

Figure: 19 TAC §109.1002(g)

School FIRST for Charter Schools - Rating Worksheet Dated October 2011

School Year _____ - _____

Fiscal Year Ended June 30, _____ or August 31, _____

County District # _____ - _____

Charter School Name _____

Critical Indicators		Check The Appropriate Box Below	
		Yes	No
1	Did The Charter School (CS) Avoid Holds On Payments That Were Not Cleared Within 30 Days, As A Result Of Untimely Deposits To TRS Or TWC?		
2	Was The Total Net Asset Balance In The Statement Of Financial Position For The CS Greater Than Zero? (If The CS's Five-Year Percent Change In Students Was A 10% Increase Or More Then Answer Yes)		
3	* Were There No Disclosures In The Charter Holder's (CH's) Annual Financial Report And/Or Other Sources Of Information Concerning Default On Debt?		
4	* Was The CH's Annual Financial Report Filed Within One Month After The November 27th Or January 28th Deadline Depending Upon The CS's Fiscal Year End Date (June 30th Or August 31st)?		
5	* Was There An Unqualified Opinion In The CH's Annual Financial Report?		
6	* Did The CH's Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?		

Fiscal Responsibility And Data Quality		Determination Of Points						
		Points	5	4	3	2	1	0
7	Are the CS's Liabilities Less Than 80% of Its Assets?	Yes						No
8	Did The Comparison Of PEIMS Data To Like Information In The CS's Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of All Expenses (Data Quality Measure)?	Yes						No
9	Were The CS's Debt Related Expenses Less Than \$200 Per Student? (If The CS's Five-Year Percent Change In Students Was A 7% Increase Or More, Then The CS Receives 5 Points)	< \$200	>= \$200 < \$350	>= \$350 < \$500	>= \$500 < \$650	>= \$650 < \$800	>= \$800	
10	* Was There No Disclosure In The CH's Annual Audit Report Of Material Noncompliance?	Yes						No
11	Did The CS Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Monitor, Conservator, Management Team, Or Board of Managers Assigned)	Yes						No

Budgeting		Points	5	4	3	2	1	0
12	Was The CS's Aggregate Of Budgeted Expenses Less Than The Aggregate Of Budgeted Total Revenues And Cash And Investments At Beginning Of Year?	Yes						No
13	Was The CS's Current Ratio For All Net Asset Groups Greater Than Or Equal To 1:1?	=> 1.00	=>0.95 < 1.00	=>0.90 < 0.95	=>0.85 < 0.90	=>0.80 < 0.85	< 0.80	

Personnel		Points	5	4	3	2	1	0
14	Was The CS's Administrative Cost Ratio Less Than The Threshold Ratio? (See Ranges Below)	Yes						No
15	Was The Ratio Of Students To Teachers Within The Ranges Shown Below According To CS Size? (See Ranges Below)	**UL<= 100% ***LL => 100%	>100% =<105% =>95% <100%	>105% =<110% =>90% <95%	>110% =<115% =>85% <90%	>115% =<120% =>80% <85%	> 120% < 80%	
16	Was The Ratio Of Students To Total Staff Within The Ranges Shown Below According To The CS's Size? (See Ranges Below)	**UL <= 100% ***LL => 100%	>100% =<105% =>95% <100%	>105% =<110% =>90% <95%	>110% =<115% =>85% <90%	>115% =<120% =>80% <85%	> 120% < 80%	

Cash Management		Points	5	4	3	2	1	0
17	Was The Decrease In The CS's Total Net Assets Less Than 20% Over Two Fiscal Years? (Calculation Excludes Depreciation And Amortization)	< 20.00%	=>20.0% < 21.0%	=>21.0% < 22.0%	=>22.0% < 23.0%	=>23.0% < 24.0%	=> 24.0%	
18	Was The CS's Aggregate Total Of Cash And Investments More Than \$0?	Yes						No
19	Did The CS's Investment Earnings In All Net Asset Groups Meet or Exceed the 3-Month Treasury Bill Rate?	Yes						No

Total Points Per Column

Determination Of Charter School Rating

A.	Did The Charter School Answer No To Indicators 1, 2, 3, Or 4? OR Both 5 and 6? If The Charter School Answered No To Either, The Charter School's Rating Is Substandard Achievement	
B.	Determine Rating By Applicable Number Of Points	<u>Points</u>
	Superior Achievement	>= 60 <= 65
	Above Standard Achievement	>= 55 < 60
	Standard Achievement	>= 50 < 55
	Substandard Achievement (If Less Than 50 points, OR If The Charter School Answered No To Indicators 1, 2, 3, Or 4, OR Both 5 And 6)	<50 or Answered No To One Default

Administrative Cost Ratio Indicator 14		
ADA Group	Standard	
10,000 and Above	0.1105	
5,000 to 9,999	0.1250	
1,000 to 4,999	0.1401	
500 to 999	0.1561	
Less than 500	0.2654	
Sparse	0.3614	

** UL = Upper Limit

*** LL = Lower Limit

* In accordance with generally accepted accounting principles established by the Financial Accounting Standards Board (FASB), the financial statements for a non-profit entity must be presented with an aggregate view of the entity as a whole. The indicators with an asterisk are based on the results of the audited financial statements for the entity as a whole. All other indicators are calculated for the financial results presented for the specific-purpose financial statements relating to the operations of the individual charter school.

For questions, call the Division of Financial Audits at (512) 463-9095.

Completed By: _____ Date: _____

Notes:

Charter School Size - Number Of Students Between	Ranges For Ratios	
	Low	High
Indicator 15		
	< 500	7.0
	500	999
	1,000	4,999
	5,000	9,999
	=> 10,000	13.0
		13.5
Indicator 16		
	< 500	5.0
	500	999
	1,000	4,999
	5,000	9,999
	=> 10,000	7.0
		14

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School FIRST for Charter Schools - Rating Worksheet Calculations Dated October 2011		
	Indicator	Calculation Defined
1	Did The Charter School (CS) Avoid Holds on Payments That Were Not Cleared Within 30 Days, as a Result of Untimely Deposits to TRS or TWC?	No Calculation Involved; Source: e-mails from TEA Accounting regarding FSP holds (if not cleared in < 30 days)
2	Was The Total Net Asset Balance In The Statement Of Financial Position for the CS Greater Than Zero? (If The CS's Five-Year Percent Change In Students Was A 10% Increase Or More Then Answer Yes)	If ((B - C)/ C) X 100 < 10 % Then Continue Calculation A > 0 Where A = Total Net Asset Balance in the Statement of Financial Position in the Annual Financial Report; B = [Number Of Students In Year 5 From Base Year]; C = [Number Of Students In Base Year]
3	* Were There No Disclosures In The Charter Holder's (CH's) Annual Financial Report And/Or Other Sources Of Information Concerning Default On Debt?	No Calculation Involved
4	* Was The CH's Annual Financial Report Filed Within One Month After November 27th or January 28th Deadline Depending Upon The CS's Fiscal Year End Date (June 30th or August 31st)?	No Calculation Involved
5	* Was There An Unqualified Opinion In The CH's Annual Financial Report?	No Calculation Involved
6	* Did The CH's Annual Financial Report Not Disclose Any Instance(s) Of Material Weaknesses In Internal Controls?	No Calculation Involved
7	Are the CS's Liabilities Less Than 80% of Its Assets?	(B/A < .8) Where A = [Total Assets]; B = [Total Liabilities].
8	Did The Comparison Of PEIMS Data To Like Information In The CS's Annual Financial Report Result In An Aggregate Variance Of Less Than 3 Percent Of All Expenses (Data Quality Measure)?	((A / B) X 100) Where A = [Absolute Value Of All Differences In Expenses In Statement of Activities And PEIMS]; B = [Sum Of Expenses for All Expenses Presented In Statement of Activities]
9	Were The CS's Debt Related Expenses Less Than \$200 Per Student? (If The CS's Five-Year Percent Change In Students Was A 7% Increase Or More, Then The CS Receives 5 Points)	If ((B - C)/ C) X 100 < 7 % Then Continue Calculation (A / B) Where A = [65XX Object Codes In All Net Asset Accounts (Excluding Expenditure Object Codes 6524 and 6525)]; B = [Number Of Students In Year 5 From Base Year]; C = [Number Of Students In Base Year]
10	* Was There No Disclosure In The CH's Annual Audit Report Of Material Noncompliance?	No Calculation Involved

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School FIRST for Charter Schools - Rating Worksheet Calculations Dated October 2011		
	Indicator	Calculation Defined
11	Did The CS Have Full Accreditation Status In Relation To Financial Management Practices? (e.g. No Monitor, Conservator, Management Team, Or Board of Managers Assigned)	No Calculation Involved
12	Was The CS's Aggregate Of Budgeted Expenses Less Than The Aggregate Of Budgeted Total Revenues And Cash And Investments At Beginning of Year?	(A) < (B + C) Where A = [Budgeted Expenses in the Budgetary Comparison Schedule]; B = [Budgeted Revenues In the Budgetary Comparison Schedule]; [C = [Cash And Investments on the Statement of Financial Position At July 1 or September 1 Depending On Fiscal Year End]
13	Was The CS's Current Ratio For All Net Asset Groups Greater Than Or Equal To 1:1?	If B > 0 Then Continue Calculation As (A / B) Where A = [Current Assets in All Net Asset Groups]; B = [Current Liabilities in All Net Asset Groups]
14	Was The CS's Administrative Cost Ratio Less Than The Threshold Ratio? (See Ranges Below)	(A>B) Where A = [Acceptable Administrative Cost Ratio]; B = [Administrative Cost Ratio Of The Charter]
15	Was The Ratio Of Students To Teachers Within The Ranges Shown Below According To CS Size? (See Ranges Below)	(A / B) Where A = [Number Of Students]; B = [Number Of Teacher FTEs]
16	Was The Ratio Of Students To Total Staff Within The Ranges Shown Below According To CS Size? (See Ranges Below)	(A / B) Where A = [Number Of Students]; B = [Total Staff FTEs]
17	Was The Decrease In The CS's Total Net Assets Less Than 20% Over Two Fiscal Years? (Calculation Excludes Depreciation and Amortization)	(A + C) X .80 > (B + D), A = [Net Assets At June 30 or August 31, Depending On Fiscal Year End, Two Fiscal Years Prior]; B = [Net Assets For The Last Fiscal Year]; C=[Accumulated Depreciation, Two Fiscal Years Prior]; D = =[Accumulated Depreciation For The Last Fiscal Year]
18	Was The CS's Aggregate Total Of Cash And Investments More Than \$0?	A > 0 Where A = [Cash and Investments In All Net Asset Groups]
19	Did The CS's Investment Earnings In All Net Asset Groups Meet or Exceed the 3-Month Treasury Bill Rate?	(A / B ≥ C) Where A = [Total Investment Earnings]; B = [Cash and Investments, Averaged Current and Prior Fiscal Year-End]; C = [3-Month Treasury Bill Rate Averaged for 12 Months from September through August of the Fiscal Year Period]

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Indicator 14	Standard
ADA Group	0.1105
10,000 and Above	.1250
5,000 to 9,999	.1401
1,000 to 4,999	.1561
500 to 999	.2654
Less than 500	0.3614
Sparse	

	School Size - Number of Students Between	Ranges for Ratios	
		Low	High
Indicator 15	<500	7.0	22
	500	10.0	22
	1,000	11.5	22
	5,000	13.0	22
	=>10,000	13.5	22
Indicator 16	<500	5.0	14
	500	5.8	14
	1,000	6.3	14
	5,000	6.8	14
	=>10,000	7.0	14

* In accordance with generally accepted accounting principles established by the Financial Accounting Standards Board (FASB), the financial statements for a non-profit entity must be presented with an aggregate view of the entity as a whole. The indicators with an asterisk are based on the results of the audited financial statements for the entity as a whole. All other indicators are calculated for the financial results presented for the specific-purpose financial statements relating to the operations of the individual charter school.

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