

No. \_\_\_\_\_



## UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC:** Consideration and Approval of Independent Audit Report for the Year Ended August 31, 2009

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

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

**DATE ASSIGNED FOR BOARD CONSIDERATION:** December 16, 2009

**RECOMMENDATION:**

It is recommended that the Board of Trustees approve the independent audit report for the year ended August 31, 2009, as presented by the independent audit firm of Garza/Gonzalez & Associates.

**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 16, 2009.

**BUDGETARY INFORMATION:**

N/A

**BOARD POLICY REFERENCE AND COMPLIANCE:**

UNITED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
AUGUST 31, 2009

Data Control Codes	1	2 Primary Government	3
	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 98,406,228	\$ 712,824	\$ 99,119,052
1120 Current Investments	15,000,000	-	15,000,000
1220 Property Taxes Receivable (Delinquent)	7,376,724	-	7,376,724
1230 Allowance for Uncollectible Taxes	(2,996,317)	-	(2,996,317)
1240 Due from Other Governments	5,964,661	505,874	6,470,535
1250 Accrued Interest	425,052	-	425,052
1260 Internal Balances	(610,154)	610,154	-
1290 Other Receivables, net	15,359	30,405	45,764
1300 Inventories	403,838	350,154	753,992
1410 Prepaid Expenses	673,741	-	673,741
Capital Assets:			
1510 Land	28,737,232	-	28,737,232
1520 Buildings, Net	284,304,927	42,009	284,346,936
1530 Furniture and Equipment, Net	18,771,565	577,953	19,349,518
1580 Construction in Progress	1,137,665	-	1,137,665
1800 Restricted Assets	50,000	-	50,000
1000 Total Assets	<u>457,660,520</u>	<u>2,829,374</u>	<u>460,489,893</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	8,704,393	269,196	8,973,589
2120 Short Term Debt Payable	-	41,258	41,258
2150 Payroll Deductions & Withholdings	95,429	-	95,429
2160 Accrued Wages Payable	9,410,535	212,842	9,623,377
2180 Due to Other Governments	9,983,064	-	9,983,064
2190 Due to Student Groups	13,641	-	13,641
2200 Accrued Expenses	78,399	-	78,399
2300 Unearned Revenues	230,666	88,107	318,773
2400 Payable from Restricted Assets	363,916	-	363,916
Noncurrent Liabilities			
2501 Due Within One Year	19,910,053	-	19,910,053
2502 Due in More Than One Year	281,466,909	79,489	281,546,398
2000 Total Liabilities	<u>330,257,005</u>	<u>690,892</u>	<u>330,947,897</u>
<b>NET ASSETS</b>			
3200 Invested in Capital Assets, Net of Related Debt	44,995,965	540,643	45,536,608
Restricted for:			
3820 Restricted for Federal and State Programs	217,396	-	217,396
3850 Restricted for Debt Service	15,035,373	-	15,035,373
3860 Restricted for Capital Projects	18,316,010	-	18,316,010
3890 Restricted for Other Purposes	1,654,684	-	1,654,684
3900 Unrestricted Net Assets	47,184,087	1,597,839	48,781,926
3000 Total Net Assets	<u>\$ 127,403,515</u>	<u>\$ 2,138,482</u>	<u>\$ 129,541,997</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, 2009

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
11 Instruction	\$ 198,228,414	\$ 1,420	\$ 32,323,911
12 Instructional Resources and Media Services	6,518,811	-	1,431,726
13 Curriculum and Instructional Staff Development	1,680,531	-	1,308,551
21 Instructional Leadership	7,747,936	-	3,494,843
23 School Leadership	20,136,883	-	1,196,476
31 Guidance, Counseling and Evaluation Services	12,875,394	-	2,380,139
32 Social Work Services	1,857,542	-	96,802
33 Health Services	3,535,339	-	176,718
34 Student (Pupil) Transportation	14,216,161	-	631,293
35 Food Services	1,126,276	951,911	1,279,044
36 Extracurricular Activities	9,753,962	502,887	95,994
41 General Administration	10,788,539	-	470,315
51 Plant Maintenance and Operations	35,397,104	-	903,637
52 Security and Monitoring Services	6,532,984	-	296,971
53 Data Processing Services	3,805,495	-	574,692
61 Community Services	693,390	-	521,444
72 Debt Service - Interest on Long Term Debt	13,954,641	-	1,276,191
73 Debt Service - Bond Issuance Cost and Fees	53,723	-	-
81 Facilities Acquisition and Construction	-	-	-
95 Juvenile Justice Alternative Ed. Prg.	340,000	-	-
99 Webb County Appraisal District	1,367,196	-	-
[TG] Total Governmental Activities:	<u>350,610,319</u>	<u>1,456,218</u>	<u>48,458,746</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>			
35 Enterprise Fund - National School Breakfast&Lunch	20,113,821	2,915,169	17,028,120
[TB] Total Business-Type Activities:	<u>20,113,821</u>	<u>2,915,169</u>	<u>17,028,120</u>
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 370,724,140</u>	<u>\$ 4,371,387</u>	<u>\$ 65,486,866</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.

Net (Expense) Revenue and  
Changes in Net Assets

6	7	8
Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (165,903,082)	\$ -	\$ (165,903,082)
(5,087,086)	-	(5,087,086)
(371,980)	-	(371,980)
(4,253,092)	-	(4,253,092)
(18,940,407)	-	(18,940,407)
(10,495,255)	-	(10,495,255)
(1,760,740)	-	(1,760,740)
(3,358,621)	-	(3,358,621)
(13,584,868)	-	(13,584,868)
1,104,679	-	1,104,679
(9,155,081)	-	(9,155,081)
(10,318,224)	-	(10,318,224)
(34,493,467)	-	(34,493,467)
(6,236,012)	-	(6,236,012)
(3,230,804)	-	(3,230,804)
(171,945)	-	(171,945)
(12,678,450)	-	(12,678,450)
(53,723)	-	(53,723)
-	-	-
(340,000)	-	(340,000)
(1,367,196)	-	(1,367,196)
(300,695,355)	-	(300,695,355)
-	(170,533)	(170,533)
-	(170,533)	(170,533)
(300,695,355)	(170,533)	(300,865,887)
94,063,168	-	94,063,168
14,147,952	-	14,147,952
199,460,770	-	199,460,770
2,890,363	-	2,890,363
2,797,119	17,457	2,814,576
3,843,870	-	3,843,870
317,203,242	17,457	317,220,699
16,507,887	(153,075)	16,354,812
110,895,628	2,291,557	113,187,185
\$ 127,403,515	\$ 2,138,482	\$ 129,541,997

UNITED INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2009

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 83,729,506	\$ 5,615,607	\$ 7,782,491
1120 Investments - Current	15,000,000	-	-
1220 Property Taxes - Delinquent	6,356,164	1,020,560	-
1230 Allowance for Uncollectible Taxes (Credit)	(2,550,705)	(445,612)	-
1240 Due from Other Governments	1,033,294	-	-
1250 Accrued Interest	424,249	-	-
1260 Due from Other Funds	2,597,106	-	-
1290 Other Receivables	14,188	-	-
1300 Inventories	403,838	-	-
1410 Prepaid Expenditures	673,741	-	-
1800 Restricted Assets	-	-	-
1000 Total Assets	<u>\$ 107,681,381</u>	<u>\$ 6,190,555</u>	<u>\$ 7,782,491</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
2110 Accounts Payable	\$ 3,026,280	\$ -	\$ 3,958,631
2150 Payroll Deductions and Withholdings Payable	95,429	-	-
2160 Accrued Wages Payable	8,840,516	-	-
2170 Due to Other Funds	-	-	-
2180 Due to Other Governments	9,149,461	788,552	-
2190 Due to Student Groups	-	-	-
2200 Accrued Expenditures	78,399	-	-
2300 Deferred Revenues	3,510,196	518,366	-
2400 Payable from Restricted Assets	363,916	-	-
2000 Total Liabilities	<u>25,064,197</u>	<u>1,306,918</u>	<u>3,958,631</u>
Fund Balances:			
Reserved For:			
3410 Investments in Inventory	403,838	-	-
3420 Retirement of Long Term Debt	10,151,736	4,883,637	-
3430 Prepaid Items	673,741	-	-
3440 Outstanding Encumbrances	4,683,777	-	3,034,983
3470 Capital Acquisition Program	1,550,150	-	-
Unreserved Designated For:			
3590 Other Purposes	14,167,000	-	-
Unreserved and Undesignated:			
3600 Reported in the General Fund	50,986,943	-	-
3610 Reported in Special Revenue Funds	-	-	-
3620 Reported in Capital Projects Funds	-	-	788,877
3630 Reported in Permanent Funds	-	-	-
3000 Total Fund Balances	<u>82,617,185</u>	<u>4,883,637</u>	<u>3,823,860</u>
4000 Total Liabilities and Fund Balances	<u>\$ 107,681,381</u>	<u>\$ 6,190,555</u>	<u>\$ 7,782,491</u>

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

Other Funds	Total Governmental Funds
\$ 1,278,623	\$ 98,406,228
-	15,000,000
-	7,376,724
-	(2,996,317)
4,931,367	5,964,661
803	425,052
-	2,597,106
1,171	15,359
-	403,838
-	673,741
50,000	50,000
<u>\$ 6,261,965</u>	<u>\$ 127,916,392</u>
\$ 1,719,482	\$ 8,704,393
-	95,429
570,019	9,410,535
3,207,260	3,207,260
45,051	9,983,064
13,641	13,641
-	78,399
59,432	4,087,994
-	363,916
<u>5,614,884</u>	<u>35,944,630</u>
-	403,838
-	15,035,373
-	673,741
-	7,718,760
-	1,550,150
-	14,167,000
-	50,986,943
596,278	596,278
-	788,877
50,803	50,803
<u>647,080</u>	<u>91,971,762</u>
<u>\$ 6,261,965</u>	<u>\$ 127,916,392</u>

UNITED INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET ASSETS  
 AUGUST 31, 2009

<b>Total Fund Balances - Governmental Funds</b>	\$	91,971,762
1 Capital outlays 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 \$466,606,936 and the accumulated depreciation was \$148,046,871. In addition, long-term liabilities, including bonds payable, Public Property Finance Contractual Obligations (PPFCO's), leases and Loan Star proceeds totaled \$308,523,511 and other long-term liabilities of \$1,243,904 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.		8,792,650
2 Current year capital outlays of \$30,590,030 (\$25,259,116 from facilities acquisition and construction, with the remaining \$5,330,914 coming from the various other functions) and long-term debt principal payments of \$16,934,100, amortization of premiums in the amount of \$364,406, and reductions of \$5,895,541 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 \$1,259,416, and the issuance of PPFCO's in the amount of \$7,350,000, the addition of a new capital lease of \$630,825, the accretion on Capital Appreciation Bonds of \$2,081,085, and the accumulation of other benefits of \$4,741,684 in the financial statements should be shown as decreases in capital assets and increases in long-term debt in the government-wide financial statements. The net effect of including the 2009 capital outlays and debt principal payments is to increase (decrease) net assets.		37,721,067
3 The 2009 depreciation expense of \$15,448,124 net of adjustments/disposals of \$508,832 increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(14,939,291)
4 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net assets.		3,857,328
<b>19 Net Assets of Governmental Activities</b>	<u>\$</u>	<u>127,403,515</u>

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

UNITED INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 98,767,883	\$ 14,481,746	\$ 242,151
5800 State Program Revenues	204,105,468	9,611,917	-
5900 Federal Program Revenues	2,994,303	-	-
5020 Total Revenues	<u>305,867,654</u>	<u>24,093,663</u>	<u>242,151</u>
EXPENDITURES:			
Current:			
0011 Instruction	165,295,504	-	-
0012 Instructional Resources and Media Services	4,837,970	-	-
0013 Curriculum and Instructional Staff Development	434,793	-	-
0021 Instructional Leadership	4,593,870	-	-
0023 School Leadership	18,765,586	-	-
0031 Guidance, Counseling and Evaluation Services	11,145,574	-	-
0032 Social Work Services	1,854,169	-	-
0033 Health Services	3,529,362	-	-
0034 Student (Pupil) Transportation	14,799,211	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	8,536,022	-	-
0041 General Administration	10,125,876	-	-
0051 Facilities Maintenance and Operations	35,122,539	-	-
0052 Security and Monitoring Services	6,598,609	-	-
0053 Data Processing Services	3,669,208	-	-
0061 Community Services	189,760	-	-
Debt Service:			
0071 Debt Service - Principal on Long Term Debt	2,187,672	14,965,000	-
0072 Debt Service - Interest on Long Term Debt	632,792	11,298,444	-
0073 Debt Service - Bond Issuance Cost and Fees	54,386	(663)	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	6,391,187	-	18,867,930
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	340,000	-	-
0099 Webb County Appraisal District	1,367,196	-	-
6030 Total Expenditures	<u>300,471,284</u>	<u>26,262,781</u>	<u>18,867,930</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,396,369</u>	<u>(2,169,118)</u>	<u>(18,625,779)</u>
OTHER FINANCING SOURCES (USES):			
7913 Proceeds from Capital Leases	630,824	-	-
7914 Loan Proceeds	7,350,000	-	-
7915 Transfers In	100,000	-	2,500,000
8911 Transfers Out (Use)	(2,500,000)	-	-
7080 Total Other Financing Sources (Uses)	<u>5,580,824</u>	<u>-</u>	<u>2,500,000</u>
1200 Net Change in Fund Balances	10,977,194	(2,169,118)	(16,125,779)
0100 Fund Balance - September 1 (Beginning)	<u>71,639,991</u>	<u>7,052,755</u>	<u>19,949,639</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 82,617,185</u>	<u>\$ 4,883,637</u>	<u>\$ 3,823,860</u>

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



Other Funds	Total Governmental Funds
\$ 1,121,429	\$ 114,613,209
7,937,109	221,654,494
<u>26,161,083</u>	<u>29,155,386</u>
35,219,620	365,423,088
24,014,808	189,310,311
1,251,408	6,089,377
1,273,924	1,708,717
3,126,531	7,720,402
1,003,072	19,768,658
1,725,036	12,870,610
3,338	1,857,507
5,910	3,535,272
90,247	14,889,458
825,563	825,563
10,914	8,546,936
131,825	10,257,701
46,860	35,169,399
6,759	6,605,368
474,959	4,144,167
503,577	693,336
1,159,859	18,312,531
116,332	12,047,568
-	53,723
-	25,259,117
-	340,000
-	<u>1,367,196</u>
<u>35,770,923</u>	<u>381,372,919</u>
<u>(551,303)</u>	<u>(15,949,831)</u>
-	630,824
-	7,350,000
-	2,600,000
<u>(100,000)</u>	<u>(2,600,000)</u>
<u>(100,000)</u>	<u>7,980,824</u>
<u>(651,303)</u>	<u>(7,969,007)</u>
<u>1,298,383</u>	<u>99,940,768</u>
<u>\$ 647,081</u>	<u>\$ 91,971,762</u>

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, 2009

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	(7,969,007)
<p>Current year capital outlays of \$30,590,030 (\$25,259,116 from facilities acquisition and construction, with the remaining \$5,330,914 coming from the various other functions) and long-term debt principal payments of \$16,934,100, amortization of premiums in the amount of \$364,406, and reductions of \$5,895,541 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 \$1,259,416, and the issuance of PPFCO's in the amount of \$7,350,000, the addition of a new capital lease of \$630,825, the accretion on Capital Appreciation Bonds of \$2,081,085, and the accumulation of other benefits of \$4,741,684 in the financial statements should be shown as decreases in capital assets and increases in long-term debt in the government-wide financial statements. The net effect of removing the 2009 capital outlays and debt principal payments is to increase (decrease) net assets.</p>		
		37,721,067
<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>		
		(14,939,291)
<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>		
		1,695,118
<b>Change in Net Assets of Governmental Activities</b>	<b>\$</b>	<b>16,507,887</b>

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, 2009

EXHIBIT C-5

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	\$ 100,611,876	\$ 100,611,876	\$ 98,767,883	\$ (1,843,993)
5800	State Program Revenues	189,184,895	203,606,336	204,105,468	499,132
5900	Federal Program Revenues	765,000	830,000	2,994,303	2,164,303
5020	Total Revenues	290,561,771	305,048,212	305,867,654	819,442
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	160,545,629	170,995,263	165,295,504	5,699,760
0012	Instructional Resources and Media Services	4,640,096	6,237,954	4,837,970	1,399,984
0013	Curriculum and Instructional Staff Development	912,362	673,863	434,793	239,070
0021	Instructional Leadership	4,086,902	4,888,193	4,593,870	294,323
0023	School Leadership	18,289,717	19,367,946	18,765,586	602,360
0031	Guidance, Counseling and Evaluation Services	11,136,005	11,817,363	11,145,574	671,789
0032	Social Work Services	1,847,337	1,941,883	1,854,169	87,714
0033	Health Services	3,436,462	3,626,125	3,529,362	96,763
0034	Student (Pupil) Transportation	12,794,262	16,596,883	14,799,211	1,797,672
0036	Extracurricular Activities	8,215,971	9,369,628	8,536,022	833,606
0041	General Administration	10,117,334	10,669,181	10,125,876	543,305
0051	Facilities Maintenance and Operations	35,907,865	37,151,507	35,122,539	2,028,968
0052	Security and Monitoring Services	6,428,590	6,960,661	6,598,609	362,052
0053	Data Processing Services	3,534,063	5,061,690	3,669,208	1,392,482
0061	Community Services	239,352	260,623	189,760	70,863
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	2,249,190	2,769,190	2,187,672	581,518
0072	Debt Service - Interest on Long Term Debt	549,440	632,792	632,792	-
0073	Debt Service - Bond Issuance Cost and Fees	8,000	125,800	54,386	71,414
Capital Outlay:					
0081	Facilities Acquisition and Construction	1,010,000	15,829,746	6,391,187	9,438,559
Intergovernmental:					
0095	Payments to Juvenile Justice Alternative Ed. Prg.	400,000	400,000	340,000	60,000
0099	Webb County Appraisal District	1,500,000	1,500,000	1,367,196	132,804
6030	Total Expenditures	287,848,577	326,876,291	300,471,284	26,405,007
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	2,713,194	(21,828,079)	5,396,369	27,224,448
<b>OTHER FINANCING SOURCES (USES):</b>					
7913	Proceeds from Capital Leases	-	-	630,824	630,824
7914	Loan Proceeds	-	7,350,000	7,350,000	-
7915	Transfers In	100,000	100,000	100,000	-
8911	Transfers Out (Use)	(2,500,000)	(2,500,000)	(2,500,000)	-
7080	Total Other Financing Sources (Uses)	(2,400,000)	4,950,000	5,580,824	630,824
1200	Net Change in Fund Balances	313,194	(16,878,079)	10,977,194	27,855,273
0100	Fund Balance - September 1 (Beginning)	71,639,991	71,639,991	71,639,991	-
3000	Fund Balance - August 31 (Ending)	\$ 71,953,185	\$ 54,761,912	\$ 82,617,185	\$ 27,855,273

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, 2009

	Business-Type Activities
	70
	Food Services
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 712,824
Due from Other Governments	505,874
Due from Other Funds	610,154
Other Receivables	30,405
Inventories	350,154
Total Current Assets	<u>2,209,411</u>
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	69,800
Depreciation on Buildings	(27,791)
Furniture and Equipment	4,130,741
Depreciation on Furniture and Equipment	<u>(3,552,788)</u>
Total Noncurrent Assets	<u>619,962</u>
Total Assets	<u>2,829,374</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	269,196
Short Term Bonds, Loans, and Other Payable	41,258
Accrued Wages Payable	212,842
Unearned Revenues	88,107
Total Current Liabilities	<u>611,403</u>
Noncurrent Liabilities:	
Loans Payable - Due in More than One Year	63,600
Other Long-Term Debt - Due in More than One Year	<u>15,889</u>
Total Noncurrent Liabilities	<u>79,489</u>
Total Liabilities	<u>690,892</u>
NET ASSETS	
Investments in Capital Assets, Net of Debt	540,643
Unrestricted Net Assets	<u>1,597,839</u>
Total Net Assets	<u>\$ 2,138,482</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, 2009

	Business-Type Activities
	70
	Food Services
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OPERATING REVENUES:	
Local and Intermediate Sources	\$ 2,297,216
State Program Revenues	617,953
Total Operating Revenues	2,915,169
OPERATING EXPENSES:	
Payroll Costs	10,170,512
Professional and Contracted Services	411,027
Supplies and Materials	9,319,767
Other Operating Costs	49,829
Depreciation	162,685
Total Operating Expenses	20,113,821
Operating Income (Loss)	(17,198,652)
NONOPERATING REVENUES (EXPENSES):	
National School Breakfast Program	5,039,999
National School Lunch Program	10,731,245
Donated Commodities (USDA)	1,256,876
Earnings from Temporary Deposits & Investments	17,457
Total Nonoperating Revenues (Expenses)	17,045,577
Change in Net Assets	(153,075)
Total Net Assets - September 1 (Beginning)	2,291,557
Total Net Assets - August 31 (Ending)	\$ 2,138,482

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, 2009

	Business-Type Activities
	70
	Food Services
<hr/>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 1,721,539
Cash Received from State	636,669
Cash Payments to Employees for Services	(10,125,000)
Cash Payments for Contracted Services	(411,027)
Cash Payments for Suppliers	(8,064,560)
Cash Payments for Other Operating Expenses	(49,829)
Net Cash Used for Operating Activities	<u>(16,292,209)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Increase(decrease) in Short-term Loans	(36,970)
Federal Grants	15,771,244
Net Cash Provided by Non-Capital Financing Activities	<u>15,734,274</u>
<u>Cash Flows from Capital &amp; Related Financing Activities:</u>	
Acquisition of Capital Assets	(265,489)
Long Term Loans & Other Debt	79,489
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>(186,000)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	<u>17,457</u>
Net Decrease in Cash and Cash Equivalents	(726,478)
Cash and Cash Equivalents at Beginning of the Year:	<u>1,439,302</u>
Cash and Cash Equivalents at the End of the Year:	<u>\$ 712,824</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, 2009

	Business-Type Activities
	70
	Food
	Services
<hr/>	
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (17,198,652)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	162,685
Commodity Expense - USDA Various Food Products	1,256,876
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	(29,212)
Decrease (increase) in Inventories	14,568
Decrease (increase) in Due From Other	(546,465)
Increase (decrease) in Accounts Payable	(16,237)
Increase (decrease) in Accrued Wages Payables	45,512
Increase (decrease) in Unearned Revenue	18,716
Net Cash Used for Operating Activities	<u>\$ (16,292,209)</u>
<u>Noncash Investing, Capital and Financing Activities:</u>	
Commodity Expense - USDA Various Food Products	1,256,876

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, 2009

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	Agency Fund
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ASSETS	
Cash and Cash Equivalents	\$ 1,356,493
Total Assets	<u>\$ 1,356,493</u>
LIABILITIES	
Due to Student Groups	\$ 1,356,493
Total Liabilities	<u>\$ 1,356,493</u>

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