



# CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT PUBLIC HEARING

For Fiscal Year 2021-2022



# Schools FIR\$T History

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- Financial Integrity Rating System of Texas enacted by Legislature to:
  - ✓ Hold districts accountable for quality of their financial management practices;
  - ✓ Provide maximum allocation for direct instructional purposes;
  - ✓ Evaluate quality of financial management decisions.
- Cypress-Fairbanks ISD has earned State's highest fiscal accountability rating for 21 years



# Schools FIR\$T Ratings

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- Superior (A)
- Above Standard (B)
- Meets Standard (C)
- Substandard Achievement (F)
  - ✓ Requires a Corrective Action Plan to TEA

# Schools FIR\$T Objectives

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- Simple and understandable
- Applicable to all districts
- Based on actual data (PEIMS and Annual Financial Report)
- Analyzes financial management efficiencies
- Early warning signs of financial distress
- Transparency

# Schools FIR\$T Rating System

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- Based on 20 indicators
  - ✓ Indicator 5 not scored (GASB - Pensions)
  - ✓ Indicator 10 not scored (3-year comparison of budget to actual revenues)
  - ✓ Indicator 14 not scored (Student to Staff Ratio)
  - ✓ Indicator 15 not scored (ADA Variance Ratio)
  - ✓ CFISD received max points on 14 of the 16 scored indicators

# Schools FIR\$T Rating System

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- Required Disclosures in Financial Management Report:
  - ✓ Superintendent's contract
  - ✓ Reimbursements to superintendent and Board
  - ✓ Outside compensation of superintendent in exchange for professional consulting/services
  - ✓ Gifts of \$250 or more to executive officers, Board and immediate families
  - ✓ Business transactions between District and Board members

# Schools FIR\$T Critical Indicators

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- Failure of any critical indicator = automatic failure on FIR\$T
  - ✓ Annual financial report filed by deadline to TEA
  - ✓ Unmodified opinion on annual financial audit report
  - ✓ Compliance with payment terms of all bonded debt agreements
  - ✓ Timely payments to state and federal agencies
  - ✓ Positive unrestricted net position in governmental activities (not scored)

# Schools FIR\$T Other Indicators

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- Solvency Indicators:
  - ✓ Designed to detect early signs of solvency related issues
  - ✓ 9 indicators
- Financial Competency Indicators:
  - ✓ Designed to show quality of district management decisions and financial management practices
  - ✓ 6 indicators

# Administrative Cost Ratio Comparison

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Fiscal Year	Threshold	District
2017-2018	8.55%*	3.86%
2018-2019	8.55%*	3.77%
2019-2020	8.55%*	3.67%
2020-2021	8.55%*	3.39%
2021-2022	8.55%*	3.68%

Administrative Cost Ratio = Ratio of administrative costs to amount spent on instruction

\*Threshold to receive all 10 possible points



# Administrative Cost Ratio 2021-2022

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District	Ratio
Dallas	10.49%
Spring	10.04%
Tomball	8.06%
Fort Bend	7.33%
Spring Branch	6.88%
Northside	5.44%
Houston	5.22%
Klein	5.02%
Cypress-Fairbanks	3.68%
Katy	3.54%





QUESTIONS?