



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC: Consideration and Approval of Independent Audit Report for the Year Ended August 31, 2010

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

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: December 15, 2010

RECOMMENDATION:

It is recommended that the Board of Trustees approve the independent audit report for the year ended August 31, 2010, 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 15, 2010.

BUDGETARY INFORMATION:

N/A

BOARD POLICY REFERENCE AND COMPLIANCE:

UNITED INDEPENDENT SCHOOL DISTRICT

**ANNUAL FINANCIAL REPORT FOR THE
YEAR ENDED**

AUGUST 31, 2010

UNITED INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2010

EXHIBIT A-1

Data Control Codes	Primary Government			
	1 Governmental Activities	2 Business Type Activities	3 Total	
ASSETS				
1110	Cash and Cash Equivalents	\$ 114,648,689	\$ 1,910,147	\$ 116,558,836
1220	Property Taxes Receivable (Delinquent)	7,805,255	-	7,805,255
1230	Allowance for Uncollectible Taxes	(2,872,445)	-	(2,872,445)
1240	Due from Other Governments	6,314,264	642,913	6,957,177
1250	Accrued Interest	94	-	94
1260	Internal Balances	(110,300)	110,300	-
1290	Other Receivables, net	431,365	25,739	457,104
1300	Inventories	281,409	433,393	714,802
1410	Prepaid Expenses	540,316	-	540,316
Capital Assets:				
1510	Land	30,019,994	-	30,019,994
1520	Buildings, Net	273,598,967	34,254	273,633,221
1530	Furniture and Equipment, Net	18,102,957	451,057	18,554,014
1580	Construction in Progress	10,014,419	-	10,014,419
1800	Restricted Assets	50,000	-	50,000
1000	Total Assets	458,824,983	3,607,803	462,432,786
LIABILITIES				
2110	Accounts Payable	4,348,821	113,713	4,462,534
2120	Short Term Debt Payable	-	86,305	86,305
2150	Payroll Deductions & Withholdings	98,451	-	98,451
2160	Accrued Wages Payable	10,209,236	249,624	10,458,860
2180	Due to Other Governments	4,152,160	-	4,152,160
2190	Due to Student Groups	15,705	-	15,705
2200	Accrued Expenses	74,798	-	74,798
2300	Unearned Revenues	358,385	95,681	454,066
2400	Payable from Restricted Assets	482,610	-	482,610
Noncurrent liabilities				
2501	Due Within One Year	20,211,269	-	20,211,269
2502	Due in More Than One Year	286,213,185	68,609	286,281,794
2000	Total Liabilities	326,164,620	613,932	326,778,553
NET ASSETS				
3200	Invested in Capital Assets, Net of Related Debt	48,563,870	423,340	48,987,211
Restricted for:				
3820	Restricted for Federal and State Programs	361,651	-	361,651
3850	Restricted for Debt Service	19,343,634	-	19,343,634
3860	Restricted for Capital Projects	23,389,709	-	23,389,709
3890	Restricted for Other Purposes	1,574,650	-	1,574,650
3900	Unrestricted Net Assets	39,426,848	2,570,530	41,997,378
3000	Total Net Assets	\$ 132,660,362	\$ 2,993,871	\$ 135,654,233

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, 2010

Data Control Codes	1 Expenses	Program Revenues	
		3 Charges for Services	4 Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 219,261,874	\$ 15	\$ 46,540,258
12 Instructional Resources and Media Services	5,908,288	-	523,616
13 Curriculum and Staff Development	1,916,130	-	1,601,147
21 Instructional Leadership	7,702,645	-	3,520,719
23 School Leadership	20,779,259	-	1,475,161
31 Guidance, Counseling and Evaluation Services	13,415,106	-	2,594,553
32 Social Work Services	1,905,368	-	126,697
33 Health Services	3,938,196	-	269,976
34 Student (Pupil) Transportation	14,285,001	-	1,204,485
35 Food Services	1,376,096	7,795	1,331,974
36 Extracurricular Activities	9,546,023	1,606,887	105,781
41 General Administration	10,443,307	-	522,631
51 Plant Maintenance and Operations	36,116,469	-	1,617,590
52 Security and Monitoring Services	6,479,502	-	342,454
53 Data Processing Services	2,616,363	-	445,561
61 Community Services	632,578	-	464,044
72 Debt Service - Interest on Long Term Debt	18,040,532	-	1,631,214
73 Debt Service - Bond Issuance Cost and Fees	86,970	-	-
81 Capital Outlay	-	-	126,054
95 Juvenile Justice Alternative Ed. Prg.	150,000	-	-
99 Webb County Appraisal District	1,445,218	-	-
[TG] Total Governmental Activities:	376,041,824	1,614,697	64,443,915
BUSINESS-TYPE ACTIVITIES:			
35 Enterprise Fund - National School Breakfast & Lunch	21,084,421	3,080,211	18,854,547
[TB] Total Business-Type Activities:	21,084,421	3,080,211	18,854,547
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 397,126,245	\$ 4,694,908	\$ 83,298,462

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 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
\$ (172,721,601)	\$ -	\$ (172,721,601)
(5,384,672)	-	(5,384,672)
(314,983)	-	(314,983)
(4,181,926)	-	(4,181,926)
(19,304,098)	-	(19,304,098)
(10,820,553)	-	(10,820,553)
(1,778,571)	-	(1,778,571)
(3,665,220)	-	(3,665,220)
(13,080,516)	-	(13,080,516)
(36,327)	-	(36,327)
(7,833,355)	-	(7,833,355)
(9,920,676)	-	(9,920,676)
(34,498,879)	-	(34,498,879)
(6,137,048)	-	(6,137,048)
(2,170,802)	-	(2,170,802)
(168,534)	-	(168,534)
(16,409,318)	-	(16,409,318)
(86,970)	-	(86,970)
126,054	-	126,054
(150,000)	-	(150,000)
(1,445,218)	-	(1,445,218)
<u>(309,983,212)</u>	<u>-</u>	<u>(309,983,212)</u>
-	850,337	850,337
-	850,337	850,337
<u>(309,983,212)</u>	<u>850,337</u>	<u>(309,132,876)</u>
95,684,363	-	95,684,363
14,248,414	-	14,248,414
194,010,773	-	194,010,773
2,260,041	-	2,260,041
493,125	5,052	498,177
8,543,343	-	8,543,343
<u>315,240,059</u>	<u>5,052</u>	<u>315,245,111</u>
5,256,847	855,389	6,112,235
127,403,515	2,138,482	129,541,997
<u>\$ 132,660,362</u>	<u>\$ 2,993,871</u>	<u>\$ 135,654,232</u>

UNITED INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2010

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 107,232,920	\$ 5,077,925	\$ 1,582,183
1220 Property Taxes - Delinquent	6,742,445	1,062,810	-
1230 Allowance for Uncollectible Taxes (Credit)	(2,451,518)	(420,927)	-
1240 Receivables from Other Governments	1,724,127	-	-
1250 Accrued Interest	-	-	-
1260 Due from Other Funds	3,474,619	-	-
1290 Other Receivables	431,365	-	-
1300 Inventories	281,409	-	-
1410 Deferred Expenditures	540,316	-	-
1800 Restricted Assets	-	-	-
1000 Total Assets	<u>\$ 117,975,683</u>	<u>\$ 5,719,808</u>	<u>\$ 1,582,183</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2110 Accounts Payable	\$ 3,906,555	\$ -	\$ 222,059
2150 Payroll Deductions and Withholdings Payable	98,451	-	-
2160 Accrued Wages Payable	9,435,668	-	-
2170 Due to Other Funds	-	-	-
2180 Due to Other Governments	3,546,184	596,615	-
2190 Due to Student Groups	-	-	-
2200 Accrued Expenditures	74,798	-	-
2300 Deferred Revenues	3,817,345	549,347	-
2400 Payable from Restricted Assets	482,610	-	-
2000 Total Liabilities	<u>21,361,611</u>	<u>1,145,962</u>	<u>222,059</u>
Fund Balances:			
Reserved For:			
3410 Investments in Inventory	281,409	-	-
3420 Retirement of Long Term Debt	10,619,788	4,573,846	-
3430 Prepaid Items	540,316	-	-
3440 Outstanding Encumbrances	7,691,723	-	1,067,076
3470 Capital Acquisition	11,162,429	-	-
Unreserved Designated For:			
3590 Other Purposes	16,287,157	-	-
Unreserved and Undesignated:			
3600 Reported in the General Fund	50,031,250	-	-
3610 Reported in Special Revenue Funds	-	-	-
3620 Reported in Capital Projects Funds	-	-	293,048
3630 Reported in Permanent Funds	-	-	-
3000 Total Fund Balances	<u>96,614,072</u>	<u>4,573,846</u>	<u>1,360,124</u>
4000 Total Liabilities and Fund Balances	<u>\$ 117,975,683</u>	<u>\$ 5,719,808</u>	<u>\$ 1,582,183</u>

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

Other Funds	Total Governmental Funds
\$ 755,661	\$ 114,648,689
-	7,805,255
-	(2,872,445)
4,590,137	6,314,264
94	94
-	3,474,619
-	431,365
-	281,409
-	540,316
50,000	50,000
<u>\$ 5,395,892</u>	<u>\$ 130,673,566</u>
\$ 220,207	\$ 4,348,821
-	98,451
773,568	10,209,236
3,584,919	3,584,919
9,361	4,152,160
15,705	15,705
-	74,798
125,831	4,492,523
-	482,610
<u>4,729,591</u>	<u>27,459,223</u>
-	281,409
-	15,193,634
-	540,316
-	8,758,799
-	11,162,429
-	16,287,157
-	50,031,250
614,629	614,629
-	293,048
51,672	51,672
<u>666,301</u>	<u>103,214,343</u>
<u>\$ 5,395,892</u>	<u>\$ 130,673,566</u>

UNITED INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET ASSETS
 AUGUST 31, 2010

Total Fund Balances - Governmental Funds	\$	103,214,343
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 \$495,937,551 and the accumulated depreciation was \$162,986,161. In addition, long-term liabilities, including bonds payable, Public Property Finance Contractual Obligations (PPFCO's), leases and Loan Star proceeds totaled \$300,150,449 and other long-term liabilities of \$1,226,515 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.		31,574,426
Current year capital outlays of \$16,291,961 (\$11,312,047 from facilities acquisition and construction, with the remaining \$4,979,614 coming from the various other functions) and long-term debt principal payments of \$17,119,100; amortization of premiums in the amount of \$364,407, and reductions of \$6,444,087 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 \$6,932, and the issuance of Qualified School Construction Bonds in the amount of \$17,440,000, the addition of a new capital lease of \$4,650,938, the accretion on Capital Appreciation Bonds \$2,023,628, and the accumulation of other benefits of \$4,860,519 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 2010 capital outlays and debt principal payments is to increase (decrease) net assets.		11,237,538
The 2010 depreciation expense of \$22,535,658 net of adjustments/disposals of \$5,035,576 increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(17,500,082)
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.		4,134,138
Net Assets of Governmental Activities	\$	132,660,362

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, 2010

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 100,185,562	\$ 14,523,900	\$ 8,930
5800 State Program Revenues	201,682,669	7,401,472	-
5900 Federal Program Revenues	2,763,998	-	-
5020 Total Revenues	<u>304,632,229</u>	<u>21,925,372</u>	<u>8,930</u>
EXPENDITURES:			
Current:			
0011 Instruction	172,267,635	-	-
0012 Instructional Resources and Media Services	5,245,381	-	-
0013 Curriculum and Instructional Staff Development	352,111	-	-
0021 Instructional Leadership	4,631,440	-	-
0023 School Leadership	19,180,747	-	-
0031 Guidance, Counseling and Evaluation Services	11,547,989	-	-
0032 Social Work Services	1,875,467	-	-
0033 Health Services	3,859,393	-	-
0034 Student (Pupil) Transportation	12,493,289	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	8,308,286	-	-
0041 General Administration	9,865,972	-	-
0051 Facilities Maintenance and Operations	36,706,592	-	-
0052 Security and Monitoring Services	6,499,810	-	-
0053 Data Processing Services	2,682,893	-	-
0061 Community Services	186,242	-	-
Debt Service:			
0071 Debt Service - Principal on Long Term Debt	2,145,801	15,220,000	-
0072 Debt Service - Interest on Long Term Debt	812,768	10,915,211	-
0073 Debt Service - Bond Issuance Cost and Fees	82,727	4,243	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	8,582,228	-	2,472,667
Intergovernmental:			
0095 Juvenile Justice Alternative Ed. Prg.	150,000	-	-
0099 Webb County Appraisal District	1,445,218	-	-
6030 Total Expenditures	<u>308,921,988</u>	<u>26,139,454</u>	<u>2,472,667</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,289,759)</u>	<u>(4,214,082)</u>	<u>(2,463,737)</u>
OTHER FINANCING SOURCES (USES):			
7913 Issuance of Capital Leases	4,650,938	-	-
7914 Issuance of Non-Current Loans	17,440,000	-	-
7915 Transfers In	100,000	3,904,291	-
8911 Transfers Out (Use)	(3,904,291)	-	-
7080 Total Other Financing Sources (Uses)	<u>18,286,647</u>	<u>3,904,291</u>	<u>-</u>
1200 Net Change in Fund Balances	13,996,888	(309,791)	(2,463,737)
0100 Fund Balance - September 1 (Beginning)	<u>82,617,185</u>	<u>4,883,637</u>	<u>3,823,860</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 96,614,072</u>	<u>\$ 4,573,846</u>	<u>\$ 1,360,123</u>

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

Other Funds	Total Governmental Funds
\$ 937,803	\$ 115,656,195
5,416,688	214,500,829
43,449,902	46,213,900
<u>49,804,393</u>	<u>376,370,924</u>
36,728,428	208,996,062
281,852	5,527,233
1,563,914	1,916,025
3,117,130	7,748,570
1,217,049	20,397,796
1,859,058	13,407,047
29,481	1,904,948
75,683	3,935,076
570,201	13,063,490
835,813	835,813
10,768	8,319,054
146,440	10,012,412
698,350	37,404,942
35,556	6,535,366
338,524	3,021,417
446,246	632,488
1,414,006	18,779,807
59,522	11,787,501
-	86,970
257,152	11,312,047
-	150,000
-	1,445,218
<u>49,685,173</u>	<u>387,219,282</u>
119,220	(10,848,358)
-	4,650,988
-	17,440,000
-	4,004,291
(100,000)	(4,004,291)
(100,000)	22,090,938
19,220	11,242,580
647,081	91,971,763
<u>\$ 666,301</u>	<u>\$ 103,214,343</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, 2010

Total Net Change in Fund Balances - Governmental Funds	\$	11,242,580
<p>Current year capital outlays of \$16,291,961 (\$11,312,047 from facilities acquisition and construction, with the remaining \$4,979,614 coming from the various other functions) and long-term debt principal payments of \$17,119,100, amortizations of premiums in the amount of \$364,407, and the reductions of \$6,444,087 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 \$6,932, and the issuance of Qualified School Construction Bonds in the amount of \$17,440,000, the addition of a new capital lease of \$4,650,938, the accretion on Capital Appreciation Bonds \$2,023,628, and the accumulation of other benefits of \$4,860,519 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 2010 capital outlays and debt principal payments is to increase (decrease) net assets.</p>		
		11,237,538
<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>		
		(17,500,082)
<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>		
		276,810
Change in Net Assets of Governmental Activities	\$	5,256,847

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, 2010

EXHIBIT C-5

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	\$ 100,284,404	\$ 100,284,404	\$ 100,185,562	\$ (98,842)
5800 State Program Revenues	199,581,599	204,482,046	201,682,669	(2,799,377)
5900 Federal Program Revenues	970,000	970,000	2,763,998	1,793,998
5020 Total Revenues	300,836,003	305,736,450	304,632,229	(1,104,221)
EXPENDITURES:				
Current:				
0011 Instruction	167,670,152	173,956,119	172,267,635	1,688,485
0012 Instructional Resources and Media Services	4,808,071	5,551,881	5,245,381	306,500
0013 Curriculum and Instructional Staff Development	951,630	690,227	352,111	338,116
0021 Instructional Leadership	5,081,231	5,098,767	4,631,440	467,327
0023 School Leadership	19,301,517	19,524,410	19,180,747	343,663
0031 Guidance, Counseling and Evaluation Services	11,658,181	11,808,498	11,547,989	260,509
0032 Social Work Services	1,983,380	2,080,512	1,873,467	205,045
0033 Health Services	3,672,075	4,196,465	3,859,893	337,072
0034 Student (Pupil) Transportation	13,083,310	14,660,059	12,493,289	2,166,770
0036 Extracurricular Activities	9,017,955	9,406,490	8,308,286	1,098,204
0041 General Administration	10,734,978	10,771,229	9,865,972	905,257
0051 Facilities Maintenance and Operations	37,057,300	40,040,186	36,706,592	3,333,594
0052 Security and Monitoring Services	6,871,953	7,331,971	6,499,810	852,161
0053 Data Processing Services	2,610,749	3,226,608	2,682,893	543,715
0061 Community Services	146,670	245,175	186,242	58,933
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	2,706,745	2,161,701	2,145,801	15,900
0072 Debt Service - Interest on Long Term Debt	692,006	813,006	812,768	238
0073 Debt Service - Bond Issuance Cost and Fees	8,000	103,000	82,727	20,273
Capital Outlay:				
0081 Facilities Acquisition and Construction	1,030,000	34,520,244	8,582,228	25,938,016
Intergovernmental:				
0095 Juvenile Justice Alternative Ed. Prg.	400,000	400,000	150,000	250,000
0099 Webb County Appraisal District	1,450,000	1,450,000	1,445,218	4,782
6030 Total Expenditures	300,936,003	348,056,548	308,921,988	39,134,560
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(42,320,098)	(4,289,759)	38,030,339
OTHER FINANCING SOURCES (USES):				
7913 Issuance of Capital Leases	-	4,650,938	4,650,938	-
7914 Issuance of Non-Current Loans	-	17,440,000	17,440,000	-
7915 Transfers In	100,000	100,000	100,000	-
8911 Transfers Out (Use)	-	(3,904,291)	(3,904,291)	-
7080 Total Other Financing Sources (Uses)	100,000	18,286,647	18,286,647	-
1200 Net Change in Fund Balances	-	(24,033,451)	13,996,888	38,030,339
0100 Fund Balance - September 1 (Beginning)	74,975,033	82,617,184	82,617,185	1
3000 Fund Balance - August 31 (Ending)	\$ 74,975,033	\$ 58,583,733	\$ 96,614,072	\$ 38,030,340

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, 2010

EXHIBIT D-1

	Business-Type Activities
	70
	Food Services
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,910,147
Due from Other Governments	642,913
Due from Other Funds	113,025
Other Receivables	25,739
Inventories	433,393
Total Current Assets	3,125,217
Noncurrent Assets:	
Capital Assets:	
Buildings and Improvements	69,800
Depreciation on Buildings	(35,546)
Furniture and Equipment	4,152,232
Depreciation on Furniture and Equipment	(3,701,175)
Total Noncurrent Assets	485,311
Total Assets	3,610,528
LIABILITIES	
Current Liabilities:	
Accounts Payable	113,713
Short Term Debt Payable	86,305
Accrued Wages Payable	249,624
Due to Other Funds	2,725
Unearned Revenues	95,681
Total Current Liabilities	548,048
Noncurrent Liabilities:	
Loans Payable - Due in More than One Year	47,700
Other Long-Term Debt - Due in More than One Year	20,909
Total Noncurrent Liabilities	68,609
Total Liabilities	616,657
NET ASSETS	
Investments in Capital Assets, Net of Debt	423,340
Unrestricted Net Assets	2,570,530
Total Net Assets	\$ 2,993,871

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, 2010

EXHIBIT D-2

	Business-Type Activities
	70 Food Services
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OPERATING REVENUES:	
Local and Intermediate Sources	\$ 2,438,799
State Program Revenues	641,412
Total Operating Revenues	3,080,211
OPERATING EXPENSES:	
Payroll Costs	10,764,214
Professional and Contracted Services	362,962
Supplies and Materials	9,753,687
Other Operating Costs	47,235
Depreciation	156,323
Total Operating Expenses	21,084,421
Operating Income (Loss)	(18,004,210)
NONOPERATING REVENUES (EXPENSES):	
National School Breakfast Program	5,705,863
National School Lunch Program	12,137,067
Donated Commodities (USDA)	1,011,617
Earnings from Temporary Deposits & Investments	5,052
Total Nonoperating Revenues (Expenses)	18,859,599
Change in Net Assets	855,389
Total Net Assets - September 1 (Beginning)	2,138,482
Total Net Assets - August 31 (Ending)	\$ 2,993,871

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, 2010

	Business-Type Activities
	70 Food Services
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 2,803,556
Cash Received from State	648,986
Cash Payments to Employees for Services	(10,724,707)
Cash Payments for Contracted Services	(362,962)
Cash Payments for Suppliers	(8,980,792)
Cash Payments for Other Operating Expenses	(47,235)
Net Cash Used for Operating Activities	(16,663,154)
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Increase(decrease) in Short-term Loans	45,047
Federal Grants	17,842,930
Net Cash Provided by Non-Capital Financing Activities	17,887,977
<u>Cash Flows from Capital & Related Financing Activities:</u>	
Acquisition of Capital Assets	(101,161)
Long Term Loan & Other Debt	68,609
Net Cash Provided by (Used for) Capital & Related Financing Activities	(32,552)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	5,052
Net Increase in Cash and Cash Equivalents	1,197,323
Cash and Cash Equivalents at Beginning of the Year:	712,824
Cash and Cash Equivalents at the End of the Year:	\$ 1,910,147

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, 2010

	Business-Type Activities
	70 Food Services
Reconciliation of Operating Income (Loss) to Net Cash	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (18,004,210)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:	
Depreciation	156,323
Commodity Expense - USDA Various Food Products	1,011,617
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	4,666
Decrease (increase) in Inventories	(83,239)
Decrease (increase) in Due from Other	360,091
Increase (decrease) in Accounts Payable	(155,483)
Increase (decrease) in Accrued Wages Payable	36,782
Increase (decrease) in Due to Other Funds	2,725
Increase (decrease) in Unearned Revenue	7,574
Net Cash Used for Operating Activities	<u>\$ (16,663,154)</u>
<u>Noncash Investing, Capital and Financing Activities:</u>	
Commodity Expense - USDA Various Food Products	1,011,617

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, 2010

	Agency Fund
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ASSETS	
Cash and Cash Equivalents	\$ 1,351,371
Total Assets	<u>\$ 1,351,371</u>
LIABILITIES	
Due to Student Groups	\$ 1,351,371
Total Liabilities	<u>\$ 1,351,371</u>

DRAFT

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