

**LONGVIEW
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2010

Introductory Section

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Longview Independent School District
Annual Financial Report
For The Year Ended August 31, 2010

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
Certificate of Board.....	5	
FINANCIAL SECTION		
Independent Auditors' Report on Financial Statements.....	9	
Management's Discussion and Analysis (Required Supplementary Information).....	11	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	20	A-1
Statement of Activities.....	21	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	22	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	25	C-1R
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	26	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	28	C-3
Statement of Fiduciary Net Assets - Fiduciary Funds.....	29	E-1
Notes to the Financial Statements	30	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	44	G-1
<u>Combining Statements as Supplementary Information:</u>		
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	48	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	58	H-2
OTHER SUPPLEMENTARY INFORMATION SECTION		
Schedule of Delinquent Taxes Receivable.....	70	J-1
Indirect Cost Computation Schedule	72	J-2
Fund Balance and Cash Flow Calculation Worksheet (Unaudited)-General Fund.....	73	J-3
Budgetary Comparison Schedules Required by the Texas Education Agency:		
National School Breakfast and Lunch Program.....	74	J-4
Debt Service Fund.....	75	J-5

Longview Independent School District
 Annual Financial Report
 For The Year Ended August 31, 2010

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	77	
Report on Compliance with Requirements Applicable To each Major Program and Internal Control over Compliance In Accordance With OMB Circular A-133.....	79	
Schedule of Findings and Questioned Costs	81	
Summary Schedule of Prior Audit Findings.....	82	
Corrective Action Plan.....	83	
Schedule of Expenditures of Federal Awards	84	K-1
Notes to the Schedule of Expenditures of Federal Awards.....	86	
Schedule of Required Responses to Selected School First Indicators.....	87	K-2

CERTIFICATE OF BOARD

Longview Independent School District
Name of School District

Gregg
County

092-903
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) _____ approved _____ disapproved for the year ended August 31, 2010, at a meeting of the board of trustees of such school district on the ____ day of _____, _____.

Signature of Board Secretary

Signature of Board President

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

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Financial Section

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KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

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Independent Auditors' Report on Financial Statements

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

Members of the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Longview Independent School District as of and for the year ended August 31, 2010, 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, 2010, 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 21, 2010, 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 21, 2010

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 8/31/10. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

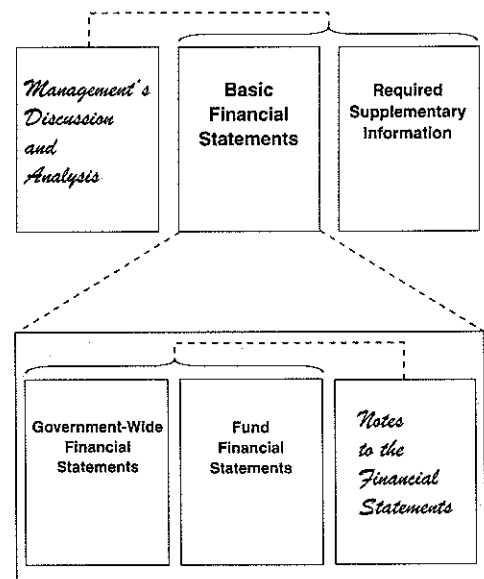
- The District's total combined net assets were \$75,819,032 at 8/31/10.
- During the year, the District's expenses were \$4,911,145 less than the \$93,863,044 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$31,675,611.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

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

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	* Statement of net assets * Statement of activities	* Balance sheet * Statement of revenues, expenditures & changes in fund balances	* Statement of net assets * Statement of revenues, expenses and changes in fund net assets * Statement of cash flows	* Statement of fiduciary net assets * Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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 \$75,819,032 at 8/31/10. (See Table A-1).

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

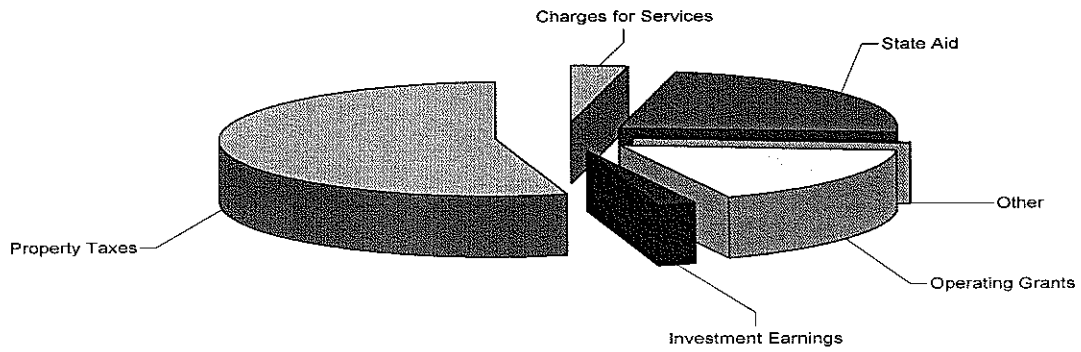
	Governmental Activities		Percentage Change
	2010	2009	2009-10
Current assets:			
Cash and cash equivalents	17.378	13.739	26.49%
Current Investments	60.060	179.297	(66.50)
Property Taxes Receivable	2.595	2.438	6.44
Due from other Government	4.175	1.619	157.88
Accrued Interest	.014	.002	600.00
Other receivables	.113	.058	94.83
Inventories – at cost	.369	.374	(1.35)
Deferred Exp & Bond	1.847	2.253	(18.02)
Total current assets:	86.551	199.780	(56.68)
Noncurrent assets:			
Bldg., Furn. & Eqmt, CIP	233.279	117.614	98.34
Less Accum. Depr.	(29.071)	(30.487)	(4.64)
Land	10.083	7.871	28.10
Total noncurrent assets	214.291	94.998	125.57
Total Assets	300.842	294.778	2.06
Current liabilities:			
Accounts payable and accrued liabilities	21.233	15.833	34.11
Bonds payable	4.512	4.685	(3.69)
Due to other governments	.048	.279	(82.80)
Deferred revenue	.217	.197	10.15
Total current liabilities	26.010	20.994	23.89
Long-term liabilities:			
Notes payable	199.013	202.876	(1.90)
Total Liabilities	225.023	223.870	0.52
Net Assets:			
Invested in capital assets	36.784	37.929	(3.02)
Restricted	5.278	4.525	16.64
Unrestricted	33.757	28.454	18.64
Total Net Assets	75.819	70.908	6.93

Restricted Net Assets are dedicated to various uses, namely: debt service, capital projects, and campus activities. The \$33,757,396 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 \$93,863,044. A significant portion, \$55,656,910 or 59%, of the District's revenue comes from taxes. (See Figure Below) 39% comes from State aid, Operating Grants and Contributions, while only 5% relates to charges for services and investment earnings. The district also experienced a loss on asset dispositions in the amount of \$3,203,175 or (3%) of total revenue in connection with the demolition of certain buildings that were abandoned after new facilities were constructed.

The total cost of all programs and services was \$88,951,899; 73% of these costs are for instructional and student services.

Revenue Values



Governmental Activities

- Property tax rates increased 7.24%. This increase coupled with increasing property values resulted in an increase in tax levy of \$7,939,998 over the prior year.

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

	Governmental Activities		Total Percentage Change
	<u>2010</u>	<u>2009</u>	<u>2009-10</u>
Program Revenues:			
Charges for Services	3.031	3.005	.87
Operating Grants and Contributions	16.704	14.717	13.50
General Revenues			
Property Taxes	55.657	47.717	16.64
State Aid	20.396	20.098	1.48
Investment Earnings	.468	1.964	(76.17)
Disposition of Assets	(3.203)	(.842)	(280.40)
Other	.810	.400	102.50
Total Revenues	93.863	87.059	7.82
Expenses:			
Instruction	43.064	40.427	6.52
Instructional Resources and Media Services	1.146	1.120	2.32
Curriculum Dev. And Instructional Staff Dev.	1.734	1.378	25.83
Instructional Leadership	1.905	1.857	2.58
School Leadership	4.155	4.113	1.02
Guidance, Counseling and Evaluation Services	2.497	2.383	4.78
Social Work Services	.012	.011	9.09
Health Services	.705	.662	6.50
Student (Pupil) Transportation	2.893	2.589	11.74
Food Services	4.357	4.297	1.40
Curricular/Extracurricular Activities	2.398	2.253	6.44
General Administration	2.242	2.118	5.85
Plant Maintenance & Oper.	6.246	6.411	(2.57)
Security & Monitoring Svcs.	.477	.488	(2.25)
Data Processing Services	1.178	.627	87.88
Community Services	.777	.567	37.04
Debt Service	9.060	7.833	15.66
Bond Issuance Costs	.183	0	100.00
Facilities Acquisition and Construction	3.200	.001	319900.0
Other			
Intergovernmental Charges	.722	.659	9.56
Total Expenses	88.952	79.794	11.48
Excess (Deficiency) Before Other Resources, Uses & Transfers	4.911	7.265	(32.40)
Special Item Inflow	0	0	0
Other Resources (Uses)			
Transfers In (Out)	0	0	0
Increase (Decrease) in Net Assets	4.911	7.265	(32.40)

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

- The cost of all *governmental* activities this year was \$88,951,899.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$55,656,910.
- Some of the cost was paid by those who directly benefited from the programs, totaling \$3,031,507, or by grants and contributions totaling \$16,704,261.

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>2010</u>	<u>2009</u>		<u>2010</u>	<u>2009</u>	
Instruction	45.944	42.924	7.04	33.625	32.194	4.44
School administration	6.060	5.97	1.51	5.461	5.271	3.60
Student Support Services	12.862	12.196	5.46	6.859	6.525	5.12
Plant Maintenance & Operations	6.246	6.411	(2.57)	5.974	6.154	(2.92)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$97,007,074, an increase of 10.85% 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 \$5,244,340 below final budget amounts. The most significant positive variance resulted from instruction. Final costs for instruction were below the amount anticipated and initially budgeted.

In order to prevent budget deficits, the district made a concerted effort to provide for adequate budget amounts in all functions in the event of a contingency.

Revenues generated were \$1,785,003 above the final budgeted amount. Average daily attendance in excess of original projections caused state funding to exceed beginning budget amounts for the current year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the District had invested \$214,291,590 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4) This amount represents a net increase (including additions and deductions) of \$119,293,665, or 125% over prior year.

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

	Governmental Activities		Total Percentage Change <u>2009-10</u>
	<u>2010</u>	<u>2009</u>	
Land	10.084	7.870	28.13
Buildings and improvements	56.765	60.969	(6.90)
Vehicles	4.455	4.147	7.43
Equipment	3.898	3.819	2.07
Construction in progress	168.160	48.679	245.45
Totals at historical cost	<u>243.362</u>	<u>125.484</u>	93.94
Total accumulated depreciation	<u>29.071</u>	<u>30.486</u>	(4.64)
Net capital assets	<u>214.291</u>	<u>94.998</u>	125.57

The District continued construction projects on 8 elementary, 3 middle school, and the high school campuses during the year. Land was purchased adjacent to the high school campus to accommodate the need for potential future expansion. In addition, new buses, financial and student software, and curriculum software was purchased during the year. Reductions to the District's capital assets resulted from the trade-in or auction of obsolete vehicles and tractors, and the demolition of 3 campuses.

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 \$199,658,172 in bonds, leases and notes outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the notes to the financial statements.

Bond Ratings

The District's bonds presently carry "AAA" ratings with underlying ratings as follows: 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 2009-10
	<u>2010</u>	<u>2009</u>	
Bonds payable	199,658	204,344	(2.29)
Accreted interest on CABs	1,467	.735	99.59
Premiums on Issue of Bonds	2,573	2,752	(6.50)
Less deferred amount			
On refunding	<u>(.173)</u>	<u>(.270)</u>	(35.93)
Total bonds & notes payable	<u>203,525</u>	<u>207,561</u>	(1.94)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The appraised value used for the 2011 budget preparation decreased by \$118 million or (2.9%) from last year.
- Property values took an unexpected decline as compared to prior years' upward trend.
- A salary action plan continued for 2010-11. 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, as well as non-instructional staff was approximately 2%.
- The tax rate to support the 10/11 budget is 1.513 per hundred dollar in value as compared to 1.4202 per hundred dollar in value for 09/10.

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 received. 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, 2010

Data Control Codes	1	Governmental Activities
ASSETS:		
1110	Cash and Cash Equivalents	\$ 17,377,749
1120	Current Investments	60,059,669
1225	Property Taxes Receivable (Net)	2,595,494
1240	Due from Other Governments	4,174,867
1250	Accrued Interest	14,088
1290	Other Receivables (Net)	112,851
1300	Inventories	369,040
1410	Deferred Expenses	113,413
1420	Capitalized Bond and Other Debt Issuance Costs	1,733,532
Capital Assets:		
1510	Land	10,083,794
1520	Buildings and Improvements, Net	34,030,548
1530	Furniture and Equipment, Net	2,016,603
1580	Construction in Progress	168,160,645
1000	Total Assets	<u>300,842,293</u>
LIABILITIES:		
2110	Accounts Payable	17,571,550
2140	Interest Payable	389,032
2165	Accrued Liabilities	3,272,412
2180	Due to Other Governments	48,647
2300	Unearned Revenue	216,719
Noncurrent Liabilities:		
2501	Due Within One Year	4,512,299
2502	Due in More Than One Year	199,012,602
2000	Total Liabilities	<u>225,023,261</u>
NET ASSETS		
3200	Invested in Capital Assets, Net of Related Debt	36,783,546
Restricted For:		
3820	State and Federal Programs	1,485,120
3850	Debt Service	3,671,926
3870	Campus Activities	121,044
3900	Unrestricted	33,757,396
3000	Total Net Assets	<u>\$ 75,819,032</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2010

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	\$ 43,064,079	\$ 1,559,439	\$ 9,363,560	\$ (32,141,080)	
12	Instructional Resources and Media Services	1,146,288	--	54,472	(1,091,816)	
13	Curriculum and Staff Development	1,733,592	--	1,341,830	(391,762)	
21	Instructional Leadership	1,904,861	--	189,738	(1,715,123)	
23	School Leadership	4,155,008	--	409,453	(3,745,555)	
31	Guidance, Counseling, & Evaluation Services	2,496,551	--	427,310	(2,069,241)	
32	Social Work Services	11,993	--	540	(11,453)	
33	Health Services	705,468	--	43,568	(661,900)	
34	Student Transportation	2,892,636	--	478,511	(2,414,125)	
35	Food Service	4,357,453	1,027,635	3,533,729	203,911	
36	Cocurricular/Extracurricular Activities	2,397,574	430,288	60,675	(1,906,611)	
41	General Administration	2,242,359	--	253,840	(1,988,519)	
51	Plant Maintenance and Operations	6,245,706	14,145	257,212	(5,974,349)	
52	Security and Monitoring Services	477,402	--	994	(476,408)	
53	Data Processing Services	1,178,304	--	27,575	(1,150,729)	
61	Community Services	777,418	--	261,254	(516,164)	
72	Interest on Long-term Debt	9,059,802	--	--	(9,059,802)	
73	Bond Issuance Costs and Fees	182,973	--	--	(182,973)	
81	Capital Outlay	3,200,073	--	--	(3,200,073)	
99	Other Intergovernmental Charges	722,359	--	--	(722,359)	
TG	Total Governmental Activities	<u>88,951,899</u>	<u>3,031,507</u>	<u>16,704,261</u>	<u>(69,216,131)</u>	
TP	Total Primary Government	<u>\$ 88,951,899</u>	<u>\$ 3,031,507</u>	<u>\$ 16,704,261</u>	<u>(69,216,131)</u>	
	General Revenues:					
MT	Property Taxes, Levied for General Purposes				40,889,940	
DT	Property Taxes, Levied for Debt Service				14,766,970	
IE	Investment Earnings				468,337	
GC	Grants and Contributions Not Restricted to Specific Progra				20,395,533	
MI	Miscellaneous				809,671	
	Loss on Disposition of Assets				(3,203,175)	
TR	Total General Revenues				<u>74,127,276</u>	
CN	Change in Net Assets				4,911,145	
NB	Net Assets - Beginning				70,907,887	
NE	Net Assets - Ending				<u>\$ 75,819,032</u>	

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2010

Data Control Codes	10 <u>General Fund</u>	50 <u>Debt Service Fund</u>
ASSETS:		
1110 Cash and Cash Equivalents	\$ 11,732,977	\$ 829,146
1120 Current Investments	15,955,617	2,425,673
1225 Taxes Receivable, Net	2,167,979	427,515
1240 Due from Other Governments	1,238,240	--
1250 Accrued Interest	14,088	--
1260 Due from Other Funds	5,592,894	22,811
1290 Other Receivables	110,868	--
1300 Inventories	205,582	--
1410 Deferred Expenditures	113,413	--
1000 Total Assets	<u>\$ 37,131,658</u>	<u>\$ 3,705,145</u>
LIABILITIES:		
Current Liabilities:		
2110 Accounts Payable	\$ 497,845	\$ --
2150 Payroll Deductions & Withholdings	(2,384)	--
2160 Accrued Wages Payable	2,119,504	--
2170 Due to Other Funds	134,581	--
2180 Due to Other Governments	--	33,219
2200 Accrued Expenditures	636,535	--
2300 Unearned Revenue	2,069,966	360,742
2000 Total Liabilities	<u>5,456,047</u>	<u>393,961</u>
FUND BALANCES:		
Reserved Fund Balances:		
3410 Investments in Inventory	205,582	--
3420 Debt Service	--	3,311,184
3450 Reserve for Food Service	--	--
3490 Other Reserves of Fund Balance	--	--
Designated Fund Balance:		
3510 Construction	20,441,984	--
3600 Unreserved	11,028,045	--
3000 Total Fund Balances	<u>31,675,611</u>	<u>3,311,184</u>
4000 Total Liabilities and Fund Balances	<u>\$ 37,131,658</u>	<u>\$ 3,705,145</u>

The accompanying notes are an integral part of this statement.

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 2,586,827	\$ 2,228,799	\$ 17,377,749
41,678,379	--	60,059,669
--	--	2,595,494
--	2,936,627	4,174,867
--	--	14,088
420,000	4,050	6,039,755
--	1,983	112,851
--	163,458	369,040
--	--	113,413
<u>\$ 44,685,206</u>	<u>\$ 5,334,917</u>	<u>\$ 90,856,926</u>
\$ 16,605,430	\$ 468,275	\$ 17,571,550
--	10,674	8,290
--	444,522	2,564,026
3,277,060	2,628,114	6,039,755
--	15,428	48,647
--	63,561	700,096
--	98,179	2,528,887
<u>19,882,490</u>	<u>3,728,753</u>	<u>29,461,251</u>
--	118,091	323,673
--	--	3,311,184
--	1,129,428	1,129,428
24,802,716	358,645	25,161,361
--	--	20,441,984
--	--	11,028,045
<u>24,802,716</u>	<u>1,606,164</u>	<u>61,395,675</u>
<u>\$ 44,685,206</u>	<u>\$ 5,334,917</u>	<u>\$ 90,856,926</u>

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LONGVIEW INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
AUGUST 31, 2010

Total fund balances - governmental funds balance sheet	\$ 61,395,675
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.	214,291,590
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	2,312,168
Payables for bond principal which are not due in the current period are not reported in the funds.	(199,658,172)
Payables for bond interest which are not due in the current period are not reported in the funds.	(389,032)
Unamortized premiums and discounts on issuance of bonds are not reported in the funds.	(2,573,292)
Unamortized debt issuance costs are not reported in the funds.	1,733,532
Deferred loss on refunding bonds is not reported in the funds.	173,601
Accreted interest on capital appreciation bonds is not reported in the funds.	<u>(1,467,038)</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 75,819,032</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, 2010

Data Control Codes	10 General Fund	50 Debt Service Fund
REVENUES:		
5700 Local and Intermediate Sources	\$ 42,363,442	\$ 14,791,678
5800 State Program Revenues	20,729,684	7
5900 Federal Program Revenues	1,156,830	--
5020 Total Revenues	<u>64,249,956</u>	<u>14,791,685</u>
EXPENDITURES:		
Current:		
0011 Instruction	32,308,581	--
0012 Instructional Resources and Media Services	1,043,306	--
0013 Curriculum and Staff Development	330,492	--
0021 Instructional Leadership	1,612,389	--
0023 School Leadership	3,788,109	--
0031 Guidance, Counseling, & Evaluation Services	2,129,250	--
0032 Social Work Services	11,691	--
0033 Health Services	699,410	--
0034 Student Transportation	2,824,137	--
0035 Food Service	--	--
0036 Cocurricular/Extracurricular Activities	1,906,584	--
0041 General Administration	2,154,833	--
0051 Plant Maintenance and Operations	6,098,131	--
0052 Security and Monitoring Services	472,038	--
0053 Data Processing Services	1,217,611	--
0061 Community Services	711,465	--
0071 Principal on Long-term Debt	55,000	4,630,421
0072 Interest on Long-term Debt	9,629	9,453,530
0073 Bond Issuance Costs and Fees	--	973
0081 Capital Outlay	3,398,558	--
0099 Other Intergovernmental Charges	722,359	--
6030 Total Expenditures	<u>61,493,573</u>	<u>14,084,924</u>
1100 Excess (Deficiency) of Revenues Over (Under)		
1100 Expenditures	<u>2,756,383</u>	<u>706,761</u>
Other Financing Sources and (Uses):		
7915 Transfers In	--	--
8911 Transfers Out	(42,300)	--
7080 Total Other Financing Sources and (Uses)	<u>(42,300)</u>	<u>--</u>
1200 Net Change in Fund Balances	2,714,083	706,761
0100 Fund Balances - Beginning	28,961,528	2,604,423
3000 Fund Balances - Ending	<u>\$ 31,675,611</u>	<u>\$ 3,311,184</u>

The accompanying notes are an integral part of this statement.

EXHIBIT C-2

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 229,281	\$ 1,761,226	\$ 59,145,627
--	2,368,996	23,098,687
--	13,605,930	14,762,760
<u>229,281</u>	<u>17,736,152</u>	<u>97,007,074</u>
--	10,072,749	42,381,330
--	52,356	1,095,662
--	1,411,131	1,741,623
--	271,406	1,883,795
--	350,653	4,138,762
--	357,491	2,486,741
--	--	11,691
--	1,916	701,326
--	355,655	3,179,792
--	4,693,350	4,693,350
--	119,356	2,025,940
--	47,351	2,202,184
--	46,604	6,144,735
--	3,422	475,460
--	--	1,217,611
--	57,571	769,036
--	--	4,685,421
--	--	9,463,159
--	--	973
122,948,105	--	126,346,663
--	--	722,359
<u>122,948,105</u>	<u>17,841,011</u>	<u>216,367,613</u>
<u>(122,718,824)</u>	<u>(104,859)</u>	<u>(119,360,539)</u>
--	42,300	42,300
--	--	(42,300)
--	42,300	--
<u>(122,718,824)</u>	<u>(62,559)</u>	<u>(119,360,539)</u>
147,521,540	1,668,723	180,756,214
<u>\$ 24,802,716</u>	<u>\$ 1,606,164</u>	<u>\$ 61,395,675</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, 2010

Net change in fund balances - total governmental funds	\$ (119,360,539)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	124,151,057
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,642,121)
The gain or loss on the sale of capital assets is not reported in the funds.	(3,203,175)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(18,921)
Donations of capital assets increase net assets in the SOA but not in the funds.	6,825
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	71,241
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	4,685,421
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(85,938)
The accretion of interest on capital appreciation bonds is not reported in the funds.	(731,922)
(Increase) decrease in accrued interest from beginning of period to end of period.	956,686
Bond premiums are reported in the funds but not in the SOA.	178,593
Loss on refunding bonds is amortized in the SOA but not in the funds.	<u>(96,062)</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ 4,911,145</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

AUGUST 31, 2010

Data Control Codes		Agency Fund
ASSETS:		Student Activity
1110	Cash and Cash Equivalents	\$ 147,827
1000	Total Assets	<u>\$ 147,827</u>
	LIABILITIES:	
	Current Liabilities:	
2190	Due to Student Groups	\$ 147,827
2000	Total Liabilities	<u>147,827</u>
	NET ASSETS	
3000	Total Net Assets	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

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

The District reports the following major governmental funds:

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

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, 2010

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, 2010 was \$394,272.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010

b. Inventories and Prepaid Items

Inventories of supplies and purchased food on the balance sheet are stated at 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 purchased food and 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 unearned revenue when received. When requisitioned, inventory and unearned 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, 2010

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, 2010, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$17,525,576 and the bank balance was \$18,419,241. The District's cash deposits at August 31, 2010 and during the year ended August 31, 2010, 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, 2010

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, 2010 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Texpool	Avg 28 days	\$ 599,340
Lone Star Investment Pool	Various	43,366,350
TexStar	Various	1,618,605
Texas CLASS	Various	4,393,520
Certificates of Deposit	Various	10,081,854
Total Investments		<u>\$ 60,059,669</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, 2010, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>
Texpool	AAAm
Lone Star Investment Pool	AAAm
TexStar	AAAm
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, 2010

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, 2010, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 7,870,199	\$ 2,213,595	\$ --	\$ 10,083,794
Construction in progress	48,679,333	121,352,996	1,871,684	168,160,645
Total capital assets not being depreciated	<u>56,549,532</u>	<u>123,566,591</u>	<u>1,871,684</u>	<u>178,244,439</u>
Capital assets being depreciated:				
Buildings and improvements	60,969,112	1,871,684	6,075,273	56,765,523
Equipment	3,819,008	166,869	88,003	3,897,874
Vehicles	4,147,209	424,421	116,853	4,454,777
Total capital assets being depreciated	<u>68,935,329</u>	<u>2,462,974</u>	<u>6,280,129</u>	<u>65,118,174</u>
Less accumulated depreciation for:				
Buildings and improvements	(24,557,049)	(1,122,201)	(2,944,275)	(22,734,975)
Equipment	(2,644,568)	(329,291)	--	(2,973,859)
Vehicles	(3,285,319)	(190,629)	(113,759)	(3,362,189)
Total accumulated depreciation	<u>(30,486,936)</u>	<u>(1,642,121)</u>	<u>(3,058,034)</u>	<u>(29,071,023)</u>
Total capital assets being depreciated, net	<u>38,448,393</u>	<u>820,853</u>	<u>3,222,095</u>	<u>36,047,151</u>
Governmental activities capital assets, net	<u>\$ 94,997,925</u>	<u>\$ 124,387,444</u>	<u>\$ 5,093,779</u>	<u>\$ 214,291,590</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010

Depreciation was charged to functions as follows:

Instruction	\$ 747,072
Instructional Resources and Media Services	50,626
Curriculum and Staff Development	2,130
Instructional Leadership	21,066
School Leadership	16,246
Guidance, Counseling, & Evaluation Services	9,810
Social Work Services	302
Health Services	4,142
Student Transportation	137,265
Food Services	95,420
Extracurricular Activities	371,634
General Administration	40,175
Plant Maintenance and Operations	107,690
Security and Monitoring Services	1,942
Data Processing Services	28,219
Community Services	8,382
	<u>\$ 1,642,121</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2010, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Capital Projects Fund	\$ 3,277,060	Reimburse expenditures
Debt Service Fund	General Fund	22,811	Short-term loans
General Fund	Other Governmental Funds	2,317,857	Short-term loans
Capital Projects Fund	Other Governmental Funds	420,000	Reimburse expenditures
Other Governmental Funds	General Fund	2,027	Short-term loans
	Total	<u>\$ 6,039,755</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, 2010, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	Other Governmental Funds	<u>\$ 42,300</u>	Transfer state funding for payroll

F. Long-Term Obligations

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

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2010, are as follows:

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation bonds	\$ 204,343,593	\$ --	\$ 4,685,421	\$ 199,658,172	\$ 4,512,299
Accreted interest on CABs	735,116	731,922	--	1,467,038	--
Premiums on issuance of debt	2,751,885	--	178,593	2,573,292	--
Less deferred amount on refunding	(269,663)	--	96,062	(173,601)	--
Total governmental activities	\$ 207,560,931	\$ 731,922	\$ 4,960,076	\$ 203,524,901	\$ 4,512,299

2. Bonds and Notes Payable

Bonds and notes payable currently outstanding are as follows:

Description	Interest Rates	Maturity Date	Amount
Unlimited Tax Refunding Bonds, Series 2003	2.50-3.375%	FY 2015	\$ 6,675,000
Maintenance Tax Notes, Series 2004	3.47%	FY 2014	250,000
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	17,938,172
Unlimited Tax School Building Bonds, Series 2009	2.50-5.00%	FY 2037	63,190,000
			\$ 199,658,172

3. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2010, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2011	\$ 4,512,299	\$ 8,877,722	\$ 13,390,021
2012	4,710,616	8,889,161	13,599,777
2013	4,739,950	8,859,315	13,599,265
2014	4,770,009	8,829,057	13,599,066
2015	4,731,465	8,795,573	13,527,038
2016-2020	24,273,833	43,390,404	67,664,237
2021-2025	34,305,000	33,345,812	67,650,812
2026-2030	44,065,000	23,598,062	67,663,062
2031-2035	56,415,000	11,241,681	67,656,681
2036-2040	17,135,000	623,263	17,758,263
Totals	\$ 199,658,172	\$ 156,450,050	\$ 356,108,222

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, 2010, 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 \$3,650,000.

G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2010, 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.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010

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 6.644% of the District's covered payroll. The District's employees' contributions to the System for the years ending August 31, 2010, 2009 and 2008 were \$3,004,082, \$2,690,698 and \$2,841,577, 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, 2010, 2009 and 2008 were \$748,872, \$873,533 and \$797,729, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$2,872,738 for the year ended August 31, 2010.

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, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

2. Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2010, 2009 and 2008. 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, 2010, 2009, and 2008, the State's contributions to TRS-Care were \$468,665, \$454,564, and \$444,065, respectively, the active member contributions were \$304,618, \$295,473, and \$288,594, respectively, and the District's contributions were \$257,807, \$250,014, and \$244,207, 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

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010

(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, 2010, 2009, and 2008, the subsidy payments received by TRS-Care on behalf of the District were \$121,472, \$107,435, and \$104,897, respectively.

J. Employee Health Care Coverage

During the year ended August 31, 2010, 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, 2010.

3. Commitments

The District had the following contractual commitments at August 31, 2010, in connection with ongoing building projects.

Construction Manager - JL Everhart Elementary	\$ 27,627
Contractor - Ned Williams Street Improvements	25,692
Construction Manager - Forest Park Middle School	87,973
Construction Manager - LHS Additions	911,881
Construction Manager - Foster Middle School	20,855,148
Construction Manager - Judson Middle School	21,146,676
Construction Manager - LHS Renovations	3,942,445
Construction Manager - Bramlette Elementary	14,048,838
Construction Manager - Ware Elementary	10,968,380
Contractor - Energy Management System	588,761
Architect - various projects	832,383
	<u>\$ 73,435,804</u>

These projects will be funded with remaining bond proceeds reported in the Capital Projects Fund and with the proceeds of a new bond issue dated October 12, 2010, as described in Note M.

L. Shared Services Arrangements

Shared Services Arrangement - Fiscal Agent

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010

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	\$ 160,062
Hallsville ISD	48,019
Jefferson ISD	16,006
New Diana ISD	16,006
West Rusk ISD	32,012
Harleton ISD	16,006
Beckville ISD	16,006
Kilgore ISD	48,019
White Oak ISD	48,019
Gladewater ISD	32,012
Spring Hill ISD	16,006
Carthage ISD	32,012
Overton ISD	32,012
Tatum ISD	32,012
Harmony ISD	16,006
Union Grove ISD	32,012
Gilmer ISD	16,006
Pine Tree ISD	64,025
Elysian Fields ISD	16,006
Longview ISD	160,062
Total	<u>\$ 848,326</u>

M. Subsequent Events

Management has evaluated subsequent events through December 21, 2010, the date on which the financial statements were available to be issued.

On October 12, 2010, the District issued \$52,045,000 in Unlimited Tax School Building Bonds, Series 2010 and \$8,875,000 in Unlimited Tax Qualified School Construction Bonds, Taxable Series 2010. These bonds were authorized by the voters in May of 2008.

Subsequent to August 31, 2010, the District demolished two existing campuses as part of the building program. These campuses had a value of \$984,919 on the statement of net assets as of August 31, 2010.

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 2009-10 school year, the District paid a fixed cost in the amount of \$191,166 for administration of claims, loss control, record keeping, and the cost of stop-loss insurance. Total workers' compensation claims paid amounted to \$236,318 for current year claims and \$162,957 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:

	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
Year Ended August 31, 2010 \$	460,523 \$	638,847 \$	399,275 \$	700,095
Year Ended August 31, 2009	510,285	209,898	259,660	460,523

LONGVIEW INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010

O. Other Reserves of Fund Balance

Other reservations of fund balance consist of the following:

Capital Projects Fund	
Reserved for construction	\$ <u>24,802,716</u>
Other Governmental Funds	
Reserved for state technology allotment	\$ 156,170
Reserved for AP incentives	5,159
Reserved for Regional Day School for the Deaf	76,272
Reserved for campus activity funds	<u>121,044</u>
Total Other Governmental Funds	\$ <u>358,645</u>

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Required Supplementary Information

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2010

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1		2		3		Variance with Final Budget Positive (Negative)
		Budgeted Amounts				Actual		
		Original	Final					
REVENUES:								
5700	Local and Intermediate Sources	\$ 41,757,366	\$ 42,004,772	\$ 42,363,442	\$	358,670		
5800	State Program Revenues	16,898,261	19,697,345	20,729,684		1,032,339		
5900	Federal Program Revenues	534,980	762,836	1,156,830		393,994		
5020	Total Revenues	<u>59,190,607</u>	<u>62,464,953</u>	<u>64,249,956</u>		<u>1,785,003</u>		
EXPENDITURES:								
Current:								
Instruction & Instructional Related Services:								
0011	Instruction	32,969,377	34,427,938	32,308,581		2,119,357		
0012	Instructional Resources and Media Services	1,022,000	1,097,933	1,043,306		54,627		
0013	Curriculum and Staff Development	315,334	469,446	330,492		138,954		
	Total Instruction & Instr. Related Services	<u>34,306,711</u>	<u>35,995,317</u>	<u>33,682,379</u>		<u>2,312,938</u>		
Instructional and School Leadership:								
0021	Instructional Leadership	1,706,499	1,788,001	1,612,389		175,612		
0023	School Leadership	3,775,256	3,956,290	3,788,109		168,181		
	Total Instructional & School Leadership	<u>5,481,755</u>	<u>5,744,290</u>	<u>5,400,498</u>		<u>343,792</u>		
Support Services - Student (Pupil):								
0031	Guidance, Counseling and Evaluation Services	2,087,020	2,191,478	2,129,250		62,228		
0032	Social Work Services	12,014	12,527	11,691		836		
0033	Health Services	656,992	705,464	699,410		6,054		
0034	Student (Pupil) Transportation	3,178,063	3,303,699	2,824,137		479,562		
0036	Cocurricular/Extracurricular Activities	1,798,800	2,079,817	1,906,584		173,233		
	Total Support Services - Student (Pupil)	<u>7,732,890</u>	<u>8,292,985</u>	<u>7,571,072</u>		<u>721,913</u>		
Administrative Support Services:								
0041	General Administration	2,069,348	2,330,158	2,154,833		175,325		
	Total Administrative Support Services	<u>2,069,348</u>	<u>2,330,158</u>	<u>2,154,833</u>		<u>175,325</u>		
Support Services - Nonstudent Based:								
0051	Plant Maintenance and Operations	7,091,253	7,412,393	6,098,131		1,314,262		
0052	Security and Monitoring Services	520,715	536,298	472,038		64,260		
0053	Data Processing Services	686,472	1,400,002	1,217,611		182,391		
	Total Support Services - Nonstudent Based	<u>8,298,440</u>	<u>9,348,693</u>	<u>7,787,780</u>		<u>1,560,913</u>		
Ancillary Services:								
0061	Community Services	545,915	720,397	711,465		8,932		
	Total Ancillary Services	<u>545,915</u>	<u>720,397</u>	<u>711,465</u>		<u>8,932</u>		
Debt Service:								
0071	Principal on Long-Term Debt	55,000	55,000	55,000		--		
0072	Interest on Long-Term Debt	9,630	9,630	9,629		1		
0073	Bond Issuance Costs and Fees	500	500	--		500		
	Total Debt Service	<u>65,130</u>	<u>65,130</u>	<u>64,629</u>		<u>501</u>		
Capital Outlay:								
0081	Capital Outlay	--	3,501,944	3,398,558		103,386		
	Total Capital Outlay	<u>--</u>	<u>3,501,944</u>	<u>3,398,558</u>		<u>103,386</u>		
0099	Other Intergovernmental Charges	624,000	739,000	722,359		16,641		
	Total Intergovernmental Charges	<u>624,000</u>	<u>739,000</u>	<u>722,359</u>		<u>16,641</u>		

LONGVIEW INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2010

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>59,124,187</u>	<u>66,737,913</u>	<u>61,493,573</u>	<u>5,244,340</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>66,420</u>	<u>(4,272,960)</u>	<u>2,756,383</u>	<u>7,029,343</u>
	Other Financing Sources (Uses):				
8911	Transfers Out	<u>(66,420)</u>	<u>(66,420)</u>	<u>(42,300)</u>	<u>24,120</u>
7080	Total Other Financing Sources and (Uses)	<u>(66,420)</u>	<u>(66,420)</u>	<u>(42,300)</u>	<u>24,120</u>
1200	Net Change in Fund Balance	<u>--</u>	<u>(4,339,380)</u>	<u>2,714,083</u>	<u>7,053,463</u>
0100	Fund Balance - Beginning	<u>28,961,528</u>	<u>28,961,528</u>	<u>28,961,528</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 28,961,528</u>	<u>\$ 24,622,148</u>	<u>\$ 31,675,611</u>	<u>\$ 7,053,463</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, 2010

Data Control Codes	204 ESEA Title IV SDFSC	210 ESEA Title I School Improvement	211 ESEA Title I Improving Basic Programs	212 ESEA Title I Part D Subpart 2
ASSETS:				
1110 Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
1240 Due from Other Governments	23,226	49,921	607,613	2,488
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ 23,226</u>	<u>\$ 49,921</u>	<u>\$ 607,613</u>	<u>\$ 2,488</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 7,518	\$ 2,112	\$ 50,239	\$ 1,989
2150 Payroll Deductions & Withholdings	--	--	--	--
2160 Accrued Wages Payable	--	--	134,777	--
2170 Due to Other Funds	15,708	47,809	422,597	499
2180 Due to Other Governments	--	--	--	--
2200 Accrued Expenditures	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>23,226</u>	<u>49,921</u>	<u>607,613</u>	<u>2,488</u>
FUND BALANCES:				
Reserved Fund Balances:				
3410 Investments in Inventory	--	--	--	--
3450 Reserve for Food Service	--	--	--	--
3490 Other Reserves of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 23,226</u>	<u>\$ 49,921</u>	<u>\$ 607,613</u>	<u>\$ 2,488</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
\$ --	\$ --	\$ 2,329	\$ --	\$ --
1,664	273,619	--	13,918	8
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 1,664</u>	<u>\$ 273,619</u>	<u>\$ 2,329</u>	<u>\$ 13,918</u>	<u>\$ 8</u>
\$ --	\$ 955	\$ --	\$ --	\$ --
--	--	--	--	--
--	91,137	2,329	1,006	--
1,664	181,527	--	12,912	8
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>1,664</u>	<u>273,619</u>	<u>2,329</u>	<u>13,918</u>	<u>8</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 1,664</u>	<u>\$ 273,619</u>	<u>\$ 2,329</u>	<u>\$ 13,918</u>	<u>\$ 8</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2010

Data Control Codes	228 IDEA-B Preschool Deaf	240 National School Breakfast/Lunch Program	242 Summer Feeding Program	244 Career and Tech Basic Grant
ASSETS:				
1110 Cash and Cash Equivalents	\$ --	\$ 1,789,863	\$ 57,257	\$ --
1240 Due from Other Governments	8	99,050	--	--
1260 Due from Other Funds	--	4,050	--	--
1290 Other Receivables	--	1,983	--	--
1300 Inventories	--	163,458	--	--
1000 Total Assets	<u>\$ 8</u>	<u>\$ 2,058,404</u>	<u>\$ 57,257</u>	<u>\$ --</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ 225,673	\$ --	\$ --
2150 Payroll Deductions & Withholdings	--	10,674	--	--
2160 Accrued Wages Payable	--	50,055	--	--
2170 Due to Other Funds	8	420,000	--	--
2180 Due to Other Governments	--	--	--	--
2200 Accrued Expenditures	--	63,561	--	--
2300 Unearned Revenue	--	98,179	--	--
2000 Total Liabilities	<u>8</u>	<u>868,142</u>	<u>--</u>	<u>--</u>
FUND BALANCES:				
Reserved Fund Balances:				
3410 Investments in Inventory	--	118,091	--	--
3450 Reserve for Food Service	--	1,072,171	57,257	--
3490 Other Reserves of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>1,190,262</u>	<u>57,257</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 8</u>	<u>\$ 2,058,404</u>	<u>\$ 57,257</u>	<u>\$ --</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 SFSF
\$ --	\$ --	\$ --	\$ 591	\$ --
1,322	72,954	--	509	997,193
--	--	--	--	--
--	--	--	--	--
<u>\$ 1,322</u>	<u>\$ 72,954</u>	<u>\$ --</u>	<u>\$ 1,100</u>	<u>\$ 997,193</u>
\$ --	\$ 8,739	\$ --	\$ 90	\$ --
--	--	--	--	--
--	23,629	--	1,010	89,451
1,322	40,586	--	--	907,742
--	--	--	--	--
--	--	--	--	--
<u>1,322</u>	<u>72,954</u>	<u>--</u>	<u>1,100</u>	<u>997,193</u>
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 1,322</u>	<u>\$ 72,954</u>	<u>\$ --</u>	<u>\$ 1,100</u>	<u>\$ 997,193</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2010

Data Control Codes	279 Enhancing Education through Technology-ARRA	280 ARRA - ESEA Title II Part D Technology	281 ARRA - ESEA Title I Part D Subpart 2	282 ARRA - ESEA Title I SIP
ASSETS:				
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --
1240	Due from Other Governments	199,756	--	45,530
1260	Due from Other Funds	--	--	--
1290	Other Receivables	--	--	--
1300	Inventories	--	--	--
1000	Total Assets	<u>\$ 199,756</u>	<u>\$ --</u>	<u>\$ 45,530</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ --	\$ --	\$ --
2150	Payroll Deductions & Withholdings	--	--	--
2160	Accrued Wages Payable	5,163	--	--
2170	Due to Other Funds	194,593	--	45,530
2180	Due to Other Governments	--	--	--
2200	Accrued Expenditures	--	--	--
2300	Unearned Revenue	--	--	--
2000	Total Liabilities	<u>199,756</u>	<u>--</u>	<u>45,530</u>
FUND BALANCES:				
Reserved Fund Balances:				
3410	Investments in Inventory	--	--	--
3450	Reserve for Food Service	--	--	--
3490	Other Reserves of Fund Balance	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 199,756</u>	<u>\$ --</u>	<u>\$ 45,530</u>

283 IDEA - Part B Formula - ARRA	284 IDEA - Part B Preschool - ARRA	285 ESEA Title 1 Part A Improving Basic Programs - ARRA	390 LEP Summer Program	394 Life Skills Program
\$ --	\$ --	\$ --	\$ --	\$ --
107,801	--	104,944	8,547	10,292
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 107,801</u>	<u>\$ --</u>	<u>\$ 104,944</u>	<u>\$ 8,547</u>	<u>\$ 10,292</u>
\$ 275	\$ --	\$ 59,431	\$ --	\$ 3,275
--	--	--	--	--
796	--	1,020	--	--
106,730	--	44,493	8,547	7,017
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>107,801</u>	<u>--</u>	<u>104,944</u>	<u>8,547</u>	<u>10,292</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 107,801</u>	<u>\$ --</u>	<u>\$ 104,944</u>	<u>\$ 8,547</u>	<u>\$ 10,292</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2010

Data Control Codes	397 Advanced Placement Incentives	401 Optional Extended Year Program	404 Student Success Initiative	409 Texas High School Project
ASSETS:				
1110 Cash and Cash Equivalents	\$ 5,159	\$ 15,428	\$ --	\$ --
1240 Due from Other Governments	--	--	107,325	95,969
1260 Due from Other Funds	--	--	--	--
1290 Other Receivables	--	--	--	--
1300 Inventories	--	--	--	--
1000 Total Assets	<u>\$ 5,159</u>	<u>\$ 15,428</u>	<u>\$ 107,325</u>	<u>\$ 95,969</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ --	\$ --	\$ --	\$ 78,612
2150 Payroll Deductions & Withholdings	--	--	--	--
2160 Accrued Wages Payable	--	--	--	--
2170 Due to Other Funds	--	--	107,325	17,357
2180 Due to Other Governments	--	15,428	--	--
2200 Accrued Expenditures	--	--	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>--</u>	<u>15,428</u>	<u>107,325</u>	<u>95,969</u>
FUND BALANCES:				
Reserved Fund Balances:				
3410 Investments in Inventory	--	--	--	--
3450 Reserve for Food Service	--	--	--	--
3490 Other Reserves of Fund Balance	5,159	--	--	--
3000 Total Fund Balances	<u>5,159</u>	<u>--</u>	<u>--</u>	<u>--</u>
4000 Total Liabilities and Fund Balances	<u>\$ 5,159</u>	<u>\$ 15,428</u>	<u>\$ 107,325</u>	<u>\$ 95,969</u>

411 Technology Allotment	414 Reading, Math and Science Initiative	415 Kindergarten and Prekindergarten Grants	421 Texas Ed Excellence McClure	422 District Awards Teacher Exc
\$ 154,192	\$ --	\$ --	\$ --	\$ --
8,289	15,633	38,728	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 162,481</u>	<u>\$ 15,633</u>	<u>\$ 38,728</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 2,485	\$ --	\$ 24,719	\$ --	\$ --
--	--	--	--	--
3,826	--	--	--	--
--	15,633	14,009	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>6,311</u>	<u>15,633</u>	<u>38,728</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
--	--	--	--	--
156,170	--	--	--	--
<u>156,170</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 162,481</u>	<u>\$ 15,633</u>	<u>\$ 38,728</u>	<u>\$ --</u>	<u>\$ --</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2010

Data Control Codes	423 LEP Student Success Initiative	424 Texas Fitness Now Grant	425 Teacher Induction and Mentoring	426 Texas Educator Excellence Award Program
ASSETS:				
1110	Cash and Cash Equivalents	\$ --	\$ --	\$ --
1240	Due from Other Governments	--	--	1,555
1260	Due from Other Funds	--	--	--
1290	Other Receivables	--	--	--
1300	Inventories	--	--	--
1000	Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,555</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ --	\$ --	\$ --
2150	Payroll Deductions & Withholdings	--	--	--
2160	Accrued Wages Payable	--	780	--
2170	Due to Other Funds	--	775	--
2180	Due to Other Governments	--	--	--
2200	Accrued Expenditures	--	--	--
2300	Unearned Revenue	--	--	--
2000	Total Liabilities	<u>--</u>	<u>--</u>	<u>1,555</u>
FUND BALANCES:				
Reserved Fund Balances:				
3410	Investments in Inventory	--	--	--
3450	Reserve for Food Service	--	--	--
3490	Other Reserves of Fund Balance	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,555</u>

427 Texas Educator Excellence	432 Dist Awards Teacher Excellence	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ --	\$ --	\$ 82,936	\$ 121,044	\$ 2,228,799
--	15,750	33,015	--	2,936,627
--	--	--	--	4,050
--	--	--	--	1,983
--	--	--	--	163,458
<u>\$ --</u>	<u>\$ 15,750</u>	<u>\$ 115,951</u>	<u>\$ 121,044</u>	<u>\$ 5,334,917</u>
\$ --	\$ --	\$ 2,163	\$ --	\$ 468,275
--	--	--	--	10,674
--	--	39,543	--	444,522
--	15,750	(2,027)	--	2,628,114
--	--	--	--	15,428
--	--	--	--	63,561
--	--	--	--	98,179
<u>--</u>	<u>15,750</u>	<u>39,679</u>	<u>--</u>	<u>3,728,753</u>
--	--	--	--	118,091
--	--	--	--	1,129,428
--	--	76,272	121,044	358,645
<u>--</u>	<u>--</u>	<u>76,272</u>	<u>121,044</u>	<u>1,606,164</u>
<u>\$ --</u>	<u>\$ 15,750</u>	<u>\$ 115,951</u>	<u>\$ 121,044</u>	<u>\$ 5,334,917</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, 2010

Data Control Codes	204 ESEA Title IV SDFSC	210 ESEA Title I School Improvement	211 ESEA Title I Improving Basic Programs	212 ESEA Title I Part D Subpart 2
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	46,098	90,908	2,968,798	53,091
5020 Total Revenues	<u>46,098</u>	<u>90,908</u>	<u>2,968,798</u>	<u>53,091</u>
EXPENDITURES:				
Current:				
0011 Instruction	--	63,897	2,482,369	53,091
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	26,321	331,977	--
0021 Instructional Leadership	--	--	9,783	--
0023 School Leadership	--	690	7,396	--
0031 Guidance, Counseling, & Evaluation Services	46,098	--	57,710	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	39,359	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	--	--	40,204	--
6030 Total Expenditures	<u>46,098</u>	<u>90,908</u>	<u>2,968,798</u>	<u>53,091</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
Other Financing Sources and (Uses):				
7915 Transfers In	--	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

223 IDEA-B High Cost Risk Pool	224 IDEA-B Formula	225 IDEA-B Preschool Grant	226 IDEA-B Discretionary	227 IDEA-B Deaf
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
1,664	1,600,039	30,640	32,997	21,949
<u>1,664</u>	<u>1,600,039</u>	<u>30,640</u>	<u>32,997</u>	<u>21,949</u>
--	1,301,600	30,640	24,008	21,949
--	--	--	--	--
--	--	--	8,989	--
--	72,698	--	--	--
--	85,045	--	--	--
--	140,696	--	--	--
1,664	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>1,664</u>	<u>1,600,039</u>	<u>30,640</u>	<u>32,997</u>	<u>21,949</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, 2010

Data Control Codes	228 IDEA-B Preschool Deaf	240 National School Breakfast/Lunch Program	242 Summer Feeding Program	244 Career and Tech Basic Grant
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ 1,035,386	\$ 196	\$ --
5800 State Program Revenues	--	51,580	--	--
5900 Federal Program Revenues	2,353	3,422,312	59,839	141,612
5020 Total Revenues	<u>2,353</u>	<u>4,509,278</u>	<u>60,035</u>	<u>141,612</u>
EXPENDITURES:				
Current:				
0011 Instruction	2,353	--	--	121,887
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	--	--	--	7,327
0021 Instructional Leadership	--	--	--	--
0023 School Leadership	--	--	--	--
0031 Guidance, Counseling, & Evaluation Services	--	--	--	12,398
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	4,646,817	46,533	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>2,353</u>	<u>4,646,817</u>	<u>46,533</u>	<u>141,612</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	--	(137,539)	13,502	--
Other Financing Sources and (Uses):				
7915 Transfers In	--	42,300	--	--
7080 Total Other Financing Sources and (Uses)	--	42,300	--	--
1200 Net Change in Fund Balances	--	(95,239)	13,502	--
0100 Fund Balances - Beginning	--	1,285,501	43,755	--
3000 Fund Balances - Ending	\$ --	\$ 1,190,262	\$ 57,257	\$ --

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 SFSF
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	125,423
1,322	594,019	26,776	66,428	2,323,585
<u>1,322</u>	<u>594,019</u>	<u>26,776</u>	<u>66,428</u>	<u>2,449,008</u>
1,322	299,382	20,805	(1,417)	2,290,246
--	--	--	--	--
--	276,234	5,971	38,981	15,248
--	922	--	575	--
--	5,978	--	675	109,678
--	--	--	20,223	33,836
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	11,503	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	7,391	--
<u>1,322</u>	<u>594,019</u>	<u>26,776</u>	<u>66,428</u>	<u>2,449,008</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, 2010

Data Control Codes	279 Enhancing Education through Technology-ARRA	280 ARRA - ESEA Title II Part D Technology	281 ARRA - ESEA Title I Part D Subpart 2	282 ARRA - ESEA Title I SIP
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	--	--	--	--
5900 Federal Program Revenues	227,649	35,398	34,905	89,116
5020 Total Revenues	<u>227,649</u>	<u>35,398</u>	<u>34,905</u>	<u>89,116</u>
EXPENDITURES:				
Current:				
0011 Instruction	--	--	34,905	61,499
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	210,009	--	--	25,466
0021 Instructional Leadership	17,190	--	--	--
0023 School Leadership	--	--	--	2,151
0031 Guidance, Counseling, & Evaluation Services	--	--	--	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	--	--	--
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	450	35,398	--	--
0051 Plant Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>227,649</u>	<u>35,398</u>	<u>34,905</u>	<u>89,116</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
Other Financing Sources and (Uses):				
7915 Transfers In	--	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

283 IDEA - Part B Formula - ARRA	284 IDEA - Part B Preschool - ARRA	285 ESEA Title 1 Part A Improving Basic Programs - ARRA	390 LEP Summer Program	394 Life Skills Program
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	9,693	25,911
914,247	2,238	817,947	--	--
<u>914,247</u>	<u>2,238</u>	<u>817,947</u>	<u>9,693</u>	<u>25,911</u>
565,562	2,238	696,002	9,693	25,911
--	--	--	--	--
42,226	--	107,933	--	--
--	--	--	--	--
--	--	2,230	--	--
44,028	--	--	--	--
--	--	--	--	--
262,431	--	1,806	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	9,976	--	--
<u>914,247</u>	<u>2,238</u>	<u>817,947</u>	<u>9,693</u>	<u>25,911</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, 2010

Data Control Codes		397 Advanced Placement Incentives	401 Optional Extended Year Program	404 Student Success Initiative	409 Texas High School Project
REVENUES:					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	4,760	16,632	107,325	321,718
5900	Federal Program Revenues	--	--	--	--
5020	Total Revenues	<u>4,760</u>	<u>16,632</u>	<u>107,325</u>	<u>321,718</u>
EXPENDITURES:					
Current:					
0011	Instruction	2,180	16,632	55,266	285,355
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	379	--	--	1,554
0021	Instructional Leadership	--	--	--	--
0023	School Leadership	--	--	--	32,354
0031	Guidance, Counseling, & Evaluation Services	--	--	--	2,455
0033	Health Services	--	--	--	--
0034	Student Transportation	--	--	52,059	--
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>2,559</u>	<u>16,632</u>	<u>107,325</u>	<u>321,718</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>2,201</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	<u>2,201</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100	Fund Balances - Beginning	<u>2,958</u>	<u>--</u>	<u>--</u>	<u>--</u>
3000	Fund Balances - Ending	<u>\$ 5,159</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

411 Technology Allotment	414 Reading, Math and Science Initiative	415 Kindergarten and Prekindergarten Grants	421 Texas Ed Excellence McClure	422 District Awards Teacher Exc
\$ --	\$ --	\$ --	\$ --	\$ --
220,232	56,266	345,309	50,000	439,433
--	--	--	--	--
<u>220,232</u>	<u>56,266</u>	<u>345,309</u>	<u>50,000</u>	<u>439,433</u>
112,694	--	174,549	50,000	407,199
--	--	--	--	--
557	56,266	99,189	--	32,234
--	--	--	--	--
--	--	71,571	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
46,356	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>159,607</u>	<u>56,266</u>	<u>345,309</u>	<u>50,000</u>	<u>439,433</u>
60,625	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>60,625</u>	--	--	--	--
95,545	--	--	--	--
<u>\$ 156,170</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	423 LEP Student Success Initiative	424 Texas Fitness Now Grant	425 Teacher Induction and Mentoring	426 Texas Educator Excellence Award Program
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800 State Program Revenues	43,131	6,656	28,122	50,000
5900 Federal Program Revenues	--	--	--	--
5020 Total Revenues	<u>43,131</u>	<u>6,656</u>	<u>28,122</u>	<u>50,000</u>
EXPENDITURES:				
Current:				
0011 Instruction	18,431	6,656	--	50,000
0012 Instructional Resources and Media Services	--	--	--	--
0013 Curriculum and Staff Development	24,452	--	28,122	--
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	248	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0061 Community Services	--	--	--	--
6030 Total Expenditures	<u>43,131</u>	<u>6,656</u>	<u>28,122</u>	<u>50,000</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100 Expenditures	--	--	--	--
Other Financing Sources and (Uses):				
7915 Transfers In	--	--	--	--
7080 Total Other Financing Sources and (Uses)	--	--	--	--
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	--
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

427 Texas Educator Excellence	432 Dist Awards Teacher Excellence	435 Regional Day School for the Deaf	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ 382,700	\$ 342,944	\$ 1,761,226
6,750	15,750	444,305	--	2,368,996
--	--	--	--	13,605,930
<u>6,750</u>	<u>15,750</u>	<u>827,005</u>	<u>342,944</u>	<u>17,736,152</u>
6,750	--	678,088	101,007	10,072,749
--	--	--	52,356	52,356
--	15,750	--	55,946	1,411,131
--	--	170,238	--	271,406
--	--	--	32,885	350,653
--	--	--	47	357,491
--	--	--	252	1,916
--	--	--	--	355,655
--	--	--	--	4,693,350
--	--	--	119,356	119,356
--	--	--	--	47,351
--	--	--	--	46,604
--	--	--	3,422	3,422
--	--	--	--	57,571
<u>6,750</u>	<u>15,750</u>	<u>848,326</u>	<u>365,271</u>	<u>17,841,011</u>
--	--	(21,321)	(22,327)	(104,859)
--	--	--	--	42,300
--	--	--	--	42,300
--	--	(21,321)	(22,327)	(62,559)
--	--	97,593	143,371	1,668,723
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 76,272</u>	<u>\$ 121,044</u>	<u>\$ 1,606,164</u>

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Other Supplementary Information

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2010

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2001 and Prior Years	\$	Various	\$	Various	\$	Various
2002		1.4342		.12		2,323,115,236
2003		1.50		.0533		2,413,452,523
2004		1.50		.119		2,416,099,419
2005		1.50		.115		2,577,800,433
2006		1.50		.11		2,770,955,031
2007		1.37		.098		3,036,300,384
2008		1.04005		.098		3,340,013,774
2009		1.04005		.2579		3,635,017,793
2010 (School Year Under Audit)		1.04005		.3802		3,820,569,211

1000 Totals

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

10 Beginning Balance 9/1/09	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/10
\$ 523,938	\$ --	\$ 22,794	\$ 485	\$ (118,311)	\$ 382,348
110,235	--	4,150	347	(519)	105,219
111,149	--	6,232	221	(1,954)	102,742
127,432	--	5,183	411	(2,448)	119,390
142,073	--	11,456	878	(1,024)	128,715
169,640	--	21,778	1,597	(1,320)	144,945
231,674	--	45,433	3,250	(613)	182,378
303,630	--	77,383	7,292	(4,210)	214,745
1,122,837	--	509,934	126,448	(42,455)	444,000
--	54,261,634	39,569,748	14,465,817	939,215	1,165,284
<u>\$ 2,842,608</u>	<u>\$ 54,261,634</u>	<u>\$ 40,274,091</u>	<u>\$ 14,606,746</u>	<u>\$ 766,361</u>	<u>\$ 2,989,766</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

LONGVIEW INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-2

SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2011-2012
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

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	\$ --	\$ --	\$ 314,183	\$ 1,255,421	\$ 68,066	\$ --	\$ 1,637,670
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	--	--	149,764	--	4,215	--	153,979
6212	Audit Services	--	--	--	22,400	--	--	22,400
6213	Tax Appraisal and Collection	--	787,359	--	--	--	--	787,359
621X	Other Prof. Services	--	--	--	--	--	--	--
6220	Tuition and Transfer Payments	--	--	--	--	--	--	--
6230	Education Service Centers	--	--	--	10,607	--	--	10,607
6240	Contr. Maint. and Repair	--	--	--	--	2,467	--	2,467
6250	Utilities	--	--	--	--	--	--	--
6260	Rentals	--	--	4,742	16,413	3,183	--	24,338
6290	Miscellaneous Contr.	--	--	1,150	100,914	--	--	102,064
6310	Operational Supplies, Materials	--	--	--	--	--	--	--
6320	Textbooks and Reading	--	--	704	19	168	--	891
6330	Testing Materials	--	--	--	--	--	--	--
63XX	Other Supplies, Materials	157	--	871	87,668	11,006	180	99,882
6410	Travel, Subsistence, Stipends	12,754	--	11,923	12,682	3,400	--	40,759
6420	Ins. and Bonding Costs	4,093	--	--	242	--	--	4,335
6430	Election Costs	180	--	--	--	--	--	180
6490	Miscellaneous Operating	18,721	--	9,060	21,233	20,209	7,108	76,331
6500	Debt Service	--	--	--	--	--	--	--
6600	Capital Outlay	--	--	--	--	--	276,725	276,725

Total \$ 35,905 \$ 787,359 \$ 492,397 \$ 1,527,599 \$ 112,714 \$ 284,013 \$ 3,239,987

Total Expenditures for General and Special Revenue Funds (9) \$ 79,334,584

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 6,542,932
Total Debt & Lease (6500)	(11)	\$ 64,629
Plant Maintenance (Function 51, 6100-6400)	(12)	\$ 6,087,525
Food (Function 35, 6341 and 6499)	(13)	\$ 2,067,639
Stipends (6413)	(14)	\$ --
Column 4 (above) - Total Indirect Cost		\$ 1,527,599

Subtotal 16,290,324

Net Allowed Direct Cost \$ 63,044,260

CUMULATIVE

Total Cost of Buildings Before Depreciation (1520)	(15)	\$ 56,765,523
Historical Cost of Buildings over 50 years old	(16)	6,028,300
Amount of Federal Money in Building Cost (Net of #16)	(17)	282,343
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	8,352,651
Historical Cost of Furniture & Equipment over 16 years old	(19)	1,424,362
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 410,482

(8) Note A - \$315,444 in Function 53 expenditures and \$722,359 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, 2010

EXHIBIT J-3

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2010 (Exhibit C-1 object 3000 for the General Fund only)	\$ 31,675,611
2	Total General Fund Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	205,582
3	Total General Fund Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	20,441,984
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 (9/1/10 - 5/31/11)	5,126,516
6	Estimate of delayed payments from state sources (58XX) including August payment delays	371,429
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)	2,483,942
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)	3,277,060
10	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9)	31,906,513
11	Excess (Deficit) Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 10)	\$ (230,902)

If Item 11 is a Positive Number

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

LONGVIEW INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 1,204,318	\$ 1,204,318	\$ 1,035,386	\$ (168,932)
5800	State Program Revenues	27,220	50,512	51,580	1,068
5900	Federal Program Revenues	3,131,420	3,206,420	3,422,312	215,892
5020	Total Revenues	<u>4,362,958</u>	<u>4,461,250</u>	<u>4,509,278</u>	<u>48,028</u>
EXPENDITURES:					
Current:					
Support Services - Student (Pupil):					
0035	Food Services	4,453,701	4,651,993	4,646,817	5,176
	Total Support Services - Student (Pupil)	<u>4,453,701</u>	<u>4,651,993</u>	<u>4,646,817</u>	<u>5,176</u>
6030	Total Expenditures	<u>4,453,701</u>	<u>4,651,993</u>	<u>4,646,817</u>	<u>5,176</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>(90,743)</u>	<u>(190,743)</u>	<u>(137,539)</u>	<u>53,204</u>
Other Financing Sources (Uses):					
7915	Transfers In	68,000	68,000	42,300	(25,700)
7080	Total Other Financing Sources and (Uses)	<u>68,000</u>	<u>68,000</u>	<u>42,300</u>	<u>(25,700)</u>
1200	Net Change in Fund Balance	<u>(22,743)</u>	<u>(122,743)</u>	<u>(95,239)</u>	<u>27,504</u>
0100	Fund Balance - Beginning	1,285,501	1,285,501	1,285,501	--
3000	Fund Balance - Ending	<u>\$ 1,262,758</u>	<u>\$ 1,162,758</u>	<u>\$ 1,190,262</u>	<u>\$ 27,504</u>

LONGVIEW INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-5

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 14,156,152	\$ 14,156,152	\$ 14,791,678	\$ 635,526
5800	State Program Revenues	--	--	7	7
5020	Total Revenues	<u>14,156,152</u>	<u>14,156,152</u>	<u>14,791,685</u>	<u>635,533</u>
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	4,650,000	4,650,000	4,630,421	19,579
0072	Interest on Long-Term Debt	9,433,951	9,433,951	9,453,530	(19,579)
0073	Bond Issuance Costs and Fees	9,000	9,000	973	8,027
	Total Debt Service	<u>14,092,951</u>	<u>14,092,951</u>	<u>14,084,924</u>	<u>8,027</u>
6030	Total Expenditures	<u>14,092,951</u>	<u>14,092,951</u>	<u>14,084,924</u>	<u>8,027</u>
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>63,201</u>	<u>63,201</u>	<u>706,761</u>	<u>643,560</u>
1200	Net Change in Fund Balance	<u>63,201</u>	<u>63,201</u>	<u>706,761</u>	<u>643,560</u>
0100	Fund Balance - Beginning	2,604,423	2,604,423	2,604,423	--
3000	Fund Balance - Ending	<u>\$ 2,667,624</u>	<u>\$ 2,667,624</u>	<u>\$ 3,311,184</u>	<u>\$ 643,560</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, 2010, which collectively comprise the Longview Independent School District's basic financial statements and have issued our report thereon dated December 21, 2010. 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider 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 noted certain matters that we reported to management of Longview Independent School District in a separate letter dated December 21, 2010.

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 21, 2010

KAREN A. JACKS & ASSOCIATES, P.C.

Certified Public Accountants

Karen A. Jacks, CPA
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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, 2010. Longview Independent School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Longview Independent School District's management. Our responsibility is to express an opinion on Longview Independent School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Longview Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination 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, 2010.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, 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 21, 2010

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2010

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>
84.010/84.389	Title I Cluster
84.027/84.173/84.391/84.392	Special Education Cluster
10.553/10.555/10.559	Child Nutrition Cluster
84.394	State Fiscal Stabilization Fund - Education State Grants
84.318/84.386	Education Technology State Grants

Dollar threshold used to distinguish between type A and type B programs: \$420,033

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, 2010

<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, 2010

None required.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through East Texas Council of Governments:			
Social Services Block Grant	93.667	SSBG-529-09-0104-00001-16	\$ 161,810
Total U. S. Department of Health and Human Services			<u>161,810</u>
U. S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
Title I School Improvement Program *	84.010A	10610104092903041	41,715
Title I School Improvement Program *	84.010A	10610104092903042	51,251
ESEA Title I Part A - Improving Basic Programs *	84.010A	10610101092903	2,892,827
ESEA Title I Part A - Improving Basic Programs *	84.010A	11610101092903	125,237
Title I Part D, Subpart 2 *	84.010A	10610103092903	54,239
Total CFDA Number 84.010A			<u>3,165,269</u>
IDEA-B High Cost Risk Pool *	84.027A	10660006092903	1,664
IDEA-B Formula *	84.027A	106600010929036600	1,532,074
IDEA-B Formula *	84.027A	116600010929036600	97,165
IDEA-B Discretionary *	84.027A	106600020929036673	32,997
IDEA-B Deaf *	84.027A	106600010929036601	21,950
Total CFDA Number 84.027A			<u>1,685,850</u>
Career and Technical - Basic Grant	84.048	10420006092903	141,612
IDEA-B Preschool *	84.173A	106610010929036610	31,209
IDEA-B Preschool Deaf *	84.173A	106610010929036611	2,353
Total CFDA Number 84.173A			<u>33,562</u>
IDEA-C Early Intervention (Deaf) *	84.181A	103911010929033911	1,322
ESEA Title IV Part A-Safe & Drug-Free Schools & Communities Act	84.186A	10691001092903	46,891
Title II Part D Enhancing Education Through Technology *	84.318X	10630001092903	27,349
Title III Part A English Language Acquisition and Enhancement	84.365A	10671001092903	66,428
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	10694501092903	605,215
ARRA - Title II Part D Subpart 1-Enhancing Education Through Technology*	84.386A	105530027110024	227,649
ARRA - Title II Part D Technology *	84.386A	10553001092903	36,228
Total CFDA Number 84.386A			<u>263,877</u>
ARRA - ESEA Title I Part D Subpart 2 *	84.389A	10551003092903	35,615
ARRA - ESEA Title I School Improvement Program *	84.389A	10551004092903041	43,808
ARRA - ESEA Title I School Improvement Program *	84.389A	10551004092903042	45,308
ARRA - ESEA, Title I, Part A - Improving Basic Programs *	84.389A	10551001092903	848,613
Total CFDA Number 84.389A			<u>973,344</u>
ARRA - IDEA-Part B Formula *	84.391A	10554001092903	915,247
ARRA - IDEA Part B, Preschool *	84.392A	10555001092903	2,238

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
ARRA of 2009 Title XIV State Fiscal Stabilization Fund *	84.394A	10557001092903	2,234,134
ARRA of 2009 Title XIV State Fiscal Stabilization Fund *	84.394A	11557001092903	89,450
Total CFDA Number 84.394A			<u>2,323,584</u>
Total Passed Through State Department of Education			10,251,788
Total U. S. Department of Education			<u>10,251,788</u>
U. S. DEPARTMENT OF DEFENSE			
Direct Program:			
ROTC	12.000	092-903	89,619
Total U. S. Department of Defense			<u>89,619</u>
U. S. DEPARTMENT OF AGRICULTURE			
Passed Through Texas Department of Agriculture:			
Child and Adult Care Food Program	10.558	092-903	15,739
Summer Feeding Program *	10.559	092-903	59,839
Total Passed Through Texas Department of Agriculture			<u>75,578</u>
Passed Through State Department of Education:			
School Breakfast Program *	10.553	092-903	887,556
Food Distribution (Non-cash) *	10.555	092-903	251,336
National School Lunch Program *	10.555	092-903	2,283,420
Total CFDA Number 10.555			<u>2,534,756</u>
Total Passed Through State Department of Education			3,422,312
Total U. S. Department of Agriculture			3,497,890
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>14,001,107</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, 2010

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	\$ 14,001,107
Other Federal Revenue Sources:	
School Health and Related Services (SHARS)	<u>761,653</u>
Total Federal Revenues, Exhibit C-2	<u>\$ 14,762,760</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, 2010, the District had food commodities totaling \$45,367 in inventory.

LONGVIEW INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2010

<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?	\$ 1,467,038

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