

**LONGVIEW
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2019

Introductory Section

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Longview Independent School District
Annual Financial Report
For The Year Ended August 31, 2019

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CERTIFICATE OF BOARD

Longview Independent School District
Name of School District

Gregg
County

092-903
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, 2019, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

CHRIS MACK

Signature of Board Secretary

VIRGINIA NORTHCUTT

Signature of Board President

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

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Financial Section

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KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

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Karen A. Jacks, CPA, CGMA
Peggy J. Lantz, CPA

Chanie A. Johnson, CPA

Independent Auditors' Report

To the Board of Trustees
Longview Independent School District
1301 E. Young
Longview, Texas 75602

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 Longview Independent School District ("the District") as of and for the year ended August 31, 2019, 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.

Auditors' 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 Longview Independent School District as of August 31, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability, schedule of District pension contributions, 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 Longview Independent School District's basic financial statements. The introductory section and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part 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 nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards 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 nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards 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 8, 2020 on our consideration of Longview 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 Longview Independent School District's internal control over financial reporting and compliance.

Karen A. Jacks & Associates, P.C.

Karen A. Jacks & Associates, P.C.
Longview, Texas
January 8, 2020

MANAGEMENT’S DISCUSSION AND ANALYSIS

In this section of the Annual Financial Report, we, the managers of Longview Independent School District (“District”), discuss and analyze the District’s financial performance for the fiscal year ended August 31, 2019. This section of the annual financial report should be considered in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

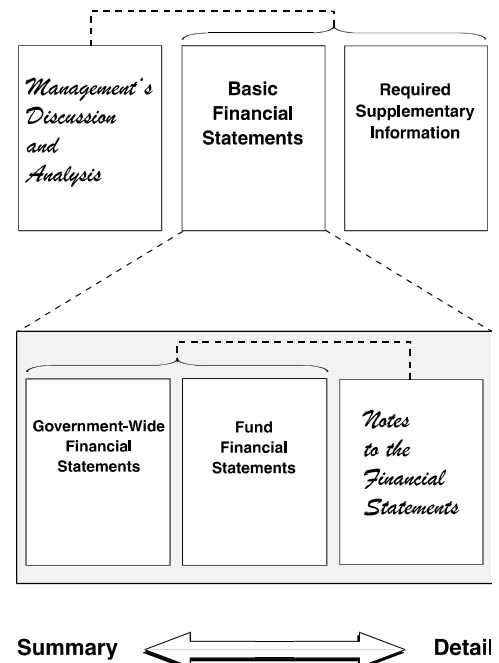
- The District’s total combined Government-wide net position increased \$8.8 million to \$77,900,078 at 8/31/19.
- The District’s Governmental Funds balance was \$62,073,689, an increase of \$7,872,081 at 8/31/19. The District reported Unassigned General Fund balance of \$35,426,965 for the same year ending.
- The District’s total combined Government-wide Program and General Revenues increased from \$92.6 to \$115.3 million for fiscal year ending 8/31/19.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required 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.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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.

The two government-wide statements report the District's net position and how it has changed. Net position—the difference between the District's assets, deferred outflows, liabilities, and deferred inflows—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.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Governmental Funds	Fund Statements	
			Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses; self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position	• Balance sheet	• Statement of net position	• Statement of fiduciary net position
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of revenues, expenses and changes in fund net position • Statement of cash flows	• Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

- *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.

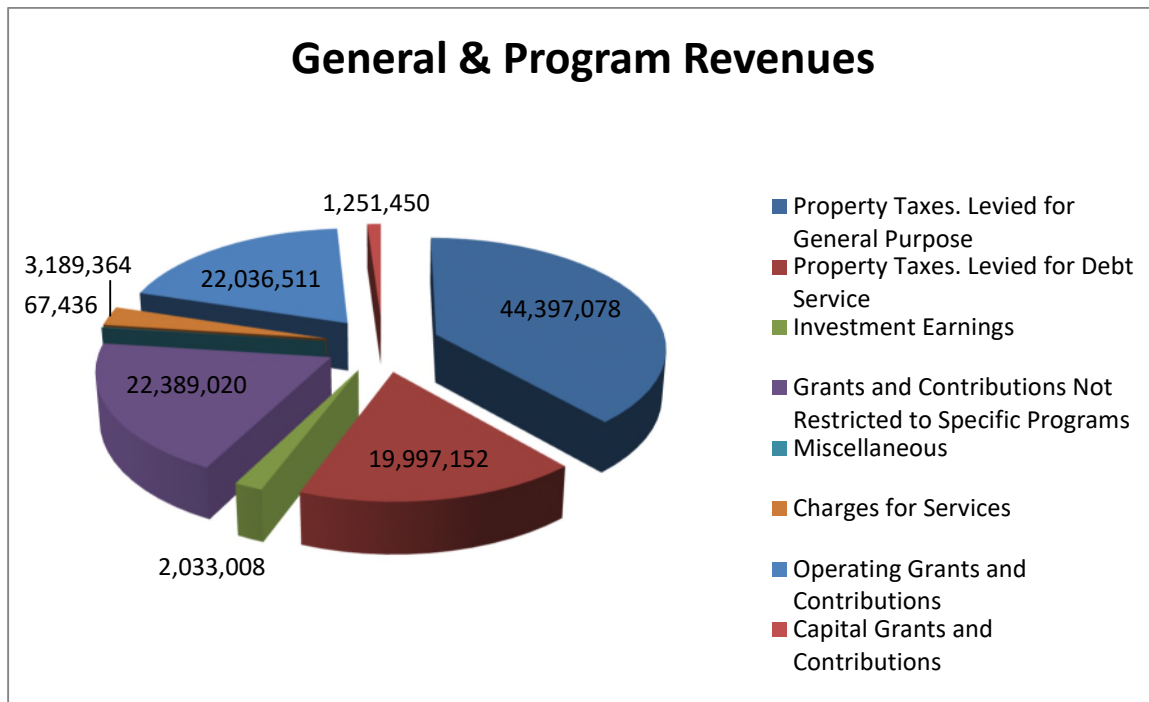
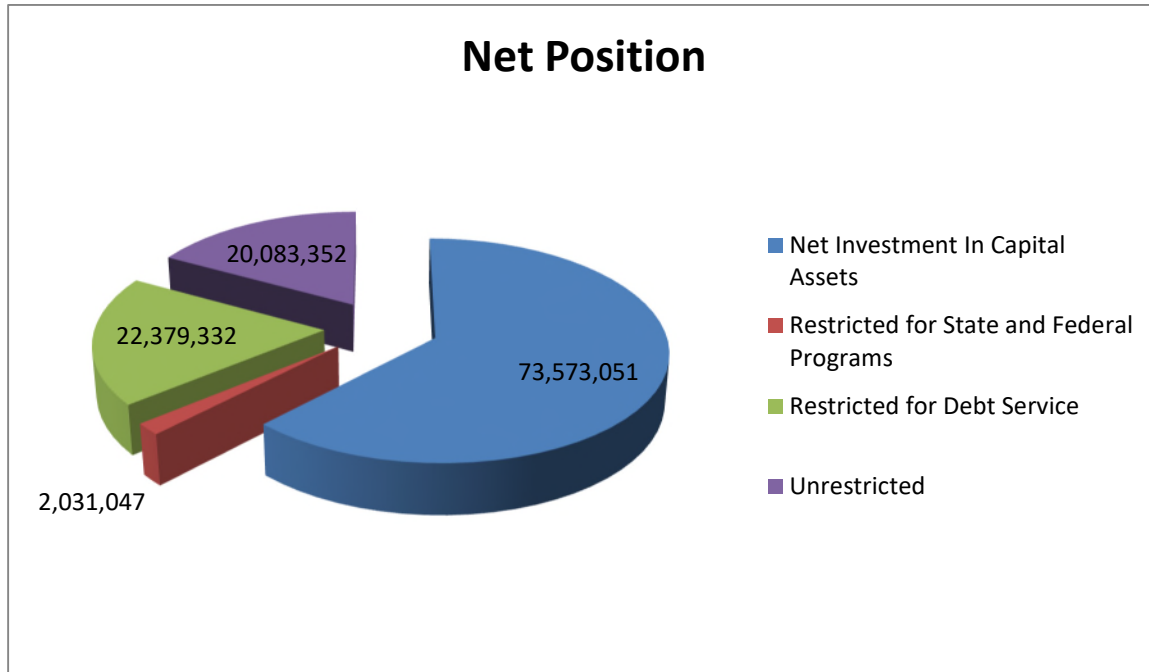
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was \$77,900,078 at 8/31/19. (See Table A-1).

Table A-1 Longview Independent School District's Net Position <i>(In millions of dollars)</i>			
Governmental Activities	2018	2019	Percentage Change 2018-19
Current Assets:			
Cash and Cash Equivalents	18.714	30.786	64.51%
Current Investments	33.471	25.210	-24.68%
Property Taxes Receivable	3.836	4.227	10.19%
Due from Other Government	2.604	4.656	78.80%
Accrued Interest	.158	.014	-91.14%
Internal Balances	-	-	
Other Receivables	.157	.138	-12.10%
Inventories – at cost	.435	.437	0.46%
Unrealized Expenses	.040	2.872	7080.00%
Total Current Assets	59.415	68.340	15.02%
Noncurrent Assets:			
Bldg., Furn. & Eqmt., CIP, net	272.729	268.176	-1.67%
Long-Term Investments	4.797	5.398	12.53%
Land	14.705	14.705	0.00%
Total Noncurrent Assets	292.231	288.279	-1.35%
Total Assets	351.646	356.619	1.41%
Total Deferred Outflows of Resources	18.150	27.364	50.77%
Current Liabilities:			
Accounts Payable and Accrued Liabilities	4.604	7.662	66.42%
Bonds Payable	6.555	7.160	9.23%
Due to Other Governments	1.870	.100	-94.65%
Unearned Revenue	.328	.360	9.76%
Total Current Liabilities	13.357	15.282	14.41%
Long-term Liabilities:			
Bonds Payable	222.350	214.078	-3.72%
Net Pension Liability	48.481	60.474	24.74%
Total Liabilities	284.188	274.552	-3.39%
Total Deferred Inflows of Resources	16.551	16.249	-1.82%
Net Position:			
Invested in Capital Assets	71.307	73.573	3.18%
Restricted	18.170	24.410	34.34%
Unrestricted	-20.420	-20.083	-1.65%
Total Net Position	69.057	77.900	12.81%

Restricted Net Position is dedicated to various uses, namely: debt service, state and federal programs, capital projects, and campus activities. The \$20,083,352 of unrestricted net position represents resources available to fund the programs of the District next year.

The figures below illustrate the financial breakdown of the District as a whole.



Governmental Activities

- The District's total unrealized expenses for 8/31/19 increased by \$2.87 million for the new charter operating partner's contract. The District flowed resources to the charter partner for the start of the new school year and they will be expended throughout the 19-20 school year.
- The District's operating grants increased based on required GASB recordings.

Table A-2
Changes in Longview Independent School District's Net Position
(In millions of dollars)

	Governmental Activities		Percentage Change
	<u>2018</u>	<u>2019</u>	<u>2018-19</u>
Program Revenues:			
Charges for Services	3.238	3.189	-1.51%
Grants and Contributions	2.485	23.288	837.14%
General Revenues			
Property Taxes	62.950	64.395	2.30%
State Aid	22.046	22.389	1.56%
Investment Earnings	1.247	2.033	63.03%
Other	.673	.067	-90.04%
Total Revenues	92.639	115.361	24.53%
Expenses:			
Instruction	30.337	53.697	77.00%
Instructional Resources and Media Services	.558	0.704	26.16%
Curriculum Dev. and Instructional Staff Dev.	1.428	2.259	58.19%
Instructional Leadership	1.635	3.232	97.68%
School Leadership	3.042	5.099	67.62%
Guidance, Counseling and Evaluation Services	1.875	3.351	78.72%
Social Work Services	.091	0.098	7.69%
Health Services	.492	0.81	64.63%
Student Transportation	2.845	3.684	29.49%
Food Services	4.142	5.323	28.51%
Curricular/Extracurricular Activities	2.411	3.496	45.00%
General Administration	2.025	2.962	46.27%
Plant Maintenance & Oper.	9.209	10.214	10.91%
Security & Monitoring Svcs.	.759	0.941	23.98%
Data Processing Services	.914	1.076	17.72%
Community Services	.812	1.205	48.40%
Debt Service	6.329	6.608	4.41%
Bond Issuance Costs	1.363	0.87	-36.17%
Facilities Acquisition and Construction	.008	0.002	-75.00%
Other			
Intergovernmental Charges	.880	0.887	0.80%
Total Expenses	71.155	106.518	49.70%
Increase (Decrease) in Net Position	21.483	8.843	-58.84%
Beginning Net Position	107.457	69.057	-35.74%
Prior Period Adjustment	-59.884	-	-
Ending Net Position	69.057	77.900	12.81%

Table A-3 (below) 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 was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$106,518,356.
- The amount received from taxpayers for these activities was \$64,394,230.
- Some of the cost was paid by those who directly benefited from the programs, totaling \$3,189,364, or by grants and contributions totaling \$23,287,961.

Table A-3
Net Cost of Longview Independent School District Functions
(in millions of dollars)

	Total Cost of Services			Net Cost of Services		
	<u>2018</u>	<u>2019</u>	<u>% Change</u>	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Instruction	32.323	56.660	75.29%	30.607	40.520	32.39%
School Administration	4.677	8.331	78.08%	5.546	6.589	18.81%
Student Support Services	11.856	16.762	41.35%	7.157	12.019	67.93%
Plant Maintenance & Operations	9.209	10.214	10.90%	9.377	9.764	4.13%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

General Fund Budgetary Highlights

Actual expenditures were \$4,462,069 below final budget amounts. The most significant positive variance resulted from instruction. The General Fund supported programs were supplemented by additional federal grant awards. The District purchased 10 new school buses and issued a tax maintenance note.

Revenues generated were \$5,191,846 above the final budgeted amount. The positive variance of 7.6% is attributed to better than expected investment earnings and state revenue earned by the new state funding formula.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the District had invested \$282,881,342 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4) This amount represents a net decrease (including additions and deductions) of \$4,553,113 or -2% over the prior year.

Table A-4
Longview Independent School District's Capital Assets
(In millions of dollars)

	Governmental Activities		Total Percentage Change
	<u>2018</u>	<u>2019</u>	<u>2018-19</u>
Land	14.705	14.705	-
Buildings and improvements	325.343	326.221	0.27%
Vehicles	6.229	7.225	15.99%
Equipment	16.072	17.661	9.89%
Construction in progress	.023	-	-
Totals at historical cost	362.372	365.812	0.95%
Total accumulated depreciation	74.938	82.931	10.67%
Net capital assets	<u>287.434</u>	<u>282.881</u>	<u>-1.58%</u>

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

Long Term Debt

At year-end the District had \$204,388,000 in bonds outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

Table A-5
Longview Independent School District's Long Term Debt
(In millions of dollars)

	Governmental Activities		Total Percentage Change
	<u>2018</u>	<u>2019</u>	<u>2018-19</u>
Bonds Payable	201.050	194.495	-3.26%
Maintenance Tax Note	-	1.018	100.00%
Accreted Interest on CABs	.190	.205	7.89%
Premiums on Issue of Bonds	18.791	16.645	-11.42%
QSC Bonds	8.875	8.875	0.00%
Unamortized loss on defeasance	(12.778)	(11.930)	-6.64%
Total Bonds Payable	<u>216.128</u>	<u>209.308</u>	<u>-3.16%</u>

Bond Ratings

The District's bonds presently carry "AAA" ratings with underlying, unenhanced ratings as follows: Standard & Poor's "AA-" and Fitch "AA".

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

While taxable values remain constant, the 86th Legislature reduced local tax effort, which is reflected in the lowering of the tax rate from 1.513 to 1.443 per hundred dollars in value. The reduction of local tax effort is offset by significant increase in state revenue. The basic student allotment, as well as other allotments, received additional funding by Texas Education Agency (TEA) and are reflected in a budget increase for FY20. TEA revenue increases related to teacher and employee pay, retention, and incentives were budgeted directly to district employees.

The addition of a charter school partner to the district will generate additional revenue which will be used to operate the program.

The School Board approved the refunding of Series 2010 School Building Bonds and will contribute \$15 million to early redemption.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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 received. If you have questions about this report or need additional financial information, contact the District's Business Services Department.

Basic Financial Statements

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

AUGUST 31, 2019

Data Control Codes		1	Governmental Activities
ASSETS:			
1110	Cash and Cash Equivalents	\$	30,785,636
1120	Current Investments		25,209,958
1225	Property Taxes Receivable (Net)		4,227,456
1240	Due from Other Governments		4,655,631
1250	Accrued Interest		14,509
1290	Other Receivables (Net)		137,930
1300	Inventories		436,825
1410	Unrealized Expenses		2,873,889
Capital Assets:			
1510	Land		14,705,295
1520	Buildings and Improvements, Net		257,083,332
1530	Furniture and Equipment, Net		11,092,715
1910	Long-Term Investments		5,398,453
1000	Total Assets		<u>356,621,629</u>
DEFERRED OUTFLOWS OF RESOURCES:			
	Deferred Outflow of Resources - Loss on Defeasance of Debt		11,930,203
	Deferred Outflow Related to Pensions		12,334,252
	Deferred Outflow Related to OPEB		3,100,287
1700	Total Deferred Outflows of Resources		<u>27,364,742</u>
LIABILITIES:			
2110	Accounts Payable		3,261,996
2140	Interest Payable		365,828
2165	Accrued Liabilities		4,034,506
2180	Due to Other Governments		100,555
2300	Unearned Revenue		360,592
Noncurrent Liabilities:			
2501	Due Within One Year		7,160,000
2502	Due in More Than One Year		214,078,494
2540	Net Pension Liability		23,885,583
2545	Net OPEB Liability		36,589,501
2000	Total Liabilities		<u>289,837,055</u>
DEFERRED INFLOWS OF RESOURCES:			
	Deferred Inflow Related to Pensions		1,796,366
	Deferred Inflow Related to OPEB		14,452,872
2600	Total Deferred Inflows of Resources		<u>16,249,238</u>
NET POSITION:			
3200	Net Investment in Capital Assets		73,573,051
Restricted For:			
3820	State and Federal Programs		2,031,047
3850	Debt Service		22,379,332
3900	Unrestricted		(20,083,352)
3000	Total Net Position	\$	<u>77,900,078</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2019

		1	3	4	5	Net (Expense) Revenue and Changes in Net Position
Data Control Codes	Functions/Programs	Expenses	Program Revenues			Governmental Activities
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Governmental Activities:					
11	Instruction	\$ 53,696,512	\$ 1,630,043	\$ 11,359,567	\$ 1,238,298	\$ (39,468,604)
12	Instructional Resources and Media Services	703,436	631	171,740	--	(531,065)
13	Curriculum and Staff Development	2,258,093	9,377	1,728,365	--	(520,351)
21	Instructional Leadership	3,231,078	161	1,296,612	--	(1,934,305)
23	School Leadership	5,098,405	12,106	430,880	--	(4,655,419)
31	Guidance, Counseling, & Evaluation Services	3,350,929	--	615,193	--	(2,735,736)
32	Social Work Services	97,318	--	2,171	--	(95,147)
33	Health Services	809,413	--	79,870	--	(729,543)
34	Student Transportation	3,683,769	11,110	224,613	--	(3,448,046)
35	Food Service	5,322,854	518,326	4,451,444	--	(353,084)
36	Cocurricular/Extracurricular Activities	3,494,515	548,905	140,462	--	(2,805,148)
41	General Administration	2,960,075	--	402,461	--	(2,557,614)
51	Facilities Maintenance and Operations	10,213,392	113,415	335,950	--	(9,764,027)
52	Security and Monitoring Services	939,528	--	143,994	13,152	(782,382)
53	Data Processing Services	1,074,605	--	52,603	--	(1,022,002)
61	Community Services	1,204,038	345,290	212,902	--	(645,846)
72	Interest on Long-term Debt	6,607,676	--	387,684	--	(6,219,992)
73	Bond Issuance Costs and Fees	869,265	--	--	--	(869,265)
81	Capital Outlay	16,262	--	--	--	(16,262)
99	Other Intergovernmental Charges	887,193	--	--	--	(887,193)
TG	Total Governmental Activities	106,518,356	3,189,364	22,036,511	1,251,450	(80,041,031)
TP	Total Primary Government	\$ 106,518,356	\$ 3,189,364	\$ 22,036,511	\$ 1,251,450	(80,041,031)
	General Revenues:					
MT	Property Taxes, Levied for General Purposes					44,397,078
DT	Property Taxes, Levied for Debt Service					19,997,152
IE	Investment Earnings					2,033,008
GC	Grants and Contributions Not Restricted to Specific Programs					22,389,020
MI	Miscellaneous					67,436
TR	Total General Revenues					88,883,694
CN	Change in Net Position					8,842,663
NB	Net Position - Beginning					69,057,415
NE	Net Position - Ending					\$ 77,900,078

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2019

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110 Cash and Cash Equivalents	\$ 22,370,027	\$ 6,071,812	\$ 2,343,797	\$ 30,785,636
1120 Current Investments	15,187,937	15,420,474	--	30,608,411
1225 Taxes Receivable, Net	2,984,482	1,242,974	--	4,227,456
1240 Due from Other Governments	2,012,941	--	2,642,690	4,655,631
1250 Accrued Interest	4,609	9,900	--	14,509
1260 Due from Other Funds	1,819,350	--	309	1,819,659
1290 Other Receivables	134,612	--	3,318	137,930
1300 Inventories	65,925	--	370,900	436,825
1410 Unrealized Expenditures	2,873,889	--	--	2,873,889
1000 Total Assets	<u>\$ 47,453,772</u>	<u>\$ 22,745,160</u>	<u>\$ 5,361,014</u>	<u>\$ 75,559,946</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 2,418,691	\$ --	\$ 843,305	\$ 3,261,996
2150 Payroll Deductions & Withholdings	12,255	--	--	12,255
2160 Accrued Wages Payable	3,324,911	--	259,150	3,584,061
2170 Due to Other Funds	309	--	1,819,350	1,819,659
2180 Due to Other Governments	56,855	--	43,700	100,555
2200 Accrued Expenditures	412,919	--	25,271	438,190
2300 Unearned Revenue	95,677	--	264,915	360,592
2000 Total Liabilities	<u>6,321,617</u>	<u>--</u>	<u>3,255,691</u>	<u>9,577,308</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred Revenue	2,765,376	1,143,573	--	3,908,949
2600 Total Deferred Inflows of Resources	<u>2,765,376</u>	<u>1,143,573</u>	<u>--</u>	<u>3,908,949</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	65,925	--	154,001	219,926
3430 Prepaid Items	2,873,889	--	--	2,873,889
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	1,877,046	1,877,046
3480 Retirement of Long-Term Debt	--	21,601,587	--	21,601,587
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	74,276	74,276
3600 Unassigned	35,426,965	--	--	35,426,965
3000 Total Fund Balances	<u>38,366,779</u>	<u>21,601,587</u>	<u>2,105,323</u>	<u>62,073,689</u>
4000 Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 47,453,772</u>	<u>\$ 22,745,160</u>	<u>\$ 5,361,014</u>	<u>\$ 75,559,946</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 AUGUST 31, 2019

Total fund balances - governmental funds balance sheet	\$ 62,073,689
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	282,881,342
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	3,908,949
Payables for bond principal which are not due in the current period are not reported in the funds.	(204,388,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(365,828)
Payables for contracts which are not due in the current period are not reported in the funds.	(16,645,399)
The loss on defeasance of debt is not reported in the funds.	11,930,203
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(23,885,583)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(1,796,366)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	12,334,252
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(205,095)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(36,589,501)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(14,452,872)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	3,100,287
Net position of governmental activities - Statement of Net Position	\$ <u>77,900,078</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ 48,302,658	\$ 20,620,310	\$ 1,286,512	\$ 70,209,480
5800 State Program Revenues	23,541,146	365,934	1,903,864	25,810,944
5900 Federal Program Revenues	1,908,737	387,684	14,840,650	17,137,071
5020 Total Revenues	<u>73,752,541</u>	<u>21,373,928</u>	<u>18,031,026</u>	<u>113,157,495</u>
EXPENDITURES:				
Current:				
0011 Instruction	38,861,391	--	8,969,819	47,831,210
0012 Instructional Resources and Media Services	510,061	--	122,929	632,990
0013 Curriculum and Staff Development	454,563	--	1,705,232	2,159,795
0021 Instructional Leadership	1,661,839	--	1,291,041	2,952,880
0023 School Leadership	4,358,749	--	47,067	4,405,816
0031 Guidance, Counseling, & Evaluation Services	2,524,830	--	433,069	2,957,899
0032 Social Work Services	87,621	--	--	87,621
0033 Health Services	693,959	--	4,646	698,605
0034 Student Transportation	4,244,274	--	26,136	4,270,410
0035 Food Service	217,895	--	4,693,957	4,911,852
0036 Cocurricular/Extracurricular Activities	2,908,428	--	181,688	3,090,116
0041 General Administration	2,556,097	--	50,107	2,606,204
0051 Facilities Maintenance and Operations	8,977,372	--	47,995	9,025,367
0052 Security and Monitoring Services	710,234	--	153,712	863,946
0053 Data Processing Services	1,076,479	--	--	1,076,479
0061 Community Services	927,511	--	127,606	1,055,117
0071 Principal on Long-term Debt	--	6,555,000	--	6,555,000
0072 Interest on Long-term Debt	--	8,749,771	--	8,749,771
0073 Bond Issuance Costs and Fees	18,000	3,375	--	21,375
0081 Capital Outlay	1,456,858	--	6,910	1,463,768
0099 Other Intergovernmental Charges	887,193	--	--	887,193
6030 Total Expenditures	<u>73,133,354</u>	<u>15,308,146</u>	<u>17,861,914</u>	<u>106,303,414</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>619,187</u>	<u>6,065,782</u>	<u>169,112</u>	<u>6,854,081</u>
Other Financing Sources and (Uses):				
7911 Capital-Related Debt Issued (Regular Bonds)	1,018,000	--	--	1,018,000
7915 Transfers In	127,345	--	--	127,345
8911 Transfers Out	--	--	(127,345)	(127,345)
7080 Total Other Financing Sources and (Uses)	<u>1,145,345</u>	<u>--</u>	<u>(127,345)</u>	<u>1,018,000</u>
1200 Net Change in Fund Balances	<u>1,764,532</u>	<u>6,065,782</u>	<u>41,767</u>	<u>7,872,081</u>
0100 Fund Balances - Beginning	36,602,247	15,535,805	2,063,556	54,201,608
3000 Fund Balances - Ending	<u>\$ 38,366,779</u>	<u>\$ 21,601,587</u>	<u>\$ 2,105,323</u>	<u>\$ 62,073,689</u>

The accompanying notes are an integral part of this statement.

LONGVIEW 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, 2019

Net change in fund balances - total governmental funds	\$ 7,872,081
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	4,627,019
The depreciation of capital assets used in governmental activities is not reported in the funds.	(8,872,808)
The gain or loss on the sale of capital assets is not reported in the funds.	(286,956)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(20,368)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	321,589
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	6,555,000
The accretion of interest on capital appreciation bonds is not reported in the funds.	(15,581)
(Increase) decrease in accrued interest from beginning of period to end of period.	11,714
Amortization of the loss on defeasance of debt is reported in the funds, but not in the SOA.	(847,890)
Proceeds of maintenance tax notes do not provide revenue in the SOA, but are reported as current resources in the funds.	(1,018,000)
Bond premiums are reported in the funds but not in the SOA.	2,145,962
Pension contributions made after the measurement date but in current FY were de-expended & reduced NPL.	1,649,145
The District's share of the unrecognized deferred inflows and outflows for the pension plan was amortized.	7,753,473
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(11,015,840)
OPEB contributions made after the measurement date but in current FY were de-expended & reduced NPL.	541,601
The District's share of the unrecognized deferred inflows and outflows for the OPEB plan was amortized.	2,386,090
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	(2,943,568)
Change in net position of governmental activities - Statement of Activities	\$ <u>8,842,663</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

AUGUST 31, 2019

Data Control Codes		Agency Funds
	ASSETS:	
1110	Cash and Cash Equivalents	\$ 218,317
1000	Total Assets	<u>218,317</u>
	LIABILITIES:	
	Current Liabilities:	
2190	Due to Student Groups	\$ 218,317
2000	Total Liabilities	<u>218,317</u>
	NET POSITION:	
3000	Total Net Position	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

A. Summary of Significant Accounting Policies

The basic financial statements of Longview 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.

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 is used to accumulate resources for the repayment of bonded debt.

In addition, the District reports the following 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

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 and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. They 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.

3. Financial Statement Amounts

a. 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 (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

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. The allowance for uncollectible taxes at August 31, 2019 is \$510,015.

b. Inventories and Prepaid Items

Inventories of supplies and purchased food on the balance sheet are stated at cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Agriculture. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while purchased food and 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 Agriculture and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

recognized for an equal amount. Inventories also include fuel and office supplies.

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

c. 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>
Buildings	40-60
Building Improvements	20
Vehicles	5-10
Furniture & Equipment	5-10

d. 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.

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.

e. 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.

f. 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

g. Use of Estimates

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

h. 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.

i. 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 expenses) 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.

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.

The District's policy is to maintain at least two months of working capital in unassigned fund balance. The District was in compliance with this policy at August 31, 2019.

j. 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 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

k. 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.

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's 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. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan 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 OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to / deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

6. Implementation of New Standards

In the current fiscal year, the District did not implement any new standards from the Governmental Accounting Standards Board (GASB).

B. 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, 2019, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$31,003,953 and the bank balance was \$32,515,341. The District's cash deposits at August 31, 2019 and during the year ended August 31, 2019, 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)

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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.

The District's investments at August 31, 2019 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Cost</u>
Certificates of Deposit	6-12 months	\$ 25,209,958
Total Current Investments		<u>\$ 25,209,958</u>

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Cost</u>
Certificates of Deposit	02/01/2025	\$ 5,398,453
Total Long-Term Investments		<u>\$ 5,398,453</u>

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:

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,

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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.

C. Capital Assets

Capital asset activity for the year ended August 31, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 14,705,295	\$ --	\$ --	\$ 14,705,295
Construction in progress	23,448	--	23,448	--
Total capital assets not being depreciated	14,728,743	--	23,448	14,705,295
Capital assets being depreciated:				
Buildings and improvements	325,343,227	1,522,449	644,832	326,220,844
Furniture & equipment	16,071,789	1,602,967	13,397	17,661,359
Vehicles	6,229,369	1,501,603	505,800	7,225,172
Total capital assets being depreciated	347,644,385	4,627,019	1,164,029	351,107,375
Less accumulated depreciation for:				
Buildings and improvements	(62,063,349)	(7,435,118)	(360,955)	(69,137,512)
Equipment	(8,340,735)	(1,097,886)	(13,398)	(9,425,223)
Vehicles	(4,534,589)	(339,804)	(505,800)	(4,368,593)
Total accumulated depreciation	(74,938,673)	(8,872,808)	(880,153)	(82,931,328)
Total capital assets being depreciated, net	272,705,712	(4,245,789)	283,876	268,176,047
Governmental activities capital assets, net	\$ 287,434,455	\$ (4,245,789)	\$ 307,324	\$ 282,881,342

Depreciation was charged to functions as follows:

Instruction	\$ 4,469,945
Instructional Resources and Media Services	50,093
Curriculum and Staff Development	44,643
Instructional Leadership	163,209
School Leadership	428,159
Guidance, Counseling, & Evaluation Services	247,258
Social Work Services	8,605
Health Services	69,348
Student Transportation	680,633
Food Services	614,402
Extracurricular Activities	340,016

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General Administration	251,034
Plant Maintenance and Operations	1,164,115
Security and Monitoring Services	82,902
Data Processing Services	156,307
Community Services	102,139
	<u>\$ 8,872,808</u>

D. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2019, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 1,819,350	Short-term loans
Other Governmental Funds	General Fund	309	Short-term loans
	Total	<u>\$ 1,819,659</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, 2019, consisted of the following:

Transfers From	Transfers To	Amount	Reason
Other Governmental Funds	General Fund	\$ 127,345	Remaining capital projects funds
	Total	<u>\$ 127,345</u>	

E. Long-Term Obligations

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

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, 2019, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Bonds payable	\$ 209,925,000	\$ --	\$ 6,555,000	\$ 203,370,000	\$ 6,830,000
Maintenance tax notes	--	1,018,000	--	1,018,000	330,000
Accreted interest on CABs	189,514	15,581	--	205,095	--
Unamortized bond premium	18,791,361	--	2,145,962	16,645,399	--
Unamortized loss on defeasance of debt	(12,778,093)	--	(847,890)	(11,930,203)	--
Net Pension Liability *	14,330,309	11,017,137	1,461,863	23,885,583	--
Net OPEB Liability *	34,151,228	2,943,802	505,529	36,589,501	--
Total governmental activities	<u>\$ 264,609,319</u>	<u>\$ 14,994,520</u>	<u>\$ 9,820,464</u>	<u>\$ 269,783,375</u>	<u>\$ 7,160,000</u>

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* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

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

2. Bonds Payable

Bonds payable currently outstanding are as follows:

	Interest Rates	Maturity Date	Amount
Unlimited Tax School Building Bonds, Series 2010	2.00-5.00%	FY 2040	\$ 43,385,000
Unlimited Tax Qualified School Construction Bonds, Series 2010	4.657%	FY 2025	8,875,000
Unlimited Tax School Building Bonds, Series 2011 - CAB	4.07-4.28%	FY 2028	180,000
Unlimited Tax Refunding Bonds, Series 2015	2.00-4.00%	FY 2031	8,500,000
Unlimited Tax Refunding Bonds, Series 2016	4.00-5.00%	FY 2031	53,530,000
Unlimited Tax Refunding Bonds, Series 2016A	2.00-5.00%	FY 2035	40,830,000
Unlimited Tax Refunding Bonds, Series 2017	2.00-5.00%	FY 2037	48,070,000
			<u>\$ 203,370,000</u>

3. Maintenance Tax Notes

Maintenance tax notes currently outstanding are as follows:

	Interest Rates	Maturity Date	Amount
Maintenance Tax Notes, Series 2019	2.03%	FY 2022	\$ 1,018,000

4. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2019, are as follows:

	Governmental Activities		
	Bonds and Tax Notes		
Year Ending August 31,	Principal	Interest	Total
2020	\$ 7,160,000	8,479,186	\$ 15,639,186
2021	7,501,000	8,138,152	15,639,152
2022	7,852,000	7,783,043	15,635,043
2023	7,870,000	7,414,371	15,284,371
2024	8,255,000	7,030,421	15,285,421
2025-2029	58,800,000	27,152,217	85,952,217
2030-2034	62,295,000	15,181,856	77,476,856
2035-2039	41,485,000	3,441,700	44,926,700
2040	3,170,000	63,400	3,233,400
Totals	<u>\$ 204,388,000</u>	<u>\$ 84,684,346</u>	<u>\$ 289,072,346</u>

5. Qualified School Construction Bonds

Certain Series 2010 bonds include an irrevocable election to receive directly from the United States Department of the Treasury a tax credit equal to the amount of interest which would have been payable on the Securities by the issuer if such interest were determined at the credit rate determined under section 54(a)(b)(3) of the Internal Revenue Code (which credit rate applicable to the Bond is 4.657% per annum), which election is based on the Securities' qualification as "Qualified School Construction Bonds" under section 54F of the Code and as

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qualified bonds" under subsection 6431(f)(1)(A) of the Code, and the Issuer's irrevocable election to treat the Securities as such at their time of issuance. During the year ended August 31, 2019, the District received \$387,684 from the Department of the Treasury which partially offset the cost of interest expense on this issue.

The term bond in the amount of \$8,875,000 will mature on February 15, 2025. The District is required to make mandatory payments into a sinking fund annually, which will be used to pay off the bonds at maturity. At August 31, 2019, the District was in compliance with the sinking fund requirements.

F. 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 2019, 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.

G. 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) and is 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 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% (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.

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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 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

<u>Contribution Rates</u>		
	2018	2019
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE - State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2019 Employer Contributions	\$ 1,649,145	
District's 2019 Member Contributions	\$ 3,606,041	
2018 NECE On-Behalf Contributions (state)	\$ 2,321,968	

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.

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.

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- 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 valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return	7.25%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Payroll Growth Rate	3.00%
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 three year period ending August 31, 2017 and adopted in July, 2018.

6. Discount Rate

The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on the pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed the 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 sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. 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 arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

Teacher Retirement System of Texas Asset Allocation and Long-Term Expected Rate of Return As of August 31, 2018

Asset Class	Target Allocation *	Long-term Expected Geometric Real Rate of Return **	Expected Contribution to Long-term Portfolio Returns ***
Global Equity			
U.S.	18.0%	5.7%	1.0%
Non-U.S. Developed	13.0%	6.9%	0.9%
Emerging Markets	9.0%	8.9%	0.8%
Directional Hedge Funds	4.0%	3.5%	0.1%

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Private Equity	13.0%	10.2%	1.3%
Stable Value			
U.S. Treasuries	11.0%	1.1%	0.1%
Absolute Return	0.0%	0.0%	0.0%
Stable Value Hedge Funds	4.0%	3.1%	0.1%
Cash	1.0%	-0.3%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.7%	0.0%
Real Assets	14.0%	5.2%	0.7%
Energy & Natural Resources	5.0%	7.5%	0.4%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	3.7%	0.2%
Inflation Expectation	0.0%	0.0%	2.3%
Alpha	0.0%	0.0%	-0.8%
Total	100.0%		7.2%

* Target allocation are based on the FY 2016 policy model.

** Capital market assumptions come from Aon Hewitt (2017 Q4)

*** 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 (6.907%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate 5.907%	Discount Rate 6.907%	1% Increase in Discount Rate 7.907%
District's proportionate share of the net pension liability	\$ 36,049,073	\$ 23,885,583	\$ 14,038,517

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

At August 31, 2019, the District reported a liability of \$23,885,583 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:

District's proportionate share of the collective net pension liability	\$ 23,885,583
State's proportionate share that is associated with District	<u>37,962,588</u>
Total	<u>\$ 61,848,171</u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. 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, 2017 through August 31, 2018.

At August 31, 2018 the employer's proportion of the collective net pension liability was 0.0433949%. which was a decrease of .0014229% from its proportion measured as of August 31, 2017.

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Changes Since the Prior Actuarial Valuation -

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

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

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, 2019, the District recognized pension expense of \$3,757,284 and revenue of \$3,757,284 for support provided by the State.

At August, 31, 2019, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 148,883	\$ 586,058
Changes in actuarial assumptions	8,611,903	269,122
Difference between projected and actual investment earnings	--	453,212
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	<u>1,924,321</u>	<u>487,974</u>
Total as of August 31, 2018 measurement date	10,685,107	1,796,366
Contributions paid to TRS subsequent to the measurement date	<u>1,649,145</u>	<u>--</u>
Total	<u>\$ 12,334,252</u>	<u>\$ 1,796,366</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:

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Year Ended August 31	Pension Expense Amount
2020	\$ 2,429,423
2021	1,475,674
2022	1,213,248
2023	1,465,185
2024	1,410,247
Thereafter	894,964

H. 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.

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 the 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 a retiree with and without Medicare coverage.

TRS-Care Monthly for Retirees
January 1, 2018 thru December 31, 2018

	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999
* or surviving spouse		

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FOR THE YEAR ENDED AUGUST 31, 2019

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 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% 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		
	FY18	FY19
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (NECE) - State	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions		\$ 541,502
Current fiscal year member contributions		\$ 304,409
2018 measurement year NECE on-behalf contributions		\$ 506,252

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 hiring a TRS retiree, employers 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 Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

5. Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed on the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation, salary increases, and general payroll growth, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. Since the assumptions were based upon a recent actuarial experience study performed and they were reasonable for this OPEB valuation, they were employed in the 2018 CAFR for the Teacher Retirement System of Texas.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation that was rolled forward to August 31, 2018:

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 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate *	3.69% *
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	3.00%
Projected Salary Increases	3.05% to 9.05%, including inflation ***
Healthcare Trend Rates **	8.50% **
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% after age 65.
Ad Hoc Post-Employment Benefit Changes	None

*Sourced from 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, 2018.

**8.50% for FY2019, decreasing 0.5% per year to 4.50% for FY2027 and later years.

*** Includes inflation at 2.5%.

6. Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of .27% in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, 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 to not 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.

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (2.69%)	Current Single Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
District's proportionate share of net OPEB liability	\$ 43,554,077	\$ 36,589,501	\$ 31,080,072

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

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

At August 31, 2019, the District reported a liability of \$36,589,501 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	\$ 36,589,501
State's proportionate share that is associated with the District	<u>36,694,153</u>
Total	<u>\$ 73,283,654</u>

The Net OPEB liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 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 OPEB relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At August 31, 2019 the District's proportion of the collective net OPEB liability was .0732802523%, compared to .0785333954% as of August 31, 2018.

The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate is used.

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
District's proportionate share of net OPEB liability	\$ 30,388,176	\$ 36,589,501	\$ 44,756,779

9. Changes Since the Prior Actuarial Valuation

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

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.

In this valuation the impact of the Cadillac 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

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.

Changes of benefit terms that affected measurement of the total OPEB liability during the measurement period are listed below:

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

For the year ended August 31, 2019, the District recognized OPEB expense of \$1,334,713 and revenue of \$1,334,713 for support provided by the State.

At August 31, 2019, 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	\$ 1,941,669	\$ 577,436
Changes in actuarial assumptions	610,580	10,993,046
Differences between projected and actual investment earnings	6,399	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	137	2,882,390
Total as of August 31, 2018 measurement date	2,558,785	14,452,872

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

Contributions paid to TRS subsequent to the measurement date

541,502

--

Total

\$ 3,100,287 \$ 14,452,872

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:

Fiscal year ended August 31,	Amount
2020	\$ (1,798,621)
2021	(1,798,621)
2022	(1,798,621)
2023	(1,799,831)
2024	(1,800,524)
Thereafter	(2,897,869)

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the current fiscal year ended August 31, 2019, the subsidy payment received by TRS-Care on behalf of the District was \$173,060.

I. Employee Health Care Coverage

During the year ended August 31, 2019, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$225 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable September 1, 2019, and terms of coverage and premium costs are included in the contractual provisions.

J. 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, 2019.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019

K. Shared Services Arrangements

Shared Services Arrangement - Fiscal Agent

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides deaf education services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in the Regional Day School for the Deaf Special Revenue Fund and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

<u>Member Districts</u>	<u>Expenditures</u>
Big Sandy ISD	\$ 11,732
Carthage ISD	15,903
Daingerfield ISD	31,807
Elysian Fields ISD	7,952
Hallsville ISD	69,088
Jefferson ISD	7,952
Kilgore ISD	84,991
Marshall ISD	58,658
Mount Pleasant ISD	42,755
Mount Vernon ISD	29,329
New Diana ISD	17,597
Ore City ISD	37,281
Pine Tree ISD	58,658
Pittsburg ISD	21,377
Spring Hill ISD	21,377
Tatum ISD	29,329
Waskom ISD	7,952
West Rusk ISD	37,281
White Oak ISD	61,136
Longview ISD	169,561
Total	<u>\$ 821,716</u>

L. Subsequent Events

Management has evaluated subsequent events through January 8, 2020, the date on which the financial statements were available to be issued.

On September 9, 2019, the Board of Trustees approved an order authorizing the issuance of refunding bonds in an amount to be determined by administration. The Series 2020 Refunding Bonds in the amount of \$25,350,000 were issued in December, 2019. The proceeds of these bonds were used to refund \$42,330,000 of Series 2010 School Building Bonds. A \$15,000,000 cash contribution was made by the District out of the Debt Service Fund's fund balance to complete this refunding and related issuance costs and fees.

M. Workers Compensation Insurance

The District joined together with other school districts in the East Texas area to form the East Texas Educational Insurance Association, a public entity pool currently operating a workers' compensation risk management and insurance program for various member school districts. During the 2018-19 school year, the District paid a fixed cost in the amount of \$153,758 for administration of claims, loss control, record keeping, and the cost of stop-loss insurance. Total workers' compensation claims paid amounted to \$152,421 for current year claims and \$154,147 for claims incurred in prior years. However, the District may be required to pay, and retains the risk of loss for, workers' compensation claims up to the loss fund maximum. When and if other schools in the Association exceed their loss fund maximum, the District will be required to pay a percentage share of the excess.

A reconciliation of changes in the liability for claims for the current and prior fiscal years is presented below:

LONGVIEW INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2019

	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
Year Ended August 31, 2019	\$ 502,545	\$ 241,213	\$ 306,568	437,190
Year Ended August 31, 2018	550,402	229,868	277,725	502,545

N. Fund Balance

Other committed fund balance consists of \$74,276 committed to campus activity funds.

Fund balance restricted for debt repayment consists of the following:

Debt Service Fund

2010 Qualified School Construction Bonds	\$ 5,398,453
All other bonded debt	16,203,134
	<u>\$ 21,601,587</u>

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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2019

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
REVENUES:					
5700	Local and Intermediate Sources	\$ 44,431,654	\$ 45,264,950	\$ 48,302,658	\$ 3,037,708
5800	State Program Revenues	21,884,501	22,560,745	23,541,146	980,401
5900	Federal Program Revenues	735,000	735,000	1,908,737	1,173,737
5020	Total Revenues	67,051,155	68,560,695	73,752,541	5,191,846
EXPENDITURES:					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	41,391,426	40,651,536	38,861,391	1,790,145
0012	Instructional Resources and Media Services	603,734	588,585	510,061	78,524
0013	Curriculum and Staff Development	519,224	530,860	454,563	76,297
	Total Instruction & Instr. Related Services	42,514,384	41,770,981	39,826,015	1,944,966
Instructional and School Leadership:					
0021	Instructional Leadership	1,867,470	1,889,822	1,661,839	227,983
0023	School Leadership	4,460,399	4,582,721	4,358,749	223,972
	Total Instructional & School Leadership	6,327,869	6,472,543	6,020,588	451,955
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	2,336,660	2,566,221	2,524,830	41,391
0032	Social Work Services	88,591	89,695	87,621	2,074
0033	Health Services	709,910	836,468	693,959	142,509
0034	Student (Pupil) Transportation	3,345,898	4,481,845	4,244,274	237,571
0035	Food Services	260,004	273,696	217,895	55,801
0036	Cocurricular/Extracurricular Activities	2,192,545	3,130,362	2,908,428	221,934
	Total Support Services - Student (Pupil)	8,933,608	11,378,287	10,677,007	701,280
Administrative Support Services:					
0041	General Administration	2,607,033	2,736,551	2,556,097	180,454
	Total Administrative Support Services	2,607,033	2,736,551	2,556,097	180,454
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	9,634,465	9,926,910	8,977,372	949,538
0052	Security and Monitoring Services	710,119	734,485	710,234	24,251
0053	Data Processing Services	1,196,264	1,138,329	1,076,479	61,850
	Total Support Services - Nonstudent Based	11,540,848	11,799,724	10,764,085	1,035,639
Ancillary Services:					
0061	Community Services	871,937	1,030,306	927,511	102,795
	Total Ancillary Services	871,937	1,030,306	927,511	102,795
Debt Service:					
0073	Bond Issuance Costs and Fees	--	18,000	18,000	--
	Total Debt Service	--	18,000	18,000	--
Capital Outlay:					
0081	Capital Outlay	1,500	1,489,031	1,456,858	32,173
	Total Capital Outlay	1,500	1,489,031	1,456,858	32,173
0099	Other Intergovernmental Charges	900,000	900,000	887,193	12,807
	Total Intergovernmental Charges	900,000	900,000	887,193	12,807

LONGVIEW INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2019

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
6030	Total Expenditures	<u>73,697,179</u>	<u>77,595,423</u>	<u>73,133,354</u>	<u>4,462,069</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(6,646,024)</u>	<u>(9,034,728)</u>	<u>619,187</u>	<u>9,653,915</u>
	Other Financing Sources (Uses):				
7911	Capital-Related Debt Issued (Regular Bonds)	--	1,018,000	1,018,000	--
7915	Transfers In	--	127,345	127,345	--
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>1,145,345</u>	<u>1,145,345</u>	<u>--</u>
1200	Net Change in Fund Balance	<u>(6,646,024)</u>	<u>(7,889,383)</u>	<u>1,764,532</u>	<u>9,653,915</u>
0100	Fund Balance - Beginning	<u>36,602,247</u>	<u>36,602,247</u>	<u>36,602,247</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 29,956,223</u>	<u>\$ 28,712,864</u>	<u>\$ 38,366,779</u>	<u>\$ 9,653,915</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2019

	Measurement Year Ended August 31,				
	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	.0433948586%	.0448177714%	.0433150248%	.0454482000%	.0315664000%
District's proportionate share of the net pension liability (asset)	\$ 23,885,583	\$ 14,330,309	\$ 16,368,104	\$ 16,065,334	\$ 8,431,822
State's proportionate share of the net pension liability (asset) associated with the District	37,962,588	23,257,852	28,692,856	28,098,134	24,795,916
Total	<u>\$ 61,848,171</u>	<u>\$ 37,588,161</u>	<u>\$ 45,060,960</u>	<u>\$ 44,163,468</u>	<u>\$ 33,227,738</u>
District's covered-employee payroll	\$ 44,694,561	\$ 45,172,208	\$ 44,521,502	\$ 44,252,552	\$ 44,688,517
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.44%	31.72%	36.76%	36.30%	18.87%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

Note: Only five years of data is presented in accordance with GASB Statement No. 68, paragraph 138. "The information for all periods 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS

TEACHER RETIREMENT SYSTEM OF TEXAS

FOR THE YEAR ENDED AUGUST 31, 2019

	Fiscal Year Ended August 31,				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,649,145	\$ 1,460,563	\$ 1,468,865	\$ 1,376,229	\$ 1,346,340
Contributions in relation to the contractually required contribution	(1,649,145)	(1,460,563)	(1,468,865)	(1,376,229)	(1,346,340)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 47,008,964	\$ 44,694,561	\$ 45,172,208	\$ 44,521,855	\$ 44,249,237
Contributions as a percentage of covered-employee payroll	3.51%	3.27%	3.25%	3.09%	3.04%

Note: Only five years of data is presented in accordance with GASB Statement No. 68, paragraph 38. "The information for all periods 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."

LONGVIEW INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE
 SHARE OF THE NET OPEB LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2019

	Measurement Year Ended August 31,	
	2018	2017
District's proportion of the collective net OPEB liability	0.0732802523%	0.0785333954%
District's proportionate share of the collective net OPEB liability	\$ 36,589,501	\$ 34,151,228
State proportionate share of the collective net OPEB liability associated with the District	\$ 36,694,153	\$ 33,938,679
Total	<u>\$ 73,283,654</u>	<u>\$ 68,089,907</u>
District's covered-employee payroll	\$ 44,694,561	\$ 45,172,208
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	81.87%	75.60%
Plan fiduciary net position as a percentage of the total OPEB liability	1.57%	0.91%

Note:

Only two years of data is presented in accordance with GASB Statement No. 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."

LONGVIEW INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS

TEACHER RETIREMENT SYSTEM OF TEXAS

FOR THE YEAR ENDED AUGUST 31, 2019

	Fiscal Year Ended August 31,	
	2019	2018
Statutorily or contractually required District contribution	\$ 541,502	\$ 505,196
Contributions in relation to statutorially or contractually required contribution	(541,502)	(505,196)
Contribution deficiency (excess)	\$ --	\$ --
District's covered-employee payroll	\$ 47,008,964	\$ 44,694,561
Contributions as a percentage of covered-employee payroll	1.15%	1.13%

Note:

Only two years of data is presented in accordance with GASB Statement No. 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."

LONGVIEW INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2019

Note A - Budget

The official budget was prepared for adoption for the General Fund, Debt Service Fund and National School Lunch/Breakfast Special Revenue Fund. The budget was prepared in accordance with accounting principles 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 increased only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. 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 manager at the revenue and expenditure function/object level. The Board has authorized the business office to allocate appropriations by function as long as there is no change to the overall budget.

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.

Note B - 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

See Note G.8 to the financial statements for information regarding changes to actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

Note C - Other Post-Employment Benefit Plan

Changes of benefit terms

See Note H.9 to the financial statements for a description of changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes of assumptions

See Note H.9 to the financial statements for a description of changes to actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2019

Data Control Codes		Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)
ASSETS:				
1110	Cash and Cash Equivalents	\$ 2,343,797	\$ --	\$ 2,343,797
1240	Due from Other Governments	2,642,690	--	2,642,690
1260	Due from Other Funds	309	--	309
1290	Other Receivables	3,318	--	3,318
1300	Inventories	370,900	--	370,900
1000	Total Assets	<u>\$ 5,361,014</u>	<u>\$ --</u>	<u>\$ 5,361,014</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 843,305	\$ --	\$ 843,305
2160	Accrued Wages Payable	259,150	--	259,150
2170	Due to Other Funds	1,819,350	--	1,819,350
2180	Due to Other Governments	43,700	--	43,700
2200	Accrued Expenditures	25,271	--	25,271
2300	Unearned Revenue	264,915	--	264,915
2000	Total Liabilities	<u>3,255,691</u>	<u>--</u>	<u>3,255,691</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410	Inventories	154,001	--	154,001
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	1,877,046	--	1,877,046
Committed Fund Balances:				
3545	Other Committed Fund Balance	74,276	--	74,276
3000	Total Fund Balances	<u>2,105,323</u>	<u>--</u>	<u>2,105,323</u>
4000	Total Liabilities and Fund Balances	<u>\$ 5,361,014</u>	<u>\$ --</u>	<u>\$ 5,361,014</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:				
5700	Local and Intermediate Sources	\$ 1,284,311	\$ 2,201	\$ 1,286,512
5800	State Program Revenues	1,903,864	--	1,903,864
5900	Federal Program Revenues	14,840,650	--	14,840,650
5020	Total Revenues	18,028,825	2,201	18,031,026
EXPENDITURES:				
Current:				
0011	Instruction	8,969,819	--	8,969,819
0012	Instructional Resources and Media Services	122,929	--	122,929
0013	Curriculum and Staff Development	1,705,232	--	1,705,232
0021	Instructional Leadership	1,291,041	--	1,291,041
0023	School Leadership	47,067	--	47,067
0031	Guidance, Counseling, & Evaluation Services	433,069	--	433,069
0033	Health Services	4,646	--	4,646
0034	Student Transportation	26,136	--	26,136
0035	Food Service	4,693,957	--	4,693,957
0036	Cocurricular/Extracurricular Activities	181,688	--	181,688
0041	General Administration	50,107	--	50,107
0051	Facilities Maintenance and Operations	47,995	--	47,995
0052	Security and Monitoring Services	153,712	--	153,712
0061	Community Services	127,606	--	127,606
0081	Capital Outlay	--	6,910	6,910
6030	Total Expenditures	17,855,004	6,910	17,861,914
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	173,821	(4,709)	169,112
Other Financing Sources and (Uses):				
8911	Transfers Out	--	(127,345)	(127,345)
7080	Total Other Financing Sources and (Uses)	--	(127,345)	(127,345)
1200	Net Change in Fund Balances	173,821	(132,054)	41,767
0100	Fund Balances - Beginning	1,931,502	132,054	2,063,556
3000	Fund Balances - Ending	\$ 2,105,323	\$ --	\$ 2,105,323

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2019

Data Control Codes		211 ESEA Title I Improving Basic Programs	212 ESEA Title I Part D Subpart 2	213 ESEA Title I Part B-Even Start Family Literacy	224 IDEA-B Formula
ASSETS:					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1240	Due from Other Governments	776,318	6,801	3,546	249,257
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>\$ 776,318</u>	<u>\$ 6,801</u>	<u>4 3,546</u>	<u>4 249,257</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 192,377	\$ --	\$ --	\$ 188
2160	Accrued Wages Payable	17,141	--	--	116,690
2170	Due to Other Funds	566,800	6,801	3,546	132,379
2180	Due to Other Governments	--	--	--	--
2200	Accrued Expenditures	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>776,318</u>	<u>6,801</u>	<u>3,546</u>	<u>249,257</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 776,318</u>	<u>\$ 6,801</u>	<u>\$ 3,546</u>	<u>\$ 249,257</u>

225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting
\$ --	\$ --	\$ 1,720,069	\$ --	\$ --
3,080	3,873	240,295	3,243	19,524
--	--	309	--	--
--	--	3,318	--	--
--	--	370,900	--	--
<u>\$ 3,080</u>	<u>\$ 3,873</u>	<u>\$ 2,334,891</u>	<u>\$ 3,243</u>	<u>\$ 19,524</u>
\$ --	\$ --	\$ 437,625	\$ --	\$ 1,391
--	--	69,786	--	--
3,080	3,873	1,022	3,243	18,133
--	--	--	--	--
--	--	25,271	--	--
--	--	264,915	--	--
<u>3,080</u>	<u>3,873</u>	<u>798,619</u>	<u>3,243</u>	<u>19,524</u>
--	--	154,001	--	--
--	--	1,382,271	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>1,536,272</u>	<u>--</u>	<u>--</u>
<u>\$ 3,080</u>	<u>\$ 3,873</u>	<u>\$ 2,334,891</u>	<u>\$ 3,243</u>	<u>\$ 19,524</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2019

Data Control Codes		257 Montessori Charter School	258 STEAM Charter School	263 English Lang. Acquisition and Enhancement	288 Magnet Schools Assistance
ASSETS:					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1240	Due from Other Governments	43,871	69,641	23,081	990,914
1260	Due from Other Funds	--	--	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	<u>\$ 43,871</u>	<u>\$ 69,641</u>	<u>\$ 23,081</u>	<u>\$ 990,914</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ --	\$ --	\$ 127,750
2160	Accrued Wages Payable	--	--	829	13,481
2170	Due to Other Funds	43,871	25,941	22,252	849,683
2180	Due to Other Governments	--	43,700	--	--
2200	Accrued Expenditures	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>43,871</u>	<u>69,641</u>	<u>23,081</u>	<u>990,914</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	--
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 43,871</u>	<u>\$ 69,641</u>	<u>\$ 23,081</u>	<u>\$ 990,914</u>

289 Title IV Part A Subpart I	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 State Textbook Fund	428 Grow Your Own
\$ --	\$ 7,850	\$ 31,866	\$ --	\$ --
92,029	--	--	114,553	2,664
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 92,029</u>	<u>\$ 7,850</u>	<u>\$ 31,866</u>	<u>\$ 114,553</u>	<u>\$ 2,664</u>
\$ 69,718	\$ --	\$ --	\$ --	\$ --
802	--	--	--	--
21,509	--	--	114,553	2,664
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>92,029</u>	<u>--</u>	<u>--</u>	<u>114,553</u>	<u>2,664</u>
--	--	--	--	--
--	7,850	31,866	--	--
--	--	--	--	--
<u>--</u>	<u>7,850</u>	<u>31,866</u>	<u>--</u>	<u>--</u>
<u>\$ 92,029</u>	<u>\$ 7,850</u>	<u>\$ 31,866</u>	<u>\$ 114,553</u>	<u>\$ 2,664</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2019

Data Control Codes		429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
ASSETS:					
1110	Cash and Cash Equivalents	\$ --	\$ 509,736	\$ 74,276	\$ 2,343,797
1240	Due from Other Governments	--	--	--	2,642,690
1260	Due from Other Funds	--	--	--	309
1290	Other Receivables	--	--	--	3,318
1300	Inventories	--	--	--	370,900
1000	Total Assets	<u>\$ --</u>	<u>\$ 509,736</u>	<u>\$ 74,276</u>	<u>\$ 5,361,014</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 14,256	\$ --	\$ 843,305
2160	Accrued Wages Payable	--	40,421	--	259,150
2170	Due to Other Funds	--	--	--	1,819,350
2180	Due to Other Governments	--	--	--	43,700
2200	Accrued Expenditures	--	--	--	25,271
2300	Unearned Revenue	--	--	--	264,915
2000	Total Liabilities	<u>--</u>	<u>54,677</u>	<u>--</u>	<u>3,255,691</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	--	--	--	154,001
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	455,059	--	1,877,046
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	74,276	74,276
3000	Total Fund Balances	<u>--</u>	<u>455,059</u>	<u>74,276</u>	<u>2,105,323</u>
4000	Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 509,736</u>	<u>\$ 74,276</u>	<u>\$ 5,361,014</u>

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LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes	211 ESEA Title I Improving Basic Programs	212 ESEA Title I Part D Subpart 2	213 ESEA Title I Part B-Even Start Family Literacy	224 IDEA-B Formula
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	2,809,148	49,741	361,044	1,691,934
5020 Total Revenues	<u>2,809,148</u>	<u>49,741</u>	<u>361,044</u>	<u>1,691,934</u>
EXPENDITURES:				
Current:				
0011 Instruction	2,138,504	49,741	--	1,366,828
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	559,176	--	26,839	--
0021 Instructional Leadership	10,159	--	326,216	2,319
0023 School Leadership	1,798	--	50	765
0031 Guidance, Counseling, & Evaluation Services	5,806	--	67	322,022
0033 Health Services	4,646	--	--	--
0034 Student Transportation	26,136	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	7,872	--
0051 Facilities Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	62,923	--	--	--
6030 Total Expenditures	<u>2,809,148</u>	<u>49,741</u>	<u>361,044</u>	<u>1,691,934</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	240 National School Breakfast/Lunch Program	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting
\$ --	\$ --	\$ 560,365	\$ --	\$ --
--	--	51,593	--	--
24,683	44,970	4,214,217	109,981	338,361
<u>24,683</u>	<u>44,970</u>	<u>4,826,175</u>	<u>109,981</u>	<u>338,361</u>
24,683	44,970	--	26,680	--
--	--	--	--	--
--	--	--	--	295,902
--	--	--	2,480	--
--	--	--	--	224
--	--	--	80,821	--
--	--	--	--	--
--	--	4,693,957	--	--
--	--	--	--	--
--	--	--	--	42,235
--	--	25,531	--	--
--	--	--	--	--
--	--	--	--	--
<u>24,683</u>	<u>44,970</u>	<u>4,719,488</u>	<u>109,981</u>	<u>338,361</u>
--	--	106,687	--	--
--	--	<u>106,687</u>	--	--
--	--	1,429,585	--	--
\$ --	\$ --	\$ <u>1,536,272</u>	\$ --	\$ --

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		257 Montessori Charter School	258 STEAM Charter School	263 English Lang. Acquisition and Enhancement	288 Magnet Schools Assistance
REVENUES:					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	--	--
5900	Federal Program Revenues	253,067	263,070	118,136	4,337,966
5020	Total Revenues	253,067	263,070	118,136	4,337,966
EXPENDITURES:					
Current:					
0011	Instruction	247,875	231,858	61,798	2,559,266
0012	Instructional Resources and Media Services	1,004	216	--	120,999
0013	Curriculum and Staff Development	3,050	30,829	47,381	727,370
0021	Instructional Leadership	--	--	1,557	799,251
0023	School Leadership	84	84	--	30,437
0031	Guidance, Counseling, & Evaluation Services	--	83	840	20,310
0033	Health Services	--	--	--	--
0034	Student Transportation	--	--	--	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	--
0051	Facilities Maintenance and Operations	--	--	--	22,464
0052	Security and Monitoring Services	800	--	--	--
0061	Community Services	254	--	6,560	57,869
6030	Total Expenditures	253,067	263,070	118,136	4,337,966
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	--
3000	Fund Balances - Ending	\$ --	\$ --	\$ --	\$ --

289 Title IV Part A Subpart I	385 Supplemental Visually Impaired	397 Advanced Placement Incentives	410 State Textbook Fund	428 Grow Your Own
\$ --	\$ --	\$ --	\$ --	\$ --
--	3,700	8,276	1,408,802	2,664
224,332	--	--	--	--
<u>224,332</u>	<u>3,700</u>	<u>8,276</u>	<u>1,408,802</u>	<u>2,664</u>
68,300	--	--	1,408,802	--
--	--	--	--	--
--	--	--	--	2,664
--	--	--	--	--
--	--	--	--	--
3,120	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
152,912	--	--	--	--
--	--	--	--	--
<u>224,332</u>	<u>--</u>	<u>--</u>	<u>1,408,802</u>	<u>2,664</u>
--	3,700	8,276	--	--
--	<u>3,700</u>	<u>8,276</u>	--	--
--	4,150	23,590	--	--
\$ <u>--</u>	\$ <u>7,850</u>	\$ <u>31,866</u>	\$ <u>--</u>	\$ <u>--</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
REVENUES:					
5700	Local and Intermediate Sources	\$ --	\$ 437,711	\$ 286,235	\$ 1,284,311
5800	State Program Revenues	700	428,129	--	1,903,864
5900	Federal Program Revenues	--	--	--	14,840,650
5020	Total Revenues	<u>700</u>	<u>865,840</u>	<u>286,235</u>	<u>18,028,825</u>
EXPENDITURES:					
Current:					
0011	Instruction	--	672,420	68,094	8,969,819
0012	Instructional Resources and Media Services	--	--	710	122,929
0013	Curriculum and Staff Development	1,050	418	10,553	1,705,232
0021	Instructional Leadership	--	148,878	181	1,291,041
0023	School Leadership	--	--	13,625	47,067
0031	Guidance, Counseling, & Evaluation Services	--	--	--	433,069
0033	Health Services	--	--	--	4,646
0034	Student Transportation	--	--	--	26,136
0035	Food Service	--	--	--	4,693,957
0036	Cocurricular/Extracurricular Activities	--	--	181,688	181,688
0041	General Administration	--	--	--	50,107
0051	Facilities Maintenance and Operations	--	--	--	47,995
0052	Security and Monitoring Services	--	--	--	153,712
0061	Community Services	--	--	--	127,606
6030	Total Expenditures	<u>1,050</u>	<u>821,716</u>	<u>274,851</u>	<u>17,855,004</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(350)	44,124	11,384	173,821
1200	Net Change in Fund Balances	<u>(350)</u>	<u>44,124</u>	<u>11,384</u>	<u>173,821</u>
0100	Fund Balances - Beginning	350	410,935	62,892	1,931,502
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ 455,059</u>	<u>\$ 74,276</u>	<u>\$ 2,105,323</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 AUGUST 31, 2019

Data Control Codes		816 Scholarship Fund	865 Student Activity	Total Agency Funds (See Exhibit E-1)
ASSETS:				
1110	Cash and Cash Equivalents	\$ 8,960	\$ 209,357	\$ 218,317
1000	Total Assets	<u>8,960</u>	<u>209,357</u>	<u>218,317</u>
LIABILITIES:				
Current Liabilities:				
2190	Due to Student Groups	\$ 8,960	\$ 209,357	\$ 218,317
2000	Total Liabilities	<u>8,960</u>	<u>209,357</u>	<u>218,317</u>
NET POSITION:				
3000	Total Net Position	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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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.

LONGVIEW INDEPENDENT SCHOOL DISTRICTSCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2019

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2010 and Prior Years	\$	Various	\$	Various	\$	Various
2011		1.04		.473		3,687,427,693
2012		1.04		.473		3,780,076,033
2013		1.04		.473		3,851,822,865
2014		1.04		.473		3,905,796,182
2015		1.04		.473		4,011,247,432
2016		1.04		.473		4,027,694,118
2017		1.04		.473		3,990,713,981
2018		1.04		.473		4,101,994,079
2019 (School Year Under Audit)		1.04		.473		4,207,489,607
1000 Totals						
9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code						

10 Beginning Balance 9/1/18	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/19
\$ 659,921	\$ --	\$ 21,258	\$ 3,166	\$ (87,337)	\$ 548,160
155,563	--	3,181	1,447	(2,741)	148,194
182,515	--	5,110	2,324	(2,563)	172,518
237,484	--	10,346	4,706	(40,522)	181,910
283,181	--	26,103	11,872	(41,598)	203,608
349,665	--	34,217	15,562	(29,318)	270,568
465,604	--	53,469	24,318	(57,839)	329,978
691,703	--	114,003	51,850	(46,464)	479,386
1,287,063	--	325,429	148,008	(52,005)	761,621
--	63,659,318	42,918,527	19,519,708	420,445	1,641,528
<u>\$ 4,312,699</u>	<u>\$ 63,659,318</u>	<u>\$ 43,511,643</u>	<u>\$ 19,782,961</u>	<u>\$ 60,058</u>	<u>\$ 4,737,471</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

LONGVIEW INDEPENDENT SCHOOL DISTRICT

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2019

EXHIBIT J-2

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts		Actual	Positive (Negative)
		Original	Final		
	REVENUES:				
5700	Local and Intermediate Sources	\$ 578,500	\$ 541,317	\$ 560,365	\$ 19,048
5800	State Program Revenues	25,000	62,183	51,593	(10,590)
5900	Federal Program Revenues	4,183,195	4,383,195	4,214,217	(168,978)
5020	Total Revenues	<u>4,786,695</u>	<u>4,986,695</u>	<u>4,826,175</u>	<u>(160,520)</u>
	EXPENDITURES:				
	Current:				
	Support Services - Student (Pupil):				
0035	Food Services	<u>4,580,735</u>	<u>5,557,220</u>	<u>4,693,957</u>	<u>863,263</u>
	Total Support Services - Student (Pupil)	<u>4,580,735</u>	<u>5,557,220</u>	<u>4,693,957</u>	<u>863,263</u>
	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	<u>--</u>	<u>32,000</u>	<u>25,531</u>	<u>6,469</u>
	Total Support Services - Nonstudent Based	<u>--</u>	<u>32,000</u>	<u>25,531</u>	<u>6,469</u>
6030	Total Expenditures	<u>4,580,735</u>	<u>5,589,220</u>	<u>4,719,488</u>	<u>869,732</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>205,960</u>	<u>(602,525)</u>	<u>106,687</u>	<u>709,212</u>
1200	Net Change in Fund Balance	<u>205,960</u>	<u>(602,525)</u>	<u>106,687</u>	<u>709,212</u>
0100	Fund Balance - Beginning	<u>1,429,585</u>	<u>1,429,585</u>	<u>1,429,585</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 1,635,545</u>	<u>\$ 827,060</u>	<u>\$ 1,536,272</u>	<u>\$ 709,212</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2019

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 18,490,310	\$ 18,490,310	\$ 20,620,310	\$ 2,130,000
5800	State Program Revenues	409,817	409,817	365,934	(43,883)
5900	Federal Program Revenues	385,203	385,203	387,684	2,481
5020	Total Revenues	19,285,330	19,285,330	21,373,928	2,088,598
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	7,145,000	7,145,000	6,555,000	590,000
0072	Interest on Long-Term Debt	8,749,772	8,749,772	8,749,771	1
0073	Bond Issuance Costs and Fees	10,000	10,000	3,375	6,625
	Total Debt Service	15,904,772	15,904,772	15,308,146	596,626
6030	Total Expenditures	15,904,772	15,904,772	15,308,146	596,626
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	3,380,558	3,380,558	6,065,782	2,685,224
1200	Net Change in Fund Balance	3,380,558	3,380,558	6,065,782	2,685,224
0100	Fund Balance - Beginning	15,535,805	15,535,805	15,535,805	--
3000	Fund Balance - Ending	\$ 18,916,363	\$ 18,916,363	\$ 21,601,587	\$ 2,685,224

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KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

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Karen A. Jacks, CPA, CGMA
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Chanie A. Johnson, CPA

Independent Auditors' 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
Longview Independent School District
1301 E. Young
Longview, Texas 75602

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 Longview Independent School District, as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise Longview Independent School District's basic financial statements, and have issued our report thereon dated January 8, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Longview 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 Longview Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Longview 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 Longview 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.

Karen A. Jacks & Associates, P.C.

Karen A. Jacks & Associates, P.C.
Longview, Texas
January 8, 2020

KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

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Chanie A. Johnson, CPA

Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Longview Independent School District
1301 E. Young
Longview, Texas 75602

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Longview Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Longview Independent School District's major federal programs for the year ended August 31, 2019. Longview Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Longview Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Longview Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Longview Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Longview Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Report on Internal Control Over Compliance

Management of the Longview Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Longview Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Longview Independent School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Karen A. Jacks & Associates, P.C.

Karen A. Jacks & Associates, P.C.
Longview, Texas
January 8, 2020

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2019

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' 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

Internal control over major programs:

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

Type of auditors' report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: August 2019

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 No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
84.165	Magnet School Assistance

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2019

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
None.		

LONGVIEW INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2019

None required.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2019

EXHIBIT K-1
Page 1 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
CHILD NUTRITION CLUSTER:			
U. S. Department of Agriculture			
Passed Through State Department of Education:			
School Breakfast Program	10.553	00439	\$ 957,618
National School Lunch Program	10.555	00439	2,918,783
Total Passed Through State Department of Education			<u>3,876,401</u>
Passed Through Texas Department of Agriculture:			
Food Distribution (Non-cash)	10.555	00439	337,816
Total U. S. Department of Agriculture			<u>4,214,217</u>
Total Child Nutrition Cluster			<u>4,214,217</u>
SPECIAL EDUCATION (IDEA) CLUSTER:			
U. S. Department of Education			
Passed Through Texas Education Agency:			
IDEA-B Formula	84.027	186600010929036600	(13,284)
IDEA-B Formula	84.027	196600010929036600	1,578,579
IDEA-B Discretionary	84.027	196600110929036673	46,713
IDEA-B Formula	84.027	206600010929036600	118,034
Total CFDA Number 84.027			<u>1,730,042</u>
IDEA-B Preschool	84.173	186610010929036610	(176)
IDEA-B Preschool	84.173	196610010929036610	25,603
Total CFDA Number 84.173			<u>25,427</u>
Total Passed Through Texas Education Agency			<u>1,755,469</u>
Total U. S. Department of Education			<u>1,755,469</u>
Total Special Education (IDEA) Cluster			<u>1,755,469</u>
OTHER PROGRAMS:			
U. S. Department of Education			
Direct Program:			
Magnet School Assistance	84.165	N/A	4,487,286
Passed Through Texas Education Agency:			
ESEA Title I Part D Subpart 2	84.010	18610103092903	(412)
School Transformation Funding	84.010	196101427110012	187,043
School Transformation Funding	84.010	196101427110013	176,073
ESEA Title I Part A - Improving Basic Programs	84.010	18610101092903	(16,955)
School Transformation Grant	84.010	18610103092903	(225)
ESEA Title I Part A - Improving Basic Programs	84.010	19610101092903	2,764,028
ESEA Title I Part D Subpart 2	84.010	19610103092903	51,351
ESEA Title I Part A - Improving Basic Programs	84.010	20610101092903	70,757
Total CFDA Number 84.010			<u>3,231,660</u>
Career and Technical - Basic Grant	84.048	19420006092903	113,224
Steam Public Charter Schools	84.282	175900087110011	263,070
Montessori Public Charter School	84.282	175900087110010	7,421
Montessori Public Charter School	84.282	175900087110010	245,646
Total CFDA Number 84.282			<u>516,137</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2019

EXHIBIT K-1
Page 2 of 2

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Federal Expenditures
Title III Part A - ELA	84.365	18671001092903	(1,480)
Title III Part A - ELA	84.365	19671001092903	121,373
Title III Part A - ELA	84.365	20671001092903	922
Total CFDA Number 84.365			<u>120,815</u>
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367	18694501092903	(2,985)
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367	19694501092903	338,361
Total CFDA Number 84.367			<u>335,376</u>
Summer School LEP	84.369	69551602	7,510
Title IV, Part A, Subpart 1	84.424	18680101092903	(162)
Title IV, Part A, Subpart 1	84.424	19680101092903	162,958
Title IV, Part A, Subpart 1	84.424	20680101092903	66,352
Total CFDA Number 84.424			<u>229,148</u>
Total Passed Through Texas Education Agency			<u>4,553,870</u>
Total U. S. Department of Education			<u>9,041,156</u>
<u>U. S. Department of Defense</u>			
Direct Program:			
ROTC	12.000	N/A	75,545
Total U. S. Department of Defense			<u>75,545</u>
<u>U. S. Department of Agriculture</u>			
Passed Through State Department of Agriculture:			
Child and Adult Care Food Program	10.558	00439	155,224
Total U. S. Department of Agriculture			<u>155,224</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 15,241,611</u>

The accompanying notes are an integral part of this schedule.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2019

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Longview Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Longview Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note C - Reconciliation of Schedule of Expenditures of Federal Awards to Total Federal Revenues

The accompanying schedule of expenditures of federal awards (SEFA) does not include certain amounts that are federal source revenues but are not considered "federal financial assistance" for SEFA reporting purposes. A reconciliation follows:

Total Federal Expenditures, Exhibit K-1	\$ 15,241,611
Other Federal Revenue Sources:	
School Health and Related Services (SHARS)	1,507,776
Qualified School Construction Bonds Interest Subsidy	<u>387,684</u>
Total Federal Revenue, Exhibit C-2	<u>\$ 17,137,071</u>

Note D - Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At August 31, 2019, the District had food commodities totaling \$216,900 in inventory.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2019

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?	\$ 205,095
SF11	Net Pension Assets (object 1920) at fiscal year-end.	\$ --
SF12	Net Pension Liabilities (object 2540) at fiscal year-end.	\$ 23,885,583
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."

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