



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC: Consideration and Approval of Independent Audit Report for the Year Ended August 31, 2012

SUBMITTED BY: Samuel Flores **OF:** Director of Accounting

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: December 19, 2012

RECOMMENDATION:

It is recommended that the Board of Trustees approve the independent audit report for the year ended August 31, 2012, as presented by the independent audit firm of Pattillo, Brown & Hill, L.L.P.

RATIONALE:

The Board is required to have accounting documents and records audited annually by an independent auditor. The current audit report contains an "unqualified" opinion indicating the financial statements and all accompanying notes and information present fairly the financial position of the District.

The audit firm will present preliminary audit findings at the Business Committee Meeting and will present the final audit report at the regularly scheduled board meeting of December 19, 2012.

BUDGETARY INFORMATION:

N/A

BOARD POLICY REFERENCE AND COMPLIANCE:



Basic Financial Statements

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2012

EXHIBIT A-1

Data Control Codes	1	2	3
	Governmental Activities	Primary Government Business Type Activities	Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 106,607,725	\$ 2,647,168	\$ 109,254,893
1120 Current Investments	5,000,022	-	5,000,022
1220 Property Taxes Receivable (Delinquent)	6,188,881	-	6,188,881
1230 Allowance for Uncollectible Taxes	(2,246,476)	-	(2,246,476)
1240 Due from Other Governments	5,923,470	460,842	6,384,312
1250 Accrued Interest	75	-	75
1260 Internal Balances	(485,552)	485,552	-
1290 Other Receivables, net	455,901	42,338	498,239
1300 Inventories	307,928	518,206	826,134
1410 Prepaid Expenses	2,225,083	-	2,225,083
Capital Assets:			
1510 Land	39,497,879	-	39,497,879
1520 Buildings, Net	281,261,671	18,743	281,280,414
1530 Furniture and Equipment, Net	16,221,243	309,794	16,531,037
1580 Construction in Progress	5,986,712	-	5,986,712
1800 Restricted Assets	50,150	-	50,150
1000 Total Assets	<u>466,994,712</u>	<u>4,482,643</u>	<u>471,477,355</u>
LIABILITIES			
2110 Accounts Payable	5,569,607	434,382	6,003,989
2120 Short Term Debt Payable	-	48,902	48,902
2150 Payroll Deductions & Withholdings	218,610	-	218,610
2160 Accrued Wages Payable	8,684,388	281,362	8,965,750
2180 Due to Other Governments	9,078,644	-	9,078,644
2190 Due to Student Groups	85,880	-	85,880
2200 Accrued Expenses	135,074	-	135,074
2300 Unearned Revenues	387,059	29,601	416,660
2400 Payable from Restricted Assets	211,599	-	211,599
Noncurrent Liabilities			
2501 Due Within One Year	20,184,548	-	20,184,548
2502 Due in More Than One Year	256,513,107	67,865	256,580,972
2000 Total Liabilities	<u>301,068,515</u>	<u>862,112</u>	<u>301,930,627</u>
NET ASSETS			
3200 Invested in Capital Assets, Net of Related Debt	67,139,155	296,936	67,436,091
Restricted for:			
3850 Restricted for Debt Service	15,234,081	-	15,234,081
3860 Restricted for Capital Projects	8,301,587	-	8,301,587
3890 Restricted for Other Purposes	1,082,188	-	1,082,188
3900 Unrestricted Net Assets	74,169,186	3,323,595	77,492,780
3000 Total Net Assets	<u>\$ 165,926,197</u>	<u>\$ 3,620,531</u>	<u>\$ 169,546,728</u>

The notes to the financial statements are an integral part of this statement.

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2012

Data Control Codes	1 Expenses	Program Revenues	
		3 Charges for Services	4 Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 207,813,530	\$ -	\$ 28,586,792
12 Instructional Resources and Media Services	5,897,778	-	277,717
13 Curriculum and Staff Development	3,498,443	-	3,212,988
21 Instructional Leadership	5,919,283	-	1,540,586
23 School Leadership	24,181,092	-	1,139,888
31 Guidance, Counseling and Evaluation Services	13,297,348	-	2,395,193
32 Social Work Services	2,165,119	-	95,787
33 Health Services	3,911,794	-	176,462
34 Student (Pupil) Transportation	14,774,076	-	516,701
35 Food Services	1,270,044	-	1,175,881
36 Extracurricular Activities	9,694,125	1,706,003	86,541
41 General Administration	9,893,904	-	343,285
51 Facilities Maintenance and Operations	34,439,394	-	747,001
52 Security and Monitoring Services	6,507,415	-	286,485
53 Data Processing Services	2,494,197	-	85,359
61 Community Services	587,563	-	372,902
72 Debt Service - Interest on Long Term Debt	16,773,453	-	-
73 Debt Service - Bond Issuance Cost and Fees	511,360	-	-
95 Juvenile Justice Alternative Ed. Prg.	149,209	-	-
99 Webb County Appraisal District	1,531,524	-	-
[TG] Total Governmental Activities:	<u>365,310,650</u>	<u>1,706,003</u>	<u>41,039,568</u>
BUSINESS-TYPE ACTIVITIES:			
35 Enterprise Fund - National School Breakfast & Lunch	22,440,393	2,899,295	19,306,359
[TB] Total Business-Type Activities:	<u>22,440,393</u>	<u>2,899,295</u>	<u>19,306,359</u>
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 387,751,042</u>	<u>\$ 4,605,298</u>	<u>\$ 60,345,927</u>

Data
Control
Codes

General Revenues:

Taxes:

MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
GC	Grants and Contributions not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
TR	Total General Revenues
CN	Change in Net Assets
NB	Net Assets--Beginning
NE	Net Assets--Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (179,226,738)	\$ -	\$ (179,226,738)
(5,620,061)	-	(5,620,061)
(285,455)	-	(285,455)
(4,378,697)	-	(4,378,697)
(23,041,204)	-	(23,041,204)
(10,902,155)	-	(10,902,155)
(2,069,332)	-	(2,069,332)
(3,735,332)	-	(3,735,332)
(14,257,375)	-	(14,257,375)
(94,163)	-	(94,163)
(7,901,581)	-	(7,901,581)
(9,550,619)	-	(9,550,619)
(33,692,393)	-	(33,692,393)
(6,220,930)	-	(6,220,930)
(2,408,838)	-	(2,408,838)
(214,661)	-	(214,661)
(16,773,453)	-	(16,773,453)
(511,360)	-	(511,360)
(149,209)	-	(149,209)
(1,531,524)	-	(1,531,524)
<u>(322,565,079)</u>	<u>-</u>	<u>(322,565,079)</u>
-	(234,739)	(234,739)
-	(234,739)	(234,739)
<u>(322,565,079)</u>	<u>(234,739)</u>	<u>(322,799,818)</u>
105,712,632	-	105,712,632
15,742,191	-	15,742,191
191,545,321	-	191,545,321
5,763,733	-	5,763,733
295,174	1,248	296,422
6,976,703	-	6,976,703
<u>326,035,754</u>	<u>1,248</u>	<u>326,037,002</u>
3,470,675	(233,491)	3,237,184
162,455,522	3,854,022	166,309,544
<u>\$ 165,926,197</u>	<u>\$ 3,620,531</u>	<u>\$ 169,546,728</u>

UNITED INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2012

EXHIBIT C-1

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 100,462,654	\$ 5,075,904	\$ 1,069,167	\$ 106,607,725
1120 Investments - Current	5,000,022	-	-	5,000,022
1220 Property Taxes - Delinquent	5,349,342	839,539	-	6,188,881
1230 Allowance for Uncollectible Taxes (Credit)	(1,919,737)	(326,739)	-	(2,246,476)
1240 Receivables from Other Governments	3,097,969	-	2,825,501	5,923,470
1250 Accrued Interest	-	-	75	75
1260 Due from Other Funds	1,958,394	41,899	-	2,000,293
1290 Other Receivables	440,401	-	15,500	455,901
1300 Inventories	307,928	-	-	307,928
1410 Deferred Expenditures	2,225,083	-	-	2,225,083
1800 Restricted Assets	-	-	50,150	50,150
1000 Total Assets	<u>\$ 116,922,056</u>	<u>\$ 5,630,603</u>	<u>\$ 3,960,393</u>	<u>\$ 126,513,052</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110 Accounts Payable	\$ 5,568,336	\$ -	\$ 1,270	\$ 5,569,607
2150 Payroll Deductions and Withholdings Payable	218,610	-	-	218,610
2160 Accrued Wages Payable	8,304,103	-	380,285	8,684,388
2170 Due to Other Funds	41,899	-	2,443,946	2,485,845
2180 Due to Other Governments	8,281,176	797,468	-	9,078,644
2190 Due to Student Groups	-	-	85,880	85,880
2200 Accrued Expenditures	135,074	-	-	135,074
2300 Deferred Revenues	3,418,857	467,258	91,824	3,977,938
2400 Payable from Restricted Assets	211,599	-	-	211,599
2000 Total Liabilities	<u>26,179,654</u>	<u>1,264,726</u>	<u>3,003,205</u>	<u>30,447,585</u>
Fund Balances:				
Nonspendable Fund Balance:				
3410 Inventories	307,928	-	-	307,928
3430 Prepaid Items	2,225,083	-	-	2,225,083
Restricted Fund Balance:				
3480 Retirement of Long-Term Debt	10,868,204	4,365,877	-	15,234,081
Committed Fund Balance:				
3510 Construction	5,780,000	-	-	5,780,000
Assigned Fund Balance:				
3580 Self-Insurance	125,000	-	-	125,000
3590 Other Assigned Fund Balance	2,521,588	-	957,188	3,478,776
3600 Unassigned Fund Balance	68,914,599	-	-	68,914,599
3000 Total Fund Balances	<u>90,742,402</u>	<u>4,365,877</u>	<u>957,188</u>	<u>96,065,467</u>
4000 Total Liabilities and Fund Balances	<u>\$ 116,922,056</u>	<u>\$ 5,630,603</u>	<u>\$ 3,960,393</u>	<u>\$ 126,513,052</u>

The notes to the financial statements are an integral part of this statement.

UNITED INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 AUGUST 31, 2012

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	96,065,467
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$536,798,077 and the accumulated depreciation was \$198,493,194. In addition, long-term liabilities, including bonds payable, Public Property Finance Contractual Obligations (PPFCO's), and leases totaled \$288,290,995 and other long-term liabilities of \$1,177,426 are not due and payable in the current period, and, therefore, are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net assets.		48,836,462
2 Current year capital outlays of \$22,464,690 (\$18,082,220 from facilities acquisition and construction, with the remaining \$4,382,470 coming from the various other functions) and long-term debt principal payments of \$19,919,545, amortization of premiums in the amount of \$894,014, refunded bonds of \$46,480,000 and reductions of \$3,436,450 of other liabilities are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The retirement of capital assets of \$778,411, the accounting loss on the refunding of \$2,727,432 and the issuance of Refunding Bonds in the amount of \$45,890,000, the premium on the refunding bonds of \$4,111,142, the accretion on Capital Appreciation Bonds \$2,069,402, a new lease of \$32,941 and the accumulation of other benefits of \$3,128,324 in the financial statements should be as decreases in capital assets and increases in long-term debt in the government-wide financial statements. The net effect of including the 2012 capital outlays and debt principal payments is to increase (decrease) net assets.		34,457,044
3 The 2011 depreciation expense of \$17,747,990 net of adjustments/disposals of \$724,334 increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(17,023,656)
4 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.		3,590,880
19 Net Assets of Governmental Activities	<u>\$</u>	<u>165,926,197</u>

The notes to the financial statements are an integral part of this statement.

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2012

EXHIBIT C-3

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 111,899,084	\$ 16,250,014	\$ 3,656,223	\$ 131,805,321
5800 State Program Revenues	197,837,603	6,420,136	4,287,385	208,545,124
5900 Federal Program Revenues	5,444,171	-	24,359,327	29,803,498
5020 Total Revenues	<u>315,180,858</u>	<u>22,670,150</u>	<u>32,302,935</u>	<u>370,153,943</u>
EXPENDITURES:				
Current:				
0011 Instruction	176,898,182	-	20,769,952	197,668,134
0012 Instructional Resources and Media Services	5,386,799	-	48,494	5,435,293
0013 Curriculum and Instructional Staff Development	413,065	-	3,101,022	3,514,087
0021 Instructional Leadership	4,594,903	-	1,283,598	5,878,501
0023 School Leadership	19,970,589	-	3,839,656	23,810,245
0031 Guidance, Counseling and Evaluation Services	11,515,490	-	1,776,226	13,291,716
0032 Social Work Services	2,164,835	-	-	2,164,835
0033 Health Services	3,909,815	-	-	3,909,815
0034 Student (Pupil) Transportation	14,843,913	-	-	14,843,913
0035 Food Services	-	-	751,984	751,984
0036 Extracurricular Activities	8,445,784	-	9,020	8,454,804
0041 General Administration	9,487,211	-	14,302	9,501,513
0051 Facilities Maintenance and Operations	34,548,674	-	5,300	34,553,975
0052 Security and Monitoring Services	6,455,347	-	32,520	6,487,867
0053 Data Processing Services	2,379,062	-	368	2,379,430
0061 Community Services	210,918	-	376,601	587,518
Debt Service:				
0071 Principal on Long Term Debt	2,583,207	16,865,000	261,155	19,709,362
0072 Interest on Long Term Debt	828,623	9,104,290	124,564	10,057,477
0073 Bond Issuance Cost and Fees	1,918	509,442	-	511,360
Capital Outlay:				
0081 Facilities Acquisition and Construction	18,082,220	-	-	18,082,220
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	149,209	-	-	149,209
0099 Other Intergovernmental Charges	1,531,524	-	-	1,531,524
6030 Total Expenditures	<u>324,401,288</u>	<u>26,478,732</u>	<u>32,394,762</u>	<u>383,274,781</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,220,430)</u>	<u>(3,808,582)</u>	<u>(91,827)</u>	<u>(13,120,838)</u>
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	45,890,000	-	45,890,000
7915 Transfers In	-	2,700,000	-	2,700,000
7916 Premium or Discount on Issuance of Bonds	-	4,111,142	-	4,111,142
8911 Transfers Out (Use)	(2,700,000)	-	-	(2,700,000)
8949 Other (Uses)	-	(49,470,398)	-	(49,470,398)
7080 Total Other Financing Sources (Uses)	<u>(2,700,000)</u>	<u>3,230,744</u>	<u>-</u>	<u>530,744</u>
1200 Net Change in Fund Balances	(11,920,430)	(577,838)	(91,827)	(12,590,094)
0100 Fund Balance - September 1 (Beginning)	<u>102,662,832</u>	<u>4,943,715</u>	<u>1,049,015</u>	<u>108,655,562</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 90,742,402</u>	<u>\$ 4,365,877</u>	<u>\$ 957,188</u>	<u>\$ 96,065,467</u>

The notes to the financial statements are an integral part of this statement.

UNITED INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2012

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$	(12,590,094)
Current year capital outlays of \$22,464,690 (\$18,082,220 from facilities acquisition and construction, with the remaining \$4,382,470 coming from the various other functions) and long-term debt principal payments of \$19,919,545, amortizations of premiums in the amount of \$894,014, refunded bonds of \$46,480,000 and the reductions of \$3,436,450 of other liabilities are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The retirement of capital assets of \$778,411, and the issuance of Refunding Bonds in the amount of \$45,890,000, the premium on the refunding bonds of \$4,111,142, the accretion on Capital Appreciation Bonds \$2,069,402, a new lease of \$32,941 and the accumulation of other benefits of \$3,128,327 in the financial statements should be as decreases in capital assets and increases in long-term debt in the government-wide financial statements. The net effect of including the 2012 capital outlays and debt principal payments is to increase (decrease) net assets.		34,457,044
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.		(17,023,656)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.		(1,372,619)
Change in Net Assets of Governmental Activities	\$	3,470,675

The notes to the financial statements are an integral part of this statement.

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2012

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 121,371,551	\$ 107,858,566	\$ 111,899,084	\$ 4,040,518
5800 State Program Revenues	169,856,194	199,429,519	197,837,603	(1,591,916)
5900 Federal Program Revenues	2,365,000	970,000	5,444,171	4,474,171
5020 Total Revenues	293,592,745	308,258,085	315,180,858	6,922,773
EXPENDITURES:				
Current:				
0011 Instruction	168,880,407	181,967,160	176,898,182	5,068,978
0012 Instructional Resources and Media Services	5,029,800	5,553,328	5,386,799	166,529
0013 Curriculum and Instructional Staff Development	558,783	491,587	413,065	78,522
0021 Instructional Leadership	4,417,285	4,803,078	4,594,903	208,175
0023 School Leadership	18,941,889	20,231,177	19,970,589	260,588
0031 Guidance, Counseling and Evaluation Services	10,724,536	11,584,111	11,515,490	68,621
0032 Social Work Services	2,048,990	2,195,025	2,164,835	30,190
0033 Health Services	3,693,621	4,201,264	3,909,815	291,449
0034 Student (Pupil) Transportation	12,941,690	15,697,800	14,843,913	853,887
0036 Extracurricular Activities	8,897,563	9,154,327	8,445,784	708,543
0041 General Administration	9,250,694	10,297,070	9,487,211	809,859
0051 Facilities Maintenance and Operations	33,479,923	37,726,663	34,548,674	3,177,989
0052 Security and Monitoring Services	6,124,755	6,684,527	6,455,347	229,180
0053 Data Processing Services	2,141,370	2,525,275	2,379,062	146,213
0061 Community Services	217,246	255,943	210,918	45,025
Debt Service:				
0071 Principal on Long Term Debt	2,789,912	2,789,912	2,583,207	206,704
0072 Interest on Long Term Debt	836,352	836,352	828,623	7,729
0073 Bond Issuance Cost and Fees	5,610	5,610	1,918	3,692
Capital Outlay:				
0081 Facilities Acquisition and Construction	8,286,562	39,106,434	18,082,220	21,024,214
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	200,000	175,000	149,209	25,791
0099 Other Intergovernmental Charges	1,550,000	1,550,000	1,531,524	18,477
6030 Total Expenditures	301,016,987	357,831,643	324,401,288	33,430,354
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,424,242)	(49,573,558)	(9,220,430)	40,353,128
OTHER FINANCING SOURCES (USES):				
8911 Transfers Out (Use)	-	(2,700,000)	(2,700,000)	-
7080 Total Other Financing Sources (Uses)	-	(2,700,000)	(2,700,000)	-
1200 Net Change in Fund Balances	(7,424,242)	(52,273,558)	(11,920,430)	40,353,128
0100 Fund Balance - September 1 (Beginning)	102,662,832	102,662,832	102,662,832	-
3000 Fund Balance - August 31 (Ending)	\$ 95,238,589	\$ 50,389,274	\$ 90,742,402	\$ 40,353,128

The notes to the financial statements are an integral part of this statement.

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2012

EXHIBIT D-1

	Business-Type Activities
	70
	Food Service Fund
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,647,168
Due from Other Governments	460,842
Due from Other Funds	493,065
Other Receivables	42,338
Inventories	518,206
Total Current Assets	4,161,619
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	69,800
Depreciation on Buildings	(51,057)
Furniture and Equipment	4,272,535
Depreciation on Furniture and Equipment	(3,962,741)
Total Noncurrent Assets	328,537
Total Assets	4,490,156
LIABILITIES	
Current Liabilities:	
Accounts Payable	434,382
Short Term Debt Payable	48,902
Accrued Wages Payable	281,362
Due to Other Funds	7,513
Unearned Revenues	29,601
Total Current Liabilities	801,760
Noncurrent Liabilities:	
Loans Payable - Due in More than One Year	15,900
Other Long-Term Debt - Due in More than One Year	51,965
Total Noncurrent Liabilities	67,865
Total Liabilities	869,625
NET ASSETS	
Investments in Capital Assets, Net of Debt	296,936
Unrestricted Net Assets	3,323,595
Total Net Assets	\$ 3,620,531

The notes to the financial statements are an integral part of this statement.

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2012

EXHIBIT D-2

	Business-Type Activities
	70 Food Service Fund
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OPERATING REVENUES:	
Local and Intermediate Sources	\$ 2,330,169
State Program Revenues	569,126
Total Operating Revenues	2,899,295
OPERATING EXPENSES:	
Payroll Costs	11,102,231
Professional and Contracted Services	418,346
Supplies and Materials	10,749,144
Other Operating Costs	34,743
Depreciation Expense	135,929
Total Operating Expenses	22,440,393
Operating Income (Loss)	(19,541,098)
NONOPERATING REVENUES (EXPENSES):	
National School Breakfast Program	5,739,814
National School Lunch Program	12,138,254
Donated Commodities (USDA)	1,428,291
Earnings from Temporary Deposits & Investments	1,248
Total Nonoperating Revenues (Expenses)	19,307,607
Change in Net Assets	(233,491)
Total Net Assets - September 1 (Beginning)	3,854,022
Total Net Assets - August 31 (Ending)	\$ 3,620,531

The notes to the financial statements are an integral part of this statement.

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2012

	Business-Type Activities
	70
	Food Service Fund
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<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 2,147,774
Cash Received from State	475,314
Cash Payments to Employees for Services	(11,110,592)
Cash Payments for Contracted Services	(418,346)
Cash Payments for Suppliers	(9,310,907)
Cash Payments for Other Operating Expenses	(34,743)
Net Cash Used for Operating Activities	<u>(18,251,500)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Increase(decrease) in Short-term Loans	8,007
Federal Grants	17,878,068
Net Cash Provided by Non-Capital Financing Activities	<u>17,886,075</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>	
Acquisition of Capital Assets	(104,440)
Long Term Loan & Other Debt	67,865
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>(36,575)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	<u>1,248</u>
Net Decrease in Cash and Cash Equivalents	(400,752)
Cash and Cash Equivalents at Beginning of Year	<u>3,047,920</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,647,168</u>

The notes to the financial statements are an integral part of this statement.

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2012

	Business-Type Activities
	70
	Food Service
	Fund
<hr/>	
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (19,541,098)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	135,929
Commodity Expense - USDA Various Food Products	1,428,291
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	(7,891)
Decrease (increase) in Inventories	(6,522)
Decrease (increase) in Due From Other	(174,504)
Increase (decrease) in Accounts Payable	16,468
Increase (decrease) in Accrued Wages Payable	7,101
Increase (decrease) in Due to Other Funds	(15,462)
Increase (decrease) in Unearned Revenue	(93,812)
Net Cash Used for Operating Activities	<u>\$ (18,251,500)</u>
<u>Noncash Investing, Capital and Financing Activities:</u>	
Commodity Expense - USDA Various Food Products	1,428,291

The notes to the financial statements are an integral part of this statement.

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2012

EXHIBITE-1

	Agency Fund
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ASSETS	
Cash and Cash Equivalents	\$ 1,301,578
Total Assets	<u>\$ 1,301,578</u>
LIABILITIES	
Due to Student Groups	\$ 1,301,578
Total Liabilities	<u>\$ 1,301,578</u>

DRAFT

The notes to the financial statements are an integral part of this statement.