

**LONGVIEW  
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2007

## Introductory Section

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Longview Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2007

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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, 2007, 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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## 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, 2007, 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2007, on our consideration of Longview Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the Longview Independent School District's basic financial statements. The accompanying schedule

of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the combining financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Karen A. Jacks & Associates, P.C.  
December 12, 2007

## 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 8/31/07. Please read it in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

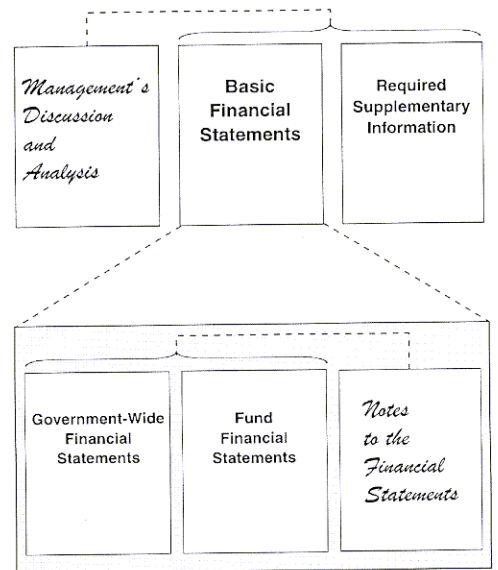
- The District's total combined net assets were \$56,944,943 at 8/31/07.
- During the year, the District's expenses were \$9,742,569 less than the \$79,438,342 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$24,530,445.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

Summary ↔ Detail

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

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

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

### Government-wide Statements

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

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

- 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 \$56,944,943 at 8/31/07. (See Table A-1).

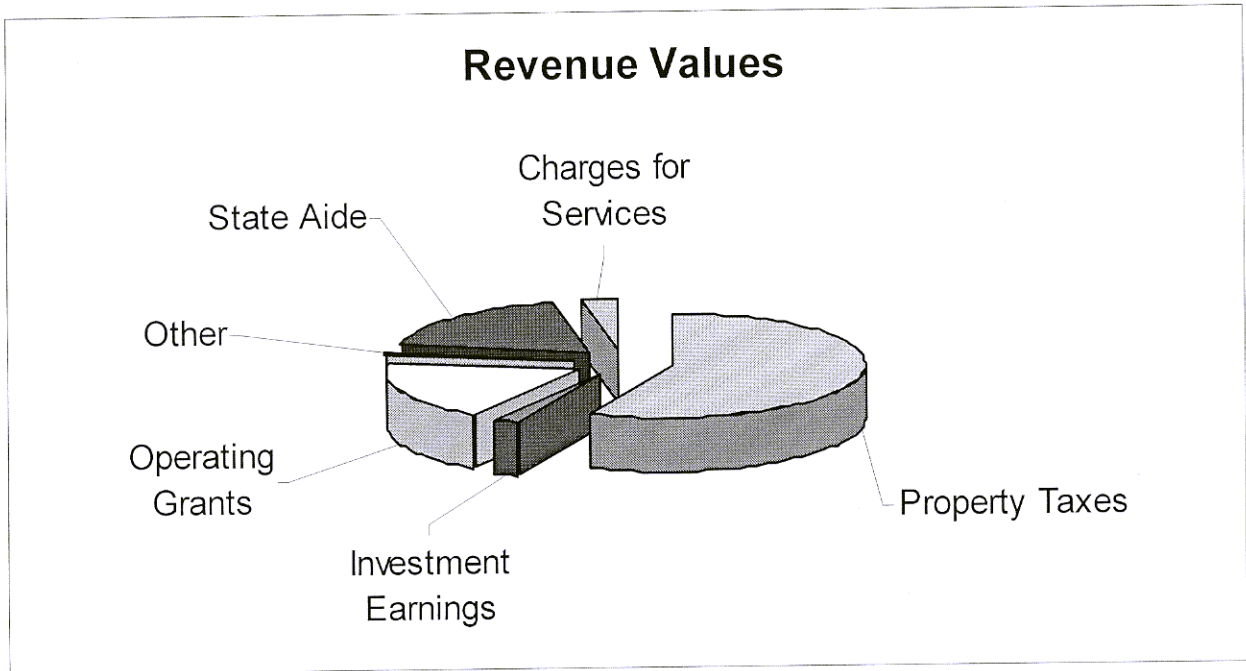
**Table A-1**  
Longview Independent School District's Net Assets  
(In millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2007	2006	2007	2006	2007	2006	2007-2006
<b>Current assets:</b>							
Cash and cash equivalents	15.700	11.461	0	(0)	15.700	11.461	36.97
Current Investments	8.456	8.298	0	(0)	8.456	8.298	1.9
Property Taxes Receivable	2.307	2.521	0	(0)	2.307	2.521	(8.49)
Due from other Government	4.861	2.075	0	(0)	4.861	2.075	134.27
Other receivables	.218	.146	0	(0)	.218	.146	49.32
Inventories – at cost	.359	.357			.359	.357	0.56
Deferred Expenses	.325	.040	0	(0)	.325	.040	712.50
Total current assets:	<u>32.226</u>	<u>24.898</u>	<u>0</u>	<u>(0)</u>	<u>32.226</u>	<u>24.898</u>	29.43
<b>Noncurrent assets:</b>							
Bldg., Furn. & Eqmt, CIP	68.776	67.526	0	(0)	68.776	67.526	1.85
Less Accum. Depr.	(28.047)	(26.74)	0	(0)	(28.047)	(26.74)	4.89
Land	2.595	2.595	0	(0)	2.595	2.595	0.00
Total noncurrent assets	<u>43.324</u>	<u>43.381</u>	<u>0</u>	<u>(0)</u>	<u>43.324</u>	<u>43.381</u>	(0.13)
Total Assets	<u>75.550</u>	<u>68.279</u>	<u>0</u>	<u>(0)</u>	<u>75.550</u>	<u>68.279</u>	10.65
<b>Current liabilities:</b>							
Accounts payable and accrued liabilities	3.687	3.973	0	(0)	3.687	3.973	(7.20)
Notes payable	2.663	2.288	0	(0)	2.663	2.288	16.39
Due to other governments	.060	.055	0	(0)	.060	.055	9.09
Deferred revenue	.260	.274	0	(0)	.260	.274	(5.11)
Total current liabilities	<u>6.670</u>	<u>6.590</u>	<u>0</u>	<u>(0)</u>	<u>6.670</u>	<u>6.590</u>	1.21
<b>Long-term liabilities:</b>							
Notes payable	11.935	14.487	0	(0)	11.935	14.487	(17.62)
Total Liabilities	<u>18.605</u>	<u>21.077</u>	<u>0</u>	<u>(0)</u>	<u>18.605</u>	<u>21.077</u>	(11.73)
<b>Net Assets:</b>							
Invested in capital assets	30.444	28.449	0	(0)	30.444	28.449	7.01
Restricted	1.797	1.576	0	(0)	1.797	1.576	14.02
Unrestricted	24.704	17.177	0	(0)	24.704	17.177	43.82
Total Net Assets	<u>56.945</u>	<u>47.202</u>	<u>0</u>	<u>(0)</u>	<u>56.945</u>	<u>47.202</u>	20.64

Restricted Net Assets are dedicated to various uses, namely: debt service, capital projects, and campus activities. The \$24,704,528 of unrestricted net asset represents resources available to fund the programs of the District next year.

**Changes in net assets.** The District's total revenues were \$79,438,342. A significant portion, \$45,272,944 or 57%, of the District's revenue comes from taxes. (See Figure Below) 40% comes from State aid, Operating Grants and Contributions, while only 3% relates to charges for services.

The total cost of all programs and services was \$69,830,773; 83% of these costs are for instructional and student services.



#### Governmental Activities

- Property tax rates decreased nine percent. This decrease coupled with increasing property values produced a decrease in the tax levy by \$39,486 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 2007-2006
	2007	2006	2007	2006	2007	2006	
Program Revenues:							
Charges for Services	2.359	2.299	0	0	2.359	2.299	2.61
Operating Grants and Contributions	14.980	16.407	0	0	14.980	16.407	(8.70)
Capital Grants and Contributions	0	0	0	0	0	0	0
General Revenues							
Property Taxes	45.273		0	0	45.273	45.553	(0.61)
State Aid	14.833	8.570	0	0	14.833	8.570	73.08
Investment Earnings	1.812	1.234	0	0	1.812	1.234	46.84
Other	.181	.340	0	0	.181	.340	(46.76)
<b>Total Revenues</b>	<b>79.438</b>	<b>74.403</b>	<b>0</b>	<b>0</b>	<b>79.438</b>	<b>74.403</b>	<b>6.77</b>
Expenses:							
Instruction	37.818	36.113	0	0	37.818	36.113	4.72
Instructional Resources and Media Services	1.431	1.262	0	0	1.431	1.262	13.39
Curriculum Dev. And Instructional Staff Dev.	1.179	1.581	0	0	1.179	1.581	(25.43)
Instructional Leadership	1.990	1.804	0	0	1.990	1.804	10.31
School Leadership	3.727	3.456	0	0	3.727	3.456	7.84
Guidance, Counseling and Evaluation Services	2.906	2.539	0	0	2.906	2.539	14.45
Social Work Services	.164	.131	0	0	.164	.131	25.19
Health Services	.608	.619	0	0	.608	.619	(1.78)
Student (Pupil) Transportation	2.396	2.427	0	0	2.396	2.427	(1.28)
Food Services	3.854	4.142	0	0	3.854	4.142	(6.95)
Curricular/Extracurricular Activities	1.968	1.842	0	0	1.968	1.842	6.84
General Administration	2.785	2.524	0	0	2.785	2.524	10.34
Plant Maintenance & Oper.	6.926	6.878	0	0	6.926	6.878	0.70
Security & Monitoring Svcs.	.574	.478	0	0	.574	.478	20.08
Data Processing Services	.594	.543	0	0	.594	.543	9.39
Community Services	.190	.149	0	0	.190	.149	27.52
School District Admin. Support Services			0	0			
Debt Service	.721	.841	0	0	.721	.841	(14.27)
Facilities Acquisition and Construction	.000	.010	0	0	.000	.010	(100.00)
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
<b>Total Expenses</b>	<b>67.831</b>	<b>67.339</b>	<b>0</b>	<b>0</b>	<b>67.831</b>	<b>67.339</b>	<b>0.73</b>
Excess (Deficiency) Before Other Resources, Uses & Transfers	9.607	7.064	0	0	9.607	7.064	36.00
Special Item Inflow	.135	(.025)	0	0	.135	(.025)	(640.00)



Other Resources (Uses)						
Transfers In (Out)						
Increase (Decrease) in Net Assets	9.742	7.039	0	0	9.742	7.039
						38.40

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 \$69,830,773.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$45,272,944.
- Some of the cost was paid by those who directly benefited from the programs, totaling \$2,358,517, or by grants and contributions totaling \$14,979,979.

**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
	2007	2006		2007	2006	
Instruction	40.428	38.955	3.78	30.491	27.611	10.43
School administration	5.717	5.259	8.71	4.562	4.197	8.70
Student Support Services	11.896	11.701	1.67	6.391	6.145	4.00
Plant Maintenance & Operations	6.925	6.878	0.68	6.665	6.612	0.80

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$79,729,667, an increase of 7.14% over the preceding year. The net increase is a result of additional proceeds from state and federal program revenues.

### General Fund Budgetary Highlights

Over the course of the year, the District revised its budget 14 times. Actual expenditures were \$5,843,536 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 \$2,276,259 above the final budgeted amount.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2007, the District had invested \$71,371,421 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 \$1,249,679 or slightly less than 2% 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 2007-2006
	2007	2006	2007	2006	2007	2006	
Land	2.595	2.595	0	0	2.595	2.595	0.00
Buildings and improvements	62.086	61.542	0	0	62.086	61.345	0.32
Vehicles	3.948	3.562	0	0	3.948	3.527	0.99
Equipment	2.742	2.330	0	0	2.742	2.208	5.53
Other	0.00	.093	0	0	0.00	.108	(13.89)
Totals at historical cost	71.371	70.122	0	0	71.371	69.783	0.49
Total accumulated depreciation	28.046	26.740	0	0	28.046	25.353	5.47
Net capital assets	43.325	43.382	0	0	43.325	44.430	(2.36)

The District completed construction on the synthetic turf project during the year. In addition, new buses and maintenance and food service vehicles were purchased during the year. Reductions to the District's capital assets resulted from the trade in of obsolete vehicles and buses.

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 \$14,597,942 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 2007-2006
	2007	2006	2007	2006	2007	2006	
Leases payable	.000	.004	0	0	.000	.004	(100.00)
Bonds payable	15.123	17.408	0	0	15.123	17.408	(13.13)
Less deferred amount							
On refundings	(.525)	(.636)	(0)	(0)	(.525)	(.636)	(17.45)
Total bonds & notes payable	14.598	16.776	0	0	14.598	16.776	(12.99)

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

- The appraised value used for the 2008 budget preparation increased by \$351 million or 10% from last year.
- Property values continued on an upward trend for the 07/08 budget year.
- A salary action plan continued for 2007-08. 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 4.0%. An increase in state funding due to the passage of House Bill 1 helped pay for a portion of the increase. Non-instructional staff received a 3% increase.
- The tax rate to support the 07/08 budget is 1.13805 per hundred dollar in value as compared to 1.468 per hundred dollar in value for 06/07. With the passage of House Bill 1, the tax rate was reduced by 22.5%.
- The LISD student enrollment is projected to decline, based upon historical trend analysis. Enrollment has dropped from 8330 to 8144 over the last five 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, 2007

1

Data Control Codes	Governmental Activities
<b>ASSETS:</b>	
1110 Cash and Cash Equivalents	\$ 15,700,130
1120 Current Investments	8,456,352
1225 Property Taxes Receivable (Net)	2,306,750
1240 Due from Other Governments	4,860,879
1260 Internal Balances	(1)
1290 Other Receivables (Net)	218,136
1300 Inventories	359,654
1410 Deferred Expenses	337,073
1420 Capitalized Bond and Other Debt Issuance Costs	151,098
1430 Premium and Discount on Issuance of Bonds	(164,552)
Capital Assets:	
1510 Land	2,595,158
1520 Buildings and Improvements, Net	39,327,739
1530 Furniture and Equipment, Net	1,401,705
1000 Total Assets	<u>75,550,121</u>
<b>LIABILITIES:</b>	
2110 Accounts Payable	974,905
2140 Interest Payable	26,868
2165 Accrued Liabilities	2,685,766
2180 Due to Other Governments	59,785
2300 Unearned Revenue	259,912
Noncurrent Liabilities:	
2501 Due Within One Year	2,663,000
2502 Due in More Than One Year	11,934,942
2000 Total Liabilities	<u>18,605,178</u>
<b>NET ASSETS</b>	
3200 Invested in Capital Assets, Net of Related Debt	30,443,599
Restricted For:	
3820 State and Federal Programs	1,019,217
3850 Debt Service	672,878
3860 Capital Projects	547
3870 Campus Activities	104,174
3900 Unrestricted	24,704,528
3000 Total Net Assets	<u>\$ 56,944,943</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2007

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	\$ 37,817,598	\$ 770,604		\$ 8,389,963	\$ (28,657,031)
12	Instructional Resources and Media Services	1,431,258	51,931		60,854	(1,318,473)
13	Curriculum and Staff Development	1,178,981	43,718		619,871	(515,392)
21	Instructional Leadership	1,989,863	--		849,263	(1,140,600)
23	School Leadership	3,726,939	49,790		255,445	(3,421,704)
31	Guidance, Counseling, & Evaluation Services	2,906,331	349		871,799	(2,034,183)
32	Social Work Services	164,396	--		31,419	(132,977)
33	Health Services	608,290	--		31,933	(576,357)
34	Student Transportation	2,396,220	--		88,303	(2,307,917)
35	Food Service	3,853,868	970,454		3,049,011	165,597
36	Cocurricular/Extracurricular Activities	1,967,567	422,190		39,812	(1,505,565)
41	General Administration	2,785,015	8,100		306,572	(2,470,343)
51	Plant Maintenance and Operations	6,925,460	40,568		219,935	(6,664,957)
52	Security and Monitoring Services	573,797	813		114,843	(458,141)
53	Data Processing Services	593,814	--		17,838	(575,976)
61	Community Services	190,415	--		33,118	(157,297)
72	Interest on Long-term Debt	689,228	--		--	(689,228)
73	Bond Issuance Costs and Fees	31,733	--		--	(31,733)
TG	Total Governmental Activities	69,830,773	2,358,517		14,979,979	(52,492,277)
TP	Total Primary Government	\$ 69,830,773	\$ 2,358,517		\$ 14,979,979	(52,492,277)
	General Revenues:					
MT	Property Taxes, Levied for General Purposes					42,259,941
DT	Property Taxes, Levied for Debt Service					3,013,003
IE	Investment Earnings					1,812,359
GC	Grants and Contributions Not Restricted to Specific Programs					14,833,224
MI	Miscellaneous					181,319
	Special and Extraordinary Items:					
S1	Special Item Inflow					135,000
TR	Total General Revenues					62,234,846
CN	Change in Net Assets					9,742,569
NB	Net Assets - Beginning					47,202,374
NE	Net Assets - Ending					\$ 56,944,943

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2007

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 14,178,165	\$ 1,521,966	\$ 15,700,131
1120	Current Investments	8,097,415	358,937	8,456,352
1225	Taxes Receivable, Net	2,142,612	164,138	2,306,750
1240	Due from Other Governments	3,614,438	1,246,441	4,860,879
1260	Due from Other Funds	712,782	22,811	735,593
1290	Other Receivables	214,409	3,727	218,136
1300	Inventories	210,363	149,291	359,654
1410	Deferred Expenditures	337,073	--	337,073
1000	Total Assets	\$ 29,507,257	\$ 3,467,311	\$ 32,974,568
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 741,917	\$ 232,988	\$ 974,905
2150	Payroll Deductions & Withholdings	3,705	--	3,705
2160	Accrued Wages Payable	1,538,134	462,931	2,001,065
2170	Due to Other Funds	22,811	712,783	735,594
2180	Due to Other Governments	--	59,785	59,785
2200	Accrued Expenditures	621,359	59,637	680,996
2300	Unearned Revenue	2,048,886	291,411	2,340,297
2000	Total Liabilities	4,976,812	1,819,535	6,796,347
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3410	Investments in Inventory	210,363	87,119	297,482
3420	Debt Service	--	523,838	523,838
3450	Reserve for Food Service	--	930,631	930,631
3490	Other Reserves of Fund Balance	--	105,641	105,641
Designated Fund Balance:				
3510	Construction	16,550,000	547	16,550,547
3600	Unreserved	7,770,082	--	7,770,082
3000	Total Fund Balances	24,530,445	1,647,776	26,178,221
4000	Total Liabilities and Fund Balances	\$ 29,507,257	\$ 3,467,311	\$ 32,974,568

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, 2007

Total fund balances - governmental funds balance sheet	\$ 26,178,221
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	43,324,603
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	2,080,385
Payables for bond principal which are not due in the current period are not reported in the funds.	(15,123,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(26,868)
Deferred loss on refunding bonds is not reported in the funds.	525,058
Unamortized premium on issuance of bonds is not reported in the funds.	(164,552)
Unamortized debt issuance costs are not reported in the funds.	151,098
Rounding difference	(1)
Net assets of governmental activities - statement of net assets	<u>\$ 56,944,943</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, 2007

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ 45,268,301	\$ 4,568,847	\$ 49,837,148
5800 State Program Revenues	17,043,892	1,896,079	18,939,971
5900 Federal Program Revenues	304,847	10,647,701	10,952,548
5020 Total Revenues	<u>62,617,040</u>	<u>17,112,627</u>	<u>79,729,667</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	30,097,777	7,180,065	37,277,842
0012 Instructional Resources and Media Services	1,330,563	55,251	1,385,814
0013 Curriculum and Staff Development	515,591	661,239	1,176,830
0021 Instructional Leadership	1,155,824	812,886	1,968,710
0023 School Leadership	3,549,730	159,528	3,709,258
0031 Guidance, Counseling, & Evaluation Services	2,114,235	781,839	2,896,074
0032 Social Work Services	164,094	--	164,094
0033 Health Services	603,855	--	603,855
0034 Student Transportation	2,673,751	24,849	2,698,600
0035 Food Service	--	3,877,799	3,877,799
0036 Cocurricular/Extracurricular Activities	1,665,176	6,235	1,671,411
0041 General Administration	2,656,404	84,218	2,740,622
0051 Plant Maintenance and Operations	7,656,855	77,563	7,734,418
0052 Security and Monitoring Services	461,489	110,308	571,797
0053 Data Processing Services	608,691	--	608,691
0061 Community Services	152,581	29,452	182,033
0071 Principal on Long-term Debt	133,542	2,154,998	2,288,540
0072 Interest on Long-term Debt	22,338	873,552	895,890
0073 Bond Issuance Costs and Fees	300	623	923
6030 Total Expenditures	<u>55,562,796</u>	<u>16,890,405</u>	<u>72,453,201</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>7,054,244</u>	<u>222,222</u>	<u>7,276,466</u>
Other Financing Sources and (Uses):			
7915 Transfers In	--	20,539	20,539
8911 Transfers Out	--	(20,539)	(20,539)
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
<b>SPECIAL ITEM:</b>			
7918 Special Item (Resource)	135,000	--	135,000
1200 Net Change in Fund Balances	<u>7,189,244</u>	<u>222,222</u>	<u>7,411,466</u>
0100 Fund Balances - Beginning	17,341,201	1,425,554	18,766,755
3000 Fund Balances - Ending	<u>\$ 24,530,445</u>	<u>\$ 1,647,776</u>	<u>\$ 26,178,221</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, 2007

Net change in fund balances - total governmental funds	\$ 7,411,466
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,681,627
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,522,221)
The gain or loss on the sale of capital assets is not reported in the funds.	(206,342)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(10,193)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(74,792)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,284,998
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	3,547
Bond issuance costs and similar items are amortized in the SOA but not in the funds	(30,810)
The accretion of interest on capital appreciation bonds is not reported in the funds.	52,942
(Increase) decrease in accrued interest from beginning of period to end of period	30,884
The net revenue (expense) of internal service funds is reported with governmental activities.	(1,370)
Bond premiums are reported in the funds but not in the SOA.	286,240
Loss on refunding bonds is amortized in the SOA but not in the funds.	(163,408)
Rounding difference	2
Change in net assets of governmental activities - statement of activities	<u>\$ 9,742,569</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF NET ASSETS

INTERNAL SERVICE FUND

AUGUST 31, 2007

Data Control Codes		Nonmajor Internal Service Fund	Insurance Fund
	<b>ASSETS:</b>		
1000	Total Assets	\$ --	
	<b>LIABILITIES:</b>		
2000	Total Liabilities		--
	<b>NET ASSETS:</b>		
3000	Total Net Assets	\$ --	

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, 2007

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	<b>OPERATING REVENUES:</b>	
5700	Local and Intermediate Sources	\$ 38
5020	Total Revenues	<u>38</u>
	<b>OPERATING EXPENSES:</b>	
6100	Payroll Costs	1,408
6030	Total Expenses	<u>1,408</u>
	Operating Income (Loss)	<u>(1,370)</u>
	Income (Loss) before Contributions and Transfers	(1,370)
1300	Change in Net Assets	<u>(1,370)</u>
0100	Total Net Assets - Beginning	1,370
3300	Total Net Assets - Ending	<u>\$ --</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, 2007

	Internal Service Fund
<b>Cash Flows from Operating Activities:</b>	
Other Operating Cash Receipts (Payments)	\$ (1,370)
Net Cash Provided (Used) by Operating Activities	<u>(1,370)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
Transfers From (To) Other Funds	<u>--</u>
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Contributed Capital	<u>--</u>
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
<b>Cash Flows from Investing Activities:</b>	
Interest and Dividends on Investments	<u>--</u>
Net Cash Provided (Used) for Investing Activities	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,370)
Cash and Cash Equivalents at Beginning of Year	1,370
Cash and Cash Equivalents at End of Year	<u>\$ --</u>
<b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ (1,370)
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	<u>--</u>
Total Adjustments	<u>--</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,370)</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

AUGUST 31, 2007

Data Control Codes		Agency Fund
		Student Activity
	<b>ASSETS:</b>	
1110	Cash and Cash Equivalents	\$ 152,667
1000	Total Assets	<u>\$ 152,667</u>
	<b>LIABILITIES:</b>	
	Current Liabilities:	
2190	Due to Student Groups	\$ 152,667
2000	Total Liabilities	<u>152,667</u>
	<b>NET ASSETS</b>	
3000	Total Net Assets	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007

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, 2007

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, 2007

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, 2007 was \$435,976.

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, 2007

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

f. Interfund Activity

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

g. Use of Estimates

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

h. Data Control Codes

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

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

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

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

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

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

C. Deposits and Investments

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**

1. Cash Deposits:

At August 31, 2007, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$15,852,797 and the bank balance was \$17,141,896. The District's cash deposits at August 31, 2007 and during the year ended August 31, 2007, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

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

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

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

The District's investments at August 31, 2007 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Texpool	N/A	\$ 2,818,830
TexStar	N/A	2,818,408
MBIA	N/A	2,819,114
Total Investments		<u>\$ 8,456,352</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.

At August 31, 2007, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

<u>Investment</u>	<u>Standard &amp; Poor's Rating</u>
Texpool	AAAm
TexStar	AAAm
	<u>Fitch Rating</u>
MBIA Texas CLASS	AAAm

## LONGVIEW INDEPENDENT SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2007

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 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.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**

D. Capital Assets

Capital asset activity for the year ended August 31, 2007, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
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	61,541,695	788,030	243,388	62,086,337
Vehicles	3,561,995	567,320	181,063	3,948,252
Equipment	2,330,114	419,055	7,495	2,741,674
Assets under capital lease	92,780	--	92,780	--
Total capital assets being depreciated	<u>67,526,584</u>	<u>1,774,405</u>	<u>524,726</u>	<u>68,776,263</u>
Less accumulated depreciation for:				
Buildings and improvements	(21,571,248)	(1,214,731)	(27,381)	(22,758,598)
Vehicles	(3,012,803)	(193,645)	(180,536)	(3,025,912)
Equipment	(2,072,981)	(196,823)	(7,495)	(2,262,309)
Assets under capital lease	(82,978)	(6,185)	(89,163)	--
Total accumulated depreciation	<u>(26,740,010)</u>	<u>(1,611,384)</u>	<u>(304,575)</u>	<u>(28,046,819)</u>
Total capital assets being depreciated, net	<u>40,786,574</u>	<u>163,021</u>	<u>220,151</u>	<u>40,729,444</u>
Governmental activities capital assets, net	<u>\$ 43,381,732</u>	<u>\$ 163,021</u>	<u>\$ 220,151</u>	<u>\$ 43,324,602</u>

Depreciation was charged to functions as follows:

Instruction	\$ 745,772
Instructional Resources and Media Services	53,625
Curriculum and Staff Development	2,151
Instructional Leadership	21,153
School Leadership	17,681
Guidance, Counseling, & Evaluation Services	10,257
Social Work Services	302
Health Services	4,435
Student Transportation	163,111
Food Services	81,982
Extracurricular Activities	296,156
General Administration	44,393
Plant Maintenance and Operations	53,418
Security and Monitoring Services	2,000
Data Processing Services	17,402
Community Services	8,382
	<u>\$ 1,522,220</u>

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2007

### E. Interfund Balances and Activities

#### 1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2007, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Other Governmental Funds	\$ 689,972	Short-term loans
	Total	\$ 689,972	

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, 2007, consisted of the following:

Transfers From	Transfers To	Amount	Reason
Other Governmental Funds	Other Governmental Funds	\$ 20,539	Transfer program income
	Total	\$ 20,539	

### 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, 2007, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
Bonds and notes payable	\$ 17,407,998	\$ --	\$ 2,284,998	\$ 15,123,000	\$ 2,663,000
Capital leases	3,547	--	3,547	--	--
Accreted interest on CABs	52,942	16,260	69,202	--	--
Less deferred amount on refunding	(688,466)	--	(163,408)	(525,058)	--
Total governmental activities	\$ 16,776,021	\$ 16,260	\$ 2,194,339	\$ 14,597,942	\$ 2,663,000

#### 2. Bonds and Notes Payable

Bonds and notes payable currently outstanding are as follows:

Description	Interest Rates	Maturity Date	Amount
Unlimited Tax Refunding Bonds, Series 2003	2.50-3.375%	FY 2015	\$ 10,085,000
Unlimited Tax Refunding Bonds, Series 2004	3.00%	FY 2010	4,460,000
Maintenance Tax Notes, Series 2004	3.47%	FY 2014	578,000
			\$ 15,123,000

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2007

3. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2007, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
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	1,330,000	231,240	1,561,240
2013-2017	4,315,000	306,455	4,621,455
Totals	\$ 15,123,000	\$ 2,144,336	\$ 17,267,336

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, 2007, 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	\$ 645,000
Contractual Obligations, Series 1999	1,865,000
Tax and Revenue Notes, Series 2001	5,070,000
Total	\$ 7,580,000

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 2007, 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.

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2007

### 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, 2007, 2006 and 2005 were \$2,727,400, \$2,494,491 and \$2,361,071, 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, 2007, 2006 and 2005 were \$608,814, \$511,074 and \$440,859, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$2,330,882 for the year ended August 31, 2007.

### 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 participating employee. Employees, at their option, authorized payroll withholdings to pay premiums for dependents.

### 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.

#### 2. Litigation

No reportable litigation was pending against the District at August 31, 2007.



# LONGVIEW INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007

## 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	\$ 117,188
Hallsville ISD	46,875
Jefferson ISD	11,719
Elysian Fields ISD	35,156
Waskom ISD	11,719
Harleton ISD	11,719
Karnack ISD	11,719
Kilgore ISD	46,875
White Oak ISD	23,437
Gladewater ISD	23,437
Spring Hill ISD	11,719
Sabine ISD	11,719
Carthage ISD	11,719
Tatum ISD	11,719
Leverett's Chapel ISD	23,437
Harmony ISD	35,156
Union Grove ISD	11,719
Gilmer ISD	11,719
Ore City ISD	11,719
Pine Tree ISD	46,875
Longview ISD	152,344
Total	\$ <u>679,689</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 2006-07 school year, the District paid a fixed cost in the amount of \$175,167 for administration of claims, loss control, record keeping, and the cost of stop-loss insurance. Total workers' compensation claims paid amounted to \$122,331 for current year claims and \$207,036 for claims incurred in prior years. However, the District may be required to pay, and retains the risk of loss for, workers' compensation claims up to the loss fund maximum. When and if other schools in the Association exceed their loss fund maximum, the District will be required to pay a percentage share of the excess.

A reconciliation of changes in the liability for claims for the current 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, 2007	\$ 654,694	\$ 355,651	\$ 329,347	\$ 680,998

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2007

M. Other Reserves of Fund Balance

Other reservations of fund balance consist of the following:

Other Governmental Funds	
Reserved for state technology allotment	\$ 1,467
Reserved for campus activity funds	<u>104,174</u>
Total Other Governmental Funds	\$ <u>105,641</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, 2007, the District reported the following special item:

Proceeds from lawsuit relating to artificial turf project	\$ <u>135,000</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, 2007

Data Control Codes		1		2		3		Variance with Final Budget Positive (Negative)
		Budgeted Amounts				Actual		
		Original	Final					
<b>REVENUES:</b>								
5700	Local and Intermediate Sources	\$ 42,380,865	\$ 42,777,214	\$ 45,268,301	\$ 2,491,087			\$ 2,491,087
5800	State Program Revenues	14,741,162	17,267,567	17,043,892	(223,675)			(223,675)
5900	Federal Program Revenues	569,600	296,000	304,847	8,847			8,847
5020	Total Revenues	57,691,627	60,340,781	62,617,040	2,276,259			2,276,259
<b>EXPENDITURES:</b>								
Current:								
Instruction & Instructional Related Services:								
0011	Instruction	32,339,121	33,303,640	30,097,777	3,205,863			3,205,863
0012	Instructional Resources and Media Services	1,308,167	1,392,984	1,330,563	62,421			62,421
0013	Curriculum and Staff Development	583,683	608,727	515,591	93,136			93,136
	Total Instruction & Instr. Related Services	34,230,971	35,305,351	31,943,931	3,361,420			3,361,420
Instructional and School Leadership:								
0021	Instructional Leadership	1,177,435	1,225,369	1,155,824	69,545			69,545
0023	School Leadership	3,354,353	3,611,775	3,549,730	62,045			62,045
	Total Instructional & School Leadership	4,531,788	4,837,144	4,705,554	131,590			131,590
Support Services - Student (Pupil):								
0031	Guidance, Counseling and Evaluation Services	2,122,522	2,291,809	2,114,235	177,574			177,574
0032	Social Work Services	155,724	177,854	164,094	13,760			13,760
0033	Health Services	685,335	716,425	603,855	112,570			112,570
0034	Student (Pupil) Transportation	2,965,436	3,312,145	2,673,751	638,394			638,394
0036	Cocurricular/Extracurricular Activities	1,668,782	1,831,552	1,665,176	166,376			166,376
	Total Support Services - Student (Pupil)	7,597,799	8,329,784	7,221,111	1,108,673			1,108,673
Administrative Support Services:								
0041	General Administration	2,566,778	2,855,884	2,656,404	199,480			199,480
	Total Administrative Support Services	2,566,778	2,855,884	2,656,404	199,480			199,480
Support Services - Nonstudent Based:								
0051	Plant Maintenance and Operations	7,308,964	8,397,460	7,656,855	740,605			740,605
0052	Security and Monitoring Services	553,356	599,110	461,489	137,621			137,621
0053	Data Processing Services	596,959	650,488	608,691	41,797			41,797
	Total Support Services - Nonstudent Based	8,459,279	9,647,058	8,727,035	920,023			920,023
Ancillary Services:								
0061	Community Services	144,126	170,224	152,581	17,643			17,643
	Total Ancillary Services	144,126	170,224	152,581	17,643			17,643
Debt Service:								
0071	Principal on Long-Term Debt	133,548	133,548	133,542	6			6
0072	Interest on Long-Term Debt	22,338	22,338	22,338	--			--
0073	Bond Issuance Costs and Fees	5,000	5,000	300	4,700			4,700
	Total Debt Service	160,886	160,886	156,180	4,706			4,706
Capital Outlay:								
0081	Capital Outlay	--	100,000	--	100,000			100,000
	Total Capital Outlay	--	100,000	--	100,000			100,000
6030	Total Expenditures	57,691,627	61,406,332	55,562,796	5,843,536			5,843,536

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2007

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	--	(1,065,551)	7,054,244	8,119,795
	SPECIAL ITEM:				
7918	Special Item (Resource)	--	135,000	135,000	--
1200	Net Change in Fund Balance	--	(930,551)	7,189,244	8,119,795
0100	Fund Balance - Beginning	17,341,201	17,341,201	17,341,201	--
3000	Fund Balance - Ending	\$ 17,341,201	\$ 16,410,650	\$ 24,530,445	\$ 8,119,795

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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, 2007

Data Control Codes		Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ 1,356,908	\$ 165,012	\$ 46	\$ 1,521,966
1120	Current Investments	--	358,436	501	358,937
1225	Taxes Receivable, Net	--	164,138	--	164,138
1240	Due from Other Governments	1,246,441	--	--	1,246,441
1260	Due from Other Funds	--	22,811	--	22,811
1290	Other Receivables	3,727	--	--	3,727
1300	Inventories	149,291	--	--	149,291
1000	Total Assets	<u>\$ 2,756,367</u>	<u>\$ 710,397</u>	<u>\$ 547</u>	<u>\$ 3,467,311</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ 232,988	\$ --	\$ --	\$ 232,988
2160	Accrued Wages Payable	462,931	--	--	462,931
2170	Due to Other Funds	712,783	--	--	712,783
2180	Due to Other Governments	22,266	37,519	--	59,785
2200	Accrued Expenditures	59,637	--	--	59,637
2300	Unearned Revenue	142,371	149,040	--	291,411
2000	Total Liabilities	<u>1,632,976</u>	<u>186,559</u>	<u>--</u>	<u>1,819,535</u>
<b>FUND BALANCES:</b>					
Reserved Fund Balances:					
3410	Investments in Inventory	87,119	--	--	87,119
3420	Debt Service	--	523,838	--	523,838
3450	Reserve for Food Service	930,631	--	--	930,631
3490	Other Reserves of Fund Balance	105,641	--	--	105,641
Designated Fund Balance:					
3510	Construction	--	--	547	547
3000	Total Fund Balances	<u>1,123,391</u>	<u>523,838</u>	<u>547</u>	<u>1,647,776</u>
4000	Total Liabilities and Fund Balances	<u>\$ 2,756,367</u>	<u>\$ 710,397</u>	<u>\$ 547</u>	<u>\$ 3,467,311</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

Data Control Codes	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ 1,500,562	\$ 3,068,259	\$ 26	\$ 4,568,847
5800 State Program Revenues	1,897,132	(1,053)	--	1,896,079
5900 Federal Program Revenues	10,647,701	--	--	10,647,701
5020 Total Revenues	<u>14,045,395</u>	<u>3,067,206</u>	<u>26</u>	<u>17,112,627</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	7,180,065	--	--	7,180,065
0012 Instructional Resources and Media Services	55,251	--	--	55,251
0013 Curriculum and Staff Development	661,239	--	--	661,239
0021 Instructional Leadership	812,886	--	--	812,886
0023 School Leadership	159,528	--	--	159,528
0031 Guidance, Counseling, & Evaluation Services	781,839	--	--	781,839
0034 Student Transportation	24,849	--	--	24,849
0035 Food Service	3,877,799	--	--	3,877,799
0036 Cocurricular/Extracurricular Activities	6,235	--	--	6,235
0041 General Administration	84,218	--	--	84,218
0051 Plant Maintenance and Operations	77,563	--	--	77,563
0052 Security and Monitoring Services	110,308	--	--	110,308
0061 Community Services	29,452	--	--	29,452
0071 Principal on Long-term Debt	--	2,154,998	--	2,154,998
0072 Interest on Long-term Debt	--	873,552	--	873,552
0073 Bond Issuance Costs and Fees	--	623	--	623
6030 Total Expenditures	<u>13,861,232</u>	<u>3,029,173</u>	<u>--</u>	<u>16,890,405</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>184,163</u>	<u>38,033</u>	<u>26</u>	<u>222,222</u>
Other Financing Sources and (Uses):				
7915 Transfers In	20,539	--	--	20,539
8911 Transfers Out	(20,539)	--	--	(20,539)
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	<u>184,163</u>	<u>38,033</u>	<u>26</u>	<u>222,222</u>
0100 Fund Balances - Beginning	939,228	485,805	521	1,425,554
3000 Fund Balances - Ending	<u>\$ 1,123,391</u>	<u>\$ 523,838</u>	<u>\$ 547</u>	<u>\$ 1,647,776</u>

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2007

Data Control Codes	202 Student Drug Testing	203 Alcohol Abuse Reduction	204 ESEA Title IV SDFSC	205 Magnet Schools Assistance
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 19,498	\$ --	\$ --
1240	Due from Other Governments	4,670	144,925	321,917
1290	Other Receivables	--	--	731
1300	Inventories	--	--	--
1000	Total Assets	\$ 24,168	\$ 144,925	\$ 322,648
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 9,968	\$ 22,316	\$ 1,850
2160	Accrued Wages Payable	--	461	14,950
2170	Due to Other Funds	--	122,148	292,818
2180	Due to Other Governments	14,200	--	--
2200	Accrued Expenditures	--	--	--
2300	Unearned Revenue	--	--	--
2000	Total Liabilities	24,168	144,925	322,648
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3410	Investments in Inventory	--	--	--
3450	Reserve for Food Service	--	--	--
3490	Other Reserves of Fund Balance	--	--	--
3000	Total Fund Balances	--	--	--
4000	Total Liabilities and Fund Balances	\$ 24,168	\$ 144,925	\$ 322,648

211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	227 IDEA-B Deaf
\$ 18,176	\$ --	\$ --	\$ --	\$ --
105,982	73,822	1,624	788	--
1,399	--	--	--	--
--	--	--	--	--
<u>\$ 125,557</u>	<u>\$ 73,822</u>	<u>\$ 1,624</u>	<u>\$ 788</u>	<u>\$ --</u>
\$ 4,600	\$ 3,147	\$ --	\$ --	\$ --
115,400	64,791	1,624	788	--
--	5,865	--	--	--
5,557	19	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>125,557</u>	<u>73,822</u>	<u>1,624</u>	<u>788</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 125,557</u>	<u>\$ 73,822</u>	<u>\$ 1,624</u>	<u>\$ 788</u>	<u>\$ --</u>

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 AUGUST 31, 2007

Data Control Codes		228 IDEA-B Preschool Deaf	240 National School Breakfast/Lunch Program	242 Summer Feeding Program	244 Vo Ed Basic Grant
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ --	\$ 1,098,986	\$ 15,492	\$ --
1240	Due from Other Governments	--	72,895	10,696	--
1290	Other Receivables	--	769	--	--
1300	Inventories	--	149,291	--	--
1000	Total Assets	\$ --	\$ 1,321,941	\$ 26,188	\$ --
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 127,455	\$ --	\$ --
2160	Accrued Wages Payable	--	36,169	--	--
2170	Due to Other Funds	--	--	--	--
2180	Due to Other Governments	--	--	--	--
2200	Accrued Expenditures	--	59,637	--	--
2300	Unearned Revenue	--	107,118	--	--
2000	Total Liabilities	--	330,379	--	--
<b>FUND BALANCES:</b>					
Reserved Fund Balances:					
3410	Investments in Inventory	--	87,119	--	--
3450	Reserve for Food Service	--	904,443	26,188	--
3490	Other Reserves of Fund Balance	--	--	--	--
3000	Total Fund Balances	--	991,562	26,188	--
4000	Total Liabilities and Fund Balances	\$ --	\$ 1,321,941	\$ 26,188	\$ --

253 IDEA-C Deaf	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	263 English Language Acquisition and Enhancement	269 Title V, Part A Innovative Programs
\$ --	\$ --	\$ --	\$ --	\$ --
--	52,895	2,300	2,848	--
--	750	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ 53,645</u>	<u>\$ 2,300</u>	<u>\$ 2,848</u>	<u>\$ --</u>
\$ --	\$ 500	\$ 2,300	\$ 1,422	\$ --
--	37,541	--	241	--
--	15,604	--	1,185	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>53,645</u>	<u>2,300</u>	<u>2,848</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ --</u>	<u>\$ 53,645</u>	<u>\$ 2,300</u>	<u>\$ 2,848</u>	<u>\$ --</u>

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 AUGUST 31, 2007

Data Control Codes	390 LEP Summer Program	394 Life Skills Grant	397 Advanced Placement Incentives	404 Student Success Initiative	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ 4,655	\$ --
1240	Due from Other Governments	9,600	7,308	--	292,585
1290	Other Receivables	--	--	78	--
1300	Inventories	--	--	--	--
1000	Total Assets	\$ 9,600	\$ 7,308	\$ 4,733	\$ 292,585
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ --	\$ 2,385	\$ 32,375
2160	Accrued Wages Payable	--	--	--	2,005
2170	Due to Other Funds	9,600	7,308	--	258,205
2180	Due to Other Governments	--	--	2,348	--
2200	Accrued Expenditures	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	9,600	7,308	4,733	292,585
<b>FUND BALANCES:</b>					
Reserved Fund Balances:					
3410	Investments in Inventory	--	--	--	--
3450	Reserve for Food Service	--	--	--	--
3490	Other Reserves of Fund Balance	--	--	--	--
3000	Total Fund Balances	--	--	--	--
4000	Total Liabilities and Fund Balances	\$ 9,600	\$ 7,308	\$ 4,733	\$ 292,585

411 Technology Allotment	426 TX ED Excellence Awards	427 TX ED Excellence Award	428 High School Allotment	429 State Funded Special Revenue Fund
\$ 6,573	\$ --	\$ --	\$ 25,422	\$ 142
2,330	68,481	68,875	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 8,903</u>	<u>\$ 68,481</u>	<u>\$ 68,875</u>	<u>\$ 25,422</u>	<u>\$ 142</u>
\$ 7,436	\$ --	\$ --	\$ --	\$ --
--	68,481	68,875	25,422	--
--	--	--	--	--
--	--	--	--	142
--	--	--	--	--
--	--	--	--	--
<u>7,436</u>	<u>68,481</u>	<u>68,875</u>	<u>25,422</u>	<u>142</u>
--	--	--	--	--
--	--	--	--	--
1,467	--	--	--	--
<u>1,467</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 8,903</u>	<u>\$ 68,481</u>	<u>\$ 68,875</u>	<u>\$ 25,422</u>	<u>\$ 142</u>



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 AUGUST 31, 2007

Data Control Codes	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-1)	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 63,790	\$ 104,174	\$ 1,356,908
1240	Due from Other Governments	--	--	1,246,441
1290	Other Receivables	--	--	3,727
1300	Inventories	--	--	149,291
1000	Total Assets	\$ 63,790	\$ 104,174	\$ 2,756,367
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 2,354	\$ --	\$ 232,988
2160	Accrued Wages Payable	26,183	--	462,931
2170	Due to Other Funds	--	--	712,783
2180	Due to Other Governments	--	--	22,266
2200	Accrued Expenditures	--	--	59,637
2300	Unearned Revenue	35,253	--	142,371
2000	Total Liabilities	63,790	--	1,632,976
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3410	Investments in Inventory	--	--	87,119
3450	Reserve for Food Service	--	--	930,631
3490	Other Reserves of Fund Balance	--	104,174	105,641
3000	Total Fund Balances	--	104,174	1,123,391
4000	Total Liabilities and Fund Balances	\$ 63,790	\$ 104,174	\$ 2,756,367

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# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

Data Control Codes	202 Student Drug Testing	203 Alcohol Abuse Reduction	204 ESEA Title IV SDFSC	205 Magnet Schools Assistance
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	299,589	442,224	52,427	1,825,309
5020 Total Revenues	<u>299,589</u>	<u>442,224</u>	<u>52,427</u>	<u>1,825,309</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	--	--	--	1,174,638
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	11,435	--	152,589
0021 Instructional Leadership	--	--	--	400,633
0023 School Leadership	--	--	--	20,534
0031 Guidance, Counseling, & Evaluation Services	190,094	430,789	52,427	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	76,915
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	109,495	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>299,589</u>	<u>442,224</u>	<u>52,427</u>	<u>1,825,309</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)	--	--	--	--
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
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
2,623,962	1,534,703	40,350	39,370	19,299
<u>2,623,962</u>	<u>1,534,703</u>	<u>40,350</u>	<u>39,370</u>	<u>19,299</u>
2,161,860	1,328,272	38,721	39,370	19,289
3,326	--	--	--	--
153,359	2,875	1,629	--	--
191,075	67,080	--	--	10
11,641	76,738	--	--	--
48,442	59,738	--	--	--
24,849	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
29,410	--	--	--	--
<u>2,623,962</u>	<u>1,534,703</u>	<u>40,350</u>	<u>39,370</u>	<u>19,299</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, 2007

Data Control Codes	228 IDEA-B Preschool Deaf	240 National School Breakfast/Lunch Program	242 Summer Feeding Program	244 Vo Ed Basic Grant
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ 1,020,469	\$ 226	\$ --
5800 State Program Revenues	--	70,961	2,221	--
5900 Federal Program Revenues	1,909	2,892,041	83,788	125,985
5020 Total Revenues	<u>1,909</u>	<u>3,983,471</u>	<u>86,235</u>	<u>125,985</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	1,909	--	--	122,046
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	--	--	3,939
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	3,817,752	60,047	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>1,909</u>	<u>3,817,752</u>	<u>60,047</u>	<u>125,985</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	165,719	26,188	--
Other Financing Sources and (Uses):				
7915 Transfers In	--	20,539	--	--
8911 Transfers Out	--	--	(20,539)	--
7080 Total Other Financing Sources and (Uses)	--	20,539	(20,539)	--
1200 Net Change in Fund Balances	--	186,258	5,649	--
0100 Fund Balances - Beginning	--	805,304	20,539	--
3000 Fund Balances - Ending	\$ --	\$ 991,562	\$ 26,188	\$ --

253 IDEA-C Deaf	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	263 English Language Acquisition and Enhancement	269 Title V, Part A Innovative Programs
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
1,121	564,659	27,866	68,095	5,004
<u>1,121</u>	<u>564,659</u>	<u>27,866</u>	<u>68,095</u>	<u>5,004</u>
1,121	367,374	24,589	62,278	5,004
--	--	--	--	--
--	189,682	3,277	4,732	--
--	300	--	212	--
--	--	--	831	--
--	--	--	--	--
--	--	--	--	--
--	7,303	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	42	--
<u>1,121</u>	<u>564,659</u>	<u>27,866</u>	<u>68,095</u>	<u>5,004</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, 2007

Data Control Codes	390 LEP Summer Program	394 Life Skills Grant	397 Advanced Placement Incentives	404 Student Success Initiative
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	9,600	12,709	15,658	418,261
5900 Federal Program Revenues	--	--	--	--
5020 Total Revenues	<u>9,600</u>	<u>12,709</u>	<u>15,658</u>	<u>418,261</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	9,600	12,709	6,759	350,879
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	--	8,899	67,382
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>9,600</u>	<u>12,709</u>	<u>15,658</u>	<u>418,261</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):				
7915 Transfers In	--	--	--	--
8911 Transfers Out	--	--	--	--
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

411 Technology Allotment	426 TX ED Excellence Awards	427 TX ED Excellence Award	428 High School Allotment	429 State Funded Special Revenue Fund
\$ --	\$ --	\$ --	\$ --	\$ --
193,613	68,481	68,875	550,457	21
--	--	--	--	--
<u>193,613</u>	<u>68,481</u>	<u>68,875</u>	<u>550,457</u>	<u>21</u>
129,944	68,481	68,875	550,457	21
--	--	--	--	--
17,728	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
53,718	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>201,390</u>	<u>68,481</u>	<u>68,875</u>	<u>550,457</u>	<u>21</u>
(7,777)	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>(7,777)</u>	--	--	--	--
9,244	--	--	--	--
<u>\$ 1,467</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, 2007

Data Control Codes	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ 193,414	\$ 286,453	\$ 1,500,562
5800 State Program Revenues	486,275	--	1,897,132
5900 Federal Program Revenues	--	--	10,647,701
5020 Total Revenues	<u>679,689</u>	<u>286,453</u>	<u>14,045,395</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	526,113	109,756	7,180,065
0012 Instructional Resources and Media Services	--	51,925	55,251
0013 Curriculum and Staff Development	--	43,713	661,239
0021 Instructional Leadership	153,576	--	812,886
0023 School Leadership	--	49,784	159,528
0031 Guidance, Counseling, & Evaluation Services	--	349	781,839
0034 Student Transportation	--	--	24,849
0035 Food Service	--	--	3,877,799
0036 Cocurricular/Extracurricular Activities	--	6,235	6,235
0041 General Administration	--	--	84,218
0051 Plant Maintenance and Operations	--	23,845	77,563
0052 Security and Monitoring Services	--	813	110,308
0061 Community Services	--	--	29,452
6030 Total Expenditures	<u>679,689</u>	<u>286,420</u>	<u>13,861,232</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>--</u>	<u>33</u>	<u>184,163</u>
Other Financing Sources and (Uses):			
7915 Transfers In	--	--	20,539
8911 Transfers Out	--	--	(20,539)
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>33</u>	<u>184,163</u>
0100 Fund Balances - Beginning	--	104,141	939,228
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ 104,174</u>	<u>\$ 1,123,391</u>

## Other Supplementary Information

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FOR THE YEAR ENDED AUGUST 31, 2007

Year Ended August 31	1 Tax Rates		2	3 Assessed/Appraised Value For School Tax Purposes
	Maintenance	Debt Service		
1998 and Prior Years	\$ Various	\$ Various		\$ Various
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	1.50	.11		2,770,955,031
2007 (School Year Under Audit)	1.37	.098		3,036,300,384

1000 Totals

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

10 Beginning Balance 9/1/06	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/07
\$ 469,954	\$ --	\$ 18,508	\$ --	\$ (50,397)	\$ 401,049
94,585	--	5,272	--	(2,736)	86,577
155,365	--	7,025	525	(3,356)	144,459
141,472	--	11,698	763	(7,432)	121,579
161,369	--	25,953	2,171	1,480	134,725
244,319	--	36,686	1,303	1,980	208,319
220,270	--	48,391	3,891	7,426	175,414
336,667	--	90,855	23,396	10,567	232,983
1,150,656	--	678,632	38,585	(84,462)	348,977
--	44,572,890	40,861,578	2,918,956	96,299	888,655
<u>\$ 2,974,657</u>	<u>\$ 44,572,890</u>	<u>\$ 41,784,598</u>	<u>\$ 2,989,590</u>	<u>\$ (30,631)</u>	<u>\$ 2,742,728</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-2**

SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2008-2009  
GENERAL AND SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2007

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	\$ --	\$ --	\$ 342,764	\$ 1,182,081	\$ 73,744	\$ 53,274	\$ 1,651,863
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	--	--	151,834	--	--	--	151,834
6212	Audit Services	--	--	--	22,750	--	--	22,750
6213	Tax Appraisal and Collection	--	661,887	--	--	--	--	661,887
621X	Other Prof. Services	15,146	--	7,597	16,794	--	5,090	44,627
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	8,803	--	--	8,803
6240	Contr. Maint. and Repair	--	--	--	--	--	--	--
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	5,226	17,897	--	--	23,123
6290	Miscellaneous Contr.	--	--	11,243	754	250	--	12,247
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	1,006	60	150	--	1,216
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	1,105	--	815	80,172	6,948	35	89,075
6410	Travel, Subsistence, Stipends	12,016	--	5,571	25,726	1,395	--	44,708
6420	Ins. and Bonding Costs	32,063	--	--	313	--	--	32,376
6430	Election Costs	311	--	--	--	--	--	311
6490	Miscellaneous Operating	8,689	--	2,607	25,716	18,802	2,178	57,992
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	12,182	12,182

Total \$ 69,330 \$ 661,887 \$ 528,663 \$ 1,381,066 \$ 101,289 \$ 72,759 \$ 2,814,994

Total expenditures for General and Special Revenue Funds (9) \$ 69,424,028

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 3,193,209
Total Debt & Lease (6500)	(11)	\$ 156,180
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 6,802,288
Food (Function 35, 6341 and 6499)	(13)	\$ 1,673,651
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		\$ 1,381,066

Subtotal 13,206,394

Net Allowed Direct Cost \$ 56,217,634

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 62,086,338
Historical Cost of Buildings over 50 years old	(16)	5,285,515
Amount of Federal Money in Building Cost (Net of #16)	(17)	282,343
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	6,689,926
Historical Cost of Furniture & Equipment over 16 years old	(19)	1,092,078
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 162,098

(8) Note A - \$74,372 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, 2007

EXHIBIT J-3

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2007 (Exhibit C-1 object 3000 for the General Fund only)	\$ 24,530,445
2	Total General Fund Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	210,363
3	Total General Fund Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	16,550,000
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 (9/1/07 - 5/31/08)	6,303,667
6	Estimate of delayed payments from state sources (58XX) including August payment delays	664,333
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)	1,364,989
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)	25,093,352
11	Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 10)	\$ (562,907)

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, 2007

Data Control Codes	1		2		3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts				Actual	
	Original	Final				
<b>REVENUES:</b>						
5700	Local and Intermediate Sources	\$ 1,110,839	\$ 1,110,839	\$ 1,020,469	\$ (90,370)	
5800	State Program Revenues	170,983	170,983	70,961	(100,022)	
5900	Federal Program Revenues	3,117,307	3,117,307	2,892,041	(225,266)	
5020	Total Revenues	<u>4,399,129</u>	<u>4,399,129</u>	<u>3,983,471</u>	<u>(415,658)</u>	
<b>EXPENDITURES:</b>						
Current:						
Support Services - Student (Pupil):						
0035	Food Services	4,419,668	4,419,668	3,817,752	601,916	
	Total Support Services - Student (Pupil)	<u>4,419,668</u>	<u>4,419,668</u>	<u>3,817,752</u>	<u>601,916</u>	
6030	Total Expenditures	<u>4,419,668</u>	<u>4,419,668</u>	<u>3,817,752</u>	<u>601,916</u>	
1100	Excess (Deficiency) of Revenues Over (Under)					
1100	Expenditures	<u>(20,539)</u>	<u>(20,539)</u>	<u>165,719</u>	<u>186,258</u>	
Other Financing Sources (Uses):						
7915	Transfers In	20,539	20,539	20,539	--	
7080	Total Other Financing Sources and (Uses)	<u>20,539</u>	<u>20,539</u>	<u>20,539</u>	<u>--</u>	
1200	Net Change in Fund Balance	--	--	186,258	186,258	
0100	Fund Balance - Beginning	805,303	805,304	805,304	--	
3000	Fund Balance - Ending	<u>\$ 805,303</u>	<u>\$ 805,304</u>	<u>\$ 991,562</u>	<u>\$ 186,258</u>	

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-5**

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2007

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 2,961,274	\$ 2,961,274	\$ 3,068,259	\$ 106,985
5800	State Program Revenues	--	--	(1,053)	(1,053)
5020	Total Revenues	<u>2,961,274</u>	<u>2,961,274</u>	<u>3,067,206</u>	<u>105,932</u>
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long-Term Debt	2,154,998	2,154,998	2,154,998	--
0072	Interest on Long-Term Debt	873,552	873,552	873,552	--
0073	Bond Issuance Costs and Fees	9,000	9,000	623	8,377
	Total Debt Service	<u>3,037,650</u>	<u>3,037,650</u>	<u>3,029,173</u>	<u>8,477</u>
6030	Total Expenditures	<u>3,037,650</u>	<u>3,037,650</u>	<u>3,029,173</u>	<u>8,477</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(76,376)	(76,376)	38,033	114,409
1200	Net Change in Fund Balance	<u>(76,376)</u>	<u>(76,376)</u>	<u>38,033</u>	<u>114,409</u>
0100	Fund Balance - Beginning	485,805	485,805	485,805	--
3000	Fund Balance - Ending	<u>\$ 409,429</u>	<u>\$ 409,429</u>	<u>\$ 523,838</u>	<u>\$ 114,409</u>



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

Certified Public Accountants

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## Independent Auditors' Report

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

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

Members of the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Longview Independent School District as of and for the year ended August 31, 2007, which collectively comprise the Longview Independent School District's basic financial statements and have issued our report thereon dated December 12, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Longview Independent School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Longview Independent School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Longview Independent School District's internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Longview Independent School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Longview Independent School District's financial statements that is more than inconsequential will not be prevented by the Longview Independent School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Longview Independent School District's internal control.

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Longview Independent School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of

laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

Karen A. Jacks & Associates, P.C.

December 12, 2007

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

Certified Public Accountants

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## Independent Auditors' Report

Report on Compliance with Requirements Applicable  
To each Major Program and Internal Control over Compliance  
In Accordance With OMB Circular A-133

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

Members of the Board of Trustees:

### Compliance

We have audited the compliance of Longview Independent School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2007. Longview Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Longview Independent School District's management. Our responsibility is to express an opinion on Longview Independent School District's compliance based on our audit.

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

In our opinion, Longview Independent School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2007.

### Internal Control Over Compliance

The management of Longview Independent School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Longview Independent School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of

Longview Independent School District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

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

Karen A. Jacks & Associates, P.C.

December 12, 2007

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2007**

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified?      Yes   X   No

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

Noncompliance material to financial statements noted?      Yes   X   No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?      Yes   X   No

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

Type of 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:

CFDA Number(s)	<u>Name of Federal Program or Cluster</u>
84.184	Alcohol Abuse Reduction Grant
10.553/10.555/10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$326,197

Auditee qualified as low-risk auditee?   X   Yes      No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED AUGUST 31, 2007

<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, 2007

None required.



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2007

(1)	(2)	(2A)	(3)	
Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION</b>				
<b>Direct Programs:</b>				
489	Student Drug Testing - School Based	84.184D	092-903	\$ 64,476
489	Student Drug Testing - School Based	84.184D	092-903	260,956
	Total CFDA Number 84.184D			<u>325,432</u>
489	Alcohol Abuse Reduction - SDFS	84.184A	092-903	5,475
489	Alcohol Abuse Reduction - SDFS	84.184A	092-903	431,834
489	Alcohol Abuse Reduction - SDFS	84.184A	092-903	12,741
	Total CFDA Number 84.184A			<u>450,050</u>
309	Magnet Schools Assistance	84.165	092-903	132,965
309	Magnet Schools Assistance	84.165	092-903	313,476
309	Magnet Schools Assistance	84.165	092-903	1,394,774
309	Magnet Schools Assistance	84.165	092-903	15,061
	Total CFDA Number 84.165			<u>1,856,276</u>
	Total Direct Programs			<u>2,631,758</u>
<b>Passed Through State Department of Education:</b>				
211	ESEA Title I Part A - Improving Basic Programs	84.010A	07610101092903	2,574,144
211	ESEA Title I Part A - Improving Basic Programs	84.010A	08610101092903	105,982
	Total CFDA Number 84.010A			<u>2,680,126</u>
224	IDEA-B Formula	84.027	0766000109290366	1,493,523
224	IDEA-B Formula	84.027	0866000109290366	73,822
226	IDEA-B Discretionary	84.027	0766100109290366	38,582
226	IDEA-B Discretionary	84.027	0866000209290366	788
227	IDEA-B Deaf	84.027	0766000109290366	19,706
	Total CFDA Number 84.027			<u>1,626,421</u>
244	Vocational Education - Basic Grant	84.048	0742000609290307	125,985
225	IDEA-B Preschool	84.173	0766100109290366	39,590
225	IDEA-B Preschool	84.173	0866100109290366	1,624
228	IDEA-B Preschool Deaf	84.173	0766100109290366	1,949
	Total CFDA Number 84.173			<u>43,163</u>
253	IDEA-C Early Intervention (Deaf)	84.181A	0739110109290339	1,121
204	ESEA Title IV Part A-Safe & Drug-Free Schools & Communities Act	84.186A	07691001092903	51,596
204	ESEA Title IV Part A-Safe & Drug-Free Schools & Communities Act	84.186A	08691001092903	1,900
	Total CFDA Number 84.186A			<u>53,496</u>
269	Title V, Part A - Innovative Programs	84.298	07668501092903	5,293
262	Title II Part D Enhancing Education Through Technology	84.318	07630001092903	26,106
262	Title II Part D Enhancing Education Through Technology	84.318	08630001092903	2,300
	Total CFDA Number 84.318			<u>28,406</u>
263	Title III Part A English Language Acquisition and Language Enhance	84.365A	07671001092903	65,247
263	Title III Part A English Language Acquisition and Language Enhance	84.365A	08671001092903	2,848
	Total CFDA Number 84.365A			<u>68,095</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2007

Data Control Codes	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
255	ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	07694501092903	526,674
255	ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	08694501092903	50,413
	Total CFDA Number 84.367A			<u>577,087</u>
	Total Passed Through State Department of Education			<u>5,209,193</u>
	Total U. S. Department of Education			<u>\$ 7,840,951</u>
U. S. DEPARTMENT OF DEFENSE				
Passed Through None:				
314	ROTC	12.000	N/A	<u>\$ 56,449</u>
	Total U. S. Department of Defense			<u>56,449</u>
U. S. DEPARTMENT OF AGRICULTURE				
Passed Through Texas Department of Health Services:				
242	Summer Feeding Program *	10.559	092-903	83,788
Passed Through State Department of Education:				
241	Food Distribution	10.550	092-903	213,184
240	School Breakfast Program *	10.553	092-903	856,451
240	National School Lunch Program *	10.555	092-903	1,822,406
	Total Passed Through State Department of Education			<u>2,892,041</u>
	Total U. S. Department of Agriculture			<u>2,975,829</u>
	<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 10,873,229</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, 2007

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	\$ 10,873,229
Other Federal Revenue Sources:	
School Health and Related Services (SHARS)	71,219
Medicaid Administrative Claiming (MAC)	<u>8,100</u>
Total Federal Revenues, Exhibit C-2	<u>\$ 10,952,548</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
 AS OF AUGUST 31, 2007

<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?	\$ --

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