

YEAR **2009-2010**

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Financial Integrity Rating System of Texas

2009-2010 DISTRICT STATUS DETAIL

Name: AUBREY ISD(061907)	Publication Level 1: 6/17/2011 9:03:31 AM
Status: Passed	Publication Level 2: 8/31/2011 1:00:45 PM
Rating: Superior Achievement	Last Updated: 8/31/2011 1:00:45 PM
District Score: 80	Passing Score: 56

#	Indicator Description	Updated	Score
1	<u>Was The Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?</u>	4/25/2011 3:42:38 PM	Yes
2	<u>Was the Total Unrestricted Net Asset Balance (Net of Accretion of Interest on Capital Appreciation Bonds) In the Governmental Activities Column in the Statement of Net Assets Greater than Zero? (If the District's 5 Year % Change in Students was 10% more)</u>	4/25/2011 3:42:39 PM	Yes
3	<u>Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?</u>	4/25/2011 3:42:39 PM	Yes
4	<u>Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?</u>	4/29/2011 3:39:39 PM	Yes
5	<u>Was There An Unqualified Opinion in Annual Financial Report?</u>	4/25/2011 3:42:39 PM	Yes
6	<u>Did The Annual Financial Report Not Disclose Any</u>	4/25/2011	Yes

	<u>Instance(s) Of Material Weaknesses In Internal Controls?</u>	3:42:39 PM	
			1 Multiplier Sum
7	<u>Did the Districts Academic Rating Exceed Academically Unacceptable?</u>	4/25/2011 3:42:39 PM	5
8	<u>Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?</u>	4/25/2011 3:42:40 PM	5
9	<u>Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?</u>	5/10/2011 9:58:15 PM	5
10	<u>Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) < \$350.00 Per Student? (If The District's Five-Year Percent Change In Students = Or > 7%, Or If Property Taxes Collected Per Penny Of Tax Effort > \$200,000 Per Student)</u>	4/25/2011 3:42:40 PM	5
11	<u>Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?</u>	4/25/2011 3:42:40 PM	5
12	<u>Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Conservator Or Monitor Assigned)</u>	4/25/2011 3:42:41 PM	5
13	<u>Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance In General Fund?</u>	4/25/2011 3:42:41 PM	5
14	<u>If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (To Avoid Creating Or Adding To The Fund Balance Deficit Situation)</u>	5/10/2011 4:01:53 PM	5
15	<u>Was The Ratio Of Cash And Investments To Deferred</u>	4/25/2011	5

	<u>Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable)</u>	3:42:41 PM	
16	<u>Was The Administrative Cost Ratio Less Than The Threshold Ratio?</u>	4/25/2011 3:42:41 PM	5
17	<u>Was The Ratio Of Students To Teachers Within the Ranges Shown Below According To District Size?</u>	4/25/2011 3:42:42 PM	5
18	<u>Was The Ratio Of Students To Total Staff Within the Ranges Shown Below According To District Size?</u>	4/25/2011 3:42:42 PM	5
19	<u>Was The Total Fund Balance In The General Fund More Than 50% And Less Than 150% Of Optimum According To The Fund Balance And Cash Flow Calculation Worksheet In The Annual Financial Report?</u>	4/25/2011 3:42:42 PM	5
20	<u>Was The Decrease In Undesignated Unreserved Fund Balance < 20% Over Two Fiscal Years?(If 1.5 Times Optimum Fund Balance < Total Fund Balance In General Fund Or If Total Revenues > Operating Expenditures In The General Fund,Then District Receives 5 Points)</u>	4/25/2011 3:42:42 PM	5
21	<u>Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?</u>	4/25/2011 3:42:43 PM	5
22	<u>Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) More Than \$20 Per Student?</u>	4/25/2011 3:42:43 PM	5
			80 Weighted Sum
			1 Multiplier Sum
			80 Score

DETERMINATION OF RATING

A.	Did The District Answer 'No' To Indicators 1, 2, 3 Or 4? OR Did The District Answer 'No' To Both 5 and 6? If So, The District's Rating Is Substandard Achievement .	
B.	Determine Rating By Applicable Range For summation of the indicator scores (Indicators 7-22)	
	Superior Achievement	72-80 and Yes to indicator 7
	Above Standard Achievement	64-71 or >= 72 and No to indicator 7
	Standard Achievement	56-63
	Substandard Achievement	<56 or No to one default indicator

INDICATOR 17 & 18 RATIOS

Indicator 17	Ranges for Ratios		Indicator 18	Ranges for Ratios	
	Low	High		Low	High
District Size - Number of Students Between			District Size - Number of Students Between		
< 500	7	22	< 500	5	14
500-999	10	22	500-999	5.8	14
1000-4999	11.5	22	1000-4999	6.3	14
5000-9999	13	22	5000-9999	6.8	14
=> 10000	13.5	22	=> 10000	7.0	14

OPTIONS

Suspension Reason.

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THE TEXAS EDUCATION AGENCY
 1701 NORTH CONGRESS AVENUE • AUSTIN, TEXAS, 78701 • (512) 463-9734



TEA Correspondence

A **Microsoft Word version of this letter** is available for download and **PRINTING**.

March 16, 2011

TO THE ADMINISTRATOR ADDRESSED:

SUBJECT: Fund Balance and Cash Management Indicators for School FIRST and School FIRST for Charters for FY 2010-2011, FY 2011-2012 and FY 2012-2013

Today, the Texas Education Agency (TEA or agency) is beginning the process of modifying indicators in the 2010-2011 School Financial Integrity Rating System of Texas (FIRST) that require school districts and charter schools to maintain approximately 60 days of operating expenses in their general fund account. By early May, the agency will disseminate information on these proposed rule amendments and provide stakeholders the opportunity to comment on the agency's proposal. These initial actions, which will affect the FIRST ratings issued in 2012, will be taken to support districts and charter schools as they take proactive steps to address their financial needs for the upcoming years.

Additionally, given the state's future revenue projections, it is the intent of the agency to avoid penalizing districts and charters that elect to expend portions of their fund balance in the upcoming biennium as a result of the nation's slow economic recovery and any changes the Legislature may make in state funding. The agency's goal is to provide school districts and charter schools flexibility to manage their budgets locally, and TEA will work on changes to the FIRST rules relating to the 2011-2012 and 2012-2013 fiscal years, which will affect FIRST ratings issued in 2013 and 2014.

Additional details on these proposed changes will be shared in the coming months. If you have questions about this letter or School FIRST requirements, please contact Rita Chase or Janice Hollingsworth in the Division of Financial Audits at (512) 463-9095.

Sincerely,

Robert Scott
Commissioner of Education

Texas Education Agency
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(512) 463-9734
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Chapter 109. Budgeting, Accounting, and Auditing

Subchapter AA. Commissioner's Rules Concerning Financial Accountability

Statutory Authority: The provisions of this Subchapter AA issued under the Texas Education Code, §§39.081, 39.082, 39.083, and 39.085, unless otherwise noted.

Division 1. Financial Accountability Rating System

§109.1001. Purpose of Financial Accountability Rating System.

The purpose of the financial accountability rating system is to ensure that school districts and open-enrollment charter schools will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources. The system is designed to encourage Texas public schools to manage their financial resources better in order to provide the maximum allocation possible for direct instructional purposes. The system will also disclose the quality of local management and decision-making processes that impact the allocation of financial resources in Texas public schools. An evaluation of the long-term effectiveness of the system should disclose a measurable improvement in the quality of Texas public schools' financial decision-making processes.

Source: The provisions of this §109.1001 adopted to be effective October 20, 2002, 27 TexReg 9572; amended to be effective May 31, 2010, 35 TexReg 4398.

§109.1002. Financial Accountability Ratings.

(a) In accordance with Texas Education Code (TEC), Chapter 39, Subchapter D, each school district and open-enrollment charter school must be assigned a financial accountability rating by the Texas Education Agency (TEA). The specific procedures for determining financial accountability ratings will be established annually by the commissioner of education and communicated to all school districts and open-enrollment charter schools.

(b) For fiscal years 2002-2003, 2003-2004, 2004-2005, and 2005-2006, each financial accountability rating of a school district is based on its overall performance on certain financial measurements, ratios, and other indicators established by the commissioner of education in the financial accountability rating form provided in this subsection entitled "School FIRST - Rating Worksheet," effective May 2003.

Figure: 19 TAC §109.1002(b)

(c) For fiscal years 2006-2007 and 2007-2008, the financial accountability rating of a school district is based on its overall performance on certain financial measurements, ratios, and other indicators established by the commissioner of education in the financial accountability rating form provided in this subsection entitled "School FIRST - Rating Worksheet Effective August 2006." On this form, Indicator

13 entitled, "Was The Percent Of Operating Expenditures Expended For Instruction More Than or Equal to 65%?" was phased in over a three-year period, as follows.

Figure: 19 TAC §109.1002(c)

- (1) For fiscal year 2006-2007, the indicator was "Was The Percent Of Operating Expenditures Expended For Instruction More Than or Equal to 55%?"
- (2) For fiscal year 2007-2008, the indicator was "Was The Percent Of Operating Expenditures Expended For Instruction More Than or Equal to 60%?"
- (3) For fiscal year 2008-2009 and beyond, the indicator was repealed.

(d) For fiscal years 2008-2009 and 2009-2010, the financial accountability rating of a school district is based on its overall performance on certain financial measurements, ratios, and other indicators established by the commissioner of education in the financial accountability rating form provided in this subsection entitled "School FIRST - Rating Worksheet Dated March 2010."

Figure: 19 TAC §109.1002(d)

(e) For fiscal years 2008-2009 and 2009-2010, the financial accountability rating of an open-enrollment charter school is based on its overall performance on certain financial measurements, ratios, and other indicators established by the commissioner of education in the financial accountability rating form provided in this subsection entitled "Charter School - School FIRST - Rating Worksheet Dated March 2010."

Figure: 19 TAC §109.1002(e)

(f) Beginning with fiscal year 2010-2011, the financial accountability rating of a school district is based on its overall performance on certain financial measurements, ratios, and other indicators established by the commissioner of education in the financial accountability rating form provided in this subsection entitled "School FIRST - Rating Worksheet Dated December 2010."

Figure: 19 TAC §109.1002(f)

(g) Beginning with fiscal year 2010-2011, the financial accountability rating of an open-enrollment charter school is based on its overall performance on certain financial measurements, ratios, and other indicators established by the commissioner of education in the financial accountability rating form provided in this subsection entitled "School FIRST for Charter Schools - Rating Worksheet Dated December 2010."

Figure: 19 TAC §109.1002(g)

(h) A financial accountability rating by a voluntary association is a local option of the district or open-enrollment charter school, but it does not substitute for a financial accountability rating by the TEA.

(i) The TEA will issue a preliminary financial accountability rating to a school district or open-enrollment charter school within 150 days of its complete financial data being made available to the TEA staff. The financial accountability rating for a particular year will always be based on complete and audited financial data from the previous fiscal year given the availability of the data. For example, the

final 2010 School FIRST rating issued in August 2010 is based on complete and audited financial data for the 2008-2009 fiscal year and is the financial accountability rating for the 2009-2010 school year for the purposes of §97.1055 of this title (relating to Accreditation Status).

(1) The issuance of the preliminary or final rating will not be delayed if a district or open-enrollment charter school fails to meet the statutory deadline for submitting the annual financial and compliance report. Instead, a rating of Suspended-Data Quality under §109.1003(a)(5) of this title (relating to Types of Financial Accountability Ratings) will be issued.

(2) A district or open-enrollment charter school may submit a written appeal requesting that the TEA review a preliminary rating if the preliminary rating was based on a data error solely attributable to the TEA's review of the data for any of the indicators.

(A) The TEA office responsible for financial audits must receive the appeal no later than 30 days after the TEA's release of the preliminary rating, and the appeal must include substantial evidence that supports the district's or open-enrollment charter school's position.

(i) Only appeals that would result in a change of the preliminary rating will be considered.

(ii) The TEA staff will review information submitted by the district or open-enrollment charter school to validate the statements made to the extent possible. The TEA will examine all relevant data.

(iii) The TEA staff will prepare a recommendation and forward it to an external panel for review. This review panel will provide independent oversight to the appeals process.

(iv) The external review panel will examine the appeal, supporting documentation, staff research, and the staff recommendation. The review panel will determine its recommendation.

(v) The external review panel's recommendation will be forwarded to the commissioner.

(vi) The commissioner will make a final decision in accordance with the timeline specified in subparagraph (E) of this paragraph.

(B) Appeals received 31 days or more after the TEA issues a preliminary rating will not be considered.

(C) Errors by a district or open-enrollment charter school in recording data or submitting data through the TEA data collection and reporting system do not constitute a valid basis for appealing a preliminary rating.

(D) A district that is the fiscal agent for a shared services arrangement (SSA) and has the staff of the SSA on its payroll may appeal the two indicators related to student-to-teacher and student-to-staff ratios if it fails these indicators due to the number of staff that are SSA staff. The district must provide the TEA with the number of staff that are employees

of the district and the number of staff that are part of the SSA. This adjustment should not be a factor for an open-enrollment charter school that is a fiscal agent since the SSA reporting requirements are different than a school district.

(E) If the TEA receives an appeal of a preliminary rating, a final rating will be issued to the school district or open-enrollment charter school no later than 45 days after the appeal has been received by the TEA.

(F) If the TEA does not receive an appeal of a preliminary rating, the preliminary rating automatically becomes a final rating on the 31st day after issuance of the preliminary rating.

(G) A final rating issued by the TEA pursuant to this section may not be appealed under the TEC, §7.057, or any other law or rule.

Source: The provisions of this §109.1002 adopted to be effective October 20, 2002, 27 TexReg 9572; amended to be effective May 7, 2003, 28 TexReg 3720; amended to be effective August 13, 2006, 31 TexReg 6215; amended to be effective July 2, 2007, 32 TexReg 3988; amended to be effective May 31, 2010, 35 TexReg 4398; amended to be effective February 3, 2011, 36 TexReg 414.

§109.1003. Types of Financial Accountability Ratings.

(a) The types of ratings school districts or open-enrollment charter schools may receive are as follows.

(1) Superior Achievement. In accordance with the procedures established in §109.1002 of this title (relating to Financial Accountability Ratings), a school district or open-enrollment charter school shall be classified as Superior Achievement if it scores within the applicable range established by the commissioner of education for Superior Achievement.

(2) Above Standard Achievement. In accordance with the procedures established in §109.1002 of this title, a school district or open-enrollment charter school shall be classified as Above Standard Achievement if it scores within the applicable range established by the commissioner of education for Above Standard Achievement.

(3) Standard Achievement. In accordance with the procedures established in §109.1002 of this title, a school district or open-enrollment charter school shall be classified as Standard Achievement if it scores within the applicable range established by the commissioner of education for Standard Achievement.

(4) Substandard Achievement. In accordance with the procedures established in §109.1002 of this title, a school district or open-enrollment charter school shall be classified as Substandard Achievement if it responds negatively to specified indicators or if it scores within the applicable range established by the commissioner of education for Substandard Achievement. The commissioner of education may apply sanctions to a district that is assigned a Substandard Achievement rating and may require other corrective actions.

(5) Suspended--Data Quality. If serious data quality issues are disclosed by the commissioner of education, a Suspended--Data Quality rating shall be assigned to the school district or open-

enrollment charter school. The Suspended--Data Quality rating will be assigned until the school district or open-enrollment charter school successfully resolves the data quality issues. The commissioner of education may apply sanctions to a school district or open-enrollment charter school that is assigned a Suspended--Data Quality rating and may require other corrective actions.

(b) The commissioner of education may lower a financial accountability rating based on findings of an investigation conducted under Texas Education Code (TEC), Chapter 39.

(c) Unless revised as a result of investigative activities by the commissioner of education as authorized under TEC, Chapter 39, or other law, a financial accountability rating remains in effect until replaced by a subsequent financial accountability rating. A financial accountability rating shall be revised after initial assignment when circumstances require such revision in order to achieve the purposes specified in §97.1053(a) of this title (relating to Purpose).

Source: The provisions of this §109.1003 adopted to be effective October 20, 2002, 27 TexReg 9572; amended to be effective August 13, 2006, 31 TexReg 6215; amended to be effective May 31, 2010, 35 TexReg 4398; amended to be effective February 3, 2011, 36 TexReg 414.

§109.1004. Criteria for Financial Accountability Ratings.

(a) The criteria for financial accountability ratings will be based upon indicators established by the commissioner of education and reflected in §109.1002 of this title (relating to Financial Accountability Ratings), in accordance with requirements in state law and after consultation with the comptroller of public accounts. The commissioner of education shall evaluate the rating system annually and may modify the system in order to improve the effectiveness of the rating system. Changes to criteria for ratings and their effective dates will be communicated to school districts and open-enrollment charter schools.

(b) The Financial Accounting Standards Board (FASB) requires not-for-profit entities such as charter holders to present financial statements showing an aggregate view of the entity as a whole.

(1) The Financial Accountability System Resource Guide, Module 10, Special Supplement-Charter Schools, Section 1.7.2, under §109.41 of this title (relating to Financial Accountability System Resource Guide), states that the charter holder is required to submit audited financial statements for the charter holder entity as a whole (both for charter and non-charter operations) as well as additional exhibits for each individual charter (determined by county-district number).

(2) For purposes of comparability among schools, all financial calculations for the indicators under §109.1002(g) of this title use the financial statements for a charter school; however, in the case of consolidated financial statements, any indicators relating to the auditor's opinion on the financial statements, material weaknesses in internal controls, or material noncompliance will be judged on the financial statements for the entity as a whole.

Source: The provisions of this §109.1004 adopted to be effective October 20, 2002, 27 TexReg 9572; amended to be effective August 13, 2006, 31 TexReg 6215; amended to be effective May 31, 2010, 35 TexReg 4398; amended to be effective February 3, 2011, 36 TexReg 414.

§109.1005. Reporting.

(a) Each school district and open-enrollment charter school is required to report information and financial accountability ratings to parents and taxpayers by implementing the following reporting procedures.

(1) Each school district and open-enrollment charter school is required to prepare and distribute an annual financial management report in accordance with subsection (b) of this section.

(2) The public must be provided an opportunity to comment on the report at a public hearing in accordance with subsection (c) of this section.

(b) The annual financial management report prepared by the school district and open-enrollment charter school must include:

(1) a description of its financial management performance based on a comparison, provided by the Texas Education Agency (TEA), of its performance on the indicators established by the commissioner of education and reflected in §109.1002 of this title (relating to Financial Accountability Ratings). The report will contain information that discloses:

(A) state-established standards; and

(B) the district's or open-enrollment charter school's financial management performance under each indicator for the current and previous year's financial accountability ratings;

(2) any descriptive information required by the commissioner of education, including:

(A) a copy of the superintendent's current employment contract or other written documentation of employment where no contract exists. The purpose of this disclosure is to report all compensation and benefits paid to the superintendent. The school district or open-enrollment charter school may publish the superintendent's employment contract on the school district's or open-enrollment charter school's Internet site in lieu of publication in the annual financial management report;

(B) a summary schedule for the fiscal year (12-month period) of expenditures paid on behalf of and/or total reimbursements received by the superintendent and each board member, including transactions resulting from use of the school district's or open-enrollment charter school's credit card(s) to cover expenses incurred by the superintendent and each board member. The summary schedule shall separately report reimbursements for meals, lodging, transportation, motor fuel, and other items (the summary schedule of total reimbursements is not to include reimbursements for supplies and materials that were purchased for the operation of the school district or open-enrollment charter school);

(C) a summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or open-enrollment charter school or any other outside entity in exchange for professional consulting and/or other personal services. The schedule shall separately report the amount received from

each entity;

(D) a summary schedule for the fiscal year of the total dollar amount by the executive officers and board members of gifts that had an economic value of \$250 or more in the aggregate in the fiscal year. This reporting requirement only applies to gifts received by the school district's or open-enrollment charter school's (or charter holder's) executive officers and board members (and their immediate family as described by Government Code, Chapter 573, Subchapter B, as a person related to another person within the first degree by consanguinity or affinity) from an outside entity that received payments from the school district or open-enrollment charter school (or charter holder) in the prior fiscal year, and gifts from competing vendors that were not awarded contracts in the prior fiscal year. This reporting requirement does not apply to reimbursement of travel-related expenses by an outside entity when the purpose of the travel is to investigate or explore matters directly related to the duties of an executive officer or board member, or matters related to attendance at education-related conferences and seminars whose primary purpose is to provide continuing education (this exclusion does not apply to trips for entertainment-related purposes or pleasure trips). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had an aggregate economic value of less than \$250 per executive officer or board member;

(E) a summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transactions with the school district or open-enrollment charter school (or charter holder). This reporting requirement is not to duplicate the items disclosed in the summary schedule of reimbursements received by board members; and

(F) a summary schedule of the data submitted using the electronic-based program developed under the financial solvency provisions of Texas Education Code, §39.0822; and

(3) any other information the board of trustees of the district or open-enrollment charter school determines to be useful.

(c) The board of trustees of each school district or open-enrollment charter school shall hold a public hearing on the annual financial management report within two months after receipt of a final financial accountability rating (including a final rating of Suspended--Data Quality). The public hearing is to be held at a location in the district's or open-enrollment charter school's facilities. The board shall give notice of the hearing to owners of real property in the geographic boundaries of the district or open-enrollment charter school and to parents of district or open-enrollment charter school students. In addition to other notice required by law, notice of the hearing must be provided:

(1) to a newspaper of general circulation in the geographic boundaries of the district or each campus of an open-enrollment charter school once a week for two weeks prior to holding the public meeting, providing the time and place where the hearing is to be held. The first notice in the newspaper may not be more than 30 days prior to or less than 14 days prior to the public meeting. If there is not a newspaper published in the county in which the district's central administration office is located or within the geographic boundaries of a campus of an open-enrollment charter school, then the notice is to be published in the county nearest the county seat of the county in which the district's central administration office is located or in which the campus of the open-enrollment charter school is located; and

- (2) through electronic mail to media serving the district or open-enrollment charter school.
- (d) At the hearing, the annual financial management report shall be disseminated to the district's or open-enrollment charter school's parents and taxpayers that are in attendance.
- (e) The annual financial management report is to be retained in the district or open-enrollment charter school for at least a three-year period after the public hearing and will be made available to parents and taxpayers upon request.
- (f) A corrective action plan is to be filed with the TEA by each school district or open-enrollment charter school that received a rating of Substandard Achievement or Suspended--Data Quality. The corrective action plan, which is to be prepared in accordance with instructions from the commissioner of education, is to be filed within one month after the district's or open-enrollment charter school's public hearing. The commissioner of education may require certain information in the corrective action plan to address the factor(s) that may have contributed to a district's or open-enrollment charter school's rating of Substandard Achievement or Suspended--Data Quality.

Source: The provisions of this §109.1005 adopted to be effective October 20, 2002, 27 TexReg 9572; amended to be effective August 13, 2006, 31 TexReg 6215; amended to be effective May 31, 2010, 35 TexReg 4398; amended to be effective February 3, 2011, 36 TexReg 414.

Division 2. Financial Solvency

§109.1101. Financial Solvency Review.

- (a) Purpose of financial solvency review. The purpose of the financial solvency review is to anticipate the future financial solvency of Texas public school districts and open-enrollment charter schools. The review is designed to alert school districts and open-enrollment charter schools to circumstances that could lead to financial insolvency.
- (b) Definitions. The following terms, when used in this section, have the following meanings, unless the context clearly indicates otherwise.
- (1) Financial solvency--When used to describe a school district or open-enrollment charter school, the condition in which a school district or open-enrollment charter school either is generally paying its debts as they become due, unless such debts are the subject of a bona fide dispute, or is able to pay its debts as they become due.
- (2) Public Education Information Management System (PEIMS)--The system described by §61.1025 of this title (relating to Public Education Information Management System (PEIMS) Data and Reporting Standards).
- (c) Financial solvency review data.
- (1) In its financial solvency review, the Texas Education Agency (TEA) will use the following data, which are available to the TEA through existing data sources:

- (A) annual financial audits for the past two school years;
- (B) PEIMS financial actual data for the past two school years;
- (C) PEIMS financial budget data for the current year and the past two school years;
- (D) PEIMS staff data for the current year and the past two school years;
- (E) PEIMS student data for the current year and the past two school years; and
- (F) school district tax rate data.

(2) In its financial solvency review, the TEA will use the following additional information, which the TEA will request from school districts and open-enrollment charter schools:

- (A) first-quarter school district and open-enrollment charter school financial data for the current school year; and
- (B) school district and open-enrollment charter school comments.

(3) School districts and open-enrollment charter schools that the TEA selects for additional review may be required to submit other additional information as described in subsection (d)(5) of this section.

(4) School districts and open-enrollment charter schools that the TEA projects to have a general fund deficit within the next three school years will be required to submit interim financial reports supplemented by staff and student data as described in subsection (d)(5) of this section.

(d) Financial solvency review.

(1) In its financial solvency review, the TEA will use the methodology described in the document provided in this paragraph, entitled "Financial Solvency Review Methodology."

Figure: 19 TAC §109.1101(d)(1)

(2) In its financial solvency review, the TEA will analyze the following:

- (A) school district and open-enrollment charter school revenues and expenditures for the past school year; and
- (B) projected school district and open-enrollment charter school revenues and expenditures for the current school year and the next two school years.

(3) In analyzing the information under paragraph (2) of this subsection, the TEA may consider, for the past school year, the current school year, and the next two school years, as appropriate, the following:

- (A) student-to-staff ratios relative to expenditures;
- (B) average staff salaries;

- (C) the rate of change in the unreserved (assigned and unassigned, effective beginning with fiscal year 2010-2011 data) general fund balance;
 - (D) the number of students enrolled in the district or open-enrollment charter school;
 - (E) the adopted tax rate of the school district;
 - (F) any independent audit report prepared for the school district or open-enrollment charter school; and
 - (G) actual school district or open-enrollment charter school financial information for the first quarter.
- (4) The TEA will notify any school district or open-enrollment charter school for which the financial solvency review shows one or more of the following:
- (A) a student-to-staff ratio that is significantly outside the norm;
 - (B) a rapid depletion of the general fund balance; or
 - (C) a significant discrepancy between submitted budget figures and projected revenues and expenditures.
- (5) The TEA may extend the financial solvency review and require additional documentation of a school district or open-enrollment charter school that has been notified as described in paragraph (4) of this subsection following an initial review.
- (A) The TEA will determine additional documentation requirements on a case-by-case basis.
 - (B) The TEA will use additional documentation and comments submitted by a school district or open-enrollment charter school to determine whether the school district or open-enrollment charter school is projected to have a deficit for its general fund within the next three school years.
 - (C) If the financial solvency review indicates a projected deficit for a school district or open-enrollment charter school general fund within the next three school years, the school district or open-enrollment charter school must submit to the TEA interim financial reports, supplemented by staff and student count data, as needed, for the TEA to evaluate the current budget status of the school district or open-enrollment charter school.
 - (D) If analysis and evaluation of the additional data required to be submitted under subparagraph (C) of this paragraph substantiates a projected deficit within the next three school years, the school district or open-enrollment charter school must develop and submit a financial plan to the TEA for approval.
- (6) All documentation generated and gathered in the process of determining a school district's or open-enrollment charter school's financial solvency will be considered working papers and not subject to open records requests. Financial solvency documentation related to school districts and open-enrollment charter schools required to submit financial plans will be subject to open

records requests as permitted by statute or rule.

(e) Financial plans.

(1) If the TEA determines that a school district or open-enrollment charter school is required to submit a financial plan, the TEA will provide written notification of this requirement to the school district or open-enrollment charter school.

(2) On receiving the notification described in paragraph (1) of this subsection, a school district or open-enrollment charter school must develop and submit to the TEA for approval a financial plan for avoiding the projected insolvency.

(3) If the TEA determines that a submitted financial plan will permit a school district or open-enrollment charter school to avoid projected insolvency, the TEA will provide written notification of its approval of the financial plan to the school district or open-enrollment charter school.

(4) If the TEA determines that a submitted financial plan will not permit a school district or open-enrollment charter school to avoid projected insolvency, the TEA will require the school district or open-enrollment charter school to modify the financial plan submitted to the TEA. The TEA will provide written notification of this requirement to the school district or open-enrollment charter school.

(5) The TEA may monitor the implementation of a financial plan or modified financial plan that is based on a financial review for a period of up to three years after TEA approval of the financial plan or modified financial plan, as applicable.

(f) Financial plans and accreditation. The commissioner of education will assign an Accredited-Warning status to a school district or open-enrollment charter school that is required to develop and submit a financial plan as provided by subsection (e) of this section if:

(1) the school district or open-enrollment charter school fails to submit a financial plan to avoid a projected deficit;

(2) the school district or open-enrollment charter school fails to get approval from the TEA for a financial plan or modified financial plan;

(3) the school district or open-enrollment charter school fails to comply with a TEA-approved financial plan; or

(4) the TEA determines in a subsequent school year, based on financial data submitted by the school district or open-enrollment charter school, that the approved plan for the school district or open-enrollment charter school is no longer sufficient or is not appropriately implemented.

(g) Decisions by commissioner final. All financial plan approval decisions made by the commissioner in regard to the financial solvency review are final and cannot be appealed.

Statutory Authority: The provisions of this §109.1101 issued under the Texas Education Code, §39.0822 and §39.085.

Source: The provisions of this §109.1101 adopted to be effective December 22, 2010, 35 TexReg 11234.

Last updated: February 3, 2011

For additional information, email rules@tea.state.tx.us.

Figure: 19 TAC §105.1002(d)
 School FIRST - Rating Worksheet Dated March 2010

School Year: _____
 Fiscal Year Ended June 30, _____ Or August 31, _____
 County District # _____
 District Name: _____

	Check The Appropriate Box Below		Determination of Points					0 No
	Yes	No	5	4	3	2	1	
Critical Indicators								
1	Was Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?							
2	Was The Total Unrestricted Net Asset Balance (Net Of Accretion Of Interest On Capital Appreciation Bonds) In The Governmental Activities Column In The Statement Of Net Assets Greater Than Zero? (If The District's Five-Year Percent Change In Students Was A 10% Increase Or More Then Answer Yes)							
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Incurrence Obligations?							
4	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?							
5	Was There An Unqualified Opinion In The Annual Financial Report?							
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?							
Fiscal Efficiencies And Academic Performance								
7	Did The District's Academic Rating Exceed Academically Unacceptable?							
8	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?							
9	Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?							
10	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) Less Than \$350.00 Per Student? (If The District's Five-Year Percent Change In Students Was A 7% Increase Or More, Or If Property Taxes Collected Per Penny Of Tax Effort Were More Than \$200,000, Then The District Receives 5 Points)							
11	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?							
12	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g., No Conservator Or Monitor Assigned)							
Budgeting								
13	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources And Fund Balance In General Fund?							
14	If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (Were Construction Projects Adequately Financed Or Adjusted By Change Orders Or Other Legal Means To Avoid Creating Or Adding To The Fund Balance Deficit Situation?)							
15	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable, Then The District Receives 5 Points)							
Personnel								
16	Was The Administrative Cost Ratio Less Than The Threshold Ratio? (See Ranges Below)							
17	Was The Ratio Of Students To Teachers Within The Ranges Shown Below According To District Size?							
18	Was The Ratio Of Students To Total Staff Within The Ranges Shown Below According To District Size?							
Cash Management								
19	Was The Total Fund Balance In The General Fund More Than 50% And Less Than 150% Of Optimum According To The Fund Balance And Cash Flow Calculation Worksheet In The Annual Financial Report?							
20	Was The Decrease In Undesignated Unreserved Fund Balance Less Than 20% Over Two Fiscal Years? (If 1.5 Times Optimum Fund Balance Is Less Than Total Fund Balance In General Fund Or If Total Revenues Exceeded Operating Expenditures In The General Fund, Then The District Receives 5 Points)							
21	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?							
22	Were Investment Earnings In All Funds (Excluding Debt Service Fund and Capital Projects Fund) More Than \$20 Per Student?							
			Total Points					

Determination Of Rating

A.	Did The District Answer No To Indicators 1, 2, 3 Or 4: OR Both 5 And 6 If The District Answered No To Either, The District's Rating Is Substandard Determine Rating By Applicable Number Of Points	Points
B.	Supertor Achievement Above Standard Achievement Standard Achievement Substandard Achievement (If Less Than 55 Points OR If The District Answered No To Indicators 1, 2, 3 Or 4: OR Both 5 And 6)	>=72 AND Yes To Indicator 7 >=54 <72 OR >=72 AND No To Indicator 7 >=56 <64 <56 OR Answered No To One Default Indicator

- * UL - Upper limit
- ** LL - Lower limit

For Questions Call The Division Of Financial Audits At: (512) 463-9095.

Administrative Cost Ratio Indicator 16

ADA Group	Standard
10,000 and Above	0.1105
5,000 to 9,999	.1250
1,000 to 4,999	.1401
500 to 999	.1551
Less than 500	.2654
Sverage	0.3614

Student To Teacher Ratio Indicator 17

District Size - Number of Students Between	Ranges for Ratios	
	Low	High
<500	7.0	22
500 - 999	10.0	22
1,000 - 4,999	11.5	22
5,000 - 9,999	13.0	22
=>10,000	13.5	22

Student To Staff Ratio Indicator 18

District Size - Number of Students Between	Ranges for Ratios	
	Low	High
<500	5.0	14
500 - 999	5.8	14
1,000 - 4,999	6.3	14
5,000 - 9,999	6.8	14
=>10,000	7.0	14

Completed By: _____ Date: _____

Notes: _____

Figure: 19 TAC §109.1002(d)

School FIRST - Rating Worksheet Calculations Dated March 2010		
	Indicator	Calculation Defined
1	Was Total Fund Balance Less Reserved Fund Balance Greater Than Zero In The General Fund?	$A > 0$ Where $A =$ [Aggregate Of Unreserved, Designated Fund Balance And Unreserved, Undesignated Fund Balance In General Fund At June 30 or August 31 Depending On Fiscal Year End]
2	Was the Total Unrestricted Net Asset Balance (Net of the Accretion of Interest for Capital Appreciation Bonds) in the Governmental Activities Column in the Statement of Net Assets Greater Than Zero? (If The District's Five-Year Percent Change In Students Was A 10% Increase Or More Then The District Answers Yes)	If $((C - D) / D) \times 100 < 10\%$ Then Continue Calculation $A + B > 0$ Where $A =$ Total Unreserved Net Asset Balance in the Governmental Activities Column in Exhibit A-1, Statement of Net Assets in the Annual Financial Report; $B =$ Accretion of Interest for Capital Appreciation Bonds; $C =$ [Number Of Students In Year 5 From Base Year]; $D =$ [Number Of Students In Base Year]
3	Were There No Disclosures In The Annual Financial Report And/Or Other Sources Of Information Concerning Default On Bonded Indebtedness Obligations?	No Calculation Involved
4	Was The Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The District's Fiscal Year End Date (June 30th or August 31st)?	No Calculation Involved
5	Was There An Unqualified Opinion In Annual Financial Report?	No Calculation Involved
6	Did The Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	No Calculation Involved

Figure: 19 TAC §109.1002(d)

School FIRST - Rating Worksheet Calculations Dated March 2010		
	Indicator	Calculation Defined
7	Did The District's Academic Rating Exceed Academically Unacceptable?	No Calculation Involved
8	Was The Three-Year Average Percent Of Total Tax Collections (Including Delinquent) Greater Than 98%?	$((A / B) \times 100)$ Where A = [Tax Collections For Three Years]; B = [Tax Levy For Three Years] Reported In Exhibit J-1 Schedule of Delinquent Taxes Receivable In The Annual Financial Report
9	Did The Comparison Of PEIMS Data To Like Information In Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of Expenditures Per Fund Type (Data Quality Measure)?	$((A / B) \times 100) / C$ Where A = [Absolute Value Of All Differences In Expenditures In Exhibit C-2 Statement of Revenues, Expenditures, and Changes in Fund Balance And PEIMS]; B = [Sum Of Expenditure In PEIMS Per Fund Type Presented In Exhibit C-2]; C = [Fund Class]
10	Were Debt Related Expenditures (Net Of IFA And/Or EDA Allotment) Less Than \$350.00 Per Student? (If The District's Five-Year Percent Change In Students Was A 7% Increase Or More, Or If Property Taxes Collected Per Penny Of Tax Effort Were More Than \$200,000 Per Student, Then The District Receives 5 Points)	If $((B - D) / D) \times 100 < 7\%$ Or $E / F < \$200,000$, Then Continue Calculation $((A - C) / B)$ Where A = [Function 71 Expenditures Report In The Debt Service And General Funds (Excluding Expenditure Object Codes 6524 and 6525)]; B = [Number Of Students In Year 5 From Base Year]; C = [IFA + EDA Allotments]; D = [Number Of Students In Base Year]; E = [Total Tax Collections]; F = [Total Tax Rate In Pennies]
11	Was There No Disclosure In The Annual Audit Report Of Material Noncompliance?	No Calculation Involved
12	Did The District Have Full Accreditation Status In Relation To Financial Management Practices? (e.g., Conservator Assigned)	No Calculation Involved

Figure: 19 TAC §109.1002(d)

School FIRST - Rating Worksheet Calculations Dated March 2010		
	Indicator	Calculation Defined
13	Was The Aggregate Of Budgeted Expenditures And Other Uses Less Than The Aggregate Of Total Revenues, Other Resources and Fund Balance in General Fund?	$(A + B) - (C + D + E) < 0$ Where A = [Budgeted Appropriations In General Fund]; B = [Budgeted Other Uses In The General Fund]; C = [Budgeted Revenues In General Fund]; D = [Budgeted Other Resources In The General Fund]; E = [Fund Balance In General Fund At July 1 or September 1 Depending On Fiscal Year End]
14	If The District's Aggregate Fund Balance In The General Fund And Capital Projects Fund Was Less Than Zero, Were Construction Projects Adequately Financed? (Were Construction Projects Adequately Financed Or Adjusted By Change Orders Or Other Legal Means To Avoid Creating Or Adding To The Fund Balance Deficit Situation?)	If $(C + D) < 0$ Then Continue Calculation As $(A - B - (C + D)) < 0$ Where A = [Expenditures Function 81 In General Fund and Capital Projects Fund]; B = [Other Resources For Real Property Financing In General Fund and Capital Projects Fund]; C = [Fund Balance In General Fund At July 1 or September 1 Depending On Fiscal Year End]; D = [Fund Balance In Capital Projects Fund At July 1 or September 1 Depending On Fiscal Year End]
15	Was The Ratio Of Cash And Investments To Deferred Revenues (Excluding Amount Equal To Net Delinquent Taxes Receivable) In The General Fund Greater Than Or Equal To 1:1? (If Deferred Revenues Are Less Than Net Delinquent Taxes Receivable, Then The District Receives 5 Points)	If $B > 0$ Then Continue Calculation As (A / B) Where A = [Cash And Investments In General Fund]; B = [Deferred Revenue In General Fund - Property Tax Receivable Net Of Uncollectible]

Figure: 19 TAC §109.1002(d)

School FIRST - Rating Worksheet Calculations Dated March 2010		
	Indicator	Calculation Defined
16	Was The Administrative Cost Ratio Less Than The Threshold Ratio? (See Ranges Below)	(A>B) A = [Acceptable Administrative Cost Ratio]; B = [Administrative Cost Ratio Of The District]
17	Was The Ratio Of Students To Teachers Within The Ranges Shown Below According To District Size? (See Ranges Below)	(A / B) Where A = [Number Of Students]; B = [Number Of Teachers FTEs]
18	Was The Ratio Of Students To Total Staff Within The Ranges Shown Below According To District Size? (See Ranges Below)	(A / B) Where A = [Number Of Students]; B = [Total Staff FTEs]
19	Was The Total Fund Balance In The General Fund More Than 50% And Less Than 150% of Optimum According To The Fund Balance and Cash Flow Calculation Worksheet in the Annual Financial Report?	Deficient Fund Balance Amount In General Fund Is Defined As $A < ((B \times .5))$ And Excess Is Defined As $A > (B \times 1.5)$ Where A = [Total General Fund Balance At June 30, 20XX or August 31, 20XX Depending On Fiscal Year End]; B = Line 10 in Exhibit J-3, Fund Balance and Cash Flow Calculation Worksheet in the Annual Financial Report.
20	Was The Decrease In Undesignated Unreserved Fund Balance Less Than 20% Over Two Fiscal Years? (If 1.5 Times Optimum Fund Balance Is Less Than Total Fund Balance In General Fund Or If Total Revenues Exceeded Operating Expenditures In The General Fund, Then The District Receives 5 Points).	If $(A - B) > 0$ And Optimum Fund Balance $\times 1.5$ Is Less Than Total Fund Balance In General Fund And $[C] \times .80 > [D]$, Then Continue Calculation $[A] - [B]$ Where A = [Expenditures In General Fund In Functions 11 Through 61 And Expenditure Object Codes 6100 Through 6400]; B = [Total Revenues In General Fund]; C = [Undesignated, Unreserved Fund Balance In General Fund At June 30 or August 31, Depending On Fiscal Year End, Two Fiscal Years Prior]; D= [Undesignated, Unreserved Fund Balance In General Fund For The Last Fiscal Year]
21	Was The Aggregate Total Of Cash And Investments In The General Fund More Than \$0?	$A > 0$ Where A = [Cash and Investments In General Fund]
22	Were Investment Earnings In All Funds (Excluding Debt Service Fund And Capital Projects Fund) More Than \$20 Per Student?	(A / B) Where A = [Investment Earnings In All Funds Except Debt Service Fund And Capital Projects Fund]; B = [Number Of Students]

Figure: 19 TAC §109.1002(d)

Indicator 16	
ADA Group	Standard
10,000 and Above	0.1105
5,000 to 9,999	.1250
1,000 to 4,999	.1401
500 to 999	.1561
Less than 500	.2654
Sparse	0.3614

			Ranges for Ratios	
District Size - Number of Students Between			Low	High
Indicator 17				
	<500		7.0	22
	500	999	10.0	22
	1,000	4,999	11.5	22
	5,000	9,999	13.0	22
	=>10,000		13.5	22
Indicator 18				
	<500		5.0	14
	500	999	5.8	14
	1,000	4,999	6.3	14
	5,000	9,999	6.8	14
	=>10,000		7.0	14

For Questions Call The Division Of School Financial Audits At (512) 463-9095

School FIRS^T Annual Financial Management Report

INDEPENDENT SCHOOL DISTRICT

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1005, Amended to be effective 2/3/11. The template has been established to help the districts in gathering their data and presenting it at their School FIRS^T hearing. The template may not be all inclusive.

Superintendent's Current Employment Contract

A copy of the superintendent's current employment contract at the time of the School FIRS^T hearing is to be provided. In lieu of publication in the annual School FIRS^T financial management report, the school district may choose to publish the superintendent's employment contract on the school district's Internet site. If published on the Internet, the contract is to remain accessible for twelve months.

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 20XX

Description of Reimbursements	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
	\$	\$	\$	\$	\$	\$	\$	\$
Meals								
Lodging								
Transportation								
Motor Fuel								
Other								
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

All "reimbursements" expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order are to be reported. Items to be reported per category include:
 Meals – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals).
 Lodging - Hotel charges.
 Transportation - Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls).
 Motor fuel – Gasoline.
 Other: - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services

For the Twelve-Month Period
 Ended August 31, 20XX
 Name(s) of Entity(ies)

Amount Received
 \$

 \$0.00

Total

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district business.

**Gifts Received by Executive Officers and Board Members (and First Degree Relatives, if any)
 (gifts that had an economic value of \$250 or more in the aggregate in the fiscal year)**

For the Twelve-Month Period
 Ended August 31, 20XX

Superintendent	\$	Board Member 1	\$	Board Member 2	\$	Board Member 3	\$	Board Member 4	\$	Board Member 5	\$	Board Member 6	\$	Board Member 7	\$
<hr/>															
Total															

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification for local officials.

Business Transactions Between School District and Board Members

For the Twelve-Month Period
 Ended August 31, 20XX

Board Member 1	\$	Board Member 2	\$	Board Member 3	\$	Board Member 4	\$	Board Member 5	\$	Board Member 6	\$	Board Member 7	\$
<hr/>													
Amounts													

Note - The summary amounts reported under this disclosure are not to duplicate the items disclosed in the summary schedule of reimbursements received by board members.

Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822

General Fund - First-Quarter Expenditures By Object Code

Report 2010-2011 first-quarter (first three months of fiscal year 2010-2011) GENERAL FUND expenditures by object code using whole numbers.

Payroll- Expenditures for payroll costs	object codes 6110-6149	\$ _____
Contract Costs- Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	\$ _____
Supplies and Materials- Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	\$ _____
Other Operating- Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	\$ _____
Debt Service- Expenditures for debt service	object code series 6500	\$ _____
Capital Outlay- Expenditures for land, buildings, and equipment	object code series 6600	\$ _____

Additional Financial Solvency Questions

1) Districts with a September 1- August 31 fiscal year:

Within the last two years, did the school district

1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and	Yes	No
2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?	_____	_____

Districts with a July 1- June 30 fiscal year:

Within the last two years, did the school district

1) draw funds from a short-term financing note (term less than 12 months) between the months of July and October, inclusive, and	_____	_____
2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?	_____	_____

2) Has the school district declared financial exigency within the past two years?

3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

<u>Mean Enroll-to-Teacher Ratio</u>	<u>85% of Mean Enroll-to-Teacher Ratio</u>	<u>School District Size</u>
8.39	7.13	Under 100
9.48	8.06	100 to 249
10.73	9.12	250 to 499
11.48	9.76	500 to 999
12.45	10.58	1,000 to 1,599
13.52	11.50	1,600 to 2,999
14.29	12.15	3,000 to 4,999
14.80	12.58	5,000 to 9,999
14.88	12.65	10,000 to 24,999
15.01	12.76	25,000 to 49,999
15.06	12.80	50,000 and Over

4) How many superintendents has your school district had in the last five years? _____

5) How many business managers has your school district had in the last five years? _____