

**LONGVIEW  
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2011

## Introductory Section

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Longview Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2011

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CERTIFICATE OF BOARD

Longview Independent School District  
Name of School District

Gregg  
County

092-903  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) \_\_\_\_\_approved \_\_\_\_\_disapproved for the year ended August 31, 2011, at a meeting of the board of trustees of such school district on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of Board Secretary

\_\_\_\_\_  
Signature of Board President

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

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## Financial Section



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# KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

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## Independent Auditors' Report on Financial Statements

Board of Trustees  
Longview Independent School District  
1301 E. Young  
Longview, Texas 75606

Members of the Board of Trustees:

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 as of and for the year ended August 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Longview Independent School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Longview Independent School District as of August 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2012, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the Longview Independent School District's basic financial statements. The accompanying schedule of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the combining financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Karen A. Jacks & Associates, P.C.*

Karen A. Jacks & Associates, P.C.  
January 3, 2012

## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Longview Independent School District’s annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended 8/31/11. Please read it in conjunction with the District’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

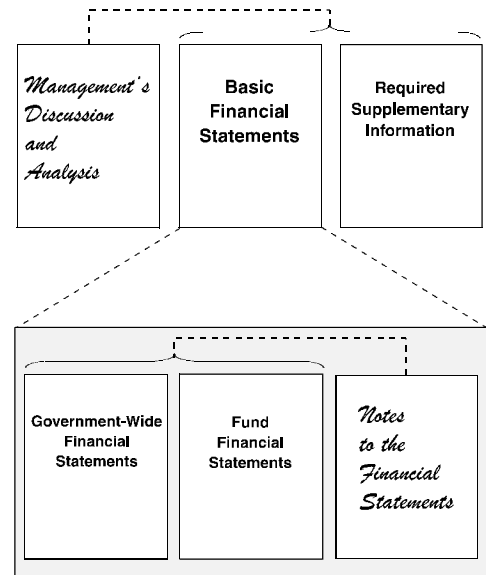
- i The District’s total combined net assets were \$82,127,626 at 8/31/11.
- i During the year, the District’s expenses were \$6,308,594 less than the \$98,971,316 generated in taxes and other revenues for governmental activities.
- i The general fund reported a fund balance this year of \$39,438,212.
- i The district issued \$52,045,000 in Unlimited Tax School Building Bonds and \$8,875,000 in Unlimited Tax Qualified School Construction Bonds during the year. In August, 2011, the district authorized the issuance of the final installment of debt scheduled to occur from the bond issue approved by voters in May, 2008.

### 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:

- i 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.
- i 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.
- i *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- i *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as food service.
- i *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. 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"> <li>Statement of net assets</li> <li>Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance sheet</li> <li>Statement of revenues, expenditures &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Statement of net assets</li> <li>Statement of revenues, expenses and changes in fund net assets</li> <li>Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Statement of fiduciary net assets</li> <li>Statement of changes in fiduciary net assets</li> </ul>
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

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 assets 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 assets and how they have changed. Net assets—the difference between the District's assets and liabilities—is one way to measure the District's financial health or *position*.

- i Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- i 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.

- i Some funds are required by State law and by bond covenants.
- i 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:

- i *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.

- i *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. 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 assets. The District’s combined net assets were \$82,127,626 at 8/31/11. (See Table A-1).

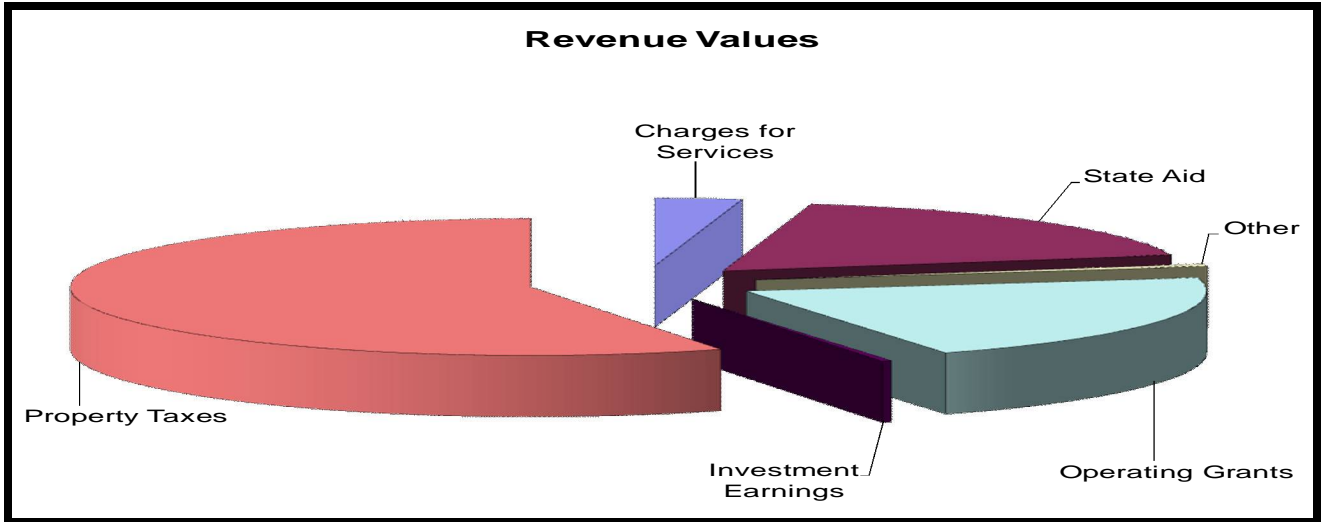
**Table A-1**  
Longview Independent School District’s Net Assets  
*(In millions of dollars)*

	Governmental Activities		Percentage Change
	2010	2011	
<b>Current assets:</b>			
Cash and cash equivalents	17.378	24.507	41.02%
Current Investments	60.060	41.032	(31.68)
Property Taxes Receivable	2.595	2.479	(4.47)
Due from other Government	4.175	6.617	58.49
Accrued Interest	.014	.013	(7.14)
Other receivables	.113	.142	25.66
Inventories – at cost	.369	.364	(1.36)
Deferred Exp & Bond	1.847	2.625	42.12
Total current assets:	<u>86.551</u>	<u>77.779</u>	(10.14)
<b>Noncurrent assets:</b>			
Bldg., Furn. & Eqmt, CIP, net	204.208	265.887	30.20
Long-Term Investments	0.000	.596	100.00
Land	10.083	10.128	.45
Total noncurrent assets	<u>214.291</u>	<u>276.611</u>	29.08
Total Assets	<u>300.842</u>	<u>354.390</u>	17.80
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	21.233	11.656	(45.10)
Bonds payable	4.512	5.535	22.67
Due to other governments	.048	.077	60.42
Deferred revenue	.217	.150	(30.88)
Total current liabilities	<u>26.010</u>	<u>17.418</u>	(33.03)
<b>Long-term liabilities:</b>			
Notes payable	199.013	254.844	28.05
Total Liabilities	<u>225.023</u>	<u>272.262</u>	20.99
<b>Net Assets:</b>			
Invested in capital assets	36.784	29.571	(19.61)
Restricted	5.278	6.186	17.20
Unrestricted	33.757	46.371	37.37
Total Net Assets	<u>75.819</u>	<u>82.128</u>	8.32

Restricted Net Assets are dedicated to various uses, namely: debt service, state and federal programs, and campus activities. The \$46,371,210 of unrestricted net asset represents resources available to fund the programs of the District next year.

**Changes in net assets.** The District’s total revenues were \$98,971,316. A significant portion, \$56,760,390 or 57%, of the District’s revenue comes from taxes. (See Figure Below) 40% comes from State aid, Operating Grants and Contributions, while only 3% relates to charges for services and investment earnings. The district also experienced a loss on asset dispositions in the amount of \$1,011,007 or (1%) of total revenue in connection with the demolition of certain buildings that were abandoned after new facilities were constructed.

The total cost of all programs and services was \$92,662,722; 69% of these costs are for instructional and student services.



#### Governmental Activities

- i Property tax rates increased 6.53%, resulting in an increase in the tax levy of \$1,529,147 even though the taxable value fell \$133,141,518 over the prior year.

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

	Governmental Activities		Total Percentage Change
	<u>2010</u>	<u>2011</u>	<u>2010-11</u>
Program Revenues:			
Charges for Services	3.031	3.064	1.09
Operating Grants and Contributions	16.704	18.238	9.18
General Revenues			
Property Taxes	55.657	56.760	1.98
State Aid	20.396	20.973	2.83
Investment Earnings	.468	.342	(26.92)
Disposition of Assets	(3.203)	(1.011)	68.44
Other	.810	.605	(25.31)
<b>Total Revenues</b>	<b>93.863</b>	<b>98.971</b>	<b>5.44</b>
Expenses:			
Instruction	43.064	41.807	(2.92)
Instructional Resources and Media Services	1.146	.974	(15.00)
Curriculum Dev. And Instructional Staff Dev.	1.734	1.810	4.38
Instructional Leadership	1.905	1.936	1.63
School Leadership	4.155	4.097	(1.40)
Guidance, Counseling and Evaluation Services	2.497	2.307	(7.61)
Social Work Services	.012	.011	(8.33)
Health Services	.705	.667	(5.40)
Student (Pupil) Transportation	2.893	3.188	10.20
Food Services	4.357	4.595	5.46
Curricular/Extracurricular Activities	2.398	2.526	5.34
General Administration	2.242	2.187	(2.45)
Plant Maintenance & Oper.	6.246	7.229	15.74
Security & Monitoring Svcs.	.477	.497	4.19
Data Processing Services	1.178	.753	(36.08)
Community Services	.777	.619	(20.33)
Debt Service	9.060	11.344	25.21
Bond Issuance Costs	.183	0.137	(25.14)
Facilities Acquisition and Construction	3.200	5.194	62.31
Other			
Intergovernmental Charges	.722	.785	8.73
<b>Total Expenses</b>	<b>88.952</b>	<b>92.663</b>	<b>4.17</b>
Excess (Deficiency) Before Other Resources, Uses & Transfers	4.911	6.308	28.45
Special Item Inflow	0	0	0
Other Resources (Uses)			
Transfers In (Out)	0	0	0
<b>Increase (Decrease) in Net Assets</b>	<b>4.911</b>	<b>6.308</b>	<b>28.45</b>



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

- i The cost of all *governmental* activities this year was \$92,662,722.
- i However, the amount that our taxpayers paid for these activities through property taxes was only \$56,760,390.
- i Some of the cost was paid by those who directly benefited from the programs, totaling \$3,064,053, or by grants and contributions totaling \$18,237,547.

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

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2010	2011		2010	2011	
Instruction	45.944	44.590	(2.95)	33.625	31.641	(5.90)
School administration	6.060	6.033	(.45)	5.461	5.146	(5.77)
Student Support Services	12.862	13.295	3.37	6.859	7.332	6.90
Plant Maintenance & Operations	6.246	7.229	15.74	5.974	6.362	6.49

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$100,072,222, an increase of 3.16% over the preceding year. The net increase is a result of additional proceeds from state program revenues and from tax collections for bond/construction projects.

#### General Fund Budgetary Highlights

Over the course of the year, the District revised its budget 13 times. Actual expenditures were \$4,900,326 below final budget amounts. The most significant positive variance resulted from instruction. Final costs for instruction were below the amount anticipated and initially budgeted.

In order to prevent budget deficits, the district made a concerted effort to provide for adequate budget amounts in all functions in the event of a contingency.

Revenues generated were \$2,963,187 above the final budgeted amount. Average daily attendance in excess of original projections caused state funding to exceed beginning budget amounts for the current year.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of 2011, the District had invested \$276,014,747 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4) This amount represents a net increase (including additions and deductions) of \$61,723,157, or 29% over the prior year.

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

	Governmental Activities		Total Percentage Change 2010-11
	2010	2011	
Land	10.084	10.128	.44
Buildings and improvements	56.765	156.180	175.13
Vehicles	4.455	4.750	6.62
Equipment	3.898	4.161	6.75
Construction in progress	168.160	131.083	(22.05)
Totals at historical cost	243.362	306.302	25.86
Total accumulated depreciation	29.071	30.287	4.18
Net capital assets	214.291	276.015	28.80

The District continued construction projects on 2 elementary, 2 middle school, and the high school campuses during the year. In addition, 5 new buses were purchased during the year.

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

**Long Term Debt**

At year-end the District had \$254,635,874 in bonds, leases and notes outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

**Bond Ratings**

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

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

	Governmental Activities		Total Percentage Change <u>2010-11</u>
	<u>2010</u>	<u>2011</u>	
Bonds payable	199.658	245.761	23.09
Accreted interest on CABs	1.467	2.039	38.99
Premiums on Issue of Bonds	2.573	3.840	49.24
QSC Bonds		8.875	100.00
Less Defer. Amt. On refunding	(.173)	(.135)	(21.97)
Total bonds & notes payable	<u>203.525</u>	<u>260.380</u>	<u>27.94</u>

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

- i The appraised value used for the 2012 budget preparation increased by \$218 million or (5%) from last year.
- i Due to the decrease in state funding, state revenue is projected to be 3 million dollars less than 10-11.
- i Salaries for all staff were frozen at 10-11 rates. No lay-offs are anticipated. However, staff reductions will be accomplished through attrition.
- i The tax rate to support the 11/12 budget is 1.513 per hundred dollars in value. This reflects no change from the prior year.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

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## Basic Financial Statements

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET ASSETS**  
**AUGUST 31, 2011**

Data Control Codes	1	Governmental Activities
<b>ASSETS:</b>		
1110	Cash and Cash Equivalents	\$ 24,506,907
1120	Current Investments	41,032,255
1225	Property Taxes Receivable (Net)	2,478,856
1240	Due from Other Governments	6,616,732
1250	Accrued Interest	13,339
1290	Other Receivables (Net)	142,451
1300	Inventories	363,844
1410	Deferred Expenses	269,732
1420	Capitalized Bond and Other Debt Issuance Costs	2,355,296
Capital Assets:		
1510	Land	10,128,071
1520	Buildings and Improvements, Net	132,640,136
1530	Furniture and Equipment, Net	2,163,641
1580	Construction in Progress	131,082,899
1910	Long-Term Investments	596,067
1000	Total Assets	<u>354,390,226</u>
<b>LIABILITIES:</b>		
2110	Accounts Payable	7,820,550
2140	Interest Payable	473,899
2165	Accrued Liabilities	3,361,500
2180	Due to Other Governments	76,860
2300	Unearned Revenue	149,861
Noncurrent Liabilities:		
2501	Due Within One Year	5,535,616
2502	Due in More Than One Year	254,844,314
2000	Total Liabilities	<u>272,262,600</u>
<b>NET ASSETS</b>		
3200	Invested in Capital Assets, Net of Related Debt	29,570,505
Restricted For:		
3820	State and Federal Programs	1,586,344
3850	Debt Service	4,497,145
3870	Campus Activities	102,422
3900	Unrestricted	46,371,210
3000	Total Net Assets	<u>\$ 82,127,626</u>

The accompanying notes are an integral part of this statement.

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
			Charges for Services			
	Governmental Activities:					
11	Instruction	\$ 41,806,724	\$ 1,369,523	\$ 9,932,554	\$ (30,504,647)	
12	Instructional Resources and Media Services	973,652	45,874	46,891	(880,887)	
13	Curriculum and Staff Development	1,809,557	41,070	1,512,774	(255,713)	
21	Instructional Leadership	1,935,866	--	286,418	(1,649,448)	
23	School Leadership	4,097,317	39,344	561,049	(3,496,924)	
31	Guidance, Counseling, & Evaluation Services	2,306,848	--	464,036	(1,842,812)	
32	Social Work Services	11,479	--	731	(10,748)	
33	Health Services	667,099	--	39,249	(627,850)	
34	Student Transportation	3,188,412	--	376,592	(2,811,820)	
35	Food Service	4,595,374	956,739	3,454,773	(183,862)	
36	Cocurricular/Extracurricular Activities	2,525,701	594,433	76,145	(1,855,123)	
41	General Administration	2,187,201	--	195,600	(1,991,601)	
51	Plant Maintenance and Operations	7,228,520	17,070	849,592	(6,361,858)	
52	Security and Monitoring Services	497,200	--	471	(496,729)	
53	Data Processing Services	753,456	--	31,580	(721,876)	
61	Community Services	618,805	--	61,224	(557,581)	
72	Interest on Long-term Debt	11,343,966	--	347,868	(10,996,098)	
73	Bond Issuance Costs and Fees	136,541	--	--	(136,541)	
81	Capital Outlay	5,193,858	--	--	(5,193,858)	
99	Other Intergovernmental Charges	785,146	--	--	(785,146)	
TG	Total Governmental Activities	<u>92,662,722</u>	<u>3,064,053</u>	<u>18,237,547</u>	<u>(71,361,122)</u>	
TP	Total Primary Government	<u>\$ 92,662,722</u>	<u>\$ 3,064,053</u>	<u>\$ 18,237,547</u>	<u>(71,361,122)</u>	
	General Revenues:					
MT	Property Taxes, Levied for General Purposes				39,099,220	
DT	Property Taxes, Levied for Debt Service				17,661,170	
IE	Investment Earnings				342,531	
GC	Grants Not Restricted to Specific Programs				20,973,125	
MI	Loss on Disposition of Assets				(1,011,007)	
MI	Miscellaneous				604,677	
TR	Total General Revenues				<u>77,669,716</u>	
CN	Change in Net Assets				6,308,594	
NB	Net Assets - Beginning				75,819,032	
NE	Net Assets - Ending				<u>\$ 82,127,626</u>	

The accompanying notes are an integral part of this statement.

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2011

Data Control Codes	10 General Fund	50 Debt Service Fund
<b>ASSETS:</b>		
1110 Cash and Cash Equivalents	\$ 18,665,042	\$ 3,697,236
1120 Current Investments	17,115,683	200,160
1225 Taxes Receivable, Net	2,004,410	474,446
1240 Due from Other Governments	4,949,985	--
1250 Accrued Interest	10,204	3,135
1260 Due from Other Funds	1,274,614	--
1290 Other Receivables	136,718	--
1300 Inventories	221,238	--
1410 Deferred Expenditures	269,732	--
1900 Other Assets	--	596,067
1000 Total Assets	<u>\$ 44,647,626</u>	<u>\$ 4,971,044</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 Accounts Payable	\$ 310,960	\$ --
2150 Payroll Deductions & Withholdings	(1,390)	--
2160 Accrued Wages Payable	2,311,914	--
2170 Due to Other Funds	2,374	--
2180 Due to Other Governments	15,982	--
2200 Accrued Expenditures	636,557	--
2300 Deferred Revenue	1,933,017	410,095
2000 Total Liabilities	<u>5,209,414</u>	<u>410,095</u>
<b>FUND BALANCES:</b>		
Nonspendable Fund Balances:		
3410 Inventories	221,238	--
3430 Prepaid Items	269,732	--
Restricted Fund Balances:		
3450 Federal/State Funds Grant Restrictions	--	--
3480 Retirement of Long-Term Debt	--	4,560,949
3490 Other Restrictions of Fund Balance	--	--
Committed Fund Balances:		
3510 Construction	20,441,984	--
3545 Other Committed Fund Balance	--	--
3600 Unassigned	18,505,258	--
3000 Total Fund Balances	<u>39,438,212</u>	<u>4,560,949</u>
4000 Total Liabilities and Fund Balances	<u>\$ 44,647,626</u>	<u>\$ 4,971,044</u>

The accompanying notes are an integral part of this statement.

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 246,494	\$ 1,898,135	\$ 24,506,907
23,716,412	--	41,032,255
--	--	2,478,856
--	1,666,747	6,616,732
--	--	13,339
--	2,376	1,276,990
--	5,733	142,451
--	142,606	363,844
--	--	269,732
--	--	596,067
<u>\$ 23,962,906</u>	<u>\$ 3,715,597</u>	<u>\$ 77,297,173</u>
\$ 7,289,079	\$ 220,511	\$ 7,820,550
--	--	(1,390)
--	348,157	2,660,071
--	1,274,616	1,276,990
--	60,878	76,860
--	66,262	702,819
--	56,407	2,399,519
<u>7,289,079</u>	<u>2,026,831</u>	<u>14,935,419</u>
--	126,071	347,309
--	--	269,732
--	1,460,273	1,460,273
--	--	4,560,949
16,673,827	--	16,673,827
--	--	20,441,984
--	102,422	102,422
--	--	18,505,258
<u>16,673,827</u>	<u>1,688,766</u>	<u>62,361,754</u>
<u>\$ 23,962,906</u>	<u>\$ 3,715,597</u>	<u>\$ 77,297,173</u>



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**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 AUGUST 31, 2011

Total fund balances - governmental funds balance sheet	\$ 62,361,754
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	276,014,747
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	2,249,658
Payables for bond principal which are not due in the current period are not reported in the funds.	(254,635,874)
Payables for bond interest which are not due in the current period are not reported in the funds.	(473,899)
Unamortized premiums and discounts on issuance of bonds are not reported in the funds.	(3,839,703)
Unamortized debt issuance costs are not reported in the funds.	2,355,296
Deferred loss on refunding bonds is not reported in the funds.	135,023
Accreted interest on capital appreciation bonds is not reported in the funds.	<u>(2,039,376)</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 82,127,626</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, 2011**

Data Control Codes	10 <u>General Fund</u>	50 <u>Debt Service Fund</u>
<b>REVENUES:</b>		
5700 Local and Intermediate Sources	\$ 40,898,153	\$ 17,694,141
5800 State Program Revenues	23,795,832	--
5900 Federal Program Revenues	614,695	347,868
5020 Total Revenues	<u>65,308,680</u>	<u>18,042,009</u>
<b>EXPENDITURES:</b>		
Current:		
0011 Instruction	32,209,703	--
0012 Instructional Resources and Media Services	857,159	--
0013 Curriculum and Staff Development	227,152	--
0021 Instructional Leadership	1,515,258	--
0023 School Leadership	3,609,876	--
0031 Guidance, Counseling, & Evaluation Services	1,896,587	--
0032 Social Work Services	10,996	--
0033 Health Services	652,539	--
0034 Student Transportation	3,165,689	--
0035 Food Service	--	--
0036 Cocurricular/Extracurricular Activities	2,030,635	--
0041 General Administration	2,109,157	--
0051 Plant Maintenance and Operations	6,425,286	--
0052 Security and Monitoring Services	487,293	--
0053 Data Processing Services	713,422	--
0061 Community Services	567,140	--
0071 Principal on Long-term Debt	60,000	5,882,300
0072 Interest on Long-term Debt	7,634	11,065,498
0073 Bond Issuance Costs and Fees	--	1,223
0081 Capital Outlay	141,131	--
0099 Other Intergovernmental Charges	785,146	--
6030 Total Expenditures	<u>57,471,803</u>	<u>16,949,021</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>7,836,877</u>	<u>1,092,988</u>
Other Financing Sources and (Uses):		
7911 Capital-Related Debt Issued (Regular Bonds)	--	--
7915 Transfers In	--	4,444
7916 Premium or Discount on Issuance of Bonds	--	--
7917 Prepaid Interest	--	152,333
8911 Transfers Out	--	--
8949 Other Uses	(74,278)	--
7080 Total Other Financing Sources and (Uses)	<u>(74,278)</u>	<u>156,777</u>
1200 Net Change in Fund Balances	7,762,599	1,249,765
0100 Fund Balances - Beginning	31,675,613	3,311,184
3000 Fund Balances - Ending	<u>\$ 39,438,212</u>	<u>\$ 4,560,949</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-2

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 118,591	\$ 1,733,106	\$ 60,443,991
--	2,358,704	26,154,536
--	12,511,132	13,473,695
<u>118,591</u>	<u>16,602,942</u>	<u>100,072,222</u>
--	8,309,537	40,519,240
--	56,463	913,622
--	1,552,109	1,779,261
--	368,613	1,883,871
--	407,519	4,017,395
--	363,672	2,260,259
--	--	10,996
--	--	652,539
--	257,145	3,422,834
--	4,427,960	4,427,960
--	110,647	2,141,282
--	3,547	2,112,704
--	629,729	7,055,015
--	--	487,293
--	--	713,422
--	33,398	600,538
--	--	5,942,300
--	--	11,073,132
718,505	--	719,728
69,944,980	--	70,086,111
--	--	785,146
<u>70,663,485</u>	<u>16,520,339</u>	<u>161,604,648</u>
<u>(70,544,894)</u>	<u>82,603</u>	<u>(61,532,426)</u>
60,920,000	--	60,920,000
--	--	4,444
1,500,449	--	1,500,449
--	--	152,333
(4,444)	--	(4,444)
--	--	(74,278)
<u>62,416,005</u>	<u>--</u>	<u>62,498,504</u>
<u>(8,128,889)</u>	<u>82,603</u>	<u>966,078</u>
24,802,716	1,606,163	61,395,676
<u>\$ 16,673,827</u>	<u>\$ 1,688,766</u>	<u>\$ 62,361,754</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2011

Net change in fund balances - total governmental funds	\$ 966,078
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	65,608,346
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,846,796)
The gain or loss on the disposition of capital assets is not reported in the funds.	(1,011,007)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(27,387)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(62,511)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	5,942,298
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	621,765
The accretion of interest on capital appreciation bonds is not reported in the funds.	(572,338)
(Increase) decrease in accrued interest from beginning of period to end of period.	(84,867)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(60,920,000)
Bond premiums are reported in the funds but not in the SOA.	(1,266,411)
Loss on refunding bonds is amortized in the SOA but not in the funds.	(38,578)
Rounding	<u>2</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ 6,308,594</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF FIDUCIARY NET ASSETS

## FIDUCIARY FUNDS

AUGUST 31, 2011

Data Control Codes		Agency Fund
		Student Activity
	<b>ASSETS:</b>	
1110	Cash and Cash Equivalents	\$ 135,409
1000	Total Assets	<u>\$ 135,409</u>
	<b>LIABILITIES:</b>	
	Current Liabilities:	
2190	Due to Student Groups	\$ 135,409
2000	Total Liabilities	<u>135,409</u>
	<b>NET ASSETS</b>	
3000	Total Net Assets	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

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" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity," as revised by GASB Statement No.39, and there are no component units included within the reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

The District reports the following major governmental funds:

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

Debt Service Fund: This fund is used to accumulate resources for the repayment of bonded debt.

Capital Projects Fund: This fund is used to account for the proceeds of taxpayer approved bonds for new facilities.

In addition, the District reports the following fund types:

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

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

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

b. Measurement Focus, Basis of Accounting

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

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

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 at August 31, 2011 was \$381,318.

b. Inventories and Prepaid Items



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

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

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

c. Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40-60
Building Improvements	20
Vehicles	5-10
Office Equipment	5-10
Computer Equipment	5-10

d. Receivable and Payable Balances

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

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

e. 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 assets.

f. Use of Estimates

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

g. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

the display of these codes in the financial statements filed with TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

h. 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 conveys 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.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

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 Assets of Individual Funds

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

<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, 2011, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$24,642,316 and the bank balance was \$26,188,621. The District's cash deposits at August 31, 2011 and during the year ended August 31, 2011, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

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

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

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

The District's investments at August 31, 2011 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Lone Star Investment Pool	38-147 days	\$ 26,603,868
Texas CLASS	< 60 days	4,256,993
Certificates of Deposit	6-12 months	10,171,394
Total Current Investments		<u>\$ 41,032,255</u>
Certificate of Deposit	02/1/2025	\$ 596,067
Total Long-Term Investments		<u>\$ 596,067</u>

3. Analysis of Specific Deposit and Investment Risks

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

a. Credit Risk

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

At August 31, 2011, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

<u>Investment</u>	<u>Standard &amp; Poor's Rating</u>
Lone Star Investment Pool	AAAm
Texas CLASS	AAAm

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

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

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
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**FOR THE YEAR ENDED AUGUST 31, 2011**

rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

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

**D. Capital Assets**

Capital asset activity for the year ended August 31, 2011, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 10,083,795	\$ 44,276	\$ --	\$ 10,128,071
Construction in progress	168,160,645	64,721,902	101,799,648	131,082,899
Total capital assets not being depreciated	<u>178,244,440</u>	<u>64,766,178</u>	<u>101,799,648</u>	<u>141,210,970</u>
Capital assets being depreciated:				
Buildings and improvements	56,765,523	101,925,722	2,511,376	156,179,869
Equipment	3,897,874	263,023	--	4,160,897
Vehicles	4,454,777	453,071	158,062	4,749,786
Total capital assets being depreciated	<u>65,118,174</u>	<u>102,641,816</u>	<u>2,669,438</u>	<u>165,090,552</u>
Less accumulated depreciation for:				
Buildings and improvements	(22,734,975)	(2,277,740)	(1,472,982)	(23,539,733)
Equipment	(2,973,859)	(353,919)	--	(3,327,778)
Vehicles	(3,362,189)	(215,137)	(158,062)	(3,419,264)
Total accumulated depreciation	<u>(29,071,023)</u>	<u>(2,846,796)</u>	<u>(1,631,044)</u>	<u>(30,286,775)</u>
Total capital assets being depreciated, net	<u>36,047,151</u>	<u>99,795,020</u>	<u>1,038,394</u>	<u>134,803,777</u>
Governmental activities capital assets, net	<u>\$ 214,291,591</u>	<u>\$ 164,561,198</u>	<u>\$ 102,838,042</u>	<u>\$ 276,014,747</u>

Current year decreases in net assets include \$930,875 for two buildings that were demolished in connection with ongoing bond projects.

Depreciation was charged to functions as follows:

Instruction	\$ 1,395,694
Instructional Resources and Media Services	60,030
Curriculum and Staff Development	30,296
Instructional Leadership	51,995
School Leadership	79,922

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Guidance, Counseling, & Evaluation Services	46,589
Social Work Services	483
Health Services	14,560
Student Transportation	218,649
Food Services	176,599
Extracurricular Activities	384,419
General Administration	74,497
Plant Maintenance and Operations	244,856
Security and Monitoring Services	9,907
Data Processing Services	40,034
Community Services	18,266
	\$ 2,846,796

**E. Interfund Balances and Activities**

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2011, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 1,269,329	Short-term loans
General Fund	Other Governmental Funds	5,287	Payroll liabilities
Other Governmental Funds	General Fund	2,374	Principal's fund balance
	Total	\$ 1,276,990	

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

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2011, consisted of the following:

Transfers From	Transfers To	Amount	Reason
Capital Projects Fund	Debt Service Fund	\$ 4,444	Transfer prepaid interest
	Total	\$ 4,444	

**F. Long-Term Obligations**

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

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2011, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
General obligation bonds	\$ 199,658,172	\$ 52,045,000	\$ 5,942,298	\$ 245,760,874	\$ 5,535,616
Accreted interest on CABs	1,467,038	572,338	--	2,039,376	--
Premium on issuance of debt	2,573,292	1,500,449	234,038	3,839,703	--
QSC Bonds	--	8,875,000	--	8,875,000	--

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
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Less deferred amount on refunding	(173,601)	--	38,578	(135,023)	--
Total governmental activities	<u>\$ 203,524,901</u>	<u>\$ 62,992,787</u>	<u>\$ 6,214,914</u>	<u>\$ 260,379,930</u>	<u>\$ 5,535,616</u>

2. Bonds and Notes Payable

Bonds and notes payable currently outstanding are as follows:

Description	Interest Rates	Maturity Date	Amount
Unlimited Tax Refunding Bonds, Series 2003	2.50-3.375%	FY 2015	\$ 5,455,000
Maintenance Tax Notes, Series 2004	3.47%	FY 2014	190,000
Unlimited Tax School Building Bonds, Series 2008	4.00-5.00%	FY 2036	111,605,000
Unlimited Tax School Building Bonds, Series 2008 - CAB	2.81-4.46%	FY 2018	15,940,874
Unlimited Tax School Building Bonds, Series 2009	2.50-5.00%	FY 2037	61,955,000
Unlimited Tax School Building Bonds, Series 2010	2.00-5.00%	FY 2040	50,615,000
Unlimited Tax Qualified School Construction Bonds, Series 2010	4.657%	FY 2025	8,875,000
			<u>\$ 254,635,874</u>

3. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2011, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2012	\$ 5,535,616	\$ 5,374,494	\$ 10,910,110
2013	5,584,950	5,246,281	10,831,231
2014	5,630,009	5,109,032	10,739,041
2015	5,616,465	4,965,129	10,581,594
2016	5,246,671	4,842,904	10,089,575
2017-2021	31,182,163	22,729,997	53,912,160
2022-2026	51,535,000	19,082,193	70,617,193
2027-2031	56,515,000	13,262,050	69,777,050
2032-2036	71,705,000	7,024,625	78,729,625
2037-2041	16,085,000	1,083,525	17,168,525
Totals	<u>\$ 254,635,874</u>	<u>\$ 88,720,230</u>	<u>\$ 343,356,104</u>

4. Qualified School Construction Bonds

Certain Series 2010 bonds include an irrevocable election to receive directly from the United States Department of the Treasury a tax credit equal to the amount of interest which would have been payable on the Securities by the Issuer if such interest were determined at the credit rate determined under section 54A(b)(3) of the Internal Revenue Code (which credit rate applicable to the Bonds is 4.657% per annum), which election is based on the Securities' qualification as "Qualified School Construction Bonds" under section 54F of the Code and as "qualified bonds" under subsection 6431(f)(1)(A) of the Code, and the Issuer's irrevocable election to treat the Securities as such at the time of their issuance. During the year ended August 31, 2011, the District received \$347,868 from the Department of the Treasury which directly offset the cost of interest expense on this issue.

The term bond in the amount of \$8,875,000 will mature on February 15, 2025. The District is required to make mandatory payments into a sinking fund annually, which will be used to pay off the bonds at maturity. At August 31, 2011, the District was in compliance with the sinking fund requirements.

G. 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 2011, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

there were no settlements exceeding insurance coverage for each of the past three fiscal years.

H. Pension Plan

1. Plan Description

The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

2. Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a 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. State law provides for a member contribution rate of 6.4% for fiscal years 2011, 2010, and 2009, and a state contribution rate of 6.644% for fiscal years 2011-2010 and 6.58% for fiscal year 2009. In certain instances the reporting district is required to make all or a portion of the state's 6.644% contribution, limited to 6.4% for the period of September through December 2009 and increased to 6.644% for the period of January 2010 through August 2011. State contributions to TRS made on behalf of the District's employees for the years ending August 31, 2011, 2010 and 2009 were \$2,941,630, \$2,872,738 and \$2,681,236, respectively. The District paid additional state contributions for the years ending August 31, 2011, 2010 and 2009 in the amount of \$348,606, \$400,181 and \$483,314, respectively, on the portion of the employees' salaries that exceeded the statutory minimum.

I. Retiree Health Care Plan

1. Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas (TRS). TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS web site at [www.trs.state.tx.us](http://www.trs.state.tx.us) under the TRS Publications heading, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

2. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee,



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2011, 2010 and 2009. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2011, 2010, and 2009, the State's contributions to TRS-Care were \$462,888, \$468,665, and \$454,564, respectively, the active member contributions were \$300,877, \$304,618, and \$295,473, respectively, and the District's contributions were \$254,588, \$257,807, and \$250,014, respectively, which equaled the required contributions each year.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2011, 2010, and 2009, the subsidy payments received by TRS-Care on behalf of the District were \$110,978, \$121,472, and \$105,769, respectively.

**J. Employee Health Care Coverage**

During the year ended August 31, 2011, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$225 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

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

**K. Commitments and Contingencies**

**1. Contingencies**

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

**2. Litigation**

No reportable litigation was pending against the District at August 31, 2011.

**3. Commitments**

The District had the following contractual commitments at August 31, 2011, in connection with ongoing building projects.

Construction Manager - Bramlette Elementary	\$ 3,316,844
Construction Manager - Ware Elementary	730,306
Construction Manager - Foster Middle School	4,062,221
Construction Manager - Judson Middle School	2,875,643
Construction Manager - LHS Additions & Renovations	285,422
Contractor - Energy Management System	26,114

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

Contractor - Plant Parking Lot	42,420
Architect - various projects	89,744
	<u>\$ 11,428,714</u>

These projects will be funded with remaining bond proceeds reported in the Capital Projects Fund.

L. Shared Services Arrangements

Shared Services Arrangement - Fiscal Agent

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides deaf education services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in the Regional Day School for the Deaf 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	\$ 93,947
Hallsville ISD	74,122
Jefferson ISD	13,421
New Diana ISD	26,842
West Rusk ISD	13,421
Harleton ISD	26,842
Beckville ISD	13,421
Kilgore ISD	80,526
White Oak ISD	26,842
Gladewater ISD	26,842
Spring Hill ISD	13,421
Carthage ISD	40,263
Overton ISD	13,421
Tatum ISD	26,842
Union Grove ISD	26,842
Gilmer ISD	40,263
Pine Tree ISD	40,263
Elysian Fields ISD	13,421
Longview ISD	174,473
Total	<u>\$ 785,435</u>

M. Subsequent Events

Management has evaluated subsequent events through December XX, 2011, the date on which the financial statements were available to be issued.

N. Workers Compensation

The District joined together with other school districts in the East Texas area to form the East Texas Educational Insurance Association, a public entity risk pool currently operating a workers' compensation risk management and insurance program for various member school districts. During the 2010-11 school year, the District paid a fixed cost in the amount of \$172,049 for administration of claims, loss control, record keeping, and the cost of stop-loss insurance. Total workers' compensation claims paid amounted to \$89,860 for current year claims and \$157,745 for claims incurred in prior years. However, the District may be required to pay, and retains the risk of loss for, workers' compensation claims up to the loss fund maximum. When and if other schools in the Association exceed their loss fund maximum, the District will be required to pay a percentage share of the excess.

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

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 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2011

	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
Year Ended August 31, 2011	\$ 700,095	\$ 250,307	\$ 247,605	702,797
Year Ended August 31, 2010	460,523	638,847	399,275	700,095

O. Other Restricted and Committed Fund Balance

Other restrictions of fund balance consist of \$16,673,827 restricted for construction.

Other committed fund balance consists of \$102,422 committed to campus activity funds.

## 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, 2011

**EXHIBIT G-1**

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 39,146,552	\$ 39,281,099	\$ 40,898,153	\$ 1,617,054
5800	State Program Revenues	22,458,167	22,523,394	23,795,832	1,272,438
5900	Federal Program Revenues	538,000	541,000	614,695	73,695
5020	Total Revenues	<u>62,142,719</u>	<u>62,345,493</u>	<u>65,308,680</u>	<u>2,963,187</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	34,993,960	34,194,229	32,209,703	1,984,526
0012	Instructional Resources and Media Services	974,251	971,761	857,159	114,602
0013	Curriculum and Staff Development	226,365	339,482	227,152	112,330
	Total Instruction & Instr. Related Services	<u>36,194,576</u>	<u>35,505,473</u>	<u>33,294,014</u>	<u>2,211,459</u>
Instructional and School Leadership:					
0021	Instructional Leadership	1,642,976	1,645,757	1,515,258	130,499
0023	School Leadership	3,835,750	3,817,764	3,609,876	207,888
	Total Instructional & School Leadership	<u>5,478,726</u>	<u>5,463,521</u>	<u>5,125,134</u>	<u>338,387</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	1,941,366	1,991,051	1,896,587	94,464
0032	Social Work Services	11,578	15,496	10,996	4,500
0033	Health Services	707,019	703,118	652,539	50,579
0034	Student (Pupil) Transportation	3,509,052	3,562,005	3,165,689	396,316
0036	Cocurricular/Extracurricular Activities	1,946,078	2,168,599	2,030,635	137,964
	Total Support Services - Student (Pupil)	<u>8,115,093</u>	<u>8,440,269</u>	<u>7,756,446</u>	<u>683,823</u>
Administrative Support Services:					
0041	General Administration	2,233,648	2,350,444	2,109,157	241,287
	Total Administrative Support Services	<u>2,233,648</u>	<u>2,350,444</u>	<u>2,109,157</u>	<u>241,287</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	7,271,222	7,569,317	6,425,286	1,144,031
0052	Security and Monitoring Services	496,989	534,994	487,293	47,701
0053	Data Processing Services	842,328	840,601	713,422	127,179
	Total Support Services - Nonstudent Based	<u>8,610,539</u>	<u>8,944,912</u>	<u>7,626,001</u>	<u>1,318,911</u>
Ancillary Services:					
0061	Community Services	585,007	625,073	567,140	57,933
	Total Ancillary Services	<u>585,007</u>	<u>625,073</u>	<u>567,140</u>	<u>57,933</u>
Debt Service:					
0071	Principal on Long-Term Debt	55,000	60,000	60,000	--
0072	Interest on Long-Term Debt	9,630	7,634	7,634	--
0073	Bond Issuance Costs and Fees	500	500	--	500
	Total Debt Service	<u>65,130</u>	<u>68,134</u>	<u>67,634</u>	<u>500</u>
Capital Outlay:					
0081	Capital Outlay	--	182,303	141,131	41,172
	Total Capital Outlay	<u>--</u>	<u>182,303</u>	<u>141,131</u>	<u>41,172</u>
0099	Other Intergovernmental Charges	790,000	792,000	785,146	6,854
	Total Intergovernmental Charges	<u>790,000</u>	<u>792,000</u>	<u>785,146</u>	<u>6,854</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2011

**EXHIBIT G-1**

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
6030	Total Expenditures	<u>62,072,719</u>	<u>62,372,129</u>	<u>57,471,803</u>	<u>4,900,326</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>70,000</u>	<u>(26,636)</u>	<u>7,836,877</u>	<u>7,863,513</u>
	Other Financing Sources (Uses):				
8911	Transfers Out	<u>(70,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>
8949	Other Uses	<u>--</u>	<u>(74,278)</u>	<u>(74,278)</u>	<u>--</u>
7080	Total Other Financing Sources and (Uses)	<u>(70,000)</u>	<u>(74,278)</u>	<u>(74,278)</u>	<u>--</u>
1200	Net Change in Fund Balance	<u>--</u>	<u>(100,914)</u>	<u>7,762,599</u>	<u>7,863,513</u>
0100	Fund Balance - Beginning	<u>31,675,613</u>	<u>31,675,613</u>	<u>31,675,613</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 31,675,613</u>	<u>\$ 31,574,699</u>	<u>\$ 39,438,212</u>	<u>\$ 7,863,513</u>

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## Combining Statements and Budget Comparisons as Supplementary Information

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



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2011

Data Control Codes	210 ESEA Title I School Improvement	211 ESEA Title I Improving Basic Programs	212 ESEA Title I Part D Subpart 2	224 IDEA-B Formula
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ 18,851	\$ --
1240 Due from Other Governments	79,394	442,957	--	236,894
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ 79,394</u>	<u>\$ 442,957</u>	<u>\$ 18,851</u>	<u>\$ 236,894</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ 630	\$ --	\$ 9,004
2160 Accrued Wages Payable	--	86,395	--	87,172
2170 Due to Other Funds	79,394	355,932	420	140,718
2180 Due to Other Governments	--	--	18,431	--
2200 Accrued Expenditures	--	--	--	--
2300 Deferred Revenue	--	--	--	--
2000 Total Liabilities	<u>79,394</u>	<u>442,957</u>	<u>18,851</u>	<u>236,894</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 79,394</u>	<u>\$ 442,957</u>	<u>\$ 18,851</u>	<u>\$ 236,894</u>

225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	227 IDEA-B Deaf	228 IDEA-B Preschool Deaf	240 National School Breakfast/Lunch Program
\$ 2,508	\$ --	\$ --	\$ --	\$ 1,275,094
--	12,256	2,140	48	107,262
--	--	--	--	--
--	--	--	--	5,733
--	--	--	--	142,606
<u>\$ 2,508</u>	<u>\$ 12,256</u>	<u>\$ 2,140</u>	<u>\$ 48</u>	<u>\$ 1,530,695</u>
\$ --	\$ 143	\$ --	\$ --	\$ 192,365
2,508	1,221	--	--	50,278
--	10,892	2,140	48	5,288
--	--	--	--	--
--	--	--	--	66,262
--	--	--	--	56,407
<u>2,508</u>	<u>12,256</u>	<u>2,140</u>	<u>48</u>	<u>370,600</u>
--	--	--	--	126,071
--	--	--	--	1,034,024
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,160,095</u>
<u>\$ 2,508</u>	<u>\$ 12,256</u>	<u>\$ 2,140</u>	<u>\$ 48</u>	<u>\$ 1,530,695</u>

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2011

Data Control Codes	242 Summer Feeding Program	244 Career and Tech Basic Grant	253 IDEA-C Deaf	255 ESEA Title II Training & Recruiting
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ 57,483	\$ --	\$ --	\$ --
1240 Due from Other Governments	--	--	681	6,814
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ 57,483</u>	<u>\$ --</u>	<u>\$ 681</u>	<u>\$ 6,814</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ --	\$ --	\$ 2,164
2160 Accrued Wages Payable	--	--	--	--
2170 Due to Other Funds	--	--	681	4,650
2180 Due to Other Governments	--	--	--	--
2200 Accrued Expenditures	--	--	--	--
2300 Deferred Revenue	--	--	--	--
2000 Total Liabilities	<u>--</u>	<u>--</u>	<u>681</u>	<u>6,814</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	57,483	--	--	--
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>57,483</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 57,483</u>	<u>\$ --</u>	<u>\$ 681</u>	<u>\$ 6,814</u>

263 English Language Acquisition and Enhancement	266 ARRA of 2009 Title XIV State Fiscal Stabilization	279 Enhancing Education through Technology-ARRA	280 ARRA - ESEA Title II Part D Technology	282 ARRA - ESEA Title I SIP
\$ --	\$ --	\$ --	\$ --	\$ --
3,275	338,987	44,075	2,510	1,201
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 3,275</u>	<u>\$ 338,987</u>	<u>\$ 44,075</u>	<u>\$ 2,510</u>	<u>\$ 1,201</u>
\$ --	\$ --	\$ --	\$ --	\$ --
531	--	--	--	--
2,744	338,987	44,075	2,510	1,120
--	--	--	--	81
--	--	--	--	--
--	--	--	--	--
<u>3,275</u>	<u>338,987</u>	<u>44,075</u>	<u>2,510</u>	<u>1,201</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 3,275</u>	<u>\$ 338,987</u>	<u>\$ 44,075</u>	<u>\$ 2,510</u>	<u>\$ 1,201</u>

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2011

Data Control Codes	283 IDEA - Part B Formula - ARRA	284 IDEA - Part B Preschool - ARRA	285 ESEA Title 1 Part A Improving Basic Programs - ARRA	287 Education Jobs Fund
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1240 Due from Other Governments	68,334	45	64,900	103,869
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ 68,334</u>	<u>\$ 45</u>	<u>\$ 64,900</u>	<u>\$ 103,869</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 577	\$ --	\$ 3,050	\$ --
2160 Accrued Wages Payable	--	--	--	77,321
2170 Due to Other Funds	67,757	45	61,850	26,548
2180 Due to Other Governments	--	--	--	--
2200 Accrued Expenditures	--	--	--	--
2300 Deferred Revenue	--	--	--	--
2000 Total Liabilities	<u>68,334</u>	<u>45</u>	<u>64,900</u>	<u>103,869</u>
<b>FUND BALANCES:</b>				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	--
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	--
Committed Fund Balances:				
3545 Other Committed Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 68,334</u>	<u>\$ 45</u>	<u>\$ 64,900</u>	<u>\$ 103,869</u>

289 Summer School LEP	390 LEP Summer Program	394 Life Skills Program	397 Advanced Placement Incentives	404 Student Success Initiative
\$ --	\$ --	\$ --	\$ 5,158	\$ --
10,780	--	1,869	--	49,617
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 10,780</u>	<u>\$ --</u>	<u>\$ 1,869</u>	<u>\$ 5,158</u>	<u>\$ 49,617</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
10,780	--	1,869	--	49,617
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>10,780</u>	<u>--</u>	<u>1,869</u>	<u>--</u>	<u>49,617</u>
--	--	--	--	--
--	--	--	5,158	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>5,158</u>	<u>--</u>
<u>\$ 10,780</u>	<u>\$ --</u>	<u>\$ 1,869</u>	<u>\$ 5,158</u>	<u>\$ 49,617</u>

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2011

Data Control Codes	409 Texas High School Project	411 Technology Allotment	414 Reading, Math and Science Initiative
<b>ASSETS:</b>			
1110 Cash and Cash Equivalents	\$ --	\$ 183,827	\$ 11,089
1240 Due from Other Governments	--	12,909	--
1260 Due from Other Funds	--	--	--
1290 Other Receivables	--	--	--
1300 Inventories	--	--	--
1000 Total Assets	<u>\$ --</u>	<u>\$ 196,736</u>	<u>\$ 11,089</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 Accounts Payable	\$ --	\$ 1,955	\$ --
2160 Accrued Wages Payable	--	--	--
2170 Due to Other Funds	--	--	--
2180 Due to Other Governments	--	--	11,089
2200 Accrued Expenditures	--	--	--
2300 Deferred Revenue	--	--	--
2000 Total Liabilities	<u>--</u>	<u>1,955</u>	<u>11,089</u>
<b>FUND BALANCES:</b>			
Nonspendable Fund Balances:			
3410 Inventories	--	--	--
Restricted Fund Balances:			
3450 Federal/State Funds Grant Restrictions	--	194,781	--
Committed Fund Balances:			
3545 Other Committed Fund Balance	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>194,781</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 196,736</u>	<u>\$ 11,089</u>

415 Kindergarten and Prekindergarten Grants	424 Texas Fitness Now	425 Teacher Induction & Mentoring	432 District Awards Teacher Exc	433 District Awards Teacher Excellence PH 3
\$ --	\$ --	\$ 2,562	\$ 28,715	\$ --
75,851	79	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 75,851</u>	<u>\$ 79</u>	<u>\$ 2,562</u>	<u>\$ 28,715</u>	<u>\$ --</u>
\$ 9,379	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
66,472	79	--	--	--
--	--	2,562	28,715	--
--	--	--	--	--
--	--	--	--	--
<u>75,851</u>	<u>79</u>	<u>2,562</u>	<u>28,715</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 75,851</u>	<u>\$ 79</u>	<u>\$ 2,562</u>	<u>\$ 28,715</u>	<u>\$ --</u>



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 AUGUST 31, 2011

Data Control Codes	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
<b>ASSETS:</b>			
1110 Cash and Cash Equivalents	\$ 212,802	\$ 100,046	\$ 1,898,135
1240 Due from Other Governments	--	--	1,666,747
1260 Due from Other Funds	--	2,376	2,376
1290 Other Receivables	--	--	5,733
1300 Inventories	--	--	142,606
1000 Total Assets	<u>\$ 212,802</u>	<u>\$ 102,422</u>	<u>\$ 3,715,597</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 Accounts Payable	\$ 1,244	\$ --	\$ 220,511
2160 Accrued Wages Payable	42,731	--	348,157
2170 Due to Other Funds	--	--	1,274,616
2180 Due to Other Governments	--	--	60,878
2200 Accrued Expenditures	--	--	66,262
2300 Deferred Revenue	--	--	56,407
2000 Total Liabilities	<u>43,975</u>	<u>--</u>	<u>2,026,831</u>
<b>FUND BALANCES:</b>			
Nonspendable Fund Balances:			
3410 Inventories	--	--	126,071
Restricted Fund Balances:			
3450 Federal/State Funds Grant Restrictions	168,827	--	1,460,273
Committed Fund Balances:			
3545 Other Committed Fund Balance	--	102,422	102,422
3000 Total Fund Balances	<u>168,827</u>	<u>102,422</u>	<u>1,688,766</u>
4000 Total Liabilities and Fund Balances	<u>\$ 212,802</u>	<u>\$ 102,422</u>	<u>\$ 3,715,597</u>

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**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	210 ESEA Title I School Improvement	211 ESEA Title I Improving Basic Programs	212 ESEA Title I Part D Subpart 2	224 IDEA-B Formula
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	184,494	2,736,742	20,014	1,368,852
5020 Total Revenues	<u>184,494</u>	<u>2,736,742</u>	<u>20,014</u>	<u>1,368,852</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	141,532	2,315,741	20,014	1,141,474
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	42,227	217,100	--	--
0021 Instructional Leadership	--	57,887	--	67,882
0023 School Leadership	735	7,390	--	84,401
0031 Guidance, Counseling, & Evaluation Services	--	111,569	--	75,095
0034 Student Transportation	--	1,836	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0061 Community Services	--	25,219	--	--
6030 Total Expenditures	<u>184,494</u>	<u>2,736,742</u>	<u>20,014</u>	<u>1,368,852</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	--	--	--
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	227 IDEA-B Deaf	228 IDEA-B Preschool Deaf	240 National School Breakfast/Lunch Program
\$ --	\$ --	\$ --	\$ --	\$ 962,021
--	--	--	--	40,939
<u>30,657</u>	<u>36,571</u>	<u>21,800</u>	<u>2,302</u>	<u>3,394,833</u>
<u>30,657</u>	<u>36,571</u>	<u>21,800</u>	<u>2,302</u>	<u>4,397,793</u>
30,657	36,571	21,800	2,302	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	4,427,960
--	--	--	--	--
--	--	--	--	--
<u>30,657</u>	<u>36,571</u>	<u>21,800</u>	<u>2,302</u>	<u>4,427,960</u>
--	--	--	--	(30,167)
--	--	--	--	(30,167)
--	--	--	--	1,190,262
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,160,095</u>

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	242 Summer Feeding Program	244 Career and Tech Basic Grant	253 IDEA-C Deaf	255 ESEA Title II Training & Recruiting
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ 226	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	--	128,745	681	578,340
5020 Total Revenues	<u>226</u>	<u>128,745</u>	<u>681</u>	<u>578,340</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	--	114,531	681	121,998
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	2,709	--	442,765
0021 Instructional Leadership	--	--	--	2,433
0023 School Leadership	--	--	--	7,597
0031 Guidance, Counseling, & Evaluation Services	--	10,618	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	887	--	--
0041 General Administration	--	--	--	3,547
0051 Plant Maintenance and Operations	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>--</u>	<u>128,745</u>	<u>681</u>	<u>578,340</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	226	--	--	--
1200 Net Change in Fund Balances	<u>226</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 Fund Balances - Beginning	57,257	--	--	--
3000 Fund Balances - Ending	<u>\$ 57,483</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

263 English Language Acquisition and Enhancement	266 ARRA of 2009 Title XIV State Fiscal Stabilization	279 Enhancing Education through Technology-ARRA	280 ARRA - ESEA Title II Part D Technology	282 ARRA - ESEA Title I SIP
\$ --	\$ --	\$ --	\$ --	\$ --
--	48,811	--	--	--
127,190	2,105,926	219,623	13,314	7,726
<u>127,190</u>	<u>2,154,737</u>	<u>219,623</u>	<u>13,314</u>	<u>7,726</u>
40,655	1,525,008	--	1,680	4,399
--	--	--	--	--
64,988	--	152,474	10,916	3,327
371	--	67,149	718	--
250	--	--	--	--
16,050	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	629,729	--	--	--
4,876	--	--	--	--
<u>127,190</u>	<u>2,154,737</u>	<u>219,623</u>	<u>13,314</u>	<u>7,726</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	283 IDEA - Part B Formula - ARRA	284 IDEA - Part B Preschool - ARRA	285 ESEA Title 1 Part A Improving Basic Programs - ARRA	287 Education Jobs Fund
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	770,503	41,660	606,510	103,869
5020 Total Revenues	<u>770,503</u>	<u>41,660</u>	<u>606,510</u>	<u>103,869</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	458,746	41,660	368,959	103,869
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	659	--	215,633	--
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	10,677	--
0031 Guidance, Counseling, & Evaluation Services	126,320	--	--	--
0034 Student Transportation	184,778	--	7,938	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0061 Community Services	--	--	3,303	--
6030 Total Expenditures	<u>770,503</u>	<u>41,660</u>	<u>606,510</u>	<u>103,869</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

289 Summer School LEP	390 LEP Summer Program	394 Life Skills Program	397 Advanced Placement Incentives	404 Student Success Initiative
\$ --	\$ --	\$ --	\$ --	\$ --
--	1,122	18,794	--	109,298
10,780	--	--	--	--
<u>10,780</u>	<u>1,122</u>	<u>18,794</u>	<u>--</u>	<u>109,298</u>
10,780	1,122	18,794	--	46,705
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	62,593
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>10,780</u>	<u>1,122</u>	<u>18,794</u>	<u>--</u>	<u>109,298</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	5,158	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,158</u>	<u>\$ --</u>



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	409 Texas High School Project	411 Technology Allotment	414 Reading, Math and Science Initiative
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --
5800 State Program Revenues	274,074	225,686	184,893
5900 Federal Program Revenues	--	--	--
5020 Total Revenues	<u>274,074</u>	<u>225,686</u>	<u>184,893</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	130,793	186,704	--
0012 Instructional Resources and Media Services	3,618	--	--
0013 Curriculum and Staff Development	(351)	371	184,893
0021 Instructional Leadership	--	--	--
0023 School Leadership	116,144	--	--
0031 Guidance, Counseling, & Evaluation Services	23,870	--	--
0034 Student Transportation	--	--	--
0035 Food Service	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--
0041 General Administration	--	--	--
0051 Plant Maintenance and Operations	--	--	--
0061 Community Services	--	--	--
6030 Total Expenditures	<u>274,074</u>	<u>187,075</u>	<u>184,893</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	--	38,611	--
1200 Net Change in Fund Balances	--	38,611	--
0100 Fund Balances - Beginning	--	156,170	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ 194,781</u>	<u>\$ --</u>

415 Kindergarten and Prekindergarten Grants	424 Texas Fitness Now	425 Teacher Induction & Mentoring	432 District Awards Teacher Exc	433 District Awards Teacher Excellence PH 3
\$ --	\$ --	\$ --	\$ --	\$ --
384,661	21,176	52,400	551,610	15,750
--	--	--	--	--
<u>384,661</u>	<u>21,176</u>	<u>52,400</u>	<u>551,610</u>	<u>15,750</u>
201,216	20,408	--	501,884	--
--	--	--	--	--
48,443	768	52,400	49,726	15,750
--	--	--	--	--
135,002	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>384,661</u>	<u>21,176</u>	<u>52,400</u>	<u>551,610</u>	<u>15,750</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
\$ <u><u>--</u></u>	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>	\$ <u><u>--</u></u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ 448,501	\$ 322,358	\$ 1,733,106
5800 State Program Revenues	429,490	--	2,358,704
5900 Federal Program Revenues	--	--	12,511,132
5020 Total Revenues	<u>877,991</u>	<u>322,358</u>	<u>16,602,942</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	613,113	85,741	8,309,537
0012 Instructional Resources and Media Services	--	52,845	56,463
0013 Curriculum and Staff Development	--	47,311	1,552,109
0021 Instructional Leadership	172,173	--	368,613
0023 School Leadership	--	45,323	407,519
0031 Guidance, Counseling, & Evaluation Services	150	--	363,672
0034 Student Transportation	--	--	257,145
0035 Food Service	--	--	4,427,960
0036 Cocurricular/Extracurricular Activities	--	109,760	110,647
0041 General Administration	--	--	3,547
0051 Plant Maintenance and Operations	--	--	629,729
0061 Community Services	--	--	33,398
6030 Total Expenditures	<u>785,436</u>	<u>340,980</u>	<u>16,520,339</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>92,555</u>	<u>(18,622)</u>	<u>82,603</u>
1200 Net Change in Fund Balances	<u>92,555</u>	<u>(18,622)</u>	<u>82,603</u>
0100 Fund Balances - Beginning	<u>76,272</u>	<u>121,044</u>	<u>1,606,163</u>
3000 Fund Balances - Ending	<u>\$ 168,827</u>	<u>\$ 102,422</u>	<u>\$ 1,688,766</u>

## Other Supplementary Information

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FOR THE YEAR ENDED AUGUST 31, 2011

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2002 and Prior Years	\$	Various	\$	Various	\$	Various
2003		1.50		.0533		2,413,452,523
2004		1.50		.119		2,416,099,419
2005		1.50		.115		2,577,800,433
2006		1.50		.11		2,770,955,031
2007		1.37		.098		3,036,300,384
2008		1.0401		.098		3,340,013,774
2009		1.0401		.2579		3,635,017,793
2010		1.0401		.3802		3,820,569,211
2011 (School Year Under Audit)		1.04		.473		3,687,427,693

1000 Totals

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

10 Beginning Balance 9/1/10	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/11
\$ 487,567	\$ --	\$ 9,904	\$ 829	\$ (80,454)	\$ 396,380
102,742	--	2,832	100	(335)	99,475
119,390	--	5,521	438	(587)	112,844
128,715	--	11,722	899	(791)	115,303
144,945	--	16,691	1,224	3,178	130,208
182,378	--	35,165	2,482	(2,622)	142,109
214,745	--	41,737	3,933	(11,738)	157,337
444,000	--	128,153	31,778	(5,821)	278,248
1,165,284	--	510,752	186,710	(37,795)	430,027
--	55,790,781	37,955,244	17,261,507	424,213	998,243
<u>\$ 2,989,766</u>	<u>\$ 55,790,781</u>	<u>\$ 38,717,721</u>	<u>\$ 17,489,900</u>	<u>\$ 287,248</u>	<u>\$ 2,860,174</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-2**

SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2012-2013  
GENERAL AND SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2011

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION AND FUNCTION 99 - APPRAISAL DISTRICT COST

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs	\$ --	\$ --	\$ 302,656	\$ 1,284,573	\$ --	\$ 4,514	\$ 1,591,743
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)	--	--	--	--	--	--	--
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)	--	--	--	--	--	--	--
6211	Legal Services	--	--	91,612	--	3,425	--	95,037
6212	Audit Services	--	--	--	29,091	--	--	29,091
6213	Tax Appraisal and Collection	--	850,146	--	--	--	--	850,146
621X	Other Prof. Services	--	--	--	--	--	--	--
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	10,671	--	--	10,671
6240	Contr. Maint. and Repair	--	--	--	--	2,981	--	2,981
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	2,762	15,635	--	--	18,397
6290	Miscellaneous Contr.	350	--	350	70,559	--	--	71,259
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	594	389	--	--	983
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	499	--	--	149,789	--	--	150,288
6410	Travel, Subsistence, Stipends	12,885	--	15,505	19,259	--	--	47,649
6420	Ins. and Bonding Costs	1,634	--	--	455	--	--	2,089
6430	Election Costs	3,280	--	--	--	--	--	3,280
6490	Miscellaneous Operating	13,159	--	18,816	42,526	--	122	74,623
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	--	--

Total \$ 31,807 \$ 850,146 \$ 432,295 \$ 1,622,947 \$ 6,406 \$ 4,636 \$ 2,948,237

Total Expenditures for General and Special Revenue Funds (9) \$ 73,992,142

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 1,265,306
Total Debt & Lease (6500)	(11)	\$ 67,634
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 6,946,290
Food (Function 35, 6341 and 6499)	(13)	\$ 1,922,049
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		\$ 1,622,947

Subtotal 11,824,226

Net Allowed Direct Cost \$ 62,167,916

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 156,179,869
Historical Cost of Buildings over 50 years old	(16)	5,280,889
Amount of Federal Money in Building Cost (Net of #16)	(17)	196,632
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	8,910,683
Historical Cost of Furniture & Equipment over 16 years old	(19)	1,689,802
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 693,944

(8) Note A - \$50,387 in Function 53 expenditures and \$785,146 in Function 99 expenditures are included in this report on administrative costs.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-3**

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 1,171,548	\$ 1,201,548	\$ 962,021	\$ (239,527)
5800	State Program Revenues	51,956	76,358	40,939	(35,419)
5900	Federal Program Revenues	3,456,800	3,576,800	3,394,833	(181,967)
5020	Total Revenues	<u>4,680,304</u>	<u>4,854,706</u>	<u>4,397,793</u>	<u>(456,913)</u>
<b>EXPENDITURES:</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	4,750,304	5,062,804	4,427,960	634,844
	Total Support Services - Student (Pupil)	<u>4,750,304</u>	<u>5,062,804</u>	<u>4,427,960</u>	<u>634,844</u>
6030	Total Expenditures	<u>4,750,304</u>	<u>5,062,804</u>	<u>4,427,960</u>	<u>634,844</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(70,000)</u>	<u>(208,098)</u>	<u>(30,167)</u>	<u>177,931</u>
Other Financing Sources (Uses):					
7915	Transfers In	70,000	--	--	--
7080	Total Other Financing Sources and (Uses)	<u>70,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200	Net Change in Fund Balance	--	(208,098)	(30,167)	177,931
0100	Fund Balance - Beginning	1,190,262	1,190,262	1,190,262	--
3000	Fund Balance - Ending	<u>\$ 1,190,262</u>	<u>\$ 982,164</u>	<u>\$ 1,160,095</u>	<u>\$ 177,931</u>



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-4**

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 17,342,624	\$ 17,342,624	\$ 17,694,141	\$ 351,517
5900	Federal Program Revenues	--	--	347,868	347,868
5020	Total Revenues	<u>17,342,624</u>	<u>17,342,624</u>	<u>18,042,009</u>	<u>699,385</u>
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long-Term Debt	4,452,299	5,882,299	5,882,300	(1)
0072	Interest on Long-Term Debt	12,875,325	11,445,325	11,065,498	379,827
0073	Bond Issuance Costs and Fees	9,000	9,000	1,223	7,777
	Total Debt Service	<u>17,336,624</u>	<u>17,336,624</u>	<u>16,949,021</u>	<u>387,603</u>
6030	Total Expenditures	<u>17,336,624</u>	<u>17,336,624</u>	<u>16,949,021</u>	<u>387,603</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>6,000</u>	<u>6,000</u>	<u>1,092,988</u>	<u>1,086,988</u>
Other Financing Sources (Uses):					
7915	Transfers In	--	4,444	4,444	--
7917	Prepaid Interest	--	152,333	152,333	--
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>156,777</u>	<u>156,777</u>	<u>--</u>
1200	Net Change in Fund Balance	<u>6,000</u>	<u>162,777</u>	<u>1,249,765</u>	<u>1,086,988</u>
0100	Fund Balance - Beginning	<u>3,311,184</u>	<u>3,311,184</u>	<u>3,311,184</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 3,317,184</u>	<u>\$ 3,473,961</u>	<u>\$ 4,560,949</u>	<u>\$ 1,086,988</u>

# KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

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## Independent Auditors' Report

### Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Trustees  
Longview Independent School District  
1301 E. Young  
Longview, Texas 75606

Members of the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Longview Independent School District as of and for the year ended August 31, 2011, which collectively comprise the Longview Independent School District's basic financial statements and have issued our report thereon dated January 3, 2012. 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.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Longview Independent School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Longview Independent School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Longview Independent School District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

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

We noted certain matters that we reported to management of Longview Independent School District in a separate letter dated January 3, 2012.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Karen A. Jacks & Associates, P.C.*

Karen A. Jacks & Associates, P.C.  
January 3, 2012

# KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

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## Independent Auditors' Report

Report on Compliance with Requirements That Could Have a Direct and  
Material Effect on each Major Program and on Internal Control Over Compliance  
In Accordance With OMB Circular A-133

Board of Trustees  
Longview Independent School District  
1301 E. Young  
Longview, Texas 75606

Members of the Board of Trustees:

### Compliance

We have audited Longview Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Longview Independent School District's management. Our responsibility is to express an opinion on Longview Independent School District's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Longview Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Longview Independent School District's compliance with those requirements.

In our opinion, Longview Independent School District complied, in all material respects, with the 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, 2011.

### Internal Control Over Compliance

Management of Longview Independent School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Longview Independent School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over

compliance. Accordingly, we do not express an opinion on the effectiveness of Longview Independent School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

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

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Karen A. Jacks & Associates, P.C.*

Karen A. Jacks & Associates, P.C.  
January 3, 2012

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified?  Yes  No

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

Noncompliance material to financial statements noted?  Yes  No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?  Yes  No

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

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?  Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027/84.173/84.391/84.392	Special Education Cluster
84.394	State Fiscal Stabilization Fund - Education State Grants
84.318/84.386	Education Technology State Grants

Dollar threshold used to distinguish between type A and type B programs: \$381,248

Auditee qualified as low-risk auditee?  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, 2011

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2011

None required.



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

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

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION</b>			
Passed Through State Department of Education:			
Title I School Improvement Program *	84.010	11610104092903041	\$ 186,803
ESEA Title I Part A - Improving Basic Programs *	84.010	11610101092903	2,759,155
ESEA Title I Part A - Improving Basic Programs *	84.010	12610101092903	35,071
Title I Part D, Subpart 2 *	84.010	11610103092903	20,434
Total CFDA Number 84.010			<u>3,001,463</u>
IDEA-B Formula *	84.027	116600010929036600	1,327,850
IDEA-B Formula *	84.027	126600010929036600	69,734
IDEA-B Discretionary *	84.027	116600020929036673	37,161
IDEA-B Deaf *	84.027	116600010929036601	21,950
Total CFDA Number 84.027			<u>1,456,695</u>
Career and Technical - Basic Grant	84.048	11420006092903	129,460
IDEA-B Preschool *	84.173	116610010929036610	30,657
IDEA-B Preschool Deaf *	84.173	116610010929036611	2,350
Total CFDA Number 84.173			<u>33,007</u>
IDEA-C Early Intervention (Deaf) *	84.181	113911010929033911	681
Title III Part A English Language Acquisition and Language Enhancement	84.365	11671001092903	127,190
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367	11694501092903	580,340
Summer School LEP	84.369	092-903	10,780
ARRA - Title II Part D Subpart 1-Enhancing Education Through Technology *	84.386	105530027110024	227,031
ARRA - Title II Part D Technology *	84.386	10553001092903	13,314
Total CFDA Number 84.386			<u>240,345</u>
ARRA - ESEA Title I School Improvement Program *	84.389	11551004092903	7,877
ARRA - ESEA, Title I, Part A - Improving Basic Programs *	84.389	10551001092903	607,299
Total CFDA Number 84.389			<u>615,176</u>
ARRA - IDEA-Part B Formula *	84.391	10554001092903	770,503
ARRA - IDEA Part B, Preschool *	84.392	10555001092903	41,660
ARRA of 2009 Title XIV State Fiscal Stabilization Fund *	84.394	11557001092903	2,105,924
Education Jobs Fund	84.410	11550101092903	103,869
Total Passed Through State Department of Education			<u>9,217,093</u>
Total U. S. Department of Education			<u>9,217,093</u>
<b>U. S. DEPARTMENT OF DEFENSE</b>			
Direct Program:			
ROTC	12.000	092-903	77,337
Total U. S. Department of Defense			<u>77,337</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2011**

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

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through Texas Department of Agriculture:			
Child and Adult Care Food Program	10.558	092-903	19,001
Passed Through State Department of Education:			
School Breakfast Program *	10.553	092-903	845,594
Food Distribution (Non-cash) *	10.555	092-903	285,368
National School Lunch Program *	10.555	092-903	2,263,871
Total CFDA Number 10.555			<u>2,549,239</u>
Total Passed Through State Department of Education			<u>3,394,833</u>
Total U. S. Department of Agriculture			<u>3,413,834</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 12,708,264</u></u>

\* Indicates clustered program under OMB Circular A-133 Compliance Supplement

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, 2011

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Longview Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

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

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

Total Federal Expenditures, Exhibit K-1	\$ 12,708,264
Other Federal Revenue Sources:	
School Health and Related Services (SHARS)	417,563
QSCB Interest Subsidy	<u>347,868</u>
Total Federal Revenues, Exhibit C-2	<u>\$ 13,473,695</u>

Note C - Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At August 31, 2011, the District had food commodities totaling \$16,535 in inventory.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
 AS OF AUGUST 31, 2011

<u>Data Control Codes</u>	<u>Responses</u>
SF2    Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4    Did the district receive a clean audit? - Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5    Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9    Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10    What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end?	\$    2,039,376

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