

**LONGVIEW
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2006

Introductory Section

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Longview Independent School District
Annual Financial Report
For The Year Ended August 31, 2006

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CERTIFICATE OF BOARD

Longview Independent School District
Name of School District

Gregg
County

092-903
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____approved _____disapproved for the year ended August 31, 2006, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

Signature of Board Secretary

Signature of Board President

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

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Financial Section

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KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

Karen A. Jacks, CPA
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Longview, Texas 75606

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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, 2006, 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, 2006, 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 November 9, 2006, on our consideration of Longview Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the Longview Independent School District's basic financial statements. The accompanying schedule of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the combining financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information, 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.

November 9, 2006

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 8/31/06. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

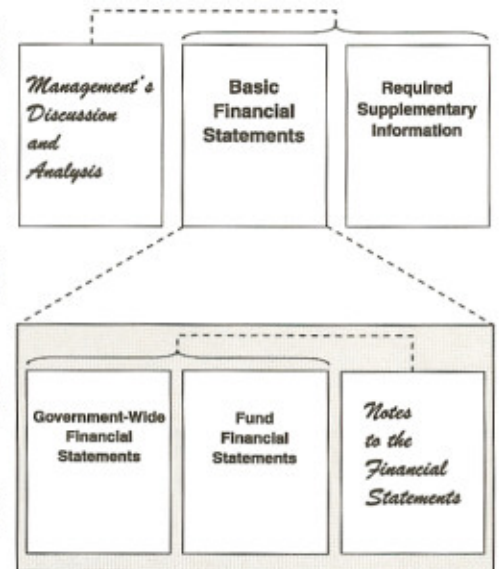
- The District's total combined net assets were \$47,202,374 at 8/31/06.
- During the year, the District's expenses were \$7,038,759 less than the \$74,403,797 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$17,341,199.

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



Summary ↔ Detail

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

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

| Type of Statements | Fund Statements | | | |
|--|--|--|--|---|
| | Government-wide | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire Agency's government (except fiduciary funds) and the Agency's component units | The activities of the district that are not proprietary or fiduciary | Activities the district operates similar to private businesses: self insurance | Instances in which the district is the trustee or agent for someone else's resources |
| Required financial statements | <ul style="list-style-type: none"> • Statement of net assets • Statement of activities | <ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures & changes in fund balances | <ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows | <ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included | All assets and liabilities, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term, the Agency's funds do not currently contain capital assets, although they can |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid | All revenues and expenses during year, regardless of when cash is received or paid |

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

Government-wide Statements

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

The two government-wide statements report the District's net assets and how they have changed. Net assets—the difference between the District's assets and liabilities—is one way to measure the District's financial health or position.

- 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 \$47,202,374 at 8/31/06. (See Table A-1).

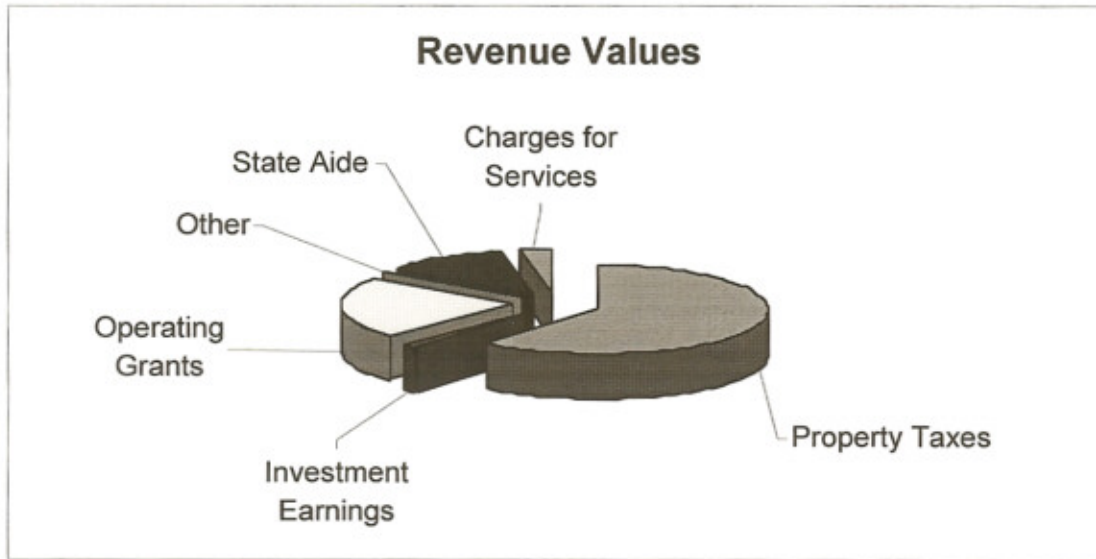
Table A-1
Longview Independent School District's Net Assets
(In millions of dollars)

| | Governmental Activities | | Business-type Activities | | Total | | Total Percentage Change 2006-2005 |
|--|-------------------------|---------------|--------------------------|------------|---------------|---------------|--------------------------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | |
| Current assets: | | | | | | | |
| Cash and cash equivalents | 11.461 | 2.117 | 0 | (0) | 11.461 | 2.117 | 441.38 |
| Current Investments | 8.298 | 11.759 | 0 | (0) | 8.298 | 11.759 | (29.43) |
| Property Taxes Receivable | 2.521 | 2.368 | 0 | (0) | 2.521 | 2.368 | 6.46 |
| Due from other Government | 2.075 | 3.007 | 0 | (0) | 2.075 | 3.007 | (30.99) |
| Other receivables | .146 | .146 | 0 | (0) | .146 | .146 | 0 |
| Inventories – at cost | .357 | .367 | | | .357 | .367 | (2.72) |
| Deferred Expenses | .040 | .019 | 0 | (0) | .040 | .019 | 110.53 |
| Total current assets: | 24.898 | 19.783 | 0 | (0) | 24.898 | 19.783 | 25.86 |
| Noncurrent assets: | | | | | | | |
| Bldg., Fum. & Eqmt, CIP | 67.526 | 67.188 | 0 | (0) | 67.526 | 67.188 | .50 |
| Less Accum. Depr. | (26.74) | (25.354) | 0 | (0) | (26.74) | (25.354) | 5.47 |
| Land | 2.595 | 2.595 | 0 | (0) | 2.595 | 2.595 | 0 |
| Total noncurrent assets | 43.381 | 44.429 | 0 | (0) | 43.381 | 44.429 | (2.36) |
| Total Assets | 68.279 | 64.212 | 0 | (0) | 68.279 | 64.212 | 6.33 |
| Current liabilities: | | | | | | | |
| Accounts payable and accrued liabilities | 3.973 | 4.490 | 0 | (0) | 3.973 | 4.490 | (11.51) |
| Notes payable | 2.288 | 2.549 | 0 | (0) | 2.288 | 2.549 | (10.24) |
| Due to other governments | .055 | .181 | 0 | (0) | .055 | .181 | (69.61) |
| Deferred revenue | .274 | .248 | 0 | (0) | .274 | .248 | 10.48 |
| Total current liabilities | 6.590 | 7.468 | 0 | (0) | 6.590 | 7.468 | (11.76) |
| Long-term liabilities: | | | | | | | |
| Notes payable | 14.487 | 16.581 | 0 | (0) | 14.487 | 16.581 | (12.63) |
| Total Liabilities | 21.077 | 24.049 | 0 | (0) | 21.077 | 24.049 | (12.36) |
| Net Assets: | | | | | | | |
| Invested in capital assets | 28.449 | 25.300 | 0 | (0) | 28.449 | 25.300 | 12.45 |
| Restricted | 1.576 | 1.165 | 0 | (0) | 1.576 | 1.165 | 35.28 |
| Unrestricted | 17.177 | 13.698 | 0 | (0) | 17.177 | 13.698 | 25.40 |
| Total Net Assets | 47.202 | 40.163 | 0 | (0) | 47.202 | 40.163 | 17.53 |

Restricted Net Assets are dedicated to various uses, namely: debt service, capital projects, and campus activities. The \$17,177,312 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 \$74,403,797. A significant portion, \$45,553,042 or 61%, of the District's revenue comes from taxes. (See Figure Below) 36% comes from State aid, Operating Grants and Contributions, while only 3% relates to charges for services.

The total cost of all programs and services was \$67,339,265; 83% of these costs are for instructional and student services.



Governmental Activities

- Property tax rates decreased a fractional percent. This slight decrease coupled with increasing property values enabled an increase in the tax levy by \$2.981 million over the prior year.

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 2006-2005 |
|--|-------------------------|---------------|--------------------------|----------|---------------|---------------|-----------------------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | |
| Program Revenues: | | | | | | | |
| Charges for Services | 2.299 | 2.362 | 0 | 0 | 2.299 | 2.362 | (2.67) |
| Operating Grants and Contributions | 16.407 | 14.764 | 0 | 0 | 16.407 | 14.764 | 11.13 |
| Capital Grants and Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Revenues | | | | | | | |
| Property Taxes | 45.553 | 41.956 | 0 | 0 | 45.553 | 41.956 | 8.57 |
| State Aid | 8.570 | 9.874 | 0 | 0 | 8.570 | 9.874 | (13.21) |
| Investment Earnings | 1.234 | .522 | 0 | 0 | 1.234 | .522 | 136.40 |
| Other | .340 | .525 | 0 | 0 | .340 | .525 | (35.24) |
| Total Revenues | 74.403 | 70.003 | 0 | 0 | 74.403 | 70.003 | 6.29 |
| Expenses: | | | | | | | |
| Instruction | 36.113 | 35.195 | 0 | 0 | 36.113 | 35.195 | 2.61 |
| Instructional Resources and Media Services | 1.262 | 1.221 | 0 | 0 | 1.262 | 1.221 | 3.36 |
| Curriculum Dev. And Instructional Staff Dev. | 1.581 | 1.256 | 0 | 0 | 1.581 | 1.256 | 25.88 |
| Instructional Leadership | 1.804 | 1.625 | 0 | 0 | 1.804 | 1.625 | 11.02 |
| School Leadership | 3.456 | 3.250 | 0 | 0 | 3.456 | 3.250 | 6.34 |
| Guidance, Counseling and Evaluation Services | 2.539 | 2.041 | 0 | 0 | 2.539 | 2.041 | 24.40 |
| Social Work Services | .131 | .116 | 0 | 0 | .131 | .116 | 12.93 |
| Health Services | .619 | .537 | 0 | 0 | .619 | .537 | 15.27 |
| Student (Pupil) Transportation | 2.427 | 2.237 | 0 | 0 | 2.427 | 2.237 | 8.49 |
| Food Services | 4.142 | 4.236 | 0 | 0 | 4.142 | 4.236 | (2.22) |
| Curricular/Extracurricular Activities | 1.842 | 1.865 | 0 | 0 | 1.842 | 1.865 | (1.23) |
| General Administration | 2.524 | 2.448 | 0 | 0 | 2.524 | 2.448 | 3.10 |
| Plant Maintenance & Oper. | 6.878 | 5.970 | 0 | 0 | 6.878 | 5.970 | 15.21 |
| Security & Monitoring Svcs. | .478 | .425 | 0 | 0 | .478 | .425 | 12.47 |
| Data Processing Services | .543 | .457 | 0 | 0 | .543 | .457 | 18.82 |
| Community Services | .149 | .144 | 0 | 0 | .149 | .144 | 3.47 |
| School District Admin. Support Services | | 0 | 0 | 0 | | 0 | |
| Debt Service | .841 | .811 | 0 | 0 | .841 | .811 | 3.70 |
| Facilities Acquisition and Construction | .010 | .087 | 0 | 0 | .010 | .087 | (88.51) |
| 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 | 67.339 | 63.921 | 0 | 0 | 67.339 | 63.921 | 5.35 |
| Excess (Deficiency) Before Other Resources, Uses & Transfers | 7.064 | 6.082 | 0 | 0 | 7.064 | 6.082 | 16.15 |
| Special Item Outflow | (.025) | (.507) | 0 | 0 | (.025) | (.507) | (95.07) |
| Other Resources (Uses) Transfers In (Out) | | | | | | | |
| Increase (Decrease) in Net Assets | 7.039 | 5.575 | 0 | 0 | 7.039 | 5.575 | 26.26 |

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 \$67,339,265.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$45,553,042.
- Some of the cost was paid by those who directly benefited from the programs, totaling \$2,299,485, or by grants and contributions totaling \$16,407,050.

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 |
|--------------------------------|------------------------|--------|----------|----------------------|--------|----------|
| | 2006 | 2005 | | 2006 | 2005 | |
| Instruction | 38.955 | 37.672 | 3.41 | 27.611 | 37.672 | (26.71) |
| School administration | 5.259 | 4.876 | 7.85 | 4.197 | 4.876 | (13.93) |
| Student Support Services | 11.701 | 11.033 | 6.05 | 6.145 | 11.033 | (44.30) |
| Plant Maintenance & Operations | 6.878 | 5.970 | 15.21 | 6.612 | 5.970 | 10.75 |

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$74,418,141, an increase of 6.027% over the preceding year. The net increase in local revenues is a result of an increase in the collection of taxes from local taxpayers.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget 14 times. Actual expenditures were \$2,498,430 below final budget amounts. The most significant positive variance resulted from staffing. Staffing is budgeted for full employment throughout the full 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 \$2,528,797 above the final budgeted amount. In addition, the district received \$712,770 in temporary impact aid because the district served students who were displaced due to Hurricane Katrina.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2006, the District had invested \$70,121,742 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 \$338,631 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 2006-2005 |
|--------------------------------|-------------------------|--------|--------------------------|------|--------|--------|-----------------------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | |
| Land | 2.595 | 2.595 | 0 | 0 | 2.595 | 2.595 | 0.00 |
| Buildings and improvements | 61.542 | 61.345 | 0 | 0 | 61.542 | 61.345 | 0.32 |
| Vehicles | 3.562 | 3.527 | 0 | 0 | 3.562 | 3.527 | 0.99 |
| Equipment | 2.330 | 2.208 | 0 | 0 | 2.330 | 2.208 | 5.53 |
| Other | .093 | .108 | 0 | 0 | .093 | .108 | (13.89) |
| Totals at historical cost | 70.122 | 69.783 | 0 | 0 | 70.122 | 69.783 | 0.49 |
| Total accumulated depreciation | 26.740 | 25.353 | 0 | 0 | 26.740 | 25.353 | 5.47 |
| Net capital assets | 43.382 | 44.430 | 0 | 0 | 43.382 | 44.430 | (2.36) |

The District began construction on the Grounds for Play outdoor learning centers at the magnet elementary campuses during the fiscal year ending 8/31/05. These projects were complete at 8/31/06. Reductions to the District's capital assets resulted from the trade in of vehicles during the year.

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

Long Term Debt

At year-end the District had \$16,776,021 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 2006-2005 |
|-----------------------------|-------------------------|---------|--------------------------|------|--------|---------|-----------------------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | |
| Leases payable | .004 | 0.025 | 0 | 0 | .004 | 0.025 | (84.00) |
| Bonds payable | 17.408 | 19.935 | 0 | 0 | 17.408 | 19.935 | (12.68) |
| Less deferred amount | | | | | | | |
| On refundings | (.636) | (0.831) | (0) | (0) | (.636) | (0.831) | (23.47) |
| Total bonds & notes payable | 16.776 | 19.129 | 0 | 0 | 16.776 | 19.129 | (12.30) |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The appraised value used for the 2007 budget preparation increased by \$264 million or 9% from last year.
- Property values continued on an upward trend, mainly due to increased oil & gas exploration.
- A salary action plan continued for 2006-07. The plan was to attain competitive salaries and benefits for all employees with an emphasis placed on salaries for teachers, librarians, nurses and counselors. The average increase for our professional staff was 8.5%. An increase in state funding due to the passage of House Bill 1 helped pay for the significant increase. Non-instructional staff received a 3% increase.

- The tax rate to support the 06/07 budget is \$1.468 per hundred in value as compared to \$1.61 per hundred in value for 05/06. With the passage of House Bill 1, the tax rate was reduced by 8.8% and is scheduled to be reduced again by 22.5% in 07/08.
- The LISD student enrollment is projected to reduce by 1.8%, based upon historical trend analysis. Enrollment has dropped from 8330 to 8182 over the last four years.

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, 2006

1

| Data Control Codes | Governmental Activities |
|--|----------------------------|
| ASSETS: | |
| 1110 Cash and Cash Equivalents | \$ 11,461,364 |
| 1120 Current Investments | 8,297,949 |
| 1225 Property Taxes Receivable (Net) | 2,521,147 |
| 1240 Due from Other Governments | 2,075,212 |
| 1290 Other Receivables (Net) | 146,271 |
| 1300 Inventories | 356,591 |
| 1410 Deferred Expenses | 308,422 |
| 1420 Capitalized Bond and Other Debt Issuance Costs | 181,908 |
| 1430 Premium and Discount on Issuance of Bonds | (450,792) |
| Capital Assets: | |
| 1510 Land | 2,595,158 |
| 1520 Buildings and Improvements, Net | 39,970,447 |
| 1530 Furniture and Equipment, Net | 806,325 |
| 1550 Capital Lease Assets, Net | 9,802 |
| 1000 Total Assets | <u>68,279,804</u> |
| LIABILITIES: | |
| 2110 Accounts Payable | 787,606 |
| 2140 Interest Payable | 57,752 |
| 2165 Accrued Liabilities | 3,127,294 |
| 2180 Due to Other Governments | 54,591 |
| 2300 Unearned Revenue | 274,166 |
| Noncurrent Liabilities: | |
| 2501 Due Within One Year | 2,288,545 |
| 2502 Due in More Than One Year | 14,487,476 |
| 2000 Total Liabilities | <u>21,077,430</u> |
| NET ASSETS | |
| 3200 Invested in Capital Assets, Net of Related Debt | 28,449,014 |
| Restricted For: | |
| 3820 State and Federal Programs | 835,087 |
| 3850 Debt Service | 636,299 |
| 3860 Capital Projects | 521 |
| 3870 Campus Activities | 104,141 |
| 3900 Unrestricted | 17,177,312 |
| 3000 Total Net Assets | <u>\$ 47,202,374</u> |

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2006

| 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 | \$ 36,112,560 | \$ 745,184 | \$ 9,522,847 | \$ (25,844,529) | |
| 12 | Instructional Resources and Media Services | 1,261,852 | 31,959 | 62,877 | (1,167,016) | |
| 13 | Curriculum and Staff Development | 1,580,799 | 48,431 | 933,046 | (599,322) | |
| 21 | Instructional Leadership | 1,803,525 | -- | 784,375 | (1,019,150) | |
| 23 | School Leadership | 3,455,525 | 29,846 | 247,948 | (3,177,731) | |
| 31 | Guidance, Counseling, & Evaluation Services | 2,539,344 | 109 | 669,801 | (1,869,434) | |
| 32 | Social Work Services | 131,483 | -- | 6,243 | (125,240) | |
| 33 | Health Services | 619,091 | 289 | 37,419 | (581,383) | |
| 34 | Student Transportation | 2,427,033 | -- | 118,935 | (2,308,098) | |
| 35 | Food Service | 4,142,385 | 1,017,902 | 3,247,880 | 123,397 | |
| 36 | Cocurricular/Extracurricular Activities | 1,841,593 | 414,660 | 42,201 | (1,384,732) | |
| 41 | General Administration | 2,523,516 | -- | 345,188 | (2,178,328) | |
| 51 | Plant Maintenance and Operations | 6,877,991 | 10,570 | 255,781 | (6,611,640) | |
| 52 | Security and Monitoring Services | 478,286 | 356 | 79,677 | (398,253) | |
| 53 | Data Processing Services | 543,984 | -- | 18,613 | (525,371) | |
| 61 | Community Services | 149,154 | 179 | 23,823 | (125,152) | |
| 72 | Interest on Long-term Debt | 704,044 | -- | -- | (704,044) | |
| 73 | Bond Issuance Costs and Fees | 136,704 | -- | -- | (136,704) | |
| 81 | Facilities Acquisition and Construction | 10,396 | -- | 10,396 | -- | |
| TG | Total Governmental Activities | <u>67,339,265</u> | <u>2,299,485</u> | <u>16,407,050</u> | <u>(48,632,730)</u> | |
| TP | Total Primary Government | <u>\$ 67,339,265</u> | <u>\$ 2,299,485</u> | <u>\$ 16,407,050</u> | <u>(48,632,730)</u> | |
| | General Revenues: | | | | | |
| MT | Property Taxes, Levied for General Purposes | | | | 42,448,771 | |
| DT | Property Taxes, Levied for Debt Service | | | | 3,104,271 | |
| IE | Investment Earnings | | | | 1,234,101 | |
| GC | Grants and Contributions Not Restricted to Specific Programs | | | | 8,570,140 | |
| MI | Miscellaneous | | | | 339,979 | |
| | Special and Extraordinary Items: | | | | | |
| S1 | Special Item Inflow | | | | 40,000 | |
| S2 | Special Item Outflow | | | | (65,773) | |
| TR | Total General Revenues | | | | <u>55,671,489</u> | |
| CN | Change in Net Assets | | | | <u>7,038,759</u> | |
| NB | Net Assets - Beginning | | | | 40,163,615 | |
| NE | Net Assets - Ending | | | | <u>\$ 47,202,374</u> | |

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2006

| Data Control Codes | 10 General Fund | Other Governmental Funds | 98 Total Governmental Funds | |
|--------------------------|--|--------------------------------|--------------------------------------|----------------------|
| ASSETS: | | | | |
| 1110 | Cash and Cash Equivalents | \$ 9,989,853 | \$ 1,470,141 | \$ 11,459,994 |
| 1120 | Current Investments | 8,099,193 | 198,756 | 8,297,949 |
| 1225 | Taxes Receivable, Net | 2,341,751 | 179,396 | 2,521,147 |
| 1240 | Due from Other Governments | 710,223 | 1,364,989 | 2,075,212 |
| 1260 | Due from Other Funds | 857,195 | -- | 857,195 |
| 1290 | Other Receivables | 143,322 | 2,949 | 146,271 |
| 1300 | Inventories | 210,567 | 146,024 | 356,591 |
| 1410 | Deferred Expenditures | 308,422 | -- | 308,422 |
| 1000 | Total Assets | <u>\$ 22,660,526</u> | <u>\$ 3,362,255</u> | <u>\$ 26,022,781</u> |
| LIABILITIES: | | | | |
| Current Liabilities: | | | | |
| 2110 | Accounts Payable | \$ 515,429 | \$ 272,177 | \$ 787,606 |
| 2150 | Payroll Deductions & Withholdings | 8,774 | -- | 8,774 |
| 2160 | Accrued Wages Payable | 2,094,470 | 369,356 | 2,463,826 |
| 2170 | Due to Other Funds | -- | 857,195 | 857,195 |
| 2180 | Due to Other Governments | -- | 54,591 | 54,591 |
| 2200 | Accrued Expenditures | 574,190 | 80,504 | 654,694 |
| 2300 | Unearned Revenue | 2,126,464 | 302,879 | 2,429,343 |
| 2000 | Total Liabilities | <u>5,319,327</u> | <u>1,936,702</u> | <u>7,256,029</u> |
| FUND BALANCES: | | | | |
| Reserved Fund Balances: | | | | |
| 3410 | Investments in Inventory | 210,566 | 86,100 | 296,666 |
| 3420 | Debt Service | -- | 485,804 | 485,804 |
| 3450 | Reserve for Food Service | -- | 739,743 | 739,743 |
| 3470 | Capital Acquisitions & Contractual Obligations | 278,251 | -- | 278,251 |
| 3490 | Other Reserves of Fund Balance | -- | 113,385 | 113,385 |
| Designated Fund Balance: | | | | |
| 3510 | Construction | 10,250,000 | 521 | 10,250,521 |
| 3600 | Unreserved | 6,602,382 | -- | 6,602,382 |
| 3000 | Total Fund Balances | <u>17,341,199</u> | <u>1,425,553</u> | <u>18,766,752</u> |
| 4000 | Total Liabilities and Fund Balances | <u>\$ 22,660,526</u> | <u>\$ 3,362,255</u> | <u>\$ 26,022,781</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, 2006

| | |
|--|----------------------|
| Total fund balances - governmental funds balance sheet | \$ 18,766,752 |
| 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. | 43,381,732 |
| Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. | 2,155,177 |
| Unamortized debt issuance costs are not reported in the funds. | 181,908 |
| The assets and liabilities of internal service funds are included in governmental activities in the SNA. | 1,370 |
| Payables for bond principal which are not due in the current period are not reported in the funds. | (17,407,998) |
| Payables for capital leases which are not due in the current period are not reported in the funds. | (3,547) |
| Payables for bond interest which are not due in the current period are not reported in the funds. | (57,752) |
| Unamortized premium on issuance of bonds is not reported in the funds. | (450,792) |
| Deferred loss on refunding bonds is not reported in the funds. | 688,466 |
| The accretion of interest on capital appreciation bonds is not reported in the funds. | (52,942) |
| | <hr/> |
| Net assets of governmental activities - statement of net assets | <u>\$ 47,202,374</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, 2006

| Data Control Codes | 10 General Fund | Other Governmental Funds | 98 Total Governmental Funds |
|---|-----------------------|--------------------------------|--------------------------------------|
| REVENUES: | | | |
| 5700 Local and Intermediate Sources | \$ 44,781,588 | \$ 4,659,363 | \$ 49,440,951 |
| 5800 State Program Revenues | 10,534,390 | 1,801,935 | 12,336,325 |
| 5900 Federal Program Revenues | 534,987 | 12,105,878 | 12,640,865 |
| 5020 Total Revenues | <u>55,850,965</u> | <u>18,567,176</u> | <u>74,418,141</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| 0011 Instruction | 28,045,122 | 7,447,880 | 35,493,002 |
| 0012 Instructional Resources and Media Services | 1,172,056 | 45,164 | 1,217,220 |
| 0013 Curriculum and Staff Development | 598,877 | 979,771 | 1,578,648 |
| 0021 Instructional Leadership | 1,031,036 | 751,352 | 1,782,388 |
| 0023 School Leadership | 3,297,526 | 140,584 | 3,438,110 |
| 0031 Guidance, Counseling, & Evaluation Services | 1,937,884 | 590,329 | 2,528,213 |
| 0032 Social Work Services | 130,294 | 887 | 131,181 |
| 0033 Health Services | 606,091 | 8,620 | 614,711 |
| 0034 Student Transportation | 2,277,792 | 35,534 | 2,313,326 |
| 0035 Food Service | -- | 4,092,480 | 4,092,480 |
| 0036 Cocurricular/Extracurricular Activities | 1,543,027 | 6,849 | 1,549,876 |
| 0041 General Administration | 2,366,408 | 108,550 | 2,474,958 |
| 0051 Plant Maintenance and Operations | 6,857,807 | 103,448 | 6,961,255 |
| 0052 Security and Monitoring Services | 397,982 | 77,662 | 475,644 |
| 0053 Data Processing Services | 627,840 | 2,528 | 630,368 |
| 0061 Community Services | 120,763 | 20,009 | 140,772 |
| 0071 Principal on Long-term Debt | 143,771 | 2,405,000 | 2,548,771 |
| 0072 Interest on Long-term Debt | 27,582 | 618,978 | 646,560 |
| 0073 Bond Issuance Costs and Fees | -- | 926 | 926 |
| 0081 Capital Outlay | 27,381 | 10,397 | 37,778 |
| 6030 Total Expenditures | <u>51,209,239</u> | <u>17,446,948</u> | <u>68,656,187</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) | | | |
| 1100 Expenditures | <u>4,641,726</u> | <u>1,120,228</u> | <u>5,761,954</u> |
| Other Financing Sources and (Uses): | | | |
| 7915 Transfers In | 782,591 | 31,230 | 813,821 |
| 8911 Transfers Out | (7,093) | (734,076) | (741,169) |
| 7080 Total Other Financing Sources and (Uses) | <u>775,498</u> | <u>(702,846)</u> | <u>72,652</u> |
| SPECIAL ITEM: | | | |
| 7918 Special Item (Resource) | 40,000 | -- | 40,000 |
| 8912 Special Item (Use) | (62,942) | (2,831) | (65,773) |
| 1200 Net Change in Fund Balances | <u>5,394,282</u> | <u>414,551</u> | <u>5,808,833</u> |
| 0100 Fund Balances - Beginning | 11,946,917 | 1,011,002 | 12,957,919 |
| 3000 Fund Balances - Ending | <u>\$ 17,341,199</u> | <u>\$ 1,425,553</u> | <u>\$ 18,766,752</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, 2006

| | |
|--|---------------------|
| Net change in fund balances - total governmental funds | \$ 5,808,833 |
| Amounts reported for governmental activities in the statement of activities ("SOA") are different because: | |
| Capital outlays are not reported as expenses in the SOA. | 457,145 |
| The depreciation of capital assets used in governmental activities is not reported in the funds. | (1,505,030) |
| The gain or loss on the sale of capital assets is not reported in the funds. | 2,650 |
| All proceeds from the sale of capital assets are reported in the funds but not in the SOA. | (2,650) |
| Certain property tax revenues are deferred in the funds. This is the change in these amounts this year. | (14,345) |
| Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA. | 2,527,000 |
| Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA. | 21,771 |
| Bond issuance costs and similar items are amortized in the SOA but not in the funds | (30,809) |
| The accretion of interest on capital appreciation bonds is not reported in the funds. | (31,953) |
| (Increase) decrease in accrued interest from beginning of period to end of period | (25,531) |
| The net revenue (expense) of internal service funds is reported with governmental activities. | (63,353) |
| Bond premiums are reported in the funds but not in the SOA. | 58,438 |
| Loss on refunding bonds is amortized in the SOA but not in the funds. | (163,407) |
| Change in net assets of governmental activities - statement of activities | <u>\$ 7,038,759</u> |

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND
AUGUST 31, 2006

| Data Control Codes | | Nonmajor Internal Service Fund |
|--------------------------|---------------------------|--------------------------------------|
| | | Insurance Fund |
| | ASSETS: | |
| | Current Assets: | |
| 1110 | Cash and Cash Equivalents | \$ 1,370 |
| | Total Current Assets | <u>1,370</u> |
| 1000 | Total Assets | <u>\$ 1,370</u> |
| | LIABILITIES: | |
| 2000 | Total Liabilities | <u>--</u> |
| | NET ASSETS: | |
| 3900 | Unrestricted Net Assets | \$ 1,370 |
| 3000 | Total Net Assets | <u>\$ 1,370</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, 2006

| Data Control Codes | | Nonmajor Internal Service Fund |
|--------------------------|--|--------------------------------------|
| | | Insurance Fund |
| | OPERATING REVENUES: | |
| 5700 | Local and Intermediate Sources | \$ 518 |
| 5020 | Total Revenues | <u>518</u> |
| | OPERATING EXPENSES: | |
| 6200 | Professional and Contracted Services | (8,781) |
| 6030 | Total Expenses | <u>(8,781)</u> |
| | Income (Loss) before Contributions and Transfers | 9,299 |
| 8911 | Transfers Out | (72,652) |
| 1300 | Change in Net Assets | <u>(63,353)</u> |
| 0100 | Total Net Assets - Beginning | 64,723 |
| 3300 | Total Net Assets - Ending | <u>\$ 1,370</u> |

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2006

| | Internal Service Fund |
|---|-----------------------------|
| Cash Flows from Operating Activities: | |
| Other Operating Cash Receipts (Payments) | 8,751 |
| Net Cash Provided (Used) by Operating Activities | <u>8,751</u> |
| Cash Flows from Non-capital Financing Activities: | |
| Transfers From (To) Primary Government | (72,652) |
| Net Cash Provided (Used) by Non-capital Financing Activities | <u>(72,652)</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 | -- |
| Net Cash Provided (Used) for Investing Activities | <u>--</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (63,901) |
| Cash and Cash Equivalents at Beginning of Year | 65,271 |
| Cash and Cash Equivalents at End of Year | <u>\$ 1,370</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | |
| Operating Income (Loss) | \$ (63,353) |
| Adjustments to Reconcile Operating Income to Net Cash | |
| Provided by Operating Activities | |
| Transfer to Other Funds | 72,652 |
| Change in Assets and Liabilities: | |
| Decrease (Increase) in Accrued Interest Receivable | 141 |
| Increase (Decrease) in Interfund Payables | (689) |
| Total Adjustments | <u>72,104</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 8,751</u> |

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

AUGUST 31, 2006

| Data Control Codes | | <u>Agency Fund</u> |
|--------------------------|---------------------------|-----------------------------|
| | | <u>Student Activity</u> |
| | ASSETS: | |
| 1110 | Cash and Cash Equivalents | \$ 180,129 |
| 1000 | Total Assets | <u>\$ 180,129</u> |
| | LIABILITIES: | |
| | Current Liabilities: | |
| 2190 | Due to Student Groups | \$ 180,129 |
| 2000 | Total Liabilities | <u>180,129</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, 2006

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.

In addition, the District reports the following fund types:

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

Internal Service Funds: This fund is used to account for the runoff activity of the District's self-funded health insurance plan that was terminated on December 31, 2003.

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.

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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2006

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, 2006 was \$453,508.

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 Agriculture. Inventory items are recorded as expenditures when they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of 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 |

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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

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> |
|--|---|
| The District's deposits at Southside Bank were not fully secured at all times during the year ended August 31, 2006. | This condition was an isolated occurrence, detected and corrected immediately by District staff in the normal course of their duties and resulted in complete collateralization on the next banking day. District administrators believe that the control system in this area of operations is appropriate. |

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, 2006

1. Cash Deposits:

At August 31, 2006, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$11,628,805 and the bank balance was \$12,143,424. The District's cash deposits at August 31, 2006 and during the year ended August 31, 2006, were not entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: Southside Bank
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$22,085,818.
- c. The highest combined balances of cash, savings and time deposit accounts amounted to \$26,904,775 and occurred during the month of February, 2006.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$300,000.

2. Investments:

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

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

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

The District's investments at August 31, 2006 are shown below.

| <u>Investment or Investment Type</u> | <u>Maturity</u> | <u>Fair Value</u> |
|--------------------------------------|-----------------|---------------------|
| Texpool | N/A | \$ 4,214,645 |
| TexStar | N/A | 4,083,304 |
| Total Investments | | <u>\$ 8,297,949</u> |

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

At August 31, 2006, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

| <u>Investment</u> | <u>Standard & Poor's Rating</u> |
|-------------------|-------------------------------------|
| Texpool | AAAm |
| TexStar | AAAm |

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

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

Public Funds Investment Pools

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Capital Assets

Capital asset activity for the year ended August 31, 2006, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|-----------------------|------------------|----------------------|
| <u>Governmental activities:</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,595,158 | \$ -- | \$ -- | \$ 2,595,158 |
| Construction in progress | -- | -- | -- | -- |
| Total capital assets not being depreciated | <u>2,595,158</u> | <u>--</u> | <u>--</u> | <u>2,595,158</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 61,344,639 | 197,056 | -- | 61,541,695 |
| Vehicles | 3,526,615 | 128,758 | 93,378 | 3,561,995 |
| Equipment | 2,208,421 | 131,331 | 9,638 | 2,330,114 |
| Assets under capital lease | 108,280 | -- | 15,500 | 92,780 |
| Total capital assets being depreciated | <u>67,187,955</u> | <u>457,145</u> | <u>118,516</u> | <u>67,526,584</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (20,373,703) | (1,197,545) | -- | (21,571,248) |
| Vehicles | (2,921,617) | (184,564) | (93,378) | (3,012,803) |
| Equipment | (1,978,254) | (104,365) | (9,638) | (2,072,981) |
| Assets under capital lease | (79,922) | (18,556) | (15,500) | (82,978) |
| Total accumulated depreciation | <u>(25,353,496)</u> | <u>(1,505,030)</u> | <u>(118,516)</u> | <u>(26,740,010)</u> |
| Total capital assets being depreciated, net | <u>41,834,459</u> | <u>(1,047,885)</u> | <u>--</u> | <u>40,786,574</u> |
| Governmental activities capital assets, net | <u>\$ 44,429,617</u> | <u>\$ (1,047,885)</u> | <u>\$ --</u> | <u>\$ 43,381,732</u> |

Depreciation was charged to functions as follows:

| | |
|---|---------------------|
| Instruction | \$ 746,257 |
| Instructional Resources and Media Services | 53,931 |
| Curriculum and Staff Development | 2,151 |
| Instructional Leadership | 21,137 |
| School Leadership | 17,415 |
| Guidance, Counseling, & Evaluation Services | 11,131 |
| Social Work Services | 302 |
| Health Services | 4,380 |
| Student Transportation | 165,032 |
| Food Services | 80,886 |
| Extracurricular Activities | 291,717 |
| General Administration | 48,558 |
| Plant Maintenance and Operations | 37,143 |
| Security and Monitoring Services | 2,642 |
| Data Processing Services | 13,966 |
| Community Services | 8,382 |
| | <u>\$ 1,505,030</u> |

LONGVIEW INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2006, consisted of the following:

| Due To Fund | Due From Fund | Amount | Purpose |
|--------------|--------------------------|------------|------------------|
| General Fund | Other Governmental Funds | \$ 857,195 | Short-term loans |
| | Total | \$ 857,195 | |

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, 2006, consisted of the following:

| Transfers From | Transfers To | Amount | Reason |
|--------------------------|--------------------------|------------|--|
| General Fund | Other Governmental Funds | \$ 7,093 | Fund benefits on TRS supplement |
| Other Governmental Funds | Other Governmental Funds | 21,306 | Transfer program income |
| Internal Service Fund | General Fund | 69,821 | Distribute health plan net assets |
| Internal Service Fund | Other Governmental Funds | 2,831 | Distribute health plan net assets |
| Other Governmental Funds | General Fund | 712,770 | Reimburse expenditures funded by grant |
| | Total | \$ 813,821 | |

F. Long-Term Obligations

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

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2006, are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|-----------------------------------|-------------------|-----------|--------------|----------------|-----------------------------|
| <u>Governmental activities:</u> | | | | | |
| Bonds and notes payable | \$ 19,934,998 | \$ -- | \$ 2,527,000 | \$ 17,407,998 | \$ 2,284,998 |
| Capital leases | 25,318 | -- | 21,771 | 3,547 | 3,547 |
| Accreted interest on CABs | 20,989 | 31,953 | -- | 52,942 | -- |
| Less deferred amount on refunding | (851,873) | -- | (163,407) | (688,466) | -- |
| Total governmental activities | \$ 19,129,432 | \$ 31,953 | \$ 2,385,364 | \$ 16,776,021 | \$ 2,288,545 |

2. Bonds and Notes Payable

Bonds and notes payable currently outstanding are as follows:

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

| Description | Interest Rates | Maturity Date | Amount |
|--|----------------|---------------|----------------------|
| Unlimited Tax Refunding Bonds, Series 2003 | 2.50-3.375% | FY 2015 | \$ 11,150,000 |
| Unlimited Tax Refunding Bonds, Series 2004 | 3.00% | FY 2010 | 5,549,998 |
| Maintenance Tax Notes, Series 2004 | 3.47% | FY 2014 | 708,000 |
| | | | <u>\$ 17,407,998</u> |

3. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2006, are as follows:

| Year Ending August 31, | Governmental Activities | | |
|------------------------|-------------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2007 | \$ 2,284,998 | \$ 895,864 | \$ 3,180,862 |
| 2008 | 2,663,000 | 528,018 | 3,191,018 |
| 2009 | 2,765,000 | 443,141 | 3,208,141 |
| 2010 | 2,770,000 | 353,123 | 3,123,123 |
| 2011 | 1,280,000 | 282,359 | 1,562,359 |
| 2012-2016 | 5,645,000 | 537,695 | 6,182,695 |
| Totals | <u>\$ 17,407,998</u> | <u>\$ 3,040,200</u> | <u>\$ 20,448,198</u> |

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, 2006, 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 | \$ 1,270,000 |
| Contractual Obligations, Series 1999 | 2,280,000 |
| Tax and Revenue Notes, Series 2001 | 5,430,000 |
| Total | <u>\$ 8,980,000</u> |

5. Capital Leases

Commitments under a capitalized lease agreement for equipment provides for minimum future lease payments as of August 31, 2006, as follows:

| | |
|--|------------------|
| Year Ending August 31: | |
| 2007 | \$ 3,573 |
| Less: Amount Representing Interest Costs | (26) |
| Present Value of Minimum Lease Payments | <u>\$ 3,547</u> |
| Rental Expenditures in 2006 | <u>\$ 22,644</u> |

The effective interest rate on capital leases is 7.500%.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2006

G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2006, 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.

H. 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.

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 years ending August 31, 2006, 2005 and 2004 were \$2,494,491, \$2,361,071 and \$2,392,927, 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 years ending August 31, 2006, 2005 and 2004 were \$511,074, \$440,859 and \$464,626, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$2,147,580 for the year ended August 31, 2006.

I. Health Care Coverage

During the year ended August 31, 2006, the District participated in the TRS Active-Care health insurance plan offered through the Teacher Retirement System of Texas. The District made monthly contributions to the plan of \$225 per employee. Employees, at their option, authorized payroll withholdings to pay premiums for dependents.

Prior to joining the TRS plan on January 1, 2004, the District operated a self-funded health insurance plan. During FY2006 \$65,773 of those net assets were distributed to former participants who had made prior contributions to the self-funded plan.

J. Commitments and Contingencies

1. Contingencies

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2006

2. Litigation and Commitments

The District had a contractual commitment at August 31, 2006 of \$278,251 in connection with the installation of synthetic turf at its football field. This obligation is currently in litigation as a result of the contractor's performance. When the District's obligation, if any, is determined, it will be funded from the remaining proceeds of a maintenance tax note. \$278,251 is included in reserved fund balance in the General Fund in recognition of this contingency.

K. Shared Services Arrangements

Shared Services Arrangement - Fiscal Agent

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

| <u>Member Districts</u> | <u>Expenditures</u> |
|-------------------------|---------------------|
| Marshall ISD | \$ 122,806 |
| Hallsville ISD | 44,657 |
| Jefferson ISD | 11,164 |
| Elysian Fields ISD | 55,820 |
| Waskom ISD | 33,492 |
| Harleton ISD | 22,328 |
| Karnack ISD | 11,164 |
| Kilgore ISD | 33,492 |
| White Oak ISD | 22,328 |
| Gladewater ISD | 11,164 |
| Spring Hill ISD | 11,164 |
| Carthage ISD | 11,164 |
| Tatum ISD | 11,164 |
| Leverett's Chapel ISD | 22,328 |
| Harmony ISD | 33,492 |
| Union Grove ISD | 11,164 |
| Gilmer ISD | 11,164 |
| Ore City ISD | 11,164 |
| Pine Tree ISD | 55,820 |
| Longview ISD | 167,462 |
| Total | \$ <u>714,501</u> |

L. 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 2005-06 school year, the District paid a fixed cost in the amount of \$165,813 for administration of claims, loss control, record keeping, and the cost of stop-loss insurance. Total workers' compensation claims paid amounted to \$85,720 for current year claims and \$275,553 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2006

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, 2006 | \$ 706,532 | \$ 309,435 | \$ 361,273 | \$ 654,694 |

M. Other Reserves of Fund Balance

Other reservations of fund balance consist of the following:

| | |
|---|-------------------|
| Other Governmental Funds | |
| Reserved for state technology allotment | \$ 9,244 |
| Reserved for campus activity funds | <u>104,141</u> |
| Total Other Governmental Funds | <u>\$ 113,385</u> |

N. Special Items

Special items are transactions that are significant and either unusual in nature or infrequent in occurrence. For the year ended August 31, 2006, the District reported the following special items:

| | |
|--|--------------------|
| Proceeds from lawsuit relating to roofing projects | \$ 40,000 |
| Distribution of internal service fund assets to prior participants in the District's self-insured health insurance plan | <u>(65,773)</u> |
| | <u>\$ (25,773)</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, 2006

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 | \$ 42,242,228 | \$ 42,401,573 | \$ 44,781,588 | \$ 2,380,015 | | | |
| 5800 | State Program Revenues | 8,134,425 | 10,343,995 | 10,534,390 | 190,395 | | | |
| 5900 | Federal Program Revenues | 576,600 | 576,600 | 534,987 | (41,613) | | | |
| 5020 | Total Revenues | <u>50,953,253</u> | <u>53,322,168</u> | <u>55,850,965</u> | <u>2,528,797</u> | | | |
| EXPENDITURES: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction & Instructional Related Services: | | | | | | | | |
| 0011 | Instruction | 28,421,519 | 28,809,574 | 28,045,122 | 764,452 | | | |
| 0012 | Instructional Resources and Media Services | 1,114,751 | 1,205,221 | 1,172,056 | 33,165 | | | |
| 0013 | Curriculum and Staff Development | 517,256 | 631,629 | 598,877 | 32,752 | | | |
| | Total Instruction & Instr. Related Services | <u>30,053,526</u> | <u>30,646,423</u> | <u>29,816,055</u> | <u>830,368</u> | | | |
| Instructional and School Leadership: | | | | | | | | |
| 0021 | Instructional Leadership | 991,085 | 1,060,288 | 1,031,036 | 29,252 | | | |
| 0023 | School Leadership | 3,115,489 | 3,362,252 | 3,297,526 | 64,726 | | | |
| | Total Instructional & School Leadership | <u>4,106,574</u> | <u>4,422,540</u> | <u>4,328,562</u> | <u>93,978</u> | | | |
| Support Services - Student (Pupil): | | | | | | | | |
| 0031 | Guidance, Counseling and Evaluation Services | 1,987,985 | 2,024,713 | 1,937,884 | 86,829 | | | |
| 0032 | Social Work Services | 132,213 | 150,909 | 130,294 | 20,615 | | | |
| 0033 | Health Services | 590,871 | 645,184 | 606,091 | 39,093 | | | |
| 0034 | Student (Pupil) Transportation | 2,516,344 | 2,776,410 | 2,277,792 | 498,618 | | | |
| 0036 | Cocurricular/Extracurricular Activities | 1,551,823 | 1,682,232 | 1,543,027 | 139,205 | | | |
| | Total Support Services - Student (Pupil) | <u>6,779,236</u> | <u>7,279,449</u> | <u>6,495,088</u> | <u>784,361</u> | | | |
| Administrative Support Services: | | | | | | | | |
| 0041 | General Administration | 2,546,012 | 2,533,777 | 2,366,408 | 167,369 | | | |
| | Total Administrative Support Services | <u>2,546,012</u> | <u>2,533,777</u> | <u>2,366,408</u> | <u>167,369</u> | | | |
| Support Services - Nonstudent Based: | | | | | | | | |
| 0051 | Plant Maintenance and Operations | 6,212,348 | 7,303,082 | 6,857,807 | 445,275 | | | |
| 0052 | Security and Monitoring Services | 439,880 | 489,944 | 397,982 | 91,962 | | | |
| 0053 | Data Processing Services | 501,896 | 684,020 | 627,840 | 56,180 | | | |
| | Total Support Services - Nonstudent Based | <u>7,154,124</u> | <u>8,477,046</u> | <u>7,883,629</u> | <u>593,417</u> | | | |
| Ancillary Services: | | | | | | | | |
| 0061 | Community Services | 127,452 | 144,727 | 120,763 | 23,964 | | | |
| | Total Ancillary Services | <u>127,452</u> | <u>144,727</u> | <u>120,763</u> | <u>23,964</u> | | | |
| Debt Service: | | | | | | | | |
| 0071 | Principal on Long-Term Debt | 143,772 | 143,772 | 143,771 | 1 | | | |
| 0072 | Interest on Long-Term Debt | 27,557 | 27,557 | 27,582 | (25) | | | |
| 0073 | Bond Issuance Costs and Fees | 5,000 | 5,000 | -- | 5,000 | | | |
| | Total Debt Service | <u>176,329</u> | <u>176,329</u> | <u>171,353</u> | <u>4,976</u> | | | |
| Capital Outlay: | | | | | | | | |
| 0081 | Capital Outlay | -- | 27,381 | 27,381 | -- | | | |
| | Total Capital Outlay | <u>--</u> | <u>27,381</u> | <u>27,381</u> | <u>--</u> | | | |
| 6030 | Total Expenditures | <u>50,943,253</u> | <u>53,707,669</u> | <u>51,209,239</u> | <u>2,498,430</u> | | | |

LONGVIEW INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2006

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 | 10,000 | (385,501) | 4,641,726 | 5,027,227 |
| | Other Financing Sources (Uses): | | | | |
| 7915 | Transfers In | -- | -- | 782,591 | 782,591 |
| 8911 | Transfers Out | (10,000) | (10,000) | (7,093) | 2,907 |
| 7080 | Total Other Financing Sources and (Uses) | (10,000) | (10,000) | 775,498 | 785,498 |
| | SPECIAL ITEM: | | | | |
| 7918 | Special Item (Resource) | -- | 109,821 | 40,000 | (69,821) |
| 8912 | Special Item (Use) | -- | -- | (62,942) | 62,942 |
| 1200 | Net Change in Fund Balance | -- | (285,680) | 5,394,282 | 5,679,962 |
| 0100 | Fund Balance - Beginning | 11,946,917 | 11,946,917 | 11,946,917 | -- |
| 3000 | Fund Balance - Ending | \$ 11,946,917 | \$ 11,661,237 | \$ 17,341,199 | \$ 5,679,962 |

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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, 2006

| 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 | \$ 1,165,780 | \$ 304,315 | \$ 46 | \$ 1,470,141 |
| 1120 | Current Investments | -- | 198,281 | 475 | 198,756 |
| 1225 | Taxes Receivable, Net | -- | 179,396 | -- | 179,396 |
| 1240 | Due from Other Governments | 1,364,989 | -- | -- | 1,364,989 |
| 1290 | Other Receivables | 2,949 | -- | -- | 2,949 |
| 1300 | Inventories | 146,024 | -- | -- | 146,024 |
| 1000 | Total Assets | <u>\$ 2,679,742</u> | <u>\$ 681,992</u> | <u>\$ 521</u> | <u>\$ 3,362,255</u> |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| 2110 | Accounts Payable | \$ 272,177 | \$ -- | \$ -- | \$ 272,177 |
| 2160 | Accrued Wages Payable | 369,356 | -- | -- | 369,356 |
| 2170 | Due to Other Funds | 847,968 | 9,227 | -- | 857,195 |
| 2180 | Due to Other Governments | 18,125 | 36,466 | -- | 54,591 |
| 2200 | Accrued Expenditures | 80,504 | -- | -- | 80,504 |
| 2300 | Unearned Revenue | 152,384 | 150,495 | -- | 302,879 |
| 2000 | Total Liabilities | <u>1,740,514</u> | <u>196,188</u> | <u>--</u> | <u>1,936,702</u> |
| FUND BALANCES: | | | | | |
| Reserved Fund Balances: | | | | | |
| 3410 | Investments in Inventory | 86,100 | -- | -- | 86,100 |
| 3420 | Debt Service | -- | 485,804 | -- | 485,804 |
| 3450 | Reserve for Food Service | 739,743 | -- | -- | 739,743 |
| 3490 | Other Reserves of Fund Balance | 113,385 | -- | -- | 113,385 |
| Designated Fund Balance: | | | | | |
| 3510 | Construction | -- | -- | 521 | 521 |
| 3000 | Total Fund Balances | <u>939,228</u> | <u>485,804</u> | <u>521</u> | <u>1,425,553</u> |
| 4000 | Total Liabilities and Fund Balances | <u>\$ 2,679,742</u> | <u>\$ 681,992</u> | <u>\$ 521</u> | <u>\$ 3,362,255</u> |

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2006

| 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 | \$ 1,513,019 | \$ 3,146,322 | \$ 22 | \$ 4,659,363 |
| 5800 | State Program Revenues | 1,697,582 | 104,353 | -- | 1,801,935 |
| 5900 | Federal Program Revenues | 12,105,878 | -- | -- | 12,105,878 |
| 5020 | Total Revenues | <u>15,316,479</u> | <u>3,250,675</u> | <u>22</u> | <u>18,567,176</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 7,447,880 | -- | -- | 7,447,880 |
| 0012 | Instructional Resources and Media Services | 45,164 | -- | -- | 45,164 |
| 0013 | Curriculum and Staff Development | 979,771 | -- | -- | 979,771 |
| 0021 | Instructional Leadership | 751,352 | -- | -- | 751,352 |
| 0023 | School Leadership | 140,584 | -- | -- | 140,584 |
| 0031 | Guidance, Counseling, & Evaluation Services | 590,329 | -- | -- | 590,329 |
| 0032 | Social Work Services | 887 | -- | -- | 887 |
| 0033 | Health Services | 8,620 | -- | -- | 8,620 |
| 0034 | Student Transportation | 35,534 | -- | -- | 35,534 |
| 0035 | Food Service | 4,092,480 | -- | -- | 4,092,480 |
| 0036 | Cocurricular/Extracurricular Activities | 6,849 | -- | -- | 6,849 |
| 0041 | General Administration | 108,550 | -- | -- | 108,550 |
| 0051 | Plant Maintenance and Operations | 103,448 | -- | -- | 103,448 |
| 0052 | Security and Monitoring Services | 77,662 | -- | -- | 77,662 |
| 0053 | Data Processing Services | 2,528 | -- | -- | 2,528 |
| 0061 | Community Services | 20,009 | -- | -- | 20,009 |
| 0071 | Principal on Long-term Debt | -- | 2,405,000 | -- | 2,405,000 |
| 0072 | Interest on Long-term Debt | -- | 618,978 | -- | 618,978 |
| 0073 | Bond Issuance Costs and Fees | -- | 926 | -- | 926 |
| 0081 | Capital Outlay | 10,397 | -- | -- | 10,397 |
| 6030 | Total Expenditures | <u>14,422,044</u> | <u>3,024,904</u> | <u>--</u> | <u>17,446,948</u> |
| 1100 | Excess (Deficiency) of Revenues Over (Under) | | | | |
| 1100 | Expenditures | <u>894,435</u> | <u>225,771</u> | <u>22</u> | <u>1,120,228</u> |
| Other Financing Sources and (Uses): | | | | | |
| 7915 | Transfers In | 31,230 | -- | -- | 31,230 |
| 8911 | Transfers Out | (734,076) | -- | -- | (734,076) |
| 7080 | Total Other Financing Sources and (Uses) | <u>(702,846)</u> | <u>--</u> | <u>--</u> | <u>(702,846)</u> |
| SPECIAL ITEM: | | | | | |
| 8912 | Special Item (Use) | (2,831) | -- | -- | (2,831) |
| 1200 | Net Change in Fund Balances | <u>188,758</u> | <u>225,771</u> | <u>22</u> | <u>414,551</u> |
| 0100 | Fund Balances - Beginning | 750,470 | 260,033 | 499 | 1,011,002 |
| 3000 | Fund Balances - Ending | <u>\$ 939,228</u> | <u>\$ 485,804</u> | <u>\$ 521</u> | <u>\$ 1,425,553</u> |

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 AUGUST 31, 2006

| Data Control Codes | | 286 Student Drug Testing | 287 Alcohol Abuse & Reduction | 204 ESEA Title IV SDFSC | 288 Magnet Schools Assistance |
|-------------------------|-------------------------------------|-----------------------------------|--|----------------------------------|--|
| ASSETS: | | | | | |
| 1110 | Cash and Cash Equivalents | \$ -- | \$ -- | \$ -- | \$ -- |
| 1240 | Due from Other Governments | 18,307 | 30,033 | 105 | 95,930 |
| 1290 | Other Receivables | -- | -- | 344 | -- |
| 1300 | Inventories | -- | -- | -- | -- |
| 1000 | Total Assets | <u>\$ 18,307</u> | <u>\$ 30,033</u> | <u>\$ 449</u> | <u>\$ 95,930</u> |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| 2110 | Accounts Payable | \$ -- | \$ -- | \$ 344 | \$ 19,508 |
| 2160 | Accrued Wages Payable | -- | 576 | -- | 29,920 |
| 2170 | Due to Other Funds | 18,307 | 29,457 | 105 | 46,502 |
| 2180 | Due to Other Governments | -- | -- | -- | -- |
| 2200 | Accrued Expenditures | -- | -- | -- | -- |
| 2300 | Unearned Revenue | -- | -- | -- | -- |
| 2000 | Total Liabilities | <u>18,307</u> | <u>30,033</u> | <u>449</u> | <u>95,930</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>\$ 18,307</u> | <u>\$ 30,033</u> | <u>\$ 449</u> | <u>\$ 95,930</u> |

| 211 ESEA Title I Improving Basic Programs | 224 IDEA-B Formula | 225 IDEA-B Preschool Grant | 226 IDEA-B Discretionary | 227 IDEA-B Deaf |
|--|--------------------------|----------------------------------|--------------------------------|-----------------------|
| \$ (1) | \$ -- | \$ -- | \$ -- | \$ -- |
| 155,700 | 85,862 | 2,198 | 41,380 | -- |
| 156 | 996 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>\$ 155,855</u> | <u>\$ 86,858</u> | <u>\$ 2,198</u> | <u>\$ 41,380</u> | <u>\$ --</u> |
| | | | | |
| \$ 3,218 | \$ 1,127 | \$ -- | \$ -- | \$ -- |
| 119,489 | 82,375 | 2,198 | 1,066 | -- |
| 33,148 | 3,356 | -- | 40,314 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>155,855</u> | <u>86,858</u> | <u>2,198</u> | <u>41,380</u> | <u>--</u> |
| | | | | |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| | | | | |
| <u>\$ 155,855</u> | <u>\$ 86,858</u> | <u>\$ 2,198</u> | <u>\$ 41,380</u> | <u>\$ --</u> |

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 AUGUST 31, 2006

| Data Control Codes | | 228 IDEA-B Preschool Deaf | 240 National School Breakfast/Lunch Program | 242 Summer Feeding Program | 244 Vo Ed Basic Grant |
|-------------------------|-------------------------------------|------------------------------------|--|-------------------------------------|--------------------------------|
| ASSETS: | | | | | |
| 1110 | Cash and Cash Equivalents | \$ -- | \$ 910,945 | \$ 20,539 | \$ -- |
| 1240 | Due from Other Governments | -- | 169,579 | -- | -- |
| 1290 | Other Receivables | -- | 1,453 | -- | -- |
| 1300 | Inventories | -- | 146,024 | -- | -- |
| 1000 | Total Assets | <u>\$ --</u> | <u>\$ 1,228,001</u> | <u>\$ 20,539</u> | <u>\$ --</u> |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| 2110 | Accounts Payable | \$ -- | \$ 228,455 | \$ -- | \$ -- |
| 2160 | Accrued Wages Payable | -- | 27,076 | -- | -- |
| 2170 | Due to Other Funds | -- | -- | -- | -- |
| 2180 | Due to Other Governments | -- | -- | -- | -- |
| 2200 | Accrued Expenditures | -- | 80,504 | -- | -- |
| 2300 | Unearned Revenue | -- | 86,662 | -- | -- |
| 2000 | Total Liabilities | <u>--</u> | <u>422,697</u> | <u>--</u> | <u>--</u> |
| FUND BALANCES: | | | | | |
| Reserved Fund Balances: | | | | | |
| 3410 | Investments in Inventory | -- | 86,100 | -- | -- |
| 3450 | Reserve for Food Service | -- | 719,204 | 20,539 | -- |
| 3490 | Other Reserves of Fund Balance | -- | -- | -- | -- |
| 3000 | Total Fund Balances | <u>--</u> | <u>805,304</u> | <u>20,539</u> | <u>--</u> |
| 4000 | Total Liabilities and Fund Balances | <u>\$ --</u> | <u>\$ 1,228,001</u> | <u>\$ 20,539</u> | <u>\$ --</u> |

| 253 IDEA-C Deaf | 255 ESEA Title II Training & Recruiting | 256 ESEA Title I Part F School Reform | 262 Enhancing Education through Technology | 263 English Language Acquisition and Enhancement |
|-----------------------|--|--|---|---|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | 81,494 | 45,076 | -- | 3,575 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>\$ --</u> | <u>\$ 81,494</u> | <u>\$ 45,076</u> | <u>\$ --</u> | <u>\$ 3,575</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 1,321 |
| -- | 24,790 | -- | -- | 412 |
| -- | 56,704 | 45,076 | -- | 1,842 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>--</u> | <u>81,494</u> | <u>45,076</u> | <u>--</u> | <u>3,575</u> |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| <u>\$ --</u> | <u>\$ 81,494</u> | <u>\$ 45,076</u> | <u>\$ --</u> | <u>\$ 3,575</u> |

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 AUGUST 31, 2006

| Data Control Codes | 269 Title V, Part A Innovative Programs | 289 Temporary Impact Aid | 390 LEP Summer Program | 394 Life Skills for Student Parents |
|-------------------------|---|-----------------------------------|---------------------------------|--|
| ASSETS: | | | | |
| 1110 | Cash and Cash Equivalents | \$ (1) | \$ -- | \$ -- |
| 1240 | Due from Other Governments | 8,694 | 339,918 | 9,600 |
| 1290 | Other Receivables | -- | -- | -- |
| 1300 | Inventories | -- | -- | -- |
| 1000 | Total Assets | <u>\$ 8,693</u> | <u>\$ 339,918</u> | <u>\$ 9,600</u> |
| LIABILITIES: | | | | |
| Current Liabilities: | | | | |
| 2110 | Accounts Payable | \$ 3,804 | \$ 9,289 | \$ -- |
| 2160 | Accrued Wages Payable | -- | -- | -- |
| 2170 | Due to Other Funds | 4,889 | 330,629 | 9,600 |
| 2180 | Due to Other Governments | -- | -- | -- |
| 2200 | Accrued Expenditures | -- | -- | -- |
| 2300 | Unearned Revenue | -- | -- | -- |
| 2000 | Total Liabilities | <u>8,693</u> | <u>339,918</u> | <u>9,600</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> |
| 4000 | Total Liabilities and Fund Balances | <u>\$ 8,693</u> | <u>\$ 339,918</u> | <u>\$ 9,600</u> |

| 397 Advanced Placement Incentives | 404 Student Success Initiative | 409 Basic Skills Programs | 411 Technology Allotment | 414 Texas Reading Initiative |
|--|---|---------------------------------|--------------------------------|---------------------------------------|
| \$ 22,406 | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | 212,994 | -- | 11,689 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>\$ 22,406</u> | <u>\$ 212,994</u> | <u>\$ --</u> | <u>\$ 11,689</u> | <u>\$ --</u> |
| \$ 4,400 | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | 2,470 | -- | -- | -- |
| -- | 210,524 | -- | 2,445 | -- |
| 18,006 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>22,406</u> | <u>212,994</u> | <u>--</u> | <u>2,445</u> | <u>--</u> |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 9,244 | -- |
| -- | -- | -- | 9,244 | -- |
| <u>\$ 22,406</u> | <u>\$ 212,994</u> | <u>\$ --</u> | <u>\$ 11,689</u> | <u>\$ --</u> |

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 AUGUST 31, 2006

| Data Control Codes | 418 Active Employee Health Coverage | 428 High School Allotment |
|--|---|------------------------------------|
| ASSETS: | | |
| 1110 Cash and Cash Equivalents | \$ -- | \$ -- |
| 1240 Due from Other Governments | -- | 37,785 |
| 1290 Other Receivables | -- | -- |
| 1300 Inventories | -- | -- |
| 1000 Total Assets | <u>\$ --</u> | <u>\$ 37,785</u> |
| LIABILITIES: | | |
| Current Liabilities: | | |
| 2110 Accounts Payable | \$ -- | \$ -- |
| 2160 Accrued Wages Payable | -- | 37,785 |
| 2170 Due to Other Funds | -- | -- |
| 2180 Due to Other Governments | -- | -- |
| 2200 Accrued Expenditures | -- | -- |
| 2300 Unearned Revenue | -- | -- |
| 2000 Total Liabilities | <u>--</u> | <u>37,785</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> |
| 4000 Total Liabilities and Fund Balances | <u>\$ --</u> | <u>\$ 37,785</u> |

| 429 Read To Succeed | 435 Regional Day School for the Deaf | 461 Campus Activity Funds | Total Nonmajor Special Revenue Funds (See Exhibit H-1) |
|------------------------------|---|------------------------------------|---|
| \$ 119 | \$ 107,632 | \$ 104,141 | \$ 1,165,780 |
| -- | -- | -- | 1,364,989 |
| -- | -- | -- | 2,949 |
| -- | -- | -- | 146,024 |
| <u>\$ 119</u> | <u>\$ 107,632</u> | <u>\$ 104,141</u> | <u>\$ 2,679,742</u> |
| \$ -- | \$ 711 | \$ -- | \$ 272,177 |
| -- | 41,199 | -- | 369,356 |
| -- | -- | -- | 847,968 |
| 119 | -- | -- | 18,125 |
| -- | -- | -- | 80,504 |
| -- | 65,722 | -- | 152,384 |
| <u>119</u> | <u>107,632</u> | <u>--</u> | <u>1,740,514</u> |
| -- | -- | -- | 86,100 |
| -- | -- | -- | 739,743 |
| -- | -- | 104,141 | 113,385 |
| <u>--</u> | <u>--</u> | <u>104,141</u> | <u>939,228</u> |
| <u>\$ 119</u> | <u>\$ 107,632</u> | <u>\$ 104,141</u> | <u>\$ 2,679,742</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, 2006

| Data Control Codes | 286 Student Drug Testing | 287 Alcohol Abuse & Reduction | 204 ESEA Title IV SDFSC | 288 Magnet Schools Assistance |
|---|-----------------------------------|--|----------------------------------|--|
| REVENUES: | | | | |
| 5700 Local and Intermediate Sources | \$ -- | \$ -- | \$ -- | \$ -- |
| 5800 State Program Revenues | -- | -- | -- | -- |
| 5900 Federal Program Revenues | 204,317 | 277,434 | 62,900 | 2,057,911 |
| 5020 Total Revenues | <u>204,317</u> | <u>277,434</u> | <u>62,900</u> | <u>2,057,911</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0011 Instruction | -- | -- | -- | 1,384,250 |
| 0012 Instructional Resources and Media Services | -- | -- | -- | -- |
| 0013 Curriculum and Staff Development | -- | -- | -- | 203,137 |
| 0021 Instructional Leadership | -- | -- | -- | 353,855 |
| 0023 School Leadership | -- | -- | -- | 8,695 |
| 0031 Guidance, Counseling, & Evaluation Services | 127,533 | 277,434 | 62,900 | -- |
| 0032 Social Work Services | -- | -- | -- | -- |
| 0033 Health Services | -- | -- | -- | -- |
| 0034 Student Transportation | -- | -- | -- | -- |
| 0035 Food Service | -- | -- | -- | -- |
| 0036 Cocurricular/Extracurricular Activities | -- | -- | -- | -- |
| 0041 General Administration | -- | -- | -- | 97,577 |
| 0051 Plant Maintenance and Operations | -- | -- | -- | -- |
| 0052 Security and Monitoring Services | 76,784 | -- | -- | -- |
| 0053 Data Processing Services | -- | -- | -- | -- |
| 0061 Community Services | -- | -- | -- | -- |
| 0081 Capital Outlay | -- | -- | -- | 10,397 |
| 6030 Total Expenditures | <u>204,317</u> | <u>277,434</u> | <u>62,900</u> | <u>2,057,911</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) | -- | -- | -- | -- |
| 1100 Expenditures | -- | -- | -- | -- |
| Other Financing Sources and (Uses): | | | | |
| 7915 Transfers In | -- | -- | -- | -- |
| 8911 Transfers Out | -- | -- | -- | -- |
| 7080 Total Other Financing Sources and (Uses) | -- | -- | -- | -- |
| SPECIAL ITEM: | | | | |
| 8912 Special Item (Use) | -- | -- | -- | -- |
| 1200 Net Change in Fund Balances | -- | -- | -- | -- |
| 0100 Fund Balances - Beginning | -- | -- | -- | -- |
| 3000 Fund Balances - Ending | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

| 211 ESEA Title I Improving Basic Programs | 224 IDEA-B Formula | 225 IDEA-B Preschool Grant | 226 IDEA-B Discretionary | 227 IDEA-B Deaf |
|--|--------------------------|----------------------------------|--------------------------------|-----------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| 2,781,969 | 1,629,613 | 36,393 | 51,815 | 24,542 |
| <u>2,781,969</u> | <u>1,629,613</u> | <u>36,393</u> | <u>51,815</u> | <u>24,542</u> |
| 2,312,906 | 1,413,483 | 36,393 | 51,815 | 24,542 |
| 2,168 | -- | -- | -- | -- |
| 197,367 | 9,548 | -- | -- | -- |
| 193,065 | 65,433 | -- | -- | -- |
| 1,167 | 74,508 | -- | -- | -- |
| 41,050 | 66,641 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 14,424 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 19,822 | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>2,781,969</u> | <u>1,629,613</u> | <u>36,393</u> | <u>51,815</u> | <u>24,542</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, 2006

| Data Control Codes | 228 IDEA-B Preschool Deaf | 240 National School Breakfast/Lunch Program | 242 Summer Feeding Program | 244 Vo Ed Basic Grant |
|---|------------------------------------|--|-------------------------------------|--------------------------------|
| REVENUES: | | | | |
| 5700 Local and Intermediate Sources | \$ -- | \$ 1,044,926 | \$ 363 | \$ -- |
| 5800 State Program Revenues | -- | 61,891 | 1,895 | -- |
| 5900 Federal Program Revenues | 2,149 | 3,069,459 | 66,784 | 133,779 |
| 5020 Total Revenues | <u>2,149</u> | <u>4,176,276</u> | <u>68,842</u> | <u>133,779</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0011 Instruction | 2,149 | -- | -- | 129,756 |
| 0012 Instructional Resources and Media Services | -- | -- | -- | -- |
| 0013 Curriculum and Staff Development | -- | -- | -- | 4,023 |
| 0021 Instructional Leadership | -- | -- | -- | -- |
| 0023 School Leadership | -- | -- | -- | -- |
| 0031 Guidance, Counseling, & Evaluation Services | -- | -- | -- | -- |
| 0032 Social Work Services | -- | -- | -- | -- |
| 0033 Health Services | -- | -- | -- | -- |
| 0034 Student Transportation | -- | -- | -- | -- |
| 0035 Food Service | -- | 3,996,125 | 48,303 | -- |
| 0036 Cocurricular/Extracurricular Activities | -- | -- | -- | -- |
| 0041 General Administration | -- | -- | -- | -- |
| 0051 Plant Maintenance and Operations | -- | -- | -- | -- |
| 0052 Security and Monitoring Services | -- | -- | -- | -- |
| 0053 Data Processing Services | -- | -- | -- | -- |
| 0061 Community Services | -- | -- | -- | -- |
| 0081 Capital Outlay | -- | -- | -- | -- |
| 6030 Total Expenditures | <u>2,149</u> | <u>3,996,125</u> | <u>48,303</u> | <u>133,779</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) | | | | |
| 1100 Expenditures | -- | 180,151 | 20,539 | -- |
| Other Financing Sources and (Uses): | | | | |
| 7915 Transfers In | -- | 24,137 | -- | -- |
| 8911 Transfers Out | -- | -- | (21,306) | -- |
| 7080 Total Other Financing Sources and (Uses) | -- | <u>24,137</u> | <u>(21,306)</u> | -- |
| SPECIAL ITEM: | | | | |
| 8912 Special Item (Use) | -- | (2,831) | -- | -- |
| 1200 Net Change in Fund Balances | -- | 201,457 | (767) | -- |
| 0100 Fund Balances - Beginning | -- | 603,847 | 21,306 | -- |
| 3000 Fund Balances - Ending | <u>\$ --</u> | <u>\$ 805,304</u> | <u>\$ 20,539</u> | <u>\$ --</u> |

| 253 IDEA-C Deaf | 255 ESEA Title II Training & Recruiting | 256 ESEA Title I Part F School Reform | 262 Enhancing Education through Technology | 263 English Language Acquisition and Enhancement |
|-----------------------|--|--|---|---|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| 719 | 655,545 | 96,570 | 53,750 | 125,829 |
| <u>719</u> | <u>655,545</u> | <u>96,570</u> | <u>53,750</u> | <u>125,829</u> |
| 719 | 300,558 | 41,093 | 32,422 | 117,592 |
| -- | -- | -- | -- | -- |
| -- | 350,304 | 54,606 | 21,328 | 6,303 |
| -- | -- | -- | -- | 534 |
| -- | -- | 871 | -- | 1,400 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | 4,683 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>719</u> | <u>655,545</u> | <u>96,570</u> | <u>53,750</u> | <u>125,829</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, 2006

| Data Control Codes | 269 Title V, Part A Innovative Programs | 289 Temporary Impact Aid | 390 LEP Summer Program | 394 Life Skills for Student Parents |
|-------------------------------------|--|-----------------------------------|---------------------------------|--|
| REVENUES: | | | | |
| 5700 | Local and Intermediate Sources | \$ -- | \$ -- | \$ -- |
| 5800 | State Program Revenues | -- | 9,600 | 16,463 |
| 5900 | Federal Program Revenues | 25,732 | -- | -- |
| 5020 | Total Revenues | <u>25,732</u> | <u>9,600</u> | <u>16,463</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0011 | Instruction | 25,732 | 9,600 | 16,463 |
| 0012 | Instructional Resources and Media Services | -- | -- | -- |
| 0013 | Curriculum and Staff Development | -- | -- | -- |
| 0021 | Instructional Leadership | -- | -- | -- |
| 0023 | School Leadership | -- | -- | -- |
| 0031 | Guidance, Counseling, & Evaluation Services | -- | -- | -- |
| 0032 | Social Work Services | -- | -- | -- |
| 0033 | Health Services | -- | -- | -- |
| 0034 | Student Transportation | -- | -- | -- |
| 0035 | Food Service | -- | -- | -- |
| 0036 | Cocurricular/Extracurricular Activities | -- | -- | -- |
| 0041 | General Administration | -- | -- | -- |
| 0051 | Plant Maintenance and Operations | -- | -- | -- |
| 0052 | Security and Monitoring Services | -- | -- | -- |
| 0053 | Data Processing Services | -- | -- | -- |
| 0061 | Community Services | -- | -- | -- |
| 0081 | Capital Outlay | -- | -- | -- |
| 6030 | Total Expenditures | <u>25,732</u> | <u>9,600</u> | <u>16,463</u> |
| 1100 | Excess (Deficiency) of Revenues Over (Under) | -- | -- | -- |
| 1100 | Expenditures | -- | 712,770 | -- |
| Other Financing Sources and (Uses): | | | | |
| 7915 | Transfers In | -- | -- | -- |
| 8911 | Transfers Out | -- | (712,770) | -- |
| 7080 | Total Other Financing Sources and (Uses) | -- | <u>(712,770)</u> | -- |
| SPECIAL ITEM: | | | | |
| 8912 | Special Item (Use) | -- | -- | -- |
| 1200 | Net Change in Fund Balances | -- | -- | -- |
| 0100 | Fund Balances - Beginning | -- | -- | -- |
| 3000 | Fund Balances - Ending | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

| 397 Advanced Placement Incentives | 404 Student Success Initiative | 409 Basic Skills Programs | 411 Technology Allotment | 414 Texas Reading Initiative |
|--|---|---------------------------------|--------------------------------|---------------------------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| 4,400 | 284,741 | 12,574 | 203,569 | 3,652 |
| -- | -- | -- | -- | -- |
| <u>4,400</u> | <u>284,741</u> | <u>12,574</u> | <u>203,569</u> | <u>3,652</u> |
| 4,400 | 213,899 | 12,574 | 131,841 | 955 |
| -- | -- | -- | -- | -- |
| -- | 65,292 | -- | 17,311 | 8 |
| -- | 5,550 | -- | -- | 2,689 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | 54,311 | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>4,400</u> | <u>284,741</u> | <u>12,574</u> | <u>203,463</u> | <u>3,652</u> |
| -- | -- | -- | 106 | -- |
| -- | -- | -- | -- | -- |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| -- | -- | -- | -- | -- |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>106</u> | <u>--</u> |
| -- | -- | -- | 9,138 | -- |
| <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 9,244</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, 2006

| Data Control Codes | 418 Active Employee Health Coverage | 428 High School Allotment |
|--|--|------------------------------|
| REVENUES: | | |
| 5700 Local and Intermediate Sources | \$ -- | \$ -- |
| 5800 State Program Revenues | 538,563 | 37,785 |
| 5900 Federal Program Revenues | -- | -- |
| 5020 Total Revenues | <u>538,563</u> | <u>37,785</u> |
| EXPENDITURES: | | |
| Current: | | |
| 0011 Instruction | 353,250 | 37,785 |
| 0012 Instructional Resources and Media Services | 9,642 | -- |
| 0013 Curriculum and Staff Development | -- | -- |
| 0021 Instructional Leadership | 9,378 | -- |
| 0023 School Leadership | 22,795 | -- |
| 0031 Guidance, Counseling, & Evaluation Services | 14,657 | -- |
| 0032 Social Work Services | 887 | -- |
| 0033 Health Services | 8,318 | -- |
| 0034 Student Transportation | 21,110 | -- |
| 0035 Food Service | 48,052 | -- |
| 0036 Cocurricular/Extracurricular Activities | 2,705 | -- |
| 0041 General Administration | 6,290 | -- |
| 0051 Plant Maintenance and Operations | 45,537 | -- |
| 0052 Security and Monitoring Services | 507 | -- |
| 0053 Data Processing Services | 2,528 | -- |
| 0061 Community Services | -- | -- |
| 0081 Capital Outlay | -- | -- |
| 6030 Total Expenditures | <u>545,656</u> | <u>37,785</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(7,093)</u> | <u>--</u> |
| Other Financing Sources and (Uses): | | |
| 7915 Transfers In | 7,093 | -- |
| 8911 Transfers Out | -- | -- |
| 7080 Total Other Financing Sources and (Uses) | <u>7,093</u> | <u>--</u> |
| SPECIAL ITEM: | | |
| 8912 Special Item (Use) | -- | -- |
| 1200 Net Change in Fund Balances | -- | -- |
| 0100 Fund Balances - Beginning | -- | -- |
| 3000 Fund Balances - Ending | <u>\$ --</u> | <u>\$ --</u> |

| 429 Read To Succeed | 435 Regional Day School for the Deaf | 461 Campus Activity Funds | Total Nonmajor Special Revenue Funds (See Exhibit H-2) |
|------------------------------|---|------------------------------------|---|
| \$ -- | \$ 191,852 | \$ 275,878 | \$ 1,513,019 |
| -- | 522,649 | -- | 1,697,582 |
| -- | -- | -- | 12,105,878 |
| <u>--</u> | <u>714,501</u> | <u>275,878</u> | <u>15,316,479</u> |
| -- | 590,053 | 167,752 | 7,447,880 |
| -- | -- | 33,354 | 45,164 |
| -- | -- | 50,544 | 979,771 |
| -- | 120,848 | -- | 751,352 |
| -- | -- | 31,148 | 140,584 |
| -- | -- | 114 | 590,329 |
| -- | -- | -- | 887 |
| -- | -- | 302 | 8,620 |
| -- | -- | -- | 35,534 |
| -- | -- | -- | 4,092,480 |
| -- | -- | 4,144 | 6,849 |
| -- | -- | -- | 108,550 |
| -- | 3,600 | -- | 103,448 |
| -- | -- | 371 | 77,662 |
| -- | -- | -- | 2,528 |
| -- | -- | 187 | 20,009 |
| -- | -- | -- | 10,397 |
| <u>--</u> | <u>714,501</u> | <u>287,916</u> | <u>14,422,044</u> |
| <u>--</u> | <u>--</u> | <u>(12,038)</u> | <u>894,435</u> |
| -- | -- | -- | 31,230 |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>(734,076)</u> |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>(702,846)</u> |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>(2,831)</u> |
| <u>--</u> | <u>--</u> | <u>(12,038)</u> | <u>188,758</u> |
| <u>--</u> | <u>--</u> | <u>116,179</u> | <u>750,470</u> |
| <u>\$ --</u> | <u>\$ --</u> | <u>\$ 104,141</u> | <u>\$ 939,228</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, 2006

| Year Ended August 31 | 1 | | 2 | | 3 | |
|--------------------------------|-------------|---------|--------------|---------|--|---------------|
| | Tax Rates | | | | Assessed/Appraised Value For School Tax Purposes | |
| | Maintenance | | Debt Service | | | |
| 1997 and Prior Years | \$ | Various | \$ | Various | \$ | Various |
| 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 | | 1.50 | | .119 | | 2,416,099,419 |
| 2005 | | 1.50 | | .115 | | 2,577,800,433 |
| 2006 (School Year Under Audit) | | 1.50 | | .11 | | 2,770,955,031 |

1000 Totals

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

| 10 Beginning Balance 9/1/05 | 20 Current Year's Total Levy | 31 Maintenance Collections | 32 Debt Service Collections | 40 Entire Year's Adjustments | 50 Ending Balance 8/31/06 |
|--------------------------------------|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|------------------------------------|
| \$ 445,343 | \$ -- | \$ 21,361 | \$ -- | \$ (59,842) | \$ 364,140 |
| 116,847 | -- | 8,190 | -- | (2,843) | 105,814 |
| 106,337 | -- | 8,444 | -- | (3,308) | 94,585 |
| 175,836 | -- | 9,927 | 742 | (9,802) | 155,365 |
| 186,783 | -- | 17,329 | 1,130 | (26,852) | 141,472 |
| 197,974 | -- | 29,618 | 2,478 | (4,509) | 161,369 |
| 298,156 | -- | 52,880 | 1,878 | 921 | 244,319 |
| 372,761 | -- | 141,942 | 11,311 | 762 | 220,270 |
| 903,632 | -- | 478,446 | 36,710 | (51,809) | 336,667 |
| -- | 44,612,376 | 40,932,421 | 2,999,227 | 469,928 | 1,150,656 |
| <u>\$ 2,803,669</u> | <u>\$ 44,612,376</u> | <u>\$ 41,700,558</u> | <u>\$ 3,053,476</u> | <u>\$ 312,646</u> | <u>\$ 2,974,657</u> |
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |

LONGVIEW INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2007-2008
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2006

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 | \$ -- | \$ -- | \$ 229,439 | \$ 1,140,026 | \$ 71,426 | \$ 47,224 | \$ 1,488,115 |
| 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 | -- | -- | 81,663 | -- | -- | -- | 81,663 |
| 6212 | Audit Services | -- | -- | -- | 21,500 | -- | -- | 21,500 |
| 6213 | Tax Appraisal and Collection | -- | 647,070 | -- | -- | -- | -- | 647,070 |
| 621X | Other Prof. Services | -- | -- | 250 | 24,050 | -- | 3,440 | 27,740 |
| 6220 | Tuition and Transfer Payments | -- | -- | -- | -- | -- | -- | -- |
| 6230 | Education Service Centers | -- | -- | -- | 8,821 | -- | -- | 8,821 |
| 6240 | Contr. Maint. and Repair | -- | -- | -- | -- | 492 | -- | 492 |
| 6250 | Utilities | -- | -- | -- | -- | -- | -- | -- |
| 6260 | Rentals | -- | -- | -- | 30,540 | -- | -- | 30,540 |
| 6290 | Miscellaneous Contr. | -- | -- | 10,964 | 5,794 | 1,719 | -- | 18,477 |
| 6310 | Operational Supplies, Materials | -- | -- | -- | -- | -- | -- | -- |
| 6320 | Textbooks and Reading | -- | -- | 1,137 | 552 | 150 | -- | 1,839 |
| 6330 | Testing Materials | -- | -- | -- | -- | -- | -- | -- |
| 63XX | Other Supplies, Materials | 249 | -- | 398 | 75,980 | 5,459 | 25 | 82,111 |
| 6410 | Travel, Subsistence, Stipends | 8,905 | -- | 2,715 | 27,198 | 1,178 | -- | 39,996 |
| 6420 | Ins. and Bonding Costs | 31,568 | -- | -- | 100 | -- | -- | 31,668 |
| 6430 | Election Costs | 2,836 | -- | -- | -- | -- | -- | 2,836 |
| 6490 | Miscellaneous Operating | 7,353 | -- | 4,471 | 26,998 | 13,143 | 1,218 | 53,183 |
| 6500 | Debt Service | -- | -- | -- | -- | -- | -- | -- |
| 6600 | Capital Outlay | -- | -- | -- | -- | -- | 13,189 | 13,189 |

Total \$ 50,911 \$ 647,070 \$ 331,037 \$ 1,361,559 \$ 93,567 \$ 65,096 \$ 2,549,240

Total expenditures for General and Special Revenue Funds (9) \$ 65,631,283

LESS: Deductions of Unallowable Costs

FISCAL YEAR

| | | |
|--|------|--------------|
| Total Capital Outlay (6600) | (10) | \$ 2,015,257 |
| Total Debt & Lease (6500) | (11) | \$ 171,353 |
| Plant Maintenance (Function 51, 6100-6400) | (12) | \$ 6,752,810 |
| Food (Function 35, 6341 and 6499) | (13) | \$ 1,822,595 |
| Stipends (6413) | (14) | \$ -- |
| Column 4 (above) - Total Indirect Cost | | \$ 1,361,559 |

Subtotal 12,123,574

Net Allowed Direct Cost \$ 53,507,709

CUMULATIVE

| | | |
|---|------|---------------|
| Total Cost of Buildings Before Depreciation (1520) | (15) | \$ 61,541,695 |
| Historical Cost of Buildings over 50 years old | (16) | 5,285,515 |
| Amount of Federal Money in Building Cost (Net of #16) | (17) | 213,240 |
| Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540) | (18) | 5,984,889 |
| Historical Cost of Furniture & Equipment over 16 years old | (19) | 878,995 |
| Amount of Federal Money in Furniture & Equipment (Net of #19) | (20) | \$ 41,004 |

(8) Note A - \$74,282 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, 2006

EXHIBIT J-3

| Data Control Codes | Explanation | Amount |
|--------------------------|--|---------------|
| 1 | Total General Fund Fund Balance as of August 31, 2006 (Exhibit C-1 object 3000 for the General Fund only) | \$ 17,341,199 |
| 2 | Total General Fund Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only) | 488,817 |
| 3 | Total General Fund Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only) | 10,250,000 |
| 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 (9/1/06 - 5/31/07) | 4,832,037 |
| 6 | Estimate of delayed payments from state sources (58XX) including August payment delays | 1,104,387 |
| 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) | 1,489,708 |
| 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) | 18,164,949 |
| 11 | Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 10) | \$ (823,750) |

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 INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2006

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget Positive (Negative) |
|-------------------------------------|--|-------------------|-------------------|-------------------|--|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| REVENUES: | | | | | |
| 5700 | Local and Intermediate Sources | \$ 1,063,155 | \$ 1,063,155 | \$ 1,044,926 | \$ (18,229) |
| 5800 | State Program Revenues | 30,000 | 135,000 | 61,891 | (73,109) |
| 5900 | Federal Program Revenues | 3,069,658 | 3,144,658 | 3,069,459 | (75,199) |
| 5020 | Total Revenues | <u>4,162,813</u> | <u>4,342,813</u> | <u>4,176,276</u> | <u>(166,537)</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| Support Services - Student (Pupil): | | | | | |
| 0035 | Food Services | 4,162,813 | 4,366,950 | 3,996,125 | 370,825 |
| | Total Support Services - Student (Pupil) | <u>4,162,813</u> | <u>4,366,950</u> | <u>3,996,125</u> | <u>370,825</u> |
| 6030 | Total Expenditures | <u>4,162,813</u> | <u>4,366,950</u> | <u>3,996,125</u> | <u>370,825</u> |
| 1100 | Excess (Deficiency) of Revenues Over (Under) | | | | |
| 1100 | Expenditures | <u>--</u> | <u>(24,137)</u> | <u>180,151</u> | <u>204,288</u> |
| Other Financing Sources (Uses): | | | | | |
| 7915 | Transfers In | <u>--</u> | <u>21,306</u> | <u>24,137</u> | <u>2,831</u> |
| 7080 | Total Other Financing Sources and (Uses) | <u>--</u> | <u>21,306</u> | <u>24,137</u> | <u>2,831</u> |
| SPECIAL ITEM: | | | | | |
| 7918 | Special Item (Resource) | <u>--</u> | <u>2,831</u> | <u>--</u> | <u>(2,831)</u> |
| 8912 | Special Item (Use) | <u>--</u> | <u>--</u> | <u>(2,831)</u> | <u>2,831</u> |
| 1200 | Net Change in Fund Balance | <u>--</u> | <u>--</u> | <u>201,457</u> | <u>201,457</u> |
| 0100 | Fund Balance - Beginning | 603,847 | 603,847 | 603,847 | -- |
| 3000 | Fund Balance - Ending | <u>\$ 603,847</u> | <u>\$ 603,847</u> | <u>\$ 805,304</u> | <u>\$ 201,457</u> |

LONGVIEW INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2006

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget Positive (Negative) |
|--------------------------|--|-------------------|-------------------|-------------------|---|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| REVENUES: | | | | | |
| 5700 | Local and Intermediate Sources | \$ 2,963,413 | \$ 2,963,413 | \$ 3,146,322 | \$ 182,909 |
| 5800 | State Program Revenues | 69,565 | 69,565 | 104,353 | 34,788 |
| 5020 | Total Revenues | <u>3,032,978</u> | <u>3,032,978</u> | <u>3,250,675</u> | <u>217,697</u> |
| EXPENDITURES: | | | | | |
| Debt Service: | | | | | |
| 0071 | Principal on Long-Term Debt | 2,405,000 | 2,405,000 | 2,405,000 | -- |
| 0072 | Interest on Long-Term Debt | 618,978 | 618,978 | 618,978 | -- |
| 0073 | Bond Issuance Costs and Fees | 8,995 | 8,995 | 926 | 8,069 |
| | Total Debt Service | <u>3,032,978</u> | <u>3,032,978</u> | <u>3,024,904</u> | <u>8,074</u> |
| 6030 | Total Expenditures | <u>3,032,978</u> | <u>3,032,978</u> | <u>3,024,904</u> | <u>8,074</u> |
| 1100 | Excess (Deficiency) of Revenues Over (Under) | | | | |
| 1100 | Expenditures | -- | -- | 225,771 | 225,771 |
| 1200 | Net Change in Fund Balance | -- | -- | 225,771 | 225,771 |
| 0100 | Fund Balance - Beginning | 260,033 | 260,033 | 260,033 | -- |
| 3000 | Fund Balance - Ending | <u>\$ 260,033</u> | <u>\$ 260,033</u> | <u>\$ 485,804</u> | <u>\$ 225,771</u> |

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KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

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Peggy J. Lantz, CPA
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Independent Auditors' Report

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

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

Members of the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Longview Independent School District as of and for the year ended August 31, 2006, which collectively comprise the Longview Independent School District's basic financial statements and have issued our report thereon dated November 9, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Longview Independent School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the 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.

Compliance and Other Matters

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

We also noted other matters that we reported to management of Longview Independent School District in a separate letter dated November 9, 2006.

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.
November 9, 2006

KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

Karen A. Jacks, CPA
Peggy J. Lantz, CPA
Sherry Davis, CPA

P.O. Box 3167
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1501 Colony Circle
Longview, Texas 75604

Phone: 903•238•8822

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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, 2006. 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, 2006.

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 reportable 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 caused by error or fraud 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.
November 9, 2006

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2006

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> |
|-----------------------|---|
| 84.027 | IDEA-B Formula |
| 84.173 | IDEA-B Preschool |
| 84.367 | ESEA Title II Training and Recruitment |
| 84.938 | Emergency Impact Aid |

Dollar threshold used to distinguish between type A and type B programs: \$370,539

Auditee qualified as low-risk auditee? X Yes No

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2006

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, 2006

| <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, 2006

None required.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2006

EXHIBIT K-1
 Page 1 of 2

| 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 | | | |
| | Direct Programs: | | | |
| 489 | Student Drug Testing - School Based | 84.184D | 092-903 | \$ 212,454 |
| 489 | Alcohol Abuse & Reduction - SDFS | 84.184A | 092-903 | 281,671 |
| 489 | Alcohol Abuse & Reduction - SDFS | 84.184A | 092-903 | 576 |
| | Total CFDA Number 84.184A | | | <u>282,247</u> |
| 309 | Magnet Schools Assistance | 84.165 | 092-903 | 592,225 |
| 309 | Magnet Schools Assistance | 84.165 | 092-903 | 1,514,054 |
| 309 | Magnet Schools Assistance | 84.165 | 092-903 | 29,920 |
| | Total CFDA Number 84.165 | | | <u>2,136,199</u> |
| | Total Direct Programs | | | <u>2,630,900</u> |
| | Passed Through State Department of Education: | | | |
| 211 | ESEA Title I Part A - Improving Basic Programs | 84.010A | 066610101092903 | 2,698,281 |
| 211 | ESEA Title I Part A - Improving Basic Programs | 84.010A | 076610101092903 | 141,319 |
| | Total CFDA Number 84.010A | | | <u>2,839,600</u> |
| 256 | ESEA Title I Part F-Comprehensive School Reform | 84.010B | 066160017110059 | 96,570 |
| 224 | IDEA-B Formula | 84.027 | 06660001092903 | 1,566,630 |
| 224 | IDEA-B Formula | 84.027 | 0766000109290366 | 84,665 |
| 226 | IDEA-B Discretionary | 84.027 | 0667302092903 | 50,749 |
| 226 | IDEA-B Discretionary | 84.027 | 0766100109290366 | 1,066 |
| 227 | IDEA-B Deaf | 84.027 | 0666000109290366 | 24,894 |
| | Total CFDA Number 84.027 | | | <u>1,728,004</u> |
| 244 | Vocational Education - Basic Grant | 84.048 | 6420006092903030 | 133,779 |
| 225 | IDEA-B Preschool | 84.173 | 0661001092903 | 34,518 |
| 225 | IDEA-B Preschool | 84.173 | 0766100109290366 | 2,198 |
| 228 | IDEA-B Preschool Deaf | 84.173 | 0666100109290366 | 2,184 |
| | Total CFDA Number 84.173 | | | <u>38,900</u> |
| 253 | IDEA-C Early Intervention (Deaf) | 84.181A | 0639110109290339 | 719 |
| 204 | ESEA Title IV Part A-Safe & Drug-Free Schools & Communities Act | 84.186A | 06691001092903 | 64,088 |
| 204 | ESEA Title IV Part A-Safe & Drug-Free Schools & Communities Act | 84.186A | 076691001092903 | 105 |
| | Total CFDA Number 84.186A | | | <u>64,193</u> |
| 269 | Title V, Part A - Innovative Programs | 84.298 | 0685001092903 | 17,564 |
| 269 | Title V, Part A - Innovative Programs | 84.298 | 07668501092903 | 8,694 |
| | Total CFDA Number 84.298 | | | <u>26,258</u> |
| 262 | Title II Part D Enhancing Education Through Technology | 84.318 | 06630001092903 | 54,768 |
| 263 | Title III Part A English Language Acquisition and Language Enhance | 84.365A | 06671001092903 | 122,254 |
| 263 | Title III Part A English Language Acquisition and Language Enhance | 84.365A | 07671001092903 | 3,575 |
| | Total CFDA Number 84.365A | | | <u>125,829</u> |

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2006

| (1) | (2) | (2A) | (3) | |
|--------------------|--|---------------------|--|-----------------------------|
| Data Control Codes | Federal Grantor/ Pass-Through Grantor/ Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
| 255 | ESEA Title II Part A - Teacher & Principal Training & Recruiting | 84.367A | 06694501092903 | 593,064 |
| 255 | ESEA Title II Part A - Teacher & Principal Training & Recruiting | 84.367A | 07694501092903 | 74,196 |
| | Total CFDA Number 84.367A | | | <u>667,260</u> |
| 511 | Temporary Impact Aid | 84.938 | 06520301092903 | 748,668 |
| | Total Passed Through State Department of Education | | | <u>6,524,548</u> |
| | Total U. S. Department of Education | | | <u>9,155,448</u> |
| | U. S. DEPARTMENT OF DEFENSE | | | |
| | Direct Program: | | | |
| 314 | ROTC | 12.000 | N/A | 59,621 |
| | Total U. S. Department of Defense | | | <u>59,621</u> |
| | U. S. DEPARTMENT OF AGRICULTURE | | | |
| | Passed Through State Department of Education: | | | |
| 241 | Food Distribution | 10.550 | 092-903 | 226,273 |
| 240 | School Breakfast Program * | 10.553 | 092-903 | 955,391 |
| 240 | National School Lunch Program * | 10.555 | 092-903 | 1,887,795 |
| 242 | Summer Feeding Program * | 10.559 | 092-903 | 66,784 |
| | Total Passed Through State Department of Education | | | <u>3,136,243</u> |
| | Total U. S. Department of Agriculture | | | <u>3,136,243</u> |
| | TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ <u>12,351,312</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, 2006

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Longview Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

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

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

| | | |
|--|----|-------------------|
| Total Federal Expenditures, Exhibit K-1 | \$ | 12,351,312 |
| Other Federal Revenue Sources: | | |
| School Health and Related Services (SHARS) | | 281,170 |
| Medicaid Administrative Claiming (MAC) | | <u>8,383</u> |
| Total Federal Revenues, Exhibit C-2 | \$ | <u>12,640,865</u> |

LONGVIEW INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2006

| <u>Data Control Codes</u> | <u>Responses</u> |
|---|------------------|
| SF2 Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations? | No |
| SF4 Did the district receive a clean audit? - Was there an unqualified opinion in the Annual Financial Report? | Yes |
| SF5 Did the Annual Financial Report disclose any instances of material weaknesses in internal controls? | No |
| SF9 Was there any disclosure in the Annual Financial Report of material noncompliance? | No |
| SF10 What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year-end? | \$ 52,942 |