



School Financial Integrity Rating System of Texas Annual Financial Management Report

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

Purpose of the FIRST Report

- ❖ **The state's 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.**
- ❖ **Rating is based upon an analysis of staff and student data reported for the 2021-2022 school year, budgetary and actual financial data for the fiscal year ended August 31, 2022.**

How Ratings are Assessed

**The School FIRST
accountability rating
system assigns four
possible 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

FIRST Report Scoring

Indicator	Points	Critical Indicators	Ceiling Indicators
1	Pass/Fail	✓	
2	Pass/Fail	✓	
3	Pass/Fail	✓	
4	Pass/Fail	✓	
5	Pass/Fail	✓	
6	Pass/Fail		✓
7	10		
8	10		
9	10		
10	10		
11	10		
12	10		
13	10		
14	10		
15	5		
16	Pass/Fail		✓
17	Pass/Fail		✓
18	10		
19	5		
20	Pass/Fail		✓
Total	100		

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

Scoring 98 out of 100 possible points

**The “Superior Achievement” 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 25, 2023 (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, the district had sufficient cash & current investments on hand.

Conroe ISD received a 10 out of 10 possible points.

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, 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

Indicator was not scored

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

What is the correlation between future debt requirements and the district's assessed property value?

Conroe ISD's Answer

8 out of 10 possible points

Conroe ISD's mathematical Breakdown: 4.047

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

State's acceptable administrative cost ratio is $\leq 8.55\%$

Conroe ISD's ratio 3.99%

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

** Indicator was not scored



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

** Indicator was not scored

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, 0.18% (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 district's administration and school board members discuss any changes and/or impact to local, state, and federal funding 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	District's Total Points	District's Rating
Conroe ISD	98	A--Superior
Katy ISD	98	A--Superior
Klein ISD	96	A--Superior
Spring Branch ISD	96	A--Superior
Fort Bend ISD	96	A--Superior
Cy Fair ISD	92	A--Superior

The FIRST report along with the additional required disclosures including the Superintendent's Contract and the 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