



Charter FIRST  
Financial Integrity Rating System of Texas

User: Public  
User Role: Public

Rating Year: 2016-2017

CDN: 061802

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2016-2017 Ratings Based on Fiscal Year 2016 Data - Charter School Status Detail

Charter School Status Detail

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<b>Name:</b> NORTH TEXAS COLLEGIATE ACADEMY(061802)	<b>Publication Level 0:</b> 7/21/2017 10:36:05 AM
<b>Status:</b> PASSED	<b>Publication Level 1:</b> 8/8/2017 2:27:20 PM
<b>Rating:</b> C - Meets Standard	<b>Publication Level 2:</b> 8/8/2017 2:27:20 PM
<b>Charter School Score:</b> 76	
<b>Passing Score:</b> 60	<b>Last Updated:</b> 8/8/2017 2:27:20 PM

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## 2016-2017 Ratings Based on Fiscal Year 2016 Data - Charter School Status Detail

[Charter School Status Detail](#)
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### Size-Dependent Indicators

#### NORTH TEXAS COLLEGIATE ACADEMY(061802)

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>	7/21/2017 10:36:02 AM	YES
P	+1 2A	<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>	7/21/2017 10:36:02 AM	YES
	2B	<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>	7/21/2017 10:36:02 AM	-
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>	7/21/2017 10:36:02 AM	YES

P	t1 4	<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>	7/21/2017 10:36:02 AM	YES
P	t1 5	<u>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 10 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 a 10 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 10 percent increase in 5 years.)</u>	7/21/2017 10:36:02 AM	YES
	6	<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. For government charter schools, pension expense will be excluded.</u>	7/21/2017 10:36:02 AM	10
	7	<u>Was the measure of current assets to current liabilities ratio for the charter school sufficient to cover short-term debt?</u>	7/21/2017 10:36:02 AM	6
	8	<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 10 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 a 10 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 10 percent increase in 5 years.)</u>	7/21/2017 10:36:02 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. For government charter schools, pension expense will be excluded.</u>	7/21/2017 10:36:02 AM	10
	10	<u>Was the debt service coverage ratio sufficient to meet the required debt service?</u>	7/21/2017 10:36:02 AM	0
	11	<u>Was the charter school's administrative cost ratio equal to or less than the threshold ratio?</u>	7/21/2017 10:36:02 AM	10
	12	<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>	7/21/2017 10:36:02 AM	0
	13	<u>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?</u>	7/21/2017 10:36:02 AM	10
	14	<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>	7/21/2017 10:36:02 AM	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?

7/21/2017 10:36:02 10 AM

76 Weighted Sum

1 Multiplier Sum

76 Score

†1: must pass 1, 3, 4, 5 and 2A

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Texas Education Agency

Commissioner Mike Morath

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August 15, 2017

#061802  
1-CSAR16-R 01/26/2017

Mrs. Paula L. Kelley, Board President  
Salvaging Teens at Risk, Inc.  
4601 N 1-35  
Denton, TX 76207

Dear Mrs. Kelley:

The Division of Financial Compliance at the Texas Education Agency (TEA) has reviewed the annual financial and compliance report for the year ended August 31, 2016, for Salvaging Teens at Risk, Inc. (FEIN: 1752727881), the charter holder, and North Texas Collegiate Academy (CDN: 061802), its open-enrollment charter school. The charter holder's independent auditor discovered no material errors and determined that the report was prepared in accordance with the *Financial Accountability System Resource Guide* special supplements for charter schools. Furthermore, the independent auditor did not indicate in the report that the charter holder was in any significant or material noncompliance with the laws, rules, and regulations governing Texas charter schools.

Although the charter holder's report and records and the working papers of the independent auditor remain subject to review by appropriate state and federal agency auditors and TEA program administrators, we consider the review of the report closed. If there is a need for subsequent review or additional audits, we will notify you.

We thank you and the charter holder's auditor for your diligence and cooperation in the completion of the annual financial and compliance report. If you need additional information, please contact Larry Simank at (512) 936-6981 or [larry.simank@tea.texas.gov](mailto:larry.simank@tea.texas.gov).

Sincerely,

A handwritten signature in black ink that reads 'Paul Moreno'.

Paul Moreno  
Manager of Financial Desk Reviews  
Division of Financial Compliance

PM/ls

cc: Dr. Lisa C. Stanley, Superintendent, North Texas Collegiate Academy  
Gregory S. Delk