

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT PUBLIC HEARING

For Fiscal Year 2021-2022



Schools FIR\$T History

- 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

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



Schools FIR\$T Objectives

- 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

- 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

- 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

- Failure of any critical indicator = automatic failure on FIRST
 - ✓ 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

- 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

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

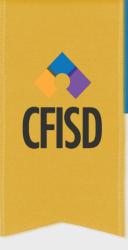


^{*}Threshold to receive all 10 possible points

Administrative Cost Ratio 2021-2022

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?