

**LONGVIEW
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2004

Introductory Section

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Longview Independent School District
Annual Financial Report
For The Year Ended August 31, 2004

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
Certificate of Board.....	5	
FINANCIAL SECTION		
Independent Auditors' Report on Financial Statements.....	9	
Management's Discussion and Analysis (Required Supplementary Information).....	11	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	20	A-1
Statement of Activities.....	21	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	22	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	23	C-1R
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	24	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	25	C-3
Statement of Net Assets - Internal Service Fund.....	26	D-1
Statement of Revenues, Expenses, and Changes in		
Fund Net Assets - Internal Service Fund.....	27	D-2
Statement of Cash Flows - Proprietary Funds.....	28	D-3
Statement of Fiduciary Net Assets - Fiduciary Funds.....	29	E-1
Notes to the Financial Statements	30	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	44	G-1
<u>Combining Statements as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	48	H-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	49	H-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	50	H-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	56	H-4

Longview Independent School District
 Annual Financial Report
 For The Year Ended August 31, 2004

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
OTHER SUPPLEMENTARY INFORMATION SECTION		
Schedule of Delinquent Taxes Receivable.....	64	J-1
Indirect Cost Computation Schedule	66	J-2
Fund Balance and Cash Flow Calculation Worksheet (Unaudited)-General Fund.....	67	J-3
Budgetary Comparison Schedules Required by the Texas Education Agency:		
National School Breakfast and Lunch Program.....	68	J-4
Debt Service Fund.....	69	J-5
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		
Report on Compliance with Requirements Applicable To each Major Program and Internal Control over Compliance In Accordance With OMB Circular A-133.....	71	
Schedule of Findings and Questioned Costs	73	
Summary Schedule of Prior Audit Findings.....	75	
Corrective Action Plan.....	76	
Schedule of Expenditures of Federal Awards	77	
Notes to the Schedule of Expenditures of Federal Awards.....	78	K-1
Schedule of Required Responses to Selected School First Indicators.....	80	
Schedule of Required Responses to Selected School First Indicators.....	81	L-1

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 period ended August 31, 2004, at a meeting of the board of trustees of such school district on the 10 day of JANUARY, 2005.

ORIGINAL SIGNATURES ON FILE WITH TEXAS EDUCATION AGENCY.

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

Karen A. Jacks, CPA
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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, 2004, 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof 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 December 6, 2004, on our consideration of Longview Independent School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with GOVERNMENT AUDITING STANDARDS and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary 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 supplemental 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, except for that portion marked "unaudited" on which we express no opinion, 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.
December 6, 2004

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 8/31/04. Please read it in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

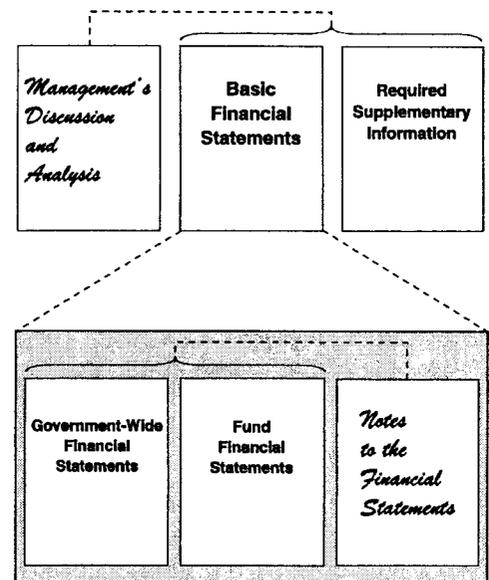
- The District’s total combined net assets were \$34,588,390 at 8/31/04.
- During the year, the District’s expenses were \$4,426,232 less than the \$63,894,674 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$7,485,324.
- The District issued \$950,000 in maintenance tax notes during the fiscal year 8/31/04.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as food service.
- *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

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.

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
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 inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net 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.

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

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

Fund Financial Statements

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

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

The District has the following kinds of funds:

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

- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- We use *internal service funds* to report activities that provide supplies and services for the District's other programs and activities..
- *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 \$34,588,390 at 8/31/04. (See Table A-1).

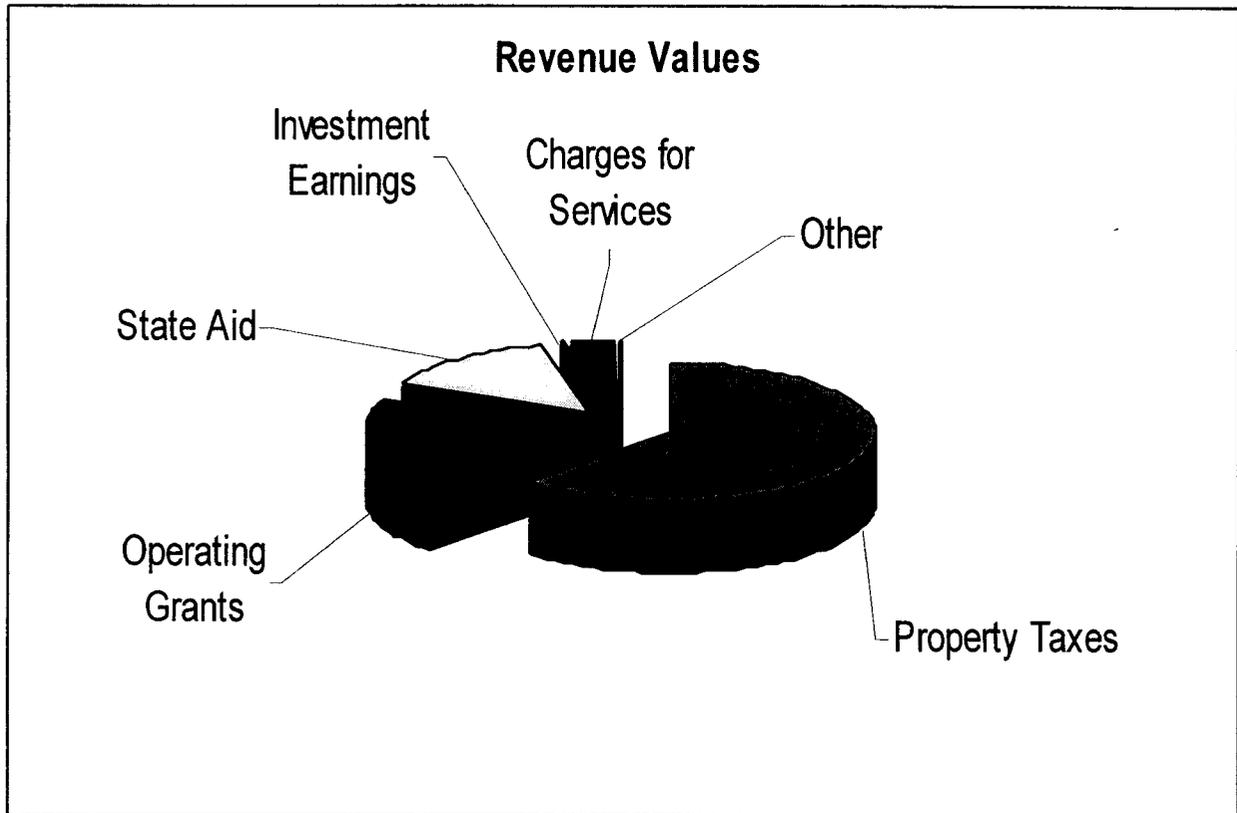
Table A-1
Longview Independent School District's Net Assets
(In millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change <u>2004-2003</u>
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	
Current assets:							
Cash and cash equivalents	\$10.872	\$7.821	0	(0)	\$10.872	\$ 7.821	39.01
Property Taxes Receivable	2.561	2.747	0	(0)	2.561	2.747	(6.77)
Due from other Government	.908	.974	0	(0)	.908	.974	(6.78)
Other receivables	.079	.284	0	(0)	.079	.284	(72.18)
Inventories – at cost	.423	.306			.423	.306	38.24
Deferred Expenses	.283	.187	0	(0)	.283	.187	51.34
Total current assets:	15.126	12.319	0	(0)	15.126	12.319	22.79
Noncurrent assets:							
Bldg., Furn. & Eqmt, CIP	66.676	66.228	0	(0)	66.676	66.228	.68
Less Accum. Depr.	(23.911)	(22.37)	0	(0)	(23.911)	(22.369)	6.89
Land	2.597	2.604	(0)	(0)	2.597	2.604	(.27)
Total noncurrent assets	45.362	46.463	0	(0)	45.362	46.463	(2.37)
Total Assets	60.488	58.782	0	(0)	60.488	58.782	2.90
Current liabilities:							
Accounts payable and accrued liabilities	3.731	5.020	0	(0)	3.731	5.020	(25.68)
Notes payable	2.375	2.286	0	(0)	2.375	2.286	3.89
Due to other governments	.089	.464	0	(0)	.089	.464	(80.82)
Deferred revenue	.366	.212	0	(0)	.366	.212	72.64
Total current liabilities	6.561	7.982	0	(0)	6.561	7.982	(17.80)
Long-term liabilities:							
Notes payable	19.338	20.638	0	(0)	19.338	20.638	(6.30)
Total Liabilities	25.899	28.620	0	(0)	25.899	28.620	(9.51)
Net Assets:							
Invested in capital assets	25.797	25.777	0	(0)	25.797	25.777	(11.32)
Restricted	.377	1.183			.377	1.183	(81.83)
Unrestricted	8.415	3.202	0	(0)	8.415	3.202	259.59
Total Net Assets	34.589	30.162	0	(0)	34.589	30.162	14.68

Restricted Net Assets are dedicated to various uses, namely: debt service, capital projects, and campus activities. The \$8,414,790 of unrestricted net assets represents resources available to fund the programs of the District next year.

Changes in net assets. The District's total revenues were \$63,894,674. A significant portion, \$39,549,752 or 62%, of the District's revenue comes from taxes. (See Figure Below) 35% comes from State aid, Operating Grants and Contributions, while only 4% relates to charges for services.

The total cost of all programs and services was \$59,456,722; 83% of these costs are for instructional and student services.



Governmental Activities

- Property tax rates increased a fractional percent. This slight increase coupled with the increasing values enabled an increase in the tax levy by \$1.629 million over the prior year.
- The District issued \$950,000 of maintenance tax notes. These bonds were authorized for the purchase and installation of synthetic turf and an enhanced sound system at Lobo Stadium and the construction of playpads at each of the elementary campuses except Hudson Pep.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2004-2003
	2004	2003	2004	2003	2004	2003	
Program Revenues:							
Charges for Services	2.227	2.308	0	0	2.227	2.308	(3.51)
Operating Grants and Contributions	12.581	11.849	0	0	12.581	11.849	6.18
Capital Grants and Contributions	0	0	0	0	0	0	0
General Revenues							
Property Taxes	39.550	37.846	0	0	39.550	37.846	4.50
State Aid	9.245	10.812	0	0	9.245	10.812	(14.49)
Investment Earnings	.172	.188	0	0	.172	.188	(8.51)
Other	.119	.179	0	0	.119	.179	(33.52)
Total Revenues	63.894	63.182	0	0	63.894	63.182	1.13
Expenses:							
Instruction	32.822	34.798	0	0	32.822	34.798	(5.68)
Instructional Resources and Media Services	1.234	1.189	0	0	1.234	1.189	3.78
Curriculum Dev. And Instructional Staff Dev.	.845	.878	0	0	.845	.878	(3.76)
Instructional Leadership	1.151	1.080	0	0	1.151	1.080	6.57
School Leadership	3.055	3.038	0	0	3.055	3.038	0.56
Guidance, Counseling and Evaluation Services	1.947	2.173	0	0	1.947	2.173	(10.40)
Social Work Services	.128	.118	0	0	.128	.118	8.47
Health Services	.510	.490	0	0	.510	.490	4.08
Student (Pupil) Transportation	2.026	2.206	0	0	2.026	2.206	(8.16)
Food Services	3.985	3.772	0	0	3.985	3.772	5.65
Curricular/Extracurricular Activities	1.709	1.731	0	0	1.709	1.731	(1.27)
General Administration	2.215	2.174	0	0	2.215	2.174	1.89
Plant Maintenance & Oper.	5.836	5.642	0	0	5.836	5.642	3.44
Security & Monitoring Svcs.	.367	.317	0	0	.367	.317	15.77
Data Processing Services	.463	.444	0	0	.463	.444	4.28
Community Services	.134	.117	0	0	.134	.117	14.53
School District Admin. Support Services	0	0	0	0	0	0	0
Debt Service	1.029	.816	0	0	1.029	.816	26.10
Facilities Acquisition and Construction	0	.009	0	0	0	.009	0
Contracted Instr. Services Between Public Schools	0	0	0	0	0	0	0
Increment Costs Associated Chapter 41 (WADA)	0	0	0	0	0	0	0
Payments to Fiscal Agent/ Member Dist. – SSA	0	0	0	0	0	0	0
Public Education Grant Progr.	0	0	0	0	0	0	0
Payments to Juvenile Justice Alternative Ed. Program	0	0	0	0	0	0	0
Payments to Charter Schools	0	0	0	0	0	0	0
Payments to Tax Increment Fund	0	0	0	0	0	0	0
Total Expenses	59.456	60.992	0	0	59.456	60.992	(2.52)
Excess (Deficiency) Before Other Resources, Uses & Transfers	4.438	2.190	0	0	4.438	2.190	102.65
Special Item Outflow	(0.012)	(.265)	0	0	(0.012)	(.265)	(104.53)
Other Resources (Uses) Transfers In (Out)							
Increase (Decrease) in Net Assets	4.426	1.925	0	0	4.426	1.925	129.92

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

- The cost of all *governmental* activities this year was \$59,456,722.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$39,549,752.
- Some of the cost was paid by those who directly benefited from the programs, totaling \$2,226,670, or by grants and contributions totaling \$12,581,155.

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
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>	
Instruction	34.901	36.864	(5.32)	25.823	28.437	(9.19)
School administration	4.206	4.118	2.14	3.580	3.590	(0.279)
Student Support Services	10.306	10.491	(1.76)	5.542	5.823	(4.82)
Plant Maintenance & Operations	5.836	6.402	(8.84)	5.599	5.954	(5.96)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$63,942,491, an increase of less than 2% over the preceding year. The net increase in local revenues is a result of an increase in the tax levy and collections during 03/04.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget 12 times. Actual expenditures were \$4,444,738 below final budget amounts. The most significant positive variance resulted from staffing. Staffing is budgeted for full employment throughout the full year. Workmen's compensation claims were also down significantly for the year. Savings were realized in all functional areas. In addition, the full contingency amount set aside by the Board in Plant Maintenance & Operations, totaling \$450,000, was not spent during the year. This contributes to the overall benefit to fund balance.

In order to prevent budget deficits as were experienced in recent years and to safeguard certain isolated functions from being overspent as was indicated in the 01/02 fiscal audit, the district made a concerted effort to provide for adequate budget amounts in all functions in the event of a contingency. This methodology protects the financial integrity of the District by the retention of the remaining fund balance.

Revenues generated were \$18,498 above the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2004, the District had invested \$69,272,991 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4 on the next page) This amount represents a net increase (including additions and deductions) of \$439,825 or less than 1% over last year.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2004-2003
	2004	2003	2004	2003	2004	2003	
Land	2.597	2.605	0	0	2.597	2.605	(0.31)
Buildings and improvements	60.626	60.671	0	0	60.626	60.671	(0.07)
Vehicles	3.416	3.408	0	0	3.416	3.408	0.23
Equipment	2.063	2.041	0	0	2.063	2.041	1.08
Other	.571	.108	0	0	.571	.108	428.70
Totals at historical cost	<u>69.273</u>	<u>68.833</u>	<u>0</u>	<u>0</u>	<u>69.273</u>	<u>68.833</u>	0.64
Total accumulated depreciation	<u>23.911</u>	<u>22.370</u>	<u>0</u>	<u>0</u>	<u>23.911</u>	<u>22.370</u>	6.89
Net capital assets	<u>45.362</u>	<u>46.463</u>	<u>0</u>	<u>0</u>	<u>45.362</u>	<u>46.463</u>	(2.37)

The District began construction on the synthetic turf and sound system projects as well as the playpads at the elementary campuses. Although a significant amount of work was done during the year, only the sound system project was complete at 8/31/04. Reductions to the District's capital assets resulted from the sale of the Court Street property.

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 \$21,713,291 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: Moody's Investor Services "A1"

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2004-2003
	2004	2003	2004	2003	2004	2003	
Leases payable	0.048	.069	0	0	0.048	.069	(30.43)
Bonds payable	22.455	23.769	0	0	22.455	23.769	(5.53)
Less deferred amount							
On refundings	<u>(0.790)</u>	<u>(.915)</u>	<u>(0)</u>	<u>(0)</u>	<u>(0.790)</u>	<u>(.915)</u>	(13.66)
Total bonds & notes payable	<u>21.713</u>	<u>22.923</u>	<u>0</u>	<u>0</u>	<u>21.713</u>	<u>22.923</u>	(5.28)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2005 budget preparation is up \$176 million, or 7% from 2004.
- General operating fund spending per student increases in the 2005 budget from \$6243 to \$6564. This is a 5.10% increase and is attributable to personnel salary increases, adding three new buses to the transportation program, additional maintenance dollars for upkeep of facilities, and technology equipment purchases.
- The District's refined average daily attendance is expected to be 7603 in 2005, down by less than 1%.

The District's elected officials and administration considered the following factors when setting the 2005 tax rate: 1) a reduction in state revenue of approximately \$400,000, 2) an increase in property tax revenue amounting to approximately \$2,500,000, 3) less than a 1% reduction in student enrollment, and 4) a need for facilities and equipment to extend the life of assets in the district.

The officers look forward to the next legislative session in January 2005 in hope of a provision to increase school funding at the state level and a provision to reduce the property tax burden to our taxpayers.

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

Basic Financial Statements

LONGVIEW INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2004

Data Control Codes	1	Governmental Activities
ASSETS:		
1110	Cash and Cash Equivalents	\$ 10,871,653
1225	Property Taxes Receivable (Net)	2,561,218
1240	Due from Other Governments	907,938
1250	Accrued Interest	606
1290	Other Receivables (Net)	195,755
1300	Inventories	423,161
1410	Deferred Expenses	282,503
1420	Capitalized Bond and Other Debt Issuance Costs	156,933
1430	Premium and Discount on Issuance of Bonds	(274,307)
Capital Assets:		
1510	Land	2,596,520
1520	Buildings and Improvements, Net	41,436,349
1530	Furniture and Equipment, Net	816,204
1550	Capital Lease Assets, Net	50,014
1580	Construction in Progress	463,290
1000	Total Assets	<u>60,487,837</u>
LIABILITIES:		
2110	Accounts Payable	969,806
2140	Interest Payable	39,238
2165	Accrued Liabilities	2,721,748
2180	Due to Other Governments	89,294
2300	Deferred Revenue	366,070
Noncurrent Liabilities:		
2501	Due Within One Year	2,372,874
2502	Due in More Than One Year	19,340,417
2000	Total Liabilities	<u>25,899,447</u>
NET ASSETS		
3200	Invested in Capital Assets, Net of Related Debt	25,797,334
Restricted For:		
3850	Debt Service	248,518
3860	Capital Projects	487
3870	Campus Activities	127,261
3900	Unrestricted	8,414,790
3000	Total Net Assets	<u>\$ 34,588,390</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2004

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		
	Government Activities:					
11	Instruction	\$ 32,821,867	\$ 691,814	\$ 7,886,386	\$ (24,243,667)	
12	Instructional Resources and Media Services	1,233,853	53,543	65,063	(1,115,247)	
13	Curriculum and Staff Development	845,130	47,916	333,433	(463,781)	
21	Instructional Leadership	1,150,868	--	426,313	(724,555)	
23	School Leadership	3,055,406	42,707	156,682	(2,856,017)	
31	Guidance, Counseling, & Evaluation Services	1,947,036	269	220,416	(1,726,351)	
32	Social Work Services	127,779	--	6,074	(121,705)	
33	Health Services	510,272	221	33,537	(476,514)	
34	Student Transportation	2,026,067	--	127,388	(1,898,679)	
35	Food Service	3,985,206	1,060,705	2,978,800	54,299	
36	Extracurricular Activities	1,709,365	292,031	43,997	(1,373,337)	
41	General Administration	2,214,803	--	62,515	(2,152,288)	
51	Plant Maintenance and Operations	5,836,030	37,464	199,041	(5,599,525)	
52	Security and Monitoring Services	366,431	--	2,352	(364,079)	
53	Data Processing Services	463,061	--	16,914	(446,147)	
61	Community Services	133,933	--	22,244	(111,689)	
72	Interest on Long-term Debt	936,175	--	--	(936,175)	
73	Bond Issuance Costs and Fees	93,151	--	--	(93,151)	
81	Capital Outlay	289	--	--	(289)	
TG	Total Governmental Activities	<u>59,456,722</u>	<u>2,226,670</u>	<u>12,581,155</u>	<u>(44,648,897)</u>	
TP	Total Primary Government	<u>\$ 59,456,722</u>	<u>\$ 2,226,670</u>	<u>\$ 12,581,155</u>	<u>(44,648,897)</u>	
	General Revenues:					
MT	Property Taxes, Levied for General Purposes				36,653,553	
DT	Property Taxes, Levied for Debt Service				2,896,199	
IE	Investment Earnings				172,500	
GC	Grants and Contributions Not Restricted to Specific Programs				9,244,878	
MI	Miscellaneous				119,719	
	Special and Extraordinary Items:					
S2	Special Item Outflow				(11,720)	
TR	Total General Revenues				<u>49,075,129</u>	
CN	Change in Net Assets				<u>4,426,232</u>	
NB	Net Assets - Beginning				30,162,158	
NE	Net Assets - Ending				<u>\$ 34,588,390</u>	

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2004

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds	
ASSETS:				
1110	Cash and Cash Equivalents	\$ 9,404,597	\$ 889,082	\$ 10,293,679
1225	Taxes Receivable, Net	2,389,109	172,109	2,561,218
1240	Due from Other Governments	296,796	611,142	907,938
1250	Accrued Interest	398	7	405
1260	Due from Other Funds	225,543	16,011	241,554
1290	Other Receivables	145,897	2,427	148,324
1300	Inventories	199,840	223,321	423,161
1410	Deferred Expenditures	282,503	--	282,503
1000	Total Assets	<u>\$ 12,944,683</u>	<u>\$ 1,914,099</u>	<u>\$ 14,858,782</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 715,370	\$ 254,336	\$ 969,706
2150	Payroll Deductions & Withholdings	(4,259)	--	(4,259)
2160	Accrued Wages Payable	1,839,180	295,563	2,134,743
2170	Due to Other Funds	16,011	224,064	240,075
2180	Due to Other Governments	426	88,868	89,294
2200	Accrued Expenditures	518,143	73,121	591,264
2300	Deferred Revenue	2,374,488	385,290	2,759,778
2000	Total Liabilities	<u>5,459,359</u>	<u>1,321,242</u>	<u>6,780,601</u>
FUND BALANCES:				
Reserved Fund Balances:				
3410	Investments in Inventory	199,841	85,847	285,688
3420	Debt Service	--	88,721	88,721
3450	Reserve for Food Service	--	284,226	284,226
3470	Capital Acquisitions & Contractual Obligations	505,569	--	505,569
3490	Other Reserves of Fund Balance	--	133,576	133,576
Designated Fund Balance:				
3510	Construction	--	487	487
3600	Unreserved	6,779,914	--	6,779,914
3000	Total Fund Balances	<u>7,485,324</u>	<u>592,857</u>	<u>8,078,181</u>
4000	Total Liabilities and Fund Balances	<u>\$ 12,944,683</u>	<u>\$ 1,914,099</u>	<u>\$ 14,858,782</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
AUGUST 31, 2004

Total fund balances - governmental funds balance sheet	\$ 8,078,181
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	45,362,377
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	2,393,708
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	624,027
Payables for bond principal which are not due in the current period are not reported in the funds.	(22,455,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(48,192)
Payables for bond interest which are not due in the current period are not reported in the funds.	(39,238)
Deferred loss on refunding bonds is not reported in the funds.	789,901
Unamortized premium on issuance of bonds is not reported in the funds.	(274,307)
Unamortized debt issuance costs are not reported in the funds.	156,933
Net assets of governmental activities - statement of net assets	<u>\$ 34,588,390</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, 2004

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:			
5700 Local and Intermediate Sources	\$ 37,681,673	\$ 4,434,784	\$ 42,116,457
5800 State Program Revenues	11,805,708	1,642,023	13,447,731
5900 Federal Program Revenues	374,681	8,003,622	8,378,303
5020 Total Revenues	<u>49,862,062</u>	<u>14,080,429</u>	<u>63,942,491</u>
EXPENDITURES:			
Current:			
0011 Instruction	26,323,837	5,707,999	32,031,836
0012 Instructional Resources and Media Services	1,114,901	65,316	1,180,217
0013 Curriculum and Staff Development	444,064	398,915	842,979
0021 Instructional Leadership	733,783	395,969	1,129,752
0023 School Leadership	2,967,114	71,232	3,038,346
0031 Guidance, Counseling, & Evaluation Services	1,801,898	133,927	1,935,825
0032 Social Work Services	126,928	549	127,477
0033 Health Services	497,004	8,960	505,964
0034 Student Transportation	1,781,173	49,189	1,830,362
0035 Food Service	--	3,893,032	3,893,032
0036 Extracurricular Activities	1,409,564	7,818	1,417,382
0041 General Administration	2,143,546	19,430	2,162,976
0051 Plant Maintenance and Operations	5,942,826	101,160	6,043,986
0052 Security and Monitoring Services	363,085	718	363,803
0053 Data Processing Services	456,661	2,528	459,189
0061 Community Services	107,600	17,951	125,551
0071 Principal on Long-term Debt	145,538	2,140,000	2,285,538
0072 Interest on Long-term Debt	19,299	920,656	939,955
0073 Bond Issuance Costs and Fees	12,035	2,291	14,326
0081 Capital Outlay	251,400	289	251,689
6030 Total Expenditures	<u>46,642,256</u>	<u>13,937,929</u>	<u>60,580,185</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>3,219,806</u>	<u>142,500</u>	<u>3,362,306</u>
Other Financing Sources and (Uses):			
7911 Capital-Related Debt Issued (Regular Bonds)	950,000	--	950,000
7912 Sale of Real or Personal Property	82,993	--	82,993
7915 Operating Transfers In	15,000	19,706	34,706
8911 Operating Transfers Out	(7,701)	(27,005)	(34,706)
7080 Total Other Financing Sources and (Uses)	<u>1,040,292</u>	<u>(7,299)</u>	<u>1,032,993</u>
SPECIAL ITEM:			
8912 Special Item (Use)	(11,720)	--	(11,720)
1200 Net Change in Fund Balances	<u>4,248,378</u>	<u>135,201</u>	<u>4,383,579</u>
0100 Fund Balances - Beginning	3,236,946	457,656	3,694,602
3000 Fund Balances - Ending	<u>\$ 7,485,324</u>	<u>\$ 592,857</u>	<u>\$ 8,078,181</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2004

Net change in fund balances - total governmental funds	\$ 4,383,579
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	524,333
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,609,096)
The gain or loss on the sale of capital assets is not reported in the funds.	66,500
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(82,993)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(114,317)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(950,000)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,264,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	21,537
Bond issuance costs are amortized in the SOA but not in the funds.	(14,946)
The premium on issuance of bonds is amortized in the SOA but not in the funds.	61,983
Loss on refunding bonds is amortized in the SOA but not in the funds.	(125,862)
(Increase) decrease in accrued interest from beginning of period to end of period	3,780
The net revenue (expense) of internal service funds is reported with governmental activities.	<u>(2,266)</u>
Change in net assets of governmental activities - statement of activities	<u>\$ 4,426,232</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET ASSETS

INTERNAL SERVICE FUND

AUGUST 31, 2004

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	ASSETS:	
	Current Assets:	
1110	Cash and Cash Equivalents	\$ 577,974
	Receivables:	
1250	Accrued Interest	201
1290	Other Receivables (net)	47,431
	Total Current Assets	<u>625,606</u>
1000	Total Assets	<u>\$ 625,606</u>
	LIABILITIES:	
	Current Liabilities:	
2110	Accounts Payable	\$ 100
2170	Due to Other Funds	1,479
	Total Current Liabilities	<u>1,579</u>
2000	Total Liabilities	<u>1,579</u>
	NET ASSETS:	
3900	Unrestricted Net Assets	624,027
3000	Total Net Assets	<u>\$ 624,027</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET ASSETS - INTERNAL SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2004

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	OPERATING REVENUES:	
5700	Local and Intermediate Sources	\$ 1,826,553
5020	Total Revenues	<u>1,826,553</u>
	OPERATING EXPENSES:	
6400	Other Operating Costs	1,828,819
6030	Total Expenses	<u>1,828,819</u>
1300	Change in Net Assets	(2,266)
0100	Total Net Assets - Beginning	626,293
3300	Total Net Assets - Ending	<u>\$ 624,027</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2004

	Internal Service Funds
Cash Flows from Operating Activities:	
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	\$ 1,999,394
Cash Payments to Other Suppliers for Goods and Services	(2,359,781)
Net Cash Provided (Used) by Operating Activities	<u>(360,387)</u>
Cash Flows from Non-capital Financing Activities:	
Operating Transfers From (To) Other Funds	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
Cash Flows from Capital and Related Financing Activities:	
Contributed Capital	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	2,434
Net Cash Provided (Used) for Investing Activities	<u>2,434</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(357,953)
Cash and Cash Equivalents at Beginning of Year	935,927
Cash and Cash Equivalents at End of Year	<u>\$ 577,974</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (2,266)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Interest on Investments	(2,434)
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	175,275
Decrease (Increase) in Deferred Expenditures	8,292
Increase (Decrease) in Accounts Payable	(526,693)
Increase (Decrease) in Interfund Payables	(12,561)
Total Adjustments	<u>(358,121)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (360,387)</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2004

Data Control Codes		Agency Fund
		Student Activity
	ASSETS:	
1110	Cash and Cash Equivalents	\$ 145,427
1000	Total Assets	<u>\$ 145,427</u>
	LIABILITIES:	
	Current Liabilities:	
2190	Due to Student Groups	\$ 145,427
2000	Total Liabilities	<u>145,427</u>
	NET ASSETS	
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, 2004

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" 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.

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

The District reports the following major governmental funds:

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

In addition, the District reports the following fund types:

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

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

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

b. **Measurement Focus, Basis of Accounting**

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

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

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

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The District has chosen to apply future FASB standards.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

3. Financial Statement Amounts

a. Cash and Cash Equivalents

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

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (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, 2004 was \$446,707.

c. Inventories and Prepaid Items

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

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

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated 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>
Infrastructure	30
Buildings	60
Building Improvements	20
Vehicles	5-10
Office Equipment	5-10
Computer Equipment	5-10

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

e. Receivable and Payable Balances

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

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

f. Interfund Activity

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

g. Use of Estimates

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

h. Data Control Codes

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

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:

<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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

Cash Deposits:

At August 31, 2004, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,422,816 and the bank balance was \$5,129,841. The District's cash deposits at August 31, 2004 and during the period ended August 31, 2004, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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 general purpose 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, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. These custodial risk categories are as follows:

- Category 1 - Investments that are insured, registered or held by the District or by its agent in the District's name.
- Category 2 - Investments that are uninsured and unregistered held by the counterparty's trust department or agent in the District's name.
- Category 3 - Uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the District's name.

The District's investments at August 31, 2004 are shown below. Those investments which are evidenced by securities that exist in physical or book entry form are categorized by the custodial risk categories described above.

Investment	Category			Reported Amount	Fair Value
	1	2	3		
Bank One Savings	\$ 2,913,918	\$ --	\$ --	\$ 2,913,918	\$ 2,913,918
	<u>\$ 2,913,918</u>	<u>\$ --</u>	<u>\$ --</u>	<u>2,913,918</u>	<u>2,913,918</u>
Lone Star Investment Pool - Liquidity Corporate Fund				2,409,403	2,411,253
Texpool				4,184,861	4,184,861
Total Investments				<u>\$ 9,508,182</u>	<u>\$ 9,510,032</u>

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

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

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

D. Capital Assets

Capital asset activity for the period ended August 31, 2004, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 2,604,595	\$ 861	\$ 8,936	\$ 2,596,520
Construction in progress	--	463,290	--	463,290
Total capital assets not being depreciated	<u>2,604,595</u>	<u>464,151</u>	<u>8,936</u>	<u>3,059,810</u>
Capital assets being depreciated:				
Buildings and improvements	60,670,649	30,535	75,572	60,625,612
Equipment	2,041,472	21,647	--	2,063,119
Vehicles	3,408,170	8,000	--	3,416,170
Assets under capital lease	108,280	--	--	108,280
Total capital assets being depreciated	<u>66,228,571</u>	<u>60,182</u>	<u>75,572</u>	<u>66,213,181</u>
Less accumulated depreciation for:				
Buildings and improvements	(18,082,645)	(1,174,633)	(68,015)	(19,189,263)
Equipment	(1,601,604)	(201,580)	--	(1,803,184)
Vehicles	(2,648,674)	(211,227)	--	(2,859,901)
Assets under capital lease	(36,610)	(21,656)	--	(58,266)
Total accumulated depreciation	<u>(22,369,533)</u>	<u>(1,609,096)</u>	<u>(68,015)</u>	<u>(23,910,614)</u>
Total capital assets being depreciated, net	<u>43,859,038</u>	<u>(1,548,914)</u>	<u>7,557</u>	<u>42,302,567</u>
Governmental activities capital assets, net	<u>\$ 46,463,633</u>	<u>\$ (1,084,763)</u>	<u>\$ 16,493</u>	<u>\$ 45,362,377</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

Depreciation was charged to functions as follows:

Instruction	\$ 795,461
Instructional Resources and Media Services	53,636
Curriculum and Staff Development	2,151
Instructional Leadership	21,116
School Leadership	17,060
Guidance, Counseling, & Evaluation Services	11,211
Social Work Services	302
Health Services	4,308
Student Transportation	201,455
Food Services	92,174
Extracurricular Activities	291,983
General Administration	51,827
Plant Maintenance and Operations	43,330
Security and Monitoring Services	2,628
Data Processing Services	12,072
Community Services	8,382
	<u>\$ 1,609,096</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2004, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 224,064	Short-term loans
General Fund	Internal Service Fund	1,479	Short-term loans
Other Governmental Funds	General Fund	16,011	Transfer of state program receipts
	Total	<u>\$ 241,554</u>	

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

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2004, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Other Governmental Funds	\$ 7,701	Fund benefits on TRS supplement
Other Governmental Funds	Other Governmental Funds	12,005	Transfer program income
Other Governmental Funds	General Fund	15,000	Transfer capital projects funds
	Total	<u>\$ 34,706</u>	

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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended August 31, 2004, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Bonds and notes payable	\$ 23,769,000	\$ 950,000	\$ 2,264,000	\$ 22,455,000	\$ 2,350,000
Capital leases	69,729	--	21,537	48,192	25,113
Less deferred amount on refunding	(915,763)	--	(125,862)	(789,901)	--
Total governmental activities	\$ 22,922,966	\$ 950,000	\$ 2,159,675	\$ 21,713,291	\$ 2,375,113

2. Bonds Payable

Bonds and notes payable currently outstanding are as follows:

Description	Interest Rates	Maturity Date	Amount
Unlimited Tax School Building Bonds, Series 1995	4.00-6.75%	FY 2010	\$ 3,400,000
Unlimited Tax School Building Bonds, Series 1996	4.25-6.25%	FY 2010	4,910,000
Unlimited Tax Refunding Bonds, Series 2003	2.50-3.375%	FY 2015	13,195,000
Maintenance Tax Notes, Series 2004	3.47%	FY 2014	950,000
			\$ 22,455,000

3. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2004, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2005	\$ 2,372,874	\$ 858,092	\$ 3,230,966
2006	2,458,771	765,550	3,224,321
2007	2,543,547	671,296	3,214,843
2008	2,648,000	573,749	3,221,749
2009	2,765,000	470,941	3,235,941
2010-2014	8,255,000	1,145,921	9,400,921
2015-2019	1,460,000	36,500	1,496,500
Totals	\$ 22,503,192	\$ 4,522,049	\$ 27,025,241

4. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of August 31, 2004, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

Bond Issue	Amount
Contractual Obligations, Series 1998	\$ 2,440,000
Contractual Obligations, Series 1999	3,065,000
Tax and Revenue Notes, Series 2001	5,890,000
Total	\$ 11,395,000

On November 15, 2004, the District issued \$6,329,998 in Unlimited Tax Refunding Bonds, in partial refunding of the Series 1995 and 1996 Unlimited Tax School Building Bonds. No new debt was incurred with this advance refunding.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

5. Capital Leases

Commitments under capitalized lease agreements for equipment provide for minimum future lease payments as of August 31, 2004, as follows:

<u>Year Ending August 31:</u>	
2005	\$ 25,113
2006	22,644
2007	3,573
Total Minimum Rentals	<u>\$ 51,330</u>
Rental Expenditures in 2004	<u>\$ 25,113</u>

The effective interest rate on capital leases is 7.500%.

G. Commitments Under Noncapitalized Leases

Commitments under operating (noncapitalized) lease agreements for equipment provide for minimum future rental payments as of August 31, 2004, as follows:

<u>Year Ending August 31.</u>	
2005	\$ 412,897
2006	412,897
2007	412,897
2008	344,119
2009	107,673
Total Minimum Rentals	<u>\$ 1,690,483</u>
Rental Expenditures in 2004	<u>\$ 421,506</u>

H. 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 2004, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

I. Pension Plan

1. Plan Description

The District contributes to the Teacher Retirement System of Texas (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information for the District. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 223-8778.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

2. Funding Policy

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.0% of the District's covered payroll. The District's employees' contributions to the System for the fiscal periods ending in 2004, 2003 and 2002 were \$2,392,927, \$2,526,403 and \$2,560,480, respectively, and were equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the fiscal periods ending in 2004, 2003 and 2002 were \$464,626, \$475,590 and \$466,679, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$2,128,828 for the year ended August 31, 2004.

J. Health Care Coverage

During the year ended August 31, 2004, employees of the District were covered by a health insurance plan (the Plan). The District contributed \$225 per month per participating employee to the Plan. Employees, at their option, authorized payroll withholdings to pay additional contributions for themselves and their dependents. All contributions were paid to a third party administrator, acting on behalf of the District. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Reliastar, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$75,000 and for aggregate loss in excess of \$4,084,292. A reconciliation of changes in the liability for claims for the current fiscal year is presented below:

	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
Year Ended August 31, 2004	\$ 526,792	\$ 1,077,570	\$ 1,604,362	\$ --

On January 1, 2004, the District terminated the Plan and joined the TRS Active-Care Plan, administered by the Teacher Retirement System of Texas. The Plan's remaining net assets as of August 31, 2004, are reported in its internal service fund in the amount of \$624,027. These remaining funds will be distributed for the benefit of Plan participants.

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, 2004.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

3. Commitments

The District had the following contractual commitments at August 31, 2004, in connection with ongoing projects:

Roofing project - Ware Elementary	\$ 60,646
Play pavilions - various campuses	150,548
Synthetic turf	278,251
	<u>\$ 489,445</u>

These obligations will be funded with remaining maintenance tax note proceeds and are included in reserved fund balance in the general fund at August 31, 2004.

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 School for the Deaf Special Revenue Fund and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

<u>Member Districts</u>	<u>Expenditures</u>
Marshall ISD	\$ 117,428
Hallsville ISD	32,026
Jefferson ISD	10,675
Elysian Fields ISD	32,026
Waskom ISD	32,026
Harleton ISD	10,675
Karnack ISD	21,351
Kilgore ISD	32,026
White Oak ISD	10,675
Gladewater ISD	10,675
Spring Hill ISD	32,026
Sabine ISD	10,675
Tatum ISD	21,351
Leverett's Chapel ISD	21,351
Harmony ISD	42,701
Gilmer ISD	21,351
Ore City ISD	1,525
Pine Tree ISD	64,052
Longview ISD	160,129
Total	<u>\$ 684,744</u>

M. 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 2003-04 school year, the District paid a fixed cost in the amount of \$175,439 for administration of claims, loss control, record keeping, and the cost of stop-loss insurance. Total workers' compensation claims paid amounted to \$114,440 for current year claims and \$313,407 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. The District does not anticipate any ongoing claims from District employees or from other school districts in the Association.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

A reconciliation of changes in the liability for claims for the current fiscal year is presented below:

	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
Year Ended August 31, 2004	\$ 713,566	\$ 305,547	\$ 427,847	\$ 591,266

N. Other Reserves of Fund Balance

Other reservations of fund balance consist of the following:

Other Governmental Funds	
Reserved for state technology allotment	\$ 6,315
Reserved for campus activity funds	<u>127,261</u>
Total Other Governmental Funds	<u>\$ 133,576</u>

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Required Supplementary Information

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2004

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1		2		3		Variance with Final Budget Positive (Negative)
		Budgeted Amounts				Actual		
		Original	Final					
REVENUES:								
5700	Local and Intermediate Sources	\$ 36,909,439	\$ 36,953,736	\$ 37,681,673	\$ 727,937			
5800	State Program Revenues	10,426,956	12,236,228	11,805,708	(430,520)			
5900	Federal Program Revenues	650,000	653,600	374,681	(278,919)			
5020	Total Revenues	<u>47,986,395</u>	<u>49,843,564</u>	<u>49,862,062</u>	<u>18,498</u>			
EXPENDITURES:								
Current:								
Instruction & Instructional Related Services:								
0011	Instruction	27,113,239	28,184,213	26,323,837	1,860,376			
0012	Instructional Resources and Media Services	1,091,878	1,158,954	1,114,901	44,053			
0013	Curriculum and Staff Development	541,382	575,592	444,064	131,528			
	Total Instruction & Instr. Related Services	<u>28,746,499</u>	<u>29,918,759</u>	<u>27,882,802</u>	<u>2,035,957</u>			
Instructional and School Leadership:								
0021	Instructional Leadership	868,302	917,009	733,783	183,226			
0023	School Leadership	2,983,311	3,102,439	2,967,114	135,325			
	Total Instructional & School Leadership	<u>3,851,613</u>	<u>4,019,448</u>	<u>3,700,897</u>	<u>318,551</u>			
Support Services - Student (Pupil):								
0031	Guidance, Counseling and Evaluation Services	1,891,567	1,908,312	1,801,898	106,414			
0032	Social Work Services	126,825	152,224	126,928	25,296			
0033	Health Services	467,114	538,629	497,004	41,625			
0034	Student (Pupil) Transportation	2,133,359	2,246,449	1,781,173	465,276			
0036	Extracurricular Activities	1,408,846	1,513,001	1,409,564	103,437			
	Total Support Services - Student (Pupil)	<u>6,027,711</u>	<u>6,358,616</u>	<u>5,616,567</u>	<u>742,049</u>			
Administrative Support Services:								
0041	General Administration	2,201,941	2,248,620	2,143,546	105,074			
	Total Administrative Support Services	<u>2,201,941</u>	<u>2,248,620</u>	<u>2,143,546</u>	<u>105,074</u>			
Support Services - Nonstudent Based:								
0051	Plant Maintenance and Operations	6,061,422	6,871,490	5,942,826	928,664			
0052	Security and Monitoring Services	368,979	412,603	363,085	49,518			
0053	Data Processing Services	445,493	493,730	456,661	37,069			
	Total Support Services - Nonstudent Based	<u>6,875,894</u>	<u>7,777,823</u>	<u>6,762,572</u>	<u>1,015,251</u>			
Ancillary Services:								
0061	Community Services	110,541	144,173	107,600	36,573			
	Total Ancillary Services	<u>110,541</u>	<u>144,173</u>	<u>107,600</u>	<u>36,573</u>			
Debt Service:								
0071	Principal on Long-Term Debt	159,196	145,537	145,538	(1)			
0072	Interest on Long-Term Debt	--	19,302	19,299	3			
0073	Bond Issuance Costs and Fees	--	13,857	12,035	1,822			
	Total Debt Service	<u>159,196</u>	<u>178,696</u>	<u>176,872</u>	<u>1,824</u>			
Capital Outlay:								
0081	Capital Outlay	--	440,861	251,400	189,461			
	Total Capital Outlay	<u>--</u>	<u>440,861</u>	<u>251,400</u>	<u>189,461</u>			
6030	Total Expenditures	<u>47,973,395</u>	<u>51,086,994</u>	<u>46,642,256</u>	<u>4,444,738</u>			

LONGVIEW INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2004

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	13,000	(1,243,430)	3,219,806	4,463,236
	Other Financing Sources (Uses):				
7911	Capital-Related Debt Issued (Regular Bonds)	--	950,000	950,000	--
7912	Sale of Real or Personal Property	--	86,993	82,993	(4,000)
7915	Operating Transfers In	--	15,000	15,000	--
8911	Operating Transfers Out	(13,000)	(10,500)	(7,701)	2,799
7080	Total Other Financing Sources and (Uses)	(13,000)	1,041,493	1,040,292	(1,201)
	SPECIAL ITEM:				
8912	Special Item (Use)	--	(11,720)	(11,720)	--
1200	Net Change in Fund Balance	--	(213,657)	4,248,378	4,462,035
0100	Fund Balance - Beginning	3,236,946	3,236,946	3,236,946	--
3000	Fund Balance - Ending	\$ 3,236,946	\$ 3,023,289	\$ 7,485,324	\$ 4,462,035

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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 GOVERNMENTAL FUNDS
 AUGUST 31, 2004

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
ASSETS:					
1110	Cash and Cash Equivalents	\$ 768,117	\$ 120,190	\$ 775	\$ 889,082
1225	Taxes Receivable, Net	--	172,109	--	172,109
1240	Due from Other Governments	611,142	--	--	611,142
1250	Accrued Interest	--	7	--	7
1260	Due from Other Funds	--	16,011	--	16,011
1290	Other Receivables	2,427	--	--	2,427
1300	Inventories	223,321	--	--	223,321
1000	Total Assets	<u>\$ 1,605,007</u>	<u>\$ 308,317</u>	<u>\$ 775</u>	<u>\$ 1,914,099</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 253,861	\$ 475	\$ --	\$ 254,336
2160	Accrued Wages Payable	295,563	--	--	295,563
2170	Due to Other Funds	223,776	--	288	224,064
2180	Due to Other Governments	29,544	59,324	--	88,868
2200	Accrued Expenditures	73,121	--	--	73,121
2300	Deferred Revenue	225,493	159,797	--	385,290
2000	Total Liabilities	<u>1,101,358</u>	<u>219,596</u>	<u>288</u>	<u>1,321,242</u>
FUND BALANCES:					
Reserved Fund Balances:					
3410	Investments in Inventory	85,847	--	--	85,847
3420	Debt Service	--	88,721	--	88,721
3450	Reserve for Food Service	284,226	--	--	284,226
3490	Other Reserves of Fund Balance	133,576	--	--	133,576
Designated Fund Balance:					
3510	Construction	--	--	487	487
3000	Total Fund Balances	<u>503,649</u>	<u>88,721</u>	<u>487</u>	<u>592,857</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,605,007</u>	<u>\$ 308,317</u>	<u>\$ 775</u>	<u>\$ 1,914,099</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2004

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:				
5700 Local and Intermediate Sources	\$ 1,531,050	\$ 2,903,698	\$ 36	\$ 4,434,784
5800 State Program Revenues	1,493,518	148,505	--	1,642,023
5900 Federal Program Revenues	8,003,622	--	--	8,003,622
5020 Total Revenues	<u>11,028,190</u>	<u>3,052,203</u>	<u>36</u>	<u>14,080,429</u>
EXPENDITURES:				
Current:				
0011 Instruction	5,707,999	--	--	5,707,999
0012 Instructional Resources and Media Services	65,316	--	--	65,316
0013 Curriculum and Staff Development	398,915	--	--	398,915
0021 Instructional Leadership	395,969	--	--	395,969
0023 School Leadership	71,232	--	--	71,232
0031 Guidance, Counseling, & Evaluation Services	133,927	--	--	133,927
0032 Social Work Services	549	--	--	549
0033 Health Services	8,960	--	--	8,960
0034 Student Transportation	49,189	--	--	49,189
0035 Food Service	3,893,032	--	--	3,893,032
0036 Extracurricular Activities	7,818	--	--	7,818
0041 General Administration	19,430	--	--	19,430
0051 Plant Maintenance and Operations	101,160	--	--	101,160
0052 Security and Monitoring Services	718	--	--	718
0053 Data Processing Services	2,528	--	--	2,528
0061 Community Services	17,951	--	--	17,951
0071 Principal on Long-term Debt	--	2,140,000	--	2,140,000
0072 Interest on Long-term Debt	--	920,656	--	920,656
0073 Bond Issuance Costs and Fees	--	2,291	--	2,291
0081 Capital Outlay	--	--	289	289
6030 Total Expenditures	<u>10,874,693</u>	<u>3,062,947</u>	<u>289</u>	<u>13,937,929</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>153,497</u>	<u>(10,744)</u>	<u>(253)</u>	<u>142,500</u>
Other Financing Sources and (Uses):				
7915 Operating Transfers In	19,706	--	--	19,706
8911 Operating Transfers Out	(12,005)	--	(15,000)	(27,005)
7080 Total Other Financing Sources and (Uses)	<u>7,701</u>	<u>--</u>	<u>(15,000)</u>	<u>(7,299)</u>
1200 Net Change in Fund Balances	<u>161,198</u>	<u>(10,744)</u>	<u>(15,253)</u>	<u>135,201</u>
0100 Fund Balances - Beginning	342,451	99,465	15,740	457,656
3000 Fund Balances - Ending	<u>\$ 503,649</u>	<u>\$ 88,721</u>	<u>\$ 487</u>	<u>\$ 592,857</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2004

Data Control Codes	204 ESEA Title IV SDFSC	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant
ASSETS:				
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --
1240	Due from Other Governments	3,697	119,856	185,577
1290	Other Receivables	--	576	--
1300	Inventories	--	--	--
1000	Total Assets	\$ 3,697	\$ 120,432	\$ 185,577
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 2,932	\$ 6,812	\$ 8,970
2160	Accrued Wages Payable	--	87,666	72,935
2170	Due to Other Funds	765	25,954	103,672
2180	Due to Other Governments	--	--	--
2200	Accrued Expenditures	--	--	--
2300	Deferred Revenue	--	--	--
2000	Total Liabilities	3,697	120,432	185,577
FUND BALANCES:				
Reserved Fund Balances:				
3410	Investments in Inventory	--	--	--
3450	Reserve for Food Service	--	--	--
3490	Other Reserves of Fund Balance	--	--	--
3000	Total Fund Balances	--	--	--
4000	Total Liabilities and Fund Balances	\$ 3,697	\$ 120,432	\$ 185,577

226 IDEA-B Discretionary	227 IDEA-B Deaf	228 IDEA-B Preschool Deaf	240 National School Breakfast/Lunch Program	242 Summer Feeding Program
\$ --	\$ --	\$ --	\$ 470,803	\$ 17,182
854	--	--	151,227	--
--	--	--	1,505	--
--	--	--	223,321	--
<u>854</u>	<u>--</u>	<u>--</u>	<u>846,856</u>	<u>17,182</u>
\$ --	\$ --	\$ --	\$ 208,724	\$ --
854	--	--	74,647	--
--	--	--	--	--
--	--	--	73,121	--
--	--	--	137,473	--
<u>854</u>	<u>--</u>	<u>--</u>	<u>493,965</u>	<u>--</u>
--	--	--	85,847	--
--	--	--	267,044	17,182
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>352,891</u>	<u>17,182</u>
<u>854</u>	<u>--</u>	<u>--</u>	<u>846,856</u>	<u>17,182</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2004

Data Control Codes	244 Vo Ed Basic Grant	253 IDEA-C Deaf	255 ESEA Title II Training and Recruitment	262 ESEA Title II Enhancing Education
ASSETS:				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1240 Due from Other Governments	--	--	29,776	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 29,776</u>	<u>\$ --</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ --	\$ --	\$ --
2160 Accrued Wages Payable	--	--	23,986	--
2170 Due to Other Funds	--	--	5,790	--
2180 Due to Other Governments	--	--	--	--
2200 Accrued Expenditures	--	--	--	--
2300 Deferred Revenue	--	--	--	--
2000 Total Liabilities	<u>--</u>	<u>--</u>	<u>29,776</u>	<u>--</u>
FUND BALANCES:				
Reserved Fund Balances:				
3410 Investments in Inventory	--	--	--	--
3450 Reserve for Food Service	--	--	--	--
3490 Other Reserves of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 29,776</u>	<u>\$ --</u>

263 English Language Acquisition and Enhancement	269 ESEA Title V Innovative Programs	394 Pregnancy Education and Parenting Program	397 Advanced Placement Incentives	401 Optional Extended Year Program
\$ --	\$ --	\$ 189	\$ 25,694	\$ --
1,111	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 1,111</u>	<u>\$ --</u>	<u>\$ 189</u>	<u>\$ 25,694</u>	<u>\$ --</u>
\$ 902	\$ --	\$ --	\$ --	\$ --
209	--	--	--	--
--	--	--	--	--
--	--	189	25,694	--
--	--	--	--	--
--	--	--	--	--
<u>1,111</u>	<u>--</u>	<u>189</u>	<u>25,694</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 1,111</u>	<u>\$ --</u>	<u>\$ 189</u>	<u>\$ 25,694</u>	<u>\$ --</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2004

Data Control Codes		404 Student Success Initiative	409 Basic Skills Programs	411 Technology Allotment	413 TIF Grant
ASSETS:					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ 176	\$ --
1240	Due from Other Governments	110,820	1,192	6,139	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1000	Total Assets	\$ 110,820	\$ 1,192	\$ 6,315	\$ --
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 24,417	\$ --	\$ --	\$ --
2160	Accrued Wages Payable	--	--	--	--
2170	Due to Other Funds	86,403	1,192	--	--
2180	Due to Other Governments	--	--	--	--
2200	Accrued Expenditures	--	--	--	--
2300	Deferred Revenue	--	--	--	--
2000	Total Liabilities	110,820	1,192	--	--
FUND BALANCES:					
Reserved Fund Balances:					
3410	Investments in Inventory	--	--	--	--
3450	Reserve for Food Service	--	--	--	--
3490	Other Reserves of Fund Balance	--	--	6,315	--
3000	Total Fund Balances	--	--	6,315	--
4000	Total Liabilities and Fund Balances	\$ 110,820	\$ 1,192	\$ 6,315	\$ --

418 Active Employee Health Coverage	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 3,677	\$ 25	\$ 123,110	\$ 127,261	\$ 768,117
--	--	--	--	611,142
--	--	346	--	2,427
--	--	--	--	223,321
<u>\$ 3,677</u>	<u>\$ 25</u>	<u>\$ 123,456</u>	<u>\$ 127,261</u>	<u>\$ 1,605,007</u>
-				
\$ --	\$ --	\$ 1,104	\$ --	\$ 253,861
41	--	34,332	--	295,563
--	--	--	--	223,776
3,636	25	--	--	29,544
--	--	--	--	73,121
--	--	88,020	--	225,493
<u>3,677</u>	<u>25</u>	<u>123,456</u>	<u>--</u>	<u>1,101,358</u>
--	--	--	--	85,847
--	--	--	--	284,226
--	--	--	127,261	133,576
<u>--</u>	<u>--</u>	<u>--</u>	<u>127,261</u>	<u>503,649</u>
<u>\$ 3,677</u>	<u>\$ 25</u>	<u>\$ 123,456</u>	<u>\$ 127,261</u>	<u>\$ 1,605,007</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, 2004

Data Control Codes	204 ESEA Title IV SDFSC	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	64,762	2,764,687	1,277,413	16,183
5020 Total Revenues	<u>64,762</u>	<u>2,764,687</u>	<u>1,277,413</u>	<u>16,183</u>
EXPENDITURES:				
Current:				
0011 Instruction	--	2,383,386	1,159,717	16,183
0012 Instructional Resources and Media Services	--	1,578	--	--
0013 Curriculum and Staff Development	--	163,947	4,554	--
0021 Instructional Leadership	--	193,642	60,532	--
0023 School Leadership	--	1,276	--	--
0031 Guidance, Counseling, & Evaluation Services	64,762	--	52,610	--
0032 Social Work Services	--	--	--	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	3,161	--	--
0035 Food Service	--	--	--	--
0036 Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0053 Data Processing Services	--	--	--	--
0061 Community Services	--	17,697	--	--
6030 Total Expenditures	<u>64,762</u>	<u>2,764,687</u>	<u>1,277,413</u>	<u>16,183</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
Other Financing Sources and (Uses):				
7915 Operating Transfers In	--	--	--	--
8911 Operating Transfers Out	--	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

226 IDEA-B Discretionary	227 IDEA-B Deaf	228 IDEA-B Preschool Deaf	240 National School Breakfast/Lunch Program	242 Summer Feeding Program
\$ --	\$ --	\$ --	\$ 1,063,408	\$ 390
--	--	--	70,968	1,543
<u>19,857</u>	<u>20,696</u>	<u>1,947</u>	<u>2,826,792</u>	<u>60,792</u>
<u>19,857</u>	<u>20,696</u>	<u>1,947</u>	<u>3,961,168</u>	<u>62,725</u>
19,857	20,696	1,947	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>19,857</u>	<u>20,696</u>	<u>1,947</u>	<u>3,797,458</u>	<u>45,543</u>
--	--	--	163,710	17,182
--	--	--	12,005	--
--	--	--	--	(12,005)
<u>--</u>	<u>--</u>	<u>--</u>	<u>12,005</u>	<u>(12,005)</u>
--	--	--	175,715	5,177
--	--	--	177,176	12,005
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 352,891</u>	<u>\$ 17,182</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, 2004

Data Control Codes	244 Vo Ed Basic Grant	253 IDEA-C Deaf	255 ESEA Title II Training and Recruitment	262 ESEA Title II Enhancing Education
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	144,562	362	591,136	74,583
5020 Total Revenues	<u>144,562</u>	<u>362</u>	<u>591,136</u>	<u>74,583</u>
EXPENDITURES:				
Current:				
0011 Instruction	144,562	362	432,691	53,993
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	--	139,437	20,590
0021 Instructional Leadership	--	--	1,060	--
0023 School Leadership	--	--	5,180	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--	--
0032 Social Work Services	--	--	--	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	--	--	--
0036 Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	12,768	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0053 Data Processing Services	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>144,562</u>	<u>362</u>	<u>591,136</u>	<u>74,583</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
Other Financing Sources and (Uses):				
7915 Operating Transfers In	--	--	--	--
8911 Operating Transfers Out	--	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

263 English Language Acquisition and Enhancement	269 ESEA Title V Innovative Programs	394 Pregnancy Education and Parenting Program	397 Advanced Placement Incentives	401 Optional Extended Year Program
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	40,618	6,193	9,075
86,796	53,054	--	--	--
<u>86,796</u>	<u>53,054</u>	<u>40,618</u>	<u>6,193</u>	<u>9,075</u>
82,894	53,054	29,602	6,193	6,482
--	--	--	--	--
3,902	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	11,016	--	2,593
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>86,796</u>	<u>53,054</u>	<u>40,618</u>	<u>6,193</u>	<u>9,075</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, 2004

Data Control Codes	404 Student Success Initiative	409 Basic Skills Programs	411 Technology Allotment	413 TIF Grant
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	110,820	1,192	225,649	2,073
5900 Federal Program Revenues	--	--	--	--
5020 Total Revenues	<u>110,820</u>	<u>1,192</u>	<u>225,649</u>	<u>2,073</u>
EXPENDITURES:				
Current:				
0011 Instruction	103,408	1,192	179,647	2,073
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	208	--	18,270	--
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--	--
0032 Social Work Services	--	--	--	--
0033 Health Services	--	--	--	--
0034 Student Transportation	7,204	--	--	--
0035 Food Service	--	--	--	--
0036 Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	--	48,800	--
0052 Security and Monitoring Services	--	--	--	--
0053 Data Processing Services	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>110,820</u>	<u>1,192</u>	<u>246,717</u>	<u>2,073</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>--</u>	<u>--</u>	<u>(21,068)</u>	<u>--</u>
Other Financing Sources and (Uses):				
7915 Operating Transfers In	--	--	--	--
8911 Operating Transfers Out	--	--	--	--
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	--	--	(21,068)	--
0100 Fund Balances - Beginning	--	--	27,383	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,315</u>	<u>\$ --</u>

418 Active Employee Health Coverage	429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ --	\$ 199,888	\$ 267,364	\$ 1,531,050
540,531	--	484,856	--	1,493,518
--	--	--	--	8,003,622
<u>540,531</u>	<u>--</u>	<u>684,744</u>	<u>267,364</u>	<u>11,028,190</u>
349,450	--	541,264	119,346	5,707,999
10,470	--	--	53,268	65,316
337	--	--	47,670	398,915
5,789	--	134,946	--	395,969
22,289	--	--	42,487	71,232
16,287	--	--	268	133,927
549	--	--	--	549
8,741	--	--	219	8,960
25,215	--	--	--	49,189
50,031	--	--	--	3,893,032
5,086	--	--	2,732	7,818
6,662	--	--	--	19,430
43,826	--	8,534	--	101,160
718	--	--	--	718
2,528	--	--	--	2,528
254	--	--	--	17,951
<u>548,232</u>	<u>--</u>	<u>684,744</u>	<u>265,990</u>	<u>10,874,693</u>
<u>(7,701)</u>	<u>--</u>	<u>--</u>	<u>1,374</u>	<u>153,497</u>
7,701	--	--	--	19,706
--	--	--	--	(12,005)
<u>7,701</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,701</u>
--	--	--	1,374	161,198
--	--	--	125,887	342,451
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 127,261</u>	<u>\$ 503,649</u>

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Other Supplementary Information

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2004

Year Ended August 31	1		2		3
	Tax Rates				Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service			
1995 and Prior Years	\$ Various	\$ Various			\$ Various
1996	1.27	.11			1,788,909,034
1997	1.2631	.1324			1,866,128,699
1998	1.2631	.1467			2,145,009,222
1999	1.2911	.1377			2,358,054,088
2000	1.3387	.1001			2,046,438,236
2001	1.384	.0902			2,384,838,232
2002	1.4342	.12			2,323,115,236
2003	1.50	.0533			2,413,452,523
2004 (School Year Under Audit)	1.50	.119			2,416,099,419
1000 Totals					
9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code					

10 Beginning Balance 9/1/03	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/04
\$ 392,143	\$ --	\$ 14,335	\$ 1,325	\$ (68,188)	\$ 308,295
116,565	--	7,622	660	(1,677)	106,606
130,317	--	9,408	986	(4,191)	115,732
148,870	--	16,563	1,924	(2,864)	127,519
138,374	--	16,104	1,718	(863)	119,689
234,776	--	28,943	2,164	(5,809)	197,860
285,462	--	61,623	4,016	(3,421)	216,402
390,970	--	116,045	9,710	(5,442)	259,773
1,375,936	--	555,911	19,742	(114,189)	686,094
--	39,116,650	35,452,560	2,812,570	18,435	869,955
<u>\$ 3,213,413</u>	<u>\$ 39,116,650</u>	<u>\$ 36,279,114</u>	<u>\$ 2,854,815</u>	<u>\$ (188,209)</u>	<u>\$ 3,007,925</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

LONGVIEW INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2005-2006
 GENERAL AND SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2004

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

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	\$ --	\$ --	\$ 219,493	\$ 888,044	\$ 67,711	\$ 95,904	\$ 1,271,152
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	--	--	57,679	--	--	--	57,679
6212	Audit Services	--	--	--	20,350	--	--	20,350
6213	Tax Appraisal and Collection	--	605,620	--	--	--	--	605,620
621X	Other Prof. Services	214	--	794	20,477	--	--	21,485
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	7,423	--	--	7,423
6240	Contr. Maint. and Repair	--	--	--	--	1,042	--	1,042
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	--	27,618	--	--	27,618
6290	Miscellaneous Contr.	--	--	9,880	13,904	1,347	--	25,131
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	381	149	185	--	715
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	1,048	--	931	61,941	3,506	9,500	76,926
6410	Travel, Subsistence, Stipends	7,104	--	3,074	11,145	1,219	--	22,542
6420	Ins. and Bonding Costs	33,528	--	--	2,372	--	--	35,900
6430	Election Costs	5,905	--	--	--	--	--	5,905
6490	Miscellaneous Operating	3,662	--	3,732	19,371	14,608	3,268	44,641
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	7,177	7,177

Total \$ 51,461 \$ 605,620 \$ 295,964 \$ 1,072,794 \$ 89,618 \$ 115,849 \$ 2,231,306

Total expenditures for General and Special Revenue Funds (9) \$ 57,516,949

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 891,776
Total Debt & Lease (6500)	(11)	\$ 176,872
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 5,706,223
Food (Function 35, 6341 and 6499)	(13)	\$ 1,677,687
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		\$ 1,072,794

Subtotal 9,525,352

Net Allowed Direct Cost \$ 47,991,597

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 60,625,612
Historical Cost of Buildings over 50 years old	(16)	4,047,558
Amount of Federal Money in Building Cost (Net of #16)	(17)	--
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	5,479,290
Historical Cost of Furniture & Equipment over 16 years old	(19)	568,809
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	31,908

(8) Note A - \$68,330 in Function 53 expenditures are included in this report on administrative costs.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)
GENERAL FUND
AS OF AUGUST 31, 2004

EXHIBIT J-3

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2004 (Exhibit C-1 object 3000 for the General Fund only)	\$ 7,485,324
2	Total General Fund Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	705,410
3	Total General Fund Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	-
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	--
5	Estimate of one month's average cash disbursements during the regular school session (9/1/04 - 5/31/05)	5,048,348
6	Estimate of delayed payments from state sources (58XX) including August payment delays	--
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	--
8	Estimate of delayed payments from federal sources (59XX)	--
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	--
10	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9)	5,753,758
11	Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 10)	\$ 1,731,566

If Item 11 is a Positive Number

Explanation of need for and/or projected use of net positive Undesignated Unreserved General Fund Fund Balance:

Longview ISD plans to fund the purchase of buses & technology items in the upcoming years to replenish near obsolete equipment. Additionally, our overall budgeting strategy is to build our fund balance to three months operating which is the standard adopted by many school districts and state agencies today.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2004

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 1,050,000	\$ 1,103,000	\$ 1,063,408	\$ (39,592)
5800	State Program Revenues	33,000	91,198	70,968	(20,230)
5900	Federal Program Revenues	2,776,278	2,942,547	2,826,792	(115,755)
5020	Total Revenues	<u>3,859,278</u>	<u>4,136,745</u>	<u>3,961,168</u>	<u>(175,577)</u>
EXPENDITURES:					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	3,859,278	4,148,750	3,797,458	351,292
	Total Support Services - Student (Pupil)	<u>3,859,278</u>	<u>4,148,750</u>	<u>3,797,458</u>	<u>351,292</u>
6030	Total Expenditures	<u>3,859,278</u>	<u>4,148,750</u>	<u>3,797,458</u>	<u>351,292</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>--</u>	<u>(12,005)</u>	<u>163,710</u>	<u>175,715</u>
Other Financing Sources (Uses):					
7915	Operating Transfers In	<u>--</u>	<u>12,005</u>	<u>12,005</u>	<u>--</u>
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>12,005</u>	<u>12,005</u>	<u>--</u>
1200	Net Change in Fund Balance	<u>--</u>	<u>--</u>	<u>175,715</u>	<u>175,715</u>
0100	Fund Balance - Beginning	177,176	177,176	177,176	--
3000	Fund Balance - Ending	<u>\$ 177,176</u>	<u>\$ 177,176</u>	<u>\$ 352,891</u>	<u>\$ 175,715</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2004

Data Control Codes	1		2		3		Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual		
	Original	Final					
REVENUES:							
5700	Local and Intermediate Sources	\$ 2,865,485	\$ 2,863,531	\$ 2,903,698	\$ 40,167		
5800	State Program Revenues	200,293	177,071	148,505	(28,566)		
5020	Total Revenues	<u>3,065,778</u>	<u>3,040,602</u>	<u>3,052,203</u>	<u>11,601</u>		
EXPENDITURES:							
Debt Service:							
0071	Principal on Long-Term Debt	2,140,000	2,140,000	2,140,000	--		
0072	Interest on Long-Term Debt	920,658	920,658	920,656	2		
0073	Bond Issuance Costs and Fees	5,000	5,000	2,291	2,709		
	Total Debt Service	<u>3,065,778</u>	<u>3,065,778</u>	<u>3,062,947</u>	<u>2,831</u>		
6030	Total Expenditures	<u>3,065,778</u>	<u>3,065,778</u>	<u>3,062,947</u>	<u>2,831</u>		
1100	Excess (Deficiency) of Revenues Over (Under)						
1100	Expenditures	--	(25,176)	(10,744)	14,432		
1200	Net Change in Fund Balance	--	(25,176)	(10,744)	14,432		
0100	Fund Balance - Beginning	99,465	99,465	99,465	--		
3000	Fund Balance - Ending	<u>\$ 99,465</u>	<u>\$ 74,289</u>	<u>\$ 88,721</u>	<u>\$ 14,432</u>		

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KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

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Independent Auditors' Report

Report on Compliance and on Internal Control over Financial Reporting 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 basic financial statements of Longview Independent School District as of and for the year ended August 31, 2004, and have issued our report thereon dated December 6, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether Longview Independent School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under GOVERNMENT AUDITING STANDARDS.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Longview Independent School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, 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.
December 6, 2004

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KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

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Independent Auditors' Report

Report on Compliance with Requirements Applicable
To each Major Program and 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 the compliance of Longview Independent School District with the types of compliance requirements described in the U. S. OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133 COMPLIANCE SUPPLEMENT that are applicable to each of its major federal programs for the year ended August 31, 2004. Longview Independent School District's major federal programs are identified in the summary of auditors' 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 on Longview Independent School District's compliance with those requirements.

In our opinion, Longview Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2004.

Internal Control Over Compliance

The management of Longview Independent School District is responsible for establishing and maintaining effective internal control over compliance with 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, 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.
December 6, 2004

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FOR THE YEAR ENDED AUGUST 31, 2004

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Reportable condition(s) identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Reportable condition(s) identified that are not considered to be material weaknesses? Yes X 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 Circular A-133? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Feeding Program

Dollar threshold used to distinguish between type A and type B programs: \$500,000

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2004

<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, 2004

None required.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2004

Data Control Codes	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U. S. DEPARTMENT OF EDUCATION				
Passed Through State Department of Education:				
211	ESEA Title I Part A - Improving Basic Programs	84.010A	04610101092903	2,717,517
211	ESEA Title I Part A - Improving Basic Programs	84.010A	05610101092903	107,065
	Total CFDA Number 84.010A			<u>2,824,582</u>
224	IDEA-B Formula	84.027	466000409290333	1,208,207
224	IDEA-B Formula	84.027	05660001092903	89,145
226	IDEA-B Discretionary	84.027	04667302092903	19,003
226	IDEA-B Discretionary	84.027	05667302092903	854
227	IDEA-B Deaf	84.027	04661101092903	21,111
	Total CFDA Number 84.027			<u>1,338,320</u>
244	Vocational Education - Basic Grant	84.048	0442000609290307	144,562
225	IDEA-B Preschool	84.173	04661001092903	15,641
225	IDEA-B Preschool	84.173	05661001092903	893
228	IDEA-B Preschool Deaf	84.173	04661101092903	1,947
	Total CFDA Number 84.173			<u>18,481</u>
253	IDEA-C Early Intervention (Deaf)	84.181A	04391101092903	362
204	ESEA Title IV Safe & Drug Free Schools & Communities Act	84.184	04691001092903	62,295
204	ESEA Title IV Safe & Drug Free Schools & Communities Act	84.184	05691001092903	3,697
	Total CFDA Number 84.184			<u>65,992</u>
269	Title V, Part A - Innovative Programs	84.298	04685001092903	54,192
262	Enhancing Education Through Technology	84.318	3630001092903	75,791
263	English Language Acquisition and Language Enhancement	84.365	4671001092903	87,312
263	English Language Acquisition and Language Enhancement	84.365	05671001092903	1,111
	Total CFDA Number 84.365			<u>88,423</u>
255	ESEA Title II Part A - Teacher & Principal Training & Recruitment	84.367	04694501092903	572,511
255	ESEA Title II Part A - Teacher & Principal Training & Recruitment	84.367	05694501092903	29,776
	Total CFDA Number 84.367			<u>602,287</u>
	Total Passed Through State Department of Education			<u>5,212,992</u>
	Total U. S. Department of Education			<u>5,212,992</u>
U. S. DEPARTMENT OF DEFENSE				
Passed Through State Department of Education:				
314	ROTC	12.000	092-903	64,341
	Total U. S. Department of Defense			<u>64,341</u>
U. S. DEPARTMENT OF AGRICULTURE				
Passed Through State Department of Education:				
241	Food Distribution	10.550	092-903	211,372
240	School Breakfast Program *	10.553	092-903	896,809
240	National School Lunch Program *	10.555	092-903	1,718,611

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2004

	(1)	(2)	(2A)	(3)
Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
242	Summer Feeding Program *	10.559	092-903	60,792
	Total Passed Through State Department of Education			<u>2,887,584</u>
	Total U. S. Department of Agriculture			<u>2,887,584</u>
	TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>8,164,917</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, 2004

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	\$ 8,164,917
Other Federal Revenue Sources:	
School Health and Related Services (SHARS)	160,254
Medicaid Administrative Claiming (MAC)	<u>53,132</u>
Total Federal Revenues, Exhibit C-2	<u>\$ 8,378,303</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICTSCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2004

<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

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