Figure: 19 TAC §109.1001(g)(1)
IHE Charter FIRST - Rating Worksheet Dated July 2026 for Rating Years 2025-2026+
Fiscal Year Ended June 30, ____, or August 31, ____

IHE Charter FIRST Worksheet based on Fiscal Year End Data

Indicator Number	Critical Indicators	Pass	Fail
1	Was the complete annual financial report (AFR) and data submitted to TEA on or before February 27, 2026?	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

Indicator Number	Solvency Indicators	Pass	Fail
3	Was the charter school's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)	Yes	No
4	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.)	Yes	No

Indicator Number	Financial Competence Indicators	Pass	Fail
5	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?	Yes	No
6	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.)	Yes	No
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 and free from substantial doubt about the charter school's ability to continue as a going concern? (The AICPA defines material weakness.)	Yes	No

IHE Charter FIRST Determination of Rating

Indicator		Pass		Fail
1		Yes		No
2		Yes		No

		Threshold Ratio (based on ADA size)					
Indicator	**ADA Size**	**Pass**	**Pass**	**Pass**	**Pass**	**Pass**	**Fail**
3	≥ 1,000	≤ 0.0850	> 0.0850 ≤ 0.0975	> 0.0975 ≤ 0.1100	> 0.1100 ≤ 0.1225	> 0.1225 ≤ 0.1350	> 0.1350
	500 to < 1,000	≤ 0.0900	> 0.0900 ≤ 0.1025	> 0.1025 ≤ 0.1150	> 0.1150 ≤ 0.1275	> 0.1275 ≤ 0.1400	> 0.1400
	< 500	≤ 0.1165	> 0.1165 ≤ 0.1290	> 0.1290 ≤ 0.1415	> 0.1415 ≤ 0.1540	> 0.1540 ≤ 0.1665	> 0.1665

Indicator		Pass		Fail
4		Yes		No
5		Yes		No
6		Yes		No
7		Yes		No

Determination of IHE Charter School Rating	
Did the charter school fail any of the critical indicators 1 and/or 2? If so, the charter school's rating is F (Fail) for Substandard Achievement regardless of the result of the other indicators.	
P (Pass)	*3 or more YES responses (Indicators 3 through 7)*
F (Fail) – Substandard Achievement *(The charter school receives an F (Fail) for Substandard Achievement) if it fails to get at least 3 "YES" responses from indicators 3 through 7, if it failed any critical indicator 1 and/or 2, 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.)*	*3 or more NO responses (Indicators 3 through 7)*

Figure: 19 TAC §109.1001(g)(1)

Charter FIRST - Rating Worksheet Calculations Dated July 2026 for Rating Years 2025-2026+		
#	**Indicator**	**Calculation Defined**
1	Was the complete annual financial report (AFR) and data submitted to TEA on or before February 27, 2026?	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 charter school's administrative cost ratio equal to or less than the threshold ratio?	(A / B) < threshold based on CS size, where A = Sum of amounts for function codes 21 and 41 B = Total Expenses *Includes object codes 61XX-64XX, except 6144, in fund codes 199, 420, 266, 281, 282, and 283
4	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.)	(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 the year under review
5	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?	(A / B) < C, where A = Sum of the absolute values of all differences in expenses (determined by function) between the Statement of Activities and PEIMS B = Sum of expenses for all expenses presented in the Statement of Activities C = Threshold for percentage of data variance, which = 3%
6	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.)	No calculation involved
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, federal funds and free from substantial doubt about the charter school's ability to continue as a going concern? (The AICPA defines material weakness.)	No calculation involved