

March 11, 2021

#101906
2-AR20-R11/05/2020

Ms. Karen Grey, Interim Superintendent
Crosby Independent School District
14670 Farm to Market 2100
Crosby, TX 77532-8009

Dear Ms. Grey:

The Financial Compliance Division at the Texas Education Agency (TEA) has reviewed the Crosby Independent School District's annual financial and compliance report (AFR) for the year ended June 30, 2020, in accordance with the Texas Education Code, §44.008(e). We have prepared the following comments for you and your school district's board of trustees to review.

Financial Compliance Division Comments

1. We note that your district reported a deficit in unrestricted net position in the amount of \$27,526,701 on the Statement of Net Position (Exhibit A-1, page 10), which is a decrease from the prior year deficit in unrestricted net position of \$31,410,896 and total net position deficit of \$6,852,721. We also note that the primary reason for this deficit is the result of the implementation of the *Governmental Accounting Standards Board (GASB) Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
2. The AFR (Note II.A, page 28) disclosed a deficit of \$24,550 in the internal service fund. We note the district comment that the negative net position will be funded with charges to other funds and departments in future years.
3. The TEA has assigned a monitor to the district as of March 20, 2019. Your district's independent auditor should review correspondence between the district, the monitor, and the agency to determine the scope of future audits.

To view a copy of the district's AFR submitted to TEA, go to
<https://tealprod.tea.state.tx.us/Audit/Public/PDFViewer.asp>

Although your district's AFR and working papers of the auditor remain subject to review by appropriate state and federal agency officials, we consider the AFR review closed.

We thank you and your auditor for your diligence and cooperation in completing the AFR. Please contact Gayle Escobedo at iona.escobedo@tea.texas.gov or (512) 475-2372 with any questions.

Crosby Independent School District
RE: 2019–2020 AFR
March 11, 2021

Sincerely,

Paul Moreno
Financial Desk Reviews Manager
Financial Compliance Division

PM/ge.

cc: Tanya Eagleton, Board President, Crosby Independent School District
Lesa Jones, Chief Financial Officer, Crosby Independent School District
Pattillo, Brown & Hill, L.L.P. - Waco
Mary Ann Whiteker, Monitor
Jeffrey Cottrill, Deputy Commissioner, Governance and Accountability, TEA
Morris Lyon, Director, Governance and Accountability, TEA
Laura Gaines, Governance and Accountability, TEA