



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC: Consideration and Approval of Independent Audit Report for the Year Ended August 31, 2011

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

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: December 14, 2011

RECOMMENDATION:

It is recommended that the Board of Trustees approve the independent audit report for the year ended August 31, 2011, 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 14, 2011.

BUDGETARY INFORMATION:

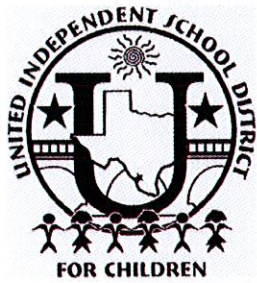
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BOARD POLICY REFERENCE AND COMPLIANCE:



Basic Financial Statements

Excerpt from UISD CAFR



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UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2011

Data Control Codes	1	2	3
	Governmental Activities	Primary Government Business Type Activities	Total
ASSETS			
1110 Cash and Cash Equivalents	\$ 105,692,435	\$ 3,047,920	\$ 108,740,355
1120 Current Investments	7,000,000	-	7,000,000
1220 Property Taxes Receivable (Delinquent)	7,887,875	-	7,887,875
1230 Allowance for Uncollectible Taxes	(2,149,280)	-	(2,149,280)
1240 Due from Other Governments	17,836,774	757,758	18,594,532
1250 Accrued Interest	105	-	105
1260 Internal Balances	1,330	(1,330)	-
1267 Due from Fiduciary Funds	10,000	-	10,000
1290 Other Receivables, net	362,363	34,447	396,810
1300 Inventories	267,144	511,684	778,827
1410 Prepaid Expenses	540,699	-	540,699
Capital Assets:			
1510 Land	35,625,932	-	35,625,932
1520 Buildings, Net	272,798,881	26,498	272,825,379
1530 Furniture and Equipment, Net	16,611,460	383,727	16,995,187
1580 Construction in Progress	13,268,609	-	13,268,609
1800 Restricted Assets	50,000	-	50,000
1000 Total Assets	<u>475,804,326</u>	<u>4,760,704</u>	<u>480,565,030</u>
LIABILITIES			
2110 Accounts Payable	3,798,010	417,914	4,215,924
2120 Short Term Debt Payable	-	40,895	40,895
2150 Payroll Deductions & Withholdings	477,195	-	477,195
2160 Accrued Wages Payable	12,273,752	274,261	12,548,013
2180 Due to Other Governments	6,671,839	-	6,671,839
2190 Due to Student Groups	29,475	-	29,475
2200 Accrued Expenses	101,102	-	101,102
2300 Unearned Revenues	409,634	123,413	533,047
2400 Payable from Restricted Assets	119,377	-	119,377
Noncurrent Liabilities			
2501 Due Within One Year	20,463,587	-	20,463,587
2502 Due in More Than One Year	269,004,833	50,199	269,055,031
2000 Total Liabilities	<u>313,348,804</u>	<u>906,682</u>	<u>314,255,486</u>
NET ASSETS			
3200 Invested in Capital Assets, Net of Related Debt Restricted for:	53,135,091	362,526	53,497,617
3820 Restricted for Federal and State Programs	385,718	-	385,718
3850 Restricted for Debt Service	15,869,821	-	15,869,821
3860 Restricted for Capital Projects	13,029,962	-	13,029,962
3890 Restricted for Other Purposes	788,297	-	788,297
3900 Unrestricted Net Assets	79,246,633	3,491,497	82,738,130
3000 Total Net Assets	<u>\$ 162,455,522</u>	<u>\$ 3,854,022</u>	<u>\$ 166,309,544</u>

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

United Independent School District

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2011

Data Control Codes	1 Expenses	Program Revenues	
		3 Charges for Services	4 Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 211,042,761	\$ 50	\$ 51,717,957
12 Instructional Resources and Media Services	7,224,018	-	1,946,549
13 Curriculum and Staff Development	1,530,017	-	1,611,391
21 Instructional Leadership	8,066,447	-	3,916,569
23 School Leadership	23,836,381	-	1,892,481
31 Guidance, Counseling and Evaluation Services	13,434,198	-	2,538,377
32 Social Work Services	2,018,124	-	106,804
33 Health Services	3,870,111	-	261,715
34 Student (Pupil) Transportation	15,465,438	-	1,767,223
35 Food Services	1,052,070	3,608	1,020,229
36 Extracurricular Activities	10,021,031	1,654,913	99,040
41 General Administration	9,917,718	-	440,818
51 Plant Maintenance and Operations	35,292,525	-	1,847,115
52 Security and Monitoring Services	6,479,893	-	322,960
53 Data Processing Services	2,822,259	-	172,309
61 Community Services	632,155	-	474,772
72 Debt Service - Interest on Long Term Debt	13,174,257	-	1,665,160
73 Debt Service - Bond Issuance Cost and Fees	440,118	-	-
81 Capital Outlay	3	-	-
95 Juvenile Justice Alternative Ed. Prg.	50,000	-	-
99 Webb County Appraisal District	1,462,974	-	-
[TG] Total Governmental Activities:	<u>367,832,499</u>	<u>1,658,571</u>	<u>71,801,468</u>
BUSINESS-TYPE ACTIVITIES:			
35 Enterprise Fund - National School Breakfast&Lunch	22,141,230	3,123,567	19,875,091
[TB] Total Business-Type Activities:	<u>22,141,230</u>	<u>3,123,567</u>	<u>19,875,091</u>
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 389,973,729</u>	<u>\$ 4,782,138</u>	<u>\$ 91,676,559</u>

Data	General Revenues:
Control	Taxes:
Codes	
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.

CAFR for the Year Ended August 31, 2011

EXHIBIT B-1

Net (Expense) Revenue and Changes in Net Assets		
6	7	8
Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (159,324,754)	\$ -	\$ (159,324,754)
(5,277,469)	-	(5,277,469)
81,373	-	81,373
(4,149,878)	-	(4,149,878)
(21,943,900)	-	(21,943,900)
(10,895,821)	-	(10,895,821)
(1,911,320)	-	(1,911,320)
(3,608,396)	-	(3,608,396)
(13,698,215)	-	(13,698,215)
(28,233)	-	(28,233)
(8,267,078)	-	(8,267,078)
(9,476,900)	-	(9,476,900)
(33,445,410)	-	(33,445,410)
(6,156,933)	-	(6,156,933)
(2,649,950)	-	(2,649,950)
(157,383)	-	(157,383)
(11,509,097)	-	(11,509,097)
(440,118)	-	(440,118)
(3)	-	(3)
(50,000)	-	(50,000)
(1,462,974)	-	(1,462,974)
<u>(294,372,460)</u>	<u>-</u>	<u>(294,372,460)</u>
-	857,429	857,429
<u>-</u>	<u>857,429</u>	<u>857,429</u>
<u>(294,372,460)</u>	<u>857,429</u>	<u>(293,515,031)</u>
97,390,939	-	97,390,939
14,501,237	-	14,501,237
201,783,637	-	201,783,637
3,300,945	-	3,300,945
253,033	2,722	255,755
6,937,828	-	6,937,828
<u>324,167,619</u>	<u>2,722</u>	<u>324,170,341</u>
29,795,159	860,151	30,655,311
132,660,362	2,993,871	135,654,233
<u>\$ 162,455,522</u>	<u>\$ 3,854,022</u>	<u>\$ 166,309,544</u>

United Independent School District

UNITED INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2011

Data Control Codes	10 General Fund	40 EducationJobs Fund	50 Debt Service Fund
ASSETS			
1110 Cash and Cash Equivalents	\$ 101,120,055	\$ -	\$ 3,395,478
1120 Investments - Current	5,000,000	-	2,000,000
1220 Property Taxes - Delinquent	6,820,519	-	1,067,356
1230 Allowance for Uncollectible Taxes	(1,827,113)	-	(322,167)
1240 Receivables from Other Governments	2,382,191	7,152,771	-
1250 Accrued Interest	-	-	-
1260 Due from Other Funds	14,391,382	-	-
1290 Other Receivables	362,363	-	-
1300 Inventories	267,144	-	-
1410 Deferred Expenditures	540,699	-	-
1800 Restricted Assets	-	-	-
1000 Total Assets	<u>\$ 129,057,239</u>	<u>\$ 7,152,771</u>	<u>\$ 6,140,669</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2110 Accounts Payable	\$ 3,415,081	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	477,195	-	-
2160 Accrued Wages Payable	11,572,660	-	-
2170 Due to Other Funds	-	7,152,771	-
2180 Due to Other Governments	6,098,023	-	552,607
2190 Due to Student Groups	-	-	-
2200 Accrued Expenditures	101,102	-	-
2300 Deferred Revenues	4,610,969	-	644,347
2400 Payable from Restricted Assets	119,377	-	-
2000 Total Liabilities	<u>26,394,407</u>	<u>7,152,771</u>	<u>1,196,954</u>
Fund Balances:			
Nonspendable Fund Balance:			
3410 Inventories	267,144	-	-
3430 Prepaid Items	540,699	-	-
Restricted Fund Balance:			
3470 Capital Acquisition and Contractual Obligation	4,929,962	-	-
3480 Retirement of Long-Term Debt	10,926,106	-	4,943,715
Committed Fund Balance:			
3510 Construction	6,100,000	-	-
3530 Capital Expenditures	2,000,000	-	-
Assigned Fund Balance:			
3580 Self-Insurance	125,000	-	-
3590 Other Assigned Fund Balance	-	-	-
3600 Unassigned Fund Balance	77,773,921	-	-
3000 Total Fund Balances	<u>102,662,832</u>	<u>-</u>	<u>4,943,715</u>
4000 Total Liabilities and Fund Balances	<u>\$ 129,057,239</u>	<u>\$ 7,152,771</u>	<u>\$ 6,140,669</u>

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

CAFR for the Year Ended August 31, 2011

EXHIBITC-1

Other Funds	Total Governmental Funds
\$ 1,176,902	\$ 105,692,435
-	7,000,000
-	7,887,875
-	(2,149,280)
8,301,811	17,836,774
105	105
22,825	14,414,207
-	362,363
-	267,144
-	540,699
50,000	50,000
<u>\$ 9,551,643</u>	<u>\$ 151,902,322</u>
\$ 382,929	\$ 3,798,010
-	477,195
701,092	12,273,752
7,250,106	14,402,877
21,209	6,671,839
29,475	29,475
-	101,102
117,816	5,373,132
-	119,377
<u>8,502,627</u>	<u>43,246,760</u>
-	267,144
-	540,699
-	4,929,962
-	15,869,821
-	6,100,000
-	2,000,000
-	125,000
1,049,015	1,049,015
-	77,773,921
<u>1,049,015</u>	<u>108,655,562</u>
<u>\$ 9,551,643</u>	<u>\$ 151,902,322</u>



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UNITED INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 AUGUST 31, 2011

Total Fund Balances - Governmental Funds	\$	108,655,562
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 \$512,222,580 and the accumulated depreciation was \$180,486,243. In addition, long-term liabilities, including bonds payable, Public Property Finance Contractual Obligations (PPFCO's), leases and Loan Star proceeds totaled \$305,120,801 and other long-term liabilities of \$1,303,654 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.		25,311,882
2 Current year capital outlays of \$24,700,014 (\$20,832,731 from facilities acquisition and construction, with the remaining \$3,867,283 coming from the various other functions) and long-term debt principal payments of \$52,569,100, amortization of premiums in the amount of \$364,406, recognize the accounting loss on the refunding of \$2,727,432 and reductions of \$5,332,833 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 \$124,517, and the issuance of Refunding Bonds in the amount of \$34,000,000, the premium on the refunding bonds of \$4,339,921, the accretion on Capital Appreciation Bonds \$2,047,579, and the accumulation of other benefits of \$3,650,237 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 2011 capital outlays and debt principal payments is to increase (decrease) net assets.		41,531,532
3 The 2011 depreciation expense of \$18,115,963 net of adjustments/disposals of \$109,012 increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(18,006,952)
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.		4,963,498
19 Net Assets of Governmental Activities	\$	162,455,522

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

United Independent School District

UNITED INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2011

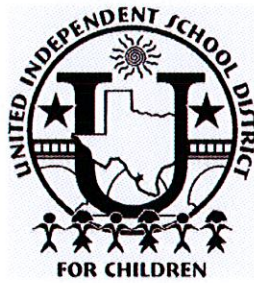
Data Control Codes	10 General Fund	40 EducationJobs Fund	50 Debt Service Fund
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 101,183,414	\$ -	\$ 14,671,534
5800 State Program Revenues	209,032,956	-	7,705,463
5900 Federal Program Revenues	3,803,632	7,355,778	-
5020 Total Revenues	<u>314,020,002</u>	<u>7,355,778</u>	<u>22,376,997</u>
EXPENDITURES:			
Current:			
0011 Instruction	162,113,095	7,149,483	-
0012 Instructional Resources and Media Services	5,344,419	-	-
0013 Curriculum and Instructional Staff Development	302,859	-	-
0021 Instructional Leadership	4,559,000	-	-
0023 School Leadership	19,540,683	-	-
0031 Guidance, Counseling and Evaluation Services	11,609,104	-	-
0032 Social Work Services	2,018,202	-	-
0033 Health Services	3,811,303	-	-
0034 Student (Pupil) Transportation	13,530,201	110,127	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	8,663,627	-	-
0041 General Administration	9,350,938	-	-
0051 Facilities Maintenance and Operations	33,778,773	88,417	-
0052 Security and Monitoring Services	6,316,816	7,751	-
0053 Data Processing Services	2,643,690	-	-
0061 Community Services	168,129	-	-
Debt Service:			
0071 Principal on Long Term Debt	1,723,958	-	15,715,000
0072 Interest on Long Term Debt	895,297	-	10,437,138
0073 Bond Issuance Cost and Fees	2,640	-	437,479
Capital Outlay:			
0081 Facilities Acquisition and Construction	16,035,535	-	-
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	50,000	-	-
0099 Other Intergovernmental Charges	1,462,974	-	-
6030 Total Expenditures	<u>303,921,242</u>	<u>7,355,778</u>	<u>26,589,616</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,098,760</u>	<u>-</u>	<u>(4,212,619)</u>
OTHER FINANCING SOURCES (USES):			
7901 Refunding Bonds Issued	-	-	34,000,000
7915 Transfers In	100,000	-	4,150,000
7916 Premium or Discount on Issuance of Bonds	-	-	4,339,921
8911 Transfers Out (Use)	(4,150,000)	-	-
8949 Payment to Bond Refunding Escrow Agent (Use)	-	-	(37,907,432)
7080 Total Other Financing Sources (Uses)	<u>(4,050,000)</u>	<u>-</u>	<u>4,582,489</u>
1200 Net Change in Fund Balances	6,048,760	-	369,869
0100 Fund Balance - September 1 (Beginning)	<u>96,614,072</u>	<u>-</u>	<u>4,573,846</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 102,662,832</u>	<u>\$ -</u>	<u>\$ 4,943,715</u>

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

CAFR for the Year Ended August 31, 2011

EXHIBIT C-3

Other Funds	Total Governmental Funds
\$ 4,070,182	\$ 119,925,130
3,949,236	220,687,654
45,038,986	56,198,396
53,058,404	396,811,180
32,078,391	201,340,969
1,764,105	7,108,524
1,228,184	1,531,043
3,506,085	8,065,085
3,924,594	23,465,277
1,822,207	13,431,311
-	2,018,202
62,827	3,874,130
1,032,505	14,672,833
516,208	516,208
68,064	8,731,691
57,215	9,408,153
861,370	34,728,560
3,256	6,327,823
71,476	2,715,166
464,084	632,213
1,635,656	19,074,614
29,504	11,361,938
-	440,118
4,797,200	20,832,735
-	50,000
-	1,462,974
53,922,931	391,789,568
(864,528)	5,021,612
-	34,000,000
-	4,250,000
-	4,339,921
(112,882)	(4,262,882)
-	(37,907,432)
(112,882)	419,607
(977,410)	5,441,219
2,026,425	103,214,343
\$ 1,049,015	\$ 108,655,562



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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, 2011

Total Net Change in Fund Balances - Governmental Funds	\$	5,441,219
<p>Current year capital outlays of \$24,700,014 (\$20,832,731 from facilities acquisition and construction, with the remaining \$3,867,283 coming from the various other functions) and long-term debt principal payments of \$52,569,100, amortizations of premiums in the amount of \$364,406, recognizing the accounting loss of \$2,727,432 and the reductions of \$5,332,833 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 \$124,517, and the issuance of Refunding Bonds in the amount of \$34,000,000, the premium on the refunding bonds of \$4,339,921, the accretion on Capital Appreciation Bonds \$2,047,579, and the accumulation of other benefits of \$3,650,237 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 2011 capital outlays and debt principal payments is to increase (decrease) net assets.</p>		
		41,531,532
<p>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.</p>		
		(18,006,952)
<p>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.</p>		
		829,359
Change in Net Assets of Governmental Activities	<u>\$</u>	<u>29,795,157</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
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2011

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	\$ 100,919,921	\$ 101,113,554	\$ 101,183,414	\$ 69,860
5800 State Program Revenues	202,566,212	207,549,417	209,032,956	1,483,539
5900 Federal Program Revenues	970,000	970,000	3,803,632	2,833,632
5020 Total Revenues	304,456,133	309,632,971	314,020,002	4,387,031
EXPENDITURES:				
Current:				
0011 Instruction	172,791,954	174,980,070	162,113,095	12,866,975
0012 Instructional Resources and Media Services	5,187,315	5,502,405	5,344,419	157,986
0013 Curriculum and Instructional Staff Development	708,344	743,184	302,859	440,325
0021 Instructional Leadership	4,898,576	4,960,436	4,559,000	401,436
0023 School Leadership	19,416,818	20,265,138	19,540,683	724,455
0031 Guidance, Counseling and Evaluation Services	11,298,563	12,098,697	11,609,104	489,593
0032 Social Work Services	2,195,103	2,310,673	2,018,202	292,471
0033 Health Services	3,772,273	4,070,293	3,811,303	258,990
0034 Student (Pupil) Transportation	13,021,014	14,219,859	13,530,201	689,658
0036 Extracurricular Activities	9,504,361	9,678,268	8,663,627	1,014,641
0041 General Administration	9,610,091	10,171,019	9,350,938	820,081
0051 Facilities Maintenance and Operations	37,498,623	39,912,155	33,778,773	6,133,382
0052 Security and Monitoring Services	6,380,846	6,760,969	6,316,816	444,153
0053 Data Processing Services	2,519,213	2,937,289	2,643,690	293,599
0061 Community Services	171,138	189,428	168,129	21,299
Debt Service:				
0071 Principal on Long Term Debt	2,428,604	1,828,604	1,723,958	104,646
0072 Interest on Long Term Debt	895,297	895,297	895,297	-
0073 Bond Issuance Cost and Fees	8,000	8,000	2,640	5,361
Capital Outlay:				
0081 Facilities Acquisition and Construction	500,000	30,465,492	16,035,535	14,429,957
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	300,000	300,000	50,000	250,000
0099 Other Intergovernmental Charges	1,450,000	1,463,000	1,462,974	26
6030 Total Expenditures	304,556,133	343,760,276	303,921,242	39,839,034
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(34,127,305)	10,098,760	44,226,065
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	100,000	100,000	100,000	-
8911 Transfers Out (Use)	-	(4,150,000)	(4,150,000)	-
7080 Total Other Financing Sources (Uses)	100,000	(4,050,000)	(4,050,000)	-
1200 Net Change in Fund Balances	-	(38,177,305)	6,048,760	44,226,065
0100 Fund Balance - September 1 (Beginning)	96,614,072	96,614,072	96,614,072	-
3000 Fund Balance - August 31 (Ending)	\$ 96,614,072	\$ 58,436,767	\$ 102,662,832	\$ 44,226,065

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, 2011

	Business-Type Activities
	70
	Food Service Fund
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 3,047,920
Due from Other Governments	757,758
Due from Other Funds	21,645
Other Receivables	34,447
Inventories	511,684
Total Current Assets	<u>4,373,453</u>
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	69,800
Depreciation on Buildings	(43,302)
Furniture and Equipment	4,218,294
Depreciation on Furniture and Equipment	(3,834,567)
Total Noncurrent Assets	<u>410,225</u>
Total Assets	<u>4,783,678</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	417,914
Short Term Debt Payable	40,895
Accrued Wages Payable	274,261
Due to Other Funds	22,975
Unearned Revenues	123,413
Total Current Liabilities	<u>879,458</u>
Noncurrent Liabilities:	
Loans Payable - Due in More than One Year	31,800
Other Long-Term Debt - Due in More than One Year	18,399
Total Noncurrent Liabilities	<u>50,199</u>
Total Liabilities	<u>929,656</u>
NET ASSETS	
Investments in Capital Assets, Net of Debt	362,526
Unrestricted Net Assets	3,491,497
Total Net Assets	<u>\$ 3,854,022</u>

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, 2011

	Business-Type Activities
	70
	Food Service Fund
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OPERATING REVENUES:	
Local and Intermediate Sources	\$ 2,479,559
State Program Revenues	644,009
Total Operating Revenues	<u>3,123,567</u>
OPERATING EXPENSES:	
Payroll Costs	10,517,750
Professional and Contracted Services	372,459
Supplies and Materials	11,076,552
Other Operating Costs	33,321
Depreciation Expense	141,148
Total Operating Expenses	<u>22,141,230</u>
Operating Income (Loss)	<u>(19,017,662)</u>
NONOPERATING REVENUES (EXPENSES):	
National School Breakfast Program	6,027,692
National School Lunch Program	12,566,303
Donated Commodities (USDA)	1,281,096
Earnings from Temporary Deposits & Investments	2,722
Total Nonoperating Revenues (Expenses)	<u>19,877,813</u>
Change in Net Assets	860,151
Total Net Assets - September 1 (Beginning)	<u>2,993,871</u>
Total Net Assets - August 31 (Ending)	<u>\$ 3,854,022</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, 2011

	Business-Type Activities
	70
	Food Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 2,447,386
Cash Received from State	671,741
Cash Payments to Employees for Services	(10,472,863)
Cash Payments for Contracted Services	(372,459)
Cash Payments for Suppliers	(9,569,546)
Cash Payments for Other Operating Expenses	(33,321)
Net Cash Used for Operating Activities	(17,329,062)
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Increase(decrease) in Short-term Loans	(45,410)
Federal Grants	18,593,995
Net Cash Provided by Non-Capital Financing Activities	18,548,585
<u>Cash Flows from Capital & Related Financing Activities:</u>	
Acquisition of Capital Assets	(134,671)
Long Term Loan & Other Debt	50,199
Net Cash Provided by (Used for) Capital & Related Financing Activities	(84,472)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	2,722
Net Increase in Cash and Cash Equivalents	1,137,773
Cash and Cash Equivalents at Beginning of the Year:	1,910,147
Cash and Cash Equivalents at the End of the Year:	\$ 3,047,920

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, 2011

	Business-Type Activities
	70
	Food Service Fund
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<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (19,017,662)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	141,148
Commodity Expense - USDA Various Food Products	1,281,096
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	(8,708)
Decrease (increase) in Inventories	(78,291)
Decrease (increase) in Due From Other	(23,465)
Increase (decrease) in Accounts Payable	304,201
Increase (decrease) in Accrued Wages Payable	24,637
Increase (decrease) in Due To Other	20,250
Increase (decrease) in Unearned Revenue	27,732
Net Cash Used for Operating Activities	<u>\$ (17,329,062)</u>
<u>Noncash Investing, Capital and Financing Activities:</u>	
Commodity Expense - USDA Various Food Products	1,281,096

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, 2011

	Agency Fund
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ASSETS	
Cash and Cash Equivalents	\$ 1,511,872
Other Receivables	168
Total Assets	<u>\$ 1,512,040</u>
LIABILITIES	
Due to Other Funds	\$ 10,000
Due to Student Groups	1,502,040
Total Liabilities	<u>\$ 1,512,040</u>

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