

**TRANSMITTAL MEMO FOR MONTHLY STATE BOARD MATERIALS**

Subject of Document: General Fund Balance Penalty - Action Item

Will you have: Attachment  Handout \_\_\_\_\_ PowerPoint only \_\_\_\_\_

Describe and give current status: Memo, Statute and Letters with Penalty Calculations, Reports for seven (7) districts

If not attached, when will it be to State Board office? \_\_\_\_\_

**Approval is requested of the following staff members:**

Director or Administrator: Renee McWaters

Assistant State Superintendent: Mathany Phanka

Deputy State Superintendent: \_\_\_\_\_

State Superintendent: \_\_\_\_\_

State Board of Education: \_\_\_\_\_

Obtain approvals in the above order. Transmittal must be attached to a print request with "Prepare for State Board" box checked. NOTE: Everything presented to the State Board must be transmitted with the above procedure.



# PRINT REQUEST

State:  Federal:

Title of Printing: State Board Materials-GFB Penalty 03/19/13

Section Requesting Printing: Finance - State Aid

Name, I.D.# and Phone Number: Kimberly A. Ivester, 139492 #522-0119

Signature /s/: (if required) /s/Kimberly A. Ivester

Date: 03/19/13

Date Needed: Board required

Number of Pages: 23

Number of Copies:

Printing Paper Size: 8½ x 11"

Black & White Printing:

Color Printing:

Type of Paper: Copy

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Front and Back

Staple: Upper Left      Booklet      Landscape

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Cut: Size after cut

Padding: sheets per pad:

Bindery: 3-hole punch      Shrink Wrap      Fast Back      Coil

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Prepare for State Board:

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Printing Services Only

Cost \_\_\_\_\_

Impressions \_\_\_\_\_



State  
 Federal

# PRINT REQUEST

DATE 3/19/13	DATE NEEDED	TITLE/DESCRIPTION OF PRINTING Board - General Fund Balance Penalty	SUPERINTENDENT BARRESI - DEPUTY STATE SUPERINTENDENT	
NUMBER OF PAGES 23 (Front + Back)	SIZE OF PAPER 8 1/2 x 11"	SECTION REQUESTING PRINTING Finance - State Aid section	ASSISTANT STATE SUPT.-EXECUTIVE DIRECTOR M. Shankar	DATE 3.19.13
NUMBER OF COPIES	TYPE OF PAPER: LETTERHEAD • <u>COPY</u> LETTERHEAD • TRANSPARENCIES • COLOR • COVER		SECTION DIRECTOR - ADMINISTRATOR Ronie McWaters	
<input checked="" type="checkbox"/> First Printing <input type="checkbox"/> Reprint	Each program must have written permission for copyrighted material, otherwise the person making the request will be held accountable to the copyright laws. This permission must be on file in the office of the program administrator.		Printing Requested By K. Jester	Proofed By RM
			Person Preparing Request please print name Kimberly A. Jester	Phone 2-0119

- COLLATE**  
 Yes ( ) No  
 ( ) Front only  
 Front and back
- STAPLE**  
 Upper Left  
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 Booklet  
 Saddle stitch and fold
- Prepare for State Board  
 Color Print
- FOLD (single sheets ONLY)**  
 Fold for business envelope  
 Z fold  
 Fold in half
- CUT**  
 Size after cut
- PAD**  
 Sheets per pad
- BINDERY**  
 3-hole punch  
 Shrink wrap  
 Fastback  
 Color \_\_\_\_\_  
 Coil  
 Color \_\_\_\_\_

Special Instructions  
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 \_\_\_\_\_

23 pages

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Regular/Recycled _____	Regular/Recycled _____	Regular/Recycled _____
Offset/Text 60/70 _____	Offset/Text 60/70 _____	Offset/Text 60/70 _____
Cover 65/80/110 _____	Cover 65/80/110 _____	Cover 65/80/110 _____
Other _____	Gloss Text 80/100 _____	Envelopes _____
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	Other _____	
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Date Complete _____		Staple _____
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TOTAL IMPRESSIONS \_\_\_\_\_ TOTAL COST \_\_\_\_\_





**JANET BARRESI**  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
STATE OF OKLAHOMA

**MEMORANDUM**

**TO:** The Honorable Members of the State Board of Education  
**FROM:** Janet C. Barresi  
**DATE:** March 28, 2013  
**SUBJECT:** FY2013 General Fund Balance Penalty

The following public school districts, for the second consecutive school year, exceeded their General Fund Balance (GFB) allowable amount for the 2011-12 school year ending June 30, 2012. The GFB penalty for these districts is at the discretion of the State Board of Education, since all districts qualify on the statute below:

*Pursuant to 70 O.S. § 18-200.1(G)*

*5. If a school district does not receive Foundation and/or Salary Incentive Aid during the preceding fiscal year, the State Board of Education may waive the penalty assessed in this subsection if the penalty would result in a loss of more than forty percent (40%) of the remaining State Aid to be allocated to the school district between April 1 and the remainder of the school year and if the Board determines the penalty will cause the school district not to meet remaining financial obligations.*

Co/Dist	District Name	Penalty Amount	Waiver Requirements	Congressional District
05I031	Sayre	\$17,104	Yes	3
21C006	Cleora	\$ 3,106	Yes	2
30I001	Laverne	\$61,901	Partial *	3
61I014	Kiowa	\$10,885	Yes	2
65I003	Leedey	\$26,839	Yes	3
65I007	Cheyenne	\$ 6,215	Yes	3
65I066	Hammon	\$ 5,237	Yes	3

\*Met partial waiver requirement as stated in paragraph 5 (Did not receive Foundation and/or Salary Incentive Aid during the preceding fiscal year, but would not result in a loss of more than 40% of remaining state aid allocation).

ki

Attachments



Janet Barresi  
State Superintendent of Public Instruction  
Oklahoma State Department of Education

**General Fund Balance Penalty Statute**

**70 O.S. § 18-200.1:**

**Paragraph G:**

1. Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year, that is in excess of the following standards for two consecutive years:

Total Amount of General Fund Collections, Excluding Previous Year Cash Surplus as of June 30	Amount of General Fund Balance Available
Less than \$1,000,000	40%
\$1,000,000 - \$2,999,999	35%
\$3,000,000 - \$3,999,999	30%
\$4,000,000 - \$4,999,999	25%
\$5,000,000 - \$5,999,999	20%
\$6,000,000 - \$7,999,999	18%
\$8,000,000 - \$9,999,999	16%
\$10,000,000 or more	14%

2. By February 1 the State Department of Education shall send by certified mail, with return receipt requested, to each School District Superintendent, Auditor and Regional Accreditation Officer a notice of and calculation sheet reflecting the general fund balance penalty to be assessed against that school district. Calculation of the general fund balance penalty **shall not include federal revenue**. Within thirty (30) days of receipt of this written notice the school district shall submit to the Department a written reply either accepting or protesting the penalty to be assessed against the district. If protesting, the school district shall submit with its reply the reasons for rejecting the calculations and documentation supporting those reasons. The Department shall review all school district penalty protest documentation and notify each district by March 15 of its finding and the final penalty to be assessed to each district. General fund balance penalties shall be assessed to all school districts by April 1.
3. Any school district which receives proceeds from a tax settlement or a Federal Emergency Management Agency settlement during the last two (2) months of the preceding fiscal year shall be exempt from the penalties assessed in this subsection, if the penalty would occur solely as a result of receiving funds from the tax settlement.
4. Any school district which receives an increase in State Aid because of a change in Foundation and/or Salary Incentive Aid factors during the last two (2) months of the preceding fiscal year shall be exempt from the penalties assessed in this subsection, if the penalty would occur solely as a result of receiving funds from the increase in State Aid.

*(continued next page)*

**Janet Barresi**  
**State Superintendent of Public Instruction**  
**Oklahoma State Department of Education**

**General Fund Balance Penalty Statute**

5. If a school district does not receive Foundation and/or Salary Incentive Aid during the preceding fiscal year, the State Board of Education may waive the penalty assessed in this subsection if the penalty would result in a loss of more than forty percent (40%) of the remaining State Aid to be allocated to the school district between April 1 and the remainder of the school year and if the Board determines the penalty will cause the school district not to meet remaining financial obligations. (*State Board of Education action required.*)
6. Any school district which receives gross production revenue apportionment during the 2002-2003 school year or in any subsequent school year that is greater than the gross production revenue apportionment of the preceding school year shall be exempt from the penalty assessed in this subsection, if the penalty would occur solely as a result of the gross production revenue apportionment, as determined by the State Board of Education.
7. Beginning July 1, 2003, school districts that participate in consolidation or annexation pursuant to the provisions of the Oklahoma School Voluntary Consolidation and Annexation Act shall be exempt from the penalty assessed in this subsection for the school year in which the consolidation or annexation occurs and for the next three (3) fiscal years.
8. Any school district which receives proceeds from a sales tax levied by a municipality pursuant to Section 22-159 of Title 11 of the Oklahoma Statutes or proceeds from a sales tax levied by a county pursuant to Section 1370 of Title 68 of the Oklahoma Statutes during the 2003-2004 school year or the 2004-2005 school year shall be exempt from the penalties assessed in this subsection, if the penalty would occur solely as a result of receiving funds from the sales tax levy.
9. For purposes of calculating the general fund balance penalty, the terms "carryover" and "general fund balance" shall not include federal revenue.

Title 70, Section 1-117:

- G. Schools which receive gifts or donations or state-appropriated monies for the purpose of capital expenditures or projects shall place such monies in the building fund, as provided by Section 1-118 of this title, and not in the general fund. School districts which receive gifts, grants, or donations of monies for noncapital expenditures **may place the monies in the general fund**, and such monies shall not be required to be used during the year in which the money was received but may accumulate from year to year and **shall not be considered a part of the general fund collections when calculating the general fund carryover** as provided in subsection G of Section 18-200.1 of this title.



# Sayre Public Schools

Sayre, Oklahoma 73662

*Home of the Eagles*

February 28, 2013

Oklahoma State Board of Education  
Oklahoma State Department of Education  
2500 North Lincoln Boulevard  
Oklahoma City, OK 73105-4599

**RE: Carryover Waiver**

Dear Members of the State Board of Education:

During the 2011-2012 school term, Sayre Public Schools (051031) exceeded the maximum carryover amount for the general fund. We are respectfully requesting that the penalty for exceeding the statutory limit be waived. Following a six-year litigation process (5 years) with multiple companies from the oil/gas industry, we have received the release of protested tax funds being held in escrow. The uncertain timetable for release of those monies by each respective company coupled with the possibility of appeal has made it very difficult to plan for a responsible expenditure of those funds.

Our hope is to utilize the excess carryover to install a campus security system, replace the district's antiquated computer network system, and the computers in our student labs. Should you need additional information, please feel free to contact me. We would like to thank you in advance for considering this request.

Respectfully Yours,

Todd Winn,  
Superintendent of Schools

Central Office  
716 N.E. Highway 66  
580-928-5531  
580-928-5538 Fax

Sayre Elementary School  
400 East Hanna  
580-928-2013  
580-928-3936 Fax  
PreSchool to Grade 5

Sayre Middle School  
600 East Hanna  
580-928-5578  
580-928-3045 Fax  
Grades 6-8

Sayre High School  
600 East Hanna  
580-928-5576  
580-928-3045 Fax  
Grades 9-12

RECEIVED

MAR 01 2013

STATE DEPT. OF EDUCATION  
STATE AID SECTION



# Sayre Public Schools

Sayre, Oklahoma 73662

*Home of the Eagles*

February 28, 2013

Oklahoma State Department of Education  
 ATTN: State Aid Section  
 2500 North Lincoln Boulevard  
 Oklahoma City, OK 73105-4599

Ms. Ivester:

Enclosed, please find a letter to the State Board of Education requesting a waiver of the carryover penalty assessed our district. If I need to provide any additional information, please feel free to contact me at (580)928-5531, x1103. Thank you so much for your assistance.

Respectfully Yours,

Todd Winn

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MAR 01 2013

STATE DEPT. OF EDUCATION  
 STATE AID SECTION

Central Office  
 716 N.E. Highway 66  
 580-928-5531  
 580-928-5538 Fax

Sayre Elementary School  
 400 East Hanna  
 580-928-2013  
 580-928-3936 Fax  
 PreSchool to Grade 5

Sayre Middle School  
 600 East Hanna  
 580-928-5578  
 580-928-3045 Fax  
 Grades 6-8

Sayre High School  
 600 East Hanna  
 580-928-5576  
 580-928-3045 Fax  
 Grades 9-12



## OKLAHOMA STATE DEPARTMENT OF EDUCATION

February 1, 2013

Todd Winn, Superintendent  
 Sayre Public School District  
 716 Northeast Highway 66  
 Sayre, Oklahoma 73662

Dear: Superintendent,

This letter shall serve as official notification to your school district from the Oklahoma State Department of Education, that the General Fund Balance of your school district, as reported, exceeded the allowable amount as outlined in Paragraph G. of Title 70, Section 18-200.1 (*see statutory attachment; also note instructions in bold below*). Revenue figures used for the general fund balance calculation were gathered from the 2012 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2012.

Title 70, Section 18-200.1, states: "*Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year, that is in excess of the following standards for two consecutive years:*"

- (1) Your school district exceeded the allowable carryover limit as of June 30, 2011.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2012.

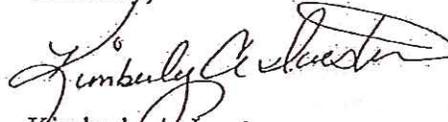
As stated in law, you are requested to respond in writing no later than Friday, March 1, 2013, on behalf of the school district to the State Aid Section, Oklahoma State Department of Education. Such written response shall indicate the acceptance of the calculated amount, or provide documentation of reasons for rejecting that amount. *To reduce your calculated penalty amount, we have already applied numbers two, four, and six as listed on the statutory attachment (Title 70, Section 18-200.1, Paragraph G.). If applicable, you may be able to apply numbers three, five, or eight (State Board of Education action is required for item five) from Title 70, Section 18-200.1 as reasons of protest (this process may further reduce or eliminate any exceeded carryover amount). Your letter of protest should state the applicable numerical items from Paragraph G.* We have also applied to our calculation, the provisions of Title 70, Section 1-117 (*see attached statute*). The Department shall review all school district protest documentation and notify your district by Friday, March 15, 2013, of its finding.

In 70 O.S. 18-200.1, item number five (attached), you may want to ask for a waiver of this penalty from the State Board of Education at its next scheduled meeting on *Thursday, March 28, 2013 at 1:00 p.m.* The Board will determine if the penalty will cause the school district not to meet remaining financial obligations for the 2012-13 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
February 1, 2013

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

c: State Superintendent Janet Barresi  
Britton, Kuykendall & Miller, CPAs, PC  
Kevin McKinley, Regional Accreditation Officer

## REVISED - FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 05  
DISTRICT NUMBER: 1031

COUNTY NAME: BECKHAM  
DISTRICT NAME: SAYRE

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	5,370,252.87
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	20%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,074,050.57
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	6,392,844.56
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	5,318,793.99
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	445,937.06
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	4,872,856.93
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	4,872,856.93
<b><u>EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):</u></b>	
10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	17,292.00
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	4,855,564.93
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	17,104
<b><u>STATE BOARD OF EDUCATION ACTION REQUIRED:</u></b>	
A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr.	Amt. of Gen. Fd. Balance Allowable
Cash Surplus as of June 30	
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

## FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 05  
DISTRICT NUMBER: I031

COUNTY NAME: BECKHAM  
DISTRICT NAME: SAYRE

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	5,370,252.87
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	20%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,074,050.57
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	6,392,844.56
5. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	445,937.06
6. LINE 4 minus LINE 5 – GENERAL FUND BALANCE PENALTY	4,872,856.93
7. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
8. LINE 6 minus LINE 7 – GENERAL FUND BALANCE PENALTY	4,872,856.93

**EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):**

9. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
10. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	17,292.00
11. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 8 minus [Lines 9 and 10] equals Adjusted General Fund Balance Penalty)	4,855,564.93
12. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
13. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
14. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	17,104

**STATE BOARD OF EDUCATION ACTION REQUIRED:**

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

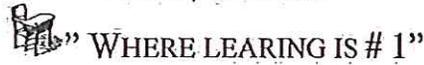
Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

BOARD OF EDUCATION  
BILLY JARVIS, PRESIDENT  
RICK WINFREY, Vice-President  
DLAE FROST, CLERK

PHONE (918-256-6401)  
FAX (918-256-2128)

# Cleora Public School

TIM CARSON, SUPERINTENDENT  
451358 E 295 ROAD  
AFTON, OK 74331



FEBRUARY 14, 2013

RENEE' MCWATERS  
FINANCIAL SERVICES, STATE AID SECTION  
2500 NORTH LINCOLN BLVD  
OKLAHOMA CITY, OK 73105-4599

RE: GENERAL FUND CARRYOVER

MS. MCWATERS:

CLEORA PUBLIC SCHOOL ACCEPTS THE GENERAL FUND CARRYOVER CALCULATIONS.

SINCERELY,

TIM CARSON  
SUPERINTENDENT

RECEIVED

FEB 15 2013

STATE DEPT. OF EDUCATION  
STATE AID SECTION



210006



OKLAHOMA STATE DEPARTMENT OF EDUCATION

February 1, 2013

Tim Carson, Superintendent  
Cleora Public School District  
451358 East 295 Road  
Afton, Oklahoma 74331

Dear: Superintendent,

This letter shall serve as official notification to your school district from the Oklahoma State Department of Education, that the General Fund Balance of your school district, as reported, exceeded the allowable amount as outlined in Paragraph G. of Title 70, Section 18-200.1 (*see statutory attachment; also note instructions in bold below*). Revenue figures used for the general fund balance calculation were gathered from the 2012 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2012.

Title 70, Section 18-200.1, states: ***“Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year, that is in excess of the following standards for two consecutive years:”***

- (1) Your school district exceeded the allowable carryover limit as of June 30, 2011.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2012.

As stated in law, you are requested to respond in writing no later than Friday, March 1, 2013, on behalf of the school district to the State Aid Section, Oklahoma State Department of Education. Such written response shall indicate the acceptance of the calculated amount, or provide documentation of reasons for rejecting that amount. *To reduce your calculated penalty amount, we have already applied numbers two, four, and six as listed on the statutory attachment (Title 70, Section 18-200.1, Paragraph G.). If applicable, you may be able to apply numbers three, five, or eight (State Board of Education action is required for item five) from Title 70, Section 18-200.1 as reasons of protest (this process may further reduce or eliminate any exceeded carryover amount). Your letter of protest should state the applicable numerical items from Paragraph G.* We have also applied to our calculation, the provisions of Title 70, Section 1-117 (*see attached statute*). The Department shall review all school district protest documentation and notify your district by Friday, March 15, 2013, of its finding.

In 70 O.S. 18-200.1, item number five (attached), you may want to ask for a waiver of this penalty from the State Board of Education at its next scheduled meeting on *Thursday, March 28, 2013 at 1:00 p.m.* The Board will determine if the penalty will cause the school district not to meet remaining financial obligations for the 2012-13 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
February 1, 2013

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

c: State Superintendent Janet Barresi  
Turner & Associates, PLC  
Mike Teel, Regional Accreditation Officer

## REVISED - FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 21  
DISTRICT NUMBER: C006

COUNTY NAME: DELAWARE  
DISTRICT NAME: CLEORA

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	1,587,762.56
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	35%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	555,716.90
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	1,545,436.98
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	989,720.08
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	62,202.89
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	927,517.19
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	927,517.19

**EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):**

10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	0.00
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	927,517.19
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	3,106

**STATE BOARD OF EDUCATION ACTION REQUIRED:**

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000-\$2,999,999	35%
\$3,000,000-\$3,999,999	30%
\$4,000,000-\$4,999,999	25%
\$5,000,000-\$5,999,999	20%
\$6,000,000-\$7,999,999	18%
\$8,000,000-\$9,999,999	16%
\$10,000,000 or More	14%

## FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 21  
DISTRICT NUMBER: C006

COUNTY NAME: DELAWARE  
DISTRICT NAME: CLEORA

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	1,587,762.56
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	35%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	555,716.90
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	1,545,436.98
5. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	62,202.89
6. LINE 4 minus LINE 5 – GENERAL FUND BALANCE PENALTY	927,517.19
7. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
8. LINE 6 minus LINE 7 – GENERAL FUND BALANCE PENALTY	927,517.19

**EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):**

9. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
10. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	0.00
11. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 8 minus [Lines 9 and 10] equals Adjusted General Fund Balance Penalty)	927,517.19
12. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
13. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
14. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	3,106

**STATE BOARD OF EDUCATION ACTION REQUIRED:**

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000-\$2,999,999	35%
\$3,000,000-\$3,999,999	30%
\$4,000,000-\$4,999,999	25%
\$5,000,000-\$5,999,999	20%
\$6,000,000-\$7,999,999	18%
\$8,000,000-\$9,999,999	16%
\$10,000,000 or More	14%

# LAVERNE SCHOOLS

EDDIE THOMAS, Superintendent  
P.O. Box 40  
Laverne, Oklahoma 73848  
(580) 921-3362

## BOARD OF EDUCATION

DAVID TERRY, President  
JULIE DOME, Vice President  
CHANCE HUSTED, Clerk  
RICHARD WELLS, Member  
TIM BRYANT, Member

TODD OVERSTREET, High School Principal  
(580) 921-3361

TIM ALLEN, Elementary Principal  
(580) 921-5025

February 20, 2013

Kimberly Ivester  
Assistant Deputy Director  
Financial Services, State Aid  
Oklahoma State Dept. of Education

Dear Kimberly,

This letter is to reject the amount of carryover limits for Laverne School District for the 2012 school year. Our contention is that if our Federal Title I claim of \$65,127.64 (which was filed over a month before the end of the fiscal year) would have been paid before the June 30, 2012 date, we would not have exceeded our carryover limit using the formula for carryover limits. We originally submitted our Title I claim for \$65,127.64 on May 23, 2012. They (OSDE) returned it on June 18 and asked for more documentation which we sent them immediately, they returned the claim on June 22 and asked us to recode items, again we did it immediately. I spoke with Title I on June 18 and expressed to them how I needed this paid before July 1 and was told it would be. The payment was made on July 12, 2013 which caused that money to be included in the 2013 year not the 2012 year.

According to my calculations our carryover limit would not have been exceeded if this Title I payment would have been made like the State Dept. assured me it would be. Thank you for your help in this matter.

Respectfully,



Ed Thomas, Superintendent





301001

OKLAHOMA STATE DEPARTMENT OF EDUCATION

February 1, 2013

Eddie K. Thomas, Superintendent  
Laverne Public School District  
Post Office Box 40  
Laverne, Oklahoma 73848

Dear: Superintendent,

This letter shall serve as official notification to your school district from the Oklahoma State Department of Education, that the General Fund Balance of your school district, as reported, exceeded the allowable amount as outlined in Paragraph G. of Title 70, Section 18-200.1 (*see statutory attachment; also note instructions in bold below*). Revenue figures used for the general fund balance calculation were gathered from the 2012 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2012.

Title 70, Section 18-200.1, states: *"Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year, that is in excess of the following standards for two consecutive years:"*

- (1) Your school district exceeded the allowable carryover limit as of June 30, 2011.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2012.

As stated in law, you are requested to respond in writing no later than Friday, March 1, 2013, on behalf of the school district to the State Aid Section, Oklahoma State Department of Education. Such written response shall indicate the acceptance of the calculated amount, or provide documentation of reasons for rejecting that amount. *To reduce your calculated penalty amount, we have already applied numbers two, four, and six as listed on the statutory attachment (Title 70, Section 18-200.1, Paragraph G.). If applicable, you may be able to apply numbers three, five, or eight (State Board of Education action is required for item five) from Title 70, Section 18-200.1 as reasons of protest (this process may further reduce or eliminate any exceeded carryover amount). Your letter of protest should state the applicable numerical items from Paragraph G.* We have also applied to our calculation, the provisions of Title 70, Section 1-117 (*see attached statute*). The Department shall review all school district protest documentation and notify your district by Friday, March 15, 2013, of its finding.

In 70 O.S. 18-200.1, item number five (attached), you may want to ask for a waiver of this penalty from the State Board of Education at its next scheduled meeting on *Thursday, March 28, 2013 at 1:00 p.m.* The Board will determine if the penalty will cause the school district not to meet remaining financial obligations for the 2012-13 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
February 1, 2013

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

- c: State Superintendent Janet Barresi  
Angel, Johnston & Blasingame, PC  
Kim Hale, Regional Accreditation Officer

## REVISED - FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 30  
DISTRICT NUMBER: 1001

COUNTY NAME: HARPER  
DISTRICT NAME: LAVERNE

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	3,581,227.68
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	30%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,074,368.30
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	1,329,984.54
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	255,616.24
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	118,944.79
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	136,671.45
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	833.73
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	135,837.72
<b><u>EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):</u></b>	
10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	526.00
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	73,411.00
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	61,900.72
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	61,901
<b><u>STATE BOARD OF EDUCATION ACTION REQUIRED:</u></b>	
A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	NO

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

## FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 30  
DISTRICT NUMBER: I001

COUNTY NAME: HARPER  
DISTRICT NAME: LAVERNE

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	3,581,227.68
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	30%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,074,368.30
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	1,329,984.54
5. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	118,944.79
6. LINE 4 minus LINE 5 – GENERAL FUND BALANCE PENALTY	136,671.45
7. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	833.73
8. LINE 6 minus LINE 7 – GENERAL FUND BALANCE PENALTY	135,837.72
<b><u>EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):</u></b>	
9. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	526.00
10. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	73,411.00
11. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 8 minus [Lines 9 and 10] equals Adjusted General Fund Balance Penalty)	61,900.72
12. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
13. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
14. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	61,901
<b><u>STATE BOARD OF EDUCATION ACTION REQUIRED:</u></b>	
A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	NO

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

# Kiowa Public Schools

ADMINISTRATION  
Michael W. Kellogg, Superintendent  
Ron Slawson, High School Principal  
Garry Rind, Elementary Principal

DISTRICT I-14

BOARD OF EDUCATION  
Greg Shores, President  
Karla Hall, Vice President  
John Doyle, Clerk  
Rick Sartor, Member  
Joe Wills, Member

February 11, 2013

Kimberly A. Ivester  
Oklahoma State Department of Education  
2500 North Lincoln Boulevard  
Oklahoma City, OK 73105-4599

Re: Carry Over Waiver

Dear Ms. Ivester,

Kiowa Public School is requesting a Statutory Waiver with regard to Title 70 Section 18-200.1. We have an electric generating power plant in our District that creates an Ad Valorem tax base that causes us to be ineligible to receive Foundation Aid.

Therefore, at the end of the fiscal year we must carry over more than the law allows in order to maintain an adequate balance to finish the calendar year.

Kiowa School would like to thank you in advance for your consideration in the matter.

Sincerely,



Michael W. Kellogg, Superintendent

RECEIVED

FEB 13 2013

STATE DEPT. OF EDUCATION  
STATE AID SECTION



611014



OKLAHOMA STATE DEPARTMENT OF EDUCATION

February 1, 2013

Michael W. Kellogg, Superintendent  
Kiowa Public School District  
Post Office Box 6  
Kiowa, Oklahoma 74553

Dear: Superintendent,

This letter shall serve as official notification to your school district from the Oklahoma State Department of Education, that the General Fund Balance of your school district, as reported, exceeded the allowable amount as outlined in Paragraph G. of Title 70, Section 18-200.1 (*see statutory attachment; also note instructions in bold below*). Revenue figures used for the general fund balance calculation were gathered from the 2012 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2012.

Title 70, Section 18-200.1, states: *"Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year, that is in excess of the following standards for two consecutive years:"*

- (1) Your school district exceeded the allowable carryover limit as of June 30, 2011.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2012.

As stated in law, you are requested to respond in writing no later than Friday, March 1, 2013, on behalf of the school district to the State Aid Section, Oklahoma State Department of Education. Such written response shall indicate the acceptance of the calculated amount, or provide documentation of reasons for rejecting that amount. *To reduce your calculated penalty amount, we have already applied numbers two, four, and six as listed on the statutory attachment (Title 70, Section 18-200.1, Paragraph G.). If applicable, you may be able to apply numbers three, five, or eight (State Board of Education action is required for item five) from Title 70, Section 18-200.1 as reasons of protest (this process may further reduce or eliminate any exceeded carryover amount). Your letter of protest should state the applicable numerical items from Paragraph G.* We have also applied to our calculation, the provisions of Title 70, Section 1-117 (*see attached statute*). The Department shall review all school district protest documentation and notify your district by Friday, March 15, 2013, of its finding.

In 70 O.S. 18-200.1, item number five (attached), you may want to ask for a waiver of this penalty from the State Board of Education at its next scheduled meeting on *Thursday, March 28, 2013 at 1:00 p.m.* The Board will determine if the penalty will cause the school district not to meet remaining financial obligations for the 2012-13 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
February 1, 2013

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

- c: State Superintendent Janet Barresi
- Kerry John Patten, CPA
- Shellie Gammill, Regional Accreditation Officer

**REVISED - FY2013 GENERAL FUND BALANCE CALCULATION**

COUNTY NUMBER: 61  
DISTRICT NUMBER: 1014

COUNTY NAME: PITTSBURG  
DISTRICT NAME: KIOWA

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	5,380,720.10
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	20%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,076,144.02
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	4,385,915.66
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	3,309,771.64
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	250,731.98
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	3,059,039.66
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	3,059,039.66
<b><u>EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):</u></b>	
10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	1,046.00
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	3,057,993.66
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	10,885
<b><u>STATE BOARD OF EDUCATION ACTION REQUIRED:</u></b>	
A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000-\$2,999,999	35%
\$3,000,000-\$3,999,999	30%
\$4,000,000-\$4,999,999	25%
\$5,000,000-\$5,999,999	20%
\$6,000,000-\$7,999,999	18%
\$8,000,000-\$9,999,999	16%
\$10,000,000 or More	14%

## FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 61  
DISTRICT NUMBER: 1014

COUNTY NAME: PITTSBURG  
DISTRICT NAME: KIOWA

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	5,380,720.10
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	20%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,076,144.02
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	4,385,915.66
5. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	250,731.98
6. LINE 4 minus LINE 5 – GENERAL FUND BALANCE PENALTY	3,059,039.66
7. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
8. LINE 6 minus LINE 7 – GENERAL FUND BALANCE PENALTY	3,059,039.66
<b><u>EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):</u></b>	
9. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
10. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	1,046.00
11. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 8 minus [Lines 9 and 10] equals Adjusted General Fund Balance Penalty)	3,057,993.66
12. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
13. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
14. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	10,885
<b><u>STATE BOARD OF EDUCATION ACTION REQUIRED:</u></b>	
A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

## Leedey Public Schools

Box 67

Leedey, Oklahoma 73654

*Home of the Bison*

www.leedey.k12.ok.us

Rusty Puffinbarger  
Superintendent

580-488-3424

Ext. 103

Darren Danielson  
Principal

580-488-3377

580-488-3363

Ext. 107

March 11, 2013

State Board of Education  
Oklahoma State Department of Education  
2500 N. Lincoln Blvd  
Oklahoma City, OK 73105-4599

Dear State Board of Education:

We have received notification from the State Department of Education that our district has exceeded the allowable carryover amount. We acknowledge and accept the notification to be accurate.

Sincerely,

Rusty Puffinbarger  
Superintendent  
Leedey Public Schools**RECEIVED**  
FINANCIAL ACCOUNTING

MAR 13 2013

STATE DEPARTMENT OF EDUCATION



651003



OKLAHOMA STATE DEPARTMENT OF EDUCATION

February 1, 2013

Rusty Puffinbarger, Superintendent  
Leedey Public School District  
Post Office Box 67  
Leedey, Oklahoma 73654

Dear: Superintendent,

This letter shall serve as official notification to your school district from the Oklahoma State Department of Education, that the General Fund Balance of your school district, as reported, exceeded the allowable amount as outlined in Paragraph G. of Title 70, Section 18-200.1 (*see statutory attachment; also note instructions in bold below*). Revenue figures used for the general fund balance calculation were gathered from the 2012 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2012.

Title 70, Section 18-200.1, states: *"Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year, that is in excess of the following standards for two consecutive years:"*

- (1) Your school district exceeded the allowable carryover limit as of June 30, 2011.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2012.

As stated in law, you are requested to respond in writing no later than Friday, March 1, 2013, on behalf of the school district to the State Aid Section, Oklahoma State Department of Education. Such written response shall indicate the acceptance of the calculated amount, or provide documentation of reasons for rejecting that amount. *To reduce your calculated penalty amount, we have already applied numbers two, four, and six as listed on the statutory attachment (Title 70, Section 18-200.1, Paragraph G.). If applicable, you may be able to apply numbers three, five, or eight (State Board of Education action is required for item five) from Title 70, Section 18-200.1 as reasons of protest (this process may further reduce or eliminate any exceeded carryover amount). Your letter of protest should state the applicable numerical items from Paragraph G.* We have also applied to our calculation, the provisions of Title 70, Section 1-117 (*see attached statute*). The Department shall review all school district protest documentation and notify your district by Friday, March 15, 2013, of its finding.

In 70 O.S. 18-200.1, item number five (attached), you may want to ask for a waiver of this penalty from the State Board of Education at its next scheduled meeting on *Thursday, March 28, 2013 at 1:00 p.m.* The Board will determine if the penalty will cause the school district not to meet remaining financial obligations for the 2012-13 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
February 1, 2013

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

c: State Superintendent Janet Barresi  
Britton, Kuykendall & Miller, CPAs, PC  
Kim Hale, Regional Accreditation Officer

## REVISED - FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 65  
DISTRICT NUMBER: 1003

COUNTY NAME: ROGER MILLS  
DISTRICT NAME: LEEDEY

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	2,459,017.13
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	35%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	860,656.00
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	1,158,125.95
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	297,469.95
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	93,100.77
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	204,369.18
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	204,369.18

**EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):**

10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	83,801.00
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	120,568.18
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	26,839

**STATE BOARD OF EDUCATION ACTION REQUIRED:**

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000-\$2,999,999	35%
\$3,000,000-\$3,999,999	30%
\$4,000,000-\$4,999,999	25%
\$5,000,000-\$5,999,999	20%
\$6,000,000-\$7,999,999	18%
\$8,000,000-\$9,999,999	16%
\$10,000,000 or More	14%

## FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 65  
DISTRICT NUMBER: I003

COUNTY NAME: ROGER MILLS  
DISTRICT NAME: LEEDEY

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	2,459,017.13
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	35%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	860,656.00
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	1,158,125.95
5. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	93,100.77
6. LINE 4 minus LINE 5 – GENERAL FUND BALANCE PENALTY	204,369.18
7. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
8. LINE 6 minus LINE 7 – GENERAL FUND BALANCE PENALTY	204,369.18

**EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):**

9. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
10. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	83,801.00
11. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 8 minus [Lines 9 and 10] equals Adjusted General Fund Balance Penalty)	120,568.18
12. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
13. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
14. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	26,839

**STATE BOARD OF EDUCATION ACTION REQUIRED:**

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

651007

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# CHEYENNE PUBLIC SCHOOLS

P.O. BOX 650  
CHEYENNE, OK 73628-0650

**COUNTRY**

RICK GARRISON  
SUPERINTENDENT

PHONE 580-497-2666 EXT 202  
FAX 580-497-3373

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February 7, 2013

Oklahoma State Department of Education  
State Aid Section  
2500 N Lincoln Blvd  
Oklahoma City, OK 73105-4599

To Whom It May Concern,

We have received your letter notifying us that Cheyenne Public School District I007, Roger Mills County, has exceeded the allowable carryover limit in the General Fund for 2011 and 2012. This letter is to notify you that we accept the calculated penalty amount.

Sincerely,

Rick Garrison  
Superintendent  
Cheyenne Public Schools

RECEIVED

FEB 08 2013

STATE OF OKLAHOMA  
STATE AID SECTION



651007



OKLAHOMA STATE DEPARTMENT OF EDUCATION

February 1, 2013

Rick Garrison, Superintendent  
Cheyenne Public School District  
Post Office Box 650  
Cheyenne, Oklahoma 73628

Dear: Superintendent,

This letter shall serve as official notification to your school district from the Oklahoma State Department of Education, that the General Fund Balance of your school district, as reported, exceeded the allowable amount as outlined in Paragraph G. of Title 70, Section 18-200.1 (*see statutory attachment; also note instructions in bold below*). Revenue figures used for the general fund balance calculation were gathered from the 2012 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2012.

Title 70, Section 18-200.1, states: *"Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year, that is in excess of the following standards for two consecutive years:"*

- (1) Your school district exceeded the allowable carryover limit as of June 30, 2011.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2012.

As stated in law, you are requested to respond in writing no later than Friday, March 1, 2013, on behalf of the school district to the State Aid Section, Oklahoma State Department of Education. Such written response shall indicate the acceptance of the calculated amount, or provide documentation of reasons for rejecting that amount. *To reduce your calculated penalty amount, we have already applied numbers two, four, and six as listed on the statutory attachment (Title 70, Section 18-200.1, Paragraph G.). If applicable, you may be able to apply numbers three, five, or eight (State Board of Education action is required for item five) from Title 70, Section 18-200.1 as reasons of protest (this process may further reduce or eliminate any exceeded carryover amount). Your letter of protest should state the applicable numerical items from Paragraph G.* We have also applied to our calculation, the provisions of Title 70, Section 1-117 (*see attached statute*). The Department shall review all school district protest documentation and notify your district by Friday, March 15, 2013, of its finding.

In 70 O.S. 18-200.1, item number five (attached), you may want to ask for a waiver of this penalty from the State Board of Education at its next scheduled meeting on *Thursday, March 28, 2013 at 1:00 p.m.*. The Board will determine if the penalty will cause the school district not to meet remaining financial obligations for the 2012-13 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
February 1, 2013

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

c: State Superintendent Janet Barresi  
Britton, Kuykendall & Miller, CPAs, PC  
Kim Hale, Regional Accreditation Officer

**REVISED - FY2013 GENERAL FUND BALANCE CALCULATION**

COUNTY NUMBER: 65  
DISTRICT NUMBER: 1007

COUNTY NAME: ROGER MILLS  
DISTRICT NAME: CHEYENNE

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	3,694,872.03
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	30%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,108,461.61
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	2,964,887.41
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	1,856,425.80
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	376,848.34
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	1,479,577.46
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	1,479,577.46
<b><u>EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):</u></b>	
10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	106,355.00
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	1,373,222.46
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	6,215
<b><u>STATE BOARD OF EDUCATION ACTION REQUIRED:</u></b>	
A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

## FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 65  
DISTRICT NUMBER: 1007

COUNTY NAME: ROGER MILLS  
DISTRICT NAME: CHEYENNE

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	3,694,872.03
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	30%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,108,461.61
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	2,964,887.41
5. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	376,848.34
6. LINE 4 minus LINE 5 – GENERAL FUND BALANCE PENALTY	1,479,577.46
7. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
8. LINE 6 minus LINE 7 – GENERAL FUND BALANCE PENALTY	1,479,577.46

**EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):**

9. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
10. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	106,355.00
11. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 8 minus [Lines 9 and 10] equals Adjusted General Fund Balance Penalty)	1,373,222.46
12. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
13. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
14. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	6,215

**STATE BOARD OF EDUCATION ACTION REQUIRED:**

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000-\$2,999,999	35%
\$3,000,000-\$3,999,999	30%
\$4,000,000-\$4,999,999	25%
\$5,000,000-\$5,999,999	20%
\$6,000,000-\$7,999,999	18%
\$8,000,000-\$9,999,999	16%
\$10,000,000 or More	14%

## Kimberly Ivester

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**From:** supt@hammon.k12.ok.us on behalf of Randy Ann Stickney <supt@hammon.k12.ok.us>  
**Sent:** Monday, March 18, 2013 7:01 PM  
**To:** Kimberly Ivester  
**Subject:** Re: General Fund Balance Penalty (attachments)

Ms. Ivester:

I am out of town until Friday of this week as our district is on spring break. I mailed a letter to the State Board of Education last week. Please let me know if it is not received by Tuesday. Thank you.

Sent from my iPhone

On Mar 18, 2013, at 11:28 AM, Kimberly Ivester <[Kimberly.Ivester@sde.ok.gov](mailto:Kimberly.Ivester@sde.ok.gov)> wrote:

Ms. Stickney,

The General Fund Balance Penalty is being taken to the Oklahoma State Board of Education March 28, 2013 at 1:00p.m. We have not received a written response from Hammon Public Schools on whether your district wishes to accept the penalty or to request a State Board waiver based on;

*70 O.S. § 18-200.1 (G) (5) If a school district does not receive Foundation and/or Salary Incentive Aid during the preceding fiscal year, the State Board of Education may waive the penalty assessed in this subsection if the penalty would result in a loss of more than forty percent (40%) of the remaining State Aid to be allocated to the school district between April 1 and the remainder of the school year and if the Board determines the penalty will cause the school district not to meet remaining financial obligations. (State Board of Education action required.)*

If you have already submitted correspondence regarding, please provide us with a copy to be included in our state board packet. Please contact me if you have any questions regarding.

*Kimberly A. Ivester*

Assistant Director, State Aid Section  
Oklahoma State Department of Education  
2500 N Lincoln Blvd., Rm 427  
Oklahoma City, Oklahoma 73105  
(405) 522-0119 Direct Line, (405) 521-3460 Office  
(405) 522-3559 Fax  
[Kimberly.Ivester@sde.ok.gov](mailto:Kimberly.Ivester@sde.ok.gov)

<65I066 Hammon.pdf>



651066



OKLAHOMA STATE DEPARTMENT OF EDUCATION

February 1, 2013

Randy Ann Stickney, Superintendent  
Hammon Public School District  
Post Office Box 279  
Hammon, Oklahoma 73650

Dear: Superintendent,

This letter shall serve as official notification to your school district from the Oklahoma State Department of Education, that the General Fund Balance of your school district, as reported, exceeded the allowable amount as outlined in Paragraph G. of Title 70, Section 18-200.1 (*see statutory attachment; also note instructions in bold below*). Revenue figures used for the general fund balance calculation were gathered from the 2012 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2012.

Title 70, Section 18-200.1, states: *"Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year, that is in excess of the following standards for two consecutive years:"*

- (1) Your school district exceeded the allowable carryover limit as of June 30, 2011.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2012.

As stated in law, you are requested to respond in writing no later than Friday, March 1, 2013, on behalf of the school district to the State Aid Section, Oklahoma State Department of Education. Such written response shall indicate the acceptance of the calculated amount, or provide documentation of reasons for rejecting that amount. *To reduce your calculated penalty amount, we have already applied numbers two, four, and six as listed on the statutory attachment (Title 70, Section 18-200.1, Paragraph G.). If applicable, you may be able to apply numbers three, five, or eight (State Board of Education action is required for item five) from Title 70, Section 18-200.1 as reasons of protest (this process may further reduce or eliminate any exceeded carryover amount). Your letter of protest should state the applicable numerical items from Paragraph G.* We have also applied to our calculation, the provisions of Title 70, Section 1-117 (*see attached statute*). The Department shall review all school district protest documentation and notify your district by Friday, March 15, 2013, of its finding.

In 70 O.S. 18-200.1, item number five (attached), you may want to ask for a waiver of this penalty from the State Board of Education at its next scheduled meeting on *Thursday, March 28, 2013 at 1:00 p.m.* The Board will determine if the penalty will cause the school district not to meet remaining financial obligations for the 2012-13 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
February 1, 2013

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

- c: State Superintendent Janet Barresi  
Britton, Kuykendall & Miller, CPAs, PC  
Kim Hale, Regional Accreditation Officer

**REVISED - FY2013 GENERAL FUND BALANCE CALCULATION**

COUNTY NUMBER: 65  
DISTRICT NUMBER: I066

COUNTY NAME: ROGER MILLS  
DISTRICT NAME: HAMMON

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	3,325,025.19
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	30%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	997,507.56
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	1,797,474.86
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	799,967.30
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	222,486.81
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	577,480.49
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	577,480.49
<b><u>EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):</u></b>	
10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	47,326.00
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	530,154.49
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	5,237
<b><u>STATE BOARD OF EDUCATION ACTION REQUIRED:</u></b>	
A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

## FY2013 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 65  
DISTRICT NUMBER: 1066

COUNTY NAME: ROGER MILLS  
DISTRICT NAME: HAMMON

1. 2012 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	3,325,025.19
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	30%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	997,507.56
4. GENERAL FUND BALANCE - JUNE 30, 2012 (As reported on the FY2013 Estimate of Needs)	1,797,474.86
5. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	222,486.81
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7. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
8. LINE 6 minus LINE 7 – GENERAL FUND BALANCE PENALTY	577,480.49

**EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):**

9. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0.00
10. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	47,326.00
11. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 8 minus [Lines 9 and 10] equals Adjusted General Fund Balance Penalty)	530,154.49
12. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
13. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
14. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	5,237

**STATE BOARD OF EDUCATION ACTION REQUIRED:**

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fund Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
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\$6,000,000-\$7,999,999	18%
\$8,000,000-\$9,999,999	16%
\$10,000,000 or More	14%