



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC:** \_\_\_\_\_ Approval of Independent Audit Report for the Year Ended August 31, 2013 \_\_\_\_\_

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

**APPROVED FOR TRANSMITTAL TO SCHOOL BOARD:** \_\_\_\_\_

**DATE ASSIGNED FOR BOARD CONSIDERATION:** \_\_\_\_\_ December 18, 2013 \_\_\_\_\_

**RECOMMENDATION:**

It is recommended that the Board of Trustees approve the independent audit report for the year ended August 31, 2013, 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 “unmodified” 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 18, 2013.

**BUDGETARY INFORMATION:**

N/A

**BOARD POLICY REFERENCE AND COMPLIANCE:**



## **Basic Financial Statements**

UNITED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2013

EXHIBIT A-1

Data Control Codes	1	2 Primary Government	3
	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 110,615,155	\$ 3,324,813	\$ 113,939,968
1220 Property Taxes Receivable (Delinquent)	5,871,492	-	5,871,492
1230 Allowance for Uncollectible Taxes	(2,077,148)	-	(2,077,148)
1240 Due from Other Governments	4,800,269	492,181	5,292,450
1250 Accrued Interest	20,420	-	20,420
1290 Other Receivables, net	508,709	74,141	582,850
1300 Inventories	373,171	555,609	928,780
1410 Prepayments	4,709,325	-	4,709,325
Capital Assets:			
1510 Land	39,572,491	-	39,572,491
1520 Buildings, Net	282,384,472	10,987	282,395,459
1530 Furniture and Equipment, Net	13,379,924	254,572	13,634,496
1580 Construction in Progress	5,347,162	-	5,347,162
1000 Total Assets	<u>465,505,442</u>	<u>4,712,303</u>	<u>470,217,745</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
1701 Deferred Charge for Refunding	2,511,050	-	2,511,050
1700 Total Outflows of Resources	<u>2,511,050</u>	<u>-</u>	<u>2,511,050</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	6,062,928	476,238	6,539,166
2120 Short Term Debt Payable	-	65,151	65,151
2160 Accrued Wages Payable	8,367,542	279,917	8,647,459
2180 Due to Other Governments	8,895,438	-	8,895,438
2190 Due to Student Groups	61,890	-	61,890
2200 Accrued Expenses	130,735	-	130,735
2300 Unearned Revenue	203,278	74,357	277,635
2400 Payable from Restricted Assets	333,159	-	333,159
Noncurrent Liabilities			
2501 Due Within One Year	22,353,170	-	22,353,170
2502 Due in More Than One Year	240,320,267	59,360	240,379,627
2000 Total Liabilities	<u>286,728,407</u>	<u>955,023</u>	<u>287,683,430</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	-	-	-
2600 Total Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
3200 Net Investment in Capital Assets	80,934,366	249,659	81,184,025
Restricted for:			
3850 Restricted for Debt Service	4,727,840	-	4,727,840
3860 Restricted for Capital Projects	2,006,587	-	2,006,587
3890 Restricted for Other Purposes	774,748	-	774,748
3900 Unrestricted	92,844,544	3,507,621	96,352,165
3000 Total Net Position	<u>\$ 181,288,085</u>	<u>\$ 3,757,280</u>	<u>\$ 185,045,365</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, 2013

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 205,406,211	\$ -	\$ 27,634,535
12 Instructional Resources and Media Services	5,730,195	-	278,678
13 Curriculum and Staff Development	3,632,984	-	3,414,672
21 Instructional Leadership	5,980,158	-	1,648,819
23 School Leadership	23,216,100	-	1,335,421
31 Guidance, Counseling and Evaluation Services	13,457,019	-	2,543,906
32 Social Work Services	2,259,557	-	97,623
33 Health Services	3,804,290	-	227,002
34 Student (Pupil) Transportation	15,550,667	-	565,535
35 Food Services	1,461,053	5,539	1,335,083
36 Extracurricular Activities	9,850,231	1,701,705	92,203
41 General Administration	10,172,256	-	365,838
51 Facilities Maintenance and Operations	34,832,427	-	769,982
52 Security and Monitoring Services	6,288,488	-	294,231
53 Data Processing Services	2,417,038	-	86,608
61 Community Services	481,987	-	278,709
72 Debt Service - Interest on Long Term Debt	10,619,300	-	-
73 Debt Service - Bond Issuance Cost and Fees	321,670	-	-
95 Juvenile Justice Alternative Ed. Prg.	125,359	-	-
99 Webb County Appraisal District	1,606,566	-	-
[TG] Total Governmental Activities:	<u>357,213,558</u>	<u>1,707,244</u>	<u>40,968,845</u>
BUSINESS-TYPE ACTIVITIES:			
35 Enterprise Fund - National School Breakfast & Lunch	22,810,717	2,922,539	20,022,487
[TB] Total Business-Type Activities:	<u>22,810,717</u>	<u>2,922,539</u>	<u>20,022,487</u>
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 380,024,275</u>	<u>\$ 4,629,783</u>	<u>\$ 60,991,332</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 Position
NB	Net Position - Beginning
NE	Net Position--Ending

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

Net (Expense) Revenue and  
Changes in Net Position

6	7	8
Governmental Activities	Primary Government Business-type Activities	Total
\$ (177,771,676)	\$ -	\$ (177,771,676)
(5,451,517)	-	(5,451,517)
(218,312)	-	(218,312)
(4,331,339)	-	(4,331,339)
(21,880,679)	-	(21,880,679)
(10,913,113)	-	(10,913,113)
(2,161,934)	-	(2,161,934)
(3,577,288)	-	(3,577,288)
(14,985,132)	-	(14,985,132)
(120,431)	-	(120,431)
(8,056,323)	-	(8,056,323)
(9,806,418)	-	(9,806,418)
(34,062,445)	-	(34,062,445)
(5,994,257)	-	(5,994,257)
(2,330,430)	-	(2,330,430)
(203,278)	-	(203,278)
(10,619,300)	-	(10,619,300)
(321,670)	-	(321,670)
(125,359)	-	(125,359)
(1,606,566)	-	(1,606,566)
(314,537,469)	-	(314,537,469)
-	134,309	134,309
-	134,309	134,309
(314,537,469)	134,309	(314,403,160)
121,901,454	-	121,901,454
18,158,113	-	18,158,113
178,259,671	-	178,259,671
5,252,728	-	5,252,728
221,009	2,440	223,449
6,106,382	-	6,106,382
329,899,357	2,440	329,901,797
15,361,888	136,749	15,498,637
165,926,197	3,620,531	169,546,728
\$ 181,288,085	\$ 3,757,280	\$ 185,045,365

UNITED INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2013

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 104,417,323	\$ 5,323,563	\$ 874,269	\$ 110,615,156
1220 Property Taxes - Delinquent	5,081,649	789,843	-	5,871,492
1230 Allowance for Uncollectible Taxes (Credit)	(1,780,468)	(296,680)	-	(2,077,148)
1240 Receivables from Other Governments	2,309,214	-	2,491,055	4,800,269
1250 Accrued Interest	20,420	-	-	20,420
1260 Due from Other Funds	2,164,100	-	-	2,164,100
1290 Other Receivables	508,709	-	-	508,709
1300 Inventories	373,171	-	-	373,171
1410 Prepayments	4,709,325	-	-	4,709,325
1000 Total Assets	<u>\$ 117,803,443</u>	<u>\$ 5,816,726</u>	<u>\$ 3,365,324</u>	<u>\$ 126,985,493</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 5,986,081	\$ 2,090	\$ 74,757	\$ 6,062,928
2160 Accrued Wages Payable	8,022,557	-	344,985	8,367,542
2170 Due to Other Funds	-	-	2,164,100	2,164,100
2180 Due to Other Governments	7,531,572	1,363,866	-	8,895,438
2190 Due to Student Groups	-	-	61,890	61,890
2200 Accrued Expenditures	130,735	-	-	130,735
2300 Unearned Revenues	133,435	-	69,843	203,278
2400 Payable from Restricted Assets	333,159	-	-	333,159
2000 Total Liabilities	<u>22,137,539</u>	<u>1,365,956</u>	<u>2,715,575</u>	<u>26,219,070</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	3,582,063	493,163	-	4,075,226
2600 Total Inflows of Resources	<u>3,582,063</u>	<u>493,163</u>	<u>-</u>	<u>4,075,226</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	373,171	-	-	373,171
3430 Prepaid Items	4,709,325	-	-	4,709,325
Restricted Fund Balance:				
3480 Retirement of Long-Term Debt	770,233	3,957,607	-	4,727,840
Committed Fund Balance:				
3510 Construction	420,000	-	-	420,000
3530 Capital Expenditures for Equipment	1,586,587	-	-	1,586,587
Assigned Fund Balance:				
3580 Self-Insurance	125,000	-	-	125,000
3590 Assigned for Special Revenue Funds	-	-	649,749	649,749
3600 Unassigned Fund Balance	84,099,525	-	-	84,099,525
3000 Total Fund Balances	<u>92,083,841</u>	<u>3,957,607</u>	<u>649,749</u>	<u>96,691,197</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 117,803,443</u>	<u>\$ 5,816,726</u>	<u>\$ 3,365,324</u>	<u>\$ 126,985,493</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 POSITION  
 AUGUST 31, 2013

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	96,691,197
<b>1</b> 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 \$558,484,354 and the accumulated depreciation was \$215,516,850. In addition, long-term liabilities, including bonds payable, Public Property Finance Contractual Obligations (PPFCO's), and leases totaled \$275,828,352 and other long-term liabilities of \$869,303 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 net position.		66,269,851
<b>2</b> Current year capital outlays of \$17,304,135 (\$13,149,291 from facilities acquisition and construction with the remaining \$4,154,844 coming from the various other functions) and long-term debt principal payments of \$20,064,816, amortization of premiums in the amount of \$1,141,863, refunded bonds of \$23,100,000, and reductions of \$3,764,559 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 \$560,663, the net effect of the deferred resource outflow of \$2,511,050 from refunding bonds and the issuance of refunding bonds in the amount of \$22,665,000, the premium on the refunding bonds of \$3,469,886, the accretion on Capital Appreciation Bonds of \$2,089,684, and the accumulation of other benefits of \$5,822,450 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 2013 capital outlays and debt principal payments is to increase net position.		33,278,739
<b>3</b> The 2013 depreciation expense of \$19,677,187 net of adjustments/disposals of \$650,259 increases accumulated depreciation. The net effect of the current year's depreciation is to (decrease) net position.		(19,026,928)
<b>4</b> Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes 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 net position.		4,075,226
<b>19 Net Position of Governmental Activities</b>	\$	181,288,085

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, 2013

EXHIBIT C-3

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 126,320,510	\$ 18,375,835	\$ 2,913,513	\$ 147,609,858
5800 State Program Revenues	185,837,801	5,510,034	1,496,432	192,844,267
5900 Federal Program Revenues	5,700,528	-	25,936,448	31,636,976
5020 Total Revenues	<u>317,858,839</u>	<u>23,885,869</u>	<u>30,346,393</u>	<u>372,091,101</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	174,044,593	-	19,489,805	193,534,398
0012 Instructional Resources and Media Services	5,077,204	-	51,472	5,128,676
0013 Curriculum and Instructional Staff Development	298,261	-	3,310,494	3,608,755
0021 Instructional Leadership	4,497,782	-	1,373,064	5,870,846
0023 School Leadership	19,319,385	-	3,253,448	22,572,833
0031 Guidance, Counseling and Evaluation Services	11,472,367	-	1,875,457	13,347,824
0032 Social Work Services	2,251,108	-	-	2,251,108
0033 Health Services	3,733,621	-	48,558	3,782,179
0034 Student (Pupil) Transportation	13,450,739	-	-	13,450,739
0035 Food Services	-	-	892,821	892,821
0036 Extracurricular Activities	8,497,973	-	10,479	8,508,452
0041 General Administration	9,965,773	-	29,856	9,995,629
0051 Facilities Maintenance and Operations	35,184,344	-	2,025	35,186,369
0052 Security and Monitoring Services	6,178,503	-	31,791	6,210,294
0053 Data Processing Services	2,229,750	-	767	2,230,517
0061 Community Services	198,232	-	283,795	482,027
<b>Debt Service:</b>				
0071 Principal on Long Term Debt	2,884,816	17,180,000	-	20,064,816
0072 Interest on Long Term Debt	850,388	8,624,492	-	9,474,880
0073 Bond Issuance Cost and Fees	1,345	320,325	-	321,670
<b>Capital Outlay:</b>				
0081 Facilities Acquisition and Construction	13,149,291	-	-	13,149,291
<b>Intergovernmental:</b>				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	125,359	-	-	125,359
0099 Other Intergovernmental Charges	1,606,566	-	-	1,606,566
6030 Total Expenditures	<u>315,017,400</u>	<u>26,124,817</u>	<u>30,653,832</u>	<u>371,796,049</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,841,439</u>	<u>(2,238,948)</u>	<u>(307,439)</u>	<u>295,052</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7901 Refunding Bonds Issued	-	22,665,000	-	22,665,000
7915 Transfers In	-	1,500,000	-	1,500,000
7916 Premium or Discount on Issuance of Bonds	-	3,469,886	-	3,469,886
8911 Transfers Out (Use)	(1,500,000)	-	-	(1,500,000)
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(25,804,208)	-	(25,804,208)
7080 Total Other Financing Sources (Uses)	<u>(1,500,000)</u>	<u>1,830,678</u>	<u>-</u>	<u>330,678</u>
1200 Net Change in Fund Balances	1,341,439	(408,270)	(307,439)	625,730
0100 Fund Balance - September 1 (Beginning)	<u>90,742,402</u>	<u>4,365,877</u>	<u>957,188</u>	<u>96,065,467</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 92,083,841</u>	<u>\$ 3,957,607</u>	<u>\$ 649,749</u>	<u>\$ 96,691,197</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, 2013

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	625,730
Current year capital outlays of \$17,304,135 (\$13,149,291 from facilities acquisition and construction with the remaining \$4,154,844 coming from the various other functions) and long-term debt principal payments of \$20,064,816, amortization of premiums in the amount of \$1,141,863, refunded bonds of \$23,100,000, and reductions of \$3,764,559 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 \$560,663, the net effect of the deferred resource outflow of \$2,511,050 from the refunding bonds, and the issuance of refunding bonds in the amount of \$22,665,000, the premium on the refunding bonds of \$3,469,886, the accretion on Capital Appreciation Bonds of \$2,089,684, and the accumulation of other benefits of \$5,822,450 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 removing the 2013 capital outlays and debt principal payments is to increase net position.		33,278,739
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 position.		(19,026,928)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes 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 net position.		484,347
<b>Change in Net Position of Governmental Activities</b>	\$	15,361,888

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, 2013

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 121,371,551	\$ 121,371,551	\$ 126,320,510	\$ 4,948,959
5800 State Program Revenues	169,856,194	183,337,937	185,837,801	2,499,864
5900 Federal Program Revenues	2,365,000	2,365,000	5,700,528	3,335,528
5020 Total Revenues	293,592,745	307,074,488	317,858,839	10,784,351
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	168,880,407	176,930,029	174,044,593	2,885,436
0012 Instructional Resources and Media Services	5,029,800	5,261,447	5,077,204	184,243
0013 Curriculum and Instructional Staff Development	558,783	452,293	298,261	154,032
0021 Instructional Leadership	4,417,285	4,697,805	4,497,782	200,023
0023 School Leadership	18,941,889	19,370,381	19,319,385	50,996
0031 Guidance, Counseling and Evaluation Services	10,724,536	11,525,594	11,472,367	53,227
0032 Social Work Services	2,048,990	2,274,093	2,251,108	22,985
0033 Health Services	3,693,621	3,799,169	3,733,621	65,548
0034 Student (Pupil) Transportation	12,941,690	13,605,453	13,450,739	154,714
0036 Extracurricular Activities	8,897,563	9,020,731	8,497,973	522,758
0041 General Administration	9,250,694	10,197,660	9,965,773	231,887
0051 Facilities Maintenance and Operations	33,479,923	37,791,727	35,184,344	2,607,383
0052 Security and Monitoring Services	6,124,755	6,450,646	6,178,503	272,143
0053 Data Processing Services	2,141,370	2,306,815	2,229,750	77,065
0061 Community Services	217,246	254,201	198,232	55,969
Debt Service:				
0071 Principal on Long Term Debt	2,880,804	2,910,804	2,884,816	25,988
0072 Interest on Long Term Debt	850,389	850,389	850,388	1
0073 Bond Issuance Cost and Fees	8,000	8,000	1,345	6,655
Capital Outlay:				
0081 Facilities Acquisition and Construction	755,000	24,650,982	13,149,291	11,501,691
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed.	200,000	200,000	125,359	74,641
0099 Other Intergovernmental Charges	1,550,000	1,610,000	1,606,566	3,434
6030 Total Expenditures	293,592,745	334,168,219	315,017,400	19,150,819
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(27,093,731)	2,841,439	29,935,170
<b>OTHER FINANCING SOURCES (USES):</b>				
8911 Transfers Out (Use)	-	(1,500,000)	(1,500,000)	-
7080 Total Other Financing Sources (Uses)	-	(1,500,000)	(1,500,000)	-
1200 Net Change in Fund Balances	-	(28,593,731)	1,341,439	29,935,170
0100 Fund Balance - September 1 (Beginning)	90,742,402	90,742,402	90,742,402	-
3000 Fund Balance - August 31 (Ending)	\$ 90,742,402	\$ 62,148,671	\$ 92,083,841	\$ 29,935,171

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

UNITED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2013

EXHIBIT D-1

	Business-Type Activities
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,324,813
Due from Other Governments	492,181
Other Receivables	74,141
Inventories	555,609
Total Current Assets	4,446,744
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	69,800
Depreciation on Buildings	(58,813)
Furniture and Equipment	4,326,613
Depreciation on Furniture and Equipment	(4,072,041)
Total Noncurrent Assets	265,559
Total Assets	4,712,303
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	476,238
Short Term Debt Payable	65,151
Accrued Wages Payable	279,917
Unearned Revenues	74,357
Total Current Liabilities	895,663
Noncurrent Liabilities:	
Other Long-Term Debt - Due in More than One Year	59,360
Total Noncurrent Liabilities	59,360
Total Liabilities	955,023
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 249,659
Unrestricted Net Assets	3,507,621
Total Net Position	\$ 3,757,280

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 POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2013

EXHIBIT D-2

	Business-Type Activities
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OPERATING REVENUES:	
Local and Intermediate Sources	\$ 2,342,851
State Program Revenues	579,688
Total Operating Revenues	2,922,539
OPERATING EXPENSES:	
Payroll Costs	10,745,116
Professional and Contracted Services	487,018
Supplies and Materials	11,424,335
Other Operating Costs	37,192
Depreciation Expense	117,056
Total Operating Expenses	22,810,717
Operating Income (Loss)	(19,888,178)
NONOPERATING REVENUES (EXPENSES):	
National School Breakfast Program	5,852,844
National School Lunch Program	12,942,629
Donated Commodities (USDA)	1,227,014
Earnings from Temporary Deposits & Investments	2,440
Total Nonoperating Revenues (Expenses)	20,024,927
Change in Net Position	136,749
Total Net Position - September 1 (Beginning)	3,620,531
Total Net Position - August 31 (Ending)	\$ 3,757,280

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, 2013

	Business-Type Activities
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<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 2,772,775
Cash Received from State	624,444
Cash Payments to Employees for Services	(10,754,074)
Cash Payments for Contracted Services	(487,018)
Cash Payments for Suppliers	(10,192,868)
Cash Payments for Other Operating Expenses	(37,192)
Net Cash Used for Operating Activities	(18,073,933)
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Increase(decrease) in Short-term Loans	16,249
Federal Frants	18,795,473
Net Cash Provided by Non-Capital Financing Activities	18,811,722
<u>Cash Flows from Capital &amp; Related Financing Activities:</u>	
Acquisition of Capital Assets	(121,944)
Long Term Loan & Other Debt	59,360
Net Cash Provided by (Used for) Capital & Related Financing Activities	(62,584)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	2,440
Net Increase in Cash and Cash Equivalents	677,645
Cash and Cash Equivalents at Beginning of Year	2,647,168
Cash and Cash Equivalents at End of Year	\$ 3,324,813

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, 2013

	Business-Type Activities
<hr/>	
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (19,888,178)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	117,056
Commodity Expense - USDA Various Food Products	1,227,014
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	(31,803)
Decrease (increase) in Inventories	(37,403)
Decrease (increase) in Due From Other	461,727
Increase (decrease) in Accounts Payable	41,856
Increase (decrease) in Accrued Wages Payable	(1,445)
Increase (decrease) in Due To Other	(7,513)
Increase (decrease) in Unearned Revenue	44,756
Net Cash Used for Operating Activities	<u>\$ (18,073,933)</u>
<u>Noncash Investing, Capital and Financing Activities:</u>	
Commodity Expense - USDA Various Food Products	1,227,014

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

UNITED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2013

EXHIBITE-1

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	Agency Fund
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ASSETS	
Cash and Cash Equivalents	\$ 1,398,058
Other Receivables	1,625
Total Assets	<u>\$ 1,399,683</u>
LIABILITIES	
Due to Student Groups	<u>\$ 1,399,683</u>
Total Liabilities	<u>\$ 1,399,683</u>

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