

**Waco Charter School
Board of Trustees**

**Public Hearing for Charter FIRST
January 24, 2022
5:30 PM**

Background Information

The Waco Charter School received an A-Superior Achievement rating. 2020-2021 Ratings Based on Fiscal Year 2020 Data.

The 2020-2021 Charter FIRST Annual Financial Management Report, Charter School Status Detail, Indicator Detail Summary and Determination of Ratings are attached for review.

Contact Person

Cassie Bianchi

Date Presented

January 24, 2022

Charter FIRST Annual Financial Management Report

Waco Charter School 161801

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 districts 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 school district may choose to publish the superintendent's employment contract on the school district'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 June 30 or August 31, 2021

Description of Reimbursements	Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
Meals	\$	\$	\$	\$	\$	\$	\$	\$
Lodging								
Transportation								
Motor Fuel								
Other								
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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-district 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 June 30 or August 31, 2021
Name(s) of Entity(ies)

Amount Received
 \$

\$0.00

Compensation does not include business revenues generated from a family business (farming, ranching, etc.) that has no relation to school district 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 June 30 or August 31, 2021

Superintendent	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
\$	\$	\$	\$	\$	\$	\$	\$
Total							
\$	\$	\$	\$	\$	\$	\$	\$

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

Business Transactions Between School District and Board Members

For the Twelve-Month Period
 Ended June 30 or August 31, 2021

Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7
\$	\$	\$	\$	\$	\$	\$
Amounts						
\$	\$	\$	\$	\$	\$	\$

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.



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Rating Year: 2020-2021

CDN: 161801

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2020-2021 Ratings Based on Fiscal Year 2020 Data - Charter School Status Detail

[Charter School Status Detail](#)

[Indicator Detail Summary](#)

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Size-Dependent Indicators

Name: WACO CHARTER SCHOOL (161801)	Publication Level 0: 7/13/2021 10:01:32 AM
Status: PASSED	Publication Level 1: 11/5/2021 10:31:36 AM
Rating: A - Superior Achievement	Publication Level 2: 11/5/2021 10:31:36 AM
Charter School Score: 100	
Passing Score: 70	Last Updated: 11/5/2021 10:31:36 AM

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Size-Dependent Indicators

WACO CHARTER SCHOOL (161801)

Status	Indicator Num	Indicator Description	Updated	Score
P	+1 1	<u>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?</u>	7/13/2021 10:01:25 AM	YES
P	+1 2	<u>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.)</u>	7/13/2021 10:01:25 AM	YES
P	+1 3	<u>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.)</u>	7/13/2021 10:01:25 AM	YES
P	+1 4 +2	<u>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?</u>	7/13/2021 10:01:25 AM	YES, Ceiling Not Activated
P	+1 5 +2	<u>Was the total net asset balance in the Statement of Financial Position for the charter school</u>	7/13/2021 10:01:25 AM	YES, Ceiling Not Activated

		<u>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.)</u>		
t2	6	<u>Was the average change in total net assets over 3 years less than a 25 percent decrease or did the current year total net asset balance exceed 75 days of operational expenditures [(total expenditures less depreciation) /365]*75 days?</u>	7/13/2021 10:01:25 AM	Passed
	7	<u>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.</u>	7/13/2021 10:01:25 AM	10
	8	<u>Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?</u>	7/13/2021 10:01:25 AM	10
	9	<u>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.</u>	7/13/2021 10:01:25 AM	5
	10	<u>Did the charter school average less than a 10 percent variance (90%-110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?</u>	7/13/2021 10:01:25 AM	10
	11	<u>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.)</u>	7/13/2021 10:01:25 AM	10
	12	<u>Was the debt service coverage ratio sufficient to meet the required debt service?</u>	7/13/2021 10:01:25 AM	10
	13	<u>Did the charter school have a debt-to-capitalization percentage that was reasonable for the charter school to continue operating?</u>	7/13/2021 10:01:25 AM	5
	14	<u>Was the charter school's administrative cost ratio equal to or less than the threshold ratio?</u>	7/13/2021 10:01:25 AM	10
	15	<u>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.)</u>	7/13/2021 10:01:25 AM	10
	16	<u>Was the charter school's actual average daily attendance (ADA) within 10 percent of the charter school's annual estimated ADA?</u>	7/13/2021 10:01:25 AM	5
t2	17	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the charter school's AFR</u>	7/13/2021 10:01:25 AM	Passed

		<u>result in a total variance of less than 3 percent of all expenses by function?</u>		
†2	18	<u>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.)</u>	7/13/2021 10:01:25 AM	Passed
	19	<u>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.)</u>	7/13/2021 10:01:25 AM	10
	20	<u>Did the charter school post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the charter school's fiscal year end?</u>	7/13/2021 10:01:25 AM	5
†2	21	This indicator is not being scored.		
				100 Weighted Sum
				1 Multiplier Sum
				(100 Ceiling)
				100 Score

†1: must pass 5 total
†2: ceiling indicator

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2020-2021 Ratings Based on Fiscal Year 2020 Data - Charter School Status Detail

Charter School Status Detail

Indicator Detail Summary

Determination of Ratings

Size-Dependent Indicators

Did The charter school fail any of the critical indicators 1, 2, 3, 4, or 5 (parts 1 and 2)? If so, the charter school's rating is F for Substandard Achievement regardless of points earned.

Determine the rating by the applicable number of points.	Points
A - Superior Achievement	90-100
B - Above Standard Achievement	80-89
C - Meets Standard Achievement	70-79
F - Substandard Achievement	0-69

(The charter school receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, 4, or 5, 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.)

Ceiling Indicators		
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Did the charter school meet the criteria for any of the following ceiling indicators 4, 5, 6, 17, or 18? If so, the charter school's applicable maximum points and rating are disclosed below.		
Indicator 4 (Timely Payments) - Charter school was issued a warrant hold.	95	A = Superior Achievement
Indicator 5 (Total Net Assets) - Negative total net assets and pass indicator based only on 7% or more increase in students in membership over 5 years.	79	C = Meets Standard Achievement
Indicator 6 (Average Change in Total Net Assets) - Response to indicator is No.	89	B = Above Standard Achievement
Indicator 17 (PEIMS to AFR) - Response to indicator is No.	89	B = Above Standard Achievement
Indicator 18 (Material Weaknesses) - Response to indicator is No.	79	C = Meets Standard Achievement

If the charter school's overall points earned is less than the maximum points allowed by the applicable ceiling indicator, the charter school will receive a rating based on the lesser points earned. If the charter school fails a critical indicator or the charter school's total number of points is equal to or less than 69 points, the charter school will receive an **F = Substandard Achievement** rating, regardless of any ceiling indicator criteria met.

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Size-Dependent Indicators

Indicator 14

ADA Size:	≥ 1,000	500-999	< 500	Points
	≤ 0.1401	≤ 0.1561	≤ 0.2645	10
	> 0.1401 and ≤ 0.1651	> 0.1561 and ≤ 0.1811	> 0.2645 and ≤ 0.2895	8
Threshold	> 0.1651 and ≤ 0.1901	> 0.1811 and ≤ 0.2061	> 0.2895 and ≤ 0.3145	6
Ratio	> 0.1901 and ≤ 0.2151	> 0.2061 and ≤ 0.2311	> 0.3145 and ≤ 0.3395	4
	> 0.2151 and ≤ 0.2401	> 0.2311 and ≤ 0.2561	> 0.3395 and ≤ 0.3645	2
	> 0.2401	> 0.2561	> 0.3645	0

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