

**ELYSIAN FIELDS
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2018

Elysian Fields Independent School District
Annual Financial Report
For The Year Ended August 31, 2018

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Introductory Section

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CERTIFICATE OF BOARD

Elysian Fields Independent School District
Name of School District

Harrison
County

102-906
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2018, at a meeting of the board of trustees of such school district on the 14th day of January, 2019.

Debbie J. Gayne
Signature of Board Secretary

[Signature]
Signature of Board President

If the board of trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):
(attach list as necessary)

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Financial Section

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Morgan LaGrone, CPA, PLLC

Certified Public Accountant

Telephone: 903.657.0240
Fax: 903.655.1324

116 S Marshall
Henderson TX 75654

Independent Auditor's Report

To the Board of Trustees
Elysian Fields Independent School District
P.O. Box 120
Elysian Fields, Texas 75642

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Elysian Fields Independent School District ("the District") as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Elysian Fields Independent School District as of August 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2018, Elysian Fields Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's proportionate share of the net OPEB liability and schedule of District OPEB contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elysian Fields Independent School District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

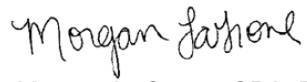
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2019 on our consideration of Elysian Fields Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral

part of an audit performed in accordance with *Government Auditing Standards* in considering Elysian Fields Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in cursive script that reads "Morgan LaGrone".

Morgan LaGrone, CPA, PLLC

Henderson, TX
January 9, 2019

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ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2018

This section of Elysian Fields Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2018. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

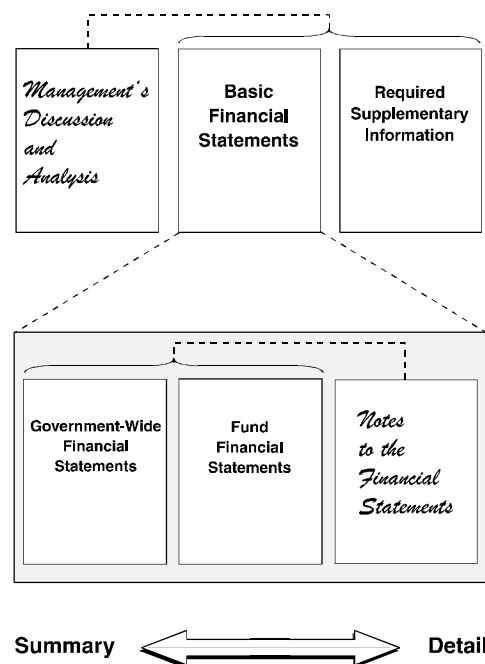
- The District's total combined Net Position was \$3,287,779 at August 31, 2018.
- During the year, the District's expenses were \$7,651,318, and the District generated \$9,122,571 in taxes and other revenues for governmental activities.
- The total cost of the District's programs decreased 27.32% from last year.
- The General Fund reported a fund balance this year of \$4,503,992, of which all was unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses.
- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the District's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2018

The two government-wide statements report the District's Net Position and how they have changed. Net Position—the difference between the District's assets and liabilities—is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's Net Position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the Governmental activities. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- Proprietary funds - Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
 - We use an internal service fund to report activities that provide services for the District's Workers' Compensation Insurance Fund.
- Fiduciary funds - The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary Net Position and a statement of changes in fiduciary Net Position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position: The District's combined Net Position was \$3,287,779.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2018

Table A-1
Elysian Fields Independent School District
Net Position

	2018	2017	Increase/ (Decrease) 2017-2018	Percentage Change 2017-2018
Current and Other Assets	\$ 6,379,757	\$ 5,418,687	\$ 961,070	17.74%
Capital Assets	10,312,814	11,392,277	(1,079,463)	(9.48%)
Total Assets	<u>\$ 16,692,571</u>	<u>\$ 16,810,964</u>	<u>\$ (118,393)</u>	<u>(0.70%)</u>
Deferred Outflow of Resources	\$ 274,465	\$ 306,755	\$ (32,290)	(10.53%)
Deferred Outflow - Pensions	563,439	803,459	\$ (240,020)	(29.87%)
Deferred Outflow - OPEB	45,487	-	45,487	N/A
Total Deferred Outflows of Resources	<u>\$ 883,391</u>	<u>\$ 1,110,214</u>	<u>\$ (226,823)</u>	<u>(20.43%)</u>
Long-Term Liabilities Outstanding	\$ 12,064,805	\$ 10,355,391	\$ 1,709,414	16.51%
Other Liabilities	652,833	547,876	104,957	19.16%
Total Liabilities	<u>\$ 12,717,638</u>	<u>\$ 10,903,267</u>	<u>\$ 1,814,371</u>	<u>16.64%</u>
Deferred Inflow - Pensions	\$ 370,906	\$ 172,576	\$ 198,330	114.92%
Deferred Inflow - OPEB	1,199,639	-	1,199,639	N/A
Total Deferred Inflows of Resources	<u>\$ 1,570,545</u>	<u>\$ 172,576</u>	<u>\$ 1,397,969</u>	<u>810.06%</u>
Net Position:				
Net Investment in Capital Assets	\$ 2,722,305	\$ 3,151,232	\$ (428,927)	(13.61%)
Restricted	418,152	274,458	143,694	52.36%
Unrestricted	147,322	3,419,645	(3,272,323)	(95.69%)
Total Net Position	<u>\$ 3,287,779</u>	<u>\$ 6,845,335</u>	<u>\$ (3,557,556)</u>	<u>(51.97%)</u>

Table A-2
Elysian Fields Independent School District
Change in Net Position

	2018	2017	Increase/ (Decrease) 2017-2018	Percentage Change 2017-2018
Program Revenues:				
Charges for Services	\$ 117,026	\$ 285,366	\$ (168,340)	(58.99%)
Operating Grants & Contributions	(1,264,610)	1,225,896	(2,490,506)	(203.16%)
General Revenues:				
Property Taxes	4,313,591	4,199,407	114,184	2.72%
State Aid-Formula	5,169,213	5,318,251	(149,038)	(2.80%)
Other	787,351	180,162	607,189	337.02%
Total Revenues	<u>\$ 9,122,571</u>	<u>\$ 11,209,082</u>	<u>\$ (2,086,511)</u>	<u>(18.61%)</u>
Functions/Programs:				
Instructional and Instructional-Related Services	\$ 3,486,501	\$ 5,903,743	\$ (2,417,242)	(40.94%)
Instruction and School Leadership	469,515	848,179	(378,664)	(44.64%)
Support Services - Student	1,510,032	1,736,019	(225,987)	(13.02%)
Administrative Support Services	405,724	516,963	(111,239)	(21.52%)
Support Services - Non-Student Based	1,473,178	1,202,633	270,545	22.50%
Debt Service	187,500	209,084	(21,584)	(10.32%)
Intergovernmental Charges	118,868	111,305	7,563	6.79%
Total Expenses	<u>\$ 7,651,318</u>	<u>\$ 10,527,926</u>	<u>\$ (2,876,608)</u>	<u>(27.32%)</u>
Increase/(Decrease) in Net Position	<u>\$ 1,471,253</u>	<u>\$ 681,156</u>	<u>\$ 790,097</u>	<u>115.99%</u>

Governmental Activities

Property tax rates for the current year were an M&O rate of \$1.04 per \$100 valuation and an I&S rate of \$0.31 per \$100 valuation for a total rate of \$1.35 per \$100 valuation.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2018

\$245,149 of the District's restricted net position are restricted for debt service, \$114,176 are restricted for federal programs, and \$58,827 are restricted for campus activities. The \$147,322 of unrestricted net position represents resources available to fund the programs of the District next year.

Chart A-1
Elysian Fields Independent School District
Revenues for the Year Ended August 31, 2018

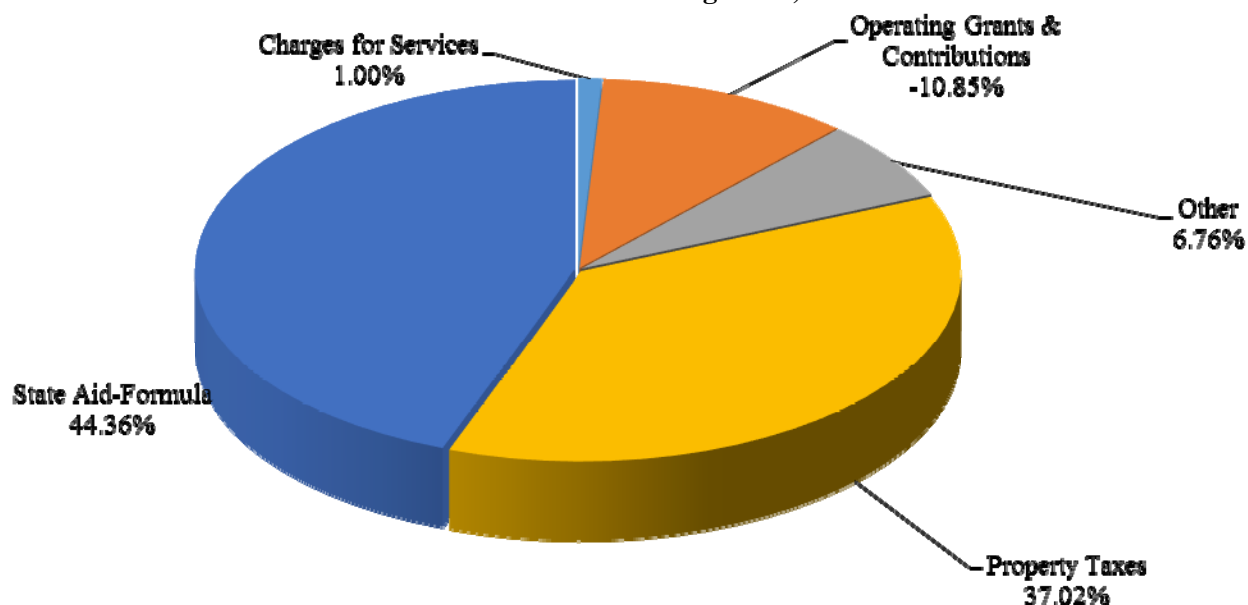
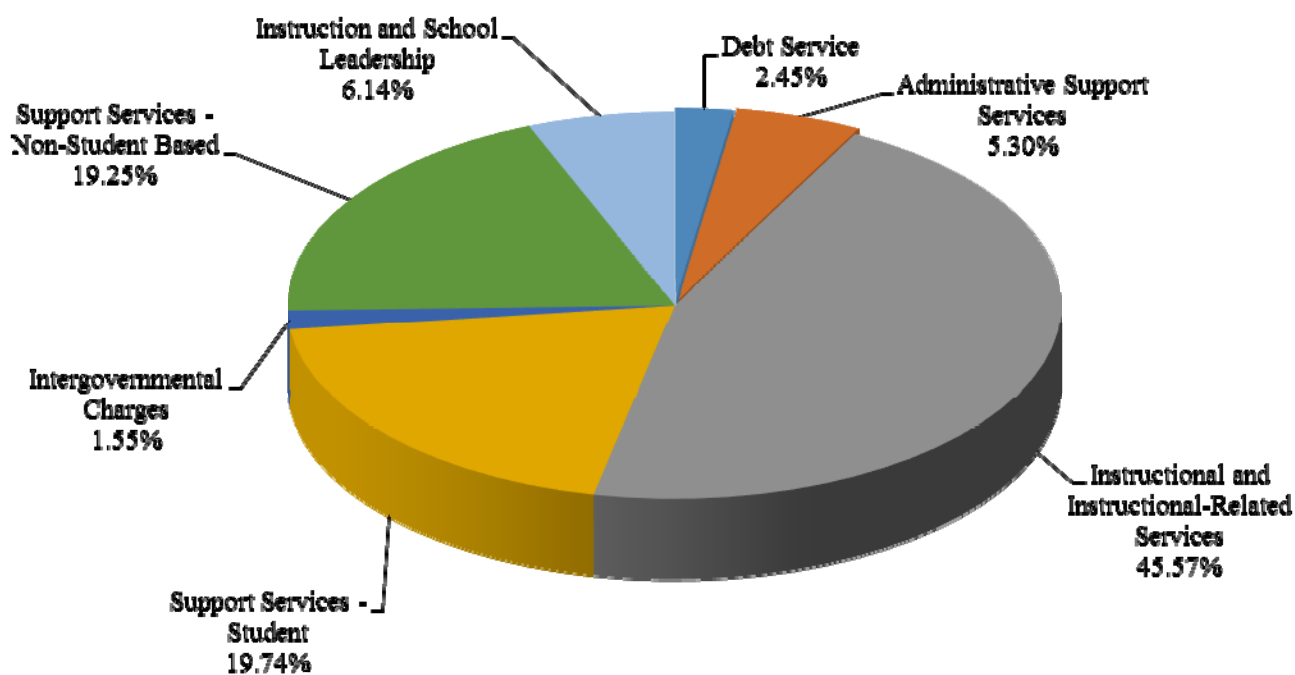


Chart A-2
Elysian Fields Independent School District
Expenses for the Year Ended August 31, 2018



ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2018

Change in Net Position. The District's total revenues were \$9,122,571. A significant portion, 37.02%, of the District's revenue comes from property taxes, 44.36% comes from state aid – formula grants, (10.85)% is from operating grants and contributions, 1.00% relates to charges for services, and 6.76% is from investment earnings and miscellaneous.

The total cost of all programs and services was \$7,651,318; 65.31% of these costs are for instructional and student services.

Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what state revenues as well as local tax dollars funded.

- The cost of all governmental activities this year was \$7,651,318.
- The amount that our taxpayers paid for these activities through property taxes was \$4,313,591.
- Some of the cost was paid by those who directly benefited from the programs, \$117,026, or by grants and contributions, \$(1,264,610).

Table A-3
Elysian Fields Independent School District
Net Cost of Selected District Functions

	<u>Total Cost of Services</u>			<u>Net Cost of Services</u>		
	<u>2018</u>	<u>2017</u>	<u>% Change</u>	<u>2018</u>	<u>2017</u>	<u>% Change</u>
Instruction	\$ 3,400,479	\$ 5,655,591	(39.87%)	\$ 4,187,714	\$ 4,944,754	(15.31%)
School Leadership	377,057	645,908	(41.62%)	474,694	612,066	(22.44%)
Transportation	447,443	533,572	(16.14%)	503,353	514,866	(2.24%)
Food Service	493,971	688,459	(28.25%)	548,135	133,868	309.46%
Plant Maintenance & Operations	1,336,659	1,041,987	28.28%	1,425,869	1,012,321	40.85%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$10,904,067, an increase of \$21,345 from the preceding year. The increase in Local revenue of \$964,872 was as a direct result of the insurance proceeds. There was a decrease in State revenue, which totaled \$895,791. The District's revenue from federal grants decreased \$47,736. Expenditures decreased by \$448 primarily due to instruction.

General Fund Budgetary Highlights

During the year, the District revised its budget as needed. Considering the adjustments, actual expenditures were \$828,041 below final budget amounts. This positive variance resulted from a general cost savings in all functional categories.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the District had invested \$29,095,809 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2018

Table A-4
Elysian Fields Independent School District
Capital Assets

	<u>Governmental Activities</u>		Increase/ (Decrease)	Percentage Change
	<u>2018</u>	<u>2017</u>	<u>2017-2018</u>	<u>2017-2018</u>
Land	\$ 393,490	\$ 393,490	\$ -	0.00%
Buildings and Improvements	25,739,071	25,739,071	-	0.00%
Vehicles and Equipment	2,963,248	2,963,248	-	0.00%
Total Capital Assets	\$ 29,095,809	\$ 29,095,809	\$ -	0.00%
Less: Accumulated Depreciation	(18,782,995)	(17,703,535)	(1,079,460)	6.10%
Net Capital Assets	\$ 10,312,814	\$ 11,392,274	\$ (1,079,460)	(9.48%)

More detailed information about the District's capital assets is presented in Note E to the financial statements.

Long Term Debt

At year-end the District had \$12,064,804 in long-term debt outstanding as shown in Table A-5. More detailed information about the District's debt is presented in Note G to the financial statements.

Table A-5
Elysian Fields Independent School District
Long-Term Debt

	<u>Governmental Activities</u>		Increase/ (Decrease)	Percentage Change
	<u>2018</u>	<u>2017</u>	<u>2017-2018</u>	<u>2017-2018</u>
General Obligation Bonds	\$ 7,180,000	\$ 7,870,000	\$ (690,000)	(8.77%)
Bond Premium	684,973	765,558	(80,585)	(10.53%)
Capital Leases	-	12,242	(12,242)	(100.00%)
Net OPEB Liability	2,867,878	5,063,094	(2,195,216)	(43.36%)
Net Pension Liability	1,331,953	1,707,591	(375,638)	(22.00%)
Total Long-Term Debt	\$ 12,064,804	\$ 15,418,485	\$ (3,353,681)	(21.75%)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2019 budget preparation is \$309,764,834 up 2.05% from 2018, with an M&O rate of \$1.04 per \$100 valuation and an I&S rate of \$.31 per \$100 valuation for a total tax rate of \$1.35 per \$100 valuation. This is the same tax rate as 2018.
- The District's 2019 refined average daily attendance rate is expected to be approximately the same as 2018.

These indicators were taken into account when adopting the general fund budget for 2019. Amounts available for appropriation in the general fund budget are \$8,386,849, an increase of \$18,884 from the adopted 2018 budget of \$8,368,365. Property tax collections will be approximately \$3,240,000. State revenue will be approximately \$4,396,084.

The District has added no major new programs or initiatives to the 2019 budget.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2018

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT STAFF

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Services Department.

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Basic Financial Statements

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ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT**STATEMENT OF NET POSITION**

AUGUST 31, 2018

1

Data Control Codes		Governmental Activities
ASSETS:		
1110	Cash and Cash Equivalents	\$ 4,911,977
1225	Property Taxes Receivable (Net)	813,989
1240	Due from Other Governments	598,978
1260	Internal Balances	1,068
1290	Other Receivables (Net)	11,108
1410	Unrealized Expenses	42,637
Capital Assets:		
1510	Land	393,490
1520	Buildings and Improvements, Net	9,473,828
1530	Furniture and Equipment, Net	425,572
1550	Capital Lease Assets, Net	19,924
1000	Total Assets	<u>16,692,571</u>
DEFERRED OUTFLOWS OF RESOURCES:		
	Deferred Outflow of Resources - Undesignated	274,465
	Deferred Outflow Related to Pensions	563,439
	Deferred Outflow Related to OPEB	45,487
1700	Total Deferred Outflows of Resources	<u>883,391</u>
LIABILITIES:		
2110	Accounts Payable	92,535
2140	Interest Payable	10,016
2165	Accrued Liabilities	403,915
2180	Due to Other Governments	20,620
2300	Unearned Revenue	125,747
Noncurrent Liabilities:		
2501	Due Within One Year	705,001
2502	Due in More Than One Year	7,159,973
2540	Net Pension Liability	1,331,953
2545	Net OPEB Liability	2,867,878
2000	Total Liabilities	<u>12,717,638</u>
DEFERRED INFLOWS OF RESOURCES:		
	Deferred Inflow Related to Pensions	370,906
	Deferred Inflow Related to OPEB	1,199,639
2600	Total Deferred Inflows of Resources	<u>1,570,545</u>
NET POSITION:		
3200	Net Investment in Capital Assets	2,722,305
Restricted For:		
3820	Federal and State Programs	114,176
3850	Debt Service	245,149
3870	Campus Activities	58,827
3900	Unrestricted	147,322
3000	Total Net Position	<u>\$ 3,287,779</u>

The accompanying notes are an integral part of this statement.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2018

	1	3	4	Net (Expense) Revenue and Changes in Net Position
		Program Revenues		
Data Control Codes	Functions/Programs	Charges for Services	Operating Grants and Contributions	Governmental Activities
	Expenses			
	Governmental Activities:			
11	Instruction	\$ 3,400,479	\$ (787,235)	\$ (4,187,714)
12	Instructional Resources and Media Services	80,409	(13,613)	(94,022)
13	Curriculum and Staff Development	5,613	(1,220)	(6,833)
21	Instructional Leadership	92,458	(21,440)	(113,898)
23	School Leadership	377,057	(97,637)	(474,694)
31	Guidance, Counseling, & Evaluation Services	124,671	(34,214)	(158,885)
33	Health Services	85,856	(21,958)	(107,814)
34	Student Transportation	447,443	(55,910)	(503,353)
35	Food Service	493,971	(54,164)	(548,135)
36	Cocurricular/Extracurricular Activities	358,091	(30,301)	(271,366)
41	General Administration	405,724	(41,574)	(447,298)
51	Facilities Maintenance and Operations	1,336,659	(89,210)	(1,425,869)
52	Security and Monitoring Services	48,573	--	(48,573)
53	Data Processing Services	87,440	(16,134)	(103,574)
61	Community Services	506	--	(506)
72	Interest on Long-term Debt	154,404	--	(154,404)
73	Bond Issuance Costs and Fees	33,096	--	(33,096)
93	Payments Related to Shared Services Arrangements	118,868	--	(118,868)
TG	Total Governmental Activities	7,651,318	(1,264,610)	(8,798,902)
TP	Total Primary Government	\$ 7,651,318	\$ (1,264,610)	(8,798,902)
	General Revenues:			
MT	Property Taxes, Levied for General Purposes			3,330,333
DT	Property Taxes, Levied for Debt Service			983,258
IE	Investment Earnings			64,286
GC	Grants and Contributions Not Restricted to Specific Programs			5,169,213
MI	Miscellaneous			723,065
TR	Total General Revenues			10,270,155
CN	Change in Net Position			1,471,253
NB	Net Position - Beginning			6,845,334
PA	Prior Period Adjustment			(5,028,808)
	Net Position - Beginning, as Restated			1,816,526
NE	Net Position - Ending			\$ 3,287,779

The accompanying notes are an integral part of this statement.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT**BALANCE SHEET - GOVERNMENTAL FUNDS**

AUGUST 31, 2018

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110 <i>Cash and Cash Equivalents</i>	\$ 4,460,985	\$ 242,167	\$ 204,659	\$ 4,907,811
1225 <i>Taxes Receivable, Net</i>	660,877	153,112	--	813,989
1240 <i>Due from Other Governments</i>	558,817	2,982	37,179	598,978
1260 <i>Due from Other Funds</i>	12,317	--	--	12,317
1290 <i>Other Receivables</i>	11,108	--	--	11,108
1410 <i>Unrealized Expenditures</i>	42,637	--	--	42,637
1000 Total Assets	<u>5,746,741</u>	<u>398,261</u>	<u>241,838</u>	<u>6,386,840</u>
LIABILITIES:				
Current Liabilities:				
2110 <i>Accounts Payable</i>	\$ 17,825	\$ --	\$ 30,543	\$ 48,368
2120 <i>Short-Term Debt Payable</i>	--	--	4,427	4,427
2160 <i>Accrued Wages Payable</i>	351,151	--	23,956	375,107
2170 <i>Due to Other Funds</i>	44,171	--	7,887	52,058
2180 <i>Due to Other Governments</i>	20,620	--	--	20,620
2200 <i>Accrued Expenditures</i>	22,358	--	2,023	24,381
2300 <i>Unearned Revenue</i>	786,624	153,112	--	939,736
2000 Total Liabilities	<u>1,242,749</u>	<u>153,112</u>	<u>68,836</u>	<u>1,464,697</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450 <i>Federal/State Funds Grant Restrictions</i>	--	--	114,176	114,176
3480 <i>Retirement of Long-Term Debt</i>	--	245,149	--	245,149
Committed Fund Balances:				
3545 <i>Other Committed Fund Balance</i>	--	--	58,827	58,827
3600 Unassigned	<u>4,503,992</u>	<u>--</u>	<u>--</u>	<u>4,503,992</u>
3000 Total Fund Balances	<u>4,503,992</u>	<u>245,149</u>	<u>173,003</u>	<u>4,922,144</u>
4000 Total Liabilities and Fund Balances	<u>\$ 5,746,741</u>	<u>\$ 398,261</u>	<u>\$ 241,839</u>	<u>\$ 6,386,841</u>

The accompanying notes are an integral part of this statement.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 AUGUST 31, 2018*

Total fund balances - governmental funds balance sheet	\$ 4,922,144
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	10,312,812
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	813,989
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	808
Payables for bond principal which are not due in the current period are not reported in the funds.	(7,180,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(10,016)
The deferred amount on the bond refunding is not reported in the funds.	274,465
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(1,331,953)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(370,906)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	563,439
Bond premiums are amortized in the SNA but not in the funds.	(684,973)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(2,867,878)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(1,199,639)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	45,487
Net position of governmental activities - Statement of Net Position	<u>\$ 3,287,779</u>

The accompanying notes are an integral part of this statement.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCES - GOVERNMENTAL FUNDS****FOR THE YEAR ENDED AUGUST 31, 2018**

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 <i>Local and Intermediate Sources</i>	\$ 4,036,413	\$ 1,005,361	\$ 261,672	\$ 5,303,446
5800 <i>State Program Revenues</i>	4,851,862	30,341	113,164	4,995,367
5900 <i>Federal Program Revenues</i>	--	--	605,254	605,254
5020 Total Revenues	<u>8,888,275</u>	<u>1,035,702</u>	<u>980,090</u>	<u>10,904,067</u>
EXPENDITURES:				
Current:				
0011 <i>Instruction</i>	4,087,574	--	366,740	4,454,314
0012 <i>Instructional Resources and Media Services</i>	95,284	--	--	95,284
0013 <i>Curriculum and Staff Development</i>	311	--	6,009	6,320
0021 <i>Instructional Leadership</i>	120,466	--	--	120,466
0023 <i>School Leadership</i>	505,779	--	--	505,779
0031 <i>Guidance, Counseling, & Evaluation Services</i>	167,667	--	--	167,667
0033 <i>Health Services</i>	110,783	--	--	110,783
0034 <i>Student Transportation</i>	390,486	--	--	390,486
0035 <i>Food Service</i>	--	--	593,260	593,260
0036 <i>Cocurricular/Extracurricular Activities</i>	330,520	--	69,377	399,897
0041 <i>General Administration</i>	462,875	--	--	462,875
0051 <i>Facilities Maintenance and Operations</i>	1,444,376	--	--	1,444,376
0052 <i>Security and Monitoring Services</i>	48,573	--	--	48,573
0053 <i>Data Processing Services</i>	106,011	--	--	106,011
0061 <i>Community Services</i>	--	--	506	506
0071 <i>Principal on Long-term Debt</i>	12,237	690,000	--	702,237
0072 <i>Interest on Long-term Debt</i>	212	235,400	--	235,612
0073 <i>Bond Issuance Costs and Fees</i>	--	806	--	806
0093 <i>Payments to Shared Service Arrangements</i>	118,868	--	--	118,868
6030 Total Expenditures	<u>8,002,022</u>	<u>926,206</u>	<u>1,035,892</u>	<u>9,964,120</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>886,253</u>	<u>109,496</u>	<u>(55,802)</u>	<u>939,947</u>
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	453,000	--	90,000	543,000
8911 <i>Transfers Out</i>	(543,000)	--	--	(543,000)
7080 Total Other Financing Sources and (Uses)	<u>(90,000)</u>	<u>--</u>	<u>90,000</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>796,253</u>	<u>109,496</u>	<u>34,198</u>	<u>939,947</u>
0100 Fund Balances - Beginning	<u>3,707,739</u>	<u>135,653</u>	<u>138,805</u>	<u>3,982,197</u>
3000 Fund Balances - Ending	<u>\$ 4,503,992</u>	<u>\$ 245,149</u>	<u>\$ 173,003</u>	<u>\$ 4,922,144</u>

The accompanying notes are an integral part of this statement.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2018*

Net change in fund balances - total governmental funds	\$ 939,947
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,079,459)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	383,148
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	690,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	12,237
(Increase) decrease in accrued interest from beginning of period to end of period.	623
The net revenue (expense) of internal service funds is reported with governmental activities.	1,022
Prior years' tax collections are revenue in the funds but were reported in a prior period in the SOA.	(468,626)
Amortization of bond premiums are not reported in the funds.	80,585
Amortization of deferred loss on refunding is not reported in the funds.	(32,290)
Contributions made before the measurement date and during the previous FY were expended.	(136,525)
Pension contributions made after the measurement date but in current FY were de-expended & reduced NPL.	130,221
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(1,681,662)
Implementing GASB 75 required certain expenditures to be de-expended and recorded as deferred resource c	2,160,930
OPEB contributions made after the measurement date but in current FY were de-expended & reduced NPL.	1,595,280
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	<u>(1,124,178)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 1,471,253</u>

The accompanying notes are an integral part of this statement.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT*STATEMENT OF NET POSITION**INTERNAL SERVICE FUND**AUGUST 31, 2018*

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
ASSETS:		
	Current Assets:	
1110	<i>Cash and Cash Equivalents</i>	\$ 4,165
	<i>Receivables:</i>	
1260	<i>Due from Other Funds</i>	40,809
	Total Current Assets	44,974
1000	Total Assets	44,974
LIABILITIES:		
	Current Liabilities:	
2110	<i>Accounts Payable</i>	\$ 44,166
	Total Current Liabilities	44,166
2000	Total Liabilities	44,166
NET POSITION:		
3000	Total Net Position	\$ 808

The accompanying notes are an integral part of this statement.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION - INTERNAL SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2018

		Nonmajor Internal Service Fund
Data Control Codes		Insurance Fund
OPERATING REVENUES:		
5700	<i>Local and Intermediate Sources</i>	\$ 28,292
5020	Total Revenues	28,292
OPERATING EXPENSES:		
6400	<i>Other Operating Costs</i>	27,270
6030	Total Expenses	27,270
1300	Change in Net Position	1,022
0100	Total Net Position - Beginning	(214)
3300	Total Net Position - Ending	\$ 808

The accompanying notes are an integral part of this statement.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT**STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS****FOR THE YEAR ENDED AUGUST 31, 2018**

	Internal Service Funds
Cash Flows from Operating Activities:	
<i>Cash Received from Customers</i>	\$ 26,150
<i>Cash Payments to Other Suppliers for Goods and Services</i>	--
<i>Cash Payments for Grants to Other Organizations</i>	(25,129)
<i>Other Operating Cash Receipts (Payments)</i>	--
Net Cash Provided (Used) by Operating Activities	<u>1,021</u>
Cash Flows from Non-capital Financing Activities:	
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
Cash Flows from Capital and Related Financing Activities:	
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
Cash Flows from Investing Activities:	
Net Cash Provided (Used) for Investing Activities	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,021
Cash and Cash Equivalents at Beginning of Year	3,144
Cash and Cash Equivalents at End of Year	<u>\$ 4,165</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income (Loss)	\$ 1,021
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	(2,142)
<i>Increase (Decrease) in Accounts Payable</i>	2,142
Total Adjustments	--
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,021</u>

The accompanying notes are an integral part of this statement.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT*STATEMENT OF FIDUCIARY NET POSITION**FIDUCIARY FUNDS**AUGUST 31, 2018*

10/01/2017

Data Control Codes		Private-purpose Trust Funds	Agency Funds Student Activity
ASSETS:			
1110	Cash and Cash Equivalents	\$ 35,155	\$ 83,091
1000	Total Assets	35,155	83,091
LIABILITIES:			
Current Liabilities:			
2170	Due to Other Funds	\$ --	\$ 1,067
2190	Due to Student Groups	--	82,024
2000	Total Liabilities	--	83,091
NET POSITION:			
3800	Held in Trust	35,155	--
3000	Total Net Position	\$ 35,155	\$ --

The accompanying notes are an integral part of this statement.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT*STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**FIDUCIARY FUNDS**FOR THE YEAR ENDED AUGUST 31, 2018*

	Private- Purpose Trusts
Additions:	
Investment Income	\$ 1,931
Net (Decrease) in Fair Value of Investments	--
Gifts and Bequests	300
Total Additions	<u>2,231</u>
Deductions:	
Scholarship Awards	<u>2,250</u>
Total Deductions	<u>2,250</u>
Change in Net Position	(19)
Net Position-Beginning of the Year	<u>35,173</u>
Net Position-End of the Year	<u>\$ 35,155</u>

The accompanying notes are an integral part of this statement.

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ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

A. Summary of Significant Accounting Policies

The basic financial statements of Elysian Fields Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund: This fund accounts for the accumulation of resources for the retirement of the District's bonded debt.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

In addition, the District reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Private-Purpose Trust Funds: These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

i. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

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Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

k. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

l. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

m. Negative Operating Grants and Contributions - Statement of Activities

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS-care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

During the year under audit, the NECE expense was negative due to changes in benefits within the TRS-care plan. The accrual for the proportionate share of that expense was a negative on-behalf revenue and negative on-behalf expense. This resulted in negative revenue for operating grants and contributions on the Statement of Activities.

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FOR THE YEAR ENDED AUGUST 31, 2018

Following are the effects on the Statement of Activities as a result of the negative on-behalf accruals recorded:

	Operating Grants and Contributions As Reported	Negative On-Behalf Accruals	Operating Grants and Contributions (Excluding On- Behalf Accruals)
11 - Instruction	\$ (787,235)	\$ (963,419)	\$ 176,184
12 - Instructional Resources and Media Services	(13,613)	(16,566)	2,953
13 - Curriculum and Instructional Staff Development	(1,220)	(1,494)	274
21 - Instructional Leadership	(21,440)	(26,152)	4,712
23 - School Leadership	(97,637)	(119,286)	21,649
31 - Guidance, Counseling and Evaluation Services	(34,214)	(41,654)	7,440
33 - Health Services	(21,958)	(26,786)	4,828
34 - Student (Pupil) Transportation	(55,910)	(67,905)	11,995
35 - Food Services	(54,164)	(66,378)	12,214
36 - Extracurricular Activities	(30,301)	(37,012)	6,711
41 - General Administration	(41,574)	(50,703)	9,129
51 - Facilities Maintenance and Operations	(89,210)	(108,683)	19,473
53 - Data Processing Services	(16,134)	(19,648)	3,514
	<u>\$ (1,264,610)</u>	<u>\$ (1,545,686)</u>	<u>\$ 281,076</u>

4. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS' fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

5. New Accounting Standards Adopted

In fiscal year 2018, the District adopted a new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

--Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about support for OPEB that is provided by other entities.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

The financial statements and note disclosures have been updated for the affects of the adoption of GASB Statement No. 75.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

B. Compliance and Accountability

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Food Service Special Revenue Fund and the Debt Servicing Fund. All annual appropriations lapse at fiscal year end. Expenditures may not exceed budgeted appropriations at the function level. (Instruction, Instructional Resources, Media Services, Curriculum and Staff Development, Instructional Leadership, School Leadership, etc.) The budget is amended only by approval of the Board of Trustees. Proposed amendments are presented to the Board of Trustees in a public meeting, and each amendment must have Board of Trustees approval. During the year, the budget was amended as necessary.

C. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At August 31, 2018, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$5,030,221 and the bank balance was \$1,398,058. The District's cash deposits at August 31, 2018 and during the year ended August 31, 2018, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

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FOR THE YEAR ENDED AUGUST 31, 2018

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

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FOR THE YEAR ENDED AUGUST 31, 2018

Lone Star

The Lone Star Investment Pool (Lone Star) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. Lone Star is administered by First Public, a subsidiary of the Texas Association of School Boards (TASB), with Standish and American Beacon Advisors managing the investment and reinvestment of Lone Star's assets. State Street Bank provides custody and valuation services to Lone Star. All of the board of trustees' eleven members are Lone Star participants by either being employees or elected officials of a participant. Lone Star has established an advisory board composed of both pool members and non-members. Lone Star is rated AAA by Standard and Poor's and operated in a manner consistent with the the SEC's Rule 2a7 of the Investment Company Act of 1940. The District is invested in the Government Overnight Fund of Lone Star which seeks to maintain a net asset value of one dollar. Lone Star has 3 different funds: Government Overnight, Corporate Overnight and Corporate Overnight Plus. Government Overnight, Corporate Overnight and Corporate Overnight Plus maintain a net asset value of one dollar.

D. Property Taxes Receivable

	General	Debt Service	Total
Property Tax Year 2017 (FY2018)	\$ 174,861	\$ 52,122	\$ 226,983
Prior Tax Years	706,310	152,028	858,338
Total	881,171	204,150	1,085,321
Less: Allowance for Uncollectible Taxes	(220,294)	(51,039)	(271,332)
Net Taxes Receivable	\$ 660,877	\$ 153,112	\$ 813,989

E. Capital Assets

Capital asset activity for the year ended August 31, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 393,490	\$ --	\$ --	\$ 393,490
Total capital assets not being depreciated	393,490	--	--	393,490
<i>Capital assets being depreciated:</i>				
Buildings and improvements	25,739,071	--	--	25,739,071
Equipment	944,314	--	--	944,314
Vehicles	1,990,121	--	--	1,990,121
Equipment under capital lease	28,813	--	--	28,813
Total capital assets being depreciated	28,702,319	--	--	28,702,319
Less accumulated depreciation for:				
Buildings and improvements	(15,344,064)	(921,178)	--	(16,265,242)
Equipment	(774,003)	(29,678)	--	(803,681)
Vehicles	(1,582,343)	(122,840)	--	(1,705,183)
Equipment under capital lease	(3,126)	(5,763)	--	(8,889)
Total accumulated depreciation	(17,703,536)	(1,079,459)	--	(18,782,995)
Total capital assets being depreciated, net	10,998,783	(1,079,459)	--	9,919,324
Governmental activities capital assets, net	\$ 11,392,273	\$ (1,079,459)	\$ --	\$ 10,312,814

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Depreciation was charged to functions as follows:

Instruction	\$ 603,756
Instructional Resources and Media Services	10,293
Curriculum and Staff Development	933
Instructional Leadership	17,324
School Leadership	72,674
Guidance, Counseling, & Evaluation Services	24,265
Health Services	15,697
Student Transportation	158,207
Food Services	39,226
Extracurricular Activities	23,633
General Administration	42,888
Plant Maintenance and Operations	59,396
Data Processing Services	11,167
	<u>\$ 1,079,459</u>

F. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2018, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
Internal Service Fund	General Fund	\$ 40,809	Short-term loan
Special Revenue Funds	General Fund	37,179	Short-term loans
General Fund	Special Revenue Funds	7,887	Short-term loans
General Fund	Agency Fund	1,068	Short-term loan
	Total	<u>\$ 86,943</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2018, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Other Governmental Funds	\$ 90,000	Supplement food service activities
General fund	Transportation Fund*	230,000	
General fund	Athletic Fund*	223,000	
	Total	<u>\$ 543,000</u>	

* These funds are included in the General Fund for reporting purposes. The total amount that was transferred from the General Fund to other funds was \$90,000.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

G. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2018, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Series 2016 Refunding Bonds \$	7,870,000	\$ --	\$ 690,000	\$ 7,180,000	\$ 705,000
Add: Premium on Issuance	765,558	--	80,585	684,973	--
Capital Leases	12,242	--	12,242	--	--
Net Pension Liability*	1,707,591	(239,112)	136,526	1,331,953	--
Net OPEB Liability*	5,063,094	(2,160,929)	34,287	2,867,878	--
Total governmental activities	<u>\$ 15,418,485</u>	<u>\$ (239,112)</u>	<u>\$ 919,353</u>	<u>\$ 12,064,804</u>	<u>\$ 705,000</u>

The interest rate on general obligation bonds ranges from 4.0% to 4.5%.

Liability	Activity Type	Fund
Net Pension Liability	Governmental	General
Net OPEB Liability	Governmental	General

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2018, are as follows:

Year Ending August 31,	Governmental Activities - Bonds		
	Principal	Interest	Total
2019	\$ 705,000	\$ 221,450	\$ 926,450
2020	725,000	207,150	932,150
2021	745,000	192,450	937,450
2022	760,000	177,400	937,400
2023	780,000	154,200	934,200
2024-2028	3,465,000	284,100	3,749,100
Totals	<u>\$ 7,180,000</u>	<u>\$ 1,236,750</u>	<u>\$ 8,416,750</u>

3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of August 31, 2018, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

Bond Issue	Amount
EFISD Unlimited Tax School Building Bonds, Series 2007	<u>8,385,000</u>

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H. Commitments Under Noncapitalized Leases

Commitments under operating (noncapitalized) lease agreements for facilities and equipment provide for minimum future rental payments as of August 31, 2018, as follows:

<u>Year Ending August 31,</u>	
2019	\$ 28,452
2020	7,113
Total Minimum Rentals	<u>\$ 35,565</u>
Rental Expenditures in 2018	<u>\$ 28,452</u>

I. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2018, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

J. Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan description in (1.) above.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

4. Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2017 and 2018.

<u>Contribution Rates</u>		
	<u>2017</u>	<u>2018</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2018 Employer Contributions	\$ 130,221	
District's 2018 Member Contributions	\$ 425,905	
NECE 2017 On-Behalf Contributions to District	\$ 336,251	

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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FOR THE YEAR ENDED AUGUST 31, 2018

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

5. Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial evaluation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8%
Long-term expected Investment Rate of Return	8%
Inflation	2.5%
Salary Increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are based primarily on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

6. Discount Rate

The discount rate used to measure the total pension liability was 8%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2017 are summarized below:

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

Teacher Retirement System of Texas Asset Allocation and Long-Term Expected Real Rate of Return As of August 31, 2017			
Asset Class	Target Allocation*	Long-term Expected Geometric Real Rate of Return	Expected Contribution to Long-term Portfolio Returns **
Global Equity			
U.S.	18%	4.6%	1.0%
Non-U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy & Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	100%		8.7%

* Target allocations are based on the FY2014 policy model. Infrastructure was moved from Real Assets to Energy and Natural Resources in FY2017, but the reallocation does not affect the long term expected geometric real rate of return or expected contribution to long-term portfolio returns.

** The expected contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

7. 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 (8%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate 7%	Discount Rate 8%	1% Increase in Discount Rate 9%
District's proportionate share of the net pension liability	\$ 2,245,410	\$ 1,331,953	\$ 571,352

8. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2018, the District reported a liability of \$1,331,953 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

District's proportionate share of the collective net pension liability	\$ 1,331,953
State's proportionate share that is associated with District	<u>3,287,375</u>
Total	<u>\$ 4,619,328</u>

The net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2016 through August 31, 2017.

At August 31, 2017 the employer's proportion of the collective net pension liability was 0.0041657%. which was an increase (decrease) of (0.00035317%) from its proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation - There were no changes to the actuarial assumptions of other inputs that affected measurement of the total pension liability since the prior measurement period:

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2018, the District recognized pension expense of \$443,681 and revenue of \$250,748 for support provided by the State.

At August 31, 2018, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(The amounts below will be the cumulative layers from the current and prior years combined)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 19,487	\$ 71,830
Changes in actuarial assumptions	60,673	34,734
Difference between projected and actual investment earnings	--	97,070
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	353,058	167,272
Contributions paid to TRS subsequent to the measurement date	<u>130,221</u>	<u>--</u>
Total	<u>\$ 563,439</u>	<u>\$ 370,906</u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense Amount
2019	\$ 15,649
2020	\$ 100,671
2021	\$ 9,115
2022	\$ (19,859)
2023	\$ (28,221)
Thereafter	\$ (15,044)

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

K. Defined Other Post-Employment Benefit Plans

1. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

<u>Net OPEB Liability:</u>	<u>Total</u>
Total OPEB liability	\$ 43,885,784,621
Less: plan fiduciary net position	<u>399,535,986</u>
Net OPEB liability	<u>\$ 43,486,248,635</u>
Net position as a percentage of total OPEB liability	0.91%

3. Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes, including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans:

Monthly TRS-Care Plan Premium Rates Effective September 1, 2016 - December 31, 2017			
	TRS-Care 1 Basic Plan	TRS-Care 2 Optional Plan	TRS-Care 3 Optional Plan
Retiree*	\$ --	\$ 70	\$ 100
Retiree and Spouse	20	175	255
Retiree* and Children	41	132	182
Retiree and Family	61	237	337
Surviving Children Only	28	62	82

* or surviving spouse

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

4. Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the State, active employees and school districts based upon public school district payroll. The TRS board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	2017	2018
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (NECE) - State	1.00%	1.25%
Employers	0.55%	0.75%
Federal/Private Funding Remitted by Employers	1.00%	1.25%

Current fiscal year District contributions	\$	45,039
Current fiscal year Member contributions	\$	35,954
2017 measurement year NECE contributions	\$	55,224

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to, regardless of whether they participate in the TRS-Care OPEB program. When employers hire a TRS retiree, they are required to pay to TRS-Care a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the NECE in the amount of \$15.6 million in fiscal year 2017 and \$182.6 million in fiscal year 2018.

5. Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality, and most of the economic assumptions are identical to those adopted by the Board in 2015 and are based on the 2014 actuarial experience study of TRS.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2015 TRS of Texas Healthy Pensioner Mortality Tables.

The following assumptions and other inputs used for members of TRS-Care are identical to the

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

assumptions used in the August 31, 2017 TRS pension actuarial valuation:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.50%
Discount Rate *	3.42% *
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	2.50%
Projected Salary Increases **	3.50% to 9.50% **
Healthcare Trend Rates ***	4.50% to 12.00% ***
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad Hoc Post-Employment Benefit Changes	None

*Source: Fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2017.

**Includes inflation at 2.50%

***Initial trend rates are 7.00% for non-Medicare retirees; 10.00% for Medicare retirees and 12.00% for prescriptions for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 10 years.

6. Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of 0.44% in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, there are no investments and the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected not to be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2017.

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (2.42%)	Current Single Discount Rate (3.42%)	1% Increase in Discount Rate (4.42%)
District's proportionate share of net OPEB liability	\$ 3,384,808	\$ 2,867,878	\$ 2,452,383

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

8. Healthcare Cost Trend Rates Sensitivity Analysis

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of net OPEB liability	\$ 2,387,795	\$ 2,867,878	\$ 3,497,808

9. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2018, the District reported a liability of \$2,867,878 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 2,867,878
State's proportionate share that is associated with the District	<u>4,619,136</u>
Total	<u>\$ 7,487,014</u>

The net OPEB liability was measured as of August 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to their OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 through August 31, 2017.

At August 31, 2017 the District's proportion of the collective net OPEB liability was 0.0065949.

Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2016.

The Notes to the Financial Statements for August 31, 2016 for TRS stated that the change in proportion was immaterial a therefore, disregarded this year.

10. Changes Since the Prior Actuarial Valuation.

The following were changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB liability since the prior measurement period:

- Significant plan changes were adopted during the fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
- The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
- The discount rate changed from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017. This change lowered total OPEB liability.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

The Affordable Care Act includes a 40% excise tax on high-cost health plans known as the "Cadillac tax." In this valuation the impact of this tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis-point addition to the long-term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provision or applicable law.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

For the year ended August 31, 2018, the District recognized OPEB expense of \$ (2,507,425) and revenue of \$(1,545,686) for support provided by the State.

At August 31, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ --	\$ 59,869
Changes in actuarial assumptions	--	1,139,770
Differences between projected and actual investment earnings	436	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	12	--
Contributions paid to TRS subsequent to the measurement date	45,039	
	<u>\$ 45,487</u>	<u>1,199,639</u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31,	Amount
2019	(\$158,234)
2020	(\$158,234)
2021	(\$158,234)
2022	(\$158,234)
2023	(\$158,234)
Thereafter	(\$407,912)

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2018

L. Employee Health Care Coverage

During the year ended August 31, 2018, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$238 per pay period per employee to the Plan. All premiums were paid to a self-funded pool. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

M. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District at August 31, 2018.

N. Shared Services Arrangements

Shared Services Arrangement - Membership

The District participates in a shared services arrangement ("SSA") for a federally funded special education program with the following school districts:

Member Districts

Hallsville ISD - Fiscal Agent

Elysian Fields ISD

Harleton ISD

Waskom ISD

Karnack ISD

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Hallsville ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

O. Prior Period Adjustment

During fiscal year 2018, the District adopted GASB Statement No. 75 for Accounting and Financial Reporting the Postemployment Benefits Other Than Pensions. With GASB 75, the District must assume their proportionate share of the Net OPEB liability of the Teacher Retirement System of Texas. Adoption of GASB 75 required a prior period adjustment to report the effect of GASB 75 retroactively. The prior period adjustment totaled \$(5,028,808), which resulted in a restated beginning net position balance of \$1,816,526.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

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ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

EXHIBIT G-1

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	REVENUES:				
5700	Local and Intermediate Sources	\$ 4,366,477	\$ 4,232,609	\$ 4,036,413	\$ (196,196)
5800	State Program Revenues	4,667,984	4,740,454	4,851,862	111,408
5020	Total Revenues	9,034,461	8,973,063	8,888,275	(84,788)
	EXPENDITURES:				
	Current:				
	Instruction & Instructional Related Services:				
0011	Instruction	4,209,877	4,470,517	4,087,574	382,943
0012	Instructional Resources and Media Services	91,109	101,109	95,284	5,825
0013	Curriculum and Staff Development	350	350	311	39
	Total Instruction & Instr. Related Services	4,301,336	4,571,976	4,183,169	388,807
	Instructional and School Leadership:				
0021	Instructional Leadership	114,359	123,359	120,466	2,893
0023	School Leadership	491,858	525,358	505,779	19,579
	Total Instructional & School Leadership	606,217	648,717	626,245	22,472
	Support Services - Student (Pupil):				
0031	Guidance, Counseling and Evaluation Services	159,255	170,755	167,667	3,088
0033	Health Services	105,112	112,612	110,783	1,829
0034	Student (Pupil) Transportation	402,000	420,650	390,486	30,164
0036	Cocurricular/Extracurricular Activities	295,805	349,758	330,520	19,238
	Total Support Services - Student (Pupil)	962,172	1,053,775	999,456	54,319
	Administrative Support Services:				
0041	General Administration	475,980	485,895	462,875	23,020
	Total Administrative Support Services	475,980	485,895	462,875	23,020
	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	1,082,095	1,763,490	1,444,376	319,114
0052	Security and Monitoring Services	47,450	58,450	48,573	9,877
0053	Data Processing Services	101,715	111,715	106,011	5,704
	Total Support Services - Nonstudent Based	1,231,260	1,933,655	1,598,960	334,695
	Debt Service:				
0071	Principal on Long-Term Debt	100	15,445	12,237	3,208
0072	Interest on Long-Term Debt	--	1,500	212	1,288
	Total Debt Service	100	17,045	12,449	4,596
	Intergovernmental Charges:				
0093	Payments to Fiscal Agent/Member Dist.-SSA	120,000	119,000	118,868	132
	Total Intergovernmental Charges	120,000	119,000	118,868	132
6030	Total Expenditures	7,697,065	8,830,063	8,002,022	828,041
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	1,337,396	143,000	886,253	743,253
	Other Financing Sources (Uses):				
7915	Transfers In	--	500,128	453,000	(47,128)
8911	Transfers Out	--	(643,128)	(543,000)	100,128
7080	Total Other Financing Sources and (Uses)	--	(143,000)	(90,000)	53,000
1200	Net Change in Fund Balance	1,337,396	--	796,253	796,253
0100	Fund Balance - Beginning	3,707,739	3,707,739	3,707,739	--
3000	Fund Balance - Ending	\$ 5,045,135	\$ 3,707,739	\$ 4,503,992	\$ 796,253

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS **

	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.417%	0.452%	0.508%	0.274%
District's proportionate share of the net pension liability (asset)	\$ 1,331,953	\$ 1,707,591	\$ 1,796,667	\$ 733,068
State's proportionate share of the net pension liability (asset) associated with the District	3,287,375	4,224,472	4,278,086	3,659,126
Total	<u>\$ 4,619,328</u>	<u>\$ 5,932,063</u>	<u>\$ 6,074,753</u>	<u>\$ 4,392,194</u>
District's covered-employee payroll	\$ 5,794,443	\$ 6,050,394	\$ 6,208,316	\$ 6,067,160
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	22.99%	28.22%	28.94%	12.08%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	78.00%	78.43%	83.25%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT*SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS FOR PENSIONS**TEACHER RETIREMENT SYSTEM OF TEXAS**LAST TEN FISCAL YEARS **

	Fiscal Year			
	2018	2017	2016	2015
Contractually required contribution	\$ 130,221	\$ 136,526	\$ 143,574	\$ 150,505
Contributions in relation to the contractually required contribution	(130,221)	(136,526)	(143,574)	(150,505)
Contribution deficiency (excess)	\$ <u> -- </u>	\$ <u> -- </u>	\$ <u> -- </u>	\$ <u> -- </u>
District's covered-employee payroll	\$ 5,531,228	\$ 5,794,443	\$ 6,050,394	\$ 6,208,316
Contributions as a percentage of covered-employee payroll	2.35%	2.36%	2.37%	2.42%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS **

	Measurement Year Ended <u>2017</u>
District's proportion of the collective net OPEB liability	0.65949079%
District's proportionate share of the collective net OPEB liability	\$ 2,867,878
State proportionate share of the collective net OPEB liability associated with the District	\$ 4,619,136
Total	<u>\$ 7,487,014</u>
District's covered-employee payroll	\$ 5,794,443
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	49.49%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, this schedule provides the information only for those years for which information is available.

Note: Only one year of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
*LAST TEN FISCAL YEARS **

EXHIBIT G-5

	<u>Fiscal Year Ended</u> <u>2018</u>
Statutorily or contractually required District contribution	\$ 45,039
Contributions recognized by OPEB in relation to statutorily or contractually required contributions	(45,039)
Contribution deficiency (excess)	<u>\$ --</u>
District's covered-employee payroll	\$ 5,531,228
Contributions as a percentage of Covered Payroll	0.81%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2018

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the Board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2018

Data Control Codes		211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	240 National School Breakfast/Lunch Program
ASSETS:				
1110	<i>Cash and Cash Equivalents</i>	\$ (11,143)	\$ 85,401	\$ 63,210
1240	<i>Due from Other Governments</i>	12,007	--	25,172
1000	Total Assets	<u>864</u>	<u>85,401</u>	<u>88,382</u>
LIABILITIES:				
Current Liabilities:				
2110	<i>Accounts Payable</i>	\$ --	\$ --	\$ 30,543
2120	<i>Short-Term Debt Payable</i>	--	--	4,427
2160	<i>Accrued Wages Payable</i>	--	--	23,956
2170	<i>Due to Other Funds</i>	864	--	3,391
2200	<i>Accrued Expenditures</i>	--	--	2,023
2000	Total Liabilities	<u>864</u>	<u>--</u>	<u>64,340</u>
FUND BALANCES:				
Restricted Fund Balances:				
3450	<i>Federal/State Funds Grant Restrictions</i>	--	85,401	24,042
Committed Fund Balances:				
3545	<i>Other Committed Fund Balance</i>	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>85,401</u>	<u>24,042</u>
4000	Total Liabilities and Fund Balances	\$ <u>864</u>	\$ <u>85,401</u>	\$ <u>88,382</u>

410 State Textbook Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 4,383	\$ 350	\$ 62,458	\$ 204,659
--	--	--	37,179
<u>4,383</u>	<u>350</u>	<u>62,458</u>	<u>241,838</u>
\$ --	\$ --	\$ --	\$ 30,543
--	--	--	4,427
--	--	--	23,956
--	--	3,632	7,887
--	--	--	2,023
<u>--</u>	<u>--</u>	<u>3,632</u>	<u>68,836</u>
4,383	350	--	114,176
--	--	58,827	58,827
<u>4,383</u>	<u>350</u>	<u>58,827</u>	<u>173,003</u>
\$ <u>4,383</u>	\$ <u>350</u>	\$ <u>62,459</u>	\$ <u>241,839</u>

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	240 National School Breakfast/Lunch Program
REVENUES:			
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ 177,033
5800 <i>State Program Revenues</i>	--	--	21,625
5900 <i>Federal Program Revenues</i>	135,335	112,979	326,736
5020 Total Revenues	<u>135,335</u>	<u>112,979</u>	<u>525,394</u>
EXPENDITURES:			
Current:			
0011 <i>Instruction</i>	135,335	116,842	--
0013 <i>Curriculum and Staff Development</i>	--	--	--
0035 <i>Food Service</i>	--	--	593,260
0036 <i>Cocurricular/Extracurricular Activities</i>	--	--	--
6030 Total Expenditures	<u>135,335</u>	<u>116,842</u>	<u>593,260</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>--</u>	<u>(3,863)</u>	<u>(67,866)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	--	90,000
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>90,000</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>(3,863)</u>	<u>22,134</u>
0100 Fund Balances - Beginning	<u>--</u>	<u>89,264</u>	<u>1,908</u>
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ 85,401</u>	<u>\$ 24,042</u>

255 ESEA Title II Training & Recruiting	410 State Textbook Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ --	\$ --	\$ 84,133	\$ 261,166
--	85,180	6,359	--	113,164
30,204	--	--	--	605,254
<u>30,204</u>	<u>85,180</u>	<u>6,359</u>	<u>84,133</u>	<u>979,584</u>
30,204	84,359	--	--	366,740
--	--	6,009	--	6,009
--	--	--	--	593,260
--	--	--	69,377	69,377
<u>30,204</u>	<u>84,359</u>	<u>6,009</u>	<u>69,377</u>	<u>1,035,386</u>
--	821	350	14,756	(55,802)
--	--	--	--	90,000
--	--	--	--	90,000
--	821	350	14,756	34,198
--	3,562	--	44,071	138,805
<u>\$ --</u>	<u>\$ 4,383</u>	<u>\$ 350</u>	<u>\$ 58,827</u>	<u>\$ 173,003</u>

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PRIVATE-PURPOSE TRUST FUNDS

AUGUST 31, 2018

Data Control Codes		801 Katie Sullivan Scholarship	817 Wendy Gullette Scholarship
	ASSETS:		
1110	<i>Cash and Cash Equivalents</i>	\$ 634	\$ 88
1000	Total Assets	634	88
	LIABILITIES:		
2000	Total Liabilities	--	--
	NET POSITION:		
3800	<i>Held in Trust</i>	\$ 634	\$ 88
3000	Total Net Position	\$ 634	\$ 88

818 Chris Tucker Scholarship	819 Tiller Scholarship	Total Private- Purpose Trust Funds (See Exhibit E-1)
\$ 348	\$ 34,085	\$ 35,155
348	34,085	35,155
--	--	--
\$ 348	\$ 34,085	\$ 35,155
\$ 348	\$ 34,085	\$ 35,155

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED AUGUST 31, 2018

	801 Katie Sullivan Scholarship	817 Wendy Gullette Scholarship	818 Chris Tucker Scholarship	819 Tiller Scholarship	Total Private-Purpose Trust Funds (See Exhibit E-2)
Additions:					
Investment Income	--	--	\$ --	\$ 1,931	\$ 1,931
Net (Decrease) in Fair Value of Investments	--	--	--	--	--
Gifts and Bequests	300	--	--	--	300
Total Additions	<u>300</u>	<u>--</u>	<u>--</u>	<u>1,931</u>	<u>2,231</u>
Deductions:					
Scholarship Awards	250	--	--	2,000	2,250
Total Deductions	<u>250</u>	<u>--</u>	<u>--</u>	<u>2,000</u>	<u>2,250</u>
Change in Net Position	50	--	--	(69)	(19)
Net Position-Beginning of the Year	<u>584</u>	<u>88</u>	<u>348</u>	<u>34,153</u>	<u>35,173</u>
Net Position-End of the Year	<u><u>634</u></u>	<u><u>88</u></u>	<u><u>\$ 348</u></u>	<u><u>\$ 34,085</u></u>	<u><u>\$ 35,155</u></u>

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2018*

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2009 and Prior Years	\$	Various	\$	Various	\$	Various
2010		1.04		.16		605,251,757
2011		1.04		.16		630,635,583
2012		1.04		.175		611,039,918
2013		1.04		.185		559,115,592
2014		1.04		.197		501,246,079
2015		1.04		.243		457,573,281
2016		1.04		.28		405,137,500
2017		1.04		.31		335,692,000
2018 (School Year Under Audit)		1.04		.31		302,676,667

1000 Totals

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

10 Beginning Balance 9/1/17	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/18
\$ 130,945	\$ --	\$ 1,220	\$ 218	\$ 28,865	\$ 158,372
32,895	--	761	117	(2,580)	29,437
61,944	--	884	136	(652)	60,272
59,377	--	2,018	339	(818)	56,202
77,497	--	3,874	689	8,282	81,216
124,696	--	7,156	1,356	(28,103)	88,081
184,721	--	12,705	2,969	(64,337)	104,710
244,281	--	25,750	6,933	(71,429)	140,169
282,934	--	83,252	24,815	(34,988)	139,879
--	4,086,135	3,162,963	942,806	246,617	226,983
<u>\$ 1,199,290</u>	<u>\$ 4,086,135</u>	<u>\$ 3,300,583</u>	<u>\$ 980,378</u>	<u>\$ 80,857</u>	<u>\$ 1,085,321</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2018

EXHIBIT J-2

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5700	<i>Local and Intermediate Sources</i>	\$ 207,000	\$ 177,033	\$ (29,967)
5800	<i>State Program Revenues</i>	21,700	21,625	(75)
5900	<i>Federal Program Revenues</i>	321,840	326,736	4,896
5020	Total Revenues	550,540	525,394	(25,146)
	EXPENDITURES:			
	Current:			
	Support Services - Student (Pupil):			
0035	<i>Food Services</i>	693,540	593,260	100,280
	Total Support Services - Student (Pupil)	693,540	593,260	100,280
6030	Total Expenditures	693,540	593,260	100,280
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(143,000)	(67,866)	75,134
	Other Financing Sources (Uses):			
7915	<i>Transfers In</i>	143,000	90,000	(53,000)
7080	Total Other Financing Sources and (Uses)	143,000	90,000	(53,000)
1200	Net Change in Fund Balance	--	22,134	22,134
0100	Fund Balance - Beginning	1,908	1,908	--
3000	Fund Balance - Ending	\$ 1,908	\$ 24,042	\$ 22,134

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5700	Local and Intermediate Sources	\$ 896,077	\$ 1,005,361	\$ 109,284
5800	State Program Revenues	30,130	30,341	211
5020	Total Revenues	<u>926,207</u>	<u>1,035,702</u>	<u>109,495</u>
	EXPENDITURES:			
	Debt Service:			
0071	Principal on Long-Term Debt	690,000	690,000	--
0072	Interest on Long-Term Debt	235,400	235,400	--
0073	Bond Issuance Costs and Fees	807	806	1
	Total Debt Service	<u>926,207</u>	<u>926,206</u>	<u>1</u>
6030	Total Expenditures	<u>926,207</u>	<u>926,206</u>	<u>1</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	--	109,496	109,496
1200	Net Change in Fund Balance	--	109,496	109,496
0100	Fund Balance - Beginning	135,653	135,653	--
3000	Fund Balance - Ending	<u>\$ 135,653</u>	<u>\$ 245,149</u>	<u>\$ 109,496</u>

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Morgan LaGrone, CPA, PLLC

Certified Public Accountant

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116 S Marshall
Henderson TX 75654

Independent Auditor's Report on Internal Control over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Board of Trustees
Elysian Fields Independent School District
P.O. Box 120
Elysian Fields, Texas 75642

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Elysian Fields Independent School District, as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise Elysian Fields Independent School District's basic financial statements, and have issued our report thereon dated January 9, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Elysian Fields Independent School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Elysian Fields Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Elysian Fields Independent School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Elysian Fields Independent School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to

be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in cursive script that reads "Morgan LaGrone".

Morgan LaGrone, CPA, PLLC

Henderson, TX
January 9, 2019

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED AUGUST 31, 2018

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?

____ Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses?

____ Yes X None Reported

Noncompliance material to financial statements noted?

____ Yes X No

2. Federal Awards - N/A - Single Audit Not Required

Internal control over major programs:

One or more material weaknesses identified?

____ Yes X N/A

One or more significant deficiencies identified that are not considered to be material weaknesses?

____ Yes X N/A

Type of auditor's report issued on compliance for major programs:

Not applicable

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?

____ Yes X N/A

Identification of major programs:

CFDA Number(s)
N/A

Name of Federal Program or Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

____ Yes X N/A

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2018***

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
Note applicable for the year ended August 31, 2018.		

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2018

Not applicable for the year ended August 31, 2018.

ELYSIAN FIELDS INDEPENDENT SCHOOL DISTRICT

*SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2018*

Data Control Codes		Responses
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other governmental agencies?	Yes
SF8	Did the school district <u>not</u> receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	What was the total accumulated accretion on capital appreciation bonds (CABs) included in government-wide financial statements at fiscal year-end?	\$ --
SF11	Net Pension Assets (object 1920) at fiscal year-end.	\$ --
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	\$ 1,331,953
SF13	Pension Expense (object 6147) at fiscal year-end.	\$

In correspondence to all school administrators dated November 1, 2017, the TEA's Director of Financial Compliance stated "For 2017, and until further notice, no data should be entered in the field for data feed Schedule L-1 question SF13. If the AFR and data feed has been submitted no additional steps need to be taken."