

LONGVIEW  
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2022



Longview Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2022

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## Introductory Section

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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, 2022, at a meeting of the board of trustees of such school district on the 25<sup>th</sup> day of January, 2023.

Shandreka Bauer  
Signature of Board Assistant Secretary

Michael Tubb  
Signature of Board President

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

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Financial Section

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Glenda J. Hiers, CPA  
Richard A. Rudel, CPA  
Yvette Sidnell, CPA  
Jennifer L. Webster, CPA  
Susan L. Murrell, CPA  
Brenda A. Johnson



4000 S. Medford Drive  
Lufkin, Texas 75901

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Wilbur E. Alexander, CPA  
(1940-2009)  
Ted A. Lankford, CPA  
(Retired)

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Longview Independent School District  
Longview, Texas

### Report on the Audit of Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Longview Independent School District (the District) as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022 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.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Change in Accounting Principle*

As described in the notes to the financial statements, in fiscal year 2022, the District adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to that matter.

## INDEPENDENT AUDITOR'S REPORT - CONTINUED

### Report on the Audit of Financial Statements - Continued

#### *Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Longview Independent School District's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

## INDEPENDENT AUDITOR'S REPORT - CONTINUED

### Report on the Audit of Financial Statements – Continued

#### *Auditor's Responsibilities for the Audit of the Financial Statements - Continued*

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information on pages 6 through 12 and 46 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Longview Independent School District's basic financial statements. The introductory and other supplementary information sections, which include the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 introductory and other supplementary information sections, including the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**INDEPENDENT AUDITOR'S REPORT - CONTINUED**

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2023 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 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 Longview Independent School 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.

*Alexander, Lankford & Hiers, Inc.*

ALEXANDER, LANKFORD & HIERS, INC.  
Certified Public Accountants

Lufkin, Texas  
January 24, 2023

## 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, 2022. This section of the annual financial report should be considered in conjunction with the District's financial statements, which follow this section

### FINANCIAL HIGHLIGHTS

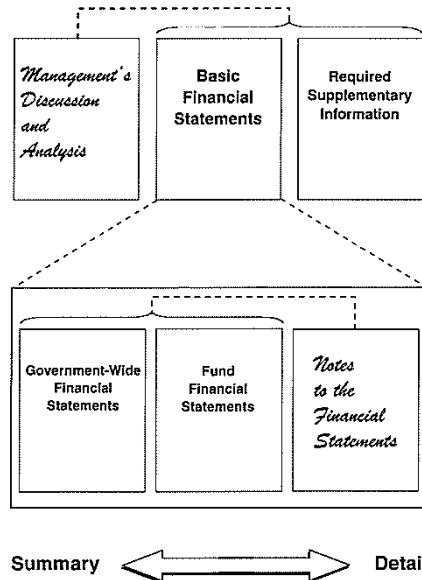
- The District's total combined Government-wide net position, increased \$25+ million to \$135,281,071 at 8/31/22.
- The District's Governmental Funds balance was \$79,207,503, an increase of \$0,003,277 at 8/31/22. The District reported Unassigned General Fund balance of \$46,639,344 for the same year ending.
- The District's total combined Government-wide Program and General Revenues increased from \$146.171 to \$148.467 million for fiscal year ending 8/31/22.

### 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.

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

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	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 * Statement of activities	* Balance sheet * Statement of revenues, expenditures & changes in fund balances	* Statement of net position * Statement of revenues, expenses and changes in fund net position * Statement of cash flows	* Statement of fiduciary net position * 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

**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.



- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. 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. 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

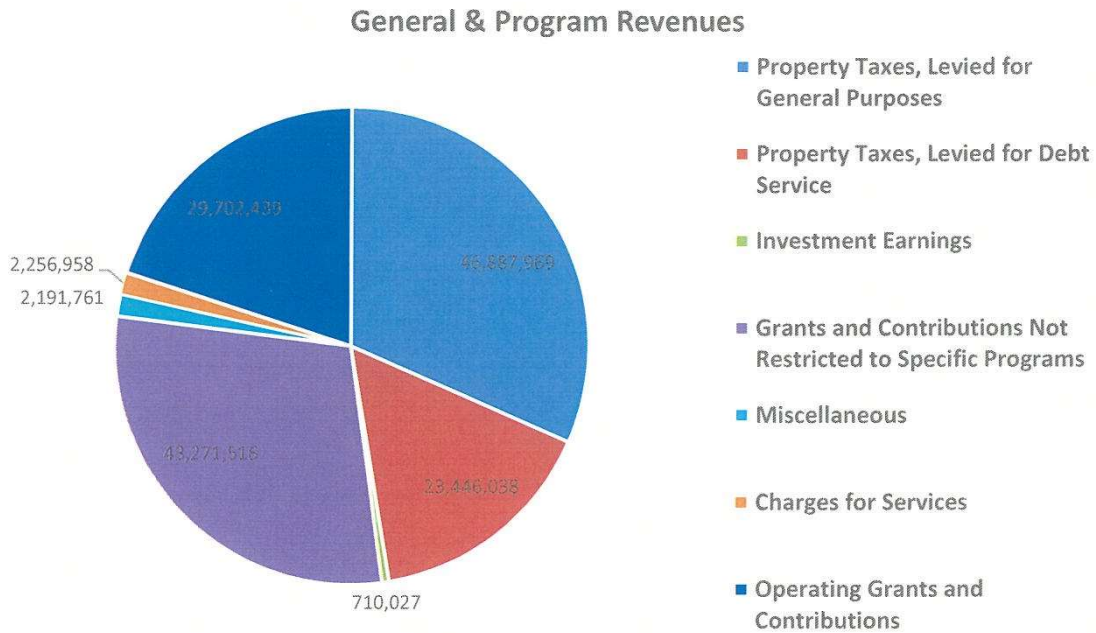
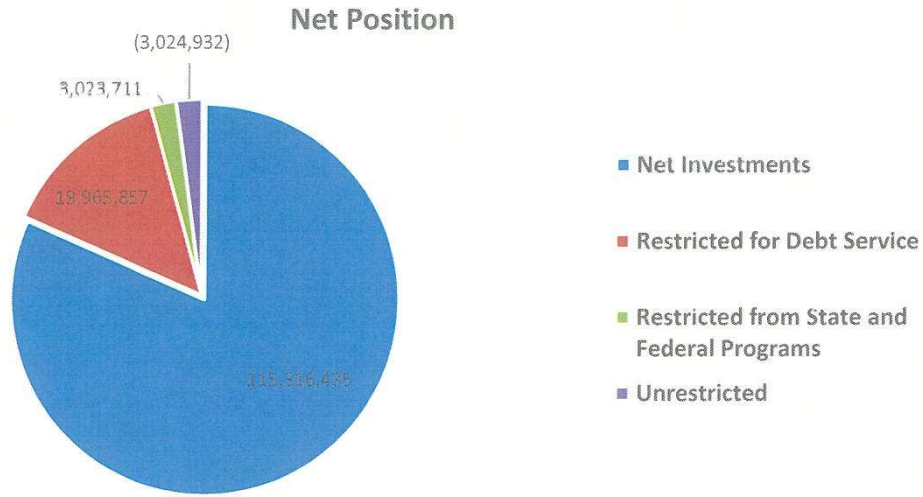
Net position. The District's combined net position was \$135,281,071 at 8/31/22. (See Table A-1).

**Table A-1**  
**Longview Independent School District's Net Position**  
*(In millions of dollars)*

Governmental Activities			Percentage
	<u>2021</u>	<u>2022</u>	Change <u>2021-22</u>
<b>Current Assets:</b>			
Cash and Cash Equivalents	41.547	41.782	0.57%
Current Investments	14.120	19.478	37.95%
Property Taxes Receivable	4.058	3.992	-1.63%
Due from Other Governments	17.656	22.000	24.60%
Accrued Interest	.017	0.069	305.88%
Other Receivables	2.073	2.941	41.87%
Inventories at cost	.430	0.520	20.50%
Prepaid Items	.128	0.021	-83.59%
<b>Total Current Assets</b>	<b>80.038</b>	<b>90.812</b>	<b>13.46%</b>
<b>Noncurrent Assets:</b>			
Bldg., Furn. & Eqmt., CIP, net	253.899	249.690	-1.66%
Long-Term Investments	6.598	7.173	8.715%
Land	14.705	20.340	38.32%
<b>Total Noncurrent Assets</b>	<b>275.202</b>	<b>277.202</b>	<b>0.73%</b>
<b>Total Assets</b>	<b>355.240</b>	<b>368.015</b>	<b>3.60%</b>
<b>Total Deferred Outflows of Resources</b>			
	<b>29.186</b>	<b>31.372</b>	<b>7.49%</b>
<b>Current Liabilities:</b>			
Accounts Payable and			
Accrued Liabilities	7.947	12.845	61.63%
Bonds and Notes Payable	14.557	11.814	-18.84%
Due to Other Governments	1.839	1.970	7.123%
Unearned Revenue	0.378	0.642	69.84%
<b>Total Current Liabilities</b>	<b>24.721</b>	<b>27.271</b>	<b>10.32%</b>
<b>Long-term Liabilities:</b>			
Bonds and Notes Payable	165.326	152.049	-8.03%
Net Pension and OPEB Liabilities	56.840	45.772	-19.472%
<b>Total Liabilities</b>	<b>246.887</b>	<b>225.092</b>	<b>-8.828%</b>
<b>Total Deferred Inflows of Resources</b>			
	<b>27.841</b>	<b>39.014</b>	<b>40.13%</b>
<b>Net Position:</b>			
Net investment in Capital Assets	98.749	115.316	16.78%
Restricted	18.589	22.989	23.67%
Unrestricted	-7.639	-3.024	-60.41%
<b>Total Net Position</b>	<b>109.699</b>	<b>135.281</b>	<b>23.32%</b>

Restricted Net Position is dedicated to various uses, namely: debt service, state and federal programs, capital projects, and campus activities. The unrestricted net position deficit of (\$3,024,932) is primarily due to reporting the net pension and OPEB liabilities in accordance with GASB 68 and GASB 75. Those liabilities are reported in the governmental activities; however, the actual liabilities do not require the use of current resources at the fund level.

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



**Governmental Activities**

- The District's Receivable from Other Governments increased \$4.344 million as a result of continued ESSER funding, days of instruction in August, and amounts owed the District from other Federal grants.
- The District's Other Receivable increase of \$868,018 was attributed to the net receivable from the settlement and a decrease in the charter receivable. See footnote P in the notes to the financial statements for more information.

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

Governmental Activities	2021	2022	Percentage Change 2021-22
<b>Program Revenues.</b>			
Charges for Services	1.883	2.257	19.86%
Grants and Contributions	32.806	29.702	-9.46%
<b>General Revenues</b>			
Property Taxes	68.204	70.334	3.12%
State Aid	41.677	43.272	3.83%
Investment Earnings	.641	0.710	10.76%
Other	0.961	2.192	128.10%
<b>Total Revenues</b>	<b>146.171</b>	<b>148.467</b>	<b>1.57%</b>
<b>Expenses:</b>			
Instruction	67.933	67.197	-1.08%
Instructional Resources and Media Services	0.751	0.581	-22.64%
Curriculum Dev. and Instructional Staff Dev.	1.351	1.001	-25.91%
Instructional Leadership	4.005	3.687	-7.94%
School Leadership	5.351	5.215	-2.54%
Guidance, Counseling and Evaluation Services	4.001	3.474	-13.17%
Social Work Services	0.072	0.075	4.17%
Health Services	1.566	1.247	-20.37%
Student (Pupil) Transportation	3.980	4.326	8.69%
Food Services	5.128	5.560	8.42%
Curricular/Extracurricular Activities	2.982	3.392	13.75%
General Administration	3.350	3.631	8.39%
Plant Maintenance & Oper.	11.237	12.835	14.22%
Security & Monitoring Svcs.	0.871	0.975	11.94%
Data Processing Services	1.360	1.359	-0.74%
Community Services	1.426	1.552	8.84%
Debt Service	5.190	4.652	-10.37%
Bond Issuance Costs	0.892	0.864	-3.14%
Facilities Acquisition and Construction	0.000	0.001	NA
Other Intergovernmental Charges	0.932	1.010	8.37%
<b>Total Expenses</b>	<b>122.378</b>	<b>122.635</b>	<b>0.21%</b>
Excess Before Special Items	23.793	25.832	85.70%
Special Items	0.000	-0.250	NA
<b>Increase (Decrease) in Net Position</b>	<b>23.793</b>	<b>25.582</b>	<b>7.52%</b>
Beginning Net Position	85.906	109.699	27.70%
Prior Period Adjustment	-	-	-
<b>Ending Net Position</b>	<b>109.699</b>	<b>135.281</b>	<b>23.32%</b>

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 \$122,634,283.
- The amount received from taxpayers for these activities was \$70,334,007
- Some of the cost was paid by those who directly benefited from the programs, totaling \$2,256,958, or by grants and contributions totaling \$29,702,439.

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

	Total Cost of Services			Net Cost of Services		
	<u>2021</u>	<u>2022</u>	<u>% Change</u>	<u>2021</u>	<u>2022</u>	<u>% Change</u>
Instruction	70.035	68.779	-1.79%	48.674	50.089	2.91%
School Administration	9.356	8.902	-4.85%	6.783	7.128	5.09%
Student Support Services	17.729	18.074	1.95%	9.888	10.160	2.75%
Plant Maintenance & Operations	11.237	12.835	14.22%	9.886	10.696	8.19%

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

### General Fund Budgetary Highlights

The difference in the original and final budget amounts for expenditures was \$20,653,479. Several projects conducted throughout the year were not planned while creating the budget. The district increased the budget during the year to accommodate additional renovations projects, a land purchase and bus a purchase that resulted in this increase in the budget. Actual expenditures were \$8,506,049 below final budgeted amount. During the year, certain budget amendments were passed to address changes in planned expenditures for the District. Some projects were not complete at 8/31/22 and some expenditures were much as anticipated resulting in budgeted funds not being used.

Revenues generated were \$10,582,359 above the final budgeted amount. The positive variance is attributed to TEA's hold harmless for low attendance rates which are still affected by prolonged Covid impacts. Local tax contributions hit a historic high with a 13% increase from the previous year. Playing for Keeps received unexpected Covid relief funding. The District also received increased funding in its Career and Technology allotment.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2022, the District had invested \$270,029,783 in a broad range of capital assets, including land, equipment, buildings, and vehicles, and right to use lease assets. Right to Use Leases is an addition due to the required implementation of GASB 87. (See Table A-4) This amount represents a net increase (including additions and deductions) of \$1,425,308 or +0.53% over the prior year.

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

	Governmental Activities		Total Percentage Change 2021-2022
	2021	2022	
Land	14,705	20,340	38.32%
Buildings and improvements	326,230	329,709	1.07%
Vehicles	7,597	7,650	0.70%
Equipment	20,363	21,519	5.68%
Construction in progress	.075	0.000	100%
Right to use assets/equipment	0.000	0.928	NA
Totals at historical cost	<u>368,970</u>	<u>380,146</u>	<u>3.03%</u>
Total accumulated depreciation and amortization	100,365	110,116	9.72%
Net capital assets	<u>268,605</u>	<u>270,030</u>	<u>0.53%</u>

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

**Long Term Obligations**

At year-end the District had \$164,118,528 in long term obligations outstanding as shown in Table A-5. The addition of Leases is a result of the required implementation of GASB 87. Prior to this implementation, leases were accounted for as operating leases. More detailed information about the District's debt is presented in the notes to the financial statements.

**Bond Ratings**

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

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

	Governmental Activities		Total Percentage Change 2021-22
	2021	2022	
Bonds Payable	157,160	142,950	-9.04%
Maintenance Tax Note	.347	0.000	100.000%
Accreted Interest on CABs	.238	0.256	7.56%
Premiums on Issue of Bonds	13,501	11,304	-16.27%
QSC Bonds	8,875	8,875	0.000%
Leases	0.000	0.733	NA
Total Bonds and Notes Payable	<u>180,121</u>	<u>164,118</u>	<u>-8.88%</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The 2022-23 General Operating adopted budget totaled \$92,214,401, a decrease of \$6,457,780 from the 2021-2022 final budget. This is mainly due to anticipating less in maintenance projects and trying to reduce costs. Most districts were left to guess concerning their ADA projections. The District set the 2022-23 M&O tax rate at \$0.8546 and the I&S rate at \$0.4730. Also, the total certified valuation of all taxable property for the 22-23 budgets increased. Based on current U.S. economic conditions we anticipate slower property growth but increased investment earnings.

**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.

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## Basic Financial Statements

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2022**

Data Control Codes	1	Governmental Activities
<b>ASSETS:</b>		
1110	Cash and Cash Equivalents	\$ 41,781,698
1120	Current Investments	19,477,690
1225	Property Taxes Receivable, Net	3,992,068
1240	Due from Other Governments	21,999,900
1250	Accrued Interest	69,309
1290	Other Receivables, Net	2,041,225
1300	Inventories	529,270
1410	Prepaid Items	20,896
	Capital Assets:	
1510	Land	20,340,293
1520	Buildings and Improvements, Net	238,112,572
1530	Furniture and Equipment, Net	10,867,566
1550	Right to Use Assets, Net	709,352
1910	Long-Term Investments	7,172,851
1000	Total Assets	<u>368,014,690</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
	Deferred Charge on Refundings	9,405,180
	Deferred Outflows Related to Pensions	11,912,131
	Deferred Outflows Related to OPEB	10,054,435
1700	Total Deferred Outflows of Resources	<u>31,371,746</u>
<b>LIABILITIES:</b>		
2110	Accounts Payable	7,034,139
2140	Interest Payable	519,293
2165	Accrued Liabilities	5,291,548
2180	Due to Other Governments	1,970,470
2300	Unearned Revenue	641,762
	Noncurrent Liabilities:	
2501	Due Within One Year	11,813,740
2502	Due in More Than One Year	152,048,892
2540	Net Pension Liability	14,035,320
2545	Net OPEB Liability	31,736,521
2000	Total Liabilities	<u>225,091,685</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
	Deferred Inflows Related to Pensions	15,132,601
	Deferred Inflows Related to OPEB	23,881,079
2600	Total Deferred Inflows of Resources	<u>39,013,680</u>
<b>NET POSITION:</b>		
3200	Net Investment in Capital Assets	115,316,435
	Restricted For:	
3820	Federal and State Programs	3,023,711
3850	Debt Service	19,965,857
3900	Unrestricted	(3,024,932)
3000	Total Net Position	<u>\$ 135,281,071</u>

The accompanying notes are an integral part of this statement.



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Position
		Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 67,197,191	\$ 1,313,542	\$ 16,387,189	\$ (49,496,460)
12	Instructional Resources and Media Services	580,568	1,350	206,466	(372,752)
13	Curriculum and Staff Development	1,001,556	3,914	777,758	(219,884)
21	Instructional Leadership	3,686,638	8,101	1,516,074	(2,162,463)
23	School Leadership	5,215,016	59,058	190,058	(4,965,900)
31	Guidance, Counseling, and Evaluation Services	3,474,041	9,932	860,674	(2,603,435)
32	Social Work Services	74,678	265	1,765	(72,648)
33	Health Services	1,247,070	4,255	61,791	(1,181,024)
34	Student Transportation	4,326,168	13,370	132,412	(4,180,386)
35	Food Service	5,560,379	287,901	5,946,238	673,760
36	Cocurricular/Extracurricular Activities	3,391,500	446,966	147,834	(2,796,700)
41	General Administration	3,630,917	12,814	99,863	(3,518,240)
51	Facilities Maintenance and Operations	12,834,979	41,573	2,097,618	(10,695,788)
52	Security and Monitoring Services	974,778	18,274	157,859	(798,645)
53	Data Processing Services	1,359,878	4,051	33,202	(1,322,625)
61	Community Services	1,551,828	31,592	337,485	(1,182,751)
72	Interest on Long-term Debt	4,651,671	--	748,153	(3,903,518)
73	Bond Issuance Costs and Fees	864,048	--	--	(864,048)
81	Facilities Acquisition and Construction	1,240	--	--	(1,240)
99	Other Intergovernmental Charges	1,010,139	--	--	(1,010,139)
TG	Total Governmental Activities	<u>122,634,283</u>	<u>2,256,958</u>	<u>29,702,439</u>	<u>(90,674,886)</u>
TP	Total Primary Government	<u>\$ 122,634,283</u>	<u>\$ 2,256,958</u>	<u>\$ 29,702,439</u>	<u>(90,674,886)</u>
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				46,887,969
DT	Property Taxes, Levied for Debt Service				23,446,038
IE	Investment Earnings				710,027
GC	Grants and Contributions Not Restricted to Specific Programs				43,271,516
MI	Miscellaneous				2,191,761
	Special Items:				
S1	Special Items				(250,000)
TR	Total General Revenues and Special Items				<u>116,257,311</u>
CN	Change in Net Position				25,582,425
NB	Net Position - Beginning				109,698,646
NE	Net Position - Ending				<u>\$ 135,281,071</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**AUGUST 31, 2022**

Data Control Codes	10	General Fund	ESSER III of the ARP Act
<b>ASSETS:</b>			
1110	Cash and Cash Equivalents	\$ 31,009,247	\$ --
1120	Current Investments	14,542,290	--
1225	Taxes Receivable, Net	2,763,402	--
1240	Due from Other Governments	3,158,764	7,919,794
1250	Accrued Interest	13,836	--
1260	Due from Other Funds	17,204,778	--
1290	Other Receivables, Net	2,934,641	--
1300	Inventories	63,662	--
1410	Prepaid Items	16,432	--
1000	Total Assets	<u>\$ 71,697,052</u>	<u>\$ 7,919,794</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110	Accounts Payable	\$ 6,362,838	\$ 25,144
2150	Payroll Deductions and Withholdings	2,349	--
2160	Accrued Wages Payable	3,633,542	264,930
2170	Due to Other Funds	309	7,629,720
2180	Due to Other Governments	1,970,470	--
2200	Accrued Expenditures	893,685	--
2300	Unearned Revenue	85,920	--
2000	Total Liabilities	<u>12,949,113</u>	<u>7,919,794</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
	Unavailable Property Tax Revenue	2,610,802	--
2600	Total Deferred Inflows of Resources	<u>2,610,802</u>	<u>--</u>
<b>FUND BALANCES:</b>			
Nonspendable Fund Balances:			
3410	Inventories	63,662	--
3430	Prepaid Items	16,432	--
Restricted Fund Balances:			
3450	Federal/State Funds Grant Restrictions	--	--
3480	Retirement of Long-Term Debt	--	--
Committed Fund Balances:			
3545	Other Committed Fund Balance	--	--
Assigned Fund Balances:			
3590	Other Assigned Fund Balance	9,417,699	--
3600	Unassigned	46,639,344	--
3000	Total Fund Balances	<u>56,137,137</u>	<u>--</u>
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 71,697,052</u>	<u>\$ 7,919,794</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-1

50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 7,730,703	\$ 3,041,748	\$ 41,781,698
12,108,251	--	26,650,541
1,238,666	--	3,992,068
1,387	10,919,955	21,999,900
55,473	--	69,309
--	309	17,205,087
--	6,584	2,941,225
--	465,608	529,270
--	4,464	20,896
<u>\$ 21,134,480</u>	<u>\$ 14,438,668</u>	<u>\$ 115,189,994</u>
\$ --	\$ 646,157	\$ 7,034,139
--	--	2,349
--	488,122	4,386,594
--	9,575,058	17,205,087
--	--	1,970,470
--	8,920	902,605
--	555,842	641,762
<u>--</u>	<u>11,274,099</u>	<u>32,143,006</u>
1,168,623	--	3,779,425
<u>1,168,623</u>	<u>--</u>	<u>3,779,425</u>
--	465,608	529,270
--	4,464	20,896
--	2,558,103	2,558,103
19,965,857	--	19,965,857
--	136,394	136,394
--	--	9,417,699
--	--	46,639,344
<u>19,965,857</u>	<u>3,164,569</u>	<u>79,267,563</u>
<u>\$ 21,134,480</u>	<u>\$ 14,438,668</u>	<u>\$ 115,189,994</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2022**

Total fund balances - governmental funds balance sheet	\$ 79,267,563
Amounts reported for governmental activities in the Statement of Not Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	270,029,783
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	3,779,425
Payables for bond principal which are not due in the current period are not reported in the funds.	(151,825,000)
Payables for right-to-use leases which are not due in the current period are not reported in the funds.	(733,404)
Payables for bond interest which are not due in the current period are not reported in the funds.	(263,397)
The deferred charge for refunding is not recorded in the funds.	9,405,180
District's proportionate share of the collective net pension liability is not reported in the funds.	(14,035,320)
District's proportionate share of the collective deferred inflows of resources related to pension plans is not reported in the funds.	(15,132,601)
District's proportionate share of the collective deferred outflows of resources related to pension plans is not reported in the funds.	11,912,131
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(255,896)
Unamortized bond premiums are reported in the SNP but not in the funds.	(11,304,228)
District's proportionate share of the net OPEB liability is not reported in the funds.	(23,881,079)
District's proportionate share of the collective deferred inflows of resources related to the OPEB plan is not reported in the funds.	(31,736,521)
District's proportionate share of the collective deferred outflows of resources related to the OPEB plan is not reported in the funds.	<u>10,054,435</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 135,281,071</u>

The accompanying notes are an integral part of this statement.

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**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

Data Control Codes	10 General Fund	ESSEH III of the ARP Act
<b>REVENUES:</b>		
5700 Local and Intermediate Sources	\$ 51,350,108	\$ --
5800 State Program Revenues	47,041,281	--
5900 Federal Program Revenues	2,492,484	7,919,794
5020 Total Revenues	<u>100,883,873</u>	<u>7,919,794</u>
<b>EXPENDITURES:</b>		
Current:		
0011 Instruction	49,128,773	6,473,615
0012 Instructional Resources and Media Services	423,313	121,940
0013 Curriculum and Staff Development	294,119	24,140
0021 Instructional Leadership	2,511,730	--
0023 School Leadership	5,623,702	1,148
0031 Guidance, Counseling, and Evaluation Services	3,200,184	148,806
0032 Social Work Services	82,651	--
0033 Health Services	1,304,207	5,977
0034 Student Transportation	4,328,165	--
0035 Food Service	217,235	--
0036 Cocurricular/Extracurricular Activities	2,929,225	--
0041 General Administration	3,756,503	--
0051 Facilities Maintenance and Operations	11,611,200	1,075,041
0052 Security and Monitoring Services	872,807	--
0053 Data Processing Services	1,590,462	--
0061 Community Services	1,368,679	69,127
0071 Principal on Long-term Debt	540,086	--
0072 Interest on Long-term Debt	69,143	--
0073 Bond Issuance Costs and Fees	--	--
0081 Facilities Acquisition and Construction	9,041,728	--
0099 Other Intergovernmental Charges	1,010,139	--
6030 Total Expenditures	<u>99,904,051</u>	<u>7,919,794</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>979,822</u>	<u>--</u>
Other Financing Sources and (Uses):		
7913 Issuance of Leases	123,971	--
7915 Transfers In	31,299	--
7949 Insurance Recoveries	639,211	--
8911 Transfers Out	--	--
7080 Total Other Financing Sources and (Uses)	<u>794,481</u>	<u>--</u>
Special Items:		
7918 Special Item Source	1,000,000	--
8912 Special Item Use	(1,250,000)	--
1200 Net Change in Fund Balances	<u>1,524,303</u>	<u>--</u>
0100 Fund Balances - Beginning	54,612,834	--
3000 Fund Balances - Ending	<u>\$ 56,137,137</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-2

50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 23,691,358	\$ 791,798	\$ 75,833,264
358,403	548,241	47,947,925
389,750	18,358,532	29,160,560
<u>24,439,511</u>	<u>19,698,571</u>	<u>152,941,749</u>
--	9,577,503	65,179,891
--	78,104	623,357
--	699,710	1,017,969
--	1,445,370	3,957,100
--	156,553	5,781,403
--	468,780	3,817,770
--	1,015	83,666
--	70,757	1,380,941
--	67,803	4,395,968
--	5,096,739	5,313,974
--	91,162	3,020,387
--	24,348	3,780,851
--	450,576	13,136,817
--	132,854	1,005,661
--	12,160	1,602,622
--	243,377	1,681,183
14,210,000	1,515	14,751,601
6,795,521	591	6,865,255
3,371	--	3,371
--	--	9,041,728
--	--	1,010,139
<u>21,008,892</u>	<u>18,618,917</u>	<u>147,451,654</u>
 <u>3,430,619</u>	 <u>1,079,654</u>	 <u>5,490,095</u>
--	--	123,971
--	--	31,299
--	--	639,211
--	(31,299)	(31,299)
<u>--</u>	<u>(31,299)</u>	<u>763,182</u>
--	--	1,000,000
--	--	(1,250,000)
<u>3,430,619</u>	<u>1,048,355</u>	<u>6,003,277</u>
 <u>16,535,238</u>	 <u>2,116,214</u>	 <u>73,264,286</u>
<u>\$ 19,965,857</u>	<u>\$ 3,164,569</u>	<u>\$ 79,267,563</u>

**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, 2022**

Net change in fund balances - total governmental funds	\$ 6,003,277
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	10,090,652
The depreciation/amortization of capital assets, including right-to-use assets, used in governmental activities is not reported in the funds.	(10,081,853)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(15,728)
Certain property tax revenues are unavailable; therefore they are deferred inflows of resources in the funds. This is the change in these amounts this year.	35,669
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	14,210,000
Repayment of right-to-use lease principal is an expenditure in the funds but is not an expense in the SOA.	194,604
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	347,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(860,677)
The accretion of interest on capital appreciation bonds is not reported in the funds.	(17,638)
Amount represents the (increase) decrease in accrued interest from beginning of period to end of period.	34,690
Bond premiums are reported in the funds but not in the SOA.	2,196,529
Proceeds of lease payables do not provide revenue in the SOA, but are reported as current resources in the funds.	(123,971)
Pension contributions made after the measurement date, August 31, 2021 are required to be reported as deferred outflows of resources in the SOA.	3,205,418
District's recognition of its proportional share of the collective net pension expense is recorded in the SOA, but not in the funds.	(1,849,627)
OPEB contributions made after the measurement date, August 31, 2021, are required to be reported as deferred outflows of resources in the SOA.	786,214
District's recognition of its proportional share of the collective net OPEB expense is recorded in the SOA, but not in the funds.	<u>799,666</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 25,582,425</u>

The accompanying notes are an integral part of this statement.



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2022

Data Control Codes		Custodial Funds
	<b>ASSETS:</b>	
1110	Cash and Cash Equivalents	\$ 223,960
1000	Total Assets	223,960
	<b>LIABILITIES:</b>	
2000	Total Liabilities	--
	<b>NET POSITION:</b>	
3800	Restricted for Other Purposes	223,960
3000	Total Net Position	\$ 223,960

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	Custodial Funds
<b>ADDITIONS:</b>	
Other Revenue - Student Activities	\$ 540,558
Total Additions	<u>540,558</u>
<b>DEDUCTIONS:</b>	
Student Activity Expense	520,268
Total Deductions	<u>520,268</u>
<b>Change in Fiduciary Net Position</b>	20,290
Net Position-Beginning of the Year	<u>203,670</u>
Net Position-End of the Year	<u>\$ 223,960</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, 2022

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.

ESSER III of the ARP Act (ESSER III): This fund accounts for the federal stimulus funds from the Elementary and Secondary Emergency Relief (ESSER) Fund received through the American Rescue Plan (ARP) Act of 2021.

Debt Service: This fund accounts for the resources accumulated for the repayment of debt.

In addition, the District reports the following fund types:

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2022

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 financing through leases are reported as other financing sources.

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

3. Financial Statement Amounts

a. 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 was \$465,652 at August 31, 2022.

b. Inventories and Prepaid Items

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

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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 asset 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
Furniture and equipment	5 - 10
Right-to-use assets - equipment	4 - 5

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.

For the year ended August 31, 2022, the District has items that qualify for reporting as deferred outflows of resources and deferred inflows of resources. The District reports the deferred outflows and deferred inflows related to the Teacher Retirement System of Texas (TRS) net pension and net OPEB liabilities only on the government-wide Statement of Net Position. Those items are detailed in Notes L and M. The deferred charge on refundings is related to the refunding bonds issues in 2015, 2016, 2017, and 2020. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. On the governmental funds balance sheet, the unavailable property tax revenue is reported as a deferred inflow of resources. This revenue is recognized in the period in which the revenue becomes available.

e. **Receivable and Payable Balances**

The District believes that sufficient detail of receivable and payable balances is not provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, disclosure is provided to disaggregate significant balances in Note F.

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

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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.

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those 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. Leases

The District is the lessee for noncancelable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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

k. Net Position Flow Assumption

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

l. Fund Balance Flow Assumptions

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

4. Pensions

The fiduciary net position of the TRS pension 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 pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS' fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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5. Other Post Employment Benefits

The fiduciary net position of the TRS OPEB plan, known as TRS-Care, 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 implemented the following new standard. The applicable provisions of the new standard are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

*GASB Statement No. 87, Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain leases assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Deposits and Investments

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

1. Cash Deposits:

At August 31, 2022, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$63,716,760 and the bank balance was \$64,172,480. The District's cash deposits at August 31, 2022 were entirely covered by FDIC insurance, pledged collateral or letters of credit held by the District's agent bank in the District's name.



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2. Investments:

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

The PFIA requires a review of investment practices and controls over investments to be performed in conjunction with the annual financial audit. The District is in compliance with the requirements of the PFIA and with local policies.

The PFIA 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, and 11) interest-bearing deposits.

The District's investments at August 31, 2022 are shown below.

Investment or Investment Type	Maturity	Fair Value
<u>Debt Securities:</u>		
Government Sponsored Enterprises:		
Federal Agric Mtg Corp Medium Term NTS F (Level 1)	5/2/2024	\$ 4,935,400
<u>Deposits:</u>		
Non-negotiable Certificates of Deposits		21,715,141
Total Investments		<u>\$ 26,650,541</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 deposit and 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. The District's investment policy does not limit its investments based on credit rating. The Federal Agric Mtg Corp Medium Term NTS F is unrated.

b. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy does not limit the amount it may invest in any one issuer. At August 31, 2022, one hundred percent of the District's investments, excluding non-negotiable certificates of deposit, was in Federal Agric Mtg Corp Medium Term NTS F.

c. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy does not limit investment maturities. Maturities of debt securities are shown in the table above.

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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.

The District categorizes its fair value measurement within the fair value hierarchy established by GAAP. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value. It established a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities. Those three levels are as follows:

Level 1 inputs are quoted prices (adjusted) for identical assets and liabilities in active markets that the government can access at the measurement date.

Level 2 inputs are inputs (other than quoted prices with Level 1) that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value is measured using inputs from more than one level of the hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

D. Capital Assets

Capital asset activity for the year ended August 31, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated/amortized:				
Land	\$ 14,705,295	\$ 5,634,998	\$ --	\$ 20,340,293
Construction in progress	74,850	3,405,490	3,480,340	--
Total capital assets not being depreciated/amortized	<u>14,780,145</u>	<u>9,040,488</u>	<u>3,480,340</u>	<u>20,340,293</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	326,229,610	3,480,340	1,172	329,708,778
Furniture and equipment	20,362,755	1,203,002	47,073	21,518,684
Vehicles	7,596,923	331,191	278,514	7,649,600
Right-to-use assets - equipment	--	928,008	--	928,008
Total capital assets being depreciated/amortized	<u>354,189,288</u>	<u>5,942,541</u>	<u>326,759</u>	<u>359,805,070</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(84,098,624)	(7,497,582)	--	(91,596,206)
Furniture and equipment	(12,519,021)	(1,818,924)	(47,073)	(14,290,872)
Vehicles	(3,747,313)	(526,491)	(263,958)	(4,009,846)
Right-to-use assets - equipment	--	(218,656)	--	(218,656)
Total accumulated depreciation/amortization	<u>(100,364,958)</u>	<u>(10,061,653)</u>	<u>(311,031)</u>	<u>(110,115,580)</u>
Total capital assets being depreciated/amortized, net	<u>253,824,330</u>	<u>(4,119,112)</u>	<u>15,728</u>	<u>249,689,490</u>
Governmental activities capital assets, net	<u>\$ 268,604,475</u>	<u>\$ 4,921,376</u>	<u>\$ 3,496,068</u>	<u>\$ 270,029,783</u>

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Depreciation/amortization was charged to functions as follows:

Instruction	\$ 7,815,026
Instructional Resources and Media Services	7,328
Curriculum and Staff Development	6,262
Guidance, Counseling, & Evaluation Services	1,729
Health Services	2,405
Student Transportation	503,808
Food Services	440,720
Extracurricular Activities	533,341
General Administration	75,172
Plant Maintenance and Operations	410,183
Security and Monitoring Services	27,975
Data Processing Services	229,776
Community Services	1,928
	<u>\$ 10,061,653</u>

**E. Interfund Balances and Activities**

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2022, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 9,575,058	Short-term advances
General Fund	ESSER III	7,629,720	Short-term advances
Other Governmental Funds	General Fund	309	Short-term advances
	Total	<u>\$ 17,205,087</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, 2022, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
Other Governmental Funds	General fund	<u>\$ 31,299</u>	Reimbursement of prior costs related to COVID-19

**F. Due to/Due From Other Governments**

Due from other governments consisted of the following at August 31, 2022:

	<u>General Fund</u>	<u>ESSER III</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Due from State - Foundation	\$ 9,018	\$ --	\$ --	\$ --	\$ 9,018
Due from State - Days of Instruction	3,077,996	--	--	--	3,077,996
Due from State - Grant programs	--	7,919,794	--	10,217,387	18,137,181
Due from State - EDA	--	--	1,387	--	1,387
Due from State - Other	20,034	--	--	--	20,034
Due from Federal Agencies	51,716	--	--	702,568	754,284
Total	<u>\$ 3,158,764</u>	<u>\$ 7,919,794</u>	<u>\$ 1,387</u>	<u>10,919,955</u>	<u>\$ 21,999,900</u>

At August 31, 2022, due to other governments consisted of the amount due to the State for foundation of \$1,970,470.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
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**G. 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, 2022, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 166,035,000	\$ --	\$ 14,210,000	\$ 151,825,000	\$ 11,590,000
Notes from Direct Borrowings and Direct Placements	347,000		347,000	--	
<b>Total bonds and notes</b>	<b>166,382,000</b>	<b>--</b>	<b>14,557,000</b>	<b>151,825,000</b>	<b>11,590,000</b>
Leases payable	--	928,008	194,604	733,404	223,740
Unamortized bond premiums	13,500,757	--	2,196,529	11,304,228	--
Accreted interest on CABs	238,258	17,638	--	255,896	--
<b>Total governmental activities</b>	<b>\$ 180,121,015</b>	<b>\$ 945,646</b>	<b>\$ 16,948,133</b>	<b>\$ 164,118,528</b>	<b>\$ 11,813,740</b>

Accreted interest on CABs is included in interest payable on the Statement of Net Position.

**2. Bonds Payable**

The following is a summary of bonds payable currently outstanding at August 31, 2022:

	Interest Rates	Maturity Date	Amount
Unlimited Tax Qualified School Construction Bonds, Series 2010	2% to 5%	2025	\$ 8,875,000
Unlimited Tax School Building Bonds, Series 2011 - CAB	2% to 5%	2038	180,000
Unlimited Tax Refunding Bonds, Series 2015	2% to 5%	2031	6,775,000
Unlimited Tax Refunding Bonds, Series 2016	2% to 5%	2031	42,980,000
Unlimited Tax Refunding Bonds, Series 2016A	2% to 5%	2036	40,395,000
Unlimited Tax Refunding Bonds, Series 2017	2% to 5%	2037	42,570,000
Unlimited Tax Refunding Bonds, Series 2020	2% to 5%	2024	10,050,000
<b>Total Bonds</b>			<b>\$ 151,825,000</b>

The Unlimited Tax Qualified School Construction Bonds, Series 2010 entitle the District to receive a subsidy payment from the federal government equal to 100% of the amount of each interest payment on these bonds. As a result of congressionally-mandated sequestration, the subsidy payments were reduced by 5.7% in fiscal year 2022. The total amount of subsidy payments received by the District for the year ended August 31, 2022 was \$389,750. The District is required to make mandatory payments of \$595,000 annually into a sinking fund which will be used to pay off the bonds at maturity. The amount deposited in accordance with the sinking fund requirements is \$7,172,851 at August 31, 2022 which is more than the required balance of \$7,090,000.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
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3. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2022, are as follows:

Year Ending August 31,	Governmental Activities	
	Bonds	
	Principal	Interest
2023	\$ 11,590,000	\$ 6,158,171
2024	12,175,000	5,571,171
2025	16,270,000	4,881,942
2026	7,845,000	4,417,913
2027	8,205,000	4,050,738
2028-2032	46,870,000	14,436,425
2033-2037	48,870,000	4,400,956
Totals	\$ 151,825,000	\$ 43,917,316

H. Leases

In prior years, the District entered into lease agreements with Xerox Corporation (Xerox) for the acquisition and use of copiers. During fiscal year 2022, the District entered into a new four year lease agreement with Xerox for the acquisition and use of copiers. An initial lease liability of \$123,971 was recorded for the new lease.

The leases with Xerox have interest rates that range from 10.0% to 10.5% and maturity dates ranging from October 2023 through July 2026. The District is required to make monthly principal and interest payments. The right-to-use assets associated with these leases are amortized over the terms of the leases. Amortization is included with depreciation and details of the right-to-use assets are shown in the capital asset footnote.

The future principal and interest lease payments as of August 31, 2022 are as follows:

Year Ending August 31,	Principal	Interest	Total
2023	\$ 223,740	\$ 65,832	\$ 289,572
2024	245,022	41,495	286,517
2025	231,721	15,630	247,351
2026	32,921	1,656	34,577
	\$ 733,404	\$ 124,613	\$ 858,017

I. Unearned Revenue

Governmental funds report resources that have been received but not yet earned in unearned revenue. At August 31, 2022, unearned revenue consisted of the following:

	General Fund	Other Governmental Funds	Total
Food commodities	\$ --	\$ 281,886	\$ 281,886
Grants	--	256,119	256,119
Other	85,920	17,837	103,757
Total	\$ 85,920	\$ 555,842	\$ 641,762

J. Fund Balance

At August 31, 2022, fund balance restricted for the retirement of bonded debt consisted of \$7,172,851 for the 2010 Qualified School Construction Bonds and \$12,793,006 for all other debt. The other committed fund balance of \$136,394 is for campus activity funds. The assigned fund balance in the general fund of \$8,152,957 includes allocations for transportation, technology, the District's compensation plan, safety, infrastructure needs and other essentials.

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**K. 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 2022, 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.

The District is a member of the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The District participates in the Property, Liability, Auto, and Unemployment Compensation Programs.

For the Property, Liability, and Auto programs, the Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves.

The Unemployment Compensation program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop-loss coverage for the Unemployment Compensation program members.

For the year ended August 31, 2022, the Fund anticipates that the District has no additional liability beyond the contractual obligations for payments of contributions for all programs in which it participates.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance.

The District is a participant, along with several other school districts, in the Texas Educational Insurance Association (the Association) for workers' compensation insurance. The Association is administered by Claims Administrative Services, Inc. A stop-loss amount is determined for each plan year based on the District's payroll in relation to the total payroll of all participants.

The accrued liability for workers' compensation self-insurance of \$506,920 includes incurred but not reported claims. This balance is included in accrued liabilities on the Statement of Net Position. Changes in the workers' compensation liability account are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Balance</u>	<u>Current Claims</u>	<u>Claim Payments</u>	<u>End of Year Balance</u>
2022	\$ 494,083	\$ 191,179	\$ 178,342	\$ 506,920
2021	402,723	218,024	126,664	494,083

**L. Pension Plan**

**1. Plan Description**

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

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All employees of public, state supported educational institutions in Texas who are employed for one-half or more of the standard workload 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 TRS' fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/Pages/about\\_publications.aspx](https://www.trs.texas.gov/Pages/about_publications.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701 2G98, or by calling (512) 542 6592.

3. Benefits Provided

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

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. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

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 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates	
	2021	2022
Member	7.7%	8.0%
Non-Employer Contributing Entity (State)	7.5%	7.75%
Employers	7.5%	7.75%
Employer Contributions (fiscal year)		\$ 3,205,418
Member Contributions (fiscal year)		5,054,161
NECE On-Behalf Contributions (measurement year)	\$ 3,246,304	

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).

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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 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 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- 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.

**5. Actuarial Assumptions**

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	1.95%
Last year ending August 31 in Projection Period	2120
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions, please see the actuarial valuation report dated November 9, 2020.

**6. Discount Rate**

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.



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Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 are summarized below:

Asset Class *	Target Allocation **	Long-Term Expected Arithmetic Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government Bonds	16.0%	(0.2)%	0.01%
Absolute Return	0.0%	1.1%	0.00%
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Real Return			
Real Estate	15.0%	4.5%	1.00%
Energy, Natural Resources and Infrastructure	6.0%	4.7%	0.35%
Commodities	0.0%	1.7%	0.00%
Risk Parity	8.0%	2.8%	0.28%
Asset Allocation Leverage			
Cash	2.0%	(0.7)%	(0.01)%
Asset Allocation Leverage	(6.0)%	(0.5)%	0.03%
Inflation Expectation			2.20%
Volatility Drag ****	-		(0.95)%
Expected Return	<u>100.0%</u>		6.90%

\* Absolute Return includes Credit Sensitive Investments.  
\*\* Target allocations are based on the FY2021 policy model.  
\*\*\* Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021)  
\*\*\*\* The volatility drag results from the conversion between arithmetic and geometric mean returns.

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7. Discount Rate Sensitivity Analysis

The following table presents the net pension liability of the plan using a discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability	\$ 30,669,403	\$ 14,035,320	\$ 540,031

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

At August 31, 2022, the District reported a liability of \$14,035,320 for its proportionate share of the TRS 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	\$ 14,035,320
State's proportionate share that is associated with District	<u>19,372,552</u>
Total	<u>\$ 33,407,872</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At August 31, 2021, the employer's proportion of the collective net pension liability was 0.0551129593 percent which was an increase (decrease) of 0.0050171688 percent from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2022, the District recognized pension expense of \$77,449 and revenue of \$77,449 for support provided by the State. The District also recognized their proportionate share of pension expense of \$1,849,627.

At August 31, 2022, 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 actuarial experience	\$ 23,488	\$ 988,098
Changes in actuarial assumptions	4,961,212	2,162,663
Difference between projected and actual investment earnings	--	11,768,434
Changes in proportion and difference between District's contributions and the proportionate share of contributions	3,722,013	213,406
Contributions paid to TRS subsequent to the measurement date	<u>3,205,418</u>	<u>--</u>
Total	<u>\$ 11,912,131</u>	<u>\$ 15,132,601</u>

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The not amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended <u>August 31,</u>	Pension Expense Amount
2022	\$ (936,386)
2023	(1,004,166)
2024	(2,022,949)
2025	(2,884,849)
2026	334,893
Thereafter	87,569

9. Payable to Pension Plan

At August 31, 2022, the District had a payable to the plan of \$984,369 for employee and employer legally required contributions for the month of August, which was paid in the subsequent month.

M. 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 with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. 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. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/Pages/about\\_publications.aspx](https://www.trs.texas.gov/Pages/about_publications.aspx); 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 health insurance coverage to retirees from public and 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 non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table.

	TRS-Care Monthly Premium Rates	
	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

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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 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public or charter school. 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	
	2021	2022
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%
Employer Contributions (fiscal year)		\$ 786,214
Member Contributions (fiscal year)		415,855
NECE On-Behalf Contributions (measurement year)	\$ 861,131	

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 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 \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers.

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

Rates of Mortality	Rates of Disability
Rates of Retirement	General Inflation
Rates of Termination	Wage Inflation

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the mortality projection scale MP-2018.

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Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
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.
Projected Salary Increases	3.05% to 9.05%, including inflation
Health Care Trend Rates	8.5% to 4.25%
Election Rates	Normal Retirement - 65% participation rate prior to age 65 and 40% participation rate after age 65. Pre-65 retirees - 25% are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.

6. Discount Rate

A single discount rate of 1.95 percent was used to measure the Total OPEB Liability. This was a decrease of 0.38 percent 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 used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2021 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact on the net OPEB liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (1.95%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (0.95%)	Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
District's proportionate share of net OPEB liability	\$ 38,281,558	\$ 31,736,521	\$ 26,585,365

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

At August 31, 2022, the District reported a liability of \$31,736,521 for its proportionate share of the TRS net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District.

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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	\$ 31,736,521
State's proportionate share that is associated with the District	42,519,866
<b>Total</b>	<b>\$ <u>74,256,387</u></b>

The net OPEB liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 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, 2020 thru August 31, 2021.

At August 31, 2021, the District's proportion of the collective net OPEB liability was 0.0822733861, which is an increase (decrease) of 0.0033302489 percent from its proportion measured as of August 31, 2020.

The following schedule shows the impact on the net OPEB liability if a healthcare trend rate that is 1 percent less than and 1 percent greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of net OPEB liability	\$ 25,705,531	\$ 31,736,521	\$ 39,828,613

**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:

- The discount rate was changed from 2.33 percent as of August 31, 2020 to 1.95 percent as of August 31, 2021. This change increased the total OPEB liability.

Changes of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2022, the District recognized OPEB expense of \$(1,569,308) and revenue of \$(1,569,308) for support provided by the State. The District also recognized their proportionate share of OPEB expense of \$(799,666).

At August 31, 2022, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,366,408	\$ 15,362,697
Changes in actuarial assumptions	3,515,192	6,711,687
Difference between projected and actual investment earnings	34,456	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	4,352,165	1,806,695
Contributions paid to TRS subsequent to the measurement date	786,214	--
<b>Total</b>	<b>\$ <u>10,054,435</u></b>	<b>\$ <u>23,881,079</u></b>

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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:

Measurement Year Ended August 31,	OPEB Expense Amount
2022	\$ (3,092,379)
2023	(3,093,156)
2024	(3,092,943)
2025	(2,257,553)
2026	(1,126,581)
Thereafter	(1,950,246)

9. Payable to OPEB Plan

At August 31, 2022, the District had a payable to the plan of \$127,560 for employee and employer legally required contributions for the month of August, which was paid in the subsequent month.

N. Employee Health Care Coverage

During the year ended August 31, 2022, employees of the District were covered by a health insurance plan (the Plan). The District is a member of TRS-ActiveCare, a statewide health insurance coverage plan for public school employees. It was established by Chapter 1579, "Texas School Employees Uniform Health Coverage Act", of the Texas Insurance Code. Employees can choose from PPO plans administered by Blue Cross and Blue Shield of Texas and CVS Caremark.

The District paid premiums of \$225 per month per employee. 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.

O. 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 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 fiscal year ended August 31, 2022, the subsidy payments received by TRS-Care on behalf of the District were \$258,017.

P. 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. Commitments

At August 31, 2022, the District has a remaining commitment to Schneider Electric for Phase 4 of the energy project in the amount of \$2,590,782.

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3. Litigation

Subsequent to August 31, 2022, the District reached a settlement in a lawsuit that stemmed from events that occurred during fiscal year 2022. The settlement amount of \$2,500,000 is included in accrued liabilities on the financial statements. The District's portion of this settlement is reported as a special item expenditure in the financial statements. The District has also recorded a receivable of \$1,250,000 for the other defendant's portion of the settlement based on the settlement division agreement and a receivable from insurance related to this litigation of \$1,000,000. Both receivables are included in other receivables. There is a pending lawsuit along with the potential for additional litigation stemming from the aforementioned events. It is the District's opinion that resolution of these matters will not have a material adverse effect on the financial condition of the District.

4. Charter Partnerships

The Texas Legislature passed Senate Bill 1882 which allows school districts to contract with partners to operate campuses as charter campuses. The District has three charter partners that operate the campuses of the District. Those partners are East Texas Advanced Academies, Texas Council for International Studies, and Longview Educates and Prospers. Each partner has a performance contract with the District that sets out the responsibilities of the partner and the District. TEA has approved each partner and the performance contracts.

The performance contracts are multi-year contracts and have various performance goals that are required to be met by certain timelines. The contracts set out the responsibilities of the partners and the District and address the allocation for funds as well as the calculation of funding. The workbook that reflects the funding computation is included as an Addendum in the original contract; however, it only covers the initial year so it is reviewed annually by the partners and the District. Each year the revenue earned and the actual costs for each partner is reconciled with the net difference being a receivable or payable. At August 31, 2022, the net difference for all three partners was a payable of \$394,684. This amount is included in accrued expenditures.

Q. 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 a 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>
Marshall ISD	\$ 12,232
Pine Tree ISD	66,777
Hallsville ISD	120,551
Kilgore ISD	53,774
White Oak ISD	66,777
Hughes Spring ISD	8,155
Carthage ISD	12,232
Tatum ISD	29,311
West Rusk ISD	29,311
New Diana ISD	58,622
Union Grove ISD	4,077
Mount Vernon ISD	33,388
Daingerfield ISD	16,309
Jefferson ISD	4,077
Mount Pleasant ISD	37,465
Pittsburg ISD	33,388
Elysian Fields ISD	4,077
Waskom ISD	4,077
Longview ISD	271,953
Total	\$ <u>866,553</u>



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2022

R. Risk and Uncertainties

The COVID-19 pandemic was ongoing during the fiscal year ended August 31, 2022. Measures taken by various governments to contain the virus have affected economic activity. Various safety and health measures have been implemented by the District to monitor and mitigate the effects of the virus on its students and employees. As of the date that these financial statements were available to be issued, the COVID-19 pandemic is ongoing in the United States as well as around the world. As the spread of COVID-19 continues, the potential impact is difficult to assess.

S. Adoption of New Standard

The District has adopted GASB Statement No. 87 which is described in Note A. Prior to the implementation of this statement, the District's leases were evaluated and treated as capital leases or operating leases. After the implementation of this statement, lease liabilities and intangible right-to-use assets are recorded for leases with terms that exceed twelve months that do not transfer ownership. All of the leases in effect on the date of implementation were evaluated in accordance with GASB 87. Upon evaluation, all leases were determined to be leases subject to GASB 87 and were accounted for in accordance with that statement. The net effect on the government-wide statements was an increase in total assets and total liabilities of \$804,037 as of September 1, 2021. This recorded the right-to-use lease assets and the leases payable. There was no effect on the fund financial statements due to the implementation.

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## 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, 2022

EXHIBIT G-1

Page 1 of 2

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	1	2	3		
	Original	Final	Actual		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 45,119,619	\$ 46,949,955	\$ 51,350,108	\$ 4,400,153
5800	State Program Revenues	41,135,002	41,498,517	47,041,281	5,542,764
5900	Federal Program Revenues	1,502,000	1,853,042	2,492,484	639,442
5020	Total Revenues	<u>87,756,621</u>	<u>90,301,514</u>	<u>100,883,873</u>	<u>10,582,359</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction and Instructional Related Services:					
0011	Instruction	47,332,096	51,811,479	49,128,773	2,682,706
0012	Instructional Resources and Media Services	451,041	443,699	423,313	20,386
0013	Curriculum and Staff Development	434,674	428,240	294,119	134,121
	Total Instruction and Instr. Related Services	<u>48,217,811</u>	<u>52,683,418</u>	<u>49,846,205</u>	<u>2,837,213</u>
Instructional and School Leadership:					
0021	Instructional Leadership	2,776,103	2,931,165	2,511,730	419,435
0023	School Leadership	5,200,575	5,824,782	5,623,702	201,080
	Total Instructional and School Leadership	<u>7,976,678</u>	<u>8,755,947</u>	<u>8,135,432</u>	<u>620,515</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	3,469,983	3,528,873	3,200,184	328,689
0032	Social Work Services	71,289	82,993	82,651	342
0033	Health Services	1,322,831	1,406,791	1,304,207	102,584
0034	Student (Pupil) Transportation	4,330,390	4,975,600	4,328,165	647,435
0035	Food Services	303,571	382,054	217,235	164,819
0036	Cocurricular/Extracurricular Activities	2,778,851	3,146,594	2,929,225	217,369
	Total Support Services - Student (Pupil)	<u>12,276,915</u>	<u>13,522,905</u>	<u>12,061,667</u>	<u>1,461,238</u>
Administrative Support Services:					
0041	General Administration	3,753,924	4,255,636	3,756,503	499,133
	Total Administrative Support Services	<u>3,753,924</u>	<u>4,255,636</u>	<u>3,756,503</u>	<u>499,133</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	10,282,360	13,672,705	11,611,200	2,061,505
0052	Security and Monitoring Services	1,228,552	1,140,291	872,807	267,484
0053	Data Processing Services	1,337,718	1,734,464	1,590,462	144,002
	Total Support Services - Nonstudent Based	<u>12,848,630</u>	<u>16,547,460</u>	<u>14,074,469</u>	<u>2,472,991</u>
Ancillary Services:					
0061	Community Services	1,312,140	1,848,080	1,368,679	479,401
	Total Ancillary Services	<u>1,312,140</u>	<u>1,848,080</u>	<u>1,368,679</u>	<u>479,401</u>
Debt Service:					
0071	Principal on Long-Term Debt	347,000	540,128	540,086	42
0072	Interest on Long-Term Debt	3,523	70,662	69,143	1,519
	Total Debt Service	<u>350,523</u>	<u>610,790</u>	<u>609,229</u>	<u>1,561</u>
Facilities Acquisition and Construction:					
0081	Facilities Acquisition and Construction	--	9,165,864	9,041,728	124,136
	Total Facilities Acquisition and Construction	<u>--</u>	<u>9,165,864</u>	<u>9,041,728</u>	<u>124,136</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**EXHIBIT G-1**  
Page 2 of 2

Data Control Codes	1	2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
0099 Other Intergovernmental Charges	1,020,000	1,020,000	1,010,139	9,861
Total Intergovernmental Charges	1,020,000	1,020,000	1,010,139	9,861
6030 Total Expenditures	87,756,621	108,410,100	99,904,051	8,506,049
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	(18,108,586)	979,822	19,088,408
Other Financing Sources (Uses):				
7913 Issuance of Leases	--	--	123,971	123,971
7915 Transfers In	--	--	31,299	31,299
7949 Insurance Recoveries	--	--	639,211	639,211
7080 Total Other Financing Sources and (Uses)	--	--	794,481	794,481
Special Items:				
7918 Special Item Source	--	--	1,000,000	1,000,000
8912 Special Item Use	--	--	(1,250,000)	1,250,000
1200 Net Change in Fund Balance	--	(18,108,586)	1,524,303	19,632,889
0100 Fund Balance - Beginning	54,612,834	54,612,834	54,612,834	--
3000 Fund Balance - Ending	<u>\$ 54,612,834</u>	<u>\$ 36,504,248</u>	<u>\$ 56,137,137</u>	<u>\$ 19,632,889</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability (asset)	0.0551129693%	0.0500857905%	0.0473044853%
District's proportionate share of the net pension liability (asset)	\$ 14,035,320	\$ 26,830,283	\$ 24,590,350
State's proportionate share of the net pension liability (asset) associated with the District	19,372,552	39,228,429	<u>34,234,465</u>
<b>Total</b>	<b>\$ <u>33,407,872</u></b>	<b>\$ <u>66,058,712</u></b>	<b>\$ <u>58,824,815</u></b>
District's covered payroll	\$ 59,339,686	\$ 54,445,877	\$ 47,008,964
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	23.65%	49.28%	52.31%
Plan fiduciary net position as a percentage of the total pension liability	88.79%	75.54%	75.24%

The amounts presented for each fiscal year were determined as of the measurement date which is August 31, of the prior fiscal year.

Note: Only eight years of data are presented in accordance with GASB #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."

EXHIBIT G-2

	2019	2018	2017	2016	2015
	0.0433948586%	0.044817771%	0.04331502%	0.0454482%	0.3156640%
\$	23,885,583	\$ 14,330,309	\$ 16,368,104	\$ 16,065,334	\$ 8,431,822
	37,962,588	23,257,052	20,092,056	20,090,134	24,795,916
\$	<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>
\$	44,694,561	\$ 45,172,208	\$ 44,521,502	\$ 44,252,552	\$ 44,688,517
	53.44%	31.72%	36.76%	36.30%	18.87%
	73.74%	82.17%	78.00%	78.43%	83.25%

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT PENSION CONTRIBUTIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**LAST TEN FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 3,205,418	\$ 2,365,728	\$ 2,078,035
Contributions in relation to the contractually required contribution	<u>(3,205,418)</u>	<u>(2,365,728)</u>	<u>(2,078,035)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 63,178,088	\$ 59,339,886	\$ 54,445,877
Contributions as a percentage of covered payroll	5.07%	3.99%	3.82%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2020 - August 31, 2021.

Note: Only eight years of data are presented in accordance with GASB #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."



EXHIBIT G-3

	2019	2018	2017	2016	2015
\$	1,649,145	\$ 1,460,563	\$ 1,468,865	\$ 1,376,229	\$ 1,346,340
	<u>(1,649,145)</u>	<u>(1,460,563)</u>	<u>(1,468,865)</u>	<u>(1,376,229)</u>	<u>(1,346,340)</u>
\$	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>	<u>    --</u>
\$	47,008,954	\$ 44,694,561	\$ 45,172,208	\$ 44,521,855	\$ 44,249,237
	3.51%	3.27%	3.25%	3.09%	3.04%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability (asset)	0.0822/33861%	0.0789431372%	0.0766005687%
District's proportionate share of the net OPEB liability (asset)	\$ 31,736,521	\$ 30,009,851	\$ 36,225,348
State proportionate share of the collective net OPEB liability (asset) associated with the District	<u>42,510,866</u>	<u>40,326,047</u>	<u>48,135,384</u>
Total	<u>\$ 74,256,387</u>	<u>\$ 70,335,898</u>	<u>\$ 84,360,732</u>
District's covered payroll	\$ 59,339,686	\$ 54,445,877	\$ 47,008,964
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	53.48%	55.12%	77.06%
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%	2.80%

The amounts presented for each fiscal year were determined as of the measurement date which is August 31 of the prior fiscal year.

Note: Only five years of data are presented in accordance with GASB #75, paragraph 245. "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."

EXHIBIT G-4

<u>2019</u>	<u>2018</u>
0.0732802523%	0.078533395%
\$ 36,589,501	\$ 34,151,228
<u>30,094,153</u>	<u>33,938,670</u>
<u>\$ 73,283,654</u>	<u>\$ 68,089,907</u>
\$ 44,694,561	\$ 45,172,208
81.87%	75.60%
1.57%	0.91%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 786,214	\$ 651,304	\$ 602,845
Contributions in relation to the contractually required contribution	<u>(786,214)</u>	<u>(651,304)</u>	<u>(602,845)</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 63,178,088	\$ 59,339,686	\$ 54,445,877
Contributions as a percentage of covered payroll	1.24%	1.10%	1.11%

Note: GASB 75, Paragraph 97 requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2020 - August 31, 2021.

Note: Only five years of data are presented in accordance with GASB #75, paragraph 245. "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."

EXHIBIT G-5

	2019	2018
\$	541,502	\$ 505,196
	<u>(541,502)</u>	<u>(505,196)</u>
\$	--	\$ --
\$	47,008,064	\$ 44,604,561
	1.15%	1.13%

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2022

Budget

The official budget was prepared for adoption for the general fund 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 at the fund level 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 object and expenditure function level. The Board has authorized the business office to move funds between functions or objects as long as there is no change to the overall budget.

There is not a legal requirement to adopt a budget for the ESSER III of the ARP Act; therefore, the District did not adopt a budget for that fund.

Defined Benefit Pension and OPEB Plans

Changes of benefit terms - Pension and OPEB Plans

There were no changes of benefit terms during the measurement period.

Changes of assumptions and other inputs - Pension Plan

The public education employer contribution rate changed from 1.5% for fiscal year 2020 to 1.6% for fiscal year 2021.

Changes of assumptions and other inputs - OPEB Plan

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

The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

## 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 DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

Year Ended August 31	1		2		3
	Tax Rates				Assessed/Appraised Value For School Tax Purposes
	Maintenance		Debt Service		
2013 and Prior Years	\$	Various	\$	Various	\$ Various
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		1.04		.473	4,207,489,607
2020		.97		.473	4,531,067,290
2021		.9664		.473	4,531,067,290
2022 (School Year Under Audit)		.9417		.473	5,042,911,578
1000 Totals					
9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code					



10 Beginning Balance 9/1/21	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/22
\$ 779,673	\$ --	\$ 35,310	\$ 11,422	\$ (121,870)	\$ 611,071
176,106	--	9,810	4,462	(6,219)	155,615
227,551	--	14,015	6,374	(6,834)	200,328
267,368	--	16,071	7,310	(15,379)	228,608
308,710	--	40,877	18,591	(17,846)	231,396
439,868	--	66,611	30,295	(9,234)	333,728
498,384	--	66,951	30,450	3,156	404,139
675,700	--	136,346	66,486	10,698	483,566
1,164,452	--	307,205	150,361	(85,497)	621,389
--	69,761,751	45,518,790	22,863,317	(191,764)	1,187,880
<u>\$ 4,537,812</u>	<u>\$ 69,761,751</u>	<u>\$ 46,211,986</u>	<u>\$ 23,189,068</u>	<u>\$ (440,789)</u>	<u>\$ 4,457,720</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**EXHIBIT J-2**

Data Control Codes	1 Budget	2 Actual	3 Variance Positive (Negative)
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ 127,500	\$ 197,989	\$ 70,489
5800 State Program Revenues	100,049	33,290	(66,759)
5900 Federal Program Revenues	5,033,463	5,889,538	856,075
5020 Total Revenues	<u>5,261,012</u>	<u>6,120,817</u>	<u>859,805</u>
<b>EXPENDITURES:</b>			
Current:			
Support Services - Student (Pupil):			
0035 Food Services	5,670,680	5,039,957	630,723
Total Support Services - Student (Pupil)	<u>5,670,680</u>	<u>5,039,957</u>	<u>630,723</u>
Support Services - Nonstudent Based:			
0051 Plant Maintenance and Operations	34,124	17,520	16,604
Total Support Services - Nonstudent Based	<u>34,124</u>	<u>17,520</u>	<u>16,604</u>
Debt Service:			
0071 Principal on Long-Term Debt	1,516	1,515	1
0072 Interest on Long-Term Debt	592	591	1
Total Debt Service	<u>2,108</u>	<u>2,106</u>	<u>2</u>
6030 Total Expenditures	<u>5,706,912</u>	<u>5,059,583</u>	<u>647,329</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	(445,900)	1,061,234	1,507,134
1200 Net Change in Fund Balance	<u>(445,900)</u>	<u>1,061,234</u>	<u>1,507,134</u>
0100 Fund Balance - Beginning	1,395,445	1,395,445	--
3000 Fund Balance - Ending	<u>\$ 949,545</u>	<u>\$ 2,456,679</u>	<u>\$ 1,507,134</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ 21,974,573	\$ 23,691,358	\$ 1,716,785
5800 State Program Revenues	338,690	358,403	21,713
5900 Federal Program Revenues	389,750	389,750	-
6020 Total Revenues	<u>22,701,013</u>	<u>24,439,511</u>	<u>1,738,498</u>
<b>EXPENDITURES:</b>			
Debt Service:			
0071 Principal on Long-Term Debt	14,805,000	14,210,000	595,000
0072 Interest on Long-Term Debt	6,795,522	6,795,521	1
0073 Bond Issuance Costs and Fees	5,000	3,371	1,629
Total Debt Service	<u>21,605,522</u>	<u>21,008,892</u>	<u>596,630</u>
6030 Total Expenditures	<u>21,605,522</u>	<u>21,008,892</u>	<u>596,630</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	1,095,491	3,430,619	2,335,128
1200 Net Change in Fund Balance	<u>1,095,491</u>	<u>3,430,619</u>	<u>2,335,128</u>
0100 Fund Balance - Beginning	16,535,238	16,535,238	-
3000 Fund Balance - Ending	<u>\$ 17,630,729</u>	<u>\$ 19,965,857</u>	<u>\$ 2,335,128</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM  
 AS OF AUGUST 31, 2022

<u>Data Control Codes</u>		<u>Responses</u>
<b><u>Section A: Compensatory Education Programs</u></b>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 10,960,485
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 5,386,582
<b><u>Section B: Bilingual Education Programs</u></b>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 1,223,700
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 706,963

Glenda J. Hiers, CPA  
Richard A. Rudel, CPA  
Yvette Sidnell, CPA  
Jennifer L. Webster, CPA  
Susan L. Murrell, CPA  
Brenda A. Johnson



4000 S. Medford Drive  
Lufkin, Texas 75901

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Wilbur E. Alexander, CPA  
(1940-2009)  
Ted A. Lankford, CPA  
(Retired)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Longview Independent School District  
Longview, Texas

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, 2022, 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 24, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Longview Independent School District's internal control over financial reporting (internal control) as a basis for designing 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 Longview Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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 or significant deficiencies may exist that have not been identified.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* - CONTINUED**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 financial statements. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Alexander, Lankford & Hiers, Inc.*

ALEXANDER, LANKFORD & HIERS, INC.  
Certified Public Accountants

Lufkin, Texas  
January 24, 2023



Glenda J. Hiers, CPA  
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4000 S. Medford Drive  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Longview Independent School District  
Longview, Texas

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Longview Independent School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Longview Independent School District's major federal programs for the year ended August 31, 2022. 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.

In our opinion, 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, 2022.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal programs. Our audit does not provide a legal determination of Longview Independent School District's compliance with the compliance requirements referred to above.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - CONTINUED**

**Report on Compliance for Each Major Federal Program - Continued**

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Longview Independent School District's federal programs.

*Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Longview Independent School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control. Accordingly, no such opinion is expressed.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - CONTINUED**

**Report on Internal Control Over Compliance - Continued**

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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Alexander, Lankford & Hiers, Inc.*

ALEXANDER, LANKFORD & HIERS, INC.  
Certified Public Accountants

Lufkin, Texas  
January 24, 2023

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**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?      Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?      Yes   X   None Reported

Noncompliance material to financial statements noted?      Yes   X   No

Federal Awards

2.

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 auditor's report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: April 2022

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>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.165	Child Nutrition Cluster
84.425	Magnet School Assistance Program
	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$800,778

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, 2022

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
-------------------------------	-----------------------	--

There were no prior audit findings related to federal awards; therefore, the summary schedule of prior audit findings is not required.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2022

There are no current year findings; therefore, a corrective action plan is not required

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**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**EXHIBIT K-1**  
**Page 1 of 3**

(1)	(2)	(2A)	(3)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Fully Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U. S. Department of Agriculture</u>				
<b>CHILD NUTRITION CLUSTER:</b>				
Passed Through Texas Education Agency:				
School Breakfast Program	10.553	71402101	\$ --	\$ 148,977
School Breakfast Program	10.553	71402201	--	1,126,820
Total ALN Number 10.553			--	1,275,797
National School Lunch Program	10.555	71302101	--	426,441
National School Lunch Program	10.555	71302201	--	3,409,903
Passed Through Texas Department of Agriculture:				
National School Lunch Program	10.555	806780706	--	223,214
National School Lunch Program (Non cash)	10.555	806780706	--	527,391
Total ALN Number 10.555			--	4,586,949
Total Child Nutrition Cluster			--	5,862,746
Child and Adult Care Food Program	10.558	806780706	--	149,538
COVID-19 Emergency Operational Cost (EOC) Reimbursement	10.558	806780706	--	23,802
Total ALN Number 10.558			--	173,340
State Administrative Expenses for Child Nutrition	10.560	806780706	--	15,029
COVID-19 State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Cost Grants	10.649	806780706	--	11,764
Total U. S. Department of Agriculture			--	6,062,879
<u>U. S. Department of Education</u>				
Direct Programs:				
Magnet School Assistance Program	84.165		--	105,429
Magnet School Assistance Program	84.165		--	2,100,686
Total ALN Number 84.165			--	2,206,115
Passed Through Texas Education Agency:				
ESEA, Title I, Part A - Improving Basic Programs	84.010	20610103092903	--	73,162
ESEA, Title I, Part A - Improving Basic Programs	84.010	22610101092903	--	3,097,404
ESEA, Title I, Part A - Improving Basic Programs	84.010	22610103092903	--	90,523
ESEA, Title I, Part A - Improving Basic Programs	84.010	23610101092903	--	122,671
ESEA, Title I, Part A - Improving Basic Programs	84.010	23610103092903	--	6,096
Total ALN Number 84.010			--	3,389,856
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>				
Passed Through Texas Education Agency:				
IDEA - Part B, Formula	84.027A	226600010929036000	--	1,576,349
IDEA - Part B, Discretionary	84.027A	226600110929036073	--	60,209
IDEA - Part B, Formula	84.027A	236600010929036000	--	217,463
IDEA - Part B, Discretionary	84.027A	236600110929036073	--	5,086
Subtotal for 84.027A			--	1,859,107

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**EXHIBIT K-1**  
Page 2 of 3

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients Federal Expenditures
COVID-19 IDEA - Part B, Formula - American Rescue Plan Act of 2021	84.027X	225350010929035000	-- 22,105
Total ALN Number 84.027			-- <u>1,881,212</u>
IDEA - Part B, Preschool	84.173	226610010929036010	-- 43,119
IDEA - Part B, Preschool	84.173	236610010929036010	-- 1,501
Total ALN Number 84.173			-- <u>44,620</u>
Total Special Education (IDEA) Cluster			-- <u>1,925,832</u>
Career & Technical Education - Basic Grant	84.048	22420006092903	-- 124,439
Career & Technical Education - Basic Grant	84.048	23420006092903	-- 14,267
Total ALN Number 84.048			-- <u>138,706</u>
Public Charter Schools	84.282	205900127110001	-- 29,417
Public Charter Schools	84.282	205900127110002	-- 84,979
Public Charter Schools	84.282	205900127110005	-- 11,054
Public Charter Schools	84.282	205900127110007	-- 557,380
Public Charter Schools	84.282	205900127110008	-- 105,251
Total ALN Number 84.282			-- <u>788,081</u>
ESEA, Title III, Part A - English Language Acquisition & Language Enhancement	84.365	20671001092903	-- 108,289
ESEA, Title III, Part A - English Language Acquisition & Language Enhancement	84.365	22671001092903	-- 79,502
ESEA, Title III, Part A - English Language Acquisition & Language Enhancement	84.365	23671001092903	-- 536
Total ALN Number 84.365			-- <u>188,327</u>
ESEA, Title II, Part A - Teacher & Principal Training & Recruiting	84.367	22694501092903	-- 383,722
ESEA, Title II, Part A - Teacher & Principal Training & Recruiting	84.367	226945797110016	-- 1,465
ESEA, Title II, Part A - Teacher & Principal Training & Recruiting	84.367	216945797110019	-- 62,482
Total ALN Number 84.367			-- <u>447,669</u>
Grants for State Assessments & Related Activities	84.369	69552002	-- 5,898
ESEA, Title IV, Part A, Subpart 1 - Student Support & Academic Enrichment Program	84.424	22680101092903	-- 173,497
COVID-19 Education Stabilization Fund	84.425D	21521001092903	-- 3,102,546
COVID-19 Education Stabilization Fund	84.425U	21528001092903	-- 7,919,794
COVID-19 Education Stabilization Fund	84.425U	21528042092903	-- 225,628
COVID-19 Education Stabilization Fund	84.425U	215280587110092	-- 52,440
Subtotal for 84.425U			-- <u>8,197,862</u>
Total ALN Number 84.425			-- <u>11,300,408</u>
Total U. S. Department of Education			-- <u>20,564,389</u>



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

(1)	(2)	(2A)	(3)	
Federal Grantor/ Pass Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U. S. Department of Health and Human Services</u>				
Passed Through Texas Education Agency:				
Epidemiology & Laboratory Capacity for Infectious Diseases (ELC)	93.323	39352201	--	61,736
<b>CCDF CLUSTER:</b>				
Passed Through East Texas Council of Governments:				
Child Care & Development Block Grant	93.575	0822CCQ001	--	3,600
Total CCDF Cluster			--	3,600
Total U. S. Department of Health and Human Services			--	65,336
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ --</b>	<b>\$ 26,692,604</b>

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, 2022**

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Longview Independent School District (District) under programs of the federal government for the year ended August 31, 2022. The information in the Schedule is presented in accordance with the 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).

Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District. Therefore, some amounts may differ from amounts presented in, or used in the preparation of the financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies are included on the Schedule.

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.

Indirect Cost Rate

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

Reconciliation to Exhibit C-2

The reconciliation of the Schedule to federal program revenues reported in Exhibit C-2 is as follows:

Total federal awards per the Schedule	\$ 26,692,604
Other Federal Revenue:	
Qualified School Construction Bonds Interest Subsidy	389,750
School Health and Related Services (SHARS)	1,586,998
Childcare Relief Funds	408,658
JROTC	<u>82,550</u>
Total federal program revenues per Exhibit C-2	<u>\$ 29,160,560</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF AUGUST 31, 2022

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
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
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered <b>to not have made</b> timely payments.)  Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.  Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
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 post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 255,896