

**LONGVIEW  
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2008

## Introductory Section

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Longview Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2008

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
<b>INTRODUCTORY SECTION</b>		
Certificate of Board.....	5	
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report on Financial Statements.....	9	
Management's Discussion and Analysis (Required Supplementary Information).....	11	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	20	A-1
Statement of Activities.....	21	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	22	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	23	C-1R
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	24	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	25	C-3
Statement of Fiduciary Net Assets - Fiduciary Funds.....	26	E-1
Notes to the Financial Statements .....	27	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	40	G-1
<u>Combining Statements as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	44	H-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	45	H-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	46	H-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	54	H-4

Longview Independent School District  
 Annual Financial Report  
 For The Year Ended August 31, 2008

TABLE OF CONTENTS

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

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, 2008, at a meeting of the board of trustees of such school district on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

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

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

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## Financial Section



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

Certified Public Accountants

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## Independent Auditors' Report on Financial Statements

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

Members of the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Longview Independent School District as of and for the year ended August 31, 2008, 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, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2008, 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 11, 2008

## 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 8/31/08. Please read it in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

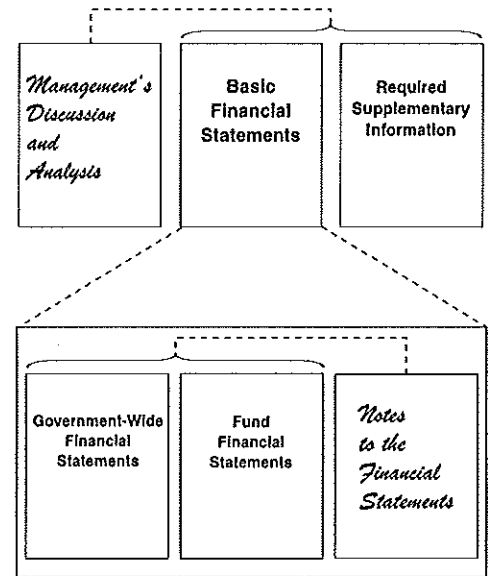
- The District's total combined net assets were \$63,642,922 at 8/31/08.
- During the year, the District's expenses were \$6,697,979 less than the \$81,173,128 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$26,682,430.
- The District issued \$129,998,593 in Unlimited Tax School Building Bonds during the year. This is the first of 2 installments of debt scheduled to occur from the bond issue approved by voters on 5/10/08, totaling \$266,875,000.

### 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

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.

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	* Statement of net assets	* Balance sheet	* Statement of net assets	* Statement of fiduciary net assets
	* Statement of activities	* Statement of revenues, expenditures & changes in fund balances	* Statement of revenues, expenses and changes in fund net assets	* Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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.

- *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 \$63,642,922 at 8/31/08. (See Table A-1).

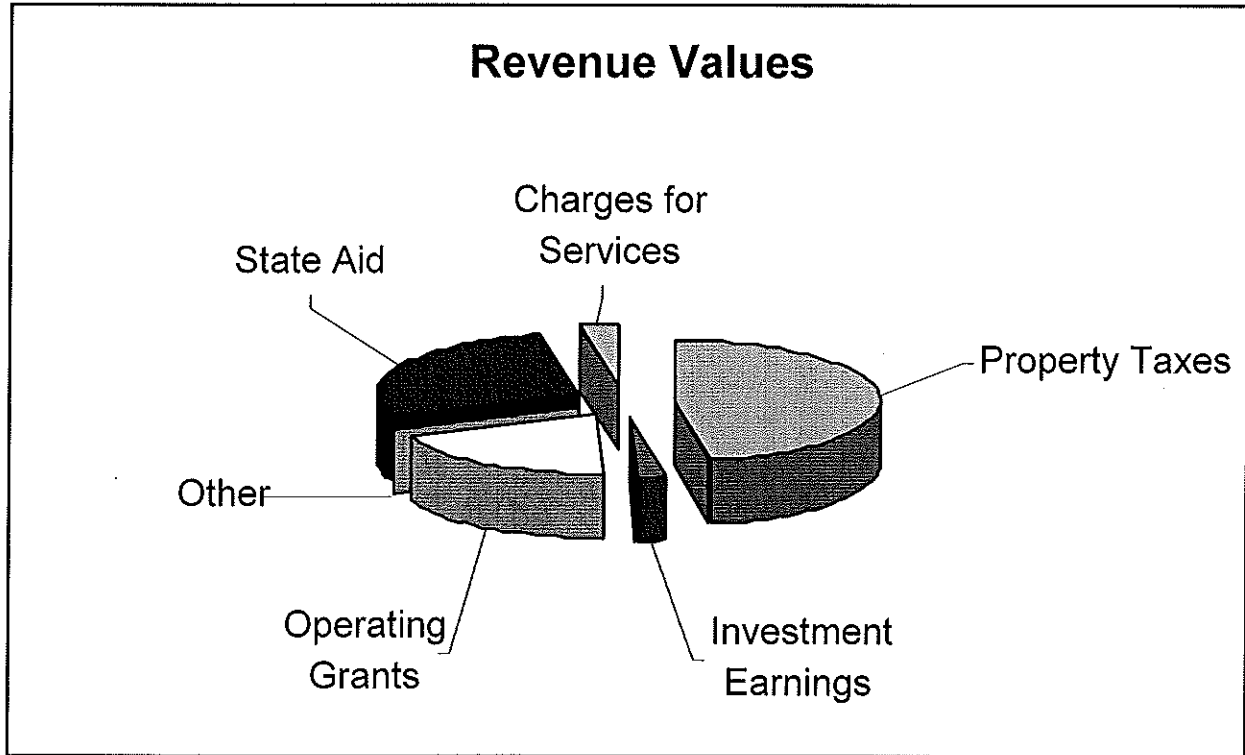
**Table A-1**  
Longview Independent School District's Net Assets  
(In millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2008-2007
<b>Current assets:</b>							
Cash and cash equivalents	15.429	15.700	0	(0)	15.429	15.700	(1.73)
Current Investments	143.081	8.456	0	(0)	143.081	8.456	1592.06
Property Taxes Receivable	2.016	2.307	0	(0)	2.016	2.307	(12.61)
Due from other Government	4.310	4.861	0	(0)	4.310	4.861	(11.34)
Other receivables	.094	.218	0	(0)	.094	.218	(56.88)
Inventories – at cost	.372	.359			.372	.359	3.62
Deferred Exp & Bond Costs	(.279)	.325	0	(0)	(.279)	.325	(185.85)
<b>Total current assets:</b>	<b>165.023</b>	<b>32.226</b>	<b>0</b>	<b>(0)</b>	<b>165.023</b>	<b>32.226</b>	<b>412.08</b>
<b>Noncurrent assets:</b>							
Bldg., Furn. & Eqmt, CIP	71.427	68.776	0	(0)	71.427	68.776	3.85
Less Accum. Depr.	(29.449)	(28.047)	0	(0)	(29.449)	(28.047)	5.00
Land	4.507	2.595	0	(0)	4.507	2.595	73.68
<b>Total noncurrent assets</b>	<b>46.485</b>	<b>43.324</b>	<b>0</b>	<b>(0)</b>	<b>46.485</b>	<b>43.324</b>	<b>7.30</b>
<b>Total Assets</b>	<b>211.508</b>	<b>75.550</b>	<b>0</b>	<b>(0)</b>	<b>211.508</b>	<b>75.550</b>	<b>179.96</b>
<b>Current liabilities:</b>							
Accounts payable and accrued liabilities	5.415	3.687	0	(0)	5.415	3.687	46.87
Notes payable	2.765	2.663	0	(0)	2.765	2.663	3.83
Due to other governments	.041	.060	0	(0)	.041	.060	(31.67)
Deferred revenue	.330	.260	0	(0)	.330	.260	26.92
<b>Total current liabilities</b>	<b>8.551</b>	<b>6.670</b>	<b>0</b>	<b>(0)</b>	<b>8.551</b>	<b>6.670</b>	<b>28.20</b>
<b>Long-term liabilities:</b>							
Notes payable	139.314	11.935	0	(0)	139.314	11.935	1,067.27
<b>Total Liabilities</b>	<b>147.865</b>	<b>18.605</b>	<b>0</b>	<b>(0)</b>	<b>147.865</b>	<b>18.605</b>	<b>694.76</b>
<b>Net Assets:</b>							
Invested in capital assets	34.319	30.444	0	(0)	34.319	30.444	12.73
Restricted	3.302	1.797	0	(0)	3.302	1.797	83.75
Unrestricted	26.022	24.704	0	(0)	26.022	24.704	5.34
<b>Total Net Assets</b>	<b>63.643</b>	<b>56.945</b>	<b>0</b>	<b>(0)</b>	<b>63.643</b>	<b>56.945</b>	<b>11.76</b>

Restricted Net Assets are dedicated to various uses, namely: debt service, state and federal programs, and campus activities. The \$26,022,379 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 \$81,173,128. A significant portion, \$38,383,294 or 47%, of the District's revenue comes from taxes. (See Figure Below) 47% comes from State aid, Operating Grants and Contributions, while only 6% relates to charges for services and investment earnings.

The total cost of all programs and services was \$74,475,149; 83.7% of these costs are for instructional and student services.



#### Governmental Activities

- Property tax rates decreased twenty-two percent. This decrease coupled with increasing property values produced a decrease in the tax levy by \$6,561,863 over the prior year.
- The District issued \$129,998,593 of Unlimited Tax School Building Bonds. The bonds were issued as part of a larger bond issue approved by taxpayers in May, 2008. The bonds will be used to fund the construction of new facilities, as well as renovations to existing facilities and technology. An architect has been hired and the project is in the design phase as of 8/31/08.

**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 2008-2007
	2008	2007	2008	2007	2008	2007	
<b>Program Revenues:</b>							
Charges for Services	2.547	2.359	0	0	2.547	2.359	7.97
Operating Grants and Contributions	15.369	14.980	0	0	15.369	14.980	2.60
Capital Grants and Contributions	0	0	0	0	0	0	0
<b>General Revenues</b>							
Property Taxes	38.383	45.273	0	0	38.383	45.273	(15.22)
State Aid	22.874	14.833	0	0	22.874	14.833	54.21
Investment Earnings	1.652	1.812	0	0	1.652	1.812	(8.83)
Other	.348	.181	0	0	.348	.181	92.27
<b>Total Revenues</b>	<b>81.173</b>	<b>79.438</b>	<b>0</b>	<b>0</b>	<b>81.173</b>	<b>79.438</b>	<b>2.18</b>
<b>Expenses:</b>							
Instruction	40.403	37.818	0	0	40.403	37.818	6.84
Instructional Resources and Media Services	1.416	1.431	0	0	1.416	1.431	(1.05)
Curriculum Dev. And Instructional Staff Dev.	1.659	1.179	0	0	1.659	1.179	40.71
Instructional Leadership	2.044	1.990	0	0	2.044	1.990	2.71
School Leadership	4.075	3.727	0	0	4.075	3.727	9.34
Guidance, Counseling and Evaluation Services	2.905	2.906	0	0	2.905	2.906	(0.03)
Social Work Services	.011	.164	0	0	.011	.164	(93.29)
Health Services	.670	.608	0	0	.670	.608	10.20
Student (Pupil) Transportation	2.789	2.396	0	0	2.789	2.396	16.40
Food Services	4.160	3.854	0	0	4.160	3.854	7.94
Curricular/Extracurricular Activities	2.204	1.968	0	0	2.204	1.968	11.99
General Administration	2.760	2.785	0	0	2.760	2.785	(0.90)
Plant Maintenance & Oper.	7.433	6.926	0	0	7.433	6.926	7.32
Security & Monitoring Svcs.	.519	.574	0	0	.519	.574	(9.58)
Data Processing Services	.616	.594	0	0	.616	.594	3.70
Community Services	.262	.190	0	0	.262	.190	37.89
School District Admin. Support Services			0	0			
Debt Service	.549	.721	0	0	.549	.721	(23.86)
Facilities Acquisition and Construction	0	0	0	0	0	0	0
Contracted Instr. Services Between Public Schools	0	0	0	0	0	0	0
Increment Costs Associated Chapter 41 (WADA)	0	0	0	0	0	0	0
Payments to Fiscal Agent/ Member Dist. – SSA	0	0	0	0	0	0	0
Public Education Grant Progr.	0	0	0	0	0	0	0
Payments to Juvenile Justice Alternative Ed. Program	0	0	0	0	0	0	0
Payments to Charter Schools	0	0	0	0	0	0	0
Payments to Tax Increment Fund	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>74.475</b>	<b>67.831</b>	<b>0</b>	<b>0</b>	<b>74.475</b>	<b>67.831</b>	<b>9.79</b>
<b>Excess (Deficiency) Before Other Resources, Uses &amp; Transfers</b>	<b>6.698</b>	<b>9.607</b>	<b>0</b>	<b>0</b>	<b>6.698</b>	<b>9.607</b>	<b>(30.28)</b>
Special Item Inflow	0	.135	0	0	0	.135	(100.00)
Other Resources (Uses) Transfers In (Out)	0	0	0	0	0	0	0
<b>Increase (Decrease) in Net Assets</b>	<b>6.698</b>	<b>9.742</b>	<b>0</b>	<b>0</b>	<b>6.698</b>	<b>9.742</b>	<b>(31.25)</b>



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

- The cost of all *governmental* activities this year was \$74,475,149.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$38,383,294.
- Some of the cost was paid by those who directly benefited from the programs, totaling \$2,546,548, or by grants and contributions totaling \$15,369,271.

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

	Total Cost of Services		% Change	Net Cost of Services		% Change
	<u>2008</u>	<u>2007</u>		<u>2008</u>	<u>2007</u>	
Instruction	43.478	40.428	7.54	33.218	30.491	8.94
School administration	6.119	5.717	7.03	4.963	4.562	8.79
Student Support Services	12.738	11.896	7.08	6.892	6.391	7.84
Plant Maintenance & Operations	7.433	6.925	7.34	7.167	6.665	7.53

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$81,412,502, an increase of 2.11% over the preceding year. The net increase is a result of additional proceeds from state revenues.

#### General Fund Budgetary Highlights

Over the course of the year, the District revised its budget 14 times. Actual expenditures were \$4,333,168 below final budget amounts. The most significant positive variance resulted in the areas of staffing, utility savings and postponed roofing projects. 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 a prior year 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 \$1,019,140 above the final budgeted amount.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

At the end of 2008, the District had invested \$75,934,500 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 \$4,563,079 or slightly more than 6% 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 2008-2007
	2008	2007	2008	2007	2008	2007	
Land	4.508	2.595	0	0	4.508	2.595	73.72
Buildings and improvements	62.306	62.086	0	0	62.306	62.086	0.35
Vehicles	4.058	3.948	0	0	4.058	3.948	2.79
Equipment	3.358	2.742	0	0	3.358	2.742	22.47
Other	1.704	0.00	0	0	1.704	0.00	100.00
Totals at historical cost	75.934	71.371	0	0	75.934	71.371	6.39
Total accumulated depreciation	29.449	28.046	0	0	29.449	28.046	5.00
Net capital assets	46.485	43.325	0	0	46.485	43.325	7.29

The District expended \$1.913 million on land so that construction of the new buildings that were approved in the bond election in May, 2008 could begin. In addition, new buses, stadium seating improvements and a new video score board were purchased. 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 \$142,079,224 in bonds, 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 Standard & Poors and Fitch "AAA" ratings with underlying ratings as follows: "AA-"

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2008-2007
	2008	2007	2008	2007	2008	2007	
Bonds payable	142.458	15.123	0	0	142.428	15.123	842.00
Accreted interest on CABs	.006	0	0	0	.006	0	100.00
Less deferred amount							
On refundings	(.385)	(.525)	(0)	(0)	(.385)	(.525)	(26.67)
Total bonds & notes payable	142.079	14.598	0	0	142.079	14.598	873.28

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

- The appraised value used for the 2009 budget preparation increased by \$343 million or 9.8% from last year.
- Property values continued on an upward trend for the 08/09 budget year.
- A salary action plan continued for 2008-09. 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 3.84%. Non-instructional staff received a 3% increase.
- The tax rate to support the 08/09 budget is 1.29795 per hundred dollar in value as compared to 1.13805 per hundred dollar in value for 07/08.
- The LISD student enrollment is projected to decline, based upon historical trend analysis. Enrollment has dropped over the last six 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, 2008**

1

Data Control Codes	Governmental Activities
<b>ASSETS:</b>	
1110 Cash and Cash Equivalents	\$ 15,428,918
1120 Current Investments	143,081,053
1225 Property Taxes Receivable (Net)	2,016,376
1240 Due from Other Governments	4,309,589
1290 Other Receivables (Net)	94,210
1300 Inventories	372,345
1410 Deferred Expenses	314,504
1420 Capitalized Bond and Other Debt Issuance Costs	1,248,986
1430 Premium and Discount on Issuance of Bonds	(1,877,031)
1490 Other Current Assets	34,281
Capital Assets:	
1510 Land	4,507,989
1520 Buildings and Improvements, Net	38,325,438
1530 Furniture and Equipment, Net	1,947,734
1580 Construction in Progress	1,704,018
1000 Total Assets	<u>211,508,410</u>
<b>LIABILITIES:</b>	
2110 Accounts Payable	2,216,372
2140 Interest Payable	322,549
2165 Accrued Liabilities	2,876,168
2180 Due to Other Governments	41,644
2300 Unearned Revenue	329,531
Noncurrent Liabilities:	
2501 Due Within One Year	2,765,000
2502 Due in More Than One Year	139,314,224
2000 Total Liabilities	<u>147,865,488</u>
<b>NET ASSETS</b>	
3200 Invested in Capital Assets, Net of Related Debt	34,318,616
Restricted For:	
3820 State and Federal Programs	1,188,940
3850 Debt Service	1,980,179
3870 Campus Activities	132,808
3900 Unrestricted	26,022,379
3000 Total Net Assets	<u>\$ 63,642,922</u>

The accompanying notes are an integral part of this statement.

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2008

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Assets
		Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 40,403,482	\$ 790,432	\$ 8,304,032	\$ (31,309,018)
12	Instructional Resources and Media Services	1,415,891	50,945	70,274	(1,294,672)
13	Curriculum and Staff Development	1,658,733	50,476	993,739	(614,518)
21	Instructional Leadership	2,044,503	--	772,984	(1,271,519)
23	School Leadership	4,074,898	24,039	359,210	(3,691,649)
31	Guidance, Counseling, & Evaluation Services	2,904,578	1,727	830,397	(2,072,454)
32	Social Work Services	11,224	--	602	(10,622)
33	Health Services	669,897	330	103,850	(565,717)
34	Student Transportation	2,788,746	--	127,156	(2,661,590)
35	Food Service	4,159,714	1,014,603	3,127,554	(17,557)
36	Cocurricular/Extracurricular Activities	2,204,208	596,706	43,521	(1,563,981)
41	General Administration	2,760,309	--	250,927	(2,509,382)
51	Plant Maintenance and Operations	7,433,401	11,170	254,898	(7,167,333)
52	Security and Monitoring Services	518,716	6,120	76,681	(435,915)
53	Data Processing Services	615,802	--	20,475	(595,327)
61	Community Services	261,503	--	32,971	(228,532)
72	Interest on Long-term Debt	421,998	--	--	(421,998)
73	Bond Issuance Costs and Fees	127,481	--	--	(127,481)
81	Capital Outlay	65	--	--	(65)
TG	Total Governmental Activities	<u>74,475,149</u>	<u>2,546,548</u>	<u>15,369,271</u>	<u>(56,559,330)</u>
TP	Total Primary Government	<u>\$ 74,475,149</u>	<u>\$ 2,546,548</u>	<u>\$ 15,369,271</u>	<u>(56,559,330)</u>
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				35,080,071
DT	Property Taxes, Levied for Debt Service				3,303,223
IE	Investment Earnings				1,651,957
GC	Grants and Contributions Not Restricted to Specific Progra				22,873,693
MI	Miscellaneous				348,365
TR	Total General Revenues				<u>63,257,309</u>
CN	Change in Net Assets				6,697,979
NB	Net Assets - Beginning				56,944,943
NE	Net Assets - Ending				<u>\$ 63,642,922</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2008

Data Control Codes	10 General Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ 11,968,321	\$ 610,178	\$ 2,850,419	\$ 15,428,918
1120 Current Investments	13,356,080	129,181,043	543,930	143,081,053
1225 Taxes Receivable, Net	1,887,441	--	128,935	2,016,376
1240 Due from Other Governments	2,573,006	--	1,736,583	4,309,589
1260 Due from Other Funds	1,559,325	--	22,811	1,582,136
1290 Other Receivables	93,037	--	1,173	94,210
1300 Inventories	222,178	--	150,167	372,345
1410 Deferred Expenditures	307,529	--	6,975	314,504
1490 Other Current Assets	34,281	--	--	34,281
1000 Total Assets	<u>\$ 32,001,198</u>	<u>\$ 129,791,221</u>	<u>\$ 5,440,993</u>	<u>\$ 167,233,412</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 1,066,909	\$ 829,113	\$ 320,350	\$ 2,216,372
2150 Payroll Deductions & Withholdings	1,267	--	--	1,267
2160 Accrued Wages Payable	1,942,896	--	421,723	2,364,619
2170 Due to Other Funds	22,811	484,841	1,074,484	1,582,136
2180 Due to Other Governments	--	--	41,644	41,644
2200 Accrued Expenditures	454,253	--	56,029	510,282
2300 Unearned Revenue	1,830,632	--	339,911	2,170,543
2000 Total Liabilities	<u>5,318,768</u>	<u>1,313,954</u>	<u>2,254,141</u>	<u>8,886,863</u>
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3410 Investments in Inventory	222,180	--	77,397	299,577
3420 Debt Service	--	--	1,865,104	1,865,104
3450 Reserve for Food Service	--	--	1,060,022	1,060,022
3490 Other Reserves of Fund Balance	--	128,477,267	184,329	128,661,596
Designated Fund Balance:				
3510 Construction	15,387,168	--	--	15,387,168
3600 Unreserved	11,073,082	--	--	11,073,082
3000 Total Fund Balances	<u>26,682,430</u>	<u>128,477,267</u>	<u>3,186,852</u>	<u>158,346,549</u>
4000 Total Liabilities and Fund Balances	<u>\$ 32,001,198</u>	<u>\$ 129,791,221</u>	<u>\$ 5,440,993</u>	<u>\$ 167,233,412</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**AUGUST 31, 2008**

Total fund balances - governmental funds balance sheet	\$ 158,346,549
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.	46,485,180
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,841,012
Payables for bond principal which are not due in the current period are not reported in the funds.	(142,458,593)
Payables for bond interest which are not due in the current period are not reported in the funds.	(322,549)
Unamortized premiums and discounts on issuance of bonds are not reported in the funds.	(1,877,031)
Unamortized debt issuance costs are not reported in the funds.	1,248,986
Deferred loss on refunding bonds is not reported in the funds.	385,457
Accreted interest on capital appreciation bonds is not reported in the funds.	(6,088)
Rounding difference	(1)
Net assets of governmental activities - statement of net assets	<u>\$ 63,642,922</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, 2008**

Data Control Codes	10 General Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ 37,877,531	\$ 180,739	\$ 5,080,351	\$ 43,138,621
5800 State Program Revenues	25,383,641	--	2,144,528	27,528,169
5900 Federal Program Revenues	261,947	--	10,483,765	10,745,712
5020 Total Revenues	<u>63,523,119</u>	<u>180,739</u>	<u>17,708,644</u>	<u>81,412,502</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	32,766,715	--	6,899,384	39,666,099
0012 Instructional Resources and Media Services	1,309,262	--	51,429	1,360,691
0013 Curriculum and Staff Development	624,172	--	1,033,072	1,657,244
0021 Instructional Leadership	1,302,268	--	721,075	2,023,343
0023 School Leadership	3,843,569	--	213,534	4,057,103
0031 Guidance, Counseling, & Evaluation Services	2,159,486	--	734,800	2,894,286
0032 Social Work Services	10,922	--	--	10,922
0033 Health Services	638,127	--	27,312	665,439
0034 Student Transportation	2,843,287	--	54,506	2,897,793
0035 Food Service	--	--	4,106,299	4,106,299
0036 Cocurricular/Extracurricular Activities	1,744,905	--	167,939	1,912,844
0041 General Administration	2,692,999	--	41,441	2,734,440
0051 Plant Maintenance and Operations	7,351,280	--	48,304	7,399,584
0052 Security and Monitoring Services	436,123	--	80,590	516,713
0053 Data Processing Services	611,574	--	--	611,574
0061 Community Services	224,124	--	28,997	253,121
0071 Principal on Long-term Debt	133,000	--	2,530,000	2,663,000
0072 Interest on Long-term Debt	17,749	--	510,269	528,018
0073 Bond Issuance Costs and Fees	600	1,128,700	623	1,129,923
0081 Capital Outlay	2,614,735	1,704,017	--	4,318,752
6030 Total Expenditures	<u>61,324,897</u>	<u>2,832,717</u>	<u>17,249,574</u>	<u>81,407,188</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>2,198,222</u>	<u>(2,651,978)</u>	<u>459,070</u>	<u>5,314</u>
Other Financing Sources and (Uses):				
7911 Capital-Related Debt Issued (Regular Bonds)	--	129,998,593	--	129,998,593
7915 Transfers In	--	--	696,549	696,549
7916 Premium or Discount on Issuance of Bonds	--	1,756,633	--	1,756,633
7917 Prepaid Interest	--	--	407,789	407,789
8911 Transfers Out	(46,238)	(626,527)	(23,784)	(696,549)
7080 Total Other Financing Sources and (Uses)	<u>(46,238)</u>	<u>131,128,699</u>	<u>1,080,554</u>	<u>132,163,015</u>
1200 Net Change in Fund Balances	<u>2,151,984</u>	<u>128,476,721</u>	<u>1,539,624</u>	<u>132,168,329</u>
0100 Fund Balances - Beginning	24,530,446	546	1,647,228	26,178,220
3000 Fund Balances - Ending	<u>\$ 26,682,430</u>	<u>\$ 128,477,267</u>	<u>\$ 3,186,852</u>	<u>\$ 158,346,549</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, 2008**

Net change in fund balances - total governmental funds	\$ 132,168,329
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	4,742,722
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,582,145)
The gain or loss on the sale of capital assets is not reported in the funds.	14,907
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(14,907)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(239,373)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,663,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds	1,097,888
The accretion of interest on capital appreciation bonds is not reported in the funds.	(6,088)
(Increase) decrease in accrued interest from beginning of period to end of period	(295,681)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(129,998,593)
Bond premiums are reported in the funds but not in the SOA.	(1,712,479)
Loss on refunding bonds is amortized in the SOA but not in the funds.	<u>(139,601)</u>
Change in net assets of governmental activities - statement of activities	<u>\$ 6,697,979</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**AUGUST 31, 2008**

Data Control Codes		Agency Fund
		Student Activity
	<b>ASSETS:</b>	
1110	Cash and Cash Equivalents	\$ 177,266
1000	Total Assets	<u>\$ 177,266</u>
	<b>LIABILITIES:</b>	
	Current Liabilities:	
2190	Due to Student Groups	\$ 177,266
2000	Total Liabilities	<u>177,266</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, 2008**

**A. Summary of Significant Accounting Policies**

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

**1. Reporting Entity**

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental "reporting entity" as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity," as revised by GASB Statement No.39, and there are no component units included within the reporting entity.

**2. Basis of Presentation, Basis of Accounting**

**a. Basis of Presentation**

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

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

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

The District reports the following major governmental funds:

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

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

In addition, the District reports the following fund types:

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

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

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

b. Measurement Focus, Basis of Accounting

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

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

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

3. Financial Statement Amounts

a. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. The allowance for uncollectible taxes at August 31, 2008 was \$392,572.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

b. 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 Agriculture 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 transportation and instructional supplies.

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

c. Capital Assets

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	60
Building Improvements	20
Vehicles	5-10
Office Equipment	5-10
Computer Equipment	5-10

d. Receivable and Payable Balances

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

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

e. Interfund Activity

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

f. Use of Estimates

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

g. 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.

1. Cash Deposits:

At August 31, 2008, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$15,606,184 and the bank balance was \$16,856,745. The District's cash deposits at August 31, 2008 and during the year ended August 31, 2008, 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.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

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, 2008 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Texpool	Avg 44 days	\$ 2,643,886
TexStar	Avg 36 days	2,642,311
MBIA	Avg 40 days	138,914
Lone Star Investment Pool	Avg 43 days	137,655,942
Total Investments		<u>\$ 143,081,053</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, 2008, 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
Lone Star Investment Pool	AAAf/S1+

<u>Investment</u>	<u>Fitch Rating</u>
MBIA Texas CLASS	AAA/V1+

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.



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

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.

D. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2008, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Projects Fund	\$ 484,841	Short-term loans
Other Governmental Funds	General Fund	22,811	Short-term loans
General Fund	Other Governmental Funds	1,074,484	Short-term loans
	Total	<u>\$ 1,582,136</u>	

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2008, consisted of the following:

Transfers From	Transfers To	Amount	Reason
Other Governmental Funds	Other Governmental Funds	\$ 23,784	Transfer program income
General Fund	Other Governmental Funds	46,238	Transfer state funding for payroll
Capital Projects Fund	Other Governmental Funds	626,527	Transfer capitalized interest
	Total	<u>\$ 696,549</u>	

E. Capital Assets

Capital asset activity for the year ended August 31, 2008, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 2,595,158	\$ 1,912,832	\$ --	\$ 4,507,990
Construction in progress	--	1,704,018	--	1,704,018
Total capital assets not being depreciated	<u>2,595,158</u>	<u>3,616,850</u>	<u>--</u>	<u>6,212,008</u>
Capital assets being depreciated:				
Buildings and improvements	62,086,337	219,788	--	62,306,125
Vehicles	3,948,252	256,064	146,049	4,058,267
Equipment	2,741,674	650,020	33,594	3,358,100
Total capital assets being depreciated	<u>68,776,263</u>	<u>1,125,872</u>	<u>179,643</u>	<u>69,722,492</u>
Less accumulated depreciation for:				
Buildings and improvements	(22,758,598)	(1,222,090)	--	(23,980,688)
Vehicles	(3,025,912)	(210,138)	(146,049)	(3,090,001)
Equipment	(2,262,309)	(149,917)	(33,594)	(2,378,632)
Total accumulated depreciation	<u>(28,046,819)</u>	<u>(1,582,145)</u>	<u>(179,643)</u>	<u>(29,449,321)</u>
Total capital assets being depreciated, net	<u>40,729,444</u>	<u>(456,273)</u>	<u>--</u>	<u>40,273,171</u>
Governmental activities capital assets, net	<u>\$ 43,324,602</u>	<u>\$ 3,160,577</u>	<u>\$ --</u>	<u>\$ 46,485,179</u>

Depreciation was charged to functions as follows:

Instruction	\$ 752,041
Instructional Resources and Media Services	55,200
Curriculum and Staff Development	1,489
Instructional Leadership	21,160
School Leadership	17,795
Guidance, Counseling, & Evaluation Services	10,292
Social Work Services	302
Health Services	4,458
Student Transportation	167,326
Food Services	100,807
Extracurricular Activities	298,058
General Administration	37,959
Plant Maintenance and Operations	88,056
Security and Monitoring Services	2,003
Data Processing Services	16,817
Community Services	8,382
	<u>\$ 1,582,145</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

**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, 2008, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
Bonds and notes payable	\$ 15,123,000	\$ 129,998,593	\$ 2,663,000	\$ 142,458,593	\$ 2,765,000
Accrued interest on CABs	--	6,088	--	6,088	--
Less deferred amount on refunding	(525,058)	--	(139,601)	(385,457)	--
<b>Total governmental activities</b>	<b>\$ 14,597,942</b>	<b>\$ 130,004,681</b>	<b>\$ 2,523,399</b>	<b>\$ 142,079,224</b>	<b>\$ 2,765,000</b>

**2. Bonds and Notes Payable**

On May 10, 2008, voters approved the issuance of \$266,875,000 in bonds for facility needs.

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	\$ 8,985,000
Unlimited Tax Refunding Bonds, Series 2004	3.00%	FY 2010	3,030,000
Maintenance Tax Notes, Series 2004	3.47%	FY 2014	445,000
Unlimited Tax School Building Bonds, Series 2008	4.00-5.00%	FY 2036	111,605,000
Unlimited Tax School Building Bonds, Series 2008 - CAB	2.81-4.46%	FY 2018	18,393,593
			<u>\$ 142,458,593</u>

**3. Debt Service Requirements**

Debt service requirements on long-term debt at August 31, 2008, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2009	\$ 2,765,000	\$ 6,333,427	\$ 9,098,427
2010	3,225,420	5,790,310	9,015,730
2011	3,277,299	5,719,546	8,996,845
2012	3,430,616	5,668,427	9,099,043
2013	3,409,950	5,605,114	9,015,064
2014-2018	14,745,308	27,324,463	42,069,771
2019-2023	21,785,000	24,747,311	46,532,311
2024-2028	27,945,000	18,583,312	46,528,312
2029-2033	35,850,000	10,686,475	46,536,475
2034-2038	26,025,000	1,893,469	27,918,469
<b>Totals</b>	<b>\$ 142,458,593</b>	<b>\$ 112,351,854</b>	<b>\$ 254,810,447</b>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

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, 2008, 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.

<u>Bond Issue</u>	<u>Amount</u>
Contractual Obligations, Series 1999	\$ 1,430,000
Tax and Revenue Notes, Series 2001	4,690,000
Total	<u>\$ 6,120,000</u>

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 2008, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

H. Pension Plan

1. Plan Description

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

2. Funding Policy

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.58% of the District's covered payroll. The District's employees' contributions to the System for the years ending August 31, 2008, 2007 and 2006 were \$2,841,577, \$2,727,400 and \$2,494,491, 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, 2008, 2007 and 2006 were \$797,729, \$608,814 and \$511,074, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$2,644,686 for the year ended August 31, 2008.

I. Retiree Health Care Plan

1. Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas (TRS). TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS web site at [www.trs.state.tx.us](http://www.trs.state.tx.us), by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

2. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2008, 2007 and 2006. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2008, 2007, and 2006, the State's contributions to TRS-Care were \$444,065, \$426,173, and \$389,764, respectively, the active member contributions were \$288,594, \$277,006, and \$253,346, respectively, and the District's contributions were \$244,207, \$234,403, and \$214,377, respectively, which equaled the required contributions each year.

J. Employee Health Care Coverage

During the year ended August 31, 2008, 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.

K. Commitments and Contingencies

1. Contingencies

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

2. Litigation

No reportable litigation was pending against the District at August 31, 2008.

3. Commitments

On May 10, 2008, voters in the District approved a bond issue totaling \$266,875,000 to fund the construction of new facilities, as well as renovations to existing facilities and technology. An architect has been hired and the project is in the design phase as of August 31, 2008.

L. Shared Services Arrangements

Shared Services Arrangement - Fiscal Agent

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides deaf education services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in 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:

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

Member Districts	Expenditures
Marshall ISD	\$ 131,834
Hallsville ISD	71,909
Jefferson ISD	11,985
Big Sandy ISD	11,985
West Rusk ISD	11,985
Harleton ISD	11,985
Karnack ISD	11,985
Kilgore ISD	35,954
White Oak ISD	11,985
Gladewater ISD	11,985
Spring Hill ISD	23,970
Sabine ISD	11,985
Carthage ISD	23,970
Tatum ISD	23,970
Leverett's Chapel ISD	11,985
Harmony ISD	35,954
Union Grove ISD	23,970
Gilmer ISD	11,985
Pine Tree ISD	58,081
Elysian Fields ISD	35,955
Waskom ISD	11,985
Longview ISD	95,878
Total	<u>\$ 693,280</u>

**M. Subsequent Events**

In connection with the District's capital projects described in Note K, the following funds have been allocated from the General Fund subsequent to August 31, 2008.

Purchase of land for new facilities	\$ 1,800,000
Awarded contract for tennis facility	1,564,000
Lease of portable buildings for use during construction	258,000
Upgrade to plans for LHS Fine Arts building	2,500,000
	<u>\$ 6,122,000</u>

**N. Workers' Compensation**

The District joined together with other school districts in the East Texas area to form the East Texas Educational Insurance Association, a public entity risk pool currently operating a workers' compensation risk management and insurance program for various member school districts. During the 2007-08 school year, the District paid a fixed cost in the amount of \$185,595 for administration of claims, loss control, record keeping, and the cost of stop-loss insurance. Total workers' compensation claims paid amounted to \$85,459 for current year claims and (\$4,119) for claims incurred in prior years. However, the District may be required to pay, and retains the risk of loss for, workers' compensation claims up to the loss fund maximum. When and if other schools in the Association exceed their loss fund maximum, the District will be required to pay a percentage share of the excess.

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

	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
Year Ended August 31, 2008	\$ 680,998	\$ 81,340	\$ 252,053	\$ 510,285
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, 2008

O. Other Reserves of Fund Balance

Other reservations of fund balance consist of the following:

Capital Projects Fund	
Reserved for construction	\$ <u>128,477,267</u>
Other Governmental Funds	
Reserved for state technology allotment	\$ 51,521
Reserved for campus activity funds	<u>132,808</u>
Total Other Governmental Funds	\$ <u>184,329</u>

## 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, 2008

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts			
		Original	Final	Actual	
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ 36,481,105	\$ 36,878,506	\$ 37,877,531	\$ 999,025
5800	State Program Revenues	23,445,398	25,112,564	25,383,641	271,077
5900	Federal Program Revenues	512,909	512,909	261,947	(250,962)
5020	Total Revenues	<u>60,439,412</u>	<u>62,503,979</u>	<u>63,523,119</u>	<u>1,019,140</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction & Instructional Related Services:					
0011	Instruction	33,883,230	34,174,267	32,766,715	1,407,552
0012	Instructional Resources and Media Services	1,262,395	1,375,249	1,309,262	65,987
0013	Curriculum and Staff Development	559,901	772,927	624,172	148,755
	Total Instruction & Instr. Related Services	<u>35,705,526</u>	<u>36,322,443</u>	<u>34,700,149</u>	<u>1,622,294</u>
Instructional and School Leadership:					
0021	Instructional Leadership	1,419,034	1,456,448	1,302,268	154,180
0023	School Leadership	3,665,677	3,910,507	3,843,569	66,938
	Total Instructional & School Leadership	<u>5,084,711</u>	<u>5,366,955</u>	<u>5,145,837</u>	<u>221,118</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	2,051,334	2,233,018	2,159,486	73,532
0032	Social Work Services	78,599	36,045	10,922	25,123
0033	Health Services	648,877	731,116	638,127	92,989
0034	Student (Pupil) Transportation	3,037,832	3,211,621	2,843,287	368,334
0036	Cocurricular/Extracurricular Activities	1,732,155	1,904,110	1,744,905	159,205
	Total Support Services - Student (Pupil)	<u>7,548,797</u>	<u>8,115,911</u>	<u>7,396,727</u>	<u>719,184</u>
Administrative Support Services:					
0041	General Administration	2,683,187	2,814,843	2,692,999	121,844
	Total Administrative Support Services	<u>2,683,187</u>	<u>2,814,843</u>	<u>2,692,999</u>	<u>121,844</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	7,979,887	8,513,139	7,351,280	1,161,859
0052	Security and Monitoring Services	447,423	474,452	436,123	38,329
0053	Data Processing Services	617,685	658,532	611,574	46,958
	Total Support Services - Nonstudent Based	<u>9,044,995</u>	<u>9,646,122</u>	<u>8,398,977</u>	<u>1,247,145</u>
Ancillary Services:					
0061	Community Services	155,027	286,412	224,124	62,288
	Total Ancillary Services	<u>155,027</u>	<u>286,412</u>	<u>224,124</u>	<u>62,288</u>
Debt Service:					
0071	Principal on Long-Term Debt	133,000	133,000	133,000	--
0072	Interest on Long-Term Debt	17,749	17,749	17,749	--
0073	Bond Issuance Costs and Fees	--	2,500	600	1,900
	Total Debt Service	<u>150,749</u>	<u>153,249</u>	<u>151,349</u>	<u>1,900</u>
Capital Outlay:					
0081	Capital Outlay	--	2,952,131	2,614,735	337,396
	Total Capital Outlay	<u>--</u>	<u>2,952,131</u>	<u>2,614,735</u>	<u>337,396</u>
6030	Total Expenditures	<u>60,372,992</u>	<u>65,658,065</u>	<u>61,324,897</u>	<u>4,333,168</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

**EXHIBIT G-1**  
**Page 2 of 2**

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	66,420	(3,154,086)	2,198,222	5,352,308
	Other Financing Sources (Uses):				
8911	Transfers Out	(66,420)	(66,420)	(46,238)	20,182
7080	Total Other Financing Sources and (Uses)	(66,420)	(66,420)	(46,238)	20,182
1200	Net Change in Fund Balance	--	(3,220,506)	2,151,984	5,372,490
0100	Fund Balance - Beginning	24,530,446	24,530,446	24,530,446	--
3000	Fund Balance - Ending	<u>\$ 24,530,446</u>	<u>\$ 21,309,940</u>	<u>\$ 26,682,430</u>	<u>\$ 5,372,490</u>

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## Combining Statements and Budget Comparisons as Supplementary Information

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

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2008

Data Control Codes		Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 1,532,690	\$ 1,317,729	\$ 2,850,419
1120	Current Investments	--	543,930	543,930
1225	Taxes Receivable, Net	--	128,935	128,935
1240	Due from Other Governments	1,736,583	--	1,736,583
1260	Due from Other Funds	--	22,811	22,811
1290	Other Receivables	1,173	--	1,173
1300	Inventories	150,167	--	150,167
1410	Deferred Expenditures	6,975	--	6,975
1000	Total Assets	<u>\$ 3,427,588</u>	<u>\$ 2,013,405</u>	<u>\$ 5,440,993</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 320,350	\$ --	\$ 320,350
2160	Accrued Wages Payable	421,723	--	421,723
2170	Due to Other Funds	1,074,484	--	1,074,484
2180	Due to Other Governments	8,418	33,226	41,644
2200	Accrued Expenditures	56,029	--	56,029
2300	Unearned Revenue	224,836	115,075	339,911
2000	Total Liabilities	<u>2,105,840</u>	<u>148,301</u>	<u>2,254,141</u>
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3410	Investments in Inventory	77,397	--	77,397
3420	Debt Service	--	1,865,104	1,865,104
3450	Reserve for Food Service	1,060,022	--	1,060,022
3490	Other Reserves of Fund Balance	184,329	--	184,329
3000	Total Fund Balances	<u>1,321,748</u>	<u>1,865,104</u>	<u>3,186,852</u>
4000	Total Liabilities and Fund Balances	<u>\$ 3,427,588</u>	<u>\$ 2,013,405</u>	<u>\$ 5,440,993</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ 1,732,508	\$ 3,347,843	\$ 5,080,351
5800 State Program Revenues	2,144,528	--	2,144,528
5900 Federal Program Revenues	10,483,765	--	10,483,765
5020 Total Revenues	<u>14,360,801</u>	<u>3,347,843</u>	<u>17,708,644</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	6,899,384	--	6,899,384
0012 Instructional Resources and Media Services	51,429	--	51,429
0013 Curriculum and Staff Development	1,033,072	--	1,033,072
0021 Instructional Leadership	721,075	--	721,075
0023 School Leadership	213,534	--	213,534
0031 Guidance, Counseling, & Evaluation Services	734,800	--	734,800
0033 Health Services	27,312	--	27,312
0034 Student Transportation	54,506	--	54,506
0035 Food Service	4,106,299	--	4,106,299
0036 Cocurricular/Extracurricular Activities	167,939	--	167,939
0041 General Administration	41,441	--	41,441
0051 Plant Maintenance and Operations	48,304	--	48,304
0052 Security and Monitoring Services	80,590	--	80,590
0061 Community Services	28,997	--	28,997
0071 Principal on Long-term Debt	--	2,530,000	2,530,000
0072 Interest on Long-term Debt	--	510,269	510,269
0073 Bond Issuance Costs and Fees	--	623	623
6030 Total Expenditures	<u>14,208,682</u>	<u>3,040,892</u>	<u>17,249,574</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>152,119</u>	<u>306,951</u>	<u>459,070</u>
Other Financing Sources and (Uses):			
7915 Transfers In	70,022	626,527	696,549
7917 Prepaid Interest	--	407,789	407,789
8911 Transfers Out	(23,784)	--	(23,784)
7080 Total Other Financing Sources and (Uses)	<u>46,238</u>	<u>1,034,316</u>	<u>1,080,554</u>
1200 Net Change in Fund Balances	<u>198,357</u>	<u>1,341,267</u>	<u>1,539,624</u>
0100 Fund Balances - Beginning	1,123,391	523,837	1,647,228
3000 Fund Balances - Ending	<u>\$ 1,321,748</u>	<u>\$ 1,865,104</u>	<u>\$ 3,186,852</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2008**

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	\$ --	\$ --	\$ --	\$ --
1240 Due from Other Governments	48,239	369,758	--	273,686
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1410 Deferred Expenditures	--	--	--	--
1000 Total Assets	<u>\$ 48,239</u>	<u>\$ 369,758</u>	<u>\$ --</u>	<u>\$ 273,686</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ 9,800	\$ 17,244	\$ --	\$ 119,113
2160 Accrued Wages Payable	--	--	--	--
2170 Due to Other Funds	38,439	352,514	--	154,573
2180 Due to Other Governments	--	--	--	--
2200 Accrued Expenditures	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>48,239</u>	<u>369,758</u>	<u>--</u>	<u>273,686</u>
<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	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 48,239</u>	<u>\$ 369,758</u>	<u>\$ --</u>	<u>\$ 273,686</u>

211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	227 IDEA-B Deaf
\$ (1)	\$ --	\$ 320	\$ --	\$ --
128,009	80,247	2,012	21,322	--
--	--	--	--	--
--	--	--	--	--
6,000	--	--	--	--
<u>\$ 134,008</u>	<u>\$ 80,247</u>	<u>\$ 2,332</u>	<u>\$ 21,322</u>	<u>\$ --</u>
\$ 6,653	\$ 2,745	\$ --	\$ --	\$ --
114,420	75,389	2,012	--	--
6,786	2,113	--	21,322	--
6,149	--	320	--	--
--	--	--	--	--
--	--	--	--	--
<u>134,008</u>	<u>80,247</u>	<u>2,332</u>	<u>21,322</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 134,008</u>	<u>\$ 80,247</u>	<u>\$ 2,332</u>	<u>\$ 21,322</u>	<u>\$ --</u>



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2008

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	\$ --	\$ 1,247,509	\$ 21,872	\$ --
1240	Due from Other Governments	--	76,767	--	--
1290	Other Receivables	--	899	--	--
1300	Inventories	--	150,167	--	--
1410	Deferred Expenditures	--	900	--	--
1000	Total Assets	<u>\$ --</u>	<u>\$ 1,476,242</u>	<u>\$ 21,872</u>	<u>\$ --</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ 150,272	\$ --	\$ --
2160	Accrued Wages Payable	--	35,659	--	--
2170	Due to Other Funds	--	--	--	--
2180	Due to Other Governments	--	--	--	--
2200	Accrued Expenditures	--	56,029	--	--
2300	Unearned Revenue	--	118,735	--	--
2000	Total Liabilities	<u>--</u>	<u>360,695</u>	<u>--</u>	<u>--</u>
<b>FUND BALANCES:</b>					
Reserved Fund Balances:					
3410	Investments in Inventory	--	77,397	--	--
3450	Reserve for Food Service	--	1,038,150	21,872	--
3490	Other Reserves of Fund Balance	--	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>1,115,547</u>	<u>21,872</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 1,476,242</u>	<u>\$ 21,872</u>	<u>\$ --</u>

247 Achieve Texas	253 IDEA-C Deaf	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	263 English Language Acquisition and Enhancement
\$ --	\$ --	\$ 1,807	\$ --	\$ --
3,979	710	56,729	996	193
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 3,979</u>	<u>\$ 710</u>	<u>\$ 58,536</u>	<u>\$ 996</u>	<u>\$ 193</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	56,729	--	193
3,979	710	--	996	--
--	--	1,807	--	--
--	--	--	--	--
--	--	--	--	--
<u>3,979</u>	<u>710</u>	<u>58,536</u>	<u>996</u>	<u>193</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 3,979</u>	<u>\$ 710</u>	<u>\$ 58,536</u>	<u>\$ 996</u>	<u>\$ 193</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2008

Data Control Codes	269 Title V, Part A Innovative Programs	394 Pregnancy Education and Parenting Program	397 Advanced Placement Incentives	401 Optional Extended Year Program
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --
1240	Due from Other Governments	--	3,458	35,981
1290	Other Receivables	--	--	--
1300	Inventories	--	--	--
1410	Deferred Expenditures	--	--	--
1000	Total Assets	<u>\$ --</u>	<u>\$ 3,458</u>	<u>\$ 35,981</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ --	\$ --	\$ --
2160	Accrued Wages Payable	--	--	--
2170	Due to Other Funds	--	3,458	35,981
2180	Due to Other Governments	--	--	--
2200	Accrued Expenditures	--	--	--
2300	Unearned Revenue	--	--	--
2000	Total Liabilities	<u>--</u>	<u>3,458</u>	<u>35,981</u>
<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	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 3,458</u>	<u>\$ 35,981</u>

404 Student Success Initiative	409 T-STEM Grant	411 Technology Allotment	414 Texas Accelerated Science	424 Texas Fitness Now Grant
\$ --	\$ --	\$ 54,777	\$ --	\$ --
259,258	162,800	3,861	9,840	342
13	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 259,271</u>	<u>\$ 162,800</u>	<u>\$ 58,638</u>	<u>\$ 9,840</u>	<u>\$ 342</u>
\$ 165	\$ 5,535	\$ 7,117	\$ --	\$ --
2,021	3,897	--	--	--
257,085	153,368	--	9,840	342
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>259,271</u>	<u>162,800</u>	<u>7,117</u>	<u>9,840</u>	<u>342</u>
--	--	--	--	--
--	--	51,521	--	--
--	--	<u>51,521</u>	--	--
<u>\$ 259,271</u>	<u>\$ 162,800</u>	<u>\$ 58,638</u>	<u>\$ 9,840</u>	<u>\$ 342</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2008

Data Control Codes	425 Teacher Induction & Mentoring	426 Tx Ed Excellence Valley View	427 Tx Ed Excellence South Ward	428 High School Allotment	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ 29,500
1240	Due from Other Governments	34,578	63,707	--	--
1290	Other Receivables	--	--	--	--
1300	Inventories	--	--	--	--
1410	Deferred Expenditures	--	--	--	--
1000	Total Assets	<u>\$ 34,578</u>	<u>\$ 63,707</u>	<u>\$ --</u>	<u>\$ 29,500</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
2110	Accounts Payable	\$ --	\$ --	\$ --	\$ --
2160	Accrued Wages Payable	1,600	63,707	--	29,500
2170	Due to Other Funds	32,978	--	--	--
2180	Due to Other Governments	--	--	--	--
2200	Accrued Expenditures	--	--	--	--
2300	Unearned Revenue	--	--	--	--
2000	Total Liabilities	<u>34,578</u>	<u>63,707</u>	<u>--</u>	<u>29,500</u>
<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	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 34,578</u>	<u>\$ 63,707</u>	<u>\$ --</u>	<u>\$ 29,500</u>

429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds	499 Technology Consortium Region VII	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ 142	\$ 43,956	\$ 132,808	\$ --	\$ 1,532,690
--	100,111	--	--	1,736,583
--	261	--	--	1,173
--	--	--	--	150,167
--	75	--	--	6,975
<u>\$ 142</u>	<u>\$ 144,403</u>	<u>\$ 132,808</u>	<u>\$ --</u>	<u>\$ 3,427,588</u>
\$ --	\$ 1,706	\$ --	\$ --	\$ 320,350
--	36,596	--	--	421,723
--	--	--	--	1,074,484
142	--	--	--	8,418
--	--	--	--	56,029
--	106,101	--	--	224,836
<u>142</u>	<u>144,403</u>	<u>--</u>	<u>--</u>	<u>2,105,840</u>
--	--	--	--	77,397
--	--	--	--	1,060,022
--	--	132,808	--	184,329
<u>--</u>	<u>--</u>	<u>132,808</u>	<u>--</u>	<u>1,321,748</u>
<u>\$ 142</u>	<u>\$ 144,403</u>	<u>\$ 132,808</u>	<u>\$ --</u>	<u>\$ 3,427,588</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, 2008

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	251,556	363,748	41,762	1,103,864
5020 Total Revenues	<u>251,556</u>	<u>363,748</u>	<u>41,762</u>	<u>1,103,864</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	--	--	--	563,784
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	285	--	140,326
0021 Instructional Leadership	--	--	--	359,621
0023 School Leadership	--	--	--	19,797
0031 Guidance, Counseling, & Evaluation Services	176,676	363,463	41,762	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	20,336
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	74,880	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>251,556</u>	<u>363,748</u>	<u>41,762</u>	<u>1,103,864</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
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
2,967,836	1,630,037	39,127	36,625	19,707
<u>2,967,836</u>	<u>1,630,037</u>	<u>39,127</u>	<u>36,625</u>	<u>19,707</u>
2,285,357	1,410,697	39,127	36,625	19,707
--	--	--	--	--
430,809	2,550	--	--	--
117,059	72,074	--	--	--
7,232	79,338	--	--	--
58,334	65,378	--	--	--
--	--	--	--	--
40,425	--	--	--	--
--	--	--	--	--
--	--	--	--	--
820	--	--	--	--
--	--	--	--	--
--	--	--	--	--
27,800	--	--	--	--
<u>2,967,836</u>	<u>1,630,037</u>	<u>39,127</u>	<u>36,625</u>	<u>19,707</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, 2008

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	\$ --	\$ 1,051,701	\$ 474	\$ --
5800	State Program Revenues	--	76,522	2,813	--
5900	Federal Program Revenues	1,947	2,945,891	99,829	127,565
5020	Total Revenues	<u>1,947</u>	<u>4,074,114</u>	<u>103,116</u>	<u>127,565</u>
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	1,947	--	--	123,317
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	--	--	--	4,248
0021	Instructional Leadership	--	--	--	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	--	--	--	--
0033	Health Services	--	--	--	--
0034	Student Transportation	--	--	--	--
0035	Food Service	--	4,020,151	83,648	--
0036	Cocurricular/Extracurricular Activities	--	--	--	--
0041	General Administration	--	--	--	--
0051	Plant Maintenance and Operations	--	--	--	--
0052	Security and Monitoring Services	--	--	--	--
0061	Community Services	--	--	--	--
6030	Total Expenditures	<u>1,947</u>	<u>4,020,151</u>	<u>83,648</u>	<u>127,565</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	53,963	19,468	--
Other Financing Sources and (Uses):					
7915	Transfers In	--	70,022	--	--
8911	Transfers Out	--	--	(23,784)	--
7080	Total Other Financing Sources and (Uses)	--	<u>70,022</u>	<u>(23,784)</u>	--
1200	Net Change in Fund Balances	--	123,985	(4,316)	--
0100	Fund Balances - Beginning	--	991,562	26,188	--
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ 1,115,547</u>	<u>\$ 21,872</u>	<u>\$ --</u>

247	253	255	262	263
Achieve Texas	IDEA-C Deaf	ESEA Title II Training & Recruiting	Enhancing Education through Technology	English Language Acquisition and Enhancement
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
39,793	710	638,587	27,473	132,077
<u>39,793</u>	<u>710</u>	<u>638,587</u>	<u>27,473</u>	<u>132,077</u>
27,983	710	385,295	4,000	105,449
--	--	--	--	--
11,810	--	221,990	23,473	7,715
--	--	5,110	--	--
--	--	5,907	--	--
--	--	--	--	6,852
--	--	--	--	10,864
--	--	--	--	--
--	--	20,285	--	--
--	--	--	--	--
--	--	--	--	--
<u>39,793</u>	<u>710</u>	<u>638,587</u>	<u>27,473</u>	<u>132,077</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, 2008

Data Control Codes	269 Title V, Part A Innovative Programs	394 Pregnancy Education and Parenting Program	397 Advanced Placement Incentives	401 Optional Extended Year Program
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	3,458	9,355	35,981
5900 Federal Program Revenues	15,631	--	--	--
5020 Total Revenues	<u>15,631</u>	<u>3,458</u>	<u>9,355</u>	<u>35,981</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	15,631	3,458	205	32,764
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	--	9,150	--
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	--	3,217
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>15,631</u>	<u>3,458</u>	<u>9,355</u>	<u>35,981</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>

404 Student Success Initiative	409 T-STEM Grant	411 Technology Allotment	414 Texas Accelerated Science	424 Texas Fitness Now Grant
\$ --	\$ --	\$ --	\$ --	\$ --
374,662	196,262	219,692	13,843	20,621
--	--	--	--	--
<u>374,662</u>	<u>196,262</u>	<u>219,692</u>	<u>13,843</u>	<u>20,621</u>
344,074	99,146	110,282	13,843	20,621
--	--	--	--	--
30,588	4,635	12,958	--	--
--	6,258	--	--	--
--	71,405	--	--	--
--	14,818	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	46,398	--	--
--	--	--	--	--
--	--	--	--	--
<u>374,662</u>	<u>196,262</u>	<u>169,638</u>	<u>13,843</u>	<u>20,621</u>
--	--	50,054	--	--
--	--	--	--	--
--	--	--	--	--
--	--	50,054	--	--
--	--	1,467	--	--
\$ --	\$ --	\$ 51,521	\$ --	\$ --

# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2008

Data Control Codes	425 Teacher Induction & Mentoring	426 Tx Ed Excellence Valley View	427 Tx Ed Excellence South Ward	428 High School Allotment
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	85,442	68,024	3,748	528,902
5900 Federal Program Revenues	--	--	--	--
5020 Total Revenues	<u>85,442</u>	<u>68,024</u>	<u>3,748</u>	<u>528,902</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	--	51,087	(2,882)	528,902
0012 Instructional Resources and Media Services	--	2,898	1,001	--
0013 Curriculum and Staff Development	85,442	--	--	--
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	4,356	3,072	--
0031 Guidance, Counseling, & Evaluation Services	--	3,904	2,001	--
0033 Health Services	--	1,373	556	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	2,500	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	1,906	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>85,442</u>	<u>68,024</u>	<u>3,748</u>	<u>528,902</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>

429 State Funded Special Revenue Fund	435 Regional Day School for the Deaf	461 Campus Activity Funds	499 Technology Consortium Region VII	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ 253,152	\$ 427,181	\$ --	\$ 1,732,508
25,075	440,128	--	40,000	2,144,528
--	--	--	--	10,483,765
<u>25,075</u>	<u>693,280</u>	<u>427,181</u>	<u>40,000</u>	<u>14,360,801</u>
--	532,327	105,928	40,000	6,899,384
--	--	47,530	--	51,429
--	--	47,093	--	1,033,072
--	160,953	--	--	721,075
--	--	22,427	--	213,534
--	--	1,612	--	734,800
25,075	--	308	--	27,312
--	--	--	--	54,506
--	--	--	--	4,106,299
--	--	167,939	--	167,939
--	--	--	--	41,441
--	--	--	--	48,304
--	--	5,710	--	80,590
--	--	--	--	28,997
<u>25,075</u>	<u>693,280</u>	<u>398,547</u>	<u>40,000</u>	<u>14,208,682</u>
--	--	28,634	--	152,119
--	--	--	--	70,022
--	--	--	--	(23,784)
--	--	--	--	46,238
--	--	28,634	--	198,357
--	--	104,174	--	1,123,391
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 132,808</u>	<u>\$ --</u>	<u>\$ 1,321,748</u>

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## Other Supplementary Information

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



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

Year Ended August 31	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
1999 and Prior Years	\$ Various	\$ Various	\$ Various
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	1.37	.098	3,036,300,384
2008 (School Year Under Audit)	1.0401	.098	3,340,013,774

1000 Totals

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

10 Beginning Balance 9/1/07	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/08
\$ 487,626	\$ --	\$ 14,211	\$ 1,516	\$ (114,116)	\$ 357,783
144,459	--	4,601	344	(1,601)	137,913
121,579	--	6,929	452	(684)	113,514
134,725	--	12,117	1,014	(737)	120,857
208,310	--	10,792	383	(77,264)	119,871
175,414	--	23,854	1,892	(6,718)	142,950
232,983	--	44,750	3,431	(16,743)	168,059
348,977	--	87,784	6,437	(34,985)	219,771
888,655	--	476,344	34,074	(55,275)	322,962
--	38,011,027	34,191,601	3,221,746	107,588	705,268
<u>\$ 2,742,728</u>	<u>\$ 38,011,027</u>	<u>\$ 34,872,983</u>	<u>\$ 3,271,289</u>	<u>\$ (200,535)</u>	<u>\$ 2,408,948</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2009-2010**  
**GENERAL AND SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

EXHIBIT J-2

**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	\$ --	\$ --	\$ 254,921	\$ 1,209,560	\$ 76,239	\$ 63,552	\$ 1,604,272
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	--	--	121,002	--	--	--	121,002
6212	Audit Services	--	--	--	22,500	--	--	22,500
6213	Tax Appraisal and Collection	--	670,953	--	--	--	--	670,953
621X	Other Prof. Services	42,350	--	--	17,264	--	11,365	70,979
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	6,122	--	--	6,122
6240	Contr. Maint. and Repair	--	--	--	--	150	--	150
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	6,164	18,870	--	--	25,034
6290	Miscellaneous Contr.	--	--	1,600	7,526	778	--	9,904
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	1,055	93	(99)	--	1,049
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	524	--	585	84,170	7,425	1,843	94,547
6410	Travel, Subsistence, Stipends	8,688	--	7,068	19,645	966	1,603	37,970
6420	Ins. and Bonding Costs	27,705	--	--	2,656	--	--	30,361
6430	Election Costs	15,660	--	--	--	--	--	15,660
6490	Miscellaneous Operating	17,386	--	4,097	26,271	21,892	6,294	75,940
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	24,618	24,618

Total \$ 112,313 \$ 670,953 \$ 396,492 \$ 1,414,677 \$ 107,351 \$ 109,275 \$ 2,811,061

Total expenditures for General and Special Revenue Funds (9) \$ 75,533,579

LESS: Deductions of Unallowable Costs

**FISCAL YEAR**

Total Capital Outlay (6600)	(10)	\$ 5,556,625
Total Debt & Lease (6500)	(11)	\$ 151,349
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 6,823,048
Food (Function 35, 6341 and 6499)	(13)	\$ 1,832,306
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		\$ 1,414,677

Subtotal

15,778,005

Net Allowed Direct Cost

\$ 59,755,574

**CUMULATIVE**

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 62,306,126
Historical Cost of Buildings over 50 years old	(16)	7,042,055
Amount of Federal Money in Building Cost (Net of #16)	(17)	282,343
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	7,416,367
Historical Cost of Furniture & Equipment over 16 years old	(19)	1,027,969
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 162,098

(8) Note A - \$76,621 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, 2008**

EXHIBIT J-3

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2008 (Exhibit C-1 object 3000 for the General Fund only)	\$ 26,682,430
2	Total General Fund Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	222,180
3	Total General Fund Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	15,387,168
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 (9/1/08 - 5/31/09)	6,111,909
6	Estimate of delayed payments from state sources (58XX) including August payment delays	4,162,923
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)	872,359
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)	26,756,539
11	Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 10)	\$ (74,109)

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**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

**EXHIBIT J-4**

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	\$ 1,064,419	\$ 999,619	\$ 1,051,701	\$ 52,082
5800	State Program Revenues	29,441	135,729	76,522	(59,207)
5900	Federal Program Revenues	3,178,715	3,078,715	2,945,891	(132,824)
5020	Total Revenues	<u>4,272,575</u>	<u>4,214,063</u>	<u>4,074,114</u>	<u>(139,949)</u>
<b>EXPENDITURES:</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	4,162,780	4,314,268	4,020,151	294,117
	Total Support Services - Student (Pupil)	<u>4,162,780</u>	<u>4,314,268</u>	<u>4,020,151</u>	<u>294,117</u>
6030	Total Expenditures	<u>4,162,780</u>	<u>4,314,268</u>	<u>4,020,151</u>	<u>294,117</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	109,795	(100,205)	53,963	154,168
Other Financing Sources (Uses):					
7915	Transfers In	66,419	90,204	70,022	(20,182)
7080	Total Other Financing Sources and (Uses)	<u>66,419</u>	<u>90,204</u>	<u>70,022</u>	<u>(20,182)</u>
1200	Net Change in Fund Balance	<u>176,214</u>	<u>(10,001)</u>	<u>123,985</u>	<u>133,986</u>
0100	Fund Balance - Beginning	991,562	991,562	991,562	--
3000	Fund Balance - Ending	<u>\$ 1,167,776</u>	<u>\$ 981,561</u>	<u>\$ 1,115,547</u>	<u>\$ 133,986</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

EXHIBIT J-5

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2008

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	\$ 3,247,798	\$ 3,247,798	\$ 3,347,843	\$ 100,045
5020	Total Revenues	<u>3,247,798</u>	<u>3,247,798</u>	<u>3,347,843</u>	<u>100,045</u>
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long-Term Debt	2,530,000	2,530,000	2,530,000	--
0072	Interest on Long-Term Debt	510,269	510,269	510,269	--
0073	Bond Issuance Costs and Fees	9,000	9,000	623	8,377
	Total Debt Service	<u>3,049,369</u>	<u>3,049,369</u>	<u>3,040,892</u>	<u>8,477</u>
6030	Total Expenditures	<u>3,049,369</u>	<u>3,049,369</u>	<u>3,040,892</u>	<u>8,477</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>198,429</u>	<u>198,429</u>	<u>306,951</u>	<u>108,522</u>
Other Financing Sources (Uses):					
7915	Transfers In	--	626,527	626,527	--
7917	Prepaid Interest	--	407,790	407,789	(1)
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>1,034,317</u>	<u>1,034,316</u>	<u>(1)</u>
1200	Net Change in Fund Balance	<u>198,429</u>	<u>1,232,746</u>	<u>1,341,267</u>	<u>108,521</u>
0100	Fund Balance - Beginning	523,837	523,837	523,837	--
3000	Fund Balance - Ending	<u>\$ 722,266</u>	<u>\$ 1,756,583</u>	<u>\$ 1,865,104</u>	<u>\$ 108,521</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, 2008, which collectively comprise the Longview Independent School District's basic financial statements and have issued our report thereon dated December 11, 2008. 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*.

We also noted other matters that we reported to management of Longview Independent School District in a separate letter dated December 11, 2008.

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

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

Karen A. Jacks & Associates, P.C.  
December 11, 2008

# 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 on Internal Control over Compliance  
In Accordance With OMB Circular A-133

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

Members of the Board of Trustees:

### Compliance

We have audited 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, 2008. 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, 2008.

### 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 over compliance that we considered to be material weaknesses.

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

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

Karen A. Jacks & Associates, P.C.  
December 11, 2008

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

A. Summary of Auditors' Results

1. Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

One or more material weaknesses identified?  Yes  No

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

Noncompliance material to financial statements noted?

Yes  No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified?  Yes  No

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

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	ESEA Title I Part A - Improving Basic Programs
84.165	Magnet Schools Assistance

Dollar threshold used to distinguish between type A and type B programs:

\$321,369

Auditee qualified as low-risk auditee?

Yes  No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

<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, 2008**

None required.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

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

(1)	(2)	(2A)	(3)	
Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Entity Number	Pass-Through Identifying Number	Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION</b>				
Direct Programs:				
489	Student Drug Testing - School Based	84.184	092-903	\$ 262,769
489	Alcohol Abuse & Reduction - SDFS	84.184	092-903	369,758
309	Magnet Schools Assistance	84.165	092-903	1,132,716
Total Direct Programs				<u>1,765,243</u>
Passed Through State Department of Education:				
211	ESEA Title I Part A - Improving Basic Programs	84.010A	08610101092903	2,900,217
211	ESEA Title I Part A - Improving Basic Programs	84.010A	09610101092903	128,009
Total CFDA Number 84.010A				<u>3,028,226</u>
224	IDEA-B Formula *	84.027	0866000109290366	1,577,312
224	IDEA-B Formula *	84.027	0966000109290366	77,044
226	IDEA-B Discretionary *	84.027	0866000209290366	36,625
227	IDEA-B Deaf *	84.027	0866000109290366	19,707
Total CFDA Number 84.027				<u>1,710,688</u>
244	Career and Technical - Basic Grant	84.048	08420006092903	127,565
247	Achieve Texas College & Career	84.048A	42000718	39,793
225	IDEA-B Preschool *	84.173	0866100109290366	37,633
225	IDEA-B Preschool *	84.173	0966100109290366	2,012
228	IDEA-B Preschool Deaf *	84.173	0866100109290366	1,947
Total CFDA Number 84.173				<u>41,592</u>
253	IDEA-C Early Intervention (Deaf)	84.181A	0839110109290339	710
204	ESEA Title IV Part A-Safe & Drug-Free Schools & Communities Act	84.186A	08691001092903	42,658
269	Title V, Part A - Innovative Programs	84.298	08685001092903	15,944
262	Title II Part D Enhancing Education Through Technology	84.318	08630001092903	27,909
263	Title III Part A English Language Acquisition and Language Enhancer	84.365A	08671001092903	131,884
263	Title III Part A English Language Acquisition and Language Enhancer	84.365A	09671001092903	193
Total CFDA Number 84.365A				<u>132,077</u>
255	ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	08694501092903	594,845
255	ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	09694501092903	56,729
Total CFDA Number 84.367A				<u>651,574</u>
Total Passed Through State Department of Education				<u>5,818,736</u>
Total U. S. Department of Education				<u>7,583,979</u>
<b>U. S. DEPARTMENT OF DEFENSE</b>				
Direct Program:				
314	ROTC	12.000	N/A	85,096
Total U. S. Department of Defense				<u>85,096</u>
<b>U. S. DEPARTMENT OF AGRICULTURE</b>				
Passed Through Texas Department of Health Services:				

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2008**

	(1)	(2)	(2A)	(3)
Data Control Codes	Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Entity Number	Pass-Through Identifying Number	Federal Expenditures
242	Summer Feeding Program *	10.559	092-903	99,827
241	Passed Through State Department of Education: Food Distribution	10.550	092-903	248,139
240	School Breakfast Program *	10.553	092-903	772,496
240	National School Lunch Program *	10.555	092-903	1,922,773
	Total Passed Through State Department of Education			<u>2,943,408</u>
	Total U. S. Department of Agriculture			<u>3,043,235</u>
	<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>\$ 10,712,310</b></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, 2008**

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	\$ 10,712,310
Other Federal Revenue Sources:	
School Health and Related Services (SHARS)	30,917
Miscellaneous Federal Reimbursement	<u>2,485</u>
Total Federal Revenues, Exhibit C-2	<u>\$ 10,745,712</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF AUGUST 31, 2008

<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?	\$ 6,088

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