

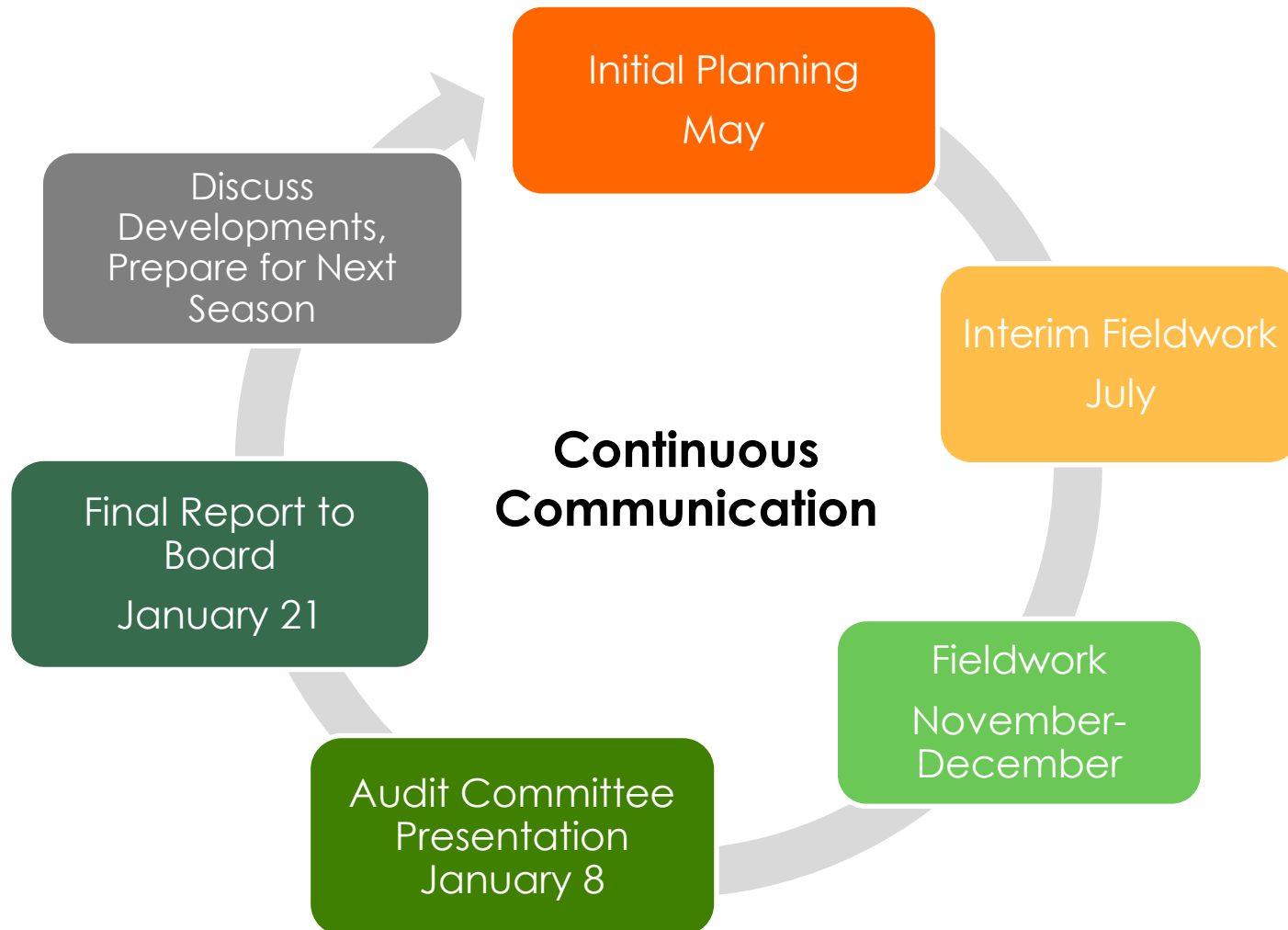
# Conroe Independent School District

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Audit Committee – January 8, 2020



# Audit Timeline



## Single Audit

- Two components: Financial Statements and Federal Awards
- **Financial Statement Audit**
  - Performed in accordance with *Generally Accepted Auditing Standards (GAAS)* and *Generally Accepted Government Auditing Standards (GAGAS)*
  - Included tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements
- **Federal Awards**
  - Single audit of federal awards performed in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*

## Financial Statement Audit

### 1. Independent Auditor's Report on the Financial Statements

- Opinion on the fair presentation of the financial statements in accordance with generally accepted accounting principles

### 2. Government Auditing Standards (Yellow Book) Report on Internal Control Over Financial Reporting and Compliance and Other Matters

- Describes the scope and results of our testing of internal controls over financial reporting and compliance in relation to the financial statements

## Federal Awards

### 3. Uniform Guidance (Single Audit) Report on Compliance for each Major Program and on Internal Control over Compliance

- Opinion on compliance for major programs
- Describes the scope and results of our testing of internal controls over compliance for major programs

# Audit Results: Financial Statements



## 1) Report on the financial statements:

➤ Type of report issued: **Unmodified**

## 2) Report on internal control over financial reporting and compliance:

➤ Material weakness(es) identified? **No**

➤ Significant deficiencies that are not material weaknesses? **None reported**

➤ Noncompliance material to financial statements noted? **No**

# Audit Results: Federal Awards

## 3) Report on compliance for major programs and internal control over compliance:

- |  |                      |
|--|----------------------|
| ➤ Type of report issued:   | <b>Unmodified</b>    |
| ➤ Material weakness(es) identified?                                  | <b>No</b>            |
| ➤ Significant deficiencies that are not material weaknesses?         | <b>None reported</b> |
| ➤ Any audit findings required to be reported under 2 CFR 200.516(a)? | <b>No</b>            |

### Major Program:

- Special Education Cluster (84.027 and 84.173)
- Major program total expenditures = \$9.3 million, 25% of total federal expenditures (\$37.0 million)



# Other matters

- No material misstatements were identified as a result of our audit procedures
- No transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus
- No difficulties or disagreements arose during the course of our audit
- No impairments to our independence

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# Overview of the Financial Statements

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# Statement of Net Position

## Comparative balances as of August 31, 2019 and 2018:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Cash and investments	\$ 298,134,727	\$ 398,653,897
Capital assets (net)	1,319,484,425	1,269,591,927
Outstanding bonds (net of premium)	(1,366,602,397)	(1,430,400,271)
OPEB (net)	(243,619,167)	(239,500,287)
Pension (net)	(85,585,783)	(70,321,211)
Other assets and liabilities (net)	9,717,673	(7,247,226)
Total net position	<u>\$ (68,470,522)</u>	<u>\$ (79,223,171)</u>

- Increase in capital assets (net): \$50 m
- Decrease in outstanding bonds (net): \$63 m
- Increase in OPEB and pension (net): \$19 m
- Increase in net position: \$11 m

## Net Position – Comparison:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Unrestricted net position	\$ (242,024,567)	\$ (217,621,585)
Total net position	\$ (68,470,522)	\$ (79,223,171)

### Excluding OPEB and Pension:

Unrestricted net position	\$ 87,180,383	\$ 92,199,913
Total net position	\$ 260,734,428	\$ 230,598,327

- Increase in net position:
  - Including OPEB and pension: \$11 m
  - Excluding OPEB and pension: \$30 m

CONROE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2019

Date Control Code #		Governmental Activities
	<b>ASSETS</b>	
	Current assets:	
1110	Cash and cash equivalents	\$ 7,815,035
1120	Current investments	260,712,221
1220	Property taxes receivable	9,235,481
1230	Allowance for uncollectible	(1,829,609)
1240	Due from other governments	25,051,232
1250	Accrued interest	347,510
1290	Other receivables	147,640
1310	Inventories	2,715,327
	Total current and other assets	<u>304,194,837</u>
	Noncurrent assets:	
	Capital assets:	
1510	Land	70,987,771
1520	Building and improvements - net of depreciation	1,146,725,570
1530	Furniture and equipment - net of depreciation	25,479,887
1580	Construction in Progress	76,291,197
	Total capital assets (net)	<u>1,319,484,425</u>
1910	Long-term investments	29,607,471
	Total noncurrent assets	<u>1,349,091,896</u>
1000	Total assets	<u>1,653,286,733</u>
	<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1700	Deferred loss on issuance of refunding bonds	37,930,411
1705	Deferred resources outflow related to net pension liability	105,652,025
1706	Deferred resources outflow related to net OPEB liability	32,335,280
	Total deferred outflows of resources	<u>175,917,726</u>
	Total assets and deferred outflows of resources	<u>1,829,404,459</u>
	<b>LIABILITIES</b>	
	Current liabilities:	
2110	Accounts payable	28,431,638
2140	Interest payable	2,366,730
2150	Payroll deductions and withholdings payable	8,182,129
2160	Accrued wages payable	21,818,026
2180	Due to other governments	3,641
2300	Unearned revenue	2,729,388
	Total current liabilities	<u>63,531,552</u>
	Noncurrent liabilities:	
2501	Noncurrent liabilities due within one year	56,868,523
2502	Noncurrent liabilities due in more than one year	1,310,082,641
2540	Net pension liability	172,789,144
2541	Net OPEB liability	209,303,086
	Total noncurrent liabilities	<u>1,749,543,394</u>
2000	Total liabilities	<u>1,813,074,946</u>
	<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605	Deferred resource inflow related to net pension liability	18,448,664
2606	Deferred resource inflow related to net OPEB liability	66,346,371
	Total deferred inflows of resources	<u>84,795,035</u>
	Total liabilities and deferred inflows of resources	<u>1,897,874,981</u>
	<b>NET POSITION</b>	
3200	Net investment in capital assets	149,838,599
	Restricted for:	
3820	Federal and state programs	144,987
3820	Food services	3,637,920
3850	Debt service	20,032,539
3900	Unrestricted	(242,024,567)
	Total net position	<u>\$ (68,470,522)</u>

See Notes to the Basic Financial Statements.

# Statement of Activities



## Comparative – years ended August 31, 2019 and 2018:

	<u>August 31, 2019</u>	<u>August 31, 2018</u>
General Revenues	\$ 596,144,133	\$ 552,863,710
Program Revenues:		
Charges for Services	12,342,529	11,038,293
Operating Grants and Contributions	92,386,308	(29,270,271)
Expenses	(690,120,321)	(469,142,323)
Change in Net Position	<u>\$ 10,752,649</u>	<u>\$ 65,489,409</u>
OPEB Revenue	\$ 11,443,529	(92,099,166)
OPEB Expense	\$ (18,532,789)	149,430,566
Pension Revenue	\$ 29,102,837	13,111,301
Pension Expense	\$ (55,375,720)	(28,909,439)
	\$ (33,362,143)	\$ 41,533,262
Change in Net Position	<u>\$ 44,114,792</u>	<u>\$ 23,956,147</u>

Increase: \$ 20 m

- Increase in property taxes: \$24 m
  - Increase in state revenue: \$15 m
  - Increase in payroll expenses: (\$17 m)
  - Other (net): (\$ 2 m)
- \$20 m

### CONROE INDEPENDENT SCHOOL DISTRICT STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	Description	Program Revenue		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
	Expense			
<b>GOVERNMENTAL ACTIVITIES:</b>				
11	Instruction	\$ 381,248,013	\$ 464,086	\$ 43,779,928
12	Instructional Resources and Media Services	9,020,489	-	479,126
13	Curriculum and Staff Development	12,881,800	-	6,217,911
21	Instructional Leadership	4,873,610	-	594,197
23	School Leadership	35,664,668	-	3,154,370
31	Guidance and Counseling	24,946,767	-	8,046,763
32	Social Work Services	1,088,794	-	343,013
33	Health Services	6,429,794	-	666,993
34	Student (K-12) Transportation	30,263,081	-	9,840,267
35	Food Services	24,467,324	9,308,625	12,549,100
36	Commuter/Extracurricular Activities	18,115,181	1,004,903	711,100
41	General Administration	10,480,182	-	704,934
51	Plant Maintenance and Operations	59,353,638	1,666,006	4,282,524
52	Security and Monitoring Services	8,728,623	-	654,168
53	Data Processing Services	9,342,852	-	410,245
61	Auxiliary Services	153,074	-	141,569
71	Debt Service - Interest and Fees	49,053,886	-	-
99	Tax Apportionment Collection	4,008,896	-	-
	<b>TOTAL PRIMARY GOVERNMENT:</b>	<u>\$ 690,120,321</u>	<u>\$ 12,342,529</u>	<u>\$ 92,386,308</u>
				<u>688,391,484</u>
Data Control Codes	General revenues:			
	Taxes:			
MT	Property taxes, bulked for general purposes			376,015,488
DT	Property taxes, bulked for debt service			78,064,864
SF	State grants and contributions not restricted to specific programs			119,693,229
IE	Interim earnings			10,913,072
SI	SHARS/INAC			9,193,630
MI	Miscellaneous			2,263,390
TR	Total general revenues			<u>596,144,133</u>
CN	Change in net position			10,752,649
NB	Beginning net position			(79,223,171)
NE	Net position—ending			<u>\$ 68,673,611</u>

See Notes to the Basic Financial Statements.

# Statement of Activities



## GOVERNMENTAL ACTIVITIES:

	Expenses
Instruction	\$ 381,248,013
Instructional Resources and Media Services	9,020,489
Curriculum and Staff Development	12,881,800
Instructional Leadership	4,873,610
School Leadership	35,664,668
Guidance and Counseling	24,946,767
Social Work Services	1,088,794
Health Services	6,429,794
Student (Pupil) Transportation	30,263,081
Food Services	24,467,324
Cocurricular/Extracurricular Activities	18,115,181
General Administration	10,480,182
Plant Maintenance and Operations	59,353,638
Security and Monitoring Services	8,728,623
Data Processing Services	9,342,852
Ancillary Services	153,074
Debt Service - Interest and Fees	49,053,865
Tax Appraisal and Collection	4,008,566
<b>TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 690,120,321</b>

## CONROE INDEPENDENT SCHOOL DISTRICT STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		
<b>GOVERNMENTAL ACTIVITIES:</b>					
11	Instruction	\$ 381,248,013	\$ 464,086	\$ 43,779,928	\$ (37,003,980)
12	Instructional Resources and Media Services	9,020,489	-	479,126	(8,541,363)
13	Curriculum and Staff Development	12,881,800	-	6,217,911	(6,663,889)
21	Instructional Leadership	4,873,610	-	594,197	(4,279,413)
23	School Leadership	35,664,668	-	3,154,370	(32,510,298)
31	Guidance and Counseling	24,946,767	-	8,046,763	(16,900,004)
32	Social Work Services	1,088,794	-	343,013	(745,781)
33	Health Services	6,429,794	-	866,993	(5,562,801)
34	Student (Pupil) Transportation	30,263,081	-	9,840,267	(20,422,814)
35	Food Services	24,467,324	9,308,625	12,549,130	(2,039,688)
36	Cocurricular/Extracurricular Activities	18,115,181	1,004,903	711,130	(16,399,058)
41	General Administration	10,480,182	-	704,934	(9,775,248)
51	Plant Maintenance and Operations	59,353,638	1,666,006	4,282,524	(53,396,108)
52	Security and Monitoring Services	8,728,623	-	654,168	(8,074,455)
53	Data Processing Services	9,342,852	-	410,245	(8,932,607)
61	Ancillary Services	153,074	-	141,569	(11,505)
71	Debt Service - Interest and Fees	49,053,865	-	-	(49,053,865)
99	Tax Appraisal and Collection	4,008,566	-	-	(4,008,566)
	<b>TOTAL PRIMARY GOVERNMENT:</b>	<b>\$ 690,120,321</b>	<b>\$ 12,342,629</b>	<b>\$ 92,366,308</b>	<b>(685,391,454)</b>
<b>General revenues:</b>					
<b>Taxes:</b>					
MT	Property taxes, bulked for general purposes			376,015,488	
DT	Property taxes, bulked for debt service			78,064,864	
SF	State grant and contributions not restricted to specific programs			119,693,229	
IE	Interim earnings			10,913,072	
SI	SHARS/INAC			9,493,630	
MI	Miscellaneous			2,263,390	
TR	Total general revenues			596,444,133	
CB	Change in net position			10,752,649	
NB	Beginning net position			(79,223,171)	
NE	Net position—ending			\$ (68,470,522)	

See Notes to the Basic Financial Statements.

- Expenses include adjustment for capital assets disposed in a prior year – will discuss later

# Governmental Funds – Balance Sheet

## General Fund

### Balances as of August 31, 2019:

Total fund balance	\$ 140,083,042
Unassigned fund balance	\$ 134,673,794
Unassigned/Total	96.1%

### Comparative - August 31, 2018:

Total fund balance	\$ 138,247,770
Unassigned fund balance	\$ 132,818,949
Unassigned/Total	96.1%

CONROE INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2019

Data Control Codes		General Fund
<b>ASSETS</b>		
1110	Cash and Cash Equivalents	\$ 3,707,097
1120	Current Investments	159,052,203
1220	Property Taxes - Delinquent	7,550,982
1230	Allowance for Uncollectible Taxes	(1,537,048)
1240	Due From TEA	19,008,327
1250	Accrued Interest	347,510
1260	Due From Other Funds	3,024,795
1290	Sundry Receivables	147,325
1310	Inventories, at Cost	2,113,911
1910	Long-Term Investments	29,607,471
1000	<b>Total Assets</b>	<b>\$ 223,020,573</b>
<b>LIABILITIES</b>		
2110	Accounts Payable	\$ 3,543,204
2150	Payroll Deductions and Withholdings Payable	8,182,129
2160	Accrued Wages Payable	21,461,371
2170	Due to Other Funds	44,136,899
2180	Due to Other Governments	3,641
2300	Unearned Revenue	-
2000	<b>Total Liabilities</b>	<b>77,327,244</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2601	Deferred Property Taxes	5,610,287
2600	<b>Total deferred inflows of resources</b>	<b>5,610,287</b>
<b>FUND BALANCES</b>		
Nonspendable:		
3410	Inventory	2,113,911
Restricted for:		
3480	Debt Service	-
3470	Capital Expenditures	-
3450	Food Service Operations	-
3460	Grant Operations	-
Committed to:		
3500	Technology & Food Service	-
Assigned to:		
3590	Other Purposes	3,295,337
3600	<b>Unassigned:</b>	<b>134,673,794</b>
3000	<b>Total Fund Balances</b>	<b>140,083,042</b>
4000	<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 223,020,573</b>

See Notes to the Basic Financial Statements.

# Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances

## General Fund

### Balances for year ended August 31, 2019:

Expenditures \$ 495,570,345  
 Net change in fund balance \$ 1,835,272

Unassigned fund balance/  
 Expenditures 27.2%

### Comparative - August 31, 2018:

Expenditures \$ 478,799,674  
 Net change in fund balance \$ 3,936,549

Unassigned fund balance/  
 Expenditures 27.7%

CONROE INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		General Fund
<b>REVENUES</b>		
5700	Total Local and Intermediate Sources	\$ 386,577,554
5800	State Program Revenues	150,784,433
5900	Federal Program Revenues	9,193,630
5020	Total Revenues	<u>546,555,617</u>
<b>EXPENDITURES</b>		
Current:		
0011	Instruction	310,170,670
0012	Instructional Resources & Media Service	5,534,183
0013	Curriculum & Instructional Staff Development	5,691,641
0021	Instructional Administration	4,265,161
0023	School Administration	32,568,837
0031	Guidance and Counseling	16,082,333
0032	Social Work Services	736,007
0033	Health Services	5,703,626
0034	Student (Pupil) Transportation	27,296,072
0035	Food Services	-
0036	Cocurricular/Extracurricular Activities	12,549,250
0041	General Administration	9,573,316
0051	Plant Maintenance and Operations	46,591,089
0052	Security and Monitoring Services	7,876,093
0053	Data Processing Services	6,752,315
0061	Ancillary Services	10,014
0070	Debt Service:	
0071	Principal	-
0071	Interest	-
0071	Bond Issuance Cost and Fees	-
0081	Facilities Acquisition and Construction	161,172
0099	Other Intergovernmental Charges	4,008,566
6030	<b>Total Expenditures</b>	<b><u>495,570,346</u></b>
1100	Excess of Revenues Over (Under) Expenditures	<u>50,985,272</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>		
7915	Transfers in	-
8911	Transfers out	(49,150,000)
7080	Total Other Financing Sources and (Uses)	<u>(49,150,000)</u>
1200	<b>Net Change in Fund Balances</b>	<b><u>1,835,272</u></b>
0100	Fund Balance - September 1	138,247,770
3000	Fund Balance - August 31	<u>\$ 140,083,042</u>

See Notes to the Basic Financial Statements.

# Notes to Financial Statements



## NOTE 1 – Summary of Significant Accounting Policies (page 25)

## NOTE 2 – Deposits (Cash) and Investments (page 32)

## NOTE 5 – Capital Assets (page 39)

Beginning balance of capital assets, net: \$1,269,591,927

Prior period disposals: \$ 3,577,035

Percent of beginning balance: 0.28%

Percent of expenses: 0.52%

<b>NOTE 5 – CAPITAL ASSETS</b>				
The following is a summary of the changes in capital assets for the year ended August 31, 2019:				
	Beginning Balance	Additions & Transfers In	Retirements & Transfers Out	Ending Balance
Capital Assets, not being depreciated:				
Land	\$ 65,457,370	\$ 7,999,839	\$ (2,469,438)	\$ 70,987,771
Construction in progress	48,692,616	74,704,277	(47,105,696)	76,291,197
Total Capital Assets, not being depreciated	114,149,986	82,704,116	(49,575,134)	147,278,968
Capital Assets, being depreciated:				
Buildings and Improvements	1,570,953,405	57,584,107	(2,009,782)	1,626,527,730
Furniture and Equipment	80,486,617	7,746,671	(2,989,042)	85,244,246
Total Capital Assets, being depreciated	1,651,440,022	65,330,778	(4,998,824)	1,711,771,976
Less accumulated depreciation for:				
Buildings and Improvements	(440,553,877)	(40,150,468)	902,185	(479,802,160)
Furniture and Equipment	(55,444,204)	(7,255,548)	2,935,393	(59,764,359)
Total accumulated depreciation	(495,998,081)	(47,406,016)	3,837,578	(539,566,519)
Total Capital Assets, being depreciated, net	1,155,441,941	17,924,762	(1,161,246)	1,172,205,457
Governmental activities Capital Assets, net	\$ 1,269,591,927	\$ 100,628,878	\$ (50,736,380)	\$ 1,319,484,425

# Notes to Financial Statements

- Continued



## NOTE 8 – Long-term Debt and Debt Service (page 40)

### NOTE 13 – Pension (page 44)

- Pension – significant estimate
- Discount rate sensitivity analysis

#### G. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the 2018 Net Pension Liability.

	1% Decrease in <i>Discount Rate (5.907%)</i>	Discount Rate <i>(6.907%)</i>	1% Increase in <i>Discount Rate (7.907%)</i>
District's proportionate share of the net pension liability:	\$260,780,252	\$172,789,144	\$101,555,124

### NOTE 14 – OPEB (page 49)

- OPEB – significant estimate
- Discount rate and healthcare cost trend rate sensitivity analyses

#### H. Rate Sensitivity of the Net OPEB Liability

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the net OPEB liability.

	1% Decrease <i>(2.69%)</i>	Current Discount Rate <i>(3.69%)</i>	1% Increase <i>(4.69%)</i>
TRS-CARE	\$ 249,743,707	\$ 209,808,086	\$ 178,216,435

The following schedule shows the impact of the Net OPEB Liability if the healthcare cost trend rate used was 1% less than and 1% greater than the healthcare cost trend rate that was used in measuring the Net OPEB Liability.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
TRS-CARE	\$ 174,249,032	\$ 209,808,086	\$ 256,640,128

# Other significant accounting estimates



- Incurred but not reported (IBNR) insurance claims
- State funding revenues
- Allowance for uncollectible property taxes
  
- Basis for estimates:
  - Third parties – TEA, actuaries, specialists (pension, OPEB, IBNR, state funding)
  - Historical experience (allowance for uncollectible property taxes)



# Required Supplementary Information: Budget and Actual – General Fund

## Variations for year ended August 31, 2019:

Revenues \$ 40,012,922 (over)  
 Expenditures \$ 13,463,927 (under)  
 Net change in fund balance \$ 56,476,849 (over)

## Comparative - August 31, 2018:

Revenues \$ 21,207,015 (over)  
 Expenditures \$ 10,362,282 (under)  
 Net change in fund balance \$ 31,569,297 (over)

CONROE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED AUGUST 31, 2019 WITH COMPARATIVE ACTUAL AMOUNT FOR 2018

Data Control Codes	General Fund 2019				2018 Actual Amounts
	Original Budget	Final Amended Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)	
<b>REVENUES</b>					
5700 Local and Intermediate Sources	\$ 37,070,836	\$ 37,018,549	\$ 36,577,554	\$ 15,669,005	\$ 368,236,273
5800 State Program Revenues	131,571,646	131,571,646	150,734,433	9,212,737	136,139,132
5900 Federal Program Revenues	-	4,052,500	5,159,500	5,141,130	6,512,218
Total Revenue	502,275,482	495,642,695	546,696,617	40,012,922	500,935,223
<b>EXPENDITURES</b>					
0011 Instruction	316,086,216	313,892,881	310,170,870	3,722,211	301,236,606
0012 Instruction Resources and Media Services	5,752,833	5,756,726	5,534,183	261,543	5,457,313
0013 Curriculum and Instructional Staff Development	3,814,145	7,088,571	5,881,841	1,396,500	4,837,388
0021 Instructional Administration	4,408,296	4,883,380	4,285,161	418,219	4,329,440
0023 School Administration	31,195,267	32,687,327	32,593,537	118,450	30,816,049
0031 Guidance and Counseling Services	16,670,669	16,364,782	16,082,303	282,479	15,167,696
0032 Social Work Services	745,210	754,854	735,007	18,857	749,027
0038 Health Services	5,378,152	6,350,469	5,703,626	646,833	5,380,615
0034 Student (Pupil) Transportation	25,581,500	27,474,806	27,256,072	178,433	25,696,519
0036 Co-curricular/Extracurricular Activities	11,505,271	13,008,676	12,546,280	459,436	11,200,513
0041 General Administration	8,436,766	10,322,696	9,573,316	749,260	8,480,458
0051 Plant Maintenance and Operations	49,046,719	50,388,043	46,681,089	3,796,959	46,476,058
0052 Security and Monitoring Services	7,538,689	7,942,466	7,876,083	66,373	6,723,753
0063 Data Processing Services	6,833,402	7,450,814	6,752,315	738,499	6,243,143
0061 Community Services	19,100	29,100	10,014	19,086	12,052
0081 Facilities Acquisition and Construction	-	450,207	161,172	289,035	502,849
0089 Other Intergovernmental Charges	4,300,000	4,300,000	4,008,596	291,434	3,886,256
6000 Total Expenditures	495,489,113	509,034,272	496,570,345	13,463,927	478,799,674
1100 Excess of Revenue Over (Under) Expenditure	6,816,369	12,451,677	50,866,272	53,476,849	22,135,549
<b>OTHER FINANCING SOURCES (USES)</b>					
Other Sources (Uses)	-	(52,150,000)	(48,150,000)	3,000,000	(18,200,000)
Total Other Financing Sources and (Uses)	-	(52,150,000)	(48,150,000)	3,000,000	(18,200,000)
<b>Net Change in Fund Balance</b>					
	6,816,369	(54,641,577)	1,836,272	56,476,849	3,935,549
FUND BALANCE - SEPTEMBER 1	138,247,770	138,247,770	138,247,770	-	134,311,221
FUND BALANCE - AUGUST 31	\$ 145,064,139	\$ 83,606,193	\$ 140,084,042	\$ 56,476,849	\$ 138,247,770

See note to required supplementary information

# Other CAFR items

## **Other Required Supplementary Information:**

- Pension and OPEB schedules – pages 59 through 62

## **Other Supplementary Information:**

- Combining and individual nonmajor fund statements and schedules, schedules of long-term debt, delinquent taxes receivable – pages 65 through 90

## **Statistical Section:**

- Financial and operating trends and information, demographic and economic information – pages 92 through 136

# **New Accounting Standard**

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## **GASB Statement No. 84 – *Fiduciary Activities***

Effective for fiscal year ending August 31, 2020

# Statement No. 84 – Fiduciary Activities

## Current GAAP

There are two types of fiduciary funds:

- **Agency funds** report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).
  - Financial statement: Statement of Fiduciary Net Position
- **Trust funds** are used to report resources held and administered by the reporting government when it is acting in a fiduciary capacity for individuals, private organizations or other governments.
  - Financial statements: Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position

### Conroe ISD's fiduciary funds include:

- **Agency funds** (student activity funds)

# Statement No. 84 – Fiduciary Activities

## New GAAP – Key Changes

1. **GASB 84** provides criteria to identify whether an activity is fiduciary and should be reported as a fiduciary fund in a government's fiduciary fund financial statements. Previously, the criteria were subject to interpretation and there was diversity in practice.

2. **Agency funds** are renamed “custodial funds” and now will have a measurement focus (assets ≠ liabilities), and a statement of changes in fiduciary net position in the basic financial statements

3. **Trust funds** – a trust agreement or equivalent arrangement should exist for an activity to be reported in a trust fund

- If not – reported as a special revenue fund

# Statement No. 84 – Fiduciary Activities



## Current Fiduciary Fund Financial Statements

**CONROE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
ALL FIDUCIARY FUNDS  
AUGUST 31, 2019**

Data Control Code		<u>Agency Funds</u> <u>August 31, 2019</u>
<b>ASSETS</b>		
1110	Cash and Cash Equivalents	\$ 7,034,551
1290	Sundry Receivables	21,359
	<b>Total Assets</b>	<u>\$ 7,055,910</u>
<b>LIABILITIES</b>		
2190	Due to Student Groups	\$ 7,055,910
	<b>Total Liabilities</b>	<u>\$ 7,055,910</u>

See Notes to the Basic Financial Statements.

**CONROE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY ASSETS  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2019**

Data Control Codes	Balance September 1, 2018	Additions	Deductions	Balance August 31, 2019
<b>STUDENT ACTIVITY FUND:</b>				
<b>ASSETS</b>				
1110	\$ 6,387,837	\$ 16,679,262	\$ 16,032,548	\$ 7,034,551
1290	41,092	-	19,733	21,359
	<b>Total Assets</b>	<u>\$ 16,679,262</u>	<u>\$ 16,052,281</u>	<u>\$ 7,055,910</u>
<b>LIABILITIES</b>				
2190	\$ 6,428,929	\$ 16,679,262	\$ 16,052,281	\$ 7,055,910
	<b>Total Liabilities</b>	<u>\$ 16,679,262</u>	<u>\$ 16,052,281</u>	<u>\$ 7,055,910</u>

# Questions?

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