

Figure: 19 TAC §109.1001(e)(3)

School FIRST - Rating Worksheet Dated April 2015 for Rating Year 2016-2017

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

County-District # _____ - _____

School District Name: _____

Indicator number	School FIRST: 2016-2017 Ratings based on Fiscal Year 2016 data	Select the appropriate box below	
		Pass	Fail
Critical Indicators			
1	Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the district's fiscal year end date of June 30 or August 31, respectively? Note: There is no 30-day grace period.	Yes	No
2	Review the AFR for unmodified opinion and material weaknesses. The district must pass either 2.A or 2.B to pass this indicator. The district fails indicator number 2 if it responds "No" to 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	Was the AFR 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. The external independent auditor determines if there are any instances of material weakness.	Yes	No
3	Was the district in compliance with the payment terms of all debt agreements at fiscal year end? If the district was in default in a prior fiscal year, an exemption applies in following years if the district 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.	Yes	No
4	Did the district 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 unrestricted net asset balance (Net of accretion of interest on capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the district's 5 year percent change in students was 10 percent or more, then the district passes this indicator).	Yes	No

Solvency Indicators		Points
6	Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?	10
7	Was the measure of current assets to current liabilities ratio for the district sufficient to cover short-term debt?	10
8	Was the measure of long-term liabilities to long-term asset ratio for the district sufficient to support long-term solvency?	10
9	Did the district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the district's number of days of cash on hand greater than or equal to 60 days?	10
10	Was the debt service coverage ratio sufficient to meet the required debt service?	10
11	Was the district's administrative cost ratio equal to or less than the threshold ratio?	10
12	Did the district have a 15 percent or more decline in the student to staff ratio over 3 years (total enrollment to total staff)? If student enrollment did not decrease, the district will automatically pass this indicator.	10

Financial Competence Indicators		Points
13	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the district's AFR result in an aggregate variance of less than 3 percent of all expenditures?	10
14	Was the AFR 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. The external independent auditor determines if there are any instances of material noncompliance.	10
15	Did the district 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
--------------------------------	-----

School FIRST Determination of Points

Indicator number	10	8	6	4	2	0
6	>= 90	< 90 >= 75	< 75 >= 60	< 60 >= 45	< 45 >= 30	< 30
7	>= 3	< 3 >= 2.5	< 2.5 >= 2	< 2 >= 1.5	< 1.5 >= 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 school district has at least 60 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						
10,000 and Above	<= 0.046	> 0.046 <= 0.053	> 0.053 <= 0.061	> 0.061 <= 0.069	> 0.069 <= 0.076	> 0.076
5,000 to 9,999	<= 0.050	> 0.050 <= 0.066	> 0.066 <= 0.083	> 0.083 <= 0.099	> 0.099 <= 0.116	> 0.116
1,000 to 4,999	<= 0.068	> 0.068 <= 0.079	> 0.079 <= 0.091	> 0.091 <= 0.102	> 0.102 <= 0.126	> 0.126
500 to 999	<= 0.079	> 0.079 <= 0.093	> 0.093 <= 0.107	> 0.107 <= 0.121	> 0.121 <= 0.135	> 0.135
Less than 500	<= 0.108	> 0.108 <= 0.139	> 0.139 <= 0.169	> 0.169 <= 0.199	> 0.199 <= 0.230	> 0.230
Sparse	<= 0.153	> 0.153 <= 0.191	> 0.191 <= 0.229	> 0.229 <= 0.268	> 0.268 <= 0.306	> 0.306

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

Determination of School District Rating	
Did the district fail any of the critical indicators 1, 3, 4 or 5 or both 2.A and 2.B? If so, the district's rating is F for Substandard Achievement regardless of points earned.	
Determine rating by applicable number of points.	Points
A = Superior	90 through 100
B = Above Standard	80 through 89
C = Meets Standard	60 through 79
F = Substandard Achievement (The district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 3, 4 or 5, or failed both 2.A and 2.B, or 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.)	0 through 59

For questions, call Financial Accountability at (512) 463-9095
 Completed by _____

School FIRST - Rating Worksheet Calculations Dated April 2015 for Rating Year 2016-2017		
	Indicator	Calculation Defined
1	Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the district's fiscal year end date of June 30 or August 31, respectively? Note: There is no 30-day grace period.	No Calculation Involved
2	Review the AFR for unmodified opinion and material weaknesses. The school district must pass either 2.A or 2.B to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A and 2.B.	Did the district pass either 2.A or 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.	No Calculation Involved
2.B	Was the AFR 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. The external independent auditor determines if there are any instances of material weakness.	No Calculation Involved
3	Was the district in compliance with the payment terms of all debt agreements at fiscal year end? If the school district was in default in a prior fiscal year, an exemption applies in following years if the district 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.	No Calculation Involved
4	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	No Calculation Involved
5	Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the district's 5 year percent change in students in membership was 10 percent or more, then the district passes this indicator).	$(A - B) / B \geq C$ OR $(D + E) > 0$, where A = Number of students in membership in year 5 from base year; B = Number of students in membership in base year; C = Threshold for 5 year percent change in students in membership, which = 10%; D = Total unrestricted net asset balance in the governmental activities column in Exhibit A-1 (Statement of Net Assets) in the annual financial report; E = Accretion of interest for capital appreciation bonds
6	Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)?	$[(A + B) / (C - D)] * 365$, where A = Cash & Equivalents; B = Current Investments; C = Total Expenditures; D = Facilities Acquisition and Construction
7	Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?	A / B , where A = Current Assets B = Current Liabilities
8	Was the measure of long-term liabilities to long-term asset ratio for the school district sufficient to support long-term solvency?	A / B , where A = Long Term Liabilities B = Long Term Assets
9	Did the district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the district's number of days of cash on hand greater than or equal to 60 days?	$[A / (B - C) - 1] > 0$, where A = Total Revenue B = Total Expenditures C = Facilities Acquisition and Construction
10	Was the debt service coverage ratio sufficient to meet the required debt service?	$(A - B + C) / C$, where A = Total Revenue; B = Total Expenditures; C = Debt Service
11	Was the district's administrative cost ratio equal to or less than the threshold ratio?	$A > B$, where A = Acceptable administrative cost ratio; B = Administrative cost ratio of the district, which = (sum of amounts for function codes 21 and 41) / (sum of amounts for function codes 11, 12, 13, and 31) *Includes object codes 61XX-64XX in fund code 199, except 6144

School FIRST - Rating Worksheet Calculations Dated April 2015 for Rating Year 2016-2017

12	Did the district have a 15 percent or more decline in the student to staff ratio over 3 years (total enrollment to total staff)? If the student enrollment did not decrease, the district 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 review
13	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the district's AFR result in an aggregate variance of less than 3 percent of all expenditures per fund type?	$(A / B) < C$, where A = Sum of the absolute values of all differences in expenditures (determined by function) between Exhibit C-2 (Statement of Revenues, Expenditures, and Changes in Fund Balance) and PEIMS, per fund type; B = Sum of expenditures in PEIMS per fund type; C = Threshold level variance, which = 3%
14	Was the AFR 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. The external independent auditor determines if there are any instances of material noncompliance.	No Calculation Involved
15	Did the school district 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