



# **LIFE SCHOOL**

**Charter FIRST  
Management Report**

**Rating Year - 2019**  
(Financial Data for 2017-2018)

**Presented  
October 16, 2019**

# Charter FIRST

## State Financial Accountability Rating Board Presentation October 16, 2019

- 1) PowerPoint Presentation
- 2) Management Report

State Reports Available at:

<https://pryor.tea.state.tx.us/Tea.CharterFirst.Web/Public/District.aspx>

Life School CDN: 057807

2019  
Management Report  
Financial Integrity Rating System of Texas

Public Meeting  
October 16, 2019



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Purpose of Rating System

## Texas Education Code Chapter 39, Subchapter D

The commissioner shall develop and implement a financial accountability rating system for charters that:

- Distinguishes charter schools based on levels of *financial performance*
- Provide additional *transparency* to public education finance
- Enable the commissioner and charter school administrators to provide *meaningful financial oversight and improvement*
- Include processes for anticipating future *financial solvency*



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# 2019 Rating System

- A rating worksheet with 15 indicators must be completed for each charter district
- Indicators 1 through 5 are answered either Yes or No – if fail 1, 3, 4, 5 or 2A the rating is F for substandard
- Indicators 6-15 are rated based on a scale of 0 to 10
- 2019 Rating is based on 2017-2018 fiscal year



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 1 – Was the complete annual financial report (AFR) and charter school financial data submitted to TEA on or before the January 28 deadline?

2017-2018

YES

2016-2017

YES



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 2.A – Was there an unmodified opinion in the AFR on the financial statements as a whole?

2017-2018

YES

2016-2017

YES



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 2.B – Did the external auditor report that the AFR was free of an instance(s) of material weakness in internal controls over financial reporting and compliance?

2017-2018

YES

2016-2017

YES



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.



# Indicators and District Status

- 3 – Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end?

2017-2018

YES

2016-2017

YES



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 4 – Did the charter school make timely payments to the TRS, TWC, IRS and other government agencies?

2017-2018

YES

2016-2017

YES



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 5 – Was the total net asset balance in the statement of financial position for the charter school greater than zero?

2017-2018

YES

2016-2017

YES



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 6 – Was the number of days cash on hand and current investments for the charter school sufficient to cover operating expenses?

2017-2018

127 10 pts

<u>Days Cash on Hand</u>	<u>Points</u>
>=60	10
59-50	8
49-40	6
39-30	4
29-20	2
<20	0

2016-2017

115 10 pts



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 7 – Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?

2017-2018

8.63 10 pts

<u>Ratio</u>	<u>Points</u>
$\geq 2.00$	10
$< 2.00 \geq 1.75$	8
$< 1.75 \geq 1.50$	6
$< 1.50 \geq 1.25$	4
$< 1.25 \geq 1.00$	2
$< 1.00$	0

2016-2017

8.15 10 pts



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 8 – Was the ratio of long-term liabilities to total assets for the charter school sufficient to cover long-term solvency? If change in students over 5 years was 10 percent or more, then charter passes this indicator.

## 2017-2018

.91 Use 5 year growth

22% 10 pts

<u>Ratio</u>	<u>Points</u>
$\leq 0.60$	10
$> 0.60 \leq 0.70$	8
$> 0.70 \leq 0.80$	6
$> 0.80 \leq 0.90$	4
$> 0.90 \leq 1.00$	2
$> 1.00$	0

## 2016-2017

.93 Use 5 year growth

35% 10 pts



# LIFE SCHOOL

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 9 – Did the charter school’s revenues exceed expenses, excluding depreciation? If not, was the charter school’s days cash on hand greater than or equal to 40 days?

2017-2018

YES 10 pts

2016-2017

YES 10 pts



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 10 – Was the debt service coverage ratio sufficient to meet the required debt service?

2017-2018

2.03 10 pts

<u>Ratio</u>	<u>Points</u>
$\geq 1.20$	10
$< 1.20 \geq 1.15$	8
$< 1.15 \geq 1.10$	6
$< 1.10 \geq 1.05$	4
$< 1.05 \geq 1.00$	2
$< 1.00$	0

2016-2017

1.66 10 pts



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.



# Indicators and District Status

- 11 – Was the charter school’s administrative cost ratio equal to or below the threshold ratio as specified by TEA?

2017-2018

0.1367    10 pts

2016-2017

0.1418    8 pts

<u>=&gt;1,000</u>	<u>Points</u>
<= 0.1401	10
0.1402-0.1651	8
0.1652-0.1901	6
0.1902-0.2151	4
0.2152-0.2401	2
> 0.2401	0



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 12 – Did the charter school not have a 15 percent decline in the student to staff ratio over 3 years? If the charter school enrollment did not decrease, the charter school will automatically pass this indicator.

2017-2018

Increased

Enrollment 10 pts

2016-2017

Increased

Enrollment 10 pts



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 13 – Did the comparison of PEIMS data to like information in the charter school’s annual financial report result in an aggregate variance of less than 3% of all expenses?

2017-2018

YES 10 pts

2016-2017

YES 10 pts



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 14 – Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state or federal funds?

2017-2018

YES 10 pts

2016-2017

YES 10 pts



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Indicators and District Status

- 15 – Did the charter school not receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds as a result of a financial hardship?

2017-2018

YES 10 pts

2016-2017

YES 10 pts



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Determination of Rating

Rating	2019 Rating Points	2018 Rating Points
A – Superior	90 – 100	90 – 100
B – Above Standard	80 – 89	80 – 89
C – Meets Standard	60 – 79	60 – 79
F – Substandard Achievement	0 – 59	0 – 59

Rating	2019	2018
A – Superior	100	98



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Additional Report Requirements

- ▣ Copy of Superintendent's Contract (posted on website)
- ▣ Disclose transactions involving the Superintendent and Board Members (Travel and Other Reimbursements)
- ▣ Other compensation received by the Superintendent
- ▣ Disclose gifts from vendors to Board and Employees
- ▣ Board member business transactions with the district



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.

# Charter FIRST

Complete report can be found on the district website at

[www.lifeschools.net](http://www.lifeschools.net)

Departments – Compliance – Financial Transparency



**LIFE SCHOOL**

READY TO LEARN. READY TO LEAD. READY FOR LIFE.



# **LIFE SCHOOL Management Report**

## **TABLE OF CONTENTS**

Section One:	Comparison to Prior Year
Section Two:	Superintendent and Board Disclosures
Section Three:	Indicator Tests
Section Four:	Statewide Statistics

Section One:  
Comparison to Prior Year

Financial Integrity Rating System of Texas  
Life School

**2019 Rating: A - Superior (highest rating)**

**2018 Rating: A - Superior (highest rating)**

#	Indicator Description	2019 Score	2018 Score
1	Was the complete annual financial and compliance report and charter school financial data submitted to TEA on or before the January 28 deadline?	Yes	Yes
2.A	Was there an unmodified opinion in the AFR on the financial statements as a whole?	Yes	Yes
2.B	Did the external auditor report that the AFR was free of an instance(s) of material weakness in internal controls over financial reporting and compliance?	Yes	Yes
3	Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end?	Yes	Yes
4	Did the charter school make timely payments to the TRS, TWC, IRS and other government agencies?	Yes	Yes
5	Was the total net asset balance in the statement of financial position for the charter school greater than zero?	Yes	Yes
6	Was the number of days cash on hand and current investments for the charter school sufficient to cover operating expenses?	10	10
7	Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?	10	10
8	Was the ratio of long-term liabilities to total assets for the charter school sufficient to cover long-term solvency? If change in students over 5 years was 10 percent or more, then charter passes this indicator.	10	10
9	Did the charter school's revenues exceed expenses, excluding depreciation? If not, was the charter school's days cash on hand greater than or equal to 40 days?	10	10
10	Was the debt service coverage ratio sufficient to meet the required debt service?	10	10
11	Was the charter school's administrative cost ratio equal to or below the threshold ratio as specified by TEA?	10	8
12	Did the charter school not have a 15 percent decline in the student to staff ratio over 3 years? If the charter school enrollment did not decrease, the charter school will automatically pass this indicator.	10	10
13	Did the comparison of PEIMS data to like information in the charter school's annual financial report result in an aggregate variance of less than 3% of all expenses?	10	10
14	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state or federal funds?	10	10
15	Did the charter school not receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	10	10
Score:		100	98

Figure: 19 TAC §109.1001(f)(4)

Charter FIRST - Rating Worksheet Dated June 2019 for Rating Years 2017-2018 through 2019-2020

Fiscal Year Ended June 30, \_\_\_\_, or August 31, \_\_\_\_

Indicator number	<b>Charter FIRST Worksheet based on Fiscal Year End Data</b>	Select the appropriate box below	
		Pass	Fail
<b>Critical Indicators</b>			
1	Was the complete annual financial report (AFR) and charter school financial data submitted to TEA within 30 days of the November 27 or January 28 deadline depending on the charter school's fiscal year end date of June 30 or August 31, respectively?	Yes	No
2	Review the AFR for an unmodified opinion and material weaknesses. The charter school must pass 2.A to pass this indicator. The charter school fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.		
2.A	Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)	Yes	No
2.B	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)	Yes	No
3	Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end? (If the charter school was in default in a prior fiscal year, an exemption applies in following years if the charter school is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)	Yes	No
4	Did the charter school make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes	No
5	Was the total net asset balance in the Statement of Financial Position for the charter school greater than zero? (If the charter school's change of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)	Yes	No

<b>Solvency Indicators</b>		Points
6	Was the number of days of cash on hand and current investments for the charter school sufficient to cover operating expenses? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded. (See ranges below.)	10
7	Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt? (See ranges below.)	10
8	Was the ratio of long-term liabilities to total assets for the charter school sufficient to support long-term solvency? (If the charter school's change of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.) (See ranges below.)	10
9	Did the charter school's revenues equal or exceed expenses, excluding depreciation? If not, was the charter school's number of days of cash on hand greater than or equal to 40 days? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.	10
10	Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)	10
11	Was the charter school's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)	10

12	Did the charter school not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the charter school will automatically pass this indicator.)	10
----	--	----

<b>Financial Competence Indicators</b>		Points
13	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR result in a total variance of less than 3 percent of all expenses by function?	10
14	Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)	10
15	Did the charter school <b>not</b> receive an adjusted repayment schedule for more than one fiscal year for an overallocation of Foundation School Program (FSP) funds as a result of a financial hardship?	10

<b>Maximum possible points</b>	100
--------------------------------	-----

### Charter FIRST Determination of Points

Indicator number	10	8	6	4	2	0
6	≥ 60	< 60 ≥ 50	< 50 ≥ 40	< 40 ≥ 30	< 30 ≥ 20	< 20
7	≥ 2	< 2 ≥ 1.75	< 1.75 ≥ 1.5	< 1.5 ≥ 1.25	< 1.25 ≥ 1	< 1
8	≤ 0.60	> 0.60 ≤ 0.70	> 0.70 ≤ 0.80	> 0.80 ≤ 0.90	> 0.90 ≤ 1.00	> 1.00
9	≥ 0%	10 points are awarded if the charter school has at least 40 days cash on hand as determined in indicator #6.				< 0%
10	≥ 1.20	< 1.20 ≥ 1.15	< 1.15 ≥ 1.10	< 1.10 ≥ 1.05	< 1.05 ≥ 1.00	< 1.00

Indicator number	10	8	6	4	2	0
11	Threshold Ratio (based on ADA size)					
ADA Size						
1,000 and Above	≤ 0.1401	> 0.1401 ≤ 0.1651	> 0.1651 ≤ 0.1901	> 0.1901 ≤ 0.2151	> 0.2151 ≤ 0.2401	> 0.2401
500 to 999	≤ 0.1561	> 0.1561 ≤ 0.1811	> 0.1811 ≤ 0.2061	> 0.2061 ≤ 0.2311	> 0.2311 ≤ 0.2561	> 0.2561
Less than 500	≤ 0.2645	> 0.2645 ≤ 0.2895	> 0.2895 ≤ 0.3145	> 0.3145 ≤ 0.3395	> 0.3395 ≤ 0.3645	> 0.3645

Indicator number	10		0
12	Yes		No
13	Yes		No
14	Yes		No
15	Yes		No

Determination of Charter School Rating	
Did the charter school fail any of the critical indicators 1, 3, 4, 5, or 2.A? If so, the charter school's rating is F for Substandard Achievement, regardless of points earned.	
Determine rating by applicable number of points.	Points
<b>A = Superior Achievement</b>	90 through 100
<b>B = Above Standard Achievement</b>	80 through 89
<b>C = Meets Standard Achievement</b>	60 through 79
<b>F = Substandard Achievement</b> <i>(The charter school receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 3, 4, 5, or 2.A, if the AFR or the data were not both complete, or if either the AFR or the data were not submitted on time for FIRST analysis.)</i>	0 through 59

**Section Two:  
Superintendent and Board Disclosures**

# Charter FIRST Annual Financial Management Report

## Life School

Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, Commissioner's Rules Concerning Financial Accountability Rating System, Section 109.1001(q). Effective 8/1/2018. The template has been established to help the charter schools in gathering their data and presenting it at their School FIRST 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 FIRST hearing is to be provided. In lieu of publication in the annual School FIRST financial management report, the charter school may choose to publish the superintendent's employment contract on the charter school'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, 2018

<u>Description of Reimbursements</u>	Brent Wilson	Sharon Williams	Ruben Martinez	Christopher Clemmons	Eddie Davis
Meals	\$ 1,847	\$ 384	\$ 384	\$ 384	\$ 401
Lodging	\$ 5,893	\$ 743	\$ 536	\$ 585	\$ 706
Transportation	\$ 8,753	\$ 31	\$ 27	\$ 45	\$ 59
Motor Fuel	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 1,457	\$ 325	\$ 325	\$ 325	\$ 325
Total	<u>\$ 17,950</u>	<u>\$ 1,483</u>	<u>\$ 1,272</u>	<u>\$ 1,340</u>	<u>\$ 1,491</u>

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 geographic-boundary 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, 2018

<u>Name(s) of Entity(ies)</u>	Amount Received
None	\$ -

Total	<u>\$ -</u>
-------	-------------

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to charter school 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, 2018

	Brent Wilson	Sharon Williams	Ruben Martinez	Christopher Clemmons	Eddie Davis
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Business Transactions Between Charter School and Board Members**

For the Twelve-Month Period  
 Ended August 31, 2018

	Brent Wilson	Sharon Williams	Ruben Martinez	Christopher Clemmons	Eddie Davis
Amounts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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.

## Section Three: Indicator Tests

Charter FIRST - Rating Worksheet Calculations Dated June 2019 for Rating Years 2017-2018 through 2019-2020		
	Indicator	Calculation Defined
1	Was the complete annual financial report (AFR) and charter school financial data submitted to TEA within 30 days of the November 27 or January 28 deadline depending on the charter school's fiscal year end date of June 30 or August 31, respectively?	No Calculation Involved
2	Review the AFR for an unmodified opinion and material weaknesses. The charter school must pass 2.A to pass this indicator. The charter school fails indicator number 2 if it responds "No" to indicator 2.A. or to both indicators 2.A and 2.B.	The charter school must pass 2.A
2.A	Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)	No Calculation Involved
2.B	Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)	No Calculation Involved
3	Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end? (If the charter school was in default in a prior fiscal year, an exemption applies in following years if the charter school is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)	No Calculation Involved
4	Did the charter school make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.) (Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued).	For TRS and TWC, if not cleared within 30 days. For the IRS and other governmental agencies there is no calculation involved. The agency will use the AFR, warrant holds, information from the IRS and other sources to make a determinations of timely payments.
5	Was the total net asset balance in the Statement of Financial Position for the charter school greater than zero? (If the charter school's change of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)	$(A - B) > C$ OR $\left(\frac{(D - E)}{E} \times 100\right) \geq F$ , where A = Total net asset balance in the statement of financial position in the annual financial report; B = Pension Expense, Other Post Employment Benefits (OPEB), and Net Pension Liability (NPL), as applicable C = Net assets threshold, which = 0; D = Number of students in membership in year 5 from base year; E = Number of students in membership in base year; F = Threshold for percent change in students in membership, which = 7%
6	Was the number of days of cash on hand and current investments for the charter school sufficient to cover operating expenses?  The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.	$\frac{[(A + B) / (C - D - E)] * 365}{}$ , where A = Cash & Equivalents; B = Current Investments; C = Total Expenditures; D = Depreciation Expense; E = Pension Expense, OPEB, and NPL, as applicable

**Charter FIRST - Rating Worksheet Calculations Dated June 2019 for Rating Years 2017-2018 through 2019-2020**

	<b>Indicator</b>	<b>Calculation Defined</b>
7	Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?	$A / B$ , where A = Current Assets; B = Current Liabilities
8	Was the ratio of long-term liabilities to total assets for the charter school sufficient to support long-term solvency? (If the charter school's change of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)	$A - B / C$ , where A = Long Term Liabilities; B = Pension Expense, OPEB, and NPL, as applicable C = Total Assets
9	Did the charter school's revenues equal or exceed expenses, excluding depreciation? If not, was the charter school's number of days of cash on hand greater than or equal to 40 days?  The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.	$[A / (B - C - D) - 1] > 0$ , where A = Total Revenue; B = Total Expenses; C = Depreciation; D = Pension Expense, OPEB, and NPL, as applicable
10	Was the debt service coverage ratio sufficient to meet the required debt service?	$(A - B + C + D + E) / D$ , where A = Total Revenue; B = Total Expenses; C = Depreciation; D = Debt Service (interest and principal payments) E = Pension Expense, OPEB, and NPL, as applicable
11	Was the charter school's administrative cost ratio equal to or less than the threshold ratio?	$(A / B) < \text{threshold based on CS size}$ , where A = Sum of amounts for function codes 21 and 41; B = Sum of amounts for function codes 11, 12, 13, and 31 <b>*Includes object codes 61XX-64XX in fund code 199 and 420</b>
12	Did the charter school not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the charter school will automatically pass this indicator.)	$(A / B) - 1 > -0.15$ or $C - D > 0$ , where A = Student to Staff ratio in the year under review; B = Student to Staff ratio 3 years prior to the year under review; C = Enrollment in the year under review; D = Enrollment 3 years prior to the year under review
13	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR result in a total variance of less than 3 percent of all expenses by function?	$A / B < C$ , where A = Sum of the absolute values of all differences in expenses (determined by function) between the Statement of Activities and PEIMS; B = Sum of expenses for all expenses presented in the Statement of Activities; C = Threshold for percentage of data variance, which = 3%
14	Did the independent external auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)	No Calculation Involved
15	Did the charter school <b>not</b> receive an adjusted repayment schedule for more than one fiscal year for an overallocation of Foundation School Program (FSP) funds as a result of a financial hardship?	No Calculation Involved



User: Megan.Harrison5  
User Role: District

Rating Year: 2018-2019    CDN: 057807    Select An Option

Help   Home   Exit

2018-2019 Ratings Based on Fiscal Year 2018 Data - Charter School Status Detail

Charter School Status Detail    Indicator Detail Summary    Determination of Ratings

Size-Dependent Indicators

**LIFE SCHOOL(057807)**

Status	Indicator Num	Indicator Description	Updated	Score
P	+1 1	<a href="#">Was the complete annual financial report (AFR) and charter school financial data submitted to TEA within 30 days of the November 27 or January 28 deadline depending on the charter school's fiscal year end date of June 30 or August 31, respectively?</a>	7/19/2019 1:07:58 PM	YES
P	+1 2A	<a href="#">Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</a>	7/19/2019 1:07:58 PM	YES
	2B	<a href="#">Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)</a>	7/19/2019 1:07:58 PM	-
P	+1 3	<a href="#">Was the charter school in compliance with the payment terms of all debt agreements at fiscal year end? (If the charter school was in default in a prior fiscal year, an exemption applies in following years if the charter school is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</a>	7/19/2019 1:07:58 PM	YES
P	+1 4	<a href="#">Did the charter school make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?</a>	7/19/2019 1:07:58 PM	YES
P	+1 5	<a href="#">Was the total net asset balance in the Statement of Financial Position for the charter school greater than zero? (If the charter school's change of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)</a>	7/19/2019 1:07:58 PM	YES

	6	<a href="#">Was the number of days of cash on hand and current investments for the charter school sufficient to cover operating expenses? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.</a>	7/19/2019 1:07:58 PM	10
	7	<a href="#">Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?</a>	7/19/2019 1:07:58 PM	10
	8	<a href="#">Was the ratio of long-term liabilities to total assets for the charter school sufficient to support long-term solvency? (If the charter school's change of students in membership over 5 years was 7 percent or more, then the charter school passes this indicator.) (New charter schools that have a negative net asset balance will pass this indicator if they have an average of 7 percent growth in students year over year until it completes its fifth year of operations. After the fifth year of operations, the calculation changes to the 7 percent increase in 5 years.)</a>	7/19/2019 1:07:58 PM	10
	9	<a href="#">Did the charter school's revenues equal or exceed expenses, excluding depreciation? If not, was the charter school's number of days of cash on hand greater than or equal to 40 days? The calculation will use expenses, excluding depreciation. For government charter schools, pension expense will be excluded.</a>	7/19/2019 1:07:58 PM	10
	10	<a href="#">Was the debt service coverage ratio sufficient to meet the required debt service?</a>	7/19/2019 1:07:58 PM	10
	11	<a href="#">Was the charter school's administrative cost ratio equal to or less than the threshold ratio?</a>	7/19/2019 1:07:58 PM	10
	12	<a href="#">Did the charter school not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the charter school will automatically pass this indicator.)</a>	7/19/2019 1:07:58 PM	10
	13	<a href="#">Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR result in a total variance of less than 3 percent of all expenses by function?</a>	7/19/2019 1:07:58 PM	10
	14	<a href="#">Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</a>	7/19/2019 1:07:58 PM	10
	15	<a href="#">Did the charter school not receive an adjusted repayment schedule for more than one fiscal year for an over-allocation of Foundation School Program (FSP) funds as a result of a financial hardship?</a>	7/19/2019 1:07:58 PM	10
				100 Weighted Sum
				1 Multiplier Sum
				100 Score

†1: must pass 1, 3, 4, 5 and 2A

## Options

Print

This website is best viewed in Internet Explorer 6.0 and above.  
charterfirst 3.0.3.19

## Section Four: Statewide Statistics





User: Public  
User Role: Public

Rating Year:  CDN:

### 0-1 Ratings Based on School Year -1-0 Data - Charter School Status Summary

CDN	Region	Name	Rating	Status
<a href="#">003801</a>	7	PINEYWOODS COMMUNITY ACADEMY	A - Superior	✓
<a href="#">013801</a>	2	ST MARY'S ACADEMY CHARTER SCHOOL	A - Superior	✓
<a href="#">014801</a>	12	RICHARD MILBURN ALTER HIGH SCHOOL (KILLEEN)	A - Superior	✓
<a href="#">014803</a>	12	PRIORITY CHARTER SCHOOLS	B - Above Standard	✓
<a href="#">014804</a>	12	ORENDA CHARTER SCHOOL	A - Superior	✓
<a href="#">015801</a>	20	POR VIDA ACADEMY	C - Meets Standard	✓
<a href="#">015802</a>	20	GEORGE GERVIN ACADEMY	A - Superior	✓
<a href="#">015805</a>	20	NEW FRONTIERS PUBLIC SCHOOLS INC	A - Superior	✓
<a href="#">015806</a>	20	SCHOOL OF EXCELLENCE IN EDUCATION	C - Meets Standard	✓
<a href="#">015807</a>	20	SOUTHWEST PREPARATORY SCHOOL	A - Superior	✓
<a href="#">015808</a>	20	INSPIRE ACADEMIES	A - Superior	✓
<a href="#">015809</a>	20	BEXAR COUNTY ACADEMY	B - Above Standard	✓
<a href="#">015814</a>	20	POSITIVE SOLUTIONS CHARTER SCHOOL	F - Substandard Achievement	✗
<a href="#">015815</a>	20	HERITAGE ACADEMY	B - Above Standard	✓
<a href="#">015822</a>	20	JUBILEE ACADEMIES	A - Superior	✓
<a href="#">015825</a>	20	LIGHTHOUSE CHARTER SCHOOL	A - Superior	✓
<a href="#">015827</a>	20	SCHOOL OF SCIENCE AND TECHNOLOGY	A - Superior	✓
<a href="#">015828</a>	20	HARMONY SCIENCE ACAD (SAN ANTONIO)	A - Superior	✓
<a href="#">015830</a>	20	BROOKS ACADEMIES OF TEXAS	A - Superior	✓
<a href="#">015831</a>	20	SCHOOL OF SCIENCE AND TECHNOLOGY DISCOVERY	A - Superior	✓
<a href="#">015833</a>	20	HENRY FORD ACADEMY ALAMEDA SCHOOL FOR ART + DESIGN	A - Superior	✓
<a href="#">015834</a>	20	BASIS TEXAS	A - Superior	✓
<a href="#">015835</a>	20	GREAT HEARTS TEXAS	A - Superior	✓
<a href="#">015836</a>	20	ELEANOR KOLITZ HEBREW LANGUAGE ACADEMY	A - Superior	✓

<a href="#">015838</a>	20	COMPASS ROSE ACADEMY	B - Above Standard	✓
<a href="#">021803</a>	6	BRAZOS SCHOOL FOR INQUIRY & CREATIVITY	A - Superior	✓
<a href="#">021805</a>	6	ARROW ACADEMY	A - Superior	✓
<a href="#">043801</a>	10	IMAGINE INTERNATIONAL ACADEMY OF NORTH TEXAS	A - Superior	✓
<a href="#">043802</a>	10	LONE STAR LANGUAGE ACADEMY	F - Substandard Achievement	✗
<a href="#">046802</a>	13	TRINITY CHARTER SCHOOL	A - Superior	✓
<a href="#">057802</a>	10	PEGASUS SCHOOL OF LIBERAL ARTS AND SCIENCES	A - Superior	✓
<a href="#">057803</a>	10	UPLIFT EDUCATION	A - Superior	✓
<a href="#">057804</a>	10	TEXANS CAN ACADEMIES	A - Superior	✓
<a href="#">057805</a>	10	LUMIN EDUCATION	A - Superior	✓
<a href="#">057806</a>	10	ADVANTAGE ACADEMY	A - Superior	✓
<a href="#">057807</a>	10	LIFE SCHOOL	A - Superior	✓
<a href="#">057808</a>	10	UNIVERSAL ACADEMY	B - Above Standard	✓
<a href="#">057809</a>	10	NOVA ACADEMY	A - Superior	✓
<a href="#">057810</a>	10	ACADEMY OF DALLAS	C - Meets Standard	✓
<a href="#">057813</a>	10	TRINITY BASIN PREPARATORY	A - Superior	✓
<a href="#">057814</a>	10	ACADEMY FOR ACADEMIC EXCELLENCE	A - Superior	✓
<a href="#">057816</a>	10	A W BROWN LEADERSHIP ACADEMY	A - Superior	✓
<a href="#">057819</a>	10	JEAN MASSIEU ACADEMY	A - Superior	✓
<a href="#">057827</a>	10	NOVA ACADEMY SOUTHEAST	A - Superior	✓
<a href="#">057828</a>	10	WINFREE ACADEMY CHARTER SCHOOLS	A - Superior	✓
<a href="#">057829</a>	10	A+ ACADEMY	A - Superior	✓
<a href="#">057830</a>	10	INSPIRED VISION ACADEMY	A - Superior	✓
<a href="#">057831</a>	10	GATEWAY CHARTER ACADEMY	F - Substandard Achievement	✗
<a href="#">057833</a>	10	EDUCATION CENTER INTERNATIONAL ACADEMY	A - Superior	✓
<a href="#">057834</a>	10	EVOLUTION ACADEMY CHARTER SCHOOL	A - Superior	✓

Show rows:  Page  of 4

CDN	Region	Name	Rating	Pub Level	Status
<a href="#">057840</a>	10	RICHLAND COLLEGIATE HIGH SCHOOL	Pass	2	✓
<a href="#">068803</a>	18	UTPB STEM ACADEMY	Pass	2	✓
<a href="#">101807</a>	4	UNIVERSITY OF HOUSTON CHARTER SCHOOL	Pass	2	✓
<a href="#">174801</a>	7	STEPHEN F AUSTIN STATE UNIVERSITY CHARTER SCHOOL	Pass	2	✓
<a href="#">212804</a>	7	UT TYLER UNIVERSITY ACADEMY	Pass	2	

					✓
<a href="#">227806</a>	13	UNIVERSITY OF TEXAS UNIVERSITY CHARTER SCHOOL	Pass	2	✓
<a href="#">227819</a>	13	UNIVERSITY OF TEXAS ELEMENTARY CHARTER SCHOOL	Pass	2	✓
<a href="#">236802</a>	6	SAM HOUSTON STATE UNIVERSITY CHARTER SCHOOL	Pass	2	✓

[Print Page](#)
[Print](#)

Audit Home Page: [Financial Compliance Division](#) | Send comments or suggestions to [financialaccountability@tea.texas.gov](mailto:financialaccountability@tea.texas.gov)  
The [Texas Education Agency](#)

1701 North Congress Avenue · Austin, Texas, 78701 · (512) 463-9095  
[Copyright © Texas Education Agency \(TEA\) 2007-2017](#)

This website is best viewed in Internet Explorer 6.0 and above.  
charterfirst 3.0.3.19



**User: Megan.Harrison5**  
**User Role: District**

**Rating Year:** 
**CDN:**

### Overall Statistics

[2018-2019 Status Counts](#)    
 [2018-2019 Rating Counts](#)    
 [All Results by Indicator](#)

#### Answers By Indicators

Status	Count	% Total	Enrollment	% Total Enrollment
Fail	5	3.05	1313	0.48
Pass	159	96.95	270943	99.52
TOTAL	164	100.00	272256	100.00

### Options

Audit Home Page: [Financial Compliance Division](#) | Send comments or suggestions to [financialaccountability@tea.texas.gov](mailto:financialaccountability@tea.texas.gov)  
 The [Texas Education Agency](#)  
 1701 North Congress Avenue · Austin, Texas, 78701 · (512) 463-9095  
[Copyright © Texas Education Agency \(TEA\) 2007-2017](#)

This website is best viewed in Internet Explorer 6.0 and above.  
 charterfirst 3.0.3.19