



# TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Robert Scott  
Commissioner

#061-907

2-AR09-R01/23/2010

September 16, 2010

Dr. James A. Monaco, Superintendent  
Aubrey ISD  
415 Tisdell Ln  
Aubrey, TX 76227-9619

Dear Dr. Monaco:

The 2008-09 Annual Financial Report for the year ended August 31, 2009 has been reviewed by the Division of Financial Audits, Texas Education Agency. As a result of our review and the audit disclosures, your attention and that of the Board of Trustees is directed to the following:

- ❖ It is noted that the district reported a deficit unrestricted net asset balance on the Statement of Net Assets for the year of audit and in previous years; however, we note that this situation has been typical for a fast growing district due to acquisition of new assets that have to be depreciated at a faster rate than the debt is repaid. Our analysis of the trend indicates that the district's negative unrestricted net assets decreased from \$4,566,842 at the beginning of the year to \$4,195,768 as of August 31, 2009. We also note that accreted interest decreased from \$8,996,591 at the beginning of the year to \$8,979,841 as of August 30, 2009. We will continue to monitor future reports to evaluate the district's financial situation and progress in reducing the net asset deficit.

Although your report, records, and the working papers of the auditor remain subject to review by appropriate state or federal agency auditors and Texas Education Agency program administrators, we are considering the audit closed. If there is a need for subsequent audit review or for additional audit, you will be notified.

Thank you and your auditor for your attention and cooperation in the completion of the audit report. If you need additional information, please contact Gayle Escobedo or me at (512) 463-9095; or appropriate program offices as listed below, if applicable.

Sincerely,

Fred Tracy  
Director of Desk Reviews  
Division of Financial Audits

Dr. Monaco  
September 16, 2010  
Page 2

FT: ge

cc: Rutherford, Taylor & Company, P.C.  
2802 Washington Street  
Greenville, TX 75401

Board President

Ms. Loretta Turner, Business Manager  
415 Tisdell Ln  
Aubrey, TX 76227-9619