

Financial Integrity Rating System of Texas

2019-2020 Charter FINAL Rating

Based on FY 2019 Audit

2019-2020 FINAL Rating = A-Superior (96 / 100 points)

Pass / Fail

- ✓ 1. Financial audit completed and submitted on time
- ✓ 2. Auditor found no material weakness in audit
- ✓ 3. District is in compliance with debt obligations
- ✓ 4. TRS payments were made on time
- ✓ 5. Total net assets were greater than \$-0-

Financial Tests

- ✗ 6. 6 pts. Days cash on hand \geq 44 days (60 days = 10 pts.)
- ✓ 7. 10 pts. Current Assets \geq 2x Current Liabilities
- ✓ 8. 10 pts. LT Liab. \leq 60% Total Assets (growth exception)
- ✓ 9. 10 pts. Earnings before depreciation $>$ 0
- ✓ 10. 10 pts. Debt Service Coverage Ratio \geq 1.2x
- ✓ 11. 10 pts. Administrative cost ratio \leq 14.01%

Operating Tests

- ✓ 12. 10 pts. No decrease in enrollment (Student: Staff Ratio)
- ✓ 13. 10 pts. Reported PEIMS data matched AFR data
- ✓ 14. 10 pts. No audit findings of Federal programs
- ✓ 15. 10 pts. No over-allocation of TEA funds

Financial Integrity Rating System of Texas

2020-2021 Expected Rating

Based on FY 2020 Audit

2020-2021 Rating Expected = A-Superior (95 / 100 points)

Pass / Fail

- ✓ 1. Financial audit complete and submitted on time
- ✓ 2. Auditor found no material weakness in audit
- ✓ 3. District is in compliance with debt obligations
- ✓ 4. TRS payments were made on time
- ✓ 5. Total net assets were greater than \$-0-

Financial Tests

- ✓ 6. Net Assets > 75 days or not declined >25%/3yrs
- ✓ 7. 10 pts. Days cash on hand >100days (60 days = 10 pts.)
- ✓ 8. 10 pts. Cur. Assets/Cur. Liab. = 3.9x ($\geq 2x = 10$ pts.)
- ✓ 9. 5 pts. Earnings before depreciation > 0
- ✓ 10. 10 pts. Actual Revenue vs. TEA budget +/- 10%/3yrs
- ✓ 11. 10 pts. LT Liab. $\leq 60\%$ Total Assets (growth exception)
- ✓ 12. 10 pts. Debt Service Coverage Ratio $\geq 1.2x$
- ✗ 13. Unrestricted net assets <5% LT Liab. (5 pts. lost)
- ✓ 14. 10 pts. Administrative cost ratio $\leq 14.01\%$

Operating Tests

- ✓ 15. 10 pts. No enrollment decrease (Student : Staff Ratio)
- ✓ 16. 5 pts. Estimated ADA within 10% of estimate
- ✓ 17. Reported PEIMS data matched AFR data
- ✓ 18. Audit found no internal control weakness
- ✓ 19. 10 pts. No audit findings of Federal non-compliance
- ✓ 20. 5 pts. Required postings on website
- ✓ 21. Geographic Boundary test (max 89pts. if failed)

Financial Integrity Rating System of Texas

2019-2020 FINAL (passing 60 pts.)

Based on FY 2019 Audit

2019-2020 FINAL Rating = A-Superior (96 / 100 points)

Pass / Fail

- ✓ 1. Financial audit completed and submitted on time
- ✓ 2. Auditor found no material weakness in audit
- ✓ 3. District is in compliance with debt obligations
- ✓ 4. TRS payments were made on time
- ✓ 5. Total net assets were greater than \$-0-

Financial Tests

- ✗ 6. 6 pts. Days cash on hand \geq 44 days (60 days = 10 pts.)
- ✓ 7. 10 pts. Current Assets \geq 2x Current Liabilities
- ✓ 8. 10 pts. LT Liab. \leq 60% Total Assets (growth exception)
- ✓ 9. 10 pts. Earnings before depreciation $>$ 0
- ✓ 10. 10 pts. Debt Service Coverage Ratio \geq 1.2x
- ✓ 11. 10 pts. Administrative cost ratio \leq 14.01%

Operating Tests

- ✓ 12. 10 pts. No decrease in enrollment (Student: Staff Ratio)
- ✓ 13. 10 pts. Reported PEIMS data matched AFR data
- ✓ 14. 10 pts. No audit findings of Federal programs
- ✓ 15. 10 pts. No over-allocation of TEA funds

2020-2021 Expected (passing 70 pts.)

Based on FY 2020 Audit

2020-2021 Rating Expected = A-Superior (95 / 100 points)

Pass / Fail

- ✓ 1. Financial audit complete and submitted on time
- ✓ 2. Auditor found no material weakness in audit
- ✓ 3. District is in compliance with debt obligations
- ✓ 4. TRS payments were made on time
- ✓ 5. Total net assets were greater than \$-0-

Financial Tests

- ✓ 6. Net Assets $>$ 75 days or not declined $>$ 25%/3yrs
- ✓ 7. 10 pts. Days cash on hand $>$ 100days (60 days = 10 pts.)
- ✓ 8. 10 pts. Cur. Assets/Cur. Liab. = 3.9x (\geq 2x = 10 pts.)
- ✓ 9. 5 pts. Earnings before depreciation $>$ 0
- ✓ 10. 10 pts. Actual Revenue vs. TEA budget \pm 10%/3yrs
- ✓ 11. 10 pts. LT Liab. \leq 60% Total Assets (growth exception)
- ✓ 12. 10 pts. Debt Service Coverage Ratio \geq 1.2x
- ✗ 13. Unrestricted net assets $<$ 5% LT Liab. (5 pts. lost)
- ✓ 14. 10 pts. Administrative cost ratio \leq 14.01%

Operating Tests

- ✓ 15. 10 pts. No enrollment decrease (Student : Staff Ratio)
- ✓ 16. 5 pts. Estimated ADA within 10% of estimate
- ✓ 17. Reported PEIMS data matched AFR data
- ✓ 18. Audit found no internal control weakness
- ✓ 19. 10 pts. No audit findings of Federal non-compliance
- ✓ 20. 5 pts. Required postings on website
- ✓ 21. Geographic Boundary test (max 89pts. if failed)