



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC: Approval of Independent Audit Report for the Year Ended August 31, 2014

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

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: December 17, 2014

RECOMMENDATION:

It is recommended that the Board of Trustees approve the independent audit report for the year ended August 31, 2014, 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 17, 2014.

BUDGETARY INFORMATION:

N/A

BOARD POLICY REFERENCE AND COMPLIANCE:

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2014

EXHIBIT A-1

Data Control Codes	Primary Government		
	1 Governmental Activities	2 Business Type Activities	3 Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 175,927,390	\$ 1,732,340	\$ 177,659,730
1120 Current Investments	20,042,001	-	20,042,001
1220 Property Taxes Receivable (Delinquent)	5,257,322	-	5,257,322
1230 Allowance for Uncollectible Taxes	(1,780,020)	-	(1,780,020)
1240 Due from Other Governments	8,802,239	586,120	9,388,359
1250 Accrued Interest	11,959	-	11,959
1260 Internal Balances	(838,716)	838,716	-
1290 Other Receivables, net	506,505	38,784	545,289
1300 Inventories	317,910	647,459	965,369
1410 Prepayments	676,436	-	676,436
Capital Assets:			
1510 Land	39,899,014	-	39,899,014
1520 Buildings, Net	283,823,121	3,231	283,826,352
1530 Furniture and Equipment, Net	13,590,887	514,519	14,105,406
1580 Construction in Progress	3,989,436	-	3,989,436
1000 Total Assets	<u>550,225,483</u>	<u>4,361,169</u>	<u>554,586,652</u>
DEFERRED OUTFLOWS OF RESOURCES			
1701 Deferred Charge for Refunding	2,559,802	-	2,559,802
1700 Total Deferred Outflows of Resources	<u>2,559,802</u>	<u>-</u>	<u>2,559,802</u>
LIABILITIES			
2110 Accounts Payable	8,104,740	634,111	8,738,851
2120 Short Term Debt Payable	-	47,370	47,370
2160 Accrued Wages Payable	9,028,088	339,778	9,367,866
2180 Due to Other Governments	983,938	-	983,938
2190 Due to Student Groups	37,178	-	37,178
2200 Accrued Expenses	167,807	-	167,807
2300 Unearned Revenue	186,354	97,233	283,587
2400 Payable from Restricted Assets	521,273	-	521,273
Noncurrent Liabilities			
2501 Due Within One Year	23,191,139	-	23,191,139
2502 Due in More Than One Year	328,324,975	70,196	328,395,171
2000 Total Liabilities	<u>370,545,492</u>	<u>1,188,688</u>	<u>371,734,180</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
3200 Net Investment in Capital Assets	81,063,088	517,750	81,580,838
Restricted for:			
3850 Restricted for Debt Service	5,407,083	-	5,407,083
3860 Restricted for Capital Projects	82,698,714	-	82,698,714
3890 Restricted for Other Purposes	827,037	-	827,037
3900 Unrestricted	12,243,871	2,654,731	14,898,602
3000 Total Net Position	<u>\$ 182,239,793</u>	<u>\$ 3,172,481</u>	<u>\$ 185,412,274</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, 2014

Data Control Codes	1 Expenses	Program Revenues	
		3 Charges for Services	4 Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 223,979,173	\$ 1,479,283	\$ 28,987,949
12 Instructional Resources and Media Services	6,075,992	-	296,312
13 Curriculum and Staff Development	3,676,865	-	3,408,907
21 Instructional Leadership	7,117,256	-	1,804,971
23 School Leadership	24,183,804	-	1,379,384
31 Guidance, Counseling and Evaluation Services	14,318,274	-	2,653,281
32 Social Work Services	2,500,298	-	128,270
33 Health Services	4,214,091	-	223,571
34 Student (Pupil) Transportation	16,330,819	-	645,599
35 Food Services	1,641,981	281,736	1,590,712
36 Extracurricular Activities	11,533,934	2,269,409	109,627
41 General Administration	11,203,552	739,642	396,069
51 Facilities Maintenance and Operations	37,021,667	-	926,808
52 Security and Monitoring Services	6,908,722	-	320,685
53 Data Processing Services	2,975,852	-	103,785
61 Community Services	465,737	-	274,526
72 Debt Service - Interest on Long Term Debt	9,388,093	-	-
73 Debt Service - Bond Issuance Cost and Fees	1,100,666	-	-
95 Juvenile Justice Alternative Ed. Prg.	185,220	-	-
99 Webb County Appraisal District	1,794,836	-	-
[TG] Total Governmental Activities:	<u>386,616,832</u>	<u>4,770,070</u>	<u>43,250,456</u>
BUSINESS-TYPE ACTIVITIES:			
35 Enterprise Fund - National School Breakfast&Lunch	24,356,356	2,926,721	20,843,750
[TB] Total Business-Type Activities:	<u>24,356,356</u>	<u>2,926,721</u>	<u>20,843,750</u>
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 410,973,188</u>	<u>\$ 7,696,791</u>	<u>\$ 64,094,206</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
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (193,511,941)	\$ -	\$ (193,511,941)
(5,779,680)	-	(5,779,680)
(267,958)	-	(267,958)
(5,312,285)	-	(5,312,285)
(22,804,420)	-	(22,804,420)
(11,664,993)	-	(11,664,993)
(2,372,028)	-	(2,372,028)
(3,990,520)	-	(3,990,520)
(15,685,220)	-	(15,685,220)
230,467	-	230,467
(9,154,898)	-	(9,154,898)
(10,067,841)	-	(10,067,841)
(36,094,859)	-	(36,094,859)
(6,588,037)	-	(6,588,037)
(2,872,067)	-	(2,872,067)
(191,211)	-	(191,211)
(9,388,093)	-	(9,388,093)
(1,100,666)	-	(1,100,666)
(185,220)	-	(185,220)
(1,794,836)	-	(1,794,836)
<u>(338,596,306)</u>	<u>-</u>	<u>(338,596,306)</u>
-	(585,885)	(585,885)
-	(585,885)	(585,885)
<u>(338,596,306)</u>	<u>(585,885)</u>	<u>(339,182,190)</u>
133,938,821	-	133,938,821
19,945,259	-	19,945,259
177,180,209	-	177,180,209
5,073,269	-	5,073,269
171,798	1,086	172,884
3,238,658	-	3,238,658
<u>339,548,014</u>	<u>1,086</u>	<u>339,549,100</u>
951,708	(584,799)	366,910
181,288,085	3,757,280	185,045,365
<u>\$ 182,239,793</u>	<u>\$ 3,172,481</u>	<u>\$ 185,412,275</u>

UNITED INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 71,497,155	\$ 4,208,587	\$ 97,582,310
1120 Investments - Current	20,000,000	-	-
1220 Property Taxes - Delinquent	4,552,353	704,969	-
1230 Allowance for Uncollectible Taxes (Credit)	(1,527,750)	(252,270)	-
1240 Receivables from Other Governments	5,192,449	-	-
1250 Accrued Interest	11,955	-	-
1260 Due from Other Funds	4,381,673	215,483	-
1290 Other Receivables	506,505	-	-
1300 Inventories	317,910	-	-
1410 Prepayments	676,436	-	-
1000 Total Assets	<u>\$ 105,608,686</u>	<u>\$ 4,876,769</u>	<u>\$ 97,582,310</u>
LIABILITIES			
2110 Accounts Payable	\$ 5,304,823	\$ -	\$ 761,146
2160 Accrued Wages Payable	8,654,667	-	-
2170 Due to Other Funds	215,483	-	2,139,000
2180 Due to Other Governments	-	983,938	-
2190 Due to Student Groups	-	-	-
2200 Accrued Expenditures	167,807	-	-
2300 Unearned Revenues	128,016	-	-
2400 Payable from Restricted Assets	521,273	-	-
2000 Total Liabilities	<u>14,992,069</u>	<u>983,938</u>	<u>2,900,146</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	3,331,184	452,699	-
2600 Total Deferred Inflows of Resources	<u>3,331,184</u>	<u>452,699</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	317,910	-	-
3430 Prepaid Items	844,556	-	-
Restricted Fund Balance:			
3470 Capital Acquisition and Contractual Obligation	-	-	94,682,164
3480 Retirement of Long-Term Debt	1,966,951	3,440,132	-
Committed Fund Balance:			
3530 Capital Expenditures for Equipment	1,260,020	-	-
Assigned Fund Balance:			
3580 Self-Insurance	125,000	-	-
3590 Other Assigned Fund Balance	-	-	-
3600 Unassigned Fund Balance	82,770,996	-	-
3000 Total Fund Balances	<u>87,285,433</u>	<u>3,440,132</u>	<u>94,682,164</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 105,608,686</u>	<u>\$ 4,876,769</u>	<u>\$ 97,582,310</u>

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

Other Funds	Total Governmental Funds
\$ 2,639,339	\$ 175,927,391
42,001	20,042,001
-	5,257,322
-	(1,780,020)
3,609,790	8,802,239
4	11,959
-	4,597,156
-	506,505
-	317,910
-	676,436
<u>\$ 6,291,134</u>	<u>\$ 214,358,899</u>
\$ 2,038,771	\$ 8,104,740
373,421	9,028,088
3,081,389	5,435,872
-	983,938
37,178	37,178
-	167,807
58,338	186,354
-	521,273
<u>5,589,097</u>	<u>24,465,250</u>
-	3,783,883
<u>-</u>	<u>3,783,883</u>
-	317,910
-	844,556
-	94,682,164
-	5,407,083
-	1,260,020
-	125,000
702,037	702,037
-	82,770,996
<u>702,037</u>	<u>186,109,766</u>
<u>\$ 6,291,134</u>	<u>\$ 214,358,899</u>

UNITED INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2014

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	186,109,766
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 \$ 575,227,827, the accumulated depreciation was \$ 234,543,778 and the deferred resource outflow of \$ 2,511,050. In addition, long-term liabilities, including bonds payable, Public Property Finance Contractual Obligations (PPFCO's), and leases totaled \$ 259,749,684 and other long-term liabilities of \$ 2,923,753 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.		80,521,662
2 Current year capital outlays of \$ 19,503,272 (\$ 16,507,189 from facilities acquisition and construction with the remaining \$ 2,996,083 coming from the various other functions) and long-term debt principal payments of \$ 20,040,427, amortization of premiums in the amount of \$ 1,292,272, refunded bonds of \$ 12,395,000, and reductions of \$ 4,193,504 of other liabilities, along with a minor adjustment of \$ 6,638 to capital assets and \$ 48,751 in deferred resource outflows 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 net effect of issuing General Obligation Bonds of \$ 87,690,000, refunding bonds in the amount of \$ 12,020,000, a new capital lease of \$ 6,558,592, the premium on the refunding bonds of \$ 601,632 and the premium of the new GO bonds \$ 13,235,244, the accretion on Capital Appreciation Bonds of \$ 2,109,202, and the accumulation of other benefits of \$ 4,549,209 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 2014 capital outlays and debt principal payments is to (decrease) net position.		(69,284,015)
3 The 2014 depreciation expense of \$ 18,891,502 increases accumulated depreciation. The net effect of the current year's depreciation is to (decrease) net position.		(18,891,502)
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 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.		3,783,883
19 Net Position of Governmental Activities	\$	182,239,793

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, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 139,533,638	\$ 20,251,467	\$ 8,227
5800 State Program Revenues	188,520,097	3,849,493	-
5900 Federal Program Revenues	5,563,811	-	-
5020 Total Revenues	<u>333,617,546</u>	<u>24,100,960</u>	<u>8,227</u>
EXPENDITURES:			
Current:			
0011 Instruction	193,074,252	-	-
0012 Instructional Resources and Media Services	5,459,639	-	-
0013 Curriculum and Instructional Staff Development	403,305	-	-
0021 Instructional Leadership	5,680,425	-	-
0023 School Leadership	20,962,424	-	-
0031 Guidance, Counseling and Evaluation Services	12,388,010	-	-
0032 Social Work Services	2,497,283	-	-
0033 Health Services	4,193,876	-	-
0034 Student (Pupil) Transportation	16,805,961	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	10,174,515	-	-
0041 General Administration	10,946,642	-	-
0051 Facilities Maintenance and Operations	35,078,407	-	-
0052 Security and Monitoring Services	7,070,558	-	-
0053 Data Processing Services	2,893,589	-	-
0061 Community Services	199,014	-	-
Debt Service:			
0071 Principal on Long Term Debt	2,950,427	17,090,000	-
0072 Interest on Long Term Debt	748,808	7,817,123	-
0073 Bond Issuance Cost and Fees	1,229	174,193	925,244
Capital Outlay:			
0081 Facilities Acquisition and Construction	11,181,126	-	5,326,063
Intergovernmental:			
0095 Juvenile Justice Alternative Ed. Prg.	185,220	-	-
0099 Webb County Appraisal District	1,794,836	-	-
6030 Total Expenditures	<u>344,689,546</u>	<u>25,081,316</u>	<u>6,251,307</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,072,000)</u>	<u>(980,356)</u>	<u>(6,243,080)</u>
OTHER FINANCING SOURCES (USES):			
7901 Refunding Bonds Issued	-	12,020,000	-
7911 Capital Related Debt Issued (Regular Bonds)	-	-	87,690,000
7913 Capital Leases	6,558,592	-	-
7915 Transfers In	-	285,000	-
7916 Premium or Discount on Issuance of Bonds	-	601,633	13,235,244
8911 Transfers Out (Use)	(285,000)	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	(12,443,752)	-
7080 Total Other Financing Sources (Uses)	<u>6,273,592</u>	<u>462,881</u>	<u>100,925,244</u>
1200 Net Change in Fund Balances	<u>(4,798,408)</u>	<u>(517,475)</u>	<u>94,682,164</u>
0100 Fund Balance - September 1 (Beginning)	<u>92,083,841</u>	<u>3,957,607</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 87,285,433</u>	<u>\$ 3,440,132</u>	<u>\$ 94,682,164</u>

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

Other Funds	Total Governmental Funds
\$ 2,562,617	\$ 162,355,949
2,012,814	194,382,404
25,557,719	31,121,530
30,133,150	387,859,883
19,227,914	212,302,166
31,979	5,491,618
3,265,994	3,669,299
1,470,958	7,151,383
2,776,058	23,738,482
1,903,924	14,291,934
-	2,497,283
13,719	4,207,595
-	16,805,961
1,070,059	1,070,059
12,625	10,187,140
2,499	10,949,141
38,560	35,116,967
-	7,070,558
-	2,893,589
266,573	465,587
-	20,040,427
-	8,565,931
-	1,100,666
-	16,507,189
-	185,220
-	1,794,836
30,080,862	406,103,031
52,288	(18,243,148)
-	12,020,000
-	87,690,000
-	6,558,592
-	285,000
-	13,836,877
-	(285,000)
-	(12,443,752)
-	107,661,717
52,288	89,418,569
649,749	96,691,197
\$ 702,037	\$ 186,109,766

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, 2014

Total Net Change in Fund Balances - Governmental Funds	\$	89,418,569
Current year capital outlays of \$ 19,503,272 (\$ 16,507,189 from facilities acquisition and construction with the remaining \$ 2,996,083 coming from the various other functions) and long-term debt principal payments of \$ 20,040,427, amortization of premiums in the amount of \$ 1,292,272, refunded bonds of \$ 12,395,000, and reductions of \$ 4,193,504 of other liabilities, with a minor adjustment of \$ 6,638 to capital assets and \$ 48,751 in deferred resource outflows 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 net effect of issuing General Obligation Bonds of \$ 87,690,000, refunding bonds in the amount of \$ 12,020,000, a new capital lease of \$ 6,558,592, the premium on the refunding bonds of \$ 601,632 and the premium of the new GO bonds of \$ 13,235,244, the accretion on Capital Appreciation Bonds of \$ 2,109,202, and the accumulation of other benefits of \$ 4,549,209 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 2014 capital outlays and debt principal payments is to (decrease) net position.		(69,284,015)
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.		(18,891,502)
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 (decrease) net position.		(291,343)
Change in Net Position of Governmental Activities	\$	951,708

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, 2014

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	\$ 136,723,057	\$ 136,723,057	\$ 139,533,638	\$ 2,810,581
5800 State Program Revenues	176,154,535	192,443,505	188,520,097	(3,923,408)
5900 Federal Program Revenues	2,608,375	2,608,375	5,563,811	2,955,436
5020 Total Revenues	315,485,967	331,774,937	333,617,546	1,842,609
EXPENDITURES:				
Current:				
0011 Instruction	179,298,763	196,516,506	193,074,252	3,442,254
0012 Instructional Resources and Media Services	5,254,550	5,607,617	5,459,639	147,978
0013 Curriculum and Instructional Staff Development	503,044	467,923	403,305	64,618
0021 Instructional Leadership	5,465,170	5,816,232	5,680,425	135,807
0023 School Leadership	19,792,812	21,071,494	20,962,424	109,070
0031 Guidance, Counseling and Evaluation Services	11,967,808	12,579,382	12,388,010	191,372
0032 Social Work Services	2,528,269	2,558,720	2,497,283	61,437
0033 Health Services	4,036,766	4,257,128	4,193,876	63,252
0034 Student (Pupil) Transportation	16,244,882	17,395,296	16,805,961	589,335
0036 Extracurricular Activities	9,490,636	10,391,251	10,174,515	216,736
0041 General Administration	9,948,569	11,041,491	10,946,642	94,849
0051 Facilities Maintenance and Operations	35,128,540	38,089,349	35,078,407	3,010,942
0052 Security and Monitoring Services	6,707,633	7,304,823	7,070,558	234,265
0053 Data Processing Services	2,298,591	3,189,882	2,893,589	296,293
0061 Community Services	282,738	306,426	199,014	107,412
Debt Service:				
0071 Principal on Long Term Debt	2,966,327	2,966,327	2,950,427	15,900
0072 Interest on Long Term Debt	748,869	748,808	748,808	-
0073 Bond Issuance Cost and Fees	8,000	10,806	1,229	9,577
Capital Outlay:				
0081 Facilities Acquisition and Construction	755,000	13,734,748	11,181,126	2,553,622
Intergovernmental:				
0095 Juvenile Justice Alternative Ed. Prg.	209,000	209,000	185,220	23,780
0099 Webb County Appraisal District	1,850,000	1,850,000	1,794,836	55,164
6030 Total Expenditures	315,485,967	356,113,209	344,689,546	11,423,663
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(24,338,272)	(11,072,000)	13,266,272
OTHER FINANCING SOURCES (USES):				
7913 Capital Leases	-	6,558,592	6,558,592	-
8911 Transfers Out (Use)	-	(285,000)	(285,000)	-
7080 Total Other Financing Sources (Uses)	-	6,273,592	6,273,592	-
1200 Net Change in Fund Balances	-	(18,064,680)	(4,798,408)	13,266,272
0100 Fund Balance - September 1 (Beginning)	92,083,841	92,083,841	92,083,841	-
3000 Fund Balance - August 31 (Ending)	\$ 92,083,841	\$ 74,019,161	\$ 87,285,433	\$ 13,266,272

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, 2014

EXHIBIT D-1

	Business-Type Activities
	70
	Child
	Nutrition
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,732,340
Due from Other Governments	586,120
Due from Other Funds	838,716
Other Receivables	38,784
Inventories	647,459
Total Current Assets	3,843,419
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	69,800
Depreciation on Buildings	(66,569)
Furniture and Equipment	4,673,038
Depreciation on Furniture and Equipment	(4,158,519)
Total Noncurrent Assets	517,750
Total Assets	4,361,169
LIABILITIES	
Current Liabilities:	
Accounts Payable	634,111
Short Term Debt Payable	47,370
Accrued Wages Payable	339,778
Unearned Revenues	97,233
Total Current Liabilities	1,118,492
Noncurrent Liabilities:	
Other Long-Term Debt - Due in More than One Year	70,196
Total Noncurrent Liabilities	70,196
Total Liabilities	1,188,688
NET POSITION	
Net Investment in Capital Assets	517,750
Unrestricted Net Position	2,654,731
Total Net Position	\$ 3,172,481

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, 2014

EXHIBIT D-2

	Business-Type Activities
	70 Child Nutrition
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 2,266,099
State Program Revenues	660,622
Total Operating Revenues	2,926,721
OPERATING EXPENSES:	
Payroll Costs	11,268,799
Professional and Contracted Services	523,121
Supplies and Materials	12,445,469
Other Operating Costs	24,734
Depreciation Expense	94,233
Total Operating Expenses	24,356,356
Operating Income (Loss)	(21,429,635)
NONOPERATING REVENUES (EXPENSES):	
National School Breakfast Program	5,863,235
National School Lunch Program	13,483,649
Donated Commodities (USDA)	1,496,866
Earnings from Temporary Deposits & Investments	1,086
Total Nonoperating Revenues (Expenses)	20,844,836
Change in Net Position	(584,799)
Total Net Position - September 1 (Beginning)	3,757,280
Total Net Position - August 31 (Ending)	\$ 3,172,481

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, 2014

	Business-Type Activities
	70
	Child Nutrition
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 1,368,800
Cash Received from State	683,498
Cash Payments to Employees for Services	(11,208,938)
Cash Payments for Contracted Services	(523,121)
Cash Payments for Suppliers	(10,882,580)
Cash Payments for Other Operating Expenses	(24,734)
Net Cash Used for Operating Activities	<u>(20,587,075)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Increase(decrease) in Short-term Loans	(17,781)
Federal Grants	19,346,884
Net Cash Provided by Non-Capital Financing Activities	<u>19,329,103</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>	
Long Term Loan & Other Debt	70,196
Acquisition of Capital Assets	(405,783)
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>(335,587)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	<u>1,086</u>
Net Decrease in Cash and Cash Equivalents	(1,592,473)
Cash and Cash Equivalents at Beginning of Year	<u>3,324,813</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,732,340</u></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, 2014

	Business-Type Activities
	70 Child Nutrition
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (21,429,635)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	94,233
Commodity Expense - USDA Various Food Products	1,496,866
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	35,357
Decrease (increase) in Inventories	(91,850)
Decrease (increase) in Due From Other	(932,656)
Increase (decrease) in Accounts Payable	157,873
Increase (decrease) in Accrued Wages Payable	59,861
Increase (decrease) in Unearned Revenue	22,876
Net Cash Used for Operating Activities	<u>\$ (20,587,075)</u>
<u>Noncash Investing, Capital and Financing Activities:</u>	
Commodity Expense - USDA Various Food Products	1,496,866

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, 2014

	Agency Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 1,489,092
Other Receivables	2,520
Total Assets	<u>\$ 1,491,612</u>
LIABILITIES	
Accounts Payable	\$ 10,000
Due to Student Groups	1,481,612
Total Liabilities	<u>\$ 1,491,612</u>

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