

**LONGVIEW  
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2009

## Introductory Section

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Longview Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2009

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 Annual Financial Report  
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CERTIFICATE OF BOARD

Longview Independent School District  
Name of School District

Gregg  
County

092-903  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) \_\_\_\_\_ approved \_\_\_\_\_ disapproved for the year ended August 31, 2009, at a meeting of the board of trustees of such school district on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

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

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

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## Financial Section



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

Certified Public Accountants

Karen A. Jacks, CPA  
Peggy J. Lantz, CPA  
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P.O. Box 3167  
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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, 2009, 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, 2009, 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 16, 2009, 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 16, 2009

## 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 8/31/09. Please read it in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

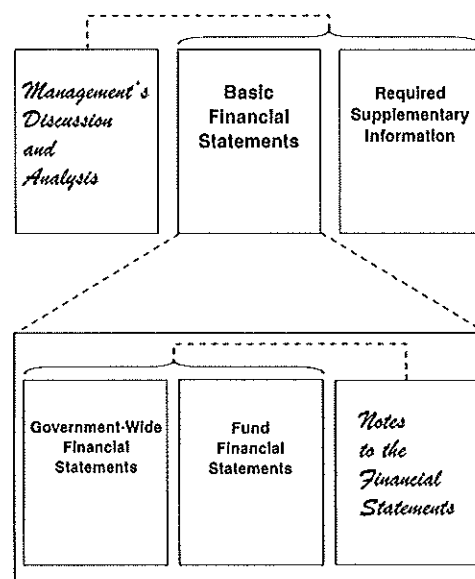
- The District's total combined net assets were \$70,907,887 at 8/31/09.
- During the year, the District's expenses were \$7,264,965 less than the \$87,058,929 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$28,961,527.
- The district issued \$64,650,000 in Unlimited Tax School Building Bonds during the year. This is the second of three installments of debt scheduled to occur from the bond issue approved by the 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.

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

**Government-wide Statements**

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

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

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

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

**Fund Financial Statements**

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

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

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *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 \$70,907,887 at 8/31/09. (See Table A-1).

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

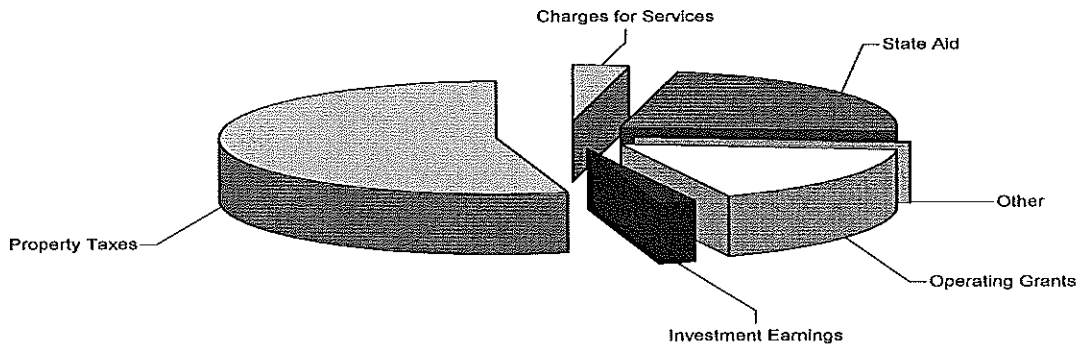
	Governmental Activities		Percentage Change
	<u>2009</u>	<u>2008</u>	<u>2008-09</u>
<b>Current assets:</b>			
Cash and cash equivalents	13.739	15.429	(10.953)
Current Investments	179.297	143.081	25.312
Property Taxes Receivable	2.438	2.016	20.933
Due from other Government	1.619	4.310	(62.436)
Accrued Interest	.002	0	0.00
Other receivables	.058	.094	(38.298)
Inventories – at cost	.374	.372	0.538
Deferred Exp & Bond costs	2.253	1.598	130.988
<b>Total current assets:</b>	<b>199.780</b>	<b>166.900</b>	<b>19.700</b>
<b>Noncurrent assets:</b>			
Bldg., Furn. & Eqmt, CIP	117.614	71.427	64.663
Less Accum. Depr.	(30.487)	(29.449)	3.525
Land	7.871	4.507	74.639
<b>Total noncurrent assets</b>	<b>94.998</b>	<b>46.485</b>	<b>104.363</b>
<b>Total Assets</b>	<b>294.778</b>	<b>213.385</b>	<b>38.144</b>
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	15.833	5.415	192.392
Bonds payable	4.685	2.765	69.439
Due to other governments	.279	.041	580.488
Deferred revenue	.197	.330	(40.303)
<b>Total current liabilities</b>	<b>20.994</b>	<b>8.551</b>	<b>145.515</b>
<b>Long-term liabilities:</b>			
Bonds payable	202.876	141.191	43.689
<b>Total Liabilities</b>	<b>223.870</b>	<b>149.742</b>	<b>49.504</b>
<b>Net Assets:</b>			
Invested in capital assets	37.929	34.319	10.519
Restricted	4.525	3.302	37.038
Unrestricted	28.454	26.022	9.346
<b>Total Net Assets</b>	<b>70.908</b>	<b>63.643</b>	<b>11.415</b>

Restricted Net Assets are dedicated to various uses, namely: debt service, state and federal programs, and campus activities. The \$28,453,722 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 \$87,058,929. A significant portion, \$47,716,913 or 55%, of the District's revenue comes from taxes. (See Figure Below) 40% 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 \$79,793,964; 77% of these costs are for instructional and student services.

## Revenue Values



### Governmental Activities

- Property tax rates increased 14.05%. This increase coupled with increasing property values resulted in an increase in tax levy of \$9,333,619 over the prior year.
- The district issued \$64,650,000 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 construction phase as of 8/31/09.

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

	Governmental Activities		Total
	<u>2009</u>	<u>2008</u>	Percentage Change <u>2008-09</u>
Program Revenues:			
Charges for Services	3.005	2.547	17.98
Operating Grants and Contributions	14.717	15.369	(4.24)
General Revenues			
Property Taxes	47.717	38.383	23.72
State Aid	20.098	22.874	(1.21)
Investment Earnings	1.964	1.652	18.89
Disposition of Assets	(.842)		(100.00)
Other	.400	.348	14.94
<b>Total Revenues</b>	<u>87.059</u>	<u>81.173</u>	<u>7.25</u>
Expenses:			
Instruction	40.427	40.403	.001
Instructional Resources and Media Services	1.120	1.416	(20.90)
Curriculum Dev. And Instructional Staff Dev.	1.378	1.659	(16.94)
Instructional Leadership	1.857	2.044	(9.15)
School Leadership	4.113	4.075	.93
Guidance, Counseling and Evaluation Services	2.383	2.905	(17.94)
Social Work Services	.011	.011	0
Health Services	.662	.670	(1.19)
Student (Pupil) Transportation	2.589	2.789	(7.17)
Food Services	4.297	4.160	3.29
Curricular/Extracurricular Activities	2.253	2.204	2.22
General Administration	2.118	2.760	(23.26)
Plant Maintenance & Oper.	6.411	7.433	(13.75)
Security & Monitoring Svcs.	.488	.519	(5.97)
Data Processing Services	.627	.616	1.79
Community Services	.567	.262	116.41
School District Admin. Support Services			
Debt Service	7.833	.549	1326.78
Facilities Acquisition and Construction	.001	0	100.00
Other Intergovernmental Charges	.659	0	100.00
<b>Total Expenses</b>	<u>79.794</u>	<u>74.475</u>	<u>0</u>
Excess (Deficiency) Before Other Resources, Uses & Transfers	7.265	6.698	8.47
Special Item Inflow	0	0	
Other Resources (Uses) Transfers In (Out)	0	0	
<b>Increase (Decrease) in   Net Assets</b>	<u>7.265</u>	<u>6.698</u>	<u>8.47</u>



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 \$79,793,964.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$47,716,913.
- Some of the cost was paid by those who directly benefited from the programs, totaling \$3,004,875, or by grants and contributions totaling \$14,716,868.

**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>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>	
Instruction	42.924	43.478	(1.27)	32.194	33.218	(3.08)
School administration	5.970	6.119	(2.44)	5.271	4.963	6.21
Student Support Services	12.196	12.738	(4.25)	6.525	6.892	(5.33)
Plant Maintenance & Operations	6.411	7.433	(13.75)	6.154	7.167	(14.13)

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

Revenues from governmental fund types totaled \$87,508,959, an increase of 7.49% over the preceding year. The net increase is a result of additional proceeds from state and federal program revenues and from tax collections for bond/construction projects.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised its budget 14 times. Actual expenditures were \$8,912,614 below final budget amounts. The most significant positive variance resulted from capital outlay. Final costs for capital projects came in less than the amount anticipated and initially budgeted.

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

Revenues generated were \$76,684 under the final budgeted amount.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2009, the District had invested \$94,997,925 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 \$48,512,746, or 104.36% over prior year.

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

	Governmental Activities		Total Percentage Change
	<u>2009</u>	<u>2008</u>	
Land	7.870	4.508	74.58
Buildings and improvements	60.969	62.306	(2.15)
Vehicles	4.147	4.058	2.19
Equipment	3.819	3.358	13.73
Construction in progress	48.679	1.704	127.57
Totals at historical cost	125.484	75.934	164.25
Total accumulated depreciation	30.486	29.449	3.52
Net capital assets	<u>94.998</u>	<u>46.485</u>	104.36

The District continued construction projects on 8 elementary, 2 middle school, and the high school campuses during the year. Multiple land purchases were made to accommodate construction, renovation, or expansion of new campus facilities. In addition, new buses, equipment for culinary arts program, and a vehicle for FFA were purchased during the year. Reductions to the District's capital assets resulted from the trade-in or auction of obsolete vehicles and tractors.

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 \$204,343,593 in bonds 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 "AA-" ratings with underlying ratings as follows: Standard & Poor's "AA-" and Fitch "AA-".

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

	Governmental Activities		Total Percentage Change 2008-09
	2009	2008	
Bonds payable	204.344	142.458	43.442
Accreted interest on CABs	.735	.006	121.50
Premiums on issuance of debt	2.752	1.877	46.617
Less deferred amount			
On refundings	(.270)	(.385)	(29.87)
<b>Total bonds &amp; notes payable</b>	<b>207.561</b>	<b>143.956</b>	<b>44.184</b>

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

- The appraised value used for the 2010 budget preparation increased by \$115 million or 2.5% from last year.
- Property values continued on an upward trend for the 09/10 budget year.
- A salary action plan continued for 2009-10. 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 3.0%. An increase in state funding due to the passage of House Bill 3646 helped pay for a portion of the increase. Non-instructional staff received a 3.0% increase.
- The tax rate to support the 09/10 budget is 1.4202 per hundred dollar in value as compared to 1.29795 per hundred dollar in value for 08/09.

**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.

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## Basic Financial Statements

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET ASSETS**  
**AUGUST 31, 2009**

Data Control Codes	1	Governmental Activities
<b>ASSETS:</b>		
1110	Cash and Cash Equivalents	\$ 13,739,070
1120	Current Investments	179,297,226
1225	Property Taxes Receivable (Net)	2,438,281
1240	Due from Other Governments	1,619,340
1250	Accrued Interest	1,791
1290	Other Receivables (Net)	57,888
1300	Inventories	373,324
1410	Deferred Expenses	434,048
1420	Capitalized Bond and Other Debt Issuance Costs	1,819,470
Capital Assets:		
1510	Land	7,870,198
1520	Buildings and Improvements, Net	36,412,064
1530	Furniture and Equipment, Net	2,036,330
1580	Construction in Progress	48,679,333
1000	Total Assets	<u>294,778,363</u>
<b>LIABILITIES:</b>		
2110	Accounts Payable	11,678,226
2140	Interest Payable	1,345,718
2165	Accrued Liabilities	2,809,486
2180	Due to Other Governments	279,260
2300	Unearned Revenue	196,855
Noncurrent Liabilities:		
2501	Due Within One Year	4,685,420
2502	Due in More Than One Year	202,875,511
2000	Total Liabilities	<u>223,870,476</u>
<b>NET ASSETS</b>		
3200	Invested in Capital Assets, Net of Related Debt	37,929,199
Restricted For:		
3820	State and Federal Programs	1,525,352
3850	Debt Service	2,856,243
3870	Campus Activities	143,371
3900	Unrestricted	28,453,722
3000	Total Net Assets	<u>\$ 70,907,887</u>

The accompanying notes are an integral part of this statement.

## LONGVIEW INDEPENDENT SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
			Charges for Services	Governmental Activities		
	Governmental Activities:					
11	Instruction	\$ 40,426,593	\$ 1,052,400	\$ 8,517,179	\$ (30,857,014)	
12	Instructional Resources and Media Services	1,119,914	46,102	53,292	(1,020,520)	
13	Curriculum and Staff Development	1,377,802	58,253	1,003,333	(316,216)	
21	Instructional Leadership	1,856,730	--	245,451	(1,611,279)	
23	School Leadership	4,112,784	38,908	414,180	(3,659,696)	
31	Guidance, Counseling, & Evaluation Services	2,383,441	640	345,415	(2,037,386)	
32	Social Work Services	11,884	--	356	(11,528)	
33	Health Services	661,685	--	36,498	(625,187)	
34	Student Transportation	2,588,552	--	197,674	(2,390,878)	
35	Food Service	4,297,043	1,077,920	3,265,881	46,758	
36	Cocurricular/Extracurricular Activities	2,253,178	701,155	44,749	(1,507,274)	
41	General Administration	2,118,492	20,185	256,739	(1,841,568)	
51	Plant Maintenance and Operations	6,411,111	9,015	248,061	(6,154,035)	
52	Security and Monitoring Services	487,784	297	19,396	(468,091)	
53	Data Processing Services	626,545	--	21,285	(605,260)	
61	Community Services	567,003	--	47,379	(519,624)	
72	Interest on Long-term Debt	7,764,155	--	--	(7,764,155)	
73	Bond Issuance Costs and Fees	69,157	--	--	(69,157)	
81	Capital Outlay	1,137	--	--	(1,137)	
99	Other Intergovernmental Charges	658,974	--	--	(658,974)	
TG	Total Governmental Activities	<u>79,793,964</u>	<u>3,004,875</u>	<u>14,716,868</u>	<u>(62,072,221)</u>	
TP	Total Primary Government	<u>\$ 79,793,964</u>	<u>\$ 3,004,875</u>	<u>\$ 14,716,868</u>	<u>(62,072,221)</u>	
	General Revenues:					
MT	Property Taxes, Levied for General Purposes				38,401,104	
DT	Property Taxes, Levied for Debt Service				9,315,809	
IE	Investment Earnings				1,963,839	
GC	Grants Not Restricted to Specific Programs				20,097,988	
MI	Miscellaneous				408,392	
	Loss on Disposition of Assets				(842,190)	
	Special and Extraordinary Items:					
S1	Special Item Inflow				1,871	
S2	Special Item Outflow				(9,627)	
TR	Total General Revenues				<u>69,337,186</u>	
CN	Change in Net Assets				<u>7,264,965</u>	
NB	Net Assets - Beginning				<u>63,642,922</u>	
NE	Net Assets - Ending				<u>\$ 70,907,887</u>	

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**AUGUST 31, 2009**

Data Control Codes	10 General Fund	50 Debt Service Fund
<b>ASSETS:</b>		
1110 Cash and Cash Equivalents	\$ 10,875,459	\$ 1,015,240
1120 Current Investments	19,452,537	1,565,123
1225 Taxes Receivable, Net	2,151,986	286,295
1240 Due from Other Governments	29,587	--
1250 Accrued Interest	1,791	--
1260 Due from Other Funds	1,478,621	22,811
1290 Other Receivables	55,444	--
1300 Inventories	201,942	--
1410 Deferred Expenditures	417,292	--
1000 Total Assets	<u>\$ 34,664,659</u>	<u>\$ 2,889,469</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 Accounts Payable	\$ 1,145,872	\$ --
2150 Payroll Deductions & Withholdings	1,647	--
2160 Accrued Wages Payable	1,862,382	--
2170 Due to Other Funds	22,811	--
2180 Due to Other Governments	231,204	33,226
2200 Accrued Expenditures	364,368	--
2300 Unearned Revenue	2,074,848	251,820
2000 Total Liabilities	<u>5,703,132</u>	<u>285,046</u>
<b>FUND BALANCES:</b>		
Reserved Fund Balances:		
3410 Investments in Inventory	201,942	--
3420 Debt Service	--	2,604,423
3450 Reserve for Food Service	--	--
3490 Other Reserves of Fund Balance	--	--
Designated Fund Balance:		
3510 Construction	12,441,984	--
3600 Unreserved	16,317,601	--
3000 Total Fund Balances	<u>28,961,527</u>	<u>2,604,423</u>
4000 Total Liabilities and Fund Balances	<u>\$ 34,664,659</u>	<u>\$ 2,889,469</u>

The accompanying notes are an integral part of this statement.

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 98,604	\$ 1,749,767	\$ 13,739,070
158,279,566	--	179,297,226
--	--	2,438,281
--	1,589,753	1,619,340
--	--	1,791
--	--	1,501,432
--	2,444	57,888
--	171,382	373,324
--	16,756	434,048
<u>\$ 158,378,170</u>	<u>\$ 3,530,102</u>	<u>\$ 199,462,400</u>
\$ 10,303,618	\$ 228,736	\$ 11,678,226
--	--	1,647
--	484,934	2,347,316
553,011	925,610	1,501,432
--	14,830	279,260
--	96,155	460,523
--	111,114	2,437,782
<u>10,856,629</u>	<u>1,861,379</u>	<u>18,706,186</u>
--	110,985	312,927
--	--	2,604,423
--	1,218,271	1,218,271
147,521,541	339,467	147,861,008
--	--	12,441,984
--	--	16,317,601
<u>147,521,541</u>	<u>1,668,723</u>	<u>180,756,214</u>
<u>\$ 158,378,170</u>	<u>\$ 3,530,102</u>	<u>\$ 199,462,400</u>



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**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**AUGUST 31, 2009**

Total fund balances - governmental funds balance sheet	\$ 180,756,214
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.	94,997,925
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	2,240,927
Payables for bond principal which are not due in the current period are not reported in the funds.	(204,343,593)
Payables for bond interest which are not due in the current period are not reported in the funds.	(1,345,718)
Unamortized premiums and discounts on issuance of bonds are not reported in the funds.	(2,751,885)
Unamortized debt issuance costs are not reported in the funds.	1,819,470
Deferred loss on refunding bonds is not reported in the funds.	269,663
Accreted interest on capital appreciation bonds is not reported in the funds.	<u>(735,116)</u>
Net assets of governmental activities - statement of net assets	<u>\$ 70,907,887</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, 2009**

Data Control Codes	10 <u>General Fund</u>	50 <u>Debt Service Fund</u>
<b>REVENUES:</b>		
5700 Local and Intermediate Sources	\$ 39,886,114	\$ 9,361,956
5800 State Program Revenues	22,652,878	--
5900 Federal Program Revenues	240,316	--
5020 Total Revenues	<u>62,779,308</u>	<u>9,361,956</u>
<b>EXPENDITURES:</b>		
Current:		
0011 Instruction	33,048,542	--
0012 Instructional Resources and Media Services	1,023,086	--
0013 Curriculum and Staff Development	321,697	--
0021 Instructional Leadership	1,492,522	--
0023 School Leadership	3,810,169	--
0031 Guidance, Counseling, & Evaluation Services	2,120,726	--
0032 Social Work Services	11,582	--
0033 Health Services	657,278	--
0034 Student Transportation	2,359,496	--
0035 Food Service	--	--
0036 Cocurricular/Extracurricular Activities	1,775,447	--
0041 General Administration	2,003,252	--
0051 Plant Maintenance and Operations	6,388,524	--
0052 Security and Monitoring Services	468,528	--
0053 Data Processing Services	634,401	--
0061 Community Services	533,014	--
0071 Principal on Long-term Debt	140,000	2,625,000
0072 Interest on Long-term Debt	13,013	6,320,415
0073 Bond Issuance Costs and Fees	300	933
0081 Capital Outlay	2,985,580	--
0099 Other Intergovernmental Charges	658,974	--
6030 Total Expenditures	<u>60,446,131</u>	<u>8,946,348</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>2,333,177</u>	<u>415,608</u>
Other Financing Sources and (Uses):		
7911 Capital-Related Debt Issued (Regular Bonds)	--	--
7915 Transfers In	--	2,241
7916 Premium or Discount on Issuance of Bonds	--	--
7917 Prepaid Interest	--	321,469
8911 Transfers Out	(46,323)	--
7080 Total Other Financing Sources and (Uses)	<u>(46,323)</u>	<u>323,710</u>
SPECIAL ITEM:		
7918 Special Item (Resource)	1,871	--
8912 Special Item (Use)	(9,627)	--
1200 Net Change in Fund Balances	<u>2,279,098</u>	<u>739,318</u>
0100 Fund Balances - Beginning	26,682,429	1,865,105
3000 Fund Balances - Ending	<u>\$ 28,961,527</u>	<u>\$ 2,604,423</u>

The accompanying notes are an integral part of this statement.

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 1,458,963	\$ 1,950,192	\$ 52,657,225
151	2,982,443	25,635,472
--	8,975,946	9,216,262
<u>1,459,114</u>	<u>13,908,581</u>	<u>87,508,959</u>
--	7,044,184	40,092,726
--	45,011	1,068,097
--	1,055,089	1,376,786
--	343,084	1,835,606
--	285,406	4,095,575
--	252,605	2,373,331
--	--	11,582
--	69	657,347
--	74,814	2,434,310
--	4,210,552	4,210,552
--	130,649	1,906,096
--	75,065	2,078,317
--	48,517	6,437,041
--	17,276	485,804
--	--	634,401
--	25,607	558,621
--	--	2,765,000
--	--	6,333,428
647,456	--	648,689
47,414,841	--	50,400,421
--	--	658,974
<u>48,062,297</u>	<u>13,607,928</u>	<u>131,062,704</u>
<u>(46,603,183)</u>	<u>300,653</u>	<u>(43,553,745)</u>
64,650,000	--	64,650,000
--	46,323	48,564
999,697	--	999,697
--	--	321,469
(2,241)	--	(48,564)
<u>65,647,456</u>	<u>46,323</u>	<u>65,971,166</u>
--	--	1,871
--	--	(9,627)
<u>19,044,273</u>	<u>346,976</u>	<u>22,409,665</u>
128,477,268	1,321,747	158,346,549
<u>\$ 147,521,541</u>	<u>\$ 1,668,723</u>	<u>\$ 180,756,214</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

Net change in fund balances - total governmental funds	\$ 22,409,665
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	51,005,349
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,650,413)
The gain or loss on the sale of capital assets is not reported in the funds.	(842,190)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	399,915
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,765,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	570,483
The accretion of interest on capital appreciation bonds is not reported in the funds.	(729,028)
(Increase) decrease in accrued interest from beginning of period to end of period.	(1,023,168)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(64,650,000)
Bond premiums are reported in the funds but not in the SOA.	(874,854)
Loss on refunding bonds is amortized in the SOA but not in the funds.	(115,794)
	<hr/>
Change in net assets of governmental activities - statement of activities	\$ <u>7,264,965</u>

The accompanying notes are an integral part of this statement.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**AUGUST 31, 2009**

Data Control Codes		Agency Fund
		Student Activity
	<b>ASSETS:</b>	
1110	Cash and Cash Equivalents	\$ 150,166
1000	Total Assets	<u>\$ 150,166</u>
	<b>LIABILITIES:</b>	
	Current Liabilities:	
2190	Due to Student Groups	\$ 150,166
2000	Total Liabilities	<u>150,166</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, 2009**

**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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

The District reports the following major governmental funds:

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

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

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

In addition, the District reports the following fund types:

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

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, 2009 was \$404,327.



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

b. Inventories and Prepaid Items

Inventories of supplies and purchased food 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>
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 of year end.

e. Interfund Activity

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

f. Use of Estimates

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

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, 2009, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$13,889,236 and the bank balance was \$16,067,337. The District's cash deposits at August 31, 2009 and during the year ended August 31, 2009, 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, 2009**

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, 2009 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Texpool	Avg 44 days	\$ 5,215,368
Lone Star Investment Pool	Avg 49 days	166,376,783
TexStar	Avg 52 days	4,113,386
MBIA Texas CLASS	Avg 40 days	3,591,689
Total Investments		<u>\$ 179,297,226</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, 2009, 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
Lone Star Investment Pool	AAA
TexStar	AAAm
MBIA Texas CLASS	AAAm

**b. Custodial Credit Risk**

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

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

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

**c. Concentration of Credit Risk**

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

**d. Interest Rate Risk**

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

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. Capital Assets

Capital asset activity for the year ended August 31, 2009, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 4,507,990	\$ 3,362,209	\$ --	\$ 7,870,199
Construction in progress	1,704,018	46,975,315	--	48,679,333
Total capital assets not being depreciated	<u>6,212,008</u>	<u>50,337,524</u>	<u>--</u>	<u>56,549,532</u>
Capital assets being depreciated:				
Buildings and improvements	62,306,125	110,616	1,447,629	60,969,112
Equipment	3,358,100	460,908	--	3,819,008
Vehicles	4,058,267	96,301	7,359	4,147,209
Total capital assets being depreciated	<u>69,722,492</u>	<u>667,825</u>	<u>1,454,988</u>	<u>68,935,329</u>
Less accumulated depreciation for:				
Buildings and improvements	(23,980,688)	(1,184,253)	(607,892)	(24,557,049)
Equipment	(2,378,632)	(265,936)	--	(2,644,568)
Vehicles	(3,090,001)	(200,224)	(4,906)	(3,285,319)
Total accumulated depreciation	<u>(29,449,321)</u>	<u>(1,650,413)</u>	<u>(612,798)</u>	<u>(30,486,936)</u>
Total capital assets being depreciated, net	<u>40,273,171</u>	<u>(982,588)</u>	<u>842,190</u>	<u>38,448,393</u>
Governmental activities capital assets, net	<u>\$ 46,485,179</u>	<u>\$ 49,354,936</u>	<u>\$ 842,190</u>	<u>\$ 94,997,925</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

Depreciation was charged to functions as follows:

Instruction	\$ 729,748
Instructional Resources and Media Services	51,817
Curriculum and Staff Development	1,016
Instructional Leadership	21,124
School Leadership	17,209
Guidance, Counseling, & Evaluation Services	10,110
Social Work Services	302
Health Services	4,338
Student Transportation	154,242
Food Services	98,493
Extracurricular Activities	387,664
General Administration	40,175
Plant Maintenance and Operations	96,540
Security and Monitoring Services	1,980
Data Processing Services	27,273
Community Services	8,382
	<u>\$ 1,650,413</u>

**E. Interfund Balances and Activities**

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

Balances due to and due from other funds at August 31, 2009, 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	\$ 553,011	Short-term loans
Debt Service Fund	General Fund	22,811	Short-term loans
General Fund	Other Governmental Funds	925,610	Short-term loans
	Total	<u>\$ 1,501,432</u>	

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

**2. Transfers To and From Other Funds**

Transfers to and from other funds at August 31, 2009, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Other Governmental Funds	\$ 46,323	Transfer state funding for payroll
Capital Projects Fund	Debt Service Fund	2,241	Transfer capitalized interest
	Total	<u>\$ 48,564</u>	

**F. Long-Term Obligations**

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

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, 2009, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 142,458,593	\$ 64,650,000	\$ 2,765,000	\$ 204,343,593	\$ 4,685,420
Accreted interest on CABs	6,088	729,028	--	735,116	--
Premiums on issuance of debt	1,877,031	999,697	124,843	2,751,885	--
Less deferred amount on refunding	(385,457)	--	(115,794)	(269,663)	--
<b>Total governmental activities</b>	<b>\$ 143,956,255</b>	<b>\$ 66,378,725</b>	<b>\$ 2,774,049</b>	<b>\$ 207,560,931</b>	<b>\$ 4,685,420</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	\$ 7,850,000
Unlimited Tax Refunding Bonds, Series 2004	3.00%	FY 2010	1,540,000
Maintenance Tax Notes, Series 2004	3.47%	FY 2014	305,000
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
Unlimited Tax School Building Bonds, Series 2009	2.50-5.00%	FY 2037	64,650,000
			<b>\$ 204,343,593</b>

3. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2009, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2010	\$ 4,685,421	\$ 9,443,579	\$ 14,129,000
2011	4,512,299	8,710,021	13,222,320
2012	4,710,616	8,614,777	13,325,393
2013	4,739,950	8,499,264	13,239,214
2014	4,770,009	8,379,065	13,149,074
2015-2019	23,115,298	40,467,584	63,582,882
2020-2024	32,630,000	35,019,187	67,649,187
2025-2029	41,915,000	25,747,563	67,662,563
2030-2034	53,730,000	13,931,306	67,661,306
2035-2039	29,535,000	1,756,450	31,291,450
<b>Totals</b>	<b>\$ 204,343,593</b>	<b>\$ 160,568,796</b>	<b>\$ 364,912,389</b>

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, 2009, the outstanding balance of the Tax and Revenue Notes, Series 2001 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 is \$4,180,000.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

**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 2009, 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, 2009, 2008 and 2007 were \$2,690,698, \$2,841,577 and \$2,727,400, 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, 2009, 2008 and 2007 were \$873,533, \$797,729 and \$608,814, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$2,681,236 for the year ended August 31, 2009.

**I. Retiree Health Care Plan**

**1. Plan Description**

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

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 2009, 2008 and 2007. 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, 2009, 2008, and 2007, the State's contributions to TRS-Care were \$454,564, \$444,065, and \$426,173, respectively, the active member contributions were \$295,467, \$288,594, and \$277,006, respectively, and the District's contributions were \$250,014, \$244,207, and \$234,403, respectively, which equaled the required contributions each year.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2009, 2008, and 2007, the subsidy payments received by TRS-Care on behalf of the District were \$107,435, \$104,897, and \$92,044, respectively,

J. Employee Health Care Coverage

During the year ended August 31, 2009, 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, 2009.

3. Commitments

The District had the following contractual commitments at August 31, 2009, in connection with ongoing building projects.



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

Construction Manager - JL Everhart Elementary	\$ 13,181,937
Construction Manager - Hudson PEP Elementary	9,697,853
Construction Manager - Ned Williams Elementary	12,689,341
Construction Manager - Forest Park Middle School	18,854,111
Construction Manager - LHS Tennis Courts	115
Construction Manager - Johnston McQueen Elementary	4,911,079
Construction Manager - LHS Additions	18,303,070
Construction Manager - South Ward	4,392,921
Contractor - Energy Management System	1,105,436
Contractor - District Network Upgrade	42,364
Architect - JL Everhart Elementary	158,358
Architect - Hudson PEP Elementary	93,218
Architect - Ned Williams Elementary	114,209
Architect - Forest Park Middle School	228,179
Architect - LHS Tennis Courts	847
Architect - Johnston McQueen Elementary	73,737
Architect - LHS Additions	274,640
Architect - South Ward	65,956
Architect - Energy Management System	11,896
	<u>\$ 84,199,267</u>

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

**L. Shared Services Arrangements**

**Shared Services Arrangement - Fiscal Agent**

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

<u>Member Districts</u>	<u>Expenditures</u>
Marshall ISD	\$ 137,175
Hallsville ISD	60,967
Jefferson ISD	15,242
West Rusk ISD	30,484
Harleton ISD	15,242
Kilgore ISD	76,209
White Oak ISD	15,242
Gladewater ISD	30,484
Spring Hill ISD	30,484
Carthage ISD	45,725
Overton ISD	15,242
Tatum ISD	30,484
Harmony ISD	30,484
Union Grove ISD	30,484
Gilmer ISD	30,484
Pine Tree ISD	76,209
Elysian Fields ISD	45,725
Longview ISD	89,417
Total	<u>\$ 805,783</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

**M. Subsequent Events**

Management has evaluated subsequent events through December 16, 2009, the date on which the financial statements were available to be issued.

Subsequent to August 31, 2009, the Board of Trustees has approved budget amendments for the General Fund totaling \$6,724,857 for the purchase of land, an information management system, high school renovations, track renovations, and increased fees assessed by the Gregg County Appraisal District.

**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 2008-09 school year, the District paid a fixed cost in the amount of \$182,852 for administration of claims, loss control, record keeping, and the cost of stop-loss insurance. Total workers' compensation claims paid amounted to \$73,260 for current year claims and \$186,400 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, 2009	\$ 510,285	\$ 209,898	\$ 259,660	\$ 460,523
Year Ended August 31, 2008	\$ 680,998	\$ 81,340	\$ 252,053	\$ 510,285

**O. Other Reserves of Fund Balance**

Other reservations of fund balance consist of the following:

<b>Capital Projects Fund</b>	
Reserved for construction	\$ <u>147,521,541</u>
<b>Other Governmental Funds</b>	
Reserved for state technology allotment	\$ 95,545
Reserved for AP incentives	2,958
Reserved for Regional Day School for the Deaf	97,593
Reserved for campus activity funds	<u>143,371</u>
<b>Total Other Governmental Funds</b>	<b>\$ <u>339,467</u></b>

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## Required Supplementary Information

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED AUGUST 31, 2009

EXHIBIT G-1  
Page 1 of 2

Data Control Codes		1		2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Final	Actual	
		Original				
<b>REVENUES:</b>						
5700	Local and Intermediate Sources	\$ 39,732,950	\$ 39,908,370	\$ 39,886,114	\$ (22,256)	
5800	State Program Revenues	19,359,732	22,444,022	22,652,878	208,856	
5900	Federal Program Revenues	503,600	503,600	240,316	(263,284)	
5020	Total Revenues	<u>59,596,282</u>	<u>62,855,992</u>	<u>62,779,308</u>	<u>(76,684)</u>	
<b>EXPENDITURES:</b>						
Current:						
Instruction & Instructional Related Services:						
0011	Instruction	33,659,308	35,490,429	33,048,542	2,441,887	
0012	Instructional Resources and Media Services	1,052,217	1,076,936	1,023,086	53,850	
0013	Curriculum and Staff Development	351,981	398,580	321,697	76,883	
	Total Instruction & Instr. Related Services	<u>35,063,506</u>	<u>36,965,944</u>	<u>34,393,325</u>	<u>2,572,619</u>	
Instructional and School Leadership:						
0021	Instructional Leadership	1,470,727	1,619,435	1,492,522	126,913	
0023	School Leadership	3,729,099	3,851,048	3,810,169	40,879	
	Total Instructional & School Leadership	<u>5,199,826</u>	<u>5,470,483</u>	<u>5,302,691</u>	<u>167,792</u>	
Support Services - Student (Pupil):						
0031	Guidance, Counseling and Evaluation Services	2,191,859	2,263,027	2,120,726	142,301	
0032	Social Work Services	11,809	22,110	11,582	10,528	
0033	Health Services	677,676	740,683	657,278	83,405	
0034	Student (Pupil) Transportation	3,111,365	3,195,282	2,359,496	835,786	
0036	Cocurricular/Extracurricular Activities	1,666,342	1,897,157	1,775,447	121,710	
	Total Support Services - Student (Pupil)	<u>7,659,051</u>	<u>8,118,260</u>	<u>6,924,529</u>	<u>1,193,731</u>	
Administrative Support Services:						
0041	General Administration	2,033,917	2,325,870	2,003,252	322,618	
	Total Administrative Support Services	<u>2,033,917</u>	<u>2,325,870</u>	<u>2,003,252</u>	<u>322,618</u>	
Support Services - Nonstudent Based:						
0051	Plant Maintenance and Operations	6,993,236	7,585,320	6,388,524	1,196,796	
0052	Security and Monitoring Services	489,035	532,085	468,528	63,557	
0053	Data Processing Services	631,140	661,671	634,401	27,270	
	Total Support Services - Nonstudent Based	<u>8,113,411</u>	<u>8,779,075</u>	<u>7,491,453</u>	<u>1,287,622</u>	
Ancillary Services:						
0061	Community Services	581,638	593,227	533,014	60,213	
	Total Ancillary Services	<u>581,638</u>	<u>593,227</u>	<u>533,014</u>	<u>60,213</u>	
Debt Service:						
0071	Principal on Long-Term Debt	140,000	140,000	140,000	--	
0072	Interest on Long-Term Debt	13,013	13,013	13,013	--	
0073	Bond Issuance Costs and Fees	500	500	300	200	
	Total Debt Service	<u>153,513</u>	<u>153,513</u>	<u>153,313</u>	<u>200</u>	
Capital Outlay:						
0081	Capital Outlay	--	6,292,373	2,985,580	3,306,793	
	Total Capital Outlay	<u>--</u>	<u>6,292,373</u>	<u>2,985,580</u>	<u>3,306,793</u>	
0099	Other Intergovernmental Charges	695,000	660,000	658,974	1,026	
	Total Intergovernmental Charges	<u>695,000</u>	<u>660,000</u>	<u>658,974</u>	<u>1,026</u>	

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2009

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
6030	Total Expenditures	<u>59,499,862</u>	<u>69,358,745</u>	<u>60,446,131</u>	<u>8,912,614</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>96,420</u>	<u>(6,502,753)</u>	<u>2,333,177</u>	<u>8,835,930</u>
	Other Financing Sources (Uses):				
8911	Transfers Out	<u>(96,420)</u>	<u>(64,420)</u>	<u>(46,323)</u>	<u>18,097</u>
7080	Total Other Financing Sources and (Uses)	<u>(96,420)</u>	<u>(64,420)</u>	<u>(46,323)</u>	<u>18,097</u>
	SPECIAL ITEM:				
7918	Special Item (Resource)	--	1,871	1,871	--
8912	Special Item (Use)	--	(10,000)	(9,627)	(373)
1200	Net Change in Fund Balance	--	<u>(6,575,302)</u>	<u>2,279,098</u>	<u>8,854,400</u>
0100	Fund Balance - Beginning	26,682,429	26,682,429	26,682,429	--
3000	Fund Balance - Ending	<u>\$ 26,682,429</u>	<u>\$ 20,107,127</u>	<u>\$ 28,961,527</u>	<u>\$ 8,854,400</u>

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## Combining Statements and Budget Comparisons as Supplementary Information

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



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2009

Data Control Codes	202 Student Drug Testing	203 Alcohol Abuse Reduction	204 ESEA Title IV SDFSC	211 ESEA Title I Improving Basic Programs
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ 54,118
1240 Due from Other Governments	--	--	142	155,137
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1410 Deferred Expenditures	--	--	--	--
1000 Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 142</u>	<u>\$ 209,255</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ --	\$ --	\$ 41,910
2160 Accrued Wages Payable	--	--	--	110,506
2170 Due to Other Funds	--	--	142	45,087
2180 Due to Other Governments	--	--	--	11,752
2200 Accrued Expenditures	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>--</u>	<u>--</u>	<u>142</u>	<u>209,255</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>\$ --</u>	<u>\$ --</u>	<u>\$ 142</u>	<u>\$ 209,255</u>

223 IDEA-B High Cost Risk Pool	224 IDEA-B Formula	225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	227 IDEA-B Deaf
\$ --	\$ 3,157	\$ --	\$ 143	\$ --
--	217,037	3,460	25,451	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ 220,194</u>	<u>\$ 3,460</u>	<u>\$ 25,594</u>	<u>\$ --</u>
\$ --	\$ 13,497	\$ --	\$ 143	\$ --
--	76,994	2,077	1,010	--
--	129,703	1,383	24,441	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>220,194</u>	<u>3,460</u>	<u>25,594</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ 220,194</u>	<u>\$ 3,460</u>	<u>\$ 25,594</u>	<u>\$ --</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2009

Data Control Codes	228 IDEA-B Preschool Deaf	240 National School Breakfast/Lunch Program	242 Summer Feeding Program	244 Career and Tech Basic Grant
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ --	\$ 1,400,538	\$ 43,755	\$ 679
1240 Due from Other Governments	--	97,112	--	3,987
1290 Other Receivables	--	1,117	--	--
1300 Inventories	--	171,382	--	--
1410 Deferred Expenditures	--	16,706	--	--
1000 Total Assets	<u>\$ --</u>	<u>\$ 1,686,855</u>	<u>\$ 43,755</u>	<u>\$ 4,666</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ 153,119	\$ --	\$ 679
2160 Accrued Wages Payable	--	40,966	--	--
2170 Due to Other Funds	--	--	--	3,987
2180 Due to Other Governments	--	--	--	--
2200 Accrued Expenditures	--	96,155	--	--
2300 Unearned Revenue	--	111,114	--	--
2000 Total Liabilities	<u>--</u>	<u>401,354</u>	<u>--</u>	<u>4,666</u>
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3410 Investments in Inventory	--	110,985	--	--
3450 Reserve for Food Service	--	1,174,516	43,755	--
3490 Other Reserves of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>1,285,501</u>	<u>43,755</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 1,686,855</u>	<u>\$ 43,755</u>	<u>\$ 4,666</u>

253 IDEA-C Deaf	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	263 English Language Acquisition and Enhancement	266 ARRA of 2009 Title XIV SFS Fund
\$ --	\$ 23	\$ --	\$ 594	\$ --
287	70,027	--	28,251	104,748
--	650	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 287</u>	<u>\$ 70,700</u>	<u>\$ --</u>	<u>\$ 28,845</u>	<u>\$ 104,748</u>
\$ --	\$ 2,218	\$ --	\$ 594	\$ --
--	35,315	--	321	104,748
287	33,167	--	27,930	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>287</u>	<u>70,700</u>	<u>--</u>	<u>28,845</u>	<u>104,748</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 287</u>	<u>\$ 70,700</u>	<u>\$ --</u>	<u>\$ 28,845</u>	<u>\$ 104,748</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2009

Data Control Codes	390 LEP Summer Program	394 Life Skills Program	397 Advanced Placement Incentives	401 Optional Extended Year Program
<b>ASSETS:</b>				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ 3,090	\$ --
1240 Due from Other Governments	9,927	15,601	--	35,500
1290 Other Receivables	--	--	40	--
1300 Inventories	--	--	--	--
1410 Deferred Expenditures	--	--	--	--
1000 Total Assets	<u>\$ 9,927</u>	<u>\$ 15,601</u>	<u>\$ 3,130</u>	<u>\$ 35,500</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ 7,099	\$ 172	\$ --
2160 Accrued Wages Payable	--	--	--	--
2170 Due to Other Funds	9,927	8,502	--	35,500
2180 Due to Other Governments	--	--	--	--
2200 Accrued Expenditures	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>9,927</u>	<u>15,601</u>	<u>172</u>	<u>35,500</u>
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3410 Investments in Inventory	--	--	--	--
3450 Reserve for Food Service	--	--	--	--
3490 Other Reserves of Fund Balance	--	--	2,958	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>2,958</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 9,927</u>	<u>\$ 15,601</u>	<u>\$ 3,130</u>	<u>\$ 35,500</u>

402 Intensive Reading/Math Initiative	404 Student Success Initiative	409 T-STEM Grant	411 Technology Allotment	414 Accelerated Science Achievement
\$ --	\$ --	\$ --	\$ 90,930	\$ --
--	195,726	2,754	7,308	--
--	--	512	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ 195,726</u>	<u>\$ 3,266</u>	<u>\$ 98,238</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ 2,693	\$ --
--	--	1,069	--	--
--	195,726	2,197	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>195,726</u>	<u>3,266</u>	<u>2,693</u>	<u>--</u>
--	--	--	--	--
--	--	--	95,545	--
--	--	--	95,545	--
<u>\$ --</u>	<u>\$ 195,726</u>	<u>\$ 3,266</u>	<u>\$ 98,238</u>	<u>\$ --</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2009

Data Control Codes	422 Teacher Excellence Awards	423 LEP Student Success Initiative	424 Texas Fitness Now
<b>ASSETS:</b>			
1110 Cash and Cash Equivalents	\$ --	\$ 5,155	\$ --
1240 Due from Other Governments	55,188	330,790	148
1290 Other Receivables	--	125	--
1300 Inventories	--	--	--
1410 Deferred Expenditures	--	--	--
1000 Total Assets	<u>\$ 55,188</u>	<u>\$ 336,070</u>	<u>\$ 148</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
2110 Accounts Payable	\$ --	\$ 5,155	\$ --
2160 Accrued Wages Payable	--	2,880	--
2170 Due to Other Funds	55,188	328,035	148
2180 Due to Other Governments	--	--	--
2200 Accrued Expenditures	--	--	--
2300 Unearned Revenue	--	--	--
2000 Total Liabilities	<u>55,188</u>	<u>336,070</u>	<u>148</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>\$ 55,188</u>	<u>\$ 336,070</u>	<u>\$ 148</u>

425 HB-1 Mentors Program	426 Texas Educator Excellence Award Program	427 Texas Educator Excellence	428 High School Allotment	429 State Funded Special Revenue Fund
\$ --	\$ --	\$ --	\$ 2,936	\$ 142
--	--	68,250	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 68,250</u>	<u>\$ 2,936</u>	<u>\$ 142</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	68,250	--	--
--	--	--	--	--
--	--	--	2,936	142
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>68,250</u>	<u>2,936</u>	<u>142</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 68,250</u>	<u>\$ 2,936</u>	<u>\$ 142</u>



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2009

Data Control Codes	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit C-1)	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 1,136	\$ 143,371	\$ 1,749,767
1240	Due from Other Governments	162,922	--	1,589,753
1290	Other Receivables	--	--	2,444
1300	Inventories	--	--	171,382
1410	Deferred Expenditures	50	--	16,756
1000	Total Assets	<u>\$ 164,108</u>	<u>\$ 143,371</u>	<u>\$ 3,530,102</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2110	Accounts Payable	\$ 1,457	\$ --	\$ 228,736
2160	Accrued Wages Payable	40,798	--	484,934
2170	Due to Other Funds	24,260	--	925,610
2180	Due to Other Governments	--	--	14,830
2200	Accrued Expenditures	--	--	96,155
2300	Unearned Revenue	--	--	111,114
2000	Total Liabilities	<u>66,515</u>	<u>--</u>	<u>1,861,379</u>
<b>FUND BALANCES:</b>				
Reserved Fund Balances:				
3410	Investments in Inventory	--	--	110,985
3450	Reserve for Food Service	--	--	1,218,271
3490	Other Reserves of Fund Balance	97,593	143,371	339,467
3000	Total Fund Balances	<u>97,593</u>	<u>143,371</u>	<u>1,668,723</u>
4000	Total Liabilities and Fund Balances	<u>\$ 164,108</u>	<u>\$ 143,371</u>	<u>\$ 3,530,102</u>

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# LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	202 Student Drug Testing	203 Alcohol Abuse Reduction	204 ESEA Title IV SDFSC	211 ESEA Title I Improving Basic Programs
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	36,429	104,845	39,597	2,968,847
5020 Total Revenues	<u>36,429</u>	<u>104,845</u>	<u>39,597</u>	<u>2,968,847</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	--	--	--	2,518,553
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	27,573	--	229,730
0021 Instructional Leadership	--	--	--	106,318
0023 School Leadership	--	--	--	1,042
0031 Guidance, Counseling, & Evaluation Services	19,442	31,426	39,597	52,598
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	--	35,834
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	45,846	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	16,987	--	--	--
0061 Community Services	--	--	--	24,772
6030 Total Expenditures	<u>36,429</u>	<u>104,845</u>	<u>39,597</u>	<u>2,968,847</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):				
7915 Transfers In	--	--	--	--
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

223 IDEA-B High Cost Risk Pool	224 IDEA-B Formula	225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	227 IDEA-B Deaf
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
882	1,555,116	31,222	37,096	19,707
<u>882</u>	<u>1,555,116</u>	<u>31,222</u>	<u>37,096</u>	<u>19,707</u>
882	1,332,649	31,222	33,391	19,707
--	--	--	--	--
--	370	--	3,705	--
--	68,906	--	--	--
--	81,783	--	--	--
--	71,408	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>882</u>	<u>1,555,116</u>	<u>31,222</u>	<u>37,096</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, 2009

Data Control Codes		228 IDEA-B Preschool Deaf	240 National School Breakfast/Lunch Program	242 Summer Feeding Program	244 Career and Tech Basic Grant
<b>REVENUES:</b>					
5700	Local and Intermediate Sources	\$ --	\$ 1,089,709	\$ 477	\$ --
5800	State Program Revenues	--	71,954	2,111	--
5900	Federal Program Revenues	1,947	3,106,397	82,305	165,215
5020	Total Revenues	<u>1,947</u>	<u>4,268,060</u>	<u>84,893</u>	<u>165,215</u>
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	1,947	--	--	143,825
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	--	--	--	11,390
0021	Instructional Leadership	--	--	--	--
0023	School Leadership	--	--	--	--
0031	Guidance, Counseling, & Evaluation Services	--	--	--	10,000
0033	Health Services	--	--	--	--
0034	Student Transportation	--	--	--	--
0035	Food Service	--	4,144,429	63,010	--
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>4,144,429</u>	<u>63,010</u>	<u>165,215</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	--	123,631	21,883	--
Other Financing Sources and (Uses):					
7915	Transfers In	--	46,323	--	--
7080	Total Other Financing Sources and (Uses)	--	46,323	--	--
1200	Net Change in Fund Balances	--	169,954	21,883	--
0100	Fund Balances - Beginning	--	1,115,547	21,872	--
3000	Fund Balances - Ending	\$ --	\$ 1,285,501	\$ 43,755	\$ --

253 IDEA-C Deaf	255 ESEA Title II Training & Recruiting	262 Enhancing Education through Technology	263 English Language Acquisition and Enhancement	266 ARRA of 2009 Title XIV SFS Fund
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
535	530,588	30,048	160,422	104,748
<u>535</u>	<u>530,588</u>	<u>30,048</u>	<u>160,422</u>	<u>104,748</u>
535	215,578	22,829	108,951	104,301
--	--	--	--	--
--	281,025	7,419	31,333	--
--	--	--	1,244	--
--	6,073	--	(251)	--
--	--	--	--	447
--	--	--	--	--
--	--	--	17,003	--
--	--	--	--	--
--	--	--	--	--
--	27,912	--	1,307	--
--	--	--	--	--
--	--	--	--	--
--	--	--	835	--
<u>535</u>	<u>530,588</u>	<u>30,048</u>	<u>160,422</u>	<u>104,748</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, 2009

Data Control Codes	390 LEP Summer Program	394 Life Skills Program	397 Advanced Placement Incentives	401 Optional Extended Year Program
<b>REVENUES:</b>				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	9,927	20,152	12,003	35,500
5900 Federal Program Revenues	--	--	--	--
5020 Total Revenues	<u>9,927</u>	<u>20,152</u>	<u>12,003</u>	<u>35,500</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	9,927	20,152	1,500	35,500
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	--	7,545	--
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>9,927</u>	<u>20,152</u>	<u>9,045</u>	<u>35,500</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>--</u>	<u>--</u>	<u>2,958</u>	<u>--</u>
Other Financing Sources and (Uses):				
7915 Transfers In	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>2,958</u>	<u>--</u>
0100 Fund Balances - Beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,958</u>	<u>\$ --</u>

402 Intensive Reading/Math Initiative	404 Student Success Initiative	409 T-STEM Grant	411 Technology Allotment	414 Accelerated Science Achievement
\$ --	\$ --	\$ --	\$ --	\$ --
60,925	336,680	229,816	220,438	4,404
--	--	--	--	--
<u>60,925</u>	<u>336,680</u>	<u>229,816</u>	<u>220,438</u>	<u>4,404</u>
59,425	279,412	43,969	129,975	4,404
--	--	--	--	--
1,500	35,291	1,086	532	--
--	--	--	--	--
--	--	157,721	--	--
--	--	27,040	--	--
--	--	--	--	--
--	21,977	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	45,906	--
--	--	--	--	--
--	--	--	--	--
<u>60,925</u>	<u>336,680</u>	<u>229,816</u>	<u>176,413</u>	<u>4,404</u>
--	--	--	44,025	--
--	--	--	--	--
--	--	--	44,025	--
--	--	--	--	--
--	--	--	51,520	--
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 95,545</u>	<u>\$ --</u>



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	422 Teacher Excellence Awards	423 LEP Student Success Initiative	424 Texas Fitness Now
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --
5800 State Program Revenues	133,574	703,705	19,685
5900 Federal Program Revenues	--	--	--
5020 Total Revenues	<u>133,574</u>	<u>703,705</u>	<u>19,685</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	110,074	450,230	18,715
0012 Instructional Resources and Media Services	--	--	--
0013 Curriculum and Staff Development	23,500	249,393	970
0021 Instructional Leadership	--	2,635	--
0023 School Leadership	--	993	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--
0033 Health Services	--	--	--
0034 Student Transportation	--	--	--
0035 Food Service	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--
0041 General Administration	--	--	--
0051 Plant Maintenance and Operations	--	454	--
0052 Security and Monitoring Services	--	--	--
0061 Community Services	--	--	--
6030 Total Expenditures	<u>133,574</u>	<u>703,705</u>	<u>19,685</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):			
7915 Transfers In	<u>--</u>	<u>--</u>	<u>--</u>
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
1200 Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
0100 Fund Balances - Beginning	<u>--</u>	<u>--</u>	<u>--</u>
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

425 HB-1 Mentors Program	426 Texas Educator Excellence Award Program	427 Texas Educator Excellence	428 High School Allotment	429 State Funded Special Revenue Fund
\$ --	\$ --	\$ --	\$ --	\$ --
86,051	10,736	68,250	522,833	--
--	--	--	--	--
<u>86,051</u>	<u>10,736</u>	<u>68,250</u>	<u>522,833</u>	<u>--</u>
--	5,027	68,250	522,833	--
--	156	--	--	--
86,051	--	--	--	--
--	--	--	--	--
--	190	--	--	--
--	24	--	--	--
--	69	--	--	--
--	--	--	--	--
--	3,113	--	--	--
--	--	--	--	--
--	2,157	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>86,051</u>	<u>10,736</u>	<u>68,250</u>	<u>522,833</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
<b>REVENUES:</b>			
5700 Local and Intermediate Sources	\$ 469,677	\$ 390,329	\$ 1,950,192
5800 State Program Revenues	433,699	--	2,982,443
5900 Federal Program Revenues	--	--	8,975,946
5020 Total Revenues	<u>903,376</u>	<u>390,329</u>	<u>13,908,581</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	641,802	108,819	7,044,184
0012 Instructional Resources and Media Services	--	44,855	45,011
0013 Curriculum and Staff Development	--	56,676	1,055,089
0021 Instructional Leadership	163,981	--	343,084
0023 School Leadership	--	37,855	285,406
0031 Guidance, Counseling, & Evaluation Services	--	623	252,605
0033 Health Services	--	--	69
0034 Student Transportation	--	--	74,814
0035 Food Service	--	--	4,210,552
0036 Cocurricular/Extracurricular Activities	--	130,649	130,649
0041 General Administration	--	--	75,065
0051 Plant Maintenance and Operations	--	--	48,517
0052 Security and Monitoring Services	--	289	17,276
0061 Community Services	--	--	25,607
6030 Total Expenditures	<u>805,783</u>	<u>379,766</u>	<u>13,607,928</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	<u>97,593</u>	<u>10,563</u>	<u>300,653</u>
Other Financing Sources and (Uses):			
7915 Transfers In	--	--	46,323
7080 Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>46,323</u>
1200 Net Change in Fund Balances	<u>97,593</u>	<u>10,563</u>	<u>346,976</u>
0100 Fund Balances - Beginning	--	132,808	1,321,747
3000 Fund Balances - Ending	<u>\$ 97,593</u>	<u>\$ 143,371</u>	<u>\$ 1,668,723</u>

## Other Supplementary Information

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

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2000 and Prior Years	\$	Various	\$	Various	\$	Various
2001		1.384		.0902		2,384,838,232
2002		1.4342		.12		2,323,115,236
2003		1.50		.05327		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		.0967		3,036,300,384
2008		1.04005		.098		3,340,013,774
2009 (School Year Under Audit)		1.04005		.2579		3,635,017,793
1000 Totals						

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

10 Beginning Balance 9/1/08	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/09
\$ 495,696	\$ --	\$ 10,964	\$ 820	\$ (64,753)	\$ 419,159
113,514	--	5,019	327	(3,389)	104,779
120,857	--	5,442	455	(4,725)	110,235
119,871	--	7,593	270	(859)	111,149
142,950	--	7,810	620	(7,088)	127,432
168,059	--	17,719	1,358	(6,909)	142,073
219,771	--	40,615	2,978	(6,538)	169,640
322,962	--	73,386	5,250	(12,652)	231,674
705,268	--	327,639	30,872	(43,127)	303,630
--	47,180,713	37,058,198	9,189,279	189,601	1,122,837
<u>\$ 2,408,948</u>	<u>\$ 47,180,713</u>	<u>\$ 37,554,385</u>	<u>\$ 9,232,229</u>	<u>\$ 39,561</u>	<u>\$ 2,842,608</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

EXHIBIT J-2

SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2010-2011  
GENERAL AND SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009

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

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Misc.	7 Total
611X-6146	Payroll Costs	\$ --	\$ --	\$ 260,312	\$ 1,178,478	\$ 78,572	\$ 89,401	\$ 1,606,763
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	--	--	86,732	--	8,465	--	95,197
6212	Audit Services	--	--	--	24,250	--	--	24,250
6213	Tax Appraisal and Collection	--	723,974	--	--	--	--	723,974
621X	Other Prof. Services	--	--	--	1,100	--	--	1,100
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	9,527	--	--	9,527
6240	Contr. Maint. and Repair	--	--	--	--	2,393	--	2,393
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	5,559	18,224	2,026	--	25,809
6290	Miscellaneous Contr.	--	--	4,789	30,217	--	--	35,006
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	1,578	70	168	--	1,816
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	271	--	889	73,164	5,405	2,782	82,511
6410	Travel, Subsistence, Stipends	14,667	--	10,402	14,816	2,743	3,937	46,565
6420	Ins. and Bonding Costs	15,625	--	--	313	--	--	15,938
6430	Election Costs	48	--	--	--	--	--	48
6490	Miscellaneous Operating	19,701	--	6,428	37,441	21,029	12,979	97,578
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	47,388	47,388

Total \$ 50,312 \$ 723,974 \$ 376,689 \$ 1,387,600 \$ 120,801 \$ 156,487 \$ 2,815,863

Total Expenditures for General and Special Revenue Funds (9) \$ 74,054,059

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 4,605,712
Total Debt & Lease (6500)	(11)	\$ 153,313
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 6,278,043
Food (Function 35, 6341 and 6499)	(13)	\$ 1,869,982
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		\$ 1,387,600

Subtotal 14,294,650

Net Allowed Direct Cost \$ 59,759,409

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 60,969,113
Historical Cost of Buildings over 50 years old	(16)	7,818,454
Amount of Federal Money in Building Cost (Net of #16)	(17)	282,343
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	7,966,217
Historical Cost of Furniture & Equipment over 16 years old	(19)	1,044,394
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 162,098

(8) Note A - \$78,572 in Function 53 expenditures and \$658,974 in Function 99 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, 2009**

EXHIBIT J-3

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2009 (Exhibit C-1 object 3000 for the General Fund only)	\$ 28,961,527
2	Total General Fund Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	201,942
3	Total General Fund Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	12,441,984
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 (9/1/09 - 5/31/10)	6,046,551
6	Estimate of delayed payments from state sources (58XX) including August payment delays	--
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	--
8	Estimate of delayed payments from federal sources (59XX)	1,632,881
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)	20,323,358
11	Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 10)	\$ 8,638,169

If Item 11 is a Positive Number

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

As of the December 14, 2009 Board of Trustees meeting, budget amendments from the general operating fund totaling \$6,724,857 have been approved. These budget amendments are to cover costs related to land purchases, information management system, high school renovations, track renovations, and increased fees assessed by Gregg County Appraisal District.



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

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	\$ 1,016,074	\$ 1,117,074	\$ 1,089,709	\$ (27,365)
5800	State Program Revenues	28,495	183,124	71,954	(111,170)
5900	Federal Program Revenues	2,995,011	3,070,011	3,106,397	36,386
5020	Total Revenues	<u>4,039,580</u>	<u>4,370,209</u>	<u>4,268,060</u>	<u>(102,149)</u>
<b>EXPENDITURES:</b>					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	4,387,247	4,616,876	4,144,429	472,447
	Total Support Services - Student (Pupil)	<u>4,387,247</u>	<u>4,616,876</u>	<u>4,144,429</u>	<u>472,447</u>
6030	Total Expenditures	<u>4,387,247</u>	<u>4,616,876</u>	<u>4,144,429</u>	<u>472,447</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(347,667)</u>	<u>(246,667)</u>	<u>123,631</u>	<u>370,298</u>
Other Financing Sources (Uses):					
7915	Transfers In	101,000	101,000	46,323	(54,677)
7080	Total Other Financing Sources and (Uses)	<u>101,000</u>	<u>101,000</u>	<u>46,323</u>	<u>(54,677)</u>
1200	Net Change in Fund Balance	<u>(246,667)</u>	<u>(145,667)</u>	<u>169,954</u>	<u>315,621</u>
0100	Fund Balance - Beginning	1,115,547	1,115,547	1,115,547	--
3000	Fund Balance - Ending	<u>\$ 868,880</u>	<u>\$ 969,880</u>	<u>\$ 1,285,501</u>	<u>\$ 315,621</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**

EXHIBIT J-5

DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED AUGUST 31, 2009

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	\$ 9,186,762	\$ 9,186,762	\$ 9,361,956	\$ 175,194	
5020	Total Revenues	<u>9,186,762</u>	<u>9,186,762</u>	<u>9,361,956</u>	<u>175,194</u>	
<b>EXPENDITURES:</b>						
Debt Service:						
0071	Principal on Long-Term Debt	2,625,000	2,625,000	2,625,000	--	
0072	Interest on Long-Term Debt	6,320,415	6,320,415	6,320,415	--	
0073	Bond Issuance Costs and Fees	9,000	9,000	933	8,067	
	Total Debt Service	<u>8,954,515</u>	<u>8,954,515</u>	<u>8,946,348</u>	<u>8,167</u>	
6030	Total Expenditures	<u>8,954,515</u>	<u>8,954,515</u>	<u>8,946,348</u>	<u>8,167</u>	
1100	Excess (Deficiency) of Revenues Over (Under)					
1100	Expenditures	<u>232,247</u>	<u>232,247</u>	<u>415,608</u>	<u>183,361</u>	
Other Financing Sources (Uses):						
7915	Transfers In	--	2,241	2,241	--	
7917	Prepaid Interest	--	321,469	321,469	--	
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>323,710</u>	<u>323,710</u>	<u>--</u>	
1200	Net Change in Fund Balance	<u>232,247</u>	<u>555,957</u>	<u>739,318</u>	<u>183,361</u>	
0100	Fund Balance - Beginning	1,865,105	1,865,105	1,865,105	--	
3000	Fund Balance - Ending	<u>\$ 2,097,352</u>	<u>\$ 2,421,062</u>	<u>\$ 2,604,423</u>	<u>\$ 183,361</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, 2009, which collectively comprise the Longview Independent School District's basic financial statements and have issued our report thereon dated December 16, 2009. 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 certain immaterial instances of noncompliance that we have reported to management of Longview Independent School District in a separate letter dated December 16, 2009.

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 16, 2009

# 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, 2009. 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, 2009.

#### 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 16, 2009

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

**A. Summary of Auditors' Results**

**1. Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

One or more material weaknesses identified?        Yes   X   No

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

Noncompliance material to financial statements noted?        Yes   X   No

**2. Federal Awards**

Internal control over major programs:

One or more material weaknesses identified?        Yes   X   No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027/84.173	Special Education Cluster
84.365	Title III Part A English Language Acquisition and Enhancement
84.367	Title II Part A - Teacher & Principal Training & Recruiting

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes        No

**B. Financial Statement Findings**

NONE

**C. Federal Award Findings and Questioned Costs**

NONE



**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

<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, 2009**

None required.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

Data Control Codes	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Entity Number	(2A) Pass-Through Identifying Number	(3) Federal Expenditures
<b>U. S. DEPARTMENT OF EDUCATION</b>				
<b>Direct Programs:</b>				
489	School-Based Student Drug Testing	84.184	092-903	\$ 31,963
462	Alcohol Abuse Reduction Grant	84.184A	092-903	117,626
	<b>Total Direct Programs</b>			<u>149,589</u>
<b>Passed Through State Department of Education:</b>				
211	ESEA Title I Part A - Improving Basic Programs	84.010A	10610101092903	155,137
211	ESEA Title I Part A - Improving Basic Programs	84.010A	09610101092903	2,879,699
	<b>Total CFDA Number 84.010A</b>			<u>3,034,836</u>
223	IDEA-B High Cost Risk Pool *	84.027	09660006092903	882
224	IDEA-B Formula *	84.027	1066000109290366	92,852
224	IDEA-B Formula *	84.027	0966000109290366	1,487,353
226	IDEA-B Discretionary *	84.027	0966000209290366	37,096
227	IDEA-B Deaf *	84.027	0966000109290366	19,707
	<b>Total CFDA Number 84.027</b>			<u>1,637,890</u>
244	Career and Technical - Basic Grant	84.048	10420006092903	3,987
244	Career and Technical - Basic Grant	84.048	09420006092903	161,228
	<b>Total CFDA Number 84.048</b>			<u>165,215</u>
225	IDEA-B Preschool *	84.173	0966100109290366	31,791
228	IDEA-B Preschool Deaf *	84.173	0966100109290366	1,947
	<b>Total CFDA Number 84.173</b>			<u>33,738</u>
253	IDEA-C Early Intervention (Deaf)	84.181a	0939110109290339	535
204	ESEA Title IV Part A-Safe & Drug-Free Schools & Communities Act	84.186a	09691001092903	40,447
262	Title II Part D Enhancing Education Through Technology	84.318x	09630001092903	30,606
263	Title III Part A English Language Acquisition and Language Enhancement	84.365	10691001092903	28,251
263	Title III Part A English Language Acquisition and Language Enhancement	84.365	09671001092903	134,495
	<b>Total CFDA Number 84.365</b>			<u>162,746</u>
255	ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	10694501092903	66,845
255	ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	09694501092903	474,790
	<b>Total CFDA Number 84.367A</b>			<u>541,635</u>
266	ARRA of 2009 Title XIV State Fiscal Stabilization Fund	84.394	10557001092903	104,748
	<b>Total Passed Through State Department of Education</b>			<u>5,752,396</u>
	<b>Total U. S. Department of Education</b>			<u>5,901,985</u>
<b>U. S. DEPARTMENT OF DEFENSE</b>				
<b>Direct Program:</b>				
314	ROTC	12.000		88,696
	<b>Total U. S. Department of Defense</b>			<u>88,696</u>

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

Data Control Codes	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Entity Number	(2A) Pass-Through Identifying Number	(3) Federal Expenditures
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed Through Texas Department of Agriculture:			
241	Food Distribution	10.550	092-903	\$ 228,209
242	Summer Feeding Program *	10.559	092-903	\$ 82,305
	Total Passed Through Texas Department of Agriculture			<u>310,514</u>
	Passed Through State Department of Education:			
240	School Breakfast Program *	10.553	092-903	809,982
240	National School Lunch Program *	10.555	092-903	2,068,206
	Total Passed Through State Department of Education			<u>2,878,188</u>
	Total U. S. Department of Agriculture			<u>3,188,702</u>
	<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>\$ 9,179,383</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, 2009**

Note A - Basis of Presentation

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

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

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

Total Federal Expenditures, Exhibit K-1	\$ 9,179,383
Other Federal Revenue Sources:	
School Health and Related Services (SHARS)	16,694
Medicaid Admin. Claiming Program (MAC)	<u>20,185</u>
Total Federal Revenues, Exhibit C-2	<u>\$ 9,216,262</u>

Note C - Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At August 31, 2009, the District had food commodities totaling \$60,396 in inventory.

**LONGVIEW INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS**  
**AS OF AUGUST 31, 2009**

<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?	\$ 735,116

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