



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



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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*



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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



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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



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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



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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



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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



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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



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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



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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



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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>
≥ 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



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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>
≤ 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



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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



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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>
≥ 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



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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>=>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



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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



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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



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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



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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



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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



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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



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Charter FIRST

Complete report can be found on the district website at

www.lifeschools.net

Departments – Compliance – Financial Transparency



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LIFE SCHOOL Management Report

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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	Charter FIRST Worksheet based on Fiscal Year End Data	Select the appropriate box below	
		Pass	Fail
Critical Indicators			
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

Solvency Indicators		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
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Financial Competence Indicators		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 not 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

Maximum possible points	100
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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
A = Superior Achievement	90 through 100
B = Above Standard Achievement	80 through 89
C = Meets Standard Achievement	60 through 79
F = Substandard Achievement <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>
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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

	Indicator	Calculation Defined
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 *Includes object codes 61XX-64XX in fund code 199 and 420
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 not 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	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?	7/19/2019 1:07:58 PM	YES
P	+1 2A	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.)	7/19/2019 1:07:58 PM	YES
	2B	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.)	7/19/2019 1:07:58 PM	-
P	+1 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.)	7/19/2019 1:07:58 PM	YES
P	+1 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?	7/19/2019 1:07:58 PM	YES
P	+1 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.)	7/19/2019 1:07:58 PM	YES

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.	7/19/2019 1:07:58 PM	10
7	Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?	7/19/2019 1:07:58 PM	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.)	7/19/2019 1:07:58 PM	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.	7/19/2019 1:07:58 PM	10
10	Was the debt service coverage ratio sufficient to meet the required debt service?	7/19/2019 1:07:58 PM	10
11	Was the charter school's administrative cost ratio equal to or less than the threshold ratio?	7/19/2019 1:07:58 PM	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.)	7/19/2019 1:07:58 PM	10
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?	7/19/2019 1:07:58 PM	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.)	7/19/2019 1:07:58 PM	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?	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

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

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

Show rows: Page of 4

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

227806	13	UNIVERSITY OF TEXAS UNIVERSITY CHARTER SCHOOL	Pass	2	
227819	13	UNIVERSITY OF TEXAS ELEMENTARY CHARTER SCHOOL	Pass	2	
236802	6	SAM HOUSTON STATE UNIVERSITY CHARTER SCHOOL	Pass	2	

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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

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