

Figure: 19 TAC §109.1001(e)(1)

School FIRST - Rating Worksheet Dated August 2015 for Rating Year 2014-2015

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

County-District # \_\_\_\_\_ - \_\_\_\_\_

School District Name: \_\_\_\_\_

Indicator number	<b>School FIRST: 2014-2015 Ratings based on Fiscal Year 2014 data</b>	Select the appropriate box below	
		<b>Pass</b>	<b>Fail</b>
<b>Critical Indicators</b>			
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 school district's fiscal year end date of June 30 or August 31, respectively?	Yes	No
2	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
3	Was the school 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 school 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. 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	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 school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)	Yes	No

<b>Solvency Indicators</b>		Points
5	Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)	10

<b>Financial Competence Indicators</b>		Points
6	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?	10
7	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.)	10

<b>Maximum possible points</b>	30
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### School FIRST Determination of Points

Indicator number	10	8	6	4	2	0
5	Threshold Ratio (based on ADA size)					
ADA Size						
10,000 and Above	≤ 0.0855	> 0.0855 ≤ 0.1105	> 0.1105 ≤ 0.1355	> 0.1355 ≤ 0.1605	> 0.1605 ≤ 0.1855	> 0.1855
5,000 to 9,999	≤ 0.1000	> 0.1000 ≤ 0.1250	> 0.1250 ≤ 0.1500	> 0.1500 ≤ 0.1750	> 0.1750 ≤ 0.2000	> 0.2000
1,000 to 4,999	≤ 0.1151	> 0.1151 ≤ 0.1401	> 0.1401 ≤ 0.1651	> 0.1651 ≤ 0.1901	> 0.1901 ≤ 0.2151	> 0.2151
500 to 999	≤ 0.1311	> 0.1311 ≤ 0.1561	> 0.1561 ≤ 0.1811	> 0.1811 ≤ 0.2061	> 0.2061 ≤ 0.2311	> 0.2311
Less than 500	≤ 0.2404	> 0.2404 ≤ 0.2654	> 0.2654 ≤ 0.2904	> 0.2904 ≤ 0.3154	> 0.3154 ≤ 0.3404	> 0.3404
Sparse	≤ 0.3364	> 0.3364 ≤ 0.3614	> 0.3614 ≤ 0.3864	> 0.3864 ≤ 0.4114	> 0.4114 ≤ 0.4364	> 0.4364

Indicator number	10		0
6	Yes		No
7	Yes		No

Determination of School District Rating	
Did the school district fail any of the critical indicators 1 through 4? If so, the school district's rating is F for Substandard Achievement regardless of points earned.	
<b>Determine the rating by the applicable number of points.</b>	<b>Points</b>
<b>P = Pass</b>	16 through 30
<b>F = Substandard Achievement</b> <i>(The school district receives an F if it scores below the minimum passing score, or if it failed any critical indicator 1 through 4, or if the AFR and the data were not complete, or if either the AFR or the data were not submitted on time for FIRST analysis.)</i>	0 through 15

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

Completed by \_\_\_\_\_

**School FIRST - Rating Worksheet Calculations Dated August 2015 for Rating Year 2014-2015**

	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 school district's fiscal year end date of June 30 or August 31, respectively?	No Calculation Involved
2	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
3	Was the school 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 school 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. 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	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 school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)	$(A - B) / B \geq C$ OR $(D + E + F) > 0$ , 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; F = Pension Expense and Net Pension Liability (NPL), as applicable
5	Was the school 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 school 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
6	Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?	$(A / B) < C$ , 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, by function in Fund Code 199; B = Sum of expenditures in PEIMS by function in fund code 199; C = Threshold level variance, which = 3%
7	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