



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC: Approval of Independent Audit Report for the Year Ended August 31, 2016

SUBMITTED BY: Samuel D. Flores **OF:** Comptroller

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: January 18, 2017

RECOMMENDATION:

It is recommended that the Board of Trustees approve the independent audit report for the year ended August 31, 2016, 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 January 18, 2017.

BUDGETARY INFORMATION:

N/A

BOARD POLICY REFERENCE AND COMPLIANCE:

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2016

EXHIBIT A-1

DRAFT

| Data Control Codes | Primary Government |
|--|----------------------------|
| | Governmental Activities |
| ASSETS | |
| 1110 Cash and Cash Equivalents | \$ 124,600,911 |
| 1120 Current Investments | 79,038,000 |
| 1220 Property Taxes Receivable (Delinquent) | 5,413,891 |
| 1230 Allowance for Uncollectible Taxes | (1,835,623) |
| 1240 Due from Other Governments | 13,770,796 |
| 1250 Accrued Interest | 91,854 |
| 1260 Internal Balances | - |
| 1290 Other Receivables, net | 988,130 |
| 1300 Inventories | 984,337 |
| 1410 Prepayments | 747,063 |
| 1490 Other Current Assets | - |
| Capital Assets: | |
| 1510 Land | 46,905,038 |
| 1520 Buildings, Net | 278,816,661 |
| 1530 Furniture and Equipment, Net | 15,253,643 |
| 1580 Construction in Progress | 93,583,839 |
| 1800 Restricted Assets | - |
| 1000 Total Assets | 658,358,539 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| 1701 Deferred Charge for Refunding | 3,122,590 |
| 1705 Deferred Outflow Related to TRS | 53,254,830 |
| 1700 Total Deferred Outflows of Resources | 56,377,420 |
| LIABILITIES | |
| 2110 Accounts Payable | 19,483,183 |
| 2160 Accrued Wages Payable | 12,008,586 |
| 2180 Due to Other Governments | 287,616 |
| 2190 Due to Student Groups | 43,898 |
| 2200 Accrued Expenses | 440,570 |
| 2300 Unearned Revenue | 223,903 |
| 2400 Payable from Restricted Assets | 242,308 |
| Noncurrent Liabilities | |
| 2501 Due Within One Year | 20,900,313 |
| 2502 Due in More Than One Year | 399,743,809 |
| 2540 Net Pension Liability (District's Share) | 102,429,379 |
| 2000 Total Liabilities | 555,803,565 |
| DEFERRED INFLOWS OF RESOURCES | |
| 2601 Deferred Revenue - Property Taxes | - |
| 2605 Deferred Inflow Related to TRS | 7,621,647 |
| 2600 Total Deferred Inflows of Resources | 7,621,647 |
| NET POSITION | |
| 3200 Net Investment in Capital Assets | 130,911,340 |
| 3820 Restricted for Federal and State Programs | 4,564,598 |
| 3850 Restricted for Debt Service | 11,739,017 |
| 3890 Restricted for Other Purposes | 55,031 |
| 3900 Unrestricted | 4,040,761 |
| 3000 Total Net Position | \$ 151,310,747 |

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, 2016

EXHIBIT B-1

| Data Control Codes | 1 | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|---|----------------|-------------------------|--|--|
| | | 3 | 4 | 6 |
| | Expenses | Charges for Services | Operating Grants and Contributions | Primary Gov. Governmental Activities |
| Primary Government: | | | | |
| GOVERNMENTAL ACTIVITIES: | | | | |
| 11 Instruction | \$ 248,219,906 | \$ 50,743 | \$ 32,893,515 | \$ (215,275,648) |
| 12 Instructional Resources and Media Services | 6,705,095 | - | 329,496 | (6,375,599) |
| 13 Curriculum and Staff Development | 4,438,593 | - | 3,821,231 | (617,362) |
| 21 Instructional Leadership | 9,579,984 | - | 2,571,503 | (7,008,481) |
| 23 School Leadership | 27,691,903 | - | 1,513,570 | (26,178,333) |
| 31 Guidance, Counseling and Evaluation Services | 16,681,297 | - | 3,102,728 | (13,578,569) |
| 32 Social Work Services | 3,187,910 | - | 145,359 | (3,042,551) |
| 33 Health Services | 4,954,700 | - | 277,368 | (4,677,332) |
| 34 Student (Pupil) Transportation | 19,461,212 | - | 722,175 | (18,739,037) |
| 35 Food Services | 29,072,954 | 350,219 | 27,340,939 | (1,381,796) |
| 36 Extracurricular Activities | 13,684,556 | 5,177,558 | 121,463 | (8,385,535) |
| 41 General Administration | 11,843,141 | 360,433 | 425,609 | (11,057,099) |
| 51 Facilities Maintenance and Operations | 38,500,650 | - | 964,360 | (37,536,290) |
| 52 Security and Monitoring Services | 9,435,709 | - | 396,680 | (9,039,029) |
| 53 Data Processing Services | 2,889,429 | - | 110,696 | (2,778,733) |
| 61 Community Services | 582,572 | - | 270,664 | (311,908) |
| 72 Debt Service - Interest on Long Term Debt | 16,014,833 | - | - | (16,014,833) |
| 73 Debt Service - Bond Issuance Cost and Fees | 5,350 | - | - | (5,350) |
| 81 Capital Outlay | - | - | - | - |
| 95 Juvenile Justice Alternative Ed. Prg. | 168,790 | - | - | (168,790) |
| 99 Webb County Appraisal District | 2,282,585 | - | - | (2,282,585) |
| [TP] TOTAL PRIMARY GOVERNMENT: | \$ 465,401,169 | \$ 5,938,953 | \$ 75,007,356 | (384,454,860) |

| Data Control Codes | General Revenues: | |
|--------------------------|--|----------------|
| | Taxes: | |
| MT | Property Taxes, Levied for General Purposes | 165,846,543 |
| DT | Property Taxes, Levied for Debt Service | 29,481,184 |
| SF | State Aid - Formula Grants | 176,265,826 |
| GC | Grants and Contributions not Restricted | 16,740,712 |
| IE | Investment Earnings | 1,070,721 |
| MI | Miscellaneous Local and Intermediate Revenue | 3,167,879 |
| TR | Total General Revenues | 392,572,865 |
| CN | Change in Net Position | 8,118,005 |
| NB | Net Position - Beginning | 143,192,742 |
| NE | Net Position--Ending | \$ 151,310,747 |

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

UNITED INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2016

DRAFT

| Data Control Codes | 10 General Fund | 50 Debt Service Fund | 60 Capital Projects |
|--|-----------------------|----------------------------|---------------------------|
| ASSETS | | | |
| 1110 Cash and Cash Equivalents | \$ 92,701,774 | \$ 6,103,082 | \$ 21,082,493 |
| 1120 Investments - Current | 4,000,000 | - | 75,000,000 |
| 1220 Property Taxes - Delinquent | 4,633,178 | 780,713 | - |
| 1230 Allowance for Uncollectible Taxes (Credit) | (1,578,084) | (257,539) | - |
| 1240 Receivables from Other Governments | 10,266,984 | - | - |
| 1250 Accrued Interest | 792 | - | 90,958 |
| 1260 Due from Other Funds | 2,495,777 | - | 5,257,564 |
| 1290 Other Receivables | 124,854 | - | 71,087 |
| 1300 Inventories | 984,337 | - | - |
| 1410 Prepayments | 747,063 | - | - |
| 1490 Other Current Assets | - | - | - |
| 1800 Restricted Assets | - | - | - |
| 1000 Total Assets | \$ 114,376,675 | \$ 6,626,256 | \$ 101,502,102 |
| LIABILITIES | | | |
| 2110 Accounts Payable | \$ 4,575,352 | \$ - | \$ 12,333,474 |
| 2160 Accrued Wages Payable | 11,382,203 | - | - |
| 2170 Due to Other Funds | 2,335,453 | - | 4,336,268 |
| 2180 Due to Other Governments | - | 287,616 | - |
| 2190 Due to Student Groups | - | - | - |
| 2300 Unearned Revenues | 173,939 | - | - |
| 2400 Payable from Restricted Assets | 242,308 | - | - |
| 2000 Total Liabilities | 18,709,255 | 287,616 | 16,669,742 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| 2601 Unavailable Revenue - Property Taxes | 3,269,313 | 523,174 | - |
| 2600 Total Deferred Inflows of Resources | 3,269,313 | 523,174 | - |
| FUND BALANCES | | | |
| Nonspendable Fund Balance: | | | |
| 3410 Inventories | 984,337 | - | - |
| 3430 Prepaid Items | 747,063 | - | - |
| Restricted Fund Balance: | | | |
| 3450 Federal or State Funds Grant Restriction | 974,468 | - | - |
| 3470 Capital Acquisition and Contractual Obligation | - | - | 84,832,360 |
| 3480 Retirement of Long-Term Debt | 5,400,377 | 5,815,466 | - |
| 3490 Other Restricted Fund Balance | - | - | - |
| Assigned Fund Balance: | | | |
| 3580 Self-Insurance | 125,000 | - | - |
| 3590 Other Assigned Fund Balance | 19,001,534 | - | - |
| 3600 Unassigned Fund Balance | 65,165,328 | - | - |
| 3000 Total Fund Balances | 92,398,107 | 5,815,466 | 84,832,360 |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | \$ 114,376,675 | \$ 6,626,256 | \$ 101,502,102 |

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

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| Other Funds | Total Governmental Funds |
|---------------------|--------------------------------|
| \$ 3,416,577 | \$ 123,303,926 |
| 38,000 | 79,038,000 |
| - | 5,413,891 |
| - | (1,835,623) |
| 3,503,812 | 13,770,796 |
| 104 | 91,854 |
| 3,364 | 7,756,705 |
| 1,444 | 197,385 |
| - | 984,337 |
| - | 747,063 |
| - | - |
| - | - |
| <u>\$ 6,963,301</u> | <u>\$ 229,468,334</u> |
| | |
| \$ 327,176 | \$ 17,236,002 |
| 626,383 | 12,008,586 |
| 1,944,067 | 8,615,788 |
| - | 287,616 |
| 43,898 | 43,898 |
| 49,964 | 223,903 |
| - | 242,308 |
| <u>2,991,488</u> | <u>38,658,101</u> |
| | |
| - | 3,792,487 |
| | |
| - | 3,792,487 |
| | |
| - | 984,337 |
| - | 747,063 |
| | |
| 2,984,521 | 3,958,989 |
| - | 84,832,360 |
| - | 11,215,843 |
| 987,293 | 987,293 |
| | |
| - | 125,000 |
| - | 19,001,534 |
| - | 65,165,328 |
| <u>3,971,813</u> | <u>187,017,747</u> |
| | |
| <u>\$ 6,963,301</u> | <u>\$ 229,468,334</u> |

UNITED INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 AUGUST 31, 2016

| | | |
|-----------|--|-----------------------|
| | Total Fund Balances - Governmental Funds | \$ 187,017,747 |
| 1 | The District uses internal service funds to charge the costs of certain activities, such as self-insurance to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position. | 259,062 |
| 2 | 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 \$643,977,258, the accumulated depreciation was \$274,655,359 and the deferred resource outflow of \$3,467,004. In addition, long-term liabilities, including bonds payable, Public Property Finance Contractual Obligations (PPFCO's), and leases totaled \$435,213,271 and other long-term liabilities of \$3,700,000 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 (decrease) net position. | (66,124,368) |
| 3 | Current year capital outlays of \$ 84,165,888 (\$82,161,276 from facilities acquisition and construction with the remaining \$2,004,612 coming from the various other functions) and long-term debt principal payments of \$14,624,740, amortization of premiums in the amount of \$2,153,365, and reductions of \$4,678,032 of other liabilities, and the reduction on the Capital Appreciation Bonds of \$3,382,185 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 529,104, the accretion on Capital Appreciation Bonds of \$1,727,884, the deferred charge of \$344,414 and the accumulation of other benefits of \$4,841,289 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 2016 capital outlays and debt principal payments is to (decrease) net position. | 101,561,519 |
| 4 | Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$102,429,379, a Deferred Resource Inflow related to TRS in the amount of \$7,621,647 and a Deferred Resource Outflow related to TRS in the amount of \$53,254,830. This amounted to a (decrease) in Net Position in the amount of \$56,796,196. | (56,796,196) |
| 5 | The 2015 depreciation expense of \$19,469,980 net of adjustments/disposals of \$1,070,478 increases accumulated depreciation. The net effect of the current year's depreciation is to (decrease) net position. | (18,399,502) |
| 6 | 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. | 3,792,485 |
| 19 | Net Position of Governmental Activities | \$ 151,310,747 |

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

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UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2016

| Data Control Codes | 10 General Fund | 50 Debt Service Fund | 60 Capital Projects |
|--|-----------------------|----------------------------|---------------------------|
| REVENUES: | | | |
| 5700 Total Local and Intermediate Sources | \$ 171,860,044 | \$ 29,787,639 | \$ 598,422 |
| 5800 State Program Revenues | 194,559,408 | 35,793 | - |
| 5900 Federal Program Revenues | 31,726,829 | - | - |
| 5020 Total Revenues | 398,146,281 | 29,823,432 | 598,422 |
| EXPENDITURES: | | | |
| Current: | | | |
| 0011 Instruction | 206,752,528 | - | - |
| 0012 Instructional Resources and Media Services | 5,817,778 | - | - |
| 0013 Curriculum and Instructional Staff Development | 484,052 | - | - |
| 0021 Instructional Leadership | 6,912,695 | - | - |
| 0023 School Leadership | 22,772,090 | - | - |
| 0031 Guidance, Counseling and Evaluation Services | 13,501,217 | - | - |
| 0032 Social Work Services | 3,067,374 | - | - |
| 0033 Health Services | 4,683,856 | - | - |
| 0034 Student (Pupil) Transportation | 17,279,446 | - | - |
| 0035 Food Services | 26,817,653 | - | - |
| 0036 Extracurricular Activities | 12,045,699 | - | - |
| 0041 General Administration | 11,365,146 | - | - |
| 0051 Facilities Maintenance and Operations | 36,234,160 | - | - |
| 0052 Security and Monitoring Services | 9,123,690 | - | - |
| 0053 Data Processing Services | 2,668,108 | - | - |
| 0061 Community Services | 304,295 | - | - |
| Debt Service: | | | |
| 0071 Principal on Long Term Debt | 4,746,925 | 13,260,000 | - |
| 0072 Interest on Long Term Debt | 713,415 | 15,382,488 | - |
| 0073 Bond Issuance Cost and Fees | 927 | 4,423 | - |
| Capital Outlay: | | | |
| 0081 Facilities Acquisition and Construction | 7,949,482 | - | 74,211,794 |
| Intergovernmental: | | | |
| 0095 Payments to Juvenile Justice Alternative Ed. Prg. | 168,790 | - | - |
| 0099 Other Intergovernmental Charges | 2,282,584 | - | - |
| 6030 Total Expenditures | 395,691,910 | 28,646,911 | 74,211,794 |
| 1200 Net Change in Fund Balances | 2,454,371 | 1,176,521 | (73,613,372) |
| 0100 Fund Balance - September 1 (Beginning) | 89,943,736 | 4,638,945 | 158,445,731 |
| 3000 Fund Balance - August 31 (Ending) | \$ 92,398,107 | \$ 5,815,466 | \$ 84,832,360 |

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

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EXHIBIT C-3

| | Other Funds | Total Governmental Funds |
|----|----------------|--------------------------------|
| \$ | 3,189,137 | \$ 205,435,242 |
| | 6,325,487 | 200,920,688 |
| | 26,697,747 | 58,424,576 |
| | 36,212,371 | 464,780,506 |
| | 19,804,739 | 226,557,267 |
| | 61,817 | 5,879,595 |
| | 3,665,878 | 4,149,930 |
| | 2,175,602 | 9,088,297 |
| | 3,443,371 | 26,215,461 |
| | 2,325,633 | 15,826,850 |
| | - | 3,067,374 |
| | 60,120 | 4,743,976 |
| | 2,400 | 17,281,846 |
| | 1,294,294 | 28,111,947 |
| | - | 12,045,699 |
| | - | 11,365,146 |
| | 2,890 | 36,237,050 |
| | 6,396 | 9,130,086 |
| | - | 2,668,108 |
| | 253,570 | 557,865 |
| | - | 18,006,925 |
| | - | 16,095,903 |
| | - | 5,350 |
| | - | 82,161,276 |
| | - | 168,790 |
| | - | 2,282,584 |
| | 33,096,710 | 531,647,324 |
| | 3,115,661 | (66,866,818) |
| | 856,153 | 253,884,565 |
| \$ | 3,971,814 | \$ 187,017,747 |

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, 2016

| | | |
|--|--------------|-----------------|
| Total Net Change in Fund Balances - Governmental Funds | DRAFT | \$ (66,866,818) |
| The District uses internal service funds to charge the costs of certain activities, such as self-insurance to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position. | | 259,062 |
| Current year capital outlays of \$84,165,888 (\$82,161,276 from facilities acquisition and construction with the remaining \$2,004,612 coming from the various other functions) and long-term debt principal payments of \$14,624,740, amortization of premiums in the amount of \$2,153,365, and reductions of \$4,678,032 of other liabilities, and the reduction on the Capital Appreciation Bonds of \$3,382,185 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 \$529,104, the accretion on Capital Appreciation Bonds of \$1,727,884, and the deferred charge of \$344,414 and the accumulation of other benefits of \$4,841,288 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 2016 capital outlays and debt principal payments is to increase net position. | | 101,561,519 |
| 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. | | (18,399,502) |
| 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. | | 69,225 |
| The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2015 caused the change in the ending net position to increase in the amount of \$9,045,051. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net position liability for the District. This caused a decrease in the change in net position totaling \$8,580,173. The District's proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$8,970,359. The net result is to increase (decrease) the change in net position by \$(8,505,481). | | (8,505,481) |
| Change in Net Position of Governmental Activities | | \$ 8,118,005 |

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, 2016

EXHIBIT D-1

DRAFT

Governmental
 Activities -

Internal
 Service Fund

ASSETS

Current Assets:

| | | |
|---------------------------|--|--------------|
| Cash and Cash Equivalents | | \$ 1,296,985 |
| Due from Other Funds | | 859,083 |
| Other Receivables | | 790,745 |
| | | 2,946,813 |

Total Assets

LIABILITIES

Current Liabilities:

| | | |
|------------------|--|-----------|
| Accounts Payable | | 2,247,181 |
| Accrued Expenses | | 440,570 |
| | | 2,687,751 |

Total Liabilities

NET POSITION

| | | |
|---------------------------|--|------------|
| Unrestricted Net Position | | 259,062 |
| | | 259,062 |
| | | \$ 259,062 |

Total Net Position

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, 2016

| | Governmental Activities - |
|---|------------------------------|
| | Internal Service Fund |
| DRAFT | |
| <u>Cash Flows from Operating Activities:</u> | |
| Cash Received from User Charges | \$ 33,072,027 |
| Cash Payments to Employees for Services | (30,775) |
| Cash Payments for Contracted Services | (1,885,647) |
| Cash Payments for Suppliers | 2,687,751 |
| Cash Payments for Other Operating Expenses | (32,547,184) |
| Net Cash Provided by Operating Activities | 1,296,172 |
| <u>Cash Flows from Investing Activities:</u> | |
| Interest and Dividends on Investments | 813 |
| Net Increase in Cash and Cash Equivalents | 1,296,985 |
| Cash and Cash Equivalents at Beginning of Year | - |
| Cash and Cash Equivalents at End of Year | \$ 1,296,985 |
| <u>Reconciliation of Operating Income to Net Cash</u> | |
| <u>Provided by Operating Activities:</u> | |
| Operating Income: | \$ 258,249 |
| Effect of Increases and Decreases in Current Assets and Liabilities: | |
| Decrease (increase) in Receivables | (790,745) |
| Decrease (increase) in Due From Other Funds | (859,083) |
| Increase (decrease) in Accounts Payable | 2,247,181 |
| Increase (decrease) in Accrued Expenses | 440,570 |
| Net Cash Provided by Operating Activities | \$ 1,296,172 |

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, 2016

EXHIBIT E-1

DRAFT

| | Agency Fund |
|---------------------------|---------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 1,494,323 |
| Other Receivables | 16,575 |
| Total Assets | <u>\$ 1,510,898</u> |
| LIABILITIES | |
| Accounts Payable | \$ 5,458 |
| Due to Student Groups | 1,505,440 |
| Total Liabilities | <u>\$ 1,510,898</u> |

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

UNITED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED AUGUST 31, 2016

EXHIBIT G-1

| Data Control Codes | DRAFT | Budgeted Amounts | | Actual Amounts (GAAP BASIS) | Variance With Final Budget Positive or (Negative) |
|---------------------------|---|------------------|----------------|--------------------------------|--|
| | | Original | Final | | |
| | | REVENUES: | | | |
| 5700 | Total Local and Intermediate Sources | \$ 166,064,420 | \$ 166,622,495 | \$ 171,860,044 | \$ 5,237,549 |
| 5800 | State Program Revenues | 170,364,303 | 190,389,247 | 194,559,408 | 4,170,161 |
| 5900 | Federal Program Revenues | 3,378,375 | 28,618,375 | 31,726,829 | 3,108,454 |
| 5020 | Total Revenues | 339,807,098 | 385,630,117 | 398,146,281 | 12,516,164 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 189,365,048 | 207,259,691 | 206,752,528 | 507,163 |
| 0012 | Instructional Resources and Media Services | 5,613,624 | 6,021,843 | 5,817,778 | 204,065 |
| 0013 | Curriculum and Instructional Staff Development | 400,607 | 610,155 | 484,052 | 126,103 |
| 0021 | Instructional Leadership | 6,375,537 | 7,090,523 | 6,912,695 | 177,828 |
| 0023 | School Leadership | 21,465,618 | 23,013,798 | 22,772,090 | 241,708 |
| 0031 | Guidance, Counseling and Evaluation Services | 12,999,307 | 13,821,680 | 13,501,217 | 320,463 |
| 0032 | Social Work Services | 2,838,444 | 3,255,951 | 3,067,374 | 188,577 |
| 0033 | Health Services | 4,606,173 | 4,760,430 | 4,683,856 | 76,574 |
| 0034 | Student (Pupil) Transportation | 17,133,157 | 17,992,711 | 17,279,446 | 713,265 |
| 0035 | Food Services | 25,360,192 | 27,305,526 | 26,817,653 | 487,873 |
| 0036 | Extracurricular Activities | 11,464,356 | 12,053,734 | 12,045,699 | 8,035 |
| 0041 | General Administration | 11,252,852 | 11,558,336 | 11,365,146 | 193,190 |
| 0051 | Facilities Maintenance and Operations | 36,563,794 | 38,460,183 | 36,234,160 | 2,226,023 |
| 0052 | Security and Monitoring Services | 9,142,957 | 9,329,141 | 9,123,690 | 205,451 |
| 0053 | Data Processing Services | 2,833,792 | 3,059,922 | 2,668,108 | 391,814 |
| 0061 | Community Services | 281,606 | 344,181 | 304,295 | 39,886 |
| Debt Service: | | | | | |
| 0071 | Principal on Long Term Debt | 4,746,925 | 4,746,925 | 4,746,925 | - |
| 0072 | Interest on Long Term Debt | 743,184 | 713,415 | 713,415 | - |
| 0073 | Bond Issuance Cost and Fees | 5,000 | 34,769 | 927 | 33,842 |
| Capital Outlay: | | | | | |
| 0081 | Facilities Acquisition and Construction | 250,000 | 10,911,465 | 7,949,482 | 2,961,983 |
| Intergovernmental: | | | | | |
| 0095 | Payments to Juvenile Justice Alternative Ed. Prg. | 200,000 | 258,025 | 168,790 | 89,235 |
| 0099 | Other Intergovernmental Charges | 2,100,000 | 2,283,000 | 2,282,584 | 416 |
| 6030 | Total Expenditures | 365,742,173 | 404,885,404 | 395,691,910 | 9,193,494 |
| 1200 | Net Change in Fund Balances | (25,935,075) | (19,255,287) | 2,454,371 | 21,709,658 |
| 0100 | Fund Balance - September 1 (Beginning) | 89,943,736 | 89,943,736 | 89,943,736 | - |
| 3000 | Fund Balance - August 31 (Ending) | \$ 64,008,661 | \$ 70,688,450 | \$ 92,398,107 | \$ 21,709,658 |

UNITED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2016

| Data Control Codes | DRAFT | | Budgeted Amounts | | Actual Amounts (GAAP BASIS) | Variance With Final Budget Positive or (Negative) |
|--------------------------|--|--------------|------------------|--------------|--------------------------------|--|
| | | | Original | Final | | |
| | | | REVENUES: | | | |
| 5700 | Total Local and Intermediate Sources | \$ 558,075 | \$ 558,075 | \$ 362,565 | \$ (195,510) | |
| 5800 | State Program Revenues | 137,000 | 818,960 | 716,057 | (102,903) | |
| 5900 | Federal Program Revenues | 25,240,000 | 25,240,000 | 25,333,772 | 93,772 | |
| 5020 | Total Revenues | 25,935,075 | 26,617,035 | 26,412,394 | (204,641) | |
| EXPENDITURES: | | | | | | |
| 0035 | Food Services | 25,360,192 | 26,792,152 | 26,363,060 | 429,092 | |
| 0051 | Facilities Maintenance and Operations | 574,883 | 574,883 | 388,224 | 186,659 | |
| 6030 | Total Expenditures | 25,935,075 | 27,367,035 | 26,751,284 | 615,751 | |
| 1200 | Net Change in Fund Balances | - | (750,000) | (338,890) | 411,110 | |
| 0100 | Fund Balance - September 1 (Beginning) | 1,918,968 | 1,918,968 | 1,918,968 | - | |
| 3000 | Fund Balance - August 31 (Ending) | \$ 1,918,968 | \$ 1,168,968 | \$ 1,580,078 | \$ 411,110 | |

UNITED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2016

| Data Control Codes | DRAFT | Budgeted Amounts | | Actual Amounts (GAAP BASIS) | Variance With Final Budget Positive or (Negative) |
|----------------------|--|------------------|---------------|-----------------------------|---|
| | | Original | Final | | |
| | | REVENUES: | | | |
| 5700 | Total Local and Intermediate Sources | \$ 28,647,488 | \$ 28,647,488 | \$ 29,787,639 | \$ 1,140,151 |
| 5800 | State Program Revenues | - | - | 35,793 | 35,793 |
| 5020 | Total Revenues | 28,647,488 | 28,647,488 | 29,823,432 | 1,175,944 |
| EXPENDITURES: | | | | | |
| Debt Service: | | | | | |
| 0071 | Principal on Long Term Debt | 13,260,000 | 13,260,000 | 13,260,000 | - |
| 0072 | Interest on Long Term Debt | 15,382,488 | 15,382,488 | 15,382,488 | - |
| 0073 | Bond Issuance Cost and Fees | 5,000 | 5,000 | 4,423 | 577 |
| 6030 | Total Expenditures | 28,647,488 | 28,647,488 | 28,646,911 | 577 |
| 1200 | Net Change in Fund Balances | - | - | 1,176,521 | 1,176,521 |
| 0100 | Fund Balance - September 1 (Beginning) | 4,638,945 | 4,638,945 | 4,638,945 | - |
| 3000 | Fund Balance - August 31 (Ending) | \$ 4,638,945 | \$ 4,638,945 | \$ 5,815,466 | \$ 1,176,521 |

UNITED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2016

EXHIBIT G-4

DRAFT

| | 2016 | 2015 |
|---|----------------|----------------|
| District's Proportion of the Net Pension Liability (Asset) | 0.2897687% | 0.1737412% |
| District's Proportionate Share of Net Pension Liability (Asset) | \$ 102,429,379 | \$ 46,408,677 |
| State's Proportionate Share of the Net Pension Liability (Asset) associated with the District | 151,892,068 | 134,346,191 |
| Total | \$ 254,321,447 | \$ 180,754,868 |
| District's Covered-Employee Payroll | \$ 264,087,437 | \$ 248,317,358 |
| District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll | 38.79% | 18.69% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 78.43% | 83.25% |

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2015 for Year 2016 and August 31, 2014 for 2015.

Note: In accordance with GASB 68, Paragraph 138, only two years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

UNITED INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR FISCAL YEAR 2016

EXHIBIT G-5

DRAFT

| | 2016 | 2015 | |
|---|----------------|----------------|--|
| Contractually Required Contribution | \$ 9,045,051 | \$ 8,580,173 | |
| Contribution in Relation to the Contractually Required Contribution | (9,045,051) | (8,580,173) | |
| Contribution Deficiency (Excess) | \$ -0- | \$ -0- | |
| District's Covered-Employee Payroll | \$ 274,179,877 | \$ 264,087,437 | |
| Contributions as a Percentage of Covered-Employee Payroll | 3.30% | 3.25% | |

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31, 2014 for Fiscal Year 2015 and August 31, 2015 for Fiscal Year 2016.

Note: In accordance with GASB 68, Paragraph 138, only two years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."