST SALE

Elementary #7 - Lakewood Village	\$38,379,375	\$40,400,000	Arch Approved 5/15/2023
	\$2,020,625		Approved 5/15/2023
Playgrounds		\$1,500,000	Arch Approved 5/15/2023
LEHS Expansions	\$111,678,500	\$117,510,000	Approved 5/15/2023
	\$5,645,000		Arch Approved 5/15/2023
Bistro Upgrades	\$186,500		Approved 7/24/2023
Safety & Security	\$6,536,737	\$8,000,000	Approved 4/17/2023
Weapons Detection Syst.	\$751,463		Approved 4/17/2023
Protective Window Film	\$711,800		Approved 4/17/2023
Int/Ext Upgrades	\$6,680,394	\$9,890,000	
MS Orchestra Additions	\$2,770,000		
	\$230,000		Arch Approved 5/15/2023
Hackberry Light Poles	\$59,812		Approved 4/17/2023
Monument Signs	\$149,794		
MS Orchestra Equipment		\$800,000	
Technology Upgrades	\$3,090,389	\$3,500,000	
Brent & Chavez	\$409,611		Approved 3/27/2023

\$0 Sub Total Balance



QUESTIONS ?

Board Agenda Item

Little Elm Independent School District

300 Lobo Lane

Little Elm, Texas 75068

	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Board Mtg. Date 10-16-2023	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	REGULAR BOARD MEETING MINUTES - 9/18/2023.				
Presenter or Contact Person:	Sonia S. Flores				
Policy/Code:	N/A				
Strategic Plan Goal:	N/A				
Summary:	Board Meeting Minutes for September 18, 2023.				
Financial Implications:	There is no financial impact to the budget.				
Attachments:	Meeting Minutes				
Recommendation:	The Administration recommends the approval of the Regular Board Meeting Minutes for September 18, 2023.				
Motion:	I move that the Board approve the attached Regular Board Meeting Minutes for September 18, 2023.				

Minutes of Regular Meeting

The Board of Trustees Little Elm ISD

A Regular Meeting of the Board of Trustees of Little Elm ISD will be held September 18, 2023, beginning at 6:00 PM in the Little Elm ISD Administration Building.

PRESENT: President Jason Olson, Vice President Mary Watkins, Secretary DeLeon English, Trustee Ken Beber, Trustee David Montemayor, Trustee Jeff Burton, Trustee Alex Flores, and Superintendent Michael Lamb.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. Call to Order Open Session in the Board Room at Little Elm ISD Administration Building on 400 Lobo Lane, Little Elm, Texas 75068. Board President Jason Olson called the meeting to order at 6:00 pm.
2. The Board recessed into Closed Meeting at 6:01 pm in the Board Support Conference Room as permitted by the Texas Open Meetings Act Code Subchapter 551.072 & 551.074. The Board and Superintendent discussed:
 - A. Personnel
 - B. LandThe Board reconvened at 7:01 pm.
3. Pledge of Allegiance
The Board led those present to The Pledges of The United States Flag and The Texas Flag.
4. Invocation
Pastor Josh Youngblood from Grace Church offered the invocation.
5. Introduction and Roll Call
Ms. Sonia S. Flores took the roll call.
6. Superintendent Spotlight
 - A. Recognition of the Little Elm Angels Foundation
This item was postponed.
 - B. Students of the Month Recognition
Mr. Donnie Bartlett and Principals from every campus recognized their student of the month.
7. Reports of the Superintendent
 - A. Class Size Report
Ms. Asheley Brown reported the following to the Board:
Class Size Report
 - Average Class Size – Elementary
 - Average Class Size – Middle School
 - Average Class Size – High School

B. Human Resources Services Annual Report

Ms. Asheley Brown shared with the Board the following:

- 2022-2023 Successes
- 2022-2023 Carpool Kudos
- First Ever LEISD Career Fairs
- Title IX Administrator
- ESS Fill Rates Overview
- Fill Rates by Campus
- 2023-2024 Areas of Focus
- District Stats

C. 2nd Quarter Demographic Report

Mr. Alfred Gaches briefed the Board about the following:

- Local Economic Conditions
- DFW New Home Starts & Closings
- Texas Builder President's Survey – July 2023
- Housing Market Trends: Multi-family Market – June 2023
- DFW New Home Ranking Report
- District New Home Starts and Closings
- District Housing Overview by Elementary Zone
- District Housing Overview
- Residential Activity
- TEA Transfer Report
- Ten Year Forecast by Grade Level
- Ten Year Forecast by Elementary Campus

D. Dress Code

Mr. DeLeon English requested information about this topic as far as the disciplinary process, how we help our kids with the expectations, and disciplinary issues causing problems for our teachers. Mr. English would like to see this at the October 3, 2023 workshop.

8. Citizen Input

Audience participation shall be permitted at regular Board meetings and shall be limited to the public comment portion designated for that purpose

There was no citizen input

9. Approval of Minutes

A. Consider approval of Regular Board Meeting Minutes - August 21, 2023

Ms. Sonia S. Flores shared this item with the Board.

Vice President Mary Watkins made the first motion to approve as submitted. Trustee David Montemayor seconded the motion. The motion passed (7-0).

10. Action Items

A. Consider approval of the 2023-2024 District Improvement Plan

Dr. Penny Tramel briefed the Board about the following:

District Improvement Plan

- Four Goal Areas
- Teaching and Learning
- Community Engagement
- Human Capital
- Fiscal Health and Sustainability

Vice President Mary Watkins made the first motion to approve as submitted.

Trustee David Montemayor seconded the motion. The motion passed (7-0).

B. Consider approval of the Resolution Authorizing Redemption of Bonds

Ms. Shay Adams briefed the Board about this item. This resolution is calling certain

outstanding bonds for redemption; authorizing the deposit of funds with the paying agent/registrar; and resolving other matters related thereto.

Trustee David Montemayor made the first motion to approve this item as submitted. Vice President Mary Watkins seconded the motion. The motion passed (7-0).

C. Consider approval of the Resolution to Set the Tax Rate

Ms. Shay Adams presented the Board with the following:

- LEISD Historical Tax Rate
- Total Tax Rate Decrease
- Homestead Exemption Increase
- Shifting Revenue Source – Glass Size Has Not Increased

Vice President Mary Watkins made the first motion to approve as submitted.

Trustee Ken Beber seconded the motion. The motion passed (7-0).

The motion read:

September 18, 2023. On this date, we, the Board of Trustees of Little Elm Independent School District, hereby levy or set the tax rate on \$100 valuation for the District for tax year 2023 at a total tax rate of \$1.2275, to be assessed and collected by the duly specified assessor and collector as follows:

\$0.7575 for the purpose of maintenance and operations, and \$0.47 for the purpose of payment of principal and interest on debts.

Such taxes are to be assessed and collected by the tax officials designated by the District.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 9.008 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$62.60.

Adopted this 18th day of September 2023 by the Board of Trustees.

11. Consent Agenda

- A. Consider approval of the Off-Campus Physical Education Sites
 - B. Consider approval of Class Size Exemptions - Class Size Waivers
 - C. Consider approval of Proposed Change to Local FEA Policy
 - D. Consider approval of 2023-2024 LEISD - DCJJAEP Memorandum of Understanding
 - E. Consider approval of Contingency Fee Contract for Delinquent Tax Attorney Services Pursuant to Texas Government Code Section 6.30 and 2254.1036 of The Texas Government Code
 - F. Consider approval of Financial Reports - July 2023
 - G. Consider approval of Little Elm ISD Expenditures over \$100,000 Summary Report
 - H. Consider approval of Resolution Authorizing Non-Business Days
- Trustee Ken Beber made the first motion to approve the Consent Agenda as submitted. Secretary DeLeon English seconded the motion. The motion passed (7-0).

12. Board President Comments

Mr. Jason Olson mentioned the fact that LEISD's tax rate is lower by .15 cents. Mr. Olson also thanked parents and children who came to the homecoming parade and also congratulated the students who got celebrated. He reminded the Board about the TASB Conference.

13. Board Comments

Trustee Alejandro Flores thanked everyone who attended the food bank and contributed. Mr. Flores also challenged the District about this subject.

Trustee Jeff Burton sent a shot out to our marching band and mentioned that the program is exemplary.

Secretary DeLeon English thanked the staff, teachers, and community for always being present.

Vice President Mary Watkins thanked the Cabinet for their hard work for their presentations.

Ms. Watkins mentioned that she enjoyed Homecoming. She also thanked the Board and Cabinet for playing along on the parade.

Trustee David Montemayor thanked everyone for their hard work.

Trustee Ken Beber thanked the staff for staying late. Mr. Beber is looking forward to adopting a Lobo and thanked teachers for their hard work.

14. Superintendent Comments

Mr. Michael Lamb commented about the following:

- Great day to be a Lobo
- Homecoming was amazing
- Float preparation was fun
- Proud of Cabinet
- Thanks Clint Miller for being here

15. Adjournment

Vice President Mary Watkins made the first motion to adjourn the meeting. Secretary DeLeon English seconded the motion. The motion passed (7-0).

The meeting adjourned at 8:46 pm.

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Board Mtg. Date 10-16-2023	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023				
Presenter or Contact Person:	Shay Adams, Assistant Superintendent for Business & Finance				
Policy/Code:	Accounting Audits - CFC (Legal)				
Strategic Plan Goal:	Ensuring Fiscal Health and Sustainability				
Summary:	Dan Tonn with the audit firm Hankins, Eastup, Deaton, Tonn, & Seay, PC to present audit report				
Financial Implications:	There is no financial implication to the budget.				
Attachments:	1) Auditor Communication Letter 2) Annual Financial Report FY 22-23				
Recommendation:	The Administration recommends approval of the Annual Financial Report for the year ended June 30, 2023 as submitted.				
Motion:	I move that the Board approve the Annual Financial Report for the year ended June 30, 2023 as submitted.				

Members:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN, SEAY & SCARBOROUGH**
A Limited Liability Company

CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977

TEL. (940) 387-8563
FAX (940) 383-4746

October 11, 2023

To the Board of Trustees
Little Elm Independent School District
Little Elm, Texas

23

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Little Elm Independent School District (the District) for the year ended June 30, 2023. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and the Uniform Guidance

As stated in our engagement letter dated May 5, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the District's compliance with those requirements.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated May 2, 2023.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal period 2023. We noted no transaction entered into by the District during the period for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of state revenue, depreciation expense, and the allowance for uncollectible property taxes. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 11, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

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Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Trustees and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT FOR THE
YEAR ENDED JUNE 30, 2023

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2023

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CERTIFICATE OF BOARD

Little Elm Independent School District
Name of School District

Denton
County

061-914
Co. – Dist. Number

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We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) _____ approved _____ disapproved for the year ended June 30, 2023, at a meeting of the Board of Trustees of such school district on the 16th day of October, 2023.

Signature of Board Secretary

Signature of Board President

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Independent Auditors' Report

Little Elm Independent School District
Little Elm, Texas

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Little Elm Independent School District as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise Little Elm Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Little Elm Independent School District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financials section of our report. We are required to be independent of Little Elm Independent School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Little Elm Independent School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with general accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Little Elm Independent School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Little Elm Independent School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 13 and the Teacher Retirement System schedules on page 62 through 70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Little Elm Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements, the required TEA schedules listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the required TEA schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023 on our consideration of Little Elm Independent School District's internal control over financial reporting and on our tests of the compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Little Elm Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Little Elm Independent School District's internal control over financial reporting and compliance.

Hankins, Eastup, Deaton, Tonn, Seay + Scarborough, LLC

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas

October 11, 2023

**LITTLE ELM INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED ENDED JUNE 30, 2023
(UNAUDITED)**

As management of Little Elm Independent School District, we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2023. Please read this narrative in conjunction with the independent auditors' report on page 5, and the District's Basic Financial Statements that begin on page 17.

FINANCIAL HIGHLIGHTS

The Texas State Legislature enacted legislation in 1999 that gives school districts the option to change their fiscal year-end to June 30. The District elected to act on this option and changed its fiscal year-end to June 30 effective with the fiscal period beginning September 1, 2021. The District's prior Annual Financial Report was for the ten months ended June 30, 2022 and presented data for the District's ten-month transitional fiscal period from September 1, 2021 through June 30, 2022. All financial statements and exhibits included in this Annual Financial Report have been prepared for the year ended June 30, 2023. By changing to a June 30 fiscal year-end, the District is able to align its budget, accounting, and reporting year more closely with its educational year. Annually, tax collections for the District's debt service payment due in August will be levied and collected in the fiscal year ended on June 30 prior to the August debt payment. The change in fiscal year is a key factor in the variance explanations throughout this Management's Discussion and Analysis due to the ten-month transitional period in the prior Annual Financial Report.

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- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$52,146,576 (*net position*). Of this amount, \$(15,995,795) represents negative unrestricted net position.
- The District's total net position increased by \$11,738,582 during the current fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$277,811,945. 9.7% of this total amount, \$26,949,430, is unassigned and available for use within the District's policies.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$26,949,430 or 31.8% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 17 through 19). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 20) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

The notes to the financial statements (starting on page 33) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 17. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations during the fiscal year. These apply the accrual basis of accounting (the basis used by private sector companies).

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All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- Governmental activities—Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- Business-type activities—The District charges a fee to "customers" to help it cover all or most of the cost of services it provides in its childcare operation.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 20 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities). The District's two kinds of funds-government and proprietary-use different accounting approaches.

- **Governmental funds**—All of the District’s basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District’s general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

- **Proprietary funds**—The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the District’s enterprise funds (one category of propriety funds) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows.

The District as Trustee

Reporting the District’s Fiduciary Responsibilities

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The District is the fiduciary, or custodian, for money raised by student activities. The District’s custodial activity is reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 31 and 32. We exclude these resources from the District’s other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in this fund are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis of comparative balances and changes therein is presented for the current period and prior year’s operations and a discussion of significant changes in the accounts. The analysis focuses on the net position (Table I) and changes in net position (Table II) of the District’s governmental activities.

Net position of the District’s governmental activities increased from \$40,359,200 to \$51,816,481. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was (\$16,312,511) at June 30, 2023.

Table I
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023
Current and other assets	122,473,856	299,819,554	\$ 138,292	\$ 321,128	\$122,612,148	\$300,140,682
Capital assets	352,964,547	356,572,725	24,848	13,379	352,989,395	356,586,104
Total assets	475,438,403	656,392,279	163,140	334,507	475,601,543	656,726,786
Deferred outflows of resources	16,272,675	20,729,114	-	-	16,272,675	20,729,114
Total assets and deferred outflows of resources	491,711,078	677,121,393	163,140	334,507	491,874,218	677,455,900
Long-term liabilities	404,038,266	574,808,036	-	-	404,038,266	574,808,036
Other liabilities	20,198,400	27,207,984	114,346	4,412	20,312,746	27,212,396
Total liabilities	424,236,666	602,016,020	114,346	4,412	424,351,012	602,020,432
Deferred inflows of resources	27,115,212	23,288,892	-	-	27,115,212	23,288,892
Total liabilities and deferred inflows of resources	451,351,878	604,344,912	114,346	4,412	451,466,224	625,309,324
Net Position:						
Net investment in capital assets	36,253,012	47,554,492	24,848	13,379	36,277,860	47,567,871
Restricted	24,788,533	20,574,500	-	-	24,788,533	20,574,500
Unrestricted	(20,682,345)	(16,312,511)	23,946	316,716	(20,658,399)	(15,995,795)
Total Net Position	\$ 40,359,200	\$ 51,816,481	\$ 48,794	\$ 330,095	\$ 40,407,994	\$ 52,146,576

Table II
CHANGES IN NET POSITION

	Governmental		Business-type		Total	
	Activities		Activities			
	Ten Months	Year	Ten Months	Year	Ten Months	Year
	Ended	Ended	Ended	Ended	Ended	Ended
	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023
Revenues:						
Program Revenues:						
Charges for services	\$ 2,834,921	\$ 4,652,950	\$ 467,712	\$ 575,085	\$ 3,302,633	\$ 5,228,035
Operating grants and contributions	13,812,209	16,426,746	-	315,948	13,812,209	16,742,694
General Revenues:						
Maintenance and operations taxes	58,919,266	67,699,061	-	-	58,919,266	67,699,061
Debt service taxes	28,828,817	33,732,809	-	-	28,828,817	33,732,809
State aid	14,372,417	6,754,674	-	-	14,372,417	6,754,674
Other grants and contributions	548,656	1,034,215	-	-	548,656	1,034,215
Investment earnings	223,468	6,428,485	-	-	223,468	6,428,485
Miscellaneous	571,374	272,719	-	-	571,374	272,719
Extraordinary item - resource	3,166,617	1,171,909	-	-	3,166,617	1,171,909
Extraordinary item - (use)	-	(21,939)	-	-	-	(21,939)
Total Revenue	123,277,745	138,151,629	467,712	891,033	123,745,457	139,042,662
Expenses:						
Instruction, curriculum and media services	50,188,721	59,763,106	-	-	50,188,721	59,763,106
Instructional and school leadership	5,582,125	6,863,663	-	-	5,582,125	6,863,663
Student support services	6,620,202	8,799,051	-	-	6,620,202	8,799,051
Child nutrition	4,956,940	5,425,616	-	-	4,956,940	5,425,616
Extracurricular activities	3,713,075	4,661,884	-	-	3,713,075	4,661,884
General administration	2,892,294	4,226,462	-	-	2,892,294	4,226,462
Plant maintenance, security and data processing	13,546,497	17,703,603	-	-	13,546,497	17,703,603
Community services	85,892	119,961	-	-	85,892	119,961
Childcare services	-	-	444,576	609,732	444,576	609,732
Debt services	10,023,523	16,343,451	-	-	10,023,523	16,343,451
Capital outlay	291,689	854,078	-	-	291,689	854,078
Contracted instructional services between schools	618,198	1,327,353	-	-	618,198	1,327,353
Payments to juvenile justice alternative ed. prg.	6,039	23,265	-	-	6,039	23,265
Intergovernmental charges	502,636	582,855	-	-	502,636	582,855
Total Expenses	99,027,831	126,694,348	444,576	609,732	99,472,407	127,304,080
Increase (Decrease) in Net Position	24,249,914	11,457,281	23,136	281,301	24,273,050	11,738,582
Net Position - beginning of year	16,109,286	40,359,200	25,658	48,794	16,134,944	40,407,994
Net Position - end of year	\$ 40,359,200	\$ 51,816,481	\$ 48,794	\$ 330,095	\$ 40,407,994	\$ 52,146,576

The District notes the following highlights for the 2022-2023 school year in response to changes in personnel and continued growth in student enrollment.

- The District maintained its contract with a professional demographer in an effort to plan for future facility needs.
- The District maintained the employer's health insurance contribution at \$397 per month.
- The District operated an Energy Education Plan and an Energy Manager in an effort to conserve energy and reduce energy costs.
- The Board of Trustees approved a property tax rate of \$1.4129/\$100 of taxable value (\$0.9429 for M&O and \$0.47 for Debt Service).
- The District maintained an employee induction program for new teachers that provides training and staff development.
- The District maintained its status of "Superior Achievement" according to the Financial Integrity Rating System of Texas.

The cost of all governmental activities for the current fiscal year was \$126,694,348. However, as shown in the Statement of Activities on pages 18 and 19, the amount that our taxpayers ultimately financed for these activities through District taxes was \$101,431,870 because some of the costs were paid by those who directly benefited from the programs (\$4,652,950) or by other governments and organizations that subsidized certain programs with grants and contributions (\$16,426,746) or by State equalization funding (\$6,754,674), or by other grants and contributions (\$1,034,215).

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THE DISTRICT'S FUNDS

As the District completed the fiscal year, its governmental funds (as presented in the balance sheet on page 20) reported a combined fund balance of \$277,811,945, which is \$172,404,227 more than last year's total of \$105,407,718. Included in this year's total change in fund balance is an increase of \$387,188 in the District's Growth/Transition Fund, a decrease of \$2,117,364 in the Debt Service Fund, and an increase of \$173,984,313 in the Capital Projects Fund.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in June 2022). The second category includes changes that the Board made during the year to reflect new information regarding revenue sources and expenditure needs. The third category involves amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of \$33,953,476 reported on page 20 is the same as the General Fund's budgetary fund balance of \$33,953,476 reported in the budgetary comparison schedule on page 27.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District's governmental activities had \$356,572,725 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of \$3,608,178 or 1.0%, more than last year.

This period's major additions were completion of several buildings, and renovations and additions and construction in progress on several new building projects.

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Debt Administration

At June 30, 2023, the District had \$537,311,839 in bonds payable and other long-term debt outstanding (including accreted interest on bonds) versus \$374,335,475 last year—an increase of 43.5%. The District’s general obligation bond rating is AAA (as a result of guarantees of the Texas Permanent School Fund), according to national rating agencies.

More detailed information about the District’s long-term liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The District took actions for 2023-2024 to compensate for some increases in costs and continued increases in enrollment:

- The Board adopted a \$138.76 million appropriations budget including General Operating, Child Nutrition, and Debt Service.
- Certified Taxable Property Values increased \$673 million from \$7,596,741,829 to \$8,269,973,772 from 2022 to 2023.
- Student enrollment is estimated to increase 274 students from 8,301 to 8,575 students from the end of the 22-23 school year to the beginning of the 23-24 school year.

The following shows the enrollment at the end of the last six school years:

2017-2018 – 7,564
2018-2019 – 7,817
2019-2020 – 8,091
2020-2021 – 8,011
2021-2022 – 8,286
2022-2023 – 8,301

- The Board adopted a total tax rate of \$1.2275/\$100 of taxable property value (\$0.7575 for M&O and \$.47 for Debt Service).

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CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District’s Finance Department, at Little Elm Independent School District, 400 Lobo Lane, Little Elm, Texas 75068, (972) 947-9340.

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BASIC FINANCIAL STATEMENTS

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT A-1

Data Control Codes	Primary Government			
	1	2	3	
	Governmental Activities	Business Type Activities	Total	
ASSETS				
1110	Cash and Cash Equivalents	\$ 292,720,026	\$ 321,128	\$ 293,041,154
1220	Property Taxes - Delinquent	1,924,584	-	1,924,584
1230	Allowance for Uncollectible Taxes	(125,097)	-	(125,097)
1240	Due from Other Governments	3,417,782	-	3,417,782
1290	Other Receivables, Net	1,877,077	-	1,877,077
1410	Prepayments	5,182	-	5,182
	Capital Assets:			
1510	Land	26,595,955	-	26,595,955
1520	Buildings, Net	324,600,208	13,379	324,613,587
1530	Furniture and Equipment, Net	4,648,536	-	4,648,536
1580	Construction in Progress	728,026	-	728,026
1000	Total Assets	<u>656,392,279</u>	<u>334,507</u>	<u>656,726,786</u>
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred Charge on Bond Refundings	3,032,327	-	3,032,327
1705	Deferred Resource Outflows Related to TRS Pension	11,661,087	-	11,661,087
1706	Deferred Resource Outflows Related to TRS OPEB	6,035,700	-	6,035,700
1700	Total Deferred Outflows of Resources	<u>20,729,114</u>	<u>-</u>	<u>20,729,114</u>
LIABILITIES				
2110	Accounts Payable	1,530,869	-	1,530,869
2140	Accrued Interest Payable	6,999,862	-	6,999,862
2160	Accrued Wages Payable	7,003,514	4,412	7,007,926
2180	Due to Other Governments	10,731,892	-	10,731,892
2200	Accrued Expenses	761,527	-	761,527
2300	Unearned Revenue	180,320	-	180,320
	Noncurrent Liabilities:			
2501	Due Within One Year: Loans, Note, Leases, etc.	4,074,267	-	4,074,267
	Due in More than One Year:			
2502	Bonds, Notes, Loans, Leases, etc.	533,237,572	-	533,237,572
2540	Net Pension Liability (District's Share)	24,781,405	-	24,781,405
2545	Net OPEB Liability (District's Share)	12,714,792	-	12,714,792
2000	Total Liabilities	<u>602,016,020</u>	<u>4,412</u>	<u>602,020,432</u>
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Resource Inflows Related to TRS Pension	2,889,929	-	2,889,929
2606	Deferred Resource Inflows Related to TRS OPEB	20,398,963	-	20,398,963
2600	Total Deferred Inflows of Resources	<u>23,288,892</u>	<u>-</u>	<u>23,288,892</u>
NET POSITION				
3200	Net Investment in Capital Assets and Right-to-Use Lease	47,554,492	13,379	47,567,871
	Restricted:			
3820	Restricted for Federal and State Programs	2,650,849	-	2,650,849
3850	Restricted for Debt Service	17,923,651	-	17,923,651
3900	Unrestricted	(16,312,511)	316,716	(15,995,795)
3000	Total Net Position	<u>\$ 51,816,481</u>	<u>\$ 330,095</u>	<u>\$ 52,146,576</u>

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The notes to the financial statements are an integral part of this statement.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	1	Program Revenues		
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11	Instruction	\$ 54,703,155	\$ 1,930,358	\$ 6,713,607
12	Instructional Resources and Media Services	1,302,139	703	87,266
13	Curriculum and Instructional Staff Development	3,757,812	20,914	1,211,012
21	Instructional Leadership	1,645,948	-	301,460
23	School Leadership	5,217,715	83,433	312,987
31	Guidance, Counseling, and Evaluation Services	3,698,441	135	1,165,524
32	Social Work Services	161,794	-	159,449
33	Health Services	724,038	-	33,932
34	Student (Pupil) Transportation	4,214,778	-	849,751
35	Food Services	5,425,616	1,847,268	3,159,145
36	Extracurricular Activities	4,661,884	614,758	89,706
41	General Administration	4,226,462	24,187	1,104,240
51	Facilities Maintenance and Operations	14,070,347	131,194	276,091
52	Security and Monitoring Services	1,478,139	-	27,628
53	Data Processing Services	2,155,117	-	94,285
61	Community Services	119,961	-	124,750
72	Debt Service - Interest on Long-Term Debt	14,834,369	-	697,573
73	Debt Service - Bond Issuance Cost and Fees	1,509,082	-	-
81	Capital Outlay	854,078	-	18,340
91	Contracted Instructional Services Between Schools	1,327,353	-	-
95	Payments to Juvenile Justice Alternative Ed. Prg.	23,265	-	-
99	Other Intergovernmental Charges	582,855	-	-
	[TG] Total Governmental Activities:	126,694,348	4,652,950	16,426,746
BUSINESS-TYPE ACTIVITIES:				
01	Childcare Fund	609,732	575,085	315,948
	[TB] Total Business-Type Activities:	609,732	575,085	315,948
	[TP] TOTAL PRIMARY GOVERNMENT:	\$ 127,304,080	\$ 5,228,035	\$ 16,742,694

44

Data	
Control	General Revenues:
Codes	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
GC	Grants and Contributions not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
E1	Extraordinary Item - resource
E2	Extraordinary Item - (Use)
TR	Total General Revenues & Extraordinary Items
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (46,059,190)	\$ -	\$ (46,059,190)
(1,214,170)	-	(1,214,170)
(2,525,886)	-	(2,525,886)
(1,344,488)	-	(1,344,488)
(4,821,295)	-	(4,821,295)
(2,532,782)	-	(2,532,782)
(2,345)	-	(2,345)
(690,106)	-	(690,106)
(3,365,027)	-	(3,365,027)
(419,203)	-	(419,203)
(3,957,420)	-	(3,957,420)
(3,098,035)	-	(3,098,035)
(13,663,062)	-	(13,663,062)
(1,450,511)	-	(1,450,511)
(2,060,832)	-	(2,060,832)
4,789	-	4,789
(14,136,796)	-	(14,136,796)
(1,509,082)	-	(1,509,082)
(835,738)	-	(835,738)
(1,327,353)	-	(1,327,353)
(23,265)	-	(23,265)
(582,855)	-	(582,855)
(105,614,652)	-	(105,614,652)
-	281,301	281,301
-	281,301	281,301
(105,614,652)	281,301	(105,333,351)
67,699,061	-	67,699,061
33,732,809	-	33,732,809
6,754,674	-	6,754,674
1,034,215	-	1,034,215
6,428,485	-	6,428,485
272,719	-	272,719
1,171,909	-	1,171,909
(21,939)	-	(21,939)
117,071,933	-	117,071,933
11,457,281	281,301	11,738,582
40,359,200	48,794	40,407,994
\$ 51,816,481	\$ 330,095	\$ 52,146,576

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 50,758,296	\$ 24,500,418	\$ 205,013,568
1220 Property Taxes - Delinquent	1,310,671	613,913	-
1230 Allowance for Uncollectible Taxes	(85,193)	(39,904)	-
1240 Due from Other Governments	1,318,906	-	-
1290 Other Receivables	23,522	-	1,852,930
1410 Prepayments	4,136	-	-
1000 Total Assets	<u>\$ 53,330,338</u>	<u>\$ 25,074,427</u>	<u>\$ 206,866,498</u>
LIABILITIES			
2110 Accounts Payable	\$ 649,357	\$ -	\$ 730,738
2160 Accrued Wages Payable	6,062,751	-	-
2180 Due to Other Governments	10,731,892	-	-
2200 Accrued Expenditures	693,101	-	-
2300 Unearned Revenue	14,283	150,914	-
2000 Total Liabilities	<u>18,151,384</u>	<u>150,914</u>	<u>730,738</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	1,225,478	574,009	-
2600 Total Deferred Inflows of Resources	<u>1,225,478</u>	<u>574,009</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3430 Prepaid Items	4,136	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	206,135,760
3480 Retirement of Long-Term Debt	-	24,349,504	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	7,000,000	-	-
3600 Unassigned Fund Balance	26,949,340	-	-
3000 Total Fund Balances	<u>33,953,476</u>	<u>24,349,504</u>	<u>206,135,760</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 53,330,338</u>	<u>\$ 25,074,427</u>	<u>\$ 206,866,498</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 12,447,744	\$ 292,720,026
-	1,924,584
-	(125,097)
2,098,876	3,417,782
625	1,877,077
1,046	5,182
<u>\$ 14,548,291</u>	<u>\$ 299,819,554</u>
\$ 150,774	\$ 1,530,869
940,763	7,003,514
-	10,731,892
68,426	761,527
15,123	180,320
<u>1,175,086</u>	<u>20,208,122</u>
-	1,799,487
-	1,799,487
-	4,136
2,650,849	2,650,849
-	206,135,760
-	24,349,504
503,041	503,041
10,219,315	17,219,315
-	26,949,340
<u>13,373,205</u>	<u>277,811,945</u>
<u>\$ 14,548,291</u>	<u>\$ 299,819,554</u>

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2023

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	277,811,945
1 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.		467,225,817
2 Accumulated depreciation is not reported in the fund financial statements.		(110,653,092)
3 Bonds payable are not included in the fund financial statements.		(491,165,141)
4 Property tax revenue reported as unavailable revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.		1,799,487
5 Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		(6,999,862) 49
6 Accreted interest payable on capital appreciation bonds has not been included in the fund financial statements.		(19,125,518)
7 Bond discounts and premiums were not recognized in the fund financial statements.		(27,021,180)
8 The deferred charge on bond refundings is not recognized in the fund financial statements.		3,032,327
9 Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net pension liability required by GASB #68 in the amount of \$24,781,405, Deferred Inflows of Resources related to TRS Pensions in the amount of \$2,889,929, and Deferred Outflows of Resources related to TRS Pensions in the amount of \$11,661,087. This results in a decrease in Net Position in the amount of \$16,010,247.		(16,010,247)
10 Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net Other Post-Employment Benefit (OPEB) liability required by GASB 75 in the amount of \$12,714,792, a Deferred Resource Inflow related to TRS OPEB in the amount of \$20,398,963, and a Deferred Resource Outflow related to TRS OPEB in the amount of \$6,035,700. This results in a net decrease in Net Position in the amount of \$27,078,055.		(27,078,055)
19 Net Position of Governmental Activities	\$	51,816,481

The notes to the financial statements are an integral part of this statement.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 69,821,328	\$ 34,398,868	\$ 3,896,056
5800 State Program Revenues	11,777,714	697,573	-
5900 Federal Program Revenues	3,656,775	-	-
5020 Total Revenues	<u>85,255,817</u>	<u>35,096,441</u>	<u>3,896,056</u>
EXPENDITURES:			
Current:			
0011 Instruction	45,397,449	-	465,585
0012 Instructional Resources and Media Services	1,058,376	-	-
0013 Curriculum and Instructional Staff Development	2,600,051	-	-
0021 Instructional Leadership	1,419,433	-	4,272
0023 School Leadership	4,898,091	-	51,264
0031 Guidance, Counseling, and Evaluation Services	2,658,040	-	27,768
0032 Social Work Services	9,364	-	4,272
0033 Health Services	702,781	-	-
0034 Student (Pupil) Transportation	3,581,213	-	-
0035 Food Services	153,845	-	-
0036 Extracurricular Activities	2,724,897	-	90,397
0041 General Administration	4,201,170	-	23,438
0051 Facilities Maintenance and Operations	9,967,645	-	451,955
0052 Security and Monitoring Services	1,384,003	-	13,000
0053 Data Processing Services	2,110,864	-	174,557
0061 Community Services	42,218	-	2,136
Debt Service:			
0071 Principal on Long-Term Liabilities	-	20,956,267	-
0072 Interest on Long-Term Liabilities	-	16,263,781	-
0073 Bond Issuance Cost and Fees	-	21,406	1,487,676
Capital Outlay:			
0081 Facilities Acquisition and Construction	20,715	-	14,765,702
Intergovernmental:			
0091 Contracted Instructional Services Between Schools	1,327,353	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	23,265	-	-
0099 Other Intergovernmental Charges	582,855	-	-
6030 Total Expenditures	<u>84,863,628</u>	<u>37,241,454</u>	<u>17,562,022</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>392,189</u>	<u>(2,145,013)</u>	<u>(13,665,966)</u>
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	-	184,905,000
7915 Transfers In	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	27,649	3,182,676
8911 Transfers Out (Use)	(387,188)	-	-
7080 Total Other Financing Sources (Uses)	<u>(387,188)</u>	<u>27,649</u>	<u>188,087,676</u>
EXTRAORDINARY ITEMS:			
7919 Extraordinary Item - Resource	16,938	-	1,154,971
8913 Extraordinary Item - (Use)	(21,939)	-	(1,592,368)
1200 Net Change in Fund Balances	-	(2,117,364)	173,984,313
0100 Fund Balance - July 1 (Beginning)	<u>33,953,476</u>	<u>26,466,868</u>	<u>32,151,447</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 33,953,476</u>	<u>\$ 24,349,504</u>	<u>\$ 206,135,760</u>

The notes to the financial statements are an integral part of this statement.

Other Funds	Total Governmental Funds
\$ 2,687,348	\$ 110,803,600
187,932	12,663,219
10,070,281	13,727,056
12,945,561	137,193,875
4,590,536	50,453,570
33,779	1,092,155
1,105,930	3,705,981
231,618	1,655,323
132,387	5,081,742
1,029,872	3,715,680
151,159	164,795
224	703,005
97,216	3,678,429
4,788,154	4,941,999
496,018	3,311,312
24,187	4,248,795
4,980	10,424,580
21,780	1,418,783
-	2,285,421
87,631	131,985
-	20,956,267
-	16,263,781
-	1,509,082
-	14,786,417
-	1,327,353
-	23,265
-	582,855
12,795,471	152,462,575
150,090	(15,268,700)
-	184,905,000
387,188	387,188
-	3,210,325
-	(387,188)
387,188	188,115,325
-	1,171,909
-	(1,614,307)
537,278	172,404,227
12,835,927	105,407,718
\$ 13,373,205	\$ 277,811,945

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ 172,404,227
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.	16,207,412
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(12,599,234)
Current year long-term debt principal payments on bonds payable and payment of accreted interest on capital appreciation bonds are expenditures in the governmental fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	24,660,000
Current year interest accretion on capital appreciation bonds is not recognized in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.	(777,552)
Revenues from property taxes are shown as unearned in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible amounts, in the government-wide financial statements.	296,740
Current year amortization of the premium/discount on bonds payable is not recorded in the fund financial statements, but is shown as a reduction in long-term debt in the government-wide financial statements.	1,256,475
Current year amortization of deferred charge on bond refunding is not recorded in the fund financial statements, but is shown as a reduction of the deferred loss in the government-wide financial statements.	(388,429)
Interest expense on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.	(2,364,853)
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS contributions made after the measurement date of 8/31/2022 caused the change in the ending net position to increase in the amount of \$229,853. These contributions were replaced with the District's pension expense for the year of \$1,194,799, which caused a decrease in the change in net position. The net effect of these is to decrease the change in net position by \$964,946.	(964,946)
The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS OPEB contributions made after the measurement date of 8/31/2022 but during the current fiscal year caused the ending net position to increase in the amount of \$32,309. These contributions were replaced with the District's OPEB expense for the year of 1,810,419, which caused a decrease in the change in net position. The net effect of these is to increase the change in net position by \$1,842,728	1,842,728
Current year issuances of capital related bonds are shown as other financing sources in the fund financial statements, but are shown as increases in long-term debt in the government-wide financial statements.	(184,905,000)
The premiums on the current year issuances of capital related bonds are recorded as other financing sources in the fund financial statements, but are shown as an increase in long-term debt in the government-wide financial statements.	(3,210,325)
Change in Net Position of Governmental Activities	\$ 11,457,281

The notes to the financial statements are an integral part of this statement.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 63,962,172	\$ 70,229,325	\$ 69,821,328	\$ (407,997)
5800 State Program Revenues	20,495,133	16,267,414	11,777,714	(4,489,700)
5900 Federal Program Revenues	1,750,000	1,750,000	3,656,775	1,906,775
5020 Total Revenues	86,207,305	88,246,739	85,255,817	(2,990,922)
EXPENDITURES:				
Current:				
0011 Instruction	46,860,023	46,188,308	45,397,449	790,859
0012 Instructional Resources and Media Services	1,102,182	1,121,636	1,058,376	63,260
0013 Curriculum and Instructional Staff Development	2,918,981	2,616,591	2,600,051	16,540
0021 Instructional Leadership	1,612,022	1,538,342	1,419,433	118,909 ⁵³
0023 School Leadership	5,157,676	5,068,383	4,898,091	170,292
0031 Guidance, Counseling, and Evaluation Services	2,811,558	2,747,197	2,658,040	89,157
0032 Social Work Services	-	23,520	9,364	14,156
0033 Health Services	753,516	787,546	702,781	84,765
0034 Student (Pupil) Transportation	3,199,925	3,899,925	3,581,213	318,712
0035 Food Services	16,819	174,407	153,845	20,562
0036 Extracurricular Activities	3,052,033	2,909,623	2,724,897	184,726
0041 General Administration	4,002,479	4,432,735	4,201,170	231,565
0051 Facilities Maintenance and Operations	10,113,019	10,282,056	9,967,645	314,411
0052 Security and Monitoring Services	1,162,717	1,547,496	1,384,003	163,493
0053 Data Processing Services	2,138,825	2,186,113	2,110,864	75,249
0061 Community Services	2,280	53,065	42,218	10,847
Capital Outlay:				
0081 Facilities Acquisition and Construction	1,500	24,044	20,715	3,329
Intergovernmental:				
0091 Contracted Instructional Services Between Schools	756,000	1,507,002	1,327,353	179,649
0095 Payments to Juvenile Justice Alternative Ed. Prg.	5,000	45,000	23,265	21,735
0099 Other Intergovernmental Charges	540,750	593,750	582,855	10,895
6030 Total Expenditures	86,207,305	87,746,739	84,863,628	2,883,111
1100 Excess of Revenues Over Expenditures	-	500,000	392,189	(107,811)
OTHER FINANCING SOURCES (USES):				
8911 Transfers Out (Use)	-	-	(387,188)	(387,188)
EXTRAORDINARY ITEMS:				
7919 Extraordinary Item - Resource	-	-	16,938	16,938
8913 Extraordinary Item - (Use)	-	-	(21,939)	(21,939)
1200 Net Change in Fund Balances	-	500,000	-	(500,000)
0100 Fund Balance - July 1 (Beginning)	33,953,476	33,953,476	33,953,476	-
3000 Fund Balance - June 30 (Ending)	\$ 33,953,476	\$ 34,453,476	\$ 33,953,476	\$ (500,000)

The notes to the financial statements are an integral part of this statement.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities	
	Total Enterprise Funds	
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 321,128	
Total Current Assets	<u>321,128</u>	
Noncurrent Assets:		
Capital Assets:		
Buildings and Improvements, Net	13,379	
Total Noncurrent Assets	<u>13,379</u>	54
Total Assets	<u>334,507</u>	
LIABILITIES		
Current Liabilities:		
Accrued Wages Payable	4,412	
Total Liabilities	<u>4,412</u>	
NET POSITION		
Unrestricted Net Position	330,095	
Total Net Position	<u>\$ 330,095</u>	

The notes to the financial statements are an integral part of this statement.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities	
	Total Enterprise Funds	
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 575,085	
Federal Revenues	315,948	
Total Operating Revenues	<u>891,033</u>	
OPERATING EXPENSES:		
Payroll Costs	552,314	
Professional and Contracted Services	2,623	55
Supplies and Materials	35,885	
Other Operating Costs	7,441	
Depreciation Expense	11,469	
Total Operating Expenses	<u>609,732</u>	
Operating Income	281,301	
Total Net Position - July 1 (Beginning)	<u>48,794</u>	
Total Net Position - June 30 (Ending)	<u>\$ 330,095</u>	

The notes to the financial statements are an integral part of this statement.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

EXHIBIT D-3

	Business-Type Activities	
	Total Enterprise Funds	
<u>Cash Flows from Operating Activities:</u>		
Cash Received from User Charges	\$ 472,301	
Cash Received from Assessments - Other Funds	315,948	
Cash Payments to Employees for Services	(551,990)	
Cash Payments for Insurance Claims	(2,623)	
Cash Payments for Suppliers	(40,827)	
Cash Payments for Other Operating Expenses	(7,441)	
Net Cash Provided by Operating Activities	185,368	
Net Increase in Cash and Cash Equivalents	185,368	56
Cash and Cash Equivalents at Beginning of Year	135,760	
Cash and Cash Equivalents at End of Year	\$ 321,128	
<u>Reconciliation of Operating Income to Net Cash</u>		
<u>Provided by Operating Activities:</u>		
Operating Income:	\$ 281,301	
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	11,469	
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	2,532	
Increase (decrease) in Accounts Payable	(4,942)	
Increase (decrease) in Accrued Wages Payable	399	
Increase (decrease) in	(75)	
Increase (decrease) in	(105,316)	
Net Cash Provided by Operating Activities	\$ 185,368	

The notes to the financial statements are an integral part of this statement.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Total Custodial Funds	
<hr/>		
ASSETS		
Cash and Cash Equivalents	\$ 173,095	
Other Receivables	300	
Total Assets	<u>173,395</u>	
NET POSITION		
Unrestricted Net Position	<u>173,395</u>	
Total Net Position	<u>\$ 173,395</u>	57

The notes to the financial statements are an integral part of this statement.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Total Custodial Funds	
ADDITIONS:		
Contributions to Student Groups	\$ 272,066	
Total Additions	<u>272,066</u>	
DEDUCTIONS:		
Other Deductions	<u>250,660</u>	
Total Deductions	<u>250,660</u>	
Change in Fiduciary Net Position	21,406	58
Total Net Position - July 1 (Beginning)	<u>151,989</u>	
Total Net Position - June 30 (Ending)	<u><u>\$ 173,395</u></u>	

The notes to the financial statements are an integral part of this statement.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Little Elm Independent School District (the "District") is a public educational agency operating under the applicable rules and regulations of the State of Texas. The District's combined financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (FAR). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Change in Fiscal Year - The Texas State Legislature enacted legislation in 1999 that gives school districts the option to change their fiscal year-end to June 30. The District elected to act on this option and changed its fiscal year-end to June 30 effective with the fiscal period beginning September 1, 2021. The prior Annual Financial Report was for the ten months ended June 30, 2022 and presented data for the District's ten-month-transitional fiscal period from September 1, 2021 through June 30, 2022. All financial statements and exhibits included in the 2023 Annual Financial Report have been prepared for the year ended June 30, 2023.

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A. REPORTING ENTITY

The Board of Trustees, a seven member group elected by registered voters of the District, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The board of trustees are elected by the public. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the district. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved for the trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

The District's basic financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on the aforementioned criteria, Little Elm Independent School District has no component units.

B. BASIS OF PRESENTATION

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following major governmental funds:

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1. **General Fund** - This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.
2. **Debt Service Fund** - This fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.
3. **Capital Projects Fund** - This fund is established to account for proceeds, from the sale of bonds and other resources to be used for Board authorized acquisition, construction, or renovation, as well as, furnishings and equipping of major capital facilities.

Additionally, the District reports the following fund types:

1. **Special Revenue Funds** - These funds are established to account for federally financed or expenditures legally restricted for specified purposes. In many special revenue funds, any unused balances are returned to the grantor at the close of specified project periods. For funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.
2. **Enterprise Fund** - The District utilizes an enterprise fund to account for the Districts' activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities. The District uses this fund to account for its child care program, because the child care program is self-supporting and does not require subsidies from the general fund.
3. **Fiduciary Funds** - These funds are used to account for activities of student groups and other organizational activities requiring clearing accounts. If any unused resources are declared surplus by the student groups, they are transferred to the General Fund with a recommendation to the Board for an appropriate utilization through a budgeted program. No funds were declared surplus during the year ended June 30, 2023.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows of resources and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

The revenue susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as unearned revenues, and funds expended but not yet received are shown as receivables.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

Revenue from investments, including governmental external investment pool, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

In accordance with the FAR, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FAR.

D. BUDGETARY CONTROL

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Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's FAR module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget was prepared for adoption for required Governmental Fund Types prior to June 20 of the preceding fiscal year for the subsequent fiscal year beginning July 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given. The budget is prepared by fund, function, object, and organization. The budget is controlled at the organizational level by the appropriate department head or campus principal within Board allocations. Therefore, organizations may transfer appropriations as necessary without the approval of the board unless the intent is to cross fund, function or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level and revenue object code level.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and Child Nutrition Fund. The special revenue funds adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. The budget is amended throughout the year by the Board of Trustees. Such amendments are reflected in the official minutes of the Board.

A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

June 30, 2023 <u>Fund Balance</u>	
Appropriated Budget Funds - Food Service Special Revenue Fund	\$ 2,646,772
Nonappropriated Budget Funds	<u>10,726,433</u>
All Special Revenue Funds	<u>\$13,373,205</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

E. ENCUMBRANCE ACCOUNTING

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at August 31 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget. There were no outstanding encumbrances at June 30, 2023 that were subsequently provided for in the 2023-2024 budget.

F. PREPAID ITEMS

Prepaid balances are for payments made by the District in the current period to provide services occurring in the subsequent fiscal year, and the nonspendable fund balance has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

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G. CAPITAL ASSETS

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for propriety funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$5,000 or more and over one-year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	40 Years
Furniture and Equipment	5-10 Years

H. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A deferred outflow of resources is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, the deferred charge on bond refundings results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amount of deferred outflows reported in the governmental activities for the deferred charge on bond refundings at June 30, 2023 was \$3,032,327.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Deferred outflows of resources for pensions - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan which is currently approximately 5.7052 years.

The amount of deferred outflows reported in the governmental activities for deferred pension expenses at June 30, 2023 was \$11,661,087.

Deferred outflows of resources for OPEB- Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of differences between expected and actual investment earnings and changes in proportionate share. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The other OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan which is currently approximately 9.2179 years. The amount of deferred outflows reported for deferred OPEB expense at June 30, 2023 was \$6,035,700.

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A deferred inflow of resources is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reported property taxes that are unavailable as deferred inflows of resources in the fund financial statements. The amount of deferred inflows of resources reported in the governmental funds at June 30, 2023 was \$1,799,487.

Deferred inflows of resources for pensions - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments and other actuarial and other assumption differences. These amounts will be amortized over a closed 5 year period. In fiscal year 2023, the District reported deferred inflows of resources for pensions in the governmental activities in the amount of \$2,889,929.

Deferred inflows of resources for OPEB - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between expected and actual experience and from changes in assumptions. These amounts will be amortized over the average expected remaining service life (AERSL) of all members (9.2179 years for the 2022 measurement year). In fiscal year 2023, the District reported deferred inflows of resources for OPEB in the governmental activities in the amount of \$20,398,963.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

I. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. CASH EQUIVALENTS

For purposes of the statement of cash flows, investments are considered to be cash equivalents if they are highly liquid with maturity three months or less.

K. NET POSITION

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Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation's adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is available for general governmental uses. When both restricted and unrestricted net position is available, restricted net position is expended before unrestricted net position if such use is consistent with the restricted purpose.

L. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures in the year bonds are issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal 2023, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal period, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

During the year ended June 30, 2023, the District participated in the Texas Association of School Boards Risk Management Fund (the Fund). The Fund was created and is operated under provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The following are Funds the District participated in during the year ended June 30, 2023.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

Workers' Compensation Aggregate Deductible

The District met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

The District participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims liability. The District's 2023 deductible was \$280,585.

The Fund and its members are protected against higher than expected claims cost through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of \$2.0 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2022, the fund carries a discounted reserve of \$50,647,775 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended June 30, 2023, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

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The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Changes in the workers compensation claims liability amounts in fiscal periods 2023 and 2022 is presented below:

Fiscal Period	July 1 Claims Liability	Claims and Changes in Estimates	Claims Payments	June 30 Claims Liability
2023	\$148,636	\$ 84,524	\$ 27,436	\$205,724
2022	180,989	178,319	210,672	148,636

Unemployment Compensation Pool

During the year ended June 30, 2023, Little Elm ISD provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended June 30, 2023, the Fund anticipates that Little Elm ISD has no additional liability beyond the contractual obligation for payment of contribution.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Auto, Liability and Property Programs

During the year ended June 30, 2023, Little Elm ISD participated in the following TASB Risk Management Fund (the Fund) programs:

Auto Liability
Auto Physical Damage
School Liability
Privacy & Information Security
Property

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The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for its Auto, Liability and Property programs. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended June 30, 2023, the Fund anticipates that Little Elm ISD has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2022, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

N. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. FUND BALANCE

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified prepaid items as being nonspendable as these items are not expected to be converted to cash.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Unspent bond proceeds are restricted for future capital acquisition programs. Federal and State grant resources are restricted because their use is restricted pursuant to the mandates of the Federal or State grants.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees have committed resources as of June 30, 2023 for campus activities, textbooks, and local grants.

- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, only the Board of Trustees may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. At June 30, 2023, the District has assigned \$7.0 million of the General Fund fund balance for future capital projects, payroll, and general operating expenses.

- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund.

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When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Governmental Funds Balance Sheet (pages 20 & 21) and are described below:

General Fund

The General Fund has unassigned fund balance of \$26,949,340 at June 30, 2023. Prepayments of \$4,136 are considered nonspendable fund balance. \$7,000,000 has been assigned for future capital projects, payroll, and general operating expenditures.

Other Major Funds

The Debt Service Fund has restricted funds of \$24,349,504 at June 30, 2023 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt.

The Capital Projects Fund has restricted funds of \$206,135,760 at June 30, 2023 consisting primarily of unspent bond funds for future construction and other approved projects.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Other Funds

The fund balance of \$420,165 of the Campus Activity Fund and \$15,789 of Textbook Funds and \$67,087 of local grant funds (special revenue funds) are shown as committed due to Board policy committing those funds to campus activities, textbooks, and local grants. The fund balance of \$2,646,772 in the Food Service Fund is shown as restricted for food service operations and the fund balance of \$3,955 in Advanced Placement Incentives is restricted for those incentives. The fund balance in the State Textbook Fund is shown as committed for textbooks. The remaining special revenue fund balance of \$10,219,315 is assigned for growth costs of the District, as well as to mitigate the ongoing financial impact of the covid pandemic.

NOTE 3. DEPOSITS AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the year of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

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1. Cash Deposits:

At June 30, 2023, the carrying amount of the District's deposits in checking accounts and interest-bearing savings accounts was \$30,808,884, which includes \$100 cash on hand. The combined bank balance was \$31,811,323. The District's cash deposits at June 30, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The district is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

- a. Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2023, the District's cash balances in the bank totaled \$31,811,323. This entire amount was either collateralized with securities held by the District's financial institution's agent in the District's name or covered by FDIC insurance. Thus, the District's deposits were not exposed to custodial credit risk at June 30, 2023.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
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- b. Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2023, the District held investments in four public funds investment pools (TexPool, TexSTAR, Lone Star and Texas Class). Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.
- c. Credit Risk: This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality rating for the four investment pools range from AAA (Standard & Poor's) to AAAm (Standard & Poor's).
- d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for all investment pools is less than 90 days.
- e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2023, the District was not exposed to foreign currency risk.
- f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools and government securities are excluded from the 5 percent disclosure requirement.

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Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

The District's investments pools at June 30, 2023, are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
TexPool	\$ 23,038,932	\$ 23,038,932
TexSTAR	1,518,974	1,518,974
Lone Star	22,408,298	22,408,298
Texas Class	<u>215,760,289</u>	<u>215,760,289</u>
Total	<u>\$262,726,493</u>	<u>\$262,726,493</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
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Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The District's investment in Texpool, TexStar, Lone Star, and Texas Class (statewide 2a7-like external investment pools) are not required to be measured at fair value but are measured at amortized cost.

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NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>Balance July 1</u>	<u>Additions/ Completions</u>	<u>Retirement/ Adjustments</u>	<u>Balance June 30</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 26,595,955	\$ -	\$ -	\$ 26,595,955
Construction in Progress	23,179,727	14,406,258	(36,857,959)	728,026
Total capital assets, not being depreciated	<u>49,775,682</u>	<u>14,406,258</u>	<u>(36,857,959)</u>	<u>27,323,981</u>
Capital assets, being depreciated:				
Buildings	387,641,612	37,955,527	-	425,597,139
Furniture and Equipment	13,601,111	703,586	-	14,304,697
Total capital assets, being depreciated	<u>401,242,723</u>	<u>38,659,113</u>	<u>-</u>	<u>439,901,836</u>
Less accumulated depreciation for:				
Buildings	(89,512,361)	(11,484,570)	-	(100,996,931)
Furniture and Equipment	(8,541,497)	(1,114,664)	-	(9,656,161)
Total accumulated depreciation	<u>(98,053,858)</u>	<u>(12,599,234)</u>	<u>-</u>	<u>(110,653,092)</u>
Total capital assets being depreciated, net	<u>303,188,865</u>	<u>26,059,879</u>	<u>-</u>	<u>329,248,744</u>
Governmental activities capital assets, net	<u>\$ 352,964,547</u>	<u>\$ 40,466,137</u>	<u>\$ (36,857,959)</u>	<u>\$ 356,572,725</u>
Business-type activities:				
Buildings and improvements	\$ 114,687	\$ -	\$ -	\$ 114,687
Totals at historic cost	<u>114,687</u>	<u>-</u>	<u>-</u>	<u>114,687</u>
Less accumulated depreciation for:				
Buildings and improvements	(89,839)	(11,469)	-	(101,308)
Total accumulated depreciation	<u>(89,839)</u>	<u>(11,469)</u>	<u>-</u>	<u>(101,308)</u>
Business-type activities capital assets, net	<u>\$ 24,848</u>	<u>\$ (11,469)</u>	<u>\$ -</u>	<u>\$ 13,379</u>

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Depreciation expense was charged as direct expense to programs of the District as follows:

Governmental activities:	
Instruction	\$ 5,137,647
Instructional Resources & Media Services	229,599
Curriculum & Instructional Staff Development	97,440
Instructional Leadership	15,906
School Leadership	231,548
Guidance, Counseling & Evaluation Services	31,864
Health Services	33,283
Student (Pupil) Transportation	536,349
Food Services	689,879
Cocurricular/Extracurricular Activities	1,411,237
General Administration	37,623
Plant Maintenance and Operations	3,976,890
Security and Monitoring Services	61,473
Data Processing Services	107,083
Community Services	<u>1,413</u>
Total depreciation expense-Governmental activities	<u>\$12,599,234</u>
Business-type activities:	
Child Care	<u>\$ 11,469</u>
Total depreciation expense-Business-type activities	<u>\$ 11,469</u>

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NOTE 5. LONG-TERM DEBT

Long-term debt includes par bonds and capital appreciation (deep discount) serial bonds. All long-term debt represents transactions in the District's governmental activities.

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
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The following is a summary of the changes in the District's Long-term Debt for the year ended June 30, 2023:

Description	Interest Rate Payable	Amounts Outstanding 7/1/2022	Additions	Refunded/ Retired	Amounts Outstanding 6/30/2023	Due Within One Year
Bonded Indebtness:						
1995A School Bldg.	5.90%	\$ 90,000	\$ -	\$ -	\$ 90,000	\$ 15,000
1999 School Bldg. & Ref.	6.22%	851,408	-	111,267	740,141	104,267
2008B Refunding	4.00%	215,000	-	110,000	105,000	105,000
2012 Refunding	5.00%	190,000	-	100,000	90,000	90,000
2013 School Bldg. & Ref.	5.00%	10,000	-	-	10,000	-
2015A Refunding	4.00%	8,675,000	-	440,000	8,235,000	450,000
2015B Refunding	4.00%	7,375,000	-	780,000	6,595,000	475,000
2016 School Bldg. & Ref.	5.00%	30,410,000	-	1,205,000	29,205,000	705,000
2017 School Refunding	4.00%	8,545,000	-	245,000	8,300,000	255,000
2018 School Building	3.00-5.00%	133,040,000	-	-	133,040,000	-
2018A School Building	4.00-5.00%	21,255,000	-	425,000	20,830,000	440,000
2019 School Building	1.14-2.35%	16,040,000	-	905,000	15,135,000	950,000
2019A Refunding	1.73-2.91%	49,605,000	-	70,000	49,535,000	15,000
2020 Building	5.00% & Var.	21,705,000	-	16,320,000	5,385,000	-
2021 Refunding	1.505-5.00%	20,380,000	-	-	20,380,000	-
2021 Building	2.00-5.00%	8,830,000	-	245,000	8,585,000	320,000
2022 Building		-	4,655,000	-	4,655,000	150,000
2023 Building		-	180,250,000	-	180,250,000	-
Total Bonded Indebtness		<u>327,216,408</u>	<u>184,905,000</u>	<u>20,956,267</u>	<u>491,165,141</u>	<u>4,074,267</u>
Accreted Interest Payable		22,051,737	777,514	3,703,733	19,125,518	-
Discount/Premium on Issuance of Debt		25,067,330	3,210,325	1,256,475	27,021,180	-
Total Other Obligations		47,119,067	3,987,839	4,960,208	46,146,698	-
Total Obligations of District		<u>\$ 374,335,475</u>	<u>\$ 188,892,839</u>	<u>\$ 25,916,475</u>	<u>\$ 537,311,839</u>	<u>\$ 4,074,267</u>

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The 1995A, 1999, 2008B, 2012, 2013 and 2019A bond series include outstanding capital appreciation bonds in the principal amount of \$1,070,141. The bonds mature variously beginning in 2024 through 2030. Interest accrues on these bonds each February 15 and August 15, even though the interest is not paid until maturity. The accreted interest of \$19,125,518 is accounted for as Accreted Interest Payable-Capital Appreciation Bonds.

General Obligation Bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the District. General Obligation Bonds require the District to compute, at the time taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The District is in compliance with this requirement.

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2023.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
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Presented below is a summary of general obligation bond requirements to maturity:

Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 4,074,267	\$ 24,351,359	\$ 28,425,626
2025	7,273,138	24,224,012	31,497,150
2026	7,191,678	23,414,900	30,606,578
2027	8,859,306	23,189,739	32,049,045
2028	12,620,249	21,042,699	33,662,948
2029-2033	53,996,503	92,114,434	146,110,937
2034-2038	68,685,000	77,241,103	145,926,103
2039-2043	82,565,000	62,890,919	145,455,919
2044-2048	102,780,000	42,017,625	144,797,625
2049-2053	124,380,000	17,547,250	141,927,250
2054	<u>18,740,000</u>	<u>398,225</u>	<u>19,138,225</u>
	<u>\$491,165,141</u>	<u>\$408,432,265</u>	<u>\$899,597,406</u>

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NOTE 6. DEBT ISSUANCES AND DEFEASED BONDS OUTSTANDING

In August 2022, the District issued \$4,655,000 (par value) in Unlimited Tax School Building Bonds to provide funds for future construction and other capital projects. The net proceeds of \$5,000,000 (\$4,655,000 par amount of the bonds plus \$438,521 of premium paid on the bonds less \$93,521 of underwriting fees and other issuance costs) were deposited to the District's Capital Projects Fund.

In March 2023, the District issued \$180,250,000 (par value) in Unlimited Tax School Building Bonds to provide funds for future construction and other capital projects. The net proceeds of \$181,600,000 (\$180,250,000 par amount of the bonds plus \$2,771,804 of premium paid on the bonds less \$1,421,804 of underwriting fees and other issuance costs) were deposited to the District's Capital Projects Fund.

In the current and prior years, the District issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The District has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds.

Accordingly, the trust account assets and liabilities for the defeased bonds and notes are not included in the District's financial statements. Although defeased, the refunded debt from those earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On June 30, 2023, \$13,815,000 of bonds and notes outstanding are considered defeased.

The District's deferred charges on bond refundings are as follows:

Balance – July 1, 2022	\$3,420,756
Current year amortization	<u>(388,429)</u>
Balance – June 30, 2023	<u>\$3,032,327</u>

NOTE 7. PROPERTY TAXES

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll upon which the levy for the 2022-23 fiscal year was based was \$7,374,331,381. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
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The tax rates assessed for the year ended June 30, 2023, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$.9429 and \$0.47 per \$100 valuation, respectively, for a total of \$1.4129 per \$ 100 valuation.

Current tax collections for the year ended June 30, 2023 were 99.02% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2023, property taxes receivable, net of estimated uncollectible taxes, totaled \$1,225,478 and \$574,009 for the General and Debt Service Funds, respectively.

Property taxes are recorded as receivables and unavailable revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

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NOTE 8. DEFINED BENEFIT PENSION PLAN

Plan Description. Little Elm Independent School District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://trs.texas.gov/pages/aboutpublications.aspx>, by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512)542-6592.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

Contributions. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

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	<u>Contribution Rates</u>	
	<u>2022</u>	<u>2023</u>
Member	8.0%	8.0%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
Little Elm ISD FY2023 Employer Contributions	\$	2,179,161
Little Elm ISD FY2023 Member Contributions	\$	4,624,349
Little Elm ISD FY2023 NECE On-Behalf Contributions	\$	3,191,910

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including the TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers including public schools are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source, from non-educational and general, or local funds.
- All public schools must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.

In addition to the employer contributions listed above, there are additional surcharges an employer is subject to.

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
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Actuarial Assumptions. The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91%
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

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Discount Rate. A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2022 are summarized below:

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Asset Class	Target Allocation ¹	Long-Term Expected Arithmetic Real Rate of Return ²	Expected Contribution To Long-Term Portfolio Returns
Global Equity			
U.S.	18%	4.6%	1.12%
Non-U.S. Developed	13%	4.9%	0.90%
Emerging Markets	9%	5.4%	0.75%
Private Equity	14%	7.7%	1.55%
Stable Value			
Government Bonds	16%	1.0%	0.22%
Absolute Return ⁴	0%	3.7%	0.00%
Stable Value Hedge Funds	5%	3.4%	0.18%
Real Return			
Real Estate	15%	4.1%	0.94%
Energy, Natural Resources	6%	5.1%	0.37%
Commodities	0%	3.6%	0.00%
Risk Parity			
Risk Parity	8%	4.6%	0.43%
Leverage			
Cash	2%	3.0%	0.01%
Asset Allocation Leverage	-6%	3.6%	-0.05%
Inflation Expectation	-		2.70%
Volatility Drag ³	-		-0.93%
Total	<u>100%</u>		<u>8.19%</u>

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Discount Rate Sensitivity Analysis. The following table presents the Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Little Elm ISD's proportionate share of the net pension liability:	\$38,550,471	\$24,781,405	\$13,620,930

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, Little Elm Independent School District reported a liability of \$24,781,405 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Little Elm Independent School District. The amount recognized by Little Elm Independent School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Little Elm Independent School District were as follows:

District's Proportionate share of the collective net pension liability	\$24,781,405
State's proportionate share that is associated with the District	<u>36,537,604</u>
Total	<u>\$61,319,009</u>

¹ Target allocations are based on the FY22 policy model.

² Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022).

³ The volatility drag results from the conversion between arithmetic and geometric mean returns.

⁴ Absolute Return includes credit sensitive investments.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.04174243%, an increase of 5.37% from its proportionate share of 0.039616451% at August 31, 2021.

Changes Since the Prior Actuarial Valuation – The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

For the year ended June 30, 2023, Little Elm Independent School District recognized pension expense of \$3,191,910 and revenue of \$3,191,910 for support provided by the State.

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At June 30, 2023, Little Elm Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (The amounts shown below will be the cumulative layers from the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 359,328	\$ 540,282
Changes in actuarial assumptions	4,617,582	1,150,830
Difference between projected and actual investment earnings	2,448,323	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,365,645	1,198,817
Contributions paid to TRS subsequent to the measurement date	1,870,209	-
Total	\$11,661,087	\$2,889,929

The net amounts of the District's balances of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2024	\$ 1,726,787
2025	944,949
2026	393,335
2027	3,238,710
2028	597,168
Thereafter	-

NOTE 9. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description. The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS- Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov/pages/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

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Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table:

TRS-Care Monthly for Retirees		
	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25% of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

<u>Contribution Rates</u>		
	<u>2022</u>	<u>2023</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
Little Elm ISD FY23 Employer Contributions		\$465,249
Little Elm ISD FY23 Member Contributions		\$375,702
Little Elm ISD FY23 NECE On-behalf Contributions		\$700,945

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to, regardless of whether or not they participate in the TRS Care OPEB program. When hiring a TRS retiree, employers are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

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TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Rates of Disability

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the mortality projection scale MP-2018.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.91%
Aging Factors	Based on specific plan experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs
Projected Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65
Ad hoc post-employment benefit changes	None

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Discount Rate. A single discount rate of 3.91% was used to measure the total OPEB liability. There was an increase of 1.96 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2021 using the fixed-income market data/yield curve/data municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used 3.91% in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Current Single Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
District’s proportionate share of the Net OPEB Liability:	\$14,991,748	\$12,714,792	\$10,870,165

Healthcare Cost Trend Rates Sensitivity Analysis - The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is one-percentage less than or one-percentage point greater than the health trend rates is assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District’s proportionate share of the Net OPEB Liability:	\$10,477,046	\$12,714,792	\$15,615,742

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2023, the District reported a liability of \$12,714,792 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District.

The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District’s Proportionate share of the collective Net OPEB Liability	\$12,714,792
State’s proportionate share that is associated with the District	<u>\$15,510,049</u>
Total	<u>\$28,224,841</u>

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer’s proportion of the Net OPEB Liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

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At August 31, 2022 the employer’s proportion of the collective Net OPEB Liability was 0.0531021941%, an increase of 4.44% compared to the August 31, 2021 proportionate share of 0.050846802%.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the Total OPEB Liability.

Changes of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was \$(2,011,639).

At June 30, 2023, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 706,897	\$10,592,563
Changes in actuarial assumptions	1,936,715	8,833,481
Difference between projected and actual investment earnings	37,874	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,962,008	972,919
Contributions paid to TRS subsequent to the measurement date	392,206	-
Total	\$6,035,700	\$20,398,963

The net amounts of the employer’s balances of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to OPEB will be recognized in OPEB expense as follows:

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2023

Year ended June 30:	OPEB Expense Amount
2024	\$ (2,822,747)
2025	(2,822,608)
2026	(2,283,417)
2027	(1,553,447)
2028	(1,953,305)
Thereafter	(3,319,945)

NOTE 10. MEDICARE PART D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the year ended June 30, 2023, the period ended June 30, 2022 and the year ended August 31, 2021, the subsidy payments received by TRS-Care on behalf of the District were \$298,608, \$171,716 and \$241,276, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statement of the District.

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NOTE 11. HEALTH CARE

During the year ended June 30, 2023, employees of Little Elm Independent School District were covered by the TRS-Active Care health insurance plan (the Plan). The District contributed \$397 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay any additional contribution and contributions for dependents. All contributions were paid to a self-funded pool. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

NOTE 12. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30 2023, are summarized below. All federal grants shown below are passed through the TEA and are reported on the financial statements as Due from Other Governments.

Fund	State Grant	Federal Grants	Total
General Fund	\$1,318,906	\$ -	\$1,318,906
Special Revenue	<u>28,372</u>	<u>2,070,504</u>	<u>2,098,876</u>
Total	<u>\$1,347,278</u>	<u>\$2,070,504</u>	<u>\$3,417,782</u>

NOTE 13. LITIGATION AND CONTINGENCIES

The District participates in numerous state and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 14. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	\$67,160,637	\$ -	\$33,521,409	\$ -	\$ 100,682,046
Food Sales	-	1,846,818	-	-	1,846,818
Investment Income	1,686,330	77,059	768,590	3,896,056	6,428,035
Penalties, interest and other tax related income	243,214	-	108,869	-	352,083
Co-curricular student activities	176,842	665,338	-	-	842,180
Other	554,305	98,133	-	-	652,438
Total	<u>\$69,821,328</u>	<u>\$ 2,687,348</u>	<u>\$34,398,868</u>	<u>\$ 3,896,056</u>	<u>\$ 110,803,600</u>

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NOTE 15. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
State Aid	\$ -	\$ -	\$ 150,914	\$ 150,914
Tuition and Fees	943	-	-	943
Athletics	13,340	-	-	13,340
Grant Funds	-	15,123	-	15,123
Total	<u>\$ 14,283</u>	<u>\$ 15,123</u>	<u>\$ 150,914</u>	<u>\$ 180,320</u>

NOTE 16. GENERAL FUND FEDERAL SOURCE REVENUES

<u>Program or Source</u>	<u>FALN Number</u>	<u>Amount</u>	<u>Total Grant or Entitlement</u>
General Fund:			
Impact Aid	84.041	\$ 822,127	\$ 822,127
Watershed Protection & Flood Control	10.904	170,977	170,977
SHARS		1,725,064	1,725,064
Indirect Costs		938,607	938,607
Total for General Fund		<u>\$3,656,775</u>	<u>\$3,656,775</u>

NOTE 17. CONSTRUCTION COMMITMENTS

As of June 30, 2022, the District had entered into construction contracts for construction and renovation of the high school totaling \$2.1 million. At June 30, 2023, there was \$1.4 million remaining costs under these contracts. These costs will be paid from the District's Capital Projects Fund.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 18. EXTRAORDINARY ITEMS

During the year ended June 30, 2023, the District recorded an Extraordinary Item - Resource of \$1,171,909 and an Extraordinary Item - (Use) of \$1,614,307 for the insurance proceeds received and the costs incurred related to damage to District property during the severe winter storm in February 2021 and hail damage to roofs in 2022. These items were recorded in the General Fund and Capital Projects Fund.

NOTE 19. INTERFUND TRANSFERS

During the year ended June 30, 2023, the District transferred \$387,188 to the special revenue fund (Growth/Transition Fund) to fund future projects required due to growth and a reduction in federal funding in the future.

NOTE 20. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In May 2020, GASB issued Statement No. 96 – Subscription-Based Information Technology Arrangements (“SBITA”). This statement increases the usefulness of governments’ financial statements by requiring recognition of certain right-to-use subscription assets and corresponding subscription liabilities for SBITAs that were previously recognized as outflows of resources based on the payment provisions of the contract. The statement is effective for fiscal years beginning after June 15, 2022.

Per review of the information technology arrangements identified by the District as potential SBITAs, the arrangements were determined to either not meet the definition of a SBITA, or were immaterial to the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Pension Liability (Asset)	0.04174243%	0.039616451%	0.034981421%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 24,781,405	\$ 10,088,908	\$ 18,735,336
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	36,537,604	15,730,061	33,573,739
Total	<u>\$ 61,319,009</u>	<u>\$ 25,818,969</u>	<u>\$ 52,309,075</u>
District's Covered Payroll	\$ 54,067,763	\$ 49,699,556	\$ 46,541,197
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	45.83%	20.30%	40.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.62%	88.79%	75.54%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.0391078%	0.0409388%	0.0396664%	0.0393544%	0.038084%	0.0253074%
\$ 20,329,470	\$ 22,533,699	\$ 12,683,167	\$ 14,871,455	\$ 13,460,915	\$ 6,759,957
30,766,345	33,210,755	19,618,342	23,843,301	21,232,603	18,037,366
<u>\$ 51,095,815</u>	<u>\$ 55,744,454</u>	<u>\$ 32,301,509</u>	<u>\$ 38,714,756</u>	<u>\$ 34,693,518</u>	<u>\$ 24,797,323</u>
\$ 44,166,020	\$ 43,300,209	\$ 41,426,312	\$ 40,626,075	\$ 36,340,923	\$ 34,299,303
46.03%	52.04%	30.62%	36.61%	37.04%	19.71%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	\$ 2,179,161	\$ 1,640,356	\$ 1,690,257
Contribution in Relation to the Contractually Required Contribution	(2,179,161)	(1,640,356)	(1,690,257)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 57,804,406	\$ 44,677,247	\$ 49,699,556
Contributions as a Percentage of Covered Payroll	3.77%	3.67%	3.40%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

	2020	2019	2018	2017	2016	2015
\$	1,443,435	\$ 1,368,512	\$ 1,379,178	\$ 1,309,535	\$ 1,250,351	\$ 1,127,615
	(1,443,435)	(1,368,512)	(1,379,178)	(1,309,535)	(1,250,351)	(1,127,615)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	46,541,197	\$ 44,166,020	\$ 43,300,209	\$ 41,426,312	\$ 40,626,075	\$ 36,340,923
	3.10%	3.10%	3.19%	3.16%	3.07%	3.10%

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2023

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.053102194%	0.050846802%	0.048684735%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 12,714,792	\$ 19,613,883	\$ 18,507,266
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	15,510,049	26,278,233	24,869,329
Total	<u>\$ 28,224,841</u>	<u>\$ 45,892,116</u>	<u>\$ 43,376,595</u>
District's Covered Payroll	\$ 54,067,763	\$ 49,699,556	\$ 46,541,197
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	23.52%	39.46%	39.77%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.52%	6.18%	4.99%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
	0.0494296%	0.05133%	0.048687%
\$	23,375,840	\$ 25,629,348	\$ 21,172,128
	31,061,264	37,839,539	33,151,472
\$	<u>54,437,104</u>	<u>\$ 63,468,887</u>	<u>\$ 54,323,600</u>
\$	44,166,020	\$ 43,300,209	\$ 41,426,312
	52.93%	59.19%	51.11%
	2.66%	1.57%	0.91%

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR FISCAL YEAR 2023

	2023	2022	2021
Contractually Required Contribution	\$ 465,249	\$ 359,897	\$ 397,162
Contribution in Relation to the Contractually Required Contribution	(465,249)	(359,897)	(397,162)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 57,804,406	\$ 44,677,247	\$ 49,699,556
Contributions as a Percentage of Covered Payroll	0.80%	0.81%	0.80%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

	2020	2019	2018
\$	370,040	\$ 350,816	\$ 343,937
	(370,040)	(350,816)	(343,937)
\$	-	\$ -	\$ -
\$	46,541,197	\$ 44,166,020	\$ 43,300,209
	0.80%	0.79%	0.79%

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

PENSION LIABILITY:

Changes of benefit terms:

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of assumptions:

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

- The discount rate changed from 7.25 percent as of August 31, 2021 to 7.00 percent as of August 31, 2022. This change increased the total pension liability.

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OPEB LIABILITY:

Changes of benefit terms:

There were no changes in benefit terms since the prior measurement date.

Changes of assumptions:

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the Total OPEB Liability.

COMBINING SCHEDULES

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program	
ASSETS					
1110	Cash and Cash Equivalents	\$ (111,248)	\$ (249,156)	\$ (1,953)	\$ 2,860,282
1240	Due from Other Governments	111,248	414,435	1,953	23,936
1290	Other Receivables	-	-	-	-
1410	Prepayments	-	-	-	-
1000	Total Assets	\$ -	\$ 165,279	\$ -	\$ 2,884,218
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 1,220	\$ -	\$ 39,749
2160	Accrued Wages Payable	-	141,851	-	171,327
2200	Accrued Expenditures	-	22,208	-	26,375
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	-	165,279	-	237,446
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	2,646,772
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	2,646,772
4000	Total Liabilities and Fund Balances	\$ -	\$ 165,279	\$ -	\$ 2,884,218

244	255	263	280	281	282	283	284
Career and Technical - Basic Grant	ESEA II,A Training and Recruiting	Title III, A English Lang. Acquisition	ESSER III Homelss Children	ESSER II CRRSA Act Supplemental	ESSER III ARP Act	ESSER-SUPP	IDEA B Formula ARP Act
\$ (14,791)	\$ (35,892)	\$ (12,569)	\$ (317)	\$ (67,387)	\$ (247,488)	\$ (320,725)	\$ (40,021)
14,791	35,892	35,329	317	101,188	247,488	1,020,052	40,325
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,046
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,760</u>	<u>\$ -</u>	<u>\$ 33,801</u>	<u>\$ -</u>	<u>\$ 699,327</u>	<u>\$ 1,350</u>
\$ -	\$ -	\$ 22,760	\$ -	\$ -	\$ -	\$ 85,700	\$ 1,350 ⁹⁹
-	-	-	-	30,750	-	596,835	-
-	-	-	-	3,051	-	16,792	-
-	-	-	-	-	-	-	-
-	-	22,760	-	33,801	-	699,327	1,350
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,760</u>	<u>\$ -</u>	<u>\$ 33,801</u>	<u>\$ -</u>	<u>\$ 699,327</u>	<u>\$ 1,350</u>

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

Data Control Codes	285 IDEA B Preschool ARP Act	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	397 Advanced Placement Incentives
ASSETS				
1110 Cash and Cash Equivalents	\$ (5,706)	\$ (17,844)	\$ -	\$ 3,955
1240 Due from Other Governments	5,706	17,844	-	-
1290 Other Receivables	-	-	-	-
1410 Prepayments	-	-	-	-
1000 Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,955</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ - 100
2160 Accrued Wages Payable	-	-	-	-
2200 Accrued Expenditures	-	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	3,955
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,955</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,955</u>

410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	491 Textbook Fund	492 Growth/ Transition Fund	499 Local Grants	Total Nonmajor Governmental Funds
\$ 15,245	\$ (28,372)	\$ 419,540	\$ 15,789	\$ 10,219,315	\$ 67,087	\$ 12,447,744
-	28,372	-	-	-	-	2,098,876
-	-	625	-	-	-	625
-	-	-	-	-	-	1,046
<u>\$ 15,245</u>	<u>\$ -</u>	<u>\$ 420,165</u>	<u>\$ 15,789</u>	<u>\$ 10,219,315</u>	<u>\$ 67,087</u>	<u>\$ 14,548,291</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,774
-	-	-	-	-	-	940,763
-	-	-	-	-	-	68,426
15,123	-	-	-	-	-	15,123
<u>15,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,175,086</u>
122	-	-	-	-	-	2,650,849
-	-	420,165	15,789	-	67,087	503,041
-	-	-	-	10,219,315	-	10,219,315
<u>122</u>	<u>-</u>	<u>420,165</u>	<u>15,789</u>	<u>10,219,315</u>	<u>67,087</u>	<u>13,373,205</u>
<u>\$ 15,245</u>	<u>\$ -</u>	<u>\$ 420,165</u>	<u>\$ 15,789</u>	<u>\$ 10,219,315</u>	<u>\$ 67,087</u>	<u>\$ 14,548,291</u>

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 1,924,327
5800 State Program Revenues	-	-	-	20,787
5900 Federal Program Revenues	481,607	1,482,876	28,277	3,012,056
5020 Total Revenues	481,607	1,482,876	28,277	4,957,170
EXPENDITURES:				
Current:				
0011 Instruction	361,317	626,289	28,277	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	47,906	7,800	-	-
0021 Instructional Leadership	41	126,975	-	-
0023 School Leadership	599	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	721,812	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	4,788,154
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	71,744	-	-	-
6030 Total Expenditures	481,607	1,482,876	28,277	4,788,154
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	169,016
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	169,016
0100 Fund Balance - July 1 (Beginning)	-	-	-	2,477,756
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ 2,646,772

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244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	280 ESSER III Homelss Children	281 ESSER II CRRSA Act Supplemental	282 ESSER III ARP Act	283 ESSER-SUPP	284 IDEA B Formula ARP Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
58,188	126,470	166,295	425	1,221,229	711,852	2,522,664	192,428
58,188	126,470	166,295	425	1,221,229	711,852	2,522,664	192,428
58,188	-	66,791	425	720,712	625,365	1,725,941	132,719
-	-	-	-	-	-	33,076	-
-	124,254	97,954	-	452,341	5,189	259,690	-
-	1,948	-	-	-	-	97,229	-
-	268	-	-	48,087	-	-	-
-	-	-	-	-	81,298	158,353	59,709
-	-	-	-	-	-	151,159	-
-	-	-	-	89	-	-	-
-	-	-	-	-	-	97,216	-
-	-	-	-	-	-	-	-
-	-	1,550	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
58,188	126,470	166,295	425	1,221,229	711,852	2,522,664	192,428
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	285 IDEA B Preschool ARP Act	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	397 Advanced Placement Incentives
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ 4,100	\$ -
5800 State Program Revenues	-	-	-	2,965
5900 Federal Program Revenues	12,287	53,627	-	-
5020 Total Revenues	12,287	53,627	4,100	2,965
EXPENDITURES:				
Current:				
0011 Instruction	12,287	1,544	4,100	6,450
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	22,071	-	-
0021 Instructional Leadership	-	5,425	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	8,700	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	15,887	-	-
6030 Total Expenditures	12,287	53,627	4,100	6,450
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(3,485)
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	(3,485)
0100 Fund Balance - July 1 (Beginning)	-	-	-	7,440
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ 3,955

410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	491 Textbook Fund	492 Growth/ Transition Fund	499 Local Grants	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 665,338	\$ -	\$ -	\$ 93,583	\$ 2,687,348
77,792	86,388	-	-	-	-	187,932
-	-	-	-	-	-	10,070,281
77,792	86,388	665,338	-	-	93,583	12,945,561
68,322	6,267	97,548	-	-	47,994	4,590,536
-	-	703	-	-	-	33,779
9,470	58,341	14,669	-	-	6,245	1,105,930
-	-	-	-	-	-	231,618
-	-	83,433	-	-	-	132,387
-	-	-	-	-	-	1,029,872
-	-	-	-	-	-	151,159
-	-	135	-	-	-	224
-	-	-	-	-	-	97,216
-	-	-	-	-	-	4,788,154
-	-	480,142	-	-	14,326	496,018
-	-	-	-	-	24,187	24,187
-	-	-	-	-	4,980	4,980
-	21,780	-	-	-	-	21,780
-	-	-	-	-	-	87,631
77,792	86,388	676,630	-	-	97,732	12,795,471
-	-	(11,292)	-	-	(4,149)	150,090
-	-	-	-	387,188	-	387,188
-	-	(11,292)	-	387,188	(4,149)	537,278
122	-	431,457	15,789	9,832,127	71,236	12,835,927
\$ 122	\$ -	\$ 420,165	\$ 15,789	\$ 10,219,315	\$ 67,087	\$ 13,373,205

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REQUIRED T.E.A. SCHEDULES

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED JUNE 30, 2023

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2014 and prior years	Various	Various	\$ Various
2015	1.040000	0.500000	2,333,023,752
2016	1.170000	0.370000	2,674,137,297
2017	1.170000	0.370000	3,245,898,900
2018	1.170000	0.370000	3,904,942,803
2019	1.170000	0.470000	4,710,400,731
2020	1.068300	0.470000	5,226,184,446
2021	1.023600	0.470000	5,615,229,100
2022	0.960300	0.470000	6,307,564,145
2023 (School year under audit)	0.942900	0.470000	7,374,331,381
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.115, Tax Code			

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(10) Beginning Balance 7/1/2022	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2023
\$ 145,466	\$ -	\$ 3,760	\$ 1,709	\$ (29,984)	\$ 110,013
23,766	-	1,942	934	-	20,890
23,749	-	2,036	643	-	21,070
38,770	-	2,324	735	-	35,711 ¹⁰⁹
48,327	-	3,679	1,163	(947)	42,538
68,589	-	4,617	1,854	(2,002)	60,116
122,777	-	27,303	12,012	114,936	198,398
182,056	-	(5,222)	(2,398)	18,510	208,186
953,716	-	273,281	133,752	(310,836)	235,847
-	99,960,776	66,947,916	33,371,005	1,349,960	991,815
<u>\$ 1,607,216</u>	<u>\$ 99,960,776</u>	<u>\$ 67,261,636</u>	<u>\$ 33,521,409</u>	<u>\$ 1,139,637</u>	<u>\$ 1,924,584</u>
\$ -	\$ -	\$ 22,201	\$ -	\$ -	\$ -

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,750,000	\$ 1,750,000	\$ 1,924,327	\$ 174,327
5800 State Program Revenues	20,000	20,000	20,787	787
5900 Federal Program Revenues	3,571,000	3,328,604	3,012,056	(316,548)
5020 Total Revenues	5,341,000	5,098,604	4,957,170	(141,434)
EXPENDITURES:				
Current:				
0035 Food Services	5,341,000	6,398,085	4,788,154	1,609,931
6030 Total Expenditures	5,341,000	6,398,085	4,788,154	1,609,931
1200 Net Change in Fund Balances	-	(1,299,481)	169,016	1,468,497
0100 Fund Balance - July 1 (Beginning)	2,477,756	2,477,756	2,477,756	-
3000 Fund Balance - June 30 (Ending)	\$ 2,477,756	\$ 1,178,275	\$ 2,646,772	\$ 1,468,497

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 28,816,425	\$ 33,730,380	\$ 34,398,868	\$ 668,488
5800 State Program Revenues	250,000	380,000	697,573	317,573
5020 Total Revenues	29,066,425	34,110,380	35,096,441	986,061
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	12,880,275	20,956,268	20,956,267	1
0072 Interest on Long-Term Liabilities	16,166,150	16,263,782	16,263,781	1
0073 Bond Issuance Cost and Fees	20,000	37,273	21,406	15,867
6030 Total Expenditures	29,066,425	37,257,323	37,241,454	15,869
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,146,943)	(2,145,013)	1,001,930
OTHER FINANCING SOURCES (USES):				
7916 Premium or Discount on Issuance of Bonds	-	17,275	27,649	10,374
1200 Net Change in Fund Balances	-	(3,129,668)	(2,117,364)	1,012,304
0100 Fund Balance - July 1 (Beginning)	26,466,868	26,466,868	26,466,868	-
3000 Fund Balance - June 30 (Ending)	\$ 26,466,868	\$ 23,337,200	\$ 24,349,504	\$ 1,012,304

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2023

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes	
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes	
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$5,748,086	112
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$2,983,012	

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes	
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes	
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$1,214,715	
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	\$645,191	

FEDERAL AWARDS SECTION

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Little Elm Independent School District
Little Elm, Texas

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Little Elm Independent School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Little Elm Independent School District's basic financial statements, and have issued our report dated October 11, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hankins, Eastup, Deaton, Tonn, Seay + Scarborough, LLC

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas

October 11, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Little Elm Independent School District
Little Elm, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Little Elm Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Little Elm Independent School District's major federal programs for the year ended June 30, 2023. Little Elm Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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In our opinion, Little Elm Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Little Elm Independent School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Little Elm Independent School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Little Elm Independent School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Little Elm Independent School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Little Elm Independent School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Little Elm Independent School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Little Elm Independent School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Little Elm Independent School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas

October 11, 2023

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.
2. Internal control over financial reporting:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
3. Noncompliance which is material to the financial statements: None
4. Internal controls over major federal programs:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: No
5. Type of auditor's report on compliance for major federal programs: Unmodified.
6. Did the audit disclose findings which are required to be reported in accordance with 2 CFR 200.516(a)?: No
7. Major programs include:
Child Nutrition Cluster:
FALN 10.553 School Breakfast Program
FALN 10.555 National School Lunch Program - Cash Assistance
FALN 10.555 National School Lunch Program - Non-Cash Assistance
FALN 10.555 National School Lunch Program - Supply Chain Assistance

FALN 84.425D COVID 19 - ESSER II - School Emergency Relief
FALN 84.425U COVID 19 - ESSER III - School Emergency Relief
FALN 84.425U COVID 19 - Supplemental ESSER Fund
FALN 84.425W COVID 19 - ARP Education for Homeless Children

FALN 93.575 Child Car Stabilization Funds
8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
9. Low risk auditee: Yes

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II. Findings Related to the Financial Statements which are Required to be Reported in Accordance with *Generally Accepted Government Auditing Standards*

None

III. Findings and Questioned Costs Related to Federal Awards

None

IV. Other Findings

None

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

No Prior Findings.

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874	84.041	S041A-2023-5019	\$ 822,127
Total Direct Programs			<u>822,127</u>
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	22610101061914	33,137
ESEA, Title I, Part A - Improving Basic Programs	84.010A	23610101061914	470,691
Total Assistance Listing Number 84.010			<u>503,828</u>
*IDEA - Part B, Formula	84.027A	22660001061914	353,122
*IDEA - Part B, Formula	84.027A	23660001061914	1,201,075
*COVID 19 - IDEA, Part B, Formula - (ARP)	84.027X	225350010619145350	201,963
Total Assistance Listing Number 84.027			<u>1,756,160</u>
Total Special Education Cluster (IDEA)			<u>1,798,734</u>
Career and Technical - Basic Grant	84.048	23420006061914	61,071
*IDEA - Part B, Preschool	84.173A	22661001061914	8,071
*IDEA - Part B, Preschool	84.173A	23661001061914	21,607
*COVID 19 - IDEA, Part B, Preschool- (ARP)	84.173X	225360010619145360	12,896
Total Assistance Listing Number 84.173			<u>42,574</u>
Total Special Education Cluster (IDEA)			<u>1,798,734</u>
Title III, Part A - English Language Acquisition	84.365A	22671001061914	12,841
Title III, Part A - English Language Acquisition	84.365A	23671001061914	161,057
Total Assistance Listing Number 84.365			<u>173,898</u>
ESEA, Title II, Part A, Teacher Principal Training	84.367A	22694501061914	45,931
ESEA, Title II, Part A, Teacher Principal Training	84.367A	23694501061914	86,806
Total Assistance Listing Number 84.367			<u>132,737</u>
Summer School LEP	84.369A	69552102	16,191
ESEA Title IV, Part A - Student Support	84.424A	23680101061914	39,291
COVID 19 - ESSER II - School Emergency Relief	84.425D	21521001061914	1,301,642
COVID 19 - ESSER III - School Emergency Relief	84.425U	21521001061914	842,213
COVID 19 - Supplemental ESSER Fund	84.425U	21528043061914	2,697,741
COVID 19 - ARP Education for Homeless Children	84.425W	21533002061914	503
Total Assistance Listing Number 84.425			<u>4,842,099</u>
Total Passed Through Texas Education Agency			<u>7,567,849</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u><u>8,389,976</u></u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Workforce Commission</u>			
CCDF - Child Care Stabilization Funds	93.575	1-891161	315,948
Total Passed Through Texas Workforce Commission			<u>315,948</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u><u>315,948</u></u>

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	NT4XL1YGLGC5	602,791
*National School Lunch Program - Cash Assistance	10.555	NT4XL1YGLGC5	2,085,574
*National School Lunch Prog. - Non-Cash Assistance	10.555	NT4XL1YGLGC5	306,424
*NSLP Supply Chain Assistance	10.555	NT4XL1YGLGC5	390,625
Total Assistance Listing Number 10.555			2,782,623
Total Child Nutrition Cluster			3,385,414
NSLP Equipment Assistance Grant	10.579	NT4XL1YGLGC5	52,490
P-EBT Admin. Reimb.	10.649	226TX109S9009	3,135
Watershed Protection & Flood Control	10.904	806780706	170,977
Total Passed Through the Texas Department of Agriculture			3,612,016
TOTAL U.S. DEPARTMENT OF AGRICULTURE			3,612,016
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 12,317,940
*Clustered Programs			

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LITTLE ELM INDEPENDENT SCHOOL DISTRICT
 NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023

- For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*.
 - **General Fund** - is used to account for among other things, resources related to the United States Department of Education's Impact Aid.
 - **Special Revenue Funds** - are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

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With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used in the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 3 CFR Section 200.343 (b).
- FALN numbers for commodity assistance are the FALN numbers of the programs under which USDA donated the commodities.
- Indirect cost reimbursement for federal programs for this fiscal year was received in the amount of \$938,607.
- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards	\$12,317,940
SHARS Revenue reported in the General Fund	<u>1,725,064</u>
Total Federal Program Revenue	<u>\$14,043,004</u>

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Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
10-16-2023	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	PROPERTY SALE				
Presenter or Contact Person:	Mickey James, Executive Director of Construction				
Policy/Code:	CVD (LOCAL)				
Strategic Plan Goal:	To ensure fiscal health & sustainability.				
Summary:	Consider approval to declare surplus and authorize the sale of certain unimproved real property (surface only), described as 0.3 acres, more or less, on High Ridge Drive, situated in the William Loftin Survey, Abstract No. 70, in the Town of Lakewood Village, Denton County, Texas.				
Financial Implications:	Sale price is \$25,000. The developer (Corson Cramer Development) will also cover all cost / fees associated with the sale of this property.				
Attachments:	Proposal from Walsh Gallegos.				
Recommendation:	The Administration recommends the approval of this resolution as presented, and to authorize the Superintendent or his designee to execute the required documents.				
Motion:	I move that the Board approve the following resolution authorizing the sale of the surface only of real property.				

**THE BOARD OF TRUSTEES OF
LITTLE ELM INDEPENDENT SCHOOL DISTRICT**

RESOLUTION AUTHORIZING SALE OF REAL PROPERTY

WHEREAS, the Board of Trustees has determined that the real property depicted in the attached **Exhibit “A”**, and consisting of 0.3 acres, more or less, on High Ridge Drive, situated in the William Loftin Survey Abstract No. 70, in the Town of Lakewood Village, Denton County, Texas (the “Property”) is surplus and not necessary for the construction of facilities to meet the current and foreseeable needs of the District for educational purposes;

WHEREAS, the Board of Trustees is authorized by Texas Local Government Code Section 272.001(b) to sell property to an abutting property owner for no less than the fair market value of the property, as it is land that because of its shape, lack of access to public roads, or small area cannot be used independently under its current zoning or under applicable subdivision or other development control ordinances; and

WHEREAS, the abutting property owner, CCD - LWV, LLC, has expressed an interest in purchasing the Property and the District is interested in selling the Property.

Be it Resolved,

1. That the findings and recitals in the preamble of this Resolution are hereby found to be true and correct and are hereby approved and adopted.
2. That the Board of Trustees authorizes the Superintendent to negotiate and execute a contract to sell the Property and execute other documents necessary to affect the conveyance of the Property, with the exception of the deed, which may only be executed by the Board President.
3. That, provided the conditions of the contract are satisfied, the Board of Trustees authorizes the Board President to execute the deed.
4. That the School District Administration is authorized to take any and all appropriate action to accomplish and effectuate the purposes of this Resolution.
5. It is hereby found, determined and declared that sufficient written notice of the date, time, place and subject of the meeting of the Board of Trustees of the Little Elm Independent School District at which this Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public for the time required by law preceding this meeting, as required by Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Trustees further ratifies, approves and confirms such written notice and posting thereof.

PASSED, APPROVED AND ADOPTED by the Board of Trustees of the Little Elm Independent School District, on the 16th day of October, 2023.

By: _____
Jason Olson, President, Board of Trustees

Attest:

By: _____
DeLeon English, Secretary, Board of Trustees

CERTIFICATE FOR RESOLUTION

I hereby certify that the foregoing Resolution was presented to the Board of Trustees of the Little Elm Independent School District during a meeting on October 16, 2023. A quorum of the Board of Trustees being then present, it was then duly moved and seconded that the Resolution be adopted, and such Resolution was then adopted according to the following vote:

Ayes: _____

Nays: _____

Abstentions: _____

To certify which, witness my hand and the official seal of the District this ____ day of October, 2023.

Jason Olson, President,
Board of Trustees

EXHIBIT "A"

Depiction of Property (Shaded in Red)

[see attached]

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
10-16-2023	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	BRENT & CHAVEZ INTERIOR UPGRADES				
Presenter or Contact Person:	Mickey James, Executive Director of Construction				
Policy/Code:	CVD (LOCAL)				
Strategic Plan Goal:	To ensure fiscal health & sustainability.				
Summary:	Requesting approval of interior upgrades to replace flooring and wall tile in various areas of the buildings. (main corridors, cafeteria, restrooms)				
Financial Implications:	Total cost for this project to be \$1,930,000, which includes a 3% contingency, funded from the Phase I sale of the 2022 Bond.				
Attachments:	Proposals from SFCC.				
Recommendation:	The Administration recommends the approval of this vendor and costs as presented, and to authorize the Superintendent or his designee to execute the required purchase documents.				
Motion:	I move the Board approve this vendor and costs as presented and authorize the Superintendent or his designee to execute the required purchase documents.				

SFCC

Sports Facilities Construction Company

12600 Preston Road

(214)-387-7987 Tel ♦ Frisco, Texas 75033 ♦ (214) 387-7987 Fax

PROPOSAL #23BM50L Brent Bathrooms & Flooring

DATE: 10/3/23	FROM: Brandon Marris Cell: 972-839-7410
TO: LITTLE ELM ISD	PROJECT: Brent Bathrooms & Flooring
ATTN: Mickey James	ADDRESS: 500 Witt Rd
ADDRESS: 400 Lobo Ln	CITY: Little Elm, Tx 75068
CITY: Little Elm, Tx 75068	
TELE: 940-594-3947	PAGE [S] 1
FAX:	

As requested by Little Elm I.S.D., SFCC has agreed to perform the following work and to price all work according to the 2023 R.S. Means Facilities Cost Index as attached to this proposal with the .89 ratio factor for work using the line items which most closely resemble the work as needed & necessary and/or terms governed in contract to be performed and completed 100%

DESCRIPTION

Using an approved vendor SFCC will remove approx. 19,700 sq ft of wall and floor tiling in all restrooms throughout the school. Approx. 6,600 sq ft of wall tile in the restrooms we will be removed by removing the backerboard and replacing any studs needing replacement, then replacing the backer board before retiling. Before we start demo we will remove all partitions and replace with new as chosen by the district. We will also remove all of the plumbing fixtures to be able to remove and replace all of the tiles. These will be stored in a storage container to safely stored and out of the way. We will also replace and damaged or broken china that is discovered. Additionally we will remove approx. 7,500 sq ft of tile in the main corridor and in the cafeteria and put back with LVT chosen by the district. In addition we will demo all of the flooring in all of the hallways throughout the school and replace with the selected LVT to match. We will also be providing and installing (10) CRS-3 Handwash Stations to resemble the existing stations.

EXCLUSIONS

Taxes, bonds, permits, fees, electrical, engineer, lift,

TOTAL

\$1,004,890.19

For Bond Add %2.5 or \$25,120.23

\$1,029,929.42

Payment terms: 30days

Accepted for:
SFCC, Inc.

Accepted for Customer

Authorized Signature

Date

Authorized Signature

Date

Please print name & title

SFCC Inc.

PUBLIC CONSTRUCTION SERVICES

JOC Report

Line Number	Long Description	Quantity	Unit Of Measure	Material	Extended Material	Extended Total OP	Total
00001	Flooring Demo, Incl. Grinding, Wall Demo	22,000.00	S.F.	\$3.75	\$82,500.00	\$89,540.00	
00002	Tile, LVT, incl. Labor	19,700.00	Ea.	\$16.22	\$319,534.00	\$354,206.00	
00003	Prep, Thinset, Grout	19,700.00	Ea.	\$1.29	\$25,413.00	\$28,565.00	
00004	Plumbing	1.00	Ea.	\$174,250.00	\$174,250.00	\$193,417.50	
00005	New partitions for all bathrooms	1.00	Ea.	\$62,500.00	\$62,500.00	\$69,375.00	
00006	Dumpster, Connex, Cleaning, Rubber base,	1.00	Ea.	\$70,000.00	\$70,000.00	\$76,600.00	
00007	Flooring for hallways, Incl. Labor and cove base	1.00	Ea.	\$83,000.00	\$83,000.00	\$92,960.00	
00008	Handwash stations CRS-3	11.00	Ea.	\$9,460.00	\$104,060.00	\$115,506.60	
013113200160	Field personnel, general purpose laborer, average	17.50	Week	\$0.00	\$0.00	\$52,500.00	
013113200240	Field personnel, superintendent, minimum	17.50	Week	\$0.00	\$0.00	\$56,420.00	
						\$1,129,090.10	
						SubTotal	\$1,129,090.10
						(ExtendedTotalOP)	
						JOC Discount (.89	(\$124,199.91)
						on Extended Total	
						OP)	
						Grand Total	\$1,004,890.19

SFCC

Sports Facilities Construction Company

12600 Preston Road

(214)-387-7987 Tel ♦ Frisco, Texas 75033 ♦ (214) 387-7987 Fax

PROPOSAL #23BM51L-R1 Chavez Bathrooms & Flooring

DATE:10/3/2023	FROM: Brandon Marris Cell: 972-839-7410
TO: LITTLE ELM ISD	PROJECT: Chavez Bathrooms & Flooring
ATTN: Mickey James	ADDRESS: 2600 Hart Rd
ADDRESS: 400 Lobo Dr	CITY: Little Elm, Tx 75068
CITY: Little Elm, Tx 75068	
TELE: 940-594-3947	PAGE [S] 1
FAX:	

As requested by Little Elm I.S.D., SFCC has agreed to perform the following work and to price all work according to the 2022 R.S. Means Facilities Cost Index as attached to this proposal with the .89 ratio factor for work using the line items which most closely resemble the work as needed & necessary and/or terms governed in contract to be performed and completed 100%

DESCRIPTION

Using an approved vendor SFCC will demo approx. 16,000 sq ft of wall and floor tiles in all of the restrooms throughout the school. We will removed the drywall in bathrooms where the tile is at. We will then replace any studs needing replaced as well as replace the rock board. We will remove all restroom fixtures before tile demo and putback once complete. If any china is needing to be replaced we will replace those fixtures. We will also demo approx. 7,500 sq ft of ceramic floor tile in the main entry. We will then grind all of the thinset down and float the floor. Once complete the cafeteria to be replaced with LVT chosen by the district. We will also provide and install (2) handwash stations in the main hallway gang restrooms.

EXCLUSIONS

Taxes, bonds, permits, fees, electrical, engineer, lift

TOTAL AMOUNT

\$826,826.91

IF BOND IS REQUIRED 2.5% \$20,670.67 = \$847.497.58

Payment terms: 30days

Accepted for:
SFCC, Inc.

Accepted for Customer

Authorized Signature

Date

Authorized Signature

Date

Please print name & title

SFCC Inc.

PUBLIC CONSTRUCTION SERVICES

JOC Report

Line Number	Long Description	Quantity	Unit Of Measure	Material	Extended Material	Extended Total OP	Total
00001	Flooring Demo, Incl. Grinding	23,500.00	Sq.	\$3.75	\$88,125.00	\$95,645.00	
00002	Tile, LVT, incl. Labor	23,500.00	Ea.	\$16.22	\$381,170.00	\$422,530.00	
00003	Prep, Thinset, Grout	16,000.00	Sq.	\$1.29	\$20,640.00	\$23,200.00	
00004	Plumbing	1.00	Ea.	\$179,900.00	\$179,900.00	\$205,928.00	
00006	Dumpster, Connex, Cleaning, Rubber base,	1.00	Ea.	\$58,000.00	\$58,000.00	\$64,380.00	
00007	Handwash Stations	2.00	Ea.	\$10,800.00	\$21,600.00	\$23,976.00	
013113200160	Field personnel, general purpose laborer, average	15.00	Week	\$0.00	\$0.00	\$45,000.00	
013113200240	Field personnel, superintendent, minimum	15.00	Week	\$0.00	\$0.00	\$48,360.00	
						\$929,019.00	
						SubTotal (ExtendedTotalOP)	\$929,019.00
						JOC Discount (.89 on Extended Total OP)	(\$102,192.09)
						Grand Total	\$826,826.91

Board Agenda Item

Little Elm Independent School District

400 Lobo Lane

Little Elm, Texas 75068

	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Board Mtg. Date 10-16-2023	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	FTE REQUEST FOR SPECIAL EDUCATION NEEDS				
Presenter or Contact Person:	Asheley Brown, Executive Director for Human Resource Services				
Policy/Code:	DCA, DCB, DC, and DCE as appropriate				
Strategic Plan Goal:	We will recruit, recognize, and retain high quality and effective personnel to support student success at every level.				
Summary:	As the district continuously analyzes staffing needs of the special education population of our district, one additional FTE need has been identified: Speech Language Pathologist Assistant - Teacher Pay Scale; 187 days				
Financial Implications:	There will be no additional financial impact on the budget. The dollars to fund this position will be amended from contracted services into the payroll budget.				
Attachments:					
Recommendation:	The Administration recommends approval of a Speech Language Pathologist Assistant FTE for the 2023-24 school year as presented.				
Motion:	I move the Board approve a Speech Language Pathologist Assistant FTE for the 2023-24 school year as presented.				

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Board Mtg. Date 10-16-2023	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	2023-2024 CAMPUS IMPROVEMENT PLANS				
Presenter or Contact Person:	Dr. Penny Tramel, Assistant Superintendent for Curriculum and Learning				
Policy/Code:	N/A				
Strategic Plan Goal:	Destination 2025 Strategic Plan Goals				
Summary:	The District will present the Campus Improvement Plans aligned to the Destination 2025 Strategic Plan				
Financial Implications:	There is no financial implication to the budget other than the cost of implementing action steps in the improvement plan				
Attachments:	2023-2024 Campus Improvement Plans				
Recommendation:	I recommend the Board approve the 2023-2024 Campus Improvement Plan Goals and Objectives as submitted.				
Motion:	I move the Board approve the 2023-2024 Campus Improvement Plans as submitted.				

Draft 2023-2024 Campus Improvement Plans submitted for Board approval

DRAFT Campus Improvement Plans

[Brent Elementary](#)

[Chavez Elementary](#)

[Hackberry Elementary](#)

[Lakeview Elementary](#)

[Oak Point Elementary](#)

[Prestwick Elementary](#)

[Strike Middle School](#)

[Walker Middle School](#)

[Little Elm High School](#)

[Zellar's Early Childhood Center](#)

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
10-16-23	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	DISTRICT OF INNOVATION AMENDMENT				
Presenter or Contact Person:	Dr. Penny Tramel, Assistant Superintendent for Curriculum and Learning				
Policy/Code:	AF(LEGAL)				
Strategic Plan Goal:	<p>We will communicate with the LEISD community to build trust, support, and involvement.</p> <p>We will engage each student in learning experiences that increase student growth and achievement.</p>				
Summary:	<p>HB 1842 of the 84th Legislative session made it possible for districts to be designated as a District of Innovation. In 2016, the Board adopted the plan for LEISD to become a District of Innovation. The plan was renewed in the 2021 school year and is in effect for five years. In monitoring the needs of the District, we are recommending to amend the renewed DOI Plan. The DEIC met in a public meeting on September 14, 2023 and approved the proposed amendments. Upon Board approval of the proposed amendments, an amended plan will be placed on our website and the Commissioner will be notified of the amendments. The term of our DOI plan will remain the same as amending the plan does not change the duration of the original renewed plan.</p>				
Financial Implications:	There is no financial implication to the budget.				
Attachments:	District of Innovation Proposed Amendments				

Recommendation: | **The Administration recommends the Board approve the amendments to the District of Innovation Plan for LEISD.**

Motion: | **I move the Board approve the amendments to the District of Innovation Plan for LEISD.**

**District of Innovation Amendment Consideration for Board Approval
Little Elm ISD**

Code	Summary	LEISD Participating	Notes
Chapter 21 Educators			
Subchapter A General Provisions			
<input type="checkbox"/> §21.003 Certification Required	A person may not be employed as a teacher, teacher intern or trainee, librarian, ed. aide, administrator, ed. diag., or counselor by a school district unless the person holds an appropriate certificate or permit issued as provided by subchapter B	Proposed Amendment (Currently in our plan; proposing new language)	DRAFT LANGUAGE: *Little Elm ISD will continue to seek certified educators for teaching positions and maintain expectations for employee certification. When those efforts have been reasonably exhausted, the District will implement local certification requirements for high demand / hard-to-fill courses including, but not limited to: CTE, world languages, dual credit, etc.
Subchapter B Certification of Educators			
Subchapter C Probationary Contracts			
<input type="checkbox"/> §21.102 Probationary Contract	Except as provided by Section 21.202, a person who is employed as a teacher by a school district	Proposed Amendment	DRAFT LANGUAGE: New to LEISD

	<p>for the first time, or who has not been employed by the district for two consecutive school years subsequent to Aug. 1967, shall be employed under a probationary contract. A person who previously was employed as a teacher by a district and, after at least a two-year lapse in district employment returns to district employment, may be employed under a probationary contract. A probationary contract may not be for a term exceeding one school year. It may be renewed for two additional one-year periods, for a maximum permissible probationary contract period of three school years. Probationary period may not exceed more than one year for a person employed as a teacher in public education for at least five of the eight years preceding employment by the district.</p>		<p>teachers who come to the District having worked 5 of the previous 8 years are currently issued a term contract beginning in year two of employment. In limited cases, a campus administrator may want to recommend an additional year of probationary contract to provide these teachers, in good standing, with a second year of probationary status (probationary contract) to allow enough time to effectively evaluate the full range of their skills and abilities.</p>
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Chapter 25 – Admission, Transfer, and Attendance			
Subchapter D		Student/Teacher Ratios; Class Size	
<input type="checkbox"/> §25.113 Notice of Class Size	<p>(a) A campus or district that is granted an exception under Section 25.112(d) from class size limits shall provide written notice of the exception to the parent of or person standing in parental relation to each student affected by the exception. The notice must be in conspicuous bold or underlined print and:</p> <ol style="list-style-type: none"> (1) specify the class for which an exception from the limit imposed by Section 25.112(a) was granted; (2) state the number of children in the class for which the exception was granted; and (3) be included in a regular mailing or other communication from the campus or district, such as information sent home with students. <p>(b) The notice required by Subsection (a) must be provided not later than the 31st day after:</p> <ol style="list-style-type: none"> (1) the first day of the school year; or (2) the date the exception is granted, if the exception is granted after the beginning of the school year. 	Proposed Amendment	

Board Agenda Item

Little Elm Independent School District
300 Lobo Lane
Little Elm, Texas 75068

	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Board Mtg. Date 10-16-2023	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	APPROVAL OF 2023 TAX ROLL				
Presenter or Contact Person:	Shay Adams, Assistant Superintendent for Business & Finance				
Policy/Code:	Texas Property Tax Code Section 26.09				
Strategic Plan Goal:	Ensuring Fiscal Health and Sustainability				
Summary:	TASB recommends the governing body of the school district to approve the tax roll. The 2023 tax roll lists the total levy for Little Elm ISD. The tax roll is prepared by the Denton County Tax Assessor/Collector using taxable value information provided by the Denton County Appraisal District and combining it with the tax rate adopted by Little Elm ISD.				
Financial Implications:	N/A				
Attachments:	2023 LEISD Tax Roll Summary				
Recommendation:	The Administration recommends the Board of Trustees approve the 2023 Little Elm ISD Tax Roll as submitted.				
Motion:	I move that the Board approve the 2023 Little Elm ISD Tax Roll as submitted.				

Denton County Tax Office

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2023 Tax Roll Summary

S10 - LITTLE ELM ISD

	Amount	Count
TOTAL NUMBER OF ACCOUNTS		25,456
APPRAISAL VALUES		
ROLLCODE: MOBILE HOME	Improvement	9,596,779
	Improvement Non-Home Site	174,257
ROLLCODE: PERSONAL	Personal	199,928,015
ROLLCODE: REAL	Agriculture	85,170,670
	Improvement	7,555,163,915
	Improvement Non-Home Site	562,745,131
	Land	2,583,948,065
	Land Ag Land	76,312
	Land Non-Home Site	558,393,931
	TOTAL APPRAISALS	11,555,197,075
DEFERRALS		
Ag 1D1	85,170,670	115
	TOTAL DEFERRALS	85,170,670
EXEMPTIONS		
100% Disabled Veteran	88,937,196	252
Cap Adjustment, XT	1,303,590,351	12,858
Disabled	1,400,979	157
Disabled Veteran 10% to 29%	818,350	104
Disabled Veteran 30% to 49%	601,500	66
Disabled Veteran 50% to 69%	888,500	88
Disabled Veteran 70% to 100%	1,958,607	376
Economic Development - XL	23,200,914	11
Energy, XR	309,676	2
Freeport	0	1
General Homestead	1,348,892,557	13,834
Homestead	5,157,123	55
Low Income Housing, XD, XA	15,221,714	2
Member Armed Svcs Surviving	278,080	1
Miscellaneous - XV	356,767,793	935
Nominal Value	101,823	165
Other Exemption, XF, XH, XU	63,535	4
Over 65	40,825,891	4,311
Personal Use Vehicle, XN	139,588	5
Pollution Control	18,154	1
Private Schools- XJ	5,158,060	5
Surviving Spouse	1,020,560	119
Surviving Spouse 100% Disabl	4,701,682	17
Surviving Spouse Disabled Per	0	1
	TOTAL EXEMPTIONS	3,200,052,633
GRAND TOTAL FOR DEFERRALS AND EXEMPTIONS		3,285,223,303
TOTAL APPRAISED VALUE		11,555,197,075
TAXABLE VALUE	144	8,269,973,772

Denton County Tax Office

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LEVY

ROLLCODE: MOBILE HOME	Levy	107,023.16		566
ROLLCODE: PERSONAL	Levy	2,445,319.37		743
ROLLCODE: REAL	Levy	97,138,424.63		24,147
	TOTAL LEVY			99,690,767.16
 LEVY LOST DUE TO FROZEN				
	Levy Lost Due To Frozen	1,823,168.62		0
	TOTAL LEVY LOST DUE TO FROZEN			1,823,168.62
 OTHER LOST LEVY				
		0		0
	TOTAL OTHER LOST LEVY			0
 TOTAL LOST LEVY				
		1,823,169		0
	TOTAL TOTAL LOST LEVY			1,823,169

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date 10-16-2023	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Subject:	2023-2024 PROPOSED BUDGET AMENDMENT #1				
Presenter or Contact Person:	Shay Adams, Assistant Superintendent for Business & Finance				
Policy/Code:	CE (LOCAL)				
Strategic Plan Goal:	Ensuring Fiscal Health and Sustainability				
Summary:	<p>Each June, the Board of Trustees adopts a general operating, student nutrition, and debt service fund budget based on the district's calculation of estimated revenue and expenditures. The expenditure is adopted at the "functional" level, meaning that each major category defined by the Texas Education Code is identified and funds are allocated between each function. Once adopted, the administration operates within that budget, although it is a working document. The administration has the authority to move funds from account to account, as long as no overall function is exceeded. When it becomes necessary to increase or decrease a function, it requires Board approval.</p> <p>We are requesting the first budget amendment for 2023-2024 to reclassify expenditures budgeted in one function, however are more appropriately defined in another. Many of these amendments do not increase the overall budget, but rather shift amounts from one function to another while others result in minor functional increases. The majority of these shifts are a result of the estimated payroll in June which is now specifically defined based on assignment upon school starting. Although the overall impact of adjustments is a decrease in the total estimated revenue and expenditures, there are some increases in functional operating expenditures. The changes do not change the overall net deficit of \$4,809,276.</p>				

The budget that was adopted in June 2023 did not reflect the \$100,000 homestead exemption. This amendment accounts for our new decreased estimate for tax revenue, a corresponding decrease in expected recapture payments (\$3.8MM), and an increase in state aid. Also, please note that revenue estimates use current demographer projections and not current enrollment.

Amendment #1 also satisfies GASB 87 required treatment for long term leases (copiers). The district recognizes increased expenditures of \$868,913 in the first year of the three-year lease that will be offset by other funding sources of \$868,913. Although the \$868, 913 is distributed to the appropriate, pro-rated functions throughout the budget, monthly payments will be made from a Function 71 debt service account which is also established with this amendment.

Amendment #1 realizes Supply Chain Assistance grant funds received by Child Nutrition. Child Nutrition revenue would be increased by approximately \$73,000 with a corresponding increase in Child Nutrition expenditure accounts.

**Financial
Implications:**

The fiscal implications of this action fulfill legal requirements and allow the administration to operate within the confines of the functional expenditures approved by the Board.

Attachments:

2023-2024 Budget Amendment

Recommendation:

The Administration recommends approval of the 2023-2024 Budget Amendment as submitted.

Motion:

The move the Board approve the 2023-2024 Budget Amendment, as submitted and discussed.

Long Term Leases

- A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset.
- The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives).
- The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

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Source: GASB Summary Statement No. 87

Long-term Leases (continued)

- A lessee should **reduce the lease liability** for principal as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability.
- The lessee should **amortize the lease** asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.
- The **notes to financial statements** should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

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Source: GASB Summary Statement No. 87

Other Financing Sources (Uses)

- Other financing sources and uses is a governmental fund operating statement classification in which financial resources other than revenues and expenditures are reported. Inflows of current financial resources from other funds, such as interfund transfers received from other funds are reported as other financing sources rather than revenue, and interfund transfers sent to other funds are recorded as other financing uses.
 - Other financing sources—represent operating transfers in from other funds and proceeds of long-term borrowing.
 - Other financing uses—represent operating transfers out to other funds.

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Little Elm ISD

2023-2024 Proposed Budget Amendment #1

Combined Funds

	General Fund	Student Nutrition Fund	Debt Service Fund	Combined Total
Estimated Revenue				
Total Revenue All Sources	\$90,277,368	\$5,975,700	\$34,547,751	\$130,800,819
Appropriations				
11 - Instruction	\$51,844,537			\$51,844,537
12 - Instructional Resources	\$1,090,978			\$1,090,978
13 - Instructional Staff Development	\$3,013,870			\$3,013,870
21 - Instructional Leadership	\$1,457,729			\$1,457,729
23 - School Administration	\$5,305,063			\$5,305,063
31 - Guidance & Counseling	\$3,039,643			\$3,039,643
32 - Social Work Services	\$9,049			\$9,049
33 - Health Services	\$881,941			\$881,941
34 - Student Transportation	\$3,772,300			\$3,772,300
35 - Food Services	\$223,105	\$5,975,700		\$6,198,805
36 - Extra Curricular Activities	\$2,945,552			\$2,945,552
41 - General Administration	\$4,388,834			\$4,388,834
51 - Plant Maintenance & Operations	\$11,637,562			\$11,637,562
52 - Security	\$1,453,777			\$1,453,777
53 - Data Processing Services	\$2,334,652			\$2,334,652
61 - Community Services	\$54,362			\$54,362
71 - Debt Service	\$241,365		\$34,547,751	\$34,789,116
81 - Facilities & Construction	\$18,659			\$18,659
91 - Recapture Payments	\$1,586,078			\$1,586,078
95 - JJAEP	\$50,000			\$50,000
99 - Other Intergovernmental Charges	\$606,500			\$606,500
Total Appropriations	\$95,955,557	\$5,975,700	\$34,547,751	\$136,479,008
Other Sources - Per GASB 87	\$868,913			\$868,913
Net Surplus/(Deficit)	(\$4,809,276)	\$0	\$0	(\$4,809,276)
Transfer In from Transition Fund Balance	\$4,809,276			\$4,809,276
Adjusted net Surplus/(Deficit)	\$0	\$0	\$0	\$0

This proposed budget amendment for the 2023-2024 school year was adopted at a meeting of the School Board of Trustees on October 16, 2023 as evidenced in the Official School Board Minutes. I certify that budget preparation & adoption is in accordance with Chapter 44 of the Texas Education Code.

Board President _____

Date _____

Board Secretary _____

Date _____

Board Agenda Item

Little Elm Independent School District

400 Lobo Lane

Little Elm, Texas 75068

Board Mtg. Date 10-16-2023	Reports of the Superintendent <input type="checkbox"/>	Action Item <input type="checkbox"/>	Consent Agenda <input checked="" type="checkbox"/>	Reports, Routine Monthly <input type="checkbox"/>	Other <input type="checkbox"/>
Subject:	FINANCIAL REPORTS - AUGUST 2023				
Presenter or Contact Person:	Jesse Wyse, Executive Director of Budget and Finance				
Policy/Code:	Board Legal Status Powers and Duties - BAA (LOCAL) Annual Operating Budget - CE (LOCAL)				
Strategic Plan Goal:	Ensuring Fiscal Health & Sustainability				
Summary:	Monthly financial reports are prepared by Business Services Department. <i>*Financial report format currently under construction for improved clarity for end users.</i>				
Financial Implications:	As this is a report only, there are no direct financial implications. Each month, financial reports are prepared detailing the status of the District's budget as of the most recent accounting period. The following reports are included to provide financial transparency.				
Attachments:	Financial Reports Expenditures by Major Object (for Board Adopted Funds 199, 240, 511) Budget to Actuals (for Board Adopted Funds 199, 240, 511) Cash Flow Statements Cash and Investments Reconciliation Property Tax Collection Reports Capital Project Reports				

Recommendation: | **The Administration recommends approval of the August 2023 Financial Reports as presented.**

Motion: | **I move that the Board approve the August 2023 Financial Reports as presented.**

Financial Report

August

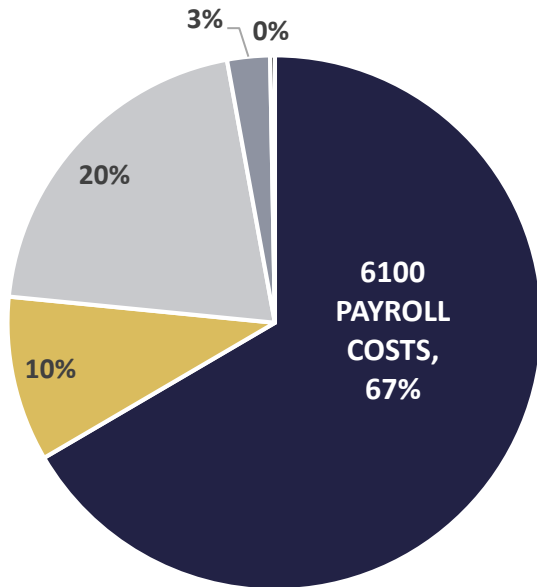


- **Budget to Actuals**
- **Expenditures by Major Object**
- **Cash Flow Statements**
- **Cash and Investments Reconciliation**
- **Property Tax Collection Report**
- **Capital Project Reports**

Revenue and Expenditures
 By Major Object Code
 Through Accounting Period: August 2023

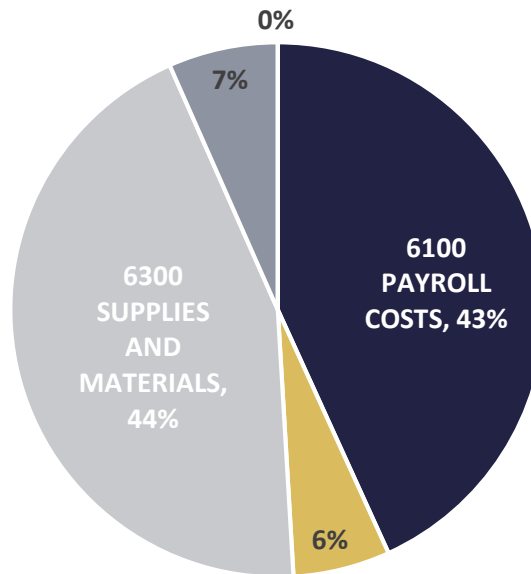


General Fund - 199



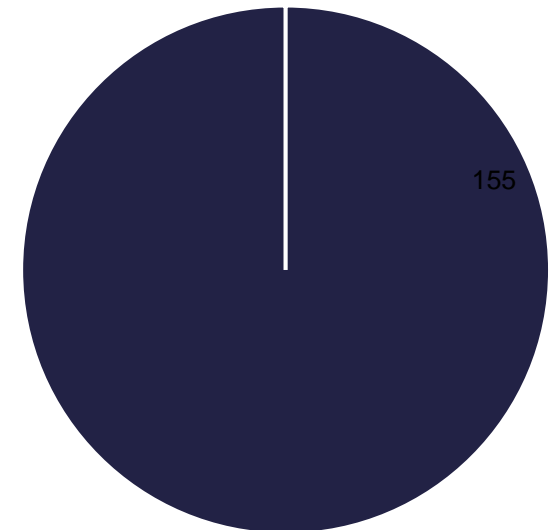
- 6100 PAYROLL COSTS
- 6200 PROFESSIONAL & CONTRACTED
- 6300 SUPPLIES AND MATERIALS
- 6400 OTHER OPERATING COSTS
- 6600 CPTL OUTLY LAND BLDG & EQUIP

Child Nutrition - 240



- 6100 PAYROLL COSTS
- 6200 PROFESSIONAL & CONTRACTED
- 6300 SUPPLIES AND MATERIALS
- 6400 OTHER OPERATING COSTS
- 6600 CPTL OUTLY LAND BLDG & EQUIP

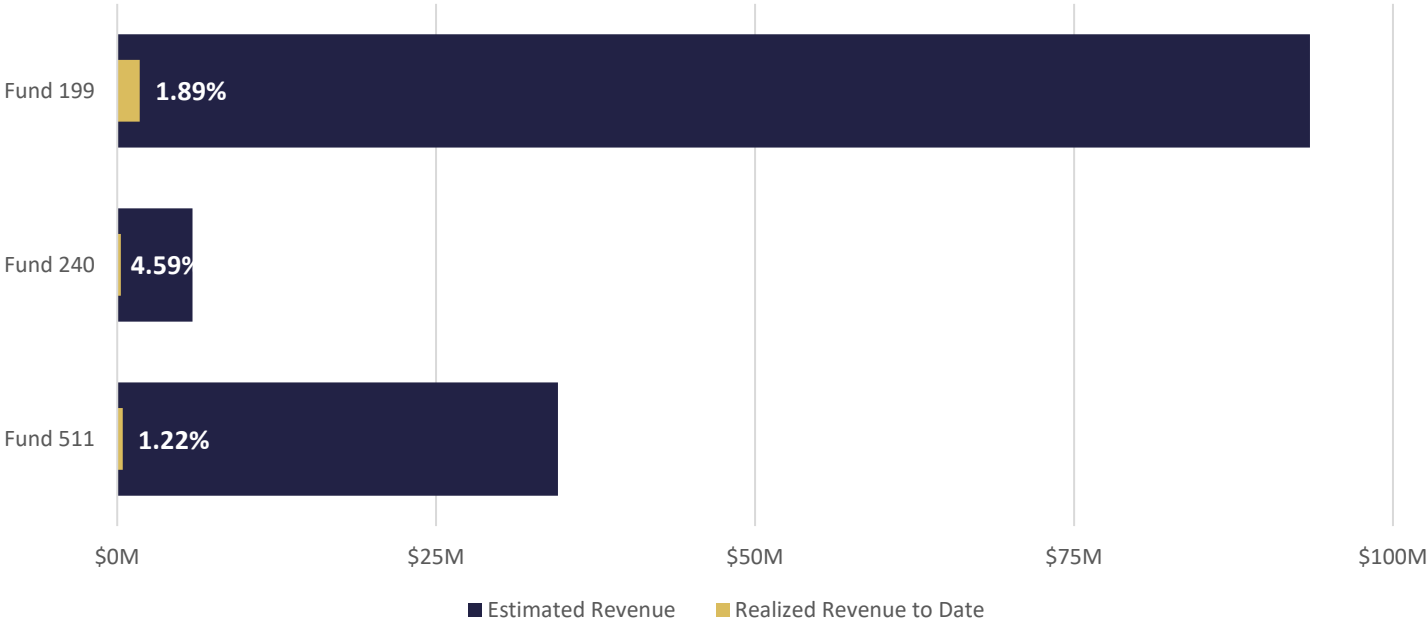
DEBT SERVICE - 511



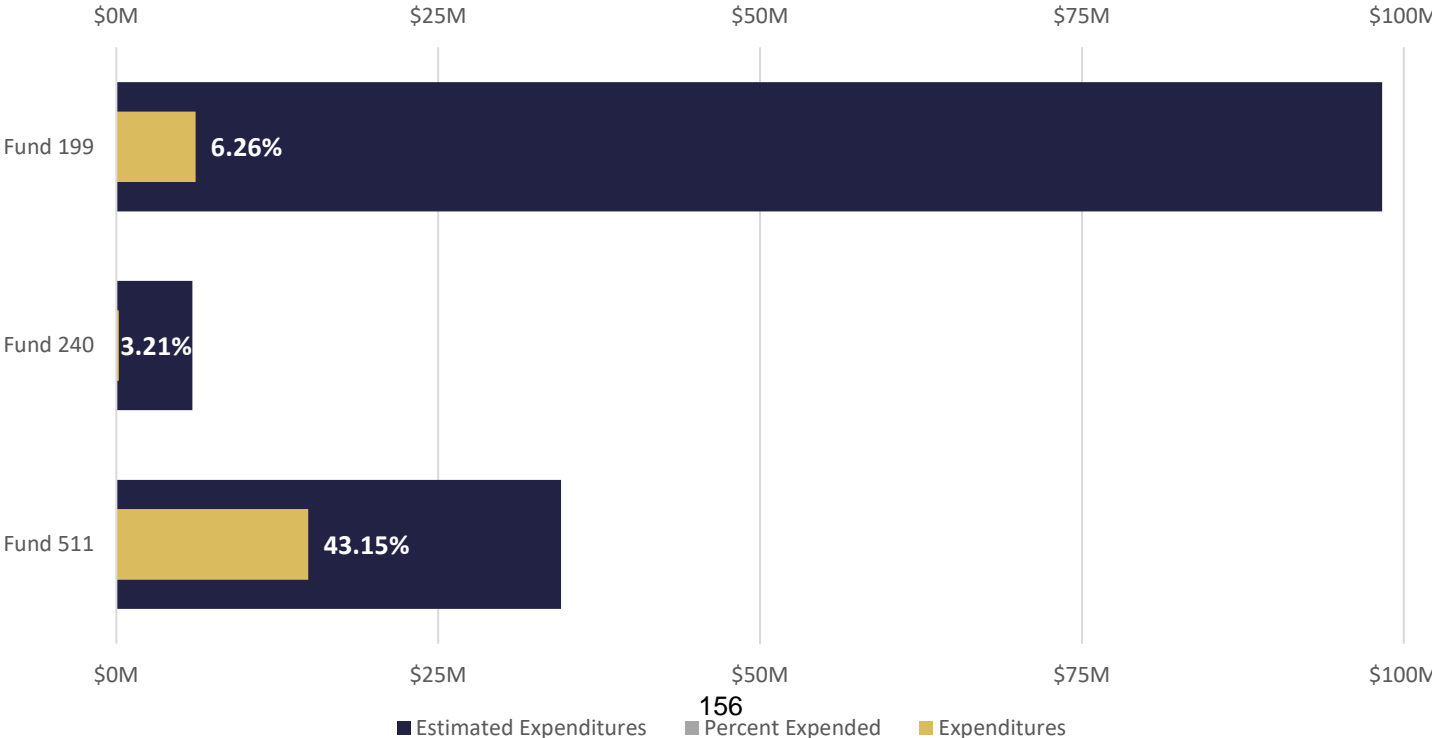
- 6500 DEBT SERVICE



Revenue: Estimated vs. Realized



Expenditures: Estimated vs. Expended



Revenues and Expenditures by Major Object Code
 LITTLE ELM I.S.D
 Accounting Periods: 07 through 08
 ACTUALS AS OF AUGUST 30

<u>Class/Major Object Code</u>	<u>Est Rev/Approp</u>	<u>Encumbrances</u>	<u>Real Rev/Exp</u>	<u>Balances</u>
Fund Code 199 / 4 - GENERAL FUND				
6100 PAYROLL COSTS	-71,268,578.00	.00	4,096,666.03	-67,171,911.97
6200 PROFESSIONAL & CONTRACTED SVS	-19,037,051.23	3,874,516.74	614,670.79	-14,547,863.70
6300 SUPPLIES AND MATERIALS	-4,561,517.10	1,336,514.34	1,265,437.69	-1,959,565.07
6400 OTHER OPERATING COSTS	-3,369,116.00	1,632,020.09	159,311.10	-1,577,784.81
6600 CPTL OUTLY LAND BLDG & EQUIP	-73,707.00	49,704.51	17,541.50	-6,460.99
Subtotals for Fund 199 / 4	-98,309,969.33	6,892,755.68	6,153,627.11	-85,263,586.54
Fund Code 240 / 4 - NATL BREAKFAST/LUNCH PROGRAM				
6100 PAYROLL COSTS	-2,520,508.00	.00	81,863.60	-2,438,644.40
6200 PROFESSIONAL & CONTRACTED SVS	-179,579.64	80,901.44	11,104.20	-87,574.00
6300 SUPPLIES AND MATERIALS	-3,111,643.00	1,679,057.11	83,963.85	-1,348,622.04
6400 OTHER OPERATING COSTS	-66,000.00	5,211.84	12,557.01	-48,231.15
6600 CPTL OUTLY LAND BLDG & EQUIP	-25,000.00	.00	.00	-25,000.00
Subtotals for Fund 240 / 4	-5,902,730.64	1,765,170.39	189,488.66	-3,948,071.59
Fund Code 511 / 4 - DEBT SERVICE FUND				
6500 DEBT SERVICE	-34,547,751.00	8,500.00	14,907,693.73	-19,631,557.27
Subtotals for Fund 511 / 4	-34,547,751.00	8,500.00	14,907,693.73	-19,631,557.27
Grand Totals	-138,760,450.97	8,666,426.07	21,250,809.50	-108,843,215.40

End of Report

<u>Class/Major Object Code</u>	<u>Est Rev/Approp</u>	<u>Encumbrances</u>	<u>Real Rev/Exp</u>	<u>Balances</u>
Fund Code 199 / 4 - GENERAL FUND				
5700 REVENUE-LOCAL AND INTERMEDIATE	79,971,859.00	.00	-1,054,141.36	78,917,717.64
5800 STATE PROGRAM REVENUES	11,304,197.00	.00	-711,699.35	10,592,497.65
5900 FEDERAL PROGRAM REVENUES	2,224,637.00	.00	-2,087.37	2,222,549.63
Subtotals for Fund 199 / 4	93,500,693.00	.00	-1,767,928.08	91,732,764.92
Fund Code 240 / 4 - NATL BREAKFAST/LUNCH PROGRAM				
5700 REVENUE-LOCAL AND INTERMEDIATE	2,085,774.00	.00	-213,911.86	1,871,862.14
5800 STATE PROGRAM REVENUES	517,970.00	.00	.00	517,970.00
5900 FEDERAL PROGRAM REVENUES	3,298,987.00	.00	-56,821.50	3,242,165.50
Subtotals for Fund 240 / 4	5,902,731.00	.00	-270,733.36	5,631,997.64
Fund Code 511 / 4 - DEBT SERVICE FUND				
5700 REVENUE-LOCAL AND INTERMEDIATE	34,347,125.00	.00	-422,742.96	33,924,382.04
5800 STATE PROGRAM REVENUES	200,626.00	.00	.00	200,626.00
Subtotals for Fund 511 / 4	34,547,751.00	.00	-422,742.96	34,125,008.04
Grand Totals	133,951,175.00	.00	-2,461,404.40	131,489,770.60

End of Report

**Little Elm Independent School District
General Operating Cash Flow Statement
FY 2023-2024**

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	TOTAL
<i>Beginning Cash Balance in Bank</i>	30,370,136.36	34,347,645.76											30,370,136.36
RECEIPTS													
Tax Collections	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	48,922.77	53,296.60											102,219.37
Other Local Revenue	87,932.36	2,054,910.50											2,142,842.86
State Revenue - Available School	1,232.60	854.77											2,087.37
State Revenue - Foundation	357,459.00	961,447.00											1,318,906.00
State Revenue - Debt Service	-	-											-
State Revenue - Misc	-	-											-
SHARS Receipts	6,623.36	21,780.00											28,403.36
Federal Program Revenue	378,667.58	1,699,566.95											2,078,234.53
Federal Program Revenue 240	23,936.09	-											23,936.09
Lunch Revenue - local 240	2,232.83	203,488.33											205,721.16
Payroll Deposits	417.00	1,178.59											1,595.59
Transfers from Debt Service	-	-											-
Transfers from Investment Acct	12,000,000.00	7,000,000.00											19,000,000.00
Total Revenue	12,907,423.59	11,996,522.74	-	-	-	-	-	-	-	-	-	-	24,903,946.33
DISBURSEMENTS													
Payroll Checks	26,167.73	3,899,016.52											3,925,184.25
Accounts Payable Checks	3,724,299.53	4,532,064.52											8,256,364.05
TRS	4,647,642.74	1,105,793.87											5,753,436.61
IRS	531,804.19	458,887.07											990,691.26
Bank Charges/ NSF's/Bk Trans	-	-											-
Total Expenditures	8,929,914.19	9,995,761.98	-	-	-	-	-	-	-	-	-	-	18,925,676.17
Cash Transferred to Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Investment Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures & Transfers	8,929,914.19	9,995,761.98	-	-	-	-	-	-	-	-	-	-	18,925,676.17
Net Change in Cash	3,977,509.40	2,000,760.76	-	-	-	-	-	-	-	-	-	-	5,978,270.16
Ending Cash Balance in bank	34,347,645.76	36,348,406.52	-	-	-	-	-	-	-	-	-	-	36,348,406.52
Beginning Cash Balance Lone Star	22,408,297.43	22,506,886.57											22,408,297.43
Beginning Cash Balance TexStar	1,518,974.29	1,525,571.02											1,518,974.29
Beginning Cash Balance Texas Class	215,745,425.17	205,022,103.97											215,745,425.17
Interest Earned Lone Star	98,589.14	101,016.61											199,605.75
Interest Earned TexStar	6,596.73	6,863.80											13,460.53
Interest Earned TexasClass	946,425.96	934,189.47											1,880,615.43
Transfers in	330,252.84	198,396.82											528,649.66
Transfers out	(12,000,000.00)	(7,691,038.67)											(19,691,038.67)
Ending Cash Balance Invested	229,054,561.56	222,603,989.59	-	-	-	-	-	-	-	-	-	-	222,603,989.59
TOTAL CASH AVAILABLE	263,402,207.32	258,952,396.11	-	-	-	-	-	-	-	-	-	-	258,952,396.11

**Little Elm Independent School District
Debt Service Cash Flow Statement
FY 2023-2024**

	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	TOTAL
<i>Beginning Cash Balance in Bank</i>	1,441,186.15	1,444,310.68											1,441,186.15
RECEIPTS													
Tax Collections	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	3,124.53	3,131.30											6,255.83
Bond Issuance	-	-											-
Transfer from General Operating	-	-											-
Transfers from Investment Acct	-	-											-
Total Revenue	3,124.53	3,131.30											6,255.83
DISBURSEMENTS													
Wire Bond Issuance Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Charges/ NSF's/Bk Trans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Investment Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Operating	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures & Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Change in Cash	3,124.53	3,131.30	-	-	-	-	-	-	-	-	-	-	6,255.83
Ending Cash Balance in bank	1,444,310.68	1,447,441.98	-	-	-	-	-	-	-	-	-	-	1,447,441.98
Beginning Cash Balance TexPool	23,031,523.81	23,289,114.43											23,031,523.81
Interest Earned TexPool	100,590.34	59,707.18											160,297.52
Transfers in	157,000.28	98,272.99											255,273.27
Transfers out	-	(14,906,693.73)											(14,906,693.73)
Ending Cash Balance Invested	23,289,114.43	8,540,400.87	-	-	-	-	-	-	-	-	-	-	8,540,400.87
TOTAL CASH AVAILABLE	24,733,425.11	9,987,842.85	-	-	-	-	-	-	-	-	-	-	9,987,842.85

LITTLE ELM INDEPENDENT SCHOOL DISTRICT
Cash and Investments Reconciliation
August 2023

Operating Fund:

Balance per bank	36,348,406.52
Add: Texas Class	199,154,690.26
Lone Star	21,916,864.51
TexStar	1,532,434.82
Add: Deposits in Transit	5,202.27
Taxes in Transit	17,676.21
Less: Outstanding Checks/Wires/ACHs	(1,237,649.05)

Balance per Books	257,737,625.54
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Interest & Sinking Fund:

Balance per bank	1,447,441.98
Add: Texpool	8,540,400.87
Add: Taxes in Transit	8,324.52
Less: Outstanding Checks	-

Balance per Books	9,996,167.37
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Total Balance per Books	267,733,792.91
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Denton County Tax Office

Run Date: 9/1/2023 11:38:09AM

Distribution Summary 2 Report

Page 7 of 12

Deposit Date from 08/01/2023 to 08/31/2023 and Tax Units = {multiple}

S10- LITTLE ELM ISD

Cur. Levy M&O	89,977.28	Del. Levy M&O	2,985.85
Cur. Interest M&O	3,828.25	Del. Interest M&O	802.21
Cur. Penalty M&O	6,948.87	Del. Penalty M&O	388.07
Cur. Rendition Penalty M&O	524.47	Del. Rendition Penalty M&O	331.13
		Del. Other M&O	10,897.62
Total Current M&O	101,278.87	Total Delinquent M&O	15,404.88
Cur. Levy I&S	44,850.26	Del. Levy I&S	1,423.90
Cur. Interest I&S	1,889.90	Del. Interest I&S	338.03
Cur. Penalty I&S	3,430.58	Del. Penalty I&S	164.96
Cur. Rendition Penalty I&S	0.00	Del. Rendition Penalty I&S	0.00
		Del. Other I&S	4,965.03
Total Current I&S	50,170.74	Total Delinquent I&S	6,891.92
Cur. Levy S1	0.00	Del. Levy S1	0.00
Cur. Interest S1	0.00	Del. Interest S1	0.00
Cur. Penalty S1	0.00	Del. Penalty S1	0.00
Cur. Rendition Penalty S1	0.00	Del. Rendition Penalty S1	0.00
		Del. Other S1	0.00
Total Current S1	0.00	Total Delinquent S1	0.00

Cur. Levy	134,827.54	Del. Levy	4,409.75
Cur. Interest	5,718.15	Del. Interest	1,140.24
Cur. Penalty	10,379.45	Del. Penalty	553.03
Cur. Rendition Penalty	524.47	Del. Rendition Penalty	331.13
		Del. Other	15,862.65
Total Current	151,449.61	Total Delinquent	22,296.80

Grand Total M&O	116,683.75	School Fund Coding Totals (if applicable)	
Grand Total I&S	57,062.66	M&O Current Year	199-5711 89,977.28
Grand Total S1	0.00	M&O Prior Years	199-5712 13,883.47
Total Due to Jurisdiction	173,746.41	M&O Penalty & Interest	199-5719 12,823.00
Total Due to Delq Tax Att	19,981.38	I&S Current Year	599-5711 44,850.26
		I&S Prior Year	599-5712 6,388.93
		I&S Penalty & Interest	599-5719 5,823.47

Denton County Tax Office

Run Date: 9/1/2023 1:05:49PM

Distribution Summary 2 Report

Page 7 of 12

Deposit Date from 10/01/2022 to 08/31/2023 and Tax Units = {multiple}

S10- LITTLE ELM ISD

Cur. Levy M&O	67,239,041.92	Del. Levy M&O	(10,809.90)
Cur. Interest M&O	38,687.43	Del. Interest M&O	40,395.79
Cur. Penalty M&O	120,806.50	Del. Penalty M&O	23,989.21
Cur. Rendition Penalty M&O	12,734.70	Del. Rendition Penalty M&O	1,973.97
Cur. Other M&O	3,392.12	Del. Other M&O	231,632.88
Total Current M&O	67,414,662.67	Total Delinquent M&O	287,181.95
Cur. Levy I&S	33,516,118.60	Del. Levy I&S	(7,195.24)
Cur. Interest I&S	19,202.55	Del. Interest I&S	18,253.57
Cur. Penalty I&S	60,017.01	Del. Penalty I&S	11,288.88
Cur. Rendition Penalty I&S	0.00	Del. Rendition Penalty I&S	0.00
Cur. Other I&S	0.00	Del. Other I&S	106,976.94
Total Current I&S	33,595,338.16	Total Delinquent I&S	129,324.15
Cur. Levy S1	0.00	Del. Levy S1	0.00
Cur. Interest S1	0.00	Del. Interest S1	0.00
Cur. Penalty S1	0.00	Del. Penalty S1	0.00
Cur. Rendition Penalty S1	0.00	Del. Rendition Penalty S1	0.00
Cur. Other S1	0.00	Del. Other S1	0.00
Total Current S1	0.00	Total Delinquent S1	0.00

Cur. Levy	100,755,160.52	Del. Levy	(18,005.14)
Cur. Interest	57,889.98	Del. Interest	58,649.36
Cur. Penalty	180,823.51	Del. Penalty	35,278.09
Cur. Rendition Penalty	12,734.70	Del. Rendition Penalty	1,973.97
Cur. Other	3,392.12	Del. Other	338,609.82
Total Current	101,010,000.83	Total Delinquent	416,506.10

Grand Total M&O	67,701,844.62	School Fund Coding Totals (if applicable)	
Grand Total I&S	33,724,662.31	M&O Current Year	199-5711 67,239,041.92
Grand Total S1	0.00	M&O Prior Years	199-5712 220,822.98
Total Due to Jurisdiction	101,426,506.93	M&O Penalty & Interest	199-5719 241,979.72
Total Due to Delq Tax Att	140,578.87	I&S Current Year	599-5711 33,516,118.60
		I&S Prior Year	599-5712 99,781.70
		I&S Penalty & Interest	599-5719 108,762.01

Little Elm ISD
Capital Projects @08-30-2023

Bond Capital Projects	Project ID	Project Estimate	Cost to Date	Balance*
Strike Middle School	Fund 649-000	\$ 67,513,978.00	\$ 65,851,703.45	\$ 1,662,274.55
Land	Fund 65X-XXX	\$ 15,904,910.00	\$ 15,724,064.59	\$ 180,845.41
Emergency HVAC (unallocated)	Fund 650-011	\$ 19,382.00	\$ -	\$ 19,382.00
LEHS Security Fence	Fund 650-303	\$ 13,000.00	\$ 12,675.00	\$ 325.00
Roof Management Program	Fund 652-036	\$ 70,000.00	\$ 55,000.00	\$ 15,000.00
Strike Entry Drive	Fund 652-302	\$ 967,226.00	\$ 860,454.04	\$ 106,771.96
Security Upgrade (Chavez & Brent)	Fund 650-310	\$ 7,120.36	\$ -	\$ 7,120.36
Zellars HVAC replacement	Fund 650-320	\$ 120,375.00	\$ 110,600.00	\$ 9,775.00
Roof Management Program	Fund 652-036	\$ 70,000.00	\$ 55,000.00	\$ 15,000.00
Strike Entry Drive	Fund 652-302	\$ 967,226.00	\$ 860,454.04	\$ 106,771.96
Indoor Multi-Use Facility	Fund 653-017	\$ 19,878,297.00	\$ 18,528,369.75	\$ 1,349,927.25
Lakeside Admin Conversion	Fund 653-018	\$ 16,346,721.46	\$ 15,798,811.85	\$ 547,909.61
Zellars Conversion	Fund 653-127	\$ 7,960,408.14	\$ 7,204,084.05	\$ 756,324.09
ESPC III Upgrades	Fund 654-141	\$ 2,831,132.00	\$ 2,759,906.00	\$ 71,226.00
LEHS CTE Renovations/Additions	Fund 654-202	\$ 609,922.00	\$ 502,928.78	\$ 106,993.22
LEHS CTE Welding Lab	Fund 654-304	\$ 412,200.00	\$ 327,063.50	\$ 85,136.50
Buses	Fund 655-305	\$ 850,908.00	\$ 707,105.00	\$ 143,803.00
LEHS Locker Room	Fund 655-308	\$ 2,764,655.00	\$ 1,297,654.31	\$ 1,467,000.69
Tech Upgrades	Fund 656-309	\$ 409,611.00	\$ 50,769.11	\$ 358,841.89
Security Film	Fund 656-312	\$ 715,000.00	\$ 441,945.88	\$ 273,054.12
Weapons Detection Construction	Fund 656-313	\$ 760,000.00	\$ 751,463.00	\$ 8,537.00
Hackberry Light Pole Construction	Fund 656-314	\$ 59,812.00	\$ 47,713.00	\$ 12,099.00
Elementary 7	Fund 656-315	\$ 2,033,988.00	\$ 60,724.38	\$ 1,973,263.62
Playgrounds	Fund 656-316	\$ 1,500,000.00	\$ -	\$ 1,500,000.00
Strike Orchestra	Fund 656-317	\$ 115,000.00	\$ 43,626.38	\$ 71,373.62
Walker Orchestra	Fund 656-318	\$ 115,000.00	\$ 43,301.21	\$ 71,698.79
LEHS Classrooms	Fund 656-319	\$ 5,645,000.00	\$ 423,603.00	\$ 5,221,397.00
LEHS Bistro Upgrades	Fund 656-401	\$ 186,500.00	\$ -	\$ 186,500.00
Construction Software	Fund 656-755	\$ 26,600.00	\$ -	\$ 26,600.00
District Wide Monument Sign	Fund 656-921	\$ 149,795.00	\$ -	\$ 149,795.00
		\$ 149,023,766.96	\$ 129,549,977.90	\$ 16,504,746.64

*pending reconciliation

Little Elm ISD
Capital Projects @08-30-2023

Non-Bond Capital Projects (Fund 696)	Project Estimate	Cost to Date	Balance
CONCRETE REPAIR - DISTRICT	\$ 72,742.00	\$ 32,000.00	\$ 40,742.00
DOOR ANNUNCIATION	\$ 58,550.00	\$ -	\$ 58,550.00
INTERIOR PAINTING SUMMER 2023	\$ 114,000.00	\$ 113,262.50	\$ 737.50
LEHS ELEVATOR	\$ 15,642.00	\$ -	\$ 15,642.00
LEHS ROOF REPAIR	\$ 225,000.00	\$ 204,062.00	\$ 20,938.00
RESTRIPE PARKING LOTS	\$ 72,000.00	\$ 71,430.00	\$ 570.00
TECH SWITCHES ACCESS PTS	\$ 1,810,000.00	\$ 1,778,399.03	\$ 31,600.97
TECHNOLOGY IPADS/COMPUTERS	\$ 557,480.00	\$ 554,280.00	\$ 3,200.00
TRANSP FAC ESC TESTING	\$ 13,470.00	\$ 11,000.00	\$ 2,470.00
WINDOW TREATMENT	\$ 3,100.00	\$ -	\$ 3,100.00
ZELLARS FIBER	\$ 23,350.00	\$ -	\$ 23,350.00
	\$ 2,965,334.00	\$ 2,764,433.53	\$ 200,900.47

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
10-16-2023	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	LITTLE ELM ISD PURCHASING COOPERATIVE MEMBERSHIPS				
Presenter or Contact Person:	Shay Adams, Assistant Superintendent for Business & Finance				
Policy/Code:	GRB (LEGAL) CH (LEGAL)				
Strategic Plan Goal:	Ensuring Fiscal Health and Sustainability				
Summary:	Allows LEISD to purchase products or services from other governmental entities (listed on attachment) which have been properly awarded contracts through statutorily authorized methods.				
Financial Implications:	Annual fees are budgeted by Business Services; per purchase fee are included with costs of goods and services.				
Attachments:	Little Elm ISD Purchasing Cooperative Membership List				
Recommendation:	The Administration recommends approval of the Little Elm ISD Purchasing Cooperative Memberships as submitted.				
Motion:	I move that the Board approve the Little Elm ISD Purchasing Cooperative Memberships dated October 16, 2023 as submitted.				

LEISD Purchasing Cooperative Memberships

House Bill 273 requires that school district disclose the amounts spent on purchasing cooperative fees on an annual basis. Specifically, it states:

Sec. 44.0331. MANAGEMENT FEES UNDER CERTAIN COOPERATIVE PURCHASING CONTRACTS. (a) A school district that enters into a purchasing contract valued at \$25,000 or more under Section 44.031(a)(5), under Subchapter F, Chapter 271, Local Government Code, or under any other cooperative purchasing program authorized for school districts by law shall document a contract-related fee, including a management fee, paid by or to the district and the purpose of each fee under the contract. (b) The amount, purpose, and disposition of any fee described by Subsection (a) must be presented in a written report and submitted annually in an open meeting of the board of trustees of the school district. The written report must appear as an agenda item.

A benefit of using these purchasing cooperatives as a resource is economy of scale through the buying power of much larger entities. Cooperatives follow bidding laws in awarding contracts to their vendors and therefore, by law, school districts are allowed to use contracts awarded by the cooperatives once interlocal purchasing agreements have been established. The following are cooperative purchasing organizations we have joined:

1GPA	No Fee
Allied States Cooperative – ESC Region 19	No Fee
BuyBoard – TASB (Vehicle/Bus Administrative Fee \$800)	\$0 plus
Central Texas Purchasing Alliance (CTPA)	\$0 plus
Choice Partners / Harris County Dept. of Education (HCDE)	No Fee
E&I Cooperative Services	No Fee
Educational Purchasing Cooperative of North Texas (EPCNT)	\$0 plus
Education Service Center Region 1, 7, 10, 11	No Fee
Houston-Galveston Area Council Cooperative (HGAC – Bus Fee \$600)	No Fee
National Cooperative Purchasing Alliance (NCPA – ESC Region 14)	No Fee
PACE (ESC Region 20)	No Fee
Prospering Pals Nutrition Cooperative	No Fee
Purchasing Solutions Alliance (PSA)	No Fee
SourceWell	No Fee
State of Texas CO-OP Purchasing Program, DIR, TXMAS	\$100 Annually
Tarrant County Cooperative Purchasing	No Fee
The Interlocal Purchasing System (TIPS – ESC Region 8)	No Fee
OMNIA Partners (U.S. Communities - ESC Region 4)	No Fee

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
Board Mtg. Date 10-16-2023	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	LITTLE ELM ISD INTERLOCAL SUMMARY REPORT				
Presenter or Contact Person:	Shay Adams, Assistant Superintendent for Business & Finance				
Policy/Code:	GRB (LEGAL)				
Strategic Plan Goal:	Ensuring Fiscal Health and Sustainability				
Summary:	Allows LEISD to purchase products or services from other governmental entities (listed on attachment) which have been properly awarded contracts through statutorily authorized methods.				
Financial Implications:	See attached summary report.				
Attachments:	Little Elm ISD Interlocal Summary Report for Approval				
Recommendation:	The Administration recommends approval of the Little Elm ISD Interlocal Summary Report as submitted.				
Motion:	I move that the Board approve the Little Elm ISD Interlocal Summary Report dated October 16, 2023 as submitted.				

Little Elm ISD Interlocal Summary Report for Approval

Board Meeting Date October 16, 2023

Ref #	Vendor Name	Department	Status (New, Renewal, Vendor Change)	Prior Year Contract Amount	Renewal Amount	Purchase Amount/Change	Effective Date	Expiration Date	Description	Administrator
1	UT Health Houston/Children's Learning Institute	Curriculum & Learning	New	n/a	n/a	\$2,126	11/10/2023	11/10/2023	Purchase of foundational professional learning for Pre-K Educations. Using CIRCLE Progress Monitoring (C-PM) Data to Guide Instruction Training that will be held on November 11, 2023. This training will include all handouts, trainer, and travel for the trainer.	Dr. Penny Tramel

Board Agenda Item

Little Elm Independent School District
400 Lobo Lane
Little Elm, Texas 75068

Board Mtg. Date	Reports of the Superintendent	Action Item	Consent Agenda	Reports, Routine Monthly	Other
10-16-2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject:	MOWING AND LANDSCAPING CONTRACT				
Presenter or Contact Person:	Alfred Gaches, Executive Director for Operational Services				
Policy/Code:	N/A				
Summary:	Acceptance of Mowing and Landscaping Contract with Haven Landscaping Co.				
Financial Implications:	Contract forthcoming				
Attachments:	Under separate cover				
Recommendation	The Administration recommends approval of the Contract for Landscaping Services with Haven Landscaping as submitted.				
Motion:	I move that the Board approve the Contract for Landscaping Services with Haven Landscaping as submitted.				

Location	Cost Per Service April-October	Cost Per Service November-March	Cost per Occurrence	Cost per year
Brent Elementary	\$20,973.67	\$6,089.13	\$676.57	\$27,062.80
Chavez Elementary	\$20,973.67	\$6,089.13	\$676.57	\$27,062.80
Hackberry Elementary	\$30,901.42	\$8,971.38	\$996.82	\$39,872.80
Lakeview Elementary	\$19,059.42	\$5,533.38	\$614.82	\$24,592.80
Oak Point Elementary	\$19,059.42	\$5,533.38	\$614.82	\$24,592.80
Prestwick Elementary	\$19,059.42	\$5,533.38	\$614.82	\$24,592.80
Strike Elementary	\$22,785.00	\$6,615.00	\$735.00	\$29,400.00
Walker Middle School	\$20,925.00	\$6,075.00	\$675.00	\$27,000.00
Little Elm High School	\$43,090.00	\$12,510.00	\$1,390.00	\$55,600.00
Little Elm Lobo Stadium	\$30,901.42	\$8,971.38	\$996.82	\$39,872.80
Zellars Elementary	\$16,997.92	\$4,934.88	\$548.32	\$21,932.80
LEISD Administration Bldg	\$19,059.42	\$5,533.38	\$614.82	\$24,592.80
Powell Intermediate School	\$19,059.42	\$5,533.38	\$614.82	\$24,592.80
Joel Moses Transportation Center	\$20,925.00	\$6,075.00	\$675.00	\$27,000.00

\$417,768.00

Additional Services

Irrigation Maintenance and New Installations are based on an hourly rate	\$65 per hour for irrigator and \$35 per hour for workers
Irrigatin Consulting and Design Landscape Contracted Services- Quotes will be requested for various projects outside the scope of the noraml mowing and maintenance	\$65 per hour
Landscape Consulting and Design	\$65 per hour

Additional landscape or irrigation
Services