

Calculating Total Operating Expenses (TOE) and Services Contracted Out (SCO):

A Brief How-to

1. Total Operating Expenses – calculation of this figure is as follows:

Total Expenditures or Expenses
minus Capital Expenses
minus Debt Services, bond principal, interest, loan, repay
minus Contingencies (*if unspent*)
minus Transfers
minus Reserves

Total Operating Expenses (TOE)

2. Services Contracted Out to Others:

We consider expenses for services a district contracts out by choice and transferred to another party by contract. Do not include an expense or fee for services contracted out by necessity; for example although districts contract out audit services, legal services, election expenses, insurance and utilities, they do so by necessity because these services cannot be performed by a district, even if it had employees.