

**LONGVIEW
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2023

Longview Independent School District
Annual Financial Report
For The Year Ended August 31, 2023

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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) X approved disapproved for the year ended August 31, 2023, at a meeting of the board of trustees of such school district on the 24th day of January, 2024.

Brett Miller
Signature of Board 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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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

Wilbur E. Alexander, CPA
(1940-2009)
Ted A. Lankford, CPA
(Retired)
Glenda J. Hiers, 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, 2023, 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, 2023 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.

INDEPENDENT AUDITOR'S REPORT - 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 statement 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

- 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 23, 2024 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 23, 2024

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, 2023. This section of the annual financial report should be considered in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

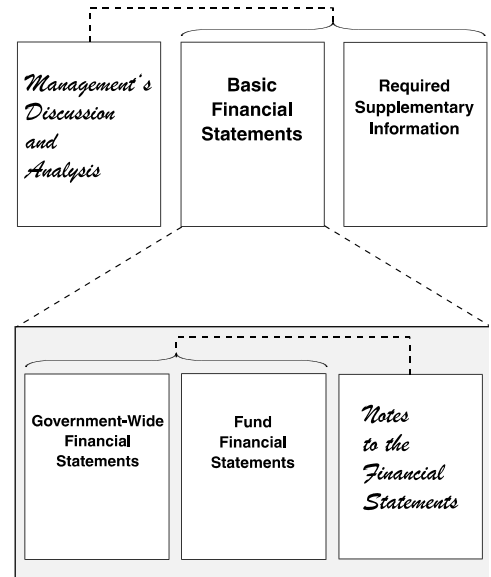
- The District’s total combined Government-wide net position, increased \$21+ million to \$156,479,371 at 8/31/23.
- The District’s Governmental Funds balance was \$86,598,618, an increase of \$7,331,055 at 8/31/23. The District reported Unassigned General Fund balance of \$46,586,929 for the same year ending.
- The District’s total combined Government-wide Program and General Revenues increased from \$148,466,708 to \$164,455,559 million for fiscal year ending 8/31/23.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Figure A-1. Required Components of the District’s Annual Financial Report



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

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

Government-wide Statements

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

The two government-wide statements report the District's net position and how it has changed. Net position—the difference between the District's assets, deferred outflows, liabilities, and deferred inflows—is one way to measure the District's financial health or *position*.

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

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

Fund Financial Statements

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

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

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

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

Type of Statements	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	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • 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

- *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

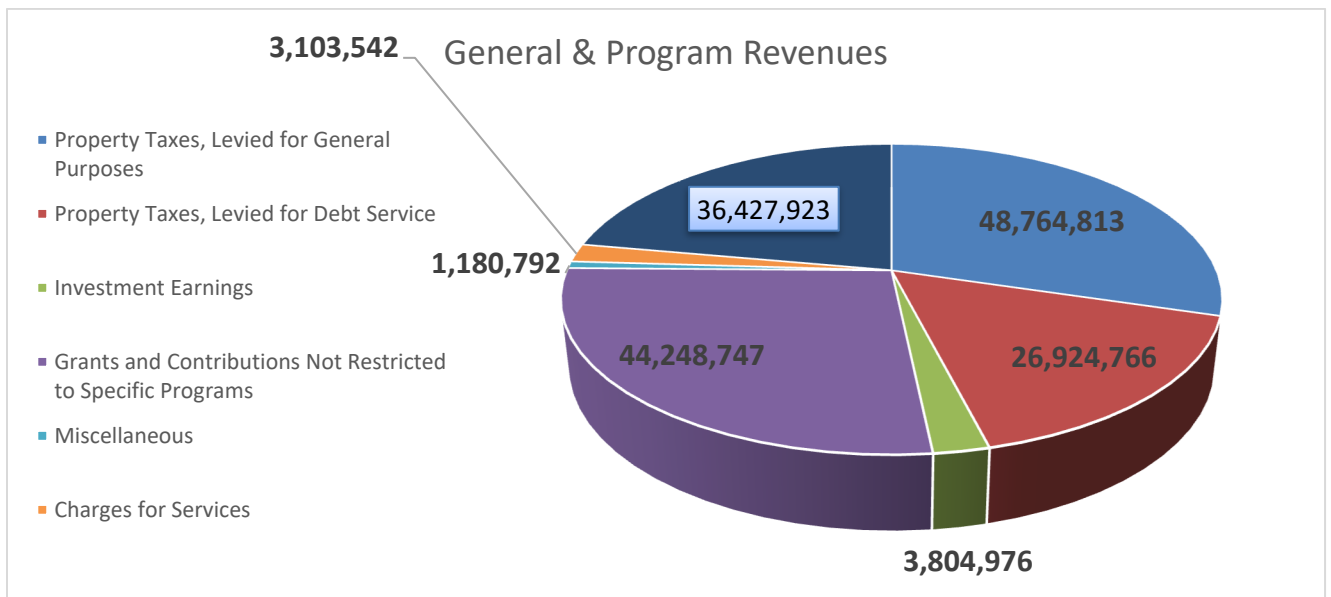
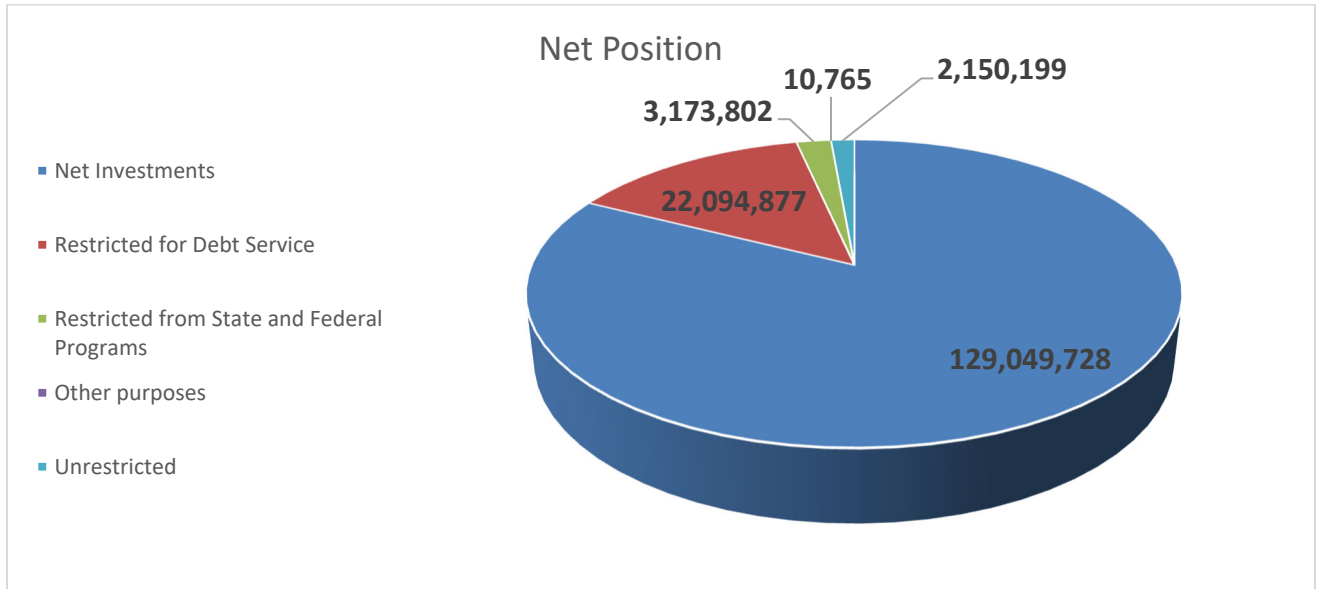
Net position. The District’s combined net position was \$156,479,371 at 8/31/23. (See Table A-1).

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

Governmental Activities	<u>2022</u>	<u>2023</u>	Percentage Change <u>2022-23</u>
Current Assets:			
Cash and Cash Equivalents	41.782	47.078	12.675%
Current Investments	19.478	41.136	111.192%
Property Taxes Receivable	3.992	4.327	8.392%
Due from Other Governments	22.000	10.010	-54.500%
Accrued Interest	0.069	0.154	123.188%
Other Receivables	2.941	1.759	-40.190%
Inventories – at cost	0.529	0.381	-27.977%
Prepaid Items	0.021	.084	300%
Total Current Assets	90.812	104.929	15.545%
Noncurrent Assets:			
Bldg., Furn. & Eqmt., CIP, net	249.690	241.581	-3.248%
Long-Term Investments	7.173		-100.000%
Land	20.340	20.340	0.000%
Total Noncurrent Assets	277.202	261.921	-5.513%
Total Assets	368.015	366.852	-0.316%
Total Deferred Outflows of Resources	31.372	44.321	41.276%
Current Liabilities:			
Accounts Payable & Accrued Liabilities	12.845	12.394	-3.511%
Bonds and Notes Payable	11.814	12.429	5.206%
Due to Other Governments	1.970	1.852	-5.990%
Unearned Revenue	0.642	0.252	-60.748%
Total Current Liabilities	27.271	26.927	-1.261%
Long-term Liabilities:			
Bonds and Notes Payable	152.049	128.714	-15.347%
Net Pension and OPEB Liabilities	45.772	61.427	34.202%
Total Liabilities	225.092	217.069	-3.565%
Total Deferred Inflows of Resources	39.014	37.625	-3.560%
Net Position:			
Net investment in Capital Assets	115.316	129.050	11.910%
Restricted	22.989	25.279	9.961%
Unrestricted	-3.024	2.150	-171.098%
Total Net Position	135.281	156.479	15.670%

Restricted Net Position is dedicated to various uses, namely: debt service, state and federal programs, and capital projects. The unrestricted net position of \$2,150,199 is primarily due to the defeasance of \$8.875 million in QSC bonds during the year which decreased the District’s total liabilities by the same amount.

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



Governmental Activities

- The District’s Receivable from Other Governments decreased by \$11.99 million as a result of continued ESSER funding, days of instruction in August, and amounts owed the District from other Federal grants.
- Current economic activity allowed for a \$21.658 million dollar increase in current investments. This also led to an increase in interest earnings of 435%.

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

Governmental Activities	<u>2022</u>	<u>2023</u>	Percentage Change <u>2022-23</u>
Program Revenues:			
Charges for Services	2.257	3.104	37.528%
Grants and Contributions	29.702	36.428	22.645%
General Revenues:			
Property Taxes	70.334	75.690	7.615%
State Aid	43.272	44.248	2.256%
Investment Earnings	0.710	3.805	435.915%
Other	2.192	1.181	-46.122%
Total Revenues	148.467	164.456	10.769%
Expenses:			
Instruction	67.197	76.859	14.379%
Instructional Resources and Media Services	0.581	0.648	11.360%
Curriculum Dev. and Instructional Staff Dev.	1.001	1.512	51.049%
Instructional Leadership	3.687	3.661	-0.705%
School Leadership	5.215	6.815	30.681%
Guidance, Counseling & Evaluation Services	3.474	4.197	20.812%
Social Work Services	0.075	0.060	-20.000%
Health Services	1.247	1.955	56.776%
Student (Pupil) Transportation	4.326	5.696	31.669%
Food Services	5.560	6.975	25.432%
Cocurricular/Extracurricular Activities	3.392	4.420	30.307%
General Administration	3.631	3.765	3.690%
Plant Maintenance & Oper.	12.835	15.159	18.107%
Security & Monitoring Svcs.	0.975	1.636	67.795%
Data Processing Services	1.359	1.794	32.009%
Community Services	1.552	1.834	18.170%
Debt Service	4.652	4.017	-13.650%
Bond Issuance Costs	0.864	0.870	0.694%
Facilities Acquisition & Construction	0.001	0.000	-100.000%
Other Intergovernmental Charges	1.010	1.110	9.901%
Total Expenses	122.635	142.982	16.592%
Excess Before Special Items	25.832	21.475	-16.867%
Special Items	-0.250	-0.275	10%
Increase (Decrease) in Net Position	25.582	21.198	-17.137%
Beginning Net Position	109.699	135.281	23.320%
Ending Net Position	135.281	156.479	15.670%

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 \$142,982,259.
- The amount received from taxpayers for these activities was \$75,689,579.
- Some of the cost was paid by those who directly benefited from the programs, totaling \$3,103,542 or by grants and contributions totaling \$36,427,923.

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

	Total Cost of Services			Net Cost of Services		
	<u>2022</u>	<u>2023</u>	<u>% Change</u>	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Instruction	68.779	79.018	14.887%	50.089	59.441	18.671%
School Administration	8.902	10.476	17.681%	7.128	8.079	13.342%
Student Support Services	18.074	23.303	28.931%	10.160	9.752	-4.016%
Plant Maintenance & Operations	12.835	15.159	18.107%	10.696	13.83	29.301%

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

General Fund Budgetary Highlights

Actual expenditures were \$9,532,447 below final budgeted amounts. Revenue generated were \$5,389,553 above the final budgeted amount. The District’s total revenue included \$3.8 million in interest earnings. In 2022 the District only earned \$710,027 in earnings. As inflation begins to slow and interest rates decrease we can’t anticipate receiving this type of revenue from interest earnings.

The District decreased the amount of ESSER funds targeted for salaries which led to the general fund receiving these expenditures. Security payments increased 168%. This was a combination of the pay rate increase and the number of security hours accounted for. Throughout the year we continued to see high levels of inflation with fuel being a prime example with an increase of 69% in expenditures from the prior year. The CTE program continues to grow. CTE salaries at the high school increased 36% and we also saw a large increase in student travel within this program.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had invested \$261,921,791 in a broad range of capital assets, including land, equipment, buildings, and vehicles, and right to use lease assets. (See Table A-4) This amount represents a net decrease (including additions and deductions) of \$8,107,992 over the prior year.

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

	Governmental Activities		Total Percentage Change
	<u>2022</u>	<u>2023</u>	<u>2022-2023</u>
Land	20.340	20.340	-%
Buildings and improvements	329.709	329.709	-%
Equipment	29.168	30.812	5.636%
Right to use assets/equipment	0.928	.980	5.603%
Totals at historical cost	380.146	381.841	.446%
Total accumulated depreciation and amortization	110.116	119.919	8.902%
Net capital assets	<u>270.030</u>	<u>261.922</u>	<u>-3.003%</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 \$141,416,566 in long term obligations outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

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

	Governmental Activities		Total Percentage Change
	<u>2022</u>	<u>2023</u>	<u>2022-23</u>
Bonds Payable	142.950	131.360	-8.108%
Accreted Interest on CABs	0.256	.274	7.031%
Premiums on Issue of Bonds	11.304	9.224	-18.401%
QSC Bonds	8.875	0	-100.00%
Leases	0.733	.558	-23.874
Total Bonds and Notes Payable	<u>164.118</u>	<u>141.416</u>	<u>-13.833%</u>

Bond Ratings

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's appraised property values increased significantly for the 2023 budget. Although the median home price increased in 2023 we did see a 1.8% decline in December when compared to December 2022. We anticipate continued growth for the upcoming fiscal year, just at a slower pace.

The District set the 2023-24 M&O tax rate at \$0.6692 and the I&S rate at \$0.4730 for a combined tax rate of 1.1422 which is \$.18 cents lower than last year's rate. Also, the total certified valuation of all taxable property for the 23-24 budgets increased. Based on current U.S. economic conditions we anticipate slower property growth and above average 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

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LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

AUGUST 31, 2023

Data Control Codes	1
	Governmental Activities
ASSETS:	
1110 Cash and Cash Equivalents	\$ 47,078,410
1120 Current Investments	41,136,367
1225 Property Taxes Receivable, Net	4,327,125
1240 Due from Other Governments	10,010,415
1250 Accrued Interest	153,586
1290 Other Receivables, Net	1,759,207
1300 Inventories	381,027
1410 Prepaid Items	84,448
Capital Assets:	
1510 Land	20,340,293
1520 Buildings and Improvements, Net	230,505,084
1530 Furniture and Equipment, Net	10,558,881
1550 Right to Use Assets, Net	517,533
1000 Total Assets	<u>366,852,376</u>
DEFERRED OUTFLOWS OF RESOURCES:	
	8,544,503
	22,006,435
	13,769,567
1700 Total Deferred Outflows of Resources	<u>44,320,505</u>
LIABILITIES:	
2110 Accounts Payable	5,141,668
2140 Interest Payable	496,372
2165 Accrued Liabilities	6,756,280
2180 Due to Other Governments	1,851,931
2300 Unearned Revenue	252,795
Noncurrent Liabilities:	
2501 Due Within One Year	12,428,674
2502 Due in More Than One Year	128,713,615
2540 Net Pension Liability	39,600,087
2545 Net OPEB Liability	21,827,405
2000 Total Liabilities	<u>217,068,827</u>
DEFERRED INFLOWS OF RESOURCES:	
	2,827,984
	34,796,699
2600 Total Deferred Inflows of Resources	<u>37,624,683</u>
NET POSITION:	
3200 Net Investment in Capital Assets	129,049,728
Restricted For:	
3820 Federal and State Programs	3,173,802
3850 Debt Service	22,094,877
3890 Other Purposes	10,765
3900 Unrestricted	2,150,199
3000 Total Net Position	<u>\$ 156,479,371</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Charges for Services			
						Governmental Activities
	Governmental Activities:					
11	Instruction	\$ 76,859,032	\$ 1,730,666	\$ 16,184,869	\$ (58,943,497)	
12	Instructional Resources and Media Services	647,719	2,079	509,424	(136,216)	
13	Curriculum and Staff Development	1,511,626	5,324	1,180,948	(325,354)	
21	Instructional Leadership	3,660,995	59,156	1,421,972	(2,179,867)	
23	School Leadership	6,815,369	55,637	864,568	(5,895,164)	
31	Guidance, Counseling, and Evaluation Services	4,197,353	9,632	4,416,514	228,793	
32	Social Work Services	60,278	198	9,210	(50,870)	
33	Health Services	1,955,017	6,061	692,261	(1,256,695)	
34	Student Transportation	5,695,744	17,712	510,692	(5,167,340)	
35	Food Service	6,974,516	349,636	6,407,694	(217,186)	
36	Cocurricular/Extracurricular Activities	4,420,254	717,170	422,863	(3,280,221)	
41	General Administration	3,765,052	12,675	326,024	(3,426,353)	
51	Facilities Maintenance and Operations	15,158,676	58,946	1,279,684	(13,820,046)	
52	Security and Monitoring Services	1,636,154	28,801	438,849	(1,168,504)	
53	Data Processing Services	1,793,812	5,399	287,222	(1,501,191)	
61	Community Services	1,833,566	44,450	413,467	(1,375,649)	
72	Interest on Long-term Debt	4,017,046	--	1,061,662	(2,955,384)	
73	Bond Issuance Costs and Fees	869,575	--	--	(869,575)	
99	Other Intergovernmental Charges	1,110,475	--	--	(1,110,475)	
TG	Total Governmental Activities	<u>142,982,259</u>	<u>3,103,542</u>	<u>36,427,923</u>	<u>(103,450,794)</u>	
TP	Total Primary Government	<u>\$ 142,982,259</u>	<u>\$ 3,103,542</u>	<u>\$ 36,427,923</u>	<u>(103,450,794)</u>	
	General Revenues:					
MT	Property Taxes, Levied for General Purposes				48,764,813	
DT	Property Taxes, Levied for Debt Service				26,924,766	
IE	Investment Earnings				3,804,976	
GC	Grants and Contributions Not Restricted to Specific Programs				44,248,747	
MI	Miscellaneous				1,180,792	
	Special and Extraordinary Items:					
S1	Special Items				(275,000)	
TR	Total General Revenues				<u>124,649,094</u>	
CN	Change in Net Position				21,198,300	
NB	Net Position - Beginning				135,281,071	
NE	Net Position - Ending				<u>\$ 156,479,371</u>	

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes	10 General Fund	50 Debt Service Fund	onmf Other Governmental Funds	98 Total Governmental Funds	
ASSETS:					
1110	Cash and Cash Equivalents	\$ 26,930,704	\$ 17,180,895	\$ 2,966,811	\$ 47,078,410
1120	Current Investments	36,229,767	4,906,600	--	41,136,367
1225	Taxes Receivable, Net	2,931,118	1,396,007	--	4,327,125
1240	Due from Other Governments	4,394,403	82,367	5,533,645	10,010,415
1250	Accrued Interest	109,787	43,799	--	153,586
1260	Due from Other Funds	3,828,663	--	309	3,828,972
1290	Other Receivables	1,752,826	--	6,381	1,759,207
1300	Inventories	48,061	--	332,966	381,027
1410	Prepaid Items	84,448	--	--	84,448
1000	Total Assets	<u>\$ 76,309,777</u>	<u>\$ 23,609,668</u>	<u>\$ 8,840,112</u>	<u>\$ 108,759,557</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 4,563,987	\$ --	\$ 577,681	\$ 5,141,668
2150	Payroll Deductions and Withholdings	3,162	--	--	3,162
2160	Accrued Wages Payable	5,119,767	--	758,852	5,878,619
2170	Due to Other Funds	309	--	3,828,663	3,828,972
2180	Due to Other Governments	1,734,948	116,156	827	1,851,931
2200	Accrued Expenditures	868,012	--	6,487	874,499
2300	Unearned Revenue	70,969	--	181,826	252,795
2000	Total Liabilities	<u>12,361,154</u>	<u>116,156</u>	<u>5,354,336</u>	<u>17,831,646</u>
DEFERRED INFLOWS OF RESOURCES:					
	Unavailable Property Tax Revenue	2,930,658	1,398,635	--	4,329,293
2600	Total Deferred Inflows of Resources	<u>2,930,658</u>	<u>1,398,635</u>	<u>--</u>	<u>4,329,293</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Inventories	48,061	--	332,966	381,027
3430	Prepaid Items	84,448	--	--	84,448
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	2,851,601	2,851,601
3480	Retirement of Long-Term Debt	--	22,094,877	--	22,094,877
Committed Fund Balances:					
3545	Other Committed Fund Balance	--	--	301,209	301,209
Assigned Fund Balances:					
3590	Other Assigned Fund Balance	14,298,527	--	--	14,298,527
3600	Unassigned	46,586,929	--	--	46,586,929
3000	Total Fund Balances	<u>61,017,965</u>	<u>22,094,877</u>	<u>3,485,776</u>	<u>86,598,618</u>
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 76,309,777</u>	<u>\$ 23,609,668</u>	<u>\$ 8,840,112</u>	<u>\$ 108,759,557</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 AUGUST 31, 2023

Total fund balances - governmental funds balance sheet	\$ 86,598,618
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, including right-to-use lease assets, used in governmental activities are not reported in the funds.	261,921,791
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	4,329,293
Payables for bond principal which are not due in the current period are not reported in the funds.	(131,360,000)
Payables for right-to-use leases which are not due in the current period are not reported in the funds.	(557,868)
Payables for debt interest which are not due in the current period are not reported in the funds.	(222,095)
The deferred charge for refunding is not reported in the funds.	8,544,503
District's proportionate share of the collective net pension liability is not reported in the funds.	(39,600,087)
District's proportionate share of the collective deferred inflows of resources related to pension plans is not reported in the funds.	(2,827,984)
District's proportionate share of the collective deferred outflows of resources related to pension plans is not reported in the funds.	22,006,435
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(274,277)
Unamortized bond premiums are reported in the SNP but not in the funds.	(9,224,421)
District's proportionate share of the net OPEB liability is not reported in the funds.	(21,827,405)
District's proportionate share of the collective deferred inflows of resources related to the OPEB plan is not reported in the funds.	(34,796,699)
District's proportionate share of the collective deferred outflows of resources related to the OPEB plan is not reported in the funds.	<u>13,769,567</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 156,479,371</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	10 General Fund	50 Debt Service Fund	onmf Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ 54,521,078	\$ 27,596,100	\$ 1,342,079	\$ 83,459,257
5800 State Program Revenues	48,572,041	767,547	1,409,263	50,748,851
5900 Federal Program Revenues	2,773,155	294,115	21,376,383	24,443,653
5020 Total Revenues	<u>105,866,274</u>	<u>28,657,762</u>	<u>24,127,725</u>	<u>158,651,761</u>
EXPENDITURES:				
Current:				
0011 Instruction	54,436,344	--	12,019,488	66,455,832
0012 Instructional Resources and Media Services	511,539	--	93,068	604,607
0013 Curriculum and Staff Development	486,246	--	1,010,543	1,496,789
0021 Instructional Leadership	2,200,817	--	1,328,580	3,529,397
0023 School Leadership	6,088,691	--	319,333	6,408,024
0031 Guidance, Counseling, and Evaluation Services	2,738,187	--	1,291,805	4,029,992
0032 Social Work Services	56,769	--	--	56,769
0033 Health Services	1,541,316	--	310,569	1,851,885
0034 Student Transportation	5,380,070	--	39,204	5,419,274
0035 Food Service	296,568	--	6,328,978	6,625,546
0036 Cocurricular/Extracurricular Activities	3,432,867	--	351,278	3,784,145
0041 General Administration	3,523,715	--	25,407	3,549,122
0051 Facilities Maintenance and Operations	14,635,079	--	151,559	14,786,638
0052 Security and Monitoring Services	1,225,988	--	384,836	1,610,824
0053 Data Processing Services	1,784,546	--	--	1,784,546
0061 Community Services	1,593,164	--	149,764	1,742,928
0071 Principal on Long-term Debt	225,557	20,465,000	1,615	20,692,172
0072 Interest on Long-term Debt	64,546	6,054,844	491	6,119,881
0073 Bond Issuance Costs and Fees	--	8,898	--	8,898
0099 Other Intergovernmental Charges	1,110,475	--	--	1,110,475
6030 Total Expenditures	<u>101,332,484</u>	<u>26,528,742</u>	<u>23,806,518</u>	<u>151,667,744</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	4,533,790	2,129,020	321,207	6,984,017
Other Financing Sources and (Uses):				
7913 Issuance of Leases	51,743	--	--	51,743
7949 Insurance Recoveries	570,295	--	--	570,295
7080 Total Other Financing Sources and (Uses)	<u>622,038</u>	<u>--</u>	<u>--</u>	<u>622,038</u>
SPECIAL ITEM:				
7918 Special Item Source	24,750	--	--	24,750
8912 Special Item Use	(299,750)	--	--	(299,750)
1200 Net Change in Fund Balances	<u>4,880,828</u>	<u>2,129,020</u>	<u>321,207</u>	<u>7,331,055</u>
0100 Fund Balances - Beginning	56,137,137	19,965,857	3,164,569	79,267,563
3000 Fund Balances - Ending	<u>\$ 61,017,965</u>	<u>\$ 22,094,877</u>	<u>\$ 3,485,776</u>	<u>\$ 86,598,618</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023

Net change in fund balances - total governmental funds	\$ 7,331,055
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,165,447
The depreciation/amortization of capital assets, including right-to-use lease assets, used in governmental activities is not reported in the funds.	(10,273,439)
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.	549,868
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	20,465,000
Repayment of right-to-use lease principal is an expenditure in the funds but is not an expense in the SOA.	227,279
The deferred charge on refunding is 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.	(18,381)
Amount represents the (increase) decrease in accrued interest from beginning of period to end of period.	41,302
Bond premiums are reported as current resources in the funds, but are amortized in the SOA. Amount represents the net of current year premiums and current year amortization expense.	2,079,807
Proceeds of lease payables do not provide revenue in the SOA, but are reported as current resources in the funds.	(51,743)
Pension contributions made after the measurement date, August 31, 2022 are required to be reported as deferred outflows of resources in the SOA.	3,131,864
The District's recognition of its proportional share of the collective net pension expense is recorded in the SOA, but not in the funds.	(6,297,710)
OPEB contributions made after the measurement date, August 31, 2022, are required to be reported as deferred outflows of resources in the SOA.	719,811
The District's recognition of its proportional share of the collective net OPEB expense is recorded in the SOA, but not in the funds.	<u>1,988,817</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 21,198,300</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 AUGUST 31, 2023

Data Control Codes		<u>Custodial Funds</u>
ASSETS:		
1110	Cash and Cash Equivalents	\$ 46,236
1000	Total Assets	<u>46,236</u>
LIABILITIES:		
2000	Total Liabilities	<u>--</u>
NET POSITION:		
3800	Restricted for Other Purposes	46,236
3000	Total Net Position	<u>\$ 46,236</u>

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, 2023

	Custodial Funds
ADDITIONS:	
Other Revenue - Student Activities	\$ 128,045
Total Additions	<u>128,045</u>
DEDUCTIONS:	
Student Activity Expense	305,769
Total Deductions	<u>305,769</u>
Change in Fiduciary Net Position	(177,724)
Net Position-Beginning of the Year	<u>223,960</u>
Net Position-End of the Year	<u>\$ 46,236</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, 2023

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

The District reports the following major governmental funds:

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

Debt Service: 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, 2023

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

b. Measurement Focus, Basis of Accounting

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

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease contracts 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 \$504,038 at August 31, 2023.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

b. Inventories and Prepaid Items

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 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.

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, including right-to-use lease assets, are being depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	40 - 60
Building Improvements	20
Furniture and equipment	5 - 10
Right-to-use lease 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, 2023, 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 issued 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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 obscuring 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.

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. 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.

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- 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.

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.

i. 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.

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m. 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.

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. 96, Subscription-Based Information Technology Arrangements

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

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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, 2023, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in current investments) was \$83,349,113 and the bank balance was \$84,404,840. The District's cash deposits at August 31, 2023 and during the year ended August 31, 2023, were entirely covered by FDIC insurance, pledged collateral or letters of credit held by the District's agent bank in the District's name.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act (PFIA), 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.

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The District's investments at August 31, 2023 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	\$ 4,906,600
<u>Deposits:</u>		
Non-negotiable Certificates of Deposits		<u>36,229,767</u>
Total Investments		<u>\$ 41,136,367</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, 2023, all 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.

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.

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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, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated/amortized:				
Land	\$ 20,340,293	\$ --	\$ --	\$ 20,340,293
Total capital assets not being depreciated/amortized	<u>20,340,293</u>	<u>--</u>	<u>--</u>	<u>20,340,293</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	329,708,778	--	--	329,708,778
Furniture and equipment	29,168,283	2,113,704	469,577	30,812,410
Right-to-use lease assets - equipment	928,008	51,743	--	979,751
Total capital assets being depreciated/amortized	<u>359,805,069</u>	<u>2,165,447</u>	<u>469,577</u>	<u>361,500,939</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(91,596,206)	(7,607,488)	--	(99,203,694)
Furniture and equipment	(18,300,717)	(2,422,389)	(469,577)	(20,253,529)
Right-to-use lease assets - equipment	(218,656)	(243,562)	--	(462,218)
Total accumulated depreciation/amortization	<u>(110,115,579)</u>	<u>(10,273,439)</u>	<u>(469,577)</u>	<u>(119,919,441)</u>
Total capital assets being depreciated/amortized, net	249,689,490	(8,107,992)	--	241,581,498
Governmental activities capital assets, net	<u>\$ 270,029,783</u>	<u>\$ (8,107,992)</u>	<u>\$ --</u>	<u>\$ 261,921,791</u>

Depreciation/amortization was charged to functions as follows:

Instruction	\$ 7,894,395
Instructional Resources and Media Services	7,328
Instructional Leadership	8,078
Guidance, Counseling, & Evaluation Services	1,729
Health Services	1,409
Student Transportation	538,472
Food Services	381,709
Extracurricular Activities	636,289
General Administration	72,841
Plant Maintenance and Operations	454,503
Security and Monitoring Services	35,199
Data Processing Services	238,561
Community Services	2,926
	<u>\$ 10,273,439</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2023, 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	\$ 3,828,663	Short-term advances
Other Governmental Funds	General Fund	309	Short-term advances
	Total	<u>\$ 3,828,972</u>	

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

2. Transfers To and From Other Funds

There were no transfers to and from other funds at August 31, 2023.

F. Due to/Due From Other Governments

Due from other governments consisted of the following at August 31, 2023:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Due from State - Days of Instruction	\$ 4,338,664	\$ --	\$ --	\$ 4,338,664
Due from State - Grant programs	--	--	5,441,001	5,441,001
Due from State - Other	19,344	--	--	19,344
Due from Federal Agencies	36,395	82,367	92,644	211,406
Total	<u>\$ 4,394,403</u>	<u>\$ 82,367</u>	<u>\$ 5,533,645</u>	<u>\$ 10,010,415</u>

At August 31, 2023, due to other governments consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Due to State - Grant programs	\$ --	\$ --	\$ 827	\$ 827
Due to State - EDA	--	116,156	--	116,156
Due to State - Foundation	1,734,948	--	--	1,734,948
	<u>\$ 1,734,948</u>	<u>\$ 116,156</u>	<u>\$ 827</u>	<u>\$ 1,851,931</u>

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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

1. Long-Term Obligations Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 151,825,000	\$ --	\$ 20,465,000	\$ 131,360,000	\$ 12,175,000
Leases payable	733,404	51,743	227,279	557,868	253,674
Unamortized bond premiums	11,304,228	--	2,079,807	9,224,421	--
Accreted interest on CABs	255,896	18,381	--	274,277	--
Total governmental activities	\$ 164,118,528	\$ 70,124	\$ 22,772,086	\$ 141,416,566	\$ 12,428,674

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, 2023:

	Interest Rates	Maturity Date	Amount
Unlimited Tax School Building Bonds, Series 2011 - CAB	2% to 5%	2028	\$ 180,000
Unlimited Tax Refunding Bonds, Series 2015	2% to 5%	2031	6,150,000
Unlimited Tax Refunding Bonds, Series 2016	2% to 5%	2031	39,095,000
Unlimited Tax Refunding Bonds, Series 2016A	2% to 5%	2036	40,240,000
Unlimited Tax Refunding Bonds, Series 2017	2% to 5%	2037	40,545,000
Unlimited Tax Refunding Bonds, Series 2020	2% to 5%	2024	5,150,000
Total Bonds			\$ 131,360,000

The Unlimited Tax Qualified School Construction Bonds, Series 2010 were redeemed on May 15, 2023. The total of the bonds redeemed was \$8,875,000 for a net interest cost savings of \$718,290. Those bonds 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 2023. The total amount of subsidy payments received by the District for the year ended August 31, 2023 was \$294,115.

3. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2023, are as follows:

Year Ending August 31,	Governmental Activities Bonds	
	Principal	Interest
2024	\$ 12,175,000	\$ 5,157,863
2025	7,395,000	4,675,287
2026	7,845,000	4,417,912
2027	8,205,000	4,050,737
2028	8,555,000	3,704,613
2029-2033	48,845,000	12,464,369
2034-2038	38,340,000	2,668,400
Totals	\$ 131,360,000	\$ 37,139,181

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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 2023, the District entered into multiple five year lease agreements with Xerox for the acquisition and use of copiers. An initial lease liability of \$51,743 was recorded for the new leases.

The leases with Xerox have interest rates that range from 10.0% to 10.5% and maturity dates ranging from October 2023 through June 2028. 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 lease assets are shown in the capital assets footnote.

The future principal and interest lease payments as of August 31, 2023 are as follows:

Year ending August 31,	Principal	Interest	Total
2024	\$ 253,674	\$ 45,909	\$ 299,583
2025	241,280	19,155	260,435
2026	43,481	4,180	47,661
2027	11,666	1,418	13,084
2028	7,767	301	8,068
	<u>\$ 557,868</u>	<u>\$ 70,963</u>	<u>\$ 628,831</u>

I. Unearned Revenue

Governmental funds report resources that have been received but not yet earned in unearned revenue. At August 31, 2023, unearned revenue consisted of the following:

	General Fund	Other Governmental Funds	Total
Food commodities	\$ --	\$ 166,753	\$ 166,753
Other	70,969	15,073	86,042
Total	<u>\$ 70,969</u>	<u>\$ 181,826</u>	<u>\$ 252,795</u>

J. Fund Balance

At August 31, 2023, the other committed fund balance of \$301,209 is for campus activity funds. The assigned fund balance in the general fund of \$14,298,527 includes allocations for transportation, technology, the District's compensation plan, infrastructure, safety needs and other essentials.

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 2023, 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.

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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, 2023, 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, 2022 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 \$432,768 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:

Fiscal Year	Beginning of Year Balance	Current Claims	Claim Payments	End of Year Balance
2023	\$ 506,920	\$ 231,155	\$ 305,307	\$ 432,768
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 TRS. It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard 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 the TRS pension plan's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained by calling (512) 542-6592; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx.

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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 TRS' 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 TRS 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	
	2022	2023
Member	8.0%	8.0%
Non-Employer Contributing Entity (NECE) - State	7.75%	8.0%
Employers	7.75%	8.0%
Employer Contributions (fiscal year)		\$ 3,131,864
Member Contributions (fiscal year)		5,283,083
NECE On-Behalf Contributions (measurement year)	\$ 2,926,519	

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.

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- 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 1.7 percent of the member's salary beginning in fiscal year 2022, 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Last year ending August 31 in Projection Period	2121
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
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, 2021. For a full description of these assumptions, please see the actuarial valuation report dated November 12, 2021.

6. Discount Rate

A single discount rate of 7.00 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 7.00 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.

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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2023

The long-term expected rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate 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 TRS' target asset allocation as of August 31, 2022 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%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return	0.0%	3.7%	0.00%
Stable Value Hedge Funds	5.0%	3.4%	0.18%
Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy, Natural Resources and Infrastructure	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
Risk Parity	8.0%	4.6%	0.43%
Asset Allocation Leverage			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	(6.0%)	3.6%	(0.05)%
Inflation Expectation			2.70%
Volatility Drag ****			(0.91)%
Expected Return	<u>100.0%</u>		<u>8.19%</u>

* Absolute Return includes Credit Sensitive Investments.
 ** Target allocations are based on the FY2022 policy model.
 *** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022)
 **** The volatility drag results from the conversion between arithmetic and geometric mean returns.

7. Discount Rate Sensitivity Analysis

The following table presents the net pension liability of the plan using a discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the NPL	\$ 61,602,721	\$ 39,600,087	\$ 21,765,920

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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

At August 31, 2023, the District reported a liability of \$39,600,087 for its proportionate share of the TRS NPL. 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 NPL, the related State support, and the total portion of the NPL that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 39,600,087
State's proportionate share that is associated with District	<u>37,232,942</u>
Total	<u>\$ 76,833,029</u>

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The District's proportion of the NPL 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, 2021 thru August 31, 2022.

At August 31, 2022, the employer's proportion of the collective net pension liability was 0.0667033897 percent which was an increase (decrease) of 0.01159043 percent from its proportion measured as of August 31, 2021.

Changes Since the Prior Actuarial Valuation

The actuarial assumptions and methods have been modified since the determination of the prior year's NPL. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the discount rate from 7.25 percent to 7.00 percent.

For the year ended August 31, 2023, the District recognized pension expense of \$3,559,047 and revenue of \$3,559,047 for support provided by the State. The District also recognized their proportionate share of pension expense of \$6,297,710.

At August 31, 2023, 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	\$ 574,198	\$ 863,357
Changes in actuarial assumptions	7,378,785	1,838,999
Difference between projected and actual investment earnings	3,912,362	--
Changes in proportion and difference between District's contributions and the proportionate share of contributions	7,009,226	125,628
Contributions paid to TRS subsequent to the measurement date	<u>3,131,864</u>	<u>--</u>
Total	<u>\$ 22,006,435</u>	<u>\$ 2,827,984</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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

Measurement Year Ended August 31,	Pension Expense Amount
2024	\$ 4,121,826
2025	2,895,421
2026	1,873,014
2027	5,816,169
2028	1,340,157
Thereafter	--

9. Payable to Pension Plan

At August 31, 2023, the District's payable to the plan for legally required contributions for the month of August was \$1,001,032. That amount 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; 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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

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 participating employers are based on active employee compensation. The TRS board does not have the authority to set or amend contribution rates.

Section 1575.202 of the Texas Insurance Code 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 Salary. Section 1575.204 establishes a public school 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 employer. The actual public school 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	
	2022	2023
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity - State	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%
Employer Contributions (fiscal year)		\$ 719,811
Member Contributions (fiscal year)		429,252
NECE On-Behalf Contributions (measurement year)	\$ 913,340	

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 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 \$83 million in fiscal year 2022 from the Federal Rescue Plan Act to help defray Covid-19-related health care costs during fiscal year 2022.

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability (TOL) to August 31, 2022. The actuarial valuation was determined using the following actuarial assumptions:

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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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, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

Rates of Mortality	Rates of Termination	General Inflation
Rates of Retirement	Rates of Disability	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. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation
Ad hoc post-employment benefit changes	None

The election rates for normal retirement were 62% participation rate prior to age 65 and 25% participation rate after age 65. For pre-65 retirees, 30% of pre-65 retirees are assumed to discontinue coverage at age 65.

The initial medical trend rates were 8.25 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25 percent for all retirees. The initial trend rates decrease to an an ultimate trend rate of 4.25 percent over a period of 13 years.

6. Discount Rate

A single discount rate of 3.91 percent was used to measure the TOL, This was an increase of 1.96 percent in the discount rate since the previous year. Since 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 TOL.

The source for the municipal bond rate is the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of 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 (3.91%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (2.91%)	Current Single Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
District's proportionate share of the net OPEB liability	\$ 25,736,241	\$ 21,827,405	\$ 18,660,746

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

At August 31, 2023, the District reported a liability of \$21,827,405 for its proportionate share of the TRS net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 21,827,405
State's proportionate share that is associated with the District	<u>26,626,005</u>
Total	<u>\$ 48,453,410</u>

The net OPEB liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the TOL 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, 2021 thru August 31, 2022.

At August 31, 2022, the District's proportion of the collective net OPEB liability was 0.0911602073 percent, an increase (decrease) of 0.0088868212 percent from its proportion measured as of August 31, 2021.

The following schedule shows the impact of 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	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the net OPEB liability	\$ 17,985,880	\$ 21,827,405	\$ 26,807,448

Changes Since the Prior Actuarial Valuation

There were changes to the actuarial assumptions or other inputs that affected measurement of the TOL since the prior measurement period. The discount rate was changed from 1.95 percent as of August 31, 2021 to 3.91 percent as of August 31, 2022. This change decreased the TOL.

There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2023, the District recognized OPEB expense (benefit) of \$(3,778,445) and revenue of \$(3,778,445) for support provided by the State. The amount of OPEB expense recognized by the District in the reporting period was \$(1,988,817).

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2023

At August 31, 2023, the District reported its proportionate share of TRS-Care's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,213,527	\$ 18,184,187
Changes in actuarial assumptions	3,324,746	15,164,382
Difference between projected and actual investment earnings	65,018	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	8,446,465	1,448,130
Contributions paid to TRS subsequent to the measurement date	<u>719,811</u>	<u>--</u>
Total	<u>\$ 13,769,567</u>	<u>\$ 34,796,699</u>

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

<u>Measurement Year Ended August 31,</u>	<u>OPEB Expense Amount</u>
2024	\$ (4,512,885)
2025	(4,512,649)
2026	(3,587,022)
2027	(2,333,887)
2028	(2,378,234)
Thereafter	(4,422,266)

9. Payable to OPEB Plan

At August 31, 2023, the District's payable to the plan for legally required contributions for the month of August was \$122,196. That amount was paid in the subsequent month.

N. Employee Health Care Coverage

During the year ended August 31, 2023, 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

O. Commitments and Contingencies

1. Contingencies

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

2. Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the District's opinion that the resolution of these matters will not have a material adverse effect on the financial condition of the District.

During fiscal year 2023, the District reached a settlement in a lawsuit that stemmed from events that occurred during fiscal year 2022. This initial settlement was recorded in the August 31, 2022 financial statements since it occurred before the financial statements were issued. As of August 31, 2023, only a portion of that settlement was paid. The remaining liability amount of \$1,500,000 was included in accrued liabilities on the financial statements.

Additional settlements related to the events that occurred in fiscal year 2022 were reached during the year ended August 31, 2023 and after year end. The District's portion of the additional settlements are reported as a special item expenditure in the financial statements.

The District also recorded receivables for the other defendant's portion of the settlements based on settlement division agreements of \$1,250,000 for the initial settlement and \$275,000 for the additional settlements as well as a receivable from insurance related to this litigation of \$1,024,750. At August 31, 2023, the balance of those receivables totaled \$1,103,608, which is included in other receivables.

3. Commitments

At August 31, 2023, the District has a remaining commitment to Schneider Electric for Phase 4 of the energy project in the amount of \$5,000.

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, 2023, the net difference for all three partners was a payable of \$440,731. This amount is included in accrued expenditures.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

P. 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	\$ 17,086
Pine Tree ISD	33,128
Hallsville ISD	28,478
Kilgore ISD	78,692
White Oak ISD	77,647
Spring Hill ISD	66,256
Sabine ISD	5,696
Carthage ISD	50,215
Tatum ISD	33,128
West Rusk ISD	33,128
Gilmer ISD	5,696
New Diana ISD	66,256
Union Grove ISD	5,696
Mount Vernon ISD	55,910
Daingerfield ISD	11,391
Ore City ISD	5,696
Jefferson ISD	5,696
Mount Pleasant ISD	50,215
Pittsburg ISD	38,823
Elysian Fields ISD	11,391
Waskom ISD	5,696
Longview ISD	342,671
Total	\$ <u>1,028,591</u>

Q. 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, 2023, the subsidy payments received by TRS-Care on behalf of the District were \$348,689.

R. Risks and Uncertainties

The COVID-19 pandemic was ongoing during the fiscal year ended August 31, 2023. 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 public health emergency declaration has ended; however, COVID-19 is still occurring in the United States as well as around the world. As the spread of COVID-19 continues, the potential impact is difficult to assess.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

S. Adoption of New Standard

The District has adopted GASB Statement No. 96 which is described in Note A. Prior to the implementation of this statement, the District's costs associated with SBITAs were expensed. After the implementation of this statement, SBITA liabilities and intangible right-to-use assets are recorded for SBITAs with terms that exceed twelve months. As a result, the District evaluated their SBITAs and determined that all agreements subject to the statement had terms that did not exceed twelve months as of the date of implementation; therefore, there was no adjustment to the financial statements as a result of 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, 2023

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
REVENUES:					
5700	Local and Intermediate Sources	\$ 49,654,561	\$ 52,589,800	\$ 54,521,078	\$ 1,931,278
5800	State Program Revenues	42,842,355	45,215,974	48,572,041	3,356,067
5900	Federal Program Revenues	1,717,485	2,670,947	2,773,155	102,208
5020	Total Revenues	<u>94,214,401</u>	<u>100,476,721</u>	<u>105,866,274</u>	<u>5,389,553</u>
EXPENDITURES:					
Current:					
Instruction and Instructional Related Services:					
0011	Instruction	50,465,153	57,996,834	54,436,344	3,560,490
0012	Instructional Resources and Media Services	554,772	585,354	511,539	73,815
0013	Curriculum and Instructional Staff Development	527,977	589,577	486,246	103,331
	Total Instruction and Instr. Related Services	<u>51,547,902</u>	<u>59,171,764</u>	<u>55,434,129</u>	<u>3,737,635</u>
Instructional and School Leadership:					
0021	Instructional Leadership	2,717,866	2,877,970	2,200,817	677,153
0023	School Leadership	5,869,671	6,169,973	6,088,691	81,282
	Total Instructional and School Leadership	<u>8,587,537</u>	<u>9,047,943</u>	<u>8,289,508</u>	<u>758,435</u>
Student Support Services:					
0031	Guidance, Counseling and Evaluation Services	3,752,992	2,859,343	2,738,187	121,156
0032	Social Work Services	73,397	75,332	56,769	18,563
0033	Health Services	1,451,105	1,619,080	1,541,316	77,764
0034	Student Transportation	4,864,803	6,083,687	5,380,070	703,617
0035	Food Services	310,749	426,165	296,568	129,597
0036	Cocurricular/Extracurricular Activities	3,004,520	3,709,367	3,432,867	276,500
	Total Student Support Services	<u>13,457,566</u>	<u>14,772,974</u>	<u>13,445,777</u>	<u>1,327,197</u>
Administrative Support Services:					
0041	General Administration	3,891,712	4,039,106	3,523,715	515,391
	Total Administrative Support Services	<u>3,891,712</u>	<u>4,039,106</u>	<u>3,523,715</u>	<u>515,391</u>
Support Services:					
0051	Facilities Maintenance and Operations	10,989,898	15,731,986	14,635,079	1,096,907
0052	Security and Monitoring Services	1,336,500	1,753,508	1,225,988	527,520
0053	Data Processing Services	1,542,931	1,913,838	1,784,546	129,292
	Total Support Services	<u>13,869,329</u>	<u>19,399,332</u>	<u>17,645,613</u>	<u>1,753,719</u>
Ancillary Services:					
0061	Community Services	1,373,151	2,435,758	1,593,164	842,594
	Total Ancillary Services	<u>1,373,151</u>	<u>2,435,758</u>	<u>1,593,164</u>	<u>842,594</u>
Debt Service:					
0071	Debt Service	232,925	237,525	225,557	11,968
0072	Interest on Long-Term Debt	54,279	60,529	64,546	(4,017)
	Total Debt Service	<u>287,204</u>	<u>298,054</u>	<u>290,103</u>	<u>7,951</u>
Facilities Acquisition and Construction:					
0081	Facilities Acquisition and Construction	--	500,000	--	500,000
	Total Facilities Acquisition and Construction	<u>--</u>	<u>500,000</u>	<u>--</u>	<u>500,000</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2023

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	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,110,475</u>	<u>89,525</u>
	Total Intergovernmental Charges	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,110,475</u>	<u>89,525</u>
6030	Total Expenditures	<u>94,214,401</u>	<u>110,864,931</u>	<u>101,332,484</u>	<u>9,532,447</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>--</u>	<u>(10,388,210)</u>	<u>4,533,790</u>	<u>14,922,000</u>
	Other Financing Sources (Uses):				
7913	Issuance of Leases	<u>--</u>	<u>--</u>	<u>51,743</u>	<u>51,743</u>
7949	Insurance Recoveries	<u>--</u>	<u>570,775</u>	<u>570,295</u>	<u>(480)</u>
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>570,775</u>	<u>622,038</u>	<u>51,263</u>
	SPECIAL ITEM:				
7918	Special Item Source	<u>--</u>	<u>--</u>	<u>24,750</u>	<u>24,750</u>
8912	Special Item Use	<u>--</u>	<u>(300,000)</u>	<u>(299,750)</u>	<u>(250)</u>
1200	Net Change in Fund Balance	<u>--</u>	<u>(10,117,435)</u>	<u>4,880,828</u>	<u>14,998,263</u>
0100	Fund Balance - Beginning	<u>56,137,137</u>	<u>56,137,137</u>	<u>56,137,137</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 56,137,137</u>	<u>\$ 46,019,702</u>	<u>\$ 61,017,965</u>	<u>\$ 14,998,263</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>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability (asset)	0.0667033897%	0.0551129593%	0.0500957905%
District's proportionate share of the net pension liability (asset)	\$ 39,600,087	\$ 14,035,320	\$ 26,830,283
State's proportionate share of the net pension liability (asset) associated with the District	<u>37,232,942</u>	<u>19,372,552</u>	<u>39,228,429</u>
Total	<u>\$ 76,833,029</u>	<u>\$ 33,407,872</u>	<u>\$ 66,058,712</u>
District's covered payroll	\$ 63,178,088	\$ 59,339,686	\$ 54,445,877
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	\$ 62.68%	23.65%	49.28%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%

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 nine 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."

	2020	2019	2018	2017	2016	2015
	0.0473044853%	0.0433948586%	0.044817771%	0.0433150%	0.0454482%	0.315664%
\$	24,590,350 \$	23,885,583 \$	14,330,309 \$	16,368,104 \$	16,065,334 \$	8,431,822
	<u>34,234,465</u>	<u>37,962,588</u>	<u>23,257,852</u>	<u>28,692,856</u>	<u>28,098,134</u>	<u>24,795,916</u>
\$	<u>58,824,815</u> \$	<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>
\$	47,008,964 \$	44,694,561 \$	45,172,208 \$	44,521,502 \$	44,252,552 \$	44,688,517
	52.31%	53.44%	31.72%	36.76%	36.30%	18.87%
	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

LONGVIEW INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS

TEACHER RETIREMENT SYSTEM OF TEXAS

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 3,131,864	\$ 3,205,418	\$ 2,365,728
Contributions in relation to the contractually required contribution	<u>(3,131,864)</u>	<u>(3,205,418)</u>	<u>(2,365,728)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 66,040,849	\$ 63,178,088	\$ 59,339,686
Contributions as a percentage of covered payroll	4.74%	5.07%	3.99%

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, 2021 - August 31, 2022.

Note: Only nine 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 requirement of this Statement."

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,078,035	\$ 1,649,145	\$ 1,460,563	\$ 1,468,865	\$ 1,376,229	\$ 1,346,340
<u>(2,078,035)</u>	<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>	<u>\$ --</u>
\$ 54,445,877	\$ 47,008,964	\$ 44,694,561	\$ 45,172,208	\$ 44,521,855	\$ 44,249,237
3.82%	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

	2023	2022	2021
District's proportion of the net OPEB liability (asset)	0.0911602073%	0.0822733861%	0.0789431372%
District's proportionate share of the net OPEB liability (asset)	\$ 21,827,405	\$ 31,736,521	\$ 30,009,851
State's proportionate share of the collective net OPEB liability (asset) associated with the District	<u>26,626,005</u>	<u>42,519,866</u>	<u>40,326,047</u>
Total	<u>\$ 48,453,410</u>	<u>\$ 74,256,387</u>	<u>\$ 70,335,898</u>
District's covered payroll	\$ 63,178,088	\$ 59,339,686	\$ 54,445,877
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	34.55%	53.48%	55.12%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%

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 six 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>2020</u>	<u>2019</u>	<u>2018</u>
0.0766005687%	0.0732802523%	0.0785333950%
\$ 36,225,348	\$ 36,589,501	\$ 34,151,228
<u>48,135,384</u>	<u>36,694,153</u>	<u>33,938,679</u>
\$ <u>84,360,732</u>	\$ <u>73,283,654</u>	\$ <u>68,089,907</u>
\$ 47,008,964	\$ 44,694,561	\$ 45,172,208
77.06%	81.87%	75.60%
2.66%	1.57%	0.91%

LONGVIEW INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS

TEACHER RETIREMENT SYSTEM OF TEXAS

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 719,811	\$ 786,214	\$ 651,304
Contributions in relation to the contractually required contribution	<u>(719,811)</u>	<u>(786,214)</u>	<u>(651,304)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 66,040,849	\$ 63,178,088	\$ 59,339,686
Contributions as a percentage of covered payroll	1.09%	1.24%	1.10%

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, 2021 - August 31, 2022.

Note: Only six 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 the Statement."

EXHIBIT G-5

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 602,845	\$ 541,502	\$ 505,196
<u>(602,845)</u>	<u>(541,502)</u>	<u>(505,196)</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 54,445,877	\$ 47,008,964	\$ 44,694,561
1.11%	1.15%	1.13%

LONGVIEW INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2023

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.

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 actuarial assumptions and methods have been modified since the determination of the prior year's net pension liabilities. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the discount rate from 7.25% to 7.00%.

Changes of assumptions and other inputs - OPEB Plan

The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022.

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, 2023

Year Ended August 31	1		2		3
	Tax Rates				Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service			
2014 and Prior Years	\$ Various	\$ Various	\$	Various	\$ Various
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			4,834,893,786
2022	.9417	.473			5,042,911,578
2023 (School Year Under Audit)	.8546	.473			5,782,831,425
1000 Totals					

10 Beginning Balance 9/1/22	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/23
\$ 766,686	\$ --	\$ 51,310	\$ 18,471	\$ (75,580)	\$ 621,325
200,328	--	11,139	5,066	(6,841)	177,282
228,608	--	11,818	5,375	(5,898)	205,517
231,396	--	17,978	8,176	(5,233)	200,009
333,728	--	27,657	12,578	(5,571)	287,922
404,139	--	45,737	20,802	(3,536)	334,064
483,566	--	57,819	28,194	(2,219)	395,334
621,389	--	70,362	34,439	(38,080)	478,508
1,187,880	--	183,073	91,955	(209,196)	703,656
--	75,211,817	47,496,264	26,288,007	--	1,427,546
<u>\$ 4,457,720</u>	<u>\$ 75,211,817</u>	<u>\$ 47,973,157</u>	<u>\$ 26,513,063</u>	<u>\$ (352,154)</u>	<u>\$ 4,831,163</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

NATIONAL SCHOOL BREAKFAST & LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT J-2

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 Local and Intermediate Sources	\$ 181,000	\$ 334,459	\$ 153,459
5800 State Program Revenues	87,871	77,579	(10,292)
5900 Federal Program Revenues	5,502,655	6,217,489	714,834
5020 Total Revenues	<u>5,771,526</u>	<u>6,629,527</u>	<u>858,001</u>
EXPENDITURES:			
Current:			
Student Support Services:			
0035 Food Services	6,797,977	6,328,978	468,999
Total Student Support Services	<u>6,797,977</u>	<u>6,328,978</u>	<u>468,999</u>
Support Services:			
0051 Facilities Maintenance and Operations	31,555	25,390	6,165
Total Support Services	<u>31,555</u>	<u>25,390</u>	<u>6,165</u>
Debt Service:			
0071 Debt Service	1,616	1,615	1
0072 Interest on Long-Term Debt	491	491	--
Total Debt Service	<u>2,107</u>	<u>2,106</u>	<u>1</u>
6030 Total Expenditures	<u>6,831,639</u>	<u>6,356,474</u>	<u>475,165</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	(1,060,113)	273,053	1,333,166
1200 Net Change in Fund Balance	<u>(1,060,113)</u>	<u>273,053</u>	<u>1,333,166</u>
0100 Fund Balance - Beginning	2,456,679	2,456,679	--
3000 Fund Balance - Ending	<u>\$ 1,396,566</u>	<u>\$ 2,729,732</u>	<u>\$ 1,333,166</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
REVENUES:			
5700 Local and Intermediate Sources	\$ 26,440,844	\$ 27,596,100	\$ 1,155,256
5800 State Program Revenues	379,425	767,547	388,122
5900 Federal Program Revenues	389,750	294,115	(95,635)
5020 Total Revenues	<u>27,210,019</u>	<u>28,657,762</u>	<u>1,447,743</u>
EXPENDITURES:			
Debt Service:			
0071 Debt Service	21,041,847	20,465,000	576,847
0072 Interest on Long-Term Debt	6,158,172	6,054,844	103,328
0073 Bond Issuance Costs and Fees	10,000	8,898	1,102
Total Debt Service	<u>27,210,019</u>	<u>26,528,742</u>	<u>681,277</u>
6030 Total Expenditures	<u>27,210,019</u>	<u>26,528,742</u>	<u>681,277</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	--	2,129,020	2,129,020
1200 Net Change in Fund Balance	--	2,129,020	2,129,020
0100 Fund Balance - Beginning	19,965,857	19,965,857	--
3000 Fund Balance - Ending	<u>\$ 19,965,857</u>	<u>\$ 22,094,877</u>	<u>\$ 2,129,020</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
 AS OF AUGUST 31, 2023

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
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.	\$ 11,124,537
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)	\$ 5,883,515
<u>Section B: Bilingual Education Programs</u>		
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.	\$ 1,268,609
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 781,044

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**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 (the District) as of and for the year ended August 31, 2023, 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 23, 2024.

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 23, 2024

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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, 2023. 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, 2023.

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**

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.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**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

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 23, 2024

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LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2023

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

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: May 2023

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulation (CFR) Part 200, para. 200.516(a)? Yes X No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425	Special Education Cluster (IDEA) Education Stabilization Fund

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2023

<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, 2023

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT K-1
 Page 1 of 2

(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. S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster:			
Passed Through Texas Education Agency:			
School Breakfast Program	10.553	71402201	\$ -- \$ 156,160
School Breakfast Program	10.553	71402301	-- 1,166,081
Total ALN Number 10.553			<u>-- 1,322,241</u>
National School Lunch Program	10.555	71302201	-- 482,097
National School Lunch Program	10.555	71302301	-- 3,672,169
Passed Through Texas Department of Agriculture:			
National School Lunch Program	10.555	806780706	-- 264,471
National School Lunch Program (Non-cash)	10.555	806780706	-- 476,511
Total ALN Number 10.555			<u>-- 4,895,248</u>
Total Child Nutrition Cluster			<u>-- 6,217,489</u>
Child and Adult Care Food Program	10.558	806780706	-- 196,157
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>-- 6,413,646</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Education Agency:			
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323	39352201	-- 256,119
CCDF Cluster:			
Passed Through East Texas Council of Governments:			
Child Care & Development Block Grant	93.575	0823CCQ001	-- 5,400
Total CCDF Cluster			<u>-- 5,400</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>-- 261,519</u>
U. S. DEPARTMENT OF EDUCATION			
Passed Through Texas Education Agency:			
ESEA, Title I, Part A - Improving Basic Programs	84.010	23610101092903	-- 3,174,839
ESEA, Title I, Part A - Improving Basic Programs	84.010	23610103092903	-- 72,734
ESEA, Title I, Part A - Improving Basic Programs	84.010	24610101092903	-- 141,482
ESEA, Title I, Part A - Improving Basic Programs	84.010	24610103092903	-- 8,209
Total ALN Number 84.010			<u>-- 3,397,264</u>
Special Education (IDEA) Cluster:			
IDEA - Part B, Formula	84.027A	236600010929036600	-- 1,636,523
IDEA - Part B, Discretionary	84.027A	236600110929036673	-- 54,866
IDEA - Part B, Formula	84.027A	246600010929036600	-- 193,053
COVID-19 IDEA - Part B, Formula - ARP Act	84.027X	225350010929035000	-- 367,662
Total ALN Number 84.027			<u>-- 2,252,104</u>
IDEA - Part B, Preschool	84.173A	236610010929036610	-- 21,891
IDEA - Part B, Preschool	84.173A	246610010929036610	-- 1,966
COVID-19 IDEA - Part B, Preschool - ARP Act	84.173X	225360020929035360	-- 23,340
Total ALN Number 84.173			<u>-- 47,197</u>
Total Special Education (IDEA) Cluster			<u>-- 2,299,301</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT K-1
 Page 2 of 2

(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
Passed Through Texas Education Agency:			
Career & Technical Education - Basic Grant	84.048	23420006092903	-- 161,286
Career & Technical Education - Basic Grant	84.048	24420006092903	-- 16,326
Total ALN Number 84.048			<u>-- 177,612</u>
Direct Program:			
Magnet School Assistance	84.165		<u>-- 956,683</u>
Passed Through Texas Education Agency:			
Public Charter Schools	84.282	205900127110007	-- 248
Public Charter Schools	84.282	205900127110008	-- 204,151
Total ALN Number 84.282			<u>-- 204,399</u>
ESEA, Title III, Part A - English Language Acquisition & Language Enhancement	84.365	23671001092903	-- 221,119
ESEA, Title III, Part A - English Language Acquisition & Language Enhancement	84.365	24671001092903	-- 2,888
Total ALN Number 84.365			<u>-- 224,007</u>
ESEA, Title II, Part A - Teacher & Principal Training & Recruitment	84.367	23694501092903	-- 533,251
ESEA, Title II, Part A - Teacher & Principal Training & Recruitment	84.367	24694501092903	-- 11,602
ESEA, Title II, Part A - Teacher & Principal Training & Recruitment	84.367	236945797110006	-- 2,620
ESEA, Title II, Part A - Teacher & Principal Training & Recruitment	84.367	226945797110016	-- 90,165
Total ALN Number 84.367			<u>-- 637,638</u>
Improving Academic Achievement - Grants for State Assessments & Related Activities	84.369	69552102	-- 8,633
Improving Academic Achievement - Grants for State Assessments & Related Activities	84.369	69552202	-- 8,875
Total ALN Number 84.369			<u>-- 17,508</u>
ESEA, Title IV, Part A, Subpart 1 - Student Support & Academic Enrichment Program	84.424	23680101092903	-- 224,473
COVID-19 Education Stabilization Fund	84.425D	21521001092903	-- 1,029,073
COVID-19 Education Stabilization Fund	84.425U	21528042092903	-- 601,201
COVID-19 Education Stabilization Fund	84.425U	215280587110092	-- 564,541
COVID-19 Education Stabilization Fund	84.425U	21528001092903	-- 4,873,085
Total ALN Number 84.425			<u>-- 7,067,900</u>
TOTAL U. S. DEPARTMENT OF EDUCATION			<u>-- 15,206,785</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ -- \$ 21,881,950</u>

The accompanying notes are an integral part of this schedule.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2023

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, 2023. The information in the Schedule is presented in accordance with the requirement 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	\$ 21,881,950
Other Federal Revenue:	
Qualified School Construction Bonds Interest Subsidy	294,115
School Health and Related Services (SHARS)	1,519,777
Childcare Relief Funds	612,987
JROTC	84,824
State Energy Conservation Office Light Grant	<u>50,000</u>
Total federal program revenues per Exhibit C-2	<u>\$ 24,443,653</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2023

Data Control Codes		<u>Responses</u>
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 to not have made timely payments.)	Yes
	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.	
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	\$ 274,277