



CONROE
INDEPENDENT
SCHOOL DISTRICT

Annual Report of Certain Financial and Local Debt Information

Fiscal Year Ended August 31, 2023

Denotes Required Information Pursuant to Local Government Code, Section 140.008

This report was posted on the District's website on February 5, 2024.



☑ Overview of Certain Financial/Bond Ratings

- ☐ **Overview:** Conroe Independent School District (the “District”) has been assigned the following independent financial/bond ratings that indicate the relative strength of the District’s financial and debt management:
 - **School Financial Integrity Rating System of Texas (“FIRST”):** Pursuant to Subchapter D, Chapter 39 of the Texas Education Code, the State annually deploys a financial accountability rating system to distinguish the level of a school district’s financial performance based upon certain uniform criteria.
 - ✓ Based on data for year 2021/22, the District was assigned a 2022/23 FIRST Rating of “Superior” and the District’s score was 98 out of a possible 100 points.
 - **Credit Ratings:** The District also maintains independent ratings from certain nationally recognized credit rating agencies, such as Moody’s Investors Service, Inc. and S&P Global Ratings that evaluate the District’s financial strength and its ability to pay its existing bonds.
 - ✓ **Moody’s Investors Service, Inc.:** Assigns a “Aa1” credit rating to the District, defined as “Judged to be of high quality and are subject to very low credit risk.”
 - ✓ **S&P Global Ratings:** Assigns a “AA+” credit rating to the District, defined as “Having a very strong capacity to meet its financial commitments. It differs from the highest-rating only to a small degree.”

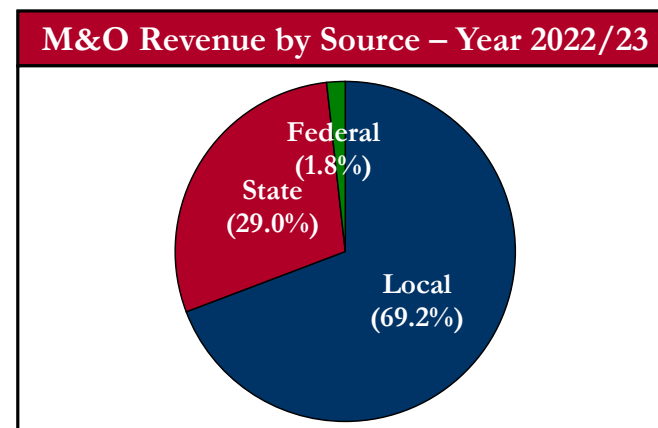


Overview of State Funding System

❑ **State Funding System – Where Do the District’s Revenues Come From:** Conroe ISD is legally required to operate pursuant to the requirements of the Texas Education Code. In particular, Chapters 41-45 of the Texas Education Code determine the District’s ability to generate local tax revenues for maintenance & operation purposes and for the repayment of voter-approved bonds. In this regard, the District annually sets two (2) separate tax rates that are levied upon its certified taxable value that is independently determined by the Montgomery Central Appraisal District:

■ **Maintenance & Operations (“M&O”) Tax Rate:** To provide funds for the “day to day” operational expenses of the District, including instructional programs, teacher salaries, instructional supplies, security, student transportation, extracurricular activities, utilities, facility infrastructure/maintenance, etc.

✓ The District’s annual funds for maintenance & operation purposes primarily consist of a combination of State funding and local M&O taxes. In general, the dollar amount of each component is determined by the District’s “Equalized Wealth per Student” (i.e. taxable value / weighted average daily attendance) as set by the State. For year 2022/23, the District’s sources for M&O revenues are summarized to the right.



✓ Beginning in year 2019/20, the District’s M&O tax rate is subject to compression pursuant to House Bill 3 that was enacted during the 2019 legislative session.



☑ Overview of State Funding System

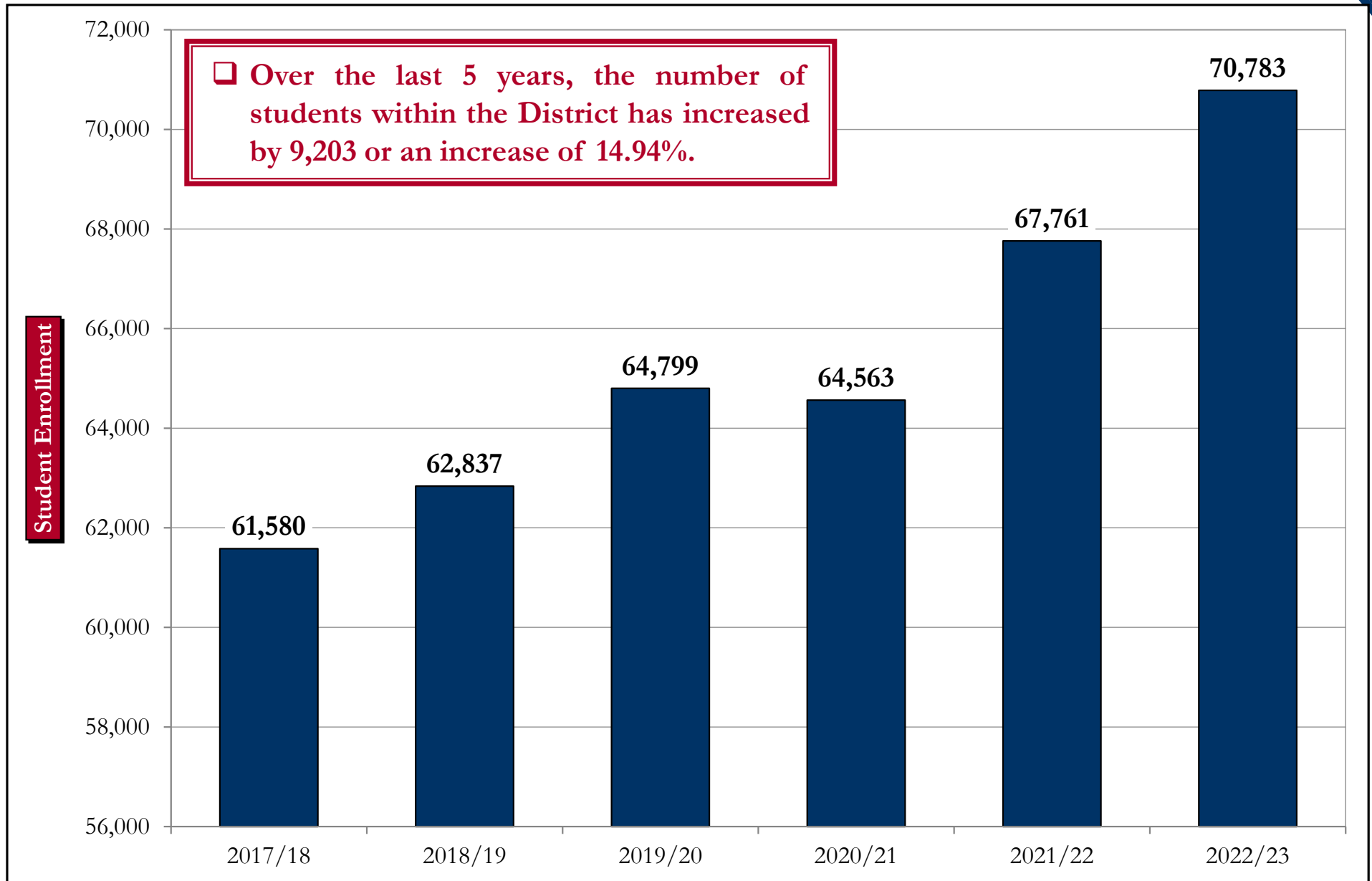
- **Interest & Sinking Fund (“I&S”) Tax Rate:** To provide funds to pay the principal and interest on bonds previously approved by a majority of voters for capital improvements. The following summarizes the District’s bond programs approved by voters since 1992:

District’s Historical Bond Elections Approved By Voters				
Election Date	Purpose	Student Enrollment	Election Amount	Dollar Amount Remaining To Be Issued - As of August 31, 2023
February 22, 1992	School Building	24,277	\$107,533,341	\$0
October 1, 1994	School Building	27,534	\$85,815,000	\$0
May 2, 1998	School Building	32,290	\$78,695,000	\$0
October 6, 2001	School Building	36,775	\$165,150,000	\$0
September 25, 2004	School Building & Stadium	40,526	\$279,935,000	\$0
May 10, 2008	School Building	46,524	\$527,000,000	\$0
November 3, 2015	School Building	58,239	\$487,000,000	\$0
November 5, 2019	School Building & Security	62,837	\$653,570,000	\$0
Total Dollar Amount Of Authorized But Unissued Bonds:				\$0

- ✓ On November 7, 2023, voters approved the District’s \$1,972,877,000 bond referendum that will be implemented over the next several years. The District issued \$550,395,000 Unlimited Tax School Building Bonds, Series 2024, which used \$595,000,000 in authorization in February 2024.

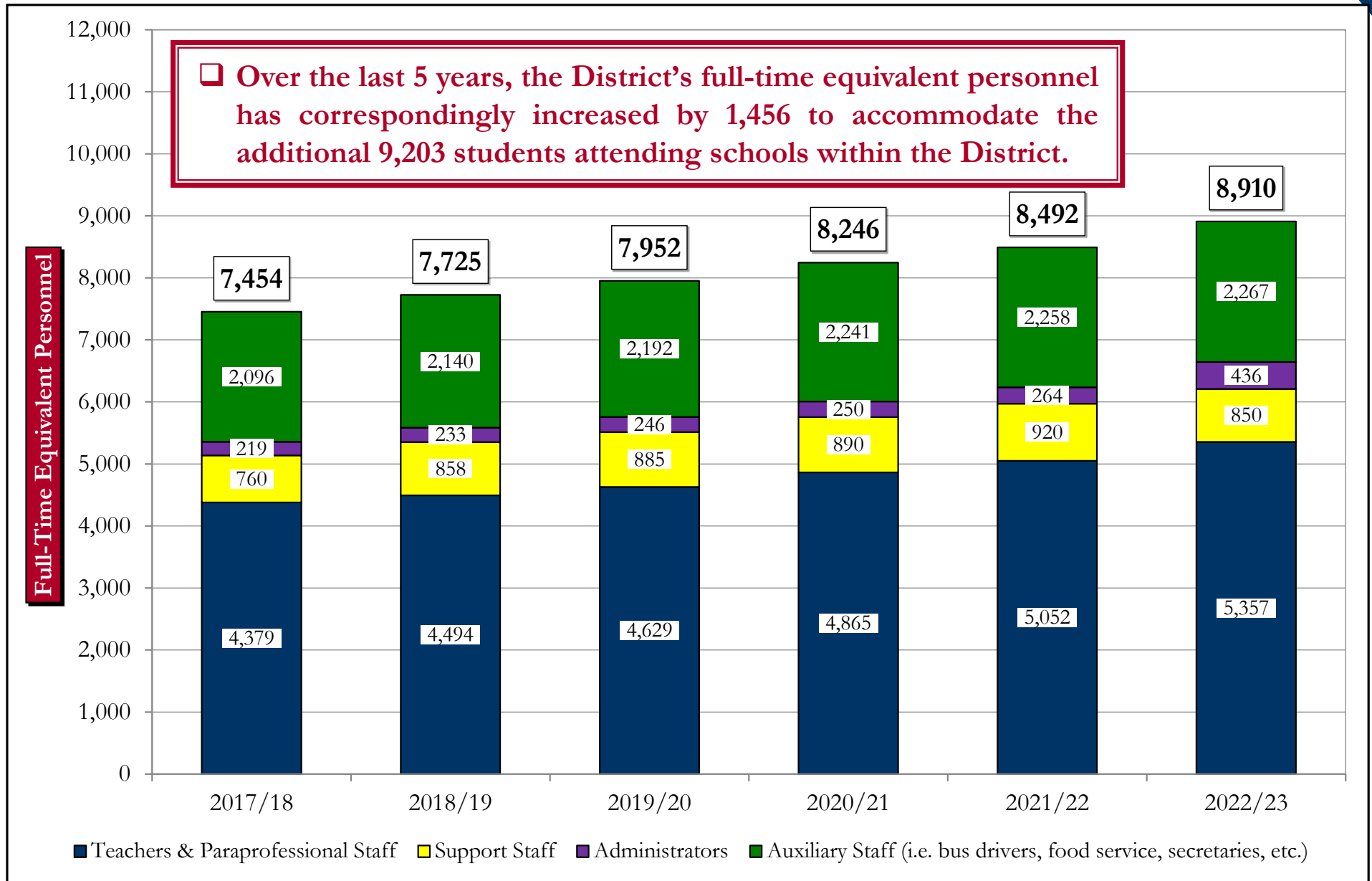


Historical Student Enrollment



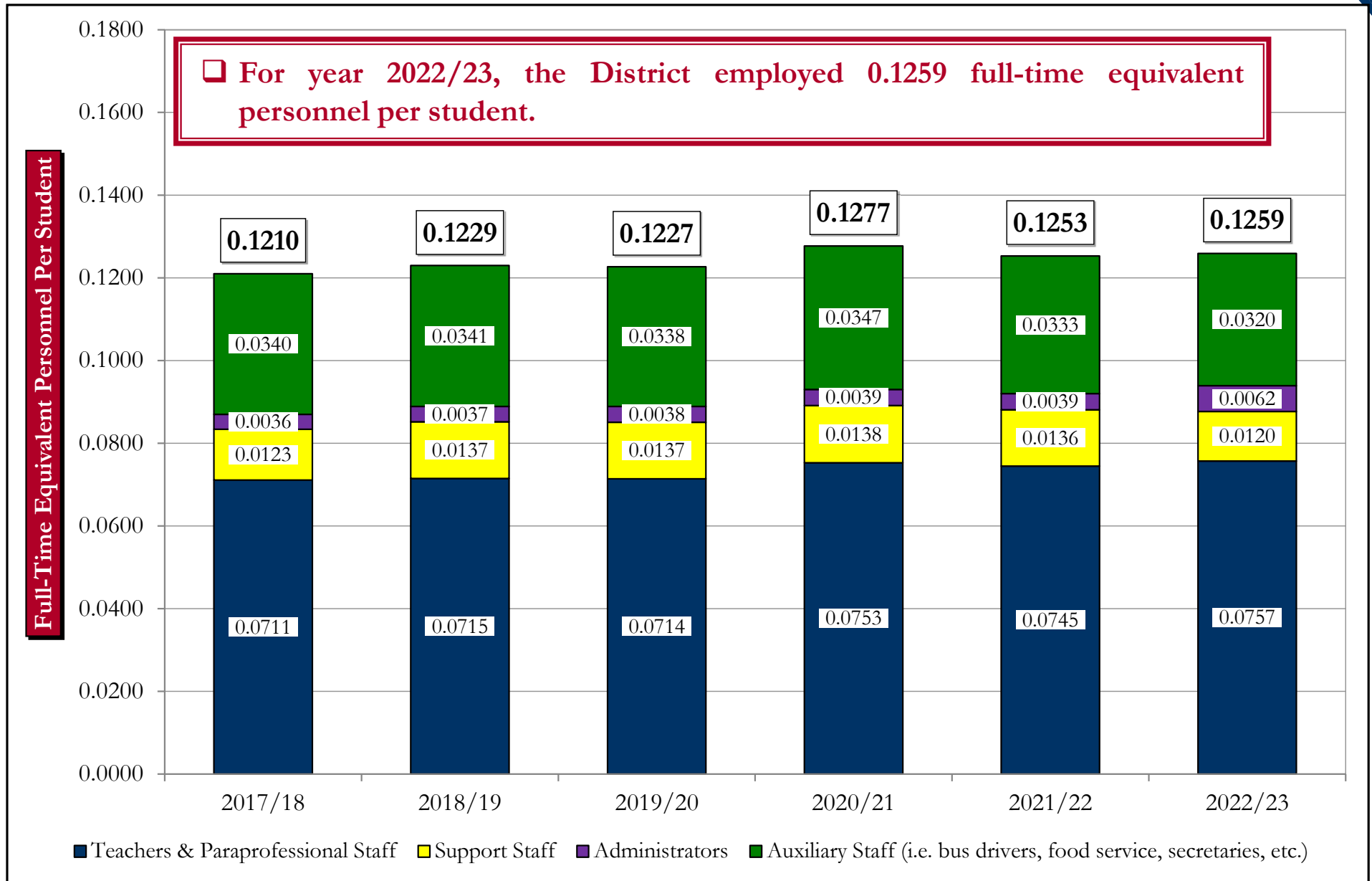


Full-Time Equivalent Personnel



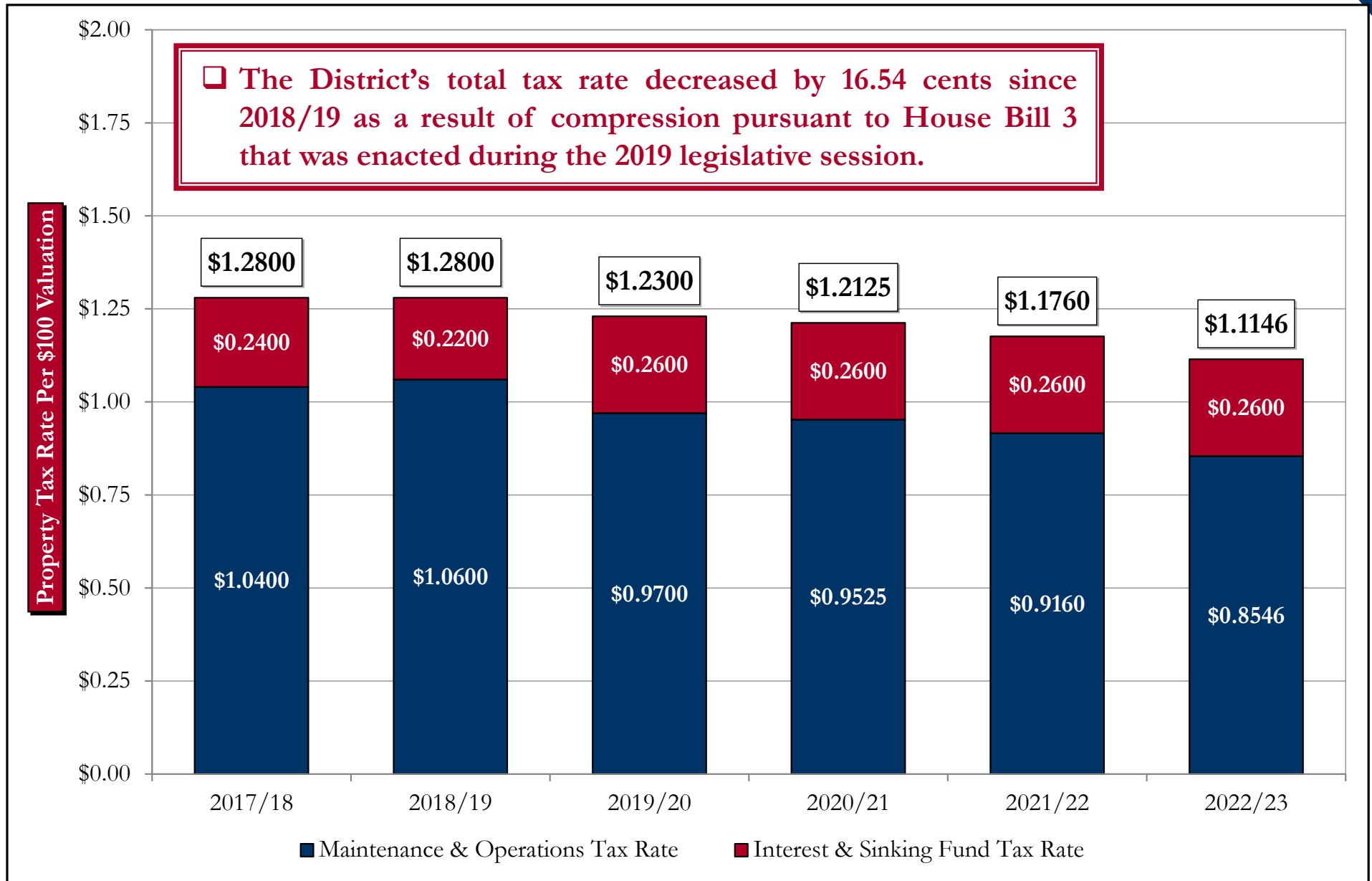


Full-Time Equivalent Personnel Per Student



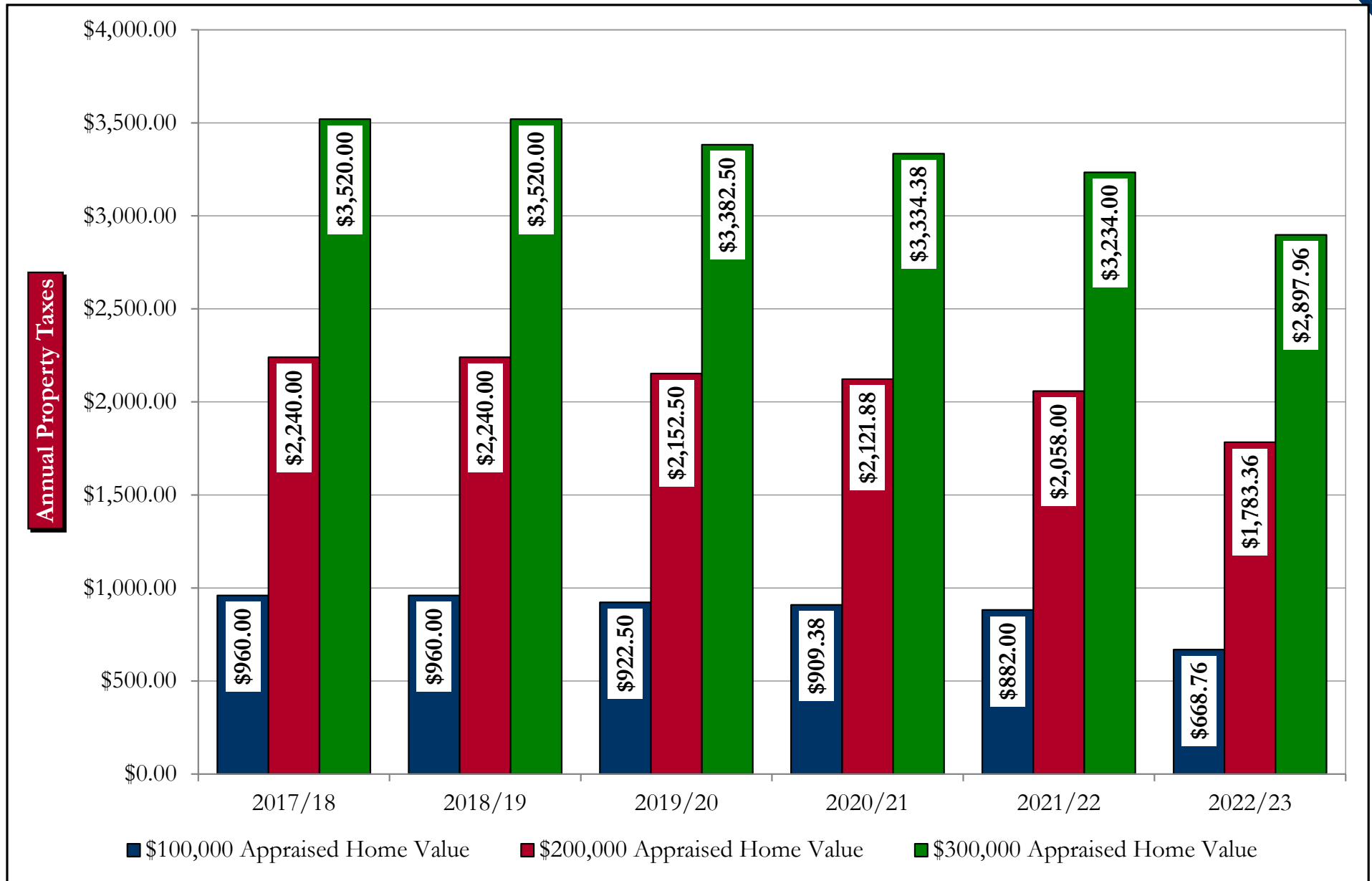


Historical Tax Rates





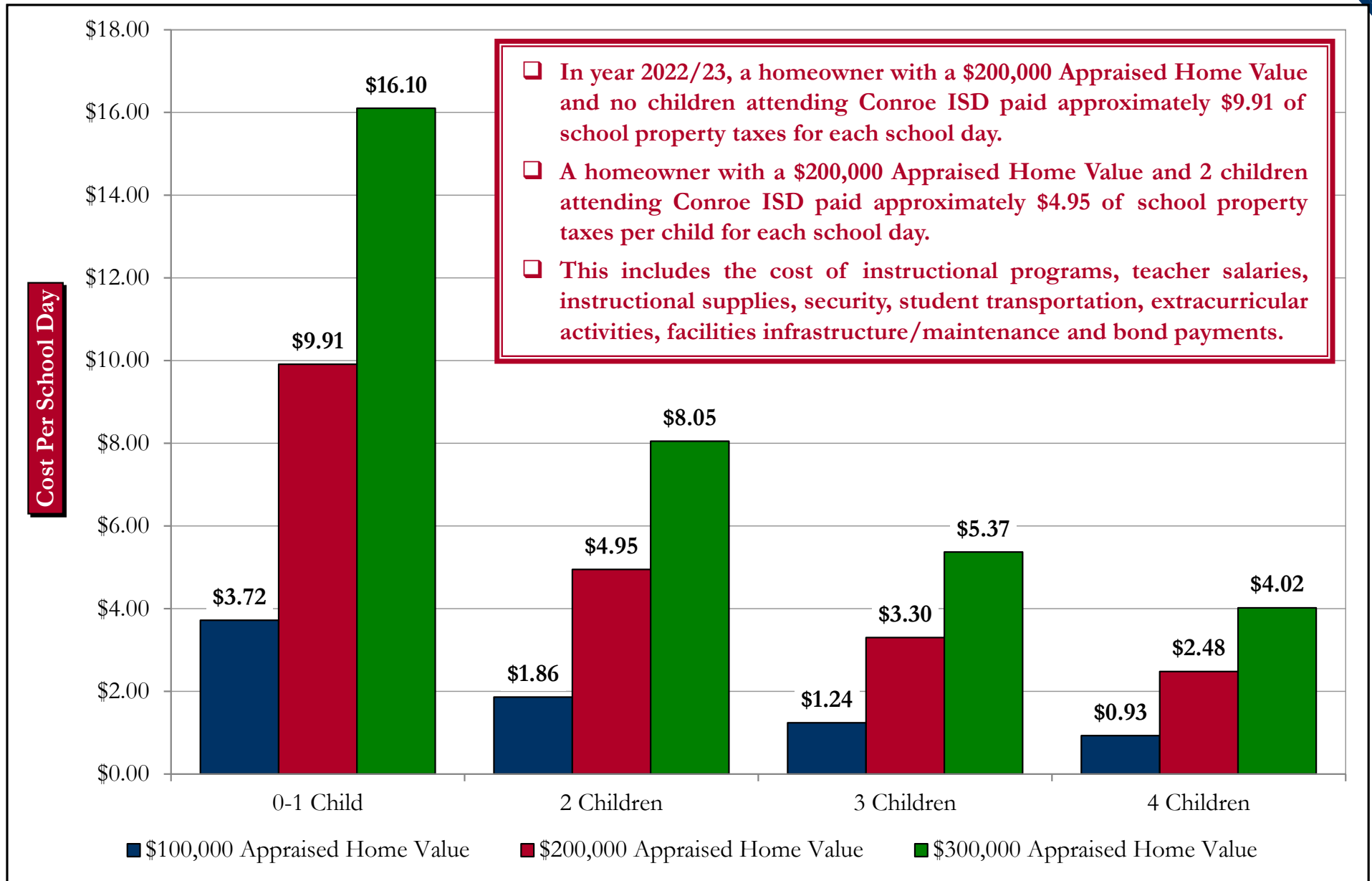
Historical Total Property Taxes For Maintenance and Operations and Voter-Approved Bonds – For Various Appraised Home Values



Note: Taxes are net of the State-mandated residential homestead exemption.



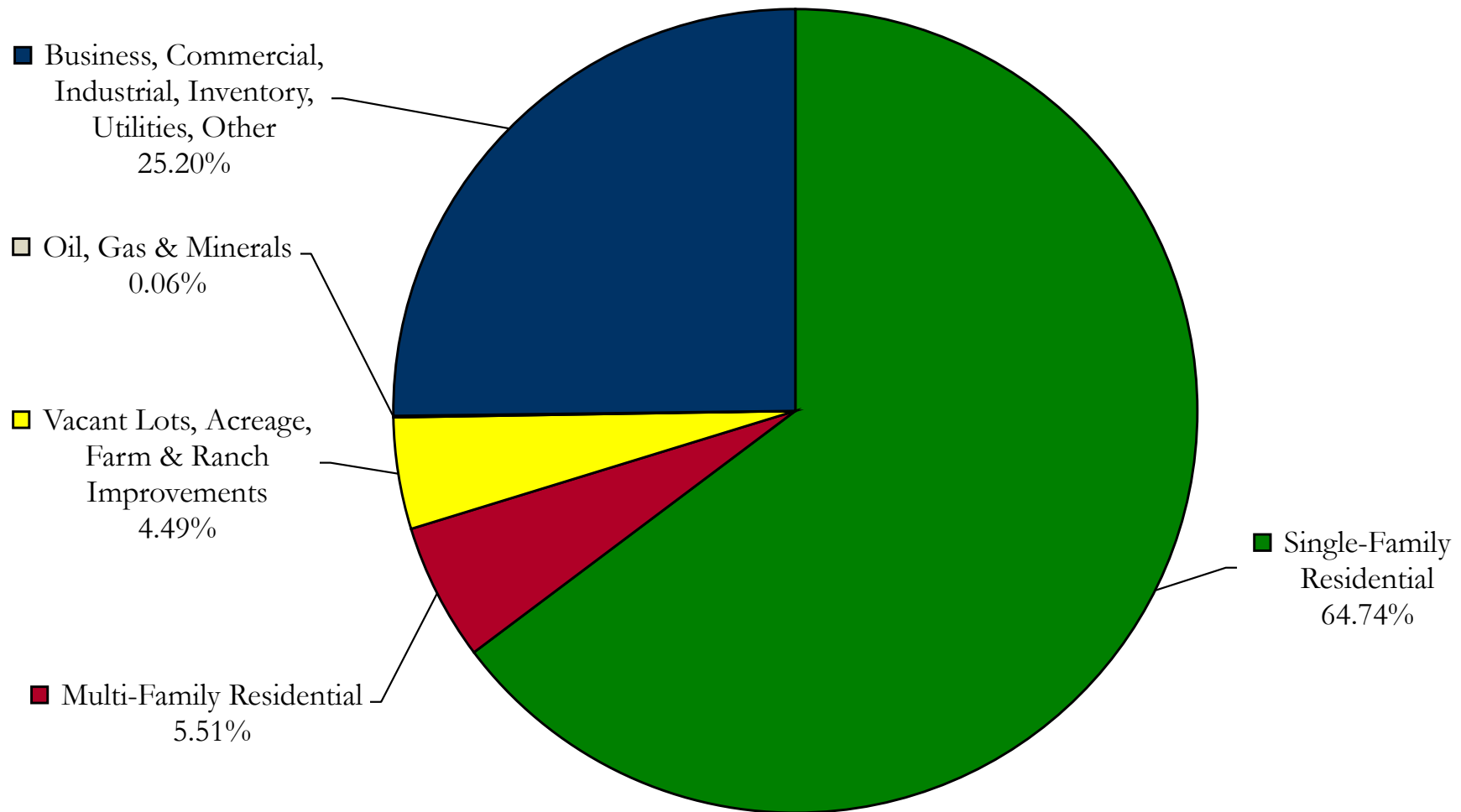
Summary of Property Tax Cost Per School Day – For Various Appraised Home Values – Year 2022/23





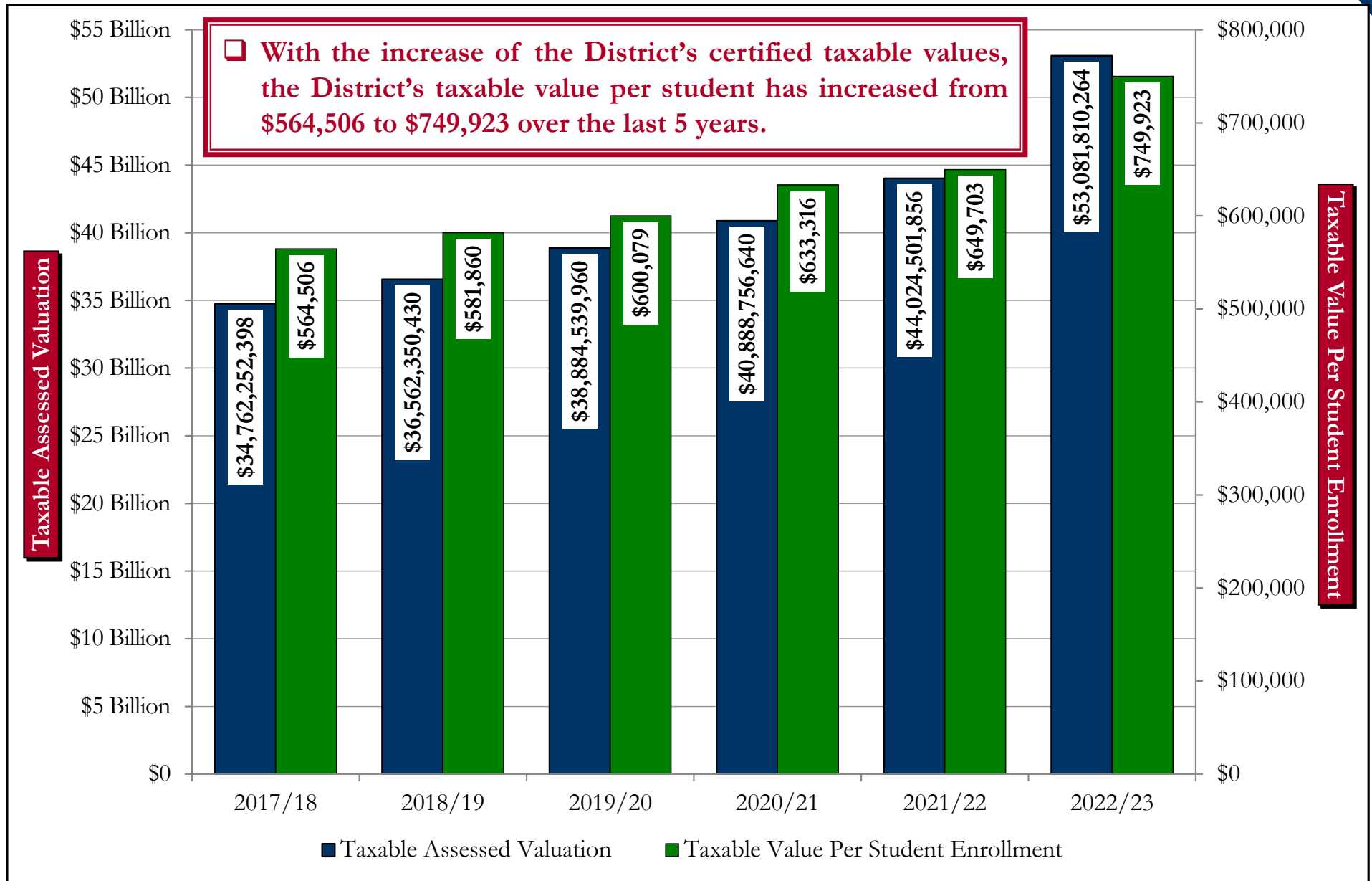
Composition of Total Assessed Valuation – Year 2022/23

For year 2022/23, Single-Family Residential properties comprised 64.74% of the District's total assessed valuation and other property categories comprised 35.26%.





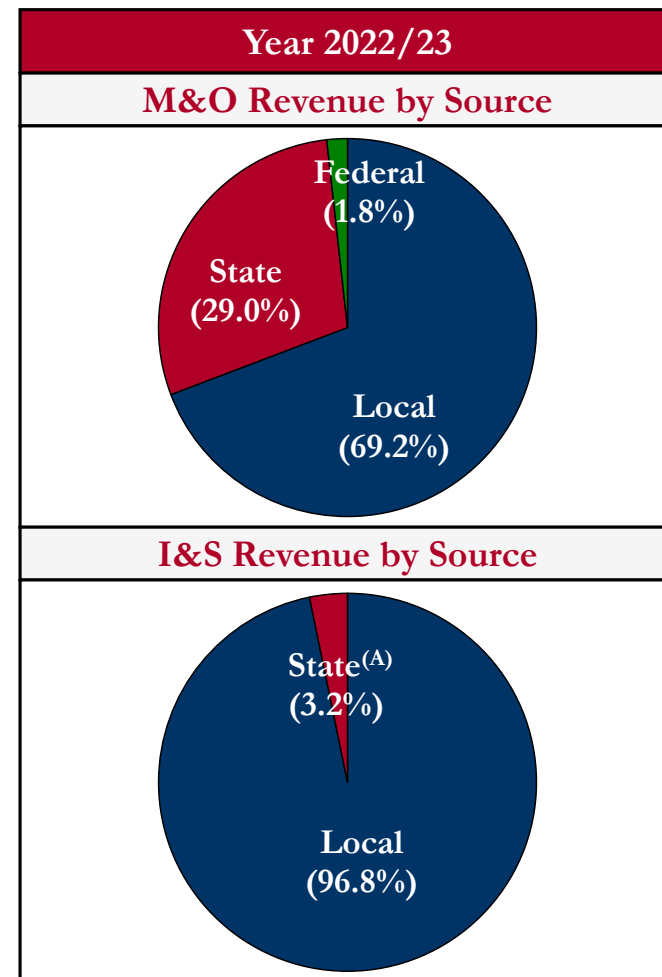
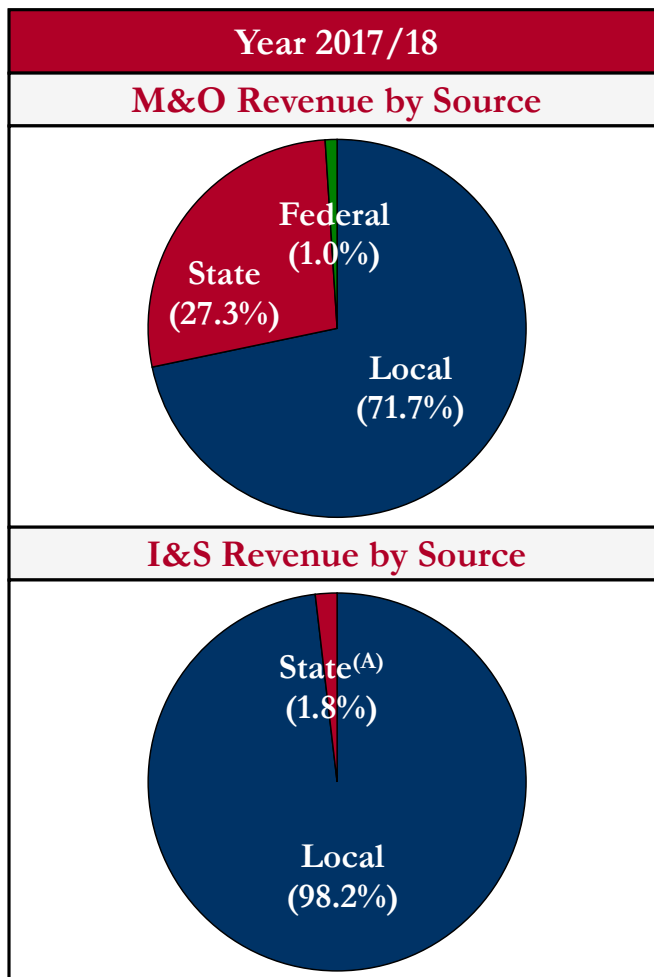
Historical Taxable Assessed Valuation and Taxable Value Per Student Enrollment





General Fund and Debt Service Fund – Revenue By Source

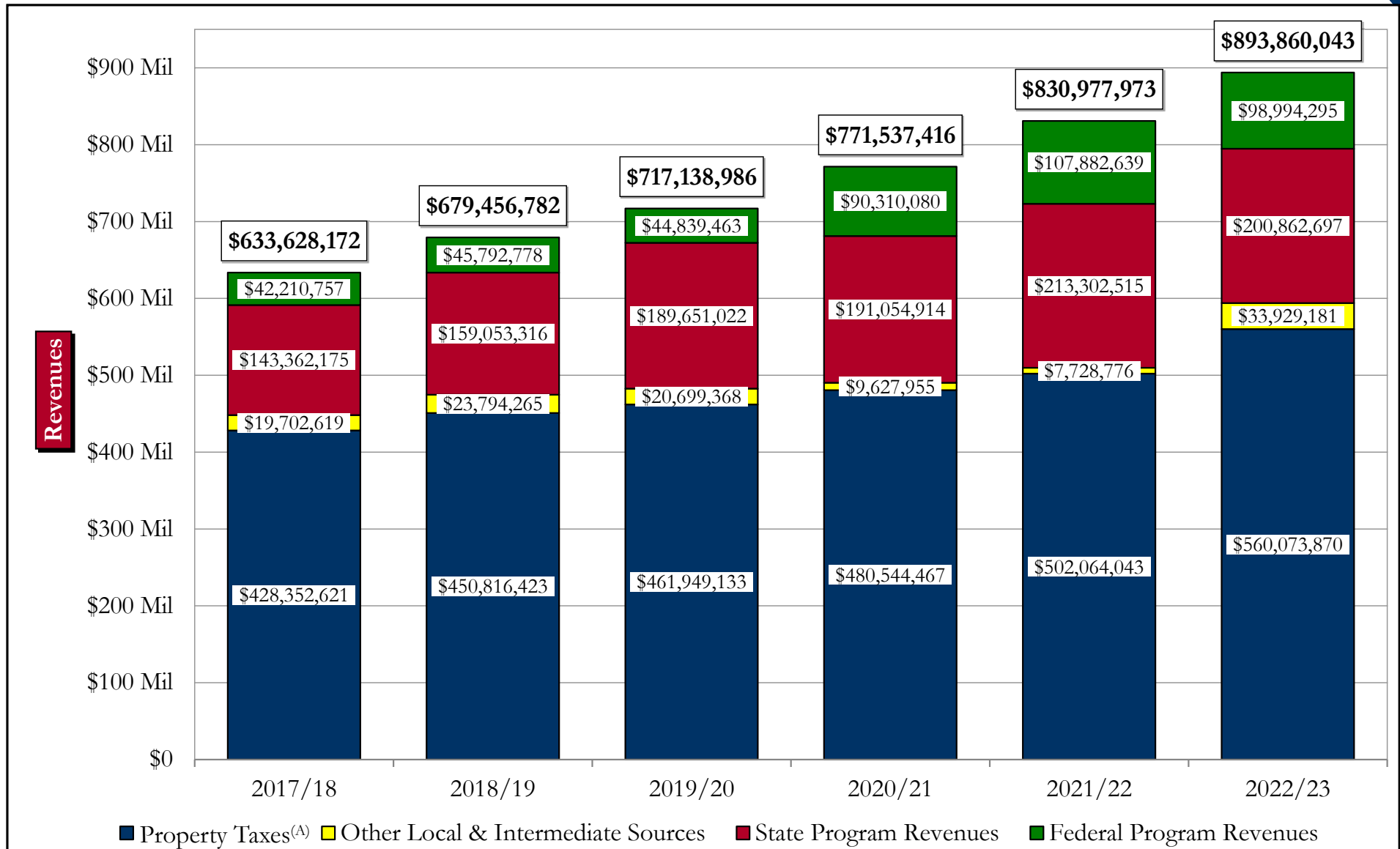
- The State funding system is structured to provide the District with an “equalized” dollar amount per student. The revenue sources for maintenance and operations and repayment of bonds is summarized below. The District does not receive any facilities funding from the State for the payment of voter-approved bonds.



^(A) Represents payment from State received for lost tax revenues resulting from increase of residential homestead exemption in year 2015/16.



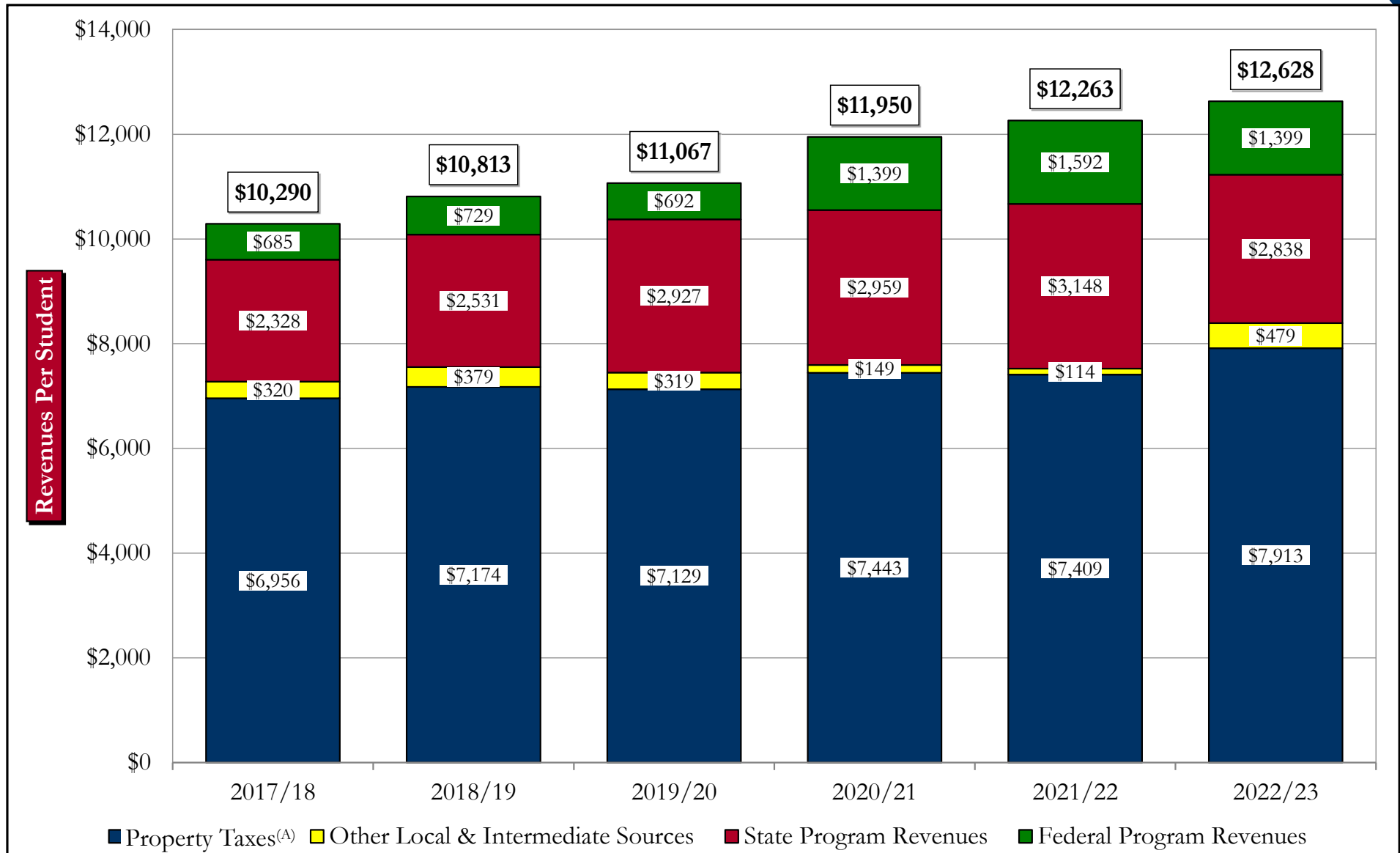
Total Revenues (All Governmental Funds*) By Source



^(A) Includes maintenance and operation expenses and bond payments of voter-approved bonds.



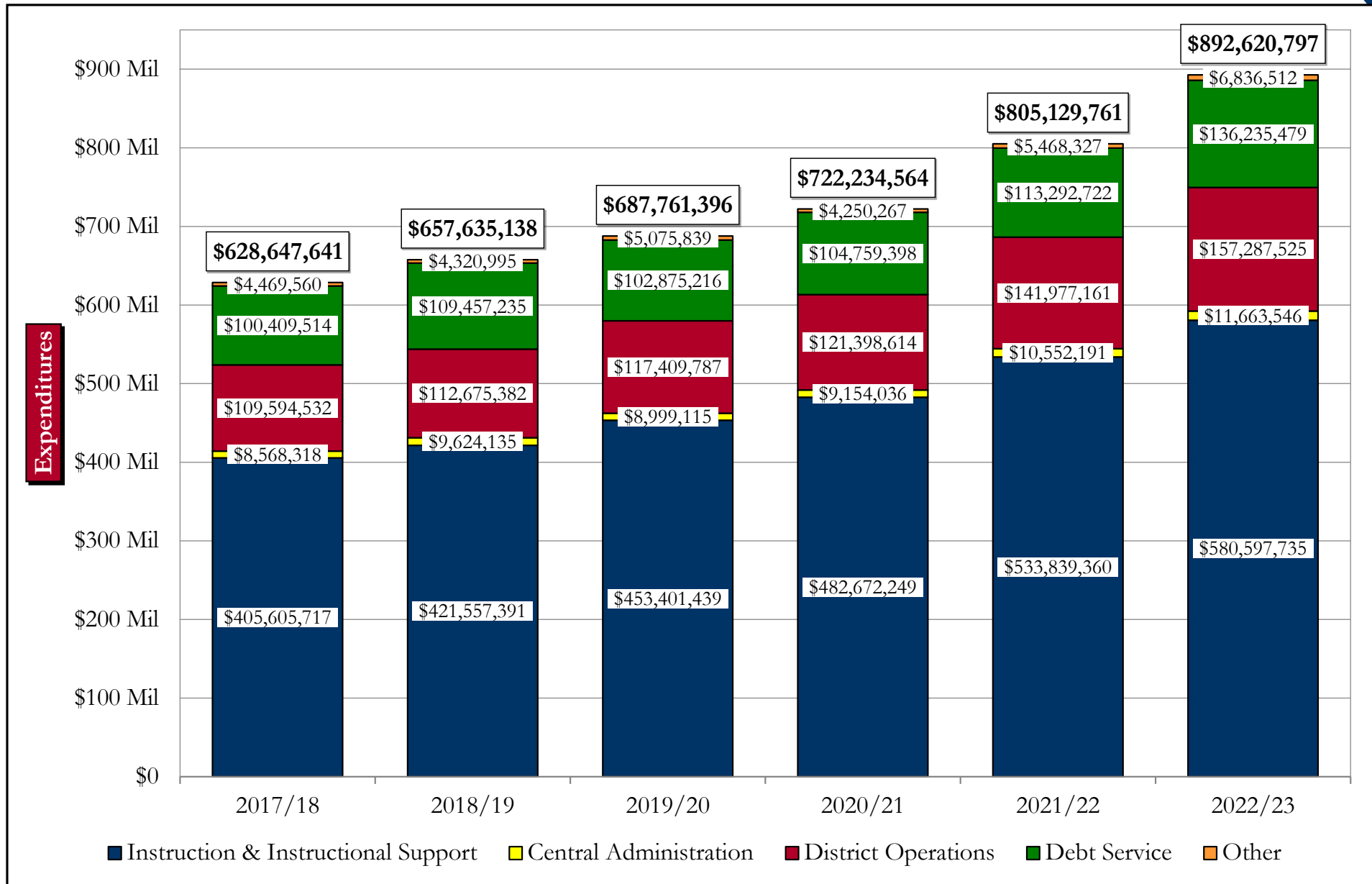
Total Revenues (All Governmental Funds*) Per Student



^(A) Includes maintenance and operation expenses and bond payments of voter-approved bonds.



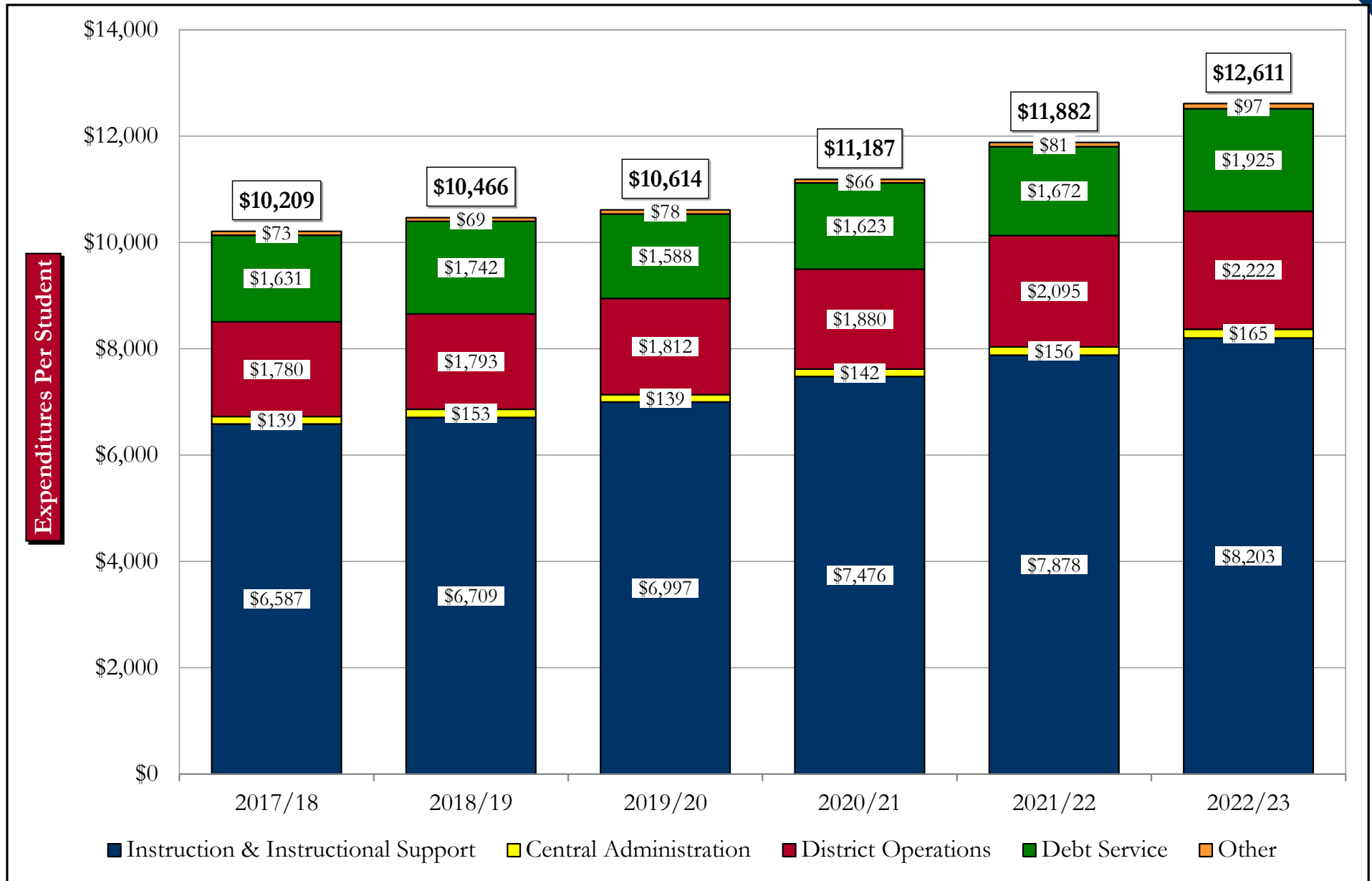
Total Expenditures (All Governmental Funds*) By Source



*Excludes Capital Projects Fund. Source: District's Audited Financial Statements and District records.



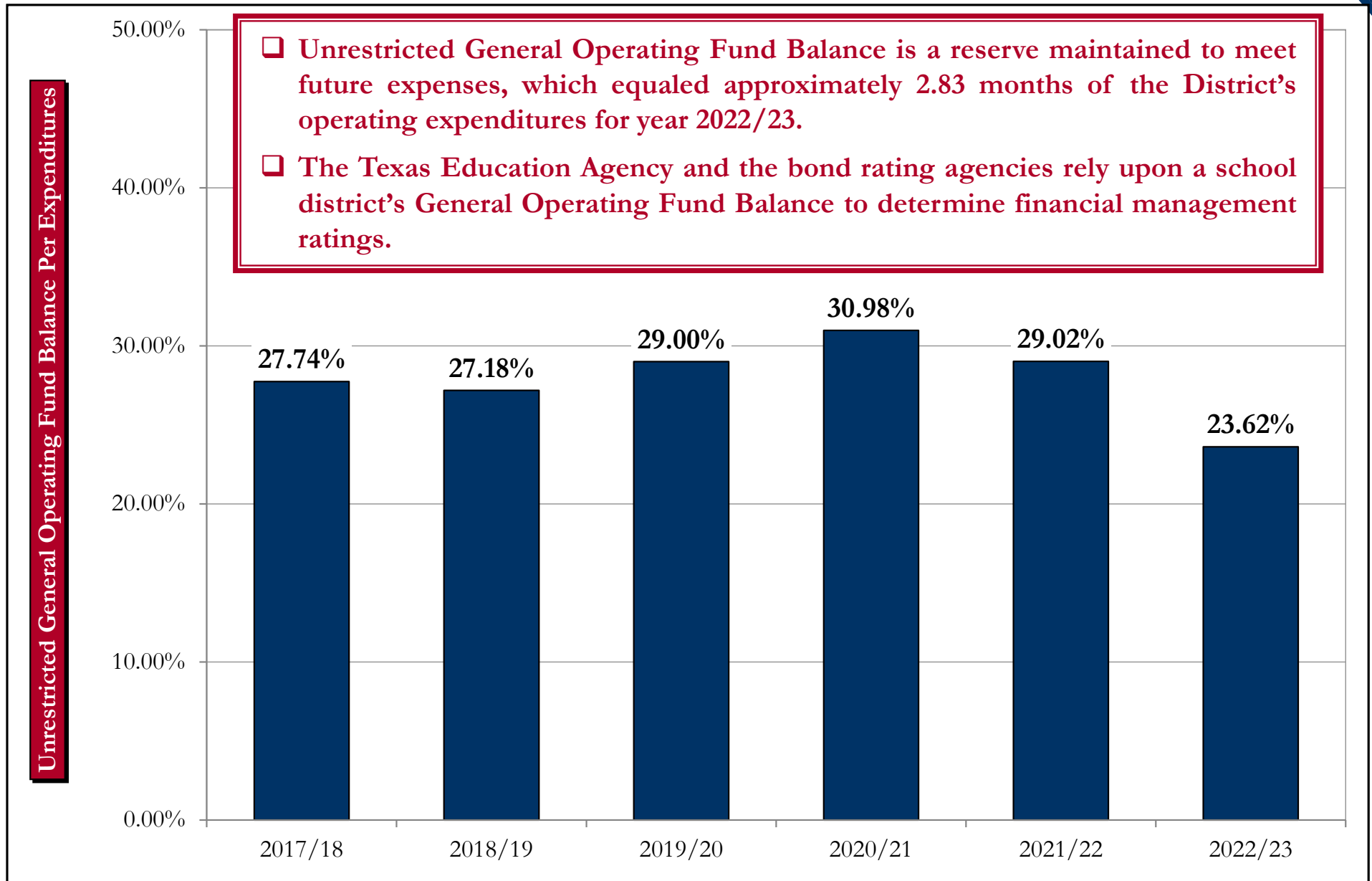
Total Expenditures (All Governmental Funds*) Per Student



*Excludes Capital Projects Fund. Source: District's Audited Financial Statements, Texas Education Agency - PEIMS and District records.

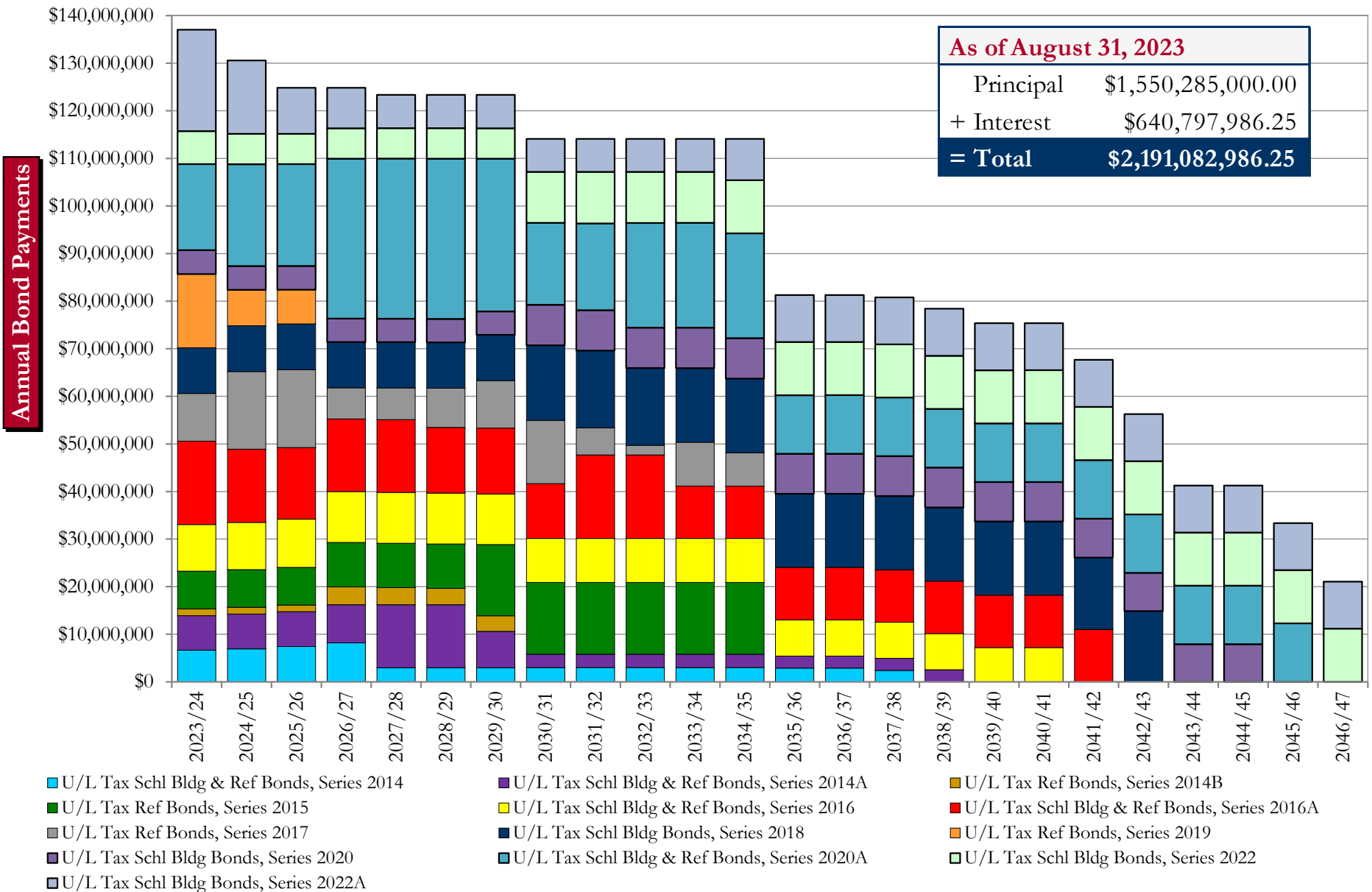


Unrestricted General Operating Fund Balance as a Percentage of General Operating Expenditures





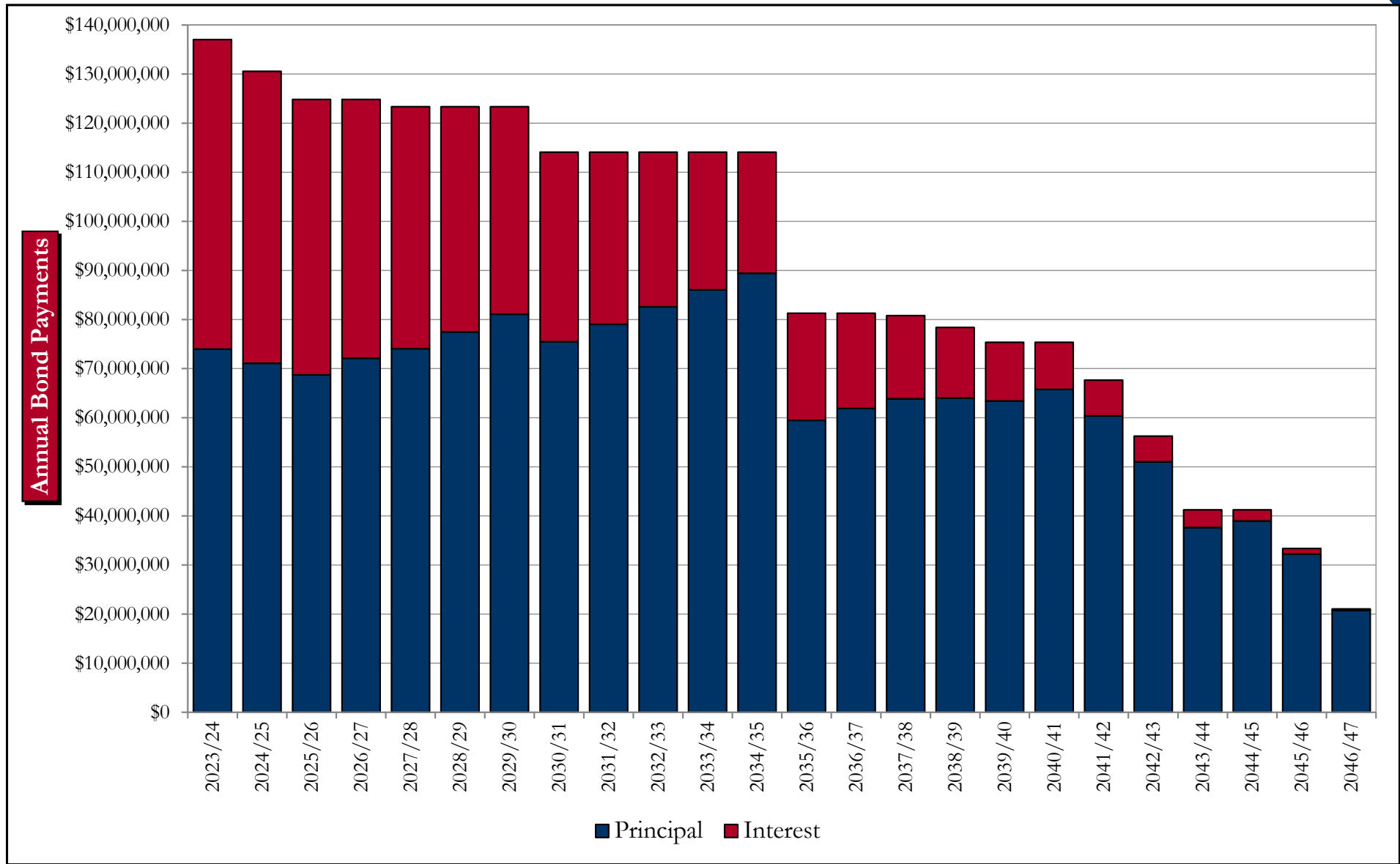
Unlimited Tax Debt Service By Series – Existing Bonds Approved By Voters



Note: The District's fiscal year end reflects payments from September 1 through August 31.



✓ Unlimited Tax Debt Service By Principal and Interest – Existing Bonds Approved By Voters



Note: The District's fiscal year end reflects payments from September 1 through August 31.



Savings from District's Bond Refunding and Prepayment Programs to Lower Interest Costs

- Conroe ISD has implemented 13 refunding and 2 prepayment programs to reduce the cost of voter-approved bonds – which have generated more than \$176.898 million of savings for District taxpayers since 2009.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds

Issue	Series Refunded	Principal Amount Refunded	Total Savings
Unlimited Tax Refunding Bonds, Series 2009	1998, 1999, 2000, 2001A	\$ 17,965,000	\$ 1,828,610
Unlimited Tax Refunding Bonds, Series 2011	2001A, 2001B, 2003, 2003A, 2004A, 2005A, 2005C, 2006	140,845,000	9,242,972
Unlimited Tax School Building & Refunding Bonds, Series 2012	2003, 2003A, 2004A, 2005C	46,740,000	7,477,526
Unlimited Tax School Building & Refunding Bonds, Series 2012A	2001A, 2003A, 2005C	156,215,000	26,369,382
Unlimited Tax School Building & Refunding Bonds, Series 2014	2003, 2004A, 2005A, 2005C, 2006	37,850,000	3,604,726
Unlimited Tax Refunding Bonds, Series 2014B	2005B	22,500,000	4,130,224
Unlimited Tax School Building & Refunding Bonds, Series 2014A	2005A, 2006, 2008	97,655,000	12,719,312
Unlimited Tax Refunding Bonds, Series 2015	2008, 2009A	118,995,000	18,667,588
Unlimited Tax School Building & Refunding Bonds, Series 2016	2006	28,080,000	5,891,870
Unlimited Tax School Building & Refunding Bonds, Series 2016A	2010, 2011, 2011 Rfdg	72,295,000	9,314,300
Unlimited Tax Refunding Bonds, Series 2017	2010, 2011, 2012, 2012A	102,775,000	14,509,251
Defeasance of Bds (November 2018)	2010, 2011	7,515,000	2,064,461
Unlimited Tax Refunding Bonds, Series 2019	2004B, 2009, 2011, 2011 Ref	66,755,000	8,321,522
Unlimited Tax School Building and Refunding Bonds, Series 2020A	2012, 2012A	199,630,000	50,067,475
Defeasance of Bds (February 2023)	2014	3,485,000	2,689,068
Totals	---	\$ 1,119,300,000	\$ 176,898,287

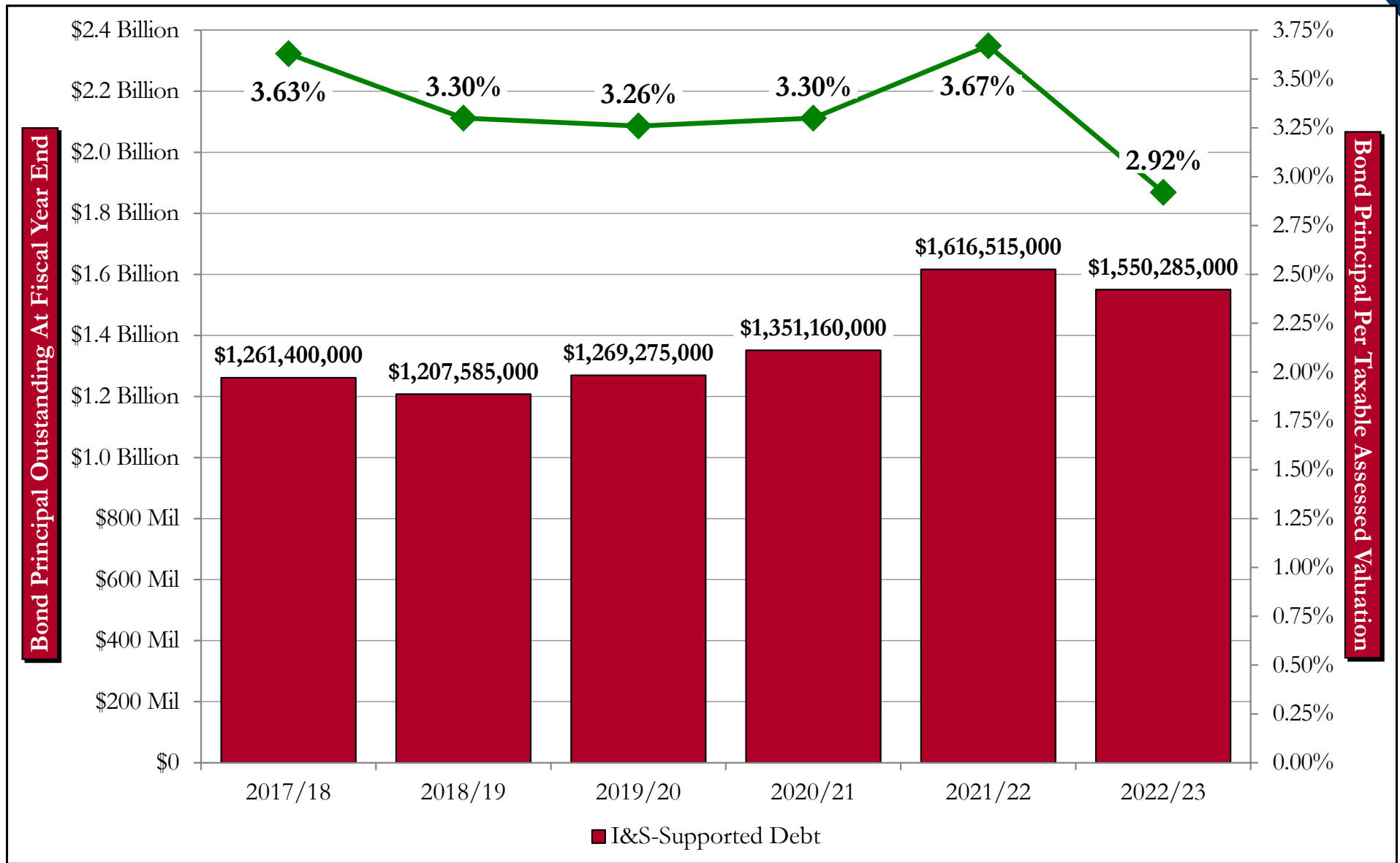


Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended August 31, 2023

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Unlimited Tax School Building and Refunding Bonds, Series 2014	Refunding at a lower interest rate, etc. and capital improvements	\$76,920,000.00	\$46,745,000.00	\$61,097,225.00	\$120.93	\$158.06	02/15/2039	\$86,964,789.55	\$86,964,789.55	\$0.00
2	Unlimited Tax Refunding Bonds, Series 2014B	Refunding at a lower interest rate, etc.	\$21,085,000.00	\$15,355,000.00	\$18,282,725.00	\$39.72	\$47.30	02/15/2030	\$22,859,843.55	\$22,859,843.55	\$0.00
3	Unlimited Tax School Building and Refunding Bonds, Series 2014A	Refunding at a lower interest rate, etc. and capital improvements	\$129,205,000.00	\$70,135,000.00	\$88,286,218.75	\$181.44	\$228.40	02/15/2039	\$143,315,575.70	\$143,315,575.70	\$0.00
4	Unlimited Tax Refunding Bonds, Series 2015	Refunding at a lower interest rate, etc.	\$117,665,000.00	\$106,305,000.00	\$142,134,962.50	\$275.01	\$367.70	02/15/2035	\$131,386,061.09	\$131,386,061.09	\$0.00
5	Unlimited Tax School Building and Refunding Bonds, Series 2016	Refunding at a lower interest rate, etc. and capital improvements	\$138,015,000.00	\$113,285,000.00	\$163,643,600.00	\$293.07	\$423.34	02/15/2041	\$163,300,509.15	\$163,300,509.15	\$0.00
6	Unlimited Tax School Building and Refunding Bonds, Series 2016A	Refunding at a lower interest rate, etc. and capital improvements	\$206,675,000.00	\$182,275,000.00	\$251,937,000.00	\$471.54	\$651.76	02/15/2042	\$230,840,047.42	\$230,840,047.42	\$0.00
7	Unlimited Tax Refunding Bonds, Series 2017	Refunding at a lower interest rate, etc.	\$97,540,000.00	\$89,995,000.00	\$111,311,200.00	\$232.82	\$287.96	02/15/2035	\$113,612,553.20	\$113,612,553.20	\$0.00
8	Unlimited Tax School Building Bonds, Series 2018	Capital Improvements	\$174,435,000.00	\$167,860,000.00	\$269,502,337.50	\$434.25	\$697.20	02/15/2043	\$202,369,153.25	\$202,369,153.25	\$0.00
9	Unlimited Tax Refunding Bonds, Series 2019	Refunding at a lower interest rate, etc.	\$66,755,000.00	\$28,430,000.00	\$30,189,500.00	\$73.55	\$78.10	02/15/2026	\$74,350,341.22	\$74,350,341.22	\$0.00
10	Unlimited Tax School Building Bonds, Series 2020	Capital Improvements	\$116,125,000.00	\$112,425,000.00	\$159,497,201.25	\$290.84	\$412.62	02/15/2045	\$124,816,141.75	\$117,836,321.75	\$6,979,820.00
11	Unlimited Tax School Building and Refunding Bonds, Series 2020A	Refunding at a lower interest rate, etc. and capital improvements	\$328,325,000.00	\$309,800,000.00	\$430,876,025.00	\$875.77	\$1,268.27	02/15/2046	\$390,172,759.95	\$381,531,076.95	\$8,641,683.00
12	Unlimited Tax School Building Bonds, Series 2022	Capital Improvements	\$162,010,000.00	\$160,175,000.00	\$233,555,166.25	\$875.77	\$1,268.27	02/15/2047	\$177,376,927.90	\$157,891,022.90	\$19,485,905.00
13	Unlimited Tax School Building Bonds, Series 2022A	Capital Improvements	\$154,120,000.00	\$147,500,000.00	\$230,769,825.00	\$875.77	\$1,268.27	02/15/2047	\$165,416,558.95	\$65,734,948.95	\$99,681,610.00



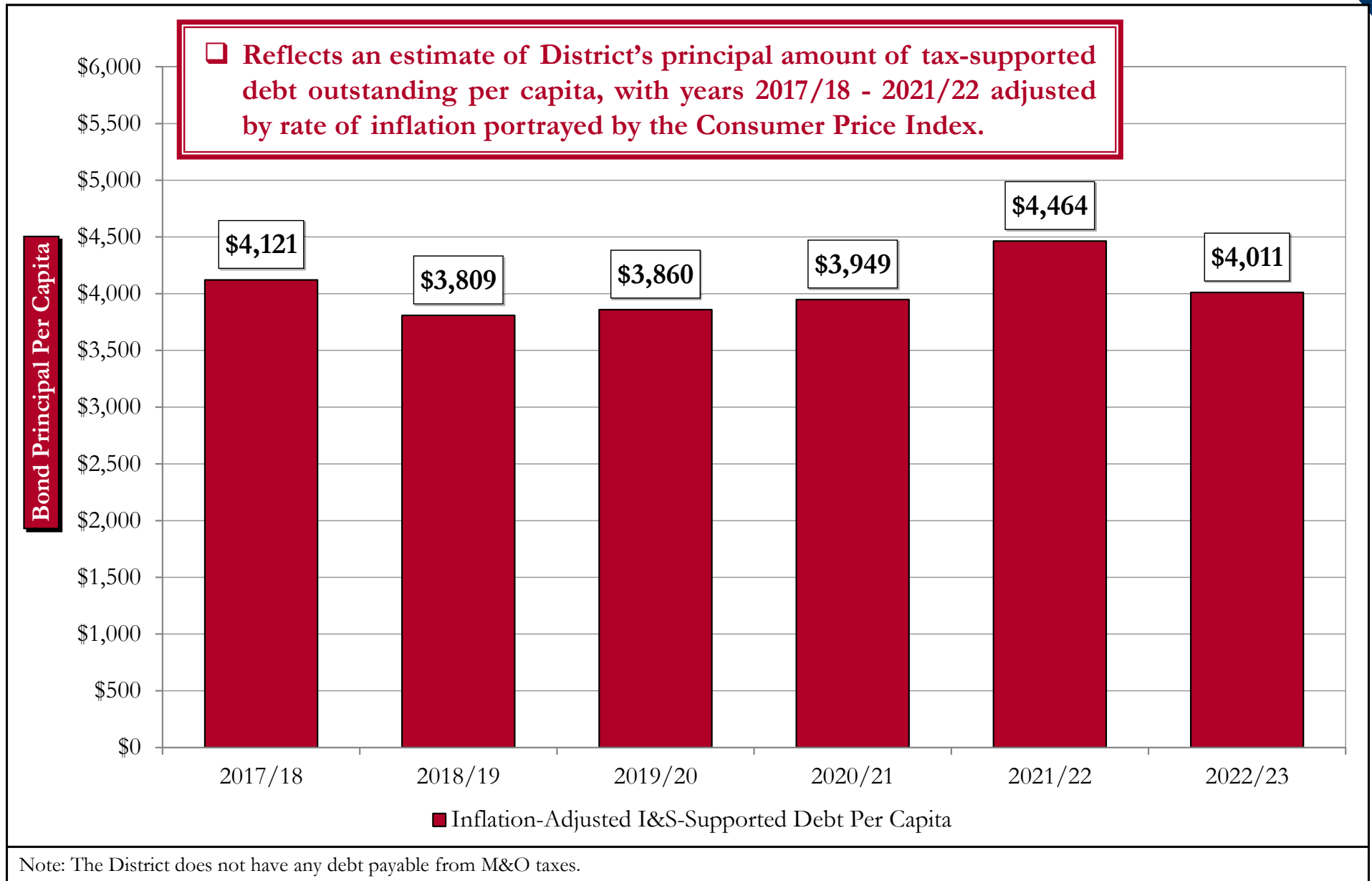
Tax-Supported Debt Obligations At Fiscal Year End and As a Percentage of Taxable Assessed Valuation



Note: The District does not have any debt payable from M&O taxes.

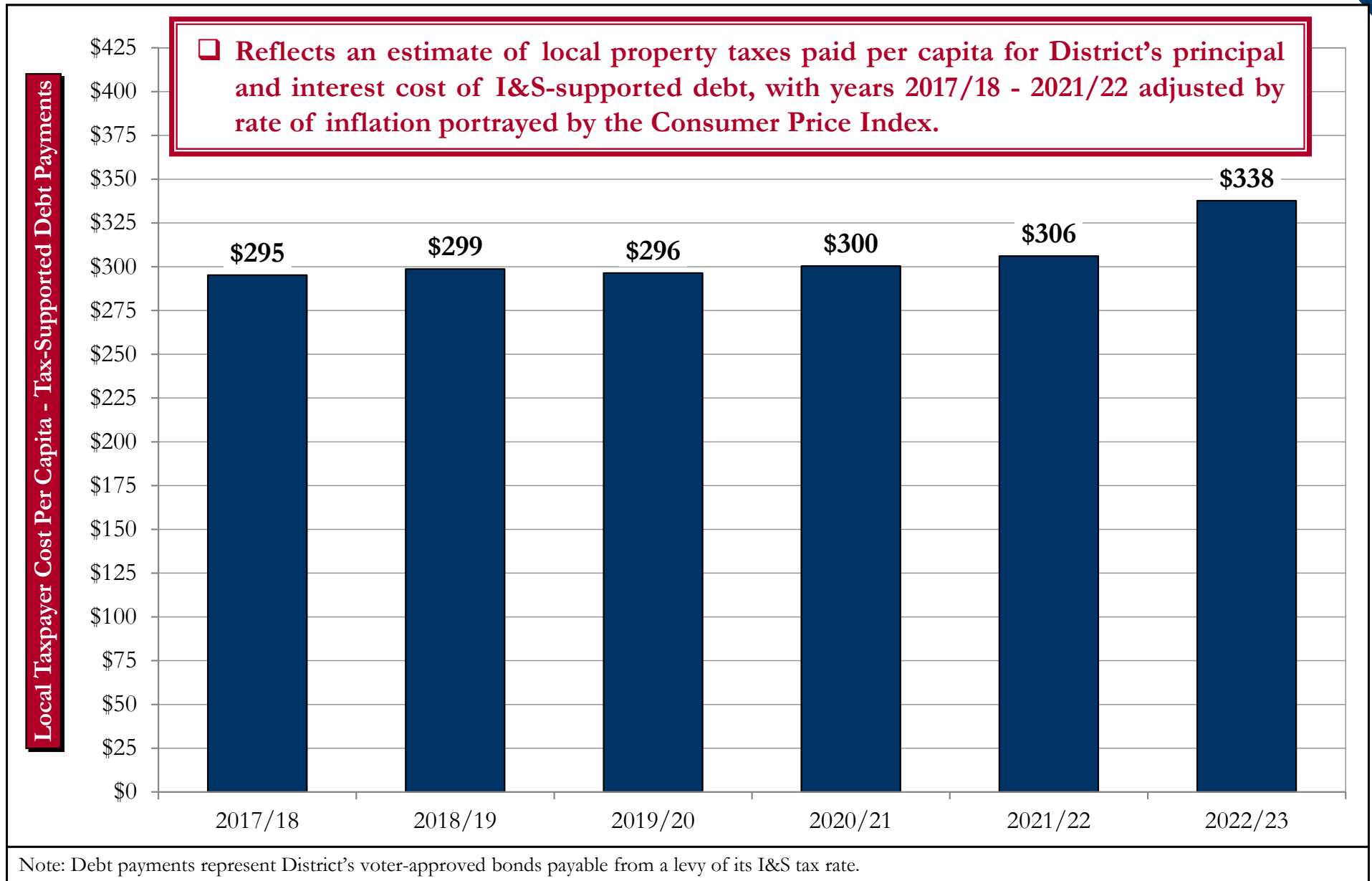


Inflation-Adjusted Tax-Supported Debt Per Capita





Inflation-Adjusted Tax-Supported Debt Cost Per Capita – Principal and Interest In Each of the Last 5 Years





Contact Information and Links to Additional Resources

Main Office Contact Information:

Physical and Mailing Address:

3205 West Davis

Conroe, Texas 77304

Phone: (936) 709-7752

For additional information regarding this report, please contact:

Darrin Rice

Chief Financial Officer

Phone: (936) 709-7777

Email: drice@conroeisd.net

Links to Additional Resources:

<https://www.comptroller.texas.gov/transparency/local/debt/isds.php>

http://www.brb.state.tx.us/local_debt_search.aspx