



School Financial Integrity Rating System of Texas Annual Financial Management Report

**Conroe Independent School
District's FIRST Rating**

Karen Garza

Director of Finance

Purpose of the FIRST Report

- ❖ **The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices.**
- ❖ **The system is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.**

FIRST Report Scoring

- Rating is based upon an analysis of staff and student data reported for the 2019-2020 school year, budgetary and actual financial data for the fiscal year ended August 31, 2020.
- The School FIRST rating system rated the District based on the scores received from 20 separate performance indicators broken out into three categories; Critical, Solvency and Financial Competence.
- Indicators 1-5 are **Pass/Fail**
- Indicators 6, 16, 17 and 20 are **Ceiling Indicators**
- Indicators 7-14 and 18 are worth up to **10 Points**
- Indicators 15 and 19 are worth up to **5 Points**

How Ratings are Assessed

The School First accountability rating system assigns four possible financial accountability ratings to Texas school districts.

A

- **Superior Achievement**
- 90-100 Points

B

- **Above Standard Achievement**
- 80-89 Points

C

- **Meets Standard Achievement**
- 70-79 Points

F

- **Substandard Achievement**
- 0-69 Points

**Conroe Independent School District
received a rating of
A = Superior**

**Scoring 100 out of 100 possible points,
a perfect score !**

**The “Superior” rating is the state’s highest,
demonstrating the quality of Conroe ISD’s
financial management and reporting system.**



Critical Indicators



Indicator Number 1

Was the Annual Financial Report (AFR) and data submitted to the TEA within 30 days of the January 28th deadline for the district's fiscal year end of August 31st?

Conroe ISD's Answer

Yes - January 22, 2021 (Pass)

Indicator Number 2

Was there an unmodified opinion in the AFR on the financial statements as a whole?

Conroe ISD's Answer

Yes, an Unmodified Opinion is the highest assurance you can receive from the external auditor. (Pass)

Indicator Number 3

Was the school district in compliance with the payment terms of all debt agreements at fiscal year end?

Conroe ISD's Answer

Yes, we were in compliance with all payment terms. (Pass)

Indicator Number 4

Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?

Conroe ISD's Answer

Yes (Pass)

Indicator Number 5

Was the Total Unrestricted Net Position Balance in the Governmental Activities column in the Statement of Net Position greater than zero?

Conroe ISD's Answer

** Indicator was not scored



Solvency Indicators



Indicator Number 6 *

Was the average change in fund balance (assigned and unassigned) over the last 3 years less than a 25 percent decrease **or** did the current year fund balance (assigned and unassigned) exceed 75 days of operational expenditures?

Conroe ISD's Answer

Yes (Pass)

Indicator Number 7

Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures?

Conroe ISD's Answer

Yes, 124 days cash on hand

Conroe ISD received a 10 out of 10 possible points. Must have 90 days cash on hand to receive 10 points on this indicator.

Indicator Number 8

Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt?

Conroe ISD's Answer

Yes, Current Ratio is 3.008, 10 out of 10 possible points

Indicator Number 9

Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)?

Conroe ISD's Answer

Yes, 10 out of 10 possible points

Indicator Number 10*

Did the school district average less than a 10 percent variance (90%-110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?

Conroe ISD's Answer

Yes, 10 out of 10 possible points

Indicator Number 11

Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the district's increase of students in membership over the last 5 years was 7% or more, the district automatically passes this indicator.)

Conroe ISD's Answer

Yes, 10 out of 10 possible points

Indicator Number 12*

Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments?

Conroe ISD's Answer

Yes, 10 out of 10 possible points

Indicator Number 13

Was the school district's administrative cost ratio equal to or less than the threshold ratio?

Conroe ISD's Answer

Yes, 10 out of 10 possible points

Acceptable administrative cost ratio is $\leq .0855$

Conroe ISD's ratio .0381

Indicator Number 14

Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If student enrollment increased, the district automatically passes this indicator.)

Conroe ISD's Answer

Enrollment increased by 3,219 students over the three year period (2017-2018) – (2019-2020). 10 out of 10 possible points.



Financial Competence Indicators



Indicator Number 15*

Was the school district's actual ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA?

Conroe ISD's Answer

Yes, 5 out of 5 possible points

Acceptable variance $\leq .07$

Conroe ISD's variance .008

Indicator Number 16

Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?

Conroe ISD's Answer

Yes, zero variances were reported. (Pass)

Indicator Number 17

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?

Conroe ISD's Answer

We received a clean audit. (Pass)

Indicator Number 18

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?

Conroe ISD's Answer

We received a clean audit. Received 10 out of 10 possible points.

Indicator Number 19*

Did the school district 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 school district's fiscal year end?

Conroe ISD's Answer

Yes. Received 5 out of 5 possible points.

Indicator Number 20*

Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget?

Conroe ISD's Answer

Yes (Pass)

FIRST Rating Peer Districts

District Name	Points	
Conroe ISD	100	A--Superior
Katy ISD	98	A--Superior
Klein ISD	98	A--Superior
Cy Fair ISD	92	A--Superior
Spring Branch ISD	98	A--Superior
Fort Bend ISD	90	A--Superior

The FIRST report along with the additional required disclosures including the Superintendent's Contract and the School First Annual Financial Management Report can be located on the District's transparency website at the link listed below

www.conroeisd.net/departments/financial-services/texas-transparency/



Thank you

SUPERINTENDENT'S EMPLOYMENT CONTRACT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF §
MONTGOMERY §

THIS SUPERINTENDENT'S EMPLOYMENT CONTRACT ("Contract") is made and entered into effective the 15th day of June, 2021, by and between the Board of Trustees (the "Board") of the Conroe Independent School District (the "District") and Dr. Curtis Null (the "Superintendent").

WITNESSETH:

NOW, THEREFORE, the Board and the Superintendent, for and in consideration of the terms hereinafter established and pursuant to Section 11.201(b) and Chapter 21, Subchapter E of the Texas Education Code, have agreed, and do hereby agree, as follows:

I. Term

1.1 **Term.** The Board, by and on behalf of the District, does hereby employ the Superintendent, and the Superintendent does hereby accept employment as Superintendent of Schools for the District for a term of five (5) years, commencing on June 15, 2021, and ending on June 1, 2026. The District may, by action of the Board, and with the consent and approval of the Superintendent, extend the term of this Contract as permitted by state law.

1.2 **No Tenure.** The Board has not adopted any policy, rule, regulation, law, or practice providing for tenure. No right of tenure is created by this Contract. No property interest, express or implied, is created in continued employment beyond the Contract term.

II. Employment

2.1 **Duties.** The Superintendent is the chief executive of the District and shall faithfully perform the duties of the Superintendent of Schools for the District as prescribed in the job description and as may be lawfully assigned by the Board, and shall comply with all lawful Board directives, state and federal law, District policy, rules, and regulations as they exist or may hereafter be amended. Specifically, it shall be the duty of the Superintendent to recommend to the Board or employ personnel of the District in accordance with the Board's policies. It shall be the further duty of the Superintendent to direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. It shall be the further duty of the Superintendent to organize, reorganize, and arrange the staff of the District, and to

develop and establish administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficient and effective operation of the District consistent with the Board's lawful directives, the Board's policies, and state and federal law. It shall be the further duty of the Superintendent to accept all resignations of employees of the District consistent with the Board's policies, except the Superintendent's resignation, which may only be accepted by the Board. The Superintendent shall perform the duties of the Superintendent of Schools for the District with reasonable care, diligence, skill, and expertise. All duties assigned to the Superintendent by the Board shall be appropriate to and consistent with the professional role and responsibility of the Superintendent.

2.2 Professional Certification. The Superintendent shall at all times during the term of this Contract, and any renewal or extension thereof, hold and maintain a valid certificate required of a superintendent by the State of Texas and issued by the State Board for Educator Certification or the Texas Education Agency and any other certificates required by law.

2.3 Reassignment. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's express written consent.

2.4 Board Meetings. The Superintendent shall attend all meetings of the Board, both public and closed, with the exception of those closed meetings devoted to the consideration of any action or lack of action on the Superintendent's Contract, or the Superintendent's evaluation, or for purposes of resolving conflicts between individual Board members, or when the Board is acting in its capacity as a tribunal. In the event of illness or Board-approved absence, the Superintendent's designee shall attend such meetings.

2.5 Criticisms, Complaints, and Suggestions. The Board, individually and collectively, shall refer in a timely manner all substantive criticisms, complaints, and suggestions called to the Board's attention either: (a) to the Superintendent for study and/or appropriate action, and the Superintendent shall refer such matter(s) to the appropriate District employee or shall investigate such matter(s) and shall within a reasonable time inform the Board of the results of such efforts; or, (b) to the appropriate complaint resolution procedure as established by District Board policies.

2.6 Indemnification. To the extent it may be permitted to do by applicable law, including, but not limited to Texas Civil Practice & Remedies Code Chapter 102, the District does hereby agree to defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses and attorneys' fees incurred in any legal proceedings brought against Superintendent in the Superintendent's individual or official capacity as an employee and as Superintendent of the District, providing the incident(s), which is (are) the basis of any such demand, claim, suits, actions, judgments, expenses and attorneys' fees, arose or does arise in the future from an act or omission of Superintendent as an employee of the District, acting within the course and scope of Superintendent's employment with the District; excluding, however, any

such demand, claim, suits, actions, judgments, expenses and attorneys' fees for those claims or any causes of action where it is determined that Superintendent committed official misconduct, or committed a willful or wrongful act or omission, or an act or omission constituting gross negligence, or acted in bad faith; and excluding any costs, fees, expenses or damages that would be recoverable or payable under an insurance contract, held either by the District or by Superintendent. The selection of Superintendent's legal counsel shall be with the mutual agreement of Superintendent and the District if such legal counsel is not also District's legal counsel. A legal defense may be provided through insurance coverage, in which case Superintendent's right to agree to legal counsel provided for him will depend on the terms of the applicable insurance contract. To the extent this Section 2.6 exceeds the authority provided and limitations imposed by Texas Civil Practice & Remedies Code, Chapter 102, it shall be construed and modified accordingly. The provisions of this Section 2.6 shall survive the termination of this contract.

III. Compensation

3.1 Salary. The District shall provide the Superintendent with an annual salary in the sum of Three Hundred Forty-Six Thousand Five Hundred Sixty Dollars (\$346,560) predicated on 226 work days each year. This annual salary rate shall be paid to the Superintendent in equal installments consistent with the Board's policies.

3.2 Salary Adjustments. At any time during the term of this Contract, the Board may, in its discretion, review and adjust the salary of the Superintendent, but in no event shall the Superintendent be paid less than the salary set forth in Section 3.1 of this Contract except by mutual agreement of the two parties or on a temporary basis in accordance with Section 21.4021 or Section 21.4032 of the Texas Education Code. Such adjustments, if any, shall be made pursuant to lawful Board action. Except for circumstances making a widespread salary reduction or furlough necessary, the parties agree to provide their best efforts and reasonable cooperation to execute a new contract or contract amendment incorporating the adjusted salary. Subject to and without waiving any Constitutional and/or other challenges by the Superintendent, the Superintendent acknowledges that the District may have certain rights pursuant to Texas Education Code Sections 21.4021 and/or 21.4032. Once the exigent financial conditions of the District making a widespread salary reduction necessary under Section 21.4032 of the Texas Education Code no longer exist, the Superintendent's annual salary shall return to the sum set forth in Section 3.1 of this Contract. If the Board implements a furlough under Texas Education Code section 21.4021, the Superintendent shall be furloughed for the same number of days as other contract personnel and the Superintendent's salary shall be reduced in proportion to the number of furlough days.

3.3 Vacation, Holiday and Personal Leave. The Superintendent shall observe the same legal holidays and receive the same sick leave and personal leave benefits as authorized by Board policies for administrative employees who serve 226 duty days each year. In addition, the Superintendent is granted and may take fifteen (15) vacation days per year, the days to be in a single period or at different times. The vacation days taken

by the Superintendent will be taken at such time or times as will least interfere with the performance of the Superintendent's duties as set forth in this Contract. On June 30 of every year this Contract is in effect, all unused vacation days (up to fifteen (15)) accumulated by the Superintendent will be paid in lump sum to the Superintendent at the Superintendent's then current daily rate of base pay, based on 226 work days each year.

3.4 Insurance. The District shall pay the same premiums for hospitalization and major medical insurance coverage for the Superintendent pursuant to the group health care plan provided by the District for its administrative employees.

3.5 Professional Growth. The Superintendent shall devote the Superintendent's time, attention, and energy to the direction, administration, and supervision of the District. The Board, however, encourages the continued professional growth of the Superintendent through the Superintendent's active attendance at and participation in appropriate professional meetings at the local, regional, state and national levels. The Board shall encourage the use of data and information sources, and shall encourage the participation of the Superintendent in pertinent education seminars and courses offered by public or private institutions or by educational associations, as well as the participation in informational meetings with those individuals whose particular skills, expertise, or backgrounds would serve to improve the capacity of the Superintendent to perform the Superintendent's professional responsibilities for the District. In its encouragement of the Superintendent to grow professionally, the Board shall permit a reasonable amount of release time for the Superintendent as the Superintendent and the Board deem appropriate, to attend such seminars, courses or meetings. The District shall pay the Superintendent's membership dues in relevant professional organizations. The District shall bear the reasonable cost and expense for registration, travel, meals, lodging, and other related expenses for such attendance and membership with notice to the Board.

3.6 Civic Activities. The Board encourages the Superintendent to become a member of and participate in community and civic affairs, including the chamber of commerce, civic clubs, governmental committees, and educational organizations. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. The Superintendent may hold offices or accept responsibilities in these professional organizations, provided that such responsibilities do not interfere with the performance of his duties as Superintendent. Prior to engaging in these activities, the Superintendent will notify the Board in writing of the activity. The Board will notify the Superintendent if the activity presents a conflict or interferes with the performance of his duties as Superintendent. The District shall also pay the reasonable and customary dues for the Superintendent's membership in up to three local civic and community organizations of the Superintendent's choice.

3.7 Expenses. In addition to the annual salary above, the Superintendent shall receive a one thousand five hundred dollars (\$1,500) allowance per month during the Superintendent's employment with the District to cover the costs of all reasonable and necessary expenses incurred in the continuing performance of the Superintendent's duties under this contract. This allowance covers, but is not limited to, all travel expenses within

the District and Region VI Education Service Center/Greater Houston area and other incidental expenses. This allowance excludes out-of-District/Region VI/Greater Houston area travel expenses, which shall be reimbursed by the District, and further excludes expenses pertaining to mobile phone use or portable e-mail service, which shall be the Superintendent's responsibility. The Superintendent shall comply with all policies, procedures, and documentation requirements established by the Board, the District's independent auditors, and state and federal laws regarding such expenses to be reimbursed.

3.8 TRS Contribution. The District shall supplement the Superintendent's annual salary beginning June 18, 2019 and through the term of this Contract, by an amount equal to the Superintendent's portion of the monthly contribution to the Teacher Retirement System required for the Superintendent. To the extent the Superintendent's TRS contribution is capped, the District shall determine the monetary amount that would have been contributed to TRS had the Superintendent's salary not been capped and include such amount. This additional salary supplement shall be paid to the Superintendent by regular monthly payroll installments and shall be reported as "creditable compensation" by the District for purposes of the Texas Retirement System of Texas.

3.9 Supplemental Retirement Contribution. Beginning June 16, 2020, the District shall make a contribution on or before June 15 of each year during which this Contract is in effect in the amount of \$1600 per pay period to a Supplemental Retirement Tax Deferred Plan or plans (the "Plan") established for the benefit of the Superintendent under Section 403(b), Section 457(b), and/or Section 401(a) of the Internal Revenue Code ("Code"). Unless already established, the 403(b) and 401(a) plans shall be established as employer-paid plans with non-discretionary contributions by the District and the Superintendent shall have no right to receive such contributions in cash. Unless already established, 403(b), 401(a), and 457(b) plans shall each be established under a written plan document that meets the requirements of the Code and such documents are hereby incorporated herein by reference. The funds for the 403(b) plan, 401(a) plan and 457(b) plan shall be invested in such investment vehicles as are allowable under the Code for the applicable type of plan. The Superintendent shall have sole discretion as to where the contributions to the Plan are invested, to the extent such investments comply with applicable State and federal laws. The Superintendent shall not be entitled to receive in cash any portion of the funds that exceed the contribution limit or limits established by law. Each such Plan established on behalf of the Superintendent shall provide that the contributions made to the Plan by the District and all earnings thereon shall be fully vested in the Superintendent on June 16, 2020.

4.0 Additional Supplemental Retirement Contribution. The District shall contribute to a Supplemental Retirement Plan for the benefit of the Superintendent in an amount equal to Twenty-Seven Thousand and No/100 Dollars (\$27,000.00). The District shall contribute to the Supplemental Retirement Plan on or before December 31, 2021. The contributions to the Supplemental Retirement Plan and earnings thereon shall become vested according to the schedule listed below.

<u>Date</u>	<u>Vested Percentage</u>
Prior to December 31, 2022	0%
December 31, 2022	20%
December 31, 2023	40%
December 31, 2024	60%
December 31, 2025	80%
December 31, 2026	100%

The Supplemental Retirement Plan shall be a plan established under Section 403(b) of the Internal Revenue Code (the "Code"). The 403(b) plan shall be established as employer-paid with non-discretionary contributions by the District and the Superintendent shall have no right to receive such contributions in cash. The 403(b) plan shall each be established under a written plan document that meets the requirements of the Code and such document is incorporated herein by reference. The funds for the 403(b) plan shall each be invested as determined solely by the Superintendent in such investment vehicles as are allowable under the Code for the applicable type of plan.

IV. Annual Performance Goals

4.1 Development of Goals. The Superintendent and Board shall work together to develop goals for the District in accordance with Board Policy and applicable law. The goals approved by the Board shall at all times be reduced to writing ("District Goals") and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. The Board agrees to work with and support the Superintendent in achieving the District Goals.

V. Review of Performance

5.1 Time and Basis of Evaluation. The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Contract. The Board's evaluation and assessment of the Superintendent shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall be based on the District's progress towards accomplishing the District Goals.

5.2 Confidentiality. Unless the Superintendent expressly requests otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.

VI. Extension or Nonrenewal of Employment Contract

6.1 Extension/Nonrenewal. Extension and/or nonrenewal shall be in accordance with Board policy and applicable law.

VII. Termination of Employment Contract

7.1 Mutual Agreement. This Contract may be terminated by the mutual agreement of the Superintendent and the Board in writing upon such terms and conditions as may be mutually agreed upon.

7.2 Retirement or Death. This Contract shall be terminated upon the retirement or death of the Superintendent.

7.3 Dismissal for Good Cause. The Board may dismiss the Superintendent during the term of the Contract for good cause. The term "good cause" is defined as follows:

- (a) Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;
- (b) Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication from the Board; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent a reasonable opportunity to remediate any incompetency or inefficiency;
- (c) Insubordination or failure to comply with lawful written Board directives;
- (d) Failure to comply with the Board's policies or the District's administrative regulations;
- (e) Neglect of duties;
- (f) Drunkenness or excessive use of alcoholic beverages;
- (g) Illegal use of drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act;
- (h) Conviction of a felony or crime involving moral turpitude;
- (i) Failure to meet the District's standards of professional conduct;
- (j) Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;
- (k) Disability, not otherwise protected by law, that impairs performance of the required duties of the Superintendent;
- (l) Immorality, which is conduct the Board determines is not in conformity with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency, or depravity;
- (m) Assault on an employee or student;
- (n) Knowingly falsifying records or documents related to the District's activities;
- (o) Conscious misrepresentation of facts to the Board or other District officials in the conduct of the District's business;
- (p) Failure to fulfill requirements for superintendent certification; or,
- (q) Any other reason constituting "good cause" under Texas law.

7.4 Termination Procedure. In the event that the Board terminates this Contract for "good cause," the Superintendent shall be afforded all the rights as set forth in the Board's policies and state and federal law.

7.5 Resignation of Superintendent. The Superintendent may leave the employment of the District at the end of a school year without penalty by filing a written resignation with the Board. The resignation must be addressed to the Board and filed not later than the 45th day before the first day of instruction of the following year. The Superintendent may resign with the consent of the Board at any other time.

VIII. Miscellaneous

8.1 Controlling Law. This Contract shall be governed by the laws of the State of Texas and shall be performable in Montgomery County, Texas, unless otherwise provided by law.

8.2 Complete Agreement. This Contract embodies the entire agreement between the parties hereto and cannot be varied except by written agreement of the undersigned parties, except as expressly provided herein. This Contract supersedes all prior agreements and resolutions concerning employment of the Superintendent into one document. This Contract may only be amended by written instrument, executed by both parties.

8.3 Conflicts. In the event of any conflict between the terms, conditions, and provisions of this Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.

8.4 Savings Clause. In the event any one or more of the provisions contained in this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All existing agreements and contracts, both verbal and written, between the parties hereto regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.

SIGNATURE PAGE TO FOLLOW

CONROE INDEPENDENT SCHOOL DISTRICT

By: 
President, Board of Trustees

ATTEST:

By: 
Secretary, Board of Trustees

Executed this 15 day of June, 2021.

SUPERINTENDENT

By: 
Dr. Curtis Null

Executed this 15 day of June, 2021.

School FIRST Annual Financial Management Report

CONROE INDEPENDENT SCHOOL DISTRICT

Reimbursements Received by the Superintendent and Board Members

For the Twelve-Month Period
Ended August 31, 2020

Description of Reimbursements	Superintendent Dr. Curtis Null	Board Member 1 Dale Inman	Board Member 2 Ray Sanders	Board Member 3 Skeeter Hubert	Board Member 4 Datren Williams	Board Member 5 Scott Kidd	Board Member 6 John Husbands	Board Member 7 Scott Moore
Meals	\$ 70.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30.00
Lodging	62.60	-	-	-	-	-	-	-
Transportation	545.65	-	-	-	-	-	-	99.74
Motor Fuel	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	\$678.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$129.74

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 August 31, 2020

Name(s) of Entity(ies)	Amount Received
N/A	\$ -
Total	\$ -

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 August 31, 2020

	Superintendent Dr. Curtis Null	Board Member 1 Dale Inman	Board Member 2 Ray Sanders	Board Member 3 Skeeter Hubert	Board Member 4 Datren Williams	Board Member 5 Scott Kidd	Board Member 6 John Husbands	Board Member 7 Scott Moore
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 August 31, 2020

	Board Member 1 Dale Inman	Board Member 2 Ray Sanders	Board Member 3 Skeeter Hubert	Board Member 4 Datren Williams	Board Member 5 Scott Kidd	Board Member 6 John Husbands	Board Member 7 Scott Moore
Amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,745,850.67	\$ -

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.

The above amount reflects normal business transactions between Conroe I.S.D. and the employer of Mr. Husbands (Soules Insurance). Mr. Husbands receives no commission from these revenues and his business relationship predates his membership on the Board of Trustees.

Summary Schedule of Data Submitted under the Financial Solvency Provisions of TEC §39.0822

General Fund - First-Quarter Expenditures By Object Code

Report 2020-2021 first-quarter (first three months of fiscal year 2020-2021) GENERAL FUND expenditures by object code using whole numbers.

Payroll- Expenditures for payroll costs	object codes 6110-6149	\$ 73,157,757.00
Contract Costs- Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	\$ 13,030,911.00
Supplies and Materials- Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	\$ 9,336,836.00
Other Operating- Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	\$ 3,956,028.00
Debt Service- Expenditures for debt service	object code series 6500	\$ -
Capital Outlay- Expenditures for land, buildings, and equipment	object code series 6600	\$ 1,048,330.00

Additional Financial Solvency Questions

1) Districts with a September 1- August 31 fiscal year:

Within the last two years, did the school district

- draw funds from a short-term financing note (term less than 12 months) between the months of September and December, inclusive, and
- for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function codes 11-61?

Yes No

XX

XX

2) Has the school district declared financial exigency within the past two years?

XX

3) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

Mean Enroll-to-Teacher Ratio	85% of Mean Enroll-to-Teacher		School District Size
	Ratio	Ratio	
8.39		7.13	Under 100
9.48		8.06	100 to 249
10.73		9.12	250 to 499
11.48		9.76	500 to 999
12.45		10.58	1,000 to 1,599
13.52		11.50	1,600 to 2,999
14.29		12.15	3,000 to 4,999
14.80		12.58	5,000 to 9,999
14.88		12.65	10,000 to 24,999
15.01		12.76	25,000 to 49,999
15.06		12.80	50,000 and Over

4) How many superintendents has your school district had in the last five years?

2

5) How many business managers has your school district had in the last five years?

1

RATING YEAR **2020-2021**DISTRICT NUMBER **district #****Select An Option****Help****Home****Financial Integrity Rating System of Texas**

2020-2021 RATINGS BASED ON SCHOOL YEAR 2019-2020 DATA - DISTRICT STATUS DETAIL

Name: CONROE ISD(170902)	Publication Level 1: 8/4/2021 2:00:38 PM
Status: Passed	Publication Level 2: 8/6/2021 11:10:55 AM
Rating: A = Superior Achievement	Last Updated: 8/6/2021 11:10:55 AM
District Score: 100	Passing Score: 70

#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	6/8/2021 4:00:30 PM	Yes
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>	6/8/2021 4:00:31 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district 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>	6/8/2021 4:00:31 PM	Yes
4	<u>Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)</u>	7/1/2021 9:10:53 AM	Yes Ceiling Passed
5	This indicator is not being scored.		
			1 Multiplier Sum
6	<u>Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/28/2021 11:14:25 AM	Ceiling Passed

7	<u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? See ranges below in the Determination of Points section.</u>	6/8/2021 4:00:31 PM	10
8	<u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.</u>	6/8/2021 4:00:32 PM	10
9	<u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days? See ranges below in the Determination of Points section.</u>	6/8/2021 4:00:32 PM	10
10	<u>Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?</u>	7/2/2021 1:50:16 PM	10
11	<u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.</u>	6/8/2021 4:00:33 PM	10
12	<u>Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.</u>	6/8/2021 4:00:33 PM	10
13	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.</u>	6/8/2021 4:00:34 PM	10
14	<u>Did the school district 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 school district will automatically pass this indicator.</u>	6/8/2021 4:00:34 PM	10
15	<u>Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.</u>	6/8/2021 4:00:34 PM	5
16	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 4:00:35 PM	Ceiling Passed
17	<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.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)</u>	6/8/2021 4:00:35 PM	Ceiling Passed
18	<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>	6/8/2021 4:00:35 PM	10
19	<u>Did the school district 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 school district's fiscal year end?</u>	6/8/2021 4:00:35 PM	5
20	<u>Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)</u>	6/8/2021 4:00:35 PM	Ceiling Passed
			100 Weighted

		Sum
		1 Multiplier Sum
		(100 Ceiling)
		100 Score

DETERMINATION OF RATING

A.	Did the school district fail any of the critical indicators 1, 2, 3, or 4? If so, the school district's rating is F for Substandard Achievement regardless of points earned.	
B.	Determine the rating by the applicable number of points.	
	A = Superior Achievement	90-100
	B = Above Standard Achievement	80-89
	C = Meets Standard Achievement	70-79
	F = Substandard Achievement	<70
No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation. The school district receives an F if it scores below the minimum passing score, if it failed any critical indicator 1, 2, 3, or 4, 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

Did the school district meet the criteria for any of the following ceiling indicators 4, 6, 16, 17, or 20? If so, the school district's applicable maximum points and rating are disclosed below. Please note, an F = Substandard Achievement Rating supersedes any rating earned as the result of the school district meeting the criteria of a ceiling indicator.		
Determination of rating based on meeting ceiling criteria.	Maximum Points	Maximum Rating
Indicator 4 (Timely Payments) - School district was issued a warrant hold.	95	A = Superior Achievement
Indicator 6 (Average Change in Fund Balance) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 16 (PEIMS to AFR) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement
Indicator 17 (Material Weaknesses) - Response to indicator is <i>No</i> .	79	C = Meets Standard Achievement
Indicator 20 (Property Values and Tax Discussion) - Response to indicator is <i>No</i> .	89	B = Above Standard Achievement

