



**REGULAR MEETING  
OF THE TOWN COUNCIL**

**Tuesday, August 1, 2023**

**6:00 PM**

**Little Elm Town Hall**

**100 W Eldorado Parkway, Little Elm, TX 75068**

1. **Roll Call/Call to Order Regular Town Council at 6:00 p.m.**
  - A. Invocation.
  - B. Pledge to Flags.
  - C. Items to be Withdrawn from Consent Agenda.
  - D. Emergency Items if Posted.
  - E. Request by the Town Council for Items to be Placed on a Future Agenda for Discussion and Recognition of Excused Absences.
  - F. **Presentation of Monthly Updates.**

*Presentation of monthly updates from department heads: concerning law enforcement activities, municipal court, customer service, emergency medical services, fire department response, fire prevention activities, emergency management, ongoing economic development projects, building permits, code enforcement activities, library activities, human resources updates, information technology report, revenue and expenditure report, street construction status, sanitation services, highway construction*

*status, utility operations, parks and recreation activities, as well as facility and fleet updates.*

- G. Town Council to Highlight Items on the Agenda Needing Further Discussion or Comments Prior to the Regular Session.

2. **Presentations.**

- A. Recognition of the **Little Elm Area Youth Sports Association (LEAYSA) 6U LE Orioles Baseball Team.**
- B. Recognition of **Wesley Brandon and Lieutenant Jay Compton for completing the Certified Public Manager Program.**

3. **Public Comments**

*Persons may address the Town Council on any issue. This is the appropriate time for citizens to address the Council on any concern whether on this agenda or not. In accordance with the State of Texas Open Meeting Act, the council may not comment or deliberate such statements during this period, except as authorized by Section 551.007, Texas Government Code.*

4. **Consent Agenda**

*All matters listed under the Consent Agenda are considered to be routine by the Town Council and require little or no deliberation. There will not be a separate discussion of these items and the agenda will be enacted by one vote. If the Council expresses a desire to discuss a matter listed, that item will be removed from the consent agenda and considered separately.*

- A. Consider Action to Approve the **Minutes for the July 18, 2023, Regular Town Council Meeting.**
- B. Consider Action to Accept the **Submission of the 2023 No-New-Revenue Tax Rate of \$0.547417 per \$100 Taxable Value and the Voter-Approval Tax Rate of \$0.590494 per \$100 Taxable Value.**
- C. Consider Action to Approve the **Schedule for the Public Hearing for the FY 2023-2024 Proposed Tax Rate .**
- D. Consider Action to Approve a **Professional Services Agreement between the Town of Little Elm and Forvis, LLC for Audit Services, RFP 2023-15.**

5. **Regular Items.**

- A. Present, Discuss, and Consider Action to Approve **Ordinance No. 1715 Establishing the 2023 Certified Appraisal Roll.**
- B. Present, Discuss, and Consider Action on **Resolution No. 0801202301 for the Proposed FY 2023-2024 Property Tax Rate.**
- C. Present and Discuss the **Submission of the Fiscal Year 2023-2024 Proposed Budget and Budget Message by the Town Manager.**

6. **Convene in Executive Session pursuant to Texas Government Code:**

- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

7. **Reconvene into Open Session**

Discussion and consideration to take any action necessary as the result of the Executive Session:

- COVID-19 Pandemic and the Town's response thereto, including the consideration of an emergency declaration ordinance.
- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

8. **Adjourn.**

**Pursuant to the Texas Open Meeting Act, (Chapter 551, Texas Government Code), one or more of the above items will be taken or conducted in open session following the conclusion of the executive closed session.**

Persons with disabilities who plan to attend this meeting and who may need auxiliary aide of service such as interpreters for the hearing impaired, reader or large print are requested to contact the secretary at 214-975-0452 two days prior to the meeting so appropriate arrangements can be made.  
**BRaille IS NOT PROVIDED.**

Respectfully,

Town Secretary

**This is to certify that the above notice was posted on the Town's website this 28th day of July 2023 before 5:00 p.m.**



**Date:** 08/01/2023  
**Agenda Item #:** 2. A.  
**Department:** Administrative Services  
**Strategic Goal:** Ensure strong relationship within the community and region  
**Staff Contact:** Erin Mudie, Managing Director of Marketing & Communications

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**AGENDA ITEM:**

Recognition of the **Little Elm Area Youth Sports Association (LEAYSA) 6U LE Orioles Baseball Team.**

**DESCRIPTION:**

The Mayor will recognize the Little Elm Area Youth Sports Association (LEAYSA) 6U LE Orioles baseball team for their championship win in the USSSA A/Rec State Tournament.

**BUDGET IMPACT:**

There is no budget impact for this item.

**RECOMMENDED ACTION:**

Information only, no action required.

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**Date:** 08/01/2023  
**Agenda Item #:** 2. B.  
**Department:** Administrative Services  
**Strategic Goal:** Ensure excellence in public services while keeping up with the growth in the community  
**Staff Contact:** Caitlan Biggs, Director of Administrative Services/Town Secretary

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**AGENDA ITEM:**

Recognition of **Wesley Brandon and Lieutenant Jay Compton for completing the Certified Public Manager Program.**

**DESCRIPTION:**

Assistant Director of Development Services/Town Engineer Wesley Brandon and Lieutenant Jay Compton have completed the Certified Public Manager (CPM) program.

The CPM Program is a nationally accredited comprehensive statewide management development program specifically for managers in federal, state, and local government and for managers in the not-for-profit-sector. The program's primary goal is to improve the performance of public and not-for-profit sector managers and the organizational performance of state, local, and federal government. The program is a comprehensive course of study by which public managers can acquire and apply the best practices and theory to their management behaviors and strategies using prescribed sets of professional standards. The curriculum uses theory as the foundation and applies it to practical problems facing the participant's agency/department, and the citizens. Those who complete the program earn a national trademark designation of CPM (Certified Public Manager®).

**BUDGET IMPACT:**

There is no budget impact for this item.

**RECOMMENDED ACTION:**

Information only, no action required.

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**Date:** 08/01/2023  
**Agenda Item #:** 4. A.  
**Department:** Administrative Services  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Caitlan Biggs, Director of Administrative Services/Town Secretary

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**AGENDA ITEM:**

Consider Action to Approve the **Minutes for the July 18, 2023, Regular Town Council Meeting.**

**DESCRIPTION:**

The minutes for the July 18, 2023, regular Town Council meeting are attached for approval.

**BUDGET IMPACT:**

There is no budget impact for this item.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

Minutes - July 18, 2023

# DRAFT

Minutes  
Town of Little Elm  
100 W Eldorado Parkway  
Little Elm, Texas 75068  
214-975-0404  
<http://www.littleelm.org>

## REGULAR TOWN COUNCIL MEETING TUESDAY JULY 18, 2023 - 6:00 p.m.

Present: Mayor Curtis J. Cornelious; Council Member Neil Blais; Mayor Pro Tem Jamell T. Johnson; Council Member Tony Singh; Council Member Lisa G. Norman; Council Member Andrew Evans; Council Member Michel Hambrick

Staff Present: Caitlan Biggs, Director of Administrative Services/Town Secretary; Joe Florentino, Assistant Town Manager; Matt Mueller, Town Manager; Chad Hyde, Director of Community Services; Doug Peach, Deputy Town Manager; Fred Gibbs, Director of Development Services; Jason Shroyer, Director of Public Works; Kelly Wilson, Chief Financial Officer; Paul Rust, Fire Chief; Robert Brown, Town Attorney; Rodney Harrison, Police Chief; Shea Rodgers, Chief Information Officer

### 1. Call to Order Council Workshop at 6:00 p.m.

*Workshop was called to order at 6:01 p.m.*

#### A. Present and Discuss the **Board Member Appointment for the Highway 380 Municipal Management District No. 1, Commonly Known as Union Park.**

*Town Manager Matt Mueller gave an update on this item. He stated that there is an opportunity to appoint a homeowner to this board through an appointment by Hillwood. He stated that the Town will pass a resolution in support of the Town Council's recommendation for the board appointment.*

*Town Council recommended following the same process for appointments to all Boards and Commissions. Council Member Neil Blais recommended Doug Peach, Council Member Evans, and the Mayor serve on the interview committee.*

*Town staff will coordinate an announcement that can be sent out through the Union Park Homeowners Association.*

#### B. Present and Discuss an **Update on The Lawn at the Lakefront.**



***Town Manager Matt Mueller gave an update on this project. He discussed the option of installing a permanent video wall at the pavilion as part of the project. Staff is researching options and will give an update at the August 1 meeting. He stated there might be some cost savings from the lighting to be put toward the video wall. He also gave a recap of the scope of the project.***

- C. Discuss the **Cricket Field at Brent Elementary.**

***Council Member Tony Singh requested this item be placed on the agenda. He provided a history of cricket in Little Elm since the field at Brent Elementary opened. He is requesting from Town Council to authorize funds to level the field. The current quote is \$113,000.***

***Community Services Director Chad Hyde provided a history of the project and what has been completed to date.***

***Council Member Neil Blais recommended including it in the Parks Master Plan. Town Manager Matt Mueller stated that a community survey will be included in the process.***

***Community Services Director Chad Hyde stated that there are less expensive options to try and improve what is currently out there. He stated that staff can go in without removing the field and fix spot areas, then reevaluate this time next year.***

2. **Roll Call/Call to Order Regular Town Council Immediately Following Council Workshop.**

- A. Invocation.
- B. Pledge to Flags.
- C. Items to be Withdrawn from Consent Agenda.

***None.***

- D. Emergency Items if Posted.

***None.***

- E. Request by the Town Council for Items to be Placed on a Future Agenda for Discussion and Recognition of Excused Absences.

***Council Member Neil Blais will miss the August 1 meeting. Council Member Tony Singh missed the June 20 meeting due to a trip to Washington, DC.***

- F. **Presentation of Monthly Updates.**

***Presentation of monthly updates from department heads: concerning law enforcement activities, municipal court, customer service, emergency medical services, fire department response, fire prevention activities, emergency management, ongoing economic development projects, building permits, code enforcement activities, library activities, human resources updates, information technology report, revenue and expenditure report, street construction status, sanitation services, highway construction status, utility operations, parks and recreation activities, as well as facility and***

*fleet updates.*

***Town Manager Matt Mueller commended staff on the hardwork during the July Jubilee set up, day of, and clean up. He also stated that the project at the Lakeside Sports Complex is almost complete.***

- G. Town Council to Highlight Items on the Agenda Needing Further Discussion or Comments Prior to the Regular Session.

***None.***

3. **Presentations.**

- A. Present a **Life-Saving Award to Officer Joseph Nunez.**

***Chief Rodney Harrison and Assistant Chief Mandy Biter presented the award.***

- B. Recognition of Chad Hyde for completing the **New and Emerging City Managers Roundtable through the North Central Texas Council of Governments.**

***Town Manager Matt Mueller recognized Community Services Director Chad Hyde.***

4. **Public Comments**

*Persons may address the Town Council on any issue. This is the appropriate time for citizens to address the Council on any concern whether on this agenda or not. In accordance with the State of Texas Open Meeting Act, the council may not comment or deliberate such statements during this period, except as authorized by Section 551.007, Texas Government Code.*

***Lana Broberg, 3811 Fishermans Cove, spoke to Town Council regarding a drainage issue that runs behind her two properties due to the widening of Eldorado. She stated that staff has tried to address it but the fix was temporary. She is requesting to reopen this issue with the appropriate individuals to look at additional options.***

5. **Consent Agenda**

*All matters listed under the Consent Agenda are considered to be routine by the Town Council and require little or no deliberation. There will not be a separate discussion of these items and the agenda will be enacted by one vote. If the Council expresses a desire to discuss a matter listed, that item will be removed from the consent agenda and considered separately.*

Motion by Council Member Neil Blais, seconded by Mayor Pro Tem Jamell T. Johnson ***to approve the Consent Agenda.***

**Vote:** 7 - 0 - Unanimously

- A. Consider Action to Approve the **Minutes from the June 20, 2023, Regular Town Council Meeting.**
- B. Consider Action to Approve the **Minutes from the June 21, 2023, Pre-Budget Workshop.**

- C. Consider Action to Approve a **Professional Services Agreement with Freese and Nichols, Inc. for the Design of the Wastewater Treatment Plant Clarifier No.1 Improvements in an Amount not to Exceed \$78,600**
- D. Consider Action to Approve the **Partial Termination of Ground Lease Purchase Agreement and Performance Agreement between Little Elm Hospitality, LLC and Little Elm Economic Development Corporation for York Little Elm, LLC.**
- E. Consider Action to Approve **Retroactive Authorization for Emergency Sanitary Sewer Reconstruction, with Quality Excavation, LLC in the Estimated Amount of \$292,525.**
- F. Consider Action to Award **Bid 2023-14 for the Purchase and Installation of a 40-foot Artificial Holiday Tree to Decor IQ in the amount of \$87,500.**
- G. Consider Action to Approve **Amendment #1 to the Professional Services Agreement with Cobb-Fendley & Associates regarding Development Plan Review Services.**
- H. Consider Action to Approve the **FM 2931 Right of Way Project Developer Participation Agreement between the Town of Little Elm and MM Little Elm 548 LLC.**

**6. Regular Items.**

- A. Continue the Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1710 Regarding a Request for a Specific Use Permit (SUP) for a 3,040 Square-Foot Liquor Store Use, Generally Located in Building 200, 11700 FM 423, Currently Zoned Planned Development with a Light Commercial Base Through Ordinance No. 1691, in Order to Allow for Sale of Alcoholic Beverages for Off-Site Consumption Only.**

**Public Hearing Opened: 7:00 p.m. on June 20, 2023**

**Receive Public Comments:**

**Close Public Hearing:**

**Take Action on Ordinance No. 1710:**

**The applicant requested to withdraw this request.**

**Public Hearing Opened: 7:00 p.m. on June 20, 2023**

**Receive Public Comments:**

**Close Public Hearing: 7:01 p.m.**

**Take Action on Ordinance No. 1710: The Town Council took no action.**

- B. Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1713 Regarding a Request to Rezone Approximately 35 Acres of Land, Currently Zoned as Planned Development based on Light Commercial and Multifamily District Standards (Ordinance No. 1589), Generally Located on the Northwest Corner of US Highway 380 and FM 2931, within Little Elm's Town Limits, in Order to Allow for a 1,112 Square Foot, On-Site Resident-Only Resource Center for the Existing Planned Development District.**

**Open Public Hearing:**

**Receive Public Comments:**

Close Public Hearing:  
Take Action on Ordinance No. 1713:

*Managing Director of Olga Chernomorets presented an overview of the item in the attached presentation.*

Open Public Hearing: 7:10 p.m.  
Receive Public Comments: None  
Close Public Hearing: 7:11 p.m.  
Take Action on Ordinance No. 1713:

Motion by Council Member Neil Blais, seconded by Council Member Lisa G. Norman **to approve Ordinance No. 1713.**

**Vote:** 7 - 0 - Unanimously

- C. Present, Discuss, and Consider Action on a **Development Agreement Amendment to an existing Development Agreement between the Town of Little Elm and Alta 3Eighty LLC.**

Motion by Mayor Pro Tem Jamell T. Johnson, seconded by Council Member Andrew Evans **to approve the Development Agreement.**

**Vote:** 7 - 0 - Unanimously

- D. Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1714 a Request to Rezone Approximately 1.88 Acres of Land, Currently Zoned as Planned Development Based on Light Commercial Standards (Ordinance No. 449), Generally Located on the Northwest Corner of E. Eldorado Parkway and Hart Road, within Little Elm's Town Limits, in Order to Allow for a New 1,507 Square-Foot Quick Service Food Establishment with a Drive-Thru Component.**

Open Public Hearing:  
Receive Public Comments:  
Close Public Hearing:  
Take Action on Ordinance No. 1714:

*Managing Director of Planning Olga Chernomorets presented an overview of the item in the attached presentation.*

Open Public Hearing: 7:18 p.m.  
Receive Public Comments: None  
Close Public Hearing: 7:19 p.m.  
Take Action on Ordinance No. 1714:

Motion by Council Member Andrew Evans, seconded by Mayor Pro Tem Jamell T. Johnson **to approve Ordinance No. 1714.**

**Vote:** 7 - 0 - Unanimously

- E. Hold a Public Hearing, Present, Discuss and Consider Action on **Ordinance No. 1712, Accepting and Approving an Updated Service and Assessment Plan and Improvement Area #1 Assessment Roll - Additional Improvement Area #1 Projects for the Spiritas Ranch Public Improvement District.**

**Open Public Hearing:**

**Receive Public Comments:**

**Close Public Hearing:**

**Take Action on Ordinance No. 1712**

**Chief Financial Officer Kelly Wilson gave an overview of the item.**

**Open Public Hearing: 7:22 p.m.**

**Receive Public Comments: None**

**Close Public Hearing: 7:23 p.m.**

**Take Action on Ordinance No. 1712:**

Motion by Mayor Pro Tem Jamell T. Johnson, seconded by Council Member Neil Blais ***to approve Ordinance No. 1712.***

**Vote: 7 - 0 - Unanimously**

- F. Present, Discuss, and Consider Action on **Resolution No. 0718202301 Authorizing the Mayor to Approve the Additional Improvement Area #1 Projects Reimbursement Agreement between the Town of Little Elm and MM Little Elm 548, LLC.**

Motion by Council Member Michel Hambrick, seconded by Council Member Lisa G. Norman ***to approve Resolution No. 0718202301.***

**Vote: 7 - 0 - Unanimously**

- G. Present, Discuss, and Consider Action to Approve the **Second Amendment to the Spiritas Ranch Development Agreement between MM Little Elm 548, LLC and the Town of Little Elm, Texas.**

***Development Services Director Fred Gibbs gave an overview of the item.***

Motion by Council Member Andrew Evans, seconded by Council Member Michel Hambrick ***to approve the Development Agreement.***

**Vote: 7 - 0 - Unanimously**

- H. Present, Discuss, and Consider Action to Approve the **Second Amendment to the Spiritas East Ranch Development Agreement between MM Little Elm 43, LLC and the Town of Little Elm.**

Motion by Mayor Pro Tem Jamell T. Johnson, seconded by Council Member Andrew Evans ***to approve the Development Agreement.***

**Vote: 7 - 0 - Unanimously**

**7. Convene in Executive Session pursuant to Texas Government Code:**

- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

***Town Council convened into Executive Session at 7:27 p.m.***

**8. Reconvene into Open Session**

Discussion and consideration to take any action necessary as the result of the Executive Session:

- COVID-19 Pandemic and the Town's response thereto, including the consideration of an emergency declaration ordinance.
- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

***Town Council reconvened into Open Session at 8:35 p.m. No action was taken.***

**9. Adjourn.**

***Meeting was adjourned at 8:36 p.m.***

Respectfully,

**Caitlan Biggs**  
Town Secretary

Passed and Approved this 1st day of August 2023.



**Date:** 08/01/2023  
**Agenda Item #:** 4. B.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Consider Action to Accept the **Submission of the 2023 No-New-Revenue Tax Rate of \$0.547417 per \$100 Taxable Value and the Voter-Approval Tax Rate of \$0.590494 per \$100 Taxable Value.**

**DESCRIPTION:**

State law requires municipalities to submit to their governing boards and publish in a local newspaper a notice showing the calculated no-new-revenue and voter-approval tax rates and the notice-and-hearing limit for the upcoming fiscal year. The no-new-revenue rate will produce the same amount of tax revenue if applied to the same properties in both years. The voter-approval rate is the highest tax rate the Town can set without holding an election to seek voter approval of the rate.

All taxing units that levied property taxes in 2022 and intend to levy them in 2023 must calculate a no-new-revenue tax rate and a voter-approval tax rate. Although the actual calculation is more detailed, the Town's no-new-revenue tax rate is generally equal to the prior year's taxes divided by the current taxable value of properties that were also on the tax roll in the prior year.

The no-new-revenue tax rate is intended to enable the public to evaluate the relationship between taxes for the current year and taxes that a proposed tax rate would produce if applied to the same properties taxed in both years.

The voter-approval tax rate is split into separate components: an operating and maintenance rate and a debt rate. The voter-approval rate calculation allows municipalities to raise 3.5 percent of the prior year's operating and maintenance money, plus the necessary debt rate.

State law also requires municipalities to publish the no-new-revenue tax rate and a voter-approval tax rate, and to hold one public hearing if the proposed tax rate exceeds the lower of the no-new-revenue or voter-approval tax rate. Because the Town's proposed tax rate of **\$0.589900** is higher than the no-new-revenue tax rate of **\$0.547417**, the Town is required to hold one public hearing on the tax rate.

Tax rate calculation worksheet is attached.

**BUDGET IMPACT:**

Proposed tax rate is reflected in the Town's proposed budget.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

TOLE 2023 Tax Rate Calculation



## 2023 Tax Rate Calculation Notice

Taxing Unit Name: Town of Little Elm

Attached are the following documents:

No New Revenue and Voter Approval Tax Rate Worksheets

Notice of Tax Rates (required to be posted on taxing unit website)

Approving Rates: Section 8 on worksheet shows the following rates

No New Revenue Rate

Voter Approval Rate

Di Minimis Rate (if applicable)

Please review these documents carefully and notify our office of any changes that need to be made. If any changes are made, our office will send out new documents including the revisions. Once you are satisfied that the calculation is correct, please sign this document stating that you approve the calculation worksheet that is attached to this document.

Proposed M&O \$0.440095 (Maintenance & Operation Rate)

Proposed I&S \$0.149805 (Interest & Sinking or Debt Rate)

**(proposed I&S rate must match line 48 on worksheet)**

Proposed Total Rate \$0.589900

As a representative of Town of Little Elm, I approve the Tax Rate Calculation and have provided the proposed tax rate for the taxing entity listed above.

Kelly Wilson  
Printed name

Kelly Wilson  
Signature

7/26/2023  
Date

# 2023 Tax Rate Calculation Worksheet

## Taxing Units Other Than School Districts or Water Districts

Form 50-856

TOWN OF LITTLE ELM

Taxing Unit Name

Phone (area code and number)

WWW.LITTLEELM.ORG

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

**GENERAL INFORMATION:** Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

### SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	<b>2022 total taxable value.</b> Enter the amount of 2022 taxable value on the 2022 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). <sup>1</sup>	\$ 6,027,477,907
2.	<b>2022 tax ceilings.</b> Counties, cities and junior college districts. Enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>2</sup>	\$ 429,659,596
3.	<b>Preliminary 2022 adjusted taxable value.</b> Subtract Line 2 from Line 1.	\$ 5,597,818,311
4.	<b>2022 total adopted tax rate.</b>	\$ 0.629900 /\$100
5.	<b>2022 taxable value lost because court appeals of ARB decisions reduced 2021 appraised value.</b>	
	A. Original 2022 ARB values: ..... \$ 86,890,530	
	B. 2022 values resulting from final court decisions: ..... - \$ 81,065,577	
	C. 2022 value loss. Subtract B from A. <sup>3</sup>	\$ 5,824,953
6.	<b>2022 taxable value subject to an appeal under Chapter 42, as of July 25.</b>	
	A. 2022 ARB certified value: ..... \$ 420,136,253	
	B. 2022 disputed value: ..... - \$ 77,092,536	
	C. 2022 undisputed value. Subtract B from A. <sup>4</sup>	\$ 343,043,717
7.	<b>2022 Chapter 42 related adjusted values.</b> Add Line 5C and Line 6C.	\$ 348,868,670

<sup>1</sup> Tex. Tax Code §26.012(14)<sup>2</sup> Tex. Tax Code §26.012(14)<sup>3</sup> Tex. Tax Code §26.012(13)<sup>4</sup> Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	<b>2022 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Add Line 3 and Line 7.	\$ 5,946,686,981
9.	<b>2022 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2022.</b> Enter the 2021 value of property in deannexed territory. <sup>5</sup>	\$ 0
10.	<b>2022 taxable value lost because property first qualified for an exemption in 2023.</b> If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2023 does not create a new exemption or reduce taxable value. <p><b>A. Absolute exemptions.</b> Use 2022 market value: ..... \$ 5,486,245</p> <p><b>B. Partial exemptions.</b> 2023 exemption amount or 2023 percentage exemption times 2022 value: ..... + \$ 9,570,244</p> <p><b>C. Value loss.</b> Add A and B.<sup>6</sup></p>	\$ 15,056,489
11.	<b>2022 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2023.</b> Use only properties that qualified in 2023 for the first time; do not use properties that qualified in 2022. <p><b>A. 2022 market value:</b> ..... \$ 1,893,475</p> <p><b>B. 2023 productivity or special appraised value:</b> ..... - \$ 1,795</p> <p><b>C. Value loss.</b> Subtract B from A.<sup>7</sup></p>	\$ 1,891,680
12.	<b>Total adjustments for lost value.</b> Add Lines 9, 10C and 11C.	\$ 16,948,169
13.	<b>2022 captured value of property in a TIF.</b> Enter the total value of 2022 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2022 taxes were deposited into the tax increment fund. <sup>8</sup> If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 427,793,418
14.	<b>2022 total value.</b> Subtract Line 12 and Line 13 from Line 8.	\$ 5,501,945,394
15.	<b>Adjusted 2022 total levy.</b> Multiply Line 4 by Line 14 and divide by \$100.	\$ 34,656,754
16.	<b>Taxes refunded for years preceding tax year 2022.</b> Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2022. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. <sup>9</sup>	\$ 59,309
17.	<b>Adjusted 2022 levy with refunds and TIF adjustment.</b> Add Lines 15 and 16. <sup>10</sup>	\$ 34,716,063
18.	<b>Total 2023 taxable value on the 2023 certified appraisal roll today.</b> This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. <sup>11</sup> <p><b>A. Certified values:</b> ..... \$ 7,777,701,543</p> <p><b>B. Counties:</b> Include railroad rolling stock values certified by the Comptroller's office: ..... + \$</p> <p><b>C. Pollution control and energy storage system exemption:</b> Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: ..... - \$ 0</p> <p><b>D. Tax increment financing:</b> Deduct the 2023 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2023 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below.<sup>12</sup> ..... - \$ 479,596,313</p> <p><b>E. Total 2023 value.</b> Add A and B, then subtract C and D.</p>	\$ 7,298,105,230

<sup>5</sup> Tex. Tax Code §26.012(15)<sup>6</sup> Tex. Tax Code §26.012(15)<sup>7</sup> Tex. Tax Code §26.012(15)<sup>8</sup> Tex. Tax Code §26.03(c)<sup>9</sup> Tex. Tax Code §26.012(13)<sup>10</sup> Tex. Tax Code §26.012(13)<sup>11</sup> Tex. Tax Code §26.012, 26.04(c-2)<sup>12</sup> Tex. Tax Code §26.03(c)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	<b>Total value of properties under protest or not included on certified appraisal roll.</b> <sup>13</sup> <b>A. 2023 taxable value of properties under protest.</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. <sup>14</sup> ..... \$ 110,774,186 <b>B. 2023 value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. <sup>15</sup> ..... + \$ 0 <b>C. Total value under protest or not certified.</b> Add A and B.	\$ 110,774,186
20.	<b>2023 tax ceilings.</b> Counties, cities and junior colleges enter 2023 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>16</sup>	\$ 490,589,049
21.	<b>2023 total taxable value.</b> Add Lines 18E and 19C. Subtract Line 20. <sup>17</sup>	\$ 6,918,290,367
22.	<b>Total 2023 taxable value of properties in territory annexed after Jan. 1, 2022.</b> Include both real and personal property. Enter the 2023 value of property in territory annexed. <sup>18</sup>	\$ 0
23.	<b>Total 2023 taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in 2022. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2022 and be located in a new improvement. New improvements <b>do</b> include property on which a tax abatement agreement has expired for 2023. <sup>19</sup>	\$ 576,502,156
24.	<b>Total adjustments to the 2023 taxable value.</b> Add Lines 22 and 23.	\$ 576,502,156
25.	<b>Adjusted 2023 taxable value.</b> Subtract Line 24 from Line 21.	\$ 6,341,788,211
26.	<b>2023 NNR tax rate.</b> Divide Line 17 by Line 25 and multiply by \$100. <sup>20</sup>	\$ 0.547417 /\$100
27.	<b>COUNTIES ONLY.</b> Add together the NNR tax rates for each type of tax the county levies. The total is the 2023 county NNR tax rate. <sup>21</sup>	\$ _____ /\$100

## SECTION 2: Voter Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	<b>2022 M&amp;O tax rate.</b> Enter the 2022 M&O tax rate.	\$ 0.486416 /\$100
29.	<b>2022 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,946,686,981

<sup>13</sup> Tex. Tax Code §26.01(c) and (d)

<sup>14</sup> Tex. Tax Code §26.01(c)

<sup>15</sup> Tex. Tax Code §26.01(d)

<sup>16</sup> Tex. Tax Code §26.012(6)(B)

<sup>17</sup> Tex. Tax Code §26.012(6)

<sup>18</sup> Tex. Tax Code §26.012(17)

<sup>19</sup> Tex. Tax Code §26.012(17)

<sup>20</sup> Tex. Tax Code §26.04(c)

<sup>21</sup> Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	<b>Total 2022 M&amp;O levy.</b> Multiply Line 28 by Line 29 and divide by \$100	\$ 28,925,636
31.	<b>Adjusted 2022 levy for calculating NNR M&amp;O rate.</b> <b>A. M&amp;O taxes refunded for years preceding tax year 2022.</b> Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. .... + \$ 48,049 <b>B. 2022 taxes in TIF.</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2023 captured appraised value in Line 18D, enter 0. .... - \$ 2,007,561 <b>C. 2022 transferred function.</b> If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. .... +/- \$ 0 <b>D. 2022 M&amp;O levy adjustments.</b> Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. .... \$ -1,959,512 <b>E. Add Line 30 to 31D.</b>	\$ 26,966,124
32.	<b>Adjusted 2023 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 6,341,788,211
33.	<b>2023 NNR M&amp;O rate (unadjusted).</b> Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.425213 /\$100
34.	<b>Rate adjustment for state criminal justice mandate.</b> <sup>23</sup> <b>If not applicable or less than zero, enter 0.</b> <b>A. 2023 state criminal justice mandate.</b> Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. .... \$ 0 <b>B. 2022 state criminal justice mandate.</b> Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. .... - \$ 0 <b>C. Subtract B from A and divide by Line 32 and multiply by \$100.</b> .... \$ 0 /\$100 <b>D. Enter the rate calculated in C. If not applicable, enter 0.</b>	\$ 0 /\$100
35.	<b>Rate adjustment for indigent health care expenditures.</b> <sup>24</sup> <b>If not applicable or less than zero, enter 0.</b> <b>A. 2023 indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state assistance received for the same purpose. .... \$ 0 <b>B. 2022 indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state assistance received for the same purpose. .... - \$ 0 <b>C. Subtract B from A and divide by Line 32 and multiply by \$100.</b> .... \$ 0 /\$100 <b>D. Enter the rate calculated in C. If not applicable, enter 0.</b>	\$ 0 /\$100

<sup>22</sup> [Reserved for expansion]<sup>23</sup> Tex. Tax Code §26.044<sup>24</sup> Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	<b>Rate adjustment for county indigent defense compensation.</b> <sup>25</sup> <b>If not applicable or less than zero, enter 0.</b>  <b>A. 2023 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state grants received by the county for the same purpose..... \$ 0  <b>B. 2022 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state grants received by the county for the same purpose..... \$ 0  <b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0 /\$100  <b>D.</b> Multiply B by 0.05 and divide by Line 32 and multiply by \$100..... \$ 0 /\$100  <b>E.</b> Enter the lesser of C and D. If not applicable, enter 0.	          \$ 0 /\$100
37.	<b>Rate adjustment for county hospital expenditures.</b> <sup>26</sup> <b>If not applicable or less than zero, enter 0.</b>  <b>A. 2023 eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2022 and ending on June 30, 2023. .... \$ 0  <b>B. 2022 eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2021 and ending on June 30, 2022. .... \$ 0  <b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0 /\$100  <b>D.</b> Multiply B by 0.08 and divide by Line 32 and multiply by \$100..... \$ 0 /\$100  <b>E.</b> Enter the lesser of C and D, if applicable. If not applicable, enter 0.	          \$ 0 /\$100
38.	<b>Rate adjustment for defunding municipality.</b> This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.  <b>A. Amount appropriated for public safety in 2022.</b> Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year ..... \$ 0  <b>B. Expenditures for public safety in 2022.</b> Enter the amount of money spent by the municipality for public safety during the preceding fiscal year ..... \$ 0  <b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100 ..... \$ 0 /\$100  <b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.	          \$ 0 /\$100
39.	<b>Adjusted 2023 NNR M&amp;O rate.</b> Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.	\$ 0.425213 /\$100
40.	<b>Adjustment for 2022 sales tax specifically to reduce property taxes.</b> Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2022 should complete this line. These entities will deduct the sales tax gain rate for 2023 in Section 3. Other taxing units, enter zero.  <b>A.</b> Enter the amount of additional sales tax collected and spent on M&O expenses in 2022, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent ..... \$ 0  <b>B.</b> Divide Line 40A by Line 32 and multiply by \$100 ..... \$ 0 /\$100  <b>C.</b> Add Line 40B to Line 39.	          \$ 0.425213 /\$100
41.	<b>2023 voter-approval M&amp;O rate.</b> Enter the rate as calculated by the appropriate scenario below. <b>Special Taxing Unit.</b> If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. <b>- or -</b> <b>Other Taxing Unit.</b> If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.	          \$ 0.440095 /\$100

<sup>25</sup> Tex. Tax Code §26.0442<sup>26</sup> Tex. Tax Code §26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
<b>D41.</b>	<b>Disaster Line 41 (D41): 2023 voter-approval M&amp;O rate for taxing unit affected by disaster declaration.</b> If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or 2) the third tax year after the tax year in which the disaster occurred  If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. <sup>27</sup> If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).	\$ 0 /\$100
<b>42.</b>	<b>Total 2023 debt to be paid with property taxes and additional sales tax revenue.</b> Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit's budget as M&O expenses.  <b>A. Debt</b> also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. <sup>28</sup>  Enter debt amount ..... \$ 11,457,436 <b>B. Subtract unencumbered fund amount</b> used to reduce total debt. .... - \$ 0 <b>C. Subtract certified amount spent from sales tax to reduce debt</b> (enter zero if none) ..... - \$ 0 <b>D. Subtract amount paid</b> from other resources ..... - \$ 0 <b>E. Adjusted debt.</b> Subtract B, C and D from A. .... \$ 11,457,436	
<b>43.</b>	<b>Certified 2022 excess debt collections.</b> Enter the amount certified by the collector. <sup>29</sup>	\$ 1,093,487
<b>44.</b>	<b>Adjusted 2023 debt.</b> Subtract Line 43 from Line 42E.	\$ 10,363,949
<b>45.</b>	<b>2023 anticipated collection rate.</b> <b>A.</b> Enter the 2023 anticipated collection rate certified by the collector. <sup>30</sup> ..... 100.00 % <b>B.</b> Enter the 2022 actual collection rate. .... 100.73 % <b>C.</b> Enter the 2021 actual collection rate. .... 100.03 % <b>D.</b> Enter the 2020 actual collection rate. .... 99.17 % <b>E.</b> If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. <sup>31</sup>	100.00 %
<b>46.</b>	<b>2023 debt adjusted for collections.</b> Divide Line 44 by Line 45E.	\$ 10,363,949
<b>47.</b>	<b>2023 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 6,918,290,367
<b>48.</b>	<b>2023 debt rate.</b> Divide Line 46 by Line 47 and multiply by \$100.	\$ 0.149805 /\$100
<b>49.</b>	<b>2023 voter-approval tax rate.</b> Add Lines 41 and 48.	\$ 0.589900 /\$100
<b>D49.</b>	<b>Disaster Line 49 (D49): 2023 voter-approval tax rate for taxing unit affected by disaster declaration.</b> Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	\$ /\$100

<sup>27</sup> Tex. Tax Code §26.042(a)<sup>28</sup> Tex. Tax Code §26.012(7)<sup>29</sup> Tex. Tax Code §26.012(10) and 26.04(b)<sup>30</sup> Tex. Tax Code §26.04(b)<sup>31</sup> Tex. Tax Code §§26.04(h), (h-1) and (h-2)



Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	<b>COUNTIES ONLY.</b> Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2023 county voter-approval tax rate.	\$ <u>0</u> /\$100

### SECTION 3: NNR Tax Rate and Voter Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	<b>Taxable Sales.</b> For taxing units that adopted the sales tax in November 2022 or May 2023, enter the Comptroller's estimate of taxable sales for the previous four quarters. <sup>32</sup> Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2022, enter 0.	\$ <u>0</u>
52.	<b>Estimated sales tax revenue.</b> Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. <sup>33</sup>  <b>Taxing units that adopted the sales tax in November 2022 or in May 2023.</b> Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. <sup>34</sup> <b>- or -</b> <b>Taxing units that adopted the sales tax before November 2022.</b> Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ <u>0</u>
53.	<b>2023 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>6,918,290,367</u>
54.	<b>Sales tax adjustment rate.</b> Divide Line 52 by Line 53 and multiply by \$100.	\$ <u>0</u> /\$100
55.	<b>2023 NNR tax rate, unadjusted for sales tax.</b> <sup>35</sup> Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>0.547417</u> /\$100
56.	<b>2023 NNR tax rate, adjusted for sales tax.</b> <b>Taxing units that adopted the sales tax in November 2022 or in May 2023.</b> Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2022.	\$ <u>0.547417</u> /\$100
57.	<b>2023 voter-approval tax rate, unadjusted for sales tax.</b> <sup>36</sup> Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ <u>0.589900</u> /\$100
58.	<b>2023 voter-approval tax rate, adjusted for sales tax.</b> Subtract Line 54 from Line 57.	\$ <u>0.589900</u> /\$100

### SECTION 4: Voter Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	<b>Certified expenses from the Texas Commission on Environmental Quality (TCEQ).</b> Enter the amount certified in the determination letter from TCEQ. <sup>37</sup> The taxing unit shall provide its tax assessor-collector with a copy of the letter. <sup>38</sup>	\$ <u>0</u>
60.	<b>2023 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>6,918,290,367</u>
61.	<b>Additional rate for pollution control.</b> Divide Line 59 by Line 60 and multiply by \$100.	\$ <u>0</u> /\$100
62.	<b>2023 voter-approval tax rate, adjusted for pollution control.</b> Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ <u>0.589900</u> /\$100

<sup>32</sup> Tex. Tax Code §26.041(d)

<sup>33</sup> Tex. Tax Code §26.041(i)

<sup>34</sup> Tex. Tax Code §26.041(d)

<sup>35</sup> Tex. Tax Code §26.04(c)

<sup>36</sup> Tex. Tax Code §26.04(c)

<sup>37</sup> Tex. Tax Code §26.045(d)

<sup>38</sup> Tex. Tax Code §26.045(i)



**SECTION 5: Voter Approval Tax Rate Adjustment for Unused Increment Rate**

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate adjusted to remove the unused increment rate for the prior three years.<sup>39</sup> In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the portion of the unused increment rate must be backed out of the calculation for that year.

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020;<sup>40</sup>
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);<sup>41</sup> or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.<sup>42</sup>

Individual components can be negative, but the overall rate would be the greater of zero or the calculated rate.

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.<sup>43</sup>

Line	Unused Increment Rate Worksheet	Amount/Rate
<b>63. Year 3 component.</b>	Subtract the 2022 actual tax rate and the 2022 unused increment rate from the 2022 voter-approval tax rate.	
<b>A.</b>	Voter-approval tax rate ..... \$ 0.630098 /\$100 As applicable: Line 49, Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control)	
<b>B.</b>	Unused increment rate (Line 66) ..... \$ 0.000000 /\$100	
<b>C.</b>	Subtract B from A ..... \$ 0.630098 /\$100	
<b>D.</b>	Adopted Tax Rate ..... \$ 0.629900 /\$100	
<b>E.</b>	Subtract D from C ..... \$ 0.000198 /\$100	
<b>64. Year 2 component.</b>	Subtract the 2021 actual tax rate and the 2021 unused increment rate from the 2021 voter-approval tax rate.	
<b>A.</b>	Voter-approval tax rate ..... \$ 0.644146 /\$100 As applicable: Line 49, Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control)	
<b>B.</b>	Unused increment rate (Line 66) ..... \$ 0.000000 /\$100	
<b>C.</b>	Subtract B from A ..... \$ 0.644146 /\$100	
<b>D.</b>	Adopted Tax Rate ..... \$ 0.643948 /\$100	
<b>E.</b>	Subtract D from C ..... \$ 0.000198 /\$100	
<b>65. Year 1 component.</b>	Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate.	
<b>A.</b>	Voter-approval tax rate ..... \$ 0.649900 /\$100 As applicable: Line 47, Line 50 (counties), Line 56 (taxing units with the additional sales tax) or Line 60 (taxing units with pollution control)	
<b>B.</b>	Unused increment rate ..... \$ 0 /\$100	
<b>C.</b>	Subtract B from A ..... \$ 0.649900 /\$100	
<b>D.</b>	Adopted Tax Rate ..... \$ 0.649702 /\$100	
<b>E.</b>	Subtract D from C ..... \$ 0.000198 /\$100	
<b>66. 2023 unused increment rate.</b>	Add Lines 63E, 64E and 65E.	\$ 0.000594 /\$100
<b>67. Total 2023 voter-approval tax rate, including the unused increment rate.</b>	Add Line 66 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$ 0.590494 /\$100

<sup>39</sup> Tex. Tax Code §26.013(a)

<sup>40</sup> Tex. Tax Code §26.013(c)

<sup>41</sup> Tex. Tax Code §26.0501(a) and (c)

<sup>42</sup> Tex. Local Gov't Code §120.007(d), effective Jan. 1, 2022

<sup>43</sup> Tex. Tax Code §26.063(a)(1)

<sup>44</sup> Tex. Tax Code §26.012(8-a)

<sup>45</sup> Tex. Tax Code §26.063(a)(1)

**SECTION 6: De Minimis Rate**

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.<sup>44</sup>

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.<sup>45</sup>

Line	De Minimis Rate Worksheet	Amount/Rate
68.	<b>Adjusted 2023 NNR M&amp;O tax rate.</b> Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i>	\$ 0.425213 /\$100
69.	<b>2023 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 6,918,290,367
70.	<b>Rate necessary to impose \$500,000 in taxes.</b> Divide \$500,000 by Line 69 and multiply by \$100.	\$ 0.007227 /\$100
71.	<b>2023 debt rate.</b> Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.149805 /\$100
72.	<b>De minimis rate.</b> Add Lines 68, 70 and 71.	\$ 0.000000 /\$100

**SECTION 7: Voter Approval Tax Rate Adjustment for Emergency Revenue Rate**

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.<sup>46</sup>

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.<sup>47</sup>

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
73.	<b>2022 adopted tax rate.</b> Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.629900 /\$100
74.	<b>Adjusted 2022 voter-approval tax rate.</b> Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line.  If a disaster occurred in 2022 and the taxing unit calculated its 2022 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2022 worksheet due to a disaster, complete the applicable sections or lines of Form 50-856-a, <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> . - or - If a disaster occurred prior to 2022 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2022, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2022 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. <sup>48</sup> Enter the final adjusted 2022 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2022 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	\$ 0 /\$100
75.	<b>Increase in 2022 tax rate due to disaster.</b> Subtract Line 74 from Line 73.	\$ 0 /\$100
76.	<b>Adjusted 2022 taxable value.</b> Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,501,945,394
77.	<b>Emergency revenue.</b> Multiply Line 75 by Line 76 and divide by \$100.	\$ 0
78.	<b>Adjusted 2023 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 6,341,788,211
79.	<b>Emergency revenue rate.</b> Divide Line 77 by Line 78 and multiply by \$100. <sup>49</sup>	\$ 0 /\$100

<sup>46</sup> Tex. Tax Code §26.042(b)

<sup>47</sup> Tex. Tax Code §26.042(f)

<sup>48</sup> Tex. Tax Code §26.042(c)

<sup>49</sup> Tex. Tax Code §26.042(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
80.	<b>2023 voter-approval tax rate, adjusted for emergency revenue.</b> Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	\$ 0.590494 /\$100

## SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

**No-new-revenue tax rate.** ..... \$ 0.547417 /\$100

As applicable, enter the 2023 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).

Indicate the line number used: 26

**Voter-approval tax rate.** ..... \$ 0.590494 /\$100

As applicable, enter the 2023 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue).

Indicate the line number used: 67

**De minimis rate.** ..... \$ 0.000000 /\$100

If applicable, enter the 2022 de minimis rate from Line 72.

## SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.<sup>50</sup>

**print  
here** ▶

KELLY WILSON

Printed Name of Taxing Unit Representative

**sign  
here** ▶

*Kelly Wilson*

Taxing Unit Representative

07/26/2023

Date

DocuSigned by:

*Michelle French*

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<sup>50</sup> Tex. Tax Code §§26.04(c-2) and (d-2)

Notice About 2023 Tax Rates

Property tax rates inTOWN OF LITTLE ELM.  
This notice concerns the 2023 property tax rates for TOWN OF LITTLE ELM. This notice provides information about two tax rates used in adopting the current tax year's tax rate. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. In most cases, the voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per \$100 of property value.

This year's no-new-revenue tax rate	\$0.547417/\$100
This year's voter-approval tax rate	\$0.590494/\$100

To see the full calculations, please visit for a copy of the Tax Rate Calculation Worksheet.

Unencumbered Fund Balance

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

Type of Fund	Balance
GENERAL FUND	37,513,600
GENERAL DEBT SERVICE FUND	1,778,850

Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
SERIES 2014 GO REF \$4.5M	140,000	33,550	1,000	174,550
GO REF SERIES 2012A	200,000	17,243	1,000	218,243
CO SERIES 2013 \$6M	295,000	110,175	1,000	406,175
CO SERIES 2013 \$3M	150,000	64,175	1,000	215,175
2015 CO \$9.66M	440,000	197,588	1,000	638,588
2016 REF GO \$6.72M	695,000	50,869	1,000	746,869
2018 CO \$15.46M	510,000	383,856	1,000	894,856
2019 REF GO	725,000	152,000	1,000	878,000
2019 CO \$ PRIN	255,000	198,425	1,000	454,425
2020 GO REFI \$5.72M	540,000	42,444	1,000	583,444
2020 CO \$4.085M	170,000	82,650	1,000	253,650
2021 CO PRINT \$15M	490,000	406,119	1,000	897,119
2022 CO PRIN \$10m	285,000	363,775	1,000	649,775
PAYDOWN OF DEBT & TRANSFER UTILITY	0	0	3,502,500	3,502,500
DEBT TO I&S RATE				
TIF AGREEMENTS	0	0	944,067	944,067

Total required for 2023 debt service	\$11,457,436
- Amount (if any) paid from funds listed in unencumbered funds	\$0
- Amount (if any) paid from other resources	\$0
- Excess collections last year	\$1,093,487
= Total to be paid from taxes in 2023	\$10,363,949
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2023	\$0
= Total debt levy	\$10,363,949

This notice contains a summary of actual no-new-revenue and voter-approval calculations as certified by , on 07/26/2023 .

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

**Certificate Of Completion**

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Stacey Dvoracek

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701 Kimberly Drive

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Denton, Texas 76208

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stacey.dvoracek@dentoncounty.gov

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stacey.dvoracek@dentoncounty.gov

**Signer Events****Signature****Timestamp**

Michelle French

michelle.french@dentoncounty.gov

Tax Assessor/Collector

Denton County

Security Level: Email, Account Authentication  
(None)

DocuSigned by:

*Michelle French*

7E7213C1442249F...

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**Payment Events****Status****Timestamps**



**Date:** 08/01/2023  
**Agenda Item #:** 4. C.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Consider Action to Approve the **Schedule for the Public Hearing for the FY 2023-2024 Proposed Tax Rate**.

**DESCRIPTION:**

Town staff is proposing to schedule the public hearing for the tax rate on Tuesday, September 5, 2023, at 6:00 p.m. at Town Hall, located at 100 W Eldorado Parkway, Little Elm, TX, 75068.

Section 26.05(d) of the Texas Property Tax Code requires taxing entities to hold one public hearing and publish newspaper ads before adopting a tax rate that exceeds the lower of the no-new-revenue tax rate or the voter-approval tax rate.

Section 26.06(d) of the Texas Property Tax Code states the governing body may vote on the proposed tax rate at the public hearing. If the governing body does not vote on the proposed tax rate at the public hearing, the governing body shall announce at the public hearing the date, time, and place of the meeting at which it will vote on the proposed tax rate.

Section 26.06(e) of the Texas Property Tax Code states that a meeting to vote on the tax increase may not be held later than the seventh day after the date of the public hearing. Due to this limitation, we are requesting to hold the public hearing and vote on the tax rate on September 5, 2023, which is a regular meeting date of the Town Council. A hearing on this date satisfies tax code requirements.

**BUDGET IMPACT:**

Funding to cover the cost to publish the notice of public hearing is budgeted for in the Finance department budget.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Date:** 08/01/2023  
**Agenda Item #:** 4. D.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Consider Action to Approve a **Professional Services Agreement between the Town of Little Elm and Forvis, LLC for Audit Services, RFP 2023-15.**

**DESCRIPTION:**

On May 18, 2023, the Town issued a Request for Proposal (RFP) 2023-15 for audit services for fiscal year 2023 with the option to complete future audits for fiscal years 2024, 2025, 2026, and 2027. The RFP was advertised in the local paper, and posted on the Town's eProcurement system. The Town received offers from four highly qualified CPA firms.

Initial evaluations were completed by Finance staff. Evaluators reviewed submittals for:

- Quality and cost of auditing service offered;
- Respondents demonstrated experience and strength to provide the services;
- Respondent's methodology, work plan, and timeline;
- Respondent's previous experience and references; and
- Thoroughness and clarity of response to RFP.

An evaluation sheet is attached for reference to the evaluation scores based on the criteria established in the RFP. PID audit services are also included in the proposals from each respondent. The Districts will pay the cost associated with the audit services for each PID.

**BUDGET IMPACT:**

The Town's budget reflects audit services each year. Funding is available in the current budget to begin the 2023 audit. A purchase order will be issued each year to encumber funding.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

2023-15 Audit Agreement

Annual Letter Agreement  
2023-15 Audit Evaluation

**Town of Little Elm, Texas  
Contract for Audit Services**

This Agreement is made by and between the Town of Little Elm, Texas, a Texas home-rule municipality (hereinafter referred to as the "Town") and **Forvis, LLP** (hereinafter referred to as the "Provider") for **Audit Services**, (hereinafter referred to as the "Project"). In consideration of the premises, covenants and mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Town and the Provider hereby agree as follows:

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1. **PROVIDER.** The Town agrees to retain the Provider for, and the Provider agrees to provide services relative to, the following Project: **RFP 2023-15 Audit Services** (hereinafter also referred to as "Services") in accordance with the terms and conditions as set forth in this Agreement and in Exhibit A, attached hereto and incorporated herein by reference.
2. **SCOPE OF SERVICES.** The Services to be performed are specified in **Exhibit A**. Deviations from the agreed-upon scope of work of such Services may be authorized from time to time by the Town in writing.
3. **SCHEDULE OF WORK.** The Provider agrees to begin work upon receipt of written authorization from the Town. Time is of the essence for this Agreement and work is to commence immediately.
4. **CONTRACT PERIOD.** The contract period for this Agreement is twelve (12) months from date of Council approval. All pricing is to remain firm. This Agreement is renewable for up to four (4) additional one-year terms on an annual basis. Renewals will be automatic unless either party provide 90-days' notice.
5. **COMPENSATION.** The Provider's total compensation for services to be performed and expenses to be incurred is specified in **Exhibit B**, attached hereto and incorporated herein by reference.
6. **PAYMENTS.** Payments will be processed on a monthly basis with payment available within thirty (30) days after the Town's receipt of the invoice for the previous month's services.
7. **INVOICING.** Invoices should be prepared and submitted to the Town for payment in accordance with Exhibit A. Invoices should be mailed to Accounts Payable, Town of Little Elm, 100 W. Eldorado, Little Elm, TX 75068, or emailed to [accounts.payable@littleelm.org](mailto:accounts.payable@littleelm.org).
8. **RIGHTS OF WITHHOLDING.** The Town may withhold any payment or partial payment otherwise due the Provider on account of unsatisfactory performance by the Provider. The amount to be withheld will be calculated based on the work not performed and the impact to the Town. Any payment or partial payment that may be withheld for unsatisfactory performance can be used to remedy the lack of performance and, if so used, will not be paid to the Provider.
9. **INFORMATION PROVIDED BY THE TOWN.** Although every effort has been or will be made to furnish accurate information, the Town does not guarantee the accuracy of information it furnishes to the Provider.
10. **INSURANCE.** The Provider shall provide proof that it has obtained and will continue to maintain throughout the duration of this Agreement the insurance requirements set forth in Exhibit A. Failure to maintain the required insurance may result in immediate termination of this Agreement.
11. **INDEMNIFICATION.** **THE PROVIDER AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW AND PROFESSIONAL STANDARDS, TO INDEMNIFY AND HOLD HARMLESS THE TOWN, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES (HEREINAFTER COLLECTIVELY REFERRED TO AS "INDEMNITEES") FROM AND AGAINST SUITS, ACTIONS, CLAIMS, LOSSES, ANY DAMAGE, LIABILITY, AND FROM AND AGAINST ANY COSTS AND EXPENSES, INCLUDING, IN PART, ATTORNEY'S FEES INCIDENTAL TO THE DEFENSE OF SUCH SUITS, ACTIONS CLAIMS, LOSSES, DAMAGES OR LIABILITY ON**

ACCOUNT OF INJURY, DISEASE, SICKNESS, INCLUDING DEATH, TO ANY PERSON OR DAMAGE TO PROPERTY INCLUDING, IN PART, THE LOSS OF USE RESULTING THEREFROM, ASSERTED BY THIRD PARTIES AGAINST TOWN TO THE EXTENT THEY ARISE FROM ANY NEGLIGENT ACT, ERROR OR OMISSION OF THE PROVIDER, ITS OFFICERS, EMPLOYEES, SERVANTS, AGENTS OR SUBCONTRACTORS, OR ANYONE ELSE UNDER THE PROVIDER'S DIRECTION AND CONTROL, AND ARISING OUT OF, RESULTING FROM, OR CAUSED BY THE PERFORMANCE OR FAILURE OF PERFORMANCE OF ANY WORK OR SERVICES UNDER THIS AGREEMENT, OR FROM CONDITIONS CREATED BY THE PERFORMANCE OR NON-PERFORMANCE OF SAID WORK OR SERVICES. IN THE EVENT ONE OR MORE OF THE INDEMNITEES IS DETERMINED BY A COURT OF LAW TO BE JOINTLY OR DERIVATIVELY NEGLIGENT OR LIABLE FOR SUCH DAMAGE OR INJURY, THE PROVIDER SHALL BE OBLIGATED TO INDEMNIFY INDEMNITEES AS PROVIDED HEREIN ON A PROPORTIONATE BASIS IN ACCORDANCE WITH THE FINAL JUDGMENT, AFTER ALL APPEALS ARE EXHAUSTED, DETERMINING SUCH JOINT OR DERIVATIVE NEGLIGENCE OR LIABILITY. THIS INDEMNIFICATION IS SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE, § 271.904(A) AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002(B), AS SAME MAY BE APPLICABLE TO PROVIDER AS A MATTER OF LAW.

12. **TRANSFER OF INTEREST.** Neither the Town nor the Provider may assign or transfer their interests in this Agreement without the prior written consent of the other Party. Such consent shall not be unreasonably withheld. This Agreement is binding on the Town, the Provider, and their successors and assigns. Nothing herein is to be construed as creating a personal liability on the part of any Town officer, employee or agent.
13. **AUDITS AND RECORDS.** At any time during normal business hours and as often as the Town may deem necessary, the Provider shall make available to the Town for examination all of its records with respect to all matters covered by this Agreement, and will permit the Town to audit, examine and make copies, excerpts, or transcripts from such records. The Town may also audit all contracts, invoices, payroll records of personnel, conditions of employment and other data relating to this Agreement.
14. **EQUAL EMPLOYMENT OPPORTUNITY.** The Provider shall not discriminate against any employee or applicant for employment because of age, race, color, religion, sex, national origin, disability or any other protected characteristic. The Provider shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their age, race, color, religion, sex, national origin, disability or any other protected characteristic. Such actions shall include, but not be limited to the following: employment, promotions, demotion, transfers, recruitment or recruitment advertising, layoffs, terminations, selection for training (including apprenticeships), and participation in recreational activities.

The Provider agrees to post in conspicuous places, accessible to employees and applicants for employment, notices setting forth the provisions of the nondiscrimination clause. The Provider will, in all solicitations or advertisements for employees placed by or on behalf of the Provider, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Provider will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each sub-Provider, except that the foregoing provisions shall not apply to contracts or subcontracts for customary office supplies.

The Provider shall keep records and submit reports concerning the racial and ethnic origin(s) of applicant employment and employees as the law may require.

15. **SECURITY BREACH NOTIFICATION.** Provider shall have policies and procedures in place for the effective management of Security Breaches, as defined below. In the event of any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance Provider experiences or learns of that either compromises or could reasonably be expected to comprise Town data through unauthorized use, disclosure, or acquisition of Town data

("Security Breach"), Provider shall immediately notify Town of its discovery. After such notification, Provider shall, at its own expense, immediately: Investigate to determine the nature and extent of the Security Breach. Contain the incident by taking necessary action, including, but not limited to, attempting to recover records, revoking access, and/or correcting weaknesses in security. Report to Town the nature of the Security Breach, the Town data used or disclosed, the person who made the unauthorized use or received the unauthorized disclosure, what Provider has done or will do to mitigate any harmful effect of the unauthorized use or disclosure, and the corrective action Provider has taken or will take to prevent future similar unauthorized use or disclosure.

16. **SECURITY BREACH DEFINED.** The unauthorized acquisition of or access to Customer Data by an unauthorized person that compromises the security, confidentiality, or integrity of Customer Data, including instances in which internal personnel access systems in excess of their rights or use systems inappropriately. "Security Breach" shall also be deemed to include any breach or security, confidentiality, or privacy as defined by any applicable law, rule regulation, or order.
15. **TERMINATION OF CONTRACT.** The Town may terminate this Agreement upon thirty (30) days written notice to the Provider, except in the event (i) the Provider is in breach of this Agreement, or (ii) the Provider fails to comply with the terms of Exhibit A. If either of the foregoing conditions exists, the Town shall notify the Provider and the Provider shall be given seven (7) days to cure such breach or failure to comply. Should the Provider fail to cure to the satisfaction of the Town, the Town may terminate this Agreement upon written notice as provided herein.

Furthermore, the Town retains the right to terminate this Agreement at the expiration of each Town budget period (September 30) during the term of this Agreement, even without prior notice as described in the preceding sentence.

In the event of any termination hereunder, the Provider consents to the Town's selection of another Provider to assist the Town in any way in completing the Services. The Provider further agrees to cooperate and provide any information requested by the Town in connection with the completion of the Services.

The Provider shall be compensated for Services performed and expenses incurred for satisfactory work up to the termination date in that the Provider shall receive a portion of fees and expenses permitted under this Agreement in direct proportion to percentage of work actually completed up to the termination date. This provision shall not deprive the Town of any remedies against the Provider that may be available under applicable law.

Provider may terminate these services in good faith upon 90 days' written notice to the Town, except in the event (i) the Town is in breach of this Agreement, or (ii) the Town fails to comply with the terms of Exhibit A, Exhibit B or the Engagement Letter. If either of the foregoing conditions exists, the Provider shall notify the Town and the Town shall be given seven (7) days to cure such breach or failure to comply. Should the Town fail to cure to the satisfaction of the Provider, the Provider may terminate this Agreement upon written notice as provided herein. Provider may also terminate upon 15 days' written notice as We determine professional standards require.

16. **PROVIDER'S REPRESENTATIONS.** The Provider hereby represents to the Town that the Provider is financially solvent and possesses sufficient experience, licenses, authority, personnel, and working capital to complete the Services required under this Agreement.
17. **TOWN APPROVAL FOR ADDITIONAL WORK.** No payment, of any nature whatsoever, will be made to the Provider for additional work without the Town's written approval before such work begins.

18. **PERFORMANCE BY PROVIDER.** All Services provided by the Provider hereunder shall be performed in accordance with professional standards and in accordance with Exhibit A, and the Provider shall be responsible for all Services provided hereunder whether such services are provided directly by the Provider or by any sub-Providers hired by the Provider. The Provider shall perform all duties and Services and make all decisions called for hereunder promptly and without unreasonable delay. The Provider shall not utilize sub-Providers to perform Services without the Town's prior written consent.
19. **DAMAGE.** In all instances where Town property and/or equipment is damaged by the Provider's employees, a full report of the facts, extent of the damage and estimated impact on the Provider's schedule shall be submitted to the Town by 8:00 a.m. of the following Town business day after the incident. If damage may result in further damages to the Town or loss of Town property, the Provider must notify Police Dispatch immediately. The Provider shall be fully liable for all damage to Town property or equipment caused by the Provider's officers, employees, agents or sub-Providers.
20. **TOWN OBJECTION TO PERSONNEL.** If at any time after entering into this Agreement, the Town has any reasonable objection to any of the Provider's personnel, or any personnel retained by the Provider, then the Provider shall promptly propose substitutes to whom the Town has no reasonable objection, and the Provider's compensation shall be equitably adjusted to reflect any difference in the Provider's costs occasioned by such substitution.
21. **COMPLIANCE WITH LAWS.** The Provider warrants and covenants to the Town that all Services will be performed in compliance with all applicable federal, state, county and Town laws, rules, and regulations including, but not limited to, the Texas Industrial Safety and Health Act and the Workers Right-to-Know Law. All necessary precautions shall be taken to assure that safety regulations prescribed by OSHA and the Town are followed.
22. **NON-BINDING MEDIATION.** In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved informally by the Town and the Provider, the Town and the Provider agree to submit such disagreement to non-binding mediation before pursuing any other legal remedy.
23. **ENTIRE CONTRACT.** This Agreement together with Exhibit A and B, attached hereto, each year's Engagement Letter, and any other exhibit attached hereto contains the entire contract between the Town and the Provider concerning the Services for the Project. The Town's "General Terms and Conditions" (mentioned in the RFP but not attached herein) do not apply. There will be no understandings or contracts other than those incorporated herein. This Agreement may not be modified except by an instrument in writing signed by the Parties hereto. In the event of a conflict between an attachment to this Agreement and this Agreement, this Agreement shall control.
24. **MAILING ADDRESSES.** All notices and communications concerning this Agreement are to be mailed or delivered to the addresses shown below unless and until the other Party is otherwise notified in writing of a different address:

**Town of Little Elm**  
Rebecca Hunter, CPPB  
Purchasing Manager  
100 W. Eldorado  
Little Elm, TX 75068  
[rhunter@littleelm.org](mailto:rhunter@littleelm.org)

**Forvis, LLP**  
14241 Dallas Parkway, Suite 1100  
Dallas TX 75254  
Rachel Ormsby, CPA  
Partner  
[rachel.ormsby@forvis.com](mailto:rachel.ormsby@forvis.com)

Any notices and communications required to be given in writing by one Party or the other shall be considered as having been given to the addressee on the date in the notice or communication is placed in the United States Mail or hand-delivered.

25. **LEGAL CONSTRUCTION.** If any one or more of the provisions contained in this Agreement for any reason is held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been included.
26. **GOVERNING LAW.** The validity of this Agreement and any of its terms or provisions as well as the rights and duties of the Parties hereunder, shall be governed by and construed in accordance with Texas law. Exclusive venue for any legal action concerning this Agreement shall be located in Denton County, Texas.
27. **ADDITIONAL PROVIDER TERMS.**
- a. **Limitation of Liability.** Town agrees that Provider's liability, if any, arising out of or related to this contract and the services provided hereunder, shall be limited to the amount of the fees paid by Town for services rendered under this contract. This limitation shall not apply to the extent it is finally, judicially determined that the liability resulted from the intentional or willful misconduct of Provider or if enforcement of this provision is disallowed by applicable law or professional standards.
  - b. **Waiver of Certain Damages.** In no event shall Provider be liable to Town or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether Town was advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise.
  - c. **Disclaimer of Legal or Investment Advice.** Provider's services do not constitute legal or investment advice.
  - d. **Maintenance of Records.** Town agrees to assume full responsibility for maintaining Town's original data and records and that Provider has no responsibility to maintain this information. Town agrees Town will not rely on Provider to provide hosting, electronic security, or backup services, e.g., business continuity or disaster recovery services, to Town unless separately engaged to do so. Town understands that its access to data, records, and information from Provider's servers, i.e., portals used to exchange information, can be terminated at any time and Town will not rely on using this to host Town's data and records.
  - e. **Provider's Workpapers.** Provider's workpapers and documentation retained in any form of media for this engagement are the property of Provider. Provider can be compelled to provide information under legal process. In addition, Provider may be requested by regulatory or enforcement bodies (including any State Board) to make certain workpapers available to them pursuant to authority granted by law or regulation. Unless Provider is prohibited from doing so by law or regulation, Provider will inform Town of any such legal process or request. Town agrees Provider has no legal responsibility to Town in the event Provider determines it is obligated to provide such documents or information.
  - f. **Use of Deliverables and Drafts.** Town agrees that it will not modify any deliverables or drafts prepared by Provider for internal use or for distribution to third parties. Town also understands that Provider may on occasion send documents marked as draft and understand that, subject to state open records laws, those drafts are for Town review purpose only, should not be distributed in any way, and should be destroyed as soon as possible. Provider's report on any financial statements must be associated only with the financial statements that were the subject of Provider's engagement. Town may make copies of Provider's report, but only if the entire financial statements (exactly as attached to Provider's report, including related footnotes) and any supplementary information, as appropriate, are reproduced and distributed with Provider's

report. Town agrees not to reproduce or associate Provider's report with any other financial statements, or portions thereof, that are not the subject of Provider's engagement.

- g. **Proprietary Information.** Town acknowledges that proprietary information, documents, materials, management techniques, and other intellectual property are a material source of the services Provider performs and were developed prior to Provider's association with Town. Any new forms, software, documents, or intellectual property Provider develops during this engagement for Town's use shall belong to Provider, and Town shall have the limited right to use them solely within its operations. All reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which Provider makes available to Town are confidential and proprietary to Provider. Neither Town, nor any of Town's agents, will copy, electronically store, reproduce, or make any such documents available to anyone other than Town's personnel. This provision will apply to all materials whether in digital, "hard copy" format, or other medium.
- h. **Offering Document.** Town may wish to include Provider's report(s) on financial statements in an exempt offering document. Town agrees that any report, including any auditor's report, or reference to Provider's firm, will not be included in any such offering document without notifying Provider. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in the exempt offering document, will be a separate engagement. Any exempt offering document issued by Town with which Provider is not involved will clearly indicate that Provider is not involved by including a disclosure such as, "FORVIS, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. FORVIS, LLP also has not performed any procedures relating to this offering document."
- i. **Provider Not a Municipal Advisor.** Provider is not acting as Town's municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, Provider is not recommending any action to Town and does not owe Town a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. Town should discuss such matters with internal or external advisors and experts that it deems appropriate before acting on any such information or material provided by Provider.
- j. **Provider Not a Fiduciary.** In providing Provider's attest services, Provider is required by law and our professional standards to maintain independence from Town. Provider takes this mandate very seriously and thus guard against impermissible relationships which may impair the very independence which Town and the users of Provider's report require. As such, Town should not place upon Provider special confidence that in the performance of Provider's attest services Provider will act solely in Town's interest. Therefore, Town acknowledges and agrees that Provider is not in a fiduciary relationship with Town and Provider has no fiduciary responsibilities to Town in the performance of services described herein.
- k. **Electronic Sites.** Town agrees to notify Provider if Town desires to place Provider's report(s), including any reports on Town's financial statements, along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site. Town recognizes that Provider has no responsibility to review information contained in electronic sites.
- l. **Electronic Data Communication and Storage.** In the interest of facilitating Provider's services to Town, Provider may send data over the internet, temporarily store electronic data via computer software applications hosted remotely on the internet, or utilize cloud-based storage. Town's confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, Provider employs measures designed to maintain data security. Provider uses reasonable efforts to keep such communications and



electronic data secure in accordance with Provider's obligations under applicable laws, regulations, and professional standards.

Town recognizes and accepts that Provider has have no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by Provider. Town consents to Provider's use of these electronic devices and applications during this engagement.


- m. **Independent Contractor.** When providing services to Town, Provider will be functioning as an independent contractor; and in no event will Provider or any of Provider's employees be an officer of Town, nor will our relationship be that of joint venturers, partners, employer and employee, principal and agent, or any similar relationship giving rise to a fiduciary duty to Town. Decisions regarding management of Town remain the responsibility of Town's personnel at all times. Neither Town nor Provider shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.
  - n. **Use of Provider Name.** Any time Town intends to reference Provider's firm name in any manner in any published materials, including on an electronic site, Town agrees to provide Provider with draft materials for review and approval before publishing or posting such information.
  - o. **Praxity.** Provider is an independent accounting firm allowed to use the name "Praxity" in relation to its practice. Provider is not connected, however, by ownership with any other firm using the name "Praxity." Provider will be solely responsible for all work carried out on Town's behalf. In deciding to engage Provider, Town acknowledges that Provider has not represented to Town that any other firm using the name "Praxity" will in any way be responsible for Provider's work.
27. **COUNTERPARTS.** This Agreement may be signed in multiple counterparts, each of which shall be deemed to be an original.
28. **EFFECTIVE DATE.** This Agreement shall be effective once it is signed by the Town and the Provider, as indicated below.

**EXECUTED electronically, on this date** \_\_\_\_\_.

**TOWN OF LITTLE ELM**

**FORVIS, LLP**

\_\_\_\_\_  
Matt Mueller, Town Manager

  
\_\_\_\_\_  
Rachel Ormsby, Partner



14241 Dallas Parkway, Suite 1100 / Dallas, TX 75254

P 972.702.8262 / F 972.702.0673

[forvis.com](http://forvis.com)

July 25, 2023

Honorable Mayor and Members of Town Council  
Mr. Matt Mueller, Town Manager  
Ms. Kelly Wilson, CPM, CGFO, Chief Financial Officer  
Town of Little Elm, Texas  
100 W. Eldorado Parkway  
Little Elm, TX 75068

We appreciate your selection of **FORVIS, LLP** as your service provider and are pleased to confirm the arrangements of our engagement in this contract. Within the requirements of our professional standards and any duties owed to the public, regulatory, or other authorities, our goal is to provide you an **Unmatched Client Experience**.

In addition to the terms set forth in this contract, including the detailed **Scope of Services**, our engagement is governed by the following, incorporated fully by this reference:

- HIPAA Business Associate Agreement
- The Reporting Solution End User License Agreement

### Summary Scope of Services

As described in the attached **Scope of Services**, our services will include the following:

Town of Little Elm, Texas

- Audit Services for the year ended September 30, 2023
- The Reporting Solution license and related implementation services and training for the year ended September 30, 2023

You agree to assume full responsibility for the substantive outcomes of the contracted services and for any other services we may provide, including any findings that may result.

You also acknowledge these services are adequate for your purposes, and you will establish and monitor the performance of these services to ensure they meet management's objectives. All decisions involving management responsibilities related to these services will be made by you, and you accept full responsibility for such decisions.

We understand you have designated a management-level individual(s) to be responsible and accountable for overseeing the performance of nonattest services, and you have determined this individual is qualified to conduct such oversight.

As required by Chapter 2271, Texas Government Code, we represent that we do not boycott Israel and will not boycott Israel through the term of this engagement. For purposes of this representation, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

## Engagement Fees

The fees for our services will be as follows: \$70,500 for the financial statement audit in accordance with *Government Auditing Standards*, including assistance with preparation of the Annual Comprehensive Financial Report, which includes the annual license fee for The Reporting Solution, which will be utilized to prepare the Annual Comprehensive Financial Report and a Single Audit in accordance with Uniform Guidance, and \$42,000 for the Town's stand-alone financial statement audits for the Town's seven (7) Public Improvement Districts, for a total of \$112,500 for the fiscal year ended September 30, 2023.

Our pricing for this engagement and our fee structure are based upon the expectation that our invoices will be paid promptly. Payment of our invoices is due upon receipt. We will issue progress billings during the course of our engagement.

Our timely completion of services and the fees thereon depends on the assistance you provide us in accumulating information and responding to our inquiries. Inaccuracies or delays in providing this information or the responses may result in additional billings, untimely filings, or inability to meet other deadlines. Our fees do not contemplate the following transactions or activities during the period of this engagement:

- Change in accounting principles other than GASB Statement No. 94 and 96
- Substantial doubt about the entity's ability to continue as a going concern
- Violation of covenants in debt arrangements
- Indications of fraudulent financial reporting or misappropriation of assets

If there are changes in circumstances where these or other conditions become known and significant additional time is necessary or additional services are requested, we reserve the right to revise our fees.

## Assistance with New Standards

**Governmental Accounting Standards Board Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements***, is effective for the Town's fiscal year ended September 30, 2023.

Statement No. 94 provides uniform guidance on accounting and financial reporting for public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use an infrastructure or other nonfinancial asset (the underlying PPP asset) for a period of time in an exchange or exchange-like transaction. Statement 94 also addresses APAs, which are arrangements where a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying infrastructure or other nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement requires governments to report assets and liabilities related to PPPs consistently and disclose information about PPP transactions.

Statement No. 96 addresses the accounting for the costs related to cloud computing agreements. Under this Statement, a government reports a subscription asset and subscription liability for agreements meeting the definition of a subscription-based information technology arrangement (SBITA) and to disclose essential information about the arrangement.

We can assist you with the adoption by providing services which may include, but are not limited to:

- Assessing your readiness by assisting with the evaluation of your:
  - Current controls and policies
  - Current internal resources and system capabilities
- Assisting with changes required to adopt Statement No. 96, including:
  - Assisting with information gathering to develop an inventory of all SBITA agreements, service contracts, and other arrangements that may contain right-to-use IT assets
  - Recommending enhancements to existing controls and policies or suggesting new controls and policies to address Statement No. 96
  - Documenting any changes from your previous IT subscription recognition and reporting methods
  - Drafting the required disclosures

The time it will take to perform the above assistance and our additional audit procedures relating to the adoption of the Statements, and any time to assist you with the adoption, may be minimized to the extent your personnel will be available to provide timely and accurate documentation and information as requested by us.

## Contract Agreement

Please sign and return this contract to indicate your acknowledgment of, and agreement with, the arrangements for our services including our respective responsibilities.

**FORVIS, LLP**

**FORVIS, LLP**

Acknowledged and agreed to as it relates to the entire contract, including the **Scope of Services, HIPAA Business Associate Agreement, and The Reporting Solution End User License Agreement**, on behalf of the Town of Little Elm, Texas.

BY \_\_\_\_\_  
Name and Title - Member of Those  
Charged with Governance

DATE \_\_\_\_\_

BY \_\_\_\_\_  
Name and Title - Member of Management

DATE \_\_\_\_\_

## Scope of Services – Audit Services

We will audit the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information and related disclosures, which collectively comprise the basic financial statements for the following entity:

- Town of Little Elm, Texas as of and for the year ended September 30, 2023

The audit has the following broad objectives:

- Obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- Expressing opinions on the financial statements
- Issuing a report on your internal control over financial reporting and compliance and other matters based on the audit of your financial statements in accordance with *Government Auditing Standards*
- Expressing an opinion on your compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect to each of your major federal award programs in accordance with 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)
- Issuing a report on your internal control over compliance in accordance with the Uniform Guidance
- Issuing a report on your schedule of expenditures of federal awards

You have informed us that the audited financial statements are expected to be presented along with management's annual comprehensive financial report. Management is responsible for the other information (introductory and statistical sections) included in the annual comprehensive financial report. The other information comprises the annual comprehensive financial report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements will not cover the other information, and we will not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We will also express an opinion on whether the combining and individual fund financial statements and schedule of expenditures of federal awards and related notes ("supplementary information") is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will complete the auditee portion of the Form SF-SAC (Data Collection Form) through the Federal Audit Clearinghouse. We will not make the submission on your behalf. You will review a draft(s) of the submission prior to transmission and agree that you are solely responsible for approving the final draft for transmission as well as for the auditee submission and certification.

We will also audit the basic financial statements and related notes to the basic financial statements for the following public improvement districts within the Town of Little Elm, Texas for the year ended September 30, 2023:

- Valencia on the Lake Public Improvement District
- Valencia on the Lake Public Improvement District No. 2
- Rudman Tract Public Improvement District

- Hillstone Pointe Public Improvement District No. 2
- Lakeside Estates Public Improvement District No. 2
- SPIRITAS Ranch Public Improvement District
- SPIRITAS East Public Improvement District

The objectives of our audits 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 on each public improvement district that includes our opinion.

We will also provide you with the following nonattest services:

- Preparing a draft of the financial statements and related notes
- Proposing for your review and approval the adjusting entries to convert your modified accrual-basis accounting records to accrual-basis accounting records. Management is responsible for the propriety of the accrual adjustments.
- Proposing for your review and approval the year-end entries related to Governmental Accounting Standards Board Statements No. 68, 75, 87, 94 and 96, as applicable. Management is responsible for the propriety of the entries.
- Preparing a draft of the supplementary information, including the schedule of expenditures of federal awards and related notes

You agree to assume all management responsibilities and to oversee the nonattest services we will provide by designating an individual possessing suitable skill, knowledge, and/or experience. You acknowledge that nonattest services are not covered under *Government Auditing Standards*. You are responsible for:

- Making all management decisions and performing all management functions
- Evaluating the adequacy and results of the services performed
- Accepting responsibility for the results of such services
- Designing, implementing, and maintaining internal controls, including monitoring ongoing activities

Rachel Ormsby, Partner, is responsible for supervising the engagement and authorizing the signing of the report or reports.

We will issue a written reports upon completion of our audits, addressed to the following parties:

**Entity Name**

Town of Little Elm, Texas

**Party Name**

Honorable Mayor and Members of Town Council

You are responsible to distribute our reports to other officials who have legal oversight authority or those responsible for acting on audit findings and recommendations, and to others authorized to receive such reports.

The following apply for the audit services described above:

**Our Responsibilities**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Uniform Guidance. Those standards require that we plan and perform:

- The audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error

- The audit of compliance to obtain reasonable rather than absolute assurance about whether the entity complied with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each major federal award program, if applicable

We will exercise professional judgment and maintain professional skepticism throughout the audit.

We will identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We will obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

We will 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We will also conclude, based on audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We will 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 the entity's compliance with compliance requirements subject to audit and performing such other procedures as the auditor considers necessary in the circumstances.

We will obtain an understanding of the entity'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 the entity'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 the auditor identified during the audit.

## **Limitations & Fraud**

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit that is planned and conducted in accordance with GAAS will always detect a material misstatement or material noncompliance with federal award programs when it exists. Misstatements, including omissions, can arise from fraud or error and 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. Our responsibility as auditors is limited to the period covered by our

audit and does not extend to any later periods for which we are not engaged as auditors.

The risk of not detecting a material misstatement or material noncompliance 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. Noncompliance with compliance requirements 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 the entity's compliance with the requirements of the federal programs as a whole.

Our understanding of internal control is not for the purpose of expressing an opinion on the effectiveness of your internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate contract to be signed by you and FORVIS.

## **Opinion**

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add an emphasis-of-matter paragraph or other-matter paragraph(s) to our auditor's report, or if necessary, decline to express an opinion or withdraw from the engagement.

If we discover conditions that may prohibit us from issuing a standard report, we will notify you. In such circumstances, further arrangements may be necessary to continue our engagement.

## **Your Responsibilities**

Management and, if applicable, those charged with governance acknowledge and understand their responsibility for the accuracy and completeness of all information provided and for the following:

- **Audit Support** – to provide us with:
  - Unrestricted access to persons within the entity or within components of the entity (including management, those charged with governance, and component auditors, if applicable) from whom we determine it necessary to obtain audit evidence
  - Information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including access to information relevant to disclosures
  - Information about events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements
  - Information about any known or suspected fraud affecting the entity involving management, employees with significant role in internal control, and others where fraud could have a material effect on the financials



- Identification and provision of report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented
- Additional information that we may request for the purpose of the audit
- **Internal Control and Compliance** – for the:
  - Design, implementation, and maintenance of internal control relevant to compliance with laws and regulations and the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - Alignment of internal control to ensure that appropriate goals and objectives are met; that management and financial information is reliable and properly reported; and that compliance with and identification of the laws, regulations, contracts, grants, or agreements (including any federal award programs) applicable to the entity's activities is achieved
  - Remedy, through timely and appropriate steps, of fraud and noncompliance with provisions of laws, regulations, contracts, or other agreements reported by the auditor
  - Establishment and maintenance of processes to track the status and address findings and recommendations of auditors
- **Accounting and Reporting** – for the:
  - Maintenance of adequate records, selection and application of accounting principles, and the safeguard of assets
  - Adjustment of the financial statements to correct material misstatements and confirmation to us in the representation letter that the effects of any uncorrected misstatements aggregated by us are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
  - Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America
  - Inclusion of the auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us
  - Distribution of audit reports to any necessary parties

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures, or other engagements that satisfy relevant legal, regulatory, or contractual requirements or fully meet other reasonable user needs.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America provide for certain required supplementary information ("RSI") to accompany the basic financial statements. We understand the following RSI will accompany the basic financial statements:

1. Management's Discussion and Analysis ("MD&A")
2. Budgetary comparison
3. Pension and Other Postemployment Benefit information

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.

Management is responsible for the fair presentation of the RSI. As part of our engagement, we will apply certain limited procedures to the RSI in GAAS. These limited procedures will consist of inquiries of management regarding 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 will 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.

**Supplementary  
Information**

With regard to any supplementary information that we are engaged to report on:

- Management is responsible for its preparation in accordance with applicable criteria
- Management will provide certain written representations regarding the supplementary information at the conclusion of our engagement
- Management will include our report on this supplementary information in any document that contains this supplementary information and indicates we have reported on the supplementary information
- Management will make the supplementary information readily available to intended users if it is not presented with the audited financial statements

Such information is:

- Presented for the purpose of additional analysis of the financial statements
- Not a required part of the financial statements
- The responsibility of management
- Subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS

**Written  
Confirmations  
Required**

As part of our audit process, we will request from management and, if applicable, those charged with governance written confirmation acknowledging certain responsibilities outlined in this contract and confirming:

- The availability of this information
- Certain representations made during the audit for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

**Peer Review  
Report**

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract, upon request. If you would like a copy, please request from your engagement executive.

## **Scope of Services – The Reporting Solution License and Related Implementation Services and Training**

We will facilitate and process access to and use of The Reporting Solution (TRS) which is a web-based Annual Comprehensive Financial Report (ACFR) preparation software provided by Thales Consulting, Inc. (Thales) for the year ended September 30, 2023. FORVIS will provide assistance with the ACFR building in TRS based upon your objectives and will provide certain limited training with respect to your use of TRS. Specifically, FORVIS will:

### **ACFR Building**

- Assist with assessing initial data available for use in TRS
- Assist with converting and importing initial data into TRS
- Assist with configuration of TRS
- Assist with formatting the ACFR
- Provide introductory training related to TRS

### **Ongoing Services**

- Provide support related to questions and issues related to TRS
- Provide post-ACFR build training related to TRS
- Provide assistance in preparing the ACFR

The following apply for the TRS services described above:

**End User License Agreement** Terms and conditions related to TRS are set forth in the attached End User License Agreement (EULA) between you and Thales. The executed EULA is required for access and use of TRS.

**Your Responsibilities** It is your responsibility to ensure that the appropriate level of due diligence related to the ACFR building in TRS in connection with this agreement has been performed. This includes determining whether TRS possesses the appropriate level of functionality and performance for your current and future needs.

## HIPAA Business Associate Agreement

This Business Associate Agreement ("BAA") is entered into by and between **FORVIS, LLP** (hereinafter referred to as "Business Associate") and Town of Little Elm, Texas (hereinafter referred to as "Covered Entity").

### RECITALS

Business Associate provides services to Covered Entity under this contract (the "Contract"), and Covered Entity wishes to disclose certain information to Business Associate pursuant to the terms of such Contract, some of which may constitute Protected Health Information ("PHI").

The purpose of this BAA is to comply with all applicable federal and state laws governing the privacy of PHI. As used herein, the Privacy Rule and the Security Rule are each deemed to include the amendments thereto, collectively referred to as "HIPAA/HITECH Final Omnibus Rule," that are included in the:

- Modifications to the *Health Insurance Portability and Accountability Act of 1996* ("HIPAA") Privacy, Security, Enforcement, and Breach Notification Rules Under the *Health Information Technology for Economic and Clinical Health Act* (the "HITECH Act") and the Genetic Information Nondiscrimination Act
- Other Modifications to the HIPAA Rules
- Final Rule (the "Omnibus Rule"), 78 Fed. Reg. 5565

Notwithstanding the terms of this or any other agreement between Covered Entity and Business Associate, Business Associate shall comply with all of its statutory and regulatory obligations stated under the HIPAA/HITECH Final Omnibus Rule. The terms stated herein shall have the same definitions as provided in HIPAA.

In consideration of the mutual promises below and the exchange of information pursuant to this BAA, the parties agree as follows:

1. **Permitted Uses and Disclosures.** Except as described in the enumerated subparagraphs below, Business Associate shall not use or disclose PHI received from Covered Entity or created on behalf of Covered Entity. Exceptions:
  - 1.1. As reasonably necessary to provide the services in the Contract;
  - 1.2. As otherwise permitted or required by this BAA;
  - 1.3. As required by law; and
  - 1.4. For the proper management and administration of Business Associate's business and to disclose PHI in connection with such management and administration, and to carry out the legal responsibilities of the Business Associate, provided Business Associate obtains reasonable assurances from the recipient that the PHI shall be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the recipient, and Business Associate requires the recipient to notify it of any instances of which it is aware in which the confidentiality of the PHI has been breached.

2. **Safeguards.** Business Associate shall not use or disclose PHI other than as permitted or required by the BAA or as required by law.

2.1. Business Associate shall establish and maintain appropriate safeguards and shall comply with the Security Rule with respect to electronic PHI ("ePHI") to prevent the use or disclosure of such ePHI other than as provided for by the Contract including this BAA.

2.2. To the extent the Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s).

3. **Subcontracts.** In accordance with the requirements of the Privacy Rule and the Security Rule, Business Associate shall ensure any subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information.

4. **Obligations of Covered Entity.** Covered Entity shall obtain any consent or authorization that may be required by HIPAA, or applicable state law, prior to furnishing Business Associate with PHI, including ePHI. Covered Entity shall notify Business Associate of:

4.1. Any limitation(s) in the Covered Entity's notice of privacy practices under 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI;

4.2. Any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

4.3. Any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Covered Entity. Covered Entity shall provide to Business Associate only the minimum PHI necessary to perform the services set forth in a Contract.

5. **Reporting, Notification, and Mitigation.**

5.1. Reporting. Business Associate shall notify Covered Entity of any use or disclosure of PHI not provided for by the BAA of which it becomes aware, including breaches of unsecured PHI as required at 45 CFR 164.410, and any security incident of which it becomes aware, provided that with respect to Unsuccessful Security Incidents (as defined below), Business Associate shall report to Covered Entity any such Unsuccessful Security Incidents that are material to the protection of Covered Entity's PHI. For purposes of this Business Associate Agreement, the

term "Unsuccessful Security Incident" shall mean any security incident that does not result in any unauthorized access, use, disclosure, modification, or destruction of ePHI or any interference with system operations in Business Associate's information system.

5.2. Notification. To assist Covered Entity in fulfilling its responsibility to notify individuals and others of a breach involving Unsecured PHI as required by HIPAA and applicable state law, the notification shall include, to the greatest extent reasonably possible:

- i. Each individual whose unsecured PHI was subject to the breach; and
- ii. Any other available information Covered Entity is required to include in its legally required notification to individual(s) or others.

5.3. Mitigation. Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BAA.

## 6. Term and Termination.

6.1. Term. The Term of this BAA shall be effective as of the last date signed and shall terminate without any further action of the parties upon the expiration or termination of the Contract or on the date Covered Entity terminates for cause as authorized in paragraph 6.2 of this section, whichever is sooner.

6.2. Termination for Cause. Covered Entity may terminate this BAA if Business Associate has violated a material term of the BAA and Business Associate has not cured the breach or ended the violation within the time specified by Covered Entity.

6.3. Obligations of Business Associate Upon Termination. Upon termination of this BAA for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:

- i. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
- ii. Return to Covered Entity or destroy the remaining PHI that the Business Associate still maintains in any form;
- iii. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to ePHI to prevent use or disclosure of the PHI, other than as provided for in this section, for as long as Business Associate retains the PHI;
- iv. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set forth in this BAA which applied prior to termination; and

- v. Return to Covered Entity or destroy the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

6.4. Survival. The obligations of Business Associate under this section shall survive the termination of this BAA.

7. **Designated Record Set.** To the extent Business Associate maintains PHI in a Designated Record Set, Business Associate shall:

- 7.1. Make available PHI in a Designated Record Set to the Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.524; and
- 7.2. Incorporate any amendments or corrections to PHI at the request of Covered Entity in accordance with 45 CFR 164.526, or take other measures as necessary to satisfy Covered Entity's obligations under 45 CFR 164.526.

8. **Accounting of Disclosures.** Business Associate shall maintain and make available the information required to provide an accounting of disclosures to the Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.528.

9. **Access to Records.** Business Associate shall make its internal practices, books, and records available to the Secretary of Health and Human Services for purposes of determining compliance with the HIPAA Rules.

10. **Insurance.** Business Associate shall maintain insurance coverage in form and amount necessary to cover data loss and/or damage or the unauthorized disclosure and/or fraudulent use of data. Upon request, Business Associate shall provide Covered Entity with a certificate of insurance evidencing the coverage.

11. **Privilege.** No statutory or common law privilege, including privileges established or recognized by the attorney-client, accountant-client, or other legal privilege, shall be deemed to have been waived by virtue of this BAA.

12. **No Third-Party Beneficiaries.** Nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this BAA.

13. **Integration.** Any reference in this Agreement to a section of the HIPAA/HITECH Final Omnibus Rule, and applicable regulations, means the section as in effect as amended and for which compliance is required.

14. **General.** This BAA is governed by, and shall be construed in accordance with, the laws of the State of Texas. If any part of a provision of this BAA is found illegal or unenforceable, it shall be enforced to the maximum extent permissible, and the legality and enforceability of the remainder of that provision and all other provisions of this BAA shall not be affected. This BAA may be modified, or any rights under it waived, only by a written document executed by the authorized representatives of both parties. THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

## **The Reporting Solution End User License Agreement**

Please read this document carefully because it explains the legal rights and obligations inherent to your ability to access and use The Reporting Solution

This End User License Agreement ("EULA") governs use of The Reporting Solution and any related, upgraded, or substitute for the web application, software, and services provided by or on behalf of Thales Consulting Inc. ("Thales") relating to preparation of certain financial reports ("Software"). By accessing and/or using the Software, you and the entity you are working for or on behalf of agree to be bound by the terms of this EULA, although this EULA does not abrogate any other contract or understanding regarding the Software and your relationship with Thales, e.g., a sales contract, purchase agreement, privacy policy, disclaimer, etc., relating to the Software and/or services provided by Thales. This EULA is effective as of the first time the Software is accessed and it will remain in effect—in its current or any future amended form—for however long the Software is used. Some of the obligations in this EULA extend beyond the term of this EULA and/or the point in time after which you voluntarily or involuntarily stop accessing or using the Software.

### **1. License Grant**

By providing credentials to access the Software, Thales grants you a nonexclusive, nontransferable, non-sublicensable, limited right, and license to use the Software on compatible devices you own or control for preparation of financial reports for your entity in single, given reporting year (the "License"). The rights granted under the License are subject to the terms of this EULA as well as any prior or future contract you have or may enter into with Thales or that you may otherwise be explicitly or implicitly required to follow owing to your employment by or fiduciary or other duty of care owed to an entity doing business with Thales. You (both personally and in any representative capacity you may or do have for a particular entity) may only make use of the License if you comply with all applicable terms, including but not limited to this EULA.

The Software is licensed, not sold, under this License. The License does not grant any title or ownership in the Software. Any individual accessing the Software is expressly representing that he or she has the authority and ability to act on behalf of an entity that possesses the ability to access and use the Software, and you and that entity will be jointly and severally responsible for any and all actions taken an actor using credentials, irrespective of whether that person has the actual authority or ability to act on behalf of that entity.

### **2. Conditions & Restrictions on Use Pursuant to the License**

You may not and will not do, attempt to do, or otherwise attempt to have anyone else do on your behalf or for your benefit any of the following with respect to the Software: (a) copy, reproduce, distribute (including via a network server), display, or use it in a way that is not expressly authorized by Thales (either via this EULA or some other written instrument); (b) sell, rent, lease, license, distribute, transfer, or use it in a manner that actually or is reasonably likely to harm Thales or its existing or future business prospects; (c) reverse engineer, derive source code from, modify, adapt, translate, decompile, or disassemble it or make derivative works based on it; (d) remove, disable, circumvent, or modify any security technology or proprietary notice or label included in it; (e) use it to infringe or violate the rights of any third party, including but not limited to any intellectual property, publicity, or privacy rights; (f) use, export, or re-export it in violation of any applicable law or regulation; or (g) deliberately or negligently access or use it in a manner that transmits or propagates any virus, Trojan horse, worm, bomb, and/or corrupted or malicious files or that otherwise threatens, defames, disparages, harasses, or endangers the integrity of any person or entity, the Software, Thales' hardware and networks, the hardware and networks of any other user of the Software or other person or entity, and/or any data and information inherent to any of the same.

In the event you gain access to data or information of others and/or to functionality in the Software, either of which is beyond the scope or intent of the understanding by which credentials were originally granted to you, you will notify Thales as soon as is reasonably practical. Further, you will not copy, alter, delete, use, or otherwise exploit such data, information, and/or functionality and, instead, will treat it with and use the highest degree of care necessary to protect its confidentiality. These obligations of notification and confidentiality will survive the termination of this EULA.

### **3. Disclaimers & Limitation of Liability**

Nothing in this Agreement will prejudice the statutory rights that you may have as a consumer of the Software. Some countries, states, provinces, or other jurisdictions do not allow the exclusion of certain warranties or the limitation of liability as stated in this section, so the below terms may not fully apply to you. Instead, in such jurisdictions, the exclusions and limitations below shall apply only to the extent permitted by the laws of such jurisdictions.

Except to the extent an explicit warranty or representation is made in a separate, written contract, the Software is provided on an "as is" and "as available" basis, "with all faults" and without warranty of any kind. Thales, its licensors, and its and their affiliates disclaim all warranties, conditions, common law duties, and representations (express, implied, oral, and written) with respect to the Software, including without limitation all express, implied, and statutory warranties and conditions of any kind. Without limiting the generality of the foregoing, Thales, its licensors, and its and their affiliates make no warranty that (1) that the operation of the Software or Services will be uninterrupted, bug free, or error free in any or all circumstances, or (2) that any defects in the Software or Services can or will be corrected. This paragraph will apply to the maximum extent permitted by applicable law.

To the maximum extent permitted by applicable law, neither Thales, nor its licensors, nor its or their affiliates, nor any of Thales's agents or service providers (collectively, the "Thales Parties"), shall be liable in any way for any loss of profits or any indirect, incidental, consequential, special, punitive, or exemplary damages, arising out of or in connection with this Agreement or the Software. Further, to the maximum extent permitted by applicable law and in the absence of any contrary written agreement, the aggregate liability of the Thales Parties arising out of or in connection with this EULA will not exceed the total amounts you have paid to Thales for the Software. These limitations and exclusions regarding damages apply even if any remedy fails to provide adequate compensation.

#### **4. Indemnity**

You are solely responsible for any damage caused to Thales and/or any other person or entity that has a right to use the Software and was harmed as a result of your violation of this EULA.

YOU HEREBY AGREE TO DEFEND, INDEMNIFY, AND KEEP INDEMNIFIED THALES AGAINST ANY CLAIM OR ALLEGED CLAIMS, LIABILITIES, LOSSES DAMAGES, AND ALL COSTS (INCLUDING LAWYERS' FEES), DIRECTLY OR INDIRECTLY ATTRIBUTABLE TO YOUR FAULT AND/OR RESULTING FROM (A) A VIOLATION OF ANY PROVISION OF THIS EULA OR (B) YOUR MISUSE OF THE SOFTWARE. Thales reserves the right to take sole responsibility, at its own expense, for conducting the defense of any claim for which you agreed to indemnify Thales. This paragraph will remain in force after termination of this EULA.

#### **5. Termination**

This EULA will terminate concurrently according to the understanding by which credentials were originally granted for access and use of the Software.

#### **6. Changes to this EULA by Thales**

Thales reserves the right, in its sole and absolute discretion, to revise, supplement, and/or delete certain terms of this EULA for security, legal, best practice, or regulatory reasons, provided that any such revisions, supplements, and/or deletions do not contravene any separate written agreement between you and Thales. Such changes will be effective with, or as applicable, without prior notice to you. You can review the most current version of this EULA in the Software or by requesting the same from Thales. You are responsible for checking this EULA periodically for changes. Your continued use of the Product following any revision to this EULA constitutes your acceptance of any and all such changes.

#### **7. Other Terms**

This Agreement and any document or information referred to in this EULA constitute the entire agreement between you and Thales relating to the subject matter covered by this EULA. All other communications, proposals, and representations with respect to the subject matter covered by this EULA are excluded and, instead, must be memorialized in a separate written agreement executed by an authorized representative of each party involved.

This Agreement describes certain legal rights. You may have other rights under the laws of your jurisdiction. This Agreement does not change your rights under the laws of your jurisdiction if the laws of your jurisdiction do not permit it to do so. Limitations and exclusions of warranties and remedies in this Agreement may not apply to you because your jurisdiction may not allow them in your particular circumstance. In the event that certain provisions of this Agreement are held by a court or tribunal of competent jurisdiction to be unenforceable, those provisions shall be enforced only to the furthest extent possible under applicable law and the remaining terms of this Agreement will remain in full force and effect.

If any court of competent jurisdiction or competent authority finds that any provision of this EULA is invalid, illegal, or unenforceable, that provision will be, to the extent required, deemed to be deleted, and the validity and enforceability of the other provisions of this EULA will not be affected. If any invalid, unenforceable, or illegal provision of this EULA would be valid, enforceable, and legal if some part of it were deleted, the provision will apply with the minimum modification necessary to make it legal, valid, and enforceable to reflect the intent of this EULA.

Any action by Thales to exercise, or its failure or delay in exercising, any of its rights under this Agreement will not be deemed a waiver of those or any other rights or remedies available in contract, at law, or in equity.

You agree that this Agreement does not confer any rights or remedies on any person other than the parties to this Agreement, except as expressly stated.

To the extent permitted by applicable law, this EULA, and any disputes or claims arising out of or in connection with it, or its subject matter or formation (including noncontractual disputes or claims) are governed by and construed in accordance with the laws of the United States and the State of Texas, without giving effect to any principles of conflicts of laws. This EULA shall not be governed by the United Nations Conventions of Contracts for the International Sale of Goods, the application of which is hereby expressly excluded from any interpretation of this EULA. Thales' obligations are subject to existing laws and legal process, and Thales may comply with law enforcement or regulatory requests or requirements despite any contrary term in this Agreement.



**RFP 2023-15 -Audit Services**  
**Final Evaluation**

		Forvis	Hankins Eastup	Pattillo, Brown, & Hill, LLP	Whitley Penn, LLP
Evaluation Criteria	Value				
Quality and cost of auditing service offered	30	25	23	30	20
Respondents demonstrated experience and strength to provide the services	25	25	10	18	10
Respondents methodology, work plan, and time line	25	23	10	20	15
Respondents previous experience and references	15	15	3	10	3
Thoroughness and clarity of response to RFP	5	5	2	3	3
<b>Total:</b>	<b>100</b>	<b>93</b>	<b>48</b>	<b>81</b>	<b>51</b>



**Date:** 08/01/2023  
**Agenda Item #:** 5. A.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Present, Discuss, and Consider Action to Approve **Ordinance No. 1715 Establishing the 2023 Certified Appraisal Roll.**

**DESCRIPTION:**

Section 26.04 of the Texas Tax Code mandates that a taxing unit's assessor "shall submit the appraisal roll for the unit showing the total appraised, assessed, and taxable values of all property and the total taxable value of new property to the governing body of the unit by August 1 or as soon thereafter as practicable.

"The roll lists all taxable property and values within the Town limits for 2023. The Town will also be required to approve the tax roll after the property tax rate is set.

There are four main parts to the property tax system. First, the Denton Central Appraisal District (DCAD) set the value of the property within Little Elm each year. Second, the Appraisal Review Boards (ARB's) settle any disagreements between taxpayers and the appraisal district about the value of the property. DCAD was to provide certified totals for this year tax roll which requires appraisal districts to certify over 95% of their appraisal roll.

Under the Texas Tax Code Section 26.01(a-1):

"If by July 20 the appraisal review board for an appraisal district has not approved the appraisal records for the district as required under Section 41.12, the Chief Appraiser shall not later than July 25 prepare and certify to the assessor for each taxing unit participating in the district an estimate of the taxable value of the property in that taxing unit."

Third, by contract the Denton County Tax Collector's office performs tax collection for the Town. The office also calculates the no-new-revenue tax rate and voter-approval tax rate required by state law.

Finally, the Town decides how much money it will need to provide services to the community. This determines the total amount of taxes that will need to be collected, and the tax rate required produce this amount.

The total freeze adjusted taxable value on the 2023 appraisal roll, including certified values under protest, is **\$7,420,258,070**, which is **23.07%** higher than last year. The total value before the freeze adjustment is **\$7,910,847,119**.

Once the tax rate is approved, the Town will be able to begin collecting its 2023 tax levy (i.e. property tax revenue). These funds will be used to cover operating and maintenance expenses as well as debt service.

**BUDGET IMPACT:**

As presented in the proposed budget book for FY 2023-2024.

**RECOMMENDED ACTION:**

Staff recommends approval.

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**Attachments**

Ordinance No. 1715 2023 Certified Appraisal Roll

TOLE 2023 Certified Totals

DCAD Certification Letter

## **ORDINANCE NO. 1715**

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS, APPROVING THE 2023 APPRAISAL ROLL; REPEALING ALL CONFLICTING ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the Denton Central Appraisal District (DCAD) prepare the certified appraisal rolls and rolls under protest of the taxable property in the Town of Little Elm, Texas (Town); and

**WHEREAS**, the Town uses the certified appraisal rolls and rolls under protest received from the DCAD to calculate the tax rate, no-new-revenue tax rate, and the voter-approval tax rate applicable to taxable property in the Town; and,

**WHEREAS**, approval by the Town of the certified appraisal roll is required by state law as an integral part of the Town's ability to levy and collect property taxes.

**NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS, THAT:**

**Section 1.** All of the above premises are hereby found to be true and correct legislative and factual determinations of the Town and they are hereby approved and incorporated into the body of this Ordinance as if copied in their entirety.

**Section 2.** The Town Council hereby approves the certified total taxable (before freeze loss) value on the 2023 appraisal roll of the Town in the amount of **\$7,420,258,070** assessed valuation, based on the certified appraisal rolls and rolls under protest as approved by the Appraisal Review Boards of DCAD.

**Section 3.** Any and all ordinances, resolutions, rules, regulations, policies, or provisions in conflict with the provisions of this Ordinance are hereby repealed and rescinded to the extent of the conflict herewith.

**Section 4.** Should any paragraph, sentence, provision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance, as a whole or any part or provision thereof, other than the part or parts adjudged to be invalid, illegal, or unconstitutional

READ and ADOPTED on the 1st day of August 2023.

APPROVED:

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Curtis Cornelious, Mayor

ATTEST:

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Caitlan Biggs, Town Secretary

**2023 CERTIFIED TOTALS**

Property Count: 19,148

C13 - LITTLE ELM TOWN OF  
Grand Totals

7/22/2023

10:12:03AM

Land		Value			
Homesite:		1,652,106,180			
Non Homesite:		872,806,758			
Ag Market:		79,314,526			
Timber Market:		0	<b>Total Land</b>	(+)	2,604,227,464
Improvement		Value			
Homesite:		5,425,020,740			
Non Homesite:		1,254,479,094	<b>Total Improvements</b>	(+)	6,679,499,834
Non Real		Count	Value		
Personal Property:	843		200,912,203		
Mineral Property:	0		0		
Autos:	0		0	<b>Total Non Real</b>	(+)
			<b>Market Value</b>	=	200,912,203
					9,484,639,501
Ag	Non Exempt	Exempt			
Total Productivity Market:	79,314,526	0			
Ag Use:	47,778	0	<b>Productivity Loss</b>	(-)	79,266,748
Timber Use:	0	0	<b>Appraised Value</b>	=	9,405,372,753
Productivity Loss:	79,266,748	0	<b>Homestead Cap</b>	(-)	862,910,533
			<b>Assessed Value</b>	=	8,542,462,220
			<b>Total Exemptions Amount (Breakdown on Next Page)</b>	(-)	631,615,101
			<b>Net Taxable</b>	=	7,910,847,119

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	34,402,232	31,891,647	141,000.07	141,708.41	98		
DPS	736,986	736,986	3,282.03	3,282.03	2		
OV65	489,970,852	457,907,509	2,006,019.71	2,025,811.84	1,416		
<b>Total</b>	<b>525,110,070</b>	<b>490,536,142</b>	<b>2,150,301.81</b>	<b>2,170,802.28</b>	<b>1,516</b>	<b>Freeze Taxable</b>	(-) 490,536,142
<b>Tax Rate</b>	<b>0.6299000</b>						
Transfer	Assessed	Taxable	Post % Taxable	Adjustment	Count		
OV65	349,000	339,000	286,093	52,907	1		
<b>Total</b>	<b>349,000</b>	<b>339,000</b>	<b>286,093</b>	<b>52,907</b>	<b>1</b>	<b>Transfer Adjustment</b>	(-) 52,907
			<b>Freeze Adjusted Taxable</b>	=			7,420,258,070


APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE \* (TAX RATE / 100)) + ACTUAL TAX  
 48,890,507.39 = 7,420,258,070 \* (0.6299000 / 100) + 2,150,301.81

Certified Estimate of Market Value: 9,451,042,261  
 Certified Estimate of Taxable Value: 7,888,475,729

Tax Increment Finance Value: 0  
 Tax Increment Finance Levy: 0.00



**Denton Central Appraisal District**  
3911 Morse Street  
Denton, TX 76208

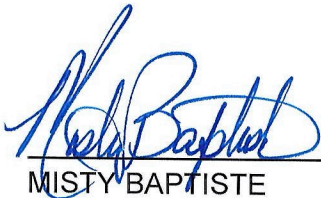
(940) 349-3800  
 [www.dentoncad.com](http://www.dentoncad.com)

July 24, 2023

RE: Certification of the 2023 Appraisal Roll for Denton Central Appraisal District

July 24, 2023

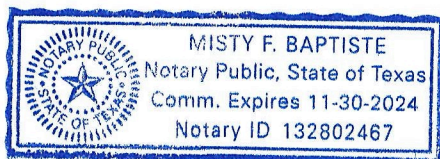
"I, Don Spencer, Chief Appraiser for the Denton Central Appraisal District, solemnly swear that I have made, or caused to be made, a diligent inquiry to ascertain all property in the district subject to appraisal by me, and that I have included in the records all property that I am aware of at an appraised value determined as required by law. Furthermore, in accordance with 26.01 of the Texas Property Tax Code, Section 26.01(a), I am submitting the appraisal roll to the taxing units served by Denton Central Appraisal District."



MISTY BAPTISTE  
NOTARY PUBLIC  
EXPIRES: 11-30-2024



DON SPENCER, CHIEF APPRAISER  
DENTON CENTRAL APPRAISAL DISTRICT





**Date:** 08/01/2023  
**Agenda Item #:** 5. B.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Present, Discuss, and Consider Action on **Resolution No. 0801202301 for the Proposed FY 2023-2024 Property Tax Rate.**

**DESCRIPTION:**

This agenda item is to set the proposed tax rate to publish for consideration. According to Section 26.05(d) of the Property Tax Code, the Town is required to hold one public hearing and publish in a newspaper ad **if** proposing to consider a tax rate that exceeds the no-new-revenue rate or voter-approval rate, whichever is lower. The rate the Town finally adopts can be lower than the proposed and published rate, but it cannot exceed it without undergoing the required posting requirements and timeframes.

Town staff recommends that the Town Council propose a rate of **\$0.589900** per \$100 in valuation.

**This item requires a record vote.**

**BUDGET IMPACT:**

Cost to publish the notice is budgeted, if required.

**RECOMMENDED ACTION:**

Staff recommends approval.

If making the motion according to staff's recommendation, please use the following:

**I move to accept Resolution No. 0801202301 and place a proposal to adopt a FY 2023-2024 tax rate of \$0.589900 per \$100 of valuation on the September 5, 2023, Town Council Agenda.**

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**Attachments**

Resolution No. 0801202301 Proposed 2023 Property Tax Rate  
TOLE 2023 Tax Rate Calculation





RESOLUTION NO. 0801202301

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS, TO TAKE A RECORD VOTE TO PLACE A PROPOSAL FOR ADOPTION OF THE FISCAL YEAR 2023-2024 BUDGET AND TAX RATE ON THE SEPTEMBER 5, 2023 AGENDA; SPECIFYING THE PROPOSED PROPERTY TAX RATE; ESTABLISHING DATES FOR PUBLIC HEARINGS ON THE PROPOSED PROPERTY TAX RATE; AND PROVIDING FOR THE PUBLICATION AS PROVIDED BY THE TEXAS PROPERTY TAX CODE.**

**WHEREAS**, the Town of Little Elm has received the calculated no-new-revenue and voter-approval tax rates information as presented by the Denton County Tax Assessor/ Collector's Office; and

**WHEREAS**, the proposed tax rate of **\$0.589900** exceeds the no-new-revenue tax rate of **\$0.547417** and does not exceed the voter-approval tax rate of **\$0.590494**. Statute requires one public hearings in order to entitle the Town Council to consider acceptance and adoption of an ordinance levying a proposed tax rate; and

**WHEREAS**, the Texas Property Tax Code Chapter 26, as heretofore amended, provides the specific procedures in which to consider the proposed tax rate;

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS**

**SECTION 1.** The Town of Little Elm placed a proposal for adoption of the budget and tax rate for fiscal year 2023-2024 on the agenda for the September 5, 2023 Council meeting.

**SECTION 2.** The Town of Little Elm will hold one public hearing on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by **7.76** percent (percentage by which proposed tax rate exceeds lower of voter-approval tax rate or no-new-revenue tax rate calculated under Chapter 26, Tax Code).

**SECTION 3.** Public Hearings shall be held on August 15, 2023 for the budget and September 5, 2023 for the budget and tax rates at 6:00 p.m. in the Council Chambers at Little Elm Town Hall, 100 W. Eldorado Parkway, Little Elm, Texas 75068 to receive public comment.

**SECTION 4.** The Council of the Town of Little Elm, Texas met in a public meeting on August 1, 2023, and accepted this resolution with a majority vote as follows:

Mayor Curtis Cornelious	YEA ____	NAY ____	ABSTAIN ____	ABSENT ____
Mayor Pro Tem Jamell T. Johnson	YEA ____	NAY ____	ABSTAIN ____	ABSENT ____
Council Member Tony Singh	YEA ____	NAY ____	ABSTAIN ____	ABSENT ____
Council Member Neil Blais	YEA ____	NAY ____	ABSTAIN ____	ABSENT ____
Council Member Andrew Evans	YEA ____	NAY ____	ABSTAIN ____	ABSENT ____
Council Member Lisa G. Norman	YEA ____	NAY ____	ABSTAIN ____	ABSENT ____
Council Member Michel Hambrick	YEA ____	NAY ____	ABSTAIN ____	ABSENT ____

READ and ADOPTED on the 1st day of August 2023.

**APPROVED:**

\_\_\_\_\_  
Curtis Cornelious,  
Mayor

**ATTEST:**

\_\_\_\_\_  
Caitlan Biggs,  
Town Secretary

## 2023 Tax Rate Calculation Notice

Taxing Unit Name: Town of Little Elm

Attached are the following documents:

No New Revenue and Voter Approval Tax Rate Worksheets

Notice of Tax Rates (required to be posted on taxing unit website)

Approving Rates: Section 8 on worksheet shows the following rates

No New Revenue Rate

Voter Approval Rate

Di Minimis Rate (if applicable)

Please review these documents carefully and notify our office of any changes that need to be made. If any changes are made, our office will send out new documents including the revisions. Once you are satisfied that the calculation is correct, please sign this document stating that you approve the calculation worksheet that is attached to this document.

Proposed M&O \$0.440095 (Maintenance & Operation Rate)

Proposed I&S \$0.149805 (Interest & Sinking or Debt Rate)

**(proposed I&S rate must match line 48 on worksheet)**

Proposed Total Rate \$0.589900

As a representative of Town of Little Elm, I approve the Tax Rate Calculation and have provided the proposed tax rate for the taxing entity listed above.

Kelly Wilson  
Printed name

Kelly Wilson  
Signature

7/26/2023  
Date

# 2023 Tax Rate Calculation Worksheet

## Taxing Units Other Than School Districts or Water Districts

Form 50-856

TOWN OF LITTLE ELM

Taxing Unit Name

Phone (area code and number)

WWW.LITTLEELM.ORG

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

**GENERAL INFORMATION:** Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

### SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	<b>2022 total taxable value.</b> Enter the amount of 2022 taxable value on the 2022 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). <sup>1</sup>	\$ 6,027,477,907
2.	<b>2022 tax ceilings.</b> Counties, cities and junior college districts. Enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>2</sup>	\$ 429,659,596
3.	<b>Preliminary 2022 adjusted taxable value.</b> Subtract Line 2 from Line 1.	\$ 5,597,818,311
4.	<b>2022 total adopted tax rate.</b>	\$ 0.629900 /\$100
5.	<b>2022 taxable value lost because court appeals of ARB decisions reduced 2021 appraised value.</b>	
	A. Original 2022 ARB values: ..... \$ 86,890,530	
	B. 2022 values resulting from final court decisions: ..... - \$ 81,065,577	
	C. 2022 value loss. Subtract B from A. <sup>3</sup>	\$ 5,824,953
6.	<b>2022 taxable value subject to an appeal under Chapter 42, as of July 25.</b>	
	A. 2022 ARB certified value: ..... \$ 420,136,253	
	B. 2022 disputed value: ..... - \$ 77,092,536	
	C. 2022 undisputed value. Subtract B from A. <sup>4</sup>	\$ 343,043,717
7.	<b>2022 Chapter 42 related adjusted values.</b> Add Line 5C and Line 6C.	\$ 348,868,670

<sup>1</sup> Tex. Tax Code §26.012(14)<sup>2</sup> Tex. Tax Code §26.012(14)<sup>3</sup> Tex. Tax Code §26.012(13)<sup>4</sup> Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	<b>2022 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Add Line 3 and Line 7.	\$ 5,946,686,981
9.	<b>2022 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2022.</b> Enter the 2021 value of property in deannexed territory. <sup>5</sup>	\$ 0
10.	<b>2022 taxable value lost because property first qualified for an exemption in 2023.</b> If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2023 does not create a new exemption or reduce taxable value. <p><b>A. Absolute exemptions.</b> Use 2022 market value: ..... \$ 5,486,245</p> <p><b>B. Partial exemptions.</b> 2023 exemption amount or 2023 percentage exemption times 2022 value: ..... + \$ 9,570,244</p> <p><b>C. Value loss.</b> Add A and B.<sup>6</sup></p>	\$ 15,056,489
11.	<b>2022 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2023.</b> Use only properties that qualified in 2023 for the first time; do not use properties that qualified in 2022. <p><b>A. 2022 market value:</b> ..... \$ 1,893,475</p> <p><b>B. 2023 productivity or special appraised value:</b> ..... - \$ 1,795</p> <p><b>C. Value loss.</b> Subtract B from A.<sup>7</sup></p>	\$ 1,891,680
12.	<b>Total adjustments for lost value.</b> Add Lines 9, 10C and 11C.	\$ 16,948,169
13.	<b>2022 captured value of property in a TIF.</b> Enter the total value of 2022 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2022 taxes were deposited into the tax increment fund. <sup>8</sup> If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 427,793,418
14.	<b>2022 total value.</b> Subtract Line 12 and Line 13 from Line 8.	\$ 5,501,945,394
15.	<b>Adjusted 2022 total levy.</b> Multiply Line 4 by Line 14 and divide by \$100.	\$ 34,656,754
16.	<b>Taxes refunded for years preceding tax year 2022.</b> Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2022. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. <sup>9</sup>	\$ 59,309
17.	<b>Adjusted 2022 levy with refunds and TIF adjustment.</b> Add Lines 15 and 16. <sup>10</sup>	\$ 34,716,063
18.	<b>Total 2023 taxable value on the 2023 certified appraisal roll today.</b> This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. <sup>11</sup> <p><b>A. Certified values:</b> ..... \$ 7,777,701,543</p> <p><b>B. Counties:</b> Include railroad rolling stock values certified by the Comptroller's office: ..... + \$</p> <p><b>C. Pollution control and energy storage system exemption:</b> Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: ..... - \$ 0</p> <p><b>D. Tax increment financing:</b> Deduct the 2023 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2023 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below.<sup>12</sup> ..... - \$ 479,596,313</p> <p><b>E. Total 2023 value.</b> Add A and B, then subtract C and D.</p>	\$ 7,298,105,230

<sup>5</sup> Tex. Tax Code §26.012(15)<sup>6</sup> Tex. Tax Code §26.012(15)<sup>7</sup> Tex. Tax Code §26.012(15)<sup>8</sup> Tex. Tax Code §26.03(c)<sup>9</sup> Tex. Tax Code §26.012(13)<sup>10</sup> Tex. Tax Code §26.012(13)<sup>11</sup> Tex. Tax Code §26.012, 26.04(c-2)<sup>12</sup> Tex. Tax Code §26.03(c)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	<b>Total value of properties under protest or not included on certified appraisal roll.</b> <sup>13</sup> <b>A. 2023 taxable value of properties under protest.</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. <sup>14</sup> ..... \$ 110,774,186 <b>B. 2023 value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. <sup>15</sup> ..... + \$ 0 <b>C. Total value under protest or not certified.</b> Add A and B.	\$ 110,774,186
20.	<b>2023 tax ceilings.</b> Counties, cities and junior colleges enter 2023 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>16</sup>	\$ 490,589,049
21.	<b>2023 total taxable value.</b> Add Lines 18E and 19C. Subtract Line 20. <sup>17</sup>	\$ 6,918,290,367
22.	<b>Total 2023 taxable value of properties in territory annexed after Jan. 1, 2022.</b> Include both real and personal property. Enter the 2023 value of property in territory annexed. <sup>18</sup>	\$ 0
23.	<b>Total 2023 taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in 2022. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2022 and be located in a new improvement. New improvements <b>do</b> include property on which a tax abatement agreement has expired for 2023. <sup>19</sup>	\$ 576,502,156
24.	<b>Total adjustments to the 2023 taxable value.</b> Add Lines 22 and 23.	\$ 576,502,156
25.	<b>Adjusted 2023 taxable value.</b> Subtract Line 24 from Line 21.	\$ 6,341,788,211
26.	<b>2023 NNR tax rate.</b> Divide Line 17 by Line 25 and multiply by \$100. <sup>20</sup>	\$ 0.547417 /\$100
27.	<b>COUNTIES ONLY.</b> Add together the NNR tax rates for each type of tax the county levies. The total is the 2023 county NNR tax rate. <sup>21</sup>	\$ _____ /\$100

## SECTION 2: Voter Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	<b>2022 M&amp;O tax rate.</b> Enter the 2022 M&O tax rate.	\$ 0.486416 /\$100
29.	<b>2022 taxable value, adjusted for actual and potential court-ordered adjustments.</b> Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,946,686,981

<sup>13</sup> Tex. Tax Code §26.01(c) and (d)

<sup>14</sup> Tex. Tax Code §26.01(c)

<sup>15</sup> Tex. Tax Code §26.01(d)

<sup>16</sup> Tex. Tax Code §26.012(6)(B)

<sup>17</sup> Tex. Tax Code §26.012(6)

<sup>18</sup> Tex. Tax Code §26.012(17)

<sup>19</sup> Tex. Tax Code §26.012(17)

<sup>20</sup> Tex. Tax Code §26.04(c)

<sup>21</sup> Tex. Tax Code §26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	<b>Total 2022 M&amp;O levy.</b> Multiply Line 28 by Line 29 and divide by \$100	\$ 28,925,636
31.	<b>Adjusted 2022 levy for calculating NNR M&amp;O rate.</b> <b>A. M&amp;O taxes refunded for years preceding tax year 2022.</b> Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2022. This line applies only to tax years preceding tax year 2022. .... + \$ 48,049 <b>B. 2022 taxes in TIF.</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2023 captured appraised value in Line 18D, enter 0. .... - \$ 2,007,561 <b>C. 2022 transferred function.</b> If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. .... +/- \$ 0 <b>D. 2022 M&amp;O levy adjustments.</b> Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. .... \$ -1,959,512 <b>E. Add Line 30 to 31D.</b>	\$ 26,966,124
32.	<b>Adjusted 2023 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 6,341,788,211
33.	<b>2023 NNR M&amp;O rate (unadjusted).</b> Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.425213 /\$100
34.	<b>Rate adjustment for state criminal justice mandate.</b> <sup>23</sup> <b>If not applicable or less than zero, enter 0.</b> <b>A. 2023 state criminal justice mandate.</b> Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. .... \$ 0 <b>B. 2022 state criminal justice mandate.</b> Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. .... - \$ 0 <b>C. Subtract B from A and divide by Line 32 and multiply by \$100.</b> .... \$ 0 /\$100 <b>D. Enter the rate calculated in C. If not applicable, enter 0.</b>	\$ 0 /\$100
35.	<b>Rate adjustment for indigent health care expenditures.</b> <sup>24</sup> <b>If not applicable or less than zero, enter 0.</b> <b>A. 2023 indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state assistance received for the same purpose. .... \$ 0 <b>B. 2022 indigent health care expenditures.</b> Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state assistance received for the same purpose. .... - \$ 0 <b>C. Subtract B from A and divide by Line 32 and multiply by \$100.</b> .... \$ 0 /\$100 <b>D. Enter the rate calculated in C. If not applicable, enter 0.</b>	\$ 0 /\$100

<sup>22</sup> [Reserved for expansion]<sup>23</sup> Tex. Tax Code §26.044<sup>24</sup> Tex. Tax Code §26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	<b>Rate adjustment for county indigent defense compensation.</b> <sup>25</sup> <b>If not applicable or less than zero, enter 0.</b>  <b>A. 2023 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state grants received by the county for the same purpose..... \$ 0  <b>B. 2022 indigent defense compensation expenditures.</b> Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state grants received by the county for the same purpose..... \$ 0  <b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0 /\$100  <b>D.</b> Multiply B by 0.05 and divide by Line 32 and multiply by \$100..... \$ 0 /\$100  <b>E.</b> Enter the lesser of C and D. If not applicable, enter 0.	\$ 0 /\$100
37.	<b>Rate adjustment for county hospital expenditures.</b> <sup>26</sup> <b>If not applicable or less than zero, enter 0.</b>  <b>A. 2023 eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2022 and ending on June 30, 2023. .... \$ 0  <b>B. 2022 eligible county hospital expenditures.</b> Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2021 and ending on June 30, 2022. .... \$ 0  <b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0 /\$100  <b>D.</b> Multiply B by 0.08 and divide by Line 32 and multiply by \$100..... \$ 0 /\$100  <b>E.</b> Enter the lesser of C and D, if applicable. If not applicable, enter 0.	\$ 0 /\$100
38.	<b>Rate adjustment for defunding municipality.</b> This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.  <b>A. Amount appropriated for public safety in 2022.</b> Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year ..... \$ 0  <b>B. Expenditures for public safety in 2022.</b> Enter the amount of money spent by the municipality for public safety during the preceding fiscal year ..... \$ 0  <b>C.</b> Subtract B from A and divide by Line 32 and multiply by \$100 ..... \$ 0 /\$100  <b>D.</b> Enter the rate calculated in C. If not applicable, enter 0.	\$ 0 /\$100
39.	<b>Adjusted 2023 NNR M&amp;O rate.</b> Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.	\$ 0.425213 /\$100
40.	<b>Adjustment for 2022 sales tax specifically to reduce property taxes.</b> Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2022 should complete this line. These entities will deduct the sales tax gain rate for 2023 in Section 3. Other taxing units, enter zero.  <b>A.</b> Enter the amount of additional sales tax collected and spent on M&O expenses in 2022, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent ..... \$ 0  <b>B.</b> Divide Line 40A by Line 32 and multiply by \$100 ..... \$ 0 /\$100  <b>C.</b> Add Line 40B to Line 39.	\$ 0.425213 /\$100
41.	<b>2023 voter-approval M&amp;O rate.</b> Enter the rate as calculated by the appropriate scenario below. <b>Special Taxing Unit.</b> If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. <b>- or -</b> <b>Other Taxing Unit.</b> If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.	\$ 0.440095 /\$100

<sup>25</sup> Tex. Tax Code §26.0442<sup>26</sup> Tex. Tax Code §26.0443



Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
<b>D41.</b>	<b>Disaster Line 41 (D41): 2023 voter-approval M&amp;O rate for taxing unit affected by disaster declaration.</b> If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or 2) the third tax year after the tax year in which the disaster occurred  If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. <sup>27</sup> If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).	\$ 0 /\$100
<b>42.</b>	<b>Total 2023 debt to be paid with property taxes and additional sales tax revenue.</b> Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit's budget as M&O expenses.  <b>A. Debt</b> also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. <sup>28</sup>  Enter debt amount ..... \$ 11,457,436 <b>B. Subtract unencumbered fund amount</b> used to reduce total debt. .... - \$ 0 <b>C. Subtract certified amount spent from sales tax to reduce debt</b> (enter zero if none) ..... - \$ 0 <b>D. Subtract amount paid</b> from other resources ..... - \$ 0 <b>E. Adjusted debt.</b> Subtract B, C and D from A. .... \$ 11,457,436	
<b>43.</b>	<b>Certified 2022 excess debt collections.</b> Enter the amount certified by the collector. <sup>29</sup>	\$ 1,093,487
<b>44.</b>	<b>Adjusted 2023 debt.</b> Subtract Line 43 from Line 42E.	\$ 10,363,949
<b>45.</b>	<b>2023 anticipated collection rate.</b> <b>A.</b> Enter the 2023 anticipated collection rate certified by the collector. <sup>30</sup> ..... 100.00 % <b>B.</b> Enter the 2022 actual collection rate. .... 100.73 % <b>C.</b> Enter the 2021 actual collection rate. .... 100.03 % <b>D.</b> Enter the 2020 actual collection rate. .... 99.17 % <b>E.</b> If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. <sup>31</sup> ..... 100.00 %	
<b>46.</b>	<b>2023 debt adjusted for collections.</b> Divide Line 44 by Line 45E.	\$ 10,363,949
<b>47.</b>	<b>2023 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 6,918,290,367
<b>48.</b>	<b>2023 debt rate.</b> Divide Line 46 by Line 47 and multiply by \$100.	\$ 0.149805 /\$100
<b>49.</b>	<b>2023 voter-approval tax rate.</b> Add Lines 41 and 48.	\$ 0.589900 /\$100
<b>D49.</b>	<b>Disaster Line 49 (D49): 2023 voter-approval tax rate for taxing unit affected by disaster declaration.</b> Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	\$ /\$100

<sup>27</sup> Tex. Tax Code §26.042(a)<sup>28</sup> Tex. Tax Code §26.012(7)<sup>29</sup> Tex. Tax Code §26.012(10) and 26.04(b)<sup>30</sup> Tex. Tax Code §26.04(b)<sup>31</sup> Tex. Tax Code §§26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	<b>COUNTIES ONLY.</b> Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2023 county voter-approval tax rate.	\$ <u>0</u> /\$100

### SECTION 3: NNR Tax Rate and Voter Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	<b>Taxable Sales.</b> For taxing units that adopted the sales tax in November 2022 or May 2023, enter the Comptroller's estimate of taxable sales for the previous four quarters. <sup>32</sup> Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2022, enter 0.	\$ <u>0</u>
52.	<b>Estimated sales tax revenue.</b> Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. <sup>33</sup>  <b>Taxing units that adopted the sales tax in November 2022 or in May 2023.</b> Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. <sup>34</sup> <b>- or -</b> <b>Taxing units that adopted the sales tax before November 2022.</b> Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ <u>0</u>
53.	<b>2023 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>6,918,290,367</u>
54.	<b>Sales tax adjustment rate.</b> Divide Line 52 by Line 53 and multiply by \$100.	\$ <u>0</u> /\$100
55.	<b>2023 NNR tax rate, unadjusted for sales tax.</b> <sup>35</sup> Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>0.547417</u> /\$100
56.	<b>2023 NNR tax rate, adjusted for sales tax.</b> <b>Taxing units that adopted the sales tax in November 2022 or in May 2023.</b> Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2022.	\$ <u>0.547417</u> /\$100
57.	<b>2023 voter-approval tax rate, unadjusted for sales tax.</b> <sup>36</sup> Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ <u>0.589900</u> /\$100
58.	<b>2023 voter-approval tax rate, adjusted for sales tax.</b> Subtract Line 54 from Line 57.	\$ <u>0.589900</u> /\$100

### SECTION 4: Voter Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	<b>Certified expenses from the Texas Commission on Environmental Quality (TCEQ).</b> Enter the amount certified in the determination letter from TCEQ. <sup>37</sup> The taxing unit shall provide its tax assessor-collector with a copy of the letter. <sup>38</sup>	\$ <u>0</u>
60.	<b>2023 total taxable value.</b> Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>6,918,290,367</u>
61.	<b>Additional rate for pollution control.</b> Divide Line 59 by Line 60 and multiply by \$100.	\$ <u>0</u> /\$100
62.	<b>2023 voter-approval tax rate, adjusted for pollution control.</b> Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ <u>0.589900</u> /\$100

<sup>32</sup> Tex. Tax Code §26.041(d)

<sup>33</sup> Tex. Tax Code §26.041(i)

<sup>34</sup> Tex. Tax Code §26.041(d)

<sup>35</sup> Tex. Tax Code §26.04(c)

<sup>36</sup> Tex. Tax Code §26.04(c)

<sup>37</sup> Tex. Tax Code §26.045(d)

<sup>38</sup> Tex. Tax Code §26.045(i)

**SECTION 5: Voter Approval Tax Rate Adjustment for Unused Increment Rate**

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate adjusted to remove the unused increment rate for the prior three years.<sup>39</sup> In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the portion of the unused increment rate must be backed out of the calculation for that year.

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020;<sup>40</sup>
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);<sup>41</sup> or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.<sup>42</sup>

Individual components can be negative, but the overall rate would be the greater of zero or the calculated rate.

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.<sup>43</sup>

Line	Unused Increment Rate Worksheet	Amount/Rate
<b>63. Year 3 component.</b>	Subtract the 2022 actual tax rate and the 2022 unused increment rate from the 2022 voter-approval tax rate.	
<b>A.</b>	Voter-approval tax rate ..... \$ 0.630098 /\$100 As applicable: Line 49, Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control)	
<b>B.</b>	Unused increment rate (Line 66) ..... \$ 0.000000 /\$100	
<b>C.</b>	Subtract B from A ..... \$ 0.630098 /\$100	
<b>D.</b>	Adopted Tax Rate ..... \$ 0.629900 /\$100	
<b>E.</b>	Subtract D from C ..... \$ 0.000198 /\$100	
<b>64. Year 2 component.</b>	Subtract the 2021 actual tax rate and the 2021 unused increment rate from the 2021 voter-approval tax rate.	
<b>A.</b>	Voter-approval tax rate ..... \$ 0.644146 /\$100 As applicable: Line 49, Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control)	
<b>B.</b>	Unused increment rate (Line 66) ..... \$ 0.000000 /\$100	
<b>C.</b>	Subtract B from A ..... \$ 0.644146 /\$100	
<b>D.</b>	Adopted Tax Rate ..... \$ 0.643948 /\$100	
<b>E.</b>	Subtract D from C ..... \$ 0.000198 /\$100	
<b>65. Year 1 component.</b>	Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate.	
<b>A.</b>	Voter-approval tax rate ..... \$ 0.649900 /\$100 As applicable: Line 47, Line 50 (counties), Line 56 (taxing units with the additional sales tax) or Line 60 (taxing units with pollution control)	
<b>B.</b>	Unused increment rate ..... \$ 0 /\$100	
<b>C.</b>	Subtract B from A ..... \$ 0.649900 /\$100	
<b>D.</b>	Adopted Tax Rate ..... \$ 0.649702 /\$100	
<b>E.</b>	Subtract D from C ..... \$ 0.000198 /\$100	
<b>66. 2023 unused increment rate.</b>	Add Lines 63E, 64E and 65E.	\$ 0.000594 /\$100
<b>67. Total 2023 voter-approval tax rate, including the unused increment rate.</b>	Add Line 66 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$ 0.590494 /\$100

<sup>39</sup> Tex. Tax Code §26.013(a)

<sup>40</sup> Tex. Tax Code §26.013(c)

<sup>41</sup> Tex. Tax Code §26.0501(a) and (c)

<sup>42</sup> Tex. Local Gov't Code §120.007(d), effective Jan. 1, 2022

<sup>43</sup> Tex. Tax Code §26.063(a)(1)

<sup>44</sup> Tex. Tax Code §26.012(8-a)

<sup>45</sup> Tex. Tax Code §26.063(a)(1)

**SECTION 6: De Minimis Rate**

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.<sup>44</sup>

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.<sup>45</sup>

Line	De Minimis Rate Worksheet	Amount/Rate
68.	<b>Adjusted 2023 NNR M&amp;O tax rate.</b> Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i>	\$ 0.425213 /\$100
69.	<b>2023 total taxable value.</b> Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 6,918,290,367
70.	<b>Rate necessary to impose \$500,000 in taxes.</b> Divide \$500,000 by Line 69 and multiply by \$100.	\$ 0.007227 /\$100
71.	<b>2023 debt rate.</b> Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.149805 /\$100
72.	<b>De minimis rate.</b> Add Lines 68, 70 and 71.	\$ 0.000000 /\$100

**SECTION 7: Voter Approval Tax Rate Adjustment for Emergency Revenue Rate**

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.<sup>46</sup>

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.<sup>47</sup>

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
73.	<b>2022 adopted tax rate.</b> Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.629900 /\$100
74.	<b>Adjusted 2022 voter-approval tax rate.</b> Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line.  If a disaster occurred in 2022 and the taxing unit calculated its 2022 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2022 worksheet due to a disaster, complete the applicable sections or lines of Form 50-856-a, <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> . - or - If a disaster occurred prior to 2022 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2022, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2022 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. <sup>48</sup> Enter the final adjusted 2022 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2022 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	\$ 0 /\$100
75.	<b>Increase in 2022 tax rate due to disaster.</b> Subtract Line 74 from Line 73.	\$ 0 /\$100
76.	<b>Adjusted 2022 taxable value.</b> Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 5,501,945,394
77.	<b>Emergency revenue.</b> Multiply Line 75 by Line 76 and divide by \$100.	\$ 0
78.	<b>Adjusted 2023 taxable value.</b> Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 6,341,788,211
79.	<b>Emergency revenue rate.</b> Divide Line 77 by Line 78 and multiply by \$100. <sup>49</sup>	\$ 0 /\$100

<sup>46</sup> Tex. Tax Code §26.042(b)

<sup>47</sup> Tex. Tax Code §26.042(f)

<sup>48</sup> Tex. Tax Code §26.042(c)

<sup>49</sup> Tex. Tax Code §26.042(b)

Line	Emergency Revenue Rate Worksheet	Amount/Rate
80.	<b>2023 voter-approval tax rate, adjusted for emergency revenue.</b> Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	\$ 0.590494 /\$100

## SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

**No-new-revenue tax rate.** ..... \$ 0.547417 /\$100

As applicable, enter the 2023 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).

Indicate the line number used: 26

**Voter-approval tax rate.** ..... \$ 0.590494 /\$100

As applicable, enter the 2023 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue).

Indicate the line number used: 67

**De minimis rate.** ..... \$ 0.000000 /\$100

If applicable, enter the 2022 de minimis rate from Line 72.

## SECTION 9: Taxing Unit Representative Name and Signature

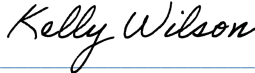
Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.<sup>50</sup>

**print  
here** ▶

KELLY WILSON

Printed Name of Taxing Unit Representative

**sign  
here** ▶



Taxing Unit Representative

07/26/2023

Date

DocuSigned by:



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<sup>50</sup> Tex. Tax Code §§26.04(c-2) and (d-2)

Notice About 2023 Tax Rates

Property tax rates inTOWN OF LITTLE ELM.  
This notice concerns the 2023 property tax rates for TOWN OF LITTLE ELM. This notice provides information about two tax rates used in adopting the current tax year's tax rate. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. In most cases, the voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, these rates are calculated by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per \$100 of property value.

This year's no-new-revenue tax rate	\$0.547417/\$100
This year's voter-approval tax rate	\$0.590494/\$100

To see the full calculations, please visit for a copy of the Tax Rate Calculation Worksheet.

Unencumbered Fund Balance

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

Type of Fund	Balance
GENERAL FUND	37,513,600
GENERAL DEBT SERVICE FUND	1,778,850

Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. These amounts will be paid from upcoming property tax revenues (or additional sales tax revenues, if applicable).

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
SERIES 2014 GO REF \$4.5M	140,000	33,550	1,000	174,550
GO REF SERIES 2012A	200,000	17,243	1,000	218,243
CO SERIES 2013 \$6M	295,000	110,175	1,000	406,175
CO SERIES 2013 \$3M	150,000	64,175	1,000	215,175
2015 CO \$9.66M	440,000	197,588	1,000	638,588
2016 REF GO \$6.72M	695,000	50,869	1,000	746,869
2018 CO \$15.46M	510,000	383,856	1,000	894,856
2019 REF GO	725,000	152,000	1,000	878,000
2019 CO \$ PRIN	255,000	198,425	1,000	454,425
2020 GO REFI \$5.72M	540,000	42,444	1,000	583,444
2020 CO \$4.085M	170,000	82,650	1,000	253,650
2021 CO PRINT \$15M	490,000	406,119	1,000	897,119
2022 CO PRIN \$10m	285,000	363,775	1,000	649,775
PAYDOWN OF DEBT & TRANSFER UTILITY	0	0	3,502,500	3,502,500
DEBT TO I&S RATE				
TIF AGREEMENTS	0	0	944,067	944,067

Total required for 2023 debt service	\$11,457,436
- Amount (if any) paid from funds listed in unencumbered funds	\$0
- Amount (if any) paid from other resources	\$0
- Excess collections last year	\$1,093,487
= Total to be paid from taxes in 2023	\$10,363,949
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2023	\$0
= Total debt levy	\$10,363,949

This notice contains a summary of actual no-new-revenue and voter-approval calculations as certified by , on 07/26/2023 .

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

**Certificate Of Completion**

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Signatures: 1

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Certificate Pages: 1

Initials: 0

Stacey Dvoracek

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Denton, Texas 76208

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stacey.dvoracek@dentoncounty.gov

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Location: DocuSign

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stacey.dvoracek@dentoncounty.gov

**Signer Events****Signature****Timestamp**

Michelle French

michelle.french@dentoncounty.gov

Tax Assessor/Collector

Denton County

Security Level: Email, Account Authentication  
(None)

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*Michelle French*

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Not Offered via DocuSign

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Completed

Security Checked

7/26/2023 3:48:56 PM

**Payment Events****Status****Timestamps**





**Date:** 08/01/2023  
**Agenda Item #:** 5. C.  
**Department:** Finance  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Kelly Wilson, Chief Financial Officer

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**AGENDA ITEM:**

Present and Discuss the **Submission of the Fiscal Year 2023-2024 Proposed Budget and Budget Message by the Town Manager.**

**DESCRIPTION:**

In accordance with Town Charter, the referenced documentation completes the Town Manager's submission of the Proposed Budget and Budget Message for Fiscal Year (FY) 2023-2024. The FY 2023-2024 Proposed Budget, including the Budget Message from the Town Manager, was submitted to the Town Council under separate cover.

The proposed budget has been filed in the Town Secretary's office and posted on the Town's website for public review.

**BUDGET IMPACT:**

FY 2023-2024 Proposed Budget and Five-Year Financial Plan.

**RECOMMENDED ACTION:**

Information only, no action is required.

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